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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 2360

03/13/2025 Authored by Swedzinski and Warwas
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; proposing a new markets tax credit; providing for
1.3 administration of the credit; allowing for disclosure of certain information; requiring
1.4 a report; appropriating money; amending Minnesota Statutes 2024, sections
1.5 13.4967, by adding a subdivision; 116J.401, subdivision 3; 270B.14, subdivision
1.6 2; 297I.20, by adding a subdivision; proposing coding for new law as Minnesota
1.7 Statutes, chapter 116Y.

1.8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.9 Section 1. Minnesota Statutes 2024, section 13.4967, is amended by adding a subdivision
1.10 to read:

1.11 Subd. 9. New markets tax credit. Disclosure of information regarding issuance of new
1.12 market tax credit certificates is governed under section 270B.14, subdivision 2, paragraph
1.13 (a), clause (4).

1.14 EFFECTIVE DATE. This section is effective the day following final enactment.

1.15 Sec. 2. Minnesota Statutes 2024, section 116J.401, subdivision 3, is amended to read:

1.16 Subd. 3. Classification and release of data on individuals. (a) Data collected on
1.17 individuals pursuant to a program operated by the commissioner are private data on
1.18 individuals as defined in section 13.02, subdivision 12, unless more restrictively classified
1.19 by law.

1.20 (b) The commissioner may release to the Department of Revenue data on individuals to
1.21 the extent required to administer the new markets tax credit under chapter 116Y and section
1.22 297I.20, subdivision 7.

1.23 EFFECTIVE DATE. This section is effective the day following final enactment.

2.1 Sec. 3. [116Y.01] NEW MARKETS TAX CREDIT.

2.2 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have  
2.3 the meanings given.

2.4 (b) "Affiliated group" has the meaning given in section 297I.01, subdivision 1a.

2.5 (c) "Applicable percentage" means zero percent for each of the first two credit allowance  
2.6 dates and ten percent for each of the final five credit allowance dates.

2.7 (d) "CDFI fund" means the Community Development Financial Institutions fund of the  
2.8 United States Department of the Treasury.

2.9 (e) "Commissioner" means the commissioner of employment and economic development.

2.10 (f) "Credit allowance date" means:

2.11 (1) the date on which a qualified equity investment is initially made; and

2.12 (2) each of the six anniversary dates thereafter.

2.13 (g) "Greater Minnesota allocation" means \$100,000,000 in qualified equity investment  
2.14 authority to be awarded for investment in qualified active low-income community businesses  
2.15 with principal business operations in a greater Minnesota county.

2.16 (h) "Greater Minnesota county" means any county located in Minnesota that is not a  
2.17 metropolitan county.

2.18 (i) "Internal Revenue Code" has the meaning given in section 290.01, subdivision 31.

2.19 (j) "Metropolitan allocation" means \$100,000,000 in qualified equity investment authority  
2.20 to be awarded for investment in qualified active low-income community businesses with  
2.21 principal business operations in a metropolitan county.

2.22 (k) "Metropolitan county" has the meaning given in section 473.121, subdivision 4.

2.23 (l) "Minnesota qualified community development entity" means a qualified community  
2.24 development entity that is or whose controlling entity is headquartered in this state.

2.25 (m) "Principal business operations" means the physical location of a business where at  
2.26 least 60 percent of a qualified active low-income community business's employees work.  
2.27 An out-of-state business that has agreed to relocate employees or a Minnesota business that  
2.28 has agreed to hire employees using the proceeds of a qualified low-income community  
2.29 investment to establish principal business operations in Minnesota is deemed to have principal  
2.30 business operations in Minnesota if the business satisfies the requirements of this paragraph

3.1 within 180 days of receiving the qualified low-income community investment or another  
3.2 date as agreed by the business and the commissioner.

3.3 (n) "Purchase price" means the amount paid to the qualified community development  
3.4 entity for a qualified equity investment.

3.5 (o) "Qualified active low-income community business" has the meaning given in section  
3.6 45D of the Internal Revenue Code, except that any business that derives or projects to derive  
3.7 15 percent or more of its annual revenue from the rental or sale of real estate is not considered  
3.8 to be a qualified active low-income community business. This exception does not apply to  
3.9 a business that is controlled by or under common control with another business if the second  
3.10 business:

3.11 (1) does not derive or project to derive 15 percent or more of its annual revenue from  
3.12 the rental or sale of real estate; and

3.13 (2) is the primary tenant of the real estate leased from the initial business.

3.14 A business is deemed a qualified active low-income community business for the duration  
3.15 of a qualified low-income community investment if the qualified community development  
3.16 entity reasonably expects, at the time it makes the qualified low-income community  
3.17 investment, that the business will continue to satisfy the requirements for being a qualified  
3.18 active low-income community business throughout the entire period of the qualified  
3.19 low-income community investment.

3.20 (p) "Qualified community development entity" has the meaning given in section 45D  
3.21 of the Internal Revenue Code, provided that the entity:

3.22 (1) has previously entered into an allocation agreement with the CDFI fund with respect  
3.23 to credits authorized by section 45D of the Internal Revenue Code; and

3.24 (2) includes the state within the service area set forth in the allocation agreement.

3.25 (q) "Qualified equity investment" means an equity investment in a qualified community  
3.26 development entity, if the equity investment:

3.27 (1) is acquired after the effective date of this section at its original issuance solely in  
3.28 exchange for cash;

3.29 (2) has at least 100 percent of its cash purchase price used by the qualified community  
3.30 development entity to make qualified low-income community investments in qualified  
3.31 active low-income community businesses that have their principal business operations in  
3.32 the state of Minnesota; and

4.1 (3) is:

4.2 (i) designated by the qualified community development entity as a qualified equity  
4.3 investment under this section; and

4.4 (ii) except for a Minnesota qualified community development entity, at least 50 percent  
4.5 designated by the qualified community development entity as a qualified equity investment  
4.6 under section 45D of the Internal Revenue Code.

4.7 An investment that does not qualify under clause (1) is a qualified equity investment if the  
4.8 investment met the requirements of this paragraph while under possession of a prior holder.

4.9 (r) "Qualified low-income community investment" means any capital or equity investment  
4.10 in, or loan to, any qualified active low-income community business.

4.11 (s) "Tax credit" or "credit" means a credit against the tax imposed by chapter 297I,  
4.12 including any retaliatory tax governed under the provisions of section 297I.05, subdivision  
4.13 11.

4.14 (t) "Taxpayer" means a taxpayer as defined in section 297I.01, subdivision 16.

4.15 Subd. 2. **Credit allowed; qualification; limitation.** (a) An entity is eligible for a credit  
4.16 against the tax imposed under chapter 297I, subject to the requirements of this section.

4.17 (b) The credit equals the applicable percentage for each credit allowance date multiplied  
4.18 by the purchase price paid to the qualified community development entity for the qualified  
4.19 equity investment.

4.20 (c) The credit is not salable. The credit may be assigned but only to an affiliated group  
4.21 of the taxpayer. An assignment is not valid unless the assignee notifies the commissioner  
4.22 of revenue within 30 days of the date that the assignment is made. The commissioner of  
4.23 revenue shall prescribe the forms necessary for notifying the commissioner of revenue of  
4.24 the assignment of a credit certificate and for claiming a credit by assignment.

4.25 Subd. 3. **Application.** (a) A qualified community development entity that seeks to have  
4.26 an equity investment designated as a qualified equity investment and eligible for the credit  
4.27 under this section shall apply to the commissioner on a form provided by the commissioner  
4.28 that includes:

4.29 (1) the name, address, and tax identification number of the applicant, and evidence of  
4.30 the applicant's certification as a qualified community development entity by the CDFI fund;

4.31 (2) a copy of the allocation agreement executed by the applicant or its controlling entity  
4.32 and the CDFI fund;

5.1 (3) a certificate executed by an executive officer of the applicant attesting that the  
5.2 allocation agreement remains in effect and has not been revoked or canceled by the CDFI  
5.3 fund;

5.4 (4) a description of the proposed amount, structure, and purchaser of the equity  
5.5 investment;

5.6 (5) the amount of qualified equity investment authority sought under the greater  
5.7 Minnesota allocation or the metropolitan allocation, as applicable, which collectively may  
5.8 not exceed the applicant or its controlling entity's available qualified equity investment  
5.9 authority under section 45D of the Internal Revenue Code multiplied by two, provided this  
5.10 limitation does not apply to a Minnesota qualified community development entity;

5.11 (6) if required by clause (5), evidence of the applicant or its controlling entity's available  
5.12 qualified equity investment authority under section 45D of the Internal Revenue Code; and

5.13 (7) a nonrefundable application fee of \$5,000 paid to the commissioner to offset costs  
5.14 associated with personnel and administrative expenses related to administering the credit.

5.15 (b) The commissioner shall set a date to accept applications not less than 30 days but  
5.16 not more than 45 days after the date the CDFI fund announces allocation awards under a  
5.17 notice of funding availability that was published in the Federal Register in November 2024.

5.18 (c) A qualified community development entity may apply for both a greater Minnesota  
5.19 allocation and a metropolitan allocation.

5.20 (d) The commissioner shall also accept applications on the date established in paragraph  
5.21 (b) from qualified community development entities that comply with paragraph (a), clauses  
5.22 (1) to (4), but not clauses (5) and (6). Applicants that do not comply with the requirements  
5.23 of paragraph (a), clauses (5) and (6), or comply with the requirements of paragraph (a),  
5.24 clauses (5) and (6), for a portion of their applications, are eligible for an allocation of  
5.25 qualified investment authority only if the amount of equity investments for which applicants  
5.26 meeting the requirements of paragraph (a), clauses (1) to (6), does not exceed the limitation  
5.27 established in subdivision 4, paragraph (c).

5.28 (e) The commissioner shall award any remaining qualified equity investment authority  
5.29 described in paragraph (d), according to the amount of qualified equity investment authority  
5.30 requested that does not satisfy the requirements of paragraph (a), clauses (5) and (6), on a  
5.31 pro rata basis to the total remaining qualified equity investment not requiring the designation  
5.32 as a qualified equity investment under section 45D of the Internal Revenue Code. The  
5.33 requirements of this section for allocations of qualified investment authority under paragraph

6.1 (d) are waived with respect to awards of qualified equity investment authority, but all other  
6.2 requirements of this section apply.

6.3 Subd. 4. **Certification and timing of qualified equity investments.** (a) Within 30 days  
6.4 after receipt of an application, the commissioner shall grant or deny the application in full  
6.5 or in part. If the commissioner denies any part of the application, the commissioner shall  
6.6 inform the applicant of the grounds for the denial. If the applicant provides the information  
6.7 required by the commissioner or otherwise completes its application within 15 days of the  
6.8 notice of denial, the application is deemed complete as of the original date of submission.  
6.9 If the applicant fails to provide the requested information or complete its application within  
6.10 the 15-day period, the applicant must submit a new application.

6.11 (b) If the application is deemed complete, the commissioner shall certify the proposed  
6.12 equity investment as a qualified equity investment eligible for a credit under this section.  
6.13 The commissioner shall provide written notice of the certification to the qualified community  
6.14 development entity. Once the qualified community development entity identifies the  
6.15 taxpayers who are allocated credits and their respective credit amounts, the qualified  
6.16 community development entity shall provide a notice of allocation to the commissioner.  
6.17 The commissioner shall provide a certification to the qualified community development  
6.18 entity and each taxpayer containing the credit amount and utilization schedule for which  
6.19 the taxpayer is eligible. If the taxpayer's eligibility to utilize the credits change due to a  
6.20 transfer of a qualified equity investment or a change in allocation pursuant to paragraph (c),  
6.21 the qualified community development entity shall notify the commissioner of the change.

6.22 (c) The aggregate amount of credits allowed to all certified qualified equity investments  
6.23 in greater Minnesota counties is \$50,000,000. The aggregate amount of credits allowed to  
6.24 all certified qualified equity investments in metropolitan counties is \$50,000,000. The  
6.25 commissioner shall certify applications for the greater Minnesota allocation and the  
6.26 metropolitan allocation in proportionate percentages based upon the ratio of the amount of  
6.27 qualified equity investments requested in applications for each allocation to the total amount  
6.28 of qualified equity investments requested in all applications for each allocation received on  
6.29 the same day.

6.30 (d) If a pending request cannot be fully certified, the commissioner shall certify the  
6.31 portion that may be certified unless the qualified community development entity elects to  
6.32 withdraw its request rather than receive a partial award of qualified equity investment  
6.33 authority.

7.1 (e) A qualified community development entity must make its qualified equity investment  
7.2 by January 1, 2028.

7.3 (f) An approved applicant may transfer all or a portion of its certified qualified equity  
7.4 investment authority to its controlling entity or any affiliate group or partner of the controlling  
7.5 entity that is also a qualified community development entity if the applicant provides the  
7.6 information required in the application with respect to the transferee and the applicant  
7.7 notifies the commissioner in the notice required by paragraph (g). Within 90 days after  
7.8 receiving notice of certification under paragraph (b), the applicant or transferee shall:

7.9 (1) issue qualified equity investments in an amount equal to the total amount of certified  
7.10 qualified equity investment authority;

7.11 (2) receive cash in the amount of the certified qualified equity investment; and

7.12 (3) if the applicant or transferee is not a Minnesota qualified community development  
7.13 entity, designate 50 percent of the qualified equity investment authority as a qualified equity  
7.14 investment under section 45D of the Internal Revenue Code.

7.15 The entity to which the certified qualified equity investment authority is transferred is  
7.16 responsible for any assessment resulting from an audit by the commissioner of revenue.

7.17 (g) The qualified community development entity must provide the commissioner with  
7.18 evidence of the receipt of the cash investment and, if the qualified community development  
7.19 entity is not a Minnesota qualified community development entity, the designation of 50  
7.20 percent of the qualified equity investment as a qualified equity investment under section  
7.21 45D of the Internal Revenue Code within 95 days after receiving notice of certification. If  
7.22 the qualified community development entity does not receive the cash investment, issue the  
7.23 qualified equity investment within 90 days following receipt of the certification notice, and  
7.24 comply with paragraph (f), clause (3), if applicable, the certification is void. A voided  
7.25 certification must be returned to the commissioner and must first be awarded pro rata to  
7.26 applicants that received awards of qualified equity investment authority and complied with  
7.27 paragraph (f).

7.28 (h) The commissioner shall notify the commissioner of revenue of credits approved  
7.29 under this subdivision within 15 days of granting an application.

7.30 Subd. 5. **Credit recapture.** (a) The commissioner of revenue must recapture credits  
7.31 should it determine any of the following:

8.1 (1) any amount of the federal tax credit available with respect to a qualified equity  
8.2 investment that is eligible for a credit under this section is recaptured under section 45D of  
8.3 the Internal Revenue Code;

8.4 (2) the qualified community development entity redeems or makes principal repayment  
8.5 with respect to a qualified equity investment prior to seven years after the date of issuance  
8.6 of the qualified equity investment; or

8.7 (3) the qualified community development entity fails to invest at least 100 percent of  
8.8 the cash purchase price of the qualified equity investment in qualified low-income community  
8.9 investments in greater Minnesota counties or metropolitan counties, as applicable, within  
8.10 12 months of the issuance of the qualified equity investment and maintains the investment  
8.11 in qualified low-income community investments in greater Minnesota counties or  
8.12 metropolitan counties, as applicable, until the last credit allowance date for the qualified  
8.13 equity investment.

8.14 (b) Upon verification of the event indicated in the notification, the commissioner must  
8.15 notify the entity otherwise eligible for the credit allowed under this section and issue an  
8.16 assessment for overpayment under the provisions of section 289A.37, subdivision 2, and  
8.17 notify the entity of ineligibility for future credits with respect to the qualified equity  
8.18 investment.

8.19 (c) The recapture under paragraph (a), clause (1), must be proportionate to the federal  
8.20 recapture with respect to the qualified equity investment. The recapture under paragraph  
8.21 (a), clause (2), must be proportionate to the amount of the redemption or repayment with  
8.22 respect to the qualified equity investment. The recapture under paragraph (a), clause (3),  
8.23 must be proportionate to the amount of qualified equity investment that was failed to be  
8.24 invested or maintained.

8.25 (d) For purposes of paragraph (a), clause (3), an investment is considered maintained  
8.26 by a qualified community development entity even if the investment has been sold or repaid,  
8.27 provided that the qualified community development entity reinvests an amount equal to the  
8.28 capital returned to or recovered by the qualified community development entity from the  
8.29 original investment, exclusive of any profits realized, in another qualified low-income  
8.30 community investment in this state as required under the greater Minnesota allocation or  
8.31 metropolitan allocation within 12 months after the receipt of that capital. Periodic loan  
8.32 repayments received by a qualified community development entity from a qualified active  
8.33 low-income community business within a calendar year must be treated as maintained in  
8.34 qualified low-income community investments if a qualified community development entity

9.1 reinvests the repayments in qualified low-income community investments by the end of the  
9.2 following calendar year.

9.3 (e) A qualified community development entity is not required to reinvest capital returned  
9.4 from qualified low-income community investments after the sixth anniversary of the issuance  
9.5 of the qualified equity investment, the proceeds of which were used to make the qualified  
9.6 low-income community investment, and the qualified low-income community investment  
9.7 is considered held by the qualified community development entity through the seventh  
9.8 anniversary of the qualified equity investment's issuance.

9.9 (f) With respect to any one qualified active low-income community business, the  
9.10 maximum amount of qualified low-income community investments made in that business  
9.11 in aggregate with all of its affiliated groups that may be counted toward the satisfaction of  
9.12 paragraph (a), clause (3), is \$10,000,000, whether made by one or several qualified  
9.13 community development entities but exclusive of redeemed or repaid qualified low-income  
9.14 community investment by the qualified active low-income community business.

9.15 (g) The commissioner shall provide notice to the qualified community development  
9.16 entity of any proposed recapture of credits pursuant to this subdivision. The notice must  
9.17 specify the conditions under which the deficiency resulting in the proposed recapture occurred  
9.18 and state that the credits will be recaptured within 90 days unless the qualified community  
9.19 development entity complies with the conditions identified in the notice. If the entity does  
9.20 not comply with the conditions identified in the notice within the 90-day period, the  
9.21 commissioner shall provide the entity and the taxpayer from whom the credit is to be  
9.22 recaptured with a final order of recapture. Any credit for which a final recapture order has  
9.23 been issued must be recaptured by the commissioner from the taxpayer who claimed the  
9.24 credit on a tax return. The qualified equity investment authority of the recaptured credits  
9.25 must be returned to the commissioner and must first be awarded pro rata to applicants that  
9.26 have received awards of qualified equity investment authority and complied with this  
9.27 subdivision.

9.28 (h) If credits are recaptured under this section, any remaining credit is forfeited.

9.29 Subd. 6. **Examination.** The commissioner may conduct examinations to verify that the  
9.30 credits under this section have been received and applied according to the requirements of  
9.31 this section and to verify that no event has occurred that would result in a recapture of credits  
9.32 under subdivision 5.

9.33 Subd. 7. **Annual reporting by community development entities.** (a) Each qualified  
9.34 community development entity shall submit an annual report to the commissioner within

10.1 120 days after the beginning of each calendar year during the compliance period. No annual  
10.2 report is due prior to the first anniversary of the initial credit allowance date. The report  
10.3 must include but is not limited to information with respect to all qualified low-income  
10.4 community investments made by the qualified community development entity, including:

10.5 (1) the date and amount of, and bank statements or wire transfer reports documenting,  
10.6 qualified low-income community investments;

10.7 (2) the name and address of each qualified active low-income community business  
10.8 funded by the qualified community development entity, the number of persons employed  
10.9 by the business at the time of the initial qualified low-income community investment, and  
10.10 a brief description of the business and its financing;

10.11 (3) the number of employment positions maintained by each qualified active low-income  
10.12 community business as of the date of the report or the end of the preceding calendar year  
10.13 and the average annual salaries of those positions;

10.14 (4) the total number of employment positions created and retained as a result of qualified  
10.15 low-income community investments and the average annual salaries of those positions;

10.16 (5) a certification by its chief executive officer or similar officer that no credits have  
10.17 been subject to recapture under subdivision 5; and

10.18 (6) any changes with respect to the taxpayers entitled to claim credits with respect to  
10.19 qualified equity investments issued by the qualified community development entity since  
10.20 its last report pursuant to this section.

10.21 (b) Each qualified community development entity shall pay the commissioner an annual  
10.22 fee of \$1,500. The initial annual fee required of the qualified community development entity  
10.23 is due and payable to the commissioner along with the submission of documentation required  
10.24 under subdivision 4, paragraph (g). Each subsequent annual fee is required to be submitted  
10.25 with the annual report under paragraph (a).

10.26 (c) The qualified community development entity is not required to provide the annual  
10.27 report set forth in this section for qualified low-income community investments that have  
10.28 been redeemed or repaid.

10.29 Subd. 8. **Program report.** If the credit under this section has not been reviewed under  
10.30 the provisions of section 3.8855 by December 15, 2034, the commissioner, with input from  
10.31 the commissioner of revenue, shall report to the legislature no later than December 31, 2034,  
10.32 regarding the implementation of the credit under this section, including an evaluation of  
10.33 the credit using the components listed in section 3.885, subdivision 5.

11.1 Subd. 9. **Expiration.** This section expires for taxable years beginning after December  
 11.2 31, 2031, except that the commissioner's authority to allow the credit under subdivision 2  
 11.3 based on certificates that were issued under subdivision 4 before expiration remains in effect  
 11.4 through the year following the year in which all certificates have either been canceled or  
 11.5 resulted in issuance of credit certificates or 2036, whichever is earlier.

11.6 Subd. 10. **Account created; appropriation.** The Minnesota new markets tax credit  
 11.7 account is created in the special revenue fund in the state treasury. The account is  
 11.8 administered by the commissioner. Application and reporting fees required under subdivision  
 11.9 3, paragraph (a), clause (7), are appropriated to the commissioner for costs associated with  
 11.10 certifying applications and for personnel and administrative expenses related to administering  
 11.11 the credit under this section.

11.12 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 11.13 31, 2025.

11.14 Sec. 4. Minnesota Statutes 2024, section 270B.14, subdivision 2, is amended to read:

11.15 **Subd. 2. Disclosure to Department of Employment and Economic Development. (a)**  
 11.16 Data relating to individuals are treated as follows:

11.17 (1) Return information may be disclosed to the Department of Employment and Economic  
 11.18 Development to the extent provided in clause (2) and for the purposes provided in clause  
 11.19 (3).

11.20 (2) The data that may be disclosed is limited to the amount of gross income earned by  
 11.21 an individual, the total amounts of earnings from each employer, and the employer's name.

11.22 (3) Data may be requested pertaining only to individuals who have claimed benefits  
 11.23 under sections 268.03 to 268.23 and only if the individuals are the subject of investigations  
 11.24 based on other information available to the Department of Employment and Economic  
 11.25 Development. Data received may be used only as set forth in section 268.19, subdivision  
 11.26 1, paragraph (b).

11.27 (4) Notwithstanding the limitation in this subdivision, the commissioner may disclose  
 11.28 return information to the Department of Employment and Economic Development to the  
 11.29 extent required to administer the new markets tax credit in section 297I.20.

11.30 (b) Data pertaining to corporations or other employing units may be disclosed to the  
 11.31 Department of Employment and Economic Development to the extent necessary for the  
 11.32 proper enforcement of chapter 268.

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

12.2 Sec. 5. Minnesota Statutes 2024, section 297I.20, is amended by adding a subdivision to  
12.3 read:

12.4 Subd. 7. **New markets tax credit.** (a) A taxpayer may claim a credit against the premiums  
12.5 tax imposed under this chapter equal to the amount calculated under section 116Y.01,  
12.6 subdivision 2. The credit is claimed beginning in the taxable year of the third credit allowance  
12.7 date. If the amount of the credit exceeds the liability for tax under this chapter, the excess  
12.8 is a credit carryover to each of the five succeeding taxable years. The entire amount of the  
12.9 excess unused credit for the taxable year must be carried first to the earliest of the taxable  
12.10 years to which the credit may be carried and then to each successive year to which the credit  
12.11 may be carried. This credit does not affect the calculation of fire state aid under section  
12.12 477B.03 and police state aid under section 477C.03.

12.13 (b) This subdivision expires January 1, 2034, for taxable years beginning after and  
12.14 premiums received after December 31, 2033.

12.15 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
12.16 31, 2025.