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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 370

02/13/2025

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The bill was read for the first time and referred to the Committee on Human Services Finance and Policy

- 1.1 A bill for an act
- 1.2 relating to taxation; individual income; establishing a two-year income tax holiday
- 1.3 for direct support professionals.
- 1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.5 Section 1. **INCOME TAX HOLIDAY; DIRECT SUPPORT PROFESSIONALS.**
- 1.6 (a) Notwithstanding any law to the contrary, for taxable years beginning after December
- 1.7 31, 2024, and before January 1, 2027, an individual who is an eligible direct support
- 1.8 professional may elect to receive an exemption from the individual income tax under
- 1.9 Minnesota Statutes, chapter 290.
- 1.10 (b) An eligible direct support professional who is eligible for a refundable credit in
- 1.11 excess of the individual's liability for tax may still file and claim a return for a taxable year
- 1.12 covered by this section.
- 1.13 (c) For the purposes of this section, "eligible direct support professional" means an
- 1.14 individual who:
- 1.15 (1) was an employee, as defined in Minnesota Statutes, section 290.92, subdivision 1,
- 1.16 clause (3), of an eligible facility in Minnesota during the taxable year;
- 1.17 (2) worked at least 1,000 hours at an eligible facility in Minnesota during the taxable
- 1.18 year; and
- 1.19 (3) had adjusted gross income during the taxable year that did not exceed \$75,000, or
- 1.20 \$150,000 for a married taxpayer filing a joint return.
- 1.21 (d) For the purposes of this section, "eligible facility" means:

2.1 (1) a nursing facility, as defined in Minnesota Statutes, section 256R.02, subdivision
2.2 33;

2.3 (2) an assisted living facility, as defined in Minnesota Statutes, section 144G.08,
2.4 subdivision 7;

2.5 (3) an adult foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265;

2.6 (4) a community residential setting, as defined in Minnesota Statutes, section 245D.02,
2.7 subdivision 4a; or

2.8 (5) intermediate care facilities for persons with developmental disabilities licensed under
2.9 Minnesota Statutes, sections 144.50 to 144.56.

2.10 (e) The definitions in Minnesota Statutes, section 290.01, apply for this section.

2.11 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
2.12 31, 2024, and before January 1, 2027.