

Subject Mutual fund manager apportionment

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Overview

Under current law, a corporation that sells management, distribution, or administrative services to an investment company such as a mutual fund must apportion its sales to Minnesota in proportion to the percentage of the fund's shareholders in the state. If a fund manager is not organized as a corporation, sales are apportioned based on where the mutual fund is located. H.F. 1829 would apply the current apportionment rules for corporate mutual fund managers to mutual fund managers that operate as pass-through entities.

Summary

Section	Description
1	<p>Determination of sales factor.</p> <p>Amends the current law provision that requires corporate fund managers to apportion their sales based on the location of the fund's shareholders to include non-corporate fund managers (i.e. pass-through entities). Also makes a technical change to the federal law reference to investment companies.</p>