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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 587

01/31/2019 Authored by Lien, Davids, Lesch, Garofalo, Schultz and others
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 health; allowing a subtraction from state business tax for medical
1.3 cannabis manufacturers; amending Minnesota Statutes 2018, sections 290.0132,
1.4 by adding a subdivision; 290.0134, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2018, section 290.0132, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 27. Disallowed section 280E expenses; medical cannabis manufacturers. The
1.9 amount of expenses of a medical cannabis manufacturer, as defined under section 152.22,
1.10 subdivision 7, related to the business of medical cannabis under sections 152.21 to 152.37,
1.11 and not allowed for federal income tax purposes under section 280E of the Internal Revenue
1.12 Code is a subtraction.

1.13 EFFECTIVE DATE. This section is effective for taxable years beginning after December
1.14 31, 2018.

1.15 Sec. 2. Minnesota Statutes 2018, section 290.0134, is amended by adding a subdivision
1.16 to read:

1.17 Subd. 17. Disallowed section 280E expenses; medical cannabis manufacturers. The
1.18 amount of expenses of a medical cannabis manufacturer, as defined under section 152.22,
1.19 subdivision 7, related to the business of medical cannabis under sections 152.21 to 152.37,
1.20 and not allowed for federal income tax purposes under section 280E of the Internal Revenue
1.21 Code is a subtraction.

- 2.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
- 2.2 31, 2018.