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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH  
SESSION

HOUSE FILE No. **363**

January 29, 2009

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The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act  
1.2 relating to taxation; corporate income tax rate; providing for a gradual phase out  
1.3 of the corporate income tax rate beginning in 2010; amending Minnesota Statutes  
1.4 2008, section 290.06, subdivision 1.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2008, section 290.06, subdivision 1, is amended to read:

1.7 Subdivision 1. **Computation, corporations.** (a) For taxable years beginning before  
1.8 January 1, 2010, the franchise tax imposed upon corporations shall be computed by  
1.9 applying to their taxable income the rate of 9.8 percent.

1.10 (b) For taxable years beginning after December 31, 2009, the rate listed below  
1.11 applies to taxable years beginning during the calendar year references below.

	<u>Taxable years beginning during the calendar year:</u>	<u>Tax rate:</u>
1.12	<u>2010</u>	<u>8.8 percent</u>
1.13	<u>2011</u>	<u>7.8 percent</u>
1.14	<u>2012</u>	<u>6.8 percent</u>
1.15	<u>2013</u>	<u>5.8 percent</u>
1.16	<u>2014</u>	<u>4.8 percent</u>
1.17	<u>2015</u>	<u>3.8 percent</u>
1.18	<u>2016</u>	<u>2.8 percent</u>
1.19	<u>2017</u>	<u>1.8 percent</u>
1.20	<u>2018</u>	<u>0.8 percent</u>
1.21	<u>2019 and later years</u>	<u>0</u>

1.22  
1.23  
1.24 **EFFECTIVE DATE.** This section is effective for taxable years beginning after  
1.25 December 31, 2009.