

**SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION**

S.F. No. 319

(SENATE AUTHORS: CHAMBERLAIN, Dziezic, Hall and Franzen)

DATE
01/22/2019

D-PG

Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to health; allowing a subtraction from state business tax for medical
1.3 cannabis manufacturers; amending Minnesota Statutes 2018, sections 290.0132,
1.4 by adding a subdivision; 290.0134, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2018, section 290.0132, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 27. **Disallowed section 280E expenses; medical cannabis manufacturers.** The
1.9 amount of expenses of a medical cannabis manufacturer, as defined under section 152.22,
1.10 subdivision 7, related to the business of medical cannabis under sections 152.21 to 152.37,
1.11 and not allowed for federal income tax purposes under section 280E of the Internal Revenue
1.12 Code is a subtraction.

1.13 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
1.14 31, 2018.

1.15 Sec. 2. Minnesota Statutes 2018, section 290.0134, is amended by adding a subdivision
1.16 to read:

1.17 Subd. 17. **Disallowed section 280E expenses; medical cannabis manufacturers.** The
1.18 amount of expenses of a medical cannabis manufacturer, as defined under section 152.22,
1.19 subdivision 7, related to the business of medical cannabis under sections 152.21 to 152.37,
1.20 and not allowed for federal income tax purposes under section 280E of the Internal Revenue
1.21 Code is a subtraction.

2.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
2.2 31, 2018.