

# MINNESOTA Tax Law Changes

## For Tax Years 2017 to 2020

Minnesota tax laws were changed to provide conformity with federal business expensing rules under Section 179 of the Internal Revenue Code (IRC).

Signed into law October 21, 2020, this update includes:

- Full conformity for all Section 179 expensing for tax year 2020 and beyond.
- Retroactive conformity to Section 179 for tax years 2017, 2018, and 2019 for certain business property acquired in a like-kind exchange under Section 1031 of the IRC

These changes may affect taxpayers who made additions or claim related subtractions for Section 179 expensing.

### Tax Year 2020 and After

The Minnesota addition is not required for federal expensing claimed on business property that qualifies for federal and state Section 179 expensing. We will remove the line for this addition line from 2020 state tax forms and schedules.

Minnesota subtractions from prior-year additions will continue until the five-year subtraction period ends.