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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 868

02/06/2017 Authored by Jessup, Nornes and Lien
The bill was read for the first time and referred to the Committee on Higher Education and Career Readiness Policy and Finance
03/01/2017 Adoption of Report: Re-referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; individual income and corporate franchise; modifying the
1.3 greater Minnesota internship tax credit; amending Minnesota Statutes 2016, section
1.4 136A.129, subdivision 3.

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

1.6 Section 1. Minnesota Statutes 2016, section 136A.129, subdivision 3, is amended to read:

1.7 Subd. 3. Program components. (a) An intern must be an eligible student who has been
1.8 admitted to a major program that is related to the intern experience as determined by the
1.9 eligible institution.

1.10 (b) To participate in the program, an eligible institution must:

1.11 (1) enter into written agreements with eligible employers to provide internships that are
1.12 at least eight weeks long and located in greater Minnesota; and

1.13 (2) provide academic credit for the successful completion of the internship or ensure
1.14 that it fulfills requirements necessary to complete a vocational technical education program.

1.15 (c) To participate in the program, an eligible employer must enter into a written agreement
1.16 with an eligible institution specifying that the intern:

1.17 (1) would not have been hired without the tax credit described in subdivision 4;

1.18 (2) did not work for the employer in the same or a similar job prior to entering the
1.19 agreement;

1.20 (3) (2) does not replace an existing employee;

1.21 (4) (3) has not previously participated in the program;

2.1 ~~(5)~~ (4) will be employed at a location in greater Minnesota;

2.2 ~~(6)~~ (5) will be paid at least minimum wage for a minimum of 16 hours per week for a
2.3 period of at least eight weeks; and

2.4 ~~(7)~~ (6) will be supervised and evaluated by the employer.

2.5 (d) The written agreement between the eligible institution and the eligible employer
2.6 must certify a credit amount to the employer, not to exceed \$2,000 per intern. The total
2.7 dollar amount of credits that an eligible institution certifies to eligible employers in a calendar
2.8 year may not exceed the amount of its allocation under subdivision 4.

2.9 (e) Participating eligible institutions and eligible employers must report annually to the
2.10 office. The report must include at least the following:

2.11 (1) the number of interns hired;

2.12 (2) the number of hours and weeks worked by interns; and

2.13 (3) the compensation paid to interns.

2.14 ~~(f) An internship required to complete an academic program does not qualify for the~~
2.15 ~~greater Minnesota internship program under this section.~~

2.16 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
2.17 31, 2016.