

MINNESOTA RULES 1987

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INCOME TAX ON CORPORATIONS 8003.0100

CHAPTER 8003 DEPARTMENT OF REVENUE INCOME TAX DIVISION INCOME TAX ON CORPORATIONS

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All corporations, domestic or foreign, whose business within this state during any taxable year consists exclusively of interstate commerce, are subject to a tax imposed directly upon their taxable net income under the provisions of Minnesota Statutes, section 290.03, clause (1). This provision requires the imposition of a tax on the net income from interstate commerce or foreign commerce assignable to Minnesota.

The 1941 legislature amended Minnesota Statutes, section 290.03, clause (1) to include domestic and foreign corporations not taxable under Minnesota Statutes, section 290.02 who own property within this state. Thus, although it may be established that a corporation is not transacting business within the state, the tax is imposed upon such corporation by this amendment if it owns property within the state. The provision "owning property in this state" is not limited to any particular kind of property such as real estate but includes all types of property.

Statutory Authority: *MS s 290.52*