



weight sales is the most common formula used. For 1999, 22 states used double weighted sales, while 16 used equally weighted factor. The rest of the sales used other formulas that weighted sales more heavily. (This information is from Federation of Tax Administrators.)

More states have begun to adopt 100 percent sales apportionment. Iowa has long used this method. Recently, Illinois (to be effect in 2000), Nebraska, and Texas have recently adopted 100 percent sales apportionment. Michigan recently adopted a 90-5-5 apportionment method.

**Effects on tax burdens.** Since the bill makes no other changes in the tax, the apportionment formula change will reduce the tax of businesses whose Minnesota sales factor is lower than the average of their property and payroll factors. Conversely, businesses whose Minnesota sales factor is higher than the average of their property and payroll factors will pay higher tax.

**2 Effective date.** Provides the change is effective for tax year 1999.