

1.1 moves to amend H.F. No. 1493 as follows:

1.2 Page 2, strike lines 27 to 29

1.3 Page 2, delete lines 30 to 35 and insert:

1.4 "(2) which, regardless of the place where the corporation was incorporated:

1.5 (i) has the average of its property, payroll, and sales factors, as defined under
1.6 section 290.191, within the 50 states of the United States and the District of Columbia
1.7 of 20 percent or more; or

1.8 (ii) derives less than 80 percent of its income from foreign sources;

1.9 (3) that is incorporated in or has its principal place of business in a country that
1.10 does not impose an income tax, or that imposes an income tax at a rate of 10 percent
1.11 or less of the United States income tax rate on the income tax base of the corporation
1.12 in the United States, if:

1.13 (i) 50 percent or more of the sales, purchases, or payments of income or expenses,
1.14 exclusive of payments for intangible property, of the corporation are made directly or
1.15 indirectly to one or more members of a group of corporations that are included on the
1.16 combined report under section 290.17; or

1.17 (ii) the corporation does not conduct significant economic activity; or

1.18 (4) which is a foreign corporation, foreign partnership, or other foreign entity that
1.19 has its income included in the federal taxable income, as defined in section 63 of the
1.20 Internal Revenue Code, of an entity as defined in clause (1) or an individual who is a
1.21 United States resident, as defined in section 865(g) of the Internal Revenue Code"

1.22 Page 3, delete lines 1 to 8

1.23 Page 3, line 9, delete the new language

1.24 Page 17, after line 2, insert:

1.25 "Sec. 7. Minnesota Statutes 2012, section 290.01, is amended by adding a subdivision
1.26 to read:

2.1 Subd. 33. Foreign source income. The term "foreign source income" or "income
2.2 from foreign sources" means income from sources without the United States as defined in
2.3 subtitle A, chapter 1, subchapter N, part 1, of the Internal Revenue Code.

2.4 EFFECTIVE DATE. This section is effective for taxable years beginning after
2.5 December 31, 2012."

2.6 Page 30, delete section 19, and insert:

2.7 "Sec. 20. Minnesota Statutes 2012, section 290.0922, subdivision 1, is amended to read:

2.8 Subdivision 1. **Imposition.** (a) In addition to the tax imposed by this chapter without
2.9 regard to this section, the franchise tax imposed on a corporation required to file under
2.10 section 289A.08, subdivision 3, other than a corporation treated as an "S" corporation
2.11 under section 290.9725 for the taxable year includes a tax equal to the following amounts:

2.12	If the sum of the corporation's Minnesota		2.13	the tax equals:
2.13	property, payrolls, and sales or receipts is:			
2.14	less than	\$ 500,000		\$ 0
2.15	\$ 500,000 to	\$ 999,999		\$ 100
2.16	\$ 1,000,000 to	\$ 4,999,999		\$ 300
2.17	\$ 5,000,000 to	\$ 9,999,999		\$ 1,000
2.18	\$ 10,000,000 to	\$ 19,999,999		\$ 2,000
2.19	\$ 20,000,000 or more			\$ 5,000
2.20	<u>less than</u>	<u>\$ 930,000</u>		<u>\$ 0</u>
2.21	<u>\$ 930,000 to</u>	<u>\$ 1,869,999</u>		<u>\$ 190</u>
2.22	<u>\$ 1,870,000 to</u>	<u>\$ 9,339,999</u>		<u>\$ 560</u>
2.23	<u>\$ 9,340,000 to</u>	<u>\$ 18,679,999</u>		<u>\$ 1,870</u>
2.24	<u>\$ 18,680,000 to</u>	<u>\$ 37,359,999</u>		<u>\$ 3,740</u>
2.25	<u>\$ 37,360,000 or more</u>			<u>\$ 9,340</u>

2.26 (b) A tax is imposed for each taxable year on a corporation required to file a return
2.27 under section 289A.12, subdivision 3, that is treated as an "S" corporation under section
2.28 290.9725 and on a partnership required to file a return under section 289A.12, subdivision
2.29 3, other than a partnership that derives over 80 percent of its income from farming. The
2.30 tax imposed under this paragraph is due on or before the due date of the return for the
2.31 taxpayer due under section 289A.18, subdivision 1. The commissioner shall prescribe
2.32 the return to be used for payment of this tax. The tax under this paragraph is equal to
2.33 the following amounts:

2.34	If the sum of the S corporation's		2.35	the tax equals:
2.35	or partnership's Minnesota			
2.36	property, payrolls, and sales or			
2.37	receipts is:			
2.38	less than	\$ 500,000		\$ 0
2.39	\$ 500,000 to	\$ 999,999		\$ 100

3.1	\$ 1,000,000 to	\$ 4,999,999	\$ 300
3.2	\$ 5,000,000 to	\$ 9,999,999	\$ 1,000
3.3	\$ 10,000,000 to	\$ 19,999,999	\$ 2,000
3.4	\$ 20,000,000 or more		\$ 5,000
3.5	less than	\$ 930,000	\$ 0
3.6	\$ 930,000 to	\$ 1,869,999	\$ 190
3.7	\$ 1,870,000 to	\$ 9,339,999	\$ 560
3.8	\$ 9,340,000 to	\$ 18,679,999	\$ 1,870
3.9	\$ 18,680,000 to	\$ 37,359,999	\$ 3,740
3.10	\$ 37,360,000 or more		\$ 9,340

3.11 (c) The commissioner shall adjust the dollar amounts of both the tax and the property,
3.12 payrolls, and sales or receipts thresholds in paragraphs (a) and (b) by the percentage
3.13 determined pursuant to the provisions of section 1(f) of the Internal Revenue Code, except
3.14 that in section 1(f)(3)(B) the word "2012" must be substituted for the word "1992." For
3.15 2014, the commissioner shall determine the percentage change from the 12 months ending
3.16 on August 31, 2012, to the 12 months ending on August 31, 2013, and in each subsequent
3.17 year, from the 12 months ending on August 31, 2012, to the 12 months ending on August
3.18 31 of the year preceding the taxable year. The determination of the commissioner pursuant
3.19 to this subdivision is not a "rule" subject to the Administrative Procedure Act contained in
3.20 chapter 14. The tax amounts as adjusted must be rounded to the nearest \$10 amount and
3.21 the threshold amounts must be adjusted to the nearest \$10,000 amount. For tax amounts
3.22 that end in \$5, the amount is rounded up to the nearest \$10 amount and for the threshold
3.23 amounts that end in \$5,000, the amount is rounded up to the nearest \$10,000.

3.24 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
3.25 December 31, 2012."

3.26 Page 33, lines 5 to 10, delete the new language

3.27 Page 34, lines 4 to 8, delete the new language

3.28 Page 42, after line 31, insert:

3.29 "Sec. 30. Laws 2010, First Special Session chapter 1, article 13, section 4, subdivision
3.30 1, as amended by Laws 2011, First Special Session chapter 7, article 6, section 22, is
3.31 amended to read:

3.32 Subdivision 1. **Political contribution credit.** Notwithstanding the provisions of
3.33 Minnesota Statutes, section 290.06, subdivision 23, or any other law to the contrary, the
3.34 political contribution refund does not apply to contributions made after June 30, 2009, and
3.35 before July 1, ~~2013~~ 2015.

3.36 **EFFECTIVE DATE.** This section is effective the day following final enactment."

4.1 Page 43, after line 4, insert:

4.2 "Sec. 31. Minnesota Statutes 2012, section 469.190, subdivision 7, is amended to read:

4.3 Subd. 7. **Collection.** (a) The statutory or home rule charter city may agree with the
4.4 commissioner of revenue that a tax imposed pursuant to this section shall be collected
4.5 by the commissioner together with the tax imposed by chapter 297A, and subject to the
4.6 same interest, penalties, and other rules and that its proceeds, less the cost of collection,
4.7 shall be remitted to the city.

4.8 (b) If a tax imposed under this section or under a special law is not collected by
4.9 the commissioner of revenue, the local government imposing the tax may only require
4.10 an accommodations intermediary, as defined in section 297A.61, subdivision 47, to file
4.11 and remit the tax related to accommodations intermediary services once in every calendar
4.12 year. The local government must inform the tax intermediary of the date when the return
4.13 and remittance is due.

4.14 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
4.15 June 30, 2013."

4.16 Renumber the sections in sequence and correct the internal references

4.17 Amend the title accordingly