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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 167

01/09/2023 Authored by Quam and Davids
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 tax; proposing a refundable tax credit for
1.3 tax years 2021 and 2022.

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

1.5 Section 1. INCOME TAX REBATES.

1.6 Subdivision 1. Definitions. The definitions in Minnesota Statutes, section 290.01, apply
1.7 to this section.

1.8 Subd. 2. Tax rebate credit. For taxable years beginning after December 31, 2020, and
1.9 before January 1, 2024, an individual income taxpayer is allowed a credit against the taxes
1.10 imposed in Minnesota Statutes, sections 290.03 and 290.091. The credit equals \$1,000 each
1.11 taxable year for all filers.

1.12 Subd. 3. Part-year residents. For an individual who was a resident of Minnesota for
1.13 less than the entire taxable year, the credit equals the amount determined under subdivision
1.14 2 for the individual's filing status, multiplied by the percentage determined pursuant to
1.15 Minnesota Statutes, section 290.06, subdivision 2c, paragraph (e).

1.16 Subd. 4. Credit refundable; appropriation. (a) If the amount of credit which a claimant
1.17 is eligible to receive under this section exceeds the claimant's liability for tax for taxes
1.18 imposed under Minnesota Statutes, sections 290.03 and 290.091, the commissioner shall
1.19 refund the excess to the claimant.

1.20 (b) An amount sufficient to pay the refunds required by this section is appropriated to
1.21 the commissioner from the general fund.

2.1 Subd. 5. **Distribution of credit payments; filing process for taxpayers without tax**  
2.2 **liability.** (a) To the extent feasible, the commissioner must automatically adjust the return  
2.3 of any taxpayer who filed a return for a taxable year in which the credit under this section  
2.4 applies. If a taxpayer is eligible for a refund as a result of the credit under this section, to  
2.5 the extent feasible, the commissioner must distribute the refund via direct deposit to the  
2.6 taxpayer's bank account, check, or any other mechanism the commissioner deems appropriate.

2.7 (b) The commissioner must establish a simplified filing process through which a taxpayer  
2.8 who did not file a return due to a lack of individual income tax liability may file a return  
2.9 for the taxable years in which the credit is available. The filing process and forms may be  
2.10 in the form or manner determined by the commissioner, but must be designed to reduce the  
2.11 complexity of the filing process and the time needed to file for individuals without an income  
2.12 tax liability for the taxable year.

2.13 Subd. 6. **Recapture of payments forbidden.** The commissioner of revenue must not  
2.14 apply, and must not certify to another agency to apply, a payment resulting from the credit  
2.15 under this section to any unpaid tax or nontax debt owed by an individual.

2.16 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
2.17 after December 31, 2020, and before January 1, 2023.