

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-NINTH SESSION**

**S.F. No. 1097**

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DATE	D-PG	OFFICIAL STATUS
02/23/2015	403	Introduction and first reading Referred to Taxes

1.1 A bill for an act  
 1.2 relating to taxation; individual income; providing a credit for new STEM and  
 1.3 long-term care employees; proposing coding for new law in Minnesota Statutes,  
 1.4 chapter 290.

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

1.6 Section 1. [290.0682] CREDIT FOR NEW STEM AND LONG-TERM CARE  
 1.7 EMPLOYEES.

1.8 Subdivision 1. Definitions. (a) For purposes of this section, the following terms  
 1.9 have the meanings given.

1.10 (b) "Eligible individual" means an individual who:

1.11 (1) graduated from a postsecondary educational institution with a qualifying degree;

1.12 and

1.13 (2) began employment after June 30, 2015, in a qualified economic development  
 1.14 region with an employer with a primary business activity in a qualified field.

1.15 (c) "Maximum qualifying amount" means the allowance for tuition and fees set  
 1.16 in law as required under section 136A.121, subdivision 6, for the calendar year in  
 1.17 which the eligible individual obtained the qualifying degree. For an eligible individual  
 1.18 with a qualifying degree from a two-year postsecondary educational institution, the  
 1.19 maximum qualifying amount equals the allowance for tuition and fees specified for  
 1.20 a two-year institution, and for an eligible individual with a qualifying degree from a  
 1.21 four-year postsecondary educational institution, the maximum qualifying amount equals  
 1.22 the allowance for tuition and fees specified for a four-year institution.

1.23 (d) "Qualifying degree" means a two- or four-year degree from an accredited  
 1.24 postsecondary educational institution in one of the following fields:

- 2.1 (1) science;  
2.2 (2) technology;  
2.3 (3) engineering;  
2.4 (4) mathematics; or  
2.5 (5) medicine.

2.6 (e) "Qualified economic development region" means an economic development  
2.7 region in which the average number of job vacancies per capita in qualified fields for the  
2.8 second and fourth quarters of the preceding calendar year exceeds by ten percent or more  
2.9 the statewide average number of job vacancies per capita in qualified fields for the second  
2.10 and fourth quarters of the preceding calendar year, as determined by the commissioner of  
2.11 employment and economic development based on data reported in the Job Vacancy Survey.

2.12 (f) "Qualified field" means any one of the fields of science, technology, engineering,  
2.13 mathematics, or long-term care.

2.14 Subd. 2. **Credit allowed.** An eligible individual is allowed a credit against the tax  
2.15 imposed under this chapter equal to 50 percent of the maximum qualifying amount. The  
2.16 maximum credit allowed in a taxable year is \$5,000 for eligible individuals with four-year  
2.17 degrees, and \$2,500 for eligible individuals with two-year degrees. An individual may  
2.18 claim the credit under this section in the taxable year in which the individual first becomes  
2.19 eligible and in each of the four following taxable years.

2.20 Subd. 3. **Determination of qualified economic development regions.** On or before  
2.21 July 1, 2015, the commissioner of employment and economic development must identify  
2.22 qualified economic development regions for taxable years beginning in 2015, based on  
2.23 job vacancy data for calendar year 2014. On or before February 15 of each subsequent  
2.24 year, the commissioner of employment and economic development must identify qualified  
2.25 economic development regions for the current taxable year, based on job vacancy data for  
2.26 the previous calendar year. The commissioner of employment and economic development  
2.27 must make the list of qualified economic development regions available on the department  
2.28 Web site and must share the list with the commissioner of revenue, who also must make  
2.29 the list available on the department Web site.

2.30 Subd. 4. **Credit refundable.** If the amount of the credit under this section for any  
2.31 taxable year exceeds the claimant's liability for tax under this chapter, the commissioner  
2.32 shall refund the excess to the claimant. An amount sufficient to pay the refunds required  
2.33 by this section is appropriated to the commissioner from the general fund.

2.34 **EFFECTIVE DATE.** This section is effective for taxable years beginning after  
2.35 December 31, 2014.