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Subject: Exempts qualified business property expansions from the state general tax

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Overview

H.F. 1019 provides that improvements to properties of businesses under the greater Minnesota business expansion program are exempt from the state general levy. Reduces the state general levy so that the tax is not shifted to other properties. Also makes modifications to the greater Minnesota business expansion program addressing qualification for the program and wages that must be paid by businesses participating in the program.

Section

- 1** **Qualified business.** Allows a business that has recently relocated to a location in greater Minnesota from elsewhere in Minnesota to apply for the greater Minnesota business expansion program under this section. Also reduces the pay scale requirement for a business to qualify from 120 percent of poverty to 110 percent of poverty.
- 2** **Available tax incentives.** Provides that any improvements to properties owned or leased by qualifying businesses during the time that they are enrolled in the program are exempt from the state general tax. Also provides that qualifying businesses are only required to meet the prevailing wage requirements in years where the value of the sales tax exemption is at least \$200,000, and that businesses that decline the sales tax exemption in favor of other tax incentives are not subject to the prevailing wage requirement.
- 3** **Commercial-industrial tax capacity.** Cross-references the state general tax exemption in section 2 to the statute defining the tax base for the state general levy.

Section

- 4** **Apportionment of state general levy.** Reduces the state general levy on commercial-industrial property by the amount of the tax base exempted under section 2.