

State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3560

03/24/2016 Authored by Mariani and Clark

The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; individual income; allowing a citizenship credit;
1.3 appropriating money; 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] CITIZENSHIP CREDIT.**

1.7 Subdivision 1. **Credit allowed.** An individual is allowed a credit against the tax
1.8 imposed by this chapter equal to qualified citizenship expenses paid for a qualified citizen
1.9 applicant. The maximum credit per qualified citizen applicant is \$700.

1.10 Subd. 2. **Limitations on credit.** (a) The credit is not allowed if the sum of an
1.11 individual's income and the individual's spouse's income exceeds 200 percent of the
1.12 federal poverty guideline.

1.13 (b) For an individual who is not a Minnesota resident for the entire year, the credit
1.14 must be apportioned using the percentage calculated in section 290.06, subdivision 2c,
1.15 paragraph (e).

1.16 (c) The credit is not allowed to an individual who is eligible to be claimed as a
1.17 dependent.

1.18 Subd. 3. **Definitions.** (a) For purposes of this section, the following terms have
1.19 the meanings given.

1.20 (b) "Dependent" has the meaning given in sections 151 and 152 of the Internal
1.21 Revenue Code.

1.22 (c) "Federal poverty guideline" means the guideline most recently published in the
1.23 Federal Register, adjusted for family size.

1.24 (d) "Income" has the meaning given in section 290.067, subdivision 2a.

(e) "Qualified citizenship expenses" means filing fees, including both application and biometric fingerprint fees, paid to the United States Citizenship and Immigration Services in connection with an N-400 naturalization application for a qualified citizenship applicant.

(f) "Qualified citizenship applicant" means the individual, the individual's spouse, or a dependent of the individual.

Subd. 4. **Credit refundable.** If the amount of credit that the claimant is eligible to receive under this section exceeds the claimant's liability for tax under this chapter, the commissioner of revenue shall refund the excess to the claimant.

Subd. 5. **Appropriation.** An amount sufficient to pay the refunds required by this section is appropriated from the general fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2015.

Sec. 2. **PURPOSE STATEMENT; TAX EXPENDITURES.**

Subdivision 1. **Authority.** This section is intended to fulfill the requirement under Minnesota Statutes, section 3.192, that a bill creating, renewing, or continuing a tax expenditure provide a purpose for the tax expenditure and a standard or goal against which its effectiveness may be measured.

Subd. 2. **Citizenship credit.** The purpose of this tax credit is to alleviate the burdensome cost of citizenship for lower-income applicants. The effectiveness of this tax credit will be measured by comparing the number of individuals applying for and becoming citizens after enactment of the credit with the number who did so in the year before the credit is first allowed.

EFFECTIVE DATE. This section is effective the day following final enactment.