

State of Minnesota

H. F. No. 365

(b) The credit for an eligible individual equals the amount the eligible individual paid during the taxable year to pay principal and interest on qualified education loans up to \$5,000.

(c) The credit for the parent of an eligible individual equals the amount the parent of the eligible individual paid during the taxable year to pay principal and interest on qualified education loans of the eligible individual, up to \$5,000, less the amount of credit allowed to the eligible individual under paragraph (b).

(d) For married couples filing joint returns, the maximum credit is reduced by \$1 for every \$6 of modified adjusted gross income in excess of \$130,000. For all other filers, the maximum credit is reduced by \$1 for every \$3 of modified adjusted gross income in excess of \$65,000. In no case is the maximum credit less than zero.

(e) For a nonresident or part-year resident, the credit must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).

Subd. 3. **Credit refundable.** If the amount of credit that an individual who is a resident or part-year resident of Minnesota is eligible to receive under this section exceeds the individual's tax liability under this chapter, the commissioner shall refund the excess to the individual. For nonresident taxpayers, the credit must not exceed the taxpayer's liability for tax under this chapter.

Subd. 4. **Appropriation.** An amount sufficient to pay the refunds required by this section is appropriated to the commissioner from the general fund.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2016.