

S.F. No. 3364 – Subtraction for financial institutions for income earned on certain loans

Author: Senator Aric Putnam

Prepared by: Nora Pollock, Senate Counsel (nora.pollock@mnsenate.gov)

Date: April 23, 2025

Section 1. Commercial loans for business or agricultural purposes. Provides, for purposes of calculating Minnesota taxable income, a subtraction for financial institutions that are S corporations for the amount of income earned from a commercial loan, if:

- the value of the loan is \$5 million or less; and
- the loan was provided to a person residing or located in Minnesota and used primarily for business or agricultural purposes.

Effective for taxable years beginning after December 31, 2024.

Section 2. Commercial loans for business or agricultural purposes. Provides, for purposes of calculating Minnesota taxable income, a subtraction for financial institutions that are S corporations for the amount of income earned from a commercial loan, if:

- the value of the loan is \$5 million or less; and
- the loan was provided to a person residing or located in Minnesota and used primarily for business or agricultural purposes.

Effective for taxable years beginning after December 31, 2024.



Senate Counsel, Research, and Fiscal Analysis provides nonpartisan legislative, legal, fiscal, and analytical services to the Minnesota Senate. This document can be made available in different formats upon request.