A bill for an act

relating to taxation; corporate income tax rate; providing for a gradual phase out of the corporate income tax rate beginning in 2010; amending Minnesota Statutes 2008, section 290.06, subdivision 1.

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

Section 1. Minnesota Statutes 2008, section 290.06, subdivision 1, is amended to read:

Subdivision 1. **Computation, corporations.** (a) For taxable years beginning before January 1, 2010, the franchise tax imposed upon corporations shall be computed by applying to their taxable income the rate of 9.8 percent.

(b) For taxable years beginning after December 31, 2009, the rate listed below applies to taxable years beginning during the calendar year references below.

Taxable years beginning during the calendar year:	Tax rate:
2010	8.8 percent
2011	7.8 percent
2012	6.8 percent
2013	5.8 percent
2014	4.8 percent
2015	3.8 percent
2016	2.8 percent
2017	1.8 percent
2018	0.8 percent
2019 and later years	0

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2009.