HOUSE RESEARCH

Bill Summary

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This bill, as amended, provides that when an out-of-state customer provides paper or other media to a Minnesota printer for printing jobs for the customer, doing so does not allow Minnesota to impose its corporate franchise tax on the customer. Putting it another way, supplying paper or other media to the Minnesota printer (despite the customer's ownership of the tangible personal property in Minnesota) does not create corporate tax "nexus" for the customer. This exception does not apply if the out-of-state customer is part of the same unitary business as the printing company.