



State Auditor  
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# OFFICE OF THE STATE AUDITOR

## *E-Update*

*The official online news  
publication of the Office  
of the State Auditor*

January 16, 2015

1. Released: Tax Increment Financing (TIF) Legislative Report
2. Released: Volunteer Fire Relief Association Reporting Forms
3. Update: Volunteer Fire Relief Association Working Group
4. Avoiding Pitfalls: IRS Form W-2 and Form 1099

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### **1. Released: Tax Increment Financing (TIF) Legislative Report**

This week the Office of the State Auditor released the 2013 Tax Increment Financing (TIF) Legislative Report. This nineteenth annual Legislative Report was compiled from information received from the 417 development authorities currently authorized to exercise tax increment financing (TIF) powers in Minnesota.

To view the complete report, which includes an Executive Summary, tables, and graphs, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20150115.000>.

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### **2. Released: Volunteer Fire Relief Association Reporting Forms**

The Office of the State Auditor is pleased to announce that the 2014 Reporting Forms for volunteer fire relief associations are now available for download from our website. The 2015 Schedule Form and 2015 Maximum Benefit Worksheet are also available for download. The reporting forms can be accessed at <https://www.auditor.state.mn.us/safes/>.

Relief associations with assets and liabilities of less than \$500,000 must submit reporting forms, but need not obtain an audit. The financial Reporting Form (RF-14) must be certified by an independent public accountant or auditor. The reporting forms and accountant or auditor certification are due by March 31, 2015.

Relief associations with assets or liabilities of at least \$500,000 must submit an audit report and reporting forms. The audit report and reporting forms are due by June 30, 2015.

We have published a document with detailed instructions on accessing, completing, and submitting the reporting forms. The document can be viewed at:

[http://www.auditor.state.mn.us/forms/pen/ReportingForms/pensionrf\\_infoandhelpfulhints.pdf](http://www.auditor.state.mn.us/forms/pen/ReportingForms/pensionrf_infoandhelpfulhints.pdf).

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### **3. Update: Volunteer Fire Relief Association Working Group**

The 2014-2015 Volunteer Fire Relief Association Working Group held its last meeting on January 15. The Group conducted a final review and approval of its legislative proposals. The Working Group bill, once finalized, will be forwarded to the Legislative Commission on Pensions and Retirements for their consideration.

The Group continued its discussion on potentially expanding relief association membership and benefit eligibility to volunteer emergency medical personnel if approved locally. The Working Group will collect information on this topic during the interim and continue its discussion when the 2015-2016 Group convenes in the fall. The Group discussed training for relief association trustees and suggested training topics.

Working Group meeting materials are available at:

<http://www.auditor.state.mn.us/default.aspx?page=reliefworkinggroup>.

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### **4. Avoiding Pitfalls: IRS Form W-2 and Form 1099**

Local governments are required to file Internal Revenue Service (IRS) Form W-2 to report employee wages, tips, and other compensation. In addition, entities need to file Form 1099-MISC for non-employees (e.g., independent contractors) who received \$600 or more for their services. The forms must be submitted to the recipient of the income and to the IRS.

Consult with your attorney if you are uncertain whether a person is an employee or an independent contractor. The IRS website also contains considerable information on this topic at <http://www.irs.gov/faqs/content/0,,id=199973,00.html>. In addition, the IRS may be contacted directly about any specific situation.

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