



# Minnesota State Tax Enforcement: Action Checklist

## Introduction

State tax enforcement occurs when the Minnesota Department of Revenue takes formal collection action to recover unpaid taxes after initial collection efforts fail. This process follows legally required due process procedures and typically involves actions such as wage levies, bank levies, or property liens. Enforcement is a serious collection step, but taxpayers who respond promptly and communicate with the state have options to resolve their debt and avoid escalation.

## What State Tax Enforcement Means

State tax enforcement is a formal legal action authorized by Minnesota statute to collect outstanding tax debt. The Minnesota Department of Revenue must provide advance written notice before taking enforcement collection actions, which may include levying wages, seizing bank account funds, filing liens on property, or revoking business licenses. Enforcement actions are taken only after due-process notice requirements have been met, and earlier collection attempts have failed to resolve the debt.

## Why the State Initiates Enforcement

The state initiates enforcement after unpaid tax assessments remain outstanding beyond the payment deadline and required due process notices have been issued. Minnesota Statute 270C.69 requires the Department of Revenue to mail written notice to the taxpayer at least 30 days before proceeding with wage levies, informing them of the amount due and the state's intention to take collection action. Enforcement begins when taxpayers do not respond to these legally required notices or fail to arrange payment.

## Consequences of Ignoring Enforcement Actions

Ignoring enforcement actions results in continued collection efforts and additional financial consequences. Interest continues to accrue automatically on unpaid balances at statutory rates, and the state may pursue multiple enforcement methods simultaneously until the debt is satisfied. Wage levies remain in effect until the full amount is collected, and property liens extend the collection statute of limitations to ten years from the filing date. Failure to respond limits resolution options and increases the total amount owed through accumulated interest.

## What Enforcement Does Not Mean

Enforcement does not mean immediate criminal prosecution, arrest, or total asset seizure. The state takes targeted collection actions authorized by statute, but does not pursue all available



remedies simultaneously. Enforcement also does not prevent taxpayers from negotiating payment plans, requesting relief, or resolving their debt through communication with the Minnesota Department of Revenue. Administrative enforcement is separate from criminal tax proceedings.

## **Step-by-Step Response Checklist**

### **Step 1: Review the Enforcement Notice**

Locate the official enforcement document from the Minnesota Department of Revenue and identify the specific action being taken. Verify the tax years involved, the total amount owed, including penalties and interest, and any deadlines stated in the notice.

### **Step 2: Gather Supporting Documentation**

Collect copies of the original tax assessment, prior payment notices, proof of any payments already made, and filed tax returns. Organize these documents chronologically with the most recent enforcement notice on top for easy reference during communication with the state.

### **Step 3: Assess Financial Capacity**

Review your current financial situation to determine whether full payment, partial payment, or an installment arrangement is feasible. Document your income, necessary expenses, and available resources to support any request for modified payment terms with the Minnesota Department of Revenue.

### **Step 4: Contact the Minnesota Department of Revenue**

Call the phone number listed on the enforcement notice during business hours with your account number and tax identification number ready. Clearly explain your situation and ask specific questions about stopping or modifying the enforcement action, payment plan options, and required documentation.

### **Step 5: Request Written Confirmation**

Ask the state representative to provide written confirmation of any payment arrangement, agreement, or next steps discussed during your conversation. Record the name, title, and direct contact information of the person handling your case, along with the date and summary of what was agreed upon.

### **Step 6: Understand Income-Based Wage Protection**

If facing a wage levy, understand that Minnesota law provides income-based protections under Statute 571.922. Garnishment rates are graduated at 10, 15, or 25 percent of disposable earnings, depending on your income level relative to minimum wage multiples, protecting lower-income workers from excessive withholding.



## Step 7: Submit Required Information Promptly

Provide all requested documentation, financial information, or exemption claim forms within the timeframe specified by the Minnesota Department of Revenue. Keep copies of everything submitted and use certified mail or electronic submission methods that provide delivery confirmation for important documents.

## Step 8: Document All Communications

Create a dedicated file containing the enforcement notice, correspondence sent and received, notes from phone conversations with dates and names, and copies of payments made. Maintain this documentation throughout the enforcement process and retain it for at least three years after resolution.

## Step 9: Follow Through on Agreements

If a payment plan is established, make each installment payment by the due date using the payment method specified by the state. Contact the Minnesota Department of Revenue immediately if circumstances change and you cannot make a scheduled payment, as proactive communication may preserve your arrangement.

## Step 10: Monitor Account Status

Watch for correspondence confirming that enforcement actions have been released or modified based on your payment or arrangement. Verify that wage levies stop after the debt is satisfied and request written confirmation that liens have been released within 30 days of full payment.

## Common Mistakes to Avoid

- **Ignoring official enforcement notices:** Failure to respond within the timeframe stated in the notice allows enforcement to proceed without your input. The state can take collection action even if mailed notices are returned as undeliverable to your last known address.
- **Assuming wage garnishment limits without verification:** Minnesota tax levies can take up to 25 percent of disposable earnings, but income-based protections under Statute 571.922 may apply. Taxpayers should verify their specific garnishment percentage based on their income level and exemption eligibility.
- **Believing tax liens appear on credit reports:** Tax liens have not appeared on consumer credit reports since April 2018, when the major credit bureaus removed them. However, liens remain public records accessible through county recorder offices and may affect lending decisions when creditors conduct public record searches.
- **Breaking payment agreements without communication:** Failing to notify the Minnesota Department of Revenue when you cannot make a scheduled payment typically results in immediate resumption of enforcement actions. Proactive communication before a payment is missed may allow the arrangement to be modified.



## Frequently Asked Questions

### Can Enforcement Be Stopped After It Starts?

Enforcement can typically be paused or stopped when payment is made in full, a valid payment plan is established, or certain qualifying circumstances are documented. Contact the Minnesota Department of Revenue directly to discuss your specific situation and available options for resolving the enforcement action.

### How Long Does a Wage Levy Last?

Wage levies continue from the date the employer receives notice until the full amount stated in the notice, plus any accrued interest, has been withheld. Under Minnesota Statute 270C.69, wage levy notices expire one year after mailing to the taxpayer unless renewed by the state with a new notice.

### What If I Already Paid the Debt?

Contact the Minnesota Department of Revenue immediately with proof of payment, including confirmation numbers, receipts, or bank statements showing the transaction. Enforcement actions may remain in place briefly while payment processing completes, but the state will release the action and refund any excess amounts withheld after payment is confirmed.

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## Received a State Tax Notice?

If you've received a state tax notice and aren't sure how to respond, we can help you review your options and next steps.

### We offer:

- State tax notice review and response
- Penalty and interest reduction options
- Payroll and trust fund tax assistance
- Payment plan and relief eligibility review
- Representation with state tax agencies

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