

HOUSE RESEARCH

Bill Summary

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Authors: Thissen and others

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Analyst: Nina Manzi (651) 296-5204
Joel Michael (651) 296-5057

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Overview

Allows an individual and corporate income tax credit for employers with 100 or fewer employees equal to 25 percent of expenses for computers and peripheral equipment, up to a maximum of \$10,000.

Section

1 Technology credit.

Subd. 1. Credit allowed. Allows a credit equal to 25 percent of qualifying technology expenses to corporate and individual taxpayers with 100 or fewer full time employees. The maximum credit is \$10,000.

Subd. 2. Definitions. Defines "qualifying technology expenses" as expenses for computers and peripheral equipment, by reference to the Internal Revenue Code. Defines "full-time employees" as the number of full-time employees on the last day of the previous tax year.

Subd. 3. Limitation; carryforward. Allows unused credit amounts to be carried forward and applied against liability for five years.

Subd. 4. Partnerships. Limits the credit amount allowed for partners to the amount of tax paid by the partnership that is allocable to each partner, based the partner's share of the business.

Effective beginning in tax year 2007.

