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State of Minnesota
HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 1944

03/02/2017 Authored by Nash, Erickson, Loon, Slocum, Theis and others
The bill was read for the first time and referred to the Committee on Education Innovation Policy
03/08/2017 Adoption of Report: Re-referred to the Committee on Job Growth and Energy Affordability Policy and Finance
03/20/2017 Adoption of Report: Amended and re-referred to the Committee on Taxes
03/12/2018 By motion, recalled and re-referred to the Committee on Education Finance

1.1 A bill for an act
1.2 relating to taxation; income; establishing a temporary refundable high school youth
1.3 skills training tax credit for employers; requiring a report; appropriating money.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **HIGH SCHOOL YOUTH SKILLS TRAINING CREDIT.**

1.6 Subdivision 1. Definitions. (a) For the purposes of this section, the terms defined in this
1.7 subdivision have the meanings given them.

1.8 (b) "Commissioner" means the commissioner of revenue.

1.9 (c) "Student learner" means a secondary school student, age 16 or older, participating
1.10 in a youth skills program approved under Minnesota Statutes, section 175.46.

1.11 (d) "Employer" means a taxpayer under Minnesota Statutes, section 290.01, with
1.12 employees located in Minnesota.

1.13 (e) "Greater Minnesota" means the area of Minnesota located outside the metropolitan
1.14 area as defined in Minnesota Statutes, section 473.121, subdivision 2.

1.15 Subd. 2. Tax credit allowed; appropriation. (a) The commissioner may award credits
1.16 to a maximum of ten employers under this section. At least three of the awards must be
1.17 reserved for employers located in each of the following areas:

1.18 (1) greater Minnesota;

1.19 (2) the city of Minneapolis or the city of St. Paul; and

1.20 (3) areas outside of those identified in clause (1) or (2).

2.1 (b) Subject to the requirements in paragraph (c), an employer is allowed a credit against
2.2 the taxes imposed by Minnesota Statutes, chapter 290, equal to \$2,000 per student learner
2.3 employed. The employer must claim the credit in the taxable year when the student learner
2.4 completes the youth skills program.

2.5 (c) For an employer to be eligible for the credits under paragraph (b):

2.6 (1) all student learners employed by the employer must complete, at least, the
2.7 Occupational Health and Safety Administration ten-hour class before beginning the workplace
2.8 portion of the program; and

2.9 (2) employers must supervise student learners at a ratio of at least one supervisor per
2.10 student learner.

2.11 (d) Credits allowed to a partnership, a limited liability company taxed as a partnership,
2.12 an S corporation, or multiple owners of property are passed through to the partners, members,
2.13 shareholders, or owners, respectively, pro rata to each partner, member, shareholder, or
2.14 owner based on their share of the entity's income for the taxable year.

2.15 (e) If the amount of credit that the taxpayer is eligible to receive under this section
2.16 exceeds the taxpayer's tax liability under Minnesota Statutes, chapter 290, the commissioner
2.17 of revenue shall refund the excess to the taxpayer.

2.18 (f) An amount necessary to pay claims for refund provided in this section is appropriated
2.19 from the general fund to the commissioner of revenue.

2.20 (g) The commissioner of revenue may use any audit and examination powers under
2.21 Minnesota Statutes, chapter 270C or 289A, to the extent necessary to verify that the taxpayer
2.22 is eligible for the credit and to assess for the amount of any improperly claimed credit.

2.23 **EFFECTIVE DATE.** This section is effective the day following final enactment and
2.24 credits are allowed for taxable years beginning after December 31, 2017, and before January
2.25 1, 2020.