

April 6, 2026

	Yes	No
DOR Administrative Costs/Savings	X	

Department of Revenue
Analysis of H.F. 4616 (Gomez)

	Fund Impact			
	<u>F.Y. 2026</u>	<u>F.Y. 2027</u>	<u>F.Y. 2028</u>	<u>F.Y. 2029</u>
			(000's)	
General Fund	\$0	\$288,300	\$290,200	\$292,100

Effective beginning with tax year 2026.

EXPLANATION OF THE BILL

The bill would create a 1% annual tax on taxable wealth over \$10 million. Taxable wealth is the value of a taxpayer's property, real or personal, tangible or intangible, but excluding property with a situs outside of Minnesota, minus the sum of all debts and financial obligations owed by the taxpayer.

The value of property would be calculated in the same manner as for the federal estate tax.

For a nonresident taxpayer with ownership in a pass-through entity, situs of real or tangible property owned by the entity is determined as if the entity does not exist and the property is personally owned by the taxpayer. If the entity is owned by more than one person, ownership is attributed to the taxpayer in proportion to the taxpayer's capital ownership share of the entity.

REVENUE ANALYSIS DETAIL

- The number of impacted taxpayers is inferred from Minnesota residents and non-residents who filed estate tax returns from 2014 to 2023 with federal gross estates over \$10 million.
- The number of Minnesotan residents with estates over \$10 million was divided by total Minnesota deaths from 2014 to 2023, and this percentage was applied to residents age 35+ to estimate the number of living Minnesotans with wealth over \$10 million.
- The size of Minnesota-situs wealth is also inferred from estate tax filings.
- Nonresident situs wealth is taken from Form M706 line 11 of Worksheet B.
- A growth rate was estimated using Survey of Consumer Finances data based on the growth of the highest net worth bracket.
- An adjustment is made for known Minnesota billionaires not captured in estate tax data.
- Tax year impacts were allocated to the following fiscal year.

REVENUE ANALYSIS DETAIL (Cont.)

Number of Taxpayers: About 5,600 taxpayers would be subject to the wealth tax each year.

Minnesota Department of Revenue
Tax Research Division
[https://www.revenue.state.mn.us/
revenue-analyses](https://www.revenue.state.mn.us/revenue-analyses)

hf4616 Wealth Tax 10m / sb tj