

SENATE
STATE OF MINNESOTA
SEVENTH SPECIAL SESSION

S.F. No. 14

(SENATE AUTHORS: NELSON)

DATE	D-PG	OFFICIAL STATUS
12/14/2020	7	Introduction and first reading Referred to Rules and Administration

1.1 A bill for an act

1.2 relating to taxation; sales and use; liquor gross receipts; income and corporate

1.3 franchise; delaying certain remittances; providing a grant for certain businesses

1.4 and a subtraction for certain income; requiring a report.

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

1.6 Section 1. **TEMPORARY SUSPENSION OF CERTAIN SALES AND USE AND**

1.7 **LIQUOR GROSS RECEIPTS TAX REMITTANCES.**

1.8 (a) Notwithstanding Minnesota Statutes, section 289A.20, subdivision 4, paragraph (b),

1.9 for eligible taxes collected in November and December 2020 only, a qualifying taxpayer

1.10 subject to the remittance requirements under Minnesota Statutes, section 289A.20,

1.11 subdivision 4, may submit:

1.12 (1) November 2020 tax liabilities by January 20, 2021; and

1.13 (2) December 2020 tax liabilities by February 20, 2021.

1.14 (b) For purposes of this section, the following definitions apply:

1.15 (1) "eligible taxes" means:

1.16 (i) sales and use taxes under Minnesota Statutes, chapter 297A;

1.17 (ii) local sales and use taxes subject to the provisions of Minnesota Statutes, section

1.18 297A.99; and

1.19 (iii) liquor gross receipts taxes under Minnesota Statutes, section 295.75;

1.20 (2) "November 2020 tax liabilities" means the total amount of taxes listed in clause (1)

1.21 collected by a qualifying taxpayer in November 2020;

2.1 (3) "December 2020 tax liabilities" means the total amount of taxes listed in clause (1)
2.2 collected by a qualifying taxpayer in December 2020; and

2.3 (4) "qualifying taxpayer" means a business that is a place of public accommodation
2.4 closed to ingress, egress, use, and occupation by the public under the governor's Executive
2.5 Order 20-99, that is classified under one of the following codes in the North American
2.6 Industry Classification System:

2.7 (i) 31212;

2.8 (ii) 31213;

2.9 (iii) 31214;

2.10 (iv) 71394;

2.11 (v) 71395;

2.12 (vi) 7223;

2.13 (vii) 7224; and

2.14 (viii) 7225.

2.15 (c) Notwithstanding Minnesota Statutes, sections 289A.55 and 289A.60, the commissioner
2.16 of revenue:

2.17 (1) must not impose a late payment penalty under Minnesota Statutes, section 289A.60,
2.18 subdivision 1, or interest under Minnesota Statutes, section 289A.55, on the amount of taxes
2.19 due and paid under paragraph (a), clause (1), by January 20, 2021, and paragraph (a), clause
2.20 (2), by February 20, 2021; and

2.21 (2) must only calculate any late payment penalty imposed under Minnesota Statutes,
2.22 section 289A.60, subdivision 1, or interest imposed under Minnesota Statutes, section
2.23 289A.55, on the amount of taxes due but not paid under paragraph (a), clause (1), by January
2.24 20, 2021, and paragraph (a), clause (2), by February 20, 2021.

2.25 (d) This section does not limit the commissioner of revenue's authority to abate, reduce,
2.26 or refund any penalty or interest under Minnesota Statutes, section 270C.34, or any other
2.27 law.

2.28 **EFFECTIVE DATE.** This section is effective the day following final enactment and
2.29 applies to remittances of taxes collected in November and December 2020.

3.1 Sec. 2. COVID-19 ECONOMIC RELIEF GRANTS.

3.2 Subdivision 1. Definitions. (a) For purposes of this section, the following definitions
3.3 apply.

3.4 (b) "Qualified business" means a business that operates from a physical location in
3.5 Minnesota that:

3.6 (1) is classified in one of the following business groups according to the North American
3.7 Industry Classification System:

3.8 (i) 7211;

3.9 (ii) 7212;

3.10 (iii) 7213;

3.11 (iv) 44;

3.12 (v) 45;

3.13 (vi) 81;

3.14 (vii) 512131;

3.15 (viii) 7111;

3.16 (ix) 71211;

3.17 (x) 71394;

3.18 (xi) 71385;

3.19 (xii) 31212;

3.20 (xiii) 31213; and

3.21 (xiv) 31214;

3.22 (2) had taxable sales of more than \$10,000 but less than \$1,000,001 for the period
3.23 beginning after March 31, 2019, and before April 1, 2020; and

3.24 (3) has a taxable sales differential of at least 30 percent.

3.25 (c) "Taxable sales differential" means the decline, if any, in the amount of eligible taxes
3.26 collected in the period beginning after March 31, 2020, and before October 1, 2020, over
3.27 the amount of eligible taxes collected in the period beginning after March 31, 2019, and
3.28 before October 1, 2020.

3.29 (d) "Eligible taxes" means:

- 4.1 (1) sales taxes under Minnesota Statutes, chapter 297A;
- 4.2 (2) local sales taxes subject to the provisions of Minnesota Statutes, section 297A.99;
- 4.3 and
- 4.4 (3) liquor gross receipts taxes under Minnesota Statutes, section 295.75.
- 4.5 (e) "Commissioner" means the commissioner of revenue.
- 4.6 (f) "Covered expenses" means:
- 4.7 (1) payroll costs;
- 4.8 (2) costs related to the continuation of group health care benefits during periods of paid
- 4.9 sick, medical, or family leave and insurance premiums;
- 4.10 (3) employee salaries, commissions, or similar compensation paid to employees whose
- 4.11 salary, commission, or similar compensation was less than \$60,000 for the period beginning
- 4.12 after December 31, 2019, and before January 1, 2021;
- 4.13 (4) payments of interest on any mortgage obligation, excluding any prepayment or
- 4.14 payment of principal on a mortgage obligation;
- 4.15 (5) rent, including rent under a lease agreement;
- 4.16 (6) utilities; and
- 4.17 (7) interest on any other debt obligations incurred before the covered period.
- 4.18 (g) "Covered period" means the period beginning January 1, 2021, and ending before
- 4.19 January 1, 2022.
- 4.20 (h) "Greater Minnesota" has the meaning provided in Minnesota Statutes, section
- 4.21 116J.8738, subdivision 1, paragraph (e).
- 4.22 (i) "Minority-owned business" has the meaning provided in Minnesota Statutes, section
- 4.23 116J.8737, subdivision 1, paragraph (l).
- 4.24 (j) "Women-owned business" has the meaning provided in Minnesota Statutes, section
- 4.25 116J.8737, subdivision 1, paragraph (n).
- 4.26 (k) "Veteran-owned business" has the meaning provided in Minnesota Statutes, section
- 4.27 116J.8737, subdivision 1, paragraph (p).
- 4.28 Subd. 2. **Grant authorized; calculation of grant.** (a) A qualified business is allowed
- 4.29 a grant as provided in this section. The commissioner shall make a grant to a qualified
- 4.30 business by The commissioner must not allocate more than \$..... in grant certifications

5.1 to all qualified businesses. Notwithstanding paragraphs (b) and (c), a grant to a qualified
 5.2 business must not exceed \$.....

5.3 (b) For a qualified business with a taxable sales differential of at least 50 percent, the
 5.4 grant equals ... percent of the taxable sales differential.

5.5 (c) For a qualified business with a taxable sales differential of at least 30 percent but
 5.6 less than 50 percent, the grant equals ... percent of the taxable sales differential.

5.7 Subd. 3. **Partnerships; multiple owners.** Grants issued to a partnership, a limited
 5.8 liability company taxed as a partnership, an S corporation, or multiple owners of property
 5.9 are passed through to the partners, members, shareholders, or owners, respectively, pro rata
 5.10 to each partner, member, shareholder, or owner based on their share of the entity's assets
 5.11 or as specially allocated in their organizational documents or any other executed agreement,
 5.12 as of the last day of the taxable year.

5.13 Subd. 4. **Report to legislature.** By 2021, the commissioner must report to the chairs
 5.14 and ranking minority members of the legislative committees having jurisdiction over taxes
 5.15 and economic development in the senate and the house of representatives on the amount of
 5.16 grants awarded each month to a qualifying business, including:

5.17 (1) the number of grants awarded, including the number of maximum grants awarded
 5.18 under subdivision 2, paragraph (a);

5.19 (2) the average amount of grant awarded per qualified business;

5.20 (3) the number and average amount of grants awarded to qualified businesses in greater
 5.21 Minnesota; and

5.22 (4) the number and average amount of grants awarded to qualified businesses that are:

5.23 (i) women-owned;

5.24 (ii) minority-owned; or

5.25 (iii) veteran-owned.

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

5.27 Sec. 3. **COVID-19 ECONOMIC RELIEF GRANTS; SUBTRACTION.**

5.28 The amount of the grant received under section 2 is a subtraction for the purposes of
 5.29 Minnesota Statutes, section 290.0132, subdivision 1, or 290.0134, subdivision 1.

5.30 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 5.31 31, 2020, and before January 1, 2022.