

**CHAPTER 8017**  
**DEPARTMENT OF REVENUE**  
**INCOME TAX DIVISION**  
**ASSIGNMENT AND APPORTIONMENT OF**  
**INCOME**

8017.4000 PETITION FOR APPLICATION OF  
 OTHER THAN PRESCRIBED  
 APPORTIONMENT METHOD.

8017.5000 THE MULTISTATE TAX  
 COMPACT.

**8017.0100** [Repealed, L 1987 c 268 art 1 s 128]

**8017.2000** [Repealed, L 1987 c 268 art 1 s 128]

**8017.3000** [Repealed, L 1987 c 268 art 1 s 128]

**8017.4000 PETITION FOR APPLICATION OF OTHER THAN PRESCRIBED APPORTIONMENT METHOD.**

The general rule is that the specific statutory methods prescribed in Minnesota Statutes, section 290.19 shall be employed in the determination of net income allocable to this state. However, any taxpayer feeling aggrieved by the application, to his case, of the method so prescribed may petition the commissioner of revenue for determination of such taxable net income on some other basis, including separate accounting.

The petition so filed should state:

- A. the name and address of the taxpayer;
- B. in a case of a corporation, the state of incorporation and the principal office or place of business;
- C. designation of the year involved;
- D. a statement of the kind, or kinds, of business in which the taxpayer is engaged, from which the income was derived for the taxable year stated in the petition;
- E. a detailed statement of the manner in which sales are effected within this state;
- F. a computation of Minnesota taxable net income in accordance with the method of assignment of income petitioned for; and
- G. a summary statement of the facts upon which the taxpayer relies to sustain his view that the application of the methods prescribed by Minnesota Statutes, section 290.19 will be unjust as applied to his case and that the method proposed will fairly reflect the taxable net income properly assignable to this state.

A petition within the meaning of Minnesota Statutes, section 290.20 shall be deemed to have been filed by the taxpayer if the taxpayer in his return uses a method other than the methods prescribed by Minnesota Statutes, section 290.19 and attaches to the return a statement setting forth the reasons for the use of such other method.

**Statutory Authority:** *MS s 290.52*

**8017.5000 THE MULTISTATE TAX COMPACT.**

**Subpart 1. In general.** Taxpayers who elect to be taxed under the apportionment and allocation provisions of Article IV of the Multistate Tax Compact, in accordance with Minnesota Statutes, section 290.171, are subject to the following regulations as found in Multistate Tax Commission Allocation and Apportion-

# MINNESOTA RULES 1991

## 8269 ASSIGNMENT AND APPORTIONMENT OF INCOME 8017.5000

ment Regulations, revised February 21, 1973, which is incorporated by reference. Copies of the regulations are available at the Minnesota State Law Library, 117 University Avenue, Saint Paul, MN 55155, and other law libraries. The regulations have also been printed in State and Local Taxes, volume 1, All States Unit, Prentice Hall, Inc., Englewood Cliffs, New Jersey. All references to Article IV refer to Minnesota Statutes, section 290.171, article IV. Taxpayers who elect to apportion their income to Minnesota pursuant to Minnesota Statutes, chapter 290, without regard to Minnesota Statutes, section 290.171, article IV, are subject to Minnesota Rules, chapter 8019.

A. Regulation IV.1.(a), except that references to Regulations IV.1.(c) and IV.1.(b) shall be deleted;

B. Regulation IV.1.(d);

C. Regulation IV.2.(a)(1), in which case "taxpayer" means any corporation, partnership, firm, association, governmental unit, or agency or person acting as a business entity in more than one state;

D. Regulation IV.2.(a)(2);

E. Regulation IV.2.(a)(3);

F. Regulation IV.2.(a)(4);

G. Regulation IV.2.(b)(1), except that the portion of the net income (or net loss) arising from such trade or business which is derived from sources within this state shall be determined in accordance with Minnesota Statutes, section 290.171, article IV.4 to IV.12;

H. Regulation IV.2.(b)(2), except that the combined report shall reflect income only from corporations created or organized in the United States or under the laws of the United States or of any state, the District of Columbia, the commonwealth of Puerto Rico, any possession of the United States, or any political subdivision of any of the foregoing and except that "Article IV.9 to IV.17" is amended to read "Minnesota Statutes, section 290.171, article IV.4 to IV.12";

I. Regulation IV.2.(b)(3), except that "Article IV.4. to IV.8" is amended to read "Minnesota Statutes, section 290.171, article IV." Nonbusiness income shall be allocated in accordance with Minnesota Statutes, sections 290.17 and 290.19;

J. Regulation IV.2.(c);

K. Regulation IV.3.(a);

L. Regulation IV.3.(b), except that the term "tax administrator" is amended to read "commissioner of revenue" wherever it occurs;

M. Regulation IV.3.(c);

N. Regulation IV.9, except that "Article IV.9" is amended to read "Minnesota Statutes, section 290.171, article IV.4";

O. Regulation IV.10.(a);

P. Regulation IV.10.(b);

Q. Regulation IV.10.(c);

R. Regulation IV.10.(d);

S. Regulation IV.11.(a);

T. Regulation IV.11.(b);

U. Regulation IV.12;

V. Regulation IV.13.(a);

W. Regulation IV.13.(b);

X. Regulation IV.13.(c), except that "Article IV.14" is amended to read "Minnesota Statutes, section 290.171, article IV.9";

Y. Regulation IV.14;

Z. Regulation IV.15.(a), except that in paragraph (1) "paragraphs (5)

# MINNESOTA RULES 1991

## 8017.5000 ASSIGNMENT AND APPORTIONMENT OF INCOME 8270

through (8) of Article IV" is amended to read "Minnesota Statutes, section 290.171, article IV";

AA. Regulation IV.15.(b);

BB. Regulation IV.15.(c);

CC. Regulation IV.16.(a);

DD. Regulation IV.16.(b);

EE. Regulation IV.17, except that in paragraph (1) "Article IV.17" is amended to read "Minnesota Statutes, section 290.171, article IV.12";

FF. Regulation IV.18.(a), except that if combined reporting is used, the combined report shall reflect income only from corporations created or organized in the United States or under the laws of the United States or of any state, the District of Columbia, the commonwealth of Puerto Rico, any possession of the United States, or any political subdivision of any of the foregoing, and except that "Article IV.18" is amended to read "Minnesota Statutes, section 290.171, article IV.13" and "Article IV.10 to .17" is amended to read "Minnesota Statutes, section 290.171, article IV.5 to .12";

GG. Regulation IV.18.(b); and

HH. Regulation IV.18.(c).

**Subp. 2. Construction contractors.** Long-term construction contractors who elect to be taxed under the apportionment and allocation provisions of Article IV of the Multistate Tax Compact, in accordance with Minnesota Statutes, section 290.171, shall be subject to the Multistate Tax Commission Construction Contractor Regulation IV.18.(d), adopted July 10, 1980, with the following modifications:

A. In the second sentence of clause (1), "Regulation IV.1." is amended to read "Regulation IV.1.(a) and (d)."

B. In the third sentence of clause (1), "Article IV.5 to .8" is amended to read "Minnesota Statutes, section 290.171, article IV";

C. Clause (2), Business and nonbusiness income, is amended to read: "For definitions, rules, and examples for determining business and nonbusiness income see Regulation IV.1.(a) and (d)."

D. Clause (3), Methods of accounting and year of inclusion, is amended to read: "For general rules of accounting, definitions, and methods of accounting for long-term construction contracts see Minnesota Statutes, sections 290.01, subdivision 20, and 290.07."

E. In paragraph (4)(iv), "Article IV.10 to .12 inclusive" is amended to read "Minnesota Statutes, section 290.171, article IV.5 to .7 inclusive."

F. In paragraph (4)(v), "Article IV.13 and .14" is amended to read "Minnesota Statutes, section 290.171, article IV.8 and .9."

G. In paragraph (4)(vi), the reference to "Article IV.15 - .17 inclusive" is amended to read "Article IV.10 - .12, inclusive of the Multistate Tax Compact, in accordance with Minnesota Statutes, section 290.171."

**Subp. 3. Railroads.** Railroads which elect to be taxed under the apportionment and allocation provisions of Article IV of the Multistate Tax Compact, in accordance with Minnesota Statutes, section 290.171, shall be subject to Regulation IV.18.(f), adopted July 16, 1981, with the following modifications:

A. In the second sentence of clause (1), "Regulation IV.1" is amended to read "Regulation IV.1.(a) and (d)."

B. In the third sentence of clause (1), "Article IV.5 to .8, inclusive" is amended to read "Minnesota Statutes, section 290.171, article IV."

C. Clause (2), Business and nonbusiness income, is amended to read: "For definitions, rules, and examples for determining business and nonbusiness income, see Regulation IV.1.(a) and (d)."

# MINNESOTA RULES 1991

## 8271 ASSIGNMENT AND APPORTIONMENT OF INCOME 8017.5000

D. In clause (3)(ii)A, "Article IV.11" is amended to read "Minnesota Statutes, section 290.171, article IV.6."

E. In clause (3)(ii)B.3, "Article IV.11" is amended to read "Minnesota Statutes, section 290.171, article IV.6."

F. In clause (3)(ii)B.4, "Article IV.12" is amended to read "Minnesota Statutes, section 290.171, article IV.7."

G. In clause (3)(ii)B.5, "Article IV.11" is amended to read "Minnesota Statutes, section 290.171, article IV.6."

H. In clause (3)(ii)C., "Article IV.10 - .12 inclusive," is amended to read "Minnesota Statutes, section 290.171, article IV.5-.7, inclusive."

I. In clause (3)(ii)C.(iii), "Article IV.13 - .14" is amended to read "Minnesota Statutes, section 290.171, article IV.8-.9."

J. In the second paragraph of clause (3)(ii)C.(iv)A., "Article IV.15 - .17" is amended to read "Minnesota Statutes, section 290.171, article IV.10-.12."

**Statutory Authority:** *MS s 290.52*

**History:** *10 SR 478*