

See also Revenue Notice # 11-01.

Department of Revenue

Revenue Notice # 13-02: Corporate Franchise Tax Credit – Job Opportunity Building Zones – Member of a Pass-through Entity

Introduction

This Revenue Notice addresses whether a pass-through entity that is a job opportunity building zone (JOBZ)-qualified business, operating within a JOB zone pursuant to *Minnesota Statutes*, sections 469.310 – 469.320, may pass through to its members or partners the JOBZ credit provided under *Minnesota Statutes*, section 469.318. This credit is allowed against the taxes imposed under *Minnesota Statutes* chapter 290 and is refundable to the extent that the amount of the credit exceeds the JOBZ-qualified business's liability.

JOBZ tax exemptions claimed by pass-through entities pursuant to *Minnesota Statutes*, sections 469.316 and 469.317 are treated differently than the credits earned under section 469.318. The treatment of JOBZ tax exemptions claimed by pass-through entities is discussed in Revenue Notice # 11-01.

Department Position

The Department's position is that a JOBZ-qualified, pass-through entity may either claim the credit or may pass through the credit earned under *Minnesota Statutes*, section 469.318 to its members or partners. The JOBZ-qualified, pass-through entity may distribute the JOBZ credit, even when those partners or members are not themselves JOBZ-qualified businesses.

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