

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-NINTH SESSION**

**S.F. No. 2283**

(SENATE AUTHORS: CHAMBERLAIN, Stumpf, Wiger, Eaton and Anderson)

DATE	D-PG	OFFICIAL STATUS
03/08/2016	4895	Introduction and first reading Referred to Taxes

1.1 A bill for an act  
1.2 relating to taxation; individual income; modifying and making permanent the  
1.3 2014 reading tax credit; proposing coding for new law in Minnesota Statutes,  
1.4 chapter 290.

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

1.6 Section 1. **[290.0693] READING CREDIT.**

1.7 Subdivision 1. **Reading credit.** (a) A taxpayer is allowed a credit, up to \$3,000,  
1.8 against the tax imposed by chapter 290. The credit amount equals 75 percent of the amount  
1.9 of eligible expenses paid by a taxpayer who is a parent or guardian of a qualifying child:

1.10 (1) who has been evaluated for determination of a specific learning disability under  
1.11 Minnesota Rules, part 3525.1341, or by a licensed psychologist; and

1.12 (2) for whom the evaluation indicated a determination of dyslexia, a specific  
1.13 learning disability, or a deficit in basic reading skills, reading comprehension, reading  
1.14 fluency, or spelling.

1.15 (b) For purposes of this subdivision, the following definitions apply:

1.16 (1) "eligible expenses" means actual expenses, less the amount of expenses used to  
1.17 claim the credit under section 290.0674, subdivision 1, paid by the taxpayer for tutoring,  
1.18 instruction, treatment by an instructor, or an evaluation under paragraph (a), clause (1),  
1.19 and not compensated by insurance, pretax account, or otherwise, for purposes of meeting  
1.20 the academic standards required under section 120B.021;

1.21 (2) "instructor" means a person qualifying under section 120A.22, subdivision 10,  
1.22 clauses (1) to (5), who is not a lineal ancestor or sibling of the qualifying child;

1.23 (3) "treatment" means instruction that:

1.24 (i) teaches language decoding skills in a systematic manner;

2.1 (ii) uses recognized diagnostic assessments to determine what intervention would be  
2.2 most appropriate for individual students; and

2.3 (iii) employs a research-based method; and

2.4 (4) "qualifying child" has the meaning given in section 32(c)(3) of the Internal  
2.5 Revenue Code.

2.6 (c) A taxpayer claiming the credit under this subdivision must provide documentation  
2.7 of eligibility for the credit in a form and manner prescribed by the commissioner of  
2.8 revenue in consultation with the commissioner of education. The documentation under  
2.9 this paragraph must not disclose any information other than that necessary to prove  
2.10 eligibility for the credit allowed under this subdivision.

2.11 (d) For a nonresident or part-year resident, the credit determined under this section  
2.12 must be allocated based on the percentage calculated under section 290.06, subdivision  
2.13 2c, paragraph (e).

2.14 (e) The amount used to claim the credit under this section must be excluded from  
2.15 any amount subtracted from federal taxable income under section 290.01, subdivision  
2.16 19b, clause (3).

2.17 Subd. 2. **Assignment of refunds.** The provisions of section 290.0679, except  
2.18 for subdivision 1, paragraphs (a) and (b), apply to the assignment of refunds authorized  
2.19 under this section. For purposes of assignment of refund under this section, "qualifying  
2.20 taxpayer" means a taxpayer qualified to receive a credit under this section. In no case shall  
2.21 any condition for assignment require disclosure of the specific findings of an evaluation  
2.22 for a specific learning disability.

2.23 Subd. 3. **Credit to be refundable.** If the amount of total credits that the claimant is  
2.24 eligible to receive under this section exceeds the claimant's tax liability under chapter 290,  
2.25 the commissioner of revenue shall refund the excess to the claimant.

2.26 Subd. 4. **Appropriation.** An amount sufficient to pay the refunds authorized under  
2.27 this section is appropriated to the commissioner of revenue from the general fund.

2.28 **EFFECTIVE DATE.** This section is effective for taxable years beginning after  
2.29 December 31, 2015.