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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 4108

03/21/2018 Authored by Davids, Loon, McDonald, Metsa, Fenton and others
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; individual income; providing a refundable film production tax
1.3 credit; amending Minnesota Statutes 2016, 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 2016, section 290.06, is amended by adding a subdivision
1.6 to read:

1.7 Subd. 39. Refundable film production credit. (a) A taxpayer is allowed a credit against
1.8 the taxes due under this chapter equal to 25 percent of film production and postproduction
1.9 expenditures made in Minnesota that are directly attributable to film production in Minnesota.

1.10 (b) For purposes of this subdivision, "film" has the meaning given in section 116U.26.

1.11 (c) Expenditures that qualify for the credit under this subdivision must be "production
1.12 costs" as that term is defined in section 116U.26 and must be subject to taxation in Minnesota.

1.13 (d) If the amount of the credit under this subdivision exceeds the taxpayer's tax liability
1.14 under this chapter for the taxable year, the amount of the excess must be refunded to the
1.15 taxpayer. The amount necessary to pay the refunds under this subdivision is appropriated
1.16 annually from the general fund to the commissioner of revenue.

1.17 (e) The recipient of a credit certificate may assign the certificate to another taxpayer,
1.18 who is then allowed the credit under this section. An assignment is not valid unless the
1.19 assignee notifies the commissioner within 30 days of the date that the assignment is made.

1.20 (f) Credits granted to a partnership, a limited liability company taxed as a partnership,
1.21 S corporation, or multiple owners of property are passed through to the partners, members,
1.22 shareholders, or owners, respectively, pro rata to each partner, member, shareholder, or

2.1 owner based on their share of the entity's assets or as specially allocated in their
2.2 organizational documents or any other executed agreement, as of the last day of the taxable
2.3 year.

2.4 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
2.5 31, 2018.