

SENATE

STATE OF MINNESOTA

EIGHTY-EIGHTH SESSION

S.F. No. 2600

(SENATE AUTHORS: EKEN)

DATE	D-PG	OFFICIAL STATUS
03/12/2014	6166	Introduction and first reading Referred to Taxes
03/20/2014		Comm report: To pass as amended and re-refer to Finance

A bill for an act  
relating to taxation; modifying the incentives available in and the funding for  
border city enterprise and development zones; amending Minnesota Statutes  
2012, section 469.171, subdivision 6; Minnesota Statutes 2013 Supplement,  
section 469.169, by adding a subdivision.

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

Section 1. Minnesota Statutes 2013 Supplement, section 469.169, is amended by  
adding a subdivision to read:

Subd. 20. **Permanent zone allocation.** Each calendar year \$5,000,000 is allocated  
for tax reductions in border city enterprise zones and border city development zones. The  
commissioner shall allocate this amount among the cities on a per capita basis. Allocations  
may be used for tax reductions for that year under either the border city:

(1) enterprise zone program under section 469.171, or for other offsets of taxes  
imposed on or remitted by businesses located in the enterprise zone, if the municipality  
determines that the granting of the tax reduction or offset is necessary to retain a business  
within or attract a business to the zone; or

(2) development zone program under section 469.1732 or 469.1734.

**EFFECTIVE DATE.** This section is effective July 1, 2014, but only \$2,500,000 is  
available in calendar year 2014.

Sec. 2. Minnesota Statutes 2012, section 469.171, subdivision 6, is amended to read:

Subd. 6. **Additional border city tax reductions.** In addition to the tax reductions  
authorized by subdivision 1, for a border city zone, the following types of tax reductions  
may be approved:

2.1 (1) a credit against income tax for workers employed in the zone and not qualifying  
2.2 for a credit under subdivision 1, clause (2), subject to a maximum of \$1,500 \$3,000 per  
2.3 employee per year;

2.4 (2) a state paid property tax credit for a portion of the property taxes paid by a  
2.5 commercial or industrial facility located in the zone.

2.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.