SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 2129

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DATE	D-PG	OFFICIAL STATUS
04/28/2015		Introduction and first reading Referred to Taxes

A bill for an act
relating to taxation; allowing a credit for historic structure rehabilitation.

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

Section 1. **CREDIT FOR JOB TRAINING CENTER REHABILITATION.**

(a) A taxpayer is allowed a credit against the tax due under Minnesota Statutes, chapter 290, if the taxpayer rehabilitates and places in service in calendar year 2015 or 2016 an historic structure that once served as a medical care facility adjacent to a private college and is located in Hennepin County. The credit equals 20 percent of the qualified rehabilitation expenditures for the project.

(b) The taxpayer must notify the commissioner within six months of when the project is placed in service, and must provide documentation that the project meets the requirements of this section, in the form and manner prescribed by the commissioner. The commissioner must issue a credit certificate to the developer upon verifying that the project has been placed in service and meets the requirements of this section.

(c) The recipient of a credit certificate may assign the certificate to another taxpayer, including an insurance company, which is then allowed the credit under this section. An assignment is not valid unless the assignee notifies the commissioner within 30 days of the date the assignment is made. The commissioner shall prescribe the forms necessary for notifying the commissioner of the assignment of a credit certificate and for claiming a credit by assignment. In lieu of the credit under paragraph (a), an insurance company that is assigned a credit under this paragraph may claim the credit against the insurance premiums tax imposed under chapter 297I.

(d) Credits granted to a partnership, a limited liability company taxed as a partnership, S corporation, or multiple owners of property are passed through to the partners, members, shareholders, or owners, respectively, pro rata to each partner, member, shareholder, or owner based on their share of the entity's assets or as specially allocated in their organizational documents or any other executed agreement, as of the last day of the taxable year.

(e) If the amount of credit that a taxpayer is eligible to receive under this section exceeds the taxpayer's liability for tax under Minnesota Statutes, chapter 290, the commissioner shall refund the excess to the taxpayer. If the amount of credit assigned to an insurance company exceeds the liability for tax under chapter 297I, the commissioner shall refund the excess to the insurance company. An amount sufficient to pay the refunds authorized under this section is appropriated to the commissioner from the general fund.

(f) For purposes of this section, the following terms have the meanings given:

(1) "commissioner" means the commissioner of revenue;

(2) "qualified rehabilitation expenditures" means amounts chargeable to capital accounts but does not include the cost of acquiring the structure or enlarging the structure; and

(3) "project" means rehabilitation of a certified historic structure that is located in Minnesota.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2014, and before January 1, 2017, for projects placed in service in calendar years 2015 and 2016.