

S.F. No. 2007 – Credit for sales of manufactured home parks to cooperatives (1st engrossment)

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This bill provides an income tax credit to qualified sellers that sell manufactured home parks to a manufactured home park cooperative.

Section 1. Credit for sales of manufactured home parks to cooperatives.

Subd. 1. Definitions. Defines terms applicable to the program and credit. In pertinent part:

“**Qualified seller**” is a seller who sells qualified property to a manufactured home cooperative, a nonprofit organization organized under the nonprofit organizations chapter, or a representative who is authorized to represent residents in the purchase of manufactured home park property;

“**Qualified property**” means a manufactured home park, as defined under current law, that qualifies for depreciation rules under section 1250 of the Internal Revenue Code.

Subd. 2. Credit allowed; carryforward. Provides a credit equal to five percent of the sales price of qualified property. The credit is nonrefundable but may be carried forward for up to five years. The credit is allocated for nonresidents and part-year residents as provided under current law.

Subd. 3. Partnerships; multiple owners. Requires the credit to be passed through to partners, members, shareholders, or owners of a pass-through entity according to their share of the entity’s assets or as otherwise provide in the entity’s organizational documents.

Effective for taxable years beginning after December 31, 2022.