## **SENATE STATE OF MINNESOTA NINETIETH SESSION**

A bill for an act

S.F. No. 1438

(SENATE AUTHORS: ANDERSON, P., Pratt and Chamberlain)

**DATE** 02/27/2017

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1.2

**D-PG** 784

OFFICIAL STATUS

Introduction and first reading Referred to Taxes

1.4 1.  1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:  1.6 Section 1. Minnesota Statutes 2016, section 290.068, subdivision 1, is amended to Subdivision 1. Credit allowed. A corporation, partners in a partnership, or sharely in a corporation treated as an "S" corporation under section 290.9725 are individual or estate is allowed a credit against the tax computed under this chapter for the taxab equal to:  1.11 (a) ten percent of the first \$2,000,000 of the excess (if any) of  1.12 (1) the qualified research expenses for the taxable year, over  1.13 (2) the base amount; and  1.14 (b) 2.5 percent on all of such excess expenses over \$2,000,000.	1.2	relating to taxation; income and corporate franchise; extending the research credit
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:  Section 1. Minnesota Statutes 2016, section 290.068, subdivision 1, is amended to Subdivision 1. Credit allowed. A corporation, partners in a partnership, or sharely in a corporation treated as an "S" corporation under section 290.9725 are individual or estate is allowed a credit against the tax computed under this chapter for the taxab equal to:  (a) ten percent of the first \$2,000,000 of the excess (if any) of  (1) the qualified research expenses for the taxable year, over  (2) the base amount; and  (b) 2.5 percent on all of such excess expenses over \$2,000,000.		to sole proprietors; amending Minnesota Statutes 2016, section 290.068, subdivision
Section 1. Minnesota Statutes 2016, section 290.068, subdivision 1, is amended to Subdivision 1. Credit allowed. A corporation, partners in a partnership, or sharely in a corporation treated as an "S" corporation under section 290.9725 are individual or estate is allowed a credit against the tax computed under this chapter for the taxab equal to:  (a) ten percent of the first \$2,000,000 of the excess (if any) of  (1) the qualified research expenses for the taxable year, over  (2) the base amount; and  (b) 2.5 percent on all of such excess expenses over \$2,000,000.	1.4	1.
Subdivision 1. <b>Credit allowed.</b> A corporation, partners in a partnership, or sharely in a corporation treated as an "S" corporation under section 290.9725 are individual or estate is allowed a credit against the tax computed under this chapter for the taxab equal to:  (a) ten percent of the first \$2,000,000 of the excess (if any) of  (1) the qualified research expenses for the taxable year, over  (2) the base amount; and  (b) 2.5 percent on all of such excess expenses over \$2,000,000.	1.5	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
in a corporation treated as an "S" corporation under section 290.9725 are individual or estate is allowed a credit against the tax computed under this chapter for the taxab equal to:  (a) ten percent of the first \$2,000,000 of the excess (if any) of  (1) the qualified research expenses for the taxable year, over  (2) the base amount; and  (b) 2.5 percent on all of such excess expenses over \$2,000,000.	1.6	Section 1. Minnesota Statutes 2016, section 290.068, subdivision 1, is amended to read:
or estate is allowed a credit against the tax computed under this chapter for the taxab equal to:  (a) ten percent of the first \$2,000,000 of the excess (if any) of  (1) the qualified research expenses for the taxable year, over  (2) the base amount; and  (b) 2.5 percent on all of such excess expenses over \$2,000,000.	1.7	Subdivision 1. Credit allowed. A corporation, partners in a partnership, or shareholders
equal to:  (a) ten percent of the first \$2,000,000 of the excess (if any) of  (1) the qualified research expenses for the taxable year, over  (2) the base amount; and  (b) 2.5 percent on all of such excess expenses over \$2,000,000.	1.8	in a corporation treated as an "S" corporation under section 290.9725 are individual, trust,
(a) ten percent of the first \$2,000,000 of the excess (if any) of  (1) the qualified research expenses for the taxable year, over  (2) the base amount; and  (b) 2.5 percent on all of such excess expenses over \$2,000,000.	1.9	or estate is allowed a credit against the tax computed under this chapter for the taxable year
<ul> <li>(1) the qualified research expenses for the taxable year, over</li> <li>(2) the base amount; and</li> <li>(b) 2.5 percent on all of such excess expenses over \$2,000,000.</li> </ul>	1.10	equal to:
1.13 (2) the base amount; and 1.14 (b) 2.5 percent on all of such excess expenses over \$2,000,000.	1.11	(a) ten percent of the first \$2,000,000 of the excess (if any) of
(b) 2.5 percent on all of such excess expenses over \$2,000,000.	1.12	(1) the qualified research expenses for the taxable year, over
	1.13	(2) the base amount; and
FFFECTIVE DATE. This section is affective for tayable years beginning after Dec	1.14	(b) 2.5 percent on all of such excess expenses over \$2,000,000.
ETTECTIVE DATE. This section is effective for taxable years beginning after Dec	1.15	<b>EFFECTIVE DATE.</b> This section is effective for taxable years beginning after December
1.16 31, 2016.	1.16	31, 2016.

Section 1. 1