

MINNESOTA • REVENUE

INDIVIDUAL INCOME TAX CORPORATE FRANCHISE TAX Explore Minnesota Tourism Credit

May 3, 2005

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

Department of Revenue
Analysis of H.F. 2429 (Simpson)/ S.F. 2227 (Bakk)

	Fund Impact			
	<u>F.Y. 2006</u>	<u>F.Y. 2007</u>	<u>F.Y. 2008</u>	<u>F.Y. 2009</u>
	(000's)			
General Fund	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
Contributions	\$10,000	\$10,000	\$10,000	\$10,000
Appropriations	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
Explore MN Tourism Additional Source Fund - Net Impact	\$0	\$0	\$0	\$0
Total All Funds	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)

Effective beginning with tax year 2005

EXPLANATION OF THE BILL

The bill would provide a credit equal to 100% of contributions to Explore Minnesota Tourism, as long as total contributions in that fiscal year from all sources did not exceed \$10 million. The credit would be administered through a certificate program, and applications would be made to Explore Minnesota Tourism. The credit would be nonrefundable but unused portions could be carried forward until used up or for three years, whichever came first. The credit would be available to any person, estate or trust filing an individual income tax return, and to any corporation filing a corporate franchise return. Contributions would be deposited in a newly-created Explore Minnesota Tourism Additional Source Fund, and amounts in that fund would be appropriated annually to Explore Minnesota Tourism as a supplement to, not a replacement for, funds appropriated by the state.

REVENUE ANALYSIS DETAIL

- It is assumed that Explore Minnesota Tourism would receive the maximum total contribution that would qualify for the credit.

Number of Taxpayers: Unknown

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