

1.1 ..... moves to amend H.F. No. 1938, the delete everything amendment  
1.2 (A23-0111), as follows:

1.3 Page 25, line 10, delete "(c), (d), and" and after "(e)" insert "to (h)"

1.4 Page 26, after line 16, insert:

1.5 "Sec. .... Minnesota Statutes 2022, section 290.0132, subdivision 27, is amended to read:

1.6 Subd. 27. **Deferred foreign income.** The amount of deferred foreign income ~~recognized~~  
1.7 ~~because of~~ under section 965 of the Internal Revenue Code is a subtraction.

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

1.9 Page 26, line 21, delete "injury or sickness for which" and insert "damages are not  
1.10 received on account of personal physical injuries or physical sickness"

1.11 Page 26, line 22, delete "the damages are paid is not physical"

1.12 Page 27, delete lines 10 to 12 and insert:

1.13 "(1) a basic member of any pension plan governed by chapter 353, 354, or 354A, or the  
1.14 basic member's survivor, provided that the annuity or benefit is based on service for which  
1.15 the member or survivor is not also receiving Social Security benefits;

1.16 (2) a member of a pension plan governed by chapter 3A or 352B, or the member's  
1.17 survivor, provided that the annuity or benefit is based on service for which the member or  
1.18 survivor is not also receiving Social Security benefits;"

1.19 Page 27, line 16, after "state" insert ", the District of Columbia,"

1.20 Page 27, line 17, after "state" insert "or district"

1.21 Page 27, after line 24, insert:

2.1 "Sec. .... Minnesota Statutes 2022, section 290.0132, is amended by adding a subdivision  
2.2 to read:

2.3 Subd. 36. **Subpart F income.** For a unitary business, as defined in section 290.17,  
2.4 subdivision 4, paragraph (b), the amount of subpart F income included in gross income  
2.5 under section 951 of the Internal Revenue Code is a subtraction.

2.6 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
2.7 31, 2023.

2.8 Sec. .... Minnesota Statutes 2022, section 290.0133, subdivision 6, is amended to read:

2.9 Subd. 6. **Special deductions.** The amount of any special deductions under sections 241  
2.10 to 247, and 250, and 965 of the Internal Revenue Code is an addition.

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

2.12 Sec. .... Minnesota Statutes 2022, section 290.0134, subdivision 18, is amended to read:

2.13 Subd. 18. **Deferred foreign income.** The amount of deferred foreign income ~~recognized~~  
2.14 ~~because of~~ under section 965 of the Internal Revenue Code is a subtraction.

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

2.16 Sec. .... Minnesota Statutes 2022, section 290.0134, is amended by adding a subdivision  
2.17 to read:

2.18 Subd. 21. **Subpart F income.** For a unitary business, as defined in section 290.17,  
2.19 subdivision 4, paragraph (b), the amount of subpart F income included in gross income  
2.20 under section 951 of the Internal Revenue Code is a subtraction.

2.21 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
2.22 31, 2023."

2.23 Page 44, line 27, before "teaching" insert "qualifying" and strike "issued by the licensing  
2.24 division in the Department of"

2.25 Page 44, line 28, strike the old language

2.26 Page 44, line 29, reinstate the stricken "when" and delete the new language

2.27 Page 44, line 30, delete the new language

2.28 Page 45, after line 8, insert:

3.1 "(f) "Qualifying teaching license" means a license issued by the licensing division in  
3.2 the Department of Education on behalf of the Professional Educator Licensing and Standards  
3.3 Board."

3.4 Page 45, after line 18, insert:

3.5 "(d) An individual who completed a master's degree program in special education during  
3.6 the taxable year but did not have a qualifying teaching license when the individual completed  
3.7 the program may claim the credit under this section if the individual receives a qualifying  
3.8 license within six months of completing the program. A credit claimed under this paragraph  
3.9 must be claimed in the taxable year in which the individual received the qualifying teaching  
3.10 license."

3.11 Page 45, line 25, after "park" insert "in Minnesota"

3.12 Page 45, line 26, after "25" insert ", paragraph (d)"

3.13 Page 48, delete section 36 and insert:

3.14 "Sec. .... Minnesota Statutes 2022, section 290.17, subdivision 4, is amended to read:

3.15 Subd. 4. **Unitary business principle.** (a) If a trade or business conducted wholly within  
3.16 this state or partly within and partly without this state is part of a unitary business, the entire  
3.17 worldwide income of the unitary business is subject to apportionment pursuant to section  
3.18 290.191. Notwithstanding subdivision 2, paragraph (c), none of the income of a unitary  
3.19 business is considered to be derived from any particular source and none may be allocated  
3.20 to a particular place except as provided by the applicable apportionment formula. The  
3.21 provisions of this subdivision do not apply to business income subject to subdivision 5,  
3.22 income of an insurance company, or income of an investment company determined under  
3.23 section 290.36.

3.24 (b) The term "unitary business" means business activities or operations which result in  
3.25 a flow of value between them. The term may be applied within a single legal entity or  
3.26 between multiple entities and without regard to whether each entity is a sole proprietorship,  
3.27 a corporation, a partnership or a trust.

3.28 (c) Unity is presumed whenever there is unity of ownership, operation, and use, evidenced  
3.29 by centralized management or executive force, centralized purchasing, advertising,  
3.30 accounting, or other controlled interaction, but the absence of these centralized activities  
3.31 will not necessarily evidence a nonunitary business. Unity is also presumed when business  
3.32 activities or operations are of mutual benefit, dependent upon or contributory to one another,  
3.33 either individually or as a group.

4.1 (d) Where a business operation conducted in Minnesota is owned by a business entity  
4.2 that carries on business activity outside the state different in kind from that conducted within  
4.3 this state, and the other business is conducted entirely outside the state, it is presumed that  
4.4 the two business operations are unitary in nature, interrelated, connected, and interdependent  
4.5 unless it can be shown to the contrary.

4.6 (e) Unity of ownership does not exist when two or more corporations are involved unless  
4.7 more than 50 percent of the voting stock of each corporation is directly or indirectly owned  
4.8 by a common owner or by common owners, either corporate or noncorporate, or by one or  
4.9 more of the member corporations of the group. For this purpose, the term "voting stock"  
4.10 shall include membership interests of mutual insurance holding companies formed under  
4.11 section 66A.40.

4.12 ~~(f) The net income and apportionment factors under section 290.191 or 290.20 of foreign~~  
4.13 ~~corporations and other foreign entities, but excluding a disqualified captive insurance~~  
4.14 ~~company, which are part of a unitary business shall not be included in the net income or~~  
4.15 ~~the apportionment factors of the unitary business; except that the income and apportionment~~  
4.16 ~~factors of a foreign entity, other than an entity treated as a C corporation for federal income~~  
4.17 ~~tax purposes, that are included in the federal taxable income, as defined in section 63 of the~~  
4.18 ~~Internal Revenue Code as amended through the date named in section 290.01, subdivision~~  
4.19 ~~19, of a domestic corporation, domestic entity, or individual must be included in determining~~  
4.20 ~~net income and the factors to be used in the apportionment of net income pursuant to section~~  
4.21 ~~290.191 or 290.20. A foreign corporation or other foreign entity which is not included on~~  
4.22 ~~a combined report and which is required to file a return under this chapter shall file on a~~  
4.23 ~~separate return basis.~~

4.24 ~~(g)~~ (f) For purposes of determining the net income of a unitary business and the factors  
4.25 to be used in the apportionment of net income pursuant to section 290.191 or 290.20, there  
4.26 must be included ~~only~~ the income and apportionment factors of domestic and foreign  
4.27 corporations or other domestic and foreign entities that are determined to be part of the  
4.28 unitary business pursuant to this subdivision, ~~notwithstanding that foreign corporations or~~  
4.29 ~~other foreign entities might be included in the unitary business; except that the income and~~  
4.30 ~~apportionment factors of a foreign entity, other than an entity treated as a C corporation for~~  
4.31 ~~federal income tax purposes, that is included in the federal taxable income, as defined in~~  
4.32 ~~section 63 of the Internal Revenue Code as amended through the date named in section~~  
4.33 ~~290.01, subdivision 19, of a domestic corporation, domestic entity, or individual must be~~  
4.34 ~~included in determining net income and the factors to be used in the apportionment of net~~  
4.35 ~~income pursuant to section 290.191 or 290.20. For foreign corporations and other foreign~~

5.1 entities not subject to a federal income tax filing requirement under United States Code,  
5.2 title 26, subtitle A, net income must be determined as required under section 290.01,  
5.3 subdivision 19.

5.4 ~~(h)~~ (g) Each corporation or other entity, except a sole proprietorship, that is part of a  
5.5 unitary business must file combined reports as the commissioner determines. On the reports,  
5.6 all intercompany transactions between entities included pursuant to paragraph ~~(g)~~ (f) must  
5.7 be eliminated and the entire net income of the unitary business determined in accordance  
5.8 with this subdivision is apportioned among the entities by using each entity's Minnesota  
5.9 factors for apportionment purposes in the numerators of the apportionment formula and the  
5.10 total factors for apportionment purposes of all entities included pursuant to paragraph ~~(g)~~  
5.11 (f) in the denominators of the apportionment formula. Except as otherwise provided by  
5.12 paragraph (f), all sales of the unitary business made within this state pursuant to section  
5.13 290.191 or 290.20 must be included on the combined report of a corporation or other entity  
5.14 that is a member of the unitary business and is subject to the jurisdiction of this state to  
5.15 impose tax under this chapter.

5.16 ~~(i)~~ (h) If a corporation has been divested from a unitary business and is included in a  
5.17 combined report for a fractional part of the common accounting period of the combined  
5.18 report:

5.19 (1) its income includable in the combined report is its income incurred for that part of  
5.20 the year determined by proration or separate accounting; and

5.21 (2) its sales, property, and payroll included in the apportionment formula must be prorated  
5.22 or accounted for separately.

5.23 ~~(j)~~ (i) For purposes of this subdivision, "insurance company" means an insurance  
5.24 company, as defined in section 290.01, subdivision 5b, that is not a disqualified captive  
5.25 insurance company.

5.26 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
5.27 31, 2023.

5.28 Sec. .... Minnesota Statutes 2022, section 290.17, is amended by adding a subdivision to  
5.29 read:

5.30 **Subd. 4a. Foreign corporations and other foreign entities.** (a) For purposes of imposing  
5.31 a tax under this chapter, the federal taxable income of a foreign corporation or other foreign  
5.32 entity must be computed as follows:

6.1 (1) a profit and loss statement must be prepared in the currency in which the books of  
 6.2 account of the foreign corporation or other foreign entity are regularly maintained;

6.3 (2) except as determined by the commissioner, adjustments must be made to the profit  
 6.4 and loss statement to conform the statement to the accounting principles generally accepted  
 6.5 in the United States for the preparation of those statements;

6.6 (3) adjustments must be made to the profit and loss statement to conform it to the tax  
 6.7 accounting standards required by the commissioner;

6.8 (4) unless otherwise authorized by the commissioner, the profit and loss statement of  
 6.9 each member of the combined group, and the apportionment factors related to the combined  
 6.10 group, whether domestic or foreign, must be converted into United States dollars; and

6.11 (5) income apportioned to this state must be expressed in United States dollars.

6.12 (b) Notwithstanding paragraph (a), if the commissioner determines that the information  
 6.13 required in the statements under that paragraph may only be obtained through a burdensome  
 6.14 effort and expense, the commissioner may allow reasonable approximations of the  
 6.15 information.

6.16 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 6.17 31, 2023.

6.18 Sec. .... Minnesota Statutes 2022, section 290.21, subdivision 9, is amended to read:

6.19 Subd. 9. **Controlled foreign corporations.** The net income of a ~~domestic~~ nonunitary  
 6.20 corporation that is included pursuant to section 951 of the Internal Revenue Code is dividend  
 6.21 income.

6.22 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 6.23 31, 2023, except the stricken language is effective the day following final enactment."

6.24 Page 51, delete section 37

6.25 Page 55, after line 13, insert:

6.26 "Sec. .... **EXTENSION OF STATUTE OF LIMITATIONS; CREDIT FOR PARENTS**  
 6.27 **OF STILLBORN CHILDREN.**

6.28 Notwithstanding any law to the contrary, a taxpayer whose tax liability changes as a  
 6.29 result of the retroactive changes to Minnesota Statutes, section 290.0685 in this act, may  
 6.30 file an amended return by December 31, 2023. The commissioner may review and assess  
 6.31 the return of a taxpayer covered by this provision for the later of:

7.1 (1) the periods under Minnesota Statutes, sections 289A.38, 289A.39, subdivision 3,  
 7.2 and 289A.40; or

7.3 (2) one year from the time the amended return is filed as a result of a change in tax  
 7.4 liability under this section.

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

7.6 Sec. .... **REPEALER.**

7.7 Minnesota Statutes 2022, sections 290.01, subdivision 19i; and 290.0131, subdivision  
 7.8 18, are repealed.

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

7.10 Page 111, line 3, delete "most recent appraised value" and insert "2022 or subsequent  
 7.11 appraised value, if it is higher"

7.12 Page 111, line 9, after "commissioner" insert "of revenue"

7.13 Page 121, line 31, delete "transfer from" and insert "compute the amount necessary to"

7.14 Page 121, delete line 32

7.15 Page 121, line 34, after the first period, insert "The amount calculated under the preceding  
 7.16 sentence shall be deducted from the amount available to counties for the purposes of  
 7.17 certifying the amount of aid to be paid to counties in the following year."

7.18 Page 122, line 2, after the period, insert "Before paying the first installment of aid  
 7.19 annually, the commissioner of revenue shall transfer to the Minnesota Housing Finance  
 7.20 Agency from the funds available for counties, for deposit in the account or accounts  
 7.21 established under subdivision 4, paragraph (e), the amount computed in the prior year to be  
 7.22 necessary to increase the amount in the account or accounts established under that paragraph  
 7.23 to \$3,400,000."

7.24 Page 124, line 16, delete "2024" and insert "2025"

7.25 Page 124, line 22, delete everything after the first comma

7.26 Page 124, line 24, delete everything before the period and insert "abutting lakes identified  
 7.27 by a Department of Natural Resources Division of Waters Lake Number and by parcels not  
 7.28 abutting lakes identified by a Department of Natural Resources Division of Waters Lake  
 7.29 Number"

7.30 Page 124, line 25, delete "September" and insert "December"

- 8.1 Page 124, line 28, delete "2024" and insert "2025"
- 8.2 Page 137, line 13, after "exempt" insert "from sales and use tax imposed under Minnesota  
8.3 Statutes, chapter 297A"
- 8.4 Page 149, delete lines 16 and 17 and insert:  
8.5 "(2) the person demonstrates to the commissioner of revenue that it is legally prohibited  
8.6 from engaging in the business of mining under a permit it has obtained."
- 8.7 Page 168, line 31, delete "2022" and insert "2023"
- 8.8 Page 174, line 32, delete "March 1" and insert "January 31"
- 8.9 Page 189, line 7, after "SECURITY" insert "OR INDIVIDUAL TAXPAYER  
8.10 IDENTIFICATION"
- 8.11 Page 189, line 9, after "Security" insert "or individual taxpayer identification"
- 8.12 Page 193, line 11, after the second "organization" insert "or federally recognized Indian  
8.13 Tribe"
- 8.14 Page 244, line 31, after "commissioner" insert "of management and budget, in consultation  
8.15 with the commissioner of revenue,"
- 8.16 Page 248, line 31, delete "e-mail" and insert "email"
- 8.17 Page 251, after line 5, insert:  
8.18 "EFFECTIVE DATE. This section is effective for games approved after June 30,  
8.19 2024."
- 8.20 Page 251, line 9, reinstate the stricken language and delete the new language
- 8.21 Page 251, lines 10 and 11, delete the new language
- 8.22 Page 251, after line 29, insert:  
8.23 "EFFECTIVE DATE. This section is effective for games approved after June 30,  
8.24 2024."
- 8.25 Page 252, after line 7, insert:  
8.26 "EFFECTIVE DATE. This section is effective for games approved after June 30,  
8.27 2024."
- 8.28 Page 253, after line 20, insert:

- 9.1 "(5) a definition describing the type or class of businesses to be included in the tourism
- 9.2 improvement district and subject to the service charge;"
- 9.3 Renumber the clauses in sequence
- 9.4 Renumber the sections in sequence and correct the internal references
- 9.5 Amend the title accordingly