

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 64

DATE: January 29, 2007

Version: As introduced

Authors: Urdahl and others

Subject: Dairy and livestock investment tax credit

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Overview

Provides a onetime credit of up to \$50,000 for expenditures made to modernize dairy animal and livestock operations in Minnesota. The credit equals 10 percent of expenditures made in tax years 2007 through 2012.

Section

1 Dairy and livestock investment credit. Allows a dairy and livestock investment credit against individual income and corporate franchise taxes. The credit equals 10 percent of the first \$500,000 of qualifying expenditures for acquisition/construction/improvement of dairy and livestock buildings or facilities, the development of pasture for use by dairy animals and livestock, and the acquisition of specific equipment related to dairy animals and livestock in Minnesota.

The credit is nonrefundable and may only be used to offset liability. Unused credit amounts may be carried forward for up to 15 tax years.

A taxpayer may claim the credit for expenditures made between December 31, 2006, and January 1, 2013. The maximum credit is \$50,000; this maximum applies to entities such as partnerships and S corporations as well as to individual taxpayers.

Eligible livestock include: cattle, sheep, horses intended for slaughter, swine, goats, mules, farmed cervidae, ratitae, llamas, bison, poultry and fish raised in aquaculture facilities.