

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 3024

(SENATE AUTHORS: NELSON)

DATE
03/20/2023

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2124 Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to taxation; individual income and corporate franchise; providing a credit
1.3 for investments in advanced manufacturing facilities; proposing coding for new
1.4 law in Minnesota Statutes, chapter 290.

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

1.6 Section 1. [290.0687] MINNESOTA ADVANCED MANUFACTURING
1.7 INVESTMENT CREDIT.

1.8 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
1.9 the meanings given.

1.10 (b) "Advanced manufacturing facility" means an advanced manufacturing facility, as
1.11 defined in section 48D(b)(3) of the Internal Revenue Code, that is located in Minnesota.

1.12 (c) "Eligible taxpayer" has the meaning given in section 48D(c) of the Internal Revenue
1.13 Code.

1.14 (d) "Federal credit" means the credit allowed under section 48D of the Internal Revenue
1.15 Code.

1.16 (e) "Qualified investment" means a qualified investment as defined under section
1.17 48D(b)(1) of the Internal Revenue Code.

1.18 (f) "Qualified property" means qualified property as defined in section 48D(b)(2) of the
1.19 Internal Revenue Code that is located in Minnesota.

1.20 Subd. 2. Credit allowed; advanced manufacturing facility. (a) An eligible taxpayer
1.21 is allowed a credit against the tax imposed under this chapter equal to not more than 100
1.22 percent of the credit allowed to the eligible taxpayer under section 48D of the Internal

2.1 Revenue Code for a qualified investment. The credit is payable in the year the qualified
2.2 property is placed in service by the eligible taxpayer. To qualify for the credit, the eligible
2.3 taxpayer must be allowed the federal credit and must comply with requirements for claiming
2.4 the credit under subdivision 5.

2.5 (b) A qualified investment eligible for a credit under this section for a taxable year must
2.6 not include the portion of the basis of any property that is attributable to qualified
2.7 rehabilitation expenditures as defined under section 290.0681, subdivision 1, paragraph (g).

2.8 Subd. 3. **Credit refundable.** If the amount of credit that the taxpayer is eligible to receive
2.9 under this section exceeds the liability for tax under this chapter, the commissioner shall
2.10 refund the excess to the taxpayer.

2.11 Subd. 4. **Partnerships; multiple owners.** Credits granted to a partnership, a limited
2.12 liability company taxed as a partnership, S corporation, or multiple owners of property are
2.13 passed through to the partners, members, shareholders, or owners, respectively, pro rata to
2.14 each partner, member, shareholder, or owner based on their share of the entity's assets or
2.15 as specially allocated in their organizational documents or any other executed agreement,
2.16 as of the last day of the taxable year.

2.17 Subd. 5. **Manner of claiming.** The commissioner shall prescribe the manner in which
2.18 the credit may be issued or claimed, which may include allowing the credit only as a
2.19 separately processed claim for refund.

2.20 Subd. 6. **Application of provisions; sunset.** (a) For property for which construction
2.21 began before January 1, 2023, this section applies only to the basis of qualified property
2.22 that is attributable to the construction, reconstruction, or erection of the property beginning
2.23 after August 8, 2022.

2.24 (b) This section expires for property for which construction begins after December 31,
2.25 2026.

2.26 **EFFECTIVE DATE.** This section is effective retroactively for qualified property placed
2.27 in service after December 31, 2022, for which construction begins before January 1, 2027.