

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-EIGHTH SESSION**

**S.F. No. 2848**

(SENATE AUTHORS: EKEN and Bonoff)

DATE	D-PG	OFFICIAL STATUS
03/21/2014	6500	Introduction and first reading Referred to Taxes

1.1 A bill for an act  
 1.2 relating to taxation; modifying the internship credit; amending Minnesota  
 1.3 Statutes 2013 Supplement, section 136A.129, subdivisions 1, 3, 5.

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

1.5 Section 1. Minnesota Statutes 2013 Supplement, section 136A.129, subdivision 1,  
 1.6 is amended to read:

1.7 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in  
 1.8 this subdivision have the meanings given to them.

1.9 (b) "Eligible employer" means a taxpayer under section 290.01 with employees  
 1.10 located in greater Minnesota.

1.11 (c) "Eligible institution" means a Minnesota public postsecondary institution or  
 1.12 a Minnesota private, nonprofit, baccalaureate, or graduate degree-granting college or  
 1.13 university.

1.14 (d) "Eligible student" means a student enrolled in an eligible institution who has  
 1.15 completed one-half of the credits necessary for the respective degree or certification,  
 1.16 including a graduate degree.

1.17 (e) "Greater Minnesota" means the area of the state outside of the counties of Anoka,  
 1.18 Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and  
 1.19 Wright.

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

1.21 Sec. 2. Minnesota Statutes 2013 Supplement, section 136A.129, subdivision 3, is  
 1.22 amended to read:

2.1 Subd. 3. **Program components.** (a) An intern must be an eligible student who has  
2.2 been admitted to a major program that is related to the intern experience as determined  
2.3 by the eligible institution.

2.4 (b) To participate in the program, an eligible institution must:

2.5 (1) enter into written agreements with eligible employers to provide internships that  
2.6 are at least 12 weeks long and located in greater Minnesota;

2.7 (2) determine that the work experience of the internship is related to the eligible  
2.8 student's course of study; and

2.9 (3) provide academic credit for the successful completion of the internship or ensure  
2.10 that it fulfills requirements necessary to complete a vocational technical education program.

2.11 (c) To participate in the program, an eligible employer must enter into a written  
2.12 agreement with an eligible institution specifying that the intern:

2.13 (1) would not have been hired without the tax credit described in subdivision 4;

2.14 (2) did not work for the employer in the same or a similar job prior to entering  
2.15 the agreement;

2.16 (3) does not replace an existing employee;

2.17 (4) has not previously participated in the program;

2.18 (5) will be employed at a location in greater Minnesota;

2.19 (6) will be paid at least minimum wage for a minimum of 16 hours per week for a  
2.20 period of at least ~~12~~ eight weeks; and

2.21 (7) will be supervised and evaluated by the employer.

2.22 (d) The written agreement between the eligible institution and the eligible employer  
2.23 must certify a credit amount to the employer, not to exceed \$2,000 per intern. The total  
2.24 dollar amount of credits that an eligible institution certifies to eligible employers in a  
2.25 calendar year may not exceed the amount of its allocation under subdivision 4.

2.26 (e) Participating eligible institutions and eligible employers must report annually to  
2.27 the office. The report must include at least the following:

2.28 (1) the number of interns hired;

2.29 (2) the number of hours and weeks worked by interns; and

2.30 (3) the compensation paid to interns.

2.31 (f) An internship required to complete an academic program does not qualify for the  
2.32 greater Minnesota internship program under this section.

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

2.34 Sec. 3. Minnesota Statutes 2013 Supplement, section 136A.129, subdivision 5, is  
2.35 amended to read:

3.1           Subd. 5. **Reports to the legislature.** (a) By February 1, ~~2015~~ 2016, the office  
3.2 and the Department of Revenue shall report to the legislature on the greater Minnesota  
3.3 internship program. The report must include at least the following:

- 3.4           (1) the number and dollar amount of credits allowed;
- 3.5           (2) the number of interns employed under the program; and
- 3.6           (3) the cost of administering the program.

3.7           (b) By February 1, ~~2016~~ 2017, the office and the Department of Revenue shall  
3.8 report to the legislature with an analysis of the effectiveness of the program in stimulating  
3.9 businesses to hire interns and in assisting participating interns in finding permanent  
3.10 career positions. This report must include the number of students who participated in the  
3.11 program who were subsequently employed full-time by the employer.