

State of Minnesota

H. F. No. **485**

(f) "Sponsor" means an individual or business that pays the cost, in whole or in part, of lodging and related services at a qualified property for a qualified individual.

(g) "Veteran" has the meaning given in section 197.447.

Subd. 2. Credit allowed. (a) A sponsor is allowed a credit against the tax imposed by this chapter. The credit may not exceed the sponsor's liability for tax under this chapter.

(b) The amount of the credit allowed equals 50 percent of each contribution made by a sponsor on behalf of a qualified individual for the taxable year. The maximum credit is \$1,000 per contribution per qualified individual.

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

Subd. 3. Application for credit; allocation and limitation; rollover. (a) A sponsor may apply to the commissioner for certification of the credit to be claimed under this section. The commissioner must prescribe the form of the application. Applications for certification must be made available on the commissioner's website by December 31 of the taxable year for which the tax credit will be claimed.

(b) The commissioner must not allocate more than \$250,000 in credits for each taxable year. Claims must be placed in order of the date on which the application is filed. All applications filed with the commissioner on the same day must be treated as having been filed contemporaneously. If two or more applications are filed on the same day, and the aggregate amount of credit allocation claims exceeds the aggregate limit of credits under this section or the lesser amount of credits that remain unallocated on that day, then the credits must be allocated among the sponsors who filed on that day on a pro rata basis with respect to the amounts claimed.

(c) Any unallocated amounts for any taxable year must be added to the aggregate amount of claims that may be authorized for payment for the following taxable year.

Subd. 4. Sunset. This section expires for taxable years beginning after December 31, 2030.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2020.