

**Subject** Subtraction for income from agricultural and commercial loans

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## Overview

H.F. 916 establishes an individual income and corporate franchise tax subtraction for commercial bank loans with a business or agricultural purpose.

## Summary

Section	Description
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|---|---|
| 1 | <p><b>Commercial loans for business or agricultural purposes.</b></p> <p>Establishes an individual income tax subtraction for financial institutions that are S corporations. The subtraction would cover income from a commercial loan to a person residing or located in Minnesota that was used for a business or agricultural purpose.</p> <p>The subtraction is limited to loans of less than \$1,000,000 with a business purpose, or less than \$500,000 for an agricultural purpose.</p> <p>The subtraction would be limited to financial institutions with \$2,000,000,000 or less in consolidated assets.</p> <p>The subtraction is effective for tax year 2026 and later.</p> |
| 2 | <p><b>Commercial loans for business or agricultural purposes.</b></p> <p>Establishes a corresponding subtraction for C corporations for the purposes of calculating the corporate franchise tax.</p> <p>The same limitations on the subtraction for S corporations in section 1 apply to the subtraction for C corporations in section 2.</p> <p>The subtraction is effective for tax year 2026 and later.</p>  |