

1.1 moves to amend H.F. No. 587 as follows:

1.2 Page 2, after line 2, insert:

1.3 "Sec. Minnesota Statutes 2018, section 290.091, subdivision 2, is amended to read:

1.4 Subd. 2. **Definitions.** For purposes of the tax imposed by this section, the following
1.5 terms have the meanings given.

1.6 (a) "Alternative minimum taxable income" means the sum of the following for the taxable
1.7 year:

1.8 (1) the taxpayer's federal alternative minimum taxable income as defined in section
1.9 55(b)(2) of the Internal Revenue Code;

1.10 (2) the taxpayer's itemized deductions allowed in computing federal alternative minimum
1.11 taxable income, but excluding:

1.12 (i) the charitable contribution deduction under section 170 of the Internal Revenue Code;

1.13 (ii) the medical expense deduction;

1.14 (iii) the casualty, theft, and disaster loss deduction; and

1.15 (iv) the impairment-related work expenses of a disabled person;

1.16 (3) for depletion allowances computed under section 613A(c) of the Internal Revenue
1.17 Code, with respect to each property (as defined in section 614 of the Internal Revenue Code),
1.18 to the extent not included in federal alternative minimum taxable income, the excess of the
1.19 deduction for depletion allowable under section 611 of the Internal Revenue Code for the
1.20 taxable year over the adjusted basis of the property at the end of the taxable year (determined
1.21 without regard to the depletion deduction for the taxable year);

2.1 (4) to the extent not included in federal alternative minimum taxable income, the amount
2.2 of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue
2.3 Code determined without regard to subparagraph (E);

2.4 (5) to the extent not included in federal alternative minimum taxable income, the amount
2.5 of interest income as provided by section 290.0131, subdivision 2; and

2.6 (6) the amount of addition required by section 290.0131, subdivisions 9 to 11;

2.7 less the sum of the amounts determined under the following:

2.8 (i) interest income as defined in section 290.0132, subdivision 2;

2.9 (ii) an overpayment of state income tax as provided by section 290.0132, subdivision
2.10 3, to the extent included in federal alternative minimum taxable income;

2.11 (iii) the amount of investment interest paid or accrued within the taxable year on
2.12 indebtedness to the extent that the amount does not exceed net investment income, as defined
2.13 in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted
2.14 in computing federal adjusted gross income;

2.15 (iv) amounts subtracted from federal taxable income as provided by section 290.0132,
2.16 subdivisions 7, 9 to 15, 17, 21, 24, 26, and ~~26~~ 27; and

2.17 (v) the amount of the net operating loss allowed under section 290.095, subdivision 11,
2.18 paragraph (c).

2.19 In the case of an estate or trust, alternative minimum taxable income must be computed
2.20 as provided in section 59(c) of the Internal Revenue Code.

2.21 (b) "Investment interest" means investment interest as defined in section 163(d)(3) of
2.22 the Internal Revenue Code.

2.23 (c) "Net minimum tax" means the minimum tax imposed by this section.

2.24 (d) "Regular tax" means the tax that would be imposed under this chapter (without regard
2.25 to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed
2.26 under this chapter.

2.27 (e) "Tentative minimum tax" equals 6.75 percent of alternative minimum taxable income
2.28 after subtracting the exemption amount determined under subdivision 3.

2.29 Sec. Minnesota Statutes 2018, section 290.0921, subdivision 3, is amended to read:

2.30 Subd. 3. **Alternative minimum taxable income.** "Alternative minimum taxable income"
2.31 is Minnesota net income as defined in section 290.01, subdivision 19, and includes the

3.1 adjustments and tax preference items in sections 56, 57, 58, and 59(d), (e), (f), and (h) of
3.2 the Internal Revenue Code. If a corporation files a separate company Minnesota tax return,
3.3 the minimum tax must be computed on a separate company basis. If a corporation is part
3.4 of a tax group filing a unitary return, the minimum tax must be computed on a unitary basis.
3.5 The following adjustments must be made.

3.6 (1) The portion of the depreciation deduction allowed for federal income tax purposes
3.7 under section 168(k) of the Internal Revenue Code that is required as an addition under
3.8 section 290.0133, subdivision 11, is disallowed in determining alternative minimum taxable
3.9 income.

3.10 (2) The subtraction for depreciation allowed under section 290.0134, subdivision 13, is
3.11 allowed as a depreciation deduction in determining alternative minimum taxable income.

3.12 (3) The alternative tax net operating loss deduction under sections 56(a)(4) and 56(d)
3.13 of the Internal Revenue Code does not apply.

3.14 (4) The special rule for certain dividends under section 56(g)(4)(C)(ii) of the Internal
3.15 Revenue Code does not apply.

3.16 (5) The tax preference for depletion under section 57(a)(1) of the Internal Revenue Code
3.17 does not apply.

3.18 (6) The tax preference for tax exempt interest under section 57(a)(5) of the Internal
3.19 Revenue Code does not apply.

3.20 (7) The tax preference for charitable contributions of appreciated property under section
3.21 57(a)(6) of the Internal Revenue Code does not apply.

3.22 (8) For purposes of calculating the adjustment for adjusted current earnings in section
3.23 56(g) of the Internal Revenue Code, the term "alternative minimum taxable income" as it
3.24 is used in section 56(g) of the Internal Revenue Code, means alternative minimum taxable
3.25 income as defined in this subdivision, determined without regard to the adjustment for
3.26 adjusted current earnings in section 56(g) of the Internal Revenue Code.

3.27 (9) For purposes of determining the amount of adjusted current earnings under section
3.28 56(g)(3) of the Internal Revenue Code, no adjustment shall be made under section 56(g)(4)
3.29 of the Internal Revenue Code with respect to (i) the amount of foreign dividend gross-up
3.30 subtracted as provided in section 290.0134, subdivision 2, or (ii) the amount of refunds of
3.31 income, excise, or franchise taxes subtracted as provided in section 290.0134, subdivision
3.32 8.

4.1 (10) Alternative minimum taxable income excludes the income from operating in a job
4.2 opportunity building zone as provided under section 469.317.

4.3 Items of tax preference must not be reduced below zero as a result of the modifications
4.4 in this subdivision.

4.5 (11) The subtraction for disallowed section 280E expenses under section 290.0134,
4.6 subdivision 17, is allowed as a deduction in determining alternative minimum taxable
4.7 income."

4.8 Renumber the sections in sequence and correct the internal references

4.9 Amend the title accordingly