Motor Vehicle Registration Compliance and Individual Income Tax

Department of Revenue

Duties of the Motor Vehicle Registration Compliance Working Group

Subd. 5. Duties. (a) At a minimum, the working group must:

(1) identify and evaluate potential methods for enforcement of motor vehicle registration and registration tax payment requirements that would replace enforcement through the use of criminal penalties, including but not limited to:

(i) alignment with individual income taxes;

(ii) revenue recapture; and

(iii) retention of license plates with a vehicle following a change of vehicle ownership; and

(2) develop recommendations, a legislative proposal, or both, related to motor vehicle registration and registration tax compliance through methods other than the use of criminal penalties.

(b) In evaluating methods under paragraph (a), clause (2), the working group must use criteria that include effectiveness, administrative efficiency, equity, burdens on motor vehicle owners, and substantial elimination of vehicle registration enforcement through traffic stops performed by peace officers.

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  - Must be filed by April 15th

Can Motor Vehicle Registration align with Minnesota Individual Income Tax Filing?

Challenges with alignment

Challenges with alignment :

- Identifying the Vehicle(s)

Individual Income Tax

Challenges with alignment :

- Identifying the Vehicle(s)
- Determining Registration Tax Amount

Individual Income Tax

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- Identifying the Vehicle(s)
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- Timing Differences

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- Identifying the Vehicle(s)
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- Timing Differences
- Information Verification
- Filing Requirements

How could Revenue Help Enforce Motor Vehicle Registration?

Debt Referral

Department of Revenue Collection Division

Department of Revenue Authority

Debt Collection Act

Minnesota Statutes, Chapter 16D, grants the department the authority to collect debts owed to other state agencies.

Revenue Recapture Act

- **M.S., Chapter 270A** authorizes the commissioner of Revenue to collect debt from debtors' income tax refunds for claimant agencies
- **Minnesota Administrative Rules 8165.0100 through 8165.0400** provide additional guidelines for managing the Revenue Recapture Act

Program Comparisons

Who qualifies?

Referring Agencies	Revenue Recapture Agencies
State and county courts	State agencies
University of Minnesota	City, county, and district courts
Minnesota State Colleges and Universities	City-owned hospitals
Other state, county, or local agencies	Licensed ambulance services
	Public agencies enforcing court-ordered child support, restitution, and low-income housing programs
	University of Minnesota
	Minnesota State Colleges and Universities

What actions does the Department of Revenue take?

Referred Debt Collection	Revenue Recapture
Additional billing	Offset refunds
Payment plans	Send Refund Offset letters
Wage or bank levies	
Lien filing	
License revocation (professional or business licenses)	
Revenue Recapture	

Thank You!

Sarah Bronson

Assistant Commissioner

Department of Revenue