



2.1 (g) "Qualified education loan" has the meaning given in section 221 of the Internal  
2.2 Revenue Code, but is limited to indebtedness incurred on behalf of the eligible individual  
2.3 or the eligible individual's spouse.

2.4 Subd. 2. **Credit allowed.** (a) An eligible individual is allowed a credit against the tax  
2.5 due under this chapter.

2.6 (b) The credit for an eligible individual equals the least of:

2.7 (1) eligible loan payments minus ten percent of an amount equal to adjusted gross income  
2.8 in excess of \$10,000, but in no case less than zero;

2.9 (2) the earned income for the taxable year of the eligible individual and spouse, if any;  
2.10 or

2.11 (3) the sum of:

2.12 (i) the interest portion of eligible loan payments made during the taxable year; and

2.13 (ii) ten percent of the original loan amount of all qualified education loans of the eligible  
2.14 individual and the eligible individual's spouse.

2.15 (c) For a part-year resident, the credit must be allocated based on the percentage calculated  
2.16 under section 290.06, subdivision 2c, paragraph (e).

2.17 Subd. 3. **Credit refundable.** If the amount of credit that an individual is eligible to  
2.18 receive under this section exceeds the individual's tax liability under this chapter, the  
2.19 commissioner shall refund the excess to the individual.

2.20 Subd. 4. **Appropriation.** An amount sufficient to pay the refunds required by this section  
2.21 is appropriated to the commissioner from the general fund.

2.22 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
2.23 31, 2016.