

1.1 moves to amend H.F. No. 2360 as follows:

1.2 Page 1, line 21, delete "section" and insert "sections 290.0696 and"

1.3 Page 4, line 11, after "chapter" insert "290 or"

1.4 Page 4, line 14, after "in" insert "section 290.01, subdivision 6, or a taxpayer as defined
1.5 in"

1.6 Page 4, line 16, after "chapter" insert "290 or"

1.7 Page 11, line 2, delete "2031" and insert "2033"

1.8 Page 11, line 29, delete "section" and insert "sections 290.0696 and"

1.9 Page 12, after line 1, insert:

1.10 "Sec. [290.0696] NEW MARKETS TAX CREDIT.

1.11 Subdivision 1. Definitions. For purposes of this section, terms defined in section 116Y.01
1.12 have the meanings given in that section.

1.13 Subd. 2. Credit allowed. (a) An entity that makes a qualified equity investment is
1.14 allowed a credit against the tax imposed under this chapter equal to the amount calculated
1.15 under section 116Y.01, subdivision 2. An entity may claim a credit on each credit allowance
1.16 date.

1.17 (b) Tax credits earned by or allocated to a partnership, a limited liability company taxed
1.18 as a partnership, or an S corporation are passed through to the partners, members,
1.19 shareholders, or owners, respectively, in accordance with the provisions of any agreement
1.20 among such partners, members, shareholders, or owners, or, in the absence of such agreement,
1.21 pro rata to each partner, member, shareholder, or owner based on their share of the entity's
1.22 assets as of the last day of the taxable year. A pass-through of a credit is not considered a
1.23 sale for the purposes of section 116Y.01.

2.1 (c) If the amount of the credit under this section exceeds the taxpayer's liability for tax
2.2 under this chapter, the excess is a credit carryover to each of the five succeeding taxable
2.3 years. The entire amount of the excess unused credit for the taxable year must be carried
2.4 first to the earliest of the taxable years to which the credit may be carried and then to each
2.5 successive year to which the credit may be carried. The amount of the unused credit that
2.6 may be added under this paragraph may not exceed the taxpayer's liability for tax, less any
2.7 credit for the current taxable year.

2.8 Subd. 3. **Sunset.** This section expires for taxable years beginning after December 31,
2.9 2033, except that the expiration of this section does not affect the commissioner of revenue's
2.10 authority to audit or power of examination and assessment for credits claimed under this
2.11 section.

2.12 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
2.13 31, 2025."

2.14 Page 12, line 13, delete "taxable years beginning after and"