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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 2404

03/02/2023 Authored by Urdahl, Howard, Davids and Engen
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; expanding the credit for teachers attaining
1.3 master's degrees to include special education degrees and certain newly licensed
1.4 teachers; amending Minnesota Statutes 2022, section 290.0686.

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

1.6 Section 1. Minnesota Statutes 2022, section 290.0686, is amended to read:

1.7 290.0686 CREDIT FOR NEWLY LICENSED TEACHERS AND TEACHERS
1.8 ATTAINING MASTER'S DEGREE IN TEACHER'S LICENSURE FIELD DEGREES.

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

1.11 (b) "Master's degree program" means a graduate-level program at an accredited university
1.12 leading to a master of arts or science degree in either a core content area directly related to
1.13 a qualified teacher's licensure field or in special education. Except for a special education
1.14 program, the master's degree program may not include pedagogy or a pedagogy component.
1.15 To be eligible under this credit, a licensed elementary school teacher must pursue and
1.16 complete a master's degree program in a core content A master's degree program is limited
1.17 to degree programs related to the area in which the teacher provides direct classroom
1.18 instruction.

1.19 (c) "Qualified teacher" "Eligible master's degree recipient" means a person an individual
1.20 who:

1.21 (1) holds a teaching license issued by the licensing division in the Department of
1.22 Education on behalf of the Professional Educator Licensing and Standards Board both when

2.1 the ~~teacher~~ individual begins the master's degree program and when the ~~teacher~~ individual
 2.2 completes the master's degree program;

2.3 (2) began a master's degree program after June 30, 2017; and

2.4 (3) completes the master's degree program during the taxable year.

2.5 (d) "Core content area" means the academic subject of reading, English or language arts,
 2.6 mathematics, science, foreign languages, civics and government, economics, arts, history,
 2.7 or geography.

2.8 (e) "Eligible newly licensed teacher" means an individual who, during the taxable year:

2.9 (1) earned a qualifying teaching license for the first time; or

2.10 (2) earned an additional qualifying teaching license in a license shortage area for the
 2.11 first time.

2.12 (f) "License shortage area" has the meaning given in section 136A.1275, subdivision 1,
 2.13 paragraph (b).

2.14 (g) "Qualifying teaching license" means:

2.15 (1) a Tier 3 license issued under section 122A.183; or

2.16 (2) a Tier 4 license issued under section 122A.184.

2.17 Subd. 2. **Credit allowed.** (a) An individual who is ~~a qualified teacher~~ an eligible newly
 2.18 licensed teacher or an eligible master's degree recipient is allowed a credit against the tax
 2.19 imposed under this chapter. The credit equals ~~the lesser of \$2,500 or,~~ except the credit for
 2.20 an eligible master's degree recipient is limited to the amount the individual paid for tuition,
 2.21 fees, books, and instructional materials necessary to completing the master's degree program
 2.22 and for which the individual did not receive reimbursement from an employer or scholarship.

2.23 (b) For a nonresident or a part-year resident, the credit under this subdivision must be
 2.24 allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph
 2.25 (e).

2.26 (c) ~~A qualified teacher~~ An individual may claim the credit in this section only one time
 2.27 for each master's degree program ~~completed in a core content area~~ or qualifying teaching
 2.28 license.

2.29 (d) An individual may claim only one credit under this section per taxable year. A married
 2.30 taxpayer filing a joint return may claim one credit for each spouse who is an eligible newly
 2.31 licensed teacher or eligible master's degree recipient.

- 3.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
- 3.2 31, 2022.