

CHAPTER 270

DEPARTMENT OF REVENUE

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270.052 AGREEMENT WITH INTERNAL REVENUE SERVICE.

Pursuant to section 270B.12, the commissioner may enter into an agreement with the Internal Revenue Service to identify taxpayers who have refunds due from the Department of Revenue and liabilities owing to the Internal Revenue Service. In accordance with the procedures established in the agreement, the Internal Revenue Service may levy against the refunds to be paid by the Department of Revenue. For each refund levied upon, the commissioner shall first deduct from the refund a fee of \$20, and then remit the refund or the amount of the levy, whichever is less, to the Internal Revenue Service. The proceeds of fees shall be deposited into the Department of Revenue recapture revolving fund under section 270A.07, subdivision 1.

History: *1Sp2003 c 1 art 2 s 78*

270.059 REVENUE DEPARTMENT SERVICE AND RECOVERY SPECIAL REVENUE FUND.

A Revenue Department service and recovery special revenue fund is created for the purpose of recovering the costs of furnishing public government data and related services or products, as well as recovering costs associated with collecting local taxes on sales. All money collected under this section is deposited in the Revenue Department service and recovery special revenue fund. Money in the fund is appropriated to the commissioner of revenue to reimburse the Department of Revenue for the costs incurred in administering the tax law or providing the data, service, or product. Any monies paid to the department as a criminal fine for a tax law violation that are designated by the court to fund tax law enforcement are appropriated to this fund.

History: *2003 c-127 art 14 s 2*

270.06 POWERS AND DUTIES.

The commissioner of revenue shall:

(1) have and exercise general supervision over the administration of the assessment and taxation laws of the state, over assessors, town, county, and city boards of review and equalization, and all other assessing officers in the performance of their duties, to the end that all assessments of property be made relatively just and equal in compliance with the laws of the state;

(2) confer with, advise, and give the necessary instructions and directions to local assessors and local boards of review throughout the state as to their duties under the laws of the state;

(3) direct proceedings, actions, and prosecutions to be instituted to enforce the laws relating to the liability and punishment of public officers and officers and agents of corporations for failure or negligence to comply with the provisions of the laws of this state governing returns of assessment and taxation of property, and cause complaints to be made against local assessors, members of boards of equalization, members of boards

of review, or any other assessing or taxing officer, to the proper authority, for their removal from office for misconduct or negligence of duty;

(4) require county attorneys to assist in the commencement of prosecutions in actions or proceedings for removal, forfeiture and punishment for violation of the laws of this state in respect to the assessment and taxation of property in their respective districts or counties;

(5) require town, city, county, and other public officers to report information as to the assessment of property, collection of taxes received from licenses and other sources, and such other information as may be needful in the work of the Department of Revenue, in such form and upon such blanks as the commissioner may prescribe;

(6) require individuals, copartnerships, companies, associations, and corporations to furnish information concerning their capital, funded or other debt, current assets and liabilities, earnings, operating expenses, taxes, as well as all other statements now required by law for taxation purposes;

(7) subpoena witnesses, at a time and place reasonable under the circumstances, to appear and give testimony, and to produce books, records, papers and documents for inspection and copying relating to any matter which the commissioner may have authority to investigate or determine;

(8) issue a subpoena which does not identify the person or persons with respect to whose liability the subpoena is issued, but only if (a) the subpoena relates to the investigation of a particular person or ascertainable group or class of persons, (b) there is a reasonable basis for believing that such person or group or class of persons may fail or may have failed to comply with any law administered by the commissioner, (c) the information sought to be obtained from the examination of the records (and the identity of the person or persons with respect to whose liability the subpoena is issued) is not readily available from other sources, (d) the subpoena is clear and specific as to the information sought to be obtained, and (e) the information sought to be obtained is limited solely to the scope of the investigation. Provided further that the party served with a subpoena which does not identify the person or persons with respect to whose tax liability the subpoena is issued shall have the right, within 20 days after service of the subpoena, to petition the district court for the judicial district in which lies the county in which that party is located for a determination as to whether the commissioner of revenue has complied with all the requirements in (a) to (e), and thus, whether the subpoena is enforceable. If no such petition is made by the party served within the time prescribed, the subpoena shall have the force and effect of a court order;

(9) cause the deposition of witnesses residing within or without the state, or absent therefrom, to be taken, upon notice to the interested party, if any, in like manner that depositions of witnesses are taken in civil actions in the district court, in any matter which the commissioner may have authority to investigate or determine;

(10) investigate the tax laws of other states and countries and to formulate and submit to the legislature such legislation as the commissioner may deem expedient to prevent evasions of assessment and taxing laws, and secure just and equal taxation and improvement in the system of assessment and taxation in this state;

(11) consult and confer with the governor upon the subject of taxation, the administration of the laws in regard thereto, and the progress of the work of the Department of Revenue, and furnish the governor, from time to time, such assistance and information as the governor may require relating to tax matters;

(12) transmit to the governor, on or before the third Monday in December of each even-numbered year, and to each member of the legislature, on or before November 15 of each even-numbered year, the report of the Department of Revenue for the preceding years, showing all the taxable property in the state and the value of the same, in tabulated form;

(13) inquire into the methods of assessment and taxation and ascertain whether the assessors faithfully discharge their duties, particularly as to their compliance with the laws requiring the assessment of all property not exempt from taxation;

(14) administer and enforce the assessment and collection of state taxes and fees, including the use of any remedy available to nongovernmental creditors, and, from time to time, make, publish, and distribute rules for the administration and enforcement of laws administered by the commissioner and state tax laws. The rules have the force of law;

(15) prepare blank forms for the returns required by state tax law and distribute them throughout the state, furnishing them subject to charge on application;

(16) prescribe rules governing the qualification and practice of agents, attorneys, or other persons representing taxpayers before the commissioner. The rules may require that those persons, agents, and attorneys show that they are of good character and in good repute, have the necessary qualifications to give taxpayers valuable services, and are otherwise competent to advise and assist taxpayers in the presentation of their case before being recognized as representatives of taxpayers. After due notice and opportunity for hearing, the commissioner may suspend and bar from further practice before the commissioner any person, agent, or attorney who is shown to be incompetent or disreputable, who refuses to comply with the rules, or who with intent to defraud, willfully or knowingly deceives, misleads, or threatens a taxpayer or prospective taxpayer, by words, circular, letter, or by advertisement. This clause does not curtail the rights of individuals to appear in their own behalf or partners or corporations' officers to appear in behalf of their respective partnerships or corporations;

(17) appoint agents as the commissioner considers necessary to make examinations and determinations. The agents have the rights and powers conferred on the commissioner to subpoena, examine, and copy books, records, papers, or memoranda, subpoena witnesses, administer oaths and affirmations, and take testimony. In addition to administrative subpoenas of the commissioner and the agents, upon demand of the commissioner or an agent, the court administrator of any district court shall issue a subpoena for the attendance of a witness or the production of books, papers, records, or memoranda before the agent for inspection and copying. Disobedience of a court administrator's subpoena shall be punished by the district court of the district in which the subpoena is issued, or in the case of a subpoena issued by the commissioner or an agent, by the district court of the district in which the party served with the subpoena is located, in the same manner as contempt of the district court;

(18) appoint and employ additional help, purchase supplies or materials, or incur other expenditures in the enforcement of state tax laws as considered necessary. The salaries of all agents and employees provided for in this chapter shall be fixed by the appointing authority, subject to the approval of the commissioner of administration;

(19) execute and administer any agreement with the secretary of the treasury of the United States or a representative of another state regarding the exchange of information and administration of the tax laws;

(20) authorize the use of unmarked motor vehicles to conduct seizures or criminal investigations pursuant to the commissioner's authority; and

(21) exercise other powers and perform other duties required of or imposed upon the commissioner of revenue by law.

History: 2003 c 127 art 5 s 1

270.10 ORDERS; DECISIONS; APPEALS.

[For text of subd 1, see M.S.2002]

Subd. 1a. Notification to taxpayer. At the same time that notice of the assessment, determination, or order of the commissioner is given to a taxpayer, the taxpayer must be notified in writing of the right to appeal to the Tax Court, and if applicable, to the small claims division. Except in the case of mathematical or clerical errors, the notice must contain a description of the basis for, including applicable law and other factors considered in the determination, and a listing of the amounts of tax due, interest, additions to tax, and penalties. Failure to provide all the required information does not

invalidate the notice for purposes of satisfying statutory notice requirements if the notice contains sufficient information to advise the taxpayer that an assessment, order, or other determination has been made. The taxpayer may request further clarification within the time provided for appealing the determination.

[For text of subs 2 and 5, see M.S.2002]

History: 2003 c 127 art 5 s 2

270.278 PENALTY FOR FILING CERTAIN DOCUMENTS AGAINST DEPARTMENT OF REVENUE EMPLOYEES.

Subdivision 1. **Definitions.** (a) "Recording office" means a county recorder, registrar of titles, or secretary of state in this state or another state.

(b) "Filing party" means the person or persons requesting or causing another person to request that the recording office accept documents or instruments for recording or filing.

Subd. 2. **Invalid documents naming commissioner or Department of Revenue employees.** Filing a document, including a nonconsensual common law lien under section 514.99, that purports to create a claim against the commissioner of revenue or an employee of the Department of Revenue based on performance or nonperformance of duties by the commissioner or employee is invalid unless accompanied by a specific order from a court of competent jurisdiction authorizing the filing of the document or unless a specific statute authorizes the filing of the document.

Subd. 3. **Civil penalty.** If a filing party causes a document described in subdivision 2 to be recorded in a recording office, the commissioner may assess a penalty against the filing party of \$1,000 per document filed, payable to the general fund. An order assessing a penalty under this section is reviewable administratively under section 289A.65 and is appealable to Tax Court under chapter 271. The penalty is collected and paid in the same manner as income tax. The penalty is in addition to any other remedy available to the commissioner of revenue or to an employee of the Department of Revenue against whom the document has been filed.

History: 2003 c 127 art 8 s 1

270.30 TAX PREPARATION SERVICES.

Subdivision 1. **Scope.** (a) This section applies to a person who offers, provides, or facilitates the provision of refund anticipation loans, as part of or in connection with the provision of tax preparation services.

(b) This section does not apply to:

(1) a tax preparer who provides tax preparation services for fewer than six clients in a calendar year;

(2) the provision by a person of tax preparation services to a spouse, parent, grandparent, child, or sibling; and

(3) the provision of services by an employee for an employer.

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Client" means an individual for whom a tax preparer performs or agrees to perform tax preparation services.

(c) "Person" means an individual, corporation, partnership, limited liability company, association, trustee, or other legal entity.

(d) "Refund anticipation loan" means a loan, whether provided by the tax preparer or another entity such as a financial institution, in anticipation of, and whose payment is secured by, a client's federal or state income tax refund or both.

(e) "Tax preparation services" means services provided for a fee or other consideration to a client to:

(1) assist with preparing or filing state or federal individual income tax returns;

- (2) assume final responsibility for completed work on an individual income tax return on which preliminary work has been done by another; or
- (3) offer or facilitate the provision of refund anticipation loans.
- (f) "Tax preparer" or "preparer" means a person providing tax preparation services subject to this section.

Subd. 3. Standards of conduct. No tax preparer shall:

- (1) without good cause fail to promptly, diligently, and without unreasonable delay complete a client's tax return;
- (2) obtain the signature of a client to a tax return or authorizing document that contains blank spaces to be filled in after it has been signed;
- (3) fail to sign a client's tax return when payment for services rendered has been made;
- (4) fail or refuse to give a client a copy of any document requiring the client's signature within a reasonable time after the client signs the document;
- (5) fail to retain for at least four years a copy of individual income tax returns;
- (6) fail to maintain a confidential relationship between themselves and their clients or former clients;
- (7) fail to take commercially reasonable measures to safeguard a client's nonpublic personal information;
- (8) make, authorize, publish, disseminate, circulate, or cause to make, either directly or indirectly, any false, deceptive, or misleading statement or representation relating to or in connection with the offering or provision of tax preparation services;
- (9) require a client to enter into a loan arrangement in order to complete a tax return;
- (10) claim credits or deductions on a client's tax return for which the tax preparer knows or reasonably should know the taxpayer does not qualify;
- (11) charge, offer to accept, or accept a fee based upon a percentage of an anticipated refund for tax preparation services;
- (12) under any circumstances, withhold or fail to return to a client a document provided by the client for use in preparing the client's tax return.

Subd. 4. Required disclosures; refund anticipation loans. (a) If a tax preparer offers to make or facilitate a refund anticipation loan to the client, the preparer must make the disclosures in this subdivision. The disclosures must be made before or at the same time the preparer offers the refund anticipation loan to the client.

(b) The tax preparer must provide to a client a written notice on a single sheet of paper, separate from any other document or writing, containing:

- (1) a legend, centered at the top on the single sheet of paper, in bold, capital letters, and in 28-point type stating "NOTICE";
- (2) the following verbatim statements:
 - (i) "This a loan. The annual percentage rate (APR), based on the estimated payment period, is (fill in the estimated APR)."
 - (ii) "Your refund will be used to repay the loan. As a result, the amount of your refund will be reduced by (fill in appropriate dollar amount) for fees, interest, and other charges."
 - (iii) "You can get your refund in about two weeks if you file your return electronically and have the Internal Revenue Service send your refund to your own bank account." and

(3) if the client is subject to additional interest when a refund is delayed, the following verbatim statement must also be included in the notice: "If you choose to take this loan and your refund is delayed, you may have to pay additional interest."

(c) All required statements must be in capital and small font type fonts, in a minimum of 14-point type, with at least a double space between each line in the statement and four spaces between each statement.

(d) The notice must be signed and dated by the tax preparer and the client.

Subd. 5. **Itemized bill required.** A tax preparer must provide an itemized statement of the charges for services, at least separately stating the charges for:

- (1) return preparation;
- (2) electronic filing; and
- (3) providing or facilitating a refund anticipation loan.

Subd. 6. **Enforcement; penalties.** The commissioner may impose an administrative penalty of not more than \$1,000 per violation of subdivision 3, 4, or 5. The commissioner may terminate a tax preparer's authority to transmit returns electronically to the state, if the commissioner determines the tax preparer engaged in a pattern and practice of violating this section. Imposition of a penalty under this subdivision is subject to the contested case procedure under chapter 14. The commissioner shall collect the penalty in the same manner as the income tax.

Subd. 7. **Enforcement; civil actions.** (a) Any violation of this section is an unfair, deceptive, and unlawful trade practice within the meaning of section 8.31.

(b) A client may bring a civil action seeking redress for a violation of this section in the conciliation or the district court of the county in which unlawful action is alleged to have been committed or where the respondent resides or has a principal place of business.

(c) A district court finding for the plaintiff must award actual damages, including incidental and consequential damages, reasonable attorney fees, court costs, and any other equitable relief as the court considers appropriate.

Subd. 8. **Exemptions; enforcement provisions.** The provisions of subdivisions 6 and 7 do not apply to:

- (1) an attorney admitted to practice under section 481.01;
- (2) a certified public accountant holding a certificate under section 326A.04 or a person issued a permit to practice under section 326A.05;
- (3) a person designated as a registered accounting practitioner under Minnesota Rules, part 1105.6600, or a registered accounting practitioner firm issued a permit under Minnesota Rules, part 1105.7100;
- (4) an enrolled agent who has passed the special enrollment examination administered by the Internal Revenue Service; and
- (5) any fiduciary, or the regular employees of a fiduciary, while acting on behalf of the fiduciary estate, the testator, trustor, grantor, or beneficiaries of them.

History: *1Sp2003 c 21 art 11 s 6*

270.44 CHARGES FOR COURSES, EXAMINATIONS OR MATERIALS.

The board shall charge the following fees:

- (1) \$105 for a senior accredited Minnesota assessor license;
- (2) \$80 for an accredited Minnesota assessor license;
- (3) \$65 for a certified Minnesota assessor specialist license;
- (4) \$55 for a certified Minnesota assessor license;
- (5) \$50 for a course challenge examination;
- (6) \$35 for grading a form appraisal;
- (7) \$60 for grading a narrative appraisal;
- (8) \$30 for a reinstatement fee;
- (9) \$25 for a record retention fee;
- (10) \$20 for an educational transcript; and

(11) \$30 for all retests of board-sponsored educational courses.

History: *1Sp2003 c 1 art 2 s 79*

NOTE: The amendment to this section by Laws 2003, First Special Session chapter 1, article 2, section 79, is effective for license terms beginning on or after July 1, 2004, and for all other fees imposed on or after July 1, 2004. Laws 2003, First Special Session chapter 1, article 2, section 79, the effective date.

270.45 DISPOSITION OF FEES.

All fees so established and collected shall be paid to the commissioner of finance for deposit in the general fund. The expenses of carrying out the provisions of sections 270.41 to 270.53 shall be paid from appropriations made to the Board of Assessors.

History: *2003 c 112 art 2 s 50*

270.60 TAXES AND FEES; REFUND AND SHARING AGREEMENTS WITH INDIANS.

[For text of subds 1 to 3, see M.S.2002]

Subd. 4. **Payments to counties.** (a) The commissioner shall pay to a county in which an Indian gaming casino is located:

(1) ten percent of the state share of all taxes generated from activities on reservations and collected under a tax agreement under this section with the tribal government for the reservation located in the county; or

(2) five percent of excise taxes collected by the state that are determined by the Department of Revenue to have been generated from activities on a reservation located in the county, the tribal government of which does not have a tax agreement under this section and did not have a tax agreement on June 30, 2003.

If the tribe has casinos located in more than one county, the payment must be divided equally among the counties in which the casinos are located.

(b) The commissioner shall make the payments required under this subdivision by February 28 of the year following the year the taxes are collected.

(c) An amount sufficient to make the payments authorized by this subdivision is annually appropriated from the general fund to the commissioner.

[For text of subd 5, see M.S.2002]

History: *1Sp2003 c 21 art 9 s 3*

270.67 AGREEMENTS REGARDING TAX LIABILITY OR EXTENSION OF PAYMENT OF TAX.

[For text of subd 1, see M.S.2002]

Subd. 2. **Extension agreements.** When any portion of any tax payable to the commissioner of revenue together with interest and penalty thereon, if any, has not been paid, the commissioner may extend the time for payment for a further period. When the authority of this section is invoked, the extension shall be evidenced by written agreement signed by the taxpayer and the commissioner, stating the amount of the tax with penalty and interest, if any, and providing for the payment of the amount in installments. The agreement may contain a confession of judgment for the amount and for any unpaid portion thereof. If the agreement contains a confession of judgment, the confession of judgment must provide that the commissioner may forthwith enter judgment against the taxpayer in the district court of the county of residence as shown upon the taxpayer's tax return for the unpaid portion of the amount specified in the extension agreement. The agreement shall provide that it can be terminated, after notice by the commissioner, if information provided by the taxpayer prior to the agreement was inaccurate or incomplete, collection of the tax covered by the agreement is in jeopardy, there is a subsequent change in the taxpayer's financial condition, the taxpayer has failed to make a payment due under the agreement, or the taxpayer has failed to pay any other tax or file a tax return coming due after the agreement. The notice must be given at least 14 calendar days prior to termination, and shall advise the taxpayer of the right to request a reconsideration from the commissioner of whether termination is reasonable and appropriate under the circumstances. A

request for reconsideration does not stay collection action beyond the 14-day notice period. If the commissioner has reason to believe that collection of the tax covered by the agreement is in jeopardy, the commissioner may proceed under sections 270.70, subdivision 2, paragraph (b), and 270.274, and terminate the agreement without regard to the 14-day period. The commissioner may accept other collateral the commissioner considers appropriate to secure satisfaction of the tax liability. The principal sum specified in the agreement shall bear interest at the rate specified in section 270.75 on all unpaid portions thereof until the same has been fully paid or the unpaid portion thereof has been entered as a judgment. The judgment shall bear interest at the rate specified in section 270.75. If it appears to the commissioner that the tax reported by the taxpayer is in excess of the amount actually owing by the taxpayer, the extension agreement or the judgment entered pursuant thereto shall be corrected. If after making the extension agreement or entering judgment with respect thereto, the commissioner determines that the tax as reported by the taxpayer is less than the amount actually due, the commissioner shall assess a further tax in accordance with the provisions of law applicable to the tax. The authority granted to the commissioner by this section is in addition to any other authority granted to the commissioner by law to extend the time of payment or the time for filing a return and shall not be construed in limitation thereof.

[For text of subd 3, see M.S.2002]

Subd. 4. Offer-in-compromise and installment payment program. (a) In implementing the authority provided in subdivision 2 or in sections 8.30 and 16D.15 to accept offers of installment payments or offers-in-compromise of tax liabilities, the commissioner of revenue shall prescribe guidelines for employees of the Department of Revenue to determine whether an offer-in-compromise or an offer to make installment payments is adequate and should be accepted to resolve a dispute. In prescribing the guidelines, the commissioner shall develop and publish schedules of national and local allowances designed to provide that taxpayers entering into a compromise or payment agreement have an adequate means to provide for basic living expenses. The guidelines must provide that the taxpayer's ownership interest in a motor vehicle, to the extent of the value allowed in section 550.37, will not be considered as an asset; in the case of an offer related to a joint tax liability of spouses, that value of two motor vehicles must be excluded. The guidelines must provide that employees of the department shall determine, on the basis of the facts and circumstances of each taxpayer, whether the use of the schedules is appropriate and that employees must not use the schedules to the extent the use would result in the taxpayer not having adequate means to provide for basic living expenses. The guidelines must provide that:

(1) an employee of the department shall not reject an offer-in-compromise or an offer to make installment payments from a low-income taxpayer solely on the basis of the amount of the offer; and

(2) in the case of an offer-in-compromise which relates only to issues of liability of the taxpayer:

(i) the offer must not be rejected solely because the commissioner is unable to locate the taxpayer's return or return information for verification of the liability; and

(ii) the taxpayer shall not be required to provide an audited, reviewed, or compiled financial statement.

(b) The commissioner shall establish procedures:

(1) that require presentation of a counteroffer or a written rejection of the offer by the commissioner if the amount offered by the taxpayer in an offer-in-compromise or an offer to make installment payments is not accepted by the commissioner;

(2) for an administrative review of any written rejection of a proposed offer-in-compromise or installment agreement made by a taxpayer under this section before the rejection is communicated to the taxpayer;

(3) that allow a taxpayer to request reconsideration of any written rejection of the offer or agreement to the commissioner of revenue to determine whether the rejection is reasonable and appropriate under the circumstances; and

(4) that provide for notification to the taxpayer when an offer-in-compromise has been accepted, and issuance of certificates of release of any liens imposed under section 270.69 related to the liability which is the subject of the compromise.

History: 2003 c 2 art 1 s 28; 2003 c 127 art 14 s 3

270.69 LIEN FOR TAXES.

[For text of subs 1 to 15, see M.S.2002]

Subd. 16. Attachment to proceeds of property. Any lien imposed under this section attaches to the proceeds of property with the same priority that the lien has with respect to the property itself. "Proceeds of property" means proceeds from the sale, lease, license, exchange, or other disposition of the property, including insurance proceeds arising from the loss or destruction of the property.

History: 2003 c 127 art 8 s 2

270.691 PUBLICATION OF NAMES OF DELINQUENT TAXPAYERS.

[For text of subs 1 to 7, see M.S.2002]

Subd. 8. [Repealed, 2003 c 127 art 8 s 13]

270.701 SALE OF SEIZED PROPERTY.

[For text of subd 1, see M.S.2002]

Subd. 2. Notice of sale. The commissioner shall as soon as practicable after the seizure of the property give notice of sale of the property to the owner, in the manner of service prescribed in subdivision 1. In the case of personal property, the notice shall be served at least 10 days prior to the sale. In the case of real property, the notice shall be served at least four weeks prior to the sale. The commissioner shall also cause public notice of each sale to be made. In the case of personal property, notice shall be posted at least 10 days prior to the sale at the county courthouse for the county where the seizure is made, and in not less than two other public places. For purposes of this requirement, the Internet is a public place for posting the information. In the case of real property, six weeks' published notice shall be given prior to the sale, in a newspaper published or generally circulated in the county. The notice of sale provided in this subdivision shall specify the property to be sold, and the time, place, manner and conditions of the sale. Whenever levy is made without regard to the 30-day period provided in section 270.70, subdivision 2, public notice of sale of the property seized shall not be made within the 30-day period unless section 270.702 (relating to sale of perishable goods) is applicable.

[For text of subs 3 to 6, see M.S.2002]

Subd. 7. Sale of seized securities. (a) At the time of levy on securities, the commissioner shall provide notice to the taxpayer that the securities may be sold after ten days from the date of seizure.

(b) If the commissioner levies upon nonexempt publicly traded securities and the value of the securities is less than or equal to the total obligation for which the levy is done, after ten days the person who possesses or controls the securities shall liquidate the securities in a commercially reasonable manner. After liquidation, the person shall transfer the proceeds to the commissioner, less any applicable commissions or fees, or both, which are charged in the normal course of business.

(c) If the commissioner levies upon nonexempt publicly traded securities and the value of the securities exceeds the total amount of the levy, the owner of the securities may, within seven days after receipt of the department's notice of levy given pursuant

to subdivision 1, instruct the person who possesses or controls the securities which securities are to be sold to satisfy the obligation. If the owner does not provide instructions for liquidation, the person who possesses or controls the securities shall liquidate the securities in an amount sufficient to pay the obligation, plus any applicable commissions or fees, or both, which are charged in the normal course of business, beginning with the nonexempt securities purchased most recently. After liquidation, the person who possesses or controls the securities shall transfer to the commissioner the amount of money needed to satisfy the levy.

History: 2003 c 127 art 8 s 3,4

270.72 TAX CLEARANCE; ISSUANCE OF LICENSES.

[For text of subd 1, see M.S.2002]

Subd. 2. **Definitions.** For purposes of this section, the following terms have the meanings given.

(a) "Taxes" mean all taxes payable to the commissioner including penalties and interest due on the taxes.

(b) "Delinquent taxes" do not include a tax liability if (i) an administrative or court action which contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the applicant has entered into a payment agreement and is current with the payments.

(c) "Applicant" means an individual if the license is issued to or in the name of an individual or the corporation or partnership if the license is issued to or in the name of a corporation or partnership. "Applicant" also means an officer of a corporation, a member of a partnership, or an individual who is liable for delinquent taxes, either for the entity for which the license is at issue or for another entity for which the liability was incurred, or personally as a licensee. In the case of a license transfer, "applicant" also means both the transferor and the transferee of the license. "Applicant" also means any holder of a license.

(d) "License" means any permit, registration, certification, or other form of approval authorized by statute or rule to be issued by the state or a political subdivision of the state as a condition of doing business or conducting a trade, profession, or occupation in Minnesota, specifically including, but not limited to, a contract for space rental at the Minnesota state fair and authorization to operate concessions or rides at county and local fairs, festivals, or events.

(e) "Licensing authority" includes the Minnesota state fair board and county and local boards or governing bodies.

[For text of subds 3 and 4, see M.S.2002]

History: 2003 c 127 art 8 s 5

270.74 FINANCIAL TRANSACTION CARDS; PAYMENT OF STATE TAXES.

(a) The commissioner of revenue may allow taxpayers to use financial transaction cards, as defined in section 325G.02, subdivision 2, to pay any of the following which are payable to the commissioner:

- (1) state taxes;
- (2) estimated tax deposits;
- (3) penalties;
- (4) interest;
- (5) additions to taxes; and
- (6) fees.

(b) The commissioner may impose a fee on each transaction under paragraph (a). The fee is equal to the fee the commissioner is required to pay for the taxpayer's use of the financial transaction card. This fee must be deposited in the general fund and is appropriated to the commissioner for the purpose of paying the transaction card fee.

(c) The types of financial transaction cards that will be accepted shall be determined solely by the commissioner. The selection of transaction card vendors shall be made through a request for proposals process. Before issuing a request for proposals, the commissioner shall review the request for proposals and any specifications with the commissioner of finance. The commissioner shall select the transaction card vendors from among those which meet the operational and cost requirements of the Department of Revenue. The commissioner may limit the number of different types of financial transaction cards that will be accepted.

(d) If the commissioner allows taxpayers to pay taxes with financial transaction cards, the commissioner shall report quarterly on the status of this program to the chairs of the house tax and appropriations committees and the chairs of the senate tax and finance committees.

History: 2003 c 112 art 2 s 50