

This notice was revoked and replaced on December 23, 2013 by Revenue Notice # 13-08.

Minnesota revenue notice, number 97-03

Corporate Income and Franchise Tax: Federal Entity "Check the Box" Classification Rule

The Department feels a need to clarify how Treasury Decision (T.D.) 8697, I.R.C. Reg. § 301.7701-2 (Dec. 17, 1996), effective January 1, 1997, will impact the classification of Minnesota business entities under Minn. Stat. § 290.01, subds. 3, 4, and 31. Treasury Decision 8697 simplifies the process of classifying business organizations by allowing businesses to indicate how they would like to be classified. The Department will follow T.D. 8697 with respect to its "check the box" regulation. This will make it easier for entities to classify their business for income and franchise tax purposes.

Dated: March 17, 1997

Jennifer L. Engh
Assistant Commissioner for Tax Policy