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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2765

01/31/2022 Authored by Stephenson, Her, Mortensen and Davnie
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 temporary subtraction for
1.3 unemployment benefits.

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

1.5 Section 1. TEMPORARY INDIVIDUAL INCOME TAX SUBTRACTION;
1.6 UNEMPLOYMENT INSURANCE BENEFITS.

1.7 (a) For the purposes of this section the following terms having the meanings given:

1.8 (1) "subtraction" has the meaning given in Minnesota Statutes, section 290.0132,
1.9 subdivision 1; and

1.10 (2) "unemployment compensation" has the meaning given in section 85(b) of the Internal
1.11 Revenue Code.

1.12 (b) For taxable years beginning after December 31, 2020, and before January 1, 2022,
1.13 an individual taxpayer is allowed a subtraction equal to the amount of unemployment
1.14 compensation received in the taxable year, subject to the limit in paragraphs (c) and (d).

1.15 (c) The subtraction is limited to \$10,200, except for a joint return the subtraction is
1.16 limited to \$10,200 in unemployment compensation received by each spouse.

1.17 (d) The limit in paragraph (c) is reduced by five percent of adjusted gross income in
1.18 excess of:

1.19 (1) \$150,000 for a joint return; or

1.20 (2) \$75,000 for all other filers.

1.21 In no case is the limit less than \$0.

- 2.1 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
- 2.2 after December 31, 2020, and before January 1, 2022.