

Apportionment and Minimum Fee 2010

All partnerships must complete M3A to determine its Minnesota source income and minimum fee. See M3A instructions beginning on page 6. Enclose a copy of your balance sheet.

If you conducted all your business in Minnesota during the tax year, complete only column A and enter 1.00000 on line 6.

A	B	C	D	E
In Minn.	Total	Factors (A ÷ B)	Factor Weight	Weighted ratio (C x D)
		<small>(carry to 5 decimal places)</small>		

Property factor

1 a Average value of inventory	1a				
b Average value of buildings, machinery and other tangible property owned	1b				
c Average value of land owned	1c				
Total average value of tangible property owned at original cost (add lines 1a-1c)	1				
2 Capitalized rents paid by partnership (gross rents paid x 8)	2				
3 Add lines 1 and 2	3		.	0.065	

(If line 3, column B is zero, see "Three-factor formula," on page 6.)

Payroll factor

4 Total payroll, including guaranteed payments to partners	4		.	0.065	
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(If line 4, column B is zero, see "Three-factor formula," on page 6.)

Sales factor

5 Sales (including rents received)	5		.	0.87	
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(If line 5, column B is zero, see "Three-factor formula," on page 6.)

Apportionment factor

6 Total of lines 3, 4 and 5 in column E, and carry result to five decimal places (e.g., enter 50% as .50000). If all your business was conducted in Minnesota during the tax year, enter 1.00000	6				.
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Minimum fee calculation

7 Total of lines 3, 4 and 5 in column A	7				
8 Adjustments (see instructions, page 7)	8				<i>(Identify pass-through entity and enclose schedule.)</i>
9 Combine lines 7 and 8	9				
10 Minimum fee (determine using the amount on line 9 and the table below)	10				<i>Enter this amount on line 1 of your Form M3.</i>

Minimum Fee Table	
If line 9 of M3A is:	your minimum fee* is:
less than \$500,000	\$0
\$500,000 to \$999,999	\$100
\$1,000,000 to \$4,999,999	\$300
\$5,000,000 to \$9,999,999	\$1,000
\$10,000,000 to \$19,999,999	\$2,000
\$20,000,000 or more	\$5,000

***The following partnerships do not have to pay a minimum fee:**

- Farm partnerships with more than 80 percent of income from farming, and
- Qualified businesses participating in a JOBZ zone in Minnesota that have all of their property and payroll within the zone.

If you are exempt from the minimum fee, enter zero on line 10 above and on line 1 of Form M3.