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## **S.F. No. 1119 – Nuclear decommissioning funds as tax-exempt entities (as proposed to be amended by the A-1 amendment)**

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A nuclear decommissioning reserve fund (“fund”) is used by nuclear power plant owners to fund federally required dismantling of plants and safe disposal of materials when the useful life of a plant has expired. Owners must make an election under the Internal Revenue Code to establish a fund for contributions for future decommissioning costs and the fund is allowed certain deductions and exclusions for federal income tax purposes.

This bill adds a nuclear decommissioning reserve fund to the list of entities exempt from Minnesota income tax. Other exempt entities include insurance companies and businesses and individuals engaged in mining or iron ore production, as those entities are subject to the insurance premiums tax and the occupation tax, respectively. Effective beginning in tax year 2024.