

MINNESOTA • REVENUE

VARIOUS TAXES

Biotechnology and Health Sciences Industry Zone Allocation Increase

March 29, 2004

	Yes	No
Separate Official Fiscal Note Requested		X
Fiscal Impact		
DOR Administrative Costs/Savings		X

Department of Revenue

Analysis of S.F. 2270 (Rosen)/ H.F. 2344 (Magnus)

	<u>Revenue Gain or (Loss)</u>			
	<u>F.Y. 2004</u>	<u>F.Y. 2005</u>	<u>F.Y. 2006</u>	<u>F.Y. 2007</u>
		(000's)		
General Fund	\$0	(\$1,000)	\$0	\$0

Effective the day following final enactment.

EXPLANATION OF THE BILL

Current Law: Under provisions enacted in 2003, a qualified business that operates in a biotechnology and health sciences industry zone is eligible for exemptions from the property tax, corporate franchise tax, and sales tax. The business is also eligible for a refundable jobs credit and a refundable research credit against the corporate franchise tax. The total of the state tax credits and exemptions is limited to \$1 million for fiscal year 2004. Any portion of the \$1 million not used in fiscal year 2004 may be used in fiscal year 2005.

Proposed Law: The bill increases the \$1 million limit to \$2 million.

REVENUE ANALYSIS DETAIL

- Because the enactment of the proposal could not occur until the latter part of fiscal year 2004, the increase was allocated to fiscal year 2005.

Source: Minnesota Department of Revenue
Tax Research Division
http://www.taxes.state.mn.us/taxes/legal_policy

sf2270(hf2344)-1/cc