

S.F. No. 2064 – Temporary tax credit for certain brewers, liquor retailers, and wholesalers

Author: Senator Karla Bigham

Prepared by: Nora Pollock, Senate Counsel (651/297-8066)

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This bill provides a temporary credit for qualified brewers, qualified retailers, and qualified wholesalers affected by closures and reductions in capacity due to the COVID-19 pandemic. Effective for tax years 2020 and 2021.

Section 1. Temporary tax credit for certain brewers, liquor retailers, and wholesalers.

Subd. 1. Definitions. Defines terms used in the credit. In particular:

“**Liquor spoilage**” means:

- for a **qualified brewer**, the dollar amount of product purchased back from a liquor wholesaler or liquor retailer and the dollar amount of any product disposed of as unsalable, due to closure or limited capacity;
- for a **qualified retailer**, the dollar amount of product returned without reimbursement to a liquor wholesaler or manufacturer and the dollar amount of any product disposed of as unsalable, due to closure or limited capacity;
- for a **qualified wholesaler**, the dollar amount of product purchased back from a liquor retailer, the dollar amount of product returned without reimbursement to a manufacturer and the dollar amount of any product disposed of as unsalable, due to closure or limited capacity.

Subd. 2. Credit allowed. Allows a credit equal to the amount of liquor spoilage in a taxable year and, for qualified brewers and qualified retailers, the amount of purchases of protective equipment and COVID-19 regulation equipment in the taxable year. Requires that the amount used to claim the credit may not be used to claim any other credit or subtraction in the income and corporate franchise tax chapter, and that the credit must be claimed in a manner prescribed by the commissioner of revenue.

Subd. 3. Partnerships; multiple owners. Provides that credits allowed to a pass-through entity must be passed through to partners, members, shareholders, or owners on a pro-rata basis according to their share of the entity’s assets or as otherwise provided in a organizational document.

Subd. 4. Credit refundable; appropriation; administration. Provides that the credit is refundable and appropriates an amount sufficient to issue refunds. Provides that the tax administration provisions under current law apply to the credit.