

This Revenue Notice has been revoked by the publication of Revenue Notice # 13-07 on December 2, 2013.

Department of Revenue

Revenue Notice #93-24: Corporate Franchise Tax - Royalties, Fees and Other Like Income

Minnesota Statutes, section 290.01, subd. 19d(11) allows a modification for corporations decreasing federal taxable income for a percentage of royalties, fees and other like income accrued or received from a foreign operating corporation or foreign corporation which is part of the same unitary business as the receiving corporation.

For the purposes of Minn. Stat. § 290.01, subd. 19d(11) "royalties, fees and other like income" is defined as follows:

(1) "Royalties" are the amounts of income received or accrued for the use of patents, copyrights, secret processes and formulas, good will, trademarks, trade brands, franchises and other similar intangible proprietary property;

(2) "Fees" are payments for services performed or to be performed, and;

(3) "Other like income" includes other income accrued or received for similar use of proprietary intangibles or the performance of services, but by the terms of the contract is not referred to as royalties or fees.

Royalties, fees and other like income does not include dividends, interest, rent and loan repayment.

/S/

Michael E. Boekhaus
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Corps/royalties/SEK