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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1021

02/11/2021 Authored by Gomez
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 taxation; establishing a Minnesota wealth tax; proposing coding for
1.3 new law in Minnesota Statutes, chapter 290.

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

1.5 Section 1. 290.055 WEALTH TAX.

1.6 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
1.7 the meanings given.

1.8 (b) "Pass-through entity" has the meaning given in section 291.005, subdivision 1.

1.9 (c) "Situs of property" means, with respect to:

1.10 (1) real property, the state or country in which it is located;

1.11 (2) tangible personal property, the state or country in which it is normally kept or located;

1.12 and

1.13 (3) intangible personal property, the state or country in which an individual taxpayer is
1.14 domiciled or the state of which a trust is a resident.

1.15 For a nonresident taxpayer with an ownership interest in a pass-through entity with assets
1.16 that include real or tangible personal property, situs of the real or tangible personal property,
1.17 is determined as if the pass-through entity does not exist and the real or tangible personal
1.18 property is personally owned by the taxpayer. If the pass-through entity is owned by a person
1.19 or persons in addition to the taxpayer, ownership of the property is attributed to the taxpayer
1.20 in proportion to the taxpayer's capital ownership share of the pass-through entity.

1.21 (d) "Taxable wealth" means:

2.1 (1) the value of all of a taxpayer's property, real or personal, tangible or intangible, but
2.2 excluding property with a situs outside of Minnesota; minus

2.3 (2) the sum of all debts and financial obligations owed by the taxpayer.

2.4 The value of a taxpayer's property shall be calculated in the same manner as the value of a
2.5 gross estate under section 2031 of the Internal Revenue Code.

2.6 Subd. 2. **Tax imposed.** A tax is annually imposed equal to 2 percent of the taxable wealth
2.7 of an individual or trust in excess of \$30,000,000.

2.8 Subd. 3. **Taxes imposed are in addition to other taxes.** The tax imposed under this
2.9 section is in addition to the tax imposed under chapter 291, section 289A.08, subdivision
2.10 7, and any other tax imposed by this chapter.

2.11 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
2.12 31, 2019.