

A bill for an act

relating to taxation; requiring reporting of nonwage payments to construction service providers; amending Minnesota Statutes 2012, sections 270B.14, subdivision 2; 289A.12, by adding a subdivision; 289A.18, subdivision 1.

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

Section 1. Minnesota Statutes 2012, section 270B.14, subdivision 2, is amended to read:

Subd. 2. **Disclosure to Department of Employment and Economic Development.**

(a) Data relating to individuals are treated as follows:

(1) Return information may be disclosed to the Department of Employment and Economic Development to the extent provided in clause (2) and for the purposes provided in clause (3).

(2) The data that may be disclosed is limited to the amount of gross income earned by an individual, the total amounts of earnings from each employer, and the employer's name.

(3) Data may be requested pertaining only to individuals who have claimed benefits under sections 268.03 to 268.23 and only if the individuals are the subject of investigations based on other information available to the Department of Employment and Economic Development. Data received may be used only as set forth in section 268.19, subdivision 1, paragraph (b).

(b) Data pertaining to corporations or other employing units may be disclosed to the Department of Employment and Economic Development to the extent necessary for the proper enforcement of chapter 268.

(c) Data pertaining to returns required by section 289A.12, subdivision 18, regarding nonwage payments to construction service providers, may be disclosed to the Department

2.1 of Employment and Economic Development to the extent necessary for the proper  
2.2 enforcement of chapter 268.

2.3 Sec. 2. Minnesota Statutes 2012, section 289A.12, is amended by adding a subdivision  
2.4 to read:

2.5 Subd. 18. **Nonwage payments to construction service providers.** (a) All  
2.6 persons engaged in a trade or business and making payment in the course of such a  
2.7 trade or business to another person of \$600 or more in any taxable year for performing  
2.8 construction services shall file an annual report of such payments on a form prescribed by  
2.9 the commissioner. The report must include:

2.10 (1) the name, address, and tax identification number of the payor;

2.11 (2) the name, address, and tax identification number of the construction service  
2.12 provider;

2.13 (3) the total amount that the payor paid to the construction service provider in the  
2.14 taxable year; and

2.15 (4) any other information required by the commissioner.

2.16 (b) For the purposes of this subdivision, the following terms have the meanings  
2.17 given to them:

2.18 (1) "construction services" includes, but is not limited to, the erection, excavation,  
2.19 installation, alteration, addition, modification, repair, improvement, demolition, and  
2.20 dismantling or removal of all or any part of a building, structure, dock wharf, surface, or  
2.21 subsurface construction on or attached to any real property;

2.22 (2) "construction service provider" means a person performing construction services;

2.23 (3) "payment" does not include wages paid to an employee of the payor; and

2.24 (4) "person" includes an individual, corporation, partnership, association, or limited  
2.25 liability company.

2.26 (c) The requirements of this subdivision do not apply to any payment for construction  
2.27 services by a person whose business plan does not include the contracting of construction  
2.28 services while in the normal course of business.

2.29 (d) If the payment to the construction service provider includes payment for  
2.30 materials and equipment as well as construction services, then those payments for  
2.31 materials and equipment must also be reported.

2.32 **EFFECTIVE DATE.** This section is effective for taxable years beginning after  
2.33 December 31, 2012.

2.34 Sec. 3. Minnesota Statutes 2012, section 289A.18, subdivision 1, is amended to read:

3.1 Subdivision 1. **Individual income, fiduciary income, corporate franchise, and**  
3.2 **entertainment taxes; partnership and S corporation returns; information returns;**  
3.3 **mining company returns.** The returns required to be made under sections 289A.08 and  
3.4 289A.12 must be filed at the following times:

3.5 (1) returns made on the basis of the calendar year must be filed on April 15 following  
3.6 the close of the calendar year, except that returns of corporations must be filed on the due  
3.7 date for filing the federal income tax return;

3.8 (2) returns made on the basis of the fiscal year must be filed on the 15th day of the  
3.9 fourth month following the close of the fiscal year, except that returns of corporations  
3.10 must be filed on the due date for filing the federal income tax return;

3.11 (3) returns for a fractional part of a year must be filed on the due date for filing the  
3.12 federal income tax return;

3.13 (4) in the case of a final return of a decedent for a fractional part of a year, the return  
3.14 must be filed on the 15th day of the fourth month following the close of the 12-month  
3.15 period that began with the first day of that fractional part of a year;

3.16 (5) in the case of the return of a cooperative association, returns must be filed on or  
3.17 before the 15th day of the ninth month following the close of the taxable year;

3.18 (6) if a corporation has been divested from a unitary group and files a return for  
3.19 a fractional part of a year in which it was a member of a unitary business that files a  
3.20 combined report under section 290.17, subdivision 4, the divested corporation's return  
3.21 must be filed on the 15th day of the third month following the close of the common  
3.22 accounting period that includes the fractional year;

3.23 (7) returns of entertainment entities must be filed on April 15 following the close of  
3.24 the calendar year;

3.25 (8) returns required to be filed under section 289A.08, subdivision 4, must be filed  
3.26 on the 15th day of the fifth month following the close of the taxable year;

3.27 (9) returns of mining companies must be filed on May 1 following the close of the  
3.28 calendar year; ~~and~~

3.29 (10) returns required to be filed with the commissioner under section 289A.12,  
3.30 subdivision 2, 4 to 10, or 16 must be filed within 30 days after being demanded by the  
3.31 commissioner; and

3.32 (11) returns required to be filed with the commissioner under section 289A.12,  
3.33 subdivision 18, must be filed by the payor with the commissioner, with a copy sent to the  
3.34 construction service provider, on or before January 31 following the taxable year in which  
3.35 the payment was made.

4.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after  
4.2 December 31, 2012.