

HOUSE RESEARCH

Bill Summary

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Authors: Urdahl and others

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Overview

Provides a one-time credit of up to \$50,000 for expenditures made to modernize dairy cattle operations in Minnesota. The credit equals 10 percent of expenditures made in tax years 2006 through 2011.

Section

- 1 Dairy investment credit.** Allows a dairy investment credit against individual income and corporate franchise taxes. The credit equals 10 percent of the first \$500,000 of qualifying expenditures for improvement of buildings or facilities or acquisition of equipment used for dairy cattle in Minnesota. Qualifying expenditures include: barns; fences; watering facilities; feed storage and handling equipment; scales; milking, robotic, and milk storage equipment; and manure management facilities including digesters and energy production equipment.

The credit is nonrefundable and may only be used to offset liability. Unused credit amounts may be carried forward for up to 15 tax years.

A taxpayer may claim the credit for expenditures made between December 31, 2005, and January 1, 2012. The maximum credit is \$50,000; this maximum applies to entities such as partnerships and S corporations as well as to individual taxpayers.