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S.F. No. 2366 – Expedited refund of estimated tax overpayments

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Under current law, corporate franchise taxpayers must make quarterly estimated tax payments if their tax liability exceeds \$500 for the taxable year. Estimated payments are due on the 15th day of the third, sixth, ninth, and 12th months of the tax year. This bill allows a qualifying corporation to file for a refund of overpayment of estimated taxes, effective for estimated taxes paid beginning in taxable year 2021.

Section 1. Expedited refund allowed.

- (a) Allows a qualifying corporation to file for an adjustment of overpayment of estimated taxes.
- (b) Defines the following terms:
 - “**Qualifying corporation**” means a corporation required to make estimated tax payments and whose adjustment equals at least \$500 and ten percent of its estimated tax liability for the taxable year.
 - “**Tax liability**” means the corporate franchise tax minus any applicable credits.
 - “**Adjustment**” means the amount of estimated tax paid for the taxable year minus the amount of estimated tax liability for the taxable year.
- (c) Requires the application for adjustment to be made in a form and manner prescribed by the commissioner. The application must include at least: the estimated tax paid in the taxable year; the estimated tax liability for the taxable year; and the amount of adjustment.
- (d) Requires the commissioner to review the application and refund the amount of the adjustment if a qualifying corporation is eligible.
- (e) Provides that the application for adjustment is not a “claim for refund” under other provisions of law for which specific requirements apply, such as interest, appeals, and notice.