



S.F. No. 3197 – Social media gross receipts tax (as proposed to be amended by the A-2 amendment)

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Section 1. Social media gross receipts tax.

Subd. 1. Tax imposed. Imposes a tax on the collection of consumer data by a social media platform business.

Subd. 2. Rate of tax. Provides the tax rates and brackets based on the number of Minnesota consumers from whom a social media platform business collects data in a month:

- For 100,000 or fewer Minnesota consumers, there is no tax imposed;
- For over 100,000 but not more than 500,000 Minnesota consumers, the tax equals \$0.10 per month on the number of Minnesota consumers over 100,000 but not more than 500,000;
- For over 500,000 but not more than 1,000,000 Minnesota consumers, the tax equals \$40,000 plus \$.25 per month on the number of Minnesota consumers over 500,000 but not more than 1,000,000; and
- For over 1,000,000 Minnesota consumers, the tax equals \$165,000 plus \$0.50 per month on the number of Minnesota consumers over 1,000,000.

Subd. 3. Definitions. Provides definitions for terms used in the bill. In pertinent part, **“consumer data”** means any information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked with a consumer, whether directly submitted to the social media platform business by the consumer or derived from other sources. **“Social media platform business”** is a for-profit entity that operates a social media platform that engages, collects, maintains, uses, processes, sells, or shares consumer data in support of the entity's business activities and collects consumer data



on more than 100,000 individual Minnesota consumers in a month within the calendar year. **“Social media platform”** is defined in current statutes.

Subd. 4. Taxpayers. Provides that a consumer whose information is on record with or available to a social media platform business indicates a Minnesota address or location is presumed to be a Minnesota consumer. A social media platform business has the burden of proving a consumer is not a Minnesota consumer. A Minnesota consumer must be counted only once in the calculation of the monthly tax. Business entities that are part of a controlled group are treated as a single entity for purposes of the definition of a social media platform business, and a single member of a single member LLC is treated as a consumer.

Subd. 5. Credit against tax paid to another jurisdiction. Provides that a social media platform business that has paid the tax may claim a credit against the tax paid with respect to a Minnesota consumer if another state imposes an identical tax with respect to the same consumer.

Subd. 6. Recordkeeping. Requires social media platform businesses to maintain records as required by the commissioner.

Subd. 7. Administration. Provides that the requirements of current law in the tax administration and sales tax chapters apply to the audit, assessment, refund, penalty, interest, enforcement, collection remedies, appeal, and administrative aspects of the tax.

Subd. 8. Returns; payment of tax. Requires social media platform providers to file returns and remit the tax in a form and manner prescribed by the commissioner. Returns and payments of tax must be filed and paid using the same filing cycle and due dates as for sales taxes. Interest must be paid on an overpayment refunded or credited to the taxpayer from the date of payment of the tax until the date the refund is paid or credited.

Subd. 9. Deposit of revenues. Requires the tax revenue to be deposited to the general fund.

Subd. 10. Personal debt. Provides that the tax and related interest and penalties are a personal debt of the person required to file a return from the time the liability for it arises. In case of a fiduciary, the debt is in the person’s fiduciary or capacity only, unless the person has voluntarily distributed assets without reserving sufficient funds to pay the tax, interest, and penalties.

Effective for consumer data collected after December 31, 2025.