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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 2642

03/21/2019 Authored by Gomez
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 financing of state government; repealing the section 529 plan income
1.3 tax subtraction; increasing funding for the state grant program; amending Minnesota
1.4 Statutes 2018, section 136A.121, by adding a subdivision; repealing Minnesota
1.5 Statutes 2018, section 290.0132, subdivision 23.

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

1.7 Section 1. Minnesota Statutes 2018, section 136A.121, is amended by adding a subdivision
1.8 to read:

1.9 Subd. 3a. Dedication of revenue. (a) By June 30, 2020, and June 30 of each following
1.10 year, the commissioner of revenue must certify to the commissioner of management and
1.11 budget the estimated revenue increase in the taxable year ending on December 31 of the
1.12 prior year that resulted from the repeal of Minnesota Statutes 2018, section 290.0132,
1.13 subdivision 23, by section 2.

1.14 (b) The amount certified under paragraph (a) is appropriated from the general fund to
1.15 the commissioner of higher education in the fiscal year beginning on July 1 of the calendar
1.16 year in which the certification was made. The commissioner must use amounts appropriated
1.17 under this section to increase student grant awards through the state grant program under
1.18 this section.

1.19 Sec. 2. REPEALER.

1.20 Minnesota Statutes 2018, section 290.0132, subdivision 23, is repealed.

1.21 EFFECTIVE DATE. This section is effective for taxable years beginning after December
1.22 31, 2018.

APPENDIX  
Repealed Minnesota Statutes: 19-4787

**290.0132 INDIVIDUALS; SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.**

Subd. 23. **Contributions to a section 529 plan.** (a) The amount equal to the contributions made during the taxable year to a qualified account is a subtraction.

(b) The definitions under section 290.0684 apply for the purposes of this subdivision.

(c) The subtraction under this subdivision must not exceed \$3,000 for married couples filing joint returns and \$1,500 for all other filers, and is limited to individuals who do not claim the credit under section 290.0684.