A bill for an act
relating to taxation; income; corporate franchise; interest netting; proposing coding for new law in Minnesota Statutes, chapter 270C.

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

Section 1. **[270C.407] INTEREST OFFSET.**

Subdivision 1. **Scope.** This section only applies when a taxpayer makes an overpayment of tax for any tax period, and as a result of a settlement agreement with the Internal Revenue Service or the commissioner, transfers the overpayment of tax to any tax period in which the taxpayer made an underpayment of tax.

Subd. 2. **Interest amount.** To the extent that interest is allowable under section 270C.405 on an amount of tax that was overpaid by a taxpayer for an incorrect tax period, producing an equivalent underpayment of tax by the same taxpayer in another tax period by which interest is payable under section 270C.40, the net interest accruing on the equivalent overpayment and underpayment of tax is zero.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to interest paid after that date.