

SENATE  
STATE OF MINNESOTA  
NINETY-SECOND SESSION

S.F. No. 3598

(SENATE AUTHORS: CHAMPION)

DATE  
02/28/2022

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Introduction and first reading  
Referred to State Government Finance and Policy and Elections

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to state government; establishing a Minnesota Center for American  
1.3 Descendants of Slavery; establishing a net investment income tax; requiring reports;  
1.4 appropriating money; proposing coding for new law in Minnesota Statutes, chapters  
1.5 138; 290.

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

1.7 Section 1. [138.9115] MINNESOTA CENTER FOR AMERICAN DESCENDANTS  
1.8 OF SLAVERY.

1.9 Subdivision 1. Establishment. The Minnesota Center for American Descendants of  
1.10 Slavery, a nonprofit organization, is established to address disparities experienced by  
1.11 communities of American descendants of slavery and to make investments in education,  
1.12 housing, economic development, health care and health care delivery, community  
1.13 engagement, faith-based organizations, and agriculture to benefit American descendants of  
1.14 slavery.

1.15 Subd. 2. Programs and grants. Net revenue received under section 290.033 is annually  
1.16 appropriated from the general fund to the Minnesota Center for American Descendants of  
1.17 Slavery for programs and grants to benefit American descendants of slavery. Of these  
1.18 amounts, \$200,000,000 is for E-12 education programs and grants; \$100,000,000 is for  
1.19 housing programs and grants; \$150,000,000 is for programs and grants in economic  
1.20 development; \$200,000,000 is for programs and grants to promote health and to facilitate  
1.21 access to health care; \$50,000,000 is to promote civic engagement, improve public safety,  
1.22 and provide programs and grants for youth; \$50,000,000 is for vocational and higher  
1.23 education programs and grants; and \$250,000,000 is for programs and grants in education  
1.24 about agriculture and fostering connections between American descendants of slavery in

2.1 rural areas and metropolitan areas. If the revenue received in any year is insufficient to  
2.2 support these allocations, each allocation shall be reduced proportionately for that year. The  
2.3 appropriation under this subdivision is in effect beginning fiscal year 2023 through fiscal  
2.4 year 2033.

2.5 Subd. 3. **Reports.** The Minnesota Center for American Descendants of Slavery shall  
2.6 report to the legislature by September 1 of each year on the use of state funds appropriated  
2.7 to the center. The report shall include an itemized account of the programs and projects  
2.8 supported and the source of money for each. The report shall show actual expenditures for  
2.9 the fiscal year ending the preceding June 30 and proposed expenditures for the fiscal year  
2.10 beginning the preceding July 1.

2.11 **EFFECTIVE DATE.** This section is effective July 1, 2022.

2.12 Sec. 2. **[290.033] NET INVESTMENT INCOME TAX.**

2.13 (a) An annual tax for each taxable year is imposed on all net investment income, as  
2.14 defined in section 1411(c) of the Internal Revenue Code, in excess of \$250,000 for the  
2.15 following classes of taxpayers:

2.16 (1) resident and nonresident individuals;

2.17 (2) estates of decedents, dying domiciled within or outside of this state; and

2.18 (3) trusts, except those taxable as corporations, however created by residents or  
2.19 nonresidents or by domestic or foreign corporations.

2.20 (b) The taxes imposed under paragraph (a) on individuals, estates, and trusts must be  
2.21 computed by applying the rate of five percent to the individual's, estate's, or trust's net  
2.22 investment income, as defined in section 1411(c) of the Internal Revenue Code, in excess  
2.23 of \$250,000.

2.24 (c) Revenue received under this section shall be deposited in the general fund.

2.25 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
2.26 31, 2021, and before January 1, 2032.