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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1303

02/18/2021 Authored by Hertaus, Lucero and Swedzinski
The bill was read for the first time and referred to the Committee on Housing Finance and Policy

1.1 A bill for an act
1.2 relating to taxation; property; establishing a credit to reimburse landlords for unpaid
1.3 rent during the peacetime emergency; appropriating money.

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

1.5 Section 1. RENTAL ASSISTANCE FOR UNPAID RENT; PEACETIME
1.6 EMERGENCY.

1.7 Subdivision 1. Purpose; landlord rental credit. The purpose of this section is to provide
1.8 income tax relief to landlords for months in which a landlord could not bring an eviction
1.9 action against a tenant for nonpayment of rent during the peacetime emergency declared in
1.10 Executive Order 20-01 and established by the eviction moratorium in Executive Order 20-79
1.11 and any similar federal eviction suspension impacting Minnesota.

1.12 Subd. 2. Definitions. (a) For the purposes of this section, the following terms have the
1.13 meanings given them.

1.14 (b) "Eligible landlord" means a landlord who has property where, during the peacetime
1.15 emergency:

1.16 (1) a tenant has not paid rent agreed upon in the lease or other written agreement; or

1.17 (2) a tenant vacated the property during the peacetime emergency and has not paid rent
1.18 that was past due to the landlord.

1.19 (c) "Eligible year" means any year in which a landlord could not bring an eviction action
1.20 against a tenant for nonpayment of rent due to a peacetime emergency.

2.1 (d) "Landlord" has the meaning given in Minnesota Statutes, section 504B.001,
2.2 subdivision 7.

2.3 (e) "Peacetime emergency" means the emergency declared under Executive Order 20-01,
2.4 as amended by Executive Order 20-14, 20-73, and 20-79 and any other subsequent executive
2.5 order, and any similar federal eviction suspension based on COVID-19 that applied to
2.6 Minnesota.

2.7 Subd. 3. **Credit amount; appropriation.** (a) An eligible landlord may take a credit
2.8 against the tax due under Minnesota Statutes, chapter 290. The credit equals 65 percent of
2.9 the total amount of rent not paid in an eligible year.

2.10 (b) If the amount of credit that the eligible landlord is entitled to receive under this
2.11 section exceeds the eligible landlord's tax liability under Minnesota Statutes, chapter 290,
2.12 the commissioner of revenue shall refund the excess to the eligible landlord.

2.13 (c) An amount necessary to pay the claims for the refund provided in this section is
2.14 appropriated from the general fund to the commissioner of revenue.

2.15 Subd. 4. **Application.** (a) To receive the credit, an eligible landlord must apply to the
2.16 commissioner of revenue. The landlord must certify the amount of the credit to the
2.17 commissioner. The commissioner must prescribe the form and manner to certify and apply
2.18 for the credit.

2.19 (b) Minnesota Statutes, chapters 270C, 289A, and 290, apply to the credit under this
2.20 section.

2.21 Subd. 5. **Partnerships; multiple owners.** Credits granted to a partnership, a limited
2.22 liability company taxed as a partnership, an S corporation, or multiple owners of property
2.23 are passed through to the partners, members, shareholders, or owners, respectively, pro rata
2.24 to each partner, member, shareholder, or owner based on their share of the entity's assets
2.25 or as specially allocated in their organizational documents or any other executed agreement
2.26 as of the last day of the taxable year.

2.27 **EFFECTIVE DATE; APPLICATION.** This section is effective retroactively for
2.28 taxable years beginning after December 31, 2019, and before January 1, 2022, and applies
2.29 to months of unpaid rent owed during the peacetime emergency and eviction moratorium
2.30 in 2020 and 2021.