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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 3902

03/02/2026 Authored by Igo
The bill was read for the first time and referred to the Committee on Housing Finance and Policy
03/09/2026 Adoption of Report: Amended and re-referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; modifying eligible recipients for Minnesota housing tax credit
1.3 contributions; repealing credit sunset; amending Minnesota Statutes 2024, sections
1.4 290.0683, subdivisions 1, 3; 462A.40, subdivision 3; repealing Minnesota Statutes
1.5 2024, section 290.0683, subdivision 7.

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

1.7 Section 1. Minnesota Statutes 2024, section 290.0683, subdivision 1, is amended to read:

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

1.10 (b) "Agency" means the Minnesota Housing Finance Agency.

1.11 (c) "Greater Minnesota" means the area of Minnesota located outside of the metropolitan
1.12 area.

1.13 (d) "Metropolitan area" has the meaning given in section 473.121, subdivision 2.

1.14 (e) "Minnesota housing tax credit contribution account" or "account" means the
1.15 account established in section 462A.40.

1.16 (f) "Population" has the meaning given in section 477A.011, subdivision 3.

1.17 (g) "Qualified project" means a project that qualifies for a grant or loan under section
1.18 462A.40.

1.19 (h) "Taxpayer" means a taxpayer as defined in section 290.01, subdivision 6, or a
1.20 taxpayer as defined in section 297I.01, subdivision 16.

2.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
2.2 31, 2026.

2.3 Sec. 2. Minnesota Statutes 2024, section 290.0683, subdivision 3, is amended to read:

2.4 Subd. 3. **Allocation.** (a) To qualify for the credit, a taxpayer must contribute to the  
2.5 Minnesota housing tax credit contribution account. A taxpayer may indicate that a  
2.6 contribution is intended for a specific qualified project, subject to the limitations in paragraph  
2.7 (b). A taxpayer is prohibited from contributing to certain projects as provided in section  
2.8 462A.40, subdivision 3.

2.9 (b) For each taxable year, the agency must reserve a percentage of credits for contributions  
2.10 to qualified projects located in greater Minnesota equal to greater Minnesota's percentage  
2.11 of the state population. Any portion of a taxable year's credits reserved for contributions to  
2.12 qualified projects located in greater Minnesota that is not allocated by the agency by  
2.13 September 30 of each year is available for allocation to credit applications for contributions  
2.14 to other qualified projects beginning on October 1.

2.15 ~~(b)~~ (c) The aggregate amount of tax credits allowed to all eligible contributors is limited  
2.16 to \$9,900,000 annually.

2.17 ~~(c)~~ (d) Within 30 days after a taxpayer contributes to the account, the agency must file  
2.18 with the contributing taxpayer a credit certificate statement or return any amounts to the  
2.19 taxpayer as provided in this paragraph. The agency must send a copy of the credit certificate  
2.20 to the commissioner. If there are insufficient credits to match the contribution, the agency  
2.21 must not issue a credit certificate for the amount of the contribution for which there are  
2.22 insufficient credits, and must return that amount to the taxpayer before issuing any credit  
2.23 certificate.

2.24 ~~(d)~~ (e) The credit certificate must state the dollar amount of the contribution made by  
2.25 the taxpayer and the date the payment was received by the account, and indicate if the  
2.26 contribution was intended for a specific qualified project.

2.27 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
2.28 31, 2026.

2.29 Sec. 3. Minnesota Statutes 2024, section 462A.40, subdivision 3, is amended to read:

2.30 Subd. 3. **Eligible recipients; definitions; restrictions; use of funds.** (a) The agency  
2.31 may award a grant or a loan to any recipient that qualifies under subdivision 2. The agency  
2.32 must not award a grant or a loan to a disqualified individual or disqualified business.

3.1 (b) For the purposes of this subdivision disqualified individual means:

3.2 (1) an individual who or an individual whose immediate family member made a  
3.3 contribution to the account in the current or prior taxable year and received a credit certificate;

3.4 (2) an individual who or an individual whose immediate family member owns the housing  
3.5 for which the grant or loan will be used;

3.6 (3) an individual who meets the following criteria:

3.7 (i) the individual is an officer or principal of a business entity; and

3.8 (ii) that business entity made a contribution to the account in the current or previous  
3.9 taxable year and received a credit certificate; or

3.10 (4) an individual who meets the following criteria:

3.11 (i) the individual directly owns, controls, or holds the power to vote 20 percent or more  
3.12 of the outstanding securities of a business entity; and

3.13 (ii) that business entity made a contribution to the account in the current or previous  
3.14 taxable year and received a credit certificate.

3.15 (c) For the purposes of this subdivision disqualified business means a business entity  
3.16 that:

3.17 (1) made a contribution to the account in the current or prior taxable year and received  
3.18 a credit certificate;

3.19 (2) has an officer or principal who is an individual who made a contribution to the  
3.20 account in the current or previous taxable year and received a credit certificate; or

3.21 (3) meets the following criteria:

3.22 (i) the business entity is directly owned, controlled, or is subject to the power to vote 20  
3.23 percent or more of the outstanding securities by an individual or business entity; and

3.24 (ii) that controlling individual or business entity made a contribution to the account in  
3.25 the current or previous taxable year and received a credit certificate.

3.26 (d) For purposes of this subdivision, "immediate family" means the taxpayer's spouse,  
3.27 parent or parent's spouse, sibling or sibling's spouse, or child or child's spouse. For a married  
3.28 couple filing a joint return, the limitations in this subdivision apply collectively to the  
3.29 taxpayer and spouse.

3.30 (e) Before applying for a grant or loan, all recipients must sign a disclosure that the  
3.31 disqualifications under this subdivision do not apply. The Minnesota Housing Finance

4.1 Agency must prescribe the form of the disclosure. The Minnesota Housing Finance Agency  
4.2 may rely on the disclosure to determine the eligibility of recipients under paragraph (a).

4.3 (f) The agency may award grants or loans to a city as defined in section 462A.03,  
4.4 subdivision 21; a federally recognized American Indian Tribe or subdivision located in  
4.5 Minnesota; a Tribal housing corporation; a private developer; a nonprofit organization; a  
4.6 housing and redevelopment authority under sections 469.001 to 469.047; a public housing  
4.7 authority or agency authorized by law to exercise any of the powers granted by sections  
4.8 469.001 to 469.047; or the owner of the housing. The provisions of subdivision 2, and  
4.9 paragraphs (a) to (e) and (g) of this subdivision, regarding the use of funds and eligible  
4.10 recipients apply to grants and loans awarded under this paragraph.

4.11 (g) Except for projects receiving funding under section 462A.39, eligible recipients must  
4.12 use the funds to serve households that meet the income limits as provided in section 462A.33,  
4.13 subdivision 5.

4.14 Sec. 4. **REPEALER.**

4.15 Minnesota Statutes 2024, section 290.0683, subdivision 7, is repealed.

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

APPENDIX  
Repealed Minnesota Statutes: H3902-1

**290.0683 MINNESOTA HOUSING TAX CREDIT.**

Subd. 7. **Sunset.** This section expires after December 31, 2028, except that the agency's authority to issue credit certificates under subdivision 3 based on contributions received before January 1, 2029, and allocation certificates that were issued before February 1, 2029, remains in effect through January 1, 2030. The reporting requirements in section 462A.40, subdivision 5, remain in effect through the year following the year in which all allocation certificates have either been canceled or resulted in issuance of credit certificates, or January 1, 2031, whichever is earlier. The expiration of this section does not affect the commissioner's authority to audit or power of examination and assessment for credits claimed under this section.