

2016 CORPORATE FRANCHISE TAX LEGISLATIVE BULLETIN

(2016 Regular Session)



Appeals and Legal Services Division
600 North Robert Street
Saint Paul, Minnesota 55146-2220

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SMALL BUSINESS INVESTMENT TAX CREDIT

Definitions. Minn. Stat. § 116J.8737, subd. 2, was amended to include the requirement to be a qualified small business you must have 51% of the total value of all contractual agreements related to the businesses primary business activity be under contract in Minnesota unless the business obtains a waiver. The requirements for the waiver were added in a new paragraph. Effective for taxable years after December 31, 2015. 2016 Minn. Laws, ch. 189, art. 13, § 26.

Certification of Qualified Investors. Minn. Stat. § 116J.8737, subd. 3, was amended to include securities issued pursuant to MinnVest to the list of securities eligible for the certification of a qualified investor for the Angel Investment Tax Credit. Effective for taxable years beginning after December 31, 2015. 2016 Minn. Laws, ch. 189, art. 7, § 21.

Credit Allowed. Minn. Stat. § 116J.8737 subd. 5, was amended to put a limit of \$10,000,000 in credits for the taxable year of 2017. In addition, created the requirement that 50% of the allowed credits must first be allocated to greater Minnesota. Effective for taxable years beginning after December 31, 2016. 2016 Minn. Laws, ch. 189, art. 13, § 27.

Sunset. Minn. Stat. § 116J.8737, subd. 12, was amended to extend the sunset for the credit to December 31, 2017, and the reporting requirements extended to 2019 for qualified investors and funds, and 2021 for qualified small businesses. Reporting requirements for the legislative reports were extended to 2022, and the appropriation in subd. 11 is extended through 2021. Effective June 2, 2016. 2016 Minn. Laws, ch. 189, art. 13, § 28.

BORDER CITY DEVELOPMENT ZONES

New Industry Credit. Minn. Stat. § 469.1734, subd. 5, was amended to update a cross reference to Minn. Stat. § 469.1734, subd. 4, to subd. 6. The subdivision was also updated to delete a repealed cross reference to Minn. Stat. § 469.1732, subd. 2. Effective August 1, 2016. 2016 Minn. Laws, ch. 158, art. 1, § 187.

Sales Tax Exemption; Equipment; Construction Materials. Minn. Stat. § 469.1734, subd. 6, was amended to update the reference for tax certificates from subd. 4 to subd. 5; and drop the cross reference to Minn. Stat. § 469.1732 subd. 2. Effective August 1, 2016. 2016 Minn. Laws, ch. 158, art. 1, § 188.

Notice to Competitors. Minn. Stat. § 469.1734, subd. 7, was amended to delete the reference to subd. 4 of the same statute. Effective August 1, 2016. 2016 Minn. Laws, ch. 158, art. 1, § 189.

Businesses Must Apply. Minn. Stat. § 469.1735, subd. 1, was amended to delete the reference to Minn. Stat. § 469.1732, subd. 2 and to delete the reference to Minn. Stat. § 469.1734, subd. 4. Effective August 1, 2016. 2016 Minn. Laws, ch. 158, art. 1, § 190.

Expenditures Outside District. Minn. Stat. § 469.1763, subd. 2, was amended to delete paragraph (e) of the same subdivision, related to biotechnology and health sciences industry zones, and renumber paragraph (f) to (e). Effective August 1, 2016. 2016 Minn. Laws, ch. 158, art. 1, § 191.

MISCELLANEOUS

Certificates of Authority to do Business in this State. Minn. Stat. § 270C.721 was amended to correct a cross-reference to a subdivision that in 2014 was renumbered from 6 to 5. Effective August 1, 2016. 2016 Minn. Laws, ch. 158, art. 1, § 158.