

Agency Purpose

Minnesota Tax Court is a specialized trial court in the executive branch, with statewide jurisdiction. It was established by the Minnesota legislature to hear and determine all matters arising out of Minnesota's tax laws (M.S. Ch 271).

The court's mission is to provide the timely and impartial disposition of appeals from orders issued by the commissioner of the Department of Revenue and petitions from local property tax valuation, classification, equalization, and/or exemption issues. The judges have expertise in tax laws. Although the Tax Court is located in the Minnesota Judicial Center, the judges travel throughout Minnesota to conduct trials where taxpayers are located.

Core Functions

The Tax Court docket, schedules, and resolves all tax cases filed.

The court provides the following services during the process of resolving and adjudicating tax disputes:

- ◆ accepts filings and notifies parties;
- ◆ schedules and conducts hearings (including trials, motions, continuances, and other pre-trial and post-trial hearings);
- ◆ tracks the status of case movement;
- ◆ provides information on decisions and other general information about the court, including information for taxpayers to represent themselves (pro se) in court; and
- ◆ maintains correct and current records as statutorily required.

The court resolves complex procedural and substantive issues. Some cases involve multi-year filings for multi-county property owners, which may encompass substantive issues regarding classification, class action status, and jurisdictional matters. The court also resolves statutory, legal, and factual issues regarding Commissioner of Revenue cases, including business/non-business, unitary business, capital equipment, and non-domiciliary resident issues.

Operations

The Tax Court continues to take proactive steps to improve the appeals and litigation process by educating and informing taxpayers and surveying court constituents. The court now provides two resources for pro se (self-represented) litigants: *"Presenting Property Tax Appeals to the Minnesota Tax Court"* and *"Presenting Commissioner of Revenue Appeals to the Minnesota Tax Court."* These handbooks were designed to help taxpayers understand the process of property tax appeals and Commissioner of Revenue appeals, along with their rights and responsibilities. Both of these resources are available on the Tax Court web site, as well as at the Tax Court and District Court offices. Courts from other states have used these handbooks as a model.

Key Goals

- ◆ To develop a consistent and uniform body of tax case law;
- ◆ To provide timely and impartial disposition of cases;
- ◆ To educate taxpayers on the tax appeal process;
- ◆ To be a model for other states and other tax courts; and
- ◆ To coordinate and educate district courts on managing tax petitions;

At A Glance

Six full-time staff:

- ◆ three judges; and
- ◆ three administrative staff.

Annual budget of approximately \$825,000

Most appeals are scheduled for trial and many are resolved within one year of filing.

Affecting court operations are:

- ◆ changes in state property, sales and use, income, and other tax laws;
- ◆ local real estate market changes;
- ◆ national and state economic changes; and
- ◆ changes in data practice laws.

A written decision is issued, distributed, and published on all regular division cases.

Key Measures

- ◆ Minnesota Tax Court issues decisions in all cases within three months of final submission to the court.
- ◆ The Minnesota Tax Court provides searchable text decisions on its website. The Minnesota court is one of the few state tax courts to provide this information electronically.
- ◆ Minnesota Tax Court is a leader in producing and distributing procedural handbooks for self-represented (pro se) litigants.

Budget

All funding for Tax Court operations comes from the general fund. In the FY 2008-09 biennium, the general fund appropriation was approximately \$1.6 million. The Tax Court staff includes six full-time equivalent employees. Its budget is approximately 80% compensation, 13% rent, and 7% other expenditures.

Minnesota Tax Court generates approximately \$40,000 each biennium in non-dedicated revenue from filing fees on appeals to an order from the commissioner of Revenue. Depending on caseload fluctuations, an additional \$980,000 to \$1.9 million in non-dedicated revenue is generated each biennium by property tax filings. Current fees are \$240 for a regular division matter and \$150 for a small claims matter. These fees are collected in District Court, which is where property tax petitions are filed.

Contact

Contact Tax Court by mail:
Minnesota Tax Court
245 Minnesota Judicial Center
25 Reverend Dr. Martin Luther King, Jr. Boulevard
Saint Paul, Minnesota 55155

Visit the Tax Court website:
<http://www.taxcourt.state.mn.us>
Call the Court: (651) 296-2806
Monday – Friday, 8:00 a.m. to 4:30 p.m.

Dollars in Thousands

	Current		Forecast Base		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	794	825	825	825	1,650
Forecast Base	794	825	825	825	1,650
Change		0	0	0	0
% Biennial Change from 2008-09					1.9%
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	770	849	825	825	1,650
Statutory Appropriations					
Miscellaneous Special Revenue	1	2	0	0	0
Total	771	851	825	825	1,650
<u>Expenditures by Category</u>					
Total Compensation	636	661	681	702	1,383
Other Operating Expenses	135	190	144	123	267
Total	771	851	825	825	1,650
<u>Expenditures by Program</u>					
Tax Court	771	851	825	825	1,650
Total	771	851	825	825	1,650
Full-Time Equivalent (FTE)	6.0	6.0	6.0	6.0	

TAX COURT

Agency Revenue Summary

Dollars in Thousands

	Actual FY2008	Budgeted FY2009	Current Law		Biennium 2010-11
			FY2010	FY2011	
<u>Non Dedicated Revenue:</u>					
Other Sources:					
General	19	20	22	25	47
Total Non-Dedicated Receipts	19	20	22	25	47
<u>Dedicated Receipts:</u>					
Total Dedicated Receipts	0	0	0	0	0
Agency Total Revenue					
	19	20	22	25	47