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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 2022

02/20/2023 Authored by Norris and Pursell

The bill was read for the first time and referred to the Committee on Housing Finance and Policy

03/16/2023 Adoption of Report: Amended and re-referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; income and corporate franchise; providing a credit to certain
1.3 sellers of manufactured home parks; proposing coding for new law in Minnesota
1.4 Statutes, chapter 290.

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

1.6 Section 1. **[290.0693] CREDIT FOR SALES OF MANUFACTURED HOME PARKS**
1.7 **TO COOPERATIVES.**

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

1.10 (b) "Manufactured home park cooperative" has the meaning given in section 273.124,
1.11 subdivision 3a.

1.12 (c) "Qualified property" means a manufactured home park classified as 4c(5)(i) or
1.13 4c(5)(iii) under section 273.13, subdivision 25.

1.14 (d) "Qualified seller" means a taxpayer, as defined under section 290.01, subdivision 6,
1.15 who sells qualified property to a manufactured home park cooperative, to a nonprofit
1.16 organization intending to convert the manufactured home park to cooperative ownership,
1.17 or to a representative acting on behalf of residents, as defined by section 327C.015,
1.18 subdivision 13, intending to convert the manufactured home park to cooperative ownership.

1.19 Subd. 2. **Credit allowed; carryforward.** (a) A qualified seller is allowed a credit against
1.20 the tax imposed under this chapter. The credit equals five percent of the amount of the sale
1.21 price of the qualified property.

2.1 (b) If the amount of the credit under this section exceeds the taxpayer's liability for tax
2.2 under this chapter, the excess is a credit carryover to each of the five succeeding taxable
2.3 years. The entire amount of the excess unused credit for the taxable year must be carried
2.4 first to the earliest of the taxable years to which the credit may be carried and then to each
2.5 successive year to which the credit may be carried. The amount of the unused credit that
2.6 may be added under this paragraph may not exceed the taxpayer's liability for tax, less any
2.7 credit for the current taxable year.

2.8 (c) For nonresidents and part-year residents, the credit must be allocated based on the
2.9 percentage calculated under section 290.06, subdivision 2c, paragraph (e).

2.10 Subd. 3. **Partnerships; multiple owners.** Credits granted to a partnership, a limited
2.11 liability company taxed as a partnership, an S corporation, or multiple owners of property
2.12 are passed through to the partners, members, shareholders, or owners, respectively, pro rata
2.13 to each partner, member, shareholder, or owner based on their share of the entity's assets
2.14 or as specially allocated in their organizational documents or any other executed document,
2.15 as of the last day of the taxable year.

2.16 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
2.17 31, 2022, provided that the amendments to Minnesota Statutes, chapter 327C, contained in
2.18 2023 Regular Session, House File 817, sections 1 and 2, or its equivalent take effect.