290.033 NET INVESTMENT INCOME TAX.

(a) For purposes of this section, "net investment income" has the meaning given in section 1411(c) of the Internal Revenue Code, except:

(1) net investment income excludes the net gain attributable to the disposition of property classified as class 2a under section 273.13, subdivision 23; and

(2) net investment income is adjusted for capital gains in an opportunity zone, as provided in paragraph (e).

(b) In addition to the tax computed under section 290.06, subdivision 2c, a tax is imposed on the net investment income of individuals, estates, and trusts in excess of $1,000,000 at a rate of one percent.

(c) For an individual who is not a Minnesota resident for the entire taxable year, the tax under this subdivision must be calculated as if the individual is a Minnesota resident for the entire year, and that amount must be multiplied by a fraction in which:

(1) the numerator is net investment income allocable under section 290.17 to Minnesota; and

(2) the denominator is the total amount of net investment income for the taxable year.

(d) For an estate or trust, the tax on net investment income must be computed by multiplying the net investment income tax liability by a fraction, the numerator of which is the amount of the estate or trust's net investment income allocated to the state pursuant to the provisions of sections 290.17, 290.191, and 290.20, and the denominator of which is the taxpayer's total net investment income.

(e) For a taxpayer with an addition under section 290.0131, subdivision 24, net investment income is increased by the amount of the addition. For a taxpayer with a subtraction under section 290.0132, subdivision 40, net investment income is reduced by the amount of the subtraction.

History: *2023 c 64 art 1 s 30; 2026 c 128 art 1 s 21*