

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH LEGISLATURE

S.F. No. 1494

(SENATE AUTHORS: EKEN, Hoffman, Marty and Latz)

DATE	D-PG	OFFICIAL STATUS
03/21/2013	1411	Introduction and first reading Referred to Taxes
04/04/2013	1679	Authors added Hoffman; Marty
04/10/2013	1743	Author added Latz

1.1 A bill for an act
 1.2 relating to taxation; imposing a long-term care tax to fund services; amending
 1.3 Minnesota Statutes 2012, section 290.06, by adding a subdivision.

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

1.5 Section 1. Minnesota Statutes 2012, section 290.06, is amended by adding a
 1.6 subdivision to read:

1.7 Subd. 2g. **Long-term care tax.** (a) The long-term care tax imposed on individuals
 1.8 with taxable long-term care income must be computed by applying to their taxable
 1.9 long-term care income one-half the rate determined for the taxable year under section
 1.10 3101, paragraph (a), of the Internal Revenue Code. In the case of a married couple filing
 1.11 a joint return, each spouse must compute his or her long-term care tax separately, based
 1.12 on that spouse's taxable long-term care income. An individual who is not a Minnesota
 1.13 resident for the entire year may apportion the individuals long-term care tax using the
 1.14 percentage calculated under subdivision 2c, paragraph (e).

1.15 (b) For purposes of this subdivision "taxable long-term care income" means (i)
 1.16 wages as defined in section 3121, paragraph (a), of the Internal Revenue Code, plus (ii)
 1.17 net earnings from self-employment, as defined in section 1402 of the Internal Revenue
 1.18 Code, in excess of the contribution and benefit base for the taxable year, as defined in
 1.19 United States Code, title 42, section 430.

1.20 (c) A long-term care account is created in the general fund. Revenue resulting
 1.21 from the long-term care tax under this subdivision is credited to the account. All money
 1.22 earned by the account is credited to the account. Amounts remain in the account until
 1.23 appropriated for long-term care. Appropriations from the account may only be used for

2.1 long-term care services. Appropriations from the long-term care account must supplement
2.2 traditional sources of funding for long-term services and may not be used as a substitute.

2.3 (d) Notwithstanding any other law to the contrary, the long-term tax under paragraph
2.4 (a) is not subject to offset by any credits in this chapter.

2.5 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
2.6 December 31, 2012.