SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 3364

(SENATE AUTHORS: PUTNAM, Weber and Howe)

DATE	D-PG	OFFICIAL STATUS
04/09/2025	1728	Introduction and first reading Referred to Taxes
04/22/2025	3722	Author added Howe

A bill for an act

relating to taxation; individual income and corporate franchise; providing a subtraction from income for certain commercial loans issued by financial institutions; amending Minnesota Statutes 2024, sections 290.0132, by adding a subdivision; 290.0134, by adding a subdivision.

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

Section 1. Minnesota Statutes 2024, section 290.0132, is amended by adding a subdivision to read:

Subd. 36. **Commercial loans for business or agricultural purposes.** For a financial institution that is an S corporation, the amount of income from a commercial loan is a subtraction if:

(1) the value of the loan is $5,000,000 or less; and

(2) the loan was provided to a person residing or located in this state and used primarily for a business or agricultural purpose.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2024.

Sec. 2. Minnesota Statutes 2024, section 290.0134, is amended by adding a subdivision to read:

Subd. 21. **Commercial loans for business or agricultural purposes.** For a financial institution, the amount of income from a commercial loan is a subtraction if:

(1) the value of the loan is $5,000,000 or less; and

(2) the loan was provided to a person residing or located in this state and used primarily for a business or agricultural purpose.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2024.