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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 1561

02/09/2023 Authored by Davids
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; reducing the corporate franchise tax rate; reducing the rate
1.3 used to calculate application of the corporate alternative minimum tax; amending
1.4 Minnesota Statutes 2022, sections 290.06, subdivision 1; 290.0921, subdivision
1.5 1.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2022, section 290.06, subdivision 1, is amended to read:

1.8 Subdivision 1. Computation, corporations. The franchise tax imposed upon corporations
1.9 shall be computed by applying to their taxable income the rate of 9.8 percent. following
1.10 rates for the taxable years provided:

1.11 (1) for taxable years beginning before January 1, 2023, 9.8 percent;

1.12 (2) for taxable years beginning after December 31, 2022, and before January 1, 2024,
1.13 9.3 percent;

1.14 (3) for taxable years beginning after December 31, 2023, and before January 1, 2025,
1.15 9.05 percent; and

1.16 (4) for taxable years beginning after December 31, 2024, 8.8 percent.

1.17 EFFECTIVE DATE. This section is effective for taxable years beginning after December
1.18 31, 2022.

1.19 Sec. 2. Minnesota Statutes 2022, section 290.0921, subdivision 1, is amended to read:

1.20 Subdivision 1. Tax imposed. In addition to the taxes computed under this chapter without
1.21 regard to this section, the franchise tax imposed on corporations includes a tax equal to the

2.1 excess, if any, ~~for the taxable year of~~ the amount calculated at the following rates on
2.2 Minnesota alternative minimum taxable income for the following taxable years, over the
2.3 tax imposed under section 290.06, subdivision 1, without regard to this section:

2.4 (1) for taxable years beginning before January 1, 2023, 5.8 percent of Minnesota
2.5 ~~alternative minimum taxable income; over~~

2.6 ~~(2) the tax imposed under section 290.06, subdivision 1, without regard to this section.~~

2.7 (2) for taxable years beginning after December 31, 2022, and before January 1, 2024,
2.8 5.5 percent;

2.9 (3) for taxable years beginning after December 31, 2023, and before January 1, 2025,
2.10 5.35 percent; and

2.11 (4) for taxable years beginning after December 31, 2024, 5.2 percent.

2.12 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
2.13 31, 2022.