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<https://mn.gov/tax-court>

### AT A GLANCE

- Ten full-time staff: three judges, four administrative staff, two law clerks, and one staff attorney.
- Approximately 3,100+ cases are filed with the tax court annually.
- FY 2024 base budget of \$2,133,000.
- The Court files written findings of fact, conclusions of law, and an explanatory memorandum in each case within three months of submission; final orders are appealable to the Minnesota Supreme Court.
- The Tax Court recently hired an experienced Court Administrator to lead the administrative side of the agency. The new Court Administrator is currently reviewing all court practices to ensure compliance with best practices.
- The Tax Court recently completed the rulemaking process; in October 2023, the court's new and amended rules went into effect, which primarily offer guidance for using the mandatory E-filing system and mediation.

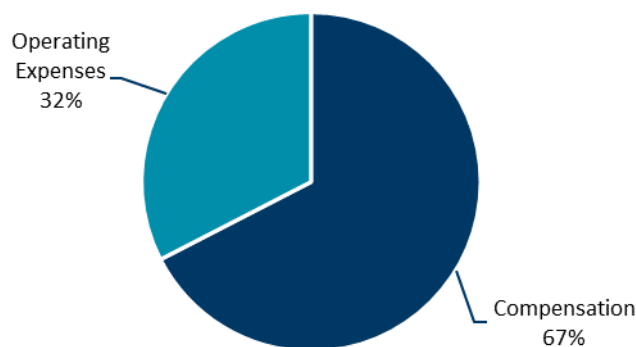
### PURPOSE

The Minnesota Tax Court is a specialized trial court in the executive branch with statewide jurisdiction. By statute, it is "the sole, exclusive, and final authority for the hearing and determination of all questions of law and fact arising under the tax laws of the state." Minnesota Statutes section 271.01, subdivision 5.

The Tax Court resolves disputes between property owners and counties concerning the correct value and classification of real property and adjudicates taxpayer appeals from orders of the Minnesota Commissioner of Revenue. The Court's three judges strive to ensure that the Court is managed according to best practices by working closely with the Department of Administration's Small Agency Resource Team (SmART) and with MN.IT.

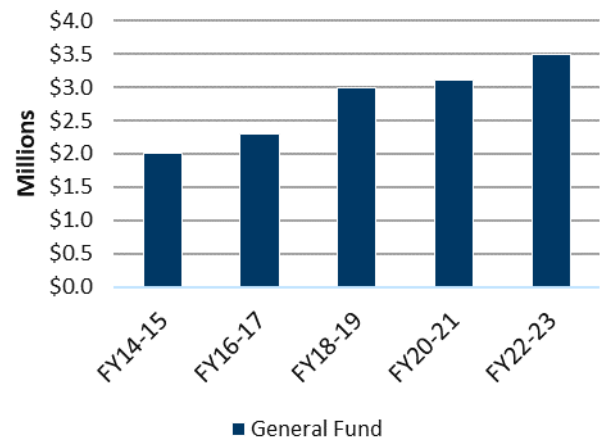
### BUDGET

**Spending by Category  
FY 2023 Actual**



Source: Budget Planning & Analysis System (BPAS)

**Historical Spending**



Source: Consolidated Fund Statement

The Minnesota Tax Court generates approximately \$900,000 annually in non-dedicated revenue from filing fees, which are deposited into the General Fund. All funding for Tax Court operations, in turn, comes from a General Fund appropriation. Recent budget increases are attributable primarily to technology expenses.

## STRATEGIES

The Tax Court is a specialized trial court. Tax Court actions are governed by the Minnesota Rules of Civil Procedure and of Evidence and proceed in largely the same manner as civil actions filed in the Minnesota District Courts. Like other trial courts, the Tax Court resolves discovery and trial-management disputes, decides dispositive and non-dispositive motions, and conducts bench trials (jury trials are not available in Tax Court). The Tax Court files written findings of fact, conclusions of law, and an explanatory memorandum in each case submitted for decision. If dissatisfied with a Tax Court decision, a litigant may appeal directly to the Minnesota Supreme Court.

**New Court Administrator:** The Tax Court recently hired a new Court Administrator with extensive Judicial Branch experience to oversee operations. She is currently reviewing and revamping most court procedures to conform with best practices. This has resulted in consolidation of procedures, cost savings, transparency for litigants, and increased capacity for all members of the court to take on new projects.

**Harness Available Resources:** To ensure the Court is managed according to best practices, we work closely with the Department of Administration's Small Agency Resource Team (SmART) and with MN.IT. SmART assists the Court with human resources and budgeting. The Court's budget now includes line-items for statutorily mandated services such as judicial travel to conduct hearings, the purchase of transcripts for indigent taxpayers, and translators for court proceedings. MN.IT assists the Court in maintaining its case management and E-File electronic infrastructure (which accounts for the bulk of the Court's increased operating expense since FY 2015) and in helping to guarantee that the Court's technology will meet its future needs.

**Active Case Management:** Filings in the Tax Court increased from approximately 1,200 in calendar year 2000 to almost 6,000 in 2010. Filings for the last four years (2019 through 2023) have averaged approximately 3,100+ cases per year. Although there were approximately 4,100 filings in 2024, to facilitate settlements in Commissioner of Revenue cases and particularly in property tax cases (in which counties would otherwise have to request special funds to pay for an outside mediator), the judges of the Court are certified in civil mediation. This enables parties to mediate appropriate cases (at no cost to the parties) in hopes of resolving them short of trial. Finally, the court has implemented streamlined procedures that reduce the time (and cost to the parties) of trying cases that cannot otherwise be resolved.

## RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Supreme Court Affirmances	Quality	Supreme Court Opinions ( <a href="https://www.mncourts.gov/SupremeCourt/RecentOpinions.aspx">https://www.mncourts.gov/SupremeCourt/RecentOpinions.aspx</a> )	Of the five Tax Court cases reviewed by the MNSC between 24 and 12 months ago, three were affirmed, and two were reversed.	Of the five Tax Court cases reviewed by the MNSC in the past 12 months, four were affirmed, and one was affirmed in part, vacated in part and remanded.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Open/Pending Cases <sup>1</sup>	Quantity	The Court's internal case management system (C-Track, a Thomsen Reuters product)	2016 — 4,003 2018 — 3,080 2020 — 3,804 2022 — 3,417	2024 — 4,458 <sup>2</sup>

<sup>1</sup> As used here, "Open and Pending Cases" refers to matters that have been entered into the Tax Court's electronic case-management system but have not yet been settled or tried.

<sup>2</sup> The Minnesota Tax Court saw a dramatic increase in petitions filed in 2024; this follows a national trend.

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The Minnesota Tax Court is authorized by Minnesota Statutes Chapter 271 (<https://www.revisor.mn.gov/statutes/cite/271>).

## Tax Court

## Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27

### Expenditures by Fund

1000 - General	1,746	1,765	1,890	2,511	2,271	2,271
<b>Total</b>	<b>1,746</b>	<b>1,765</b>	<b>1,890</b>	<b>2,511</b>	<b>2,271</b>	<b>2,271</b>
Biennial Change				889		141
Biennial % Change				25		3

### Expenditures by Program

Tax Court	1,746	1,765	1,890	2,511	2,271	2,271
<b>Total</b>	<b>1,746</b>	<b>1,765</b>	<b>1,890</b>	<b>2,511</b>	<b>2,271</b>	<b>2,271</b>

### Expenditures by Category

Compensation	1,155	1,183	1,324	1,436	1,458	1,483
Operating Expenses	584	571	566	1,075	813	788
Capital Outlay-Real Property		6				
Other Financial Transaction	8	4				
<b>Total</b>	<b>1,746</b>	<b>1,765</b>	<b>1,890</b>	<b>2,511</b>	<b>2,271</b>	<b>2,271</b>

### Full-Time Equivalents

9.40	9.99	9.49	10.00	10.00	10.00
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# Tax Court

# Agency Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27	
<b>1000 - General</b>						
Balance Forward In		84		243		
Direct Appropriation	1,827	1,841	2,133	2,268	2,271	2,271
Transfers Out		130				
Cancellations		29				
Balance Forward Out	81		243			
<b>Expenditures</b>	<b>1,746</b>	<b>1,765</b>	<b>1,890</b>	<b>2,511</b>	<b>2,271</b>	<b>2,271</b>
Biennial Change in Expenditures				889		141
Biennial % Change in Expenditures				25		3
Full-Time Equivalents	9.40	9.99	9.49	10.00	10.00	10.00

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
<b>Direct</b>				
<b>Fund: 1000 - General</b>				
FY2025 Appropriations	2,268	2,268	2,268	4,536
Base Adjustments				
Minnesota Paid Leave Allocation		3	3	6
Forecast Base	2,268	2,271	2,271	4,542
<b>Revenue Change Summary</b>				
<b>Non-Dedicated</b>				
<b>Fund: 1000 - General</b>				
Forecast Revenues	15	15	15	30