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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 206

01/28/2013 Authored by Anderson, S.; Uglem; Zellers; Davids and Scott
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; income and corporate franchise; modifying the computation
1.3 of the research credit; amending Minnesota Statutes 2012, section 290.068,
1.4 subdivision 1.

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

1.6 Section 1. Minnesota Statutes 2012, section 290.068, subdivision 1, is amended to read:

1.7 Subdivision 1. **Credit allowed.** (a) A corporation, partners in a partnership, or
1.8 shareholders in a corporation treated as an "S" corporation under section 290.9725 are
1.9 allowed a credit against the tax computed under this chapter for the taxable year equal to
1.10 the sum of the amount of:

1.11 (1) the tier one credit under paragraph (b); and

1.12 (2) the tier two credit under paragraph (c).

1.13 (b) The tier one credit equals ten percent of the first \$2,000,000 of qualified research
1.14 expenses for the taxable year.

1.15 ~~(a) ten~~ (c) The tier two credit equals 2.5 percent of the first \$2,000,000 of the excess
1.16 (if any) for the taxable year of qualified research expenses over the greater of:

1.17 (1) the qualified research expenses for the taxable year, over used to calculate the
1.18 tier one credit; or

1.19 (2) the base amount; and

1.20 ~~(b) 2.5 percent on all of such excess expenses over \$2,000,000.~~

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