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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 254

01/17/2017 Authored by Anderson, S., and Davids
The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance
02/01/2017 By motion, recalled and re-referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; income and corporate franchise; extending the research credit
1.3 to sole proprietors; amending Minnesota Statutes 2016, section 290.068, subdivision
1.4 1.

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

1.6 Section 1. Minnesota Statutes 2016, section 290.068, subdivision 1, is amended to read:

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

1.11 (a) ten percent of the first \$2,000,000 of the excess (if any) of

1.12 (1) the qualified research expenses for the taxable year, over

1.13 (2) the base amount; and

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

1.15 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
1.16 31, 2016.