

# MINNESOTA • REVENUE

## INDIVIDUAL INCOME TAX Electronic Filing, ReadyReturn

March 2, 2007

Department of Revenue  
Analysis of S. F. 665 (Rest) / H. F. 843 (Benson)

	Yes	No
DOR Administrative Costs/Savings	X	

The bill requires the Commissioner of Revenue to provide the option for taxpayers to electronically file individual income tax returns on the Department of Revenue website, effective beginning with tax year 2007. The taxpayer may not be charged a fee for this service.

The bill mandates the development of a ReadyReturn program that will provide a tax return to an individual using tax information already collected by the Department of Revenue, effective for tax year 2008. The taxpayer's tax liability is calculated using a record of the taxpayer's wages that have been reported to the department by employers and filing status from the previous year. The program is optional for taxpayers. They may chose not to file using ReadyReturn, regardless of whether or not they access their prepared ReadyReturn on the department website. If a taxpayer files a ReadyReturn and makes payment of the amount indicated on the return, a penalty is not imposed for failure to pay tax, or for understatement of tax, that is required to be shown on the return and is not so shown.

The Department of Revenue must design and implement a ReadyReturn web page which provides all taxpayers with secure online access to their personal wage data. The website must be fully functional by January 31, 2009. The department must develop an alternative method for taxpayers without internet access to file a ReadyReturn in paper form.

By March 1, 2008, the Commissioner of Revenue must report to the House and Senate Tax Committees on the status of successful implementation of an online ReadyReturn system. If the appropriate level of privacy and security for the taxpayer data cannot be guaranteed by the January 31, 2009, deadline, the commissioner must request an extension as part of the report.

This bill would affect the method of filing returns and would have no revenue impact.

Source: Minnesota Department of Revenue  
Tax Research Division  
[http://www.taxes.state.mn.us/taxes/legal\\_policy](http://www.taxes.state.mn.us/taxes/legal_policy)

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