

**Senate Counsel, Research, and Fiscal Analysis**

Alexis C. Stangl, Director

Minnesota Senate Building  
95 University Ave. W. Suite 3300  
ST. PAUL, MN 55155-1800  
(651) 296-4791  
[www.senate.mn/scrfa](http://www.senate.mn/scrfa)

**Senate**

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**State of Minnesota**

**S.F. No. 1113 – Income tax credit and sales tax exemption for single-member LLCs**

**Author:** Senator Judy Seeberger

**Prepared by:** Nora Pollock, Senate Counsel (651/297-8066)

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**Section 1. Credit for taxes paid to another state.** Under current law, Minnesota allows a credit for taxes paid to another state if the income also taxed by Minnesota. This section provides that a Minnesota resident who is a sole member of a disregarded LLC is considered to have paid any net income tax paid by the disregarded LLC to another state. Effective for taxable years beginning after December 31, 2022.

**Section 2. Sale of property used in a trade or business.** Provides an exemption for sales of tangible personal property used in a trade or business for sales between a sole member of a disregarded LLC and the disregarded LLC. Effective for sales and purchases made after June 30, 2023.