

## Income/Franchise:

### Minnesota: New Law Postpones Application of 70% NOL Limitation by One Year; 80% NOL Limitation Applies for 2023 Tax Year

H.F. 3769, signed by gov. 4/8/24. New law retroactively revises certain provisions included in legislation enacted in 2023 [see H.F. 1938 (2023) and previously issued Multistate Tax Alert for more details on the 2023 legislation] – specifically, the provisions that limit the amount of Minnesota’s corporate income/franchise tax net operating loss (NOL) deduction to 70% (previously, 80%) of taxable net income in a single taxable year – by having the newer 70% NOL limitation provision apply for taxable years beginning after December 31, 2023, rather than for taxable years beginning after December 31, 2022. This revision is effective retroactively for taxable years beginning after December 31, 2022. Accordingly, pursuant to this law change, the Minnesota NOL limitation remains at 80% for the 2023 tax year. Please contact us with any questions.

**URL:** <https://www.revisor.mn.gov/bills/bill.php?f=HF3769&b=house&y=2024&ssn=0>

**URL:** <https://www.revisor.mn.gov/bills/bill.php?b=House&f=HF1938&ssn=0&y=2023>

**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-multistate-tax-alert-minnesota-enacts-several-changes-to-its-income-and-franchise-tax-laws.pdf>

— Ray Goertz (Minneapolis)  
Managing Director  
Deloitte Tax LLP  
rgoertz@deloitte.com

Roburt Waldow (Minneapolis)  
Principal  
Deloitte Tax LLP  
rwaldow@deloitte.com

Mark Sanders (Minneapolis)  
Senior Manager  
Deloitte Tax LLP  
msanders@deloitte.com

Sara Clear (Minneapolis)  
Manager  
Deloitte Tax LLP  
sclear@deloitte.com

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