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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 4642

03/28/2022 Authored by Mortensen
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; establishing an income tax holiday for tax
1.3 year 2021 or 2022; appropriating money.

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

1.5 Section 1. INCOME TAX HOLIDAY FOR TAX YEAR 2021 OR 2022.

1.6 (a) Notwithstanding any law to the contrary, an individual taxpayer may elect to receive
1.7 an income tax holiday for one taxable year under this section. An individual may elect to
1.8 receive a holiday for either:

1.9 (1) a taxable year beginning after December 31, 2020, and before January 1, 2022; or

1.10 (2) a taxable year beginning after December 31, 2021, and before January 1, 2023.

1.11 (b) Notwithstanding any law to the contrary, for a taxable year in which an individual
1.12 taxpayer elected to receive an income tax holiday, the taxpayer's liability for the taxes
1.13 imposed under Minnesota Statutes, sections 290.03 and 290.091, is \$0. The commissioner
1.14 of revenue must refund to an individual any estimated payments of income tax for a taxable
1.15 year covered by this section and any taxes withheld under Minnesota Statutes, section
1.16 290.92. The amount necessary to pay the refunds required under this section is appropriated
1.17 from the general fund to the commissioner of revenue.

1.18 (c) This section does not apply to an individual whose liability for tax is negative for
1.19 the taxable years in paragraph (a).

1.20 EFFECTIVE DATE. This section is effective for taxable years beginning after December
1.21 31, 2021, and before January 1, 2023.