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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 3883

02/15/2024 Authored by Myers and Davids
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; corporate franchise; allowing a credit for certain federal payroll
1.3 taxes; amending Minnesota Statutes 2022, section 290.06, by adding a subdivision.

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

1.5 Section 1. Minnesota Statutes 2022, section 290.06, is amended by adding a subdivision
1.6 to read:

1.7 Subd. 41. FICA tax credit. (a) For the purposes of this section, the term "eligible
1.8 corporation" means a corporation that:

1.9 (1) is subject to tax under section 290.02;

1.10 (2) employed an average of no more than 50 full-time employees, including full-time
1.11 equivalent employees, subject to withholding under section 290.92, on business days during
1.12 the taxable year; and

1.13 (3) had less than \$25,000,000 in total revenue in the taxable year.

1.14 (b) An eligible corporation is allowed a credit against the tax imposed under this chapter
1.15 equal to ten percent of the amount of taxes paid under section 3111(a) of the Internal Revenue
1.16 Code for the taxable year on wages subject to withholding under section 290.92.

1.17 (c) The credit for the taxable year must not exceed the sum of the taxpayer's liability for
1.18 tax under subdivision 1 and section 290.0921.

1.19 EFFECTIVE DATE. This section is effective for taxable years beginning after December
1.20 31, 2023.