

A Guide To
**STARTING A BUSINESS
IN MINNESOTA**

SMALL BUSINESS ASSISTANCE OFFICE

MINNESOTA DEPARTMENT OF EMPLOYMENT
AND ECONOMIC DEVELOPMENT

A Guide To STARTING A BUSINESS IN MINNESOTA is updated annually.

The Guide is available to view and download from the Minnesota Department of Employment and Economic Development (DEED) website at [Business Guidebooks](#).

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A Guide To
**STARTING A
BUSINESS IN
MINNESOTA**

Forty-fourth Edition, January 2026

Mark Simmer

PREFACE

This forty-fourth edition of *A Guide to Starting a Business in Minnesota*, like its predecessors, is intended to provide a concise, summary discussion of the major issues faced by those starting a business in Minnesota. This edition of the Guide contains three major sections: the narrative text; a Resource Directory, which provides addresses, telephone numbers, and website addresses of organizations referenced in the text; and the Directory of Licenses and Permits, which lists all business licenses and permits required by the State of Minnesota, the state agency which issues or administers the license or permit, and contact information. Topics presented in the narrative text are presented in the order in which the new business owner typically must address them. Note that a business that will have operations or a physical presence (with the possible inclusion of an Internet presence) in another state should check with the government authorities in that state to obtain information on licensing, tax and other issues. We hope this organization is useful.

While no one publication can answer every question for every kind of proposed business, this Guide does respond to the questions and concerns most frequently raised. While it tries to be both timely and comprehensive, this Guide is not intended as a final statement on any one subject. In particular, users should be aware that the formal legal requirements for business start-up and operations may change from time to time. Specific updates and additional information may be obtained from the many sources listed.

Before engaging in any business venture, it is advisable to seek both legal counsel and advice from an accountant. Both professionals can advise you as to the best course you might take in establishing your business. The information provided in this Guide is not intended to replace that kind of advice and assistance.

Mark Simmer

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5 STEPS TO START YOUR BUSINESS IN MINNESOTA

When starting a new business there are many important decisions to make. Here are some resources and five steps to help you get started.

BEFORE YOU BEGIN

It's important to do your homework. Have you researched your competitors, the market and potential customers? Here are a few resources to help you before you get started:

- » [Business Plan](#): Business plan overview, how to draft, and executive summary information.
- » [FAQ](#): Recent and frequent questions about small business matters answered by the Small Business Assistance Office.
- » [Business Guidebooks](#): Publications, including a comprehensive "Guide to Starting a Business in Minnesota", and many others produced in collaboration with major Minnesota law firms and subject matter experts on a wide variety of business topics.
- » [Consultants, Small Business Assistance Office \(SBAO\) videos](#)

Connect with others

- » CALL OR EMAIL the [Small Business Assistance Office \(SBAO\)](#) at 651-556-8425 or 800-310-8323, smallbusiness@state.mn.us with specific questions or to be connected to the right resource.
- » CONNECT with your [Entrepreneur, Startup, and Small Business Support Organizations](#)
- » REVIEW our [Statewide Startup and Small Business Calendar](#)

OPERATIONAL ACTIONS TO START A SMALL BUSINESS

When starting a new business there are many important decisions to make. Here are some resources and steps to help you get started in Minnesota.

1 - Choose your business structure

[Organizing Your Business](#)

Here are the [types of business](#) available in Minnesota.

2 - Register with the Minnesota Secretary of State Office

Confirm your [business name](#) by reviewing [Naming your business](#) and [How to check business name availability](#). Then follow these instructions for [How To Register Your Business](#).

3 - Obtain state and federal tax id numbers

[Obtain a state tax ID number](#) from Minnesota Department of Revenue and [federal tax ID number \(EIN\)](#) from the IRS.

4 - Secure necessary business prerequisites

Does your business require [licenses and permits](#)?

[Insurance](#) should be secured to mitigate risks.

[Protecting Intellectual Property](#): patent, trademark, copyright and trade secret.

5 - Financing your business

[Business financing basics](#)

[State financing programs](#) to help your startup or small business

[Tax Credits](#)

CHOOSING THE FORM OF BUSINESS ORGANIZATION

TAX AND NON-TAX CONSIDERATIONS

INTRODUCTION

One of the first important decisions you'll make as a new business owner is how to organize your business.

The form of business organization you choose affects how your business is taxed, how decisions are made, and what personal liability you may have for business debts or obligations.

In general, you are considered "in business" as soon as you start operating an activity with the intent to earn money — even if you still have another job, or if your business is seasonal or short-term.

Most Minnesota businesses choose one of the following common forms of organization:

- **Sole Proprietorship**
- **Partnership**
- **Limited Liability Partnership (LLP) or Limited Liability Limited Partnership (LLLP)**
- **Corporation (C or S)**
- **Limited Liability Company (LLC)**
- **Cooperative or other specialized forms**

Each form has different rules for taxes, liability, and management. The following sections describe each option to help you decide which best fits your goals.

Sole Proprietorship

A **sole proprietorship** is the simplest type of business. It's owned and run by one person. It is owned and operated by one person, and there is **no legal separation** between the owner and the business.

Key features:

- Easy to start and operate — no formal filing is required with the Minnesota Secretary of State, unless you use an [assumed name](#) (a name other than the owner's full legal name).
- The business income and expenses are reported on your personal income tax return).
- Business income and expenses are reported on the owner's personal income tax return.

- You can hire employees, but you are not considered an employee of your own business.
- You have **unlimited personal liability** — your personal assets can be used to pay business debts.

Tip: If a married couple wants to jointly own a business, they must form a **partnership, corporation, or limited liability company (LLC)**. Only one spouse can legally be the owner in a sole proprietorship.

Partnership

A partnership is formed when two or more people agree to run a business together. Each partner shares in profits, losses, and management.

General Partnership

Key features:

- Each partner has equal rights to manage the business.
- Each partner is personally responsible for all debts and obligations of the partnership.
- Income and expenses “pass through” to the partners and are reported on their individual tax returns. The partnership itself files an *information return* using IRS [Form 1065](#) and provides each partner a [Schedule K-1](#).
- A written partnership agreement typically defines profit and loss distribution, management responsibilities, and other operational matters.

A married couple who jointly operate an unincorporated business and who file a joint federal income tax return can elect not to be treated as a partnership for federal tax purposes provided that the husband and wife are the only members of the joint venture and materially participate in the running of the business. For more information refer to the Business Income Tax Returns section of this Guide.

Limited Partnership (LP)

- Includes at least one **general partner** (who manages the business and has full liability) and one or more limited partners (who invest money but have limited liability).
- Limited partners can take part in management in Minnesota without losing limited liability protection, but they cannot bind the partnership unless allowed by agreement.
- LPs must file a [Certificate of Limited Partnership](#) with the Minnesota Secretary of State (Minn. Stat. Chapter 321).

Tip: Partnerships can be flexible and low-cost, but because of shared liability, partners should always create a **written partnership agreement** outlining roles, profit-sharing, and decision-making.

Note: Most significantly, general partners pay self-employment taxes; limited partners do not. In the 2025 U.S. Tax Court case of *Soroban Capital Partners v. Commissioner* the Court described this situation. “The limited partners were essential to generating the business’ income. They

oversaw day to day management; they worked for the business full time; and they were held out to the public as essential to the business. Their capital accounts make clear that their earnings were not of an investment nature and constitute net earnings from self-employment.”

Important: Limited partnerships are complex and must comply with statutory requirements, including tax and securities laws. Professional legal and accounting advice is strongly recommended.

Limited Liability Partnership (LLP) and Limited Liability Limited Partnership (LLLP)

A **Limited Liability Partnership (LLP)** is a general partnership that registers for limited liability protection with the Minnesota Secretary of State.

Key features:

- Protects individual partners from personal liability for certain debts and obligations of the business.
- Must file a **Limited Liability Partnership** registration and an **annual renewal** to stay active.
- The name must include “**Registered Limited Liability Partnership,**” “**Limited Liability Partnership,**” or an abbreviation such as **LLP, RLLP, or L.L.P.**

A **Limited Liability Limited Partnership (LLLP)** is a limited partnership that elects limited liability protection for all partners — both general and limited — under Minn. Stat. Chapter 321.

The name must include “**Limited Liability Limited Partnership**” or “**LLLP.**”

Corporation

A **corporation** is a separate legal entity owned by one or more shareholders. It offers strong liability protection because the corporation, not the owners, is responsible for its debts and obligations.

Key features:

- A corporation is formed by filing [Articles of Incorporation](#) with the Minnesota Secretary of State in compliance with Minn. Stat. Chapter 302A.
- Shareholders elect a **board of directors** that oversees management.
- The corporation, not the shareholders, is responsible for business debts and obligations.
- **Owners (shareholders) who work for the business are employees — subject to payroll taxes, withholding, and employment laws.**
- Must maintain corporate records, hold annual meetings, and follow formal procedures.

Corporations may be taxed under Subchapter C of the Internal Revenue Code (a “C corporation”) or the provisions of Subchapter S of the Code (an “S corporation”). Minnesota tax laws provide for comparable treatment.

C Corporation

A **C corporation** pays corporate income tax on its profits. If profits are distributed as dividends, shareholders pay personal income tax on those dividends — sometimes called “**double taxation.**”

Key Features:

- The corporation files its own **income tax return** ([Form 1120](#) at the federal level).
- Minnesota imposes a **corporate franchise tax** based on income earned in the state.
- Shareholders pay personal income tax on dividends they receive.

S Corporation (if eligible)

An S corporation allows profits (and some losses) to pass through directly to shareholders, avoiding most corporate-level tax.

Key Features:

- **Taxation:** The corporation files an informational return; shareholders report profits and losses on their personal tax returns.
- **Eligibility:**
 - o Only one class of stock
 - o No more than 100 shareholders
 - o Shareholders must be U.S. citizens or residents (not other corporations or partnerships)
- **Family Aggregation Rule:** The IRS allows certain family members to be treated as one shareholder for the 100-shareholder limit.

Other Considerations

- Shareholders who work in the business are employees, not self-employed — payroll and withholding rules apply.
- Corporations must maintain formal records, hold meetings, and follow corporate governance requirements.
- Corporations must obtain their own federal and state tax ID numbers

A closely held corporation

A closely held corporation is any corporation whose shares are held by a relatively small number of shareholders. The Minnesota Business Corporation Act defines a closely held corporation as one which does not have more than 35 shareholders. Most closely held corporations are relatively small business enterprises, in which all shareholders tend to be active in the management of the business. In Minnesota, the business corporation law is geared to small corporations, so a separate law is not necessary, and all corporations operate under one law.

Limited Liability Company (LLC)

A **Limited Liability Company (LLC)** combines flexibility with liability protection. It can have one or more owners, called **members**. Members may manage the company themselves or appoint a manager or board.

Key features:

- May have one or more members
- Formed by filing [Minnesota Limited Liability Company Articles of Organization](#) with the Minnesota Secretary of State
- Tax Options:
 - One-member LLCs are taxed as a sole proprietorship (unless electing corporate tax treatment).
 - Multi-member LLCs are taxed as a partnership (unless electing corporate status).
- Governed by Minn. Stat. Chapter 322.
- May be managed by the members, by a board of governors, or by a manager
- Liability for business debts and obligations generally rests with the entity, not individual members.
- All members may participate in active management without risking limited personal liability.

Tax ID requirements:

- LLCs taxed as partnerships or corporations must obtain their own federal and state tax ID numbers.
- Single-member LLCs taxed as sole proprietorships generally do not need separate tax ID numbers unless they have employees or pay federal excise taxes.

Other Forms of Organization

Minnesota law provides for additional specialized business structures, including:

- Professional organizations
- Cooperative associations
- Business trusts
- Certain variations of these forms

These entities are established and regulated by statute and involve complex legal, financial, and accounting issues. Professional guidance from attorneys and accountants is essential when considering these structures. Due to their specialized nature, they are not detailed in this Guide.

Next Steps

After reviewing these options, consider consulting with:

- An attorney to understand legal implications
- An accountant or tax professional to understand tax consequences

The [Minnesota Secretary of State's](#) website provides forms, filing instructions, and fee schedules for registering business entities. The business registration process is covered in detail in other sections of this Guide.

Changing the Form of Organization

Note that although the discussion in the above paragraphs is also applicable when changing the form of business organization, (e.g., when converting a sole proprietorship to a corporation), a business owner is strongly urged to seek professional assistance when doing so, because unintended consequences may result, often including significant tax consequences. For example, contracts entered into by the business may or may not be assignable to the new entity. Also, there may be tax costs to changing the form of organization, such as when an S corporation becomes a C corporation. Minnesota law also authorizes conversions in either direction between corporations and Limited Liability Companies (including with organizations from other states that permit conversion from or into a Minnesota entity). The converting organization must adopt a plan of conversion that must be approved by the state in accordance with the entity's governing statute. Upon approval, articles of conversion are drafted and filed with the Secretary of State who then will issue a certificate of conversion and a certificate of incorporation or certificate of organization if the resulting organization is a Minnesota corporation or Limited Liability Company. Again, these changes can produce significant tax consequences and should be undertaken only when these are fully understood. For example, a conversion of a corporation into a Limited Liability Company that is taxed as a partnership is treated for income tax purposes as a taxable liquidation of the corporation, which can produce taxable gain to both the corporation and its shareholders.

NON-TAX FACTORS IN CHOOSING THE FORM OF ORGANIZATION

What to Consider Beyond Taxes

Choosing the right business structure involves more than just tax implications. Several important factors will shape which option works best, including:

- Complexity and cost of starting the business
- Personal liability protection
- How profits and losses are distributed
- Control over management and decisions
- Options for financing startup and operations
- Ability to transfer ownership

- What happens if an owner leaves or dies
- Complexity and cost of closing or reorganizing
- Level of government regulation

These factors should be carefully examined based on specific business goals. Working with legal, accounting, and tax professionals can provide valuable guidance in selecting the most appropriate structure.

Important: No single business structure fits every situation. As a business grows, the organizational form may need to change. The sections below examine how each factor differs across sole proprietorships, partnerships, corporations, and Limited Liability Companies.

Complexity and Expense of Organizing the Business

Every business will have some startup costs. These can include writing a business plan, getting the necessary licenses and permits, researching your market, buying equipment, and getting professional advice.

Sole Proprietorship

Complexity: Lowest

The sole proprietorship is the simplest and least expensive business form to establish. There are no statutory requirements unique to this structure. From a regulatory standpoint, the owner only needs to obtain necessary business licenses, register the business name (if using a name other than their personal name), get tax identification numbers, and begin operations.

Many individuals start as sole proprietors. As the business expands or additional owners are needed for financial or other reasons, they can transition to a partnership, corporation, or LLC.

Partnerships

General Partnership

Complexity: Low to Moderate

A general partnership is more complex than a sole proprietorship but involves fewer formalities and legal restrictions than a limited partnership, corporation, or LLC. Basic partnership law elements are established by Minnesota Statutes, Chapter 323A, but most issues can be determined by agreement between partners.

Key points:

- A written partnership agreement is highly recommended but not legally required
- The partnership agreement does not need to be filed with any government entity
- Under the Revised Uniform Partnership Act (RUPA) of 1997, partnerships have the option of filing certain statements with the Secretary of State regarding partner authority, liability, and partnership status.

Limited Partnership

Complexity: Moderate to High

A limited partnership must meet specific statutory requirements at organization under Minn. Stat. Chapter 321. The offering of ownership interests is subject to securities laws. Accordingly, limited partnerships are often more complex and expensive to organize than general partnerships.

Professional legal and financial advice is essential for forming a limited partnership.

Limited Liability Partnership (LLP) and Limited Liability Limited Partnership (LLLP)

Complexity: Moderate

An existing general partnership may elect LLP status by filing a limited liability partnership registration with the Secretary of State. Such registration is effective for an indefinite period. LLLPs are also permitted.

Key points:

- Limited liability status has an indefinite term
- The Secretary of State will revoke LLP or LLLP status if the required annual registration is not filed
- LLPs and LLLPs generally follow basic partnership or limited partnership law with specific statutory exceptions

Anyone interested in forming an LLP or LLLP should seek legal counsel.

Corporation

Complexity: High

The corporation is a formal and complex form of organization, and accordingly can be expensive to organize. Procedures and criteria for forming a corporation and its governance are established by Minn. Stat. Chapter 302A.

Critical warning: Failure to follow statutory formalities can result in loss of corporate status and imposition of personal liability on incorporators or shareholders.

Additional complexity factors:

- S corporations require filing an election with the IRS in a timely fashion
- Care must be taken when transferring shares to avoid inadvertently losing S corporation status
- Greater use of professional advisors increases costs
- Filing fees are higher for corporations
- Tax compliance and government reporting requirements add ongoing costs

- Registering to do business in other states increases complexity and cost
- Raising capital through securities sales involves substantial compliance costs

Minnesota's simplification efforts: Minnesota has streamlined incorporation by including all internal governance rules in the Minnesota Business Corporation Act. A corporation that agrees to be governed by the statute's specifications need only file standard form articles of incorporation with the Secretary of State. Corporations wishing to vary statutory requirements generally must do so in their articles of incorporation.

Consulting with legal counsel before incorporating helps determine the most appropriate approach. Further information appears in the "Forming a Minnesota Business Corporation" section of this Guide.

Limited Liability Company (LLC)

Complexity: Moderate to High

The Minnesota Revised Uniform Limited Liability Company Act (Minn. Stat. Chapter 322C, effective August 1, 2015) takes a partnership-like approach. Nevertheless, an LLC often combines aspects of both partnerships and corporations.

When governance and economic rights are simple: In cases where governance and economic rights are straightforward and allocated equally among members, formation complexity and cost are similar to a corporation.

Statutory requirements: As with corporations, procedures and criteria for forming an LLC are specified by statute.

Critical warning: Failure to follow statutory requirements can result in loss of LLC status and imposition of personal liability on organizers and members.

Operating considerations:

- Minnesota's LLC law is modeled on the Revised Uniform Limited Liability Company Act
- Commentary from the [Uniform Law Commission](#) may provide helpful guidance
- The Act contains default rules that apply absent member agreement (e.g., each member has equal management rights and equal right to nonliquidating distributions)
- Members need familiarity with these default rules
- A formal written operating agreement is often advisable when intentions differ from default rules
- Members may need to consult frequently with professional advisors, increasing costs

Tax flexibility: Under Treasury Regulations for federal income tax classification, LLC members have flexibility in choosing tax status. Professional advice in this area is strongly encouraged.

Formation options:

- Members may accept the default provisions of Minn. Stat. Chapter 322C, using standard form articles of organization
- Members may vary many default provisions through operating agreements
- Operating agreements may be oral, in writing, in electronic format, implied by conduct, or any combination, as long as all members agree
- While writing is advisable in most instances, it is not required

Further information on forming an LLC appears in the "Forming a Minnesota Limited Liability Company" section of this Guide.

Distribution of Profits and Losses

Sole Proprietorship. The owner keeps all profits and bears all losses, which can exceed the amount invested in the business.

Partnership. In the **general partnership**, the **limited liability partnership (LLP)**, the **limited liability limited partnership (LLLLP)** and the **limited partnership (LP)**, profits and losses are passed through to the partners as specified in the partnership agreement. If left unspecified, profits and losses are shared equally among the partners.

Corporation. In a **C corporation**, profits and losses belong to the corporation. Profits and losses belong to the corporation; the board may authorize shareholder payouts as dividends only if statutory distribution tests are met, and shareholders do not deduct corporate operating losses on personal returns.

In an **S corporation**, corporate income and losses flow through and are taxed to the shareholders in proportion to their shareholdings. Shareholders also include their gain or loss on the sale of stock or liquidation of stock as income. Generally cash distributions (dividends) received from the S corporation are not included in income to the extent the shareholder has basis in his or her stock.

Limited Liability Company. Profits and losses of a Limited Liability Company flow are taxed in the same manner as those of a sole proprietorship, partnership, S corporation, or C corporation depending on how the entity has chosen to be treated for federal income tax purposes. The governing statute, articles of organization, or the operating agreement will specify how these are allocated among the members. If the operating agreement is silent, any distributions made before dissolution must be in equal shares among members, and on winding up the statute governs distribution order and equal-share residuals.

Management Control and Decision Making

Minnesota law sets default decision-making rules for each entity type, and your governing documents can change many of these rules to fit how you want to run the business.

Sole proprietorship

- One person is in charge and can make decisions quickly because there are no partners or shareholders to consult.
- The trade off is capacity: as one person, time and expertise are limited, especially early on before managers are hired.

Partnership

- By default, all partners have equal rights in managing the business, ordinary decisions are made by a majority of the partners, and actions outside the ordinary course require everyone's consent unless the partnership agreement says otherwise.
- You can centralize decisions in a managing partner or committee in your partnership agreement, but all partners retain ultimate responsibility unless the agreement reallocates it.
- **Revised Uniform Partnership Act (RUPA) filings:** Minnesota lets partnerships file public "statements" (for example, authority, denial, dissociation, dissolution, merger, qualification, foreign qualification) with the Secretary of State to expand or limit a partner's power and to give notice to third parties; to impact real estate, record a certified copy with the county.

Common partnership statements:

- **Statement of Partnership Authority:** publicly grants or limits specific partners' authority, especially for real estate transactions.
- **Statement of Denial:** lets a person deny partnership status or an authority grant in a filed statement.
- **Statement of Dissociation:** gives notice that a partner has withdrawn and limits post-withdrawal authority and liability.
- **Statement of Dissolution:** gives public notice that the partnership is winding up and that partners no longer have authority to act.
- **Statement of Merger, Qualification (LLP), and Foreign Qualification:** establish or register special statuses and business combinations.
- Any of these statements can be amended or canceled by filing updated statements.

For real property, a certified copy must be recorded in the county where the property is located (and memorialized on the certificate of title, if applicable) for the statement to affect third-party rights.

Limited partnership note

In a Minnesota limited partnership, general partners manage and bind the partnership, while limited partners may participate in management as provided in the agreement but generally do not bind the partnership unless authorized.

Corporation

Shareholders elect a board of directors, and the business is managed by or under the direction of the board, which can delegate day-to-day operations to officers and managers. Minnesota corporations must have natural persons exercising the functions of chief executive officer and chief financial officer; titles may differ and functions may be combined if consistent with statute.

Concentrating authority in a small group speeds decisions but can marginalize minority owners, so articles, bylaws, or shareholder agreements can provide additional protections for minority voices. Corporate procedures such as meetings, quorums, and voting thresholds are set by statute and your governing documents, which can make decision-making more formal than in other entities.

Limited Liability Company (LLC)

Minnesota's LLC law allows three governance choices: member-managed (default), manager-managed, or board-managed, and you can choose among them in your operating agreement.

- Default rule (member-managed): Each member has an equal voice per person, ordinary matters are decided by a majority of members, and actions outside the ordinary course require everyone's consent unless your operating agreement says otherwise.
- Manager-managed option: Managers make day-to-day decisions, each manager has equal rights in management, ordinary matters among managers are decided by a majority of managers, and certain extraordinary actions still require all members' consent unless your operating agreement lawfully changes that.
- Board-managed option: You may vest management in a board under Minn. Stat. Chapter 322C, which functions similarly to a corporate board if you adopt that structure in your operating agreement.

Practical tip: If you prefer voting power or consent thresholds based on ownership percentages (instead of per-person voting), set that explicitly in your operating agreement because the statute's default is equal voting by member.

Members, managers, or a board may appoint officers or agents and define their authority; if your operating agreement is silent, the statute's default governance rules apply and third parties will look to public records and your internal documents for who can sign.

Recommended items to define in your operating agreement: who manages (members, managers, or a board), what counts as "ordinary" versus "outside the ordinary course," voting and consent thresholds for each category, who can sign contracts and bank documents, officer roles and limits, and how managers or governors are selected and removed.

Public statements about authority (RULLCA filings)

Minnesota lets an LLC put on record who can sign for the company and any limits on that authority by filing statements that can later be amended or canceled; filing a statement of dissolution automatically cancels prior statements.

Real estate rule: To affect real property, obtain a certified copy of the effective statement from the Secretary of State and record it in the county real estate records; a recorded limitation gives notice to all persons, and a recorded grant of authority is generally conclusive in favor of a value-giving third party without contrary knowledge, subject to later recorded changes.

Reminder: You can change many of these default rules in your operating agreement; if your agreement is silent, Minnesota's statutory defaults apply.

Financing Startup and Operation of the Business

New businesses often find outside financing hard to get because lenders see startups as higher risk and usually want owners to put in meaningful cash and sign a personal guarantee. In Minnesota, consider combining bank financing with state and federal programs to improve your odds and terms. Corporations can raise equity by selling stock, but complying with securities laws can be expensive and there may not be a ready market for new shares. LLCs can bring in new members for capital, but prospective members will expect a credible plan for returns. As a result, early capital often comes from the owner and people close to the business.

New businesses often find outside financing hard to get because lenders see startups as higher risk and usually want owners to put in meaningful cash and sign a personal guarantee.] [ADDED: In Minnesota, consider combining bank financing with state and federal programs to improve your odds and terms.] Corporations can raise equity by selling stock, but complying with securities laws can be expensive and there may not be a ready market for new shares. LLCs can bring in new members for capital, but prospective members will expect a credible plan for returns. As a result, early capital often comes from the owner and people close to the business.

The notes below compare how established firms in each structure typically access financing once they have some operating history.

Sole Proprietorship

The proprietor's capital access generally tracks the owner's personal borrowing capacity, so available funds are often smaller than what multi-owner or corporate structures can raise. Expect lenders to underwrite personal credit, require a personal guarantee, and often secure loans with both business and personal assets.

Partnership

Pooling partners' credit can make borrowing easier than for a sole proprietor, but often harder than for a corporation. Lenders may take partnership assets as collateral but frequently require individual partner guarantees or personal collateral to close the gap. Admitting additional partners can add capital and borrowing strength, and a limited partnership can be used if the original partners want to preserve control.

Corporation

Corporations are generally the most flexible for raising outside capital because they can issue stock and use corporate assets to secure loans. Securities offerings are regulated by federal and state law and can be costly for startups, so many small corporations use private placements and debt until they scale. A corporation may issue only the number of shares authorized in its articles;

if more are needed later, amend the articles with the Secretary of State and pay the filing fee, or authorize ample shares at formation to avoid later changes.

S Corporation

Ownership limits and the “single class of stock” rule can reduce flexibility, which may narrow financing options relative to a C corporation. Many S corporations rely on bank debt with shareholder guarantees, vendor credit, and private placements that preserve S eligibility.

Limited Liability Company

LLCs are funded by member contributions and can be structured with multiple classes or series of interests to tailor economics and control in the operating agreement or, if used, the articles. [CLARIFIED: By default, pre-dissolution distributions are paid in equal shares among members, and on winding up the statute first returns unreturned contributions and then pays any remainder in equal shares among members and dissociated members.

If you want distributions or allocations to track ownership percentages or investor preferences, spell that out in the operating agreement and align tax allocations with professional advice.

Transferability of Ownership Interests

This section explains how ownership changes hands under each entity type and what steps help you complete a transfer smoothly in Minnesota.

Sole Proprietorship

A sole proprietor transfers ownership of the business by transferring the assets of the business to the new owner. The prior proprietorship is terminated and a new proprietorship is established under the new owner.

A sole proprietor transfers the business by selling or assigning the business assets to the buyer; the old proprietorship ends and the buyer forms their own proprietorship or entity.

Action steps:

- Make an itemized bill of sale for assets and assign any transferable contracts or leases per their terms.
- Before closing, notify the Minnesota Department of Revenue about the pending transfer to address successor liability for sales, withholding, and other state taxes.
- Re-register any assumed name and update city/state licenses and permits under the new owner.

Partnership

Your partnership agreement controls transfers; without an agreement provision, no one becomes a partner without the consent of all existing partners. A partner may assign only the economic interest (right to profits/distributions); the transferee does not gain governance or management

rights unless admitted as a partner by the required consent. Use a buy-sell clause or admission process in the agreement to set approval thresholds, valuation, and payment terms for incoming or departing owners.

Action steps

- Check the partnership agreement for transfer restrictions, consent requirements, right of first refusal, and valuation method.
- Document an assignment of economic interest or an admission as a partner per the agreement’s voting rules.
- If you operate as an LLP, keep Secretary of State filings current when partner roles affecting authority change.

Corporation

Ownership is transferred by selling or assigning shares; a change in shareholders does not dissolve the corporation. Shares are freely transferable in principle, but small corporations often restrict transfers by bylaws, shareholder agreements, or legends (for example, right of first refusal or board consent). In an **S corporation**, an ineligible transferee (for example, a non-qualifying entity or foreign shareholder) can terminate S status—use transfer restrictions and eligibility representations to prevent an inadvertent termination.]

Action steps:

- Review bylaws and any shareholder/buy-sell agreement for transfer limits, consent, and pricing.
- Endorse and deliver share certificates (or update the book-entry ledger) and record the transfer on the corporate stock ledger.
- For S corporations, confirm the buyer’s eligibility and obtain required certifications before closing.

Limited Liability Company (LLC)

LLC ownership separates financial rights (the “transferable interest” in profits/distributions) from governance rights (voting, management, information). Unless your operating agreement provides otherwise, a member may transfer only the transferable interest; the transferee does not obtain membership or governance rights without the required member consent to admission. Your operating agreement may allow less-than-unanimous consent for admission and can set buy-sell terms, transfer limits, and eligibility requirements.

Action steps:

- Check the operating agreement for transfer restrictions, consent thresholds, valuation method, and any rights of first refusal or buy-out triggers.
- Use a written assignment for the transferable interest, and, if admitting the transferee as a member, document member consent per the agreement.
- Update internal records (capital accounts, member ledger) and any banking or contract signatories after changes in membership status.

Business Continuity, Termination, and Regulation

This section of the guide explains what happens to your business when an owner leaves or dies, how to properly end your business, and the regulatory requirements for each business structure.

Continuity after an owner leaves or dies:

- A business's fate after an owner withdraws or dies depends on its legal structure and what the governing documents say, so always review your operating agreement, partnership agreement, bylaws, or shareholder agreement first. State law fills the gaps only when those documents are silent, and the Minnesota Secretary of State provides the filing forms referenced below when formal action is needed.

Sole proprietorship

A sole proprietorship is not a separate legal entity, so the business ends when the owner dies or becomes unable to manage it, and the estate winds down the business and disposes of assets. The owner or personal representative should close Minnesota tax accounts and update state tax agencies to prevent future filings or penalties.

Partnerships (GP and LLP)

In a **general partnership** or **limited liability partnership** under Minnesota's partnership law, a partner's death causes dissociation of that partner, but it does not automatically dissolve the partnership, which may continue unless a statutory dissolution event occurs or the partners choose to wind up. Dissolution events include specific triggers under the statute, such as certain votes or time-bound conditions after a dissociation, so check the partnership agreement and the dissolution provisions of Minn. Stat. Chapter 323A. If the partners decide to wind up, they should follow the statute's winding-up rules and may file a [Statement of Dissolution](#) to put the public on notice of limited authority going forward.

Limited partnerships

A limited partnership does not terminate when a limited partner dies or becomes disabled; the limited partner's interest can be assigned and the legal representative may exercise the partner's rights to settle the estate, subject to the partnership agreement and Minn. Stat. Chapter 321, so consult the agreement and plan for transfers in advance. If a limited partnership does dissolve, the certificate must be canceled with the Secretary of State using the applicable LP forms, and tax accounts should be closed with the Minnesota Department of Revenue.

Corporations

A corporation is a separate legal entity, so an owner's death, disability, or withdrawal does not affect the corporation's existence, though small businesses should plan for continuity with buy-sell agreements and key-person insurance to avoid disruption. If owners choose to dissolve, Minnesota law requires filing a [Notice of Intent to Dissolve](#) and, after winding up, [Articles of Dissolution \(Dissolution when shares have NOT been issued / Article of Dissolution when shares have been issued\)](#) with the Secretary of State under Minn. Stat. § 302A.727, and giving proper notice to creditors as part of winding up. Keep in mind that corporate tax consequences can affect both the corporation and shareholders, so professional legal and tax advice is recommended before filing dissolution documents.

Corporations may end their separate existence by merging into another corporation or into a Limited Liability Company.

Limited liability companies (LLCs)

Under Minnesota's LLC statute, a member's death causes that person to be dissociated as a member, but the LLC does not dissolve just because one member leaves or dies, unless a dissolution event in the operating agreement or statute occurs. A deceased member's personal representative may exercise transferee rights and certain member rights for estate settlement, but does not automatically become a full member unless admitted under the agreement. If the LLC actually dissolves due to a statutory or agreement-based trigger, the company files the [Minnesota Limited Liability Company Statement of Dissolution](#) and completes winding up before any final filings, notices to creditors, and distributions are made.

Limited Liability Companies may end their separate existence by merging into another Limited Liability Company or into a corporation.

Practical action steps:

- All entities: Update or close Minnesota tax accounts in e-Services, file any final returns that apply, and keep copies of filings and notices to creditors for your records.
- Sole proprietorship: Notify customers, vendors, and creditors of closure, sell or transfer business assets as appropriate, and close tax accounts to avoid future notices.
- Partnerships (GP/LLP): Read your partnership agreement for buyout terms, document the dissociation, decide whether to continue or dissolve, and if dissolving, follow Minn. Stat. Chapter 323A winding-up steps and make any optional public filings to limit authority of former partners.
- Limited partnerships: Follow your agreement for transfers or buyouts, have the personal representative exercise allowable rights to settle the estate, and if dissolving, cancel the LP certificate and close tax accounts.
- Corporations: Check bylaws and shareholder agreements for transfer restrictions, process any stock transfers or redemptions, and if winding up, file Notice of Intent to Dissolve and Articles of Dissolution and notify creditors before distributing assets.
- LLCs: Review the operating agreement for transfer and admission rules, record the dissociation and ownership changes on the company's books, and only file dissolution paperwork if a dissolution event actually occurred under statute or the agreement.

Planning tips:

- Put a simple, signed buy-sell agreement in place so remaining owners can buy a departing or deceased owner's interest at a fair price without going to court.
- Consider affordable key-person life or disability coverage to provide cash that keeps the business operating while ownership transitions are completed.

Subsequent Reorganization or Change in the Tax Status of the Business. If the business is being terminated because the owner wishes to do business under a different type of entity (such as converting a sole proprietorship to an S corporation), special issues might need to be addressed.

For instance, when an S corporation terminates its election and becomes a C corporation, adverse tax consequences often result. Likewise if the shareholders of a C corporation elect to have it taxed as an S corporation, it may be subject to adverse tax consequences requiring the corporation to be subject to various entity level taxes that can be significant. Also, certain assets of the business may not be transferable; for example, a contract that the business has entered into might or might not be transferable if the business is terminated and reorganized. Many other issues could arise when a business is terminated and begun again under a different form of organization. Although generally speaking an owner is permitted to change the form of his or her business at any time, a business owner is advised to seek professional assistance when considering changing the form of his or her business to avoid unintended consequences.

Extent of Government Regulation

Federal, state and local consumer protection laws regulate business relationships with the public, without regard to the form of organization. Every business that hires employees will be required to comply with certain federal and state labor and tax laws governing the employment relationship.

This section explains how Minnesota regulates each common business type and what routine filings keep you in good standing.

Sole Proprietorship

- Minnesota does not register or generally regulate sole proprietorships at the state level, beyond general tax and licensing rules that apply to all businesses.
- You may still need licenses or permits and must comply with labor and tax rules if your business will have employees.

General partnership

- A general partnership can operate without filing formation documents or annual reports with the Secretary of State unless you choose to file an assumed name or a statement of authority.
- Most rules for how partners work together come from your partnership agreement, with Minnesota's partnership law filling gaps if your agreement is silent.

Limited partnerships, LLPs, and LLLPs

- LPs, LLPs, and LLLPs file with the Secretary of State and must keep their status current with an annual renewal to remain active.
- If you elect LLP or LLLP status, set a reminder to renew each calendar year so you do not lose the liability protection that status provides.

Corporation

All corporations must:

- Comply with laws and regulations applicable to their industry
- Follow specific statutory procedures for dissolution
- Navigate generally more complex tax laws than proprietorships or partnerships

Additional Requirements for Corporations Issuing Securities

If your corporation issues registered securities, you must:

- Make periodic filings with state and federal regulators
- Comply with ongoing reporting requirements
- Follow complex securities regulations

TAX CONSIDERATIONS IN CHOOSING THE FORM OF ORGANIZATION

This section of the guide explains the major tax considerations for different business structures in Minnesota. Tax laws are complex—consult a qualified tax advisor for advice specific to your situation.

How to Use This Guide

This section helps you understand how federal and Minnesota taxes work for different business structures.

Quick takeaway

- Minnesota generally follows federal rules for how your business entity is taxed, including how LLCs choose their tax classification.
- Most small businesses are “pass-throughs” (sole proprietors, partnerships, S corps, or LLCs taxed as those), meaning profits flow to the owners’ personal tax returns.

How Minnesota treats each entity

Sole Proprietorship

The owner is the taxpayer, and business income is reported on the owner’s individual return. This is the case for both federal and Minnesota tax purposes.

Partnerships

The partnership itself is not a taxable entity. The partnership serves as a conduit through which income, deductions and credits are passed through to the individual partners. Each partner is taxed on his or her share as defined in the partnership agreement. All income of the partnership

is taxed to the partners, whether or not it is actually distributed. The partnership files an information return; income, deductions, and credits pass through to partners. This is the case for both federal and Minnesota tax purposes.

Corporation

A corporation is a separate legal and taxable entity. For tax purposes, a **C corporation** is the taxpayer and pays its own income/franchise tax; dividends to shareholders are taxed again to the shareholders. For an **S corporation** it is generally treated as a pass-through; items flow to shareholders, who report them on their individual returns. Both C corporations and S corporations file federal and Minnesota tax returns. These rules become more complicated in the case of an S corporation that was taxed as a C corporation at some time prior to electing to be taxed as an S corporation.

Note that because a corporation is an entity separate from its owners, if the owner (and/or members of the owner's family) performs services for the corporation, these persons are considered to be employees of the corporation. Thus, the corporation will be required to comply with most of the laws and regulations and reporting requirements that apply to employers, including filing employment tax forms.

Limited Liability Company (LLC)

By default, a single-member LLC is disregarded (taxed like a sole proprietorship) and a multi-member LLC is taxed like a partnership, unless an election is made to be taxed as a C or S corporation under federal "check-the-box" rules. A multi-member LLC files an election to be taxed as a corporation or pass-through by checking the appropriate box on [IRS Form 8832, Entity Classification Election](#). A single member LLC desiring to be taxed as a "disregarded entity" (like a sole proprietorship) does not need to file Form 8832 but does need to file Form 8832 if it wishes to be taxed as a corporation. Minnesota follows that election.

What Tax Forms Are Used?

Sole Proprietorship

Federal forms:

- [Schedule C \(Form 1040\), Profit or Loss from Business \(Sole Proprietorship\)](#) and any related forms and schedules.
- [Form 1040, U.S. Individual Income Tax Return](#): - Transfer net income/loss from Schedule C (Form 1040), Profit or Loss from Business (Sole Proprietorship) to your individual return.
- [Schedule SE \(Form 1040\), Self-Employment Tax](#): Report net self-employment income for Social Security, Medicare and self-employment tax.

Minnesota forms:

- [Form M1, Individual Income Tax](#): Compute Minnesota income tax
- Attachments: Must include copies of federal [Form 1040, U.S. Individual Income Tax Return](#), [Schedule C \(Form 1040\), Profit or Loss from Business \(Sole Proprietorship\)](#), and [Schedule SE \(1040\), Self Employment Tax](#) (if applicable)
- Note: Minnesota does not impose a self-employment tax

Partnership

Federal forms:

- [Form 1065, U.S. Return of Partnership Income](#): Information return—no tax is paid with this return
- [K-1 \(Form 1065\)](#): Shows each partner's share of income, deductions, and credits
- Other schedules may be required:
 - o [Schedule B-1 \(Form 1065\) Information in Partners Owning 50% or More of the Partnership](#)
 - o [Schedule D \(Form 1065\) Capital Gains and Losses](#)
 - o [Schedule K-2 \(Form 1065\) & K-3 \(Form 1065\)](#) International tax information
 - o [Schedule M-3 \(Form 1065\)](#): Income reconciliation for certain partnerships

Minnesota forms:

- [Form M3, Partnership Return](#): Main Minnesota partnership form
- Taxes the partnership may pay:
 - o Minnesota Minimum Fee
 - o Minnesota Composite Tax (optional)
 - o Withholding for nonresident partners
 - o Pass-Through Entity (PTE) Tax (optional election)
- Schedule [KPI, Partner's Share of Income, Credits and Modifications](#): Shows modifications to federal income for Minnesota purposes
- Schedule [KPC, Partner's Share of Income, Credits and Modifications](#): Additional information partners need for their returns

Corporation

C Corporation

Federal forms:

- [Form 1120, U.S. Corporation Income Tax Return](#): Report income, deductions, credits, and compute tax
- [Form 1099-DIV, Dividends and Distributions](#): Sent to shareholders showing dividends paid (also filed with IRS and Minnesota)
- Shareholders report dividends: On their individual [Form 1040, U.S. Individual Income Tax Return](#)

Minnesota forms:

- [Form M4, Corporation Franchise Tax Return](#): Main Minnesota corporate form
- Shareholder reporting: Dividends included in federal taxable income reported on [Form M1, Individual Income Tax](#)

S Corporation

Federal forms:

- [Form 1120-S, U.S. Income Tax Return for an S Corporation](#)
- [Schedule K-1 \(Form 1120-S\)](#): Shows each shareholder's share of income, deductions, and credits
- Generally no separate corporate tax: Income passes through to shareholders
- Shareholders report their share: On individual Form 1040 using Schedule K-1 information

Minnesota forms:

- [Form M8, S Corporation Return](#): Main Minnesota S corporation form
- Taxes the S corporation may pay:
 - o Minnesota S Corporation Taxes (only if paying federal income tax)
 - o Minnesota Minimum Fee
 - o Minnesota Composite Income Tax (optional)
 - o Withholding for nonresident shareholders
 - o Pass-Through Entity (PTE) Tax (optional election)
- [Schedule KS, Shareholder's Share of Income, Credits and Modifications](#): Shows modifications to federal income for Minnesota purposes
- Schedule KS for composite tax: Used when S corporation pays Minnesota tax on behalf of nonresident shareholders
- [Form M8, S Corporation Return](#): Reports withholding for nonresident shareholders
- Shareholder reporting: Complete [Form M1, Individual Income Tax](#) using Schedule KS information

Note: Refer to the Minnesota Department of Revenue [Nonresident Withholding](#) information.

Limited Liability Companies (LLCs)

Multi-Member LLC Taxed as Partnership

- Federal: [Form 1065, U.S. Return of Partnership Income](#)
- Federal: [K-1 \(Form 1065\)](#): for each owner
- Minnesota: [Form M3, Partnership Return](#)

Multi-Member LLC Taxed as C Corporation

- Federal: [Form 1120-S, U.S. Income Tax Return for an S Corporation](#)
- Minnesota: [Form M4, Corporation Franchise Tax Return](#)

Multi-Member LLC Taxed as S Corporation

- Federal: [Form 1120-S, U.S. Income Tax Return for an S Corporation](#)
 - Federal: [Schedule K-1 \(Form 1120-S\)](#) for each owner
- Minnesota: [Form M8, S Corporation Return](#)

Single-Member LLC Taxed as Disregarded Entity

- No separate federal return required
- Owner reports all income: On [Form 1040](#) and appropriate schedules (typically [Schedule C \(Form 1040\), Profit or Loss from Business \(Sole Proprietorship\)](#))
- Minnesota: Income reported on owner's [Form M1, Individual Income Tax](#)

Making Your Tax Election

- **Multi-member LLC:** File IRS [Form 8832, Entity Classification Election](#) to elect corporate taxation
- **Single-member LLC:**
 - o No filing needed for disregarded entity (default)
 - o File [Form 8832, Entity Classification Election](#) to elect corporate taxation

Important Tax Considerations

Minnesota Pass-Through Entity (PTE) Tax

What it is: A state-level "workaround" to the \$10,000 federal limit on state and local tax deductions.

How it works:

- Partnership or S corporation pays tax on behalf of partners/shareholders
- Tax calculated at the highest Minnesota individual income tax rate
- Partners/shareholders claim refundable credit on their Minnesota return ([Schedule M1REF, Refundable Credits](#))

Who can elect: Partnerships and S corporations

Withholding for Nonresident Owners

When required:

- Partnership or S corporation has nonresident individual owners
- Those owners aren't included in composite income tax
- Entity isn't electing PTE tax
- Nonresident has Minnesota income of \$1,000 or more from the entity

Exception: No withholding required if entity elects PTE tax.

Minnesota Minimum Fee

Who pays: Partnerships and S corporations with Minnesota property, payroll, and sales/receipts above certain thresholds.

Where calculated: [Form M3, Partnership Return](#) or [Form M8, S Corporation Return](#)

When to consult a tax advisor:

- Choosing your business structure
- Making LLC tax elections
- Understanding your specific tax obligations
- Maximizing deductions and credits
- Planning for estimated tax payments
- Dealing with complex tax situations

Important Reminders

The forms and requirements mentioned in this guide are subject to change. Forms, federal and state, are updated annually (if not more often). Always verify:

- Current form numbers and versions
- Filing deadlines
- Tax rates
- New credits or deductions

Both Federal and State Returns Required

Minnesota businesses must file:

- Federal tax returns with the IRS
- Minnesota tax returns with the Department of Revenue

Filing Deadlines Vary

- **Sole proprietorships:** April 15 (with individual returns)
- **Partnerships and S corporations:** March 15
- **C corporations:** **April 15** (calendar year) or 15th day of 4th month after fiscal year end
- **Extensions available:** File extension forms—extensions give more time to file, not to pay

Estimated Tax Payments May Be Required

If you expect to owe significant taxes, you may need to make quarterly estimated payments to avoid penalties.

Summary

Your business structure significantly impacts your tax obligations.

Key factors:

- Sole proprietorships: Simplest tax reporting, but no separation from owner
- Partnerships: Pass-through taxation, information returns required
- C corporations: Double taxation, separate corporate return
- S corporations: Pass-through taxation, eligibility requirements apply
- LLCs: Flexibility to choose tax treatment

Most important step: Consult with a qualified tax professional to understand your specific situation and maximize tax benefits.

This guide provides general information for educational purposes. Tax laws are complex and change frequently. For advice specific to your business situation, consult with qualified tax professionals.

Tax Rates

Taxes are an important part of running a business. The kind of taxes you pay depends on how your business is structured: a sole proprietorship, partnership, corporation, or limited liability company (LLC). This section introduces federal and Minnesota tax basics.

Federal Tax Overview

- **Sole Proprietors** report all profits and losses from their business on their personal federal income tax return.
- **Partnerships, S Corporations, and LLCs** typically pass their profits through to the owners, who pay tax on their share of the income at individual rates.
- **C Corporation Income**
A C corporation's income is taxed to the corporation at federal and state corporate rates.

Federal Corporate Income Tax rates. Corporations, including qualified personal service corporations (QPSCs) and members of a controlled group, are taxed at a flat federal corporate tax rate of 21 percent on taxable income. The Inflation Reduction Act of 2022 imposed a minimum tax of 15 percent for the largest corporations.

Federal Individual Income Tax Rates. The federal individual tax rate applicable to pass through income for owners of sole proprietorships, S corporations, and Limited Liability Companies taxed as pass through entities depends on income. The tax rates for 2025 are:

Tax Rate	Individuals	Married Filing Jointly
10%	Up to \$11,925	Up to \$23,850
12%	\$11,926 to \$48,475	\$23,851 to \$96,950
22%	\$48,476 to \$103,350	\$96,951 to \$206,700
24%	\$103,351 to \$197,300	\$206,701 to \$394,600
32%	\$197,301 to \$250,525	\$394,601 to \$501,050
35%	\$250,526 to \$626,350	\$501,051 to \$751,600
37%	\$626,351 or more	\$751,601 or more

Net Investment Income Tax (NIIT). A 3.8 percent tax applies to individuals, estates, and trusts that have net investment income above applicable threshold amounts: \$200,000 for single or head of household, \$250,000 for married filing jointly, \$125,000 for married filing separately. The tax is on interest, dividends, most capital gains, and income from passive business activities.

Federal Deduction for Qualified Business Income (QBI) of Individuals. The “One Big Beautiful Bill Act” (OB3) (H.R. 1, 119th Congress) includes a provision making § 199A permanent.

Effects of OB3:

- Permanence: Under the OB3, the 20 percent QBI deduction is made permanent for noncorporate taxpayers.
- Technical tweaks / enhancements:
 - o The “phase-in” windows for the income thresholds are widened. Married filers, what had been a \$100,000 “phase-in range” is increased to \$150,000; for other filers, from \$50,000 to \$75,000.
 - o A minimum deduction floor of \$400 is introduced for taxpayers with at least \$1,000 of QBI from an active trade or business in which they materially participate, to ensure even small businesses with modest QBI still get at least that deduction (so long as other conditions are satisfied).
 - o Otherwise, most of the existing limitation and guardrail structure remains intact (the same W-2 wage / UBIA limits, SSTB rules, etc. of the ended 2017 Tax Cuts and Jobs Act (TCJA))

- o The changes under the OB3 (as to § 199A) are effective for tax years beginning after December 31, 2025 — meaning the 2025 tax year is the last under the old system, and 2026 forward will reflect the permanence and new rules.

Refer to IRS information:

- [Qualified Business Income Deduction](#)
- [Qualified Business Income Deduction FAQs](#)

Limitation on Deductibility of Business Interest: The deduction, originally set to expire after 2025 under the 2017 Tax Cuts and Jobs Act, is now permanent under OB3. The Act made significant changes to the limitation on the deductibility of business interest under Internal Revenue Code Section 163(j), primarily by altering the calculation of Adjusted Taxable Income (ATI).

The key changes brought by the OB3 regarding the business interest deduction:

1. Reinstatement of the "EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)" Calculation for ATI (Adjusted Taxable Income) (Effective for tax years beginning after December 31, 2024):

The permanent reinstatement of the ability to add back Depreciation, Amortization, and Depletion (DDA) when calculating ATI.

The original 2017 Tax Cuts and Jobs Act (TCJA) allowed this DDA addback through 2021 (an EBITDA-based approach), but it was scheduled to expire, making the calculation an "EBIT"-based approach (Earnings Before Interest and Taxes) starting in 2022.

By bringing the DDA addback back, the OB3 effectively returns the ATI calculation to a tax basis EBITDA model. Since ATI is the base against which the 30 percent limitation is applied, increasing the ATI generally increases the amount of business interest a business can deduct. This is especially helpful for capital-intensive businesses with significant depreciation or amortization deductions. 50 percent of ATI now.

2. New Rules for Capitalized Interest (Effective for tax years beginning after December 31, 2025):

The OB3 introduces a new rule that generally mandates the Section 163(j) limitation is applied before any elective interest capitalization (such as under Section 263A or 263(g)).

This change is generally unfavorable as it limits a previous planning opportunity where taxpayers could capitalize business interest to inventory or other property, which effectively allowed the interest to bypass the 30 percent deduction limitation.

3. Exclusion of Certain Foreign Income from ATI (Effective for tax years beginning after December 31, 2025):

The OBBBA generally excludes certain international tax items, such as Subpart F income, Net CFC Tested Income (NCTI, formerly GILTI), and the Section 78 gross-up amount, from the calculation of ATI.

This may be unfavorable for multinational corporations that previously relied on including these foreign income components to boost their ATI, as their deductible interest may now be lowered.

Additional changes to tax laws under OB3:

Newly acquired business equipment. Internal Revenue Code Section 179 was amended to allow for the immediate expensing and deduction of the cost of new business equipment (rather than the previous requirement of depreciation) for equipment with a cost of \$2.5 million.

Research and Development Expenses. Internal Revenue Code Section 174A was amended to provide for a deduction for research and development expenses retroactive to 2022 for businesses with incomes of 31 million or less.

Bonus Depreciation. Internal Revenue Code Section 168(k) was amended to make permanent the 100 percent bonus depreciation election for qualified property acquired and placed in service after January 19, 2025.

In summary, the OB3 generally eases the business interest deduction limitation for most businesses by permanently returning to the more generous EBITDA-based calculation of ATI, but it also closes some previous tax planning strategies (like elective capitalization) and introduces new restrictions for multinational groups.

Refer to IRS information:

- [Credits and deductions for businesses](#)
- [Guide to business expense resources](#)

Minnesota Tax Overview

- **Sole Proprietors** report all profits and losses from their business on their personal Minnesota income tax return.
- **Partnerships, LLCs, S Corporations** generally are pass-through entities and profits pass directly to owners and are taxed at Minnesota individual income tax rates.
- **Corporations** are taxed separately from owners. A Corporation determines taxable income and tax before distributing profits. Profits distributed as dividends are then taxable to shareholders.

Minnesota Individual Income Tax Rates. The Minnesota individual income tax rates for 2025 are 5.35 percent, 6.80 percent, 7.85 percent, and 9.85 percent depending on income and filing status.

Minnesota Corporate (Franchise) Tax Rates

The **Regular Corporate Franchise Tax** rate is 9.8 percent of Minnesota taxable net income. Corporations are also subject to an **Alternative Minimum Tax (AMT)** based on Minnesota alternative minimum taxable income at the current rate of 5.8 percent. The amount due is the excess of the alternative minimum tax liability over business' regular franchise liability. If the AMT exceeds the regular tax, the corporation pays the difference as additional AMT.

Minnesota Minimum Fee Rates. A graduated minimum fee is imposed on Minnesota entities filing as corporations, S corporations, and partnerships. The fee is indexed annually for inflation.

The 2025 brackets are:

Minnesota Property, Payroll, and Sales	Minimum Fee
Less than \$1,250,000	\$0
\$1,250,000 – \$2,509,999	\$260
\$2,510,000 – \$12,539,999	\$750
\$12,540,000 – \$25,069,999	\$2,510
\$25,070,000 – \$50,139,999	\$5,020
\$50,140,000 or more	\$12,540

Minnesota Single Factor Apportionment Formula. Businesses that operate both within and outside of Minnesota are required to calculate the amount of income subject to Minnesota tax by allocating the business income to Minnesota based on the percentage of sales within Minnesota compared to total sales.

Tax Impact

Many factors determine the full tax burden on a business. Some of these factors – such as treatment of capital gains, deductibility of certain items, and the availability of certain credits – will vary depending on the form of organization. Other factors, such as employment taxes attributable to non-owner employees or property taxes, will apply regardless of the form of organization. For detailed analysis of these factors in the context of the specific business, a competent tax advisor should be consulted. The following describes the major differences in tax impact attributable to the form of organization.

Sole Proprietorship

A sole proprietorship is not taxed separately from its owner. Instead, all business income and expenses are reported on the owner's personal tax return.

Key points:

- **You pay tax on all business profits**, whether you take the money out of the business or leave it in.
- **Business income combines with your other income** (wages, interest, investments) to determine your total tax.
- **No double taxation:** Since the business itself doesn't pay tax, you don't pay tax again when you withdraw profits for personal use. This is different from a C corporation, where the corporation pays tax on profits and shareholders may pay tax again on dividends.
- **Tax benefits flow directly to you:** Credits, deductions, and the character of income items (such as capital gains or ordinary income) pass through to your personal return. In a C corporation, these items stay at the corporate level and don't pass through to shareholders.

Partnership

Like sole proprietorships, partnerships are pass-through entities—they don't pay income tax themselves. Instead, all income, deductions, and credits flow through to the partners.

How Partners Are Taxed

Partners pay tax on their share of partnership income whether or not they actually receive the money. Even if profits stay in the business, each partner reports and pays tax on their allocated share at their individual tax rate.

- Income passes through: Each partner reports their share of partnership income, deductions, and credits on their personal tax return (Schedule K-1).
- Combined with other income: Partnership income is added to your wages, interest, and other personal income, and taxed at your individual rate.
- No double taxation: Just like sole proprietorships, partnerships avoid the double taxation that C corporations face.

Flexible Income Allocations

One advantage of partnerships is **flexibility**. Partners don't have to split income, deductions, and credits equally—they can allocate them differently based on the partnership agreement.

Important rule: These special allocations must have "**substantial economic effect**" to be respected by the IRS. What does "substantial economic effect" mean? Basically, the allocation must actually affect how much cash each partner receives from the partnership, not just create tax benefits. The IRS requires:

1. The partnership keeps proper **capital accounts** for each partner.
2. When the partnership liquidates (ends), partners receive distributions based on their **capital account balances**.
3. The allocation changes each partner's **economic position** in a real way, independent of taxes.

If your allocations don't meet these requirements, the IRS can reallocate income and deductions based on each partner's actual ownership interest.

Limits on Deducting Losses

Partners can generally use their share of partnership losses to reduce their other income. However, **loss deductions are limited to each partner's "basis"** in the partnership. Basis is a way of measuring your investment in the partnership. It starts with:

- Cash you contributed, or
- The value of property you contributed, or
- The amount you paid to buy your partnership interest.

Basis increases when:

- You contribute more cash or property
- The partnership earns income allocated to you
- Your share of partnership debt increases

Basis decreases when:

- You receive distributions
- The partnership has losses allocated to you
- Your share of partnership debt decreases

Why it matters: You can only deduct losses up to your basis. If your basis is zero, you can't deduct any more losses until you increase your basis.

Character of Income Passes Through

Like sole proprietorships, the **type (or "character")** of income and deductions passes through to partners. For example:

- Capital gains remain capital gains
- Rental income remains rental income
- Charitable contributions remain charitable contributions

This can be a tax advantage because certain types of income receive favorable tax treatment.

In contrast, C corporations don't pass these items through—everything stays at the corporate level.

Special Tax Rules for Partnerships and S Corporations with Nonresident Owners. If your partnership or S corporation has owners who live outside Minnesota, you have three options for handling their Minnesota taxes:

Option 1: Composite Income Tax

Your business can pay tax on behalf of nonresident individual partners or shareholders who don't have other Minnesota income.

Rate: 9.85 percent of the individual's Minnesota income from your business.

Benefit: The nonresident owner doesn't have to file a separate Minnesota tax return.

Option 2: Withholding Tax

If you don't use composite tax, you must withhold Minnesota tax from nonresident owners' Minnesota income.

Rate: 7.85%.

What happens next: The owner files a Minnesota individual tax return ([Form M1, Individual Income Tax](#)) and claims credit for the withheld tax on [Schedule M1W, Minnesota Income Tax Withheld](#), line 3.

Option 3: Pass-Through Entity (PTE) Tax Election

Your partnership or S corporation can elect to pay Minnesota income tax at the business level for all owners (residents and nonresidents).

How it works:

- File [Schedule PTE](#) with your business return by the due date or extended due date.
- The business pays tax at 9.85 percent of Minnesota source income.
- Owners receive a refundable credit for their share of the tax paid.
- For nonresident owners only: The PTE election can satisfy their Minnesota filing requirement if they have no other Minnesota income.
- **Minnesota resident owners** must still file a Minnesota individual tax return ([Form M1, Individual Income Tax](#)).

Important details:

- The election must be made by **owners holding more than 50 percent of the business**.
- Once made, the election **applies to all owners** and **cannot be revoked** after the original due date of the return.
- **Note: The PTE tax was set to expire after December 31, 2025, but legislation to extend it through 2027 was under consideration.**

Complexity and Professional Advice

Partnership tax rules—especially regarding special allocations, basis calculations, and debt allocations—can be very complex. It's highly recommended to work with a tax professional or accountant when:

- Setting up special allocations in your partnership agreement
- Tracking basis (especially when debt is involved)
- Claiming partnership losses
- Dealing with distributions or sales of partnership interests

Key Takeaway:

Partnerships offer tax flexibility and avoid double taxation, but they require careful planning and tracking. Partners pay tax on their share of income whether distributed or not, and special allocations must have real economic substance to be respected by the IRS.

C Corporation

A **C corporation** is a separate legal entity that pays its own taxes, distinct from its owners (shareholders).

How C Corporations Are Taxed

C corporations face "**double taxation**":

- 1. First tax:** The corporation pays tax on its profits at the federal corporate rate of 21 percent and **Minnesota's corporate rate of 9.8 percent**.
- 2. Second tax:** When the corporation distributes profits to shareholders as dividends, shareholders pay **individual income tax** on those dividends (rates range from 10 to 37 percent federally, plus Minnesota individual rates).

Important: The corporation cannot deduct dividends it pays to shareholders, so the same income is effectively taxed twice.

Tax Planning Options for C Corporations

1. Retain earnings instead of paying dividends

C corporations can keep profits in the business rather than distributing them to shareholders, avoiding the second layer of tax. However, the IRS limits how much you can accumulate—excessive retained earnings may trigger an **accumulated earnings tax**.

2. Pay reasonable salaries to owner-employees

Owner-employees can receive salaries, which are deductible by the corporation (reducing corporate taxable income). However, salaries must be reasonable for the work performed. The IRS may reclassify excessive salaries as dividends, which are not deductible.

What Happens to Income Characteristics?

In a C corporation, the **character** of income items (like capital gains or charitable contributions) does not pass through to shareholders. Everything becomes ordinary dividend income when distributed.

Similarly, **corporate losses do not pass through** to shareholders—they stay with the corporation.

S Corporation

An **S corporation** is a special type of corporation that elects to be taxed as a **pass-through entity**, similar to a partnership.

How S Corporations Are Taxed

S corporations **do not pay federal or Minnesota corporate income tax** (with limited exceptions). Instead, income, deductions, and credits "flow through" to shareholders, who report them on their personal tax returns.

Key points:

- **You pay tax on your share of S corp income whether or not it's distributed to you.**
- Income is taxed at **your individual tax rate**, not the corporate rate.
- **Avoids double taxation** because the corporation itself isn't taxed.
- The **character of income** (capital gains, ordinary income, etc.) passes through to you, which can provide tax benefits.

Limits on S Corporations

Eligibility requirements:

- Must be a **domestic corporation**
- No more than **100 shareholders**
- Only **one class of stock**
- Shareholders must be **individuals, certain trusts, or estates** (not corporations or partnerships)
- Shareholders must be **U.S. citizens or residents** (no nonresident aliens)

Allocation rules:

Unlike partnerships, S corporation income and deductions **must be allocated in proportion to each shareholder's ownership percentage**. You cannot create special allocations like you can with a partnership.

Loss limitations:

Shareholders can only deduct losses up to their basis in the S corporation stock plus any loans they've made to the corporation. Basis rules can be complex—consult a tax professional if you expect losses.

To Elect S Corporation Status

File [Form 2553, Election by a Small Business Corporation](#) with the IRS, signed by all shareholders. The election must generally be made by March 15 of the year you want it to take effect.

Limited Liability Company (LLC)

An **LLC** is a **legal business structure** under state law, but it's **not a tax classification** recognized by the IRS.

How LLCs Are Taxed

LLCs have **flexibility** in how they are taxed.

Default taxation (if no tax election is made):

- **Single-member LLC:** Taxed as a sole proprietorship (called a "disregarded entity"). You report income and expenses on [Schedule C \(Form 1040\), Profit or Loss from Business \(Sole Proprietorship\)](#) of your personal tax return.
- **Multi-member LLC:** Taxed as a **partnership**. The LLC files [Form 1065](#), and each member receives a [Schedule K-1 \(Form 1065\)](#) showing their share of income, deductions, and credits to report on their personal returns.

Taxed as a **C corporation:** File [Form 8832, Entity Classification Election](#) and check the "corporation" box.

Taxed as an S corporation: First file [Form 8832, Entity Classification Election](#) (if needed), then file [Form 2553, Election by a Small Business Corporation](#).

Selecting or Changing the Tax Year

When you start your business, you decide your business's tax year—the 12-month period you use to track income and file tax returns.

Most businesses use a **calendar year:** January 1 through December 31.

- Some use a **fiscal year:** any 12 consecutive months ending on the last day of a month other than December (for example, July 1 through June 30), or a special 52-53 week year.
- You pick your tax year when you file your first tax return.
- Once chosen, you usually **must keep the same tax year** unless you get approval from the IRS to change it.
- To change your tax year, you must show a **valid business reason** (like matching your accounting system or business cycle) and prove changing won't create an unfair tax advantage.
- To request a change, file IRS [Form 1128, Application to Adopt, Change, or Retain a Tax Year](#).

Tax Year Rules by Business Type

Sole Proprietorship

Most **sole proprietors** use the **calendar year**, matching their personal tax filing. They report all income, including business income, on their personal tax return ([Form 1040, U.S. Individual Income Tax Return](#)) each year.

Partnership

A **partnership** usually uses the tax year of partners holding more than 50 percent of the profits or capital.

- If majority partners have different tax years, the partnership generally uses the **calendar year** unless it shows a valid business reason for a different fiscal year.
- Partnerships may make a **Section 444 election** (file [Form 8716, Election To Have a Tax Year Other Than a Required Tax Year](#)) to adopt a fiscal year and delay some tax payments, but this comes with special rules and sometimes deferral payments.

C Corporation

- A **C corporation** chooses its tax year when it files its first tax return.
- The first tax year must end within 12 months of the date the corporation was formed.
- Non-personal-service C corporations can select either a **calendar year** or a **fiscal year** that fits their business cycle, as long as it doesn't distort income.
- Personal service corporations generally must use a **calendar year** unless they get IRS approval for a different fiscal year or make a **Section 444 election**.

S Corporation

- **S corporations** must use a **calendar year** unless they can show a valid business reason for a different fiscal year and get IRS approval.
- If the S corporation cannot prove a business purpose for a fiscal year, it may be eligible to make a **Section 444 election** (file [Form 8716, IRS Election To Have a Tax Year Other Than a Required Tax Year](#))
- The S corporation uses the same tax year for both federal and Minnesota income tax purposes.

Compensation for Services

Businesses use several ways to pay people who provide services. These can include **salaries or wages, personal draws, cash payments, or property**. This section explains how compensation is treated for tax purposes, especially when paid to business owners.

Sole Proprietorship

- A sole proprietor is **not considered an employee** of the business and doesn't receive wages or salary for tax purposes.
- The owner pays tax on the net income of the business, whether the money is taken out for personal use or kept in the business.
- Any money or property taken out is considered a **withdrawal of income**, not additional taxable compensation.

Partnerships

- Partners are treated as **self-employed**, not employees.
- Payments for services made like salaries are called **guaranteed payments**. These are ordinary income to the partner and either deductible or capitalized by the partnership depending on the payment's nature.
- Partners pay tax on their share of the partnership income whether or not it is withdrawn.
- **General partners** may have this compensation subject to self-employment tax.
- Distributions are generally **not taxed unless they exceed the partner's basis** (investment amount) in the partnership.

C Corporations

- Payments to shareholder-employees (owners who work in the business) are **deductible wages or salaries** to the corporation.
- These wages are taxable income to the employee (shareholder) when received.
- Payments must be **reasonable** and for necessary services; the IRS can reclassify unreasonably high salaries as dividends to prevent avoiding corporate taxes.

S Corporations

- S corporation shareholder-employees are paid wages or salaries, which are deductible by the corporation and taxable to the employee.
- Salaries must be reasonable and for necessary services. This is less strictly enforced than with C corporations, but the IRS may still challenge artificially low salaries used to shift income to shareholders in lower tax brackets.
- Fringe benefits paid for shareholders owning more than 2 percent
- 2 percent of stock must be included as income to those shareholders.

Special Considerations

Property (like stock) received for services is subject to **special tax rules**. Business owners should consult a tax advisor before making such transfers.

Additional Notes

- The recent **One Big Beautiful Bill Act (OB3)** includes changes affecting compensation, such as new limits on deductions for certain executive pay and new tax deductions available for qualified tips and overtime compensation for workers (2025–2028).
- Employers should ensure reasonable compensation practices to avoid IRS penalties and tax reclassifications.

Employment Taxes and Workers' Compensation Insurance

Businesses with employees are responsible for several types of taxes and insurance related to employment:

- **Employment Taxes:** These include income tax withholding, Social Security and Medicare taxes (FICA), and federal and state unemployment insurance taxes.
- **Workers' Compensation Insurance:** This insurance covers employees for work-related injuries or illnesses. While not a tax, it is required for most employers in Minnesota.

Important Notes for Employers

- This information applies **only to businesses with employees**.
- **Sole proprietors and partners** who work in the business are not considered employees for unemployment tax and workers' comp purposes, but they do pay Social Security and Medicare self-employment tax.
- Shareholders who work for C or S corporations are usually considered employees and must pay employment taxes. These shareholders generally must also have workers' compensation coverage.

Self-Employment Tax (SE Tax)

- The self-employment tax covers Social Security and Medicare taxes for those who work for themselves (sole proprietors, partners, LLC members).
- It is similar to the FICA taxes withheld from employees but is paid by self-employed individuals directly.
- You calculate SE tax using [Schedule SE \(1040\), Self Employment Tax](#).
- Half of your SE tax can be deducted when calculating your adjusted gross income.
- The SE tax rate is **15.3 percent**, composed of:
 - 12.4 percent Social Security tax (on the first \$184,500 of combined wages, tips, and net earnings for 2026)
 - 2.9 percent Medicare tax
- An additional **0.9 percent** Medicare tax applies to earnings above threshold amounts:
 - \$200,000 for single or head-of-household filers
 - \$250,000 for married filing jointly
 - \$125,000 for married filing separately

Social Security and Medicare Taxes for Employees

- Employers and employees **each pay half** of the 15.3 percent tax on wages (except the extra 0.9 percent Medicare tax, which employees pay entirely).
- For 2026, only the first \$184,500 of wages is subject to the Social Security portion.
- Medicare taxes apply to all wages, with the additional tax rate kicking in at the thresholds above.
- Social Security and Medicare taxes **do not apply** to a sole proprietor's children under 18 who work in the business.

Federal Unemployment Tax (FUTA)

- Employers generally pay 6.0 percent on the first \$7,000 of wages for each employee.
- A credit of up to 5.4 percent for state unemployment tax reduces the net FUTA tax to 0.6 percent.
- This credit is reduced when Minnesota's unemployment fund borrows from the federal government and hasn't repaid the loan.
- Wages paid to a spouse or child under 21 working for a sole proprietorship are exempt from FUTA, with other exceptions applying.

Note: State unemployment tax law changes can affect your FUTA liabilities. Timely payment of Minnesota unemployment tax helps keep FUTA taxes low.

Minnesota Unemployment Tax

- Minnesota's state unemployment tax rates vary based on business experience and industry.
- Wages paid by sole proprietors to close family members under 18 (parent, spouse, child) are exempt.
- Wages paid to corporate officers or LLC members owning 25 percent or more also may be exempt.
- Other specific exceptions may apply.

Workers' Compensation Insurance in Minnesota

- Most employers must have workers' compensation insurance for their employees.
- Coverage provides wage replacement and medical/vocational benefits for employees injured on the job.
- Sole proprietors and partners are generally **not required** to have this coverage for themselves or close relatives working in the business.
- Employers can choose to provide coverage for family members, but it's not mandatory.
- Certain closely held corporations may opt to cover executive officers owning at least 25 percent of stock.
- **New 2026 law:** For construction/improvement businesses with zero employees, more documentation and notification steps are required. See [MN Dept. of Labor & Industry Zero Estimated Exposure and Wrap-up Policies](#).

Penalties and Requirements

- Employers who fail to provide required workers' compensation coverage may face significant penalties, including fines and orders to stop working.
- Insurance rates depend on the type of work and employer's claims history.
- Minnesota offers options for purchasing insurance through private carriers, self-insurance plans, or assigned-risk pools, especially for businesses hard to insure.

Retirement Benefit Plans

Retirement plans can include 401(k)s, IRAs (including Roth IRAs), SEP-IRAs, SIMPLE IRAs, 403(b), 457(b), and more. The rules and limits change regularly—professional guidance is strongly recommended.

Note:

- **Starting on or after Jan. 1, 2026, employers with five or more employees must offer a retirement savings plan or participate in [Minnesota Secure Choice Retirement Program \(MSCRP\)](#), a state-run payroll IRA program for employees without a plan.**
- Employers who already offer any IRS-qualified retirement plan (401(k), SEP, SIMPLE IRA, etc.) are exempt from this new mandate.
- If you do not offer a plan, you must participate in Minnesota Secure Choice, which is a payroll-deduction IRA (Traditional or Roth), with both employee contributions and administration handled by the state program—employers do not contribute.

Implementation is phased by employer size between 2026 and 2028, with the requirement starting at five employees or more. Employers need to facilitate payroll deductions, manage employee communications, and participate in the program if they do not have a plan.

Sole Proprietorship

A sole proprietor can set up and contribute to a retirement account such as a Keogh plan, SEP IRA, or individual retirement account (IRA). The amount you can contribute depends on your income and self-employment earnings.

Tax Treatment:

- Your contributions to your own Keogh plan or IRA are generally deductible on your federal [Form 1040, U.S. Individual Income Tax Return](#) as part of adjusting your gross income.
- However, these contributions do not count as business expenses on your [Schedule C \(Form 1040\), Profit or Loss from Business \(Sole Proprietorship\)](#) and do not reduce your business net income for self-employment tax purposes.
- Minnesota generally follows IRS rules for Keogh and IRA contributions and deductions.

Always check current contribution limits—and consult a tax professional to maximize your retirement and tax benefits.

Partnership

Partners in a partnership can contribute to a Keogh plan set up by the partnership, as well as to their own individual retirement accounts (IRAs), if they meet IRS income and contribution requirements. Partners can deduct their own qualified contributions to their retirement accounts from their personal income on their federal [Form 1040, U.S. Individual Income Tax Return](#), but **these contributions are not deducted from partnership income** for tax purposes.

- **Employee Retirement Plans:**

- If a partnership sets up a qualified plan for its employees (not for the partners themselves), the business can deduct these contributions as a regular business expense, as long as the plan meets IRS requirements.

- **Minnesota Tax Treatment:**

- Minnesota generally follows the federal tax rules for partner and employee retirement plan contributions.

Partners should consult a tax advisor to understand deduction limits and ensure both federal and state requirements are met for both personal and employee plan contributions.

LLC or Corporation

LLCs (depending on their classification) and corporations may establish and contribute to qualified retirement plans—such as 401(k), SEP, SIMPLE IRA, or defined benefit plans—for their employees and owners. Contributions made by the business to a qualified plan are generally deductible as a business expense if the plan is approved by the IRS and meets all federal requirements.

- **Tax Treatment (LLC/Corporation):**

- Employer contributions to a qualified plan can be deducted on the business tax return (for an LLC, on [Form 1065, U.S. Return of Partnership Income](#) or [1120-S, U.S. Income Tax Return for an S Corporation](#) if taxed as a partnership or S corp, or [Form 1120, U.S. Corporation Income Tax Return](#)).
- Contributions for employees must follow IRS limits and plan rules to be deductible.
- For C corporations, the deduction typically appears on Form 1120 as a compensation/retirement expense.
- LLCs **taxed as sole proprietorships or partnerships** follow the rules outlined above for those entities.

- **Plan Types:**

- Common plans include 401(k), 403(b), SEP IRAs, SIMPLE IRAs, and profit-sharing (defined contribution or defined benefit) plans.
- “Master” and “prototype” plan documents, pre-approved by the IRS, are often available through banks, investment firms, or professional organizations. These can simplify setup but still require compliance checks.

Capital Gains and Losses

When a business sells or disposes of a **capital asset**, it may generate a **capital gain** (profit) or **capital loss** (loss). A capital asset is nearly everything a business owns, except:

- Inventory or items held for sale to customers

- Most accounts or notes receivable
- Real estate and depreciable property used in the business
- Certain copyrights, creative works the business created, and government publications.

The difference between the sales price and your basis (what you paid for it, plus certain improvements and expenses) determines your gain or loss.

Individuals (Sole Proprietors, Partners, S Corp Shareholders)

- Long-term capital gains (assets held more than one year) enjoy lower tax rates than regular income.
- Short-term capital gains (assets held one year or less) are taxed at your ordinary federal income tax rates.

Federal 2026 Long-Term Capital Gains Brackets

Rate	Single	Married Filing Jointly	Married Filing Separately
0%	up to \$49,450	up to \$98,900	up to \$49,450
15%	\$49,451–\$545,500	\$98,901–\$613,700	\$49,451–\$306,850
20%	over \$545,500	over \$613,700	over \$306,850

Note: Net investment income may face an additional 3.8 percent tax for high earners.

C Corporations

- All capital gains are taxed at the corporate income tax rate (21 percent). There is no reduced rate for long-term gains.
- C corporations can only deduct capital losses up to the amount of their capital gains. Net capital losses can be carried forward to offset future capital gains, but not other income.

Minnesota Tax Treatment

Minnesota does not have a separate capital gains tax—all capital gains (short- and long-term) are taxed as ordinary income using Minnesota individual or corporate rates.

Net Operating Loss

Net Operating Loss (NOL): What It Means for Your Minnesota Business

If your deductible business expenses are more than your total income for the year, you may have a Net Operating Loss (NOL). An NOL lets you use this year's losses to reduce taxable income in future years, helping lower taxes when your business is profitable.

How NOLs Work

What qualifies as an NOL?

NOLs are calculated using certain business deductions and losses. Not all expenses and income are included—there are specific IRS and state rules. These rules are different for individuals (like sole proprietors, estates, and trusts) and corporations.

Who can use an NOL?

C corporations (including those in Minnesota), individuals (sole proprietors), and estates/trusts can use NOLs. Partnerships and S corporations do not claim NOLs on the business tax return; instead, losses may “pass through” to partners/shareholders, who may use them personally.

Minnesota NOL Rules for C Corporations

Deduction limits:

- For tax years starting after December 31, 2017 and before January 1, 2024, your NOL deduction is limited to 80 percent of Minnesota taxable net income each year.
- For tax years beginning on or after January 1, 2024, your NOL deduction is limited to 70 percent of Minnesota taxable net income each year, regardless of when the loss originated.

No carrybacks:

- Minnesota does not allow businesses to carry losses back to prior years. You may only carry losses forward, for up to 15 years.

Multistate business rule:

- If your corporation operates both inside and outside Minnesota, you must allocate the NOL using Minnesota’s apportionment formula.

Recent legislative update:

In April 2024, Minnesota confirmed that the 80 percent rule applied for tax year 2023, and the 70 percent rule started in 2024.

Minnesota vs. Federal NOL Rules

Minnesota’s NOL rules for C corporations are stricter than federal rules in several ways.

Always follow Minnesota-specific NOL directions on your state tax return, even if federal rules are different.

Individual (Noncorporate) NOLs

Individuals, estates, and trusts have their own NOL rules, which do not always match the corporate rules. Calculate and use these losses by following IRS and Minnesota guidelines for your situation.

Table: Minnesota NOL Deduction Limits

Tax Year	NOL Deduction Limit
2018–2023	80 percent of taxable net income
2024 & later	70 percent of taxable net income

Action Steps

- Always check the latest Minnesota Department of Revenue guides and instructions for your filing year.
- Carry forward your NOL on your Minnesota return, not back.
- If your business operates in multiple states, use Minnesota’s apportionment formula.
- For complex situations—especially multi-year losses or ownership changes—consider working with a qualified tax advisor to get the best results for your business.
- For every tax year, double-check the instructions you use—rules for NOLs and their application across federal and Minnesota tax returns can change and impact your company’s taxes.

Deductions for Ongoing and Start-Up Expenses

Ordinary and Necessary Expenses (Ongoing)

Section 162 of the Internal Revenue Code lets you deduct ordinary and necessary expenses you pay to run your business. The U.S. Supreme Court (*Commissioner v. Groetzinger*, 1987) clarified that “carrying on a trade or business” means any activity done regularly and continuously with the goal of making a profit. If you do not have this intent, your activity may be treated as a hobby, and the Tax Cuts and Jobs Act of 2017 eliminated deductions for hobby expenses. It is up to you—the business owner—to show that you are trying to make a profit. Under Section 183, if you show a profit in three of the last five years, the IRS must prove your activity is not for profit, rather than you proving it is.

Start-Up Expenses

Section 195 of the Code allows businesses to deduct up to \$5,000 of start-up expenses in the first year. If your start-up expenses are more than \$5,000, the remaining costs can be spread out (“amortized”) over 15 years. To qualify, these expenses must be costs that would be deductible for an ongoing business under Section 162 and cannot be capital expenses for acquiring business assets.

Specific Business Types

- **Sole Proprietors**
For an individual owner, the net operating loss (NOL) is figured based on gross income from all sources (on Form 1040), not just what shows on your business schedule (Schedule C). Not all deductions can be included when calculating an NOL—rules exclude net capital losses,

nonbusiness losses or deductions, personal exemptions, and NOLs from previous years. IRS and Minnesota Department of Revenue rules control how you carry NOLs forward.

- **Partnership**

A partnership cannot take an NOL itself. Losses pass through to each partner, who calculates an individual NOL using rules similar to those for sole proprietors.

- **C Corporation**

C corporations can deduct NOLs on their return; unlike individuals, corporations have different rules about which deductions count, and Minnesota never allows a carryback—NOLs are carried forward up to 15 years. NOLs stay with the corporation and are not passed to shareholders. Minnesota rules must be followed even if they are different from federal rules.

- **S Corporation**

S corporations do not take an NOL at the entity level—losses pass through to shareholders, who can use their share to figure an individual NOL.

Minnesota-Specific Adjustments and Expensing Limits (2025)

For 2025, Minnesota conforms with or provides its own limits on many federal deductions, often requiring adjustments for Section 179 expensing, bonus depreciation, and some meals deductions (see [2025 Schedule M2SBNC, Federal Adjustments](#) or state instructions for up-to-date caps and details).

Section 179 expensing limits in 2025 are set at \$2.5 million, with a deduction phase-out starting at \$4 million (federal law; check Minnesota conformity for your filing year).

Action Steps:

- Keep clear records to prove you are running your business for profit (sales, advertising, business plans, separate business bank accounts, etc.).
- Track all eligible start-up costs. If over \$5,000, plan to amortize the rest.
- Always check the latest IRS and Minnesota Department of Revenue instructions for current deduction limits and required state adjustments (like Section 179 and bonus depreciation).
- For NOLs, use the correct Minnesota rules for carryforward periods and percentages—different from federal law.
- If you're unsure about your situation, especially with NOLs, amortization, or how to handle start-up vs. capital costs, check with a tax advisor or the Minnesota Department of Revenue for detailed help.

Estimated Tax Payments

Sole Proprietorship

- You must pay estimated taxes—federal and Minnesota—if you expect to owe \$500 or more in Minnesota income tax after subtracting your withholding and refundable credits, or \$1,000 or more for federal individual income tax.

- Estimated payments are based on income from all sources, not just your business.
- You can avoid paying estimated tax by increasing the withholding from any job (file a new Form W-4 with your employer to do this).
- If you underpay your estimates, you may have to pay a penalty.

Partnership

- The partnership itself is not required by the IRS or Minnesota to make federal estimated tax payments.
- For Minnesota: A partnership must pay quarterly estimated tax if its Minnesota minimum fee is \$500 or more, or if its nonresident partner's share of the composite income tax is \$500 or more.
- Individual partners usually need to make estimated tax payments personally if their total tax liability (including self-employment tax) will exceed withheld taxes and credits by \$1,000 or more.
- Penalties apply for underpaid estimates.

C Corporation

- Federal: A C corporation must pay federal estimated tax using the Electronic Federal Tax Payment System (EFTPS) if its liability is \$500 or more.
- Minnesota: C corporations with \$500 or more of estimated liability must make quarterly payments. If annual liability exceeds \$10,000, all payments must be made electronically.
- Penalties apply for missing or underpaid estimates.

S Corporation

- S corporations do not pay federal estimated tax on income passed to shareholders.
- In Minnesota, an S corporation must pay quarterly estimated tax if S corporation taxes and the minimum fee reach \$500 or more, or if a nonresident shareholder's composite tax exceeds \$500.
- Penalties apply when estimates are missed or underpaid.

Action Steps:

- Use income from all sources to estimate tax due.
- Mark key dates: quarterly payments due in April, June, September, and January of the next year.
- Seek help from your accountant or the Minnesota Department of Revenue for forms, exact calculations, and to avoid penalties.

Always check current tax instructions for federal (IRS Estimated Taxes) and Minnesota, as requirements and penalties can change year-to-year.

Disposition of Ownership Interest

Sole Proprietorship

- When a sole proprietor sells their business, the transaction is treated as the sale of individual business assets.
- The tax you owe depends on whether the assets are capital assets (like equipment or property) and how long you've owned them, affecting whether you have a long-term or short-term capital gain or loss.
- The sale of these assets may also trigger state sales tax. Minnesota's base sales tax rate is 6.875 percent, with possible additional local taxes depending on the location of the sale. See more about Minnesota [Taxes and Rates](#).
- If you want to change your business form—like joining others to create a partnership or corporation—and transfer assets to that new entity, there can be complex tax consequences. Discuss these transfers with a qualified tax advisor to understand your specific situation.

Partnership

- When a partner sells their interest, the gain or loss is usually a capital gain or loss based on the sale proceeds minus the adjusted basis (what they invested plus increases or decreases).
- The partner's share of partnership debt is also considered and can affect the calculation.
- Selling your entire partnership stake treats you as if you received a cash distribution equal to the partnership debt allocated to your interest.
- Special tax rules apply if you exchange partnership interests, liquidate your share, or if there are unrealized receivables or inventory involved.
- Sale of tangible assets as part of the transaction may also trigger Minnesota sales tax.
- Minnesota law (Revised Uniform Partnership Act, RUPA) allows partnerships to merge. Always consult a tax advisor before a merger or selling partnership interests due to tax complexities.

Corporation

- Selling shares in a corporation generally results in a capital gain or loss based on your holding period of the stock.
- Corporations may be liquidated partially or fully; in these cases, the corporation sells or transfers its assets to shareholders in exchange for stock.
- Such liquidations often trigger capital gains or losses at the shareholder level.
- As with sole proprietors and partnerships, tangible assets sold during the process can be subject to Minnesota sales tax.
- Timing of sales or liquidations can affect your tax outcome.
- Because corporate liquidations and stock sales are complex (for both C and S corporations and shareholders), it is highly recommended to seek advice from a qualified tax professional before proceeding.

Action Steps:

- Keep detailed records of asset purchase dates and basis to accurately calculate capital gains and losses.
- Know the Minnesota sales tax rates and local additions applicable to your sale location.
- Consult with qualified tax professionals when selling any business interest or merging entities to avoid unexpected tax consequences.
- Review Minnesota Department of Revenue guides and federal IRS rules for capital gains and business asset sales to stay up to date.

NAMING THE BUSINESS

CERTIFICATE OF ASSUMED NAME

One of the first steps in starting your business is deciding what to call it. In Minnesota, your choice of name may require an official filing with the Office of the Minnesota Secretary of State. The rules are different depending on whether you are operating as a sole proprietor, partnership, corporation, or a Limited Liability Company (LLC).

This section explains what you need to know about Assumed Names (DBAs).

Using an Assumed Name (Doing Business As – DBA)

An Assumed Name is required when you want to operate under a name that is different from your own legal name or your business's legal entity name.

You must file a Certificate of Assumed Name if:

- You are a sole proprietor or general partnership and use a name that is not the **full legal name** of the owner(s).
 - Example: "Maria Lopez Consulting" (no filing needed).
 - Example: "BrightPath Consulting" (filing required).
- Your corporation, LLC, or partnership uses a name different from its exact registered name.
 - Example: "North Shore Builders, LLC" doing business as "Superior Homes".

Important: Filing an assumed name provides information to the consumer on the identity of the business owner. It does **not** give you exclusive rights to the name. To protect your name, you may need to seek a trademark. Note that registering a domain name or Federal trademark is a process completely separate from making any filing with the Secretary of State.

Determining Whether an Assumed Name is Available

An assumed name will not be accepted for filing if it is the same as, or is not distinguishable from, the name of a corporation, Limited Liability Company, limited partnership, limited liability partnership or state trademark on file with the Secretary of State. (See the section titled “Determining Whether A Name is Distinguishable” later in this chapter.) Business owners may call the general information line of the Secretary of State 651-296-2803 or access the Secretary of State website section, [How to Check Business Name Availability](#), prior to registration to determine whether a name is available. The Secretary of State will perform a preliminary check but does not guarantee that the name will be available at the time of filing. There is no procedure for reserving an assumed name. A sole proprietorship or partnership that intends to incorporate at a later date may, however, reserve the corporate name by filing a reservation of corporate name with the Secretary of State. This procedure is described in the section of this Guide on forming a corporation.

Restrictions on Assumed Names

- You can only use designations like Inc., Corp., or LLC if your business is legally that type of entity.
- Don’t include a location in the name if your business is not in that community.
- Banks and other financial institutions must get approval from the Minnesota Department of Commerce before using an assumed name.
- When filing an Assumed Business Name, the Secretary of State does **NOT** check against other Assumed Names on record as the law allows for the same or similar Assumed Business Name to be filed.

How to File an Assumed Name

Check name availability

You may call the Secretary of State Office at 651-296-2803 or access their website at [How To Check Business Name Availability](#), prior to filing to determine whether the name is available.

Complete the form

Download and complete [Certificate of Assumed Name](#) form or file online through an online account. View how to create an account at [How to Create an Account](#).

Pay the filing fee

The filing fee is \$30 by mail and \$50 in person or online.

Publish the name

After approval, you must publish the certificate in a qualified “legal newspaper” in your county for **two consecutive** issues. The Secretary of State maintains a list of qualified [legal newspapers](#). The Assumed Name must be published within **60 days** of filing. The newspaper will give you proof of publication. If you do not publish, your assumed name filing is invalid.

Renew annually

You must file an Annual Renewal with the SOS every calendar year (before December 31st) to keep the name active. No cost if filed on time. The Secretary of State will send a digital reminder. If information such as your address changes, file an amendment within 60 days. If you miss your renewal, the name can expire. If other information provided on the certificate of assumed name changes, the business must also file an amendment with the Secretary of State. Any amendments must be filed within sixty days after the change takes place.

See the Secretary of State Business Filing and Certification Fee Schedule later in this Guide for filing fees.

NAMING A CORPORATION, LIMITED PARTNERSHIP, LIMITED LIABILITY PARTNERSHIP OR LIMITED LIABILITY COMPANY (LLC)

If you form a legal entity, Minnesota law requires your business name to follow certain rules:

- Corporations must include Corporation, Incorporated, Limited, or abbreviations (Corp., Inc., Ltd.). For professional corporations: Professional Association, Chartered, or P.A.
- LLCs must include Limited Liability Company or LLC. For professional LLCs: Professional Limited Liability Company or PLLC.
- Limited Partnerships must include Limited Partnership or L.P.
- Limited Liability Partnerships must include Limited Liability Partnership or LLP.

Your name must also:

- Use English letters (or English alphabet characters).
- Be distinguishable from other names already on file.
- Not suggest illegal business purposes.

Determining the Availability of a Corporate Name or Limited Liability Company Name

The Secretary of State will not accept for filing articles of incorporation for a corporation, articles of registration for a limited liability partnership or articles of organization for a Limited Liability Company if the name of the corporation, limited liability partnership or Limited Liability Company is the same as, or not distinguishable from, the name of a Minnesota or foreign corporation, Limited Liability Company, limited partnership, limited liability partnership or reserved name or trademark. (See the section titled “Determining Whether A Name is Distinguishable” later in this chapter.)

The Secretary of State will perform a preliminary check to determine the availability of a corporation, limited liability partnership or Limited Liability Company name before the articles of incorporation, registration or organization are filed. Business owners may call the Secretary of State, or access the Secretary of State website at [How To Check Business Name Availability](#), prior to filing to determine whether the name is available. The telephone number is 651-296-2803. The Secretary of State does not guarantee that the name will be available at the time of filing, however

incorporators or organizers who wish to place a hold on a name before proceeding with formation of a corporation or Limited Liability Company may file a name reservation with the Secretary of State. (See the section of this chapter below on “Reserving a Corporate Name or Limited Liability Company Name.”)

Warning

As is the case with filing a certificate of assumed name, the registration of a corporate name or limited liability partnership or Limited Liability Company name does not necessarily mean that the name can be used without penalty. There may be existing users of that name who have perfected a prior federal trademark or common law right to the name without filing with the Secretary of State.

Note also that registering an Internet domain name is a process completely separate from making a filing with the Secretary of State. These users may be able to use the courts to prevent the incorporators, organizers, or business entity from actually using the name even though it may be available for registration with the Secretary of State.

Reserving a Corporate Name or Limited Liability Company Name

A corporate name or Limited Liability Company name may be reserved by an individual or entity for 12 months by filing a [Name Reservation](#) form with the Secretary of State. The reservation may be renewed for an unlimited number of 12-month periods. See the form for eligibility category details and fee.

DETERMINING WHETHER A NAME IS DISTINGUISHABLE

Two names are considered the same (and therefore not acceptable) if the only differences are:

- The name must be distinguishable from other names on file with the Secretary of State. Slight differences in punctuation, spacing, or common words (like “the,” “and,” “&”) don’t count.
- Use of Inc., LLC, LP, etc.
- Spacing, punctuation, or capitalization
- Articles like a, an, the
- Conjunctions like and, &
- Abbreviations or contractions (Dept. vs. Department)
- Numbers written differently (5 vs. Five)

If your desired name isn’t distinguishable, you have options:

Option 1: Change the name Add or remove words to make it distinguishable.

Option 2: Get written consent Obtain written consent from the business holding the conflicting name and file it with the Secretary of State. A [Consent to Use the Name](#) form is available from their office. Applicants for a trademark may not obtain consents, but they may submit affidavits from themselves and from holders of conflicting names describing the nature of the businesses

and the geographic and market area served as evidence that the marks will not be confusingly similar. There is no fee for filing these affidavits, although a fee is charged for filing a consent.

Option 3: File a court order If you obtain a court order establishing your prior right to the name, you can file it with your application.

Option 4: File a "Statement of Dormant Business" Use this if the existing business appears inactive. You must file a signed affidavit proving:

- Has been in existence for three years or more.
- Is on file with the Secretary of State.
- Has not filed anything with the Secretary of State in the past three years.

The applicant has:

- Mailed a written notice by certified mail (return receipt requested) to the registered office.
- Received the notice returned as undeliverable.
- Made a diligent inquiry and found no telephone listing for the business in the county of its registered office.
- No knowledge that the business is still operating.
- Mailed a written notice by certified mail (return receipt requested) to the registered office.
- Received the notice returned as undeliverable.
- Made a diligent inquiry and found no telephone listing for the business in the county of its registered office.
- No knowledge that the business is still operating.

FORMING A SOLE PROPRIETORSHIP

As noted in the section on choosing the form of organization, a sole proprietorship is the simplest form of business organization. There are no statutory requirements unique to this form of organization. From a regulatory standpoint, the business owner may only need to register a [Certificate of Assumed Name](#) with the Office of the Minnesota Secretary of State (if it does **not** contain the business owner's full first and last names) (fee for filing), obtain business licenses and tax identification numbers if necessary, and begin operations.

A list of business licenses required by the state of Minnesota appears in the Directory of Licenses and Permits section of this Guide or use the [Minnesota ELicensing](#) portal to find state license/permits/registrations/certifications requirements.

Procedures for registering the business name as an assumed name are discussed in the previous section of this Guide.

A sole proprietor must obtain federal and state tax identification numbers if the business has employees. A sole proprietor who will hire employees also will need an Unemployment Insurance (UI) employer account number, a [Paid Leave Administrator Account](#), and must secure workers' compensation insurance for employees.

Generally speaking, employees may include family members. However, wages paid to a parent, spouse, or minor child of the sole proprietor are not reportable to unemployment insurance.

A sole proprietor who will be selling a product or service that is subject to sales tax will need to register for sales and use tax purposes. These taxes and procedures for obtaining tax numbers are discussed in the section of this Guide on business taxes.

Sole proprietors who will be hiring employees also should review the section of this Guide on Issues for Employers.

FORMING A PARTNERSHIP

There are several types of partnerships you can form:

- **General Partnership (GP):** All partners manage and are personally responsible for the business. Refer to Minn. Stat. Chapter 323A.
- **Limited Partnership (LP):** At least one partner (the “general partner”) manages the business and is personally responsible; the “limited partner(s)” invest but are generally only liable up to the amount they invest, and don’t take part in daily management. Limited partnerships file a [Minnesota Limited Partnership | Certificate of Limited Partnership](#) with the Office of the Minnesota Secretary of State (fee for filing). Fee for filing. Refer to Minn. Stat. Chapter 321.
- **Limited Liability Partnership (LLP) & Limited Liability Limited Partnership (LLLP):** Provides partners with protection against some business liabilities—requires special registration. LLPs file a [Minnesota Limited Liability Partnership | Statement of Qualification](#). LLLPs file the Statement of Qualification and elect LLLP status. Forms are filed with the Office of the Minnesota Secretary of State. Fee for filing. Refer to Minn. Stat. Chapter 323A.

Foreign partnerships (formed outside Minnesota or outside the US) must meet additional registration requirements.

Key Steps to Form Your Partnership

- **Choose your partnership type:** Decide what structure fits your needs—GP, LP, LLP, or LLLP.
- **Name registration:** If your partnership name does **not** include all partners' full names, file an [Certificate of Assumed Name](#) with the Office of the Minnesota Secretary of State. Fee for filing.
- **Create a partnership agreement:** Not legally required, but highly recommended. Address issues like who manages the business, partners' ownership shares, profit and loss allocation, dispute resolution, how to admit new partners, and rules for when a partner leaves or passes away.

- **Obtain licenses and permits:** Refer to the Directory of Licenses and Permits in this Guide or use the [Minnesota ELicensing](#) portal to find state license/permits/registrations/certifications requirements.
- **Apply for EIN (Federal Employer Identification Number):** Required for tax filing and opening a business bank account. [Apply online for an EIN](#) with the IRS.
- **Register for a Minnesota Tax ID:** Register with the MN Dept. of Revenue [online](#), by phone at 651-282-5225, or by mail. Required for income, withholding, sales tax, and other state tax registrations.
- **Unemployment insurance, paid leave, & workers' compensation insurance:** Partnerships with employees (including family members) must enroll for unemployment insurance, paid leave, and carry workers' compensation insurance coverage.

Foreign Partnerships

- **Register** as a "foreign" partnership in Minnesota if your entity was set up in another state or country. Foreign Limited Partnerships need to file a [Foreign Limited Partnership | Certificate of Authority](#). Foreign Limited Liability Partnerships file [Foreign Limited Liability Partnership | Statement of Qualification](#). Forms are filed with the Office of the Minnesota Secretary of State. Fee for filing. Refer to Minn. Stat. § 322A.70.
- **Registered Agent:** The partnership must designate a registered agent with a physical address in Minnesota to receive legal documents.
- **Certificate of Good Standing:** Must be current and issued by the home jurisdiction.
- **Register for a Minnesota Tax ID:** Register with the Minnesota Department of Revenue [online](#), by phone at 651-282-5225, or by mail. Required for income, withholding, sales tax, and other state tax registrations.
- **Annual renewal:** File [Foreign Limited Partnership | Annual Renewal / Foreign Limited Liability Partnership | Annual Renewal](#) to maintain active status. Fee for filing.
- **Obtain licenses and permits:** Refer to the Directory of Licenses and Permits in this Guide or use the [Minnesota ELicensing](#) portal to find state license/permits/registrations/certifications requirements.
- **Unemployment insurance, paid leave, & workers' compensation insurance:** Partnerships with employees (including family members) must enroll for unemployment insurance, paid leave, and carry workers' compensation insurance coverage.
- Comply with federal/state employment and tax rules.

The Partnership Agreement

The partnership agreement addresses a number of issues relating to the management and operation of the partnership. In drawing up the partnership agreement, the prospective partners should consult with legal counsel to assure that the needs and desires of the partners and relevant legal issues are addressed. Some of the issues typically addressed in a partnership agreement include:

- Name of the partnership.
- Duration of the partnership.
- Location of its place of business.
- Partner capital contribution, whether partners may make additional contributions.
- Level at which capital accounts of the partners must be maintained.
- Profit /loss allocation for each partner.
- The amounts of any regular drawings against profits.
- Responsibilities and authority of each partner.
- Amount of time to be contributed by each partner.
- Rules for adding or removing partners.
- Prohibition of partners outside business activities which would compete with the partnership business.
- Name of the managing partner and method for resolving management disputes.
- Method of determining the value of goodwill in the business, in case of death, incompetence, or withdrawal of a partner or dissolution of the partnership for any other reason.
- Method of liquidating the interest of a deceased or retiring partner.
- Circumstances under which a partner must withdraw from active participation, and arrangements for adjusting the partner's salary and equity.
- Whether or not surviving partners have the right to continue using the name of a deceased partner in the partnership name.
- Basis for expulsion of a partner, method of notification of expulsion, and the disposition of any losses that arise from the delinquency of such a partner.
- Period of time in which retiring or withdrawing partners may not engage in a competing business.
- Procedures for handling the protracted disability of a partner.
- How partnership accounts are to be kept.
- The fiscal year of the partnership.
- Whether or not interest is to be paid on the debit and credit balances in the partners' accounts.

FORMING A MINNESOTA BUSINESS CORPORATION

A corporation is a separate legal entity owned by one or more shareholders. Shareholders elect a board of directors that manages and controls the company. Because a corporation is separate from its owners, it is responsible for its debts and obligations, and shareholders usually are protected from personal liability.

Key Legal Framework

- Minnesota business corporations are governed by Minn. Stat. Chapter 302A. This statute sets out formation and operation rules.
- Corporations differ from other business types by their legal structure, ability to issue stock, and requirements to file formal documents with the state.

Articles of Incorporation

- To form a corporation, one or more incorporators (at least 18 years old) file [Minnesota Business Corporation Articles of Incorporation](#) with the Office of the Minnesota Secretary of State. These articles satisfy minimum requirements. Fee for filing. Refer to Minn. Stat. Chapter 302A. This form offers a standard Articles of Incorporation form, but incorporators may draft their own if they want to add or change provisions (advisable with legal help).
- **Articles must include:**
 - **Corporate name:** Following naming requirements discussed in the section on naming the business entity, earlier in this Guide.
 - **Registered office:** A physical address in Minnesota (not a P.O. box)
 - **Registered Agent:** A corporation is not required to name a registered agent in the articles of incorporation, but if an agent is named, the articles must list the name of the agent and the agent must be located at the registered office.
 - **Share structure:** May issue any number of shares authorized (par value optional). May also specify classes of shares and their rights, preferences, and limitations.
 - **Names, addresses, and signatures** of incorporators.
 - No corporate seal is required.

Corporate Governance Provisions

- Minnesota law (Minn. Stat. Chapter 302A) allows several provisions for managing the corporation, such as:
 - Board power to adopt, amend, or repeal bylaws
 - Indefinite director terms until next shareholder meeting
 - Cumulative voting for directors
 - Voting thresholds for board and shareholder decisions
 - Shareholder preemptive rights

- Restrictions on share transfers
- Rules on meetings, notices, quorum, and shareholder action
- Required indemnification for certain officers and directors
- These may or may not be included in the articles but define important governance structures in your corporation.

Post-Incorporation Tasks

- Get federal and state tax IDs and unemployment insurance employer account number.
- Issue shares in compliance with articles and securities laws.
- Maintain corporate records, shareholder lists, and minutes of meetings as per laws and bylaws.
- Hold initial board and shareholder meetings.
- Ensure all corporate actions follow articles, bylaws, and applicable law; record these in meeting minutes.

Annual Requirements and Reports

- File a [Minnesota Business Corporation | Annual Renewal](#) with the Office of the Minnesota Secretary of State to keep the corporation in good standing. Failure to file leads to administrative dissolution. Fee for filing.
- File a [M4R, Minnesota Business Activities Report](#) with the Minnesota Department of Revenue annually unless exempt (e.g., tax-exempt or certain financial institutions). Failure to file bars the corporation from suing in Minnesota courts during the violation period.

Subsidiaries and Public Benefit Corporations

- Corporations often create subsidiaries—separate legal entities controlled by the parent corporation—to expand into new markets or products, isolating liability and financial risk.
- Minnesota also recognizes Public Benefit Corporations (PBCs) under Minn. Stat. Chapter 304A, which combine profit-making with social purposes and file annual benefit reports.

Foreign Corporations Doing Business in Minnesota

- Corporations formed outside Minnesota must register a [Foreign Corporation or Cooperative | Certificate of Authority To Transact Business in Minnesota](#) before doing business here, along with filing certificate of good standing from their home state.
- **Register for a Minnesota Tax ID:** Register with the Minnesota Department of Revenue [online](#), by phone at 651-282-5225, or by mail. Required for income, withholding, sales tax, and other state tax registrations.
- **Obtain licenses and permits:** Refer to the Directory of Licenses and Permits in this Guide or use the [Minnesota ELicensing](#) portal to find state license/permits/registrations/certifications requirements.
- Failure to comply with tax laws can result in revocation of the certificate of authority.

Action Steps:

- Carefully prepare and file articles of incorporation with all required info.
- Choose and reserve your corporate name, ensure it meets Minnesota requirements
- Establish your registered office and agent physically in Minnesota.
- Draft or review governance provisions and bylaws to suit your corporation’s needs.
- After incorporation, follow all regulatory and reporting obligations, including tax registrations and annual filings.
- Consult knowledgeable legal and tax advisors to navigate securities, corporate governance, and compliance.
- If operating as a foreign corporation, promptly file your certificate of authority and meet Minnesota tax and employment rules.

For all filings and forms, visit the Secretary of State’s website and Minnesota Department of Revenue.

FORMING A MINNESOTA LIMITED LIABILITY COMPANY (LLC)

A Minnesota LLC blends the key advantage of limited liability—similar to a corporation—with flexible management and tax options. Governed by Minn. Stat. Chapter 322C, an LLC can be a disregarded entity, partnership, or corporation for tax purposes depending on membership and elections, allowing owners to tailor the company’s tax profile to their needs.

Core Features and Benefits

- **Limited Liability:** Owners (“members”) are generally shielded from personal responsibility for company debts and lawsuits, fostering risk mitigation.
- **Tax Flexibility:** Single-member LLCs default as disregarded; multi-member LLCs as partnerships. Both can elect corporate treatment, including as an S corporation if eligible, adding strategic tax planning tools absent in simpler forms.
- **Management Freedom:** Unlike S corporations, LLCs face no limits on the number or types of members; all may be active in management without risking their personal liability shield.

Formation Essentials

- [Minnesota Limited Liability Company | Articles of Organization](#): Your LLC is officially created by filing this document with the Office of the Minnesota Secretary of State. Fee for filing. The articles must include:
 - Your LLC’s name (unique, with “LLC” in it).
 - A physical Minnesota registered office address (no P.O. boxes for addresses).
 - The name and address of at least one organizer aged 18 or older.

- **Registered Agent:** Not mandatory in the articles, but naming one ensures someone is officially available to receive legal papers at the registered office.
- **Additional Provisions:** The articles can include optional clauses consistent with state law but enforceable mainly via a comprehensive Operating Agreement.

Operating Agreement

- Operating agreements help avoid confusion or arguments later, even for single-member LLCs.
- Required only internally, this agreement defines member rights, profit sharing, management protocols, voting, and dissolution processes.

Maintenance and Compliance

- File an annual renewal with the Secretary of State each year to maintain active status; missed filings lead to administrative dissolution but can be reinstated.
- Amend articles promptly to reflect changes in name, address, members, or any substantive structural shifts.
- Maintain robust records and minutes consistent with good corporate governance.
- Obtain and update federal EINs and Minnesota tax registrations if engaging in activities like sales or employment.

Foreign LLCs

- LLCs formed in other states or countries must register a [Foreign Limited Liability Company | Certificate of Authority](#) with the Office of the Minnesota Secretary of State Office to transact business in Minnesota. Fee for filing.
- A current certificate of good standing from the home jurisdiction must accompany this registration.
- Compliance with Minnesota tax and employment requirements is mandatory once registered.

Strategic Recommendations:

- Treat LLC formation as both a legal and operational foundation requiring tailored documents beyond state filings.
- Engage knowledgeable legal and tax professionals to draft articles and operating agreements aligned with business goals.
- Maintain vigilant compliance through annual filings, recordkeeping, and timely amendments.
- Use the flexibility of the LLC structure to optimize governance and tax positions relative to corporate or partnership alternatives.

SPECIAL TYPES OF BUSINESS ORGANIZATIONS

S CORPORATIONS

Requirements and Considerations

Formation and Election

- Both S and C corporations begin with filing [Minnesota Business Corporation | Articles of Incorporation](#) with the Office of the Minnesota Secretary of State. Fee for filing. At this stage, there is no distinction: both are simply business corporations under Minnesota law.
- S corporation status is not automatic—it is a tax election made by filing IRS [Form 2553, Election by a Small Business Corporation](#) with unanimous written consent from all shareholders. This allows the corporation to be taxed under Subchapter S of the Internal Revenue Code, rather than Subchapter C (the default).
- Once the IRS approves the S election, Minnesota honors that status—no state-specific S-corp election is required.

Eligibility for S Corporation Status

- Strict requirements govern S corp eligibility:
 - No more than 100 shareholders.
 - Shareholders must be individuals, certain trusts, or estates; no non-individuals except these exceptions.
 - All shareholders must be U.S. citizens or resident aliens; nonresident aliens are not permitted.
 - Only one class of stock is allowed (voting-rights differences are allowed, but not differences in distribution/ownership priority).
- Some corporations (such as certain financial institutions and insurance companies) cannot elect S corp status due to statutory exclusions.

Tax Treatment

- S corporations are pass-through entities for tax purposes: income, losses, deductions, and credits “pass through” to shareholders, who report them on their individual tax returns, similar to a partnership. S corporations do not pay federal income tax at the corporate level.
- Profits are taxable to shareholders whether or not distributed as dividends.
- For Minnesota tax purposes, the S corporation must file [Form M8, S Corporation Return](#) and is subject to a minimum fee based on Minnesota-sourced property, payroll, and sales if it meets the state threshold.
- C corporations, by contrast, are separate taxable entities—profits are taxed to the corporation, and dividends are taxed again to shareholders, resulting in “double taxation.”

Maintaining S Status and Risks

- S corporation status can be terminated:
 - By shareholder vote.
 - Automatically, if any eligibility condition (such as shareholder number/type or second stock class) is violated.
 - If the corporation generates excessive passive investment income and has retained C-corp earnings.
- Loss of S status may result in immediate and sometimes unfavorable tax consequences, so it's critical to monitor compliance. Professional advice is strongly recommended when forming and maintaining an S corp.

Comparison to LLCs and Other Entities

- S corporations offer a way to avoid double taxation, limit liability, and—unlike LLCs with default tax treatment—may reduce self-employment tax obligations if reasonable shareholder salaries are paid.
- However, S corporations are less flexible than LLCs (regarding ownership rules, stock classes, and allowed business activities) and require strict compliance with eligibility rules.

Best Practices and Action Steps

- Work with legal and tax professionals to structure your S corporation and file IRS [Form 2553, Election by a Small Business Corporation](#) correctly and timely.
- Maintain careful records, review the eligibility checklist annually, and ensure timely Minnesota filings.
- Consider whether an LLC (with or without an S election) or a C corporation may better suit your ownership, management, or tax situation.

The S corporation is a valuable tool for many Minnesota businesses, but success depends on careful planning and ongoing compliance with both IRS and state rules.

PROFESSIONAL ENTITIES

Minnesota Professional Entities and the [Minnesota Professional Firms Act \(Minn. Stat. Chapter 319B\)](#)

Minnesota's [Professional Firms Act] creates a special legal framework that permits licensed professionals to organize their businesses in limited liability forms—corporations, LLCs, and LLPs—while balancing professional accountability and liability protection.

What makes the Act significant

Before this law, many licensed professionals (doctors, lawyers, architects, accountants, etc.) could only operate as sole proprietors or general partnerships. Those forms did not protect personal assets well and were often inconsistent with professional ethics rules.

The Act allows these professionals to form "professional firms" that provide limited liability protection for the business's obligations, but not for the individual professional's malpractice or misconduct.

Who Is Covered

Practitioners in professions like:

- Medicine, surgery, pharmacy, veterinary medicine
- Law and accountancy
- Dentistry, nursing, psychology, social work
- Architecture, engineering, interior design, and others can elect to form professional firms under this Act.

Forms of Organization

Professional firms may be organized as:

- For-profit or nonprofit corporations
- Limited liability companies (PLLCs)
- Limited liability partnerships (LLPs)

To operate as a professional firm, you first form the entity under the relevant Minnesota statute (e.g., Business Corporation Act, Revised Uniform LLC Act) and then opt into the Professional Firms Act by filing specific language with the Secretary of State.

Compliance and Governance

- The Act restricts ownership and management to licensed professionals in the relevant fields to prevent non-professionals from impacting professional judgment.
- Professionals whose licenses are suspended or revoked cannot continue governance roles.
- The professional firm must file initial and annual reports with licensing boards, listing owners and governance participants.
- Violations can result in losing professional firm status, impacting authorization to provide professional services.

Naming Requirements

Professional firms must include specific designations in their names, such as "Professional Corporation," "P.L.L.C.," or "L.L.P.," to signal their professional nature and regulatory status.

Important Considerations

- This Act does not shield individual professionals from personal liability for malpractice.

- It ensures compliance with professional ethics and licensing board regulations.
- Some professions require this election; others do not, so check your licensing board's rules.
- Electing to be a professional firm is voluntary but often essential to comply with professional standards.

Actionable Advice

- If you're a licensed professional forming a corporation, LLC, or LLP in Minnesota review the Professional Firms Act carefully.
- File the election language with the Secretary of State as part of your formation or by amendment.
- Maintain annual reporting and licensing compliance to retain professional firm status.
- Consult your professional board and legal counsel for detailed advice on entity choice and compliance.

NONPROFIT CORPORATIONS

Definition and Purpose

- A Minnesota nonprofit corporation, formed under Minn. Stat. Chapter 317A, must exist for a purpose that does not involve monetary gain to its members and does not pay dividends or other profits to member must a corporation s. Its activities should benefit the public or further a nonprofit mission, not private interests.
- By definition, business corporations cannot qualify as nonprofit corporations because their main goal is to generate profits for owners.

Formation Requirements

- Nonprofits are incorporated by filing [Minnesota Nonprofit Corporation Articles of Incorporation](#) with the Office of the Minnesota Secretary of State. Fee for filing.
- The board of directors must have at least three individuals; at least two officers, usually a president and a treasurer, are required (one person may serve both officer roles).
- Religious corporations, cooperatives, and certain cemetery corporations are handled under separate statutes and not subject to Minn. Stat. Chapter 317A.

Annual and Ongoing Requirements

- Minnesota nonprofits are required to file an annual [Minnesota Nonprofit Corporation | Annual Renewal](#) with the Office of the Minnesota Secretary of State. Fee for filing. Failure to do so results in statutory dissolution, though reinstatement is possible upon filing the required renewal.
- The registered office address may be updated at any time without a fee.

Tax Exemption

- Nonprofits are not automatically tax-exempt. For federal tax exemption (such as 501(c)(3) status), you must apply to the IRS and then confirm exemption with the Minnesota Department of Revenue.
- The IRS often requires specific language in your Articles of Incorporation—Minnesota’s generic forms may not be sufficient for IRS approval, so it’s important to review IRS Publication 557 and prepare your articles accordingly.
- Donors may receive a tax deduction for contributions only if the organization has been recognized as tax-exempt by the IRS.

Other Reporting and Compliance

- A nonprofit that solicits charitable donations in Minnesota or employs fundraising professionals must also register with the Charities Division of the Minnesota Attorney General’s Office and file annual reports.
- Nonprofits must file annual informational tax returns (IRS [Form 990, Return of Organization Exempt from Income Tax](#), [Form 990-EZ, Short Form Return of Organization Exempt from Income Tax](#), or [990-N, Electronic Notice \(e-Postcard\) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990-EZ](#)) regardless of revenue, or risk losing their tax-exempt status.
- If a nonprofit earns **unrelated business income (UBIT)**—that is, income from a trade or business not related to its exempt purposes—it must file IRS [Form 990-T, Exempt Organization Business Income Tax Return \(and proxy tax under section 6033\(e\)\)](#) and Minnesota [M4NP, Unrelated Business Income Tax \(UBIT\) Return](#) if more than \$1,000 in such income is generated in a year.

Best Practices and Technical Requirements

- Draft bylaws to outline how the organization will be governed (**not filed with the state**, but required for IRS recognition).
- Maintain at least one annual board meeting, minutes, and up-to-date records as required by state law and IRS rules.
- Review the IRS information: [Charities and Nonprofits; Before Applying for Tax Exempt Status; Publication 557, Tax-Exempt Status for Your Organization](#). IRS contact information for charities and nonprofit organizations is available at [Charities and nonprofits, About us](#).

Professional Advisors

Given the complexity of state and federal requirements for formation, reporting, and tax exemption, consult an attorney or qualified nonprofit advisor before finalizing articles, bylaws, or exemption applications.

COOPERATIVES

Common Cooperative Traits

- **User-owner control:** Each member gets one vote regardless of investment size, promoting democratic governance. This differs from proportional voting in some states.
- **Providing service at cost:** After covering reserves, any net margin is returned to members as patronage refunds based on their usage, not capital investment.
- **Limited return on equity:** Minnesota law permits but does not require dividends on capital stock; dividends paid depend on net income and may not accumulate.

Purpose and Types

- **Minn. Stat. Chapter 308A Cooperatives**
 - This is Minnesota's original cooperative statute, governing traditional cooperatives. Cooperatives would file [Minnesota Cooperative | Articles of Incorporation](#) and annually file [Minnesota Cooperative | Annual Renewal](#) with the Office of the Minnesota Secretary of State Office. Fees for filings.
 - It **prohibits equity investment by non-cooperative members**, meaning only users of the cooperative can hold ownership stakes.
 - Most agricultural cooperatives operate under this chapter to benefit from the federal **Capper-Volstead Act antitrust exemption**, which allows producers of agricultural products to collaborate legally in certain activities like collective marketing and pricing.
 - Cooperatives under Minn. Stat. Chapter 308A must meet strict **one-member-one-vote rules** and **dividend limits** to preserve this antitrust protection.
 - These cooperatives typically have a narrower scope for raising outside capital but enjoy important legal protections and have a long history in Minnesota.
- **Minn. Stat. Chapter 308B Cooperatives**
 - Enacted in 2003, this newer statute provides more **flexible equity and governance structures** to encourage formation of value-added processing cooperatives and other co-op types including housing and health care co-ops.
 - Cooperatives would file [Minnesota Cooperative | Articles of Incorporation](#) and annually file [Minnesota Cooperative | Annual Renewal](#) with the Office of the Minnesota Secretary of State Office. Fees for filings.
 - Minn. Stat. Chapter 308B allows **non-users to become investor-members**, who can hold up to 85 percent of the cooperative's profits and even own a large percentage of equity (up to almost 100 percent in theory).
 - This statute permits **bloc voting** where investor-members and patrons can have separate voting agreements.
 - However, Minn. Stat. Chapter 308B cooperatives generally **do not qualify** for the Capper-Volstead Act exemption and face more complexity related to tax and securities law.

- Conversion from a Minn. Stat. Chapter 308A to 308B cooperative can trigger a taxable event, so it requires careful tax planning.

Summary

- **Consider Minn. Stat. Chapter 308A** if you want to maintain traditional cooperative protections, especially in agriculture, with limitations on outside investment.
- **Consider Minn. Stat. Chapter 308B** if you need flexibility to attract outside investor capital and want broader governance options, but be aware of the trade-offs in antitrust protection and tax treatment.

FRANCHISES

A franchise is an agreement or contract between two or more persons by which the franchisor, for a fee, gives the franchisee the right to engage in the business of offering or distributing goods or services using the franchisor's trade name, trademark, service mark, logotype, advertising, or other commercial symbol. Both the franchisor and the franchisee must have a community of interest in the marketing of the goods or services.

Franchising is a method of distributing and marketing goods or services. It is not a separate form of business organization. The franchisor's business and the franchisee's business each will take one of the forms of organization previously discussed.

Franchises are regulated in Minnesota by the Minnesota Department of Commerce, and anyone contemplating the sale of a franchise should check with the department for registration and filing requirements and exemptions that may apply. Regulatory requirements applicable to franchises are discussed further in the section of this Guide on Franchise Registration.

FILING DOCUMENTS WITH THE OFFICE OF THE MINNESOTA SECRETARY OF STATE

Drafting and Preparing Documents

- Free standard forms for business entities (LLC, corporation, nonprofit, etc.) are available from the Secretary of State online at [Business Forms & Fees](#) or by mail. These meet basic legal requirements but may not fit every situation; legal counsel can help tailor documents to your needs and ensure you understand their legal impact.
- Documents must be legible. Since all filings become part of the state's permanent electronic record, unreadable documents will be rejected. Documents that are illegible are not accepted for filing.
- Copies and legible faxes are usually acceptable; original signatures are only required if legibility is at issue. Most filings can be made using scanned or photocopied signatures.

Fees and Payment

- Each filing must be accompanied by the correct fee. A current fee schedule appears at the end of this section.
- Payment is possible online or by mail; guidance on secure online payments is provided on the state's website. Information regarding online payments is available from the Office of the Secretary of State at [How to Make a Payment](#).

Online Filing and Processing

- Most filings may be completed online for immediate processing. Start by creating an online account with the Secretary of State and login. You can find more information about creating an online account at [How to Create an Account](#).
- Paper filings are reviewed upon receipt (or the next business day for drop-offs) but may be delayed by volume or complexity.

Common Reasons Documents Are Rejected

- Incomplete addresses (must include street, city/town, and ZIP code).
- Incorrect fee amount.
- Missing or improper signatures. All initial incorporators (corporation) or organizers (LLC) must sign the original; subsequent or amendment filings require an authorized person's signature, as defined in bylaws or organizational documents.

- Entity names that do not exactly match those on file, or proposed names that are not “distinguishable in the record” from names of existing Minnesota business entities, assumed names, or trademarks.
- For conflicts with an existing business name, a notarized written consent form from the other entity must be included.

Electronic Acknowledgements and Online Signatures

- The Office of the Secretary of State accepts filings and issues acknowledgments online. If filing electronically, any party authorized by law may sign as an agent for the required signer, as long as they indicate this capacity and are so authorized. The typed name on the form counts as a valid electronic signature.

OFFICE OF THE MINNESOTA SECRETARY OF STATE
BUSINESS FILING AND CERTIFICATION FEE SCHEDULE

The following fees are effective as of the date this Guide was printed. Questions may be directed to the Office of the Minnesota Secretary of State at the address and telephone number provided in the Resource Directory section of this Guide.

Business Services Filings Fees

Filing Type	By Mail	In-Person (Appointment required) / Online
Assumed Name		
<i>Minn. Stat. Chapter 333</i>		
Certificate of Assumed Name -Original Filing	\$30	\$50 / \$50
Amendment	\$30	\$50 / \$50
Annual Renewal	\$0	\$0 / \$0
Annual Reinstatement	\$65	\$85 / \$85*
Cancellation	\$0	\$0 / \$0
Change of Email Address for Official Notices	\$0	\$0 / Not available online
Conversion to 302A	\$35	\$55 / Not available online
Conversion to 322C	\$60	\$80 / Not available online
Statement of Dissociation	\$135	\$155 / Not available online

*An entity that has been inactive for over six years cannot be reinstated online.

Business Corporation (Domestic)

Minn. Stat. Chapter 302A

Articles of Incorporation -Original Filing	\$135	\$155 / \$155
Amendment	\$35	\$55 / \$55
Annual Public Benefit Report	\$35	\$55 / \$55
Annual Public Benefit Reinstatement	\$540	\$560 / \$560
Annual Renewal	\$0	\$0 / \$0
Annual Reinstatement	\$65	\$85 / \$85*
Certificate Designating Shares	\$35	Not available in person / \$55
Change of Registered Office Address and/or Registered Agent	\$35	\$55 / \$55
Change of Email Address for Official Notices	\$0	\$0 / Not available online
Conversion	\$0	\$0 / Not available online
Dissolution / Intent to Dissolve	\$35	\$55 / \$55
Merger	\$60	Not available in person / Not available online
Resignation of Agent	\$35	Not available in person / Not available online

*An entity that has been inactive for over six years cannot be reinstated online.

Business Services Filings Fees

Filing Type	By Mail	In-Person (Appointment required) / Online
Business Corporation (Foreign)		
<i>Minn. Stat. Chapter 303</i>		
Certificate of Authority - Original Filing	\$200	\$220 / \$220
Amendment	\$50	\$70 / \$70
Annual Renewal	\$115	\$135 / \$135
Annual Reinstatement	\$540	\$560 / \$560*
Change of Registered Office Address and/or Registered Agent	\$50	\$70 / \$70
Change of Email Address for Official Notices	\$0	\$0 / Not available online
Conversion	\$35	\$55 / Not available online
Dissolution	\$50	\$70 / \$70
Merger	\$50	Not available in person / Not available online
Resignation of Agent	\$50	Not available in person / Not available online
Withdrawal	\$50	\$70 / \$70
Cooperative (Domestic)		
<i>Minn. Stat. Chapter 308A</i>		
Articles of Incorporation - Original Filing	\$60	\$80 / \$80
Amendment	\$35	\$55 / \$55
Annual Renewal	\$0	\$0 / \$0
Annual Reinstatement	\$85	\$85 / Not available online
Change of Registered Office Address and/or Registered Agent	\$35	\$55 / \$55
Change of Email Address for Official Notices	\$0	\$0 / Not available online
Consolidation	\$60	Not available in person / Not available online
Conversion	\$35	\$55 / Not available online
Dissolution / Intent to Dissolve	\$35	\$55 / \$55
Merger	\$60	Not available in person / Not available online
Resignation of Agent	\$35	Not available in person / Not available online

*An entity that has been inactive for over six years cannot be reinstated online.

Business Services Filings Fees

Filing Type	By Mail	In-Person (Appointment required) / Online
Cooperative Association		
<i>Minn. Stat. Chapter 308B</i>		
Articles of Incorporation - Original Filing	\$60	\$80 / \$80
Amendment	\$35	\$55 / \$55
Annual Renewal	\$0	\$0 / \$0
Annual Reinstatement	\$65	\$85 / \$85*
Change of Registered Office Address and /or Registered Agent	\$35	\$55 / \$55
Change of Email Address for Official Notices	\$0	\$0 / Not available online
Consolidation	\$60	Not available in person / Not available online
Dissolution / Intent to Dissolve	\$35	\$55 / \$55
Merger	\$60	Not available in person / Not available online
Resignation of Agent	\$35	\$55*

*An entity that has been inactive for over six years cannot be reinstated online.

Cooperative (Foreign)

Minn. Stat. Chapter 303

Certificate of Authority -Original Filing	\$200	\$220 / \$220
Amendment	\$50	\$70 / \$70
Annual Renewal	\$115	\$135 / \$135
Annual Reinstatement	\$540	\$560 / \$560*
Change of Registered Office Address and /or Registered Agent	\$50	\$70 / \$70
Change of Email Address for Official Notices	\$0	\$0 / Not available online
Dissolution / Withdrawal	\$50	\$70 / \$70
Merger	\$50	Not available in person / Not available online
Resignation of Agent	\$50	Not available in person / Not available online

*An entity that has been inactive for over six years cannot be reinstated online.

Business Services Filings Fees

Filing Type	By Mail	In-Person (Appointment required) / Online
Limited Liability Company (Domestic)		
<i>Minn. Stat. Chapter 322C</i>		
Articles of Incorporation - Original Filing	\$135	\$155 / \$155
Amendment	\$35	\$55 / \$55
Annual Renewal	\$0	\$0 / \$0
Annual Reinstatement	\$65	\$85 / \$85*
Change of Registered Office Address and /or Registered Agent	\$35	\$55 / \$55
Change of Email Address for Official Notices	\$0	\$0 / Not available online
Conversion	\$60	\$80 / Not available online
Domestication	\$60	\$80 / Not available online
Merger	\$60	Not available in person / Not available online
Resignation of Agent	\$35	Not available in person / Not available online
Statement of Authority / Authority Amendment / Authority Cancellation	\$35	Not available in person / Not available online
Statement Denial	\$35	Not available in person / Not available online
Statement of Dissolution	\$35	\$55 / \$55
Statement of Termination	\$35	\$55 / \$55

*An entity that has been inactive for over six years cannot be reinstated online.

Limited Liability Company (Foreign) ***Minn. Stat. Chapter 322C***

Certificate of Authority -Original Filing	\$185	\$205 / \$205
Amendment	\$35	\$55/ \$55
Annual Renewal	\$0	\$0 / \$0
Annual Reinstatement	\$65	\$85 / \$85*
Change of Registered Office Address and /or Registered Agent	\$35	\$55 / \$55
Change of Email Address for Official Notices	\$0	\$0 / Not available online
Conversion	\$60	\$80 / Not available online
Domestication	\$60	\$80 / Not available online
Resignation of Agent	\$35	Not available in person / Not available online
Withdrawal	\$35	\$55 / \$55

*An entity that has been inactive for over six years cannot be reinstated online.

Business Services Filings Fees

Filing Type	By Mail	In-Person (Appointment required) / Online
Limited Liability Partnership (Domestic & Foreign)		
<i>Minn. Stat. Chapter 323A &</i>		
Statement of Qualification - Original Filing	\$135	\$155 / \$155
Annual Renewal	\$135	\$155 / \$155
Annual Reinstatement	\$200	\$220 / \$220*
Change of Email Address for Official Notices	\$0	\$0 / Not available online
Conversion	\$135	\$155 / Not available online
Resignation of Agent	\$135	Not available in person / Not available online
Statement of Amendment/Statement of Cancellation	\$135	\$155 / \$155
Statement Denial	\$35	Not available in person / Not available online
Statement of Dissociation	\$35	\$155 / Not available online
Statement of Dissolution	\$135	\$155 / \$155
Statement of Merger	\$135	Not available in person / Not available online
Statement of Partnership Authority	\$35	\$155 / Not available online

*An entity that has been inactive for over six years cannot be reinstated online.

Limited Partnership (Domestic)

Minn. Stat. Chapter 321

Certificate of Limited Partnership - Original Filing	\$100	\$120 / \$120
Amendment	\$50	\$70 / \$70
Annual Renewal	\$0	\$0 / \$0
Annual Reinstatement	\$65	\$85 / \$85*
Change of Email Address for Official Notices	\$0	\$0 / Not available online
Conversion	\$50	\$70 / Not available online
Merger	\$50	\$70 / Not available online
Resignation of Agent	\$50	Not available in person / Not available online
Statement of Dissociation	\$50	Not available in person / \$70
Statement of Dissolution	\$50	\$70 / Not available online
Statement of Terminataion	\$50	\$70 / \$70
Statement of Withdrawl	\$50	Not available in person / Not available online

*An entity that has been inactive for over six years cannot be reinstated online.

Business Services Filings Fees

Filing Type	By Mail	In-Person (Appointment required) / Online
Limited Partnership (Foreign)		
<i>Minn. Stat. Chapter 321</i>		
Certificate of Authority - Original Filing	\$100	\$120 / \$120
Amendment	\$50	\$70 / \$70
Annual Renewal	\$0	\$0 / \$0
Annual Reinstatement	\$65	\$85 / \$85*
Change of Email Address for Official Notices	\$0	\$0 / Not available online
Cancellation	\$50	\$70 / \$70
Domestication	\$50	\$70 / \$70
Merger	\$50	Not available in person / Not available online
Resignation of Agent	\$135	Not available in person / Not available online

*An entity that has been inactive for over six years cannot be reinstated online.

Nonprofit Corporation (Domestic)

Minn. Stat. Chapter 317A

Articles of Incorporation - Original Filing	\$70	\$90 / \$90
Amendment	\$35	\$55 / \$55
Annual Renewal	\$0	\$0 / \$0
Annual Reinstatement	\$40	\$60 / \$60*
Change of Registered Office Address only	\$0	\$0 / \$0
Change of Registered Office Address and/or Registered Agent	\$35	\$55 / \$55
Change of Email Address for Official Notices	\$0	\$0 / Not available online
Consolidation	\$60	Not available in person / Not available online
Dissolution	\$35	\$55 / \$55
Intent to Dissolve	\$35	\$55 / \$55
Merger	\$35	Not available in person / Not available online
Resignation of Agent	\$35	Not available in person / Not available online

*An entity that has been inactive for over six years cannot be reinstated online.

Business Services Filings Fees

Filing Type	By Mail	In-Person (Appointment required) / Online
Nonprofit Corporation (Foreign)		
<i>Minn. Stat. Chapter 317A</i>		
Certificate of Authority - Original Filing	\$50	\$70 / \$70
Amendment	\$50	\$70 / \$70
Annual Renewal - Foreign Nonprofit Corporations are not required to file an annual renewal.		
Change of Registered Office Address and/or Registered Agent	\$50	\$70 / \$70
Change of Email Address for Official Notices	\$0	\$0 / Not available online
Dissolution	\$50	\$70 / \$55
Intent to Dissolve	\$35	\$55 / \$55
Merger	\$35	Not available in person / Not available online
Resignation of Agent	\$35	Not available in person / Not available online
Withdrawal	\$50	\$70 / \$70
Name Reservation		
Name Reservation - Original Filing	\$35	\$55 / \$55
Cancellation	\$0	\$0 / \$0
Renewal	\$35	\$55 / \$55
Trademarks		
<i>Minn. Stat. Chapter 333</i>		
Certificate of Registration -Original Filing	\$50	Not available in person / \$70
Assignment	\$15	Not available in person / \$35
Cancellation	\$0	Not available in person / \$0
Renewal*	\$25	Not available in person / \$45
*Trademark Renewals can only be filed during the 6 months preceding the expiration date. Filing this renewal renews the registration for 10 years.		
Legal Newspapers		
Legal Newspaper Registration -Original Filing	\$25	Not available in person / Not available online
Legal Newspaper Renewal	\$25	Not available in person / Not available online

Business Services Filings Fees

Filing Type	By Mail	In-Person (Appointment required) / Online
Miscellaneous Business Filings		
Articles of Correction	\$35	Not available in person / Not available online
Consent to Use of Name Note: A consent filing needs to be submitted along with the original filing or amendment you wish to record.	\$35	\$55/ Not available online
Pre-Clearance Filing	\$250	Not available in person / Not available online

REGULATORY CONSIDERATIONS

SECURITIES REGISTRATION

Minnesota law broadly defines a security as any interest or obligation issued by a business entity, including stock, partnership interests, bonds, and other financial instruments. The label given to ownership interests doesn't determine their legal status as securities.

Registration and Compliance

- **Federal and State Registration:** Generally, securities must be registered with the U.S. Securities and Exchange Commission (SEC) and/or the Minnesota Department of Commerce before being offered or sold, unless an exemption applies.
- **State Filing Requirements:**
 - Minnesota requires registration or exemption documentation for securities offered or sold within the state.
 - Applications must meet detailed disclosure and merit review standards.
 - Registration fees apply: \$100 plus 0.1 percent (one-tenth of one percent) of the offering amount, capped at \$300 in total, plus \$25 for amendments.

Legal Effects:

- Violations of securities laws can lead to civil and criminal penalties on federal and state levels.
- Applicable anti-fraud provisions apply, even if a security or transaction is exempt from registration.

Exemptions:

Registered Offerings Under 2015 Regulation A Plus

The JOBS Act of 2012 significantly expanded the scope of Regulation A offerings, raising the ceiling from \$5 million to \$50 million. In 2015, the SEC adopted "Regulation A Plus," dividing offerings into two tiers to ease compliance and promote capital formation:

- **Tier 1:** Up to \$20 million in offerings within a 12-month period.
- **Tier 2:** Up to \$75 million in offerings within a 12-month period.

State Regulation Preemption:

- Tier 2 offerings are exempt from state registration requirements, preempting state laws, although Minnesota requires issuers using Tier 2 to file a notice including copies of their SEC filings and consent to service of process at least 21 days before sales begin. This notice is effective for one year and can be renewed [Minn. Stat. § 80A.50].

Important Elements of Regulation A Plus

- **Investor Eligibility:** No limit on the number of investors for both tiers, including accredited and non-accredited investors.
- **Investment Limits:**
 - **Tier 1:** No limit on individual investor contributions.
 - **Tier 2:** Investment limited to the greater of 10 percent of the investor's net worth or net income.
- **Self-Certification:** Investors may self-certify income/net worth with no documentation required.
- **"Testing the Waters":** Issuers may solicit non-binding indications of interest before filing for Tier 1 offerings.
- **SEC Approval:** Issuers must file disclosures and financial statements for SEC review before sales. Tier 1 requires reviewed financials; Tier 2 requires audited financials.
- **Ongoing Disclosure:**
 - **Tier 1:** No ongoing reporting required post-offering.
 - **Tier 2:** Annual, semi-annual, and current reports similar to but less burdensome than traditional public reporting.
- **Transferability:** Securities issued under Reg A Plus are unrestricted and transferable, assuming a secondary market exists.

Federal Private Placement Exemptions – Regulation D

Regulation D allows private securities offerings without full public registration under three principal exemptions:

- **Rule 504:** Up to \$10 million; allows sales without purchaser suitability tests and unlimited purchasers but prohibits general solicitation and advertising.
- **Rule 506(b):** Unlimited amount of capital; sales allowed to unlimited accredited investors and up to 35 sophisticated non-accredited investors; prohibits general solicitation.
- **Rule 506(c) (2012 JOBS Act):** Allows general solicitation and advertising if all purchasers are verified accredited investors.

Accredited Investor Definition

An individual qualifies as an accredited investor if their net worth exceeds \$1 million (excluding primary residence) or have an income surpassing \$200,000 (individual) or \$300,000 (joint) in the last two years with the expectation of similar income in the current year. Recent SEC rules add individuals holding certain securities licenses (Series 7, 65, 82) as accredited investors.

Other Exemptions and Regulatory Notes

- **Intrastate Exemption (Rule 147 and 147A):**
Offerings confined to Minnesota residents and businesses incorporated/organized in Minnesota may qualify. Requires restrictions on resale and precautions against interstate sales.
- **Federal Equity Crowdfunding Exemption:**
Allows companies to raise up to \$5 million annually from many small investors via SEC-registered brokers or funding portals, imposing investment limits on non-accredited investors and requiring disclosure about the business and risks.

Practical Implications for Minnesota Issuers

- Minnesota requires regulatory notice filings for Regulation A Tier 2 offerings, with required documentation mirroring SEC filings.
- Minnesota securities laws impose filing fees and merit-based review for securities registrations not federally covered.
- Business owners considering any securities offering should seek skilled counsel to navigate federal and state requirements, exemptions, and compliance to avoid civil and criminal penalties.

MINNESOTA BLUE SKY LAWS

A company selling securities to residents of the state of Minnesota must comply with federal and state securities laws. State securities laws are collectively and individually referred to as “Blue Sky Laws.” These Blue Sky Laws vary among the states, sometimes to a significant degree. It is important to note that the Minnesota Legislature recently enacted a version of the Uniform Securities Act, which provides for substantial revisions to the current version of the Minnesota Securities Act. The Minnesota Uniform Securities Act (“MUSA”) became effective in August 2007. This section highlights the most frequently used exemptions from the securities laws of the state of Minnesota and summarizes certain changes that will result from the enactment of MUSA, where applicable.

The securities laws of Minnesota require registration with the Minnesota Department of Commerce of all offers and sales of securities made to residents of Minnesota unless a particular exemption is available. If registration is required, it should be noted that, prior to the passage of MUSA, Minnesota was a “merit” review state, Minnesota is now a “disclosure” only state. Generally, this means that as long as the issuer satisfies the information disclosure requirements under MUSA, the Minnesota Department of Commerce cannot prohibit the issuer from selling its securities within the state.

Minnesota Equity Crowdfunding Legislation

In 2015 Minnesota enacted its own equity crowdfunding legislation, [MNvest](#), which provides an exemption from registration for offering of equity securities via an online portal which can be a broker dealer, the issuer itself, or another entity approved for that purpose by the Minnesota Department of Commerce. Some important elements of the law are:

- The offering must meet the requirement for the federal exemption for intrastate offerings.
- The sale of the securities must be conducted *exclusively* through an online MNvest portal (emphasis added).
- The issuer can raise no more than \$2 million in a twelve month period if it has audited or reviewed financial statements, and no more than \$1 million if it does not have audited or reviewed financials.
- At least 80 percent of the proceeds of the offering must be used in connection with operation of the issuer's business within Minnesota.
- No single purchaser may purchase more than \$10,000 in securities in connection with the MNvest offering unless the investor is an accredited investor.
- All funds for purchase must be held in escrow until the minimum amount stated in the offering is reached. The escrow agent must be a bank, trust company, savings bank, savings association or credit union authorized to do business in Minnesota. Portal operators are explicitly prohibited from serving as escrow agents.
- The MNvest issuer and the portal operator may engage in solicitation and advertising of the offering provided the advertisement is clear that it is not the offering and is for informational purposes only and that the offering and sale are made through a portal to Minnesota residents only. The advertisement may contain other information like anticipated uses of funds to be raised and a link to the issuer's website.
- The portal must conspicuously display a statement whose exact wording is contained in the statute and which makes clear that no agency of government has made any determination of the merits and risks of the investment. The portal must obtain a written or electronic certification from a potential investor that the investor is a Minnesota resident who understands and can bear the risk of loss in the securities and also understands that there is at time offering no market for the secondary sale of the securities.

The legislation also contains procedures for application to become a portal, details on portal operator's responsibility to keep purchaser information private, and a "bad actor" disqualification which disqualifies from a MNvest offering any issuer having any director or executive officer who has been subject to listed disqualifying events.

Amendments in 2017 to the crowdfunding statute enabled issuers to avoid the problem of integration of offering amounts where a company makes more than one offering in a given period of time and the amounts of the offerings are summed together providing the possibility of exceeding the statutory limit on offering amounts.

The amendments effectively follow the new integration exemptions for federal crowdfunding offerings found in U.S. Securities and Exchange Commission Rule 147. Offers or sales made in reliance on the MNvest crowdfunding statute will not be integrated with:

1. Offers or sales of securities made prior to commencement of a MNvest offering or
2. Offers or sales of securities made after completion of a MNvest offering that are:
 - A. Registered offerings under the Securities Act of 1933; or
 - B. Exempt from registration under SEC Regulation A;
 - C. Exempt from registration under SEC Rule 701 (dealing with equity offered to employees as compensation);
 - D. Made pursuant to an employee benefit plan;
 - E. Exempt from registration under SEC Regulation S (dealing with equity offerings outside the United States);
 - F. Exempt from registration under the federal crowdfunding securities exemption;
 - G. Made more than six months after completion of a MNvest offering.

The amendment notes also that “for purposes of clarity” the new section does not permit a MNvest issuer to conduct simultaneous securities offerings.

Isolated Sales

Sales by a nonissuer of securities to no more than ten purchasers in Minnesota during any period of twelve consecutive months are exempt from registration as are nonissuer transactions by or through a broker dealer where the security has been in the hands of the public for at least 90 days. The exemption covers sales or offers to sell to an institutional investor; an accredited investor; a federal covered investment advisor, or any other person exempted by rule promulgated by the Commissioner of the Minnesota Department of Commerce.

Limited Offerings

Sales by a company to no more than 35 persons in Minnesota during any consecutive twelve month period are exempt from registration if the following conditions are met:

- the company reasonably believes that all the buyers in Minnesota (other than institutional investors) are purchasing for investment;
- no commission or remuneration is paid or given directly or indirectly to a person other than a broker-dealer or a registered agent for soliciting a prospective purchaser in Minnesota;
- no general solicitation or general advertising is made in connection with the sale or offer to sell the security; and
- notice has been filed with the Minnesota Department of Commerce at least ten days in advance of any sale or such a shorter period as permitted by the Department. However, an issuer who makes sales to ten or fewer purchasers in Minnesota during any twelve consecutive months is not required to provide this.

SCOR (SMALL CORPORATE OFFERING REGISTRATION)

The Evolving Role of SCOR in Minnesota’s Small Business Capital Raising

The Small Corporate Offering Registration (SCOR) program was historically created as a cost-effective, streamlined option specifically for smaller companies in Minnesota looking to raise capital—up to \$10 million within a 12-month period. SCOR’s hallmark is its simplified disclosure process, centered on Form U7, which asks targeted questions about the company, risks, securities offered, and financials, without the burdensome complexities of traditional public offerings.

However, in today’s rapidly evolving capital markets, SCOR is rarely utilized. This is largely due to the emergence and increasing popularity of Regulation A+ (Reg A) and equity crowdfunding exemptions, both federally supported with state coordination, making them more suitable for companies seeking broader investor access and higher fundraising thresholds. Reg A+ allows offerings up to \$75 million (with Tier 2 offerings providing federal preemption) and permits both accredited and non-accredited investors participation, often via online platforms, which simplifies capital formation and investor engagement.

Minnesota’s MNvest crowdfunding exemption further democratizes capital accessibility by facilitating small-dollar investments through approved online portals with specific safeguards. These newer exemptions combine modern technology, federal-state regulatory alignment, and investor protection mechanisms that SCOR does not accommodate as flexibly.

Nevertheless, SCOR remains a valid and available registration path in Minnesota, particularly attractive for issuers preferring a purely state-registered offering with potentially lower ongoing compliance demands compared to federal regimes. Given SCOR’s relative rarity and evolving landscape, businesses contemplating securities offerings should carefully weigh options with qualified legal and financial counsel to determine the best regulatory fit for their capital raising goals.

SECURITIES OFFERING CHECKLIST FOR MINNESOTA ENTREPRENEURS

Steps to Follow

Decide if you are offering a security (stock, LLC membership, bond, note, etc.).

- Talk to a securities attorney before offering ownership interests.
- Check if your offering must be registered with the SEC or MN Department of Commerce.
- Review possible exemptions:
 - o Regulation A+ (up to \$20M Tier 1, \$75M Tier 2; MN notice required for Tier 2).
 - o Regulation D (private fundraising – Rules 504, 506(b), 506(c)
 - o Intrastate Exemption (MN-only investors).
 - o Federal Crowdfunding (up to \$5M through SEC portals).
 - o Minnesota MNvest Crowdfunding (up to \$2M/\$1M, MN portals only).
 - o Isolated or Limited Sales exemption.

- If using an exemption, file any required notices with SEC or Commerce.
- Prepare required disclosures (financials, offering documents, risk factors).
- Never advertise or solicit unless your exemption specifically allows it.
- Keep records of all investors, filings, and disclosures.
- Stay aware of ongoing reporting requirements (for example, Reg A+ Tier 2)

FRANCHISE REGISTRATION IN MINNESOTA

Definition of Franchising

Franchising broadly describes a business relationship in which a franchisor, for a fee, grants a franchisee the right to sell or distribute goods or services using the franchisor's trademarks, branding, and marketing systems. This method applies to businesses across retail, services, real estate, finance, and other sectors. Under the Minnesota Franchise Act (Minn. Stat. Chapter 80C) and rules of the Minnesota Department of Commerce (Minn. Rules 2860) a "franchise" also includes business opportunities with obligations such as location assistance or profit guarantees.

Registration and Regulation

- **Minnesota is a franchise registration state.** Before offering or selling a franchise in Minnesota, franchisors must register their Franchise Disclosure Document (FDD) with the Minnesota Department of Commerce, unless a listed exemption applies.
- Registration must be approved and effective before offers or sales begin. The FDD provides detailed disclosures to prospective franchisees, including audited financial statements and all proposed contracts.
- Minnesota follows the Uniform Franchise Offering Circular (UFOC) guidelines established by the North American Securities Administrators Association (NASAA), now generally aligned with the federal Franchise Disclosure Document format.

Minnesota Department of Commerce Enforcement

- The Department investigates complaints and enforces compliance with franchise laws, including registration, disclosure, recordkeeping, and prohibited practices.
- Enforcement actions and public records of disciplinary measures are published on the Department's website.

Federal Trade Commission (FTC) Federal Regulatory Framework

- The FTC regulates franchise sales nationwide. The federal Franchise Rule requires franchisors to provide an FDD to prospective franchisees at least 14 days before any agreement is signed.
- The FTC issues guidance and takes enforcement action regarding improper business opportunity sales, advertising, and telemarketing.

Exemptions

- Minnesota law enumerates specific scenarios exempt from franchise registration (Minn. Stat. § 80C.03):
- Sales by franchise owners (not the franchisor).
- Transfers by certain legal representatives (executor, administrator, sheriff, trustee, conservator).
- Sales to banks or insurance companies.
- Franchises involving securities registered under state or federal law.
- Single, isolated franchise sales under certain conditions.
- Sales to experienced franchisees deriving at least 80% of revenue from other sources.
- Out-of-state sales to non-Minnesota residents.
- Other exemptions by order of the Commissioner.
- Legal consultation is strongly advised before relying on any exemption.

Fees

- **Initial franchise registration:** \$400
- **Annual renewal (no material change):** \$200
- **Annual renewal (with material amendment to the FDD):** \$300 (most renewals involve amendments)
- **Amendment fee:** \$100
- **Interpretive opinion fee:** \$50

These fees are payable to the Minnesota Department of Commerce. As of 2021, registration and renewals must be filed online via the [ComOnline portal](#).

Filing Timeline

- **ComOnline:** ComOnline is the Minnesota Department of Commerce's electronic franchise filing system. With ComOnline users can search Franchisor information, view the status of a franchise's registration, register a new franchise or renew the registration of an existing franchise.
- Allow at least three to four weeks for application review.
- All contracts, seller forms, accountancy consents, and fee payments must accompany the application.

Other State Laws and Interpretive Opinions

Laws vary significantly by state, so franchisors selling outside Minnesota should seek state-specific guidance. Minnesota also allows franchisors to request formal opinions on coverage, registration, or exemption for a fee.

Resources

- **Minnesota Department of Commerce - [Register a Franchise](#)**
- **FTC Resources:**

Along with its enforcement activities, the FTC issues a number of articles and publications designed to educate potential buyers and sellers of franchises and business opportunities. Examples are: [A Consumer's Guide to Buying a Franchise](#), explains how to shop for a franchise opportunity, the obligations of a franchise owner, and questions to ask before investing; [Advertising FAQ's: A Guide for Small Business](#), an A-Z primer focusing on the federal truth-in advertising standards; [Selling a Work-at-Home or Other Business Opportunity? Revised Rule May Apply to You](#), and [Complying with the Telemarketing Sales Rule Articles](#) and publications are available at FTC [Business Guidance](#). Also available on the FTC website is information regarding Case Highlights; Compliance Documents; Laws, Rules, Reports, and Guides.

Questions and Further Information

Questions concerning franchise registration should be directed to the Minnesota Department of Commerce at the address and telephone number provided in the Resource Directory section of this Guide.

Refer to the [Minnesota Franchise Act](#) and [Minn. Rules 2860](#). The North American Securities Administrators Association, Inc. (NASSA) UFOC Guidelines (including forms) can be downloaded from a link on the Minnesota Department of Commerce at [Franchises](#).

EVALUATING A BUSINESS OPPORTUNITY

General Considerations

When buying an existing business, investing in a franchise, or beginning a new business, the entrepreneur should thoroughly evaluate the business opportunity he or she is considering. This step is very important but often overlooked; many times, a person's hopes for a business cloud his or her judgment. It is not uncommon for an entrepreneur to invest a substantial sum in a business without analyzing whether the business opportunity is a viable one. In addition, it is not uncommon for an unscrupulous business promoter to take advantage of such an entrepreneur.

Although there are no foolproof steps to take in evaluating a business, this section of this Guide will offer guidance on the types of questions to ask, and sources of information to review, before investing in a new business (whether or not it is a franchise) or buying an existing business. Assuming that after evaluating the opportunity the entrepreneur still wants to proceed, the sections of this Guide on Accounting for the New Business – Income Forecasting Techniques, and on Business Plans, should be consulted.

It is worth emphasizing here that an entrepreneur's analysis and evaluation should occur before he or she makes any kind of commitment (even oral), whether contractual or financial, to the business, or makes any payment, of any size, in connection with the business. In any event, a potential entrepreneur should carefully avoid obligating himself or herself to participating in any business opportunity, in any way, without first evaluating that opportunity.

Sources of Information

One source of information is the [Minnesota Attorney General](#), at 651-296-3353, and the [Better Business Bureau \(BBB of Minnesota and North Dakota\)](#), at 651-699-1111, to determine if any complaints have been filed in connection with that business. Also, the National Consumer League's (NCL) Fraud Center is a private, nonprofit organization that operates a consumer hotline to provide service and assistance in filing complaints against unscrupulous business operators. The NCL helps the FTC and state Attorneys General by entering complaints into a computerized database to help track and identify operators of business frauds. Contact the Fraud Center online at [Fraud.org](#). These are prudent, but not foolproof, steps in evaluating any business opportunity.

Note that the [FTC](#) is another potential source of information about the offeror. The FTC's website contains a summary of each of the FTC's legal actions against offerors of franchises and business opportunities, along with information on specific types of fraudulent business opportunities that the FTC has become familiar with. Another section contains a section of information called [Franchises, Business Opportunities, and Investments](#), which provides resources to help people spot business opportunity and investment scams and includes the FTC's [Franchise Rule Compliance Guide](#), 16 C.F.R. section 436 (the FTC Franchise Rule). As discussed in more detail in the Franchise Registration section of this Guide, the Minnesota Department of Commerce also will have copies of the registration statement made by the offeror of any franchise or business opportunity that is a franchise within the meaning of the Minnesota Franchise Act, Minn. Stat. Chapter 80C.

Specific Information to Seek from the Offeror

If the franchise or business opportunity is a franchise under the Minnesota Franchise Act, the offeror is required to make certain filings, including the Uniform Franchise Offering Circular (UFOC) with the Minnesota Department of Commerce, before offering that franchise or business opportunity to anyone. See the section of this Guide on Franchise Registrations. Note that although the UFOC will contain certain detailed information on the business opportunity or franchise, including audited financial statements, it is not the job of the Minnesota Department of Commerce, or any other government agency, to assess the merits, completeness, or even accuracy of any of the information contained in a UFOC. That work is for the entrepreneur.

Similarly, if a franchise or business opportunity does not meet the definition of a "franchise" for Minnesota state law purposes, it nevertheless may be subject to the FTC Rule. Similar to the Minnesota regulation of franchises and business opportunities, the offeror of a business venture covered by the FTC Rule must provide certain information to the prospective offeree. Also, and again similar to the Minnesota system of regulation, it is not the job of the FTC to assess the merits, completeness, or even accuracy of the information mandated by the FTC Rule.

Even for ventures not regulated by the Minnesota Department of Commerce or the FTC, the FTC in its [A Consumer's Guide to Buying a Franchise](#) brochure recommends that an entrepreneur seek the following information before investing or committing to a franchise or business opportunity:

- Talk to any persons named as owners or investors in the opportunity. Don't rely on persons listed as "references", unless it is clear that they are truly owners or investors.
- Carefully and thoroughly investigate any claims made about potential earnings. Seek written information on this topic, not just oral statements, and seek the most detailed information available (i.e., do not rely on broad claims such as "we are a ten billion dollar industry").

Independently analyze, if possible, the written basis for those claims. For example, the entrepreneur could hire his or her own CPA to independently audit that information.

- Seek similar information from the business competitors of the offeror. For instance, seek the UFOCs from other offerors of similar franchises or business opportunities.
- Be aware of high pressure sales tactics, and consider why they are being used; if the offeror does not have any other way to sell the franchise or business opportunity, do you really want it? Be wary of any oral statement that differs from any statement made in writing. Also be wary of any presentation that promises “easy money”. Successful entrepreneurs almost always agree that there is no “easy money”, and that owning one’s own business, while rewarding, takes a great deal of time and energy.

Using Professional Advisors

Before beginning any evaluation of a business opportunity, the entrepreneur should decide whether to perform that evaluation himself or herself, or engage an accountant or attorney to assist him or her. Professional advisors, such as attorneys and accountants, can greatly enhance an entrepreneur’s review of a potential business. This is true for at least two reasons:

- **First**, those professionals will have no emotional attachment or stake in that review process; their objectivity may serve as an important counterbalance to an entrepreneur’s enthusiasm.
- **Second**, those professionals should be able to provide thorough review of financial or intellectual property information provided, and should be knowledgeable of any potential obstacles to the success of the business (such as the need for licenses or permits). For instance, it is important that someone thoroughly evaluate financial information supplied by a seller or offeror, or pro forma information prepared by the entrepreneur, and in many cases a professional is best suited to that task.

BUSINESS LICENSES AND PERMITS

In General

The startup, operation or expansion of a business in Minnesota may involve securing one or more business, occupational or environmental licenses or permits. Those licenses and permits fall into a number of categorical groupings according to purpose:

- Licenses and permits to ensure the competency of practitioners of a business, trade or profession.
- Licenses and permits to ensure the safety and efficacy of a product or process.
- Licenses and permits to prevent fraud or ensure the financial solvency of parties to a business transaction.
- Licenses and permits to control access to markets or to encourage or restrict competition in a specific industry.
- Licenses and permits to regulate activities in pursuit of broad social goals like clean air, clean water.

- Licenses and permits to ensure the appropriate and responsible use of natural resources.
- Licenses and permits to control the development and implementation of new technology.
- Licenses and permits to authorize a business to serve as the state's agent for collection of revenue.

Minnesota does **not** require or issue a "**general**" business license; instead, licensing is handled by sector (e.g., health care, trades, food service, transportation) and/or municipality.

The Bureau of Business Licenses provides information about federal, state and local licenses and assistance in securing them. The Bureau also publishes, free of charge, the State of Minnesota Directory of Licenses and Permits which contains a complete list of regulated activities, licenses and permits, and the appropriate state agency contact. It is reprinted at the end of this Guide.

[Minnesota ELicensing](#) is the State of Minnesota's online portal for licenses and permits. Through this site, users can access information on more than 940 licenses, permits, and registrations administered by various state agencies and boards.

The Minnesota ELicensing portal provides details on the authorizations required to do business, practice a trade or profession, or engage in recreational activities in Minnesota. It also includes information on licenses related to equipment, vehicles, and operating privileges.

The site allows you to easily search for licensing information by activity, administering agency, license name, or keyword.

Note that Minn. Stat. § 645.44, subd. 19 makes explicit that monies paid to a government entity for a business or individual to engage in trade, profession, or business or to improve private property are a tax not a fee.

Local Licensure

In addition to the licensing requirements imposed by the state, some local governments also require certain kinds of business activity to be licensed on the local level. In some cases this local licensure may take the form of a general business license involving no more than registration and payment of a fee. In other cases it may involve compliance with local ordinances specific to a particular type of business. For example, current state law imposes no license requirements on commercial building contractors. Many municipalities, however, require registration and bonding of these contractors before the municipalities will issue necessary building permits or conduct necessary inspections.

Larger cities like Minneapolis and St. Paul have licensing departments. Smaller municipalities usually rely on the city clerk to direct licensing activities. A call to either of these early in your business planning will help avoid confusion and delay later. In addition, the city clerk can in most cases give you information on local zoning requirements. Refer to the County and City Licensing Contact information in the Resource Directory of this Guide.

Local Zoning

Zoning is the process by which a local community enacts ordinances to regulate and control the uses of privately owned land and structures within the community. In practice this process involves the creation of districts or zones within the community and restriction on the use of land, and the use, height and area of buildings within these districts. Zoning serves to promote and conserve the health, safety, convenience and general welfare of the community.

The local zoning board or planning commission should be contacted early in your business planning to determine the regulations regarding any space in which you plan to operate your business. This is true especially if you plan to operate your business out of your home.

The zoning ordinances of each local community detail the procedure for establishment of zones and the procedures for petition for variances.

Note that the Legislature enacted modifications to certain statutes that, speaking generally, prohibit counties and municipalities from using “amortization” to eliminate or terminate a particular use of land. In this context, the term “amortization” occurs when a local government asserts that a once-lawful use of land is no longer allowed, so that the unit of government can take or condemn that land under the theory that it has no value.

Bonding

A bond is a contract, similar to an insurance policy, between a bonding company (called a “surety”) and the business that purchases the bond. The bond runs in favor of a third person to protect that person against financial loss caused by the act or default of the business. Surety bonds guarantee the performance of various types of obligations assumed by contract or imposed by law. Fidelity bonds guarantee against loss (e.g. theft of money or property) due to the dishonesty of employees.

Performance Bonds

Performance bonds provide financial guarantees that contracts and other business deals will be completed according to mutual terms. When a principal breaks a bond’s terms, the harmed party can make a claim on the bond to recover losses.

Each performance bond that’s issued operates among the “obligee”, the “principal”, and the “surety”.

- The obligee (the entity for whom the work is being performed) requires the principal (the entity performing the work) to purchase a bond to avoid potential financial loss to the obligee.
- The principal purchases the bond to guarantee the performance and quality of work to be done.
- The surety issues the bond and financially guarantees the principal’s capacity to perform a specific task.

Before contacting a surety provider, professionals should check all federal, state and local regulations regarding performance bonds in their respective industries. Regulations regarding a specific performance bond in one state will vary from those that apply to a performance bond in another.

Businesses that contract to provide goods or services to the state or other public agencies within the state generally have performance bonds. These bonding requirements are established by statute. Note that some public and private contracts can require the “fidelity bonding” of individual employees of the principal to protect against loss caused by employee dishonesty.

Bonds are obtained through insurance agents or through a bonding company. The cost of a bond is a portion of the face amount of the bond and will depend in part on the risk to the bonding company in covering the potential loss.

See the information regarding the Minnesota Federal Bonding Service in the Sources of Information, State Programs section of this Guide.

ENVIRONMENTAL PROTECTION PROGRAMS

Minnesota law provides each person the right and responsibility to protect, preserve, and enhance the state’s natural resources—including air, water, and land. To fulfill this mandate, environmental regulation in Minnesota is handled by a range of state agencies, most notably:

- **Minnesota Pollution Control Agency (MPCA):** Principal regulator of air, water, hazardous/solid waste, and pollution control permits.
- **Environmental Quality Board (EQB):** Oversees environmental review, coordinates multi-agency policy, and drives statewide planning.
- **Department of Natural Resources (DNR), Department of Health (MDH), Department of Agriculture (MDA),** and others: Regulate specific resources and health impacts.
- See the Directory of Licenses and Permits for activity-based agency contacts.

Environmental Review and Permitting

Certain development projects—including new construction, expansions, and major public works—may trigger detailed environmental reviews. The goal is to identify and mitigate environmental impacts before permits are issued or work begins.

- **Responsible Governmental Unit:** Legally defined authority (e.g., MPCA, EQB, city, county) manages the review process.
- **Types of Review:**
 - **Environmental Assessment Worksheet (EAW):** Preliminary questionnaire evaluates potential for significant environmental effects.
 - **Environmental Impact Statement (EIS):** Full-scale review and analysis, required for larger or more complex projects.
- Mandatory review thresholds and procedures are set by rule and administered by the EQB.
- No permits or approvals may be issued until the review process is complete.

Minnesota Pollution Control Agency (MPCA) Permitting and Enforcement

The MPCA issues permits and licenses (air, feedlots, solid waste, water, wastewater, hazardous waste, storage tanks, stormwater, etc.) with requirements calibrated to the project's size and risk. Most major permits require a 30-day public notice, with possible public hearings. If there's significant pollution risk unaddressable by conditions, MPCA may deny a permit.

Non-compliance can result in administrative, civil, or criminal penalties, and possible permit revocation. Businesses should maintain qualified staff and robust procedures to ensure compliance.

Key Regulated Areas

- **Air Emissions:** Required for facilities using high volumes of VOC (volatile organic compounds), processing certain materials, or operating combustion equipment. Small businesses may qualify for simplified registration permits; very small or exempt activities need no permit.
- **Solid Waste:** Any industrial facility, municipality, or private entity must obtain a solid waste management facility permit or permit modification to:
 - treat, store, process, transfer, or dispose of solid waste
 - establish, construct, or operate a solid waste management facility
 - change, add, or expand a permitted solid waste management facility

Metropolitan counties may have additional local requirements.

- **Hazardous Waste:** Any business generating hazardous waste must determine if the kind of waste created is subject to fee, reporting, and licensing requirements. The amount of hazardous waste generated will dictate the waste generator status for the year as a minimal-, very small-, small-, or large-quantity generator, or a one-time generator. Licensing requirements are based on these categories.
- **Storage Tanks:** MPCA regulates both underground and aboveground commercial storage tanks above a certain size that hold petroleum or hazardous liquids. Tanks must be built and installed to meet a set of technical standards and comply with state rules and permits.
- **Water (Wastewater/Stormwater):** Discharge and waste management must meet requirements of MPCA and, in metro areas, the Met Council Environmental Services. Industrial stormwater permits are required for many manufacturing, warehousing, and marina operations.
- **Waste and recycling:** MPCA sets regulations for haulers, landfills, composting facilities, transfer stations, and disposal facilities.
- **Feedlots:** MPCA rules govern the collection, transportation, storage, processing, and land application of animal manure and other livestock operation wastes. The rules apply to most aspects of livestock management including the location, design, construction, operation, and management of feedlots and manure handling facilities.
- **Septic Systems:** MPCA rules govern how septic systems are designed, installed, and managed. Rules are implemented and enforced through local ordinances by counties, cities, and townships.

- **Mining Permit:** All mining projects in Minnesota must obtain various air and water permits or certifications from the MPCA (in addition to several other permits from the Minnesota Department of Natural Resources) in order to operate.

Permittee and Environmental Assistance

Small Business Environmental Assistance Program: MPCA offers compliance help, waste reduction strategies, and regulatory advice for businesses with under 100 employees and are not major sources of waste or emissions. Helpline 612-282-6143 or 800-657-3938 or email at smallbizhelp.pca@state.mn.us.

Environmental audits: MPCA offers environmental audits to help businesses and organizations examine how well they are complying with environmental regulations, and correct any problems that are identified. The program focuses first on technical assistance and compliance, rather than enforcement.

Small Business Ombudsman: Ombudsman is an independent entity responsible for reviewing environmental regulatory activities to ensure that they are fair, reasonable and appropriate for Minnesota's small businesses that have to comply with environmental regulations — independently owned and operated businesses with less than 100 employees.

This is accomplished by receiving and investigating complaints, mediating disputes, and representing small-business interests during rulemaking. The ombudsman also works with MPCA Small Business Environmental Assistance to provide technical and educational assistance, and acts as a contact for small businesses looking for financial resources.

MPCA Brownfield Program is a fee-for-service program that provides technical assistance and issues liability-assurance letters to promote the investigation, cleanup, and redevelopment of property that is contaminated with petroleum and hazardous substances. Program customers include property owners, prospective purchasers, developers, development agencies, lending institutions, nonprofit organizations, and local units of government.

BUSINESS COMPLIANCE CHECKLIST

Business Registration

[Register business name and organization](#) with the Office of the Minnesota Secretary of State

Identify and apply for any necessary business, occupational, and environmental licenses and permits

[Minnesota ELicensing](#)

Tax Compliance

- Federal Taxes: Obtain an [Employer Identification Number \(EIN\)](#) from the IRS.
- State Taxes: Register for a [Minnesota Tax ID Number](#) from the MN Dept. of Revenue.
- Sales Tax: Collect and remit sales tax if applicable. Register for a [Minnesota Tax ID Number](#) from the MN Dept. of Revenue.
- Income Taxes: File federal and state income tax returns.
- Withhold and remit federal and state FICA and Medicare taxes:
 - [IRS - Publication 15, \(Circular E\), Employer's Tax Guide](#)
 - [MN Dept. of Revenue: New Employer Guide](#)

Unemployment Insurance

- Register with the Minnesota [Unemployment Insurance \(UI\) Program](#)
- File quarterly wage reports and pay unemployment insurance taxes.

Workers Compensation

- Obtain [workers' compensation insurance](#) for your employees.
- Report any [workplace injuries and illnesses](#)

Paid Leave

- (Effective January 1, 2026) Comply with [Minnesota's Paid Leave requirements](#) for employers.

Employment Standards

- Wage and Hour Laws.
 - Comply with [Minnesota minimum wage, overtime, and child labor laws](#)
 - Comply with Minnesota's [Employees Safe and Sick Time \(ESST\)](#)

Provide paid sick and safe time to employees as required by local ordinances.

Occupational Health and Safety

- Comply with [Minnesota OSHA \(MNOSHA\)](#) standards and regulations.
- Maintain a safe workplace and conduct regular safety training.

Recordkeeping and Reporting

- Maintain accurate financial records.
- File an [annual business activity report](#) with the Minnesota Department of Revenue.
- Keep employee records, including payroll and tax documents. See [A Guide To STARTING A BUSINESS IN MINNESOTA](#)

Environmental Regulations

- Comply with state and federal environmental regulations if applicable to your business.

Data Privacy and Security

- Implement measures to [protect customer and employee data](#).
- Comply with data breach notification laws.

If you are selling stock: Registered Securities Offerings

- [Securities & Exchange Commission \(SEC\)](#)
- [Exempt Offerings Under Regulation D \(Rule 504; Rule 505; Rule 506\(b\); Rule 506\(c\)\)](#)
- [Intrastate Offering Exemption \(Rule 147 147A\)](#)

If you are Crowdfunding:

- [Federal General Rules and Regulations for Crowdfunding](#)
- [MN Vest: MN Department of Commerce Securities Division](#)

Local Regulations and Zoning

- Contact your city and county offices.



INTELLECTUAL PROPERTY PROTECTION

Intellectual property protection is an area regularly overlooked; however, this is a pivotal area of law, especially for entrepreneurs and small and medium sized businesses.

Most people, when they think about intellectual property, assume it pertains just to tech-based innovations. However, at some level, every company has intellectual property rights to protect. In today's world, fewer companies have tangible assets such as equipment, manufacturing facilities or real estate. Instead, the vast majority of companies today have most of their assets based on intellectual property rights. This includes the yoga studio that needs to protect its name, all the way to the biotech company that has inventions to protect. No matter what size or type company you have, there are aspects of intellectual property law that touch your company and those rights need to be managed and protected.

The intellectual property of a business is a valuable asset. Securing and protecting it is essential to a business' future success, so it is vital for a business to understand its rights and how intellectual property law can help.

A separate publication, [A Guide to Intellectual Property Protection](#), available from the Small Business Assistance Office, sets out different types of legal protection available for intellectual property (including patents, trademarks and copyrights) and explains the range of things a business can do to protect and manage these rights.

BUSINESS PLAN

One of the first steps in a new venture is the development of a business plan. A well-prepared business plan is crucial for new and existing ventures in Minnesota. It serves as:

- A tool for founders to test the viability and strategy of a proposed business;
- A “sales pitch” and core document when seeking financing or outside investors;
- A management and growth guide for established companies, helping leadership monitor progress, set targets, and adapt to challenges.

Best practices:

Business plans should never be “cookie-cutter.” Generic, fill-in-the-blank templates from the internet may be a starting point, but lenders and investors expect carefully tailored documents that demonstrate thoughtful consideration of your market, finances, management, and risks. When seeking financing, always comply with the specific format required by your bank, lender, or investor.

For support, use the Minnesota Small Business Development Centers (SBDC), SCORE mentors, and Small Business Management programs listed in the Resource Directory. Several organizations offer assistance in preparing business plans. These and others are described in the section titled Sources of Information and Assistance.

Standard Business Plan Structure

Executive Summary

Summarize your purpose, business model, leadership credentials, key financial projections, basic market facts, goals, and—if applicable—your funding request. This is your elevator pitch on paper.

Company Description

Detail your business structure, ownership, legal history, and overall strategy. Include any significant milestones, acquisitions, and principals’ roles.

Products/Services

Describe your offerings, their market importance, competitive advantages, and demand factors. Use data from competitor analysis, directories, and trusted industry sources.

Project Description (if seeking financing)

Outline the specific project, reason for funding, total cost, funding amount and use, and intended outcomes.

Ownership/Management/Organization

Present your org chart and highlight key personnel. Attach resumes, detail compensation, and define future staffing plans. For investors, clarify who holds key equity and who sits on the board.

Market Analysis & Strategy

Describe your industry outlook, target customers, competitors, and market trends. Provide quantitative data on customer segments, sales projections, purchase behaviors, and how your product or service uniquely addresses customer needs. Detail your marketing and sales plan, including pricing, distribution, and promotion. Describe the technical status of your product (i.e., idea stage, development stage, prototype stage, etc.) and the relevant activities, milestones, and other steps necessary to bring the product into production. Discuss the firm's patent or copyright position. Include how much is patented and how much can be patented (i.e., how comprehensive and effective the patents or copyrights will be). Include a list of patents, copyrights, licenses or statements of proprietary interest in the product or product line.

Describe new technologies that may become practical in the next five years which may affect the product. Also describe new products the firm plans to develop to meet changing market needs. Describe regulatory or approval requirements and status, and discuss any other technical and legal considerations that may be relevant to the technological development of the product. Include a discussion of research and development efforts and future plans for research and development.

Technology & Intellectual Property

Explain the stage of your technology, development roadmap, patents, copyright status, and any required legal or research milestones.

Operations Plan

Detail where and how you'll produce or deliver your offering. Include facilities, equipment, sourcing (suppliers, contractors), labor projections, workflow diagrams, regulatory compliance, and cost structure.

Financial Plan

List key advisors (CPA, legal, banker). Explain your financial systems and controls. Provide projections—profit/loss, cash flow, balance sheets—by month until break-even, then quarterly, covering at least two to five years. If seeking funding, provide details on capitalization, use of funds, and future financing plans. Always state assumptions clearly.

ACCOUNTING FOR THE NEW BUSINESS

BASIC ACCOUNTING PRINCIPLES

Good accounting is the foundation of business decision-making. It involves collecting, organizing, and interpreting financial data so owners, managers, and outside stakeholders (like banks or investors) have a true picture of the company's position and performance. Accounting helps you manage resources, maximize profit, control costs, and minimize tax liabilities.

The information collection, organization and maintenance parts of accounting are called bookkeeping. The reporting and interpreting parts are called statement preparation. The complexity and sophistication of bookkeeping and statement preparation depend on the size and nature of a business and the size and nature of its markets and are beyond the scope of this publication. It is valuable here, however, to understand the way in which any accounting system, small or large, handles financial information.

Accounting is the formal process performed according to a set of generally accepted accounting principles. In many cases the business can choose the principles to be used as long as they are consistently applied and any changes in the principles used are disclosed to users of the business' financial statements. Certain industries have specialized accounting principles specific to businesses in those industries.

Key Accounting Principles

Modern accounting is grounded in established standards—generally accepted accounting principles (GAAP)—to ensure clarity, transparency, and comparability. Some of the most important concepts for small business include:

- **Business Entity:** Track your business finances separately from your personal or other business finances.
- **Going Concern:** Assume the business will continue to operate for the foreseeable future.
- **Stable Dollar:** Report results without adjusting for inflation, using standard dollar values.
- **Accounting Period:** Record and report business activity in fixed timeframes (usually monthly, quarterly, annually).
- **Cost Principle:** All assets and expenses are recorded at cost (what you actually paid—not market estimates).
- **Objectivity:** Record only verifiable, fact-based figures—not guesses.
- **Revenue Recognition:** Record income when it is earned (not just when it's received).

- **Matching Principle:** Match related expenses with the income they help generate, within the same period.
- **Full Disclosure:** Report all information a reasonable reader would need to fairly assess the business.
- **Materiality:** Small transactions that don't affect overall understanding can be summarized or omitted.
- **Consistency:** Stick with the same accounting methods, period to period.
- **Conservatism:** When uncertain, err on the side of caution in financial reporting.

Internal controls are essential—helping prevent errors or fraud in your financial records, whether you handle bookkeeping yourself, use an outside service, or work with a CPA. Because both internal and external users will rely on accounting information, accounting systems contain definitional concepts and principles which both define and limit the nature and use of the information they contain.

INCOME FORECASTING TECHNIQUES

Creating accurate and meaningful financial projections is a vital part of building a business plan. Effective income forecasting helps you understand your venture's profit potential and the sales volume necessary to achieve that profitability. Investors and lenders will usually require well-prepared financial projections before engaging in serious funding discussions.

Importance of Objectivity in Forecasting

Many entrepreneurs struggle to remain objective during financial planning due to personal attachment or optimism bias. It is common for new business owners to overestimate sales, underestimate costs, or overlook market challenges because they choose businesses based on interest or past experience rather than thorough market analysis.

To avoid this, entrepreneurs should ground their projections in verifiable data, market research, and realistic assumptions, not wishful thinking.

Creating accurate and meaningful financial projections is a vital part of building a business plan. Effective income forecasting helps you understand your venture's profit potential and the sales volume necessary to achieve that profitability. Investors and lenders will usually require well-prepared financial projections before engaging in serious funding discussions. It is advisable to speak with lenders and those offering business advice to help determine realistic terms and current interest rates for your situation.

Desired Income Approach

A useful method to start the forecasting process is the desired income approach:

- Recognize that your time, effort, and capital invested deserve a fair monetary return (your "desired income").

- This approach calculates the necessary sales to generate enough profit to meet personal living expenses, debts, and minimal business reinvestment.

Determining Profit Requirements

1. Personal Living Needs:

Calculate the minimum amount you need to withdraw from the business. If you have other income sources, you can adjust this figure accordingly.

2. Loan Repayments:

If you plan to borrow startup funds, include projected loan principal and interest payments in your income requirements.

- Example: For a \$30,000 loan over 5 years at 15 percent interest, monthly payments would be approximately \$713.70, or about \$8,600 yearly.

3. Total Minimum Profit:

Add living expense withdrawals plus loan repayments to get the minimum annual profit needed to sustain yourself and stay current on debts. \$8,600 represents the total interest and principal repaid on the loan the first year of operation. Estimate personal living expenses to be withdrawn from this business at \$15,000. You have a total of \$23,600 which must be generated to sustain your personal needs and keep current with the lender.

Calculating Required Sales

Using industry data (e.g., from [ProSight Statement Studies](#), [Dun & Bradstreet](#), industry norms), identify an expected profit margin including owner's draw (e.g., 11 percent).

- For example:

Minimum profit needed = \$23,600

Expected profit margin = 11 percent of sales

Required sales X satisfy:

$$0.11 \times X = \$23,600$$

$$X = 23,600 \text{ divided by } .11 = \$214,545$$

This calculation provides a minimum sales target to assess feasibility.

Market Research to Validate Sales Targets

Verifying if this sales target is attainable requires thorough market research:

- Define your business and industry context, including product or service offerings.
- Analyze market size, customer demographics, and purchasing behaviors.
- Identify and assess competitors' strengths, weaknesses, pricing, and market share.

- Determine your trade area—the geographic scope where your customers can be reasonably drawn.
- Use authoritative sources such as U.S. Census data, local chambers of commerce, universities, trade journals, and industry reports.

The goal is to gather objective, current data to ensure your forecast reflects realistic market conditions.

Production and Operational Considerations

Sales targets must be matched with your actual ability to produce and deliver goods or services.

- Assess production or service capacity and scalability
- Review supply chain stability and labor availability
- Ensure adequate capital and working capital to sustain operations and sales efforts

Operational constraints can limit revenue potential regardless of market opportunity.

As mentioned previously, market research is an inexact process, but, with a desired income as your target and an orderly approach to gathering data, you can become aware of the magnitude of market opportunities. This knowledge will then assist you in making rational and intelligent decisions regarding your proposed business.

BUSINESS GRANTS

SMALL BUSINESS GRANTS IN MINNESOTA

The promise of “free government grant money” for personal expenses or generic business startups is a persistent myth fueled by internet ads, telemarketing, and mailers. Many companies sell worthless “grant guides” or charge fees for non-existent opportunities. **These are often misleading or outright scams.** The Minnesota Attorney General and DEED both warn that most so-called “government grant” offers—especially those promising money for personal use or offering guaranteed eligibility—are fraudulent.

Television and internet ads often misuse the word “grant,” when most government funds are actually public assistance for individuals in need (like food, housing, or disability programs) or are tied to highly regulated business/public sector projects, not personal or general business use. Genuine benefit programs (not business grants) are explained at official sites such as [USA.gov-How to start and fund your own business](https://www.usa.gov/how-to-start-and-fund-your-own-business), [USA.gov-Government grants and loans](https://www.usa.gov/government-grants-and-loans), and [Grants.gov](https://www.grants.gov).

Where Government Grants Really Go

Actual government grants for small businesses are rare, and almost all go to specific industries, research, or public purpose projects. Most government assistance for business is in the form of loans or grants to third-party nonprofits or agencies, which in turn provide help or funding to end-users.

Minnesota Business Grant Programs

A handful of competitive state programs do exist for Minnesota businesses, but these:

- Are **highly targeted** (job creation, tech startups, agriculture, environment, exporting);
- Have specific requirements (investment, job creation, industry type, innovation);
- Do **not** give out money for general personal or startup use.

Minnesota examples include:

- Minnesota Department of Employment and Economic Development (DEED): Minnesota Job Creation Fund (JCF): Performance-based grants paid after hitting job creation/investment milestones in manufacturing, warehouse, or tech sectors; EXPORT/STEP Grants: For qualified companies seeking to expand out-of-state/global trade.
- Minnesota Department of Agriculture (MDA): Dairy Business Planning, Specialty Crop Block Grant
- Minnesota Pollution Control Agency (MPCA): Brownfield Assessment Grant.

Information on these appears in this publication in the section on “Financing / Tax Credits, State Sources”.

BUSINESS LOANS

Debt Financing

There are many sources of debt financing for Minnesota businesses, including banks, credit unions, community development lenders, commercial finance companies, and government-supported loan programs. State and local agencies have expanded financing tools in recent years, particularly for small businesses, startups, and targeted industries. Family members, friends, and business partners may also be sources of smaller-scale loans or equity, but those arrangements should still be documented in writing.

Traditional banks and credit unions have historically been the primary source of small business credit, especially in the form of short- and medium-term loans, lines of credit, and loans for specific assets such as machinery, equipment, or vehicles. Banks are often more cautious about very long-term, unsecured lending to early-stage small firms, but programs such as the U.S. Small Business Administration (SBA) loan guarantees and Minnesota's Loan Guarantee Program help reduce lender risk and expand access to longer-term financing.

In addition to conventional term loans and revolving lines of credit, other debt products are widely used:

- Asset-based financing from commercial finance companies, secured by receivables or inventory.
- Equipment loans and leases, sometimes including sale–leaseback arrangements.
- Government-partner programs that share risk with banks (participation loans, loan guarantees, and specialized low-interest programs).

Starting a business entirely with borrowed money is very difficult. Private lenders and public loan programs typically expect the owner to contribute 20–50 percent in equity, depending on the project, the owner's financial strength, industry risk, use of funds, and the lender's underwriting standards. Lenders also commonly require personal guarantees from owners, ensuring that they have a meaningful financial stake in the business.

Most lenders prefer to finance income-producing hard assets—land, buildings, and production equipment—because those assets can serve as collateral. SBA and state guarantee or participation programs can partially offset collateral shortfalls and may make loans possible that would otherwise be declined.

Loan Packaging

Before approaching lenders, an entrepreneur should first evaluate:

- Whether the business truly needs additional capital, or whether better cash-flow management might be enough.

- The specific purpose of the funds (e.g., equipment, working capital, remodel, expansion, acquisition) and how that purpose fits into the business plan.
- How urgent the need is and how long the funds will be required.
- The level of risk—industry risk, competitive risk, and business-stage risk—and how that may affect cost and terms.
- The stage of the business (startup, early growth, expansion, turnaround) and how that influences financing options.
- Seasonality or cyclical nature of revenues and whether needs are short-term (to bridge seasonal dips) or longer-term.
- The strength and experience of the management team, which lenders heavily weigh.
- How the financing request aligns with the written business plan. If there is no plan, creating one should be the first step, because nearly all lenders will ask for it.

Small Business Development Centers (SBDC) counselors can help review business plans, test financial projections, and identify appropriate financing sources. They can also assist in preparing a loan package, which typically includes a business plan, financial statements, tax returns, personal financial statements, detailed use-of-funds schedules, and projections. Speaking with several lenders early can help calibrate expectations and understand each institution's lending criteria.

Loan terms, documentation, and covenants

Most business loans and credit facilities are governed by detailed legal documents. These set out:

- The basic economics of the loan (amount, interest rate, fees, repayment schedule).
- Representations and warranties (factual statements the borrower makes about the business).
- Covenants (ongoing promises about how the borrower will operate and what financial ratios or conditions will be maintained).
- Security interests, personal guarantees, and other collateral arrangements.

Covenants are important both for lender risk management and for demonstrating to regulators that loans comply with applicable banking rules. Failure to comply with covenants can trigger default, allow the lender to accelerate repayment, or lead to other remedies.

The Minnesota Small Business Assistance Office produces a free guide, "[Loan Documentation: An Introduction for Small Businesses](#)," which explains common loan documents, terms, security interests, guarantees, and what can happen if a borrower defaults.

Past Credit Problems

A borrower's personal credit history remains a critical factor in small business lending decisions. Late payments, charge-offs, judgments, tax liens, or prior bankruptcies can significantly reduce credit options or increase interest rates. While adverse items may fade from a credit report over time, serious derogatory marks can make it difficult to secure conventional financing until they are resolved or removed.

Defaults on federal obligations—such as certain student loans or prior SBA-backed loans—can also affect eligibility for new government-supported financing. In some cases, borrowers may be able to rehabilitate or consolidate defaulted federal student loans and restore access to federal programs, but this requires proactive action and documented repayment history. Prospective borrowers with significant past credit issues should consult a qualified advisor or lender early to understand their options.

PUBLIC SOURCES OF FINANCING – FEDERAL PROGRAMS

U.S. SMALL BUSINESS ADMINISTRATION (SBA)

The U.S. Small Business Administration (SBA) helps people start, build, and grow businesses. SBA was created in 1953 as an independent agency of the federal government to aid, counsel, assist and protect the interests of small business concerns, preserve free competitive enterprise and maintain and strengthen the overall economy of our nation.

[SBA Minnesota District Office](#)

330 2nd Ave. S. Suite 430
Minneapolis, MN 55403
612-370-2324 | Minnesota@sba.gov

[Loans](#)

The U.S. Small Business Administration (SBA) helps small businesses get funding by setting guidelines for loans and reducing lender risk.

[Find Lenders - Lender Match](#)

Get matched to potential lenders funding with competitive rates and fees.

Loan Programs

[7\(a\) Loans](#)

SBA's primary program for providing financial assistance to small businesses. 7(a) loans are delivered by SBA 7(a) lenders. 7(a) loans can be used for:

- Acquiring, refinancing, or improving real estate and buildings
- Short- and long-term working capital
- Refinancing current business debt
- Purchasing and installation of machinery and equipment, including AI-related expenses
- Purchasing furniture, fixtures, and supplies
- Changes of ownership (complete or partial)
- Multiple purpose loans, including any of the above

The maximum loan amount for a 7(a) loan is \$5 million. Key eligibility factors are based on what the business does to receive its income, its credit history, and where the business operates.

504 Loan Program

The 504 Loan Program provides long-term, fixed rate financing of up to \$5.5 million for major fixed assets.

504 loans are available through Certified Development Companies (CDCs), SBA's community-based partners who promote economic development within their communities. CDCs are certified and regulated by SBA.

To be eligible for a 504 loan, your business must:

- Operate as a for-profit company in the United States or its possessions
- Have a tangible net worth of less than \$20 million
- Have an average net income of less than \$6.5 million after federal income taxes for the two years preceding your application

Other general eligibility standards include falling within SBA size guidelines, having qualified management expertise, a feasible business plan, good character and the ability to repay the loan.

A 504 loan **can** be used for a range of assets that promote business growth and job creation. These include the purchase or construction of:

- Existing buildings or land
- New facilities
- Long-term machinery and equipment with a useful remaining life of a minimum of 10 years, including project-related AI-supported equipment or machinery for manufacturing products
- Consolidating debt under the conditions listed in 13 CFR 120.882, paragraph (e) and
- Repaying or refinancing debt defined as "qualified debt" under 13 CFR 120.882, paragraph (g)

A 504 loan **cannot** be used for:

- Working capital or inventory
- Consolidating, repaying or refinancing debt that does not meet the definition of "qualified debt" under 13 CFR 120.882, paragraphs (e) and (g)
- Speculation or investment in rental real estate
- The financing of AI-related working capital, intellectual property, or consulting services soft costs

504 loans are available exclusively through Certified Development Companies (CDCs). First, find a CDC in your area to ensure you are dealing with a qualified lender.

Microloans

The microloan program provides loans up to \$50,000 to help small businesses and certain not-for-profit childcare centers start up and expand. SBA provides funds to specially designated

intermediary lenders, which are nonprofit community-based organizations with experience in lending as well as management and technical assistance. These intermediaries administer the Microloan program for eligible borrowers. Individual requirements will vary.

Microloans **can** be used for a variety of purposes that help small businesses expand. Use them when you need less than \$50,000 to rebuild, re-open, repair, enhance, or improve your small business.

Examples include:

- Working capital
- Inventory
- Inventory
- Supplies
- Furniture
- Fixtures
- Machinery
- Equipment

Proceeds from an SBA microloan **cannot** be used to pay existing debts or to purchase real estate.

Military Reservist Loan

If you have an essential employee who is a military reservist called to active duty, SBA provides loans to help eligible small businesses with operating expenses.

Investment Capital - SBIC Directory

Find an investor for your business through a Small Business Investment Company (SBIC) licensed by the Small Business Administration (SBA).

Surety Bonds

The Small Business Administration (SBA) guarantees bid, performance, and payment surety bonds issued by certain surety companies.

Grants

SBA does not provide grants for starting and expanding a business. SBA provides limited small business grants (detailed below) and grants to states and eligible community organizations to support entrepreneurship.

Small Business Grant Programs

America's Seed Fund

Through the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs, America's Seed Fund awards non-dilutive funding to develop your technology and chart a path toward commercialization.

State Trade Expansion Program (STEP)

The SBA's State Trade Expansion Program (STEP) provides financial awards to state and territory governments to help small businesses with export development.

Empower To Grow (E2G) Manufacturing in America Grant

The goal of this grant is to provide workforce development in key manufacturing industries, such as timber, energy, aluminum, steel, digital, and automotive.

Eligibility

- Be a for-profit or not-for-profit entity (including, but not limited to, small businesses, other than small businesses, trade and professional associations, and educational institutions)

- Be in existence continually for at least the past three years
- Demonstrate experience providing hands-on manufacturing-related training and technical assistance to small businesses

[Grants for Community Organizations](#)

SBA offers grants to community organizations that promote entrepreneurship, including those that support veteran owned and service-disabled veteran-owned businesses and Small Business Development Centers.

[SBA Disaster Assistance](#)

SBA provides low-interest disaster loans to help homeowners, renters, and businesses of all sizes recover from declared disasters. Businesses of all sizes located in declared disaster areas, private nonprofit organizations, homeowners, and renters, and private non-profit organizations affected by declared disasters, including civil unrest and natural disasters such as hurricanes, flooding, and wildfires can apply for a disaster loan. You must be located in a [declared disaster area](#) and meet other eligibility criteria depending on the type of loan.

Types of SBA Disaster Loans

[Physical Damage Loans](#)

If you own a business located in a declared disaster area that has experienced damage, you may be eligible for financial assistance from SBA. Businesses of any size and most private non-profit organizations may apply to SBA for a loan to recover after a disaster.

If you live in a declared disaster area and have experienced damage to your home or personal property, you may be eligible for financial assistance from SBA — even if you do not own a business. As a homeowner, renter, or personal property owner, you may apply to SBA for a loan to help you recover from a disaster.

[Economic Injury Disaster Loans](#)

Small businesses, small agricultural cooperatives, and most private nonprofit organizations located in a declared disaster area and which have suffered substantial economic injury may be eligible for an SBA Economic Injury Disaster Loan (EIDL).

[Mitigation Assistance](#)

SBA offers low-interest [disaster loans](#) to homeowners and small businesses impacted by declared natural and other disasters. Eligible SBA disaster loan borrowers may choose to receive expanded funding to help mitigate their home or business against future disasters. SBA disaster loans can be increased up to 20 percent to make building upgrades.

U.S. DEPARTMENT OF AGRICULTURE (USDA) RURAL DEVELOPMENT

[Minnesota Rural Development State Office](#)

375 Jackson Street | Suite 410
St. Paul, Minnesota 55101
651-602-7800

[Programs & Services -Business Programs](#)

[Business & Industry Guaranteed Loan](#)

The U.S. Department of Agriculture is a federal agency that creates Rural Development Programs that encourage economic development in rural areas. USDA provides funding opportunities for rural small businesses through loans, loan guarantees, and grants. A list of USDA Rural Development Field offices can be found in the Government, Federal section of the Resource Directory of this Guide.

PUBLIC SOURCES OF FINANCING / TAX CREDITS – STATE PROGRAMS

Under State legislation ([Minn. Stat. § 116J.993 - .995](#)), business receiving a “business subsidy” will be required, among other things, to enter into a “business subsidy agreement” that will include goals for wages and jobs to be offered and paid by that business. If those goals are not met within a certain period of time, in almost all cases the business will be required to repay the amount of the subsidy, plus interest.

MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

[Minnesota Department of Employment and Economic Development \(DEED\)](#)

180 East 5th Street, Suite 1200

St. Paul, MN 5510-1678

651-259-7114 800-657-3858

Funding Options for Startups and Small Businesses

[Search Potential Funding Options - Business funding matrix tool](#)

Startup and Small Business Resources

[Minnesota Job Creation Fund](#)

651-259-7483 800-657-3858

The Minnesota Job Creation Fund (JCF) program provides financial incentives to new and expanding businesses that meet certain job creation and capital investment targets.

Companies deemed eligible to participate may receive up to \$1 million for creating or retaining high-paying jobs and for constructing or renovating facilities or making other property improvements. For extremely large projects, companies may be eligible to receive up to \$2 million. The size of an award depends on variety of factors including (but not limited to) Minnesota’s competitiveness, local economic conditions, job creation, wage levels and capital expenditures. Expenditures and hiring related to the JCF assistance may not occur until funding has been formally approved.

Eligibility

The program is available to businesses engaged in select industries including manufacturing, warehousing, distribution and technology-related industries, among others. Local government must support an application submitted by the expanding business.

To be designated as a Job Creation Fund business, a business must, at minimum:

- Be engaged in an eligible business activity
- Obtain local government support for their project via council resolution
- Invest at least \$500,000 (\$250,000 for Targeted Populations*) in real property improvements within one year of becoming a designated Job Creation Fund business
- Create at least 10 (5 for Targeted Populations*) new permanent full-time equivalent jobs within two years of becoming a Job Creation Fund business while maintaining existing employment numbers
- Pay at least \$17.01 in wages and benefits in 2026, adjusted annually based on 110% of federal poverty guidelines. The level will change again on Jan. 1, 2027.
- Have other location options outside of Minnesota
- Cause no undue harm to Minnesota business competitors
- Certify that the project would not occur without Job Creation Fund assistance

Projects that begin prior to becoming designated by DEED are not eligible for the Job Creation Fund.

Prevailing Wage Requirements

Projects that receive \$200,000 or more in Job Creation Fund assistance are subject to prevailing wage requirements. Learn more regarding Prevailing Wage Requirements by reviewing the [Prevailing Wage Guide](#) or viewing the MN Department of Labor & Industry (DLI) [Prevailing Wage Information](#).

[Minnesota Investment Fund](#)

800-657-3858

This Minnesota Investment Fund (MIF) provides financing to help add new workers and retain high-quality jobs. The program's focus on industrial, manufacturing and technology-related industries and aims to increase the local and state tax base and improve economic vitality.

Eligibility

Funds are awarded to local units of government that provide loans to assist expanding businesses. Cities, counties, townships, selected economic development organizations and recognized Indian tribal governments are eligible.

Project Requirements

All projects must meet minimum criteria for private investment, number of jobs created or retained, and wages paid. At least 50 percent of total project costs must be privately financed through owner equity and other lending sources (most applications selected for funding have at least 70 percent private financing).

Prevailing Wage Requirements

Projects that receive \$500,000 or more in MIF assistance are subject to prevailing wage requirements. See more about [Prevailing Wage Requirements](#).

[Emerging Entrepreneur Loan Program](#)

651-259-7338

The Minnesota Emerging Entrepreneur Loan Program (ELP) supports the growth of businesses owned and operated by minorities, low-income persons, women, veterans and/or persons with disabilities. DEED provides grant funds to a network of nonprofit lenders which use these funds for loans to startup and expanding businesses throughout the state.

The program has additional goals of providing jobs for minority and/or low-income persons, creating and strengthening minority business enterprises, and promoting economic development in low-income areas.

Program Requirements

DEED provides ELP funding to certified nonprofit partners to make loans to Minnesota businesses that are majority-owned and operated by [minorities](#), [low-income persons](#), women, [veterans](#) and/or [persons with disabilities](#).

Businesses must apply directly with a certified lender, although DEED may be able to assist in identifying an appropriate lender. Once the lender approves the loan, they will forward the loan package to DEED for approval by the commissioner and disbursement of funds for the project.

Certified Partners

There are a number of nonprofit lending partners participating in ELP. These organizations serve different communities and areas of the state. They may have additional limitations, including loan size available and target populations served.

[Participating Lender Directory](#)

[Native American Business Loan Program](#)

651-259-7823

Program supports the development of Native-owned and operated businesses and promotes economic opportunities for Native peoples throughout Minnesota.

Eligibility

Applicants must be enrolled members of a federally recognized Minnesota-based band or tribe. Businesses must be wholly owned by an enrolled member and can be located anywhere in the state, although the bulk of the loans are made to businesses on a reservation.

Project Requirements

Loan proceeds may cover startup and expansion costs, including normal expenses such as machinery and equipment, inventory and receivables, working capital, new construction, renovation, and site acquisition. Financing of existing debt is not permitted.

Minnesota Reservist and Veteran Business Loan Program

651-259-7445

This program provides business loans to companies that are affected when certain employees are called to active military duty and to individual veterans who have returned from active duty and want to start their own business.

Eligibility

Business Loans Eligibility

By state law, an eligible business must be a "small business" and must:

- Be a for-profit business which is not an affiliate or subsidiary of a business dominant in its field of operations
- Have 20 or fewer full-time employees, or
- Have had less than \$1 million in annual gross revenue in the preceding fiscal year, or
- Have had less than \$2.5 million in annual gross revenue in the preceding fiscal year if the business is a technical or professional service

In addition, the business must be operating in Minnesota on the date that one or more essential employees received orders for active service of 180 days or more and be sustaining or likely to sustain suffering substantial economic injury.

Active service includes state active service, federally funded state active service, and federal active service.

Essential employees are defined as:

- A military reservist, and
- An owner or employee of an eligible business, and
- Someone who has managerial or technical expertise critical to the day-to-day operations of the business

To meet the criteria for "substantial economic injury," a business must be sustaining or likely to sustain an economic harm, meaning it cannot currently or anticipates future inability to:

- Meet its obligations as they mature, or
- Pay its ordinary and necessary operating expenses, or
- Manufacture, produce, market, or provide a product or service as it has ordinarily done

Startup Business Loan Eligibility

To qualify for startup loans, veterans may be beginning their business from scratch or may have already launched the business but still meet certain financial thresholds.

By state law, an eligible business must be a veteran-owned "small business" and must:

- Be majority-owned and operated by a veteran recently separated from active duty
- Be a for-profit business that is not an affiliate or subsidiary of a business dominant in its field of operations
- Have 20 or fewer full-time employees, or
- Have had less than \$1 million in annual gross revenue in the preceding fiscal year, or
- Have had less than \$2.5 million in annual gross revenue in the preceding fiscal year if the business is a technical or professional service

Veterans that qualify under this program must:

- Have been on active duty on or after September 11, 2001, and
- Have been separated from service under honorable conditions after having been on active duty for at least 181 consecutive days or for the full period for which called to active duty (or after reason of disability incurred while on active duty)

[Export Financing Programs](#)

Programs provide grants, loans and loan guarantees, working capital, credit or insurance to help companies become export ready, help new exporters make their first foreign sales, or help current exporters expand into new markets.

[STEP \(State Trade & Export Promotion Program\) Grant Program](#) **[651-259-7485](#)**

The STEP program provides financial and technical assistance to qualifying Minnesota small businesses with an active interest in exporting products or services to foreign markets.

Participants may be first-time exporters or companies that are currently exporting but are interested in expanding into new international markets.

Financial Assistance Available

Small businesses may apply for reimbursement of up to 50 percent of qualified expenses, with a maximum reimbursement cap of \$500 for export-training that will result in the development of an export strategy or \$7,500 for approved export-development activities, including:

- Participation in trade missions
- Exhibiting at trade shows or industry-specific events
- Translation of marketing materials
- Development of foreign language websites

- Gold Key or other business matchmaking services
- Company-specific international sales activities
- Testing and certification (such as CE marking) required to sell products in foreign markets

Eligibility

Eligible companies must fit the SBA definition of a small business, based on annual sales or number of employees, and:

- Have been in operation for at least one year
- Be operating profitably, based on U.S. operations
- Have an understanding of the costs associated with exporting
- Have a strategic plan for exporting (unless applying for an export-planning grant)

Activities must be pre-approved in order to be eligible for reimbursement. Companies MAY NOT APPLY for reimbursement for activities that have already taken place.

Eligible companies must also have products or services that are appropriate for the target market, must agree to participate in surveys and provide information on program outcomes.

[State Small Business Credit Initiative \(SSBCI\)](#)

SSBCI.DEED@state.mn.us

Automation Loan Participation Program

DEED makes companion loans intended to fill gap financing needs for businesses purchasing machinery, equipment, or software to increase productivity and automation.

Eligibility

Eligible borrowers include manufacturing, distribution, technology and warehousing businesses located in Minnesota. Eligible industries are evaluated based on NAICS codes and do not include businesses whose primary activity is Retail Trade or Transportation. The program targets businesses with fewer than 500 employees.

Growth Loan Fund

The Growth Loan Fund program provides direct loans to eligible seed and early-stage businesses. The business must be planning to raise equity in order to qualify. The applicant first completes an enrollment application in which they state how much equity they intend to raise. Once enrolled in the program, they have 12 months to make at least 70 percent of their goal with a minimum raise of \$400,000. If they achieve this goal, they complete the proof of investment and loan application. The approved loan amount will be based on 20 percent of the total amount of equity investment raised in the funding round.

Investments made prior to the defined 12-month period do not qualify. Loans may be up to \$400,000.

Eligibility

Businesses must meet one of the following criteria: 1) been certified to participate in the [Angel Tax Credit \(ATC\) Program](#); 2) be identified by a venture or angel fund for investment; 3) be identified by an individual accredited investor for investment. Launch Minnesota grantees are strong candidates for this funding. The business must meet the ATC standard being engaged in or committed to engaging in technological innovation in Minnesota.

Minnesota Loan Guarantee Program

Minnesota Loan Guarantee Program (MNLGP) provides guarantees to enrolled lenders for up to 80 percent of principal on loans to eligible businesses. The program helps enrolled lenders mitigate risk so they can increase capital to small businesses located across Minnesota.

Eligibility

Borrowers need to be small businesses located in Minnesota that have fewer than 500 employees. Eligible borrowers may include state-designated charitable, religious, or other non-profit or philanthropic institutions; government-owned corporations; consumer and marketing cooperatives; and faith-based organizations, provided the loan is for a "business purpose" as defined by [SSBCI 2.0 guidelines](#). Borrowers may also include sole proprietors, independent contractors, worker cooperatives, and other employee-owned entities, as well as Tribal enterprises, provided that all applicable program requirements are satisfied. Refer to the [FAQs](#).

Small Business Loan Participation Program

DEED purchases 25 to 30 percent participations in loans made by approved non-depository Community Development Financial Institution (CDFI) and nonprofit lenders. Lenders are responsible for all credit decisions and loan terms. Borrowers must apply directly with an approved lender.

Purchased participations will range from \$10,000 to \$250,000. Loan proceeds must be used for eligible business purposes, which may include equipment purchases, working capital and startup costs, as well as real estate purchase, construction, renovation, or tenant improvements of an eligible place of business. Loans may not be used for the purchase of goodwill, passive real estate, or for any other prohibited purpose identified by U.S. Treasury.

Eligibility

Eligible borrowers need to be located in Minnesota and have fewer than 500 employees. The loan must be used for eligible business purposes. The lender will request that the business certify it is compliant with SSBCI terms, including use of proceeds, that no conflict of interest exists, that no principal of the business has been convicted of a sex offense, whether the business is owned and controlled by one or more Socially and Economically Disadvantaged Individuals. The lender will also request certain demographic data for all individuals who own at least 25 percent of the business.

[Direct Investment Venture Capital Program / Multi-Fund Venture Capital Program](#)

Both programs will invest in Minnesota-based seed and early-stage startups. These programs are expected to target key sectors such as advanced manufacturing, agtech/foodtech, climate tech, life sciences, software, and technology. Apply directly with the U of M.

Eligibility

Minnesota-based seed stage and early-stage startups.

[Promise Loan Program](#)

Promise Loan Program makes loans to businesses, non-profit organizations, and developers in communities that have been adversely affected by structural racial discrimination, civil unrest, lack of access to capital, a loss of population or an aging population, or a lack of regional economic diversification.

Program Requirements

DEED provides funding to partner organizations, specifically the Minnesota Initiative Foundations and Metropolitan Economic Development Association (MEDA), to make loans to eligible recipients. An eligible recipient must:

- Have primary operations located in the State of Minnesota
- Have gross annual revenue of less than \$1.5 million based on applicant's prior year taxes
- Be located in a community that has been adversely affected by structural racial discrimination, civil unrest, lack of access to capital, a loss of population or an aging population, or a lack of regional economic diversification. See the foundation information below.
- MEDA has specific neighborhoods that will be eligible for the PROMISE Loan Program, located in North Minneapolis, South Minneapolis, and St. Paul. Promise Act Neighborhood Maps with geographic locations for eligibility.

Eligible Project

An 'Eligible Project' means the development, redevelopment, demolition, site preparation, pre-design, design, engineering, repair, land acquisition, relocation, or renovation of real property or capital improvements. Eligible project includes but is not limited to construction of buildings, equipment purchases, infrastructure, related site amenities, landscaping, and street-scaping. Redevelopment does not include project costs that have received compensation or assistance available through insurance policies or from other organizations or government agencies.

[Cannabis Industry Startup Financing \(CanStartup\)](#)

The CanStartup Loan Program provides loan capital for new cannabis microbusinesses operating in the legal cannabis industry. Priority is given to social equity applicants. This program also supports job creation in communities where long-term residents are eligible to be social equity applicants.

The application forms, process, and loan qualification criteria may differ from lender to lender. See [FAQs](#).

TAX CREDITS / BENEFITS / GRANTS

[Greater Minnesota Job Expansion Program](#) GreaterMNJEP.DEED@state.mn.us

This program provides tax benefits to businesses located in Greater Minnesota that increase employment. Qualifying businesses that meet job-growth goals may receive sales tax refunds for purchases made during a seven-year period.

Eligibility

To become certified to participate in the Greater Minnesota Job Expansion Program, a business must meet the following qualifications:

- **Increase employment** at the business's facility by a minimum of two full time equivalent (FTE) employees or 10 percent of the current number of employees, whichever is greater, within three years.
- **Pay compensation**, which includes wages and benefits not mandated by law, which on an annualized basis equals at least 120% of the federal poverty guidelines for a family of four, to all employees at the business facility. For 2025, these amounts these amounts are \$28,580 per year or \$18.55 an hour.
- **Be in operation for at least one year** within a city, or a county if an agricultural processing facility, in Greater Minnesota, which generally excludes the seven county metropolitan area (the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington). See [FAQs about Eligibility](#) for more details.
- **Meet prevailing wage guidelines** at the business facility if a construction or improvement project is undertaken and if the business is awarded a sales tax refund. See more about prevailing wage requirements.
- **Does not sell goods or services primarily to local markets**; the program is for businesses with sales and customers primarily outside Minnesota (in economic development parlance, the business is in a "traded sector").

In addition, the business must not be engaged primarily in:

- Retail sales to purchasers physically present at the business' facility
- Serving as a public utility
- Lobbying
- Gambling
- Entertainment
- Professional sports

- Political consulting
- Leisure
- Hospitality
- Professional services provided by attorneys, accountants, business consultants, physicians, or health care consultants

[Research and Development Tax Credit](#)

Contact Minnesota Department of Revenue 651-556-3075 | businessincome.tax@state.mn.us

Companies that engage in certain research and development (R&D) activities in Minnesota may qualify for the Credit for Increasing Research Activities.

The R&D credit is equal to 10 percent of qualifying expenses up to \$2 million, and 4 percent for expenses above that level. Qualifying expenses are the same as for the federal R&D credit - defined in Section 41 of the Internal Revenue Code - but must be for research done in Minnesota.

[Border-Cities Enterprise Zone Program](#)

BorderCities.DEED@state.mn.us

Border-Cities Enterprise Zone Program provides business tax credits (property tax credits, debt financing credit on new construction, sales tax credit on construction equipment and materials, and new or existing employee credits) to qualifying businesses that are the source of investment, development, and job creation or retention in the Border-Cities Enterprise Zone cities of Breckenridge, Dilworth, East Grand Forks, Moorhead, Ortonville, and the Development Zone of Taylors Falls.

Eligibility

Businesses locating or existing in those cities are eligible, excluding a recreation or entertainment facility, one owned by a fraternal or veteran's organization, one owned by a public utility, one used in operation of a financial institution, or one owned by a retail food or beverage service business operating under a franchise agreement requiring the business to be located in the state.

[SEED Capital Investment Credit Program](#)

bordercities.deed@state.mn.us

The SEED Capital Investment Program provides tax incentives for investing in innovative business located in the Minnesota border cities of Breckenridge, Dilworth, East Grand Forks, Moorhead, and Ortonville.

Eligibility

To be eligible, a company must:

- Add value to a product, process or service
- Increase revenue to a Minnesota business through sales to customers outside Minnesota or through sales to new customers who previously could not purchase the product or service from a Minnesota business

- Have its principal office and a majority of its business activity, or a significant operation, in a border city
- Have Minnesota residents as a majority of its employees at its principal office
- Rely on innovation, research, or the development of new products and processes for its growth and profitability
- Use the investment for plant, equipment, research and development, marketing and sales activity, or working capital.

[Data Center Sales Tax Exemptions](mailto:datacenter.deed@state.mn.us)
datacenter.deed@state.mn.us

A qualified data center, qualified large-scale data center, or qualified refurbished data center may claim the exemptions for purchases made within 35 years of the date of its first purchase qualifying for the exemption.

Eligibility

- Companies that build data or network operation centers of at least 25,000 square feet and invest at least \$30 million within 48 months
- Companies that substantially refurbish data or network operation centers of at least 25,000 square feet and invest at least \$50 million within 24 months
- Companies that build or substantially refurbish data or network operation centers of at least 25,000 square feet and invest at least \$250,000,000 within 60 months

[SBIR/STTR](#)

America’s Seed Fund: SBIR/STTR Programs

America’s Seed Fund is one of the largest sources of early-stage capital for technology commercialization in the United States. The Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs involve multiple federal agencies, each with unique funding priorities and application processes. These programs enable US-owned and operated small businesses to conduct research and development that has a strong potential for commercialization.

MNSBIR, Inc. is dedicated to advancing scientific excellence and technological innovation to bolster Minnesota’s economy while fostering opportunities for all. We achieve this by securing federal research and development funding to stimulate the creation of new products, services, and solutions in the private sector. We assist startups and small businesses in Minnesota to access non-dilutive funding from programs like the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR), as well as other federal funding opportunities.

[Promise Act Grant Program](#)
PromiseGrants.DEED@state.mn.us

This program, through a series of statewide partner organizations, will award grants to eligible businesses in communities that have been adversely affected by structural racial discrimination, civil unrest, lack of access to capital, loss of population or an aging population, or lack of regional economic diversification.

The grants will be awarded in multiple rounds.

Grant funds can be used for working capital to support payroll expenses, rent or mortgage payments, utility bills, equipment, and other similar expenses that occur in the regular course of business.

Interested applicants should apply directly through DEED partner organizations. Application periods vary depending on the partner organization. Please see their website for up-to-date application information. View the [Partners/Service Area Tab](#)

Eligibility

Eligible businesses will:

- Have primary business operations located in the State of Minnesota
- Be located in an eligible service area. See more info under the Service Area tab.
- Be registered with the Minnesota Secretary of State, if required by Minnesota State Law
 - Sole proprietors operating their business under their own name do not need to be registered with the Secretary of State
- Have gross annual revenue of \$750,000 or less based on the prior taxable year
- Maintain ongoing operations as of the date of application
- If the business location is the taxpayer's residence, the business must have claimed and been allowed the deduction for home office expenses in the prior taxable year.

Businesses will be awarded grant funds based on gross annual revenue in the prior taxable year.

- Businesses with gross annual revenue in the prior year of \$100,000 or less can receive up to \$10,000
- Businesses with gross annual revenue in the prior year of more than \$100,000 but no more than \$350,000 can receive up to \$25,000
- Businesses with gross annual revenue in the prior year of more than \$350,000 but no more than \$750,000 can receive up to \$50,000

For the purposes of this grant program, business means both for-profit businesses and nonprofit organizations that earn revenue in ways similar to businesses. To be eligible, non-profits must meet at least one of the two definitions of an eligible non-profit:

- Definition A: A nonprofit organization that earns 30 percent or more of their revenue on an ongoing basis through a non-tax-deductible sales or dues in a fee-for-service model similar to for-profit businesses.
- Definition B: A nonprofit organization that earns 10 percent or more of their revenue on an ongoing basis through a non-tax-deductible sales or dues in a fee-for-service model similar to for-profit businesses **AND** demonstrate they maintain ongoing customer-facing operations at a permanent physical location at which some of those sales take place.

MINNESOTA POLLUTION CONTROL AGENCY (MPCA)

[Minnesota Pollution Control Agency \(MPCA\)](#)

520 Lafayette Road, 2nd Floor
St. Paul, MN 55155-4100
800-657-3864

[Grants, loans, and contracts](#)

Contract information - contracts.pca@state.mn.us
Grant information - grants.pca@state.mn.us

[Environmental Assistance Loans](#)

Grants-Loans.pca@state.mn.us

Financial assistance to accelerate the application and/or improvement of environmental processes and technologies in Minnesota by providing assistance for the capital costs (machinery and equipment) of eligible projects.

MPCA partners with private financial institutions to offer loans resulting in substantially reduced interest rates for projects that will improve the environmental and economic quality of Minnesota.

Eligibility

Priority eligible projects: green chemistry, pollution prevention, source reduction, recycling, and source-separated compostable materials.

Eligible loan costs: limited to the capital costs of implementing waste or pollution prevention technologies in Minnesota — the costs of acquisition of machinery and equipment, including freight and installation, and related improvements.

Loan types: participatory and direct

- Participatory loans provide for awards up to a maximum loan of \$250,000 at zero percent interest (contingent upon available funding in the revolving account). Participatory loan funds must be matched by a minimum dollar-for-dollar match by loans from a participating

financial institution. In addition to the competitive interest rate charged by the participating financial institution on its matching funds, an administrative fee may be added to the participatory loan to defray costs associated with the servicing of the EA Loan by the financial institution.

- Direct loans are limited to businesses/entities and provide for awards up to a maximum loan of \$50,000 at four percent interest or half the prime rate, whichever is greater. Direct loans must be matched by a minimum one dollar from the applicant for every two dollars received. Start-up businesses are not eligible for direct loans.

Available funds

The model is based on a revolving funding mode, where additional funding is made available as past recipients repay their loans.

[Small business environmental improvement loans](#)

smallbizfunding.pca@state.mn.us

The MPCA provides loans at zero-percent interest to small businesses for capital equipment purchases that help the company meet or exceed environmental regulations, and costs associated with the investigation and cleanup of contaminated sites.

Eligibility

Qualified borrowers must be an existing small business corporation, sole proprietorship, partnership, or association with:

- Less than 100 full-time employees
- An after-tax profit of less than \$500,000
- A demonstrated ability to repay the loan

Available funds

Loan terms and conditions:

- Loan amount between \$1,000 and \$75,000
- Interest rate: Zero percent (0 percent)
- Repayment term up to seven years
- Flexibility in the types of collateral accepted
- Awarded throughout the year

MINNESOTA DEPARTMENT OF AGRICULTURE

[Minnesota Department of Agriculture \(MDA\)](#)

625 Robert Street N.

St. Paul, MN 55155-2538

651-201-6000 | mda.info@state.mn.us

[Loan and Grant Programs](#)

The MDA provides many programs to assist farmers in improving and expanding their current operations. A variety of some of the programs are listed below.

Aggie Bond Beginning Farmer Loan

651-201-6556

Federal bonding program administered by the State through its Rural Finance Authority. Offers affordable financing for a qualified beginning farmer.

AGRI Livestock Investment Grant

651-201-6135

Encourages long-term industry development for Minnesota livestock farmers and ranchers by helping them improve, update, and modernize their livestock operation infrastructure and equipment.

AGRI Value-Added Grant Program

651-201-6098

Grant offers designated grants for value-added businesses (including bioenergy producers and hemp processors) to invest in equipment.

Agriculture Best Management Practices (BMP) Loan Program

651-201-6618

Water quality program that provides low-interest loans to farmers, rural landowners, and agriculture supply businesses.

Agricultural Improvement Loan

651-201-6004

Assists eligible farmers to finance capital improvements to their farming operation.

Beginning Farm Loan

651-201-6004

Offers affordable financing, a reasonable down payment and built-in safeguards, such as farm management training and financial planning to help minimize the risk all farmers face.

Dairy Business Planning Grant

651-201-6643

Grants encourages business planning for Minnesota dairy farms and dairy processors.

Farm Opportunity Loan Program

651-201-6004

Designed to finance the purchase of equipment to add value to crops or livestock, adopt best management practices, reduce agricultural inputs to improve the environment, and increase on-farm energy production.

Food Retail Improvement and Development Grants (FRIDG): Retailer Equipment and Infrastructure

651-201-6004

Program increases the availability of and access to affordable, nutritious, and culturally appropriate foods (including fruits and vegetables) for underserved communities in low- and moderate-income areas. FRIDG: Retailer Equipment and Infrastructure Grants help grocery stores and small food retailers make physical improvements and purchase equipment to stimulate sales of such foods.

Livestock Equipment Loan Program

651-201-6004

Designed to help finance the purchase of livestock-related equipment.

Livestock Expansion Loan Program

651-201-6004

Assists livestock and dairy producers to finance the construction of state of the art facilities.

Restructure II Loan Program

651-201-6004

Designed to help farmers who remain in good credit standing with their local ag lender, but are having trouble with cash flow due to adverse events.

Seller Assisted Loan Participation Program

651-201-6004

A cooperative financing effort involving a buyer, a seller, a local lender, and the Minnesota Rural Finance Authority (RFA).

Specialty Crop Block Grant Program

651-201-6144

A grant program designed to enhance the competitiveness of specialty crops in domestic and foreign markets.

Value Added Stock Loan Program

651-201-6004

Helps farmers finance the purchase of stock in a cooperative, Limited Liability Company, or limited liability partnership proposing to build or purchase and operate a facility to process or produce products from ag crops.

TAX CREDITS

[Beginning Farmer Tax Credit](#)

651-201-6316 | mda.bftc@state.mn.us

Credit provides state tax credits to landlords and sellers (asset owners) who rent or sell farmland, equipment, livestock, and other agricultural assets to beginning farmers in the current tax year. **Funding is limited.** Tax credits are funded in a first-come, first-served manner regardless of the deadlines below. Applicants are highly encouraged to apply early in the year and may apply before sales close if needed.

This is a two-part application. Both beginning farmers and asset owners must submit applications with leases and/or sale documents to hold their place in line for first-come, first-served funding. Applications open annually in early January.

Tax Credit Details

The tax credit will go to the asset owner (landlord/seller) for leases and sales taking place in the current tax year as follows:

	Tax Credit Amount	Maximum Tax Credit	Application Due Date
Cash Lease	10 percent of annual rental income	\$7,000	July 17, 2026
Share Rent Lease	15 percent of annual rental income	\$10,000	July 17, 2026
Sales	8 or 12 percent of sale price**	\$50,000	Nov. 1, 2026
Beginning Farmer FMB tuition reimbursement	Equal to tuition paid (see below)	\$1,500	Nov. 1, 2026

In each given tax year, the asset owner can claim credits in **either** a rental or a sale with **each** eligible beginning farmer. We will mail tax credit certificates and filing instructions by the end of January each year.

Eligibility

Beginning farmer must

- Be a Minnesota resident who is seeking entry, or has entered into farming within the last 10 years.
- Be renting/buying as an individual (**not** an LLC or other business entity)
- Provide the majority of labor and management on a farm that is located in Minnesota.
- Have some farming experience and knowledge
- Provide positive projected earnings
- Have a net worth that does not exceed the limit provided under Minn. Stat. § 41B.03, subdivision 3, paragraph (a), clause (2). This limit is \$1,042,000 in 2025.
- Be enrolled in or have completed an approved [farm business management \(FBM\) program](#) within ten years of their first year of farming (more details below).

Asset owners

- May be an individual, trust, LLC, partnership, S-Corp, or other qualified pass-through entity.
- May claim the tax credit for as many years as the beginning farmer(s) they work with are eligible.
- **Cannot** be an equipment dealer, livestock dealer, or comparable entity engaged in the business of selling agricultural assets for profit.

- Except for farmland sales, **cannot** be directly related to the owner of the agricultural asset. This includes parents, grandparents, brothers, sisters, spouses, children, and grandchildren of the beginning farmer and their spouse.

****Land sales only**

- Parents, grandparents, and siblings are eligible for the tax credit if they sell farmland to a direct family member. This does not apply to leases or non-land sales (livestock, vehicles, etc.).
- Credits for farmland sales will be 8 percent of the sale price for all beginning farmers buyers and 12 percent if the buyer is also a limited land access farmer.
- Limited Land Access Farmer must meet all of the following:
 1. Does not own any farmland.
 2. Does not rent land from a relative. This includes anyone related to the beginning farmer by blood or marriage (ex. parent, in-law, grandparent, aunt/uncle, great-aunt/uncle, sibling, step-sibling, cousin, second cousin, etc.).
 3. Does not have a lease term greater than three years.

Farm Business Management Requirement

Beginning farmers must be enrolled in or have completed an approved [farm business management \(FBM\) program](#) within ten years of their first year of farming for their asset owners to be eligible for the tax credit.

Reimbursement

Beginning farmers are eligible for a nonrefundable Minnesota tax credit equal to their FBM tuition paid up to a maximum of \$1,500. This tax credit is available for up to three years.

Waiver

Beginning farmers may request to waive the FBM requirement if they have a 4-year agricultural degree, reasonable work experience in agricultural finance or have already completed an approved FBM program. If the beginning farmer has already completed 30 credits of FBM courses (or the equivalent hours in another approved FBM program), they do not need to register for additional courses.

Other information

MDA can approve leases with one, two, or three year terms. Recertifications for the second and third years of the lease will receive first priority in asset owner tax credit approvals if the beginning farmer submits their application by the deadline. If applying with a multi-year lease, the asset owner must reapply with a lease in the first year of the contract, and the beginning farmer must reapply every year to confirm their eligibility.

An “agricultural asset” is defined as agricultural land, livestock, facilities, buildings, and machinery used for farming in Minnesota.

This is a non-refundable tax credit for Minnesota state income taxes, which can be carried forward for up to 15 years for asset owners.

PUBLIC SOURCES OF FINANCING – LOCAL PROGRAMS

Various governmental units at different levels are currently providing some form of assistance to entrepreneurs. This assistance may be in the form of financial services and loan packaging or technical assistance, tax credits, and the like. To learn more about the variety of programs, contact the planning or business services unit of the county, municipality or township where the proposed business will be located.

In Minneapolis, access their [Business assistance](#) information. The Small Business Team is located at Public Service Building, 505 Fourth Ave. S, Room 320, Minneapolis, MN 55415, 612-673-2499; smallbusiness@minneapolismn.gov.

In St. Paul, access the [Economic Development Departments / Planning & Economic Development](#). Located in the City Hall Annex, 25 West Fourth Street, Suite 1300, St. Paul, MN 55102, telephone 651-266-6600.

Note that the Financing, Local Sources section of the Resource Directory of this Guide contains information on other sources of local public financing throughout the state.

PRIVATE SOURCES OF FUNDS

VENTURE CAPITAL FIRMS

Venture capital firms provide equity capital to emerging and growth-oriented businesses that have high market potential. Their major function is to assess management ability, determine market potential and provide equity capital to businesses evidencing growth potential and anticipated high returns of venture investments. The listing of major venture capital firms in Minnesota can be found at your local business library.

MINNESOTA INITIATIVE FOUNDATIONS

Minnesota's Initiative Foundations are six regional, charitable nonprofit organizations created in 1986 by the McKnight Foundation, in partnership with community leaders, to strengthen the economies and communities of Greater Minnesota. Each foundation is independently governed and raises funds from McKnight and a variety of public and private sources. They provide grants, business loans, and regional programs that support economic and business development, workforce and leadership, early childhood and education, community services, and related priorities in their regions. Four of the six now identify themselves as "foundations," reflecting their broader community philanthropy roles. The six foundations, the counties they serve, and their contact information are listed in the Resource Directory section of this Guide.

COMMUNITY/ECONOMIC DEVELOPMENT CORPORATIONS

Community development corporations (CDCs) are nonprofit, community-based organizations that focus on economic development, redevelopment, and housing within a defined geographic area, often low- to moderate-income neighborhoods or rural communities. In Minnesota, CDCs are typically organized as tax-exempt 501(c)(3) corporations and must designate a specific service area and maintain boards that are representative of that community.

CDCs help residents and local leaders address development needs in their area. Depending on local priorities, they may operate small business and economic development programs, make or package loans to help start or expand businesses, develop or rehabilitate commercial and housing projects, and sponsor training or workforce initiatives. Many CDCs assist new or expanding businesses with business plans, management and financial planning, and preparation of loan proposals to banks and other lenders.

Information on Minnesota community and economic development corporations, including certified CDCs and related programs, is available in the Resource Directory section of this Guide.

INSURANCE

Before beginning business operations, every owner should carefully evaluate the company's insurance needs. Today, insurers can design packages that combine several types of coverage to address both general and specialized risks for almost any kind of business.

Because the risks and needs of each business differ, no single “standard” insurance program will fit everyone. Coverage should be tailored to your specific operations, assets, contracts, employees, and risk tolerance. Some coverages are required by law (such as workers' compensation for most employers and commercial auto insurance for business-owned vehicles); others are required by landlords, lenders, or customers; and still others are optional but prudent. Work with a licensed and experienced commercial insurance agent or broker to identify appropriate coverage types and limits.

TYPES OF INSURANCE

Sound business management almost always includes an insurance program customized to the firm's needs. Common coverages to discuss with an insurance professional include:

Property insurance

Property insurance protects the owner of property (and often the mortgage holder) against loss from damage or destruction of buildings, equipment, inventory, and other physical assets caused by covered perils such as fire, windstorm, explosion, vandalism, or certain other hazards. Policies vary in scope—some cover only specifically listed perils, while “special form” policies cover a broader range of causes of loss, subject to exclusions. Coverage limits and deductibles should be reviewed regularly.

Business interruption insurance (and other time-element coverages)

Business interruption insurance protects against loss of income that results when your operations are suspended due to damage to or destruction of covered property. When triggered, it can help replace lost profits and cover ongoing expenses (such as rent or payroll) during the period of restoration, up to policy limits and subject to the policy's conditions. Related coverages (such as extra expense or contingent business interruption) may be available. Premiums are often relatively low when this coverage is part of a comprehensive package. Some policies can also provide benefits if you are unable to work due to illness or injury; these are typically separate disability or business overhead expense coverages.

Liability insurance (including business automobile)

Liability insurance protects a business against claims arising out of legal responsibility for bodily injury or property damage to others. General liability coverage typically responds to slip-and-fall injuries, damage to others' property, advertising or personal injury (such as libel or slander), and

similar risks. Business automobile coverage protects against liability and certain physical damage losses involving vehicles owned or leased by the business. Many policies also cover certain medical payments and related benefits, regardless of fault, within stated limits.

For many small businesses, general liability and commercial property are combined into a single, cost-effective “Business Owner’s Policy” (BOP). If your business owns vehicles, you will also need commercial auto insurance; this is separate from any personal auto policy and is generally required for business-owned vehicles.

Bonds

Bonds are not insurance but are closely related financial instruments often obtained through insurance agents:

- **Fidelity bonds** protect the business against loss caused by dishonest acts of employees, such as theft of money or property.
- **Surety bonds** guarantee the performance of certain obligations, whether contractual or statutory. They are common in the construction industry and are frequently required on public projects or certain licensed activities.

Workers’ compensation insurance

Workers’ compensation insurance provides statutory benefits to employees who suffer work-related injuries or occupational illnesses. In Minnesota, most employers with one or more employees are legally required to carry workers’ compensation coverage. Benefits typically include medical expenses, partial wage replacement, and disability benefits. See the section of this Guide on Workers’ Compensation for a more detailed discussion.

Group insurance for employees

Group life, health, dental, disability, and other employee benefit programs are often offered to attract and retain staff. These plans must comply with federal and state laws (including ERISA, ACA, and Minnesota insurance statutes). Requirements and common plan structures are described in more detail in the Employee Benefits section of this Guide.

Product liability

Product liability coverage protects manufacturers, distributors, and in some cases retailers from claims that a product they made or sold caused bodily injury or property damage. This coverage generally applies once the product leaves the manufacturer’s or seller’s control and is usually provided as part of a general liability policy, though higher-risk businesses may need additional limits or specialized endorsements.

INSURANCE FOR ONLINE AND E-COMMERCE RISKS

As more businesses operate online, insurance for technology and data-related risks has become increasingly important. While some traditional coverages may respond to limited aspects of cyber events, many standard general liability and property policies exclude or narrowly cover losses such as data theft, hacking, or cyber-extortion. Businesses with any online presence or that store sensitive customer or financial data should review:

- **Cyber liability / data breach coverage**, which can help pay for forensic investigations, notification and credit monitoring for affected customers, legal defense, regulatory fines where insurable, and certain business interruption losses caused by cyber incidents.
- **Technology errors and omissions (tech E&O) coverage**, for businesses that design, host, or support software and digital services, protecting against claims that a mistake in your services caused financial harm.

Online businesses also face “publisher-type” risks such as defamation, invasion of privacy, and intellectual property infringement, because websites and social media act as publishing platforms. These risks may be addressed through a combination of general liability, media liability, and cyber policies, depending on the insurer and the policy form.

Because policy language and exclusions vary widely, every business should review existing policies with an agent to determine which online risks are covered, which are excluded, and whether cyber or tech-specific policies are needed.

HELP FOR BUSINESSES UNABLE TO OBTAIN LIABILITY INSURANCE

Some businesses that serve an important public purpose may find it difficult or impossible to obtain required liability insurance in the standard market. To address this, Minnesota created the Minnesota Joint Underwriting Association (MJUA) as a **market-of-last-resort** for certain liability coverages.

MJUA may provide coverage only when:

- Insurance is required by statute, ordinance, or other law; or
- Insurance is necessary to earn a livelihood or conduct a business and serves a public purpose; and
- The applicant is unable to obtain coverage through ordinary methods.

The legislature has specifically authorized MJUA to offer liability insurance to classes such as:

- Day care providers, foster parents, and foster homes.
- Developmental achievement centers, group homes, and sheltered workshops for people with disabilities.
- Certain citizen participation groups.
- Liquor liability and certain medical malpractice risks.

Eligibility for additional classes is determined on a class-by-class basis. MJUA is **prohibited** by statute from providing product liability coverage or environmental impairment coverage, and it generally cannot insure businesses conducted substantially outside Minnesota unless coverage is required by law. MJUA may also decline especially hazardous risks.

Applying for MJUA coverage

Before applying to MJUA, an applicant must make a good-faith effort to obtain coverage from the voluntary market and be unable to secure it. Once an application is received, MJUA will determine whether the risk falls within a class for which it has been activated to provide coverage. New classes are activated by the Commissioner of the Minnesota Department of Commerce, with notices published in the State Register and an initial 180-day activation period; public hearings may be held to gather input from affected businesses.

The time required to issue a policy depends on factors such as:

- Whether an appropriate policy form has already been approved for that class.
- Whether a rate schedule has been adopted.
- Whether the class or applicant requires committee or Board review.
- Whether the required “assigned market” procedures (including any Minnesota Market Assistance Plan processes) have been satisfied and no acceptable quote is available.
- Whether the applicant’s existing coverage has expired and no other market can be found.

For more information on MJUA eligibility, classes currently activated, and application procedures, businesses should contact the Minnesota Joint Underwriting Association or the Minnesota Department of Commerce. Contact information appears in the Resource Directory section of this Guide.



ISSUES FOR EMPLOYERS

WHO IS AN EMPLOYEE?

IN GENERAL

Many laws affecting the work relationship require a business owner to determine first whether a person performing services is legally an “employee” for the particular law at issue. Business owners who use “independent contractors” sometimes assume they have no employees and that employment laws do not apply to them. That assumption is dangerous. A worker’s status is not determined by what the parties call the relationship or what a written agreement says; it is determined by what the worker actually does and the economic and legal realities of the relationship.

For most purposes, a worker’s relationship to the business will be one of the following:

- Common law employee
- Statutory employee
- Independent contractor

If the individual is a **common law employee**, the business must, among other things:

- Obtain workers’ compensation coverage
- Withhold FICA (Social Security and Medicare) taxes and income taxes
- Pay the employer’s share of FICA

Pay federal and state unemployment taxes

Wage-and-hour laws, occupational safety and health requirements, and other federal and state employment laws will generally apply as well.

If the individual is a **statutory employee**, the person may be treated as an employee only for certain purposes (for example, FICA, unemployment insurance, workers’ compensation, or wage-and-hour), even if they are not a “common law” employee. In these cases, the employer should consult with legal or tax advisors about:

- Whether and how to withhold Social Security and Medicare taxes
- Whether to pay unemployment tax
- Which employment statutes apply

An **independent contractor** is operating their own business and is not an employee of the firm that contracts with them. They typically handle their own tax obligations and business compliance. Tax rules and other legal considerations for sole proprietors and entities are discussed in the “Choosing the Form of Business Organization – Tax and Non-Tax Considerations” section of this Guide.

The question of whether a worker is an employee or an independent contractor may be determined by common-law rules (developed by the courts) or by statute. A person may be an employee for some purposes but not others. Because misclassification is costly, employers should seek professional advice whenever doubt exists.

COMMON LAW EMPLOYEES

Under common law, courts and agencies weigh multiple factors to determine whether an employer-employee relationship exists. The most important factor is the hiring entity’s right to control the manner and means by which the work is performed. Even if a worker has significant day-to-day freedom, an employment relationship may exist if the business retains the legal right to direct how the work is done as well as the result.

Other factors that may be considered include:

- **Mode of payment.** Workers paid on a regular, recurring basis (hourly, weekly, biweekly, monthly) with tax withholding and benefits are more likely to be employees than individuals paid a flat amount per project, regardless of time spent. Providing fringe benefits such as medical insurance is also characteristic of an employer-employee relationship.
- **Materials, tools, and equipment.** A person who furnishes and maintains their own tools, equipment, and materials and has a significant investment in those items is less likely to be an employee than someone who mainly uses tools, equipment, and materials furnished by the hiring entity.
- **Control of premises.** An employment relationship is more likely where the hiring entity owns or controls the location where the work is performed. Work performed at premises owned or controlled by the service provider or a third party is more typical of an independent contractor relationship.
- **Right of discharge / right to quit.** If the hiring entity can terminate the worker at will, and the worker can leave before completion of the task without being liable for nonperformance under a contract, these facts favor finding an employment relationship. Independent contractors are more likely to have their rights and obligations defined by a contract, including consequences for early termination.

No one factor is determinative. The right to control the manner and means of the work is the primary consideration, but all relevant facts are evaluated together. If an employment relationship exists, legal obligations apply regardless of what the parties call the worker, how payments are measured or made, or whether the person works part-time or full-time, unless a specific statutory exception applies.

Joint Employment and Staffing Firms

In some situations, an individual may be an employee of more than one employer at the same time (“joint employment”). A common example is when a business obtains workers through a temporary staffing or leasing agency.

In joint employment situations:

- Both the staffing firm and the client business may be jointly responsible to ensure that the worker is paid in accordance with the federal Fair Labor Standards Act (FLSA).
- The Equal Employment Opportunity Commission (EEOC) has explained that either the staffing firm or the client (or both) may be considered an employer under federal civil rights laws, including Title VII, the Age Discrimination in Employment Act (ADEA), the Americans with Disabilities Act (ADA), and the Equal Pay Act (EPA). The EEOC refers to such workers as “contingent workers.”

If either the staffing firm or the client has sufficient control over the contingent worker’s work, that entity will be an employer under these statutes. Even if an entity exercises relatively little day-to-day control, it may still be deemed an employer if it has enough employees to be covered by the law.

STATUTORY EMPLOYEES

Even if a worker is not an employee under common-law tests, they may be treated as an employee for specific statutory programs. Examples include:

- FICA (Social Security and Medicare) tax
- Federal and state unemployment insurance tax
- Workers’ compensation
- Federal and state wage-and-hour laws (FLSA, Minnesota Fair Labor Standards Act)
- Occupational safety and health requirements
- Other federal or state employment statutes

Some statutes also contain specific employee categories (for example, certain salespersons) and special rules for family-owned businesses that employ relatives.

Because both federal and state laws define who is an “employee” for their purposes, both must be considered before concluding that a particular legal requirement does not apply. The definition of “employee” is often a legal question, and borderline situations should be reviewed with counsel before deciding that an individual is not an employee.

INDEPENDENT CONTRACTORS

Many businesses engage independent contractors rather than employees to meet temporary or specialized needs. When properly structured, this arrangement can benefit both companies and workers. Companies may avoid certain employment-tax and benefit costs and can pay by project rather than by time. Workers may gain scheduling flexibility and entrepreneurial opportunities.

However, different laws apply different tests to determine whether a worker is an employee or an independent contractor:

- The IRS uses a **right-to-control test** that considers behavioral control, financial control, and the relationship of the parties.
- Many employment statutes, including the FLSA, use an “**economic dependence**” or “**economic realities**” test, which often produces more employee-favorable outcomes.

Under the FLSA’s very broad definition of “employ” (“to suffer or permit to work”), the U.S. Department of Labor (DOL) has stated that most workers are employees. For wage-and-hour purposes, the DOL looks at factors such as:

1. Whether the work is an integral part of the employer’s business.
2. Whether the worker’s managerial skill affects their opportunity for profit or loss.
3. The relative investment of the worker compared to the employer.
4. Whether the work requires specialized skill and business initiative.
5. The permanence or duration of the relationship.
6. The nature and degree of the employer’s control over the work.

If these factors show that the worker is economically dependent on the business, the worker is likely an employee, even if some control factors suggest otherwise.

Certain facts are **not** determinative:

- A contract labeling someone an “independent contractor” does not control if the actual working relationship indicates employment.
- The fact that the worker has incorporated or is licensed by a government agency does not by itself establish contractor status.
- The Supreme Court has held that employee status is not determined solely by the method or timing of pay.

The DOL has reported increasing misclassification of employees as independent contractors. To address this, the DOL has entered into cooperative enforcement agreements with the IRS and the State of Minnesota. When misclassification is found, agencies can share information, increasing the likelihood of multiple audits and penalties.

Independent contractors in the construction industry

Effective March 1, 2025, Minnesota replaced its former nine-factor test with a new 14-factor test for determining independent contractor status in the construction industry. Under this law, an individual providing building construction or improvement services is an independent contractor—and not an employee of the person for whom the services are performed—only if the individual is operating as a business entity that meets all of the following requirements at the time the services are provided:

1. The business entity is established and maintained separately from, and independently of, the person for whom services are provided.

2. It owns, rents, or leases equipment, tools, vehicles, materials, supplies, office space, or other facilities used to provide or perform building construction or improvement services.
3. It provides or offers to provide similar building construction services to multiple persons or the general public.
4. It complies with applicable tax identification, reporting, and filing obligations (federal employer identification number, Minnesota tax ID, 1099 forms, business or self-employment tax returns, and W-9 forms, as required).
5. It is in good standing under Minnesota law, if applicable.
6. It has a Minnesota unemployment insurance account, if required.
7. It has workers' compensation coverage, if required.
8. It holds all required business licenses, registrations, and certifications.
9. It operates under a written contract, signed and dated by both parties (by a specified time), that identifies the services, sets compensation on a per-job/commission/competitive-bid basis (not hourly or salary), and satisfies detailed timing and content requirements.
10. It submits invoices and receives payments in the name of the business entity (not in cash).
11. The written agreement gives the business entity control over how the specific services are provided, and, in practice, the business entity exercises that control.
12. The business entity incurs the main expenses and costs related to providing or performing the services.
13. The business entity is responsible for completing the services and is contractually responsible for failure to complete them.
14. The business entity may realize additional profit or suffer a loss based on whether its costs and expenses are less than or greater than the compensation under the agreement.

If any of these requirements is not met, the individual will be treated as an employee for purposes covered by this law.

Personal liability of employers for misclassification of employees

Effective July 1, 2024, Minnesota law imposes personal liability and significant penalties on employers and their officers or agents who:

- Fail to classify or treat an individual who is an employee as an employee under applicable law.
- Fail to report a person as an employee when required.
- Require or request an employee to misrepresent or misclassify themselves as a non-employee, including as an independent contractor.

Penalties can be up to **\$10,000 for each misclassification and each violation**, plus penalties of up to **\$1,000 for each person who fails to cooperate with or obstructs an investigation** into violations. Misclassified individuals may also be entitled to compensatory damages. These enforcement tools significantly raise the stakes for correct classification.

Independent contractors in the trucking and messenger/courier industries

Minn. Stat. § 176.043 sets out seven criteria—all of which must be met—for an operator in the trucking and messenger/courier industries to be considered an independent contractor rather than an employee. These criteria include, among others:

- Ownership or bona fide lease of the equipment used.
- Responsibility for equipment maintenance and operating costs.
- Responsibility for providing the personal services necessary to operate the equipment.
- Substantial control by the worker over the means and manner of service performance.
- A written contract specifying that the relationship is one of independent contractor, not employee.

Employers in these industries should review the statute and consult counsel to ensure compliance.

Further information

In addition to seeking advice from qualified professionals, employers can obtain more detailed guidance from:

- **Federal income, withholding and FICA (Social Security and Medicare) tax:** [Publication 15 \(Circular E\) Employer’s Tax Guide](#), [Publication 15-A, Employer’s Supplemental Tax Guide \(Supplement to Pub. 15, Employer’s Tax Guide\)](#); and [Publication 1779, Employee or Independent Contractor](#). The IRS also offers [Independent Contractor \(Self-Employed\) or Employee?](#).
- **Minnesota income tax withholding:** [Minnesota Income Tax Withholding Instruction Booklet and Tax Tables](#). Also refer to the Minnesota Department of Revenue [Withholding Fact Sheet 8, Independent Contractor or Employee](#), which explains withholding responsibilities tied to classification.
- **Workers’ compensation:** Minnesota Department of Labor and Industry, [Workers’ Compensation](#) and Minnesota Rules Chapter 5224 (employee vs. independent contractor tests).
- **Federal Fair Labor Standards Act:** U.S. Department of Labor, Wage and Hour Division resources on [Wages and the FLSA](#).
- Minnesota Fair Labor Standards Act and labor standards: Minnesota Department of Labor and Industry, [Labor Standards](#).
- Human rights and anti-discrimination: [Minnesota Department of Human Rights](#).

Contact information for these agencies and resources is provided in the Resource Directory section of this Guide, and the “Checklist for Hiring an Employee” later in this Guide can be used together with this section when onboarding workers.

EMPLOYMENT AGREEMENTS

EMPLOYMENT AT WILL

Under the doctrine of employment at will, an employment relationship may generally be terminated at any time by either party. In the absence of a collective bargaining agreement or other contract that alters this rule, an employer in Minnesota may discharge an employee at any time for any lawful reason, or for no stated reason, with or without notice. Likewise, an employee may resign at any time, for any reason, with or without notice. Minnesota follows this general rule.

An employment-at-will relationship can be contrasted with a contractual relationship, in which the rights and duties of the parties are governed by specific contract terms (for example, a fixed term of employment or “for cause” termination provisions). Courts have recognized several situations in which the at-will relationship is modified or limited, or where public policy concerns justify departure from the at-will rule. These situations are discussed further below.

Employment contracts

Employment contracts may be written or oral. Employers may offer contracts to candidates who would not accept employment without greater security, or where the employer seeks specific protections, such as the protection of confidential information or intellectual property. Employment contracts typically address:

- Term or duration of employment
- Compensation and benefits
- Job duties and reporting relationships
- Grounds and procedures for termination

Contracts may also include provisions on confidentiality, assignment of intellectual property rights (such as patents and copyrights), and, to a limited extent, permissible restrictive covenants consistent with Minnesota law.

Minnesota courts have used contract-based theories to create exceptions to employment at will, often for public policy reasons. Examples include:

- Finding a binding promise where an employee provides something of value in addition to performing the job (for example, relocating, foregoing another opportunity, or providing special consideration) in exchange for a promise of continued employment.
- Enforcing promises where an employee reasonably relies on an offer of employment and, in reliance, gives up another job or opportunity.
- Treating statements in a personnel handbook as contractual where the terms are sufficiently definite, are clearly communicated to the employee, and the employee accepts them and provides value by continuing to work, subject to any clear disclaimers or reserved right to change policies.

Courts may also find implied contracts in other circumstances based on the parties' conduct and communications. Where employees are represented by a union, the employer and the union negotiate a collective bargaining agreement that governs the employment relationship during its term.

Non-compete agreements banned

Effective July 1, 2023, Minnesota law bans almost all **post-employment non-compete agreements** between an employer and an individual worker, including individual independent contractors. For purposes of this law, a "non-compete agreement" is an agreement that restricts the worker's ability, after the relationship ends:

- To work for another employer for a specified period of time
- To work in a specified geographic area; or
- To work for another employer in a role or function similar to the one performed for the contracting employer.

Two narrow exceptions remain:

- Non-compete agreements entered into in connection with the **sale of a business**, where the seller agrees not to carry on a similar business within a reasonable geographic area and for a reasonable time; and
- Non-compete agreements entered into in anticipation of the **dissolution of a corporation, partnership, or limited liability company**, where owners agree not to compete in a similar business in the area where the business operated.

The ban applies to non-competes entered into **on or after July 1, 2023**. It does not retroactively void non-competes signed before that date, which continue to be evaluated under prior Minnesota law for reasonableness and enforceability.

The statute expressly provides that a non-compete agreement does **not** include:

- Non-solicitation agreements (for example, provisions limiting solicitation of the employer's customers or employees);
- Non-disclosure or confidentiality agreements;
- Agreements protecting trade secrets; or
- Agreements restricting use of client lists or other proprietary information.

Employers should take care to ensure that these permitted agreements are not drafted so broadly that they function as prohibited non-competes.

Protection of confidential information

Minnesota law protects employers' confidential information and trade secrets in several ways:

- Employees owe a general **duty of loyalty**, which includes not misusing trade secrets or proprietary business information.
- Minnesota has adopted the **Uniform Trade Secrets Act**, which prohibits misappropriation of trade secrets and provides civil remedies.
- Employers may require employees to sign **nondisclosure or confidentiality agreements** to prevent disclosure or misuse of confidential or proprietary information during and after employment.

To be protected as a "trade secret" under the Uniform Trade Secrets Act, information must:

- Not be generally known or readily ascertainable by proper means by the public or competitors;
- Derive independent economic value from not being generally known; and
- Be subject to reasonable efforts under the circumstances to maintain its secrecy (for example, access controls, policies, labeling, and training).

Confidentiality agreements must be supported by **adequate consideration**, meaning the employee must receive something of value in exchange for the promise not to disclose or misuse the information. Depending on the circumstances, adequate consideration can include:

- Initial hiring (where the confidentiality agreement is part of the original offer);
- A promotion or change in job responsibilities;
- A salary increase, bonus, or other cash payment; or
- Other tangible benefits provided in exchange for the new obligation.

As a general rule, **continued employment alone**, without additional consideration, is usually not sufficient to support new or expanded confidentiality and restrictive covenants in Minnesota. Employers should seek legal advice before rolling out such agreements to existing employees.

Assignment of patents and inventions

Employers often wish to ensure that inventions created by employees in the course of their work belong to the employer. Minnesota permits employers to require, as a condition of employment, that employees assign rights in certain inventions to the employer. However, state law limits the scope of invention assignment provisions.

Under Minn. Stat. § 181.78, any provision in an employment agreement requiring an employee to assign or offer to assign invention rights does not apply to an invention for which all of the following are true:

- No equipment, supplies, facilities, or trade secret information of the employer were used;

- The invention was developed entirely on the employee’s own time;
- The invention does not relate directly to the employer’s business or to the employer’s actual or demonstrably anticipated research or development; and
- The invention does not result from any work the employee performed for the employer.

Invention assignment clauses should clearly track these statutory limits, and employers should provide the required written notice of Minn. Stat. § 181.78 when asking employees to sign such agreements.

LABOR STANDARDS

GENERAL INFORMATION

Wages, overtime pay, and basic recordkeeping are governed by both:

- The federal Fair Labor Standards Act (FLSA), 29 U.S.C. § 201 et seq., and its regulations at 29 C.F.R. parts 510–794, administered by the [U.S. Department of Labor’s Wage and Hour Division \(WHD\)](#).
- The Minnesota Fair Labor Standards Act (MFLSA), Minn. Stat. Chapter 177, administered by the Minnesota Department of Labor and Industry’s (DLI), [Labor Standards Division](#).

Employers should review both federal and state rules, including:

- U.S. DOL’s FLSA [general guidance and compliance assistance materials](#);
- DLI’s “[Labor standards in Minnesota](#)” and “[A guide to Minnesota’s overtime laws](#),” which explain where state overtime rules exceed federal minimums.

PERSONS COVERED

Federal Law

The FLSA covers, at a minimum:

- All workers employed by hospitals and residential care facilities;
- Public and private preschools, elementary and secondary schools, and institutions of higher education;
- “Enterprises” with at least **\$500,000 in annual gross sales or business done** whose workers are engaged in interstate commerce, produce goods for interstate commerce, or handle, sell, or otherwise work on goods or materials that have moved in or been produced for interstate commerce; and
- Public agencies.

Even if the enterprise threshold is not met, individual employees can be covered if they are individually engaged in interstate commerce or in the production of goods for interstate commerce, or in closely related processes directly essential to such production. Examples include workers who:

- Work in communications or transportation;
- Handle, ship, or receive goods moving in interstate commerce;
- Regularly use mail, telephone, email, or online systems for interstate transactions;
- Regularly cross state lines while working; or
- Perform clerical, maintenance, or custodial work for firms engaged in interstate commerce or producing goods for interstate markets.

Because this concept is interpreted broadly, any employer intending to argue that its workers are not subject to the FLSA should do so only after consulting legal counsel. Your cross-reference to “Federal Act Exemptions” for specific exemptions is appropriate.

Minnesota Law

The Minnesota Fair Labor Standards Act:

- Applies generally to all employers and employees in Minnesota **who are not covered by the FLSA**; and
- Also applies where both laws cover the same employment but the Minnesota Act provides greater protection or higher standards (for example, requiring overtime after 48 hours for certain non-FLSA-covered employees, or setting state-specific minimum wages).

Exemptions from the Minnesota Act, and differences from federal exemptions, are appropriately discussed in your later “Minnesota Act Exemptions” section. Employers must look at both federal and state definitions and enforcement guidance to determine the full scope of their obligations.

EXEMPTIONS

Minimum wage for federal contractors

For businesses that perform work on covered federal contracts, minimum wage requirements may be higher than the general federal minimum wage and may change over time under presidential executive orders and U.S. Department of Labor (DOL) rules. These requirements can apply to certain prime contractors and subcontractors and may be adjusted periodically for inflation.

Because contractor-specific rates and coverage rules change, federal contractors should not rely on a static dollar figure. Instead, they should consult current guidance from the U.S. DOL on “Minimum Wage for Federal Contractors” and confirm whether their contracts are covered and what wage rates apply.

Federal Fair Labor Standards Act (FLSA) exemptions

The FLSA exempts some employees from federal minimum wage and/or overtime requirements. These exemptions are narrowly defined, and whether an employee is exempt is determined by what the employee actually does and how they are paid, not by job title or by being on “salary.” Exempt status is applied on a workweek-by-workweek basis.

An employer that wishes to treat a worker as exempt must ensure all of the requirements for the exemption are met. Paying a salary or commission, or calling someone a “manager,” does not by itself create exempt status.

Employees exempt from both federal minimum wage and overtime

Categories that may be exempt from both minimum wage and overtime under the FLSA include, among others:

- Certain executive, administrative, and professional employees (“white-collar” exemptions).
- Certain outside sales employees.
- Certain computer employees in specific, highly skilled roles.
- Certain employees of seasonal or recreational establishments.
- Certain fishing and small farm workers.
- Casual babysitters and some companions for the elderly or infirm in private homes.

Each of these exemptions has detailed criteria. For white-collar exemptions, the tests generally require:

- Payment on a salary or fee basis at or above a specified salary level; and
- Primary duties that meet the specific duties tests for executive, administrative, or professional work.

Because salary thresholds and regulatory interpretations change over time and are sometimes subject to litigation, employers should verify the current salary levels and duties criteria on the [U.S. DOL Wage and Hour Division](#) website or with counsel.

Employees exempt from federal overtime only

Some exemptions apply only to overtime and not to minimum wage. Most white-collar exemptions (executive, administrative, professional, outside sales, and certain computer employees) fall into this category: the employees must still receive at least the applicable minimum wage, but they are exempt from the FLSA requirement to pay overtime for hours over 40 in a workweek if they meet all exemption criteria.

Blue-collar workers

The white-collar exemptions do not apply to “blue-collar” workers who perform manual labor or other work involving repetitive operations with their hands, physical skill, and energy. Non-management employees in production, construction, maintenance, and similar occupations—

such as carpenters, electricians, mechanics, plumbers, ironworkers, operating engineers, laborers, and similar workers—are generally entitled to minimum wage and overtime under the FLSA regardless of how highly they are paid.

Police, firefighters, paramedics, and other first responders

The white-collar exemptions also do not apply to most first responders, including police officers, detectives, sheriffs and deputies, state troopers, correctional officers, probation and parole officers, park rangers, firefighters, paramedics, emergency medical technicians, and similar personnel who perform law enforcement, fire protection, or emergency response duties. These workers are normally entitled to minimum wage and overtime protections, regardless of rank or pay level.

Interaction with other laws and collective bargaining agreements

The FLSA sets **minimum** standards that employers may not waive or reduce. Employers must comply with any federal, state, or local laws that provide a higher minimum wage, a shorter maximum workweek, or more generous overtime rules. Employers may, voluntarily or through collective bargaining agreements, provide wages and benefits above FLSA minimums.

Collective bargaining agreements cannot waive or contract around FLSA protections, but nothing in the FLSA or exemption regulations relieves employers of more generous contractual obligations they have agreed to in a union contract.

Minnesota Fair Labor Standards Act (MFLSA) exemptions

Like the FLSA, the Minnesota Fair Labor Standards Act (MFLSA), Minn. Stat. Chapter. 177, contains exemptions from its minimum wage and overtime provisions. Employers must comply with both federal and state law: when both apply, the more protective standard (for example, higher state minimum wage or broader state overtime coverage) governs.

The MFLSA includes exemptions (some full, some overtime-only) for more than 20 categories of workers, including, for example:

- Certain nonprofit volunteers.
- Elected officials.
- Police and firefighters (for some provisions).
- Seasonal carnival, fair, and ski facility workers (overtime exemptions in limited circumstances).
- Certain clergy in schools, hospitals, or nonprofits operated by a church or religious order.
- Certain agricultural workers (in limited situations, often when paid on a salary basis).
- Certain outside salespersons.
- Certain executive, administrative, and professional employees.

Executive, administrative, and professional (EAP) exemptions under Minnesota law

Minnesota has its own tests for executive, administrative, and professional exemptions, set out in:

- Minn. Rules 5200.0180 – Executive, administrative, and professional personnel (general).
- Minn. Rules 5200.0190 – Executive tests.
- Minn. Rules 5200.0200 – Administrative tests.
- Minn. Rules 5200.0210 – Professional tests.

In general, to be exempt under these rules:

- The employee must be paid a guaranteed, predetermined weekly salary or fee at or above specified levels in the rules (which differ by test).
- The employee’s primary duties must satisfy detailed duties tests for executive, administrative, or professional work.

It is important to emphasize that paying a salary or using a particular job title (for example, “supervisor” or “manager”) does not make an employee exempt unless the duties and salary tests in the Minnesota rules are met.

Given the complexity and age of the dollar thresholds in the rules, employers should not rely solely on the text of Minn. Rules 5200.0180–.0210. Instead, they should:

- Review DLI’s current “Labor Standards in Minnesota” and “Overtime” guidance; and
- Consult counsel to confirm how Minnesota’s tests interact with current FLSA exemptions.

Outside sales and other Minnesota overtime exemptions

Minnesota’s rules also describe who qualifies as an “outside salesperson,” generally focusing on whether the worker:

- Is hired primarily to make sales or obtain orders or contracts; and
- Customarily and regularly performs these activities away from the employer’s place of business, with only limited work on the premises and limited non-sales duties.

Other employees subject to Minnesota’s minimum wage and other protections but exempt from state overtime in limited circumstances include:

- Seasonal employees of carnivals, circuses, fairs, or ski resorts.
- Certain construction workers on farm silos or installers of related equipment paid on a unit or piece-rate basis.
- Certain salespersons, parts persons, or mechanics paid on a commission or incentive basis when employed by non-manufacturing establishments primarily selling automobiles, trailers, trucks, or farm implements to end users.

- Employees of retail or service establishments whose regular rate exceeds one and one-half times the applicable Minnesota minimum wage and who receive more than half of their compensation from commissions on goods or services.

Because Minnesota's exemptions are nuanced and may differ from federal exemptions, any employer wishing to rely on a Minnesota exemption should review the statute and rules carefully and seek legal advice before classifying employees as exempt.

For reference:

- Federal: U.S. Department of Labor, Wage and Hour Division – [FLSA Fact Sheets](#)
- Minnesota: Minnesota DLI Labor Standards – [Brochures and fact sheets about labor standards](#)

MINIMUM WAGE REQUIREMENTS

Federal minimum wage

Under the Fair Labor Standards Act (FLSA), covered employers must pay non exempt employees at least the federal minimum wage for every hour worked. The FLSA generally covers:

- Businesses whose employees produce or handle goods for interstate commerce.
- Enterprises with annual gross sales or business of at least \$500,000.
- Hospitals and nursing homes, private and public schools, and federal, state, and local government agencies.

The federal minimum wage rate and any special rates (for example, for certain tipped employees) are subject to change by Congress or regulation. Employers should confirm the current federal minimum wage on the U.S. Department of Labor Wage and Hour Division website.

Minnesota minimum wage – general rules

Minnesota minimum wage requirements apply to **non exempt** employees. Non exempt is the default status for most employees; exempt employees are those who meet all of the requirements for one of the narrow exemptions (executive, administrative, professional, certain outside sales, etc., as discussed in the Exemptions section).

For non exempt employees:

- All hours worked must be paid at **no less than the highest applicable minimum wage** (federal, state, or local).
- Minnesota overtime generally applies after **48 hours** in a workweek; federal overtime generally applies after **40 hours** in a workweek. Employees covered by both laws must receive at least the more generous overtime protection.
- Minimum wage applies to **all hours worked**, part time or full time, including waiting time, on call time when the employee's freedom is significantly restricted, required training time, and other time the employee must be on or near the employer's premises for the employer's benefit.

When both federal and state minimum wage laws apply and the rates differ, employers must pay at least the higher of the two rates for each hour worked.

Minnesota state minimum wage structure

Minnesota has several minimum wage categories:

- **Large employer wage** – for employers whose annual gross revenues are at or above the statutory threshold.
- **Small employer wage** – for employers below that revenue threshold.
- **Training wage** – may be paid to employees under age 20 for the first 90 consecutive days of employment with the employer.
- **Youth wage** – may be paid to employees younger than 18.
- **Special wage for certain summer work travel exchange visitor program participants.**

The training and youth wage rates are set at the small employer minimum wage level. “Large” and “small” employer status is determined by gross annual revenue, not by number of employees.

Minnesota law prohibits employers from displacing existing employees or reducing their hours, wages, or benefits simply to take advantage of lower minimum wage rates for youth, training, or exchange visitor categories.

Because Minnesota’s dollar amounts are adjusted periodically, employers should consult the Minnesota Department of Labor and Industry (DLI) for the current large employer, small employer, training, youth, and program specific wage rates.

Local minimum wage ordinances – Minneapolis and St. Paul

Cities may set higher local minimum wages. Minneapolis and St. Paul have adopted local minimum wage ordinances with phased in schedules and employer size distinctions.

- **Minneapolis** requires covered employers to pay at least the city minimum wage to employees who work in Minneapolis, with different phase in timelines and thresholds for “large” and “small” employers. Tipped employees must receive at least the full city minimum wage before tips. Refer to [Minimum Wage](#).
- **St. Paul** similarly requires employers to pay a city minimum wage to employees working in St. Paul, with rates and phase in schedules that vary by business size (macro/large, small, and micro). Refer to [Minimum Wage](#).

Because these local rates are updated over time and are now generally above the state minimum wage, employers with employees working in Minneapolis or St. Paul must review those cities’ official minimum wage pages or contact their labor standards offices for current rates and effective dates.

Minimum wage and hours worked

Minimum wage applies to all hours worked, which generally include:

- Time spent performing duties for the employer.
- Required training or meetings.
- Certain on call or waiting periods when the employee is not free to use the time for their own purposes.
- Time the employee is required to remain on or so near the employer's premises that they cannot effectively use the time for their own benefit.

Employers must keep accurate records of hours worked and wages paid for all non exempt employees, consistent with both federal and Minnesota recordkeeping requirements.

Posting requirements

Employers must post current notices of applicable federal and Minnesota minimum wage requirements and other required labor standards notices in conspicuous places where employees can readily see them. Using outdated posters can lead to penalties. Updated posters are available at no cost from:

- The U.S. Department of Labor (DLI) (federal workplace posters) - [Workplace Posters](#)
- The Minnesota Department of Labor and Industry (state labor standards notices and posters) - [Workplace Notices and Posters](#)

Employers should periodically check these agencies' websites to ensure that posted notices are current.

Wages paid using payroll card accounts

Minnesota law permits employers to pay wages through **payroll card accounts**, subject to specific protections for employees. Key requirements include:

- Use of a payroll card account must be **voluntary**; it cannot be a condition of hire or continued employment.
- Before using payroll cards, an employer must:
- Register with DLI as required; and
- Provide a written disclosure, in plain language, explaining all available wage payment options and all fees that may apply to the payroll card.
- Employees must consent in writing before wages are paid via payroll card, and employers must retain a copy of the signed disclosure and provide one to the employee.
- Employers may **not** charge employees initiation, participation, loading, or similar fees for receiving wages via payroll card. Payroll card issuers may not charge inactivity or dormancy fees, and no undisclosed fees may be deducted.

- Employees must be able to withdraw their wages, on each regular payday, by at least one **free transaction**. Employers must provide, upon request, at least one free transaction history per month.
- Payroll cards may not be linked to credit or loans (such as advances against future pay), and employers may not use transaction data for any purpose other than processing transactions and administering the account.

Employers may continue to pay wages in cash, by paper check, or by direct deposit into a bank account chosen by the employee. Employees may opt out of direct deposit by submitting a written objection. Employees who wish to switch from payroll card payment to another method must be provided with a written form to request the change, and the employer must implement the new method within a reasonable period (for example, within 14 days).

Because details and registration procedures can change, employers should consult the Minnesota DLI's guidance on wage payment methods and payroll cards for the most current requirements.

OVERTIME PAY REQUIREMENTS

Federal Overtime Pay Requirements

For covered, non exempt employees, the FLSA requires overtime pay at **one and one half times the employee's regular rate of pay** for all hours worked over **40 in a workweek**.

- A **workweek** is any fixed, recurring period of 168 hours (seven consecutive 24 hour periods) chosen by the employer. It can start on any day and at any hour, but once established, it must be applied consistently.
- Each workweek stands alone for overtime purposes; employers generally may not average hours across multiple weeks (except in limited situations, such as some hospital or residential care schedules under special FLSA provisions).

Regular rate of pay

Overtime is calculated from the employee's **regular rate**, not just the base hourly rate. The regular rate generally includes all compensation for hours worked, services rendered, or performance, such as:

- Hourly wages or salary (converted to an hourly equivalent).
- Non discretionary bonuses and incentive pay.
- Shift differentials and certain premiums.

To calculate the regular rate, divide total compensation for the workweek (including all includable earnings) by total hours worked in that week.

Cash overtime and compensatory time

- In the **private sector**, overtime generally must be paid in **cash wages**; true “comp time” banking across pay periods is not permitted as a substitute for FLSA overtime, except under very narrow arrangements that still result in timely payment within the same pay period.
- In the **public sector**, certain public employers may provide **compensatory time off** instead of cash, accruing at **1.5 hours of comp time for each overtime hour worked**, subject to maximum accrual limits and detailed FLSA rules.

Federal exemptions from overtime are discussed in your Exemptions section; this cross reference is appropriate and should remain.

Minnesota overtime pay requirements (Minn. Stat. § 177.25)

Under the Minnesota Fair Labor Standards Act, employers covered by the state law must pay non exempt employees **time and one half their regular rate of pay for all hours worked over 48 in a workweek**, unless a Minnesota specific exemption applies.

- As under federal law, the workweek is a fixed, recurring 168 hour period, and each workweek stands on its own; hours may not be averaged over multiple weeks.
- Minnesota overtime is owed only on **hours actually worked**; paid but non working hours such as vacation, sick leave, and holidays are **not** counted toward the 48 hour threshold.

Special Minnesota overtime rules

- **Hospitals and health care:** Minn. Stat. § 177.25, subd. 2, contains special overtime provisions for hospitals and certain health care fields. Employers in these sectors should review that statute and DLI’s overtime guidance or consult counsel for details.
- **Prevailing wage projects:** Under the Minnesota Prevailing Wage Law (Minn. Stat. § 177.41–.44), employees working on state funded construction projects must generally receive **time and one half** for all hours worked over **eight in a day or 40 in a week**, which is stricter than the general 48 hour state rule.

Interaction of federal and state overtime

When both federal and Minnesota overtime laws apply:

- For most FLSA covered employees, overtime will be due after **40 hours** in a workweek (federal standard), even though Minnesota’s general overtime trigger is 48 hours.
- For employees not covered by the FLSA but covered by Minnesota law, overtime will be due after **48 hours** in a workweek.
- On prevailing wage projects or in other special contexts, daily or lower weekly thresholds may apply.

Employers must apply whichever rule (federal, state, or project specific) is **most protective** of the employee in each situation.

PREVAILING WAGE LAWS

Prevailing wage – general concept

Both the federal government and the State of Minnesota require payment of **prevailing wages** on certain publicly funded construction and public works projects. Prevailing wage is essentially a **locally determined minimum wage plus fringe benefits** that must be paid to covered laborers and mechanics on qualifying projects so that public spending does not undercut local wage standards.

At the federal level, the Davis-Bacon and Related Acts require contractors and subcontractors on federally funded or assisted construction projects over specified dollar thresholds to pay at least the locally prevailing wage and fringe benefits for each classification of laborers and mechanics. The federal Service Contract Act plays a similar role for many service contracts with the federal government.

Minnesota prevailing wage for public works and economic development

Minnesota's prevailing wage law (Minn. Stat. § 177.41–.44 and related rules) applies to many state-funded construction, installation, and repair projects, requiring contractors to pay at least the state-determined prevailing wage for the county and work classification involved. "Prevailing wage" under Minnesota law consists of:

- The **hourly basic rate of pay**, plus
- The employer's cost of certain **economic benefits**, such as health and welfare, vacation, pension, and similar benefits.

"Area" is generally defined as the county or locality from which labor for the project is normally drawn.

Minnesota has **extended prevailing wage requirements to certain economic development projects** receiving specified levels of state financial assistance. Under Minn. Stat. § 116J.871 and related guidance:

- Prevailing wage applies when a covered economic development project receives state assistance in any of these forms:
 - **Grants totaling \$200,000 or more;**
 - **Loans totaling \$500,000 or more;** or
 - Certain **tax incentives, tax abatements, or sales tax reductions** provided for economic development purposes in specified areas.

"Economic development" generally means state financial assistance provided directly to a business, or to a local government or nonprofit on a business's behalf, for the manufacture or sale of goods or services. Certain housing rehabilitation and some new housing construction projects may be treated differently; Minnesota Housing now applies state prevailing wage to many new-construction rental projects at the same \$200,000 grant / \$500,000 loan thresholds.

The business or project sponsor receiving or benefiting from the state assistance must, as a condition of assistance, **certify to the Minnesota Department of Labor and Industry (DLI)** that laborers and mechanics on the project will be paid at least the applicable state prevailing wage. DLI determines and publishes prevailing wage rates through annual contractor surveys and enforces compliance, including back-wage assessments and penalties for violations.

Federal Davis-Bacon and Minnesota coordination

For federally financed or assisted construction, the U.S. Department of Labor enforces:

- The **Davis-Bacon and Related Acts (DBRA)** – prevailing wages and fringe benefits on many federal and federally assisted construction projects; and
- The **Service Contract Act (SCA)** – prevailing wages on certain service contracts for federal agencies.

As of 2024, the U.S. DOL has adopted Minnesota’s state prevailing wage rates as Davis-Bacon rates for most types of projects in Minnesota, meaning that in many cases a single wage determination will satisfy both state and federal prevailing wage requirements, though contractors still must comply with both sets of rules and any project-specific conditions.

Accessing current Minnesota prevailing wage rates

Because prevailing wage classifications and rates are updated periodically, your Guide should direct readers to DLI rather than quoting specific numbers. Contractors, developers, and assisted businesses can obtain current Minnesota prevailing wage rates and related instructions at:

- **Minnesota DLI – [Prevailing-wage information](#)** (highway, heavy, and building rates; FAQs; how rates are determined; enforcement).

For economic development projects, it is also helpful to note DLI’s guidance that:

- State financial assistance is considered in the **aggregate** (modifications that push a grant or loan at or over the \$200,000 / \$500,000 thresholds can trigger prevailing wage); and
- Recipients must incorporate prevailing wage requirements into bid documents and contracts and communicate applicable rates to contractors in writing before bids are submitted.

RECORDKEEPING REQUIREMENTS

Federal Recordkeeping Requirements

Federal recordkeeping requirements under the FLSA are set by U.S. Department of Labor regulations. Employers do not have to use any particular format or timekeeping system, but they must maintain specific information for all non exempt employees covered by federal minimum wage and overtime rules.

For each covered employee, basic records must include:

- Full name and Social Security number.
- Home address, including ZIP code.

- Birth date if younger than 19.
- Sex and occupation.
- Time and day of week when the employee’s workweek begins.
- Hours worked each day and total hours worked each workweek.
- Basis of pay (e.g., hourly, salary, piece rate) and regular hourly rate.
- Straight time earnings for each day or week.
- Overtime earnings for the workweek.
- All additions to and deductions from wages.
- Total wages paid each pay period.
- Date of payment and the pay period covered.

Different record details are required for exempt employees, for workers under special pay arrangements, and where lodging or other facilities are furnished as wages. Employers using industrial homeworkers must also maintain records on U.S. DOL forms.

Separate federal laws (e.g., EEO, ADA, Title VII, ADEA) impose retention requirements for recruitment and selection records (postings, applications, resumes, interview notes, test results, candidate rankings). Retention periods range from 6 months to several years, depending on the statute. Employers should consult current EEOC and DOL guidance for specific retention timelines.

Minnesota recordkeeping and wage payment rules

General recordkeeping (Minn. Stat. § 177.30; wage theft amendments)

Minnesota’s 2019 “wage theft” amendments strengthened recordkeeping requirements. Employers must keep required records for at least three years, at the place where employees work or in a location where records can be produced to the Minnesota Department of Labor and Industry (DLI) within 72 hours of a request.

For each employee, Minnesota employers must retain:

- Name, address, and occupation.
- Rate(s) of pay and gross and net pay each pay period.
- Hours worked each day and each workweek; for piece rate workers, pieces completed at each rate.
- A list and brief description of personnel policies provided to the employee, with dates.
- A copy of the written wage notice required at hire and any written changes, signed by the employee.
- For employers subject to the Minnesota Prevailing Wage Act on state funded public works, certified payroll records filed every two weeks, showing detailed wage, hour, benefit, and classification information for each covered worker.

DLI may require “any other information” necessary to enforce prevailing wage and wage and hour laws.

Timing of wage payments (Minn. Stat. § 181.101)

- Wages (salary, earnings, gratuities) must be paid at least **once every 31 days**.
- Earned commissions must be paid at least every **three months** on a regular payday.

DLI may order employers to pay wages/commissions owed, liquidated damages, compensatory damages, and civil penalties for repeated or willful violations (Minn. Stat. § 177.27, subd. 2).

DLI can assess:

- Up to **\$5,000 per repeated failure** to keep, maintain, or produce required records.
- Daily penalties when wages are not timely paid, based on the employee’s average daily wages or a fraction of commissions owed.

Criminal wage theft (Minn. Stat. § 609.52)

Minnesota’s criminal code now defines certain nonpayment practices as “**wage theft**,” including:

- Failing to pay agreed wages, earnings, or commissions.
- Causing an employee to give a receipt for more than was actually paid.
- Demanding rebates or refunds of wages not actually owed.
- Attempting to show greater payment than actually made.

Criminal penalties vary by amount and can include:

- Fines up to **\$100,000** and imprisonment up to **20 years** for the largest amounts, with lower thresholds carrying reduced penalties.
- Aggregation of unpaid wages over a six month period for charging purposes.

Anti retaliation (Minn. Stat. § 181.03)

Employers may not retaliate against employees for asserting rights under Minnesota wage and hour laws or for cooperating with investigations. Civil penalties of **\$700–\$3,000 per violation** may be imposed, in addition to other remedies.

Retainage (Minn. Stat. §§ 15.72, 337.10)

2019 amendments changed retainage rules on both public and private construction projects, including caps and timelines for release of retainage. Because retainage requirements are technical and project specific, employers and contractors should consult DLI or legal counsel for current details.

Additional Minnesota wage theft requirements

Minnesota's wage theft legislation created expanded **notice, recordkeeping, and enforcement** rules for all employers with Minnesota based employees. DLI has authority to enter workplaces during business hours, inspect records, collect evidence, and interview employees as part of investigations.

The law aims to increase transparency about how pay is calculated, especially for overtime eligible workers. Employers must clearly communicate:

- How pay rates are set.
- Overtime eligibility and rates.
- Deductions that may be taken.
- Pay periods and paydays.
- Employer identity and contact information.

DLI provides extensive guidance, FAQs, and sample forms to help employers comply, including:

- Wage Theft Law overview.
- Employer guidance on wage theft compliance.
- Wage Theft Q&A.
- Employer summaries and sample wage notice forms.

Minneapolis has a separate [Wage Theft Prevention Ordinance](#) that took effect January 1, 2020, requiring Minneapolis employers to meet additional notice and record requirements. Minneapolis employers should review the city's ordinance and guidance.

New hire wage notices and earnings statements (Minn. Stat. § 181.032)

Written notice at start of employment

At the start of employment, Minnesota employers must provide each employee with a written notice (in English, with access to translated versions) that includes at least:

- All rate(s) of pay and basis (hourly, shift, salary, piece, commission, etc.), including how any additional rates apply.
- Any allowances claimed for meals or lodging.
- Paid vacation, sick time, and other paid time off accruals and terms of use.
- Employment status (e.g., full time, part time, temporary) and whether the employee is exempt from minimum wage and overtime, and the basis for any exemption.
- A list of possible deductions from pay.
- Pay period length, regular payday, and the first payday.
- Legal name and any operating name of the employer.

- Physical and mailing address of the employer's main office or principal place of business.
- Employer telephone number.

Employers must:

- Have employees sign the initial notice.
- Keep a copy in the employee's file.
- Provide the notice in another language if requested, using DLI provided text.
- Give written notice of any changes before they take effect.

Earnings statements

Each pay period, the earnings statement must include, at a minimum:

- Rates of pay and basis (hourly, salary, piece, etc.) and how any additional rates apply.
- Allowances for meals/lodging, if any.
- Paid time off accruals and terms of use (vacation, sick, PTO).
- Employment status and exemption status and basis.
- Deductions taken that period.
- Length of pay period and regularly scheduled payday.
- Employer's legal and operating names, address, and telephone number.

These items are in addition to traditional earnings statement information (gross pay, hours worked, taxes withheld, net pay).

Deductions from wages

General deductions (Minn. Stat. § 181.06)

Employers may only make deductions from wages if:

- The deduction is authorized by law, or
- The employee authorizes it in writing.

Common lawful deductions include those for:

- Union dues.
- Insurance premiums (life, health, accident).
- Group annuities, stock purchase plans, and savings plans.
- Contributions to credit unions, charitable campaigns, certain arts or science councils, or registered political action committees.

Uniforms, equipment, and supplies (Minn. Stat. §§ 177.24, 181.79)

Minnesota limits deductions for:

- Uniforms, equipment, tools, and consumable supplies used on the job.
- Travel expenses.

Key points:

- No deduction may reduce wages below the applicable minimum wage.
- Total deductions for uniforms and equipment are capped (e.g., historically \$50), and at termination the employer must reimburse amounts deducted for such items.
- The employer may require return of items for which reimbursement is made but may not withhold the final paycheck to enforce return.

Lost or damaged property

An employer may not deduct for lost, stolen, or damaged property, or for other claimed debts, unless:

- The employee voluntarily authorizes the deduction in writing after the loss or debt arises; or
- A court has determined that the employee is liable.

Even then, statutes limit how much may be taken from each paycheck.

Child/spousal support and medical support

Employers must comply with state and federal child support and medical support withholding orders. Among other things:

- Employers must report newly hired employees and independent contractors to the centralized new hire reporting system within required timeframes.
- Employers must ask new employees whether they are subject to court ordered medical support or dependent health/dental coverage obligations and must withhold premiums or enroll dependents when ordered.
- An employer that willfully fails to comply may be liable for uncovered health or dental expenses incurred while coverage should have been in place.

Garnishment

Employers receiving a valid garnishment order must withhold and remit wages to satisfy an employee's debt, subject to statutory limits on the amount that can be garnished (generally based on a percentage of disposable earnings).

Employers:

- May not retaliate against an employee because of garnishment.

- May charge the employee a small administrative fee (e.g., \$3) per written response, as allowed by statute.

Access to personnel records (Minn. Stat. § 181.961 et seq.)

Employers with one or more employees must allow employees to review their personnel records and obtain copies in certain circumstances.

- **Current employees** may review their personnel file once every six months upon written request.
- **Former employees** may review their file once a year for as long as the employer maintains the record.

Timing and access:

- The employer must provide access within seven working days if the records are in Minnesota, or 14 days if stored elsewhere.
- Review must be during normal business hours, but not necessarily during the employee's working hours.
- For former employees, mailing a copy of the file satisfies the requirement.
- Employers may require review in the presence of the employer or its designee.
- Employers may not charge for a copy.

Dispute and defamation protections:

- If the employee disputes information and the employer will not remove or revise it, the employee may submit a written statement (up to five pages) to be included in the file and supplied with any copies of the disputed record.
- Good faith communications based on the personnel file generally are protected from defamation claims so long as the statutory dispute procedures are followed.
- Retaliation for exercising these rights is prohibited. Employees may sue for violations, and DLI may assess civil penalties.

Employer references (Minn. Stat. § 181.967)

Private employers are granted a qualified immunity when providing job references, unless the employee proves by clear and convincing evidence that the employer knowingly or recklessly provided false, defamatory information with malicious intent to injure.

Protected disclosures in response to a reference request include:

- Dates of employment.
- Compensation and wage history.
- Job description and duties.
- Training and education provided.

- Documented acts of violence, theft, harassment, or illegal conduct that resulted in discipline or resignation, plus any written employee response, if included in the personnel file.

Disclosures of serious misconduct must be in writing, with a copy mailed to the employee's last known address at the same time.

If the employee gives written authorization, immunity also covers written disclosure of:

- Performance evaluations and any written responses.
- Disciplinary warnings/actions in the preceding five years and any written responses.
- Written reasons for separation.

For these disclosures, the employer must simultaneously mail a copy of the information and recipient list to the employee or former employee. The receiving employer or agency may not further disclose the information without the employee's written consent. The statute does not shield employers from liability under the Minnesota Human Rights Act or override collective bargaining rights.

Employee assistance records (Minn. Stat. § 181.980)

Records from employer sponsored employee assistance programs (EAPs) are subject to special protections:

- On written request, an EAP provider must allow the employee (or a parent/guardian of a minor) to review and obtain copies of EAP records within seven working days (if in Minnesota) or 14 days (if elsewhere), at no charge.
- EAP records must be kept separate from personnel files and may not become part of the personnel record.
- EAP records, and even the fact that an employee used the program, may not be disclosed to third parties—including the employer—without the employee's written authorization, subject to narrow statutory exceptions.
- Employees may bring a civil action to compel compliance and recover damages, costs, and reasonable attorney fees.

These protections are in addition to any confidentiality and access rights under contracts or other laws.

Indemnification of employees

Minnesota employers must indemnify employees for civil damages, fines, and penalties arising out of acts or omissions within the scope of their employment, provided the employee did not engage in intentional misconduct, willful neglect of duty, or bad faith. Other statutes or private agreements may provide additional or different indemnification rules in specific contexts (for example, public entities or directors and officers).

REST BREAKS AND LEAVE TIME

REST BREAKS AND MEAL PERIODS

Minnesota law requires employers to allow employees.

Effective January 1, 2026, amendments to Minn. Stat. §§ 177.253–.254 will require:

- A paid rest break of at least 15 minutes (or enough time to use the nearest restroom, whichever is longer) within each four consecutive hours of work.
- An unpaid meal break of at least 30 minutes for employees who work six or more consecutive hours, provided they are completely relieved of duty; otherwise, the time must be treated as paid working time.

Collective bargaining agreements may provide different or more generous rest and meal arrangements but cannot waive basic statutory protections.

Accommodation for nursing mothers

Minn. Stat. § 181.939 requires employers to provide:

- Reasonable break time each day for an employee to express breast milk for her child, unless it would unduly disrupt operations. Breaks should, where possible, run concurrently with existing break periods.
- A private space, other than a bathroom, that is shielded from view, free from intrusion, and includes an electrical outlet for expressing milk.

Employees are protected from retaliation for asserting their rights under this statute. The Minnesota Department of Labor and Industry enforces these provisions. Minnesota law also clarifies that breastfeeding in public is not indecent exposure.

LEAVE TIME

Vacation, holiday, and sick leave policies

Minnesota does not require employers to offer paid vacation, holidays, or traditional sick leave, but many employers do. When an employer provides such benefits, its policies should be clearly communicated in writing (e.g., in a handbook), including:

- How leave accrues and whether it carries over.
- Whether unused leave is forfeited or paid out at separation.

If an employer promises in a policy or contract to pay out unused accrued vacation at termination, failure to do so can support a wage claim and, in some cases, may lead to criminal exposure for nonpayment.

Federal Family and Medical Leave Act (FMLA)

The FMLA applies to covered employers (generally those with 50 or more employees for at least 20 workweeks in the current or prior year, engaged in interstate commerce) and eligible employees (12 months of service and at least 1,250 hours worked in the previous 12 months at a location where 50 employees work within 75 miles).

Covered employers must provide up to 12 weeks of unpaid, job protected leave in a 12 month period for qualifying reasons, including:

- Birth, adoption, or foster placement of a child and bonding.
- Care for a spouse, child, or parent with a serious health condition.
- The employee's own serious health condition.
- Certain military related exigencies and military caregiver leave (up to 26 weeks to care for a covered servicemember).

Key FMLA points:

- Employers must maintain group health coverage during FMLA leave as if the employee had continued working (with limited rights to recover premiums if the employee does not return).
- On return, employees must generally be restored to the same or an equivalent position, subject to a narrow "key employee" exception.
- Employers must:
 - Post an official FMLA notice;
 - Provide general written FMLA information (e.g., in a handbook); and
 - Provide individualized notices detailing rights, obligations, and consequences when leave is requested.
- FMLA rights are a floor; they do not reduce any greater leave rights under state law or a collective bargaining agreement.

Definitions of "spouse" and "child" for FMLA purposes reflect federal regulatory rules, including recognition of same sex marriages based on the "place of celebration" and coverage for children for whom an employee stands in loco parentis.

Minnesota Earned Sick and Safe Time (ESST)

Effective January 1, 2024, Minnesota's Earned Sick and Safe Time (ESST) law requires employers to provide paid sick and safe time to eligible employees who work in the state.

Key features:

- **Eligibility:** Employees anticipated to work at least 80 hours in a year in Minnesota, other than independent contractors, are generally covered.
- **Accrual:** At least 1 hour of ESST for every 30 hours worked, with a minimum annual accrual of

48 hours and a required carryover; employers must allow up to at least 80 hours of accrued ESST (or provide a front loaded equivalent).

- Permitted uses: The employee's own illness or injury; care of a sick family member; domestic abuse, sexual assault, or stalking experienced by the employee or a family member; certain public health emergencies; and related safe time reasons.

DLI maintains extensive ESST guidance, FAQs, and multi language fact sheets. ESST is separate from, and in addition to, Minnesota's Paid Leave program.

Minnesota Paid Leave

Beginning January 1, 2026, Minnesota's Paid Leave (PML) program will provide state administered paid benefits and job protection to eligible workers who need time off for:

- Their own serious health condition (medical leave).
- Bonding with a new child (birth, adoption, foster).
- Caring for a family member with a serious health condition.
- Certain military related reasons and safe time situations.

Highlights:

- Most Minnesota employees (full time, part time, seasonal) will be covered if they meet an earnings threshold.
- Employees may be able to take up to **12 weeks of medical leave plus 12 weeks of family leave**, with a combined annual cap (up to 20 weeks / 800 hours in many cases).
- Benefits are paid by the state, and employers may have contribution and reporting obligations.
- Job protection and reinstatement rights will be similar in concept to FMLA, with their own eligibility rules.

See the [Paid Leave](#) website for details.

Minnesota pregnancy and parenting leave

Minnesota's Pregnancy and Parenting Leave law applies to employers with **one or more employees**. Covered employees are entitled to **up to 12 weeks of unpaid leave for:**

- Prenatal care, incapacity due to pregnancy, childbirth, or related health conditions; and
- Parenting leave for the birth or adoption of a child.

Key points:

- Parenting leave may begin any time within 12 months after birth or adoption (or within 12 months after the child leaves the hospital if the child remains hospitalized longer than the mother).

- Employers must continue to make group health coverage available during the leave; they need not pay the premium.
- On return, employees are entitled to their prior position or a comparable one (same or comparable duties, hours, and pay), subject to limited layoff and collective bargaining exceptions.
- Retaliation is prohibited, and employees may sue for damages, attorney's fees, and equitable relief for violations.

Sick leave benefits; care of relatives (Minn. Stat. § 181.940 et seq.)

While Minnesota does not require traditional sick leave beyond ESST, employers that do provide personal sick leave benefits must allow eligible employees to use that leave to care for certain family members on the same terms as for their own illness. Covered employers (generally those with 21 or more employees at one site; some provisions apply at 20+) must allow qualified employees to use sick leave to care for:

- Children (biological, adopted, foster, step), spouse, sibling, parent, stepparent, grandparent, mother or father in law, and grandchildren (including step and foster grandchildren).

Employers may limit use for adult relatives (e.g., spouse, adult child, parent, grandparent) to no less than 160 hours per 12 month period but cannot limit use for minor children. Employers covered by FMLA must coordinate FMLA, ESST, and state care of relatives rights when they overlap.

Other Minnesota leave protections (summary)

- **School conference and activities leave:** Up to 16 hours of unpaid leave in any 12 month period for eligible parents to attend school, day care, or kindergarten conferences or activities that cannot be scheduled outside work hours. Employers may require reasonable notice and scheduling to avoid undue disruption.
- **Bone marrow donation leave:** Employers with 20+ employees must provide up to 40 hours of paid leave for employees donating bone marrow, with a doctor's verification and anti retaliation protection.
- **Military leave and related protections:** Minnesota law and USERRA guarantee unpaid leave and reemployment rights for servicemembers in the National Guard, Reserves, and other uniformed services, plus additional state law leave for attending deployment ceremonies, homecomings, family training, and to respond to injury or death of a close relative in service. Employers must not retaliate. Detailed USERRA guidance is available from the U.S. Department of Labor, Veterans' Employment & Training Services.
- **Jury service:** Employers may not discharge or coerce employees because of jury service. Civil and criminal remedies apply for violations; pay during jury duty is generally not required under state law unless provided by policy or contract.
- **Election judge and voting leave:** Employees must receive paid time off to serve as an election judge (with notice and offset for judge pay) and unpaid, penalty free time off to vote in specified elections.

- **Political convention leave:** Certain party officials and delegates are entitled to unpaid leave to attend conventions and central or executive committee meetings with advance written notice.

Because Minnesota’s leave and break landscape is evolving—particularly with ESST and Paid Family and Medical Leave—employers should regularly check Minnesota DLI and DEED resources for current requirements and model policies.

EMPLOYEE TESTING AND BACKGROUND CHECKS

PRE-EMPLOYMENT TESTING

Minnesota employers may require applicants to take pre-employment tests (other than physical exams or drug/alcohol tests) as long as:

- The test is **not used to discriminate** against any member of a protected class (see Human Rights section).
- The test measures only **essential job-related abilities** and is required of **all applicants for the same position**, regardless of disability (except where workers’ compensation law authorizes otherwise).
- The test accurately measures aptitude, achievement, or other relevant factors, and does not merely reflect impaired sensory, manual, or speaking skills unless those abilities are themselves legitimate job requirements.

Employers with 15 or more employees during at least 20 weeks in the current or prior year must also comply with EEOC guidelines on employment tests. If a facially neutral test has a statistically significant **adverse impact** on a protected group, the employer may need to show that:

- The test is **job related and consistent with business necessity**; and
- There is no equally effective alternative with substantially less adverse impact.

Unless the job-relatedness is obvious (e.g., a typing test for a typing position), employers should consult testing and legal experts.

PRE-EMPLOYMENT PHYSICAL EXAMINATIONS

Minnesota employers may require applicants to undergo a post-offer, pre-employment physical examination (which may include medical history) at the employer’s expense if:

- A **conditional job offer** has been made that is contingent only on passing the examination.
- The exam tests only for **essential job-related abilities**.
- The exam is required of **all applicants** conditionally offered the same position, regardless of disability (except exams authorized under workers’ compensation law).

The physical may include a drug and alcohol test if the requirements of Minnesota’s drug- and alcohol-testing statute are satisfied.

An employer may not reject an applicant based on physical inability unless the person cannot perform the **essential functions** of the job, with or without reasonable accommodation. Employers with **15 or more employees** must provide reasonable accommodation to qualified individuals with disabilities unless doing so would impose an undue hardship. (See Issues for Employers – Human Rights.)

EMPLOYEE DRUG TESTING AND CANNABIS

Minnesota’s drug and alcohol testing law requires that:

- Testing be conducted **only under a written policy** that meets statutory criteria, and
- Samples be analyzed by a certified laboratory.

Key points:

- Employers may not discipline, discharge, discriminate against, or require rehabilitation of an employee based on a positive test **unless** the result is confirmed by a **confirmatory test**.
- Employees and applicants harmed by violations may sue for damages, injunctive relief (e.g., reinstatement with back pay), and attorney’s fees.

Employers with employees required to hold **commercial driver’s licenses** must also consider federal DOT testing regulations.

Recreational cannabis:

- Minnesota legalized adult-use cannabis under state law, but cannabis remains illegal under **federal law**, which is critical for federal contractors, DOT-regulated positions, and safety-sensitive roles.
- Recent statutory changes restrict **pre-employment cannabis testing** for many positions and limit adverse actions based solely on cannabis use outside of work, while still allowing testing and discipline in certain safety-sensitive or federally regulated roles.

Employers should review and update drug-testing policies, especially where cannabis testing is involved, and seek counsel before changing practices. The [Minnesota Office of Cannabis Management](#) provides current information on cannabis regulation and licensing.

POLYGRAPH TESTING

State and federal law sharply restrict use of polygraphs:

- The federal **Employee Polygraph Protection Act (EPPA)** generally prohibits private employers from requiring or using lie-detector tests for hiring or employment decisions, subject to narrow exceptions (e.g., certain security and pharmaceutical roles). EPPA requires employers to post an official notice of employee rights.
- Minnesota law also limits polygraph use and enforcement is handled by the Minnesota Department of Labor and Industry.

Employees harmed by unlawful polygraph use may pursue government complaints and private civil actions for damages.

GENETIC TESTING AND GENETIC INFORMATION

Minnesota law prohibits employers and employment agencies from:

- Directly or indirectly administering genetic tests as a condition of employment.
- Requesting or requiring access to “protected genetic information.”
- Affecting the terms, conditions, or continuation of employment based on genetic information.
- Providing or interpreting genetic information for employment purposes.

Violations can result in civil actions for up to **three times actual damages**, plus punitive damages, costs, attorney’s fees, and injunctive or equitable relief.

The federal **Genetic Information Nondiscrimination Act (GINA)** similarly prohibits employers from using genetic information in hiring, firing, promotion, or other terms and conditions of employment, and restricts acquisition and disclosure of such information.

USE OF CONSUMER REPORTS FOR EMPLOYMENT PURPOSES

Employers who obtain consumer reports (including credit reports and many background reports) for employment purposes must follow the federal **Fair Credit Reporting Act (FCRA)** and Minnesota’s Access to Consumer Reports law:

Before obtaining a report, the employer must:

- Provide the applicant or employee with a **clear and conspicuous written disclosure**, in a **stand-alone** document, that a consumer report may be obtained for employment purposes.
- Obtain the individual’s **written authorization**.
- Certify to the reporting agency that it:
 - Provided the required disclosure and obtained written authorization.
 - Will provide a copy of the report and a summary of rights if it takes adverse action based on the report.
 - Will not use the report in violation of federal or state equal employment opportunity laws.

Before taking any **adverse action** (e.g., denying employment, promotion, or assignment) based on the report, the employer must first provide:

- A copy of the consumer report.
- The FCRA “Summary of Your Rights Under the Fair Credit Reporting Act.”

The Federal Trade Commission has issued model notices and guidance on FCRA compliance and on proper disposal of consumer-report information (burning or shredding paper records and securely erasing electronic files; vendors may be used if due diligence is done).

TESTING RECORDKEEPING

Federal law imposes record retention rules related to employment testing:

- Under the **Age Discrimination in Employment Act**, results of employment and physical tests must generally be retained for **at least one year** from the personnel action (e.g., hiring, promotion, or termination).
- Federal alcohol and controlled substances testing regulations (e.g., DOT rules) have specific retention periods ranging from **one to five years**, depending on the type of record.

These requirements are updated periodically and published in federal regulations and guidance; employers should consult current DOL, EEOC, and DOT resources or counsel.

BACKGROUND CHECKS

For some positions, Minnesota law requires background checks. Examples include:

- Licensed security guards (Bureau of Criminal Apprehension checks).
- Certain counselors and health-care workers, including employees, contractors, and volunteers of home-care providers and hospices, subject to Department of Human Services background studies and, more recently, fingerprinting requirements for individuals working with seniors and other vulnerable adults.
- Certain property managers for residential rental property.

For other roles, employers may choose to conduct background checks but should proceed carefully to:

- Avoid discrimination claims (e.g., disparate impact based on race or national origin).
- Comply with the ADA, the Minnesota Human Rights Act, FCRA, and Minnesota's Access to Consumer Reports law.

“Ban-the-box” and cost-shifting restrictions:

- Private employers in Minnesota generally may **not ask about an applicant's criminal history** on an initial application and may only inquire **after** an interview or, if no interview is conducted, after making a conditional offer.
- Employers may not require applicants or employees to **pay for the costs** of required criminal or background checks, credit checks, orientation, or mandatory training/testing, except where the cost relates to obtaining or maintaining a professional license, registration, or certification needed for the employee's role.

Given the interplay of federal and state laws, employers planning to use background checks beyond clearly mandated situations should obtain legal advice and implement written, consistently applied background-check policies.

EMPLOYMENT OF MINORS

Minnesota employers are generally covered by the **Minnesota Child Labor Standards Act** (Minn. Stat. §§ 181A.01–.12). Employers that are also covered by the federal **Fair Labor Standards Act (FLSA)** must comply with both state and federal youth-employment rules, and when rules differ, the stricter standard applies (for example, federal hour limits for 14- and 15-year-olds during the school year).

Information on federal child labor laws is available from the U.S. Department of Labor, and Minnesota child labor information is available from the Minnesota Department of Labor and Industry (DLI).

FEDERAL CHILD LABOR STANDARDS

The federal child labor provisions are intended to:

- Protect the **educational opportunities** of minors; and
- Prevent their employment in jobs and under conditions that are **harmful to health or safety**.

At a high level, federal rules provide that:

- **Under 14:** Generally may not be employed in non-agricultural jobs, with limited exceptions (e.g., newspaper delivery, acting or performing, certain work for a parent’s solely owned non-manufacturing business, certain wreath-making)
- **14–15:** May work only in specifically permitted non-hazardous jobs outside school hours, and only within strict hour limits (no work during school hours; generally no more than 3 hours on a school day, 18 hours in a school week, 8 hours on a non-school day, or 40 hours in a non-school week; not before 7 a.m. or after 7 p.m., extended to 9 p.m. from June 1 through Labor Day).
- **16–17:** May work in any non-hazardous job, with no federal hour limits (state law may still limit hours for high-school students).
- **18 and older:** May work in any job, including those federally defined as hazardous.

Federal “hazardous occupation orders” bar minors under 18 from certain jobs, including work with explosives; many power-driven woodworking, metalworking, bakery, meat-processing, and paper-product machines; certain power-driven saws and hoists; roofing, demolition, logging and sawmilling; most slaughtering and meatpacking roles; most jobs involving operating motor vehicles or serving as outside helpers; and specified manufacturing of bricks, tiles, and similar products. Limited exemptions exist for properly structured apprenticeship and vocational education programs.

For 14- and 15-year-olds, federal regulations specifically list **what is allowed**; employment not expressly permitted is prohibited. Common permitted jobs include office work, many restaurant and retail tasks, some errands and deliveries by foot or bike, and, under conditions, certain lifeguard duties for 15-year-olds.

Federal rules also clarify:

- The 3-hour limit on school days includes Friday.
- “School hours” are defined by the local public school district where the minor resides, regardless of school type.
- Employers must use the same seven-day “workweek” used for overtime to measure weekly youth hours.

While federal law does not require age certificates, Minnesota **does** require proof of age for minor employees. Federal civil money penalties for child labor violations can be substantial, especially when violations cause serious injury or death.

MINNESOTA CHILD LABOR STANDARDS

Minnesota’s Child Labor Standards Act sets minimum ages, hour limits, and prohibited occupations for minors. DLI summarizes current rules in its [“Child Labor Laws”](#) and [“Age, Hours Restrictions”](#) guidance.

Minimum age and general exceptions

- As a general rule, **14** is the minimum age for most employment in Minnesota.
- A minor under **14** may work only in limited situations, including:
 - At least **11 years old** as a newspaper carrier.
 - At least **12 years old** in agricultural operations with parent/guardian permission.
 - As an actor or model with DLI approval.
 - As a youth athletic referee (for example, assistant soccer referee).

Certain work such as home chores and babysitting, and work for a parent in the parent’s non-hazardous business, is also treated differently, as discussed below.

Hours of work – under 16

A minor under **16** may not:

- Work **before 7 a.m. or after 9 p.m.**, except as a newspaper carrier.
- Work more than **40 hours in a week** or more than **8 hours in any 24-hour period**, except in agriculture.
- Work on school days during school hours unless an **employment certificate** has been issued by appropriate school officials and is on file with the employer, and federal law also allows the work.

During the school year, federal rules on maximum hours (for 14-15-year-olds) are more restrictive than Minnesota’s weekly limits, so employers must honor the federal caps.

Hours of work – 16- and 17-year-old high school students

For high school students who are 16 or 17:

- They may not work after **11 p.m.** on evenings before school days (extendable to **11:30 p.m.** with written parental/guardian permission).
- They may not work **before 5 a.m.** on school days (extendable to **4:30 a.m.** with written permission).

No other state hour limit is set for 16- and 17-year-olds, but federal hazardous-occupation rules continue to apply, and federal child labor law may apply in covered industries. High school graduates who are 17 have no state work-hour restrictions.

A high school student age 18 or older may request in writing to work during previously restricted hours; employers should weigh safety and scheduling considerations.

Prohibited and hazardous occupations under Minnesota law

Minnesota prohibits employing minors in occupations the Commissioner of Labor and Industry has found to be **particularly hazardous or detrimental** to their well-being. The prohibited list is extensive and includes, by category:

- Jobs involving exposure to hazardous substances.
- Work with many types of power-driven machinery and equipment.
- Operation of amusement rides.
- Certain jobs in processing plants.
- Jobs in establishments where intoxicating liquors are served (with limited exceptions).

Employers should consult DLI's child labor rules and contact the Labor Standards unit if uncertain whether a specific job is prohibited.

Minnesota hazardous-work exceptions

Exceptions to hazardous-work prohibitions include:

- A minor working at tasks **away from** or **outside** the area of hazardous operations, equipment, or materials.
- Home chores, babysitting, and work for a parent (as long as the work is not part of the parent's business, trade, or profession). Home chores include typical household tasks like mowing lawns, raking leaves, shoveling snow, light housekeeping, washing dishes or clothes, yard cleanup, and food preparation.
- Minors in state-approved **apprenticeship** programs or programs approved by the Minnesota Department of Education's vocational-technical division.
- **Seventeen-year-old high school graduates.**

- Minors working for a corporation totally owned and supervised in daily operations by one or both parents, and certain work for a family farm corporation when a parent is a member.

Federal hazardous-occupation rules still limit what minors can do even within some of these exceptions.

Proof of age and penalties

Every Minnesota employer must maintain **proof of age** for each minor employee, obtained from the minor in one of the following forms:

- Age certificate.
- Copy of a birth certificate.
- Copy of a driver’s license.
- Form I-9 (Employment Eligibility Verification) or equivalent federal document showing date of birth.

Violations of Minnesota child labor laws can result in administrative fines under Minn. Stat. § 181A.12, with amounts varying by type of violation (e.g., hours, hazardous work, or lack of proof of age). Penalties can be assessed **per employee and per violation**, and higher fines apply when minors are injured in hazardous work.

In serious or willful cases, misdemeanor or gross-misdemeanor criminal charges may also be brought. Federal penalties for child labor violations, particularly those involving serious injury or death, are much higher.

Refer to:

U.S. DOL – [YouthRules](#) and [Child Labor Fact Sheets](#)

Minnesota DLI – [Age, Hours Restrictions](#) and [Child Labor Laws](#)

PROTECTION OF EMPLOYEES WHO REPORT VIOLATIONS OF LAW

MINNESOTA “WHISTLEBLOWER” PROTECTIONS

Minnesota’s Whistleblower Act (Minn. Stat. § 181.932) prohibits employers from discharging, disciplining, threatening, or otherwise penalizing an employee with respect to compensation, terms, conditions, location, or privileges of employment because the employee, in **good faith**:

- Reports a **violation, suspected violation, or planned violation** of any federal or state law, common law, or rule adopted under law to the employer, a government body, or law-enforcement official.
- Is requested by a public body or office to **participate in an investigation, hearing, or inquiry**.
- Refuses to perform an employer’s order that the employee has an **objective basis to believe** violates a law or rule, and informs the employer of that reason.

- Reports, in good faith, that the **quality of health-care services** provided by a health-care facility, organization, or provider violates legal or recognized clinical/ethical standards and potentially places the public at risk of harm.

Courts have interpreted “good faith” broadly; employees need not prove an actual violation, but they cannot knowingly or recklessly make false statements. The statute does not authorize disclosures that themselves violate confidentiality or other laws.

Written reason for termination

If employment is involuntarily terminated, the employee may, **within five working days**, request in writing a **written reason** for the termination. The employer must respond, truthfully, within **five working days** after receiving the request.

- Failure to provide a timely written reason can subject the employer to a civil penalty (historically up to \$25 per day, capped per employee), which is enforced by DLI.
- The employer’s written statement of reasons cannot be used as the basis for a defamation claim by the employee.

Confidentiality of whistleblower identity

When a report is made to a public official or law-enforcement officer:

- The whistleblower’s **identity must be kept confidential**, unless the employee consents or the investigator determines disclosure is necessary for prosecution.
- If disclosure is necessary, the employee must be informed before identifying information is released.

Whistleblower protections do not shield employees who knowingly make false statements or act in reckless disregard of the truth, or who make disclosures that unlawfully compromise legally protected confidentiality.

Employer notice

Employers must notify employees of their whistleblower rights, typically by posting a summary included on Minnesota’s minimum-wage or labor-standards posters prepared by the Department of Labor and Industry.

Other statutory anti-retaliation protections

In addition to the Minnesota Whistleblower Act, numerous state and federal laws prohibit retaliation against employees who exercise rights, file complaints, or participate in investigations. Examples include:

- Minnesota Human Rights Act and federal civil rights statutes (e.g., Title VII, ADA, ADEA).
- State and federal Fair Labor Standards Acts (wage and hour).
- OSHA (workplace safety), including Minnesota OSHA.

- Workers' compensation retaliation protections.
- ERISA (benefit-plan rights).
- State parenting/pregnancy leave, ESST, and other leave protections.
- Laws protecting employees who serve on juries, report child abuse, participate in lawful strikes, request access to personnel files, or are subject to wage garnishment.

Many federal statutes also include specific whistleblower or anti-retaliation provisions, such as the Clean Air Act, Resource Conservation and Recovery Act, Safe Drinking Water Act, Surface Mining, Mine Safety and Health, Toxic Substances Control Act, and specialized programs for transportation, financial institutions, and health-care sectors.

Sarbanes-Oxley and corporate whistleblowing

The **Sarbanes-Oxley Act of 2002 (SOX)** enhances the accuracy and reliability of corporate financial reporting and contains robust whistleblower protections for employees of **publicly traded companies** and certain affiliates.

Covered employees are protected from retaliation when they, in good faith, report or assist in investigations concerning:

- Mail, wire, bank, or securities fraud.
- Violations of SEC rules or regulations.
- Violations of any federal law relating to **fraud against shareholders**.

Protection applies when employees provide information or participate in proceedings involving a federal agency, Congress, or a person with authority to investigate within the company. Private companies subject to certain securities-law obligations or that aspire to public-company governance standards may also benefit from adopting internal reporting and anti-retaliation procedures modeled on SOX and related SEC and stock-exchange rules.

HUMAN RIGHTS

KEY FEDERAL ANTI-DISCRIMINATION LAWS

Several core federal laws prohibit employment discrimination and are enforced primarily by the [U.S. Equal Employment Opportunity Commission \(EEOC\)](#):

- **Title VII of the Civil Rights Act of 1964** – Applies to employers with **15 or more employees** and prohibits discrimination and harassment based on race, color, religion, sex (including pregnancy, sexual orientation, and gender identity), and national origin in all aspects of employment.
- **Genetic Information Nondiscrimination Act (GINA)** – For employers with **15 or more employees**, prohibits discrimination based on genetic information, restricts acquisition of genetic data, and limits disclosure.

- **Age Discrimination in Employment Act (ADEA)** – Applies to employers with **20 or more employees**, protecting individuals **age 40 and older** from discrimination in hiring, firing, compensation, and other terms and conditions; it also restricts waivers and requires that waivers meet strict statutory and EEOC criteria.
- **Americans with Disabilities Act (ADA)** – For employers with **15 or more employees**, prohibits discrimination against qualified individuals with disabilities and requires reasonable accommodation absent undue hardship.

Other federal protections include:

- **Rehabilitation Act of 1973** – Prohibits disability discrimination by federal agencies, federal contractors, and recipients of federal financial assistance; enforced in part by the Office of Federal Contract Compliance Programs (OFCCP).
- **USERRA** – Prohibits discrimination against employees and applicants based on military service and provides reemployment rights; applies broadly to public and private employers.

These federal laws generally set a national floor; Minnesota law often goes further.

STATE LAW PROHIBITING DISCRIMINATION

Minnesota Human Rights Act (MHRA)

The Minnesota Human Rights Act, Minn. Stat. Chapter 363A, is broader than federal law in both **coverage** and **protected characteristics**.

Coverage: Generally applies to **all employers with one or more employees**, as well as employment agencies, labor organizations, and staffing firms.

- Protected characteristics include: race, color, creed, religion, national origin, sex, marital status, **familial status**, status with regard to public assistance, disability, age, sexual orientation, and membership or activity in a local human rights commission, plus protection from **reprisal**.

The 2023 “CROWN Act” amendments clarify that **“race” includes traits associated with race**, such as natural hair texture and styles like braids, locs, and twists, so hair-based discrimination can be treated as race discrimination.

“Familial status” under the MHRA includes:

- Being pregnant or in the process of securing legal custody of a minor, and
- Having one or more minors domiciled with a parent/guardian or a designated caregiver with written permission.

The MHRA makes it an unfair employment practice to refuse to hire, discharge, or otherwise treat an individual differently in hiring, tenure, compensation, terms, conditions, facilities, or privileges of employment because of any protected characteristic or in reprisal for opposing discrimination or participating in a related proceeding. Bona fide occupational qualifications (BFOQs) are permitted only in **rare cases**, and the employer bears a strict burden to justify them.

Medical information and reasonable accommodation

Minnesota law closely tracks the ADA on disability and accommodation:

- Employers with **15 or more employees** must provide reasonable accommodation to the known disabilities of qualified applicants and employees unless doing so would impose an undue hardship.
- Reasonable accommodation can include making facilities accessible, job restructuring, modified schedules, reassignment to a vacant position, acquisition or modification of equipment, or providing temporary or periodic aides.

“Undue hardship” is evaluated based on factors such as business size and resources, the nature and cost of the accommodation, and good-faith efforts to identify less burdensome alternatives.

Minnesota law also requires that when **health-care records or medical information adversely influence** a hiring, firing, or promotion decision, the employer must notify the affected individual within **10 days**; the employee does not have to request this notice.

Medical information obtained for fitness-for-duty, accommodation, insurance, or statutory purposes generally must be kept **confidential and in separate files**, subject to limited exceptions (e.g., supervisors who need to know about restrictions, first aid and safety personnel).

Pregnancy and pregnancy-related conditions must be treated **the same as other temporary conditions** affecting ability to work, and the duty of reasonable accommodation extends to women disabled by pregnancy, childbirth, or related conditions under both Minnesota law and federal law.

Lawful consumable products and off-duty conduct

Minn. Stat. § 181.938 (the **lawful consumable products** statute) prohibits employers from refusing to hire, disciplining, or discharging an employee because they lawfully use certain products **off-duty and off-premises**, including:

- Food and alcoholic or nonalcoholic beverages.
- Tobacco.
- **Cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products**, now expressly defined as lawful consumable products under Minnesota law, even if federal law is different.

Employers may impose limited restrictions when there is a **bona fide occupational requirement** reasonably related to job duties, or to avoid conflicts of interest and similar concerns, but cannot broadly penalize lawful off-duty use in violation of the statute.

Advertising, applications, and public accommodations

Under the MHRA:

- **Job advertisements** may not express preferences or limitations based on protected traits (e.g., “girl Friday,” “maintenance man,” “recent college graduate”), except where a lawful BFOQ exists.

- Before hire, employers generally may **not request or require information** about protected characteristics (e.g., race, religion, marital status, sexual orientation, pregnancy), whether on applications, in interviews, or from third parties, though they may inquire into an applicant's ability to safely and effectively perform job duties, consistent with disability and medical-exam rules.
- Protected-status information may be collected for **affirmative action** purposes if it is separated from selection materials and not seen by decision-makers, except in narrow, plan-driven situations where it is used to choose among qualified candidates in underutilized groups.

As **places of public accommodation**, most businesses may not discriminate against customers or the public based on race, color, creed, religion, disability, national origin, marital status, sexual orientation, or sex. They must make reasonable modifications to policies and remove physical barriers where feasible, and must permit properly controlled and identified **service animals** accompanying people with disabilities, unless their presence poses a direct threat or fundamentally alters the service.

CHARGES OF DISCRIMINATION

An applicant or employee who believes they have been discriminated against under the Minnesota Human Rights Act generally has one year from the most recent discriminatory act to file a charge with Minnesota Department of Human Rights (MDHR) or to file a civil lawsuit in state district court. MDHR first reviews jurisdiction and then, if it opens a case, investigates by gathering information from both sides and offering opportunities for early resolution such as mediation.

If MDHR finds **no probable cause**, or dismisses for other procedural reasons (such as failure to cooperate), the charging party may appeal within specific time limits or may still elect to pursue a private lawsuit. If MDHR finds probable cause and conciliation fails, either MDHR or the charging party can proceed to a civil action or public hearing.

Remedies under the MHRA have been expanded and may now include:

- Hiring, reinstatement, promotion, or other equitable relief.
- Compensatory damages (including back and front pay and mental anguish) up to three times actual damages.
- **Unlimited punitive damages** against private employers.
- Attorney's fees and civil penalties payable to the state.

Recordkeeping for discrimination matters

Minnesota rules require an employer that receives a discrimination charge to **retain all charge-related documents** until MDHR confirms that the charge is fully resolved. In addition, job-applicant and employment records must generally be kept for **at least one year** after they are created, whether or not a charge is filed.

Federal regulations similarly require covered employers to keep most personnel and application records for at least one year from the date the record is made or the employment action occurs (whichever is later), and to preserve all relevant records until final disposition of any EEOC charge or lawsuit. Employers should confirm current federal and Minnesota retention rules before destroying any records tied to hiring, promotion, discipline, or termination.

Preventing discrimination in hiring

During recruiting and interviews, employers should limit questions to job-related topics and apply them consistently to all applicants for the same position.

- Avoid questions likely to elicit protected-status information (for example, age/date of birth, marital or family status, religion, national origin, race, sexual orientation, gender identity, disability, or receipt of public assistance), whether asked directly or through proxies.
- Focus on education, experience, licenses and certifications, essential job functions, work schedules, travel requirements, performance expectations, and other bona fide job criteria; these should be framed in neutral terms and asked of all candidates for the role.

Protected-status information obtained from any source (including social media, background checks, or references) may not be used as a factor in hiring or other employment decisions. Employers unsure about a question or requirement should review Minnesota Department of Human Rights guidance or consult counsel.

AMERICANS WITH DISABILITIES ACT (ADA) – Overview for Employers

The ADA prohibits discrimination against people with disabilities and imposes obligations on employers and businesses that serve the public.

Title I (employment) applies to private employers and public entities with 15 or more employees, prohibiting discrimination in all aspects of employment and requiring reasonable accommodation for qualified individuals with disabilities unless it causes undue hardships.

- **Title II** covers state and local governments and public transportation.
- **Title III** covers places of public accommodation and commercial facilities, requiring accessible design in new construction and alterations, barrier removal where readily achievable in existing facilities, reasonable policy modifications, and auxiliary aids and services to ensure effective communication.

An individual has a disability under the ADA if they have a physical or mental impairment that substantially limits one or more major life activities, have a record of such an impairment, or are regarded as having such an impairment; the ADA Amendments Act instructs courts to interpret “disability” broadly, so more employees now fall within the law’s protection.

Employers must:

- Restrict disability-related questions and medical exams until after a conditional offer, and then apply them uniformly by job category.
- Engage in an **interactive process** to identify reasonable accommodations when a need is known or apparent.

- Maintain medical information separately and confidentially, with limited exceptions (e.g., supervisors who need to know restrictions, first-aid personnel).

Numerous federal and state technical-assistance resources, and tax incentives, are available to help small businesses meet ADA and Minnesota accommodation obligations.

Affirmative action for government contractors

Businesses that contract with government entities may have additional **affirmative action** and equal-opportunity requirements.

- Under **Executive Order 11246**, as amended, non-construction federal contractors with **50 or more employees** and a contract of **\$50,000 or more**, and certain federally assisted construction contractors, must prepare and implement written affirmative action programs, subject to audit and enforcement by OFCCP.
- Additional obligations arise under the federal Rehabilitation Act and the Vietnam Era Veterans' Readjustment Assistance Act (VEVRAA), including utilization goals and benchmarks for individuals with disabilities and protected veterans.

In Minnesota, Minn. Stat. § 363A.36 requires vendors seeking **state contracts over \$100,000** who have more than **40 employees** in Minnesota (or in their principal-place state) to maintain an approved affirmative action plan or certify compliance with federal requirements and to obtain certificates of compliance from the Minnesota Department of Human Rights. Under the **Women's Economic Security Act (WESA)**, certain state contractors with 40 or more Minnesota employees and contracts over **\$500,000** must also obtain an **equal pay certificate**, typically valid for four years.

Some municipalities, including **Minneapolis and St. Paul**, have their own affirmative action and equal-opportunity requirements for city contractors, administered by local civil-rights or human-rights departments. Businesses bidding on federal, state, or local contracts should verify which affirmative action, equal-pay, and reporting rules apply before submitting bids.

IMMIGRATION LAW COMPLIANCE

Federal immigration law requires employers to verify that all newly hired employees are **authorized to work in the United States**, and prohibits knowingly hiring, continuing to employ, or contracting for services with workers who lack work authorization. These rules apply to virtually all employers, regardless of size, and to individuals hired after November 6, 1986.

A visa alone does not guarantee employment authorization; employers must independently confirm that a worker is authorized to work in the U.S.

Form I-9 employment eligibility verification

Employment verification is documented on [Form I-9, Employment Eligibility Verification](#), issued by [U.S. Citizenship and Immigration Services \(USCIS\)](#). Employers must:

- Ensure that each employee completes **Section 1** of Form I-9 **no later than the first day of work for pay**.

- Within **three business days of the date of hire**, review original documents establishing identity and work authorization, and complete **Section 2**.

The lists of acceptable documents (List A, or a combination of List B and List C) appear on the I-9 itself. Employees choose which acceptable documents to present.

Key points:

- A sole proprietor does **not** complete an I-9 for themselves, but an owner who is an employee of a separate legal entity (e.g., corporation, LLC taxed as a corporation) must have an I-9 on file.
- Employers must retain each I-9 for **the later of**:
 - Three years after the date of hire, or
 - One year after employment ends.

I-9s must be made available for inspection by U.S. Immigration and Customs Enforcement (ICE), the Department of Labor, and the Immigrant and Employee Rights Section (IER) of the U.S. Department of Justice.

Employers may complete and store I-9s on paper or in compliant **electronic systems**, including systems that use electronic signatures and electronic storage. Federal rules allow conversion of paper I-9s to electronic formats, provided integrity, accuracy, and audit-trail requirements are met.

Civil penalties for I-9 and employment-verification violations (both paperwork and knowingly hiring/continuing to employ unauthorized workers) are set by statute and periodically adjusted for inflation, and can be significant. Willful or “pattern or practice” violations may result in **criminal penalties**.

Avoiding immigration-related discrimination

The **Immigration Reform and Control Act (IRCA)** and **Title VII** prohibit certain forms of employment discrimination based on national origin or citizenship/immigration status. At a minimum:

- Employers with **four or more employees** may not discriminate in hiring, firing, or recruitment or referral for a fee based on national origin or citizenship/immigration status (for work-authorized individuals), or because of I-9 documentation choices.
- Employers must treat all employees **the same** in the I-9 process:
 - Do not request more or different documents than those listed on the form.
 - Do not demand specific documents (for example, a “green card” from non-citizens).
 - Do not reject documents that reasonably appear genuine and relate to the person presenting them.
 - Do not refuse to accept a document just because it has a future expiration date.

To reduce discrimination risk, employers should avoid questions like “What is your national origin?” or “Are you a U.S. citizen?” in hiring, and instead ask neutrally whether the applicant is **legally authorized to work in the United States** and whether they will need sponsorship now or in the future.

Because ICE and other agencies actively audit I-9 compliance, employers should regularly confirm that they are using the current version of Form I-9 and following the latest USCIS and DOJ guidance.

E-VERIFY

E-Verify is an online system operated by the Department of Homeland Security in partnership with the Social Security Administration. Participating employers electronically compare information from an employee’s Form I-9 with government databases to help confirm work authorization.

- E-Verify is **free** and, under federal law, generally **voluntary**, except where required by:
 - Certain federal contracts or subcontracts; or
 - Specific state or local laws or executive orders.
- In Minnesota, E-Verify use is voluntary for most private employers, but may be **required** for:
 - Certain state executive-branch agencies;
 - Vendors and subcontractors on state contracts over specified thresholds; and
 - Some recipients of state business subsidy agreements, as defined by state policy or contract terms.

Employees can also use E-Verify **Self Check** service (now integrated into newer DHS tools) to review and correct their own records before applying to employers that use E-Verify.

Given the interplay between I-9 rules, E-Verify requirements, and anti-discrimination protections, employers should:

- Maintain consistent, non-discriminatory I-9 and E-Verify practices.
- Train staff responsible for hiring and verification.
- Periodically audit internal I-9 processes and consult current USCIS, ICE, and DOJ resources or legal counsel when in doubt.

OCCUPATIONAL SAFETY AND HEALTH

OVERVIEW

The **Minnesota Occupational Safety and Health Act** is administered by the Occupational Safety and Health (MNOSHA) Division of the Minnesota Department of Labor and Industry. Its goal is to ensure safe and healthful working conditions for Minnesota workers.

Minnesota has an OSHA-approved **state plan**:

- MNOSHA adopts most federal OSHA standards by reference and has some Minnesota-specific standards.
- MNOSHA generally covers all public and private workplaces in Minnesota **except** those under exclusive federal jurisdiction (for example, certain federal facilities).

MNOSHA may inspect any workplace. Inspections are prioritized for:

1. Imminent danger situations.
2. Fatalities and serious incidents.
3. Employee complaints.
4. Targeted industries and programmed inspections.
5. Follow-up inspections.

If violations are found, MNOSHA issues citations with abatement deadlines and may assess monetary penalties; willful or repeated violations, or violations causing death, can result in significant penalties and, in extreme cases, criminal sanctions.

EMPLOYER RIGHTS AND RESPONSIBILITIES

Key employer obligations and rights include:

- Providing a workplace **free from recognized hazards** likely to cause death or serious physical harm (the “general duty” requirement).
- Complying with applicable MNOSHA standards and rules, including training and personal protective equipment (PPE) requirements; required PPE must be provided at **no cost** to employees in most cases.
- Posting the official “**Safety and Health Protection on the Job**” notice where employees can see it.
- Participating in the development or revision of OSHA standards by commenting or requesting rulemaking.
- Requesting **variances** from specific standards when using alternative protective methods that provide equivalent or greater protection.
- Protecting trade secrets and privileged information in dealings with MNOSHA.
- Contesting citations or proposed penalties within the applicable time limits.

Minnesota law authorizes enhanced penalties for violations causing a worker’s death and allows installment payments and certain limited exceptions (for example, where the deceased is the owner with a controlling interest), but penalty amounts and structures are subject to periodic statutory changes and federal alignment.

Employers may obtain technical assistance from MNOSHA [Compliance](#) or [Workplace Safety Consultation \(WSC\)](#).

INJURY AND ILLNESS RECORDKEEPING AND REPORTING

OSHA recordkeeping

Under OSHA's recordkeeping rules, most employers with **11 or more employees** in covered industries must:

- Maintain an **OSHA 300 log**, OSHA 301 (or equivalent incident reports), and OSHA 300-A annual summaries for work-related injuries and illnesses that meet recording criteria.
- Post the annual summary for employees each year.

Some low-hazard industries are partially exempt from routine recordkeeping at the federal level, but Minnesota has **not adopted** all federal exemptions and continues to require recordkeeping for many employers that might be exempt elsewhere, consistent with past Minnesota practice.

Employers should check the current MNOSHA recordkeeping guidance and industry lists to determine whether they must keep OSHA logs.

Reporting severe injuries and fatalities

Minnesota follows federal-style severe-injury reporting rules:

- **Work-related fatalities** must be reported to MNOSHA within **8 hours**.
- Certain **severe injuries** (for example, inpatient hospitalizations, amputations, and loss of an eye) must be reported within **24 hours**, even if only a single employee is affected.

Reports can be made to MNOSHA Compliance during business hours or to federal OSHA's 24-hour hotline when MNOSHA offices are closed. Employers should confirm current reportable events and numbers on MNOSHA's website.

WORKPLACE ACCIDENT AND INJURY REDUCTION PROGRAMS (AWRP)

Minnesota requires employers in specified higher-risk industries to develop and implement a written **workplace accident and injury reduction (AWRP) program**.

- Covered industries are identified by rule (Minn. R. 5208.1500) using injury and illness data; the list is updated periodically.
- Employers in listed industries must create a written program within six months of being designated.

A compliant AWRP must include:

- Clear safety and health goals and responsibilities.
- Management involvement and employee participation.
- Procedures to identify, analyze, and control hazards.
- Communication and training on safety expectations.
- Accident/incident investigation and corrective action.
- Enforcement of safe work practices.

Employers must review and document the effectiveness of their AWRP at least **annually**.

EMPLOYER RIGHTS AND RESPONSIBILITIES

Employees must follow applicable safety rules and use required PPE, but MNOSHA does **not** cite employees; employers remain ultimately responsible for compliance.

Employee rights include:

- Filing a **confidential complaint** requesting an MNOSHA inspection if they believe unsafe or unhealthy conditions exist; the complainant's identity is kept confidential to the extent permitted by law.
- Participating in standards development and commenting on rules.
- Being notified of employer variance requests and seeking a hearing.
- Having an authorized representative participate in MNOSHA inspections (opening conference, walkaround, closing conference) with normal pay for their time.
- Being free from retaliation for asserting safety and health rights, filing complaints, or cooperating with inspections.

Communications between an employee and attorneys representing DLI in retaliation cases are treated as privileged, similar to attorney-client communications under Minn. Stat. § 182.669.

EMPLOYEE RIGHT-TO-KNOW ACT

Minnesota's **Employee Right-to-Know Act** requires employers to inform employees about:

- **Hazardous substances.**
- **Harmful physical agents** (for example, noise, radiation, extreme heat or cold).
- **Infectious agents** to which they may be exposed at work.

Key requirements:

- Evaluate the workplace for covered substances and agents.
- Obtain and maintain written information (for chemicals, typically **Safety Data Sheets (SDSs)**; Minnesota still refers to MSDS in some legacy documents, but federal terminology is now SDS).
- Make written information readily accessible to employees and their representatives.
- Provide initial and periodic **training** about hazards, safe work practices, protective measures, and labeling.
- Label containers and equipment that present covered hazards in accordance with the standard.

The Right-to-Know standard is enforced as part of MNOSHA; detailed guidance, including lists of covered agents and training expectations, is available from MNOSHA Compliance.

WORKPLACE SAFETY CONSULTATION AND INCENTIVE PROGRAM

Workplace Safety Consultation (WSC), a separate unit within DLI, offers **free, confidential** help to employers—especially smaller, higher-hazard employers—to identify hazards and improve safety programs.

- WSC site visits do **not** result in citations or penalties if the employer corrects serious hazards in a timely manner.
- Consultants provide written reports with recommendations and can refer employers to additional resources.

Key WSC programs include:

- **MNSHARP** – Recognizes small, high-hazard employers with exemplary safety and health programs. Eligible employers receive comprehensive consultations, develop action plans, and can earn **MNSHARP certificates**, which provide temporary exemptions from programmed MNOSHA inspections while maintaining performance.
- **MNSTAR** – Minnesota’s version of OSHA’s **Voluntary Protection Programs (VPP)**, open to larger employers with mature, management-driven safety systems and below-average injury/illness rates. Participation requires a detailed application, self-assessment, and on-site evaluation.
- **Labor-management safety and health committees** – Required for employers with **25 or more employees**, and for some smaller employers based on injury rates or workers’ compensation classifications. WSC can assist committees with training and program development.
- **Safety and health education outreach** – WSC offers statewide seminars, workshops, and on-site training on OSHA standards and common hazards.
- **Safety grant program** – Provides matching grants (up to a specified cap to qualifying employers to implement projects that reduce injury and illness risks, based on recommendations from safety professionals.

Eligibility criteria, grant amounts, and program details change periodically; employers should consult current DLI/WSC guidance.

WORKPLACE VIOLENCE AND EMERGING HAZARDS

Although there is no specific federal OSHA standard for workplace violence, MNOSHA can use the **general duty clause** to cite employers who fail to address known workplace-violence hazards in higher-risk settings (for example, health care, social services, late-night retail, taxi and transit, hospitality, and security).

WSC supports employers in assessing and mitigating workplace violence risk through:

- On-site consultations and hazard assessments.
- Training and educational materials.
- Assistance with written workplace-violence prevention policies and procedures.

OSHA and MNOSHA also publish guidance on emerging issues such as COVID-19 and other infectious-disease risks, including when cases must be recorded, how to evaluate work-relatedness, and how to plan for safe operations. These materials are updated regularly and should be checked for current recommendations.

WORKERS' COMPENSATION INSURANCE

WHAT IS WORKERS' COMPENSATION COVERS

Workers' compensation provides benefits to employees who suffer a **work-related injury or occupational disease**. Benefits typically include:

- Medical care and related expenses.
- Wage-loss benefits that partially replace lost earnings.
- Vocational rehabilitation to help injured workers return to suitable employment.
- Dependency benefits to survivors in the event of a work-related death.

In Minnesota, benefits are paid by workers' compensation insurers and approved self-insured employers under the Minnesota Workers' Compensation Act, which is designed to standardize benefits, reduce litigation, encourage early rehabilitation, and support return-to-work programs.

WHO MUST CARRY WORKERS' COMPENSATION COVERAGE?

General rule

With limited, carefully defined exceptions, **Minnesota employers must provide workers' compensation coverage for all employees** and post the name of their insurer on the required notice in a conspicuous place. Under Minn. Stat. § 176.021 and § 176.181:

- Every employer is liable for compensation for personal injury or death arising out of and in the course of employment.
- Employers not approved to self-insure must obtain a workers' compensation policy from an insurer.

"Employee" is broadly defined and generally includes minors, part-time workers, and non-citizens performing services for hire.

A person who hires a nanny, in-home caregiver, or other domestic worker may be required to provide coverage once cash-wage thresholds are met.

Common exclusions and small-employer scenarios

Minnesota law identifies limited categories that are **automatically excluded** from mandatory coverage, largely in small-business or family-employment situations, including (simplified):

- **Sole proprietors and partners** with no employees other than certain close family members (spouse, parent, or child). Once a non-immediate family member is hired, coverage is required.

- Certain **closely held corporate officers** who meet ownership and size criteria and their close relatives, if exclusions are elected properly.
- Certain **LLC managers** and their close relatives, treated similarly to corporate officers.
- Certain **family farm** employment, depending on cash wages and farm liability coverage.
- Some **casual employees** (work not in the usual course of the employer’s business and intended to be one-time or infrequent).
- Certain **household workers** below quarterly wage thresholds.

The statutes and DLI guidance contain detailed definitions, including ownership percentages, payroll-hour tests, nonprofit and farm rules, and who counts as “immediate family” or “within the third degree of kinship.” Many of these individuals can still be **voluntarily covered** by endorsement.

New for construction and improvement work:

- Beginning **January 1, 2026**, special rules apply to zero estimated exposure policies for employers providing building construction or improvement services, including written attestations to insurers and written notice (with a copy of the policy) to contracting partners.
- Project sponsors and general contractors may also seek approval for certain owner- or contractor-controlled “wrap-up” programs that meet statutory criteria.

Refer MN DLI information, [Zero Estimated Exposure and Wrap-up Policies](#).

Elective coverage and independent contractors

- Many excluded owners and family members can be **included by election**; once coverage is elected, the person is treated as an “employee” for workers’ compensation purposes, and changes must be made in writing to the insurer.
- An employer contracting with an independent contractor may also choose to provide coverage; any fee charged to the contractor must be based on a written election, with an endorsement listing covered persons and how the charge is calculated.

Penalties for not carrying required coverage

Employers that fail to obtain required coverage may face:

- Administrative penalties (commonly up to \$1,000 per employee per week of noncompliance) and orders barring them from employing people until coverage is secured.
- Additional liability to injured workers and exposure to civil suits.
- For certain non-residential construction, repair, or remodeling projects, potential suits by losing bidders, who can seek expected profits, costs, and attorney’s fees if the winning contractor lacked required coverage.

PTSD presumption and covered conditions

Workers' compensation covers injuries and diseases that **arise out of and in the course of employment**, including:

- Traumatic injuries.
- Occupational diseases caused, aggravated, or accelerated by work.
- Certain mental injuries, including compensable **post-traumatic stress disorder (PTSD)**.

Since **January 1, 2019**, and under Minn. Stat. § 176.011, PTSD is defined as an occupational disease, and a presumption applies for enumerated occupations (e.g., many first responders) if statutory criteria are met: covered employment, diagnosis by a licensed psychiatrist or psychologist, and no prior PTSD diagnosis. If the presumption applies, the burden shifts to the employer/insurer to rebut it.

Injuries occurring while an employee is traveling between work sites or performing assigned duties off-site can also be covered, depending on the facts.

Multi-state injuries

Minnesota workers' compensation can generally cover:

- Employees hired in Minnesota by Minnesota employers who also work out of state.
- Workers employed elsewhere but injured while working in Minnesota, who may have the option of claiming under Minnesota law or their home state's law.

A specific reciprocity arrangement limits Minnesota coverage for some **North Dakota** employees temporarily working in Minnesota—short-term work under defined day/hour thresholds remains under North Dakota law.

Reporting workplace injuries

When an employee is injured:

- The **employer**, not the employee, must complete a **First Report of Injury (FROI)**.
- The employer must give the employee the "Minnesota Workers' Compensation System Employee Information Sheet" when providing a copy of the FROI.
- The FROI must reach the insurer within the statutory timeframe (often within **10 days** from knowledge of the injury), and the insurer must then file with DLI within its own deadline (commonly within **14 days** when disability lasts beyond three days).
- Self-insured employers must file directly with DLI within similar timeframes.

Serious or fatal injuries must also be reported by telephone to DLI within the time period specified by rule (currently 48 hours for fatalities or very serious incidents), in addition to the FROI.

Filing an FROI does **not** admit liability; it starts the claim process. The insurer investigates and determines compensability based on available facts.

DLI assigns a **Worker Identification Number (WID)** to claims, which can be used instead of a Social Security number to identify a case; use of WID is optional but encouraged for privacy.

Return-to-work and vocational rehabilitation

Employers are strongly encouraged to bring injured workers back to work as soon as medically appropriate, using:

- Modified or transitional duties.
- Reasonable accommodation of restrictions.
- Formal disability-management or return-to-work programs.

If an injured employee remains off work beyond certain thresholds (for example, more than 90 days) and no waiver is granted, the employee is typically entitled to a **vocational rehabilitation consultation** by a DLI-registered qualified rehabilitation consultant to determine eligibility for rehabilitation services.

Minnesota law also provides:

- For employers with more than **15 full-time employees**, a civil penalty (up to one year's wages, capped at **\$15,000**) for refusing without reasonable cause to offer continued employment that is available within the employee's physical limitations.

A **suitable job offer** is one that fits medical restrictions and restores the worker as close as reasonably possible to prior economic status (wages, promotion potential, benefits), taking into account age, education, work history, interests, and skills.

Unionized employers should coordinate return-to-work efforts with applicable collective-bargaining agreements to avoid conflicting with seniority or assignment provisions.

Dispute resolution

Most claims are resolved without significant dispute. DLI has a statutory mandate to **assist both employees and employers** in resolving workers' compensation problems informally.

Available tools include:

- Advice and assistance from DLI workers' compensation specialists and attorneys (by phone or in person).
- Informal administrative conferences at DLI (often focused on medical or rehabilitation disputes).
- Conferences at the Office of Administrative Hearings (OAH) regarding discontinuance of benefits and other issues.
- **Mediation**, conducted by DLI or OAH, where a neutral mediator helps parties reach a voluntary agreement; mediators do not issue binding decisions.

If informal processes fail:

- OAH judges conduct formal hearings.
- Certain decisions can be appealed to the **Workers' Compensation Court of Appeals** and, in some cases, to the Minnesota Supreme Court.

Parties may be represented by attorneys at any stage but are not always required to have counsel.

Controlling workers' compensation costs

Premiums are generally based on:

- Payroll classifications (nature of the work and risk).
- Employer **experience rating** (history of injuries and claims).

Employers can help control costs by:

- Implementing strong safety and health programs and complying with MNOSHA requirements.
- Using joint labor-management safety committees where required (generally high-hazard employers and those with more than 25 employees).
- Developing wellness and ergonomics programs, training employees in safe work practices, and maintaining effective return-to-work policies.

The [MN OSHA Workplace Safety Consultation \(WSC\)](#) unit at DLI offers free, non-enforcement assistance and grants to help employers reduce hazards and claims.

Buying workers' compensation coverage

Minnesota workers' compensation insurance is sold by private insurers through licensed agents under an open-competition system:

- All policies must provide the coverage mandated by law; differences are primarily in **price and service** (claims handling, safety support, responsiveness).
- Employers should compare quotes from multiple agents and carriers, reviewing cost, claims service, safety resources, and reputation.

Alternatives:

- **Self-insurance** (individual or group) is available to some larger or financially strong employers with approval from the Department of Commerce; many hire third-party administrators to handle claims.
- Employers that cannot obtain coverage on the voluntary market may purchase insurance through the **Assigned Risk Plan** (residual market).

DLI offers training and seminars for employers on controlling workers' compensation costs and understanding legal requirements; current offerings are available through DLI's [WC Training for Employers](#).

EMPLOYEE BENEFITS

EMPLOYEE BENEFITS - GENERAL

Many employers offer health, life, disability, and retirement benefits even though these are generally **not mandated** (apart from specific requirements like workers' compensation, ESST, and, starting 2026, Paid Family and Medical Leave). When benefits are offered, plans must comply with applicable **federal** (ERISA, COBRA, tax) and state insurance and continuation laws. Employers should ensure benefit plan design and administration are reviewed by qualified benefits counsel or consultants.

MINNESOTA PAID LEAVE

Minnesota's Paid Leave program began paying benefits **January 1, 2026** and administered by the Minnesota Department of Employment and Economic Development (DEED).

Key points:

- Coverage: Most employees who work in Minnesota and meet earnings thresholds will be eligible for **state-paid wage-replacement benefits** when they cannot work due to their own serious health condition, to care for a family member, for bonding with a new child, for qualifying military-related reasons, or for certain safety-related needs (similar to ESST "safe time").
- Duration: Employees may receive up to **12 weeks of medical leave** and **12 weeks of family leave** per benefit year, capped at a combined total (for many workers, up to 20 weeks / 800 hours).
- Funding: Starting **January 1, 2026**, employers will remit **premiums** based on taxable wages. The initial combined rate has been set at approximately **0.7 percent of taxable wages**, with employers generally allowed to share up to half of that cost with employees through payroll deductions. Rates, caps, and cost-sharing details are subject to adjustment.
- Reporting: Before benefits begin, employers must submit wage detail and hours information on a **quarterly** basis so the state can determine eligibility and benefit amounts.

Paid Leave interacts with, but is distinct from, federal FMLA and Minnesota ESST. Employers should monitor official guidance from the [Paid Leave](#) program and the [ESST](#) program and update policies and payroll systems accordingly.

ERISA-GOVERNED BENEFIT PLANS

The **Employee Retirement Income Security Act (ERISA)** governs most private-sector:

- **Retirement plans** (defined benefit pensions, 401(k), 403(b), profit-sharing, etc.).
- **Welfare benefit plans** (group health, disability, life, some severance and other benefits).

ERISA sets standards on:

- Plan documents and **summary plan descriptions**.

- Eligibility, vesting, and benefit accrual.
- Fiduciary duties, reporting (Form 5500), and claims/appeals.
- Plan termination and PBGC-insured pension obligations.

Noncompliance can result in:

- Civil liability, fiduciary breach claims, and DOL enforcement.
- Excise taxes and loss of tax-favored status for contributions or benefits.

Because ERISA is technically complex and frequently amended, employers should obtain expert advice before adopting, amending, or terminating covered benefit plans.

MINNESOTA REGULATION OF GROUP

Minnesota regulates **group health and life insurance** (and HMOs) through the Department of Commerce and, for HMOs and certain health entities, the Department of Health. State laws and rules address:

- Policy form filings and approval.
- Minimum coverage requirements and mandated benefits.
- Certificate content and disclosure.
- Limitations on cancellation, nonrenewal, conversion, and portability.

ERISA's preemption rules limit some state regulation, particularly for **self-insured** employer health plans, but Minnesota law still applies extensively to **insured** group policies issued in the state. Employers offering insured benefits should ensure that carriers and administrators address Minnesota-specific rules and that plan documents and communications align with both ERISA and state requirements.

BENEFIT-PLAN RECORDKEEPING

Federal and state laws impose retention requirements for benefit-plan records, including:

- Plan documents and amendments.
- Participant communications (SPDs, SMMs), elections, and beneficiary designations.
- Claims and appeals records and contribution reports.

Typical ERISA guidance calls for keeping many core plan records for **at least six years** after the filing date of the relevant Form 5500, and some participant-level records (like benefit-calculation data) for the **life of the plan** plus a period thereafter. Employers should establish written retention policies consistent with current DOL, IRS, and state guidance.

COBRA AND MINNESOTA CONTINUATION

Health insurance continuation

The federal **COBRA** rules require many employers with group health plans (generally 20 or more employees) to offer temporary **continuation coverage** when coverage would otherwise end due to qualifying events (for example, termination of employment, reduction of hours, divorce, loss of dependent status).

- Qualified beneficiaries must receive timely notices and the opportunity to elect continuation.
- Coverage usually lasts 18 or 36 months, depending on the event, and beneficiaries may be required to pay up to **102 percent** of the applicable premium.

Minnesota law adds continuation and conversion requirements for certain fully insured group health policies beyond COBRA, especially for smaller employers and Minnesota-specific events. Employers sponsoring group health benefits should:

- Coordinate with carriers or TPAs to ensure **COBRA and Minnesota continuation** notices are sent on time.
- Confirm who is responsible for notices, premium billing, and tracking end dates.

Because continuation rules are technical, consultation with counsel or qualified benefits administrators is strongly recommended.

Group life insurance continuation (Minnesota)

Federal law does not require continuation of employer-provided life insurance, but **Minnesota** mandates that group term life policies issued in the state allow:

- Employees who lose eligibility (termination, layoff, or reduction in hours below the plan's eligibility minimum) to continue group life coverage for themselves and their dependents for up to **18 months**, or until they obtain other group coverage, whichever comes first.
- The employer or insurer may require the individual to pay the full premium cost for continued coverage.

Plan sponsors should ensure their group life policies and employee communications reflect these Minnesota continuation rights and clearly explain the cost, election deadline, and end date.

PLANT CLOSINGS AND MASS LAYOFFS

If you are planning to shut down a worksite or make a large, permanent layoff, federal and Minnesota laws may require you to give advance notice to your workers and certain government offices.

FEDERAL WARN ACT - WHEN IT APPLIES

The federal Worker Adjustment and Retraining Notification (WARN) Act applies if:

- Your business has **100 or more full-time employees**, and
- You are planning:
 - A **plant closing** that will cause at least **50 employees** at one site to lose their jobs during a 30-day period, or
 - A **mass layoff** meeting the federal thresholds (generally 500 or more employees, or 50–499 employees if that is at least one-third of the workforce at that site).

Employers with fewer than 100 employees are not required to follow WARN, but they are encouraged to follow the **spirit** of the law and give as much notice as possible.

Who you must notify and when

If WARN applies, you must give **written notice at least 60 days before** the plant closing or mass layoff to all of the following:

- The workers who will lose their jobs, or their union (if they are represented).
- The **state dislocated worker unit** (in Minnesota, this is DEED's Dislocated Worker Program and Rapid Response Team).
- The **chief elected official** of the city, county, or other local government where the business is located. If you operate in more than one locality, you must notify the local government where you pay the highest taxes.

If you violate WARN, you may be liable to affected employees for up to 60 days of **back pay** and the **value of lost benefits** they would have received during that time. An employer that fails to notify the local government may face a civil penalty of up to **\$500 per day** of violation.

Refer to U.S. Dept. of Labor (DOL), [WARN Act Compliance Assistance](#).

MINNESOTA LAW - ADDITIONAL REQUIREMENTS

Minnesota adds its own requirements on top of federal WARN:

- If you are required to give WARN notice, you must also notify DEED's dislocated worker unit ([Rapid Response Services](#)) and provide the **names, addresses, and occupations** of the employees whose jobs will end.

- Even if WARN does not apply, Minnesota law **encourages** employers that are considering a plant closing, substantial layoff, or moving operations out of state to give **early notice** to:
 - DEED
 - The affected employees
 - Any union representing those employees
 - The local government where the business is located

This state notice is **in addition to** any federal WARN notice.

Minnesota law directs DEED to run programs that help employers, workers, and communities respond quickly to plant closings and layoffs. These efforts include:

- Information and technical assistance for dislocated workers.
- Help connecting to public and private services and programs.
- Grants to explore alternatives to closing, when possible.

The [Dislocated Worker Program](#) is funded by a special payroll assessment that is collected with unemployment insurance taxes.

Shared Work - Alternative to Layoff

Minnesota also offers a Shared Work (work-sharing) program through the Unemployment Insurance system.

- Instead of laying off workers, an employer temporarily reduces hours for a group of employees.
- The employees work reduced hours and receive **partial unemployment insurance benefits** to replace part of their lost wages.

This can help you:

- Keep trained, experienced staff.
- Avoid future hiring and training costs.
- Be ready to ramp back up quickly when business improves.

BANKRUPTCY NOTIFICATION

Under Minnesota law, if your company **files for bankruptcy**—or if someone else files an **involuntary bankruptcy petition** against your company—you must notify **all employees and all job applicants** that this has happened.

Failing to provide this notice is a **misdemeanor**.

POSTER REQUIREMENTS

Some federal and state laws require employers to post certain notices where employees can easily see them, such as on bulletin boards, near time clocks, or by main entrances.

If you have more than one worksite, you must post the required notices at **each** location. All required posters are available **free of charge** from the government agencies listed in this Guide; you do not need to buy commercial poster products.

FEDERAL POSTER REQUIREMENTS

Federal poster requirements depend on which federal laws apply to your business. Not every employer is covered by every law, so not every employer needs every federal poster.

For example, some small employers are not covered by the Family and Medical Leave Act (FMLA) and therefore are not required to post the FMLA notice. To find out which posters you must display, you can use the U.S. DOL online [FirstStep Poster Advisor](#) and related eLaws tools.

Fair Labor Standards and related laws

The U.S. Department of Labor (DOL) typically requires covered employers to post notices about:

- Federal minimum wage, overtime, and child labor rules (Fair Labor Standards Act).
- Employee rights under the Family and Medical Leave Act (FMLA), if applicable.
- Employee rights under the Employee Polygraph Protection Act.

Certain federal contractors must also provide additional notices to employees working on government contracts under laws such as the Walsh–Healey Public Contracts Act, the Davis–Bacon and Related Acts, and the McNamara–O’Hara Service Contract Act.

Posters and more information are available from the DOL **Wage and Hour Division** – [Workplace Posters](#).

Equal employment opportunity

Federal law also requires many employers to post information about:

- Equal employment opportunity and nondiscrimination.
- Age discrimination.
- Rights of individuals with disabilities and certain federal contractor requirements.

These posters are available from the U.S. Equal Employment Opportunity Commission (EEOC) and are also linked on federal and state poster pages.

USERRA (MILITARY SERVICE RIGHTS)

Under the Uniformed Services Employment and Reemployment Rights Act (USERRA), employers must provide notice of rights and responsibilities related to military service. Employers commonly do this by posting the [“Your Rights Under USERRA”](#) notice where other employee notices are displayed, but they may also provide the notice by hand, mail, or email, as long as employees receive the full text.

USERRA posters and information are available from the DOL, [Veterans’ Employment and Training Service \(VETS\)](#).

Note: Also refer to the publication [Employing Servicemembers: What You Should Know About USERRA](#) publication available without charge from the Small Business Assistance Office.

STATE POSTER REQUIREMENTS - MINNESOTA

Minnesota law requires employers to display several posters in a place where employees can easily see them. These include notices about:

- **Minimum-wage rates.**
- **Age discrimination.**
- **Safety and health protection on the job** (Minnesota OSHA).
- **Workers’ compensation** rights.
- **Unemployment insurance** (“UNEMPLOYED?” poster).
- **Paid leave / parental leave and related protections**, which are now reflected in DLI’s mandatory poster pack.

All required Minnesota posters are available **free** from the Minnesota Department of Labor and Industry (DLI) and can be downloaded or ordered as a poster packet from DLI’s website at [Workplace Notices and Posters](#). DLI provides many posters in multiple languages.

Unemployment Insurance poster

Minnesota Unemployment Insurance law requires employers to post the [“UNEMPLOYED?”](#) poster in a prominent place at each workplace so that employees can easily see it. The poster can be downloaded or requested from the [Minnesota Unemployment Insurance \(UI\) Program- Workplace Posters](#) at no cost. The poster is available in multiple languages.

Minnesota Clean Indoor Air Act (no-smoking signs)

The Minnesota Clean Indoor Air Act requires employers to keep workplaces smoke free and to post no-smoking signs throughout the workplace so employees understand that smoking is not allowed and are not exposed to secondhand smoke at work.

CHECKLIST FOR HIRING AN EMPLOYEE

The following information generally outlines federal and state tax and other requirements that apply to the employment relationship. Detailed descriptions of these requirements, including any exceptions and special requirements that may apply, can be found in information bulletins and instruction booklets published by the agency listed. Addresses and telephone numbers appear in the Resource Directory section of this Guide. For specific advice on individual situations consultation with a qualified professional advisor is strongly recommended.

Note: Corporations wholly-owned by the person who also performs services for that business are generally considered to be employers, and that owner is likewise generally considered to be an employee. As explained elsewhere in this Guide, persons working in the construction industry may be treated as employees for purposes of workers' compensation unless certain conditions are met.

1. Determine whether the worker is an employee.

A worker generally is considered an "employee" if the person who obtains the worker's services has the legal right to control the manner and means of performing the work. A worker may be considered an employee for certain purposes, such as payment of FICA taxes – and not for other purposes, such as income tax withholding.

If a worker is an employee, the requirements described in this checklist will apply whether the person is employed full-time or part-time. Before determining that a worker is not an employee it is advisable to consult with your attorney or with the appropriate agency – such as the Internal Revenue Service, Minnesota Department of Revenue, Minnesota Department of Employment and Economic Development, or Minnesota Department of Labor and Industry.

Detailed discussion of whether a worker is an employee appears in the section of this Guide titled "Who is an Employee." The following forms and materials are available to help determine if a worker is an employee.

Income tax withholding, FICA and Federal unemployment taxes:

Form: [SS-8, Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding](#)

[Publication 15-A, Employers' Supplemental Tax Guide, \(Supplement to Pub. 15, Employer's Tax Guide\)](#)

Available from: Internal Revenue Service.

Filed with: The IRS Service Center designated on the form.

How often: In response to worker's request for determination of status for purposes of federal employment taxes and income tax withholding.

Minnesota Unemployment Insurance

Register with the Minnesota Unemployment Insurance (UI) Program of the Minnesota Department of Employment and Economic Development through its self-service unemployment insurance reporting system. The Minnesota Unemployment Insurance Program determines whether a worker is an employee or independent contractor based on Minnesota Statute. Refer to [Unemployment Insurance Help & Support](#).

Register: [Minnesota Unemployment Insurance \(UI\) Program](#)

When: As soon as possible after first wages are paid for covered employment.

Workers' compensation

The Minnesota Department of Labor and Industry has adopted rules addressing the conditions under which workers will be considered employees or independent contractors for workers' compensation purposes. These rules can be found at Minnesota Rules 5224. Copies of Minnesota Rules are available at law libraries and many public libraries.

2. Obtain federal Employer Identification Number (EIN).

Form: [SS-4, Application for Employer Identification Number](#)

Available from: Forms and instructions are available at [About Form SS-4, Application for Employer Identification Number \(EIN\)](#)

Filed with: The IRS. It helps to have a completed Form SS-4 available before beginning the online application process.

Review [Employer identification number](#)

[Apply for an EIN](#) Free, direct from the IRS.

Apply by Fax: 855-641-6935 toll-free. If you apply by fax and provide a fax number, IRS will fax a cover sheet with the EIN back to you in 4 business days. The IRS no longer provide the Form SS-4 notated with the EIN.

Apply by mail: Internal Revenue Service
Attn: EIN Operation
Cincinnati, OH 45999

The IRS no longer issues EINs by telephone for domestic taxpayers. Only international applicants can receive an EIN by telephone.

How often: Once, unless business ownership or form of organization changes.

3. Obtain Minnesota Taxpayer Identification Number.

Form: [ABR, Application for Business Registration](#)

Register with the Minnesota Dept. of Revenue:

- Online at [Business Tax Registration](#)
- By phone at 651-282-5225 or 800-657-3605.

Available from: Minnesota Department of Revenue.

Filed with: Minnesota Department of Revenue.

How often: Once, unless business ownership or form of organization changes.

4. Obtain Minnesota workers' compensation insurance.

Form: None required.

Available from: Coverage is obtained through the employer's insurance company.

Filed with: Not applicable.

How often: Workers' compensation coverage is required for the entire time the employer has employees. Certain exemptions may exist. For information on these exemptions, contact your insurance company or the Minnesota Department of Labor and Industry, Workers' Compensation Division.

5. Obtain Minnesota Unemployment Insurance Employer Account Number.

Form: Unemployment Insurance Employer Account Number. Register:

- Online at [Minnesota Unemployment Insurance \(UI\) Program- Employers & Agents](#)
- By phone at 651-296-6141, option 4.

Available from: Minnesota Department of Employment and Economic Development, Unemployment Insurance (UI) Program.

Filed with: Minnesota Department of Employment and Economic Development, Unemployment Insurance (UI) Program.

How often: Under Minnesota Unemployment Insurance Law, every individual or organization that pays covered wages in Minnesota must register with the Minnesota Unemployment Insurance Program. Registration should be done as soon as possible after the first wages are paid for covered employment in Minnesota. Registration must occur prior to the due date of the first quarterly wage detail report the employer is required to submit.

Refer to the [Unemployment Insurance \(UI\) Employer Handbook](#), sections *Who Needs to Register* and *How to Register*.

6. Verify compliance with immigration law.

Form: Refer to Refer to [Completing Form I-9, I-9, Employment Eligibility Verification](#), and [Handbook for Employers M-274](#). See discussion of [E-Verify](#) earlier in this Guide.

Available from: Bureau of [U.S. Citizenship and Immigration Services \(USCIS\)](#).

Filed with: The Form I-9 is not filed with any government agency but is subject to audit and inspection by the U.S. Departments of Homeland Security and the U.S. Department of Labor.

Form I-9 must be retained by the employer for three years following the date of hire or one year after the individual's employment is terminated, whichever is later.

How often: Generally, a new Form I-9 must be completed each time an individual is hired within three business days of the employee's first day of work. An employer who rehires a person within three years of the date the I-9 was originally completed may be able to update and re-verify employment eligibility on the original Form I-9.

Details are available at [USCIS I-9 Central](#).

7. Obtain employee withholding information (Forms W-4, W-4MN; child support and spousal maintenance obligations).

Form: Federal [Form W-4, Employee's Withholding Allowance Certificate](#), is used to determine the amount of federal income tax withholding.

Minnesota form, [W-4MN, Minnesota Employee Withholding Certificate](#), should be completed in addition to federal Form W-4 in all cases.

Available from: Internal Revenue Service (Federal [Form W-4](#)) and the Minnesota Department of Revenue ([Form W-4MN](#)).

Filed with: Employers must keep copies of completed federal Forms, W-4 or state Forms W-4MN for their employees in their files. The forms verify that federal and state income taxes are being withheld according to the employee's instructions and needs to be available for inspection by the IRS or the state.

Employers may be directed, in written notice or in published guidance, to send certain W-4 forms to the IRS.

Employers must send copies of Form W-4MN to the Minnesota Department of Revenue if any of the following apply:

- The employee claims more than 10 Minnesota withholding allowances.
- The employee claims to be exempt from Minnesota withholding and you reasonably expect the employee's wages to exceed \$200 per week. Exception: If the employee is a resident of reciprocity states, [Form MWR, Reciprocity Exemption/Affidavit of Residency for Tax Year 2026](#).

- You believe the employee is not entitled to the number of allowances claimed.

Mail to: Minnesota Department of Revenue
 Mail Station 6501
 600 N. Robert Street
 St. Paul MN 55146-6501.

How often: Forms W-4 and W-4MN are generally valid until the employee provide new ones. But employees who claim to be exempt from withholding must renew the exemption annually by filing new Forms W-4 or W-4MN by February 15 each year.

When an employee replaces existing Forms W-4 or W-4MN with a new one, the employer must put the new information into effect no later than the start of the first payroll period ending on or after the 30th day after the day on which the replacement Form W-4 or W-4MN is received.

If there is no payroll period, the replacement Forms W-4 or W-4MN must be put into effect with the first payment of wages on or after the 30th day after the day on which the replacement Forms W-4 or W-4MN is received. The replacement Forms W-4 or W-4MN can be put into effect sooner, if the employer wishes.

8. New Hire Reporting.

The Claims Resolution Act of 2010 requires all employers to report all newly hired, re-hired and returning to work employees to a state directory within 20 days of the date they are hired or rehired.

Form: The [Minnesota New Hire Reporting Form](#) or [W-4 Form, Employee's Withholding Certificate](#).

Available from: Minnesota Department of Human Services (DHS).

Filed with: [Minnesota New Hire Reporting Center](#) You may file:

- Online at [MN New Hire Reporting Center](#)
- By mail at: Minnesota New Hire Reporting Center
 PO Box 467
 Norwell, MA 02061

How often: Employers must report within 20 days of a new employee's hire or rehire date. Employers who submit reports magnetically or electronically shall submit the reports by two monthly transmissions if necessary, which are not less than 12 days or more than 16 days apart.

Other reporting methods details are available at [Reporting Fundamentals](#).

Refer also to [Frequently Asked Questions](#), [Frequently Requested Forms](#), [File Transfer](#), and [Employer Resources](#).

9. Withhold federal income tax and FICA tax (employee share) and withhold Minnesota income taxes.

Form: No specific form is required. These are accounting entries on the employer's books. The amounts also must be listed on the employee's pay statement.

Tables showing amounts to be withheld are provided by the Internal Revenue Service, see [Publication 15 \(Circular E\) Employer's Tax Guide](#), and the Minnesota Department of Revenue, [Minnesota Income Tax Withholding Instruction Booklet and Tax Tables](#).

Available from: Not applicable.

Filed with: Accounting records are retained by the employer and are subject to inspection by the Internal Revenue Service and Minnesota Department of Revenue.

How often: Withholding must be done each time wages are paid.

10. Account for employer's share of payroll taxes.

Payroll taxes include the employer's share of the FICA (Social Security and Medicare) tax, Federal Unemployment Tax Act (FUTA) and Minnesota unemployment tax.

Form: No specific form is required. These are accounting entries made on the employer's books each time wages are paid. The taxes are paid through deposits or with quarterly or annual tax returns.

Available from: Not applicable.

Filed with: These taxes must be deposited in a bank as specified by, or paid directly to, the Internal Revenue Service and the Minnesota Department of Employment and Economic Development.

Note: Electronic filing of these taxes may be required.

How often: The accounting entries are made each time wages are paid.

11. Deposit withheld federal income tax and employer’s and employees’ share of FICA tax and deposit federal unemployment (FUTA) tax.

Form: With few exceptions, electronic fund transfers are made using [Electronic Federal Tax Payment System \(EFTPS\)](#) for all federal tax deposits.

Filed with: Deposits are made to the U.S. Department of Treasury using EFTPS.
Information on EFTPS may found at [About EFTPS](#) or by calling the U.S. Treasury Department customer service at 800-555-4477.

How often: For federal income tax and FICA tax, the accumulated liability usually must be deposited monthly or semiweekly (or by the next day if the liability is \$100,000 or more). The “liability” is the sum of the withheld federal income tax, the employees’ and the employer’s share of Social Security and Medicare.

Generally, employers with a liability of \$50,000 or less accrued during a designated four-quarter period will deposit monthly, and employers whose liability is more than \$50,000 are required to deposit semi-weekly. The employer will follow the appropriate deposit schedule for the entire calendar year.

The specific rules may be found in IRS Publication 15, Circular E, Employer’s Tax Guide which may be obtained from the Internal Revenue Service.

FUTA tax deposits are made quarterly (by the end of the month following the end of the quarter), unless the amount of FUTA tax owed but not deposited is \$500 or less. If the tax is \$500 or less at the end of the quarter, no deposit is required. The tax is added to the tax for the next quarter.

12. Deposit withheld Minnesota income tax.

Form: The employer can make Minnesota tax deposits in one of two ways:
1. Online with Minnesota Department of Revenue [e-Services Payment Voucher System](#).
2. By mail with a payment voucher.

Some employers are required to pay electronically.

Filed with: Minnesota Department of Revenue.

How often: The employer must deposit Minnesota withholding tax following a semi-weekly or monthly schedule.

For deposit schedule information, see the [Minnesota Income Tax Withholding Instruction Booklet and Tax Tables](#).

13. File federal withholding return (quarterly) or employment taxes (annually)

Quarterly filers

Form: [Form 941, Employer's Quarterly Federal Tax Return](#)

Different forms are required for employers of agricultural employees.

Available from: Internal Revenue Service.

Filed with: The IRS Service Center designated on the form.

How often: The employer must file a return quarterly.

Annually for employers of agricultural employees using [Form 943, Employer's Annual Federal Tax Return for Agricultural Employees](#)

Annual filers

Form: [Form 944, Employer's Annual Federal Tax Return](#) (optional).

Available from: Internal Revenue Service.

Small businesses may be affected by changes to [Form 944, Employer's Annual Federal Tax Return](#). The changes include the ability for small employers to elect whether they want to file Form 944 or [Form 941, Employer's Quarterly Federal Tax Return](#).

Filed with: Employers who have estimated employment tax liability of \$1,000 or less for the entire calendar year are eligible to file annual Form 944 rather than the quarterly Form 941. In the past, filing this form has been mandatory for employers who met the qualifications and were notified by the Internal Revenue Service to file Form 944.

How often: Employers who are Form 944 filers can opt out by telephone at 800-829-4933 no later than April 1 of the current year, or in writing no later than March 15 of the current year. Form 941 employers, who want to file Form 944 and are eligible, can opt in to filing a Form 944 during the same election period by the same methods. Whether opting in or opting out of Form 944 filing, after contacting the IRS, the taxpayer will be notified in writing about which return to file.

Refer to IRS information [Depositing and reporting employment taxes](#).

14. File Minnesota quarterly withholding return.

Form: Quarterly Withholding Tax Return

Available from: Minnesota Department of Revenue

Filed with: Returns must be filed electronically:

- Online with Minnesota Department of Revenue [MN e-Services](#).

How often: Quarterly. A return must be filed even if the employer paid no wages subject to withholding, had no employees during the quarter or had no tax withheld or deposited.

15. File Minnesota unemployment insurance and Paid Leave wage detail reports.

Form: All wage detail reports must be submitted electronically. For more information see [Wages & Taxes](#) and [Reports & Payments](#)

Available at Minnesota Department of Employment and Economic Development, [Unemployment Insurance \(UI\) Program](#).

Filed with: Minnesota Department of Employment and Economic Development, Unemployment Insurance Program.

How often: Quarterly. A wage detail report must be filed even if the employer paid no wages or had no employees during the quarter.

Refer also to [Minnesota Paid Leave - Employer Roles and responsibilities](#)

16. File federal unemployment tax (FUTA) return.

Form: [Form 940, Employer's Annual Federal Unemployment \(FUTA\) Tax Return](#)

Available from: Internal Revenue Service.

Filed with: The IRS Service Center designated on the form.

How often: Annually, by January 31 of each year.

17. Provide Form W-2 to employee and others.

Form: [W-2, Wage and Tax Statement](#)

Available from: Internal Revenue Service

Filed with: Employee (three copies).
Social Security Administration (one copy).
Minnesota Department of Revenue (one copy).
One copy is retained by the employer.

How often: At the end of the year, the employer must complete [Form W-2, Wage and Tax Statement \(PDF\)](#) to report wages, tips and other compensation paid to an employee. A copy of this form must be given to the employee by January 31 for the previous year.

If the employee stops working for the employer and requests the W-2 before the January 31 deadline, it must be provided within 30 days following the request. The employer must also send a copy of the W-2 to the Social Security Administration (SSA) by January 31.

Employers can prepare and file up to 20 W-2s at a time at the Social Security Administration's website. Using SSA's online W-2 filing. Go to [Employer W-2 Filing Instructions & Information](#). Employers can also print out all the necessary copies of the W-2 for their employees, state taxing agencies, etc. Also refer to Minnesota Department of Revenue [Forms W-2 and 1099](#).

Forms W-2 and W-3 may be obtained from the Internal Revenue Service by ordering online at [Order paper information returns and employer returns](#).

18. Provide employees Employee Notice and Statement of Earnings ([Minnesota Wage Theft Prevention Act](#))

Form: [Employee Wage Notice](#)

All employers must provide each employee with a written notice at the start of their employment and keep a signed copy of the notice on file, as of July 1, 2019.

The notice must contain required information about an employee's employment status and terms of employment. The notice must include a statement, in multiple languages, that informs employees they may request the notice be provided to them in another language. Employers are also required to provide employees in writing any changes to the information in the notice before the date the changes take effect.

Employers may use the example notice or create their own.
View: [Guidance for employers on Minnesota's wage theft law](#)

In Minneapolis, employers may have additional wage theft requirements under the city's [Wage Theft Ordinance](#).

Minnesota Earnings Statement

Employers are required to provide all employees with a written statement of earnings. Earnings statements (or paystubs, check stubs) are payroll records for employers and employees that document information on wages paid, hours worked, deductions made and benefits accrued by an employee.

State law requires earning statements be provided to employees in writing or by electronic means at the end of each pay period.

View [Minnesota earnings statement laws](#), for details on what information must be included in the earnings statement.

Available from: Minnesota Department of Labor & Industry (DLI) - [Employee Wage Notice](#)

[Employee wage notice example \(PDF\)](#)

[Employee wage notice example \(Word\)](#)

Earnings Statement - Created by employer

How often: **Employee Notice** - At the start of employment.

Earnings Statement - Created by employer.

19. File Minnesota annual withholding return (approved annual filers only).

Form: Annual Withholding Tax Return

Available from: Minnesota Department of Revenue

Filed with: Returns must be filed electronically:

- Online with Minnesota Department of Revenue [MN e-Services](#)

How often: Annually, by January 31 of each year.

To qualify for annual filing, you must have a filing history of \$500 or less of withholding in the prior calendar year. If you believe you qualify and want to file your returns annually, contact the Minnesota Department of Revenue.

20. Information returns, pensions and other payments.

Form: [Form 1099-MISC](#)

Employers who make payments to consultants, independent contractors, and others who are exempt from withholding may be required to provide a federal Form 1099-MISC to those individuals, and file the form with the Internal Revenue Service.

The IRS has brought back Form 1099-NEC, to be used beginning with 2020 information returns.

Refer to IRS information: [Forms and Associated Taxes for Independent Contractors; Form 1099-MISC, Miscellaneous Income; Form 1099-NEC, Nonemployee Compensation](#); and [Instructions for Forms 1099-MISC and Form 1099 NEC](#).

Available from: Internal Revenue Service.

Filed with: Internal Revenue Services.

How often: Annually.

Public Law 114-113, Division Q, section 201, requires Form 1099-MISC to be filed on or before January 31 when you are reporting nonemployee compensation payments in box 7.

Otherwise, file by February 28, if you file on paper, or by April 1, if you file electronically. The due dates for furnishing payee statements remain the same.

Refer to the [IRS General Instructions for Certain Information Returns \(Forms 1097, 1098, 1099, 3921, 3922, 5498, and W-2G\)](#)

Employers who pay pensions are required to issue Form 1099R to the recipients. The Internal Revenue Service and the Minnesota Department of Revenue have established special rules applicable to these situations. Minnesota Form W-4MNP should be provided to pension recipients to determine proper Minnesota withholding tax.

BUSINESS TAXES

Most small businesses must deal with several common types of taxes, including:

- Federal and state **income** taxes
- **Sales and use** tax (for taxable goods and some services)
- **FICA** taxes (Social Security and Medicare) on employee wages
- **Federal unemployment** tax (FUTA)
- **State unemployment** tax
- **Withholding** of federal and state income tax from employee wages

Some businesses also owe more specialized taxes, such as taxes on fuel, alcohol, cigarette and tobacco products, or hazardous waste. These taxes are explained later in this section.

Note: If your business operates in more than one city, county, or state, you must pay attention to the tax rules in **each** jurisdiction where you do business, including for online sales.

SOURCES OF INFORMATION

Business owners can get help understanding tax responsibilities through free workshops, seminars, and online tools. Many are designed specifically for new businesses and new employers.

Agency-Sponsored Education Workshops and Seminars

Minnesota Department of Revenue – Business Tax Education

The Minnesota Department of Revenue offers free classes, workshops, and training events to help business owners understand their state tax obligations and how to meet them. Examples include:

- Basic **Sales and Use Tax** classes and webinars
- **Withholding** tax education
- Classes on **partnership** and **S corporation** tax basics
- Industry-specific sales tax webinars

Schedules and registration are available on the department's [Business Tax Education](#) web page or by calling the numbers listed in the Resource Directory.

Minnesota Business Tax Education Partnership

The Minnesota Unemployment Insurance Program and the Minnesota Department of Revenue jointly offer free seminars on state employment taxes across the state. Topics typically include:

- Worker status: who is an **employee** and who is an **independent contractor**
- Managing your **Unemployment Insurance** tax rate and meeting UI filing requirements
- **Income tax** and **withholding** requirements for employers

Seminar schedules are available on the Minnesota Department of Revenue's education pages or at the Unemployment Insurance Program. [Educational seminars](#) web page.

Minnesota Department of Revenue written guides

The Minnesota Department of Revenue provides written information for businesses on its website.

Key resources include:

- [Minnesota Sales and Use Tax Business Guide](#) and related [Sales Tax Fact Sheets and Industry Guides](#), which explain when sales and use tax applies and how to register, collect, and file.
- [Withholding Tax Fact Sheets](#), which explain employer withholding responsibilities, including which payments are subject to withholding, how to deposit tax, and filing requirements.

These publications are available at no cost on the department's website and are updated when laws or procedures change.

Minnesota Department of Labor and Industry – Workers' compensation training

The Department of Labor and Industry (DLI) offers workers' compensation training for:

- Employers (seminars and customized training)
- Employees
- Health care providers
- Insurers and rehabilitation providers

More information and schedules are available on DLI's [Work Comp: Training Opportunities](#) web page.

IRS resources and training

[Small Business and Self-Employed Tax Center](#)

The IRS Small Business and Self-Employed Tax Center provides extensive information, tools, and forms for small businesses and self-employed individuals. Resources include:

- Guides on business structures and federal taxes
- Information on employment taxes and recordkeeping
- Links to forms, instructions, and online tools

Small Business Tax Workshops, Meetings, and Seminars

Small business tax workshops, seminars and meetings, designed to help the small business owner understand and fulfill their federal tax responsibilities, are held at various locations throughout the country. These events are sponsored and presented by IRS partners specializing in federal tax. On occasion, IRS participates in these events in person or by virtual technology.

TAX IDENTIFICATION NUMBERS

Many Minnesota businesses will need one or more **tax identification numbers**:

- **Federal Employer Identification Number (EIN)**
- **Minnesota Tax ID Number** (from the Department of Revenue)
- **Minnesota Unemployment Insurance (UI) Employer Account Number**

You generally need a **new** tax ID if the business's legal structure or ownership changes (for example, from sole proprietorship to corporation, or a change in partners/owners).

FEDERAL EMPLOYER IDENTIFICATION NUMBER (EIN)

An EIN acts like a Social Security number for your business. **Most** businesses need one, but you may use your personal **Social Security Number** instead if you are a **sole proprietor** or a **single-member LLC** taxed as one, provided **all** of the following are true:

- **No Employees:** You do not have, and do not plan to hire, any employees.
- **No Contractor Reporting:** You do not have to file federal information returns, such as Form 1099, to report payments to independent contractors.
- **No Specialized Taxes:** You are not required to pay federal excise taxes.
- **No Complex Retirement Plans:** You do not maintain a Keogh or Solo 401(k) retirement plan.

Key point: Many business owners apply for an EIN even if they aren't required to have one. It helps protect your personal identity by keeping your Social Security number off of contracts and is **often required** by banks to open a business account.

Application methods

You **may** apply for an EIN:

- Online at [Apply for an EIN](#) (FREE, fastest; number issued immediately).
- By fax by sending Form SS-4 to 855-641-6935.
- By mail by sending Form SS-4 to: Internal Revenue Service
(allow about 4 weeks). Attn: EIN Operation
 Cincinnati, OH 45999

[Form SS-4 and instructions](#) are available on the IRS website or by calling the IRS.

Workers' Compensation Note for Contractors

In Minnesota, an independent contractor performing building construction or improvements is legally treated as an employee unless they meet a strict [14-factor test](#). To qualify as an independent contractor, the individual must satisfy all 14 requirements, including:

- **Federal EIN:** They must hold a federal employer identification number if required by law.
- **Written Contract:** They must operate under a signed and dated written contract for specific services.
- **Separate Business:** They must maintain a separate business entity with its own equipment and facilities.
- **Financial Risk:** They must be responsible for the satisfactory completion of the work and have the potential to realize a profit or suffer a loss.

Risk Warning: Misclassifying a worker can lead to compensatory damages and penalties of up to **\$10,000 per misclassified individual**. The Department of Labor and Industry (DLI) also has the authority to issue **stop-work orders** for violations.

MINNESOTA TAX ID NUMBER

Most businesses need a **Minnesota Tax ID Number** (a seven-digit number from the Department of Revenue) if they are required to file **any** of the following:

- Sales and Use Tax return
- Partnership return ([Form M3, Partnership Return](#))
- Corporate franchise tax return ([Form M4, Corporation Franchise Tax Return](#))
- S corporation return ([Form M8, S Corporation Return](#))
- Minnesota Business Activity Report ([Form M4R, Minnesota Business Activity Report](#))
- Minnesota income tax **withholding** returns

How to apply

You can get a Minnesota Tax ID Number:

- **Online** at [Business Tax Registration](#) (see also [Registering Your Business](#))
- **By phone** - Call 651-282-5225 or 800-657-3605 (toll-free)
- **By mail** by submitting [Form ABR, Application for Business Registration](#)

When registering, you will typically need:

- Your federal EIN (if you are required to have one)
- Legal name and business address

- Any “doing business as” (DBA) name
- NAICS code (industry code)
- Names and Social Security numbers of owners, officers, or partners
- Contact person name and address

If you already have a Minnesota Tax ID Number, you may need a **new** one if the business changes its legal organization or you are required to obtain a new federal EIN.

Sales tax permit and other labels

If you register for sales tax, your confirmation letter from the Department of Revenue serves as your **sales tax permit**; some suppliers may ask for a copy. This same Minnesota Tax ID is sometimes called:

- “Sales tax exempt number”
- “Resale exemption number”
- “Seller’s permit”

These are just different terms. If you have a Minnesota Tax ID and are registered for the tax types you need, you do not need additional numbers from the Department of Revenue.

If you are registered for income tax withholding, your Minnesota Tax ID also serves as your **Minnesota employer ID** for withholding purposes; it is **not** your Unemployment Insurance Employer Account Number.

MINNESOTA UNEMPLOYMENT INSURANCE (UI) EMPLOYER ACCOUNT NUMBER

The Minnesota Unemployment Insurance Program (administered by DEED) issues its own employer account numbers, separate from your federal EIN and Minnesota Tax ID.

Under Minnesota UI law, any individual or organization that pays **covered wages** in Minnesota must register with the UI Program and obtain an employer account number. Registrations should occur as soon as you pay your first covered wages, and before the first quarterly wage detail report is due.

You register:

- **Online** at Minnesota Unemployment Insurance (UI) by selecting Employers & Agents and choosing “[Register for an Account](#)”
- **By phone** using the UI Employer Self-Service System.

Details about who must register and how to do it are available on the UI Program’s “[New Employer Registration](#)” and “[New account information](#)” pages.

MINNESOTA PAID LEAVE EMPLOYER ACCOUNT

Minnesota's Paid Leave program is funded by a payroll premium that employers and employees pay to the state. To report wages and pay these premiums, employers need to use their Unemployment Insurance (UI) employer account and, in some cases, a separate Paid Leave account.

- Most employers will use a **joint UI/Paid Leave account** through the existing UI employer portal to report both UI taxes and Paid Leave premiums.
- Employers that have some workers who are **not covered by UI but are covered by Paid Leave** must also register for a **Paid Leave only account**.
- Both accounts must use the same federal EIN, and registration is completed through the UI/DEED employer system and the Paid Leave website.

Premiums began January 1st, 2026 and are reported and paid quarterly, similar to unemployment insurance taxes. For details, employers should see the Paid Leave [Roles and responsibilities](#) and [UI Paid Leave](#) information pages (listed in the Resource Directory of this Guide).

Paid Leave Administrator account

In addition to your employer account, Minnesota's Paid Leave program requires you to set up at least one **Paid Leave Administrator**. This is the person (or people) who will log in to the Paid Leave website to:

- Review and respond to employee Paid Leave applications and decisions
- Coordinate Paid Leave benefits with any other benefits you offer
- Access Paid Leave tax/premium information and request Small Employer Assistance Grants or equivalent plan approvals

To set this up:

1. [Designate a Paid Leave Administrator](#) in your joint UI–Paid Leave employer account at Unemployment Insurance (UI) (you can name one or multiple administrators).
2. The person you designate will receive an email with instructions to create and activate their Paid Leave Administrator Account at [Paid Leave](#), including multi factor authentication.

This administrator account is separate from your UI employer login. It is not used for wage reporting, but is required to manage employee Paid Leave claims and related communications.

TAXPAYER BILL OF RIGHTS

Federal and Minnesota law both provide **taxpayer rights** that apply in dealings with tax agencies.

- The [IRS Taxpayer Bill of Rights](#) explains your rights during audits, appeals, payments, and collections, including the rights to be informed, to quality service, to pay no more than the correct amount of tax, and to appeal IRS decisions. Information is available at [IRS \(Taxpayer Bill of Rights\)](#) and in [Publication 1, Your Rights as a Taxpayer](#)

- Minnesota’s taxpayer rights outline similar protections when dealing with the Minnesota Department of Revenue, including rights related to audits, appeals, and collection actions. Taxpayer rights information is available on the Department of Revenue’s website or by contacting the department. Both the United States Congress and the Minnesota Legislature have enacted a Taxpayer Bill of Rights that governs many taxpayer relationships with the Internal Revenue Service and the Minnesota Department of Revenue. These laws formalize and standardize many audit, appeal, and collection procedures and clarify rights and protections available to taxpayers.

ELECTRONIC FILING AND PAYMENT - FEDERAL

For Federal Taxes:

- Many businesses must make federal tax deposits electronically through the Electronic Federal Tax Payment System (EFTPS). Details are in the “Business Taxes – Income Tax Withholding – Withholding Tax Deposit and Filing Requirements” section of this Guide and at EFTPS.gov.
- Certain corporations are required to e-file their federal income tax returns (Forms 1120 or 1120-S) if they have assets above specified thresholds and file a high volume of federal returns, including employment, excise, and information returns.
- More information about who must e-file is available on the IRS [E-file for Business and Self-Employed Taxpayers](#) pages.

ELECTRONIC FILING AND PAYMENT - MINNESOTA

Minnesota law requires certain businesses to pay state taxes electronically once they reach specified thresholds.

- If, during the 12-month period from **July 1 through June 30**, your business meets an electronic payment threshold for any listed tax or fee, you must pay all Minnesota business taxes electronically starting the following January 1.
- Once you are required to pay electronically, you must continue to do so in later years.
- If you are required to pay electronically and do not, the Department of Revenue may assess a **5 percent penalty** for each payment that should have been remitted electronically.

The following table summarizes when the electronic payment requirement first applies:

	Electronic payments required if business had at least:
Alcoholic beverage tax	\$10,000 in tax
Cigarette and tobacco tax	\$10,000 in tax
Corporation franchise tax	\$10,000 in estimated tax payments
Corporation franchise - nonprofits	\$10,000 in tax
Fiduciary income tax	100 trusts
Insurance premium taxes	\$10,000 in tax
Lawful gambling tax	\$10,000 in tax
Metropolitan landfill fee	\$10,000 in tax

Electronic payments required if business had at least:

MinnesotaCare taxes	\$10,000 in tax
Petroleum tax	All electronic
Sales and use taxes	\$10,000 in tax
Withholding tax	\$10,000 in tax

Example: If a business collects more than 120,000 dollars in sales tax in a year and also owes 10,000 dollars in employee withholding tax, **both** the sales tax and the withholding tax must be paid electronically. For this rule, the Department of Revenue measures tax for the period July 1 through June 30, not the calendar year.

Any business that exceeds one of these thresholds will receive a letter from the Department of Revenue, usually in November, stating that as of the next January 1, all of its Minnesota business taxes must be paid electronically. Payments are made through the department's **e-Services** system.

BUSINESS INCOME TAX RETURNS

Different business entities file different federal and Minnesota income tax returns. In addition, many businesses must make estimated tax payments and may qualify for certain tax credits and incentives discussed later in this section.

SOLE PROPRIETORSHIP

Federal Income Tax Returns

A sole proprietor reports business income and expenses on [Schedule C \(Form 1040\), Profit or Loss From Business](#) (Sole Proprietorship). The net profit or loss from Schedule C flows onto the owner's [Form 1040, U.S. Individual Income Tax Return](#). The owner uses [Schedule SE \(Form 1040\), Self-Employment Tax](#) to compute and report self-employment tax (Social Security and Medicare) on net self-employment income.

Minnesota Income Tax Returns

The proprietor uses [Form M1, Individual Income Tax](#) return. A copy of the [Form 1040, U.S. Individual Income Tax Return](#), [Schedule C \(Form 1040\), Profit or Loss from Business \(Sole Proprietorship\)](#) and other supporting schedules, must be attached to Form M1.

PARTNERSHIP

Federal Income Tax Returns

A partnership files [Form 1065, U.S. Return of Partnership Income](#), which is an information return; the partnership itself generally does not pay federal income tax. Partners receive [Schedule K-1 \(Form 1065\)](#) showing their share of income, deductions, credits, and other items, and they report these on [Schedule E \(Form 1040\), Supplemental Income and Loss](#) and, if applicable, other schedules attached to their Form 1040. Partners with net self-employment income use [Schedule SE, \(Form 1040\), Self-Employment Tax](#) to compute self-employment tax.

A married couple that jointly operates an unincorporated business and files a joint federal return may elect to be treated as a **qualified joint venture** instead of a partnership if they are the only owners and both materially participate. This election carries over to the Minnesota return.

Minnesota Income Tax Returns

For state tax purposes, the partnership completes [Form M3, Partnership Return](#) and files it with the Department of Revenue along with a copy of federal Form 1065 and Schedules K and K-1. The partnership may also have to pay a minimum fee based on property, payroll, and sales attributable to Minnesota. A partnership must issue forms [KPC, Partner's Share of Income, Credits and Modifications](#) to all corporate and partnership partners and form [KPI, Partner's Share of Income, Credits and Modifications](#) to all nonresident partners and resident partners with Minnesota modifications.

In certain circumstances, the partnership may also elect to pay the pass-through entity (PTE) tax on behalf of their partners. If the partnership has nonresident individual partners, it may file a composite income tax on their behalf. If it has nonresident individual partners who will not be included in composite income tax or PTE tax, the partnership is generally required to withhold income tax on behalf of such partners and remit it with its Minnesota partnership return. Individual partners who are not included in the composite income tax or do not elect the PTE tax to satisfy their filing requirement also complete [Form M1, Individual Income Tax](#).

CORPORATION

Federal Income Tax Returns

A C corporation reports income, deductions, credits, and tax on Form [1120, U.S. Corporation Income Tax Return](#), with any required schedules. If it pays dividends, it must issue [Form 1099-DIV, Dividends and Distributions](#) to shareholders who receive more than 10 dollars in dividends and file copies with the IRS.

Shareholders report dividends on their individual [Form 1040, U.S. Individual Income Tax Return](#), often using [Schedule B \(Form 1040\), Interest and Ordinary Dividends](#) if their dividend and interest income exceeds certain thresholds.

Minnesota Income Tax Returns

A C corporation files [Form M4, Corporation Franchise Tax Return](#), and may owe a minimum fee based on Minnesota property, payroll, and sales.

S CORPORATION

Federal Income Tax Returns

An S corporation is generally not separately taxed at the federal level. It files [1120, U.S. Corporation Income Tax Return](#) with supporting schedules, including Schedule K and [Schedule K-1](#), and passes income, deductions, and credits through to its shareholders. Shareholders report their share on [Form 1040, U.S. Individual Income Tax Return](#) using information from Schedule K-1.

Minnesota Income Tax Returns

S corporations file [Form M8, S Corporation Return](#), along with copies of federal [Form 1120-S, U.S. Income Tax Return for an S corporation](#) and supporting forms schedules. It may owe a minimum fee based on Minnesota property, payroll, and sales.

An S corporation must issue [KS, Shareholder's Share of Income, Credits and Modifications](#) to all nonresident shareholders and resident shareholders with Minnesota modifications.

In certain circumstances, the S corporation may also elect to pay the pass-through entity (PTE) tax on behalf of their shareholders. If the S corporation has nonresident individual shareholders, it may file a composite income tax on their behalf. If it has nonresident individual shareholders who will not be included in composite income tax or PTE tax, the S corporation is generally required to withhold income tax on behalf of such shareholders and remit it with the Minnesota S corporation return. Individual shareholders who are not included in composite income tax or do not elect the PTE tax to satisfy their filing requirement must also complete [Form M1, Individual Income Tax](#).

LIMITED LIABILITY COMPANY (LLC)

Under Treasury Regulations the organizers of a limited liability company can choose how the limited liability company will be taxed. Generally, an LLC with one member may be taxed either as a corporation or as a sole proprietorship. LLCs with two or more members may be taxed either as a partnership or as a corporation. Note that for one member LLCs, this decision will also impact whether the LLC needs a tax identification number. The Minnesota Department of Revenue has indicated that a Minnesota limited liability company will receive the tax treatment for state purposes that it receives for federal purposes. Persons considering forming a limited liability company are advised to consult with a tax professional regarding the state and federal tax treatment of such an entity.

NON-MINNESOTA BUSINESSES DOING BUSINESS IN MINNESOTA

Non-Minnesota businesses that do business in Minnesota or own property in the state may be subject to taxation by the state if they have sufficient “nexus” or connection with Minnesota to justify imposition of Minnesota tax laws. Activities that create nexus include but are not limited to:

- Having a place of business in Minnesota
- Having employees or independent contractors conducting business in Minnesota
- Owning or leasing real property, or tangible personal property, in Minnesota
- Obtaining or regularly soliciting business from within Minnesota.

Obtaining or soliciting business within Minnesota includes activities like selling products or services to customers in Minnesota who receive the product or service in Minnesota; engaging in transactions with customers in Minnesota that involve intangible property and result in income; leasing tangible personal property in Minnesota; and selling or leasing real property located in Minnesota. Methods of regularly soliciting business in Minnesota include direct mail and phone solicitation, and various forms of advertising, including print publications and radio and television.

This issue can be complicated to resolve. Further information on the nexus standards and exceptions, and other requirements for non-Minnesota businesses may be obtained from the Minnesota Department of Revenue.

BUSINESSES OPERATING INSIDE AND OUTSIDE OF MINNESOTA

Businesses that operate both within and outside Minnesota must determine what portion of their income is subject to Minnesota tax using **apportionment**, typically based on the share of **sales** in Minnesota versus total sales.

Minnesota **does not** use a “throwback rule.” Instead, sales are sourced to the destination:

- If the destination of the sale is in Minnesota, it is an in-state sale for apportionment.
- If the destination is another state, the sale is not treated as a Minnesota sale for apportionment purposes.

BUSINESS ACTIVITY REPORT (FORM M4R)

In general, any business with **property or personnel** in Minnesota or income from Minnesota sources must file [Form M4R, Minnesota Business Activity Report](#), unless it:

- Files a timely Minnesota corporate income tax return (Form M4 or Form M8),
- Has a certificate of authority to do business in Minnesota, or
- Falls within another exemption.

A business that is required to file [Form M4R, Minnesota Business Activity Report](#) but does not do so loses the right to bring suit under Minnesota law for contracts and causes of action arising before the accounting period for which the report was not filed. The Commissioner of Revenue may tell litigants whether a party has filed the report.

ESTIMATED TAX

Individuals (sole proprietors, partners, S corporation shareholders, LLC members)

Individuals generally must make **federal and Minnesota estimated tax payments** if they expect their income tax (and, federally, self-employment tax) to exceed what is covered by withholding and credits by a certain amount. The tax is based on income from **all** sources, not just the business.

Federal estimates are usually computed on [Form 1040-ES](#) and paid via EFTPS or other IRS payment methods. Rules are governed by the IRS Estimated Tax guidelines. See [Estimated tax](#).

Minnesota Threshold: You must pay if you expect to owe \$500 or more in Minnesota tax. Estimated payments can be made electronically (preferred) or by check with a payment voucher generated through the Department of Revenue’s online systems.

C CORPORATIONS

\$500 Threshold: This is the standard for both federal and state.

Federal payments are calculated on [Form 1120-W, Estimated Tax for Corporations](#) and paid electronically, typically through EFTPS.

Minnesota payments are based on Form M4 calculations and paid to the Department of Revenue; electronic payment may be required once certain thresholds are met.

PARTNERSHIPS AND S CORPORATIONS

For Minnesota purposes, partnerships and S corporations must make estimated tax payments if:

- Their **minimum fee** and S corporation taxes are expected to be at least \$500 or
- They have nonresident individuals included in Minnesota composite income tax whose tax is expected to be at least \$500.

Nonresident withholding obligations for partners or shareholders also follow estimated tax rules.

Failure to pay sufficient estimated tax on time can result in **underpayment penalties** at both the federal and state level.

INCOME TAX PENALTIES AND INTEREST

Both the IRS and the Minnesota Department of Revenue may impose **penalties and interest** for issues such as:

- Failure to file a required return
- Failure to pay tax when due, or substantial underpayment of tax
- Filing late or paying late
- Filing a false, frivolous, or fraudulent return

The IRS may also impose penalties for negligence, disregard of rules, or substantial understatement of income tax. In serious cases, federal and state law allow **criminal penalties** for willfully failing to file or willfully filing false returns.

Interest on unpaid tax is charged at rates that are adjusted periodically to reflect current market conditions.

SALES AND USE TAX

SALES AND USE TAX REGISTRATION

If you make **taxable retail sales** or **provide taxable services in Minnesota**, you must get a **Minnesota Tax ID** and register to collect and remit sales and use tax **before** you make taxable sales.

You must register and collect Minnesota sales tax if you have **nexus** (taxable presence) in Minnesota, even if your business is located in another state or sells online.

You generally have sales tax presence in Minnesota if your business does any of the following:

- Has a physical location in Minnesota (office, store, warehouse, showroom).
- Ships to Minnesota customers and, over any 12-month period, either:
 - Has **more than \$100,000** in retail sales shipped to Minnesota, or
 - Has **200 or more** separate retail sales shipped to Minnesota.
- Has employees, representatives, agents, or independent contractors working in Minnesota.
- Stores inventory in Minnesota, including inventory in a third-party fulfillment center.
- Delivers items into Minnesota using your own vehicles.
- Provides taxable services in Minnesota.
- Owns or leases property in Minnesota.
- Acts as, or sells through, a **marketplace provider** that facilitates sales to Minnesota customers.
- Has affiliates or marketing arrangements with Minnesota residents that actively refer customers (for example, affiliate web links for a commission).

If you **do not make taxable sales** but buy items or services that are taxable and no sales tax is charged, you must register to **remit use tax**.

For more information, go to: [Who Needs to Register?](#), [Registering Your Business](#), obtain a Minnesota Tax ID Number - [Business Tax Registration](#) or call 651-282-5225 or 800-657-3605.

MINNESOTA SALES TAX

Minnesota's **state sales tax rate is 6.875 percent**. It applies to retail sales of most **tangible personal property**, many taxable services, and certain **digital products** used in Minnesota. Businesses collect the tax from customers and send it to the state.

A "retail sale" is generally any sale, lease, or rental to the **end user**, not for resale. Some sales are **exempt** by law; these are discussed below and in Department of Revenue fact sheets.

Helpful resources from the Department of Revenue include:

- [Minnesota Sales and Use Tax Business Guide](#)
- [Sales Tax Fact Sheets and Industry Guides](#)

The Department of Revenue does not issue a physical sales tax permit. When you register, you receive a confirmation letter showing your registration for sales and use tax, which you should keep with your records. There is no requirement to post it at your business.

MINNESOTA USE TAX

Use tax is the **companion** to sales tax. It applies when you buy, lease, or rent taxable items or services that you **use in Minnesota** and **no Minnesota sales** tax was charged. The use tax rate is the same as the sales tax rate (6.875 percent), and it is applied to your **cost** for the item or service.

Common situations where use tax is due include:

- Buying items from an out-of-state or online seller that does not charge Minnesota sales tax, then using, storing, or consuming the items in Minnesota.
- Taking items out of resale inventory for business or personal use.
- Using items originally bought for an exempt production purpose in a way that is taxable.
- Buying taxable items or services from a Minnesota seller that does not charge sales tax, then using them in a taxable way.
- Giving away or donating items (including to nonprofits) that were originally bought without tax.

Businesses registered for sales and use tax report their **taxable purchases** and use tax when they file their regular sales and use tax return electronically.

Individuals who owe use tax file [Form UT1, Individual Use Tax Return](#), due April 15 following the end of the calendar year; local use tax is also due if the item is used in an area with a local tax.

See:

[Sales and Use Tax](#)

[FS146 – Use Tax for Businesses](#)

[FS156 – Use Tax for Individuals](#)

[Local Sales and Use Tax Guide](#)

Local sales and use taxes

Many Minnesota cities and counties have their own **local sales and use taxes**, which the Department of Revenue administers.

- If you make taxable sales in a city or county with a local tax, you must **register** and collect that local tax as well as the state tax.
- Local tax is reported on the same Minnesota sales and use tax return, on separate lines for each local tax area where you are registered.

Local sales tax generally applies when:

- The sale takes place in the local area (for example, in-store sales);
- Taxable services are performed in the local area; or
- Taxable items are shipped or delivered into the local area.

To calculate the total tax, **add** the state rate (6.875 percent) and any applicable local rate(s), then apply the combined rate to the taxable sales price.

Local **use tax** works like local sales tax but applies when no local tax was collected, and the taxable item or service is **used** in the local area. Examples:

- A business buys equipment in a different Minnesota city without local tax being charged, then uses it in a city with a local tax.
- A business buys a taxable item from an out-of-state seller that does not charge local tax and uses it in a Minnesota local-tax area.

See the Department of Revenue's [Local Sales Tax Information](#) for current local taxes and rates.

EXEMPTION CERTIFICATES

By default, sales of taxable items and services are **presumed taxable** unless a specific exemption applies. To buy qualifying items without paying sales tax, a purchaser must give the seller a completed Department of Revenue [Form ST3, Certificate of Exemption](#).

Key points:

- Sellers must collect tax unless they have a **properly completed** exemption certificate. A tax ID number alone is not enough.
- Form ST3 can be used for a **single purchase** or as a **blanket exemption** for ongoing purchases.
- Sellers must keep the completed certificate in their records; they do **not** send it to the Department of Revenue, but it must be available for audit.

Selected exemptions and exempt organizations

Food, clothing, and prescription drugs

- Most **clothing, prescription drugs, and food for home consumption** are exempt from sales and use tax.
- The exemption does **not** apply to prepared food from restaurants, bars, delicatessens, or caterers, nor to **candy, soft drinks, or many dietary supplements**.

Capital equipment

“Capital equipment” generally means machinery and equipment used primarily in manufacturing, **fabricating, mining, or refining** tangible personal property to be sold at retail, when the equipment is essential to an **integrated production process**. It can also include equipment used mainly to electronically transmit data to customers and certain foundations, parts, and special-purpose production buildings.

Qualifying capital equipment purchases are typically exempt **up front** when the buyer provides a completed **Form ST3** claiming the appropriate exemption. See the Department of Revenue’s **Sales Tax Fact Sheets and Industry Guides** for detailed definitions.

Resource recovery equipment

Certain equipment used to process solid or hazardous waste at a **resource recovery facility** may be exempt, but advance approval from the Department of Revenue is required.

Sales to nonprofit organizations

Some nonprofit organizations may be exempt from paying sales tax on purchases if they are organized exclusively for charitable, religious, educational, or qualifying senior citizen purposes.

The exemption applies to purchases by the nonprofit; it usually does not allow the nonprofit to sell items tax-free.

The exemption does not apply to purchases of meals, lodging, or motor vehicles, or to certain short-term vehicle rental taxes and fees.

To claim the exemption, qualifying organizations apply using Form ST16, Application for Nonprofit Exempt Status – Sales Tax, and then give sellers a completed Form ST3.

Sales to government agencies

- Sales to the **federal government** and its agencies are generally exempt when the purchase is made directly by the agency, often documented by a purchase order, voucher, work order, or Form ST3. Sales to federal employees making personal purchases are taxable.
- Minnesota **state agencies** generally use a **direct pay authorization**, paying the tax directly to the Department of Revenue on most purchases; sellers usually do not collect sales tax from state agencies except on specific items such as prepared food, lodging, admissions, motor vehicles, and certain services.
- **Cities, counties, townships, and certain other local government units** are exempt on purchases used for qualifying government services. However, they must pay tax on purchases of prepared food, candy, soft drinks, alcoholic beverages, or lodging. A completed **Form ST3** is required to claim these exemptions.

Filing the sales and use tax return

When you register, the Department of Revenue assigns you a **filing frequency** based on how much tax you are expected to owe.

Typical filing frequencies:

Annual – if tax averages **less than \$100 per month**.

Quarterly – if tax averages **less than \$500 per month**.

Monthly – if tax averages **\$500 or more per month**.

Seasonal – for businesses open only part of the year (file only for periods you are open).

One-time – for one-time events; do not use if you plan to make taxable sales again.

You can request a change in filing frequency if your tax level changes, usually through e-Services or by contacting the Department of Revenue.

Return due dates:

Monthly filers – 20th day of the following month.

Quarterly filers – April 20, July 20, October 20, and January 20.

Annual filers – February 5 of the following year (calendar-year basis only).

Unregistered individuals (Form UT1) – April 15 of the following year.

If the due date falls on a weekend or legal holiday, the return is due the **next business day**. Payments must be **received electronically or postmarked** by the due date.

Mandatory electronic payment

If your sales and use tax liability is **\$10,000 or more** during the state's fiscal year (July 1–June 30), you must pay all Minnesota business taxes electronically starting the next calendar year.

Once you are required to pay any Minnesota business tax electronically, you must pay **all** business taxes electronically (this is sometimes referred to as the “associated payers” rule).

FICA TAX (SOCIAL SECURITY AND MEDICARE)

The Social Security and Medicare benefit programs are funded by payroll taxes under the **Federal Insurance Contributions Act (FICA)** and by the **self-employment tax** for self-employed individuals.

FICA taxes apply to both the **employer** and the employee:

- The employer pays an employer share of FICA tax.
- The employer also withholds the employee's share of FICA tax from each paycheck, similar to how income tax is withheld.

Self-employed individuals compute and pay their Social Security and Medicare tax using [Schedule SE \(1040\), Self Employment Tax](#) as part of their individual tax return.

Special rules apply to:

- **Tipped employees**
- People who have both **wage** income and **self-employment** income
- Certain non-cash payments (“in-kind” compensation), such as meals, lodging, clothing, or services provided by the employer

FICA tax **rates and wage base limits change over time** based on federal law. The Social Security wage base typically changes each year, and the combined Social Security and Medicare tax rate is generally around **15.3 percent** in total, split between the employer and employee (or fully paid by a self-employed person). You should always check current IRS guidance for the latest wage base and rates rather than relying on a specific year’s dollar amount.

For detailed and up-to-date information on FICA withholding, employer responsibilities, and self-employment tax, see these IRS resources:

- [Publication 15, \(Circular E\) Employer’s Tax Guide](#)
- [Publication 15-A, Employer’s Supplemental Tax Guide](#)

INCOME TAX WITHHOLDING

INTRODUCTION

Most employers must withhold three main taxes from employee wages:

- **Federal income tax**
- **Minnesota income tax**
- The employee’s share of **FICA** (Social Security and Medicare)

The employer also pays an **employer share** of FICA. Withholding amounts are based on the employee’s wages and the information they give on their **federal Form W-4** and **Minnesota Form W-4MN**. Employers must begin withholding as soon as wages are paid. Special rules apply to **supplemental wages** such as bonuses.

The IRS and Minnesota Department of Revenue publish **withholding tables and calculators** on their websites and send updates when laws or procedures change; employers must follow the current guidance.

TAX IDENTIFICATION NUMBER

Any business with employees must have:

- A federal [Employer Identification Number \(EIN\)](#) from the IRS
 - [Ways to apply for an EIN](#)
- A [Minnesota Tax ID Number](#) if it has employees working in Minnesota or Minnesota residents as employees
 - [MN Tax ID Requirements](#)

Apply **before** you hire your first employee to avoid delays and possible penalties. The IRS issues an EIN immediately upon application completion. The same is true with the Department of Revenue issuing the MN Tax ID Number immediately upon application completion.

Federal deposits are made through the [Electronic Federal Tax Payment System \(EFTPS\)](#); once enrolled, employers receive an EFTPS confirmation and PIN and then make deposits online or by phone. Minnesota employers must file withholding tax returns electronically using [e-Services](#).

WITHHOLDING ALLOWANCE CERTIFICATES

Withholding allowance certificates (W-4 / W-4MN)

- **Form W-4 (federal)** – Employees complete this for federal withholding; employers may direct them to the IRS Tax Withholding Estimator for help.
- **Form W-4MN (Minnesota)** – Employees complete this when they start work, change their federal W-4, or claim to be exempt from Minnesota withholding.

Employers must send copies of **Form W-4MN** to the Minnesota Department of Revenue if any of these apply:

- The employee claims **more than 10** Minnesota withholding allowances.
- The employee claims to be **exempt** from Minnesota withholding and you reasonably expect wages to exceed **\$200 per week** (unless the employee is a resident of Michigan or North Dakota and has completed Form MWR).
- You believe the employee is **not entitled** to the number of allowances claimed.

Employers must follow the employee's W-4 and W-4MN unless notified by the IRS or the Department of Revenue that a form is invalid. Penalties can apply to employees who knowingly file false forms and to employers who fail to send required copies.

Furnishing wage and tax statements (W-2)

Employers must give each employee a **Form W-2** showing wages and taxes withheld:

- Due to employees by **January 31** following the end of the year, or within 30 days of a written request if employment ends.
- Forms W-2 may be provided **electronically** if employees consent and required disclosure and access rules are followed.

Filing requirements:

- Federal copies of Forms W-2, plus **Form W-3**, must be filed with the **Social Security Administration** by **January 31**.
- Minnesota copies of W-2s and any **1099s with Minnesota tax withheld** must be filed with the Minnesota Department of Revenue, also by **January 31**.

Most employers must submit W-2 and 1099 information **electronically**; see [Submitting Form W-2 and W-2c Information - Withholding Tax Fact Sheet 2](#) and [Submitting Form 1099 Information - Withholding Tax Fact Sheet 2a](#).

Who is an employer and who is an employee?

In general, an **employer** is a person or organization for whom a worker performs services as an **employee**, usually with the employer providing tools and a place to work and having the right to hire and fire. A person may be an employer for one tax but not another.

Under **common law**, an employee is someone whose work (what is done and how it is done) is controlled or has the right to be controlled by the employer, even if the worker has some freedom in how they do the job.

For more detail, see this Guide's sections "**Issues for Employers**" and "**Checklist for Hiring an Employee**", and IRS [Publication 15-A, Employer's Supplemental Tax Guide](#).

Special issues for nonresident employers and employees

North Dakota and Michigan residents working in Minnesota

Minnesota has **reciprocity** with North Dakota and Michigan. Residents of those states who work in Minnesota can avoid Minnesota withholding if they complete [Form MWR, Reciprocity Exemption/Affidavit of Residency](#), and instead pay income tax to their home state.

- Employees must give Form MWR to their employer each year by **February 28**, or within 30 days after starting work or changing residence.
- Employers keep one copy and send one copy to the Minnesota Department of Revenue, generally by **March 31** or within 30 days of receiving it for new hires or changes.

Employees of interstate carriers

- Interstate truck, bus, and rail carriers generally withhold income tax only for the employee's **state of residence** when employees regularly work in multiple states.
- Interstate air carriers with employees who work in multiple states may need to withhold for the state of residence and any state where more than **50 percent** of the employee's compensation is earned (based on scheduled flight time).

Nonresident entertainers

Nonresident entertainers (musicians, actors, athletes, speakers, and similar performers) may be subject to a **2 percent tax** on gross compensation for performances in Minnesota.

- The tax applies to the **entertainment entity**, and the person who controls payment is responsible for withholding and depositing the tax.
- The tax does **not** apply to North Dakota or Michigan residents who provide a properly completed [Form MWR, Reciprocity Exemption/Affidavit of Residency](#).

More detail is available in the Department of Revenue's [Nonresident Entertainer Tax](#) materials.

Minnesota residents working outside Minnesota

- **In other states:** Employers of Minnesota residents working entirely in another state may still have to withhold Minnesota income tax if the employer has **nexus** with Minnesota (for example, deriving income from Minnesota, owning property here, or employing personnel here). Reciprocity with North Dakota and Michigan may change this requirement.
 - If withholding is required in both states, the employer calculates each state's tax.
 - If Minnesota tax is **greater**, the employer sends the difference to Minnesota.
 - If the other state's tax is greater, the employer does **not** withhold Minnesota tax.
- **Outside the United States:** A Minnesota resident transferred abroad generally remains a Minnesota resident unless they qualify for the **foreign earned income exclusion** under Internal Revenue Code section 911(d)(1) and have **no Minnesota homesteaded property**. If they do not meet both criteria, the employer must continue to withhold Minnesota tax.

If an employee claims they changed domicile and asks you to stop Minnesota withholding, send the Department of Revenue a copy of the employee's W-4 and a letter explaining why the employee believes their domicile has changed.

Withholding tax deposit and filing requirements

Federal and Minnesota deposit and filing schedules are related but **calculated separately**.

Deposit requirements – Minnesota

- **Annual (Minnesota):** Employers with **\$500 or less** in Minnesota withholding for the year may be approved to file and pay annually.
- If Minnesota withholding exceeds \$500 during the year, the employer must deposit the excess by the end of the month after the month in which the \$500 threshold was exceeded.
- **Quarterly:** If state withholding is **\$1,500 less** in the prior quarter, the employer may pay the full amount quarterly, due the last day of the month following the quarter.
- **General rule:** If you withheld **more than \$1,500** in Minnesota tax in the previous quarter, you must make Minnesota deposits as often as your **federal deposit schedule** requires (monthly or semiweekly).

Federal deposit schedules (high-level)

- **Monthly depositors:** Generally, if total federal employment tax liability in the lookback period is **\$50,000 or less**, deposits are due by the **15th** of the following month.
- **Semiweekly depositors:** If the lookback liability is **more than \$50,000**, deposits are typically due on **Wednesday and/or Friday** based on paydays.
- **One-day rule (federal):** If \$100,000 or more in taxes accumulate on any day, the deposit is due by the **next banking day**.

Employers should consult IRS [Publication 15 \(Circular E\), Employer's Tax Guide](#) and [Minnesota's Withholding Tax Instructions and Tables](#) for detailed rules and exceptions.

Electronic deposit requirements – Minnesota

You must make Minnesota withholding deposits electronically if:

- You withheld **\$10,000 or more** in Minnesota income tax during the last 12-month period ending June 30,
- You use a **payroll service company**, or
- You are required to electronically pay **any other Minnesota business tax**.

Once you are required to pay business taxes electronically for one year, you must continue to pay **all Minnesota business taxes electronically**.

EFTPS (Federal)

All required federal tax deposits must be made electronically using **EFTPS**.

Filing requirements

- **Federal:** Employers (other than some annual/agricultural filers) file [Form 941, Employer's Quarterly Federal Tax Return](#), each quarter.
- **Minnesota:** Employers (other than approved annual filers) must file a [Minnesota Quarterly Withholding Tax Return](#) for each quarter, electronically through **e-Services**.

W-2 filing

- Federal Form W-3 and copies of W-2s must be filed with the **Social Security Administration** by January 31 or within 30 days after going out of business.
- Minnesota copies of W-2s and **1099s with Minnesota withholding** must be filed with the Department of Revenue by **January 31** or within 30 days after going out of business.

Annual filers (Minnesota)

Approved annual filers do not file quarterly returns. Their annual Minnesota withholding return is due by **January 31** of the following year and must be filed electronically via e-Services.

Forms and zero returns

Deposits are made using EFTPS (federal) and e-Services or payment vouchers (Minnesota). Quarterly and annual returns must be filed even if all tax has already been deposited or **no tax is due**—a **zero return** is still required.

Penalties and interest – withholding tax

Both the IRS and the Minnesota Department of Revenue can assess penalties and interest for:

- Failing to make deposits on time
- Failing to file required returns on time
- Failing to file or correctly complete Forms W-2 and 1099

Federal penalties also apply for incorrect taxpayer identification numbers and incorrect or missing W-2 information. Minnesota may impose additional penalties for failing to submit required W-2 information or failing to provide all required data.

Individuals responsible for collecting and paying employment taxes can be held **personally liable** for unpaid amounts. The IRS may assess a **Trust Fund Recovery Penalty** equal to 100 percent of withheld income tax and employee FICA not paid over.

Interest is charged on unpaid withholding tax (and penalties) from the due date until payment is made, at rates adjusted periodically to reflect market conditions.

Contractor and subcontractor clearance

For projects done for the **State of Minnesota** or any of its political subdivisions (cities, counties, school districts, etc.), prime contractors and subcontractors must file a **Contractor Affidavit (Form IC-134)** with the Department of Revenue to certify they are in compliance with Minnesota withholding tax laws before **receiving final payment**.

- A **contractor** is a person or business awarded a contract to perform work.
- A **prime contractor** is the main contractor on a project who may subcontract parts of the work.
- A **subcontractor** is hired by the prime contractor to perform part of the work.

Subcontractors file a contractor affidavit when their portion of the work is complete; prime contractors file when the entire project is finished.

Contractors submit the affidavit electronically through the Department of Revenue's **Contractor Affidavit** system as described at [Contractor Affidavit Requirements](#).

SUCCESSOR LIABILITY FOR CERTAIN TAXES WHEN A BUSINESS OR ITS ASSETS ARE TRANSFERRED

When you **buy or acquire a business or its assets**, you may become responsible for certain **unpaid Minnesota sales and withholding taxes** of the prior owner if a state tax lien has been filed and you do not follow the required notice steps. This can apply whether the transfer is a sale, a gift, or a change in business entity or name where one business is ending and another is starting.

When successor liability can apply

Successor liability can apply when **all or substantially all** of a business's assets are transferred and the Minnesota Department of Revenue has filed an **enforceable lien** for unpaid taxes. If you do not properly notify the department before taking over, you can become liable for:

- The **amount of the lien**, including interest and penalties, and
- Other unpaid **sales or withholding tax**, interest, and penalties of the transferring business, up to the value or purchase price of what you acquired.

How to avoid unexpected tax liability

To protect yourself, you must notify the **Commissioner of Revenue at least 20 days** before you either:

- Take possession of the business assets, or
- Pay the purchase price.

Your notice must include:

- Information about the transfer of the business or its assets
- The terms and conditions of the transfer
- The **Minnesota Tax ID number** of the business being transferred

After receiving your notice, the Commissioner has **20 days** to respond and may:

- Tell you whether there are unpaid sales or withholding taxes, interest, and penalties in addition to the amounts shown on any lien
- Tell you how much is needed to satisfy the lien
- Tell you whether additional tax returns are due
- Confirm that there are **no additional taxes due** beyond what is shown on the lien

If the Commissioner **does not respond within 20 days**, you are **not liable** for any additional taxes beyond the amounts shown on the filed lien.

Amount of liability and special situations

- **Sales transfers.** If you are buying the business or its assets, your liability as a successor cannot exceed the **purchase price**.
- **Gift transfers.** If the transfer is a **gift** or not at arm's length, your liability is presumed to be equal to the **value of the assets** you receive. You can avoid this liability by **returning the gifted property**.

These rules also apply when a business changes its **entity type** (for example, from a partnership to a corporation) or **name**, as long as one business is effectively being discontinued and another started.

Federal tax liens

If there is an **IRS Notice of Federal Tax Lien** on the business or its assets, you must deal with the IRS separately. In that case, contact the IRS about a **Certificate of Discharge** and see IRS [Publication 783](#) for more information on releasing property from a federal tax lien.

REVOCATION OR PREVENTION OF LICENSE ISSUANCE OR RENEWAL

Licenses can be blocked or pulled if a business owes enough state tax and does not resolve it.

When licenses can be denied or revoked

Under Minnesota law, the Commissioner of Revenue can direct state, county, or city licensing authorities to **deny, not renew, not transfer, or revoke** a business, trade, occupational, or professional license if the license holder (or applicant) owes more than \$500 in state taxes, penalties, or interest and is not in compliance with a payment or appeal arrangement (Minn. Stat. § 270C.72).

The Commissioner does this by sending the licensing agency a **Notice of Requirement for Tax Clearance**. Once that notice is received, the licensing agency must not issue, renew, or transfer the license until it receives a **tax clearance certificate**.

What a tax clearance certificate means

A **tax clearance certificate** is issued **only after** the tax debt is resolved. That can mean:

- The liability is fully paid, or
- The taxpayer has entered into, and is complying with, an approved payment agreement or appeal arrangement.

Until the licensing authority receives this certificate, the affected license cannot be issued, renewed, transferred, or (if already issued) may be subject to revocation.

Who handles disputes

The **Commissioner of Revenue** (through the collections/enforcement staff) handles:

- Negotiations over how to resolve the debt,
- Disputes about whether the license should be blocked, and
- Appeals related to a license denial under this statute.

Questions about how the law applies in a specific situation, or how to obtain a tax clearance, should be directed to the Department of Revenue's collections/ enforcement contact listed in the Guide's Resource Directory.

UNEMPLOYMENT INSURANCE TAXES

Unemployment insurance taxes are employer-paid taxes that fund temporary wage replacement when workers lose jobs through no fault of their own, with separate but related federal (FUTA) and Minnesota UI requirements.

Federal Unemployment Tax (FUTA)

- FUTA is a **federal tax** used to fund administration of unemployment insurance programs.
- Most employers must file **Form 940** annually if they meet one of the standard tests (wage and employee thresholds, plus special rules for farm and household workers).
- FUTA tax is calculated on the first \$7,000 of wages paid to each employee each year (the federal wage base), at a nominal **6.0 percent rate**, with a potential **credit of up to 5.4 percent** for timely state UI tax payments, reducing the effective rate to **0.6 percent** for most employers.
- If wages are not subject to state UI tax (for example, certain owner-officer wages where no state UI is paid), the employer may not get the full credit on those wages and may pay FUTA at a higher effective rate.
- FUTA deposits are required through **EFTPS** once total undeposited FUTA tax exceeds **\$500 dollars** in a quarter; remaining amounts are reported and reconciled on Form 940, due **January 31**.

Minnesota Unemployment Insurance (UI) – coverage and registration

- Minnesota UI is governed by the **Minnesota Unemployment Insurance Law** and administered by the **Minnesota Unemployment Insurance Program (UI)** (DEED).
- Most employers that pay **covered wages** in Minnesota must register for a **UI employer account** and either pay UI taxes or, if they are qualifying government or certain nonprofit entities, reimburse benefits dollar-for-dollar.
- Employers should register shortly after they first pay wages for covered services and no later than the due date of their first **quarterly wage detail report**.

- Some entities do **not** need a UI account, including:
 - Sole proprietorships whose only workers are the sole proprietor’s spouse, parents, and/or minor children.
 - Corporations or LLCs whose only workers are owner-officers holding **25 percent or more** of the entity and who have not elected coverage.
 - Partnerships whose only workers are the partners.

When a business **acquires** another Minnesota employer, some or all of the predecessor’s **wage and benefit experience** may transfer to the successor’s UI account, which can affect the successor’s tax rate.

UI tax rates, experience rating, and assessments

- New employers receive a **“new employer”** rate based on the average rate for their **NAICS industry**, so they start at a rate similar to others in that sector.
- Once an employer has enough history, Minnesota assigns an **experience rate** based on the employer’s taxable wages and benefits charged, using an **experience period** of the prior 48 months ending June 30 before the rate year.
- The better an employer’s unemployment experience (fewer benefits charged), the **lower** the experience rate; the worse the experience, the **higher** the rate.
- Experience rates are computed to the nearest one-hundredth of a percent and combined with base rates and assessments; total UI rates generally range between roughly **under 1 percent up to around 10–11 percent** of taxable wages, subject to current law.
- Additional assessments can apply if the UI trust fund balance drops below certain levels, and there is also a Workforce Development Assessment that supports training and re-employment programs; both are paid along with regular UI taxes.

Wage detail reports, payments, and penalties

- Employers must file **quarterly wage detail reports** and pay UI taxes and related assessments on covered wages up to the annual **taxable wage base**.
- Reports must list, for each employee, at least: full name, Social Security number, total wages, hours worked, work location(s), plus counts of covered workers in the pay period including the 12th of each month.
- Reports and payments are due **by the last day of the month** following each calendar quarter (April 30, July 31, October 31, January 31); if that day is a weekend or state holiday, the due date moves to the next business day.
- Wage detail reports must be filed **electronically** using the UI **Employer Self-Service System**; employers with no wages in a quarter must still file a **Zero Wage Report**.
- Electronic payments via ACH debit/credit are available to all employers and **required** for those reporting **50 or more employees** in a quarter and all third-party processors.

- Interest on late taxes is generally **1 percent per month or part of a month**, and late or incomplete reports can trigger **late fees and administrative fees**; late fees are computed per employee and can double if reports remain outstanding, with a minimum amount applied.
- Overpayments can be corrected by filing an **adjustment** through the Employer Self-Service System within the statutory period; credits can be applied to future tax or refunded on request.

Audits, records, and personal liability

- UI auditors periodically review employer payroll records to verify wage reporting, determine liability, investigate benefit eligibility, and detect fraud; audits usually cover one year but may expand if issues are found.
- All employing units must keep **true and accurate records** for at least **four years plus the current year**, including detailed information on wages, hours, work locations, and reasons for separation, and must make them available on request.
- If an employer fails to pay UI taxes, the state may hold certain responsible individuals—officers, directors, members, partners, or owners—**personally liable** for unpaid taxes, interest, and fees under Minnesota law.

FEDERAL TAX REQUIREMENTS

YOU MAY BE LIABLE FOR	IF YOU ARE TAXED AS*	USE FORM	DUE ON OR BEFORE
Tax Identification Number	Sole proprietor with employees; Partnership; Corporation If you are a sole proprietor with no employees use your Social Security Number as your tax identification number	SS-4, Application for Employer Identification Number (EIN)	See Instructions on Form SS-4
Individual – Income Tax Return	Sole proprietor	Schedule C (Form 1040), Profit or Loss from Business (Sole Proprietorship)	April 15th or the 15th day of the 4th month after the end of the tax year
	Partner or S corporation shareholder	Schedule E (Form 1040), Supplemental Income or Loss	Same as above
Business – Income Tax Return	Partnership	Form 1065, U.S. Return of Partnership Income	15th day of the 3rd month following the close of the tax year
	S corporation	Form 1120S, U.S. Income Tax Return for an S corporation	15th day of the 3rd month after the end of the tax year
	Corporation	Form 1120, U.S. Corporation Income Tax Return	15th day of the 4th month after the end of the tax year
Estimated Taxes – Individual	Sole Proprietor or individual who is a partner or S corporation shareholder	Form 1040-ES, Estimated Tax For Individuals	15th day of the 4th, 6th, and 9th months of tax year, 15th day of 1st month after end of tax year
Estimated Taxes – Corporation	Corporation	Direct Pay for Businesses or EFTPS	15th day of the 4th, 6th, 9th and 12th months of tax year
Withholding of Income Tax and FICA Deposits	Business with Employees	EFTPS	See withholding and deposit instructions issued by IRS
Return for Reporting Withholding of Employee’s Income Tax and FICA	Business with Employees	Form 941, Employer’s Quarterly Federal Tax Return	End of month following end of quarter
Reporting Information on Wage and Tax Statements (Form W-2)	Business with Employees	W-3, Transmittal of Wage and Tax Statements	See Reporting Information on Wage and Tax Statements (Form W-2) g Generally due January 31 to SSA
Unemployment Tax (FUTA)	Business with Employees	Form 940, Employer’s Annual Federal Unemployment (FUTA) Tax Return	January 31
Unemployment Tax Deposits	Business with Employees	EFTPS	See FUTA Deposit Instructions issued by IRS
Information Returns	Business Required to File Form 1099, U.S. Information Returns	Form 1096, Annual Summary and Transmittal of U.S. Information Returns	File Form 1096 as follows. <ul style="list-style-type: none"> • With Forms 1097, 1098, 1099, 3921, 3922, or W-2G, file by February 28 • With Forms 1099-NEC • With Forms 5498
Other Federal Taxes Call the IRS			

Note that generally speaking, single-member LLCs may choose to be taxed as a sole proprietorship or a corporation. LLCs with at least two members may choose to be taxed either as a corporation or as a partnership.

STATE OF MINNESOTA TAX REQUIREMENTS

YOU MAY BE LIABLE FOR	IF YOU ARE TAXED AS*	USE FORM	DUE ON OR BEFORE
Tax Identification Number	Making taxable sales or withholding taxes	Register online at Minnesota Department of Revenue or file form Application for Business Registration (ABR)	See information at Minnesota Department of Revenue, Businesses at or call 651-282-5225
Income Tax	Sole Proprietor	M1, Individual Income Tax Return	April 15, or the 15th day of 4th month after the end of the tax year
	Individual who is a partner or S corporation shareholder	M1, Individual Income Tax Return	Same as above
	Partnership	M3, Partnership Return	Same as federal
	C Corporation	M4, Corporation Franchise Tax Return	Same as federal
			M11, Insurance Premium Tax Return for Property and Casualty Companies
Sales and Use Tax (sales tax returns must be filed using the e-Services Minnesota electronic filing system)	S corporation	M8, S Corporation Return	Same as federal
	Organization that makes retail sales or provides taxable services	Filing of Sales and Use Tax return must be done online through e-Services	Due date is based on filing cycle assigned by Department of Revenue – see instructions.
	Business that purchases taxable property for use in Minnesota without paying sales tax	Same as above	Included on Sales and Use Tax Return
	Consumer who purchases taxable property without paying sales tax	UT1, Individual Use Tax Return	April 15th of following year
Estimated Tax	Sole proprietor or individual who is a partner or S corporation shareholder	-Pay through e-Services -See Make a Payment for other types of payment methods	15th day of 4th, 6th, and 9th months of tax year; and 15th day of 1st month after end of tax year
	Corporation	Payment Vouchers System and e-Services	15th day of 3rd, 6th, 9th, and 12th months of tax year

* Note that generally speaking, single-member LLCs may choose to be taxed as a sole proprietorship or a corporation. LLCs with at least two members may choose to be taxed either as a corporation or as a partnership. For Minnesota unemployment insurance purposes, all LLCs are treated as corporations.

STATE OF MINNESOTA TAX REQUIREMENTS

YOU MAY BE LIABLE FOR	IF YOU ARE TAXED AS*	USE FORM	DUE ON OR BEFORE
Withholding of Income Tax	Sole proprietor, corporation, S corporation or partnership -Minnesota Withholding Tax Returns -Minnesota Withholding Tax Deposits	e-Services or Income Tax Withholding payment voucher. See Payment Voucher System	See withholding instructions issued by the Minnesota Department of Revenue
Nonresident Partner or Shareholder Withholding	Partnership S corporation	M3, Partnership Return M8, S Corporation Return	Due date of tax return
Unemployment Tax	Sole proprietor, corporation, S corporation, partnership, limited liability partnership or Limited Liability Company	Minnesota Unemployment Insurance (UI) Self-Service User System. Registration and login links available at Employers and Agents Unemployment Quarterly Wage Detail Report and Tax Payment using Minnesota Unemployment Insurance Self-Service User System. Registration and login links available at Employers and Agents	Prior to the submission of the first quarterly wage detail report Within one month after end of each calendar quarter
Minimum Fee	Corporation S Corporation Partnership	M4, Corporation Franchise Tax Return M8, S Corporation Return M3, Partnership Return	Due date of tax return
Other Taxes	Call Department of Revenue		

* Note that generally speaking, single-member LLCs may choose to be taxed as a sole proprietorship or a corporation. LLCs with at least two members may choose to be taxed either as a corporation or as a partnership. For Minnesota unemployment insurance purposes, all LLCs are treated as corporations.

SOURCES OF INFORMATION AND ASSISTANCE

STATE PROGRAMS

[SMALL BUSINESS ASSISTANCE OFFICE](#)

The Small Business Assistance Office, within the Minnesota Department of Employment and Economic Development (DEED), specifically created by Minn. Stat. § 116J.66, provides accurate, timely and comprehensive information and assistance to businesses in all areas of start-up, operation and expansion. Functionally, the office has two bureaus for service delivery: the Bureau of Business Licenses and the Bureau of Small Business. The specific services of the Bureau of Business Licenses and the Bureau of Small Business are described below. Contact information for the Small Business Assistance Office is listed in the Resource Directory section of this Guide.

Bureau of Business Licenses

The Bureau of Business Licenses provides a number of services at no charge. It publishes the **State of Minnesota Directory of Licenses and Permits** reproduced in this Guide. That Directory, along with additional license and permit information, is available online at [Minnesota ELicensing](#). The Bureau provides comprehensive information which licenses your business needs, which agencies issue them, and what requirements and responsibilities you must meet as an applicant. The Bureau can also explain how licensing agencies make decisions and point out any issues that could make it hard for you to get a license based on your business idea. They can help you apply for several related licenses at the same time, combine hearings when you need multiple licenses, and show you where to find information about any federal or local licenses you may also need.”

Bureau of Small Business

The Bureau of Small Business serves as a focal point within state government for small business related information. It publishes [Checklist for Hiring an Employee](#) (reprinted in this Guide), an outline of the federal and state requirements governing the hiring of an employee; [A Guide to Intellectual Property Protection](#), a primer for the inventor and the entrepreneur on the protection of new ideas and the products which result from them; [Employing Servicemembers: What You Should Know About USERRA](#), a manual concerning employers dealing with servicemember employees and the protections offered to those employees under the Uniformed Services Employment and Reemployment Rights Act (USERRA); [First Considerations for the Financially Distressed Business](#), is intended to alert the reader to legal issues related to restructuring of financially distressed businesses; [First Considerations In Starting a Family Child Care Business](#), this publication is directed at persons considering the formation and operation of a family child care business; [Raising Capital: Securities Law and Business Considerations](#), providing a general overview of the various federal and state securities law considerations

involved in raising capital and including such areas as “taking a company public,” “due diligence,” the investment agreement and tax consequences of capital financing; [A Legal Guide to Technology Transactions A COVID-19 Update 2020](#), is intended to better enable businesses considering information technology acquisition to frame up their questions and issues for their own staff, for technology suppliers, and for consultants and attorneys who will be involved in the contracting, acquisition, and use of the technology; [A Legal Guide to Data and Privacy Security 2026](#), represents the first ever attempt to compile Minnesota state data privacy and security laws as well as federal and global privacy laws in one publication. Publications are available online on the Minnesota Department of Employment and Economic Development (DEED), [Small Business Assistance Office](#). The Bureau continually produces new publications. All publications are available free of charge.

SMALL BUSINESS DEVELOPMENT CENTERS (SBDCs)

Minnesota Small Business Development Centers (MnSBDCs) are a statewide network of **free business advising and training centers** funded by the U.S. Small Business Administration, the Minnesota Department of Employment and Economic Development (DEED), and local host organizations like colleges and economic development groups. They provide **confidential, no-cost** help to people starting or growing small businesses in Minnesota that meet SBA size standards.

What the MnSBDCs do

The MnSBDC network offers two main services:

- **One-on-one counseling.** Trained advisors help with business planning, marketing, e-commerce and cybersecurity basics, financial projections, cash flow, and preparing loan packages. They can also connect you to help with regulatory questions, exporting, government contracting, and intellectual property through partner organizations.
- **Training and workshops.** Centers provide free or low-cost classes on topics such as starting a business, accessing capital, using financial statements, managing employees, marketing (including online marketing), and market research. Programs are designed around the needs of local small businesses.

Counseling is customized to each client and is provided by staff counselors and, in some cases, private consultants. Many counselors have both formal business training and years of practical experience running or advising businesses. Services are available in person, and all regional centers also offer online counseling.

Where they are and who they serve

Minnesota has **nine regional SBDC centers**, plus satellite and outreach locations, so most clients have a center within a reasonable driving distance. Because of federal, state, and local funding, **one-on-one counseling is provided at no cost**, and most training is free or offered for a nominal fee. Businesses must meet SBA size standards and other basic eligibility requirements to receive services.

Financing help

MnSBDCs **do not make loans or grants**, but counselors help owners understand financing options, evaluate which options might fit their business, and prepare the documentation lenders require. They help you understand the loan process and assemble a complete, well-supported loan application.

How to get started

You can request MnSBDC counseling or find current training offerings through the [MnSBDC](#) pages on DEED's website and each regional center's website. Contact information and locations for MnSBDC centers are also listed in the Resource Directory section of this Guide.

[MINNESOTA TRADE OFFICE](#)

The Minnesota Trade Office (MTO), an office within the Minnesota Department of Employment and Economic Development (DEED), is the state agency that provides export assistance to Minnesota companies and works to attract foreign direct investment. The MTO delivers programs and services particularly focused on helping small and medium sized companies enter and compete in the international market. Most services are offered free of charge or at a nominal cost.

Main MTO services

Export counseling

MTO trade specialists—people with real international business experience—offer confidential, one-on-one help with:

- Checking if your business is ready to export
- Market research and creating an export plan
- Finding new markets and customers
- Market entry strategies, shipping, tariffs, and logistics
- Connecting you with distributors, partners, agents, or buyers overseas

Export promotion

MTO organizes events to help you meet foreign buyers face-to-face:

- Trade missions (including governor-led missions)
- Exhibit space at U.S. and international trade shows
- Arranged meetings with potential overseas customers. Provide information regarding local trade events.

Export training

Workshops and seminars teach you how to export successfully. Check the [MTO Calendar of Events](#) for current programs.

Market research resources

MTO works with the DEED library to provide:

- Foreign market data, export statistics, and trade publications
- Company directories and online market research tools
- Guides on export mechanics and doing business in other cultures. The library is open to the public by appointment.

Special programs

STEP (State Trade and Export Promotion)

Financial and technical help for small Minnesota businesses that want to **start exporting or expand into new foreign markets**.

Invest in Minnesota

MTO helps foreign companies explore opportunities to expand or locate operations in Minnesota.

How to get help

Contact the MTO through the Resource Directory in this Guide or visit [MTO](#). Most services are free or low-cost, making export help accessible even for smaller companies.

[MINNESOTA BUSINESS FIRST STOP](#)

Minnesota Business First Stop streamlines the development process for complex business startups, expansions or relocations that involve financing, licensing, permitting, and regulatory issues that overlap multiple state agencies.

Our interagency team offers permitting and regulatory expertise and assists complex business location and expansion projects by working closely with business leaders and their site selection, permitting and environmental consultants.

The Department of Employment and Economic Development coordinates Minnesota Business First Stop, bringing together representatives from the following state agencies: Agriculture, Commerce, Division of Energy Resources, Iron Range Resources and Rehabilitation, Labor and Industry, Natural Resources, Revenue, Transportation, and the Pollution Control Agency.

VOCATIONAL REHABILITATION SERVICE

Small Business Assistance for People with Disabilities

Eligible individuals with disabilities who want to start or stabilize a small business may qualify for financial assistance through Vocational Rehabilitation Services (VRS).

VRS can fund startup costs for new businesses or stabilization costs when a disability causes changes to products, services, operations, or significant business interruptions.

Eligible costs (such as occupational licenses, tools, marketing materials, insurance, equipment, stock, and supplies) must be identified in a business plan developed and approved in collaboration with a VRS counselor, and funding is subject to VRS limits.

EMPLOYMENT AND TRAINING PROGRAMS

Minnesota CareerForce Centers

The Minnesota Department of Employment and Economic Development (DEED) and partners operate **49 CareerForce Centers** across the state to help both job seekers and employers. These centers bring together Unemployment Insurance, job training programs, Vocational Rehabilitation Services, State Services for the Blind, Veterans Services, and more. Additional partners at local centers may include Community Action Programs, human services agencies, schools, colleges, economic development groups, and local government offices.

CareerForce Centers are nationally recognized for their accessibility and wide range of services.

Services for businesses:

- **Post-a-Job:** A state labor exchange is a website that allows employers to post jobs that can be searched for by job seekers within a state.

Jobs posted on the Post-a-Job platform will be searchable on [CareerForce](#), [National Labor Exchange \(NLX\)](#) and associated sites, other state and federal job sites, veteran- and disability-focused job sites, and [LinkedIn Jobs](#).

- Some employers are required to post open positions on a state labor exchange due to state or federal government regulations. Employers can meet that requirement in Minnesota using either of the two methods below.
- Job screening and **computerized skills matching**
- [CareerOneStop](#) resources
- Fee-based **job analysis** of position duties and tasks
- **Employer advisory committees**
- **Labor market information** and analysis
- Special programs like **Shared Work**, bonding assistance, and **plant closing/mass layoff** support

- Help with **federal tax credits** (like WOTC)
- **Conferences and seminars**
- **Veterans placement** services
- **Job and career fairs**

Contact information for CareerForce Centers is listed in the Resource Directory section of this Guide.

[Shared Work Program](#)

The **Shared Work Program** is an alternative to layoffs for employers facing a **temporary slowdown** in business. The program is administered by Minnesota’s **Unemployment Insurance (UI) Program**.

Instead of laying off some employees, an employer can **reduce hours for a group of employees and “share” the available work**. The employer pays wages for the hours worked, and participating employees may receive **partial unemployment benefits** to replace part of their lost income while working reduced hours.

Shared Work can help employers:

- Keep experienced, trained staff
- Avoid the cost and disruption of layoffs and rehiring
- Maintain morale and productivity during a short-term downturn
- Be ready to ramp up quickly when business improves

For details on eligibility and how to apply, employers should see the Shared Work information on the Minnesota [Unemployment Insurance \(UI\)](#) website.

Apprenticeship Programs

Apprenticeship Minnesota, a unit of the Minnesota Department of Labor and Industry, helps employers create and register **“earn-while-you-learn” apprenticeship programs**. Employers can design programs that give apprentices the job-specific skills, structured on-the-job training, and related classroom instruction their business needs.

Apprenticeship is a proven training model that helps employers **recruit, train, and retain** skilled workers. Apprentices are employees who earn wages while they learn; their pay typically increases as they gain skills and complete training milestones. Apprenticeships can help businesses:

- Develop highly skilled and motivated workers
- Reduce turnover and hiring costs
- Increase productivity and quality
- Build a long-term talent pipeline

For information on **registered apprenticeship** and **dual training** options, employers can contact the Minnesota Department of Labor and Industry or visit [Apprenticeship Minnesota](#).

MINNESOTA JOB SKILLS PARTNERSHIP

The **Minnesota Jobs Skills Partnership (MJSP)** works with businesses, educational institutions and nonprofit organizations to **train or retrain workers**, expand work opportunities and keep high-quality jobs in the state. Its goal is to support **short-term training that leads to full-time employment** in growing sectors of the state's economy.

MJSP offers several **grant programs** that help offset training-related costs for businesses, nonprofits, and schools so they can meet current and future workforce needs.

Major MJSP grant programs

- **Partnership Program**

Provides grants to **accredited educational institutions** (or certain nonprofits) that partner with a business or group of businesses to develop and deliver training for new or existing workers that is tailored to the business's needs.

- **Pathways Program**

Provides grants to **educational institutions or workforce development intermediaries** partnering with businesses to train people who have incomes at or below **200 percent of the federal poverty guidelines** or who are moving from public assistance to work, leading to new jobs and clear career paths.

- **Low Income Worker Training Program**

Provides grants to **public, private, or nonprofit entities** that help low-income workers (at or below 200 percent of the federal poverty guidelines) gain job-specific skills to move up the career ladder into higher-paying jobs and greater self-sufficiency.

- **Job Training Incentive Program (JTIP)**

Provides training grants to **new or expanding businesses in Greater Minnesota** to train workers in new jobs quickly and efficiently.

The Minnesota Job Skills Partnership is located in the **Business and Community Development** division of the Minnesota Department of Employment and Economic Development (DEED). For more information, current Requests for Proposals, and application materials, see DEED's [Training Grant Programs](#) or contact the MJSP office.

DISLOCATED WORKER PROGRAM

The **Dislocated Worker Program**, part of the CareerForce Division at the Minnesota Department of Employment and Economic Development (DEED), provides employment and training services to people who lose their jobs **through no fault of their own**. This often includes layoffs caused by changes in technology, investment decisions, business closures, or shifts in customer demand and competition. The program also serves veterans leaving active duty and certain individuals leaving active duty in the National Guard or Armed Forces Reserves.

DEED delivers dislocated worker services in two main ways:

- **Individual dislocated workers.** Resources are provided through approved service providers, often located in CareerForce Centers, to help people with job search, training, and support services.

- **Plant closings and mass layoffs.** When a plant closing or mass layoff affects many workers (typically 50 or more), DEED uses a **Rapid Response** process to quickly assess needs and deliver customized services for affected workers and the business. Whenever possible, this process begins confidentially and at least 60 days before the layoff date, consistent with the federal Worker Adjustment and Retraining Notification (WARN) Act.

These services can include career counseling, job search help, training or retraining, and support services to help dislocated workers return to suitable employment as quickly as possible.

MINNESOTA FEDERAL BONDING SERVICE

The Minnesota Federal Bonding Service provides individual fidelity bonds (employee dishonesty insurance) to employers for new or current employees who might otherwise be denied coverage by a commercial surety company because of certain risk factors (for example, a criminal record, poor credit, or limited work history). The Minnesota Department of Employment and Economic Development (DEED) is an authorized agency for issuing these bonds under the federal bonding program.

A fidelity bond can be issued at the employer's request when they make a job offer or if they decide to bond someone they already employ. Coverage becomes effective when the employer contacts DEED's bonding coordinator and the bond is issued. The worker must be employed in Minnesota in full- or part-time W-2 employment; self-employment is not eligible.

Bonds are provided at no cost to the employer or the employee. The standard bond is usually 5,000 dollars in coverage for a period of six months. The bond protects the employer only against employee theft of money or property. If no claim is made during the initial six-month period, the employer may choose to continue bonding the employee at standard commercial rates, and the employee is generally considered "bondable" going forward. An individual who previously held a bond under this program and had a claim paid on that bond is not eligible for a new bond.

UNIVERSITY OF MINNESOTA EXTENSION

University of Minnesota Extension delivers practical, research-based education and information to people and communities across Minnesota. Extension's statewide network of researchers, educators, and volunteers helps Minnesotans address issues in agriculture and natural resources, community development, family health and wellbeing, and youth development.

GOVERNMENT PROCUREMENT ASSISTANCE

Federal, state, and local governments buy a wide range of goods and services from private businesses, including small firms. Many agencies have **set-aside or preference programs** for small businesses in general and for firms owned by women, minorities, service-disabled veterans, and businesses in economically distressed areas.

To benefit from many of these programs, a business must **apply for and obtain the appropriate certifications** (for example, through federal programs, the State of Minnesota's Office of Equity in Procurement, or other recognized certifiers). Information on federal, state, local, and private

certification programs is available through the **Federal Executive Board of Minnesota's Small and Disadvantaged Business Opportunities Council (SADBOC)** and related partner sites.

Many government units now conduct much of their purchasing online. Businesses that want to compete for government contracts need to be prepared to use **internet-based procurement systems and electronic payment methods**.

FEDERAL PROCUREMENT

Under the **Small Business Act**, federal agencies must seek to award a portion of their prime contract dollars to small businesses and to certain small business sub-groups.

Key points:

- Many contracts are **set aside for small businesses** when there is a reasonable expectation that two or more capable small firms can compete at fair market prices (the “rule of two”). This applies especially to contracts between the **micro-purchase threshold and the simplified acquisition threshold**, and also to larger buys when conditions are met.
- Federal agencies set goals for spending with:
 - Small businesses
 - Small disadvantaged businesses
 - Women-owned small businesses (WOSB and EDWOSB)
 - Veteran-owned and service-disabled veteran-owned small businesses
 - HUBZone small businesses

Small businesses generally **self-certify** their status in [SAM.gov](https://sam.gov) (System for Award Management), though some programs (such as HUBZone and certain VA contracts for veteran-owned firms) require **formal certification or verification**.

HUBZone, WOSB/EDWOSB, 8(a), and other programs provide **additional preferences or set-aside opportunities** once a business is certified. The **8(a) Business Development Program** provides multi-year business development assistance, including access to certain sole-source and restricted competitions for eligible socially and economically disadvantaged small businesses.

Federal contracting officers must buy from **responsible contractors**, meaning firms with the capability, capacity, integrity, and financial resources to perform. When the lowest-priced offeror is a small business and the contracting officer questions its responsibility, the matter may be referred to SBA for a **Certificate of Competency (COC)**; if SBA issues a COC, the agency must award that contract to the small business.

Federal agencies also support innovation and technology development through programs such as **SBIR (Small Business Innovation Research) and STTR (Small Business Technology Transfer)**, which set aside a portion of certain research and development budgets for awards to small firms, often in collaboration with research institutions.

Federal purchases are made using several levels of procedure:

- **Micro-purchases** – very small purchases made using highly simplified methods, often via government purchase card.
- **Simplified acquisitions** – contracts under the **simplified acquisition threshold**, using streamlined procedures and often reserved for small businesses if enough capable firms are available.
- **Formal acquisitions** – larger contracts using sealed bidding (Invitation for Bids) or negotiated procurement (Request for Proposals), where price and other factors are evaluated.

Federal contract opportunities and data are posted on **SAM.gov**, which is the official, no-fee system for registration, contract opportunities, wage determinations, and award data.

Federal contracting assistance

The [U.S. Small Business Administration \(SBA\)](#) works with federal agencies to help ensure that at least **23 percent** of eligible prime contract dollars go to small businesses and offers counseling and tools for small federal contractors. SBA resources include:

- A federal contracting guide and **online training** in the SBA Learning Center
- Contracting assistance programs and counseling
- Procurement Center Representatives (PCRs) and Commercial Market Representatives (CMRs) who work with agencies and major contractors to expand small business opportunities

[APEX Accelerator](#) provide one-on-one help to businesses that want to sell to federal, state, or local governments, including help with:

- Determining whether a firm is ready for government contracting
- Registrations (SAM, vendor databases), certifications, and compliance
- Finding opportunities and understanding solicitations
- Performance and subcontracting issues

MINNESOTA STATE PROCUREMENT

Minnesota operates **small business, targeted group, economically disadvantaged, and veteran-owned** small business programs to increase participation in state procurement.

The [Office of Equity in Procurement \(OEP\)](#) in the Minnesota Department of Administration administers these programs. Once certified, eligible businesses may receive:

- **Bid preferences** (up to approximately **6–12 percent**, depending on the program and procurement type) when competing for state contracts
- Access to certain **set-aside** or **direct-award (Equity Select)** opportunities up to a defined contract value for small, targeted group, economically disadvantaged, and veteran-owned businesses

Basic points:

- To qualify, a business generally must:
 - Have its **principal place of business in Minnesota**
 - Meet size and revenue limits set by the Department of Administration
 - Be properly organized (not a broker or third-party lessor)
 - Be **certified** under applicable program criteria (for example, targeted group, economically disadvantaged, or veteran-owned)
- Certified firms can often use the same certification for related programs at other state or regional agencies (for example, MnDOT and some metro agencies) without a separate application.

The Department of Administration's [Vendor Information](#) site provides:

- **Vendor registration**
- Current **solicitation announcements**
- Guidance on preferences, certification, and bidding procedures

LOCAL PROCUREMENT

Businesses interested in selling their goods or services to local units of government should contact each locality. Outside the immediate Twin Cities area the local city clerk or county auditor is the best first step in determining the potential for sales to local governments. Contact information for the various federal, state, county, city and other procurement /purchasing certification offices are listed in the Procurement / Purchasing / Certification / Other Assistance section of the Resource Directory of this Guide.

ACCOUNTING AND TAX ASSISTANCE

PUBLIC ACCOUNTANTS

A **Certified Public Accountant (CPA)** is licensed by the state after completing a college-level accounting program, passing a comprehensive exam in accounting, auditing, taxation, and business law, meeting experience requirements, and agreeing to follow a professional code of ethics. CPAs must complete continuing education and undergo periodic peer review of their accounting and quality-control practices.

A **Licensed Public Accountant (LPA)** is also licensed by the state and can perform many of the same functions as a CPA, but has a different path to licensure. LPAs are also subject to continuing education and peer review requirements.

CPAs and LPAs can help new and growing businesses in three main areas:

- **Financial statement services**
- **Tax planning and compliance**
- **Financial planning and consulting**

Financial Statement Services

Financial statements are a key way a business communicates its financial condition and results of operations. They typically include:

- An accountant's report
- Balance sheet
- Income statement
- Cash flow statement
- Notes to the financial statements

Depending on the business's needs and lender requirements, an accountant can provide different levels of service:

- **Audit.** Provides a high level of assurance that the financial statements are fairly presented in accordance with an accepted accounting framework.
- **Review.** Provides limited assurance, based mainly on inquiries and analytical procedures, that the accountant is not aware of material modifications needed.
- **Compilation.** Presents financial information in statement form without providing assurance on its accuracy.

Lenders often specify which level of assurance they require based on the size and risk of a loan.

Tax-related services

Thoughtful **tax planning** can preserve cash for the business and help owners manage risk. Accountants can:

- Advise on **choice of entity** (sole proprietorship, partnership, LLC, S corporation, C corporation) from a tax perspective
- Help structure **business formation, purchase, sale, or liquidation** to minimize tax
- Prepare tax returns for the business and its owners (income tax, payroll, sales and use tax, property tax, and related filings)
- Assist with **tax examinations**, collections issues, and ongoing tax planning
- Help with **estate, succession, and personal tax planning** for business owners
- Assist in designing and implementing **retirement plans, executive compensation, and employee benefits**

Financial planning and consulting

Accountants can also provide broader business advice, such as:

- Selecting the form of business organization
- Setting up accounting systems and internal controls
- Developing budgets, forecasts, and cash-flow projections
- Preparing or reviewing business plans
- Advising on **financing strategies** and helping prepare bank loan applications
- Evaluating internal accounting controls and recommending improvements
- Supporting **business valuation**, merger, and acquisition decisions
- Advising on selection and implementation of accounting and business software

The Minnesota Society of Certified Public Accountants maintains a **referral service** that can help businesses connect with qualified CPAs; contact information is in the Resource Directory.

ENROLLED AGENTS

Enrolled Agents are federally authorized tax professionals who are licensed by the U.S. Department of the Treasury. They qualify either by passing a comprehensive examination in federal tax law and procedure or through sufficient experience working for the Internal Revenue Service in certain positions. They must complete ongoing continuing education in taxation and keep their credentials current with the IRS.

Enrolled Agents are trained to handle complex tax returns for individuals, partnerships, corporations, and other entities, and they are authorized to represent taxpayers at all administrative levels before the IRS. Information and referrals are available from the Minnesota Society of Enrolled Agents at the contact information listed in the Resource Directory section of this Guide.

TAXPAYER EDUCATION WORKSHOPS

The Minnesota Unemployment Insurance (UI) Program, Minnesota Business Tax Education Partnership offers free [Educational seminars](#) around the state to assist businesses. Call 651-259-7567.

The Minnesota Department of Revenue offers classes, workshops and training events to help business owners understand their tax obligations and how to meet them. More information and schedules are available from the Minnesota Department of Revenue, [Business Tax Education](#) or call 651-282-5225 | 800-657-3605 and [Sales Tax Education](#) or call 651-296-6181 | 800-657-3777.

The Minnesota Department of Labor & Industry offers worker's compensation training opportunities for: employees, employers, health care providers, insurers, and rehabilitation providers. Information and schedules are available at [Work Comp: Training Opportunities](#).

[PREPARE + PROSPER](#)

Prepare + Prosper is a nonprofit organization that assists low- to moderate-income people to build financial well-being through free tax preparation and financial services, products, and coaching. Volunteers are trained—those in the tax clinics are IRS-certified. Contact information for Prepare + Prosper is provided in the Resource Directory section of this guide.

LIBRARIES

LIBRARIES AND BUSINESS SUPPORT

Libraries and librarians remain an **invaluable resource** for entrepreneurs and small business owners. They provide access to specialized business collections, online databases, and workshops, and they can save you significant time by helping you choose the right tools and search strategies. Many public libraries now offer small business–focused classes (for example, on business planning or patent and trademark research) and networking-style events.

Entrepreneurs can use library resources to write **business plans**, research **customers and competitors**, track **industry trends**, and perform **market analysis**. Library databases provide business news and research, company information, trade and professional association data, annual reports, and demographic and economic information.

Many of these resources can be searched from home or work using a library card, and local public libraries can also connect you to larger and specialized collections, including college/university libraries and government or special libraries.

eLibrary Minnesota (ELM)

[eLibrary Minnesota \(ELM\)](#) is a statewide online resource that helps residents find databases and online content through their local libraries. It offers access to:

- Business and economics databases (including Business Source Premier and other tools for company, industry, and market research)
- News, magazines, and academic journals
- Minnesota-specific resources and directories

ELM is a good starting point for locating both **public libraries** and the **databases available** to Minnesota residents.

Example Databases for Business Information

The following databases provide access to business news, research, trends and reports:

- [ABI/INFORM Collection](#) - Articles from business journals plus industry, market, and country reports.
- [Business Source Premier](#) - Articles from business journals plus industry, market, and country reports.

- [IBISWorld](#) - U.S. and global industry market research and risk ratings.
- [NewsBank](#) or other similar new databases- Full-text articles from newspapers and business publications.
- Other tools (often under different brand names) that provide market research, analyst reports, case studies, and company profiles.

Company and industry research tools

Libraries also subscribe to tools for **company profiles, industry overviews, and directory information**. Depending on the system, these can include:

- Company/industry databases (e.g. [GALE - Business](#) business tools, [Dun & Bradstreet](#) - type files, [Mergent Online](#) - type services.
- SEC filing access (such as through [EDGAR](#))
- Directories of manufacturers and distributors
- Minnesota-specific directories (for example, business or industry associations)

Minnesota-specific business news and directories

These Minnesota resources cover business in Minnesota.

[Finance & Commerce](#)

[Minneapolis / St. Paul Business Journal](#)

[REJournals.com](#)

[Minnesota Precision Manufacturing Association](#)

[Twin Cities Business](#)

[Upsize Minnesota](#)

[Minnesota Newspaper Association](#)

Business Resources Websites

Here are websites small business owners and entrepreneurs can use for free:

Business Plans

- [LivePlan](#) - Access tips for creating business plan
- [SBA - Write your business plan](#)

Forms, Contracts

- [FindLaw-Small Business Forms & Contracts](#)

Financing

- [USA.gov -Government grants and loans](#) - Access information on federal government grants and loans.
- [SBA Funding Programs](#) - Features a primer on financing options for your business

General

- [Kauffman Entrepreneurs](#) - Links to information of interest to entrepreneurs
- [WSJ's Small Business](#) - Offers articles, forums and a toolkit for small business owners
- [Entrepreneur.com](#) - Offers articles, forums and a toolkit for small business owners

Government Assistance

- [USA.gov -Small business](#) - Links businesses to forms, assistance, laws and regulations
- [Bureau of Labor Statistics](#) - Provides economic data and analysis on employment
- [IRS Small Business and Self-Employed Tax Center](#)
- [SBA](#) - Features guides to starting, financing and expanding a business
- [U.S. Census Bureau](#) - Provides social, demographic and economic information

ADDITIONAL SOURCES OF ASSISTANCE

SPECIALIZED LEGAL RESEARCH AND ASSISTANCE

[LegalCORPS](#) is a nonprofit affiliated with the Minnesota legal community that provides referrals to attorneys and pro bono business law services for qualifying small businesses, nonprofits, and low-income entrepreneurs and inventors. Services include brief-advice clinics, workshops, and, in some cases, full representation on non-litigation business issues. Contact information is in the Resource Directory.

The Mitchell Hamline School of Law operates their [Legal Practice Center](#) where law students, supervised by faculty, help with matters such as drafting contracts for nonprofit organizations, forming new business entities, and filing patent or trademark applications.

The University of Minnesota Law School, [Business Law and Entrepreneurship Clinic](#) and related clinics pair teams of law students with small businesses, nonprofits, and entrepreneurs to provide free assistance on non-litigation matters such as entity choice and formation, governance documents, contract drafting, IP questions, and basic employment issues.

[LawMoose](#) is a Minnesota legal search engine that, while not offering legal advice, offers an online legal reference library for researching Minnesota law, an online search engine focused on law related sites in Minnesota, and a Minnesota legal periodical index. The site assists users in framing legal questions and issues to address to their own legal counsel.

The Minnesota Judicial Branch website also offers plain-language legal topics and court forms for common issues. See [Forms & Instructions](#).

MANAGEMENT ASSISTANCE FOR MINORITY BUSINESSES

Various organizations in Minnesota provide **business planning, training, and management assistance** specifically for businesses owned and operated by racial and ethnic minorities, women, people with disabilities, veterans, and other socially or economically disadvantaged individuals. A current list of these organizations and programs is in the Resource Directory section of this Guide.

BUSINESS INCUBATORS

Business incubators (sometimes called **enterprise centers, innovation centers, or business and technology centers**) offer new and small firms a way to **reduce overhead** by providing:

- Low-cost office or production space
- Shared office services and equipment
- Access to mentoring and management assistance
- In some cases, introductions to capital or financial support

Incubators can be especially helpful for early-stage businesses that need space and support while they refine their products, services, and business models. A list of incubators and similar organizations appears in the Resource Directory.

INVENTORS RESOURCES

Inventors can access several specialized resources:

- [Inventors' Network](#) – A Minnesota-based inventor group that offers peer networking and education.
- [LegalCORPS Inventor Assistance Program \(IAP\)](#) – Provides free legal advice and limited-scope representation to qualifying low-income inventors seeking to patent their inventions with the U.S. Patent and Trademark Office.
- [USPTO Inventors Assistance Center \(IAC\)](#) – Offers federal information and guidance on patent and trademark procedures.

Contact details for these resources are listed in the Resource Directory.

MINNESOTA STATE COLLEGES AND UNIVERSITIES

Colleges and universities in the **Minnesota State system** offer credit and non-credit programs useful to small business owners. Options range from certificates to associate and bachelor's degrees, and in some cases master's degrees in areas such as business administration, management, and marketing.

Community and technical colleges also provide **non-credit workshops and seminars** on topics like basic accounting, marketing, entrepreneurship, and technology for business. These may be offered through open enrollment or customized training contracts with individual employers. See the Resource Directory for Minnesota State system contacts.

REGIONAL DEVELOPMENT COMMISSIONS

Regional development commissions, created by Minnesota statute, coordinate and conduct **regional planning** for the counties, cities, and towns in their area. Their work includes:

- Preparing regional development plans addressing physical, economic, and social needs, including land use, transportation, housing, parks, public facilities, and energy-related issues
- Reviewing federal and state loan and grant applications affecting the region
- Conducting urban and rural research and coordinating activities such as civil defense, community shelter planning, and flood-plain management
- Providing planning and technical assistance services to local governments

A list of regional development commissions, the counties they cover, and their office addresses appears in the Resource Directory. A list of the regional development commissions, the counties they include, and the office addresses can be found in the Resource Directory section of this Guide.

EXPORT / IMPORT ASSISTANCE

For federal export and import support, small businesses can turn to:

- U.S. Department of Commerce – [U.S. Commercial Service](#)
- [SBA Export and trade assistance](#), including [U.S. Export Assistance Centers \(USEACs\)](#) and [SBA export finance programs](#)
- [U.S. Customs and Border Protection \(CBP\)](#)
- [Export-Import \(EXIM\) Bank of the United States](#)

These agencies offer export finance information, training, and publications, as well as counseling on export readiness and compliance. SBA's export programs and USEACs help small firms learn the exporting process and connect with Export Finance Managers and trade specialists.

In Minnesota, additional support is available from the [Minnesota District Export Council \(DEC\)](#) and the [Minnesota Trade Office \(MTO\)](#). Contact information is in the Resource Directory.

SCORE

SCORE is a 501(c)(3) nonprofit and an official resource partner of the U.S. Small Business Administration that provides free, confidential mentoring and education to start-ups and existing small businesses. Mentors are experienced business professionals who volunteer their time.

SCORE services include:

- One-on-one business mentoring (in person and online)
- Live and recorded webinars, interactive online courses, and local workshops
- A large online **library of templates, checklists, guides, articles, and videos**

Minnesota has multiple SCORE chapters, with branches serving smaller communities. A list of SCORE offices and branches is in the Management Assistance, General section of the Resource Directory.

WOMEN OWNED BUSINESS ASSISTANCE

[Women's Business Centers \(WBCs\)](#) are SBA-supported centers that provide training, counseling, and other resources focused on women entrepreneurs and women-owned businesses. They offer help with business planning, financing, management, and accessing government and corporate contracting opportunities.

In Minnesota and neighboring states, the [Women's Business Development Center – Minnesota \(WBDC-MN\)](#) serves Women's Business Enterprises (WBEs) with training, counseling, and certification support. The [Women's Business Enterprise National Council \(WBENC\)](#), through regional partners like [WBDC-Midwest](#), provides national WBE certification for majority women-owned, controlled, and managed businesses in Minnesota, Western Wisconsin, South Dakota, and North Dakota.

BUSINESS CERTIFICATION

The [Minnesota Small Business Certification Portal](#) brings together several key certification programs in one online location:

- [Minnesota Unified Certification Program \(MNUCP\)](#) – used primarily for federal transportation-related (DBE) contracting.
- Minnesota Department of Administration – [Office of State Procurement](#) / [Office of Equity in Procurement](#) – small business, targeted group, economically disadvantaged, and veteran-owned certifications.
- [Central Certification \(CERT\) Program](#) – a joint small business certification recognized by Hennepin County, Ramsey County, the City of Saint Paul, and the City of Minneapolis Target Market Program; covers MBE, WBE, and SBE certifications. Using the portal, eligible businesses can submit a combined certification application and, once certified, may be able to use that status across multiple participating agencies.

The [Women's Business Development Center – Minnesota \(WBDC-MN\)](#) and [Women's Business Enterprise National Council \(WBENC\)](#) continue to provide national WBE certification for majority women-owned businesses in Minnesota and neighboring states, as noted above.

BUSINESS SUCCESSION AND EXIT PLANNING

[University of Minnesota Extension](#)

[University of St. Thomas - Family Business Center](#)

[MN Center for Employee Ownership](#)

[Nexus Community Partners](#)

RESOURCE DIRECTORY

RESOURCE DIRECTORY

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 - Small Business Investment Companies (SBICs)
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- Government, Federal
 - Agriculture (USDA), U.S. Department of
 - Census Bureau, U.S.
 - Commerce, U.S. Department of
 - Minority Business Development Agency (MBDA)
 - Patent and Trademark Office (USPTO), U.S.
 - Consumer Product and Safety Commission (CPSC), U.S.
 - Copyright Office, U.S.
 - Environmental Protection Agency (EPA), U.S.
 - Equal Employment Opportunity Commission (EEOC), U.S.
 - Federal Communications Commission (FCC)
 - Federal Trade Commission (FTC)
 - General Services Administration (GSA), U.S.
 - Health and Human Services, U.S. Department of
 - Food and Drug Administration (FDA), U.S.
 - Homeland Security, U.S. Department of
 - U.S. Citizenship and Immigration Services (USCIS)
 - U.S. Immigration and Customs Enforcement (ICE)
 - U.S. Customs and Border Protection (CBP)
 - Internal Revenue Service (IRS)
 - Justice, U.S. Department of
 - Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)
 - Labor (DOL), U.S. Department of Occupational Safety & Health Administration (OSHA)
 - National Archives and Records Administration (NARA), U.S. Federal Register
 - National Labor Relations Board
 - Securities and Exchange Commission (SEC), U.S.
 - Small Business Administration (SBA), U.S.
 - Social Security Administration (SSA), U.S.
 - Treasury, U.S. Department of the Alcohol and Tobacco Tax and Trade Bureau
 - Veterans Affairs, U.S. Department of
- Government, State
 - Accountancy, MN Board of
 - Administration, MN Department of
 - Agriculture (MDA), MN Department of
 - Animal Health (BAH), MN Board of
 - Archaeologist, MN Office of the State
 - Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and Interior Design (AELSLAGID), MN Board of
 - Attorney General Office, MN
 - Barber Examiners, MN Board of
 - Behavioral Health & Therapy (BBHT), MN Board of
 - Bureau of Business Licenses
 - Campaign Finance and Disclosure Board, MN
 - Chiropractic Examiners, MN Board of
 - Commerce, MN Department of
 - Cosmetology, MN Board of
 - Dentistry, MN Board of
 - Dietetics and Nutrition Practice, MN Board of
 - Education, MN Department of
 - Emergency Medical Services Regulatory Board (EMSRB), MN
 - Employment and Economic Development (DEED), MN Department of
 - Environmental Quality Board (EQB), MN
 - Firefighter Training and Education, MN Board of
 - Gambling Control Board, MN
 - Health (MDH), MN Department of
 - Human Rights (DHS), MN Department of
 - Human Services, MN Department of
 - Judicial Branch, MN
 - Lawyer Registration Office, Minnesota
 - Labor and Industry (DLI), MN Department of
 - Office of Combative Sports, Minnesota
 - Management & Budget, MN
 - Marriage and Family Therapy, MN Board of

Medical Practice, MN Board of
Minnesota State Colleges and Universities
Natural Resources (DNR), MN Dept. of
Nursing Home Administrators, MN Board of
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Occupational Therapy Practice, MN Board of
Office of Cannabis Management (OCM), Minnesota
Office of Higher Education, MN
Office of the Minnesota Secretary of State (SOS)
Optometry, MN Board of
Pharmacy, MN Board of
Physical Therapy, MN Board of
Podiatric Medicine, MN Board of
Pollution Control Agency (MPCA), MN
Professional Educator Licensing and Standards Board, MN
Psychology, MN Board of
Public Safety (DPS), MN Department of
Bureau of Criminal Apprehension (BCA), MN
Peace Officer Standards and Training (POST),
MN Board of
Private Detective and Protective Agent Services,
State of MN Board of
State Fire Marshall, MN
Public Utilities Commission (PUC), MN
Racing Commission (MRC), MN
Revenue (DOR), MN Department of
Assessors, MN State Board of

Small Business Assistance Office (SBAO)
State Legislature, MN
Office of the Revisor of Statutes, MN
Transportation (MnDOT), MN Department of
Veterans Affairs, MN Department of
Veterinary Medicine, MN Board of

Government, Regional
Regional Development Commissions

Insurance

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Job Service and Job Training
Minnesota Job Service
MN Job Skills Partnership
MN CareerForce Centers
Workforce Investment Act (WIA) Youth Program

Legal Assistance
Minnesota State Bar Association
County Bar Associations
Law Schools

Libraries
Primary Metropolitan Area Libraries
Minnesota Library Systems
Law Libraries
Government Document Depository Libraries

Local Assistance for Small Businesses
Business Incubators

Management Assistance / Mentors
SCORE
Minnesota Small Business Development
Centers (MnSBDCs)
Minnesota State Colleges and Universities
University of Minnesota

Management Assistance for Minority Businesses

Procurement / Purchasing / Certification Assistance
Federal, State, Regional / County / City Contacts
Minority Supplier Assistance

Tax and Accounting Assistance

Additional Resources
Americans with Disabilities Act (ADA) Assistance
County / City Licensing Contacts
Coworking / Creative / Incubator Spaces
Nonprofit Information
Other

COOPERATIVES

[Cooperative Development Services](#)

997 Ticonderoga Trail
Eagan, MN 55123
651-265-3678

[Cooperative Network](#)

44 East Mifflin Street, Suite 801
Madison, WI 53703
608-258-4400

[USDA Rural Development](#)

State Office
375 Jackson Street, Suite 410
St. Paul, MN 55101
651-602-7800

ENVIRONMENTAL

See Government, State
Minnesota Department of Administration,
Minnesota Environmental Quality Board
Minnesota Pollution Control Agency

EXPORT / IMPORT ASSISTANCE

U.S. Commercial Service

[Minneapolis Field Office](#)

330 2nd Ave. South, Suite 410
Minneapolis, MN 55401
612-348-1638 | office.minneapolis@trade.gov

[Learn How to Export](#)

[eCommerce Resources](#)

[U.S. Customs & Border Protection \(CBP\) -](#)

[U.S. Dept. of Homeland Security \(DHS\)](#)

Service Port—Minneapolis #3501
5600 W. American Blvd., Ste. 760
Bloomington, MN 55437
952-857-2900

[Basic Importing and Exporting](#)

[Locate a Port of Entry in Minnesota](#)

U.S. Small Business Administration (SBA) -

[U.S. Export Assistance Centers \(USEACs\)](#)

Staff teaches about the exporting process at centers across the country.
330 2nd Ave. South, Suite 430
Minneapolis, MN 55401
612-348-1638 | office.minneapolis@trade.gov

[Export Products](#)

Export and trade assistance
[Export Finance Managers](#)

[Trade Tools for International Sales](#)

[Minnesota Department of Agriculture \(MDA\) Commodity Research and Promotion Councils](#)

MDA works with Minnesota's 12 research and promotion/commodity councils to promote the state's diverse agricultural sector.
651-201-6494

[Minnesota Trade Office](#)

180 E 5th Street, Suite 1200
St. Paul, MN 55101-1678
651-259-7499 800-657-3858

[STEP Grant \(State Trade and Export Promotion Program\)](#)

Provides financial and technical assistance to qualifying Minnesota small businesses with an active interest in exporting products or services to foreign markets.
651-259-7485

Trade Assistance Helpline
651-259-7498 | Mto.TradeAssistance@state.mn.us

[Minnesota District Export Council \(DEC\)](#)

A private, non-profit organization that brings together international business people who provide guidance and assistance in international markets.
c/o U.S. Commercial Service – Minneapolis
330 2nd Ave. South, Suite 410
Minneapolis, MN 55401
612-348-1638

[Export Basics](#)

FINANCING, FEDERAL SOURCES

Federal Assistance Listings

[SAM.gov](#)

[USA.gov -Government grants and loans](#)
844-872-4681

[Grants.gov](#)
800-518-4726 | support@grants.gov

[USA.gov -Small Business](#)
844-872-4681

U.S. Small Business Administration (SBA)

[Minnesota District Office](#)

330 2nd Ave. South, Suite 430
Minneapolis, MN 55401-2224
612-370-2324

[Lender Match](#)

Get matched to potential lenders offering SBA-backed funding.

[Microloans](#)

Smaller-size loans of up to \$50,000 provided through SBA funding intermediaries.

Microloan Intermediaries -Minnesota

African Development Center (ADC)

1931 South 5th Street
Minneapolis, MN 55454
612-333-4772 877-232-4775
info@adcmnnesota.org

ADC Rochester
507-282-7333

ADC Willmar
518 Litchfield Ave. S.W.
Willmar, MN 56201
320-262-8545

ADC St. Cloud
101 7th Avenue S. Suite 201
St. Cloud, MN 56301
320-204-5310

Service Area: Anoka, Beltrami, Blue Earth,
Carver, Chisago, Dakota, Faribault, Hennepin,
Isanti, Kandiyohi, Lyon, Olmsted, Ramsey, Scott,
Sherburne, Stearns, and Washington counties.

African Economic Development Solutions (AEDS)

1821 University Ave. W., Suite S-145
St. Paul, MN 55104
651-646-9411 | info@aeds-mn.org

Entrepreneur Fund, Inc.

218-623-5747 800-422-0374
info@efund.org

Main office:

202 W. Superior Street, Suite 311
Duluth, MN 55802
218-623-5747

Service Area: Aitkin, Carlton, Cass, Cook,
Douglas, Itasca, Koochiching, Lake, Pine,
St. Louis counties

Neighborhood Development Center (NDC)

625 University Ave.
St. Paul, MN 55104
651-291-2480 | info@ndc-mn.org

Service area: Hennepin and Ramsey counties.

Northwest Minnesota Foundation

201 3rd St. N.W.
Bemidji, MN 56601
218-759-2057 800-659-7859

Service area: Beltrami, Clearwater, Hubbard,
Kittson, Lake of the Woods, Mahnomon,
Marshall, Norman, Pennington, Polk, Red Lake,
and Roseau counties.

Southern Minnesota Initiative Foundation

525 Florence Ave.
PO Box 695
Owatonna, MN 55060
507-455-3215 | inquiry@smifoundation.org

Service area: Faribault, Fillmore, Freeborn,
Goodhue, Houston, Le Sueur, Martin, Mower,
Nicollet, Olmsted, Rice, Sibley, Steele, Wabasha,
Waseca, Watonwan, and Winona counties.

Southwest Initiative Foundation

15 3rd Ave. N.W.
Hutchinson, MN 55350
320-587-4848 800-594-9480
info@swifoundation.org

Service area: Big Stone, Carver, Chippewa,
Cottonwood, Jackson, Kandiyohi, Lac qui Parle,
Lincoln, Lyon, McLeod, Meeker, Murray, Nobles,
Pipestone, Redwood, Renville, Rock, Swift,
Wright, and Yellow Medicine counties.

WomenVenture

165 Western Ave North, Suite 8, Office 100
St. Paul, MN 55102
612-224-9540

7(a) Loan Program

SBA's primary program for providing financial
assistance to small businesses.

8(a) Business Development Program

Federal contracting and training program for
experienced small business owners who are
socially and economically disadvantaged.

504 Loan Program

Long-term, fixed rate financing of up to \$5.4
million for major fixed assets

Certified Development Companies (CDCs)

504 Corporation

Rochester Office:

RCTC Heintz Center
1926 College View SE
Rochester, MN 55904
507-288-6442

Mankato Office:

P.O. Box 4241
Mankato, MN 56002
507-625-6056

AMPLIO (Amplio Economic Development Corp)

3900 Northwoods Drive, Suite 225
Arden Hills, MN 55112
651-631-4900 866-977-3326 | info@amplioedc.com

CMDC (Central Minnesota Development Company)

1885 Station Parkway N.W.
Andover, MN 55304
763-784-3337

Minnesota Business Finance Corporation (MBFC)

320-258-5000 800-593-0123

Detroit Lakes:

119 Graystone Plaza, Suite 20

Detroit Lakes, MN 56501

218-844-4510

St. Cloud Office:

616 Roosevelt Road, Suite 200

St. Cloud, MN 56301

320-258-5000

Slayton Office:

2611 Broadway Ave, Unit C

Slayton, MN 56172

507-626-5407

Roseville

1915 Hwy 36 West Suite 122

Roseville, MN 55113

612-746-6905

Twin Cities Metro Certified Development Co.

3495 Vadnais Center Drive

Vadnais Heights, MN 55110

651-481-8081 888-481-4504 | info@tcmcdc.com

Small Business Investment Companies (SBIC)

Bayview Capital

229 Minnetonka Avenue South Ste. 545

Wayzata, MN 55391

952-345-2029

Convergent Capital

9855 West 78th Street, Suite 320

Eden Prairie, MN 55344

763-432-4080

GMB Capital Partners

50 South Sixth Street, Suite 1460

Minneapolis, MN 55402

612-243-4400

Lake Country Capital

7701 France Avenue, Suite 240

Edina, MN 55435

612-800-9944

Lightspring Capital Partners

5775 Wayzata Blvd., Suite 700

Minneapolis, MN 55416

Marquette Capital Partners

5353 Gamble Drive, Suite 125

St. Louis, MN 55416

612-661-3990

Medallion Capital, Inc.

21940 Minnetonka Blvd

Excelsior, MN 55331

NorthCoast Mezzanine

60 South Sixth Street, Suite 3550

Minneapolis, MN 55402

612-843-1560 | info@northcoastmezz.com

Northstar Capital

311 N 7th Ave, Suite 100

Minneapolis, MN 55401

612-371-5700

Spell Capital Partners, LLC

7201 Metro Blvd. Suite 850

Minneapolis, MN 55439

612-371-9650 | info@spellcapital.com

USDA (U.S. Department of Agriculture)

Rural Development- Minnesota Office

375 Jackson Street, Suite 410

St. Paul, MN 55101

651-602-7800

FINANCING / TAX CREDITS, STATE SOURCES

MN Department of Administration

Office of Grants Management

Agriculture (MDA), MN Department of

Orville L. Freeman Building

625 Robert Street N.

St. Paul, MN 55155

651-201-6000 800 967-2474

800-627-3529 (TDD) | mda.info@state.mn.us

Funding

Beginning Farmer Tax Credit

Credit provides tax credits for the rent or sale of farm land or a variety of farm assets to beginning farmers. This includes incentives for the sale of farm land.

651-201-6316 | mda.bftc@state.mn.us

Employment and Economic Development (DEED),

MN Department of

180 E 5th Street, Suite 1200

St. Paul, MN 55101-1678

651-259-7114 | DEED.CustomerService@state.mn.us

Funding Options for Startups and Small Businesses

Financing Programs:

Minnesota Investment Fund (MIF)

Provides financing to help expand, add new workers, and retain high-quality jobs.

800-657-3858

Minnesota Job Creation Fund

Provides up to \$1 million after specified job creation and capital investment goals are achieved.

651-259-7483 800-657-3858

[Emerging Entrepreneur Loan Program \(ELP\)](#)

Supports the growth of businesses owned and operated by minorities, low-income persons, women, veterans and/or persons with disabilities. DEED provides grant funds to a network of nonprofit lenders which use these funds for loans to start-up and expanding businesses throughout the state.

ELP@state.mn.us

[Native American Business Loan Program](#)

Program supports the development of Native-owned and operated businesses and promotes economic opportunities for Native peoples throughout Minnesota.

651-259-7823

[Minnesota Reservist and Veteran Business Loan Program](#)

Provides business loans to companies that are affected when certain employees are called to active military duty and to individual veterans who have returned from active duty and want to start their own business.

651-259-7445

[Export Financing Programs:](#)

[STEP \(State Trade & Export Promotion Program\) Grant Program](#)

651-259-7485

[State Small Business Credit Initiative \(SSBCI\) SSBCI.DEED@state.mn.us](#)

[Minnesota Loan Guarantee Program \(MNLGP\)](#)

Provides guarantees to enrolled lenders for up to 80 percent of principal on loans to eligible businesses. The program helps enrolled lenders mitigate risk so they can increase capital to small businesses located across Minnesota.

[Growth Loan Fund \(GLF\)](#)

GLF supports entrepreneurial growth throughout Minnesota by offering low-interest loans to early-stage businesses that are seeking to raise equity investments.

[Small Business Loan Participation Program \(SBLPP\)](#)

Through SBLPP, DEED purchases 25-30 percent participations in loans made by approved non-depository Community Development Financial Institution (CDFI) and nonprofit lenders. Lenders are responsible for all credit decisions and loan terms. Borrowers must apply directly with an approved lender.

[Automation Loan Participation Program \(ALPP\)](#)

Through ALPP, DEED makes companion loans intended to fill gap financing needs for businesses purchasing machinery, equipment, or software to increase productivity and automation.

[Direct Investment Venture Capital Program / Multi-Fund Venture Capital Program](#)

Fund-level venture capital investments.

[Tax Credits:](#)

[Border-Cities Enterprise Zone Program](#)

Program provides business tax credits (property tax credits, debt financing credit on new construction, sales tax credit on construction equipment and materials, and new or existing employee credits) to qualifying businesses that are the source of investment, development, and job creation or retention in the Border-Cities Enterprise Zone cities of Breckenridge, Dilworth, East Grand Forks, Moorhead, Ortonville, and the Development Zone of Taylors Falls.

BorderCities.DEED@state.mn.us

[Seed Capital Investment Credit Program](#)

Program provides tax incentives for investing in innovative business located in the Minnesota border cities of Breckenridge, Dilworth, East Grand Forks, Moorhead, and Ortonville.

bordercities.deed@state.mn.us

[Data Center Sales Tax Incentives](#)

A qualified data center, qualified large-scale data center, or qualified refurbished data center may claim the exemptions for purchases made within 35 years of the date of its first purchase qualifying for the exemption.

datacenter.deed@state.mn.us

[Greater MN Job Expansion Program](#)

Program provides tax benefits to businesses located in Greater Minnesota that increase employment. Qualifying businesses that meet job-growth goals may receive sales tax refunds for purchases made during a seven-year period.

GreaterMNJEP.DEED@state.mn.us

[Research and Development Tax Credit](#)

Companies that engage in certain research and development (R&D) activities in Minnesota may qualify for the Credit for Increasing Research Activities.

Contact Minnesota Department of Revenue
651-556-3075 | businessincome.tax@state.mn.us

[Opportunity Zones](#)

Opportunity Zones are a community development program established by Congress in the Tax Cut and Jobs Act of 2017 to encourage long-term investments in low-income and urban communities nationwide.

[Minnesota Department of Iron Range Resources & Rehabilitation \(IRRR\)](#)

P.O. Box 441 - 4261 Hwy 53 South
Eveleth, MN 55734
218-735-3030

Pollution Control Agency (MPCA), MN

520 Lafayette Road
St. Paul, MN 55155-4194
651-296-6300 800-657-3864

Grants, loans, and contracts

Contract information - contracts.pca@state.mn.us
Grant information - grants.pca@state.mn.us

Small Business Environmental Improvement Loans
smallbizfunding.pca@state.mn.us

Small Business Environmental Assistance
651-282-6143 800-657-3938
smallbizhelp.pca@state.mn.us

FINANCING, LOCAL SOURCES

Regional / County / City Economic Development Programs

Arrowhead Regional Development Commission (ARDC)

221 W. First Street
Duluth MN 55802
218-722-5545 800-232-0707

East Central Regional Development Commission

100 Park Street S.
Mora, MN 55051
320-679-4065 | ecrdc@ecrdc.org

Greater Mankato Growth, Inc.

3 Civic Center Plaza, Suite 100
Mankato, MN 56001
507-385-6640 | info@greatermankato.com

Region Five Development Commission

200 1st Street NE, Suite 2
Staples, MN 56479
218-894-3233

Aitkin County Economic Development

307 2nd Street N.W., Room 316
Aitkin, MN 56431
218-927-7305

Alexandria Area Economic Development Commission (AAEDC)

203 Broadway Street
Alexandria, MN 56308
320-763-4545

Development Corporation of Austin (DCA)

329 N. Main Street, Suite 106 L
Austin, MN 55912
507-433-9495 | austindca@austindca.org

Benton Economic Partnership, Inc.

183 Cedar Drive
Foley, MN 56329
320-968-6197

Brainerd Lakes Area Economic Development Corp. (BLADEC)

224 West Washington Street
Brainerd, MN 56401
218-828-0096

Carlton County Economic Development Authority

Carlton County Courthouse
301 Walnut Ave., Room 106
Carlton, MN 55718
218-384-9597

Carver County Community Development Agency (CDA)

705 N Walnut Street
Chaska, MN 55318
952-448-7715

Cass County Economic Development Corporation

303 Minnesota Avenue West
P.O. Box 1606
Walker, MN 56484
218-547-7262 | cass.edc@co.cass.mn.us

Chisago County HRA-EDA

38871 7th Ave., P.O. Box 815
North Branch, Minnesota 55056
651-674-5664 | info@chisagocounty.org

Cook County / Grand Marais Joint EDA

425 W Hwy 61 Upper Level Suite B
Grand Marais, MN 55604
218-387-3112

Dakota County Community Development Agency (CDA)

1228 Town Centre Drive
Eagan, MN 55123
651-675-4400 | info@dakotacda.org

Headwaters Regional Development Commission (HRDC) / Headwaters Regional Finance Corporation (HRFC)

1320 Neilson Ave SE
P.O. Box 906
Bemidji, MN 56619
218-444-4732

Kandiyohi County and City of Willmar Economic Development Commission

AppleTree Square, Suite 3
1601 Highway 12 East
P.O. Box 1783
Willmar, MN 56201
320-235-7370

Koochiching County Economic Development Authority (KEDA)

3214 2nd Ave E., Suite 185
International Falls, MN 56649
800-452-3569 | keda@businessupnorth.com

Meeker Development Corp

422 S. Johnson Drive
Litchfield, MN 55355
320-221-2563

Murray County Economic Development Authority (EDA)

2848 Broadway, P.O. Box 57
Slayton, MN 56172
507-836-6023

Redwood Area Development Corporation

200 S. Mill Street, P.O. Box 481
Redwood Falls, MN 56283
507-637-4004 | programs@radc.org

Redwood County Economic Development Authority (EDA)

403 South Mill Street, P.O. Box 130
Redwood Falls, MN 56283
507-637-1122

Renville County HRA/EDA

200 South Mill Street
Redwood Falls, MN 56283
507-637-4004 | admin@radc.org

Rice County Economic Development

320 Third Street NW
Faribault, MN 55021
507-332-6091

St. Cloud Economic Development Authority (EDA)

1201 7th St. S.
St. Cloud, MN 56301
320-255-7218

St. Louis County Economic Development

St. Louis County Government Services Center
320 West 2nd Street
Duluth, MN 55802
218-733-2755

Sherburne County Economic Development

Sherburne County Government Center
13880 Business Center Dr. NW Suite 100
Elk River, MN 55330
763-765-3000

Sibley County Economic Development

Sibley County Courthouse
400 Court Ave., 2nd Floor
Gaylord, MN 55334
507-237-7800

Stevens County Economic Improvement Commission, Inc.

PO Box 45, 4 Atlantic Avenue
Morris, MN 56267
320-585-2609

Swift County Rural Development HRA-EDA

301 14th Street N.
Benson, MN 56215
320-842-4769

Todd County Development Corporation

347 Central Ave, PO Box 247
Long Prairie, MN 56347
320-732-2128

Worthington Regional Economic Development Authority (EDA)

City Hall
303 Ninth Street
Worthington, MN 56187
507-372-8600

Wright County Economic Development Partnership

1051 McKinley Parkway
Delano, MN 55328
763-494-5632 | admin@wrightpartnership.org

Barnesville Economic Development Authority

102 Front Street N, P.O. Box 550
Barnesville, MN 56514
218-354-2292 800-354-2292

Brooklyn Park Businesses

5200 85th Ave. N.
Brooklyn Park, MN 55443
763-493-88053

East Side Neighborhood Development Company, Inc.

925 Payne Ave.
St. Paul, MN 55130
651-288-8750

Hibbing Economic Development Authority (HEDA)

401 E. 21st Street
Hibbing, MN 55746
218-262-3486

Minneapolis Community Planning and Economic Development Department (CPED)

Public Service Building
505 Fourth Ave. S., Room 320
Minneapolis, MN 55415
612-673-3000

Business Assistance

Homegrown Minneapolis

Expand our community's capacity to grow and share food.

Greater Fargo Moorhead Economic Development Corporation (GFMEDC)

51 Broadway North, Suite 500
Fargo, ND 58102
701-364-1900

Moorhead Economic Development Authority

Moorhead City Hall
500 Center Ave.
Moorhead, MN 56561
218-299-5442

New Ulm Economic Development Corporation

100 N Broadway
New Ulm, MN 56073
507-233-2107

Northside Economic Opportunity Network (NEON)

1007 W. Broadway Ave. North
Minneapolis, MN 55411
612-302-1505 | info@neon-mn.org

Pipestone Economic Development Authority (EDA)

119 2nd Ave. SW
Pipestone, MN 56164
507-825-3324

Rochester Area Economic Development, Inc. (RAEDI)

221 First Ave SW Suite 600
Rochester, MN 55902
507-288-0208

St. Paul Department of Planning and Economic Development (PED) - Economic Development

City Hall Annex
25 W. 4th Street, Suite 1300
St. Paul, MN 55102
651-266-6565

[Open for Business](#)

[Opening a Business](#)

[Business Resources](#)

St. Paul Port Authority

400 Wabasha Street N #240
St. Paul, MN 55102
651-224-5686

Two Harbors Development Fund

522 First Ave.
Two Harbors, MN 55616
218-834-3489

Zumbrota Economic Development Authority

City Hall
175 West Ave.
Zumbrota, MN 55992
507-732-7318

Northland Foundation

202 W. Superior Street #800
Duluth, MN 55802
218-723-4040 800-433-4045 | info@northlandfdn.org

Service area: Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis counties.

Northwest Minnesota Foundation

201 3rd Street N.W.
Bemidji, MN 56601
218-759-2057 800-659-7859

Service area: Beltrami, Clearwater, Hubbard, Kittson, Lake of the Woods, Mahnomen, Marshall, Norman, Pennington, Polk, Red Lake, and Roseau counties.

Southern Minnesota Initiative Foundation

525 Florence Ave., P.O. Box 695
Owatonna, MN 55060
507-455-3215 | inquiry@smifoundation.org

Service area: Blue Earth, Brown, Dodge, Faribault, Fillmore, Freeborn, Goodhue, Houston, Le Sueur, Martin, Mower, Nicollet, Olmsted, Rice, Sibley, Steele, Wabasha, Waseca, Watonwan, and Winona counties.

Southwest Initiative Foundation

15 3rd Ave. NW
Hutchinson, MN 55350
320-587-4848

Service area: Big Stone, Chippewa, Cottonwood, Jackson, Kandiyohi, Lac qui Parle, Lincoln, Lyon, McLeod, Meeker, Murray, Nobles, Pipestone, Redwood, Renville, Rock, Swift, and Yellow Medicine counties.

West Central Initiative

P.O. Box 318
Fergus Falls, MN 56538
218-739-2239 800-735-2239 | wci@wci.org

Service area: Becker, Clay, Douglas, Grant, Otter Tail, Pope, Stevens, Traverse, & Wilkin counties.

WomenVenture

165 Western Ave North, Suite 8, Office 100
St. Paul, MN 55102
612-224-9540

FINANCING, PRIVATE SOURCES

Rural Initiative Organizations

Initiative Foundation

405 First Street S.E.
Little Falls, MN 56345
320-632-9255 | info@ifound.org

Satellite offices:

501 West St. Germain St. Suite 101
St. Cloud, MN 56301

Service area: Benton, Cass, Chisago, Crow Wing, Isanti, Kanabec, Mille Lacs, Morrison, Pine, Sherburne, Stearns, Todd, Wadena, and Wright counties.

Seed Capital / Other

Beta.MN

Beta Group is a 501(c)(3) whose mission is to accelerate the success of Minnesota-based startups.
1330 Lagoon Ave.
Minneapolis, MN 55408

Community Reinvestment Fund, USA (CRF)

National non-profit organization with a mission to improve lives and strengthen communities through innovative financial solutions. A leading Community Development Financial Institution (CDFI)
801 Nicollet Mall,
Suite 1700 West
Minneapolis, Minnesota 55402
612-338-3050 800-475-3050

[Midwest Minnesota Community Development Corporation \(MMCDC\)](#)

119 Graystone Plaza, Suite 100
Detroit Lakes, MN 56501-3034
218-847-3191

[MNvest](#)

MNvest is an exemption from registration under federal and Minnesota state securities laws. By meeting the requirements of MNvest, companies may raise capital within Minnesota state borders.

GOVERNMENT, FEDERAL

[USA.gov](#)

The U.S. government's official web portal.
844-872-4681

[USA.gov -Small Business](#)

The official business link to the U.S. Government.

[USA.gov-Government Benefits](#)

The official benefits website of the U.S. government.

[Sam.gov](#)

Federal business opportunities.

[Agriculture \(USDA\), U.S. Department of Minnesota Rural Development](#)

375 Jackson Street, Suite 410
St. Paul, MN 55101
651-602-7800

[Census Bureau, U.S.](#)

Chicago Region Office
1111 W. 22nd Street, Suite 400
Oak Brook, IL 60523-1918
630-288-9200 800-865-6384

[NAICS](#)

North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

[Commerce, U.S. Department of](#)

[U.S. Commercial Service - Minneapolis](#)

330 2nd Ave. S., Suite 410
Minneapolis, MN 55401
612-348-1638 | office.minneapolis@trade.gov

[Minority Business Development Agency \(MBDA\) Business Center](#)

1256 Penn Ave. N, Suite 4800
Minneapolis, MN 55411
612-332-6332

[Consumer Product and Safety Commission \(CPSC\), U.S.](#)

4330 East West Highway
Bethesda, MD 20814
800-638-2772

[Business & Manufacturing](#)

[Small Business Resources](#)

888-531-9070

[Copyright Office, U.S.](#)

Library of Congress
101 Independence Ave. S.E.
Washington, D.C. 20559-6000
202-707-5959 877-476-0778

[Environmental Protection Agency \(EPA\), U.S. Region 5 -Minnesota](#)

[Laws & Regulations](#)

[Equal Employment Opportunity Commission \(EEOC\), U.S. Minneapolis Area Office](#)

Towle Building
330 Second Ave. South, Suite 720
Minneapolis, MN 55401
612-552-7306

["Know Your Rights: Workplace Discrimination is Illegal" Poster](#)

888-972-7332

[Federal Communications Commission \(FCC\)](#)

45 L Street NE
Washington, D.C. 20554
888-225-5322 ASL Video Call: 844-432-2275

[Forms](#)

[Licensing](#)

[Media](#)

[Wireless Telecommunications](#)

[Federal Reserve Bank of Minneapolis](#)

90 Hennepin Avenue
Minneapolis, MN 55401
612-204-5000

[Native American Funding and Finance Atlas](#)

Tool that helps users identify economic development resources and opportunities in Indian Country.

[Federal Trade Commission \(FTC\)](#)

Bureau of Consumer Protection
600 Pennsylvania Ave. N.W.
Washington, D.C. 20580

[Business Guidance](#)

[Consumer Advice](#)

[General Services Administration \(GSA\), U.S.](#)

General Services Administration (GSA) manages federal property and provides contracting options for government agencies.

[Small business resources](#)

[Health and Human Services, U.S. Department of](#)

[Food and Drug Administration \(FDA\), U.S.](#)

Minneapolis District Office
250 Marquette Ave., Suite 600
Minneapolis, MN 55401
612-334-4100

[Homeland Security, U.S. Department of](#)

[U.S. Citizenship and Immigration Services \(USCIS\)](#)

[USCIS Contact Center](#)

800-375-5283 (TTY) 800-767-1833)

Minnesota - St. Paul Field Office
250 Marquette Ave, Suite 710
Minneapolis, MN 55401

[Application Support Center](#)

1105 University Ave. W., Suite 102
St. Paul, MN 55104-4086

[I-9 Central](#)

Federal law requires every employer and agricultural recruiter/referrers for a fee hiring an individual for employment in the U.S. must complete Form I-9, Employment Eligibility Verification. Form I-9 will help to verify an employee's identity and employment authorization.

[Handbook for Employers M-274](#)

[E-Verify](#)

E-Verify, authorized by Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRIRA), is a web-based system through which employers electronically confirm the employment eligibility of their employee.

[For employers/employer agents](#)

[For employees](#)

[Customs & Border Protection \(CBP\), U.S.](#)

[Service Port—Minneapolis - 3501](#)

5600 W. American Blvd., Suite 760
Bloomington, MN 55437
952-857-3100

[Immigration & Customs Enforcement \(ICE\), U.S.](#)

866-347-2423

Minneapolis/St. Paul Special Agent in Charge (SAC)
1 Federal Drive, Suite 1340
Fort Snelling, MN 55111
612-843-8800

[Internal Revenue Service \(IRS\)](#)

[Spanish](#)

Telephone Assistance for Individuals
800-829-1040

Telephone Assistance for Businesses
800-829-4933

[Employer Identification Number \(EIN\)](#)

[Ways to apply for an EIN](#)

[Get an employer ID number](#)

Apply for an EIN by fax
Complete and fax Form SS-4 and fax it to
855-641-6935

Apply for an EIN by mail
Forms are mailed to the designated Regional Service Center. For businesses with their principal place of business in Minnesota, mail to:

Internal Revenue Service
Attn: EIN Operation
Cincinnati, OH 45999

The IRS no longer issues EINs by telephone for domestic taxpayers. Only international applicants can receive an EIN by telephone.

[Forms, Instructions and Publications](#)

[Order paper information returns and employer returns](#)

[Small Business and Self-Employed Tax Center](#)

[Taxpayer Advocate Service](#)

Wells Fargo Place
30 E. 7th Street, Suite 817, Stop 1005 STP
St. Paul, MN 55101
651-312-7999 877-777-4778
800-829-4059 TTY/TTD

[Exempt Organizations - Help from the IRS](#)

877-829-5500

[Videos](#)

[Justice, U.S. Department of](#)

[ADA.gov](#)

Americans with Disabilities Act (ADA)
information and technical assistance.

ADA Information Line
800-514-0301 800-514-0383 (TTY)

[ADA Update: Primer for Small Businesses](#)

[Bureau of Alcohol, Tobacco, Firearms and Explosives \(ATF\)](#)

St. Paul Field Division
30 E. Seventh Street, Suite 1900
St. Paul, Minnesota 55101
651-726-0220

[ATF Tools & Services for Firearms Industry](#)

[Licensing and Other Services](#)
866-662-2750 | FFLC@atf.gov

[Apply for a Federal Firearms Licensee \(FFL\)](#)

[Labor \(DOL\), U.S. Department of](#)

[National Contact Center](#)
866-487-2365

[Wage & Hour Division \(WHD\) - Mpls. Dist. Office](#)
Tri-Tech Center, Suite 920
331 Second Ave. S.
Minneapolis, MN 55401-1321
612-370-3341 866-487-9243

[Bureau of Labor Statistics](#)
Standard Occupational Classification (SOC)

[Program Areas](#)

[elaws Advisors - Employment Laws Assistance for Workers and Small Businesses](#)

[elaws Advisors -FirstStep Poster Advisor](#)

[Employee Benefits Security Administration](#)
866-444-3272

[Office of Small & Disadvantaged Business Utilization \(OSDBU\)](#)
OSDBU administers DOL's responsibility to ensure procurement opportunities for small businesses, small disadvantaged businesses, women-owned small businesses, HUBZone businesses, and businesses owned by service-disabled veterans
866-487-2365

[Workplace Posters](#)

[Occupational Safety & Health Administration \(OSHA\)](#)
Minnesota Dept. of Labor & Industry
Minnesota OSHA (MNOSHA)
443 Lafayette Road N.
St. Paul, MN 55155
651-284-5050 877-470-6742

[Helping Small Businesses](#)

[National Archives and Records Administration](#)

Federal Register, Office of the (OFR)
8601 Adelphi Road
College Park, MD 20740-6001
866-272-6272

[National Labor Relations Board](#)

Minneapolis Federal Office Building
212 Third Ave. S., Suite 200
Minneapolis, MN 55401
612-348-1757

[Employee Rights Notification Posting](#)

[Patent and Trademark Office \(USPTO\), U.S.](#)

Mailstop USPTO Contact Center
P.O. Box 1450
Alexandria, VA 22313-1450
571-272-1000 800-786-9199

[Securities and Exchange Commission \(SEC\), U.S.](#)

Office of Small Business
U.S. Securities and Exchange Commission
100 F Street N.E.
Washington, D.C. 20549-3628
202-551-3460 888-SEC-6585

[Resources for Small Businesses](#)

[Forms Index](#)
202-551-4040

[Small Business Administration \(SBA\), U.S.](#)

Minnesota District Office
330 2nd Ave. S. Suite 430
Minneapolis, MN 55403
612-370-2324 | Minnesota@sba.gov

[Sign up for the SBA Email Updates](#)

[Lender Match](#)

Lender Match is a free online referral tool that connects small businesses with participating SBA-approved lenders.

[7\(a\) Loan Program](#)

SBA's primary program for providing financial assistance to small businesses.

[8\(a\) Business Development Program](#)

Federal contracting and training program for experienced small business owners who are socially and economically disadvantaged.

[Boots to Business](#)

Entrepreneurial education and training program for service members and military spouses.
202-205-8381

[Business Guide](#)

[504 Loans](#)

Program provides long-term, fixed rate financing for major fixed assets that promote business growth and job creation.

504 loans are available through Certified Development Companies (CDCs), SBA's community-based nonprofit partners who promote economic development within their communities. CDCs are certified and regulated by SBA.

The maximum loan amount for a 504 loan is \$5.5 million.

[Export Products](#)

Connect with SBA resources and partners to get help exporting.

[Federal Contracting](#)

[Funding Programs](#)

[HUBZone Program](#)

Program fuels small business growth in historically underutilized business zones with a goal of awarding at least 3% of federal contract dollars to HUBZone-certified companies each year.

[SBA Learning Platform](#)

[Microloans](#)

Smaller-size loans of up to \$50,000 provided through SBA funding intermediaries.

[National Ombudsman](#)

Primary mission is to assist small businesses when they experience excessive or unfair federal regulatory enforcement actions by a federal agency. 888-734-3247

[Size Standards](#)

SBA's size standards determine whether or not your business qualifies as small.

[Surety Bonds](#)

The SBA guarantees bid, performance, and payment surety bonds issued by certain surety companies.

[Veteran-Owned businesses](#)

SBA offers support for veterans as they enter the world of business ownership.

[Veterans Business Outreach Center \(VBOC\) Program](#)

Program offers resources to veterans, service members, and military spouses who are interested in starting or growing a small business.

[Social Security Administration \(SSA\), U.S.](#)

332 Minnesota Street, Suite N650
St. Paul, MN 55101
800-772-1213

[Business Services Online](#)

Greater Twin Cities Metropolitan Area Social Security - Card Center
1811 Chicago Ave., Suite 2
Minneapolis, MN 55404-1998
800-772-1213 800-325-0778 (TTY)

[Information for Employers - Business Services](#)

[Social Security Number Verification Service \(SSNVS\)](#)

[Publications & Forms](#)

[Treasury, U.S. Department of the](#)

[Alcohol and Tobacco Tax and Trade Bureau \(TTB\)](#)

Collects Federal excise taxes on alcohol, tobacco, firearms, and ammunition.
Public Information Officer
1310 G Street, N.W., Suite 300
Washington, D.C. 20220
202-453-2000

[Beverage Alcohol - Regulated Commodities](#)

[Firearms / Ammunition Excise Tax](#)

[Getting Started in a TTB-Related Industry Tutorial](#)

[Electronic Federal Tax Payment System \(EFTPS\)](#)

800-555-3453

EFTPS Customer Support -Business
800-555-4477 (English) 800-244-4829 (Español)

[Veterans Affairs, U.S. Department of](#)

202-303-3260

[Office of Small & Disadvantaged Business \(OSBDU\)](#)

GOVERNMENT, STATE

[Minnesota.gov](#)

The official website for the State of Minnesota.

[Minnesota ELicensing](#)

Web portal with access to information regarding licenses, permits and registrations administered by state agencies.

MN_DEED_MN_ELicensing@state.mn.us

[Accountancy, MN Board of](#)

85 E. 7th Place, Suite 125
St. Paul, MN 55101
651-296-7938 651-297-5353 (TTY)
800-627-3529 (TTY) | boa@state.mn.us

[Administration, MN Department of](#)

[Office of State Procurement \(OSP\)](#)

State of Minnesota's central procurement office.

[SWIFT \(Statewide Integrated Financial Tools\)](#)

[General Information](#)

[Training and Support Resources](#)

[Swift Forms](#)

[Help Desk](#)

[Swift Vendor Resources](#)

[Small Business Procurement Program](#)

The Office of State Procurement (OSP) operates a program for Targeted Group, Economically Disadvantaged and Veteran-Owned small businesses.

[Office of Equity in Procurement \(OEP\)](#)

The office helps ensure greater equity in state contracting and construction. It certifies Minnesota small businesses are targeted groups, economically disadvantaged, or veteran-owned.

[State Register](#)

[Archaeologists, MN Office of the State](#)

328 W. Kellogg Blvd.
St. Paul, MN 55102
651-201-2263 | mn.osa@state.mn.us

[Agriculture \(MDA\), MN Department of](#)

Orville L. Freeman Building
625 Robert Street N.
St. Paul, MN 55155
651-201-6000

[Business Development, Loans, Grants](#)

[Starting A Food Business Roadmap](#)

[Fertilizers: Apply, Register, Store, Sell](#)

[Food Licenses](#)

651-201-6062

[Retail Food Handler](#)

[Wholesale Food Handler License](#)

[Minnesota Co-Packer Directory](#)

[Minnesota Grown](#)

[Minnesota FarmLink](#)

Searchable tool to connect retiring farmers and new farmers, buyers and seller, renters and landlords, employers and employees.
320-444-1113

[Pesticides: Apply, Register, Store, Sell](#)

[Shared Commercial Kitchen Directory](#)

612-246-5149

[Animal Health \(BAH\), MN Board of](#)

625 N. Robert Street
St. Paul, MN 55155
651-296-2942 800-627-3529 (TTY)

[Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and Interior Design \(AELSLAGID\), MN Board of](#)

85 E. 7th Place, Suite 160
St. Paul, MN 55101
651-296-2388 800-627-3529 TTY

[Attorney General Office, MN](#)

445 Minnesota Street, Suite 600
St. Paul, MN 55101
651-296-3353 800-657-3787
800-657-3529 (TTY)

[Barber Examiners, MN Board of](#)

335 Randolph Ave., Suite 120
St. Paul, MN 55102
651-201-2820

[Behavioral Health & Therapy \(BBHT\), MN Board of](#)

335 Randolph Ave., Suite 290
St. Paul, MN 55102
651-201-2756 | bbht.board@state.mn.us

[Bureau of Business Licenses](#)

See Small Business Assistance Office, Employment and Economic Development (DEED), MN Dept. of

[Campaign Finance and Disclosure Board, MN](#)

190 Centennial Building
658 Cedar Street
St. Paul, MN 55155
651-539-1190 800-657-3889

[Children, Youth, and Families \(DCYF\), MN Department of](#)

444 Lafayette Road N
St. Paul, MN 55155

[Family Child Care Licensing](#)

[Chiropractic Examiners, MN Board of](#)

335 Randolph Ave., Suite 280
St. Paul, MN 55102
651-201-2850 | Chiropractic.Board@state.mn.us

[Commerce, MN Department of](#)

85 7th Place East, Suite 280
St. Paul, MN 55101
651-539-1500 - Main Office

[Business Regulation](#)

[Consumer Help](#)

[Insurance](#)

[Small Business -Health Plans](#)

[Licensing](#)

[Money & Banking](#)

[For Industry](#)

[Cosmetology, MN Board of](#)

1000 University Ave. W., Suite 100
St. Paul, MN 55104
651-201-2742 | cosmetology@state.mn.us

[Dentistry, MN Board of](#)

335 Randolph Ave., Suite 250
St. Paul, MN 55102
612-617-2250 888-240-4762
dental.board@state.mn.us

[Dietetics and Nutrition Practice, MN Board of](#)

335 Randolph Ave., Suite 210
St. Paul, MN 55102
board.dietetics-nutrition@state.mn.us

[Education, MN Department of](#)

1500 MN Hwy. 36 West
Roseville, MN 55113
651-582-8200

[Employment and Economic Development \(DEED\), MN Department of](#)

180 E 5th Street, Suite 1200
St. Paul, MN 55101-1678
651-259-7114 800-657-3858
651-296-3900 (TTY)

[Border-Cities Enterprise Zone Program](#)

Program provides business tax credits (property tax credits, debt financing credit on new construction, sales tax credit on construction equipment and materials, and new or existing employee credits) to qualifying businesses that are the source of investment, development, and job creation or retention in the Border-Cities Enterprise Zone cities of Breckenridge, Dilworth, East Grand Forks, Moorhead, Ortonville, and the Development Zone of Taylors Falls.

BorderCities.DEED@state.mn.us

[Business Enterprises Program \(BEP\)](#)

BEP provides profitable vending machine business opportunities for qualified licensed legally blind individuals to broaden their economic opportunities.

651-539-2284

[Business Guidebooks](#)

651-556-8425

[CareerForce](#)

Centers help job seekers find employment, help businesses find workers, and help anyone at any stage explore and plan careers.

CareerForce@state.mn.us

[CareerForce Locations](#)

[Hiring Migrant and Seasonal Farmworkers](#)

[Trade Adjustment Assistance \(TAA\)](#)

Program is a federal program that provides aid to workers who lose their jobs, or are at risk of losing their jobs, or whose hours of work and wages are reduced as a result of foreign competition.

[Veterans Resources](#)

Programs ensure that specialized employment and training services are provided to veterans.

[Veterans Employment Specialists](#)

See also **JOB SERVICE AND JOB TRAINING MN DEPARTMENT of EMPLOYMENT and ECONOMIC DEVELOPMENT**

[Clean Tech & Renewable Energy](#)

[Data Center](#)

Data and data tools provide a comprehensive, nuts-and-bolts look at Minnesota's economy & workforce.

651-259-7384 888-234-1114

[Data Center Sales Tax Exemptions](#)

A qualified data center, qualified large-scale data center, or qualified refurbished data center may claim the exemptions for purchases made within 35 years of the date of its first purchase qualifying for the exemption. In 48 months qualify for valuable tax breaks.

datacenter.deed@state.mn.us

[Dislocated Worker & Federal Adult Programs](#)

[Dislocated Worker Program](#)

Program offers employment and training services for eligible workers.

DWFAPrograms.DEED@state.mn.us

Rapid Response Team
651-259-7537

[Do Business](#)

[Start and Grow Your Small Business](#)

[EB-5 Immigrant Investor Program](#)

[Emerging Entrepreneur Loan Program](#)

Program provides loan capital for businesses that are owned and operated by minorities, low-income persons, women, veterans and/or persons with disabilities.

ELP@state.mn.us

[Federal Bonding Program](#)

651-539-4121

[Funding Options for Startups and Small Businesses](#)

[Greater Minnesota Job Expansion Program](#)

Provides tax benefits to businesses located in Greater Minnesota that increase employment. Qualifying businesses that meet job-growth goals may receive sales tax refunds for purchases made during a seven-year period.

GreaterMNJEP.DEED@state.mn.us

[Hiring Foreign Workers](#)

Learn about foreign labor certification and the responsibilities of Minnesota employers when hiring foreign workers as temporary or permanent employees.

651-259-7513

[Hiring People with Disabilities](#)

[Minnesota Business First Stop](#)

Streamlines the development process for complex business startups, expansions or relocations that involve financing, licensing, permitting, and regulatory issues that overlap multiple state agencies.

855-893-2099 | FirstStop@state.mn.us

[MN Family Resiliency Partnership \(MFRP\) - federally known as Displaced Homemaker Program \(DHP\)](#)

Program provides pre-employment services for participants to enter or re-enter the labor market after having been homemakers.

651-259-7174

[Minnesota Investment Fund \(MIF\)](#)

Provides financing to help add new workers and retain high-quality jobs on a statewide basis.

800-657-3858

[Minnesota Job Creation Fund](#)

Fund provides financial incentives to new and expanding businesses that meet certain job creation and capital investment targets.

651-259-7483 800-657-3858

[Minnesota Job Skills Partnership \(MJSP\)](#)

Programs work with businesses, educational institutions and nonprofit organizations to train or retrain workers, expand work opportunities and keep high-quality jobs in the state.

651-259-7514 800-657-3858

[MN Reservist and Veteran Business Loan Program](#)

Provides business loans to companies that are affected when certain employees are called to active military duty and to individual veterans who have returned from active duty and want to start their own business.

651-259-7445

[Minnesota Small Business Development Centers \(Mn SBDCs\)](#)

Operating through a network of nine statewide regional centers, offering confidential consulting to help clients identify, and understand running a successful business.

[Find an SBDC](#)

See **MANAGEMENT ASSISTANCE, GENERAL** for Mn SBDC locations throughout Minnesota.

[Minnesota Trade Office \(MTO\)](#)

Provides export assistance to Minnesota's manufacturers and service providers. Programs and services focus primarily on assisting small and medium-sized companies.

651-259-7498 | Mto.TradeAssistance@state.mn.us

[Export Counseling and Assistance:](#)

Market Experts

Western Europe, Canada, Australia, New Zealand
651-248-7230

Latin America, Mexico, Caribbean, China, Education
651-248-7492

India, Medical Technology
651-336-2650

ASEAN, Clean/ Green Technology
651-248-3745

[Export Financing Programs](#)

[STEP Grant](#)

Program provides financial and technical assistance to qualifying Minnesota small businesses with an active interest in exporting products or services to foreign markets.

[International Business Services Directory](#)

Trade Helpline
651-259-7498

[Native American Business Loan Program](#)

Program supports the development of Native-owned and operated businesses and promotes economic opportunities for Native peoples throughout Minnesota.

651-259-7823

[Office of Youth Development](#)

This youth employment, training and education programs provide vital experience and guidance to help prepare Minnesota's neediest young people to succeed.

[People with Disabilities](#)

Programs that assists persons with significant disabilities to seek, gain, and retain employment.
651-259-7366 800-328-9095

[SEED Capital Investment Credit Program](#)

Provides tax incentives for investing in innovative business located in the Minnesota border cities of Breckenridge, Dilworth, East Grand Forks, Moorhead, and Ortonville.

bordercities.deed@state.mn.us

[Small Business Assistance Office \(SBAO\)](#)

Office serves as a point of first and continuing contact for individuals and firms with questions about business start-up, business operation and business licensing.

651-556-8425 800-310-8323

smallbusiness@state.mn.us

[Business Guidebooks](#)

[Shovel-Ready Site Certification](#)

Key legal, technical and regulatory tasks of developing these sites are already complete.

[Small Business Assistance Partnerships](#)

DEED partners with local and regional community-based organizations across the state to support the startup, growth, and success of diverse entrepreneurs and small business owners through the delivery of high quality free or low cost professional business development and technical assistance services.

Partners represent and empower the success of businesses owned and operated by Black, Indigenous, and people of color (BIPOC) individuals, veteran, women, persons with disabilities, and entrepreneurs located in Greater Minnesota.

mnsbp.deed@state.mn.us

[Entrepreneur, Startup, and Small Business Support Organizations](#)

[Workforce Strategy Consultants](#)

- Assist key stakeholders in the successful implementation of regional plan
- Leverage expertise in industry sector workforce development strategies
- Connect key stakeholders to workforce development resources
- Enhance regional economic prosperity through partnership with DEED's Business Development Specialists and Labor Market Analysts
- Design tools and resources to support businesses in developing strategic workforce solutionsb

651-259-7432

economic.development@state.mn.us

[State Services for the Blind \(SSB\)](#)

2200 University Ave. W. Suite 240

St. Paul, MN 55114

651-539-2300 | ssb.info@state.mn.us

[Employment and Career Services](#)

[SSB Office Locations](#)

[Unemployment Insurance \(UI\) Program](#)

Program provides temporary benefits to qualified persons out of work.

[Employer Account information](#)

651-296-6141 select option 4 to speak with a customer service representative

[UI Employer Handbook](#)

Applicant contacts -general information

651-296-3644 Twin Cities Metro Area

877-898-9090 Greater MN 866-814-1252 (TTY)

[Minnesota Business Tax Education Partnership Educational Seminars](#)

The Minnesota Unemployment Insurance Program offers several types of free educational seminars around the state to assist businesses. 651-478-2016 | ui.mn@state.mn.us

[Shared Work Program](#)

An alternative to layoffs for employers facing a temporary downturn in business. It allows employers to divide available hours of work among a group of employees instead of implementing a full layoff.

shared.work@state.mn.us

[Work Opportunity Tax Credit \(WOTC\)](#)

Federal tax credit available to all private sector businesses as an incentive to employers to hire workers in certain groups who experience high rates of unemployment.

651-259-7521 888-234-5521

[Environmental Quality Board \(EQB\), MN](#)

520 Lafayette Road N.

St. Paul, MN 55155

651-757-2873

[Environmental Review Program](#)

651-757-2873 | Env.Review@state.mn.us

[Executives for Long Term Services and Supports \(BELTSS\), Board of](#)

335 Randolph Ave. Suite 210-B

St. Paul, MN 55102

651-201-2730 | beltss.hlb@state.mn.us

[Firefighter Training and Education, Minnesota Board of](#)

445 Minnesota Street, Suite 146

St. Paul, MN 55101

651-201-7257 | fire-training.board@state.mn.us

[Gambling Control Board, MN](#)

1711 W. County Road B, Suite 300 South

Roseville, MN 55113

651-639-1900

[Health \(MDH\), MN Department of](#)

625 N. Robert Street

P.O. Box 64975

St. Paul, MN 55164-0975

651-201-5000 888-345-0823

[Asbestos Program](#)

651-201-4620 | health.asbestos-lead@state.mn.us

[Environmental Health Division -Program Contacts](#)

[Registered Environmental Health Specialist/](#)

[Registered Sanitarian](#)

651-201-4500 | health.sanitaricians@state.mn.us

[Food, Pools, and Lodging Services Section](#)

[Food, Beverage, and Lodging \(FBL\)](#)
651-201-4500 | health.foodlodging@state.mn.us

[Human Rights \(DHS\), MN Department of](#)

540 Fairview Ave North, Suite 201
St. Paul, MN 55104
651-539-1100 MN Relay 711
800-657-3704 | Info.mdhr@state.mn.us

[Human Services \(DHS\), MN Department of](#)

444 Lafayette Road N.
St. Paul, MN 55155
651-431-2000
dhs.healthcare-providers@state.mn.us

[Licensing Division](#)

651-431-6500

[Minnesota New Hire Reporting Center](#)

Federal and State law requires employers to report newly hired and re-hired employees in Minnesota to the New Hire Reporting Center.
P.O. Box 467
St. Paul, MN 55164-0212
800-672-4473 800-692-4473 (toll-free fax)

[Judicial Branch, MN](#)

[Lawyer Registration Office, Minnesota](#)

25 Rev. Dr. Martin Luther King Jr., Blvd., Suite 110
St. Paul, MN 55101
651-296-2254 | lawyerregistration@mbcle.state.mn.us

[Lawyer Professional Responsibility Board -Office of Lawyers Professional Responsibility \(OLPR\)](#)

Minnesota Judicial Center, Suite 105
25 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 5515
651-296-3952 800-657-3601

[Labor and Industry \(DLI\), MN Department of](#)

443 Lafayette Road N.
St. Paul, MN 55155

Main phone numbers
651-284-5005 800-342-5354

[Apprenticeship](#)

[Construction Codes & Licensing Division \(CCLD\)](#)

651-284-5012 800-657-3944

Contractor and business licenses /
Individual/personal licenses, registrations &
certifications
651-284-5034
DLI.License@state.mn.us

[For Workers and the Public](#)

[Earned Sick and Safe Time \(ESST\)](#)

Minnesota law requires employers to provide earned sick and safe time (ESST), a type of paid leave, to workers in the state.
651-284-5075 | esst.dli@state.mn.us

[Construction Contractor Registration](#)

651-284-5074 | dli.register@state.mn.us

[Labor Standards](#)

651-284-5075 | dli.laborstandards@state.mn.us

[Minnesota Occupational Safety and Health Administration \(MNOSHA\) Compliance](#)

651-284-5050 877-470-6742
osha.compliance@state.mn.us

[Workplace Safety Consultation](#)

651-284-5060 800-657-3776
osha.consultation@state.mn.us

[Workers' Compensation](#)

651-284-5005 (press 3) 800-342-5354 (press 3)
helpdesk.dli@state.mn.us

[Workers' Compensation Training Opportunities](#)

[Vocational Rehabilitation Unit \(VRU\)](#)

651-284-5038 888-772-5500

[Workplace Notices Posters](#)

[Office of Combative Sports, Minnesota](#)

443 Lafayette Road N.
St. Paul, MN 55155
combativesports.dli@state.mn.us

Management & Budget, MN

[MNSure](#)

Minnesota's health insurance marketplace where individuals, families and small businesses can shop, compare and choose health insurance coverage.
651-539-2099 855-366-7873

[Marriage and Family Therapy, MN Board of](#)

335 Randolph Ave., Suite 260
St. Paul, MN 55102
612-617-2220 800-627-3529 (MN Relay)
mft.board@state.mn.us

[Medical Practice, MN Board of](#)

335 Randolph Ave., Suite 140
St. Paul, MN 55102
612-617-2130 | medical.board@state.mn.us

[Minnesota State Colleges and Universities](#)

30 East 7th Street
St. Paul, MN 55101

[Natural Resources \(DNR\), Minnesota Dept. of](#)

500 Lafayette Road
St. Paul, MN 55155-4040
651-296-6157 888-646-6367 | info.dnr@state.mn.us

[Online license sales](#)

888-665-4236

[Fishing](#)

[Hunting & trapping](#)

Watercraft / Recreational Motor Vehicle / Snowmobile
Registrations
651-296-2316 800-285-2000

[Nursing, MN Board of](#)

1210 Northland Drive, Suite 120
Mendota Heights, MN 55120
612-317-3000
nursing.board@state.mn.us

[Occupational Therapy Practice, MN Board of](#)

335 Randolph Ave., Suite 240
St. Paul, MN 55102
651-548-2179 | Occupational.therapy@state.mn.us

[Office of Cannabis Management \(OCM\), Minnesota](#)

PO Box 64034
St. Paul, MN 55164
651-539-5000

[Office of Emergency Medical Services \(OEMS\), MN](#)

335 Randolph Ave.
St. Paul, MN 55102
651-201-2800 | info.oems@state.mn.us

[Office of Higher Education, MN](#)

1450 Energy Park Drive, Suite 350
St. Paul, MN 55108
651-642-0567 800-657-3866 | info.ohe@state.mn.us

[Office of the Minnesota Secretary of State \(SOS\)](#)

Business and Nonprofit Services address:
Office of the Minnesota Secretary of State
First National Bank Building
332 Minnesota Street, N201
St. Paul, MN 55101
651-296-2803 877-551-6767 (Greater MN)
business.services@state.mn.us

[Schedule an appointment](#)

[Business Forms & Fees](#)

[Business Name Search / Availability](#)

[Create an Online Account](#)

[How to Register Your Business](#)

[Notary & Apostille](#)

[Optometry, MN Board of](#)

335 Randolph Ave., Suite 210
St. Paul, MN 55102
651-201-2762
optometry.board@state.mn.us

[Peace Officer Standards and Training \(POST\), MN Board of](#)

1600 University Ave., Suite 200
St. Paul, MN 55104-3825
651-643-3060 | postboard.agency.docs@state.mn.us

[Pharmacy, MN Board of](#)

335 Randolph Ave., Suite 230
St. Paul, MN 55102
651-201-2825 | pharmacy.board@state.mn.us

[Physical Therapy, MN Board of](#)

335 Randolph Ave., Suite 285
St. Paul, MN 55102
612-627-5406 | physical.therapy@state.mn.us

[Podiatric Medicine, MN Board of](#)

335 Randolph Ave., Suite 210
St. Paul, MN 55102
612-548-2175 | podiatric.medicine@state.mn.us

[Pollution Control Agency \(MPCA\), MN](#)

520 Lafayette Road
St. Paul, MN 55155-4194
651-296-6300 800-657-3864

[Grants, loans and contracts](#)

Contract information - contracts.pca@state.mn.us
Grant information - grants.pca@state.mn.us

[Small business environmental assistance](#)

Helpline: 800-657-3938 651-282-6143
smallbizhelp.pca@state.mn.us

[Small business ombudsman](#)

Reviews environmental regulatory activities
affecting small businesses to help ensure they are
fair, reasonable, and appropriate.
651-757-2121 800-985-4247

[Professional Educator Licensing and Standards Board \(PELSB\), MN](#)

1021 Bandana Blvd. E., Suite 222
St. Paul, MN 55108-5111
651-539-4200 | pelsb@state.mn.us

[Psychology, MN Board of](#)

335 Randolph Ave. Suite 270
St. Paul, MN 55102
612-617-2230 800-627-3529 (MN Relay Service)
psychology.board@state.mn.us

[Public Safety \(DPS\), MN Department of](#)

Central Office, Town Square Building
445 Minnesota Street
St. Paul, MN 55101
651-201-7000

[Alcohol & Gambling Enforcement \(AGE\)](#)

651-201-7500

[Driver and Vehicle Services \(DVS\)](#)

445 Minnesota Street, Suite 190
St. Paul, MN 55101-5190

Commercial Driver's License
651-297-5029

Dealers License
651-201-7800 | DVS.Dealerquestion@state.mn.us

[Locations](#)

651-297-2005

Vehicle Services
651-297-2126 | dvs.motor.vehicles@state.mn.us

[Online Services](#)

[Bureau of Criminal Apprehension \(BCA\)](#)

1430 Maryland Ave. E.
St. Paul, MN 55106
651-793-7000

[Private Detective and Protective Agent Services, State of MN Board of](#)

1600 University Ave., Suite 200
St. Paul, MN 55104
651-355-0800
mn.pdb@state.mn.us

[State Fire Marshal, MN](#)

445 Minnesota Street, Suite 145
St. Paul, MN 55101-5145

[Public Utilities Commission \(PUC\), MN](#)

121 Seventh Place E., Suite 350
St. Paul, MN 55101
651-296-0406 800-657-3782
consumer.puc@state.mn.us

[Racing Commission \(MRC\), MN](#)

[Canterbury Park MRC Office](#)
1100 Canterbury Road, Suite 100
Shakopee, MN 55379
952-496-7950
cbypark@canterburypark.com

[Running Aces](#)

15201 Zurich Street N.E., Suite 212
Columbus, MN 55025
651-925-3951 | info@runaces.com

[Revenue \(DOR\), MN Department of](#)

600 N. Robert Street
St. Paul, MN 55146

[Registering Your Business](#)

[Business Registration / MN Sales Tax ID Number](#)
651-282-5225 800-657-3605

[Collection Information](#)

651-556-3003 800-657-3909

[Corporations Franchise Tax](#)

651-556-3075

[e-Services](#)

[Individuals](#)

651-556-3000 800-657-3666

[File an Income Tax Return](#)

[Make a Payment](#)

[Find a Form](#)

[Where's My Refund?](#)

651-296-4444 800-657-3676

[Business Tax Education](#)

Training opportunities for businesses to help meet their tax obligations.
651-282-5225 800-357-3605

[Sales and Use Tax](#)

651-296-6181 800-657-3777

[Sales Tax Fact Sheets and Industry Guides](#)

[Minnesota Sales and Use Tax Business Guide](#)

[Taxpayer Rights](#)

[Taxpayer Rights Advocate Office \(TRA\)](#)

The Taxpayer Rights Advocate Office is an independent problem-solving resource inside the Minnesota Department of Revenue for taxpayers who cannot resolve issues through normal channels.

They review any request for help, look at your situation and department records, and either connect you with the right person or step in when the department is unresponsive. If you have used all regular administrative options and still believe you have a valid issue, you can contact this office for an independent review.

651-556-6013 855-452-0767

[Withholding Tax](#)

651-282-9999 800-657-3594

[Assessors, MN State Board of Minnesota Department of Revenue](#)

Mail Station 3340
600 N. Robert Street
St. Paul, MN 55146-3340
651-556-6086

[Small Business Assistance Office \(SBAO\)](#)

[MN DEED](#)

180 E 5th Street, Suite 1200
St. Paul, MN 55101-1678
651-556-8425 800-310-8323
smallbusiness@state.mn.us

[Social Work, Board of](#)

335 Randolph Ave, Suite 245
St. Paul MN 55102
612-617-2100 888-234-1320
Social.work@state.mn.us

[State Legislature, MN](#)

[Office of the Revisor of Statutes](#)

700 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155
651-296-8338

[Statutes, Laws and Rules](#)

[Transportation \(MnDOT\), MN Department of](#)

395 John Ireland Blvd.
St. Paul, MN 55155-1800
651-296-3000
800-657-3774 800-657-3774

[Commercial Vehicle Operations \(CVO\)](#)

651-215-6330 | motorcarrier.dot@state.mn.us

[Equality and Diversity at MnDOT](#)

[Veterans Affairs, MN Department of](#)

State Veterans Service Building
20 W. 12th Street, Room 206
St. Paul, MN 55155
888-546-5838 LinkVet

[Veterinary Medicine, MN Board of](#)

335 Randolph Avenue, Suite 215
St. Paul, MN 55102
651-201-2844 800-627-3529 (MN Relay Service)
vet.med@state.mn.us

GOVERNMENT, REGIONAL

Regional Development Commissions

[Arrowhead Regional Development Commission](#)

221 West First Street
Duluth, MN 55802
218-722-5545 800-232-0707 | info@ardc.org

Region 3. Serves Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis counties.

[Headwaters Regional Development Commission](#)

1320 Neilson Ave SE, PO Box 906
Bemidji, MN 56619
218-444-4732

Region 2. Serves Beltrami, Clearwater, Hubbard, Lake of the Woods, and Mahnomen counties.

[East Central Regional Development Commission](#)

100 Park Street S.
Mora, MN 55051
320-679-4065 | ecrdc@ecrdc.org

Region 7E. Serves Chisago, Isanti, Kanabec, Mille Lacs, and Pine counties.

[Mid-Minnesota Development Commission](#)

1700 Technology Drive NE, Suite 300
Willmar, MN 56201
320-235-8504 | mmrdc@mmdc.org

Region 6E. Serves Kandiyohi, McLeod, Meeker, and Renville counties.

[Northwest Regional Development Commission](#)

109 South Minnesota Street
Warren, MN 56762
218-745-6733

Region 1. Serves Kittson, Marshall, Norman, Pennington, Polk, Red Lake, and Roseau counties.

[Region Five Development Commission / North Central Economic Development Association \(NCEDA\)](#)

200 1st Street N.E., Suite 2
Staples, MN 56479
218-894-3233

Region 5. Serves Cass, Crow Wing, Morrison, Todd, and Wadena counties.

[Region Nine Development Commission](#)

10 Civic Center Plaza Suite 3
Mankato, MN 56001
507-387-5643 800-450-5643

Region 9. Serves Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Waseca, and Watonwan counties.

[Southwest Regional Development Commission](#)

2401 Broadway Ave., Suite 1
Slayton, MN 56172
507-836-8547 | srcd@swrdc.org

Region 8. Serves Cottonwood, Jackson, Rock, Lincoln, Lyon, Murray, Nobles, Pipestone, and Redwood counties.

[Upper Minnesota Valley Regional Development Commission \(UMVRDC\)](#)

Appleton Civic Center
323 West Schlieman Ave.
Appleton, MN 56208
320-289-1981 | info@umvrdc.org

Region 6W. Serves Big Stone, Chippewa, Lac qui Parle, Swift, and Yellow Medicine counties.

West Central Initiative

P.O. Box 318
Fergus Falls, MN 56538-0318
218-739-2239 800-735-2239 | wci@wcf.org

Region 4. Becker, Clay, Douglas, Grant, Otter Tail,
Pope, Stevens, Traverse, and Wilkin counties.

Metropolitan Council

390 Robert Street N.
St. Paul, MN 55101
651-602-1000 | public.info@metc.state.mn.us

Region 11. Serves Anoka, Carver, Dakota, Hennepin,
Ramsey, Scott, and Washington counties.

INSURANCE

MNSure

A one-stop shop to compare and enroll in health
insurance plans.

P.O. Box 64253
St. Paul, MN 55164-0253
651-539-2099 855-366-7873 (outside the Twin Cities)

Minnesota Joint Underwriting Association (MJUA)

The statutory purpose of the MJUA is to provide
liability insurance coverage only to persons or
entities unable to obtain insurance through
ordinary methods if the insurance is required by
statute, ordinance or otherwise required by law, or
is necessary to earn a livelihood or conduct a
business and serves a public purpose.

12400 Portland Ave. S., Suite 190
Burnsville, MN 55337
952-641-0260 800-552-0013 | info@mjua.org

Minnesota Fair Plan

Minnesota FAIR Plan was established in 1968 for
the purpose of making property insurance available
to applicants in Minnesota who have not been able
to secure insurance in the standard market.

7900 International Dr. (Suite 625)
Bloomington, MN 55425
Minneapolis, MN 55403
612-338-7584 800-524-1640

Minnesota Department of Commerce

Insurance Division
[Small Business](#)
651-539-1500 800-657-3602 (MN only)

INVENTORS

Mitchell Hamline School of Law

Legal Practice Center
Students represent low-income renters, prisoners,
nonprofit groups, immigrants, and others. They
assist parents in child protection cases, draft
contracts, and file patent applications.

875 Summit Ave.
St. Paul, MN 55105
651-695-7672 888-962-5529

Inventors Network

Monthly meeting location:
Star Bank
250 Prairie Center Dr.
Eden Prairie, MN 553445

LegalCORPS Inventor Assistance Program (IAP)

First program in the United States to provide
free legal representation to low income
inventors seeking to patent their innovations
with the U.S. Patent & Trademark Office.
1000 LaSalle Ave TMH331
Minneapolis, MN 55403
612-206-0780 | info@legalcorps.org

U.S. Patent and Trademark Office

Mailstop USPTO Contact Center
P.O. Box 1450
Alexandria, VA 22313-1450

Inventors Assistance Center (IAC)

800-786-9199

Patents Ombudsman Program

571-272-5555 855-559-8589
PatentsOmbudsOffice@uspto.gov

U.S. Patent and Trademark Depository Library

Hennepin County Public Library -Central
Business/Science/Government Documents Div.
300 Nicollet Ave.
Minneapolis, MN 55401
952-847-8095

JOB SERVICE and JOB TRAINING

Employment and Economic Development (DEED), Minnesota Department of

Minnesota Job Service

The Job Service team is part of the CareerForce
Division of DEED. This team's focus is to deliver services
to help job seekers find work and help employers find
and retain qualified employees.

Minnesota Job Skills Partnership (MJSP)

Program helps business and educational
institutions develop cooperative training projects.
651-259-7514 800-657-3858 | deed.mjsp@state.mn.us

CareerForce

Job skills analysis, assessment and customized training.
651-259-7500 | CareerForce@state.mn.us

CareerForce Locations:

CareerForce Aitkin
20 Third Street Northeast
Aitkin, MN 56431
218-735-6122 | careerforce.aitkin@state.mn.us

CareerForce Albert Lea
2200 Riverland Drive
Albert Lea, MN 56007
507-369-1488 | careerforce.albertlea@state.mn.us

CareerForce Alexandria
303 22nd Ave. West, Suite 107
Alexandria, MN 56308
320-391-9262 | careerforce.alexandria@state.mn.us

CareerForce Austin
1600 8th Ave. N.W.
Austin, MN 55912
507-460-5020 | careerforce.austin@state.mn.us

CareerForce Bemidji
2300 24th Street N.W.
Bemidji, MN 56601
218-444-0732 | careerforce.bemidji@state.mn.us

CareerForce Blaine
1201 89th Ave. N.E., Suite 235
Blaine, MN 55434
763-324-2300 | careerforce.blaine@state.mn.us

CareerForce Bloomington
4220 W. Old Shakopee Road, Suite 200
Bloomington, MN 55437
952-703-7730
careerforce.bloomington@state.mn.us

CareerForce Brainerd
204 Laurel Street, Suite 21
Brainerd, MN 56401
218-828-2450 | careerforce.brainerd@state.mn.us

CareerForce Brooklyn Park
5200 85th Ave N
Brooklyn Park, MN 55428
763-279-4400
careerforce.brooklynpark@state.mn.us

CareerForce Burnsville
2800 County Road 42 W.
Burnsville, MN 55337
952-703-3100 | careerforce.burnsville@state.mn.us

CareerForce Caledonia
110 East Grove Street
Caledonia, MN 55921
507-724-5231 | careerforce.aledonia@state.mn.us

CareerForce Cambridge
140 Birch Street North
West Side Commons, Suite 105
Cambridge, MN 55008
763-645-1313 | careerforce.cambridge@state.mn.us

CareerForce Chaska
602 East 4th Street
Chaska, MN 55318
952-361-1711 | careerforce.chaska@state.mn.us

CareerForce Cloquet
14 N. 11th Street
Cloquet, MN 55720
218-878-5000 | careerforce.cloquet@state.mn.us

CareerForce Cottage Grove
13000 Ravine Parkway S.
Cottage Grove, MN 55016
651-430-4162
careerforce.cottagegrove@state.mn.us

CareerForce Crookston
2015 Sahlstrom Dr
Crookston, MN 56716
218-277-7330
careerforce.crookston@state.mn.us

CareerForce Detroit Lakes
803 Roosevelt Ave.
Detroit Lakes, MN 56501
218-846-7377
careerforce.detroitlakes@state.mn.us

CareerForce Duluth
402 West 1st Street
Duluth, MN 55802
218-302-8400 | careerforce.duluth@state.mn.us

CareerForce Fairmont
400 S. State Street, Suite 180
Fairmont, MN 56031
507-618-5610 | careerforce.fairmont@state.mn.us

CareerForce Faribault
201 Lyndale Ave. S., Suite 1
Faribault, MN 55021
507-333-2088 | careerforce.faribault@state.mn.us

CareerForce Fergus Falls
1414 College Way, Suite L180
Fergus Falls, MN 56537
218-739-7560 | careerforce.fergusfalls@state.mn.us

CareerForce Forest Lake
19955 Forest Road N.
Forest Lake, MN 55025
651-275-7265 | careerforce.forestlake@state.mn.us

CareerForce Grand Rapids
1215 Southeast 2nd Ave.
Grand Rapids, MN 55744
218-327-6760
careerforce.grandrapids@state.mn.us

CareerForce Hibbing
3920 13th Ave. E.
Hibbing, MN 55746
218-231-8590 | careerforce.hibbing@state.mn.us

CareerForce Hutchinson
2 Century Ave. S.E.
Hutchinson, MN 55350
320-587-4740
careerforce.hutchinson@state.mn.us

CareerForce International Falls
1501 Hwy. 71, SC 128
International Falls, MN 56649
218-735-6171
careerforce.internationalfalls@state.mn.us

CareerForce Kasson
504 S. Mantorville Ave
Kasson, MN 55355
507-512-6205 | careerforce.kasson@state.mn.us

CareerForce Litchfield
114 Holcombe Ave. N., Suite 170
Litchfield, MN 55355
320-593-1056 | careerforce.litchfield@state.mn.us

CareerForce Little Falls
609 13th Ave. N.E., Suite G
Little Falls, MN 56345
320-232-2000 | careerforce.littlefalls@state.mn.us

CareerForce Mankato
12 Civic Center Plaza, Suite 1600A
Mankato, MN 56001-7796
507-344-2622 | careerforce.mankato@state.mn.us

CareerForce Marshall
607 W. Main Street
Marshall, MN 56258
507-476-4040 | careerforce.marshall@state.mn.us

CareerForce Minneapolis North
800 West Broadway Ave.
Minneapolis, MN 55411
612-299-7200
careerforce.minneapolisnorth@state.mn.us

CareerForce Minneapolis South
777 E. Lake Street
Minneapolis, MN 55407
651-539-4410
careerforce.minneapolisouth@state.mn.us

CareerForce Montevideo
202 North 1st Street
Montevideo, MN 56265
320-269-8819
careerforce.montevideo@state.mn.us

CareerForce Monticello
406 E. 7th Street
Monticello MN 55362
763-271-3700 | careerforce.monticello@state.mn.us

CareerForce Moorhead
715 11th Street N., Suite 302
Moorhead, MN 56560
218-287-5060 | careerforce.moorhead@state.mn.us

CareerForce Mora
903 Forest Ave E.
Mora, MN 55051
320-679-6484 | careerforce.mora@state.mn.us

CareerForce New Ulm
1618 South Broadway Street
New Ulm, MN 56073
507-354-3138 | careerforce.newulm@state.mn.us

CareerForce Owatonna
1850 Austin Road, Suite 102
Owatonna, MN 55060
507-444-7962 | careerforce.owatonna@state.mn.us

CareerForce Preston
100 South Main Street Southeast
Preston MN 55965
507-765-2476 | careerforce.preston@state.mn.us

CareerForce Red Wing
308 Pioneer Rd Unit 106
Red Wing, MN 55066
651-385-6402 | careerforce.redwing@state.mn.us

CareerForce Rochester
2070 College View Rd. E.
Rochester, MN 55904
507-292-5152 | careerforce.rochester@state.mn.us

CareerForce Roseau
121 Center Street E, Suite 202
Roseau, MN 56751
218-463-2233 | careerforce.roseau@state.mn.us

CareerForce Shakopee
200 Fourth Ave W GW-200
Shakopee, MN 55379
952-496-8310 | careerforce.shakopee@state.mn.us

CareerForce St. Cloud
1542 Northway Drive Door 2
St. Cloud, MN 56303
320-308-5320 | careerforce.saintcloud@state.mn.us

CareerForce St. Paul
540 Fairview Ave N., Suite 103
St. Paul, MN 55104
651-539-4100 | careerforce.saintpaul@state.mn.us

CareerForce Thief River Falls
1301 Highway 1 East
Thief River Falls, MN 56701
218-683-8060 |
careerforce.thiefriverfalls@state.mn.us

CareerForce Virginia
820 North 9th St., Suite 250
Virginia, MN 55792
218-735-3740
careerforce.virginia@state.mn.us

CareerForce Wadena
124 1st Street S.E., Suite 2
Wadena, MN 56482
218-631-7660 | careerforce.wadena@state.mn.us

CareerForce West St. Paul
1 Mendota Road W., Suite 170
West St. Paul, MN 55118
651-554-5955
careerforce.westsaintpaul@state.mn.us

CareerForce Willmar
2200 23rd Street, N.E., Suite 2040
Willmar, MN 56201
320-441-6590 | careerforce.willmar@state.mn.us

CareerForce Winona
1250 Homer Road, Suite 200
Winona, MN 55987
507-205-6060 | careerforce.winona@state.mn.us

CareerForce Woodbury
2150 Radio Dr.
Woodbury, MN 55125
651-275-8665 | careerforce.woodbury@state.mn.us

CareerForce Worthington
318 9th Street
Worthington, MN 56187
507-295-2020
careerforce.worthington@state.mn.us

CareerForce is partnering with the MN Department of Education to provide CareerForce Corner resources within a limited number of interested Minnesota libraries.

[Workforce Innovation and Opportunity Act \(WIOA\) Young Adult Program](#)

Workforce Innovation and Opportunity Act (WIOA) provides out-of-school youth between the ages of 16-24 and in-school youth between the ages of 14-21 with year-round employment and training services.

LEGAL ASSISTANCE

[Minnesota Judicial Branch Self-Help Centers](#)

Self-Help Centers can help you find helpful information, services, and resources about your legal problem if you are not represented by a lawyer. The Self-Help Centers assist people who represent themselves in the Minnesota District Courts.
651-435-6535

[Minnesota State Bar Association](#)

33 South Sixth Street #4540
Minneapolis, MN 55402
612-333-1183 | info@mnbars.org

[Minnesota Lawyer Referral and Information Service](#)

[LegalCORPS](#)

Free legal assistance for small businesses and nonprofits.
1000 LaSalle Ave TMH331
Minneapolis, MN 55403
612-206-0780 | info@legalcorps.org

County Bar Associations / Other Assistance

[Anoka County Bar Association](#)

[Dakota County - Finding Legal Help](#)

[Hennepin County Bar Association](#)

612-333-1183 | info@mnbars.org

[Ramsey County Bar Association](#)

612-333-1183 | info@mnbars.org

[Minnesota Hispanic Bar Association](#)

P.O. Box 15047
Minneapolis, MN 55415
mnhispanicbar@gmail.com

[Minnesota Native American Bar Association](#)

P.O. Box 580174
Minneapolis, MN 55458
mnapbar.org@gmail.com

[Minnesota Association of Black Lawyers](#)

33 South 6th Street Suite 4540
Minneapolis, MN 55402

[Membership Directory](#)

[Minnesota Lavender Bar Association](#)

2801 Hennepin Ave. S. #703
Minneapolis, MN 55408

[Lawmoose](#)

Online legal reference library, online search engine focused on law related sites in Minnesota, and a Minnesota legal periodical index.

Law Schools

[Mitchell Hamline School of Law Legal Practice Center](#)

Students represent low-income renters, prisoners, nonprofit groups, immigrants, and others. They assist parents in child protection cases, draft contracts, and file patent applications.

875 Summit Ave.
St. Paul, MN 55105
651-695-7672 888-962-5529

[University of Minnesota Law School](#)

Center for Business Law

[Business and Nonprofit Clinic](#)

Clinic offers students the opportunity to represent business clients in a non-litigation context.

229 19th Ave. S.
Minneapolis, MN 55455
612-625-5515

LIBRARIES

Primary Metropolitan Area Libraries

[Anoka County Library](#)

707 County Hwy 10 Frontage Road
Blaine, MN 55434
763-324-1500

[Carver County Library](#)

Chaska Library
4 City Hall Plaza
Chaska, MN 55318
952-361-1430

[Dakota County Library](#)

1340 Wescott Road
Eagan, MN 55123
651-450-2900

[Hennepin County Library](#)

Minneapolis Central Library
300 Nicollet Ave.
Minneapolis, MN 55401
612-543-8000

[Business and employment](#)

[Ramsey County Library](#)

Ramsey County Library
4560 Victoria St. N.
Shoreview MN 55126
651-724-6006

[Scott County Library System](#)

Savage Library
13090 Alabama Ave.
Savage, MN 55378
952-707-1770

[St. Paul Public Library](#)

[George Latimer Central Library](#)

90 W. 4th Street
St. Paul, MN 55102
651-266-7000

[workPLACE](#)

Library resources, classes, and events supporting entrepreneurship & business, jobs & careers, and computers & technology.

[Washington County Library](#)

8595 Central Park Place
Woodbury, MN 55125
651-275-8500

Minnesota Library Systems

[Capitol Area Library Consortium \(CALCO\)](#)

Provides access to state government library services and resources.

[Arrowhead Library System](#)

5528 Emerald Ave.
Mountain Iron, MN 55768
218-741-3840

[Central Minnesota Libraries Exchange \(CMLE\)](#)

570 1st Street S.E.
St. Cloud, MN 56304
320-257-1933 | admin@cmle.org

[Duluth Public Library](#)

520 W. Superior Street
Duluth, MN 55802
218-730-4200

[East Central Regional Library](#)

111 Dellwood St. N.
Cambridge, MN 55008
763-689-7390

[Great River Regional Library](#)

1300 W. St. Germain Street
St. Cloud, MN 56301
320-650-2500

[Kitchigami Regional Library System](#)

310 2nd Street N., P.O. Box 84
Pine River, MN 56474
218-587-2171

[Lake Agassiz Regional Library](#)

118 5th Street S.
Moorhead, MN 56560
218-233-3757 800-247-0449

[Metropolitan Library Service Agency \(MELSA\) / Metronet](#)

1619 Dayton Ave., Suite 314
St. Paul, MN 55104
651-645-5731
651-646-0475

[Northern Lights Library Network \(NLLN\)](#)

P.O. Box 136 - 1104 7th Ave. S.
Moorhead, MN 56563
218-477-2934

[Northwest Regional Library](#)

210 LaBree Ave. N., P.O. Box 593
Thief River Falls, MN 56701
218-681-1066

[Pioneerland Library System](#)

410 5th Street S.W.
Willmar, MN 56201
320-235-6106

[Plum Creek Library System Headquarters](#)

290 South Lake St., PO Box 697
Worthington, MN 56187
507-376-5803

[Prairiелands Library Exchange](#)

109 South 5th Street
Marshall, MN 56258
507-532-9013 800-788-6479

[Southeastern Libraries Cooperating/Southeast Library Systems \(SELCO/SELS\)](#)

2600 19th Street N.W.
Rochester, MN 55901
507-288-5513 800-992-5061

[Traverse des Sioux Library System](#)

1400 Madison Ave., Suite 622
Mankato, MN 56001
833-837-5422

[Viking Library System](#)

1915 Fir Ave. W.
Fergus Falls, MN 56537
218-739-5286

Law Libraries

[Anoka County Law Library](#)

2100 3rd Ave. STE E130
Anoka, MN 55303
763-324-5560

[Carver County Law Library](#)

Carver County Government Center
604 E. Fourth Street
Chaska, MN 55318
952-361-1564

[Clay County Law Library](#)

Clay County Courthouse -Lower level
807 11th Street N., P.O. Box 280
Moorhead, MN 56561
218-299-7522

Dakota County Law Library

651-438-8080

[Hastings Judicial Center](#)

1560 W. Highway 55
Hastings, MN 55033

[Apple Valley -Galaxy Library](#)

14955 Galaxie Ave.
Apple Valley, MN 55124

[Mitchell Hamline School of Law](#)

Warren E. Burger Law Library
875 Summit Ave.
St. Paul, MN 55105
651-290-6424

[Hennepin County Law Library](#)

300 S. 6th Street (C-tower)
Minneapolis, MN 55487
612-348-3022

[Minnesota State Law Library](#)

G25 Minnesota Judicial Center
25 Rev. Dr. Martin Luther King, Jr. Blvd.
St. Paul, MN 55155
651-297-7651

[Olmsted County Law Library](#)

151 4th Street S.E., 5th Floor
Rochester, MN 55904
507-218-3778

[Ramsey County Law Library](#)

1815 Courthouse
15 Kellogg Blvd. W.
St. Paul, MN 55102
651-266-8391

[St. Louis County Law Library](#)

St. Louis County Government Center
100 North 5th Ave. W.
Duluth, MN 55802
218-726-2611

[Scott County Law Library](#)

Scott County Government Center
200 4th Ave. W.
Shakopee, MN 55379
952-496-8713

[Sherburne County Law Library](#)

Sherburne County Government Center
13880 Highway 10
Elk River, MN 55330-4608
763-765-4800

[Stearns County Law Help Center](#)

725 Courthouse Square, Room 105
St. Cloud, MN 56303
320-656-3630

[U.S. Eighth Circuit Court Libraries](#)

[University of Minnesota Law Library](#)

Walter F. Mondale Hall
229 19th Ave. S.
Minneapolis, MN 55455
612-625-4300

[University of St. Thomas](#)

Shoenecker Law Library
1101 Harmon Place
Minneapolis, MN 55403
651-962-4902 | libweb@stthomas.edu

[Washington County Law Library](#)

Government Center
14949 62nd St. N.
P.O. Box 6
Stillwater, MN 55082
651-430-6330

Note: There are county law libraries in each county. Information about the County Law Library Program is available from the [Minnesota State Law Library](#).

Government Document Depository Libraries

[Anoka County Library](#)

Northtown Library
711 County Hwy 10 Frontage Rd.
Blaine, MN 55434-2398
763-717-3267

[Bemidji State University](#)

A.C. Clark Library
1500 Birchmont Drive N.E.
Bemidji, MN 56601-2699
218-755-3342

[Carleton College](#)

Lawrence McKinley Gould Library
One North College Street
Northfield, MN 55057
507-646-4264

[Dakota County Library System](#)

Wescott Library
1340 Wescott Road
Eagan, MN 55123-1099
651-688-1500

[Duluth Public Library](#)

520 West Superior Street
Duluth, MN 55802-1578
218-723-4243

[Gustavus Adolphus College](#)

Folke Bernadotte Memorial Library
800 W. College Ave.
St. Peter, MN 56082
507-933-7567

[Hennepin County Library System](#)

Minneapolis Central Library
Business/Science/Government Documents Division
300 Nicollet Ave.
Minneapolis, MN 55401
612-543-5669

[Minnesota State Law Library](#)

Room G25, Minnesota Judicial Center
25 Rev. Martin Luther King, Jr. Blvd.
St. Paul, MN 55155
651-297-7651

[Minnesota State University–Mankato](#)

Memorial Library
601 Maywood Ave.
Mankato, MN 56002-8419
507-389-5931

[Minnesota State University Moorhead](#)

Livingston Lord Library
1104 7th Ave. S.
Moorhead, MN 56563
218-236-2349

[Mitchell Hamline School of Law](#)

Warren E. Burger Law Library
875 Summit Ave.
St. Paul, MN 55105
651-290-6424

[St. Cloud State University](#)

Learning Resources and Technical Services
James W. Miller Learning Resource Center, MC130-B
720 4th Ave. S.
St. Cloud, MN 56301-4998
320-308-4755

[St. Olaf College](#)

Rolvaa Memorial Library
1510 St. Olaf Ave.
Northfield, MN 55057-1093
507-646-3452

[St. Paul Public Library](#)

Central Library
Government Publications
90 W. 4th Street
St. Paul, MN 55102
651-226-7000

[Southwest Minnesota State University Library](#)

McFarland Library - Government Documents
1501 State Street
Marshall, MN 56258
507-537-6176

[University of Minnesota](#)

[Government Publications Library](#)

499 Wilson Library
309 19th Ave. S.
Minneapolis, MN 55455
612-624-332 | govref@umn.edu

[University of Minnesota](#)

[Magrath Library](#)

Government Documents
1984 Buford Ave.
St. Paul, MN 55108
612-624-2233

[University of Minnesota Morris](#)

Rodney A. Briggs Library
600 E. 4th Street
Morris, MN 56267
320-589-6175

[University of Minnesota -Duluth](#)

Kathryn A. Martin Library L274
416 Library Drive
Duluth, MN 55812
218-726-8102

[Winona State University](#)

Main Library
176 West Mark Street
Winona, MN 55987
507-457-5140

LOCAL ASSISTANCE FOR SMALL BUSINESSES

Business Accelerators / Incubators / Other

[Small Business Partnerships Program](#)

DEED partners with local and regional community-based organizations across the state to support the startup, growth, and success of diverse entrepreneurs and small business owners through the delivery of high quality free or low cost professional business development and technical assistance services.

Partners represent and empower the success of businesses owned and operated by Black, Indigenous, and people of color (BIPOC) individuals, veteran, women, persons with disabilities, and entrepreneurs located in Greater Minnesota.

mnsbp.deed@state.mn.us

[Entrepreneur, Startup, and Small Business Support Organizations](#)

4-Directions Development

23748 MN Hwy 1 East
Red Lake, MN 56671
218-679-4332

[BETA](#)

1317 Marshall Street NE
Minneapolis, MN 55412
hello@beta.mn

[BevSource](#)

Provides beverage development, sourcing, and production solutions to new and established beverage businesses,

219 Little Canada Road E #100
St Paul, MN 55117
866-541-8756 | info@bevsource.com

[The Lab](#)

A small scale beverage pilot & testing facility.

[City Food Studio](#)

3722 Chicago Ave. S.
Minneapolis, MN 55407
612-598-5903 | kitchen@cityfoodstudio.com

[Cleantech Open Midwest](#)

University of St. Thomas
1000 LaSalle Ave.
Minneapolis, MN 55403
midwest@cleantechopen.org

[Crookston Housing & Economic Development Authority \(CHEDA\) - Crookston Business Development Center Valley Technology Center](#)

510 County Road 71
Crookston, MN 56716

[East Side Neighborhood Development Company, Inc.](#)

925 Payne Ave., Suite 201
St. Paul, Minnesota 55130
651-288-8750

[FoodOps](#)

Scaling up, new product development, food safety, quality systems, co-manufacturing solutions, product support.

626-354-1523

[Frogtown Entrepreneur Center Crossroads](#)

Neighborhood Development Center (NDC)
625 / 663 University Ave., Suite 200
St. Paul, MN 55104
651-291-2480 | info@ndc-mn.org

[ger8tor - MSP Equity Accelerator](#)

Nationally-ranked venture capital firm and accelerator that brings together startup founders, investors, corporations, job seekers, universities, musicians and artists. Platform includes 75+ programs spanning startup accelerators, corporate programming, speaker series, conferences, skills accelerators and fellowships.
414-502-8880 | info@gener8tor.com

Gia Kitchen

955 N. Mackubin Street
St. Paul, MN 55117

[IgniteMN](#)

419 Bush Street
Red Wing, MN 55066
651-327-2626 | info@ignitemn.org

[Mercado Central](#)

Neighborhood Development Center (NDC)
1515 E. Lake Street
Minneapolis, MN 55407
612-728-5485 | info@mimercadocentral.com

[Midtown Global Market](#)

Neighborhood Development Center (NDC)
920 E. Lake Street
Minneapolis, MN 55407
612-872-4041

[MSP Kitchenery](#)

Rental commercial kitchens.
-425 US-169, Plymouth, MN 55441
-919 Dale St N, St Paul, MN 55103
-138 Jackson Ave N, Hopkins, MN 55343
651-334-8821 | mspkitchenery@gmail.com

[New American Development Center](#)

2614 Nicollet Ave S #207
Minneapolis, MN 55408
612-823-0180 | info@nadcmn.org

[Next Stage](#)

Nonprofit organization whose mission is to support entrepreneurs at every stage. Service area: Carver, Hennepin, and Scott counties and the city of Minneapolis.
612-254-7459 | info@nextstagemn.org

[Northside Economic Opportunity Network \(NEON\)](#)

1007 W. Broadway Ave. N.
Minneapolis, MN 55411
612-302-1505 | info@neon-mn.org

[North Shore Business Enterprise Center](#)

P.O. Box 248
Two Harbors, MN 55616
218-834-3384 | nsbec@lakenet.com

[Owatonna Area Business Development Center](#)

1065 24th Ave. SW
Owatonna, MN 55060
507-451-0517

[Redsign, Inc.](#)

2708 E Lake Street, 300
Minneapolis, MN 55406
612-338-8729 | info@redesigninc.org

[Scott County Center for Entrepreneurship](#)

323 Naumkeag St.
Shakopee, MN 55379
952-492-9022 | cda-info@scott.cda.org

[Springboard for the Arts](#)

262 University Ave. W.
St. Paul, MN 55103
651-292-4381

201 West Lincoln Ave.
Fergus Falls, MN 56537
218-998-4037

[The Good Acre](#)

Food hub, warehouse storage space, and commercial kitchen rental.
1790 Larpenteur Avenue West
Falcon Heights, MN 55113
651-493-7158

[University Enterprise Laboratories \(UEL\) - U of M](#)

Facility with lab, office space, and supportive programming for early-stage life science, biotech, agriculture, healthcare, materials science, and analytics companies.
1000 Westgate
St. Paul, MN 55114
651-641-2804 | info@uelmn.org

[University of MN Duluth \(UMD\) Natural Resources Research Institute \(NRRI\)](#)

5013 Miller Trunk Highway
Hermantown, MN 55811
218-788-2694 800-234-0054 | nrriinfo@d.umn.edu

[West Broadway Business & Area Coalition \(WBC\)](#)

1011 W. Broadway Ave., Suite #202
Minneapolis, MN 55411
612-353-5178 | info@westbroadway.org

MANAGEMENT ASSISTANCE / MENTORS

[SCORE](#)

SCORE is a 501(c)(3) nonprofit organization and a resource partner of the U.S. Small Business Administration (SBA). The nation's largest network of volunteer, expert business mentors, is dedicated to helping small businesses get off the ground, grow and achieve their goals.

SCORE provides a wide range of services to established and budding business owners alike, including: Mentoring; Webinars and Courses on Demand; Library of Online Resources; and Local Events.

[SCORE Minnesota Client Resource Guide](#)

SCORE Minnesota Chapter Offices

[SCORE Twin Cities](#)

Serving the Twin Cities, Northern and Central MN, Northwest and Western WI areas.
220 South River Ridge Circle
Burnsville, MN 55337
952-938-4570 | twincities@scorevolunteer.org

[SCORE Southern Minnesota](#)

Serving Rochester and Southeast Minnesota.
220 South Broadway, Suite 100
Rochester, MN 55904
507-200-0760

[Minnesota Small Business Development Centers \(Mn SBDCs\)](#)

Operating through a network of nine statewide regional centers, they offer confidential consulting to help clients identify, understand and overcome the challenges of running a successful business.

SBDC counselors have significant experience in the private sector, including extensive management and financial consulting backgrounds. Many SBDCs also use qualified faculty, students and volunteers to enhance their counseling services.

State Administrative Office
180 E 5th Street, Suite 1200
St. Paul, MN 55101-1678
651-259-7423 877-653-8333

[Find an SBDC](#)

SBDC Locations

[Twin Cities Metro Area SBDC](#)

University of St. Thomas
Terrance Murphy Hall 100
1000 LaSalle Ave.
Minneapolis, MN 55403
651-962-4503 | smallbusiness@stthomas.edu

[Northwest Region SBDC](#)

Northwest Minnesota Foundation
201 3rd Street N.W.
Bemidji, MN 56602
218-759-2057 800-659-7859

[North Central Region SBDC](#)

Central Lakes College
501 W. College Drive
Brainerd, MN 56401
218-855-8140 | sbdc@clcmn.edu

Satellite/Outreach Centers:

[Brainerd Lakes Area Economic Development Corporation \(BLAEDC\)](#)

224 West Washington Street
Brainerd, MN 56401
218-828-0096

[Cass County Economic Development Corporation](#)

303 Minnesota Ave. W. P.O. Box 1606
Walker, MN 56484
218-547-7262 | cass.edc@casscountymn.gov

[Chisago County HRA/EDA](#)

38871 7th Ave.
North Branch, MN 55056
651-674-5664

[Northeast Region - Northland SBDC](#)

Northland Foundation
Sellwood Building
202 W. Superior Street 800
Duluth, MN 55802
218-740-7307 | info@northlandsbdc.org

Satellite/Outreach Centers:

Cook County / Grand Marais EDA
Grand Marais
300 West Third Street
Grand Marais, MN 55604
651-336-2964

Itasca Economic Development Corporation
1201 SE 7th Ave
Grand Rapids, MN 55744
218-326-9411

Hibbing / Chisholm
218-740-7313

Quad Cities / East Range
Minnesota North College
1001 West Chestnut Street
Virginia, MN 55792
218-461-9951

[West Central Region SBDC](#)

Minnesota State Community and Technical College
1900 28th Avenue S.
Moorhead, MN 56560
218-299-6605

[Southwest SBDC](#)

Southwest Minnesota State University
1501 State Street
Science and Technology Building
Room 211A
Marshall, MN 56258
507-537-7386 | sbdc@smsu.edu

[South Central Region SBDC](#)

Minnesota State University, Mankato
115 Alumni and Foundation Center
Mankato, MN 56001
507-389-8875 | info@southcentralmnsbdc.com

[Southeast Region SBDC](#)

RAEDI (Rochester Area Economic Development, Inc.)
221 First Ave. SW, Suite 600
(Located on the 6th floor of the MN BioBusiness Center)
Rochester, MN 55902
507-738-1002 | info@rochestersbdc.com

Satellite/Outreach Centers:

[ACHLA – Alliance of Chicanos, Hispanics and Latin Americans](#)

[Development Corporation of Austin \(DCA\)](#)

507-443-9495

[Collider Foundation](#)

221 First Ave. SW, STE 610
Rochester, MN 55902
507-405-0683 | hello@collider.mn

[Fairbault Area Chamber of Commerce and Tourism](#)

[Owatonna Area Business Development Center](#)

507-451-0517

[Central Region SBDC](#)

St. Cloud State University
720 4th Avenue South
Miller Center, Room B42
St. Cloud, MN 56301
320-308-4842

Other

[Bloomington Port Authority](#)

Works with individuals, businesses, developers, and partners to start or grow a small business, bring your company to Bloomington or expand an existing company, provides guidance on grants, loans, or resources for businesses of any size.

1800 West Old Shakopee Road
Bloomington, MN 55431-3027
952-563-8700 (MN Relay 711)

[Boots to Business Programs](#)

Boots to Business Programs consist of Boots to Business (B2B), Boots to Business Reboot (B2BR), and Military Spouse Pathway to Business Courses. These courses are entrepreneurial education and training programs offered by the U.S. Small Business Administration (SBA). B2B is offered by the U.S. Small Business Administration (SBA) as part of the Department of War Transition Assistance Program (TAP).

B2BR is the same curriculum, offered off-installation. The Military Spouse Pathway to Business Course is a similar curriculum, with a focus on the unique challenges faced by a spouse living the military lifestyle. Active-Duty Service members (including National Guard

and Reserve), Veterans of all eras, and spouses are eligible to participate. that provide an overview of entrepreneurship and applicable business ownership fundamental.

CEDA (Community & Economic Development Assoc.)

Assist small businesses with start-up, expansion, relocation, business plans, loan analysis, and marketing.
1500 South Highway 52 PO Box 483
Chatfield, MN 55923
507-867-3164 | info@cedausa.com

Hennepin County - Economic Development Resource

Elevate Hennepin

Connecting Hennepin County business owners to advisors, services, and resources.
elevate@hennepin.us

Led by Truth

Organization that is centered around Black, Indigenous, and People of Color (BIPOC) entrepreneurs by providing support from other BIPOC business owners & BIPOC experts including mentorship and business coaching.

MB Mentors

Source for free and confidential small business coaching and advising to both start-up and established small businesses.
5775 Wayzata Blvd. Suite 700
Minneapolis, MN 55416
612-516-5342 | info@MBMentors.org

Metropolitan Consortium of Community Developers (MCCD)

3137 Chicago Ave.
Minneapolis, MN 55407
612-789-7337 | info@mccdmn.org

Business Services

Minneapolis, City of

Small Business Technical Assistance Program (B-TAP)

City of Minneapolis program was created to provide consulting support to small- and medium-sized businesses located in Minneapolis.
Public Service Building
505 Fourth Ave S, Room 320
612-673-2499 | smallbusiness@minneapolismn.gov

MN State University -Mankato College of Business Center for Innovation & Entrepreneurship (CIE)

Mission is to facilitate the launch of the next generation of entrepreneurs, innovators and dynamic organizations through education, outreach and research. Serve all students and faculty from any discipline as well as the regional community.
Minnesota State University, Mankato,
Morris Hall 145
Mankato, MN 56001
507-389-1018 | cie@mnsu.org

Naturally Minnesota

Helping natural products entrepreneurs and professionals find their unique paths to success.
info@naturallyminnesota.org

Social Enterprise MSP

Supports, guides, and connects local community to the resources, networks, and institutions they need to lead the purpose-driven economy.
info@socialenterprisemsp.org

St. Paul

Planning & Economic Development (PED) Business Resources

City Hall Annex
25 West 4th Street, Suite 1300
St. Paul, MN 55102
651-266-6565

Open for Business

University of Minnesota Extension Retaining businesses in your community

Program is designed to help communities retain and expand their businesses.

University of Minnesota

Minnesota Technical Assistance Program (MnTAP)

Minnesota Materials Exchange
Providing a business-reuse network.
200 Beacon Street S.E., Suite 350-1
Minneapolis, MN 55455
612-624-4633 800-247-0015

Women Entrepreneurs of Minnesota (WeMN)

info@wemn.org

MANAGEMENT / BUSINESS DEVELOPMENT ASSISTANCE FOR MINORITY OWNED BUSINESSES

African Development Center (ADC) of Minnesota

1931 South 5th Street
Minneapolis, MN 55454
612-333-4772 877-232-4775

ADC Rochester
415 16th Street S.W.
Rochester, MN 55902
507-282-7333 877-232-4775

ADC St. Cloud
101 7th Avenue S. Suite 201
St. Cloud, MN 56301
320-204-5310

ADC Willmar
518 Litchfield Ave. S.W.
Willmar, MN 56201
320-262-8545 877-232-4775

African Economic Development Solutions (AEDS)

1821 University Ave. W., Suite S-145
St. Paul, MN 55104
651-646-9411 | info@aeds-mn.org

[Asian Economic Development Association \(AEDA\)](#)

422 University Ave. W., Suite 14
St. Paul, MN 55103
651-222-7798 | info@aedmn.org

[Black Women's Wealth Alliance \(BWWA\)](#)

1200 West Broadway Ave. N., Suite 250
Minneapolis, MN 55411
612-256-0110 | info@bwwa-us.com

[Itasca Economic Development Corporation](#)

12 Northwest 3rd Street
Grand Rapids, MN 55744
218-326-9411 888-890-5627

[Lake Street Council](#)

2925 Chicago Ave. S Ste. 190
Minneapolis, MN 55407
612-822-0232

[Latino Economic Development Center \(LEDC\)](#)

804 Margaret Street
St. Paul, MN 55106
651-724-5332

[LegalCORPS Entrepreneurs in Our Communities](#)

The program is a LegalCORPS initiative to make non-litigation business law services more accessible to under-resourced communities throughout Minnesota. We partner with locally focused organizations that have built trusting relationships with their service areas who then refer clients to LegalCORPS when appropriate.

1000 LaSalle Ave TMH331
Minneapolis, MN 55403
612-206-0780 | info@legalcorps.org

[Lunar Startups](#)

Specializes in growth, connection, and innovation for Black, Indigenous, people of color (BIPOC), LGBTQ+, women, and non-binary entrepreneurs.

1908 University Ave West
St. Paul, MN 55104
hello@lunarstartups.org

[Metropolitan Economic Development Association \(MEDA\)](#)

[Ascend Twin Cities](#)

A professional development program that offers management education and access to contract opportunities with participating Ascend Anchor companies. It's designed to help underserved entrepreneurs prepare to scale their businesses through a curriculum focused on contract-readiness delivered by the Holmes Center for Entrepreneurship at the Carlson School of Management. Cohort members also have access to MEDA's technical assistance and lending services for contract financing.

[Minority Business Development Agency \(MBDA\) Business Center](#)

MBDA Business Center is a part of a nationwide network of thirty-nine centers. Operated by MEDA, the MBDA is the only federal agency created specifically to foster the growth of minority owned businesses in America.

1256 Penn Avenue North
Minneapolis, MN 55411
612-332-6332 | info@meda.net

[Minnesota Black Chamber of Commerce](#)

401 N. Robert Street, Suite 150
St. Paul, MN 55101
651-224-4320 | info@minnesotablackchamber.org

[Minnesota Hmong Chamber of Commerce](#)

401 Robert Street N #150
St. Paul, MN 55101
651-265-2780

[Minnesota Indigenous Business Alliance](#)

P.O. Box 40354
St. Paul, MN 55104
651-646-1033 | info@mniba.org

[Mni Sota Fund](#)

Provides training and access to capital in order to promote home ownership, entrepreneurship, and financial capabilities among American Indian men and women throughout the state of Minnesota.

817 Fifth Avenue South – 4th Floor
Minneapolis, MN 55404
612-225-0480 | info@mnisotafund.org

[North Central Minority Supplier Development Council \(NCMSDC\)](#)

1041 Grand Ave #342
St. Paul, MN 55105
612-465-8881 | info@mmsdc.org

[Native American Community Development Institute \(NACDI\)](#)

1414 East Franklin Ave.
Minneapolis, MN 55404
612-425-4675 | info@nacdi.org

[Neighborhood Development Center \(NDC\)](#)

625 University Ave.
St. Paul, MN 55104
651-291-2480

[Northside Economic Opportunity Network \(NEON\)](#)

1007 W. Broadway Ave. N.
Minneapolis, MN 55411
612-302-1505 | info@neon-mn.org

[Red Lake Nation Planning & Economic Development](#)

Economic Development & Planning Department
P.O. Box 587
Red Lake, MN 56671
218-679-1455

[Twin Cities Quorum](#)

Non-profit organization based in the Twin Cities working to advocate, promote, and facilitate the success of the LGBTQ+ business community.
2446 University Ave. W., Suite 112
St. Paul, MN 55114
612-460-8153 | info@twincitiesquorum.com

Women's Business Centers (WBCs)

[WomenVenture](#)

165 Western Ave North, Suite 8, Office 100
St. Paul, MN 55102
612-224-9540

[Women's Business Alliance \(WBA\) - Entrepreneur Fund, Inc.](#)

202 W. Superior Street, Suite 311
Duluth, MN 55802
218-623-5747

[Women's Business Development Center \(WBDC\) – Minnesota](#)

Provides WBE (Women's Business Enterprise) Certification to majority-owned women's businesses in Minnesota.
165 Western Ave N, Suite 8
St. Paul, MN 55102
312-853-3477 x 300 | wbdc-mn@wbdc.org

[Women's Business Enterprise National Council \(WBENC\)](#)

[WBE \(Women's Business Enterprise\) Certification](#)

PROCUREMENT / PURCHASING / CERTIFICATION / OTHER ASSISTANCE

FEDERAL CONTACTS

[Federal Service Desk](#)

[Sam.gov](#)

The System for Award Management (SAM) is the Official U.S. Government system central hub for doing business with the U.S. Federal Government. Managed by the General Services Administration (GSA), it serves as the official repository for entity registration, contract opportunities, and award data.

U.S. Department of Commerce

[Minority Business Development Agency \(MBDA\) Business Center](#)

Part of a nationwide network of thirty-nine centers. Operated by MEDA, the MBDA is the only federal agency created specifically to foster the growth of minority owned businesses in America.
1256 Penn Avenue North
Minneapolis, MN 55411
612-259-6564 | info@meda.net

U.S. Department of Labor (DOL)

[Office of Small and Disadvantaged Business Utilization \(OSDBU\)](#)

Administers DOL's responsibility to ensure procurement opportunities for small businesses, small disadvantaged businesses, women-owned small businesses, HUBZone businesses, and businesses owned by service-disabled veterans.
200 Constitution Ave. N.W.
Washington, DC 20210
866-487-2365

U.S. Small Business Administration (SBA)

[8\(a\) Business Development Program](#)

[Federal Contracting](#)

[HUBZone Program](#)

[MySBA Certifications](#)

[Veteran Small Business Certification \(VetCert\)](#)

Veteran-owned small businesses can use this application to be certified by SBA to compete for federal contracts. Certified veteran-owned small businesses (VOSBs) will have the opportunity to pursue sole-source and set-aside contracts at the Department of Veterans Affairs under the VA's Vets First program. Certified service-disabled veteran-owned small businesses (SDVOSBs) will have the opportunity to compete for federal sole-source and set-aside contracts across the federal government.

Veterans Affairs, U.S. Department of

Vendor Information Pages
202-303-3260

STATE CONTACTS

Minnesota Department of Administration

112 Administration Building
50 Sherburne Ave.
St. Paul, MN 55155

[Office of State Procurement \(OSP\)](#)

State of Minnesota's central procurement office.

[Office of Equity in Procurement \(OEP\)](#)

It promotes opportunities to do business with the state, and provide assistance to small businesses owned by women, minorities, people with substantial physical disabilities, and veterans as they seek state contracts.

[Small Business Certification](#)

Navigate the state's certification program for businesses owned by minorities, women, veterans, people with disabilities, and those from economically disadvantaged areas.

[Solicitation Announcements](#)

Track solicitations for goods and services, construction contracts, and professional/technical service contracts, as well as other public postings.

[Training and Events](#)

[Business Services](#)

[Vendor Information](#)

[Vendor Registration](#)

[Vendor FAQs](#)

[Apex Accelerator](#)

Provides technical and marketing assistance to all Minnesota businesses interested in selling their products and services to the government on the federal, state, and local levels.

[Small Business Procurement Program](#)

Navigate the state's certification program for businesses owned by minorities, women, veterans, people with disabilities, and those from economically disadvantaged areas.

[Minnesota Unified Certification Program \(MNUCP\)](#)

Group of state and local agencies who work together to certify DBE's. The current certifying agencies are: City of Minneapolis, Metropolitan Airports Commission, Metropolitan Council, MN Dept. of Transportation.

[City of Minneapolis - Procurement](#)

612-673-2500

[Metropolitan Airports Commission \(MAC\)](#)

[- Doing Business](#)

612-726-8100

[Small + Disadvantaged Businesses](#)

[Metropolitan Council](#)

[Disadvantaged Business Enterprises \(DBE\)](#)

[MnDOT -Office of Civil Rights](#)

Small business programs
651-366-3071

REGIONAL / COUNTY / CITY CONTACTS

[Women's Business Development Center \(WBDC\)](#)

[- Minnesota](#)

2021 E. Hennepin Ave., Suite 200
Minneapolis, MN 55413
612-259-6584 | wbdc-mn@wbdc.org

[Metropolitan Council](#)

Office of Diversity
390 Robert Street N.
St. Paul, MN 55101
651-602-1000

[Doing Business with the Council](#)

[Small Business Programs](#)

[Disadvantaged Business Enterprise Programs \(DBE\)](#)

[Metropolitan Council Underutilized Business Program \(MCUB\)](#)

[Central Certification Program \(CERT\)](#)

Program is a small business certification program recognized by Hennepin County, Ramsey County, City of Minneapolis and the City of Saint Paul. The CERT Program certifies small businesses, including small Minority-Owned Business Enterprises (MBE) and small Women-Owned Business Enterprises (WBE).

CERT Program also certifies Emerging Small Business Enterprises (ESBE), which are a subset of the small business marketplace.

15 W. Kellogg Blvd.
280 City Hall
Saint Paul, MN 55102
651-266-8904

[Hennepin County](#)

A-1730 Government Center
300 South Sixth Street
Minneapolis, MN 55487-0175
612-348-3181

[Ramsey County](#)

[Contracts & Vendors](#)

[City of Minneapolis](#)

[Procurement](#)

[City of St. Paul](#)

[Anoka County Purchasing](#)

Government Center
2100 3rd Ave.
Anoka, MN 55303
763-324-1752

[Olmsted County Purchasing](#)

2122 Campus Dr. SE, Suite 200
Rochester, MN 55901
507-328-7085

[St. Louis County Purchasing](#)

Purchasing Division
AP Cook Building
2503 Rice Lake Road,
Duluth, MN 55811
218-726-2526

[Stearns County](#)

Procurement Office
3301 County Road 138
Waite Park, MN 56387
320-656-3977

[Bloomington](#)

Purchasing
1800 West Old Shakopee Road
Bloomington, MN 55431-3027
952-563-8856

[Duluth](#)

Purchasing Department
411 W. 1st Street, Room 100
Duluth, MN 55802
218-730-5340

Note: This is only a partial listing of city and county offices. Further information can be obtained by contacting individual city and county offices.

MINORITY SUPPLIER ASSISTANCE

[Metropolitan Economic Development Association \(MEDA\)](#)

Provides business development services, business financing and access to market opportunities to support entrepreneurs of color.
1256 Penn Avenue North
Minneapolis, MN 55411
612-332-6332 | info@meda.net

[North Central Minority Supplier Development Council \(NCMSDC\)](#)

Minority Business Enterprises (MBE) certification.
1041 Grand Ave #342
St. Paul, MN 55105
612-465-8881 | info@mmsdc.org

[University of Minnesota Office for Supplier Diversity](#)

Office for Supplier Diversity works with businesses owned by women, BIPOC, and disabled individuals, and with other underserved businesses, to facilitate their integration into the University supply chain.
2221 University Ave. S.E., Suite 136
Minneapolis, Minnesota 55414
612-624-0530 | osd@umn.edu

OTHER

[D-U-N-S Number](#)

Dun & Bradstreet (D&B) provides a D-U-N-S Number, a unique nine digit identification number, for each physical location of your business. D-U-N-S Number assignment is FREE for all businesses required to register with the U.S. Federal government for contracts or grants.

[MN-Small Business Innovation Research \(SBIR\) / Small Business Technology Transfer \(STTR\)](#)

MNSBIR, Inc. is a science and technology-based non-profit organization to assist startups and small businesses in Minnesota to access non-dilutive funding from programs like the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR), as well as other federal funding opportunities.

[Enterprise Minnesota](#)

Enterprise Minnesota is an ISO 9001:2015 certified consulting organization that works with medium and smaller manufacturing enterprises to help them compete and grow profitably.
2100 Summer Street N.E., Suite 150
Minneapolis, MN 55413
612-373-2900 | contactus@enterpriseminnesota.org

TAX AND ACCOUNTING ASSISTANCE

[Minnesota Association of Public Accountants](#)

PO Box 301
Big Lake, MN 55309
612-366-1983

[Minnesota Society of Certified Public Accountants](#)

1650 W. 82nd Street, Suite 600
Bloomington, MN 55431
952-831-2707 800-331-4288
customerservice@mncpa.org

[Minnesota Chapter of Enrolled Agents \(MNC EA\)](#)

202-822-6232 | info@naea.org

[Prepare + Prosper](#)

2610 University Ave. W., Suite 450
St. Paul, MN 55114
651-287-0187 | contact@prepareandprosper.org

ADDITIONAL RESOURCES

ADA INFORMATION

[ADA.gov](#)

Americans with Disabilities Act (ADA) Assistance
Information and technical assistance on the Americans with Disabilities Act.

[ADA Business Connection](#)

COUNTY LICENSING AGENTS

[Anoka County](#)

License Bureau / Government Center
2100 3rd Ave.
Anoka, MN 55303
763-324-4000

Clay County

Auditor -Clay County Courthouse 2nd Floor
807 11th Street N., 2nd Floor
Moorhead, MN 56560
218-299-5006

Dakota County

Public Services
1590 Highway 55
Hastings, MN 55033
651-438-4372 | psr@co.dakota.mn.us

Hennepin County - Business

612-348-3000

Olmsted County

Public Health Services
2100 Campus Drive S.E., Suite 100
Rochester, MN 55904
507-328-7500

Ramsey County

Property Records & Revenue Department
90 West Plato Blvd.
St. Paul, MN 55107
651-266-2000

[Licenses, Permits & Inspections](#)

[Food & Vending](#)

651-266-1199

Scott County

Government Center
200 Fourth Ave. W.
Shakopee, MN 55379
952-445-7750

Sherburne County

Auditor/Treasurer
13880 Business Center Drive N.W.
Elk River, MN 55330
763-765-4350

Stearns County

Auditor-Treasurer
705 Courthouse Square
St. Cloud, MN 56303
320-656-3900

St. Louis County - Licenses

St. Louis County Courthouse
100 North 5th Avenue West
Duluth, MN 55802
218-726-2000

Washington County

14949 62nd Street N.
Stillwater, MN 55082
651-430-6175

CITY LICENSING CONTACTS

Bloomington

City Clerk's Office
1800 W. Old Shakopee Road
Bloomington, MN 55431-3027
952-563-8728

Brooklyn Center

6301 Shingle Creek Parkway
Brooklyn Center, MN 55430
763-569-3300

Brooklyn Park

5200 85th Ave. N.
Brooklyn Park, MN 55443
763-493-8182

Coon Rapids

City Clerk
11155 Robinson Drive
Coon Rapids, MN 55433
763-767-6493

Duluth

411 W. First Street
Duluth, MN 55802
218-730-5240

Eagan

City Clerk Permits
3830 Pilot Knob Road
Eagan, MN 55122
651-675-5034

Minneapolis

City Hall, Room 107
350 South Fifth Street
Minneapolis, MN 55415-1391
612-673-2080

Plymouth

3400 Plymouth Blvd.
Plymouth, MN 55447-1482
763-509-5080

Rochester

City Clerk's Office
201 4th Street SE
Rochester, MN 55904
507-328-2311

St. Cloud

City Clerk
1201 7th Street S
St. Cloud, MN 56301
320-255-7210

St. Paul

Department of Safety & Inspections
375 Jackson Street, Suite 220
St. Paul, MN 55101
651-266-8989

[PAULIE - St. Paul's Permitting and Licensing Platform](#)

*This is only a partial listing of the larger cities business licensing offices.

CO-WORKING / CREATIVE / INCUBATOR SPACES

[B Suite](#)

Provides premium facilities, services, and events that are designed to meet the specific needs of Black professionals.

[Coco](#)

[Downtown Minneapolis](#)

Minneapolis Grain Exchange Building
400 S. 4th Street, Suite 401
Minneapolis, MN 55415
612-800-8424 | downtownmpls@workatcoco.com

[Northeast Minneapolis](#)

1400 Van Buren St. N.E., Ste. #200
Minneapolis, MN 55413
612-800-8424 | northeast@workatcoco.com

[Collider Coworking](#)

221 1st Ave SW STE 610
Rochester, MN 55902
507-405-0683 | hello@collider.mn

[Duluth Creative Co.](#)

317 W Superior St.
Duluth, MN 55802
218-608-0310

[Evolve Workplace, LLC](#)

260 Wentworth Ave. E.
St. Paul, MN 55118
651-888-9112 | info@evolveworkplace.com

[Expansive](#)

TriTech Center
331 2nd Ave. S.
Minneapolis, MN 55401
877-301-6217

[Finnovation Institute](#)

info@finnovationinstitute.org

[FLOCK](#)

2611 1st Ave. South
Minneapolis, MN 55408
612-500-2100 | info@flockmpls.com

[University of Minnesota](#)

[Food Science and Nutrition](#)

1334 Eckles Ave.
St. Paul, MN 55108

[Havn Co.](#)

201 N Riverfront Drive Suite 120
Mankato, MN 56001
507-609-0593 | hello@havn-co.com

[Impact Hub MSP](#)

Coworking, shared and dedicated workspaces, community-led workshops, and facilitate peer-to-peer learning.

825 Washington Ave. S.E.
Minneapolis, MN 55414
651-318-2800 | host.msp@impacthub.net

[Industrious Office](#)

Minneapolis -Downtown
60 South 6th Street
Minneapolis, MN 55402
651-796-2331 | info@industriousoffice.com

Minneapolis -North Loop
323 Washington Ave. N.
Minneapolis, MN 55401
651-900-7900

[Incubology](#)

Brings technology start-ups together in a shared environment. Dedicated lab and office space. Entrepreneurs from diverse disciplines including biotech, pharma, device, nano and chem.

3510 Hopkins Place N Building 4
Oakdale, MN 55128
bd@blossom-medical.com

[IgniteMN](#)

419 Bush Street
Red Wing, MN 55066
651-327-2626 | info@ignite.mnorg

[LaunchPad](#)

102 1st Street W.
Bemidji, MN 56601
218-444-5758 | Launchpad@greaterbemidji.com

[Lift Bridge Cowork](#)

310 1/2 Main Street S.
Stillwater, MN 55082
651-300-4952 | hello@liftbridgecowork.com

[Lifetime Work](#)

West End - St. Louis Park
1600 West End Tower, Utica Ave South
St. Louis Park, MN 55416
952-358-6360

Southdale
200 Southdale Center
Edina, MN 55435
952-257-7190

Life Time Work Downtown Minneapolis
30 South 9th Street, 7th Floor
Minneapolis, MN 55402
612-230-0355

[Local Collective](#)

523 Jackson Street
St. Paul, MN 55101
651-395-7606

ModernWell

2909 S Wayzata Blvd.
Minneapolis, MN 55405
763-999-7920 | minneapolis@modernwell.com

985 Lake Street East
Wayzata, MN 55391
952-600--5371 | wayzata@modernwell.com

Naturally Minnesota

Helping natural products entrepreneurs and professionals find their unique paths to success.
info@naturallyminnesota.org

New Rules

2015 N. Lowry
Minneapolis, MN 55411

Northside Economic Opportunity Network (NEON)

1007 W. Broadway Ave. N.
Minneapolis, MN 55411
612-302-1505 | info@neon-mn.org

OffiCenters

612-349-2700 | hello@offcenters.com

Locations: Edina, Bloomington/Airport,
Bloomington/West, Mpls.-North Loop,
Minnetonka, St. Louis Park, Woodbury

Regus - Minnesota

Individual offices, dedicated coworking desk, day offices, small & large team offices, business address, meeting rooms, full floor office, hourly office, specialist offices, company registration, training rooms, collaboration spaces, event spaces, interview rooms, call answering, entire buildings, boardrooms, day coworking, workplace portal, conference rooms.
845-466-1040

SPACES

Downtown Minneapolis, North Loop, Uptown, Nicollet Mall, Warehouse District, Dinkytown, West End, Washington Ave South.
845-484-1588

STUDIO COWORK

919 Lilac Drive N.
Minneapolis, MN 55422

The Commons

18202 Minnetonka Blvd. Suite 100
Deephaven, MN 55391
952-474-1001

The Coven

2429 Nicollet Ave.
Minneapolis, MN 55404
612-699-0850

165 Western Ave. N. Suite 8
St. Paul, MN 55102
651-207-6979

The Reserve

4951 W. 77th St.
Edina, MN 55435
952-217-5825

1915 Hwy 36 West
Roseville, MN 55113
612-400-9377

724 Bielenberg Drive
Woodbury, MN 55125
651-735-8866

Twin Ignition Startup Garage

1317 Marshall Street NE
Minneapolis, MN 55413
info@twinignition.com

Wellworth

428 Minnesota Street, Unit 500
St. Paul, MN 55101
651-202-0440 | info@wellworthcowork.com

WeWork

Capella Tower
225 South 6th Street
Minneapolis, MN 55402

729 N. Washington Ave., Suite 600
Minneapolis, MN 55401

Workbox

801 S Marquette Avenue Suite 200
Minneapolis, MN 55402
612-488-0644

Workspace on 3

100 Warren Street Suite 300
Mankato, MN 56001
507-344-3165

NONPROFIT INFORMATION

Minnesota Council of Nonprofits (MCN)

A trusted advocate and ally for nonprofits, providing relevant workshops and conferences, timely nonprofit data and research, impactful state and federal advocacy, and a strong member network and benefits.
2314 University Ave. W, #20
St. Paul, MN 55114
651-642-1904 800-289-1904
info@minnesotanonprofits.org

Social Venture Partners Minnesota (SVP)

SVP Minnesota is a 501(c)(3) organization and philanthropic network. SVP helps those out to do good, do better – bringing together donors, nonprofits and social enterprises so we can make a greater collective impact.
2801 Hennepin Ave S., #152
Minneapolis, MN 55408
612-440-1804 | info@svpmn.org

OTHER

[Medical Alley Association](#)

Minnesota's and the nation's largest state-based health industry advocacy organization.

[Metro Independent Business Alliance \(IBA\)](#)

Membership organization works to promote locally owned, independent businesses in the Metropolitan area.

P.O. Box 40560
St. Paul, MN 55104
info@metroiba.org

[Minnestar](#)

Minnestar exists to build, nurture and engage those interested in technology through meaningful connection.

[Minnebar](#)

A user-generated conference that is participant-led.

[Minnedemo](#)

A showcase for working technology products made in Minnesota.

[Minnesota Farmers' Market Association](#)

Market listings and offers a Cottage Foods Academy.
9800 155th Street East,
Nerstrand MN 55053
507-664-9446 | info@mfma.org

DIRECTORY OF LICENSES AND PERMITS

DIRECTORY OF LICENSES AND PERMITS

Expanded state licenses, permits, and registration listings are available on the [Minnesota ELicensing](#) website.

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Aboveground Storage Tank Installations Aboveground Storage Tanks (see Tanks)		
Abstracter Abstracter: Company & Individual Proprietor / Individual	Commerce, Minnesota Dept. of	651-539-1500
Accountants Certified Public Accountant (CPA) / CPA Firms Registered Accounting Practitioner (RAP) / Firms	Accountancy, Minnesota State Board of	651-296-7938
Acupuncture Acupuncture Registration Acupuncture Practitioner	Chiropractic Examiners, Minnesota Board of Medical Practice, Minnesota State Board of	651-201-2850 612-617-2130
Adjuster (see Insurance)		
Adoption Private Child Caring or Placing Agency License (Rule 4)	Human Services, Minnesota Dept. of	651-431-6500
Advertising Devices, Signs Sign Contractor Bond Advertising Device Permit	Labor and Industry (DLI), Minnesota Dept. of Transportation, Minnesota Dept. of	651-284-3034 651-295-3290
Agent (see Athlete Agent) Air -Capped Permits (Option 1/2) Air -Non-Metallic Mineral Processing General Permit Air -Registration Permits (Options A, B, C, or D) Feedlot Construction Short-Form Permit Feedlot Interim Permit Feedlot NPDES/SDS Permit (General and Individual) Feedlot Registration Permit Feedlot State Disposal System Permit	Pollution Control Agency (MPCA), Minnesota Pollution Control Agency (MPCA), Minnesota	651-296-6143 800-657-3938 651-296-6300 800-657-3864
Aircraft Aircraft Registration Aircraft Dealer's License	Transportation, Minnesota Dept. of Transportation, Minnesota Dept. of	651-234-7201 651-425-1960
Airports Airport License: -Public -Private -Special Use -Personal-Use Commercial Operators -Aviation Flying Club Registration	Transportation, Minnesota Dept. of Transportation, Minnesota Dept. of	651-357-0591 651-425-1960
Alarm and Communication Contractors Power Limited Technician Technology Systems Contractor	Labor and Industry (DLI), Minnesota Dept. of	651-284-5064
Alcohol (see also Liquor) Permit to Purchase and/or Possess Ethyl Alcohol and/or Distilled Spirits	Public Safety (DPS), Minnesota Dept. of	651-201-7504

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Alcohol and Drug Treatment Providers		
Alcohol & Drug Counselor (ADC) -Temporary Permits	Behavioral Health & Therapy (BBHT),	651-201-2860
Licensed Alcohol and Drug Counselor (LADC)	Minnesota Board of	
Professional Firm Registration -BBHT		
Chemical Dependency Detoxification Programs (Rule 32)	Human Services (DHS), Minnesota Dept. of	651-431-6500
Chemical Dependency Treatment (Non-Detox) Programs (Rule 31)		
All-Terrain Vehicles (ATVs) (see Motorized Vehicles and Utility Vehicles)		
Alternative Health Care		
Minnesota Doula Registry	Health (MDH), Minnesota Dept. of	651-201-4200
Unlicensed Complementary and Alternative Health Care Practitioners	Health (MDH), Minnesota Dept. of	
Acupuncture Practitioner	Medical Practice, Minnesota State Board of	612-617-2130
Naturopathic Doctor Registry		
Ambulance Service (see Emergency Medical Services)		
Ammonia		
Anhydrous Ammonia (NH3) Storage System Permit	Agriculture (MDA), Minnesota Dept. of	320-232-6547
Animals		
Livestock Dealer License	Agriculture (MDA), Minnesota Dept. of	651-707-7751
Livestock Dealer's Agent License		
Livestock Market Agency License		
Livestock Meat Packing Company / Agent License		
Certificate of Free Sale for Animal Feed	Agriculture (MDA), Minnesota Dept. of	651-207-3408
Authorized Poultry Testing Agent (APTA)	Animal Health (BAH), Minnesota Board of	320-231-5170
Poultry Dealer and Poultry Hatchery and Breeding Flock Permits		
Commercial Dog or Cat Breeder	Animal Health (BAH), Minnesota Board of	651-201-6824
Kennel License (Dogs and Cats)		
Animal Exhibition Permit	Animal Health (BAH), Minnesota Board of	651-201-6826
Farmed Cervidae Registration	Animal Health (BAH), Minnesota Board of	651-296-2942
Feed Foodwaste to Livestock License		
Import Permits		
Registration of a Brand		
Rendering Plant Permit		
Sheep/Goats Scrapie Registration		
Endangered Species Permit	Natural Resources (DNR), Minnesota Dept. of	651-259-5073
Falconry Permit	Natural Resources (DNR), Minnesota Dept. of	651-259-5107
Aquarium Facility License	Natural Resources (DNR), Minnesota Dept. of	651-259-5807
Frogs - Purchase, Possess and Transport/Sell -R/NR		
Frogs - Take, Possess, Transport, Sell		
Turtle License -Recreational		
Commercial Horse Trail Pass	Natural Resources (DNR), Minnesota Dept. of	651-296-6157
Permit to Exhibit Captive Wildlife		
Apiaries		
Apiary Certificate of Inspection	Agriculture (MDA), Minnesota Dept. of	651-201-6095
Appraiser		
Appraisal Management Company	Commerce, Minnesota Dept. of	651-539-1599
Appraiser Individual: Nonresident / Residential		
Apprenticeship		
Apprenticeship Registration	Labor and Industry (DLI), Minnesota Dept. of	651-284-5090 800-342-5354

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Aquaculture Aquatic Farm License -R/NR	Natural Resources (DNR), Minnesota Dept. of	651-259-5807
Archaeology Archaeological Fieldwork	Office of the State Archaeologist, Minnesota	612-725-2411
Architecture Architect	Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and Interior Design (AELSLAGID), MN Board of	651-757-1511 651-757-1518
Asbestos Asbestos Contractor License Asbestos Inspector Certificate Asbestos Management Planner Certificate Asbestos Project Designer Certificate Asbestos Site Supervisor Certificate Asbestos Training Course Permit Asbestos Worker Certificate Notification of Asbestos-Related Work and Amendments	Health (MDH), Minnesota Dept. of	651-201-4620
Assessors Assessor Certification: Various Classes	Assessors, Minnesota State Board	651-566-6086
Athlete Agent Athlete Agent Registration	Commerce, Minnesota Dept. of	651-539-1599
Athletic Trainer Athletic Trainer	Medical Practice, Minnesota State Board of	612-617-2130
Attorney Lawyer Registration Professional Firm Registration	Lawyer Registration Office, Minnesota Lawyers Professional Responsibility (OLPR) MN Office of	651-296-2254 651-296-3529
Auctioneer Auctioneer	Contact local County Auditor office.	
Audiology Audiologist License	Health (MDH), Minnesota Dept. of	651-201-4200
Automatic Teller Machines (ATMs) Money Transmitters / Currency Exchange and Check Cashers/ EFT (ATMs)	Commerce, Minnesota Dept. of	651-539-1600
Aviation Aircraft Registration Aircraft Dealer's License Commercial Aviation Operators License Airport License: Personal-Use Airport / Public Airport	Transportation (MnDOT), Minnesota Dept. of Transportation (MnDOT), Minnesota Dept. of Transportation (MnDOT), Minnesota Dept. of	651-234-7201 651-425-1960 651-357-0591
Bail Bond Agent/Agency Insurance Agent -Resident/Non-resident Producer New Bonding Agency	Commerce, Minnesota Dept. of Judicial Branch, Minnesota	651-539-1599 651-297-7650
Bait Minnow Dealer Licenes / Exporting Minnow Dealer Minnow Dealer / Exporting Dealer / Retailer Vehicle Licenses Minnow Retailer / Retailer Vehicle License -R/NR Minnow Hauler / Hauler Vehicle License -Non-Resident Nonresident	Natural Resources (DNR), Minnesota Dept. of	651-296-6157

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Banking (see also ATMs, Commercial Mortgage Brokering, Credit Unions, Currency Exchange, Debt Prorating Agency, Loans (Non-Bank Lenders), Mortgage Originator or Servicer, Safe Deposit Company)		
Money Transmitters / Currency Exchange and Check Cashers/ EFT (ATMs)	Commerce, Minnesota Dept. of	651-539-1600
Capital Stock Savings Bank Detached Facility	Commerce, Minnesota Dept. of	651-539-1714
Electronic Financial Terminal (EFT)		
Industrial Loan and Thrift		
Interstate Bank Mergers and Branching		
Interstate Trust-Trust Office or Representative Trust Office		
Minnesota Bank or Trust Company Mergers		
Purchase and Assumption Application		
State Bank Charter or Trust Company Charter or Industrial Loan & Thrift Company With Deposit-Taking Powers		
State Bank Trust Authority		
Trust Service Office Authority		
Barbering		
Barbers and Barbershops: Various Classes	Barber Examiners, Minnesota Board of	651-201-2820
Bed and Breakfast		
Food, Beverage and Lodging License	Health (MDH), Minnesota Dept. of	651-201-4500
Bed and Breakfast Registration (to serve wine)	Public Safety (DPS), Minnesota Dept. of	651-201-7513
Bingo (see GAMBLING)		
Boat Dealer		
Boat Dealer License	Natural Resources (DNR), Minnesota Dept. of	651-296-2316 800-285-2000
Boats for Hire		
Annual Boat Operating Permit	Labor and Industry (DLI), Minnesota Dept. of	651-284-5544
Tour Boat Intoxicating Liquor License	Public Safety (DPS), Minnesota Dept. of	651-201-7512
Body Art		
Body Art Establishment	Health (MDH), Minnesota Dept. of	651-201-4200
Body Art Technician Licenses		
Boilers/Boiler Operating Engineer		
Boiler Engineer: Ten Classes	Labor and Industry (DLI), Minnesota Dept. of	651-284-5034
Boilers and Pressure Vessel Registration		
Boxing		
Combative Sports Combatant License - Amateur / Professional Boxing and Mixed Martial Arts	Office of Combative Sports, Labor and Industry (DLI), Minnesota Dept. of	651-284-5366
Combative Sports -Various Licenses (Judge / Promoter / Referee / Ringside Physician / Timekeeper / Trainer / Second / Corner		
Brokers (see also Motor Vehicle Dealer)		
Mortgage Loan Originator License	Commerce, Minnesota Dept. of	651-539-1500
Real Estate Limited Broker	Commerce, Minnesota Dept. of	651-539-1599
Real Estate Salesperson; Real Estate Broker		
Securities Agent, Securities Broker-Dealer	Commerce, Minnesota Dept. of	651-539-1638
Viatical Settlement Broker	Commerce, Minnesota Dept. of	651-539-1748
Brokers License to Represent a Distillery, Winery or Importer / Broker's Employee License	Public Safety (DPS), Minnesota Dept. of	651-201-7512
Motor Vehicle Dealers License	Public Safety (DPS), Minnesota Dept. of	651-201-7800
Note: For the purposes of the motor vehicle dealers license, a "Dealer" includes licensed new motor vehicle dealers, used motor vehicle dealers, motor vehicle brokers, wholesalers, auctioneers, lessors of new or used motor vehicles, scrap metal processors, used vehicle parts dealers, and salvage pools.		

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Building Mover Building Mover License	Transportation (MnDOT), Minnesota Dept. of	651-215-6330
Building Official Building Official Limited (LB) / Accessibility Specialist (AS) / Certified Building Official (BO)	Labor and Industry (DLI), Minnesota Dept. of	651-284-5034
Bullion Bullion Product Dealer Dealer/ Dealer Representative	Commerce, Minnesota Dept. of	651-539-1599
Burning Open Burning Permit	Natural Resources (DNR), Minnesota Dept. of Contact the local city government, fire department, local forestry office or fire warden.	866-533-2876
Camps and Campgrounds Recreational Camping Area (RCA) License and Special Event Area Camping (SECA) Youth Camp Permit	Health (MDH), Minnesota Dept. of	651-201-4500
Cannabis Multiple licenses: Microbusiness / Mezzobusiness / Cultivator / Manufacturer / Retailer / Wholesaler / Transporter / Testing Facility / Delivery Service / Event Organizer / Lower-Potency Hemp Edible Retailer / Lower-Potency Hemp Edible Manufacturer / Lower-Potency Hemp Edible Wholesaler / Medical Cannabis Combination Business	Cannabis Managemnt (OCM) Minnesota Office of	
Carriers (see also Courier and Motor Carrier) License to Sell Intoxicating or 3.2% Malt Liquor n a Common Carrier Commercial Driver's License (CDL) Passenger Carrier Registration (Intrastate) Property Carrier Registration (Intrastate) Unified Carrier Registration Limousine Service Permit Special Transportation Certificate (STS)	Public Safety (DPS), Minnesota Dept. of Public Safety (DPS), Minnesota Dept. of Transportation (MnDOT), Minnesota Dept. of	651-201-7512 651-297-5029 651-215-6330
Catering Food, Beverage and Lodging License Caterer's Permit with Alcohol	Health (MDH), Minnesota Dept. of Public Safety (DPS), Minnesota Dept. of	651-201-4500 651-201-7513
Charitable Organizations Charitable Solicitation Registration Charitable Trusts Professional Fundraiser Registration	Attorney General, Minnesota Office of	651- 757-1496
Check-Cashing Company Money Transmitters / Currency Exchange and Check Cashers/ EFT (ATMs)	Commerce, Minnesota Dept. of	651-539-1600
Chemical Dependency Alcohol & Drug Counselor (ADC) -Temporary Permits Licensed Alcohol and Drug Counselor (LADC) Professional Firm Registration Chemical Dependency Detoxification Programs (Rule 32) Programs (Rule 32)	Behavioral Health & Therapy (BBHT), Minnesota Board of Human Services (DHS), Minnesota Dept. of	651-201-2860 651-431-6500
Chemigation Chemigation Permit	Agriculture (MDA), Minnesota Dept. of	651-272-7501

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Child Care Child Care Center License (Rule 3) Family Child Care and Group Family Child Care License (Rule 2) In-home Child Care	Children, Youth, and Families, Minnesota Dept. of Contact County Social Services Dept.	651-539-8300
Child Placement Private Child Caring or Placing Agency License Rule (4)	Human Services (DHS), Minnesota Dept. of	651-431-6500
Chiropractic Acupuncture Registration Animal Chiropractic Registration Doctor of Chiropractic Graduate Preceptor Registration (GPP) Independent Examiner Registration Professional Firm Registration	Chiropractic Examiners, Minnesota Board of	651-201-2848
Chlorofluorocarbons (CFCs) CFC Recyclers and CFC Recovery Equipment and Technician Certification	U.S. Environmental Protection Agency (EPA)	800-296-1996
Cigarette Unfair Cigarette Sales Act (UCSA) Fee Fire Standard Compliant Cigarettes (FSC) Certification Cigarette & Tobacco Distributor & Subjobber Licenses	Commerce, Minnesota Dept. of State Fire Marshal, Public Safety (DPS), Minnesota Dept. of Revenue (DOR), Minnesota Dept. of	651-539-1500 651-201-7203 651-556-3035
Clubs (Health, Social Referral, Buying Clubs) Health, Social Referral, Buying Clubs Registration	Attorney General, Minnesota Office of	651-757-1335
Coin Dealer Bullion Product Dealer / Representative	Commerce, Minnesota Dept. of	651-539-1599
Collection Agency Collection Agency and Debt Collector	Commerce, Minnesota Dept. of	651-539-1599 800-657-3978
Combative Sports Boxer License Boxing / MMA Officials/Corner License Mixed Martial Arts (MMA) Combatant License Promoter License (Combative Sports)	Office of Combative Sports, Labor and Industry (DLI), Minnesota Dept. of	651-284-5366
Commercial Drivers Commercial Driver's License (CDL) CDL Hazardous Materials Endorsement / School Bus Driver Endorsement	Public Safety (DPS), Minnesota Dept. of	651-297-5029
Commercial Driver Training Commercial Driver Training School License	Public Safety (DPS), Minnesota Dept. of	651-201-7626
Commercial Mortgage Brokering Real Estate Broker: -Limited -Nonresident -Resident	Commerce, Minnesota Dept. of	651-539-1599
Communication Contractors Power Limited Technician Satellite System Contractor (SSC) Technology Systems Contractor Unlicensed Individual -Electrical & Power Limited Reg.	Labor and Industry (DLI), Minnesota Dept. of	651-284-5034
Complementary Health Care Unlicensed Complementary and Alternative Health Care Practitioners	Health (MDH), Minnesota Dept. of	651-201-4200
Coposting Compost Facility Permits - Source Separated Organic Materials (SSOM) Compost Facility / Solid Waste Compost Facility	Pollution Control Agency (MPCA), Minnesota	651-757-2684

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Contractors		
Electrical Contractor	Labor and Industry (DLI), Minnesota Dept. of	651-284-5034
Elevator / Limited Contractor		
Plumbing Contractor / Code Copliance Bond		
Residential Building Contractor / Remodeler		
Satellite Systems Contractor		
Technology Systems Contractor		
Construction Contractor Registration	Labor and Industry (DLI), Minnesota Dept. of	651-284-5074
Corporate Take-Overs		
Corporate Take-Over Offers Registration	Commerce, Minnesota Dept. of	651-539-1638
Cosmetology		
Cosmetology -Individual Licenses / Salons / Schools	Cosmetology, MN Board of	651-201-2742
Cosmetology -Temporary Military Permit		
Hair Braiding Registration		
Eyelash Extension Technician		
Counselors		
Licensed Professional Clinical Counselor (LPCC)	Behavioral Health & Therapy (BBHT), Minnesota Board of	612-317-3032
Licensed Professional Counselor (LPC)	Minnesota Board of	
Alcohol & Drug Counselor (ADC) -Temporary Permits	Behavioral Health & Therapy (BBHT), Minnesota Board of	651-201-2860
Licensed Alcohol and Drug Counselor (LADC)	Minnesota Board of	
Professional Firm Registration -BBHT		
Marriage and Family Therapist	Marriage and Family Therapy, Minnesota Board of	612-617-2220
Courier (see also Carriers and Motor Carriers)		
Passenger Carrier Registration (Intrastate)	Transportation (MnDOT), Minnesota Dept. of	651-215-6330
Property Carrier Registration (Intrastate)		
Unified Carrier Registration Agreement		
Limousine Service Permit	Transportation (MnDOT), Minnesota Dept. of	651-366-3700
Crane		
Crane Operator Certification	Labor and Industry (DLI), Minnesota Dept. of	651-284-5050
Credit Services Organization		
Credit Services Organization Registration	Commerce, Minnesota Dept. of	651-539-1570
Credit Unions		
Credit Union Certificate of Organization	Commerce, Minnesota Dept. of	651-539-1709
Currency Exchange		
Money Transmitters License / Currency Exchange and Check Cashers / EFT (ATMs)	Commerce, Minnesota Dept. of	651-539-1600
Day Care / Day Services		
Child Care Center License (Rule 3)	Children, Youth, and Families, Minnesota Dept. of	651-539-8300
Family Child Care and Group Family Child Care License (Rule 2)		
Adult Day Services Centers License (Rule 223)	Human Services (DHS), Minnesota Dept. of	651-431-6500
Adult Foster Care License (Rule 203)	Contact County Social Services or	
Family Adult Day Services	County Human Services Department	
In-home Child Care		
Debt Collection		
Collection Agency and Debt Collector	Commerce, Minnesota Dept. of	651-539-1599 877-876-4430
Debt Services		
Credit Services Organization	Commerce, Minnesota Dept. of	651-539-1570
Debt Management Services Provider Company / Branch		
Debt Settlement Services Provider Company License		

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Dentistry Dentist / Dental Assistant / Hygienist / Dental Guest License Dental Lab Registration Dental Therapist / Advanced Dental Therapist Professional Firm Registration	Dentistry, Minnesota Board of	612-548-2129
Deputy Registrar Deputy Registrar Appointment	Public Safety (DPS), Minnesota Dept. of	651-201-7970
Dietitians Dietitian License	Dietetics & Nutrition Practice, Minnesota Board of	651-201-2764
Doctors Physician (Medical Doctor and Doctor of Osteopathy)	Medical Practice, Minnesota State Board of	612-617-2130
Drainage Drainage Permit	Transportation (MnDOT), Minnesota Dept. of	651-587-3713
Driver Education / Training Driver Education Program Commercial Driver Training School License	Public Safety (DPS), Minnesota Dept. of	651-201-7626
Drivers Drive-Away / In-Transit License Pilot Escort Driver Certification Driver Medical Waivers	Public Safety (DPS), Minnesota Dept. of Public Safety (DPS), Minnesota Dept. of Transportation (MnDOT), Minnesota Dept. of	651-201-7800 651-201-7100 651-366-3700
Driveways Access / Driveway Permit	Transportation (MnDOT), Minnesota Dept. of	651-587-3713
Drugs (Human and Veterinary) Controlled Substance Researcher Drug / Medical Gas Wholesaler License Drug Manufacturer License / Medical Gas Distributor Pharmacist License / Pharmacy Intern Pharmacy License / Pharmacy Technician	Pharmacy, Minnesota Board of	651-201-2825
Electric High Voltage Transmission Lines Power Plant Sites & Transmission Line Routes	Public Utilities Commission (PUC), Minnesota	651-296-0406
Electricians / Power Class A Journeyworker Electrician Class B Installer Lineman Maintenance Electrician Master Electrician Class A Power Limited Technician Electrical Contractors Technology Systems Contractor Portable Power Distribution Systems and Temporary Installations Unlicensed Individual -Electrical and Power Limited Registration	Labor and Industry (DLI), Minnesota Dept. of	651-284-5034
Elevators Elevator / Limited Elevator Contractor Master / Limited Master / Journeyworker Elevator Constructor	Labor and Industry (DLI), Minnesota Dept. of	651-284-5034

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Emergency Medical Services (EMS) Personnel -EMT / AEMT / Paramedic / Community Paramedic Minnesota Ambulance Service and Medical Response Units (MRUs) / Specialized Medical Response Unit (SMRUs)	Office of Emergency Medical Services (OEMS), Minnesota	651-201-2800
Employment / Employment Agency Employee Leasing Company Registration / Exemption Payroll Card Issuer	Commerce, Minnesota Dept. of Labor and Industry (DLI), Minnesota Dept. of	651-539-1743 651-284-5075
Energy Facilities Certificate of Need Power Plant Sites & Transmission Line Routes Site Permit for Large Electric Generating Power Plant Site Permit for Large Wind Energy Conversion Systems Solar Energy Generating System	Public Utilities Commission (PUC), Minnesota	651-296-0406
Engineering Engineer-In-Training Professional Engineer	Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and Interior Design (AELSLAGID), MN Board of	651-296-2388
Environmental Health Specialist / Sanitarian Registered Environmental Health Specialist / Registered Sanitarian	Health (MDH), Minnesota Dept. of	651-201-4500
Estate Sales Estate Sales Conductor	Contact local County Auditor Office	
Explosives Explosives License / Explosives Permit Ownership or Possession of an Explosive Device or Incendiary Device Application	State Fire Marshal, Public Safety (DPS), Minnesota Dept. of	612-386-4657
Family Therapy (see Marriage)		
Farms Corporate Farm Report: Corporation / LLC / LLLP /Trust/ Pension/Investment Fund	Agriculture (MDA), Minnesota Dept. of	651-201-6083
Feed, Commercial Commercial Feed License and Tonnage Reporting Certificate of Free Sale for Animal Feed	Agriculture (MDA), Minnesota Dept. of Agriculture (MDA), Minnesota Dept. of	651-201-6062 651-207-3408
Feedlots Feedlot Construction Short-Form Permit / Interim Permit Feedlot NPDES and SDS Permit (General and Individual) Open Lot Agreement (OLA) Feedlot Registration / Feedlot State Disposal System Permit	Pollution Control Agency (MPCA), Minnesota	651-296-6300
Fertilizer Anhydrous Ammonia (NH3) Storage System Permit Agricultural Liming Material License Chemigation Permit Bulk Pesticide/Fertilizer Storage Facility or Substantial Alteration Permit Fertilizer License / Specialty Fertilizer Registration Soil & Plant Amendment Product Registration	Agriculture (MDA), Minnesota Dept. of Agriculture (MDA), Minnesota Dept. of Agriculture (MDA), Minnesota Dept. of Agriculture (MDA), Minnesota Dept. of Agriculture (MDA), Minnesota Dept. of	320-223-6547 612-214-6843 651-272-7501 612-214-6843 651-201-6587 651-201-6092
Financial Counselors/Planners / Investment Adviser Financial Counselor or Planner Investment Adviser / Representatives	Commerce, Minnesota Dept. of	651-539-1638

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Fire Protection (see Fireworks Display, Sprinkler Systems, Tanks)		
Firearms (see also Explosives)		
Firearms Training Instructor Certification -Organizations / Instructors	Bureau of Criminal Apprehension (BCA), MN, Public Safety (DPS), Minnesota Dept. of	651-793-2754
Federally Licensed Gun Dealers	Bureau of Alcohol, Tobacco and Firearms U.S. National Licensing Center	
Firefighter		
Licensed Firefighter	Firefighter Training & Education, (MBFTE)	651-201-7257
Qualified Instructor	Minnesota Board of	
Fireworks Display		
Fireworks Operator (Public Display) Certification	State Fire Marshall,	651-201-7200
Fireworks Display Permit -Indoor / Outdoors Displays	Public Safety (DPS), Minnesota Dept. of	
Fish / Fishing (see also Bait)		
Fish Processing / Smoking Operation Permit	Agriculture (MDA), Minnesota Dept. of	651-201-6027
Endangered and Threatened Species Permits	Natural Resources (DNR), Minnesota Dept. of	651-259-5073
Fishing Tournament Permit	Natural Resources (DNR), Minnesota Dept. of	651-259-5200
Live Fish Transportation Importation and Stocking Permit		
Educational Fishing License Waiver for Students	Natural Resources (DNR), Minnesota Dept. of	651-259-5236
Fisheries Research Permit Application		
Aquarium Facility License	Natural Resources (DNR), Minnesota Dept. of	651-296-6157
Aquatic Farm License -R/NR		
Commercial Netting of Fish		
Fish Packer / Vendor License		
Frogs - Purchase, Possess and Transport/Sell -R/NR		
Frogs - Take, Possess, Transport, Sell		
Private Fish Hatchery Licenses		
Food		
Bulk Milk Hauler & Sampler License	Agriculture (MDA), Minnesota Dept. of	507-412-7255
Fish Processing Operation / Smoking Operation Permit	Agriculture (MDA), Minnesota Dept. of	651-201-6027
Cottage Food Producer Registration	Agriculture (MDA), Minnesota Dept. of	651-201-6062
Non-Resident Frozen Food		
Retail Food Handler / Wholesale Food Handler Licenses		
Special Event Food Stand		
Wholesale Food Processor/Manufacturer		
Wholesale Food Processor/Manufacturer License USDA		
Livestock Meat Packing Company / Agent License	Agriculture (MDA), Minnesota Dept. of	651-707-7751
Dairy Plant License /MN Farmstead Cheese Permit	Agriculture (MDA), Minnesota Dept. of	651-201-6630
Egg Grading & Sales for Small Producers Exempt from Licensing Exemption Registration		
Minnesota Grown Logo Labeling License	Agriculture (MDA), Minnesota Dept. of	651-201-6140
Food Certificate for Export/Certificate of Free Sale	Agriculture (MDA), Minnesota Dept. of	651-201-6676
Food, Beverage and Lodging License	Health (MDH), Minnesota Dept. of	651-201-4500
Registered Environmental Health Specialist / Registered Sanitarian	Health (MDH), Minnesota Dept. of	
Minnesota Certified Food Protection Manager (CFPM)	Health (MDH), Minnesota Dept. of	
Wild Rice Dealer License / Wild Rice Harvest License	Natural Resources (DNR), Minnesota Dept. of	651-296-6157
Forest Products		
Firewood Producer Certification	Agriculture (MDA), Minnesota Dept. of	888-545-6684
Special Product and Fuelwood Permits	Natural Resources (DNR), Minnesota Dept. of	651-259-5268
Timber Sales Purchaser Registration		
Foster Care		
Adult Foster Care License (Rule 203)	Contact County Social Services or	
Child Foster Care Center License (Rule 3)	Children, Youth, and Families, Minnesota Dept. of	651-539-8300

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Franchises		
Franchise Offer or Sale Registration	Commerce, Minnesota Dept. of	651-539-1638
Frogs		
Frogs - Purchase, Possess and Transport -R/NR	Natural Resources (DNR), Minnesota Dept. of	651-296-6157
Frogs -Take, Possess, Transport, Sell		
Fuels		
Refuse Derived Fuel Processing Permit	Pollution Control Agency (MPCA), Minnesota	651-757-2380
Fuels Distributors License	Revenue (DOR), Minnesota Dept. of	651-296-0889
Special Fuel License		
Fundraising		
Charitable Solicitation / Professional Fundraiser Registration	Attorney General, Minnesota Office of	651-757-1496
Funeral Directors		
Mortuary Science (Mortician) License	Health (MDH), Minnesota Dept. of	651-201-4200
Funeral Establishments		
Mortuary Science Establishment Licensing	Health (MDH), Minnesota Dept. of	651-201-4200
Fur		
Fur Buyer (Raw) -Nonresident	Natural Resources (DNR), Minnesota Dept. of	651-296-6157
Fur Buyer (Raw) Corporation -Nonresident		
Fur Buyer -Supplemental		
Fur Tanning and Dressing License		
Game Farm License		
Gambling / Gambling Equipment		
Distributor's License	Gambling Control Board, Minnesota	651-639-1900
Gambling Manager's License		
Linked Bingo Game Provider		
Manufacturer License for Lawful Gambling Equipment		
Nonprofits and Permits -Lawful Gambling		
Organization (Nonprofits) License for Lawful Gambling		
Premises Permit		
Manufacture and/or Distributor of Gambling Devices	Public Safety (DPS), Minnesota Dept. of	651-201-7500
Temporary Possession of a Gambling Device		
Lawful Gambling Tax Permit	Revenue (DOR), Minnesota Dept. of	651-297-1772
Game Farm		
Game and Fur Farm License	Natural Resources (DNR), Minnesota Dept. of	651-296-6157
Gas Storage Underground		
Underground Storage of Gas or Liquids Using	Natural Resources (DNR), Minnesota Dept. of	763-425-0322
Natural Geologic Formations Permit		
Gasoline		
Fuels Distributor License	Revenue (DOR), Minnesota Dept. of	651-296-0889
Genetically Engineered Organisms		
Agricultural Based Genetically Engineered	Agriculture (MDA), Minnesota Dept. of	651-201-6095
Organism Release Permit		
Genetics		
Genetic Counselor	Medical Practice, Minnesota State Board of	612-617-2130
Geology		
Geologist-in-Training	Architecture, Engineering, Land Surveying,	651-296-2388
Professional Geologist	Landscape Architecture, Geoscience and Interior Design (AELSLAGID), MN Board of	
Ginseng, Buying and Selling		
License to Buy or Sell Wild Ginseng	Natural Resources (DNR), Minnesota Dept. of	651-297-1230

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Grain		
Grain Buy and Store License	Agriculture (MDA), Minnesota Dept. of	651-201-6620
Grain Buyer License		
Grocery Stores (see Food)		
Group Homes		
Boarding Care Home	Health (MDH), Minnesota Dept. of	651-201-4200
Boarding and Lodging Establishment or Lodging Establishment Providing Special services Registration	Health (MDH), Minnesota Dept. of	
Supervised Living Facility		
Guides		
Guide -Lake Superior: Resident / Non-Resident	Natural Resources (DNR), Minnesota Dept. of	651-296-6157
Bear Hunting Outfitters License		
Master Bear Hunting Outfitters License		
Hazardous Waste		
Hazardous Waste Generator License	Pollution Control Agency (MPCA), Minnesota	
Hazardous Waste Treatment, Storage or Disposal Permit		
Health Care Facilities		
Assisted Living Director (ALD) / Assisted Living Licensure in Residency (ALDIR)	Executives for Long Term Services & Supports (BELTSS), Board of	651-201-2730
Health Services Executive (HES)		
Birth Center License	Health (MDH), Minnesota Dept. of	651-201-4200
Boarding Care Home		
Boarding and Lodging Establishments or Lodging Establishments Providing Special Services		
Freestanding Outpatient Surgical Centers		
Hospice		
Hospital and Critical Access Hospital License		
Housing with Services (HWS) Establishment		
Mobile Health Evaluation and Screening Provider		
Nursing Homes		
Supervised Living Facility		
Mental Health Center and Clinic Certification (Rule 29)	Human Services (DHS), Minnesota Dept. of	651-431-6500
Health Clubs (see CLUBS)		
Health Maintenance Organizations (HMO)		
Health Maintenance Organization Certificate of Authority	Health (MDH), Minnesota Dept. of	651-201-5100 800-657-3916
Hearing Aids		
Hearing Instrument Dispenser (HID) Certification / Trainee	Health (MDH), Minnesota Dept. of	651-201-4200
Hemp		
Hemp Program License	Agriculture (MDA), Minnesota Department of	651-201-6600
Herbs		
License to Buy or Sell Wild Ginseng	Natural Resources (DNR), Minnesota Dept. of	651-297-1230
Home Health Care		
Assisted Living Licensure	Health (MDH), Minnesota Dept. of	651-201-4200
Home Care: Basic Home Care / Comprehensive Home Care License Integrated License: Home and Community-Based		
Home Management Registration		
Hospice		
Hospice (see HOME HEALTH CARE)		

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Hospitals Hospital and Critical Access Hospital License	Health (MDH), Minnesota Dept. of	651-201-4200
Hotels, Motels and Restaurants Lodging License	Health (MDH), Minnesota Dept. of	651-201-4500
Minnesota Certified Food Manager Certification (CFPM)	Health (MDH), Minnesota Dept. of	
Food, Beverage and Lodging License	Health (MDH), Minnesota Dept. of	
Bed and Breakfast Registration (to serve wine)	Public Safety (DPS), Minnesota Dept. of	651-201-7513
Hunting Guide (see GUIDES)		
Immigration Services	Review Minn. Stat. § 325E.031	
Insurance Insurance Adjusters: Various	Commerce, Minnesota Dept. of	651-539-1599
Insurance Agency: Corporate or Partnership Agency		
Individual Proprietorship Agency		
Insurance Agent: Non-resident Producer / Resident Producer		
Insurance Company		
Insurance Premium Finance Company		
Managing General Agent		
Reinsurance Intermediary: Resident Brokers and Managers		
Reinsurance Intermediary: Non-resident Resident Brokers and Managers		
Travel Insurance Producer Business Entity License		
Vehicle Protection Product Warrantor Registration	Commerce, Minnesota Dept. of	651-539-1743
Purchasing Groups	Commerce, Minnesota Dept. of	651-539-1745
Third Party Administrator License	Commerce, Minnesota Dept. of	651-539-1748
Utilization Review Organization (URO) Registration		
Viatical Settlement Broker / Investment Agent / Provider		
Interior Designer Certified Interior Designer	Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and Interior Design (AELSLAGID), MN Board of,	651-296-2388
Interpreter Spoken Language Health Care Interpreter Roster	Health (MDH), Minnesota Dept. of	651-201-4200
State Court Interpreter -Spoken Language Certification	Judicial Branch, Minnesota	651-297-5300
Invention Development Services Invention Development Service Disclosure	Attorney General, Minnesota Office of	651-296-3353
Investment Adviser / Investing Investment Adviser	Commerce, Minnesota Dept. of	651-539-1638
Securities Agent, Securities Broker-Dealer		
MNvest Portal Operator Registration		
Jewelry (see Precious Metals)		
Junk Dealers, Pawnbrokers, and Second Hand Dealers	May be regulated by both city & county where business is located.	
Kennels (see Animals)		
Laboratories Environmental Laboratory Accreditation / Assessor	Health (MDH), Minnesota Dept. of	651-201-5324
Land Surveyor Land Surveyor / Land Surveyor-In-Training	Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and Interior Design (AELSLAGID), MN Board of,	651-296-2388

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Lands (Public)		
Application and Special Permit to Train Dogs Afield Easement Across State-Owned Land Managed by the Minnesota Department of Natural Resources (DNR)	Natural Resources (DNR), Minnesota Dept. of	651-296-6157
Harvest Permits on State Land	Natural Resources (DNR), Minnesota Dept. of	
Lease of State-Owned Land Managed by the DNR	Natural Resources (DNR), Minnesota Dept. of	
State Leases (Non-Mineral)		
State Iron Ore/Taconite Lease		
State Nonferrous Metallic Mineral Leasing		
License to Cross Public Lands and Waters		
Minnesota State Parks Annual Permit	Natural Resources (DNR), Minnesota Dept. of	
Resource Management Access Permit		
Special Events on State Forest Roads Permit		
Special Product and Fuelwood Permits	Natural Resources (DNR), Minnesota Dept. of	651-259-5268
Landscape		
MnDOT Landscape Specialist Certificate	Transportation (MnDOT), Minnesota Dept. of	651-449-0755
Landscape Architect		
Landscape Architect	Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and Interior Design (AELSLAGID), MN Board of,	651-296-2388
Lawn Service (see Fertilizer and Pesticides)		
Lawyer		
Lawyer Registration	Lawyer Registration Office, Minnesota	651-296-2254
Professional Firm Registration	Lawyers Professional Responsibility (OLPR) MN Office of	651-296-3529
Lead		
Lead Firm Certificate	Health (MDH), Minnesota Dept. of	651-201-4620
Lead Inspector License		
Lead Interim Control Worker		
Lead Project Designer License		
Lead Risk Assessor License		
Lead Sampling Technician		
Lead Supervisor License		
Lead Training Course Permit		
Lead Worker License		
Notification of Lead Hazard Reduction Work and Amendments		
Liming Material		
Agricultural Liming Material License	Agriculture (MDA), Minnesota Dept. of	612-214-6843
Limousine Service (see Motor Carrier)		
Liquor / Alcohol		
Bed and Breakfast Registration (to serve wine)	Public Safety (DPS), Minnesota Dept. of	651-201-7500
Brand Label Registration		
Brew Pub Brand Registration		
Brew Pub Off Sale Intoxicating Liquor License		
Brewer Off Sale Intoxicating Liquor License		
Brewer Sampling Notice		
Broker's Employee License		
Brokers License to Represent a Distillery, Winery		
Caterers Permit with Alcohol		
Certification of an On Sale Brewer's Taproom & Sunday License		
Certification of an On Sale Liquor License, 3.2% Liquor or Sunday License		
Club On Sale		
Common Carrier (Plane/Boat/Train) License to Sell Intoxicating or 3.2% Malt Liquor		

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Liquor / Alcohol (continued)		
Consumption and Display (Set up) Permit		
Consumption and Display, Temporary One Day Permit		
County/City On Sale Wine License		
County On Sale Intoxicating Liquor License		
Distilled Spirits Importer's License		
Farm Winery License / Farm Winery Branch License		
Importer's Representative's Identification Card		
License to Sell Intoxicating or 3.2% Malt Liquor on a Common Carrier		
Malt Beverage Importer's License		
Manufacturer's (Brewer/Malt Liquor/Intoxicating Liquor) Warehouse Permit		
Micro Distillers / Micro Distillers Cocktail Room		
Micro Distillers Off Sale License		
Off Sale Intoxicating Liquor License		
Optional 2 A.M. Permit		
Permit for a 1 Day - 4 Day Temporary On-Sale Liquor Permit or Importer		
Permit to Purchase and/or Possess Ethyl Alcohol and/or Distilled Spirits		
Renewal of Liquor, Wine, or Club License		
Retailers Identification (Buyer's) Card for Liquor & Wine		
Sacramental Wine License		
Small Brewer Off Sale Intoxicating Liquor License		
Tour Boat Intoxicating Liquor License		
Wholesaler -Intoxicating Liquor / Malt Beverages / Wine Branch License		
Wholesaler / Manufacturer Intoxicating Liquor License		
Wholesaler's / Manufacturer Salesperson's ID Card		
Wholesaler's / Manufacturer Intoxicating Liquor License		
Wine and/or Distilled Spirits Importer's License		
Wine or Malt Beverage Educator On-Sale License		
Wine or Malt Beverage Educator On-Sale License		
Livestock		
Livestock Dealer / Agent License	Agriculture (MDA), Minnesota Dept. of	651-707-7751
Livestock Market Agency License		
Livestock Meat Packing Company / Agent License		
Livestock Auction Markets and Community Sales	Animal Health (BHA), Minnesota Board of	651-296-2942
Loans (Non-Bank Lenders)		
Accelerated Mortgage Payment Provider	Commerce, Minnesota Dept. of	651-539-1570
Consumer Small Loan Lender (Payday Lender) / Branch		
Industrial Loan and Thrift Company / Branch License		
Motor Vehicle Sales Finance Company / Branch License		
Regulated Loan Company / Branch License		
Lobbyists		
Lobbyist Registration	Campaign Finance and Public Disclosure Board, Minnesota	651-539-1187
Managed Care		
Workers' Compensation Managed Care Org Cert.	Labor and Industry (DLI), Minnesota Dept. of	651-284-5005
Manufactured Homes		
Manufactured Home Park License	Health (MDH), Minnesota Dept. of	651-201-4500
Manufactured Home Dealer License	Labor and Industry (DLI), Minnesota Dept. of	651-284-5034
Manufactured Home Dealer Subagency License		
Manufactured Home Installer		
Manufactured Home Limited Dealer License		
Manufactured Home Manufacturer License		

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Manure Commercial Animal Waste Technician (CAWT)	Agriculture, Minnesota Dept. of	651-201-6615
Marriage Marriage and Family Therapist	Marriage and Family Therapy (MFT), Minnesota Board of	612-617-2220
Marriage License	Local Registrar of County	
Marriage Officiants Persons authorized to perform marriages ceremonies must be at least 21 years old, and (both Minnesota residents and non-residents) are required to register with a county in Minnesota, regardless of their religious affiliation or title. Refer to Minn. Stats. §§ 517.04, .05, .18	Local Registrar of County	
Massage (see Unlicensed and Complimentary Health Care Practitioners for State compliance information) Massage Therapists	Contact local city government offices for any local licensing requirements.	
Meat Packing Wholesale Food Processor/Manufacturer / USDA License Livestock Meat Packing Company / Agent License	Agriculture (MDA), Minnesota Dept. of Agriculture (MDA), Minnesota Dept. of	651-201-6062 651-707-7751
Medical Gas Medical Gas Certification Registration Medical Gas Dispenser	Labor and Industry (DLI), Minnesota Dept. of Pharmacy, Minnesota Board of	651-284-5031 651-201-2825
Medical Waivers Driver Medical Waivers	Transportation (MnDOT), Minnesota Dept. of	651-366-3700
Medicine, Practice of Genetic Counselor Medical Faculty License Physician (Doctor of Medicine (M.D.) and Doctor of Osteopathic Medicine (D.O.)) Physician Assistant Registration Professional Firm Registration Respiratory Care Practitioner Registration Telemedicine Registration Podiatrist	Medical Practice, Minnesota State Board of Podiatric Medicine, Minnesota Board of	612-617-2130 612-617-2175
Mental Health Services Mental Health Center and Clinic Certification (Rule 29) Residential Treatment for Emotionally Disturbed Children License (Rule 5) Residential Treatment for Mentally Ill Adults License	Human Services (DHS), Minnesota Dept. of	651-431-6500
Midwifery Traditional Midwife License	Medical Practice, Minnesota State Board of	612-617-2130
Mining and Minerals State Iron Ore/Taconite Lease State Leases (Non-Mineral) State Nonferrous Metallic Mineral Leasing	Natural Resources (DNR), Minnesota Dept. of	651-259-5959
Mixed Martial Arts (MMA) Boxing / MMA Officials/Corner License Mixed Martial Arts (MMA) Combatant License Promoter License (Combative Sports)	Office of Combative Sports, Minnesota, Labor and Industry (DLI), Minnesota Dept. of	651-284-5366
Mobile Homes (see Manufactured Homes)		
Money Transmitting Money Transmitter / Currency Exchange / Check Cashers / EFT (ATMs) -Branch	Commerce, Minnesota Dept. of	651-539-1600

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Mortgage Originator or Servicer		
Mortgage Loan Originator License	Commerce, Minnesota Dept. of	651-539-1500
Residential Loan Mortgage Originator License / Exemption Closing Agent	Commerce, Minnesota Dept. of	651-539-1599
Morticians		
Mortuary Science (Mortician) License	Health (MDH), Minnesota Dept. of	651-201-4200
Motels (see Hotels, Motels and Restaurants)		
Motor Carrier		
Pilot / Escort Driver Certification	Public Safety (DPS), Minnesota Dept. of	651-201-7100
Motor Carrier Direct Pay Certificate	Revenue (DOR), Minnesota Dept. of	651-296-6181
Building Mover License / Household Goods Mover Permit	Transportation (MnDOT), Minnesota Dept. of	651-296-6000
Passenger / Property Carrier Registration (Intrastate)		
Oversized, Overweight Vehicles: Single Trip Permit, Job Permit, and Annual Permit		
Unified Carrier Registration Agreement		
Driver Medical Waivers		
Limousine Service Permit		
Special Transportation Service (STS)		
Motor Vehicle Dealers		
Drive-Away/In-transit License	Public Safety (DPS), Minnesota Dept. of	651-201-7800
Motor Vehicle Dealers License et al.		
Note: A "Dealer" includes licensed new motor vehicle dealers, used motor vehicle dealers, motor vehicle brokers, wholesalers, auctioneers, lessors of new or used motor vehicles, scrap metal processors, used vehicle parts dealers, and salvage pools.		
Motorized Vehicles / Utility Vehicles		
All-terrain Vehicle (ATV) Dealer / Manufacturer License	Natural Resources (DNR), Minnesota Dept. of	651-296-2316
Boat Dealer License		800-285-2000
OHM (Off-highway Motorcycle) Dealer / Manufacturer		
ORV (Off-road Vehicle) Dealer's / Manufacturer License		
Snowmobile Manufacturer License		
Snowmobile Dealer License		651-355-0151
Notary Public		
Notary Public Commission	Secretary of State (SOS), Office of the MN	651-296-2803 877-551-6767
Nurseries		
Live Plant Dealer	Agriculture (MDA), Minnesota Dept. of	651-201-6507
Minnesota Grown Logo Labeling License	Agriculture (MDA), Minnesota Dept. of	651-201-6140
Nursing		
Nursing Assistant Registry (NAR)	Health (MDH), Minnesota Dept. of	651-201-4200
Supplemental Nursing Services Agency (SNSA) Registration	Health (MDH), Minnesota Dept. of	
Approval of a Nursing Program	Nursing, Minnesota Board of	612-317-3000
APRN (Advanced Practice Registered Nurse) Registry		
Border State Registry		
Licensed Practical Nurse (LPN) / Registered Nurse (RN)		
Professional Nursing Firms Registration		
Public Health Nurse Registration Certificate		
Nursing Home Administrators		
Health Services Executive (HES)	Executives for Long Term Services and	651-201-2730
Nursing Home Administrator	(BELTSS), Board of	
Nursing Homes		
Nursing Homes	Health (MDH), Minnesota Dept. of	651-201-4200

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Nutritionist Nutritionist License	Dietetics & Nutrition Practice, Minnesota Board of	651-201-2764
Occupational Therapy Occupational Therapy (OT) Practitioner / Occupational Therapy Assistant (OTA)	Occupational Practice Therapy, Minnesota Board of	651-548-2179
Optometry Optometrist Professional Firm Registration	Optometry, Minnesota Board of	651-201-2762
Osteopaths (see DOCTORS)		
Pawnbrokers Pawnbrokers Code of Conduct	Contact local city or county government offices.	
Payroll Payroll Services Registration (Third Party Bulk Filer) Payroll Card Issuer	Revenue (DOR), Minnesota Dept. of Labor and Industry (DLI), Minnesota Dept. of	651-296-3781 651-284-5070
Peddlers, Transient Merchants Peddler, Transient Merchant License	Contact local County and City offices	
Personal Care Assistant Personal Care Assistant (PCA) Certification / Community First Services and Supports (CFSS)	Human Services (DHS), Minnesota Dept. of	651-431-2000
Pesticide Bulk Pesticide/Fertilizer Storage Facility or Substantial Alteration Permit Pesticide Dealer License Structural Pest Control Applicator/Company License Pesticides Registration Commercial Pesticide Applicator License Noncommercial Pesticide Applicator Private Pesticide Applicator Certificate Application for a Permit to Control: Aquatic Plants, Algae, Algae, Swimmer's Itch, and Leeches	Agriculture (MDA), Minnesota Dept. of Agriculture (MDA), Minnesota Dept. of Agriculture (MDA), Minnesota Dept. of Agriculture (MDA), Minnesota Dept. of Natural Resources (DNR), Minnesota Dept. of	651-201-6587 651-201-6615 651-201-6230 651-201-6615 651-201-6633 651-259-5092
Pet Food Pet and/or Specialty Pet Food Product Registration Pet Food Processing Permit Certificate of Free Sale for Animal Feed	Agriculture (MDA), Minnesota Dept. of Agriculture (MDA), Minnesota Dept. of	651-201-6221 651-207-3408
Petroleum (see Fuels and Storage)		
Pharmacist / Pharmacy Drug / Medical Gas Wholesaler / Medical Gas Distributor Drug Manufacturer Pharmacist License / Professional Firm Registration Pharmacy Preceptor / Intern Technician Registration Pharmacy / Pharmacy Technician License	Pharmacy, Minnesota Board of	651-201-2825
Physical Therapy Physical Therapist / Therapist Assistant License	Physical Therapy, Minnesota State Board of	612-627-5406
Pipefitter Master / Journeyworker High Pressure Pipefitter (HPP) Unlicensed High Pressure Pipefitter (HPP) Registration High Pressure Pipefitter (HPP) Contractor	Labor and Industry (DLI), Minnesota Dept. of	651-284-5034

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Pipelines		
Pipeline Routing Permit	Public Utilities Commission, Minnesota	651-296-0406
Plants		
Minnesota Seed Permit	Agriculture (MDA), Minnesota Dept. of	651-201-6309
Screenings Purchase Permit		
Collecting, Labeling and Selling Certain Wildflowers	Agriculture (MDA), Minnesota Dept. of	651-201-6507
Live Plant Dealer	Agriculture (MDA), Minnesota Dept. of	
Endangered Species Permit	Natural Resources (DNR), Minnesota Dept. of	651-259-5073
Application for a Permit to Control: Aquatic Plants, Algae, Swimmer's Itch & Leeches	Natural Resources (DNR), Minnesota Dept. of	651-259-5092
Commercial Mechanical Control Permit		
Permit to Transport and/or Collect Aquatic Vegetation		651-259-5200
Prohibited and Regulated Invasive Species Permits	Natural Resources (DNR), Minnesota Dept. of	
Transport Invasive Species and Aquatic Plants Permits		
Plumbers		
Backflow Prevention Certification	Labor and Industry (DLI), Minnesota Dept. of	651-284-5034
Certified Pipelayer / Master High Pressure Pipefitter (HPP)		
Master Plumber		
Plumbing Contractor / Contractor Bond / Journeyman		
Unlicensed Individual - Plumbing Registration		
Podiatric Medicine, Practice of		
Orthotist / Prosthetist / Prosthetist Orthotist / Pedorthist / Orthotist Assistant / Prosthetist Assistant / Fitters	Podiatric Medicine, Practice of	612-548--2175
Podiatrist		
Professional Firm Registration		
Police		
Peace Officer License	Peace Officer Standards and Training (POST), Minnesota Board of	651-643-3060
Pools (Public)		
Certified Pool Operator Certificate	Health (MDH), Minnesota Dept. of	651-201-4500
Swimming Pool and Spa Pool Plan Review		
Poultry		
Poultry Dealer Permits / Poultry Import Permits	Animal Health (BAH), Minnesota Board of	320-231-5170
Poultry Hatchery & Breeding Flock Permits		
Poultry Testing Agent Authorization		
Power Plant Siting		
Power Plant Sites & Transmission Line Routes	Public Utilities Commission (PUC), Minnesota	651-296-0406
Site Permit for Large Electric Generating Power Plant		
Precious Metal		
Bullion Product Dealer / Dealer Representative	Commerce, Minnesota Dept. of	651-539-1599
Precious Metal Dealer License	Regulated by County Auditor	
Note: A Precious Metal Dealer is any person(s) engaged in the business of buying secondhand items containing precious (silver, gold and platinum) metal. Minn. Stat. § 325F.73		
Private Detectives / Protective Agents		
Private Detectives License	Private Detective and Protective Agent Services, Minnesota Board of	651-355-0800
Protective Agent Services License		
Psychology, Practice of		
Licensed Behavior Analyst (LBA)	Psychology, Minnesota Board of	612-617-2230
Licensed Psychologist		
Professional Firm Registration		

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Racing (Horse) Advanced Deposit Wager (ADW) Provider Racing Class A License (Ownership and Operation) Racing Class B License (Racing & Card Club Operation) Racing Class C License (Occupational) Racing Class D License (County Agricultural Assns.) Veterinarian	Racing Commission (MRC), Minnesota Veterinary Medicine, Minnesota Board of	952-496-795 651-201-2844
Radiation Radioactive Materials Licensing	Health (MDH), Minnesota Dept. of	651-201-4400
Radiologic Technicians Note: Note: Contact American Registry of Radiologic Technologists at 651-687-0048. Minnesota is not a licensing state.		
Radio Monitoring Mobile Monitor Permit - Individual / Media / Non-Law Enforcement	Bureau of Criminal Apprehension (BCA), MN	651-793-7000
Radon Radon Measurement Professional License Radon Mitigation Professional / Company & Sole Proprietor	Health (MDH), Minnesota Dept. of	651-201-4601
Raffles (see Charitable Organizations and Gambling)		
Real Estate Abstracter: Company & Individual Proprietor / Individual Appraiser: Nonresident / Residential Appraisal Management Company Closing Agent Real Estate Broker: Limited Broker / Nonresident / Resident Real Estate Company Real Estate Salesperson: Nonresident / Resident Subdivided Land and Time Shares Registration	Commerce, Minnesota Dept. of Commerce, Minnesota Dept. of	651-539-1599 651-539-1638
Recreational Camping Area (see Camps & Campgrounds)		
Recyclers (see Chlorofluorocarbons (CFCs) and Motor Vehicle Dealer)		
Refuse-Derived Fuel Processing Refuse Derived Fuel Processing Permit	Pollution Control Agency (MPCA), Minnesota	651-757-2380
Registrar (see Deputy Registrar)		
Rehabilitation Consultants / Counselors Qualified Rehabilitation Consultants, QRC Firms, and Registered Rehabilitation Vendors Rehabilitation Counselor for the Blind	Labor and Industry (DLI), Minnesota Dept. of State Services for the Blind (SSB), Minnesota (DEED)	651-284-5005 651-539-2300
Rendering Plant (see Animals)		
Research, Drug Controlled Substance Researcher	Pharmacy, Minnesota Board of	651-201-2825
Residential Services Programs Children's Residential Facilities Residential Treatment for Mentally Ill Adults (Rule 36)	Human Services (DHS), Minnesota Dept. of	651-431-6500
Respiratory Therapist Respiratory Care Practitioner Registration	Medical Practice, Minnesota State Board of	612-617-2130

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Restaurants		
Food, Beverage and Lodging License	Health (MDH), Minnesota Dept. of	651-201-4500
Minnesota Certified Food Protection Manager (CFPM)		
Bed and Breakfast Registration (to serve wine)	Public Safety (DPS), Minnesota Dept. of	651-296-7513
Roads and Highways		
Advertising Device Permit	Transportation (MnDOT), Minnesota Dept. of	651-295-3290
Access Driveway Permit	Transportation (MnDOT), Minnesota Dept. of	651-587-3713
Construction of Tunnels Under Highways Permit		8
Drainage Permit		
Miscellaneous Work On Trunk Highway Right of Way		
Utility Accommodation on Trunk Highway Right of Way		
Oversized Vehicles: Single Trip Permit, Job Permit, and Annual Permit	Transportation (MnDOT), Minnesota Dept. of	651-296-6000
Roofers		
Residential Roofer	Labor and Industry (DLI), Minnesota Dept. of	651-284-5034
Safe Deposit Box Company		
Safe Deposit Box Company	Commerce, Minnesota Dept. of	651-539-1714
Sales and Use Tax		
Tax Identification (ID) Number	Revenue (DOR), Minnesota Dept. of	651-282-5225 800-657-3605
Sales and Use Tax Exempt Status		651-296-6181 800-657-3777
Salons		
Cosmetology -Individual Licenses, Salons and Schools	Cosmetology, Minnesota Board of	651-201-2742
Salvage, Motor Vehicle (see MOTOR VEHICLE DEALER)		
Sand and Gravel		
Air -Non-Metallic Mineral Processing General Permit	Pollution Control Agency (MPCA), Minnesota	651-282-6143 800-657-3938
Sanitarians		
Environmental Health Specialist / Sanitarian Registration	Health (MDH), Minnesota Dept. of	651-201-4500
Satellite Television Systems (see COMMUNICATION CONTRACTORS)		
School Administrator		
School Administrative Licenses	School Administrators (BOSA), Minnesota	651-582-8754
Schools		
Barbers and Barbershops: Various Classes	Barber Examiners, Minnesota Board of	651-201-2820
Cosmetology - Individual Licenses, Salons and Schools	Cosmetology, Minnesota Board of	651-201-2742
Cosmetology School Surety Bond		
Approval of Practical Nursing Programs	Nursing, Minnesota Board of	612-317-3000
Approval of Professional (Registered) Nursing Programs		
Degree-Granting Institutional Registration	Office of Higher Education (OHE), Minnesota	651-642-0567
Private Career School License		800-657-3866
Commercial Driver Training School License	Public Safety (DPS), Minnesota Dept. of	651-296-3966
Screenings		
Screenings Purchase Permit	Agriculture (MDA), Minnesota Dept. of	651-201-6309
Second Hand Dealers		
May be regulated by both city and county where business is located.		
Securities Sales		
MNvest Portal Operator Registration	Commerce, Minnesota Dept. of	651-539-1638
Securities Broker-Dealers Firm and Agents		
Securities Offering Registration		

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Security Guards Protective Agent Services License	Private Detective and Protective Agent Services, Minnesota Board of	651-355-0800
Security Systems (see Alarm and Communication Contractors)		
Seeds Minnesota Seed Permit Screenings Purchase Permit	Agriculture (MDA), Minnesota Dept. of	651-201-6309
Shooting Preserves Shooting Preserve License -Commercial / Private	Natural Resources (DNR), Minnesota Dept. of	651-296-6157
Signs (see Advertising Devices)		
Social Work Social Worker License (Various Classes) Social Work Professional Firm Registration	Social Work (BOSW), Minnesota Board of	612-617-2100 888-234-1320
Soil Science Professional Soil Scientist Soil Scientist-In-Training	Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and Interior Design (AELSLAGID), MN Board of,	651-296-2388
Solid Waste Industrial Solid Waste Land Disposal Permit Mixed Municipal Solid Waste Land Disposal Permit Municipal Solid Waste Combustor Ash Land Disposal Permit Solid Waste Recycling Facility Permit-By-Rule (PBR) Solid Waste Storage Permit Solid Waste Transfer Facility Permit Type II/III Landfill Operator or Inspector Certificate Type IV / V Waste Disposal Operator or Inspector Certificate	Pollution Control Agency (MPCA), Minnesota Pollution Control Agency (MPCA), Minnesota	651-296-6300 218-302-6617 651-757-2380
Special Events on DNR lands Special Events Permit on State Forest Roads	Natural Resources (DNR), Minnesota Dept. of	651-296-6157
Special Transportation Services Special Transportation Services (STS) Certificate	Transportation (MnDOT), Minnesota Dept. of	651-366-3700
Speech Pathology Speech-Language Pathologist / Assistant License	Health (MDH), Minnesota Dept. of	651-201-4200
Sprinkler Systems Fire Protection Managing Employee Certificate Fire Protection Sprinkler System Contractor License Fire Protection Sprinkler System Designer Contractor License Fire Sprinkler Systems Plan Review Journeyman Sprinkler Fitter Certification Limited Journeyman Sprinkler Fitter Certification Multipurpose Potable Water Piping System Contractor/Installer/Journeyman License	State Fire Marshall, Public Safety (DPS), Minnesota Dept.	651-201-7000
Storage (see also Warehouses) Underground Storage of Gas or Liquids Using Natural Geologic Formations Permit	Natural Resources (DNR), Minnesota Dept. of	763-425-0322
Student Exchange Organizations International Student Exchange Organizations	Secretary of State (SOS), Office of the MN	651-296-2803

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Subdivided Lands		
Subdivided Land and Time Shares Registration	Commerce, Minnesota Dept. of	651-539-1638
Surety Bond		
Cosmetology School Surety Bond	Cosmetology Examiners, Minnesota Board	651-201-2742
Mechanical Contractor Bond	Labor and Industry (DLI), Minnesota Dept. of	651-284-5034
Plumbing Contractor Bond		
Sign Contractor Bond		
Tanks		
Aboveground Storage Tank (AST) Permits (>1M Gallon)	Pollution Control Agency (MPCA), Minnesota	651-757-2215
Aboveground Storage Tank (AST) Registration		
Underground Storage Tank (UST) Contractor / Supervisor Certificate	Pollution Control Agency (MPCA), Minnesota	218-302-6610
Underground Storage Tank (UST) Registration		
Tanning Facilities		
Safety and equipment standards established by Minn. Stat. § 325H.01 et. Seq. For licensing information contact the municipality where the facility is located.		
Taxes		
Unfair Cigarette Sales Act (UCSA) Fee	Commerce, Minnesota Dept. of	651-539-1500
Tax Identification (ID) Number (Sales Tax and Use Permit)	Revenue (DOR), Minnesota Dept. of	651-282-5225 800-657-3605
Lawful Gambling Tax Permit	Revenue (DOR), Minnesota Dept. of	
Fuels Distributors License / Special Fuel Dealer	Revenue (DOR), Minnesota Dept. of	651-296-0889
Payroll Services Registration (Third Party Bulk Filer)	Revenue (DOR), Minnesota Dept. of	651-296-3781
Motor Carrier Direct Pay (MCDP) Certificate	Revenue (DOR), Minnesota Dept. of	651-296-6181
Sales and Use Tax Exempt Status Certificate	Revenue (DOR), Minnesota Dept. of	
Cigarette & Tobacco Distributor & Subjobber Licenses	Revenue (DOR), Minnesota Dept. of	651-556-5035
Taxidermy		
Taxidermist License	Natural Resources (DNR), Minnesota Dept. of	651-296-6157
Teaching		
Teaching Licenses -Various Types / Special Permissions	Professional Educator Licensing and Standards Board (PELSB)	651-539-4200
School Administrative Licenses	School Administrators, Minnesota Board of	651-582-8754
Telecommunication Service Provider		
Wholesale Transport Registration	Public Utilities Commission (PUC), Minnesota Commerce, Minnesota Dept. of	651-539-1890
Telemarketing		
Telemarketing Sales Rule	Federal Trade Commission (FTC), U.S.	
Timber (see also Forest Products)		
Tobacco		
Unfair Cigarette Sales Act (UCSA) Fee	Commerce, Minnesota Dept. of	651-539-1500
Cigarette & Tobacco Distributor & Subjobber Licenses	Revenue (DOR), Minnesota Dept. of	651-556-3035
Fire Standard Compliant Cigarettes (FSC) Certification	State Fire Marshal, Public Safety (DPS), Minnesota Dept. of	651-201-7000
Tow Truck Operators		
Vehicle Owner	Contact local city or county government office	
Trailer Parks		
Manufactured Home Park License	Health (MDH), Minnesota Dept. of	651-201-4500
Trees		
Firewood Producer Certification	Agriculture (MDA), Minnesota Dept. of	888-545-6684
Special Product and Fuelwood Permits	Natural Resources (DNR), Minnesota Dept. of	651-259-5268
Timber Sales Purchaser Registration		
Certified Tree Inspector	Natural Resources (DNR), Minnesota Dept. of	651-259-5300

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Tunnels		
Construction of Tunnels Under Highways Permit	Transportation (MnDOT), Minnesota Dept. of	651-587-3713
Underground Storage Tanks (see TANKS)		
Unlicensed Complimentary and Alternative Health Care Practitioners	Office of Unlicensed Complementary and Alternative Health Care Practice (OCAP), Health (MDH), Minnesota Dept. of	651-201-4200
<p>All unlicensed complementary and alternative health care providers (CAP) must comply with Minn. Stat. Chapter 146A. The Minnesota statute contains a partial list of the types of practices that are included in these statutory requirements. Some of these are massage therapy, aromatherapy, acupressure, healing touch, Qi Gong energy healing, healing practices utilizing food, food supplements, nutrients and the physical forces of heat, cold, water, touch and light, detoxification therapy, herbalism, homeopathy and naturopathy. The statute is designed to cover all unlicensed complementary and alternative healing methods and treatments.</p> <p>The last section of the law requires each practitioner to provide each client with a client bill of rights prior to service. (Minn. Stat. § 146A.11) A client bill of rights must also be posted in a prominent location in the office. The purpose of the client bill of rights is to give all clients access to relevant information about the complementary and/or alternative service they will receive, and information about how to file a complaint if they are dissatisfied.</p> <p>There is specific statutory language which must be copied identically from the statute. This language is in quotations. Also, each client must sign a statement showing that s/he received the bill of rights.</p>		
Utilities		
Power Plant Sites & Transmission Line Routes	Public Utilities Commission (PUC), Minnesota	651-296-7124
Site Permit for Large Electric Generating Power Plant		
Site Permit for Large Wind Energy Conversion Systems		
Installation of Utilities and/or Miscellaneous Work on State Rail Bank Property	Transportation (MnDOT), Minnesota Dept. of	651-587-3713
Utility Accommodation on Trunk Highway Right of Way		
Utility Crossings of Public Lands and Waters		
License to Cross Public Lands and Waters	Natural Resources (DNR), Minnesota Dept. of	651-296-6157
Vending Machines		
Retail Food Handler	Agriculture (MDA), Minnesota Dept. of	651-201-6062
Unfair Cigarette Sales Act (UCSA) Fee	Commerce, Minnesota Dept. of	651-539-1500
Cigarette & Tobacco Distributor & Subjobber Licenses	Revenue (DOR), Minnesota Dept. of	651-556-3035
Veterinary Medicine		
Professional Firm Registration	Veterinary Medicine, Minnesota Board of	651-201-2844
Veterinarian		
Viatical Settlements		
Viatical Settlement Broker / Investment Agent / Provider License	Commerce, Minnesota Dept. of	651-539-1748
Warehouses		
General Merchandise Storage License	Agriculture (MDA), Minnesota Dept. of	651-201-6620
Grain Buy and Store License	Agriculture (MDA), Minnesota Dept. of	
Grain Buyer License		
Manufacturer's (Brewer/Malt Liquor/Intoxicating Liquor) Warehouse Permit	Public Safety (DPS), Minnesota Dept. of	651-284-7512

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Waste		
Compost Facility Permit	Pollution Control Agency (MPCA), Minnesota	651-657-3864
Demolition Debris Disposal Facility Permit-By-Rule		
Demolition Debris Land Disposal Facility Permit		
Feedlot Construction Short-Form Permit		
Feedlot Interim Permit		
Feedlot NPDES/SDS Permit (General and Individual)		
Hazardous Waste Generator License		
Hazardous Waste Treatment, Storage or Disposal Permit		
Industrial Solid Waste Land Disposal Permit Permit		
Mixed Municipal Solid Waste Land Disposal Permit		
Municipal Solid Waste Combustor Ash Land Disposal Permit		
Refuse Derived Fuel Processing Permit		
Registration (Feedlot Program)		
Solid Waste Recycling Facility Permit-By-Rule		
Solid Waste Storage Permit		
Solid Waste Transfer Facility Permit		
State Disposal System Permit		
Subsurface Sewage Treatment Systems License (Designers, Installers, Inspectors, Maintainers) Certificate		
Wastewater-Municipal & Industrial NPDES/SDS Permit		
Type II/III Landfill Operator or Inspector Certificate		
Wastewater Operator Certification		
Source-Separated Organic Materials Transfer Facility Permit-By-Rule (PBR)		
Type IV/V Waste Disposal Operator or Inspector Certificate		
Water Appropriation		
Water Appropriation General Permit -Animal & Livestock Operations	Natural Resources (DNR), Minnesota Dept. of	651-259-5100
Water Appropriation General Permit - Temporary Projects		
Water Appropriation Irrigation Permit		
Water Appropriation Non-Irrigation Permit		
Infested Waters Appropriation Transport Permit	Natural Resources (DNR), Minnesota Dept. of	651-259-5131
Water Conditioning		
Unlicensed Individual -Water Conditioning Installer	Labor and Industry (DLI), Minnesota Dept. of	651-284-5031
Water Conditioning Contractor/Installer Master/Journeyman	Labor and Industry (DLI), Minnesota Dept. of	651-284-5034
Water Quality		
Lake Services Provider (LSP)	Natural Resources (DNR), Minnesota Dept. of	651-259-5131
Balast Water Permits	Pollution Control Agency (MPCA), Minnesota	651-296-6300
Feedlot Interim Permit	Pollution Control Agency (MPCA), Minnesota	800-657-3864
Feedlot NPDES/SDS Permit (General and Individual)		
Feedlot Registration		
Industrial Stormwater Multi-Sector General Permit	Pollution Control Agency (MPCA), Minnesota	
Wastewater-Municipal & Industrial NPDES/SDS Permit		
Wastewater -SDS Pretreatment General Permit (MNP)		
Sanitary Sewer Extension Permit	Pollution Control Agency (MPCA), Minnesota	651-282-6143
State Disposal System Permit		
NPDES General Permit	Pollution Control Agency (MPCA), Minnesota	651-657-2119
NPDES/SDS Industrial Stormwater General Permit		
Wastewater Operator Certification	Pollution Control Agency (MPCA), Minnesota	651-757-2103
Underground Storage Tank (UST) Registration	Pollution Control Agency (MPCA), Minnesota	651-757-2637
Water Supply		
Water Operator Training Approval	Health (MDH), Minnesota Dept. of	651-201-4700
Water Supply System Operator Certificate		

REGULATED ACTIVITY	DEPARTMENT	CONTACT
Water Wells and Borings		
Notification of Exploratory Boring	Health (MDH), Minnesota Dept. of	651-201-4600
Wells and Borings: Elevator Boring Contractor		800-383-9808
:Environmental Well Contractor		
:Explorer Company / Responsible Individual /		
:Drilling Machines & Hoist Registration		
:Limited Bored Geothermal Heat Exchanger Contractor		
:Limited Dewatering Well Contractor		
:Limited Pump, Pitless and Screen Contractor		
:Limited Well Sealing Contractor		
:Well Contractor		
Waters (Public)		
Lake Aeration Systems Permit	Natural Resources (DNR), Minnesota Dept. of	651-259-5087
Application for a Permit to Control: Aquatic Plants, Algae, Swimmer's Itch, and Leeches	Natural Resources (DNR), Minnesota Dept. of	651-259-5092
Commercial Mechanical Control Permit		
Lake Service Provider (LSP)	Natural Resources (DNR), Minnesota Dept. of	651-259-5131
Application to Exceed Speed & Noise on Public Waters	Natural Resources (DNR), Minnesota Dept. of	651-259-5200
Dam Safety Permit	Natural Resources (DNR), Minnesota Dept. of	651-259-5715
Public Waters Work Permit	Natural Resources (DNR), Minnesota Dept. of	651-259-5725
License to Cross Public Lands and Waters	Natural Resources (DNR), Minnesota Dept. of	651-296-6157
Weighing and Measuring Equipment		
Placing in Service Permit	Commerce, Minnesota Dept. of	651-539-1564
Wild Rice		
Wild Rice Dealer License / Harvest Licenses -R/NR	Natural Resources (DNR), Minnesota Dept. of	651-296-6157
Wildlife Exhibit		
Permit to Exhibit Captive Wildlife	Natural Resources (DNR), Minnesota Dept. of	651-296-6157
Workers' Compensation		
Letter of Recognition of a Collective Bargaining Agreement Related to Workers' Compensation	Labor and Industry (DLI), Minnesota Dept. of	651-284-5432
X-Ray Machines (see Radiation)		
Limited Scope X-ray Operator & Bone Densitometry Equipment Operator	Health (MDH), Minnesota Dept. of	651-201-4545
X-ray Equipment Service Provider		
X-ray Equipment and Facility Registration		



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