

Subject Tax credit for manufactured home park owners selling to cooperatives or other entities seeking to form a cooperative

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Overview

An income tax credit is an amount that taxpayers may subtract from their income taxes.

This bill would establish an income tax credit for a manufactured home park owner, other than a manufactured home park cooperative, who sells a manufactured home park either (1) to a cooperative or (2) to a nonprofit or a representative of the residents who seek to form a cooperative.

Summary

Section	Description
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1	Credit for sales of manufactured home parks to cooperatives.
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Subd. 1. Definitions. Defines a “manufactured home park cooperative” by reference to a manufactured home park’s eligibility for homestead treatment in property taxation. Defines a “qualified property” as a manufactured home park other than a manufactured home park cooperative. Defines a “qualified seller” as a taxpayer who sells a qualified property to (1) a manufactured home park cooperative or (2) a nonprofit or representative acting on behalf of residents seeking to form a manufactured home park cooperative.

Subd. 2. Credit allowed; carryforward. Establishes an income tax credit worth five percent of the sale price of a manufactured home park for a qualified seller. Allows the value of the credit to be carried forward to up to five future tax years if it exceeds the taxpayer’s tax liability but requires that the credit be applied to the earliest taxable year or years to which it applies. Requires that the tax be allocated for nonresidents and part-year residents.

Subd. 3. Partnerships; multiple owners. Requires that the credit be shared on a pro rata basis when it is granted to multiple owners, to partnerships, to limited

Section **Description**

liability companies taxed as partnerships, and to corporations that pass their financial gains and losses onto their shareholders.

Effective for taxable years beginning after December 31, 2023, contingent upon enactment of House File 817.



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