

**SENATE**  
**STATE OF MINNESOTA**  
**NINETY-FOURTH SESSION**

**S.F. No. 4634**

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DATE	D-PG	OFFICIAL STATUS
03/23/2026	6895	Introduction and first reading Referred to Jobs and Economic Development
04/15/2026	8080	Withdrawn and re-referred to Taxes

- 1.1 A bill for an act
- 1.2 relating to economic development; modifying the film production credit; amending
- 1.3 Minnesota Statutes 2024, section 116U.27, subdivisions 1, 4, 5; Minnesota Statutes
- 1.4 2025 Supplement, section 116U.27, subdivision 2.
- 1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6 Section 1. Minnesota Statutes 2024, section 116U.27, subdivision 1, is amended to read:
- 1.7 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
- 1.8 the meanings given.
- 1.9 (b) "Allocation certificate letter" means a certificate letter issued by the commissioner
- 1.10 to a taxpayer upon receipt and approval of an initial application for a credit for a project
- 1.11 that has not yet been completed.
- 1.12 (c) "Application" means the application for a credit under subdivision 4.
- 1.13 (d) "Below-the-line crew position" means a position that handles the technical execution
- 1.14 of film production, including camera operators, sound technicians, grips, electricians, and
- 1.15 other specialized crafts positions.
- 1.16 ~~(d)~~ (e) "Credit certificate" means a certificate issued by the commissioner upon receipt
- 1.17 and approval of the cost verification report in subdivision 4, paragraph (e).
- 1.18 ~~(e)~~ (f) "Director" means the director of Explore Minnesota.
- 1.19 ~~(f)~~ (g) "Eligible production costs" means eligible production costs as defined in section
- 1.20 116U.26, paragraph (b), clause (1), incurred in Minnesota that are directly attributable to
- 1.21 the production of a film project in Minnesota.

2.1 ~~(g)~~ (h) "Film" has the meaning given in section 116U.26, paragraph (b), clause (2).

2.2 (i) "Key creative role" means a project director, producer, showrunner, editor, actor,  
 2.3 writer, director of photography, production designer, cinematographer, or equivalent project  
 2.4 role.

2.5 (j) "Minnesota script or screenplay production" means a script or screenplay created by  
 2.6 a Minnesota resident that is produced into a film.

2.7 ~~(h)~~ (k) "Project" means a film, including television programming:

2.8 (1) that includes the promotion of Minnesota;

2.9 (2) for which the taxpayer has expended at least ~~\$1,000,000~~ \$400,000 in any consecutive  
 2.10 12-month period beginning after expenditures are first paid in Minnesota for eligible  
 2.11 production costs; and

2.12 (3) to the extent practicable, that employs Minnesota residents.

2.13 ~~Television commercials are exempt from the requirement under clause (1).~~

2.14 Project also includes a television commercial or Minnesota script or screenplay production  
 2.15 for which the taxpayer has expended at least \$150,000 in any consecutive 12-month period  
 2.16 beginning after expenditures are first paid in Minnesota for eligible production costs and,  
 2.17 to the extent practicable, that employs Minnesota residents.

2.18 ~~(i)~~ (l) "Promotion of Minnesota" or "promotion" means visible display of a static or  
 2.19 animated logo, approved by the director, that promotes Minnesota within its presentation  
 2.20 in the end credits for the life of the project.

2.21 Sec. 2. Minnesota Statutes 2025 Supplement, section 116U.27, subdivision 2, is amended  
 2.22 to read:

2.23 Subd. 2. **Credit allowed.** (a) A taxpayer is eligible for a credit up to ~~25~~ 40 percent of  
 2.24 eligible production costs paid in any consecutive 12-month period as described in subdivision  
 2.25 1, paragraph ~~(h)~~ (i). A taxpayer may only claim a credit if the taxpayer was issued a credit  
 2.26 certificate under subdivision 4.

2.27 (b) A taxpayer is eligible for an additional five percent credit totaling up to 45 percent  
 2.28 if the project meets the requirements of paragraph (a), and:

2.29 (1) employs a Minnesota resident in a key creative role;

2.30 (2) films outside of the seven-county metro area, as defined in section 473.121,  
 2.31 subdivision 2; or

3.1 (3) hires a majority of Minnesota residents in below-the-line crew positions.

3.2 Sec. 3. Minnesota Statutes 2024, section 116U.27, subdivision 4, is amended to read:

3.3 Subd. 4. **Applications; allocations.** (a) To qualify for a credit under this section, a  
3.4 taxpayer must submit to the director an application for a credit in the form prescribed by  
3.5 the director, in consultation with the commissioner of revenue.

3.6 (b) Upon approving an application for a credit that meets the requirements of this section,  
3.7 the director shall issue allocation ~~certificates~~ letters that:

3.8 (1) verify eligibility for the credit;

3.9 (2) state the amount of credit anticipated for the eligible project, with the credit amount  
3.10 up to ~~25~~ 45 percent of eligible project costs; and

3.11 (3) state the taxable year in which the credit is allocated.

3.12 (c) The director must not issue allocation ~~certificates~~ letters for more than \$24,950,000  
3.13 of credits each year. If the entire amount is not allocated in that taxable year, any remaining  
3.14 amount is available for allocation for the four following taxable years until the entire  
3.15 allocation has been made. The director must not award any credits for taxable years beginning  
3.16 after December 31, 2030, and any unallocated amounts cancel on that date.

3.17 (d) The director must allocate credits on a first-come, first-served basis.

3.18 (e) Upon completion of a project, the taxpayer shall submit to the director a report  
3.19 prepared by an independent certified public accountant licensed in the state of Minnesota  
3.20 to verify the amount of eligible production costs related to the project. The report must be  
3.21 prepared in accordance with generally accepted accounting principles. Upon receipt and  
3.22 approval of the cost verification report and other documents required by the director, the  
3.23 director shall determine the final amount of eligible production costs and issue a credit  
3.24 certificate to the taxpayer. The credit may not exceed the anticipated credit amount on the  
3.25 allocation ~~certificate~~ letter. If the credit is less than the anticipated amount on the allocation  
3.26 credit, the difference is returned to the amount available for allocation under paragraph (c).  
3.27 To claim the credit under section 290.06, subdivision 39, or 297I.20, subdivision 4, a taxpayer  
3.28 must include a copy of the credit certificate as part of the taxpayer's return.

3.29 Sec. 4. Minnesota Statutes 2024, section 116U.27, subdivision 5, is amended to read:

3.30 Subd. 5. **Report required.** By January 15, 2025, the commissioner of revenue, in  
3.31 consultation with the director, must provide a report to the chairs and ranking minority

4.1 members of the legislative committees with jurisdiction over economic development and  
4.2 taxes. The report must comply with sections 3.195 and 3.197, and must detail the following:

4.3 (1) the amount of credit certifications issued annually;

4.4 (2) the number of applications submitted, the number of allocation ~~certificates~~ letters  
4.5 issued, the amount of allocation ~~certificates~~ letters issued, the number of reports submitted  
4.6 upon completion of a project, and the number of credit certificates issued;

4.7 (3) the types of projects eligible for the credit;

4.8 (4) the total economic impact of the credit in Minnesota, including the calendar year  
4.9 over calendar year percentage changes in the number of jobs held by Minnesota residents  
4.10 in businesses having a primary North American Industry Classification System code of  
4.11 512110 as reported to the commissioner, for calendar years 2019 through 2023;

4.12 (5) the number of taxpayers per tax type which are assignees of credit certificates under  
4.13 subdivision 3;

4.14 (6) annual Minnesota taxes paid by businesses having a primary North American Industry  
4.15 Classification System code of 512110, for taxable years beginning after December 31, 2018,  
4.16 and before January 1, 2024; and

4.17 (7) any other information the commissioner of revenue, in consultation with the director,  
4.18 deems necessary for purposes of claiming and administering the credit.

4.19 **Sec. 5. EFFECTIVE DATE.**

4.20 Sections 1 to 4 are effective July 1, 2026.