

SENATE

STATE OF MINNESOTA

EIGHTY-EIGHTH LEGISLATURE

S.F. No. 1575

(SENATE AUTHORS: REST)

DATE	D-PG	OFFICIAL STATUS
04/10/2013	1740	Introduction and first reading Referred to Taxes

A bill for an act
relating to taxation; corporate franchise; modifying the thresholds for the
corporate minimum fee; providing for indexation of the corporate minimum fee;
amending Minnesota Statutes 2012, section 290.0922, subdivision 1.

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

Section 1. Minnesota Statutes 2012, section 290.0922, subdivision 1, is amended to read:

Subdivision 1. **Imposition.** (a) In addition to the tax imposed by this chapter without
regard to this section, the franchise tax imposed on a corporation required to file under
section 289A.08, subdivision 3, other than a corporation treated as an "S" corporation
under section 290.9725 for the taxable year includes a tax equal to the following amounts:

If the sum of the corporation's Minnesota property, payrolls, and sales or receipts is:		the tax equals:
	500,000	
less than	\$ <u>930,000</u>	\$ 0
500,000	999,999	100
\$ <u>930,000</u> to	\$ <u>1,869,999</u>	\$ <u>190</u>
1,000,000	4,999,999	300
\$ <u>1,870,000</u> to	\$ <u>9,339,999</u>	\$ <u>560</u>
5,000,000	9,999,999	1,000
\$ <u>9,340,000</u> to	\$ <u>18,679,999</u>	\$ <u>1,870</u>
10,000,000	19,999,999	2,000
\$ <u>18,680,000</u> to	\$ <u>37,359,999</u>	\$ <u>3,740</u>
20,000,000		5,000
\$ <u>37,360,000</u> or more		\$ <u>9,340</u>

(b) A tax is imposed for each taxable year on a corporation required to file a return
under section 289A.12, subdivision 3, that is treated as an "S" corporation under section
290.9725 and on a partnership required to file a return under section 289A.12, subdivision
3, other than a partnership that derives over 80 percent of its income from farming. The

tax imposed under this paragraph is due on or before the due date of the return for the taxpayer due under section 289A.18, subdivision 1. The commissioner shall prescribe the return to be used for payment of this tax. The tax under this paragraph is equal to the following amounts:

If the sum of the S corporation's or partnership's Minnesota property, payrolls, and sales or receipts is:

the tax equals:

		500,000	
less than	\$	<u>930,000</u>	\$ 0
500,000		999,999	100
\$ <u>930,000</u>	to	\$ <u>1,869,999</u>	\$ <u>190</u>
1,000,000		4,999,999	300
\$ <u>1,870,000</u>	to	\$ <u>9,339,999</u>	\$ <u>560</u>
5,000,000		9,999,999	1,000
\$ <u>9,340,000</u>	to	\$ <u>18,679,999</u>	\$ <u>1,870</u>
10,000,000		19,999,999	2,000
\$ <u>18,680,000</u>	to	\$ <u>37,359,999</u>	\$ <u>3,740</u>
20,000,000			5,000
\$ <u>37,360,000</u>	or more		\$ <u>9,340</u>

(c) The commissioner shall adjust the dollar amounts of both the tax and the property, payrolls, and sales or receipts thresholds in paragraphs (a) and (b) by the percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue Code, except that in section 1(f)(3)(B) the word "2012" must be substituted for the word "1992." For 2014, the commissioner shall determine the percentage change from the 12 months ending on August 31, 2012, to the 12 months ending on August 31, 2013, and in each subsequent year, from the 12 months ending on August 31, 2012, to the 12 months ending on August 31 of the year preceding the taxable year. The determination of the commissioner pursuant to this subdivision is not a rule subject to the Administrative Procedure Act contained in chapter 14. The tax amounts as adjusted must be rounded to the nearest \$10 amount and the threshold amounts must be adjusted to the nearest \$10,000 amount. For tax amounts that end in \$5, the amount is rounded up to the nearest \$10 amount, and for threshold amounts that end in \$5,000, the amount is rounded up to the nearest \$10,000.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2012.