

# Minnesota Department of Revenue

## Revenue Notice # 22-01: Mining Companies - Occupation Tax – Credit for Increasing Research Activities

### Introduction

This Revenue Notice states the Department’s position that a mining company subject to the Occupation Tax imposed by *Minnesota Statutes*, section 298.01 is allowed the Credit for Increasing Research Activities allowed by *Minnesota Statutes*, section 290.068 (“Research Credit”) against the Occupation Tax.

### Department Position

Section 298.01 imposes the Occupation Tax on two classes of taxpayers. Subdivision 4 of Section 298.01 imposes the tax on “a person engaged in the business of mining or producing iron ore, taconite concentrates or direct reduced ore in this state.” Subdivision 3 of Section 298.01 imposes the tax on “[e]very person engaged in the business of mining, refining, or producing ores, metals, or minerals in this state, except iron ore or taconite concentrates.”

Section 298.01 provides that the Occupation Tax “is determined in the same manner as the tax imposed by section 290.02 [Franchise Tax on Corporations],” subject to certain exceptions.

Section 290.068 allows the Research Credit “against the tax computed under this chapter [290]” when the requirements of Section 290.068 are met.

Because the Occupation Tax expressly provides that it is a tax “determined in the same manner as the tax imposed by section 290.02,” the Department’s position is that when the requirements of Section 290.068 are met, the Research Credit under that section is allowed against the Occupation Tax imposed by Section 298.01.

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Lee Ho, Deputy Commissioner