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State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION

H. F. No. 4450

04/19/2018 Authored by Davids
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; individual income and corporate franchise; requiring the
1.3 commissioner of revenue to reduce tax rates under certain conditions; amending
1.4 Minnesota Statutes 2016, section 16A.152, by adding a subdivision.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2016, section 16A.152, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 2a. Tax rates adjustment. (a) The commissioner of revenue must make reductions
1.9 to the individual income tax rates and the corporate franchise tax rate in section 290.06,
1.10 subdivisions 1 and 2c, by one-tenth of one percent if, on the basis of a November forecast
1.11 of general fund revenues and expenditures, the commissioner of management and budget
1.12 determines that the following conditions have been met:

1.13 (1) the provisions of subdivision 2, paragraph (a), clauses (1) to (4), are satisfied; and

1.14 (2) for a forecast occurring in an even-numbered year, revenues exceed expenditures,
1.15 excluding any carryforward amounts, at the close of the next biennium and the subsequent
1.16 biennium by an amount greater than the revenue reduction resulting from the corresponding
1.17 rate cuts defined in this paragraph, as estimated by the commissioner of revenue; or

1.18 (3) for a forecast occurring in an odd-numbered year, revenues exceed expenditures,
1.19 excluding any carryforward amounts, at the close of the current biennium and the subsequent
1.20 biennium by an amount greater than the revenue reduction resulting from the corresponding
1.21 rate cuts defined in this paragraph, as estimated by the commissioner of revenue.

2.1 (b) Rate reductions under this subdivision resulting from a November forecast in an
2.2 even-numbered year are effective for all taxable years beginning with the taxable year that
2.3 begins one year after January 1 of the year immediately following the forecast year.

2.4 (c) Rate reductions under this subdivision resulting from a November forecast in an
2.5 odd-numbered year are effective for all taxable years beginning with the taxable year that
2.6 begins on January 1 of the year immediately following the forecast year.

2.7 (d) Reductions enacted under this subdivision shall not exceed one percent for each rate.

2.8 (e) Rate reductions under this subdivision shall occur before calculating any transfers
2.9 to the budget reserve account under subdivision 1b, paragraph (b).

2.10 (f) The commissioner of revenue must publish the new tax rates in the State Register at
2.11 least 30 days before the rate change going into effect. After the commissioner of revenue
2.12 publishes the new tax rates in the State Register, the revisor of statutes must update the tax
2.13 rates in section 290.06, subdivisions 1 and 2c, in the next edition of Minnesota Statutes.

2.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.