State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 502

01/31/2019   Authored by Becker-Finn, Stephenson, Kunesh-Podein and Xiong, J.,
              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; making the student loan credit refundable;
1.3   amending Minnesota Statutes 2018, section 290.0682, subdivision 2.

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

1.5   Section 1. Minnesota Statutes 2018, section 290.0682, subdivision 2, is amended to read:

1.6   Subd. 2. **Credit allowed; refundable; appropriation.** (a) An eligible individual is

1.7   allowed a credit against the tax due under this chapter.

1.8   (b) The credit for an eligible individual equals the least of:

1.9   (1) eligible loan payments minus ten percent of an amount equal to adjusted gross income

1.10   in excess of $10,000, but in no case less than zero;

1.11   (2) the earned income for the taxable year of the eligible individual, if any;

1.12   (3) the sum of:

1.13   (i) the interest portion of eligible loan payments made during the taxable year; and

1.14   (ii) ten percent of the original loan amount of all qualified education loans of the eligible

1.15   individual; or

1.16   (4) $500.

1.17   (c) For a part-year resident, the credit must be allocated based on the percentage calculated

1.18   under section 290.06, subdivision 2c, paragraph (e).

1.19   (d) In the case of a married couple, each spouse is eligible for the credit in this section.

2.1   (e) If the amount of credit which a claimant is eligible to receive under this section

2.2   exceeds the claimant's tax liability under this chapter, the commissioner shall refund the

2.3   excess to the claimant.

2.4   (f) An amount sufficient to pay the refunds required by this section is appropriated to

2.5   the commissioner from the general fund.

2.6   **EFFECTIVE DATE.** This section is effective for taxable years beginning after December

2.7   31, 2018.