



November 28, 2017

Gov. Mark Dayton  
Governor of Minnesota

Paul Marinac  
Revisor of Statutes

Greg Hubinger, Director  
Legislative Coordinating Commission

Select Minnesota House and Senate Committees  
and Divisions

*Full list of recipients at bottom*

**Re: Annual Report on Obsolete, Unnecessary, or Duplicative Rules, as Required by Minnesota Statutes, Section 14.05, Subdivision 5.**

Dear Governor Dayton, Mr. Hubinger, Mr. Marinac, and Committee Members:

Minnesota Statutes, section 14.05, subdivision 5, directs the Department of Revenue to report to you by December 1 of each year whether any of its rules are obsolete, unnecessary, or duplicative of other state or federal statutes or rules.

The rules of the Minnesota Department of Revenue fall within Chapters 8001 through 8175 of the Minnesota Rules. In addition, the Department of Revenue is responsible for Chapter 1950, the Minnesota State Board of Assessors' rules. The Department continues with an ongoing process to review all of its rules, to repeal obsolete and duplicative provisions, clarify current language and to recommend clean-up language.

**Corporate Franchise Taxes:**

In previous reports, the Department of Revenue had concluded that Part 8017.6000 should be repealed. The Department continues to study this rule. The Department has reviewed the remainder of the Corporate Franchise Tax Rules and found no other rules in these chapters that are obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

**Income Taxes:**

In the previous report, the Department of Revenue had reviewed Chapter 8002 and found that Part 8002.0200, subpart 4, is duplicative of statutory provisions and should be repealed. The Department will accomplish this through rulemaking, and has started that process. The Department has reviewed the remainder of the Income Tax Rules and found no other rules in this chapter that are obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

**Withholding Taxes:**

The Department of Revenue has reviewed the Withholding Tax Rules and found no rules in this chapter that are obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

**Sales & Use Taxes:**

In the previous report, the Department of Revenue had reviewed Chapter 8130 and found that Part 8130.9910 relating to the taxation of computer software is obsolete and should be repealed. The Department has now concluded that the better course is to amend the rule, and has started that process. The Department has reviewed the remainder of the Sales Tax Rules and found no other rules in this chapter that are obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

**Property Equalization, Ad Valorem Taxes, Utilities:**

In the previous report, the Department of Revenue had reviewed Chapter 8100 and found that Part 8100.0700 is obsolete and should be revised or repealed. The Department continues to consider how best to accomplish this. The Department of Revenue has reviewed the remainder of Chapter 8100 and found no other rules in this chapter that are obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

**Ad Valorem Tax, Valuation and Assessment of Railroads:**

In the previous report, the Department of Revenue had reviewed Chapter 8106 and found that Part 8106.0800 is obsolete and should be revised or repealed. The Department continues to consider how best to accomplish this. The Department of Revenue has reviewed the remainder of Chapter 8106 and found no other rules in this chapter that are obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

**Certificate of Real Estate Value:**

The Department of Revenue has reviewed Chapter 8110 and found no rules in this chapter that are obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

**Cigarette and Tobacco Product Taxes:**

The Department of Revenue reviewed Chapter 8120 and found no rules in this chapter that were obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

**Metropolitan Solid Waste Landfill Fee:**

In the previous report, the Department of Revenue had found that Part 8121.0300, subp. 1, is duplicative of statutory provisions, with obsolete rates, and should be repealed. The Department will accomplish this through rulemaking, and has started that process. The Department of Revenue has reviewed the remainder of Chapter 8121 and found no other rules in this chapter that are obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

**Lawful Gambling Tax:**

The Department of Revenue reviewed Chapter 8122 and found no rules in this chapter that were obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

**Petroleum Tax:**

The Department of Revenue reviewed Chapter 8125 and found no rules in this chapter that were obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

**Minnesota State Board of Assessors:**

The Department reviewed Chapter 1950 and found no rules in this chapter that were obsolete, unnecessary, or duplicative of statutory provisions, such that they should be repealed.

**Tax Administration and Miscellaneous Provisions:**

The Department of Revenue reviewed Chapters 8160, 8165, 8170, and 8175, and found they are not obsolete, unnecessary, or duplicative of statutory provisions, and therefore should not be repealed.

**Continuing Process:**

The Department of Revenue has reviewed its rules and found no others that have become obsolete, unnecessary, or duplicative over the course of the last year.

Please contact me if you have any questions regarding this report or if I can provide further assistance.

Sincerely,



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