

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 2923

(SENATE AUTHORS: CHAMBERLAIN)

DATE
02/07/2022

D-PG
4920 Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
 1.2 relating to taxation; individual income and corporate franchise; establishing a
 1.3 subtraction for certain federal grants provided to health care providers; amending
 1.4 Minnesota Statutes 2020, sections 290.0132, by adding a subdivision; 290.0134,
 1.5 by adding a subdivision.

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

1.7 Section 1. Minnesota Statutes 2020, section 290.0132, is amended by adding a subdivision
 1.8 to read:

1.9 Subd. 31. **Provider relief fund grants.** (a) The amount of a qualifying provider relief
 1.10 fund grant is a subtraction.

1.11 (b) For a taxpayer that is a partner, member, or shareholder of an eligible health care
 1.12 provider within the meaning of paragraph (c), clause (2), that is a partnership, limited liability
 1.13 company, or S corporation, the amount under paragraph (a) is the taxpayer's pro rata share
 1.14 of the subtraction and is determined based on the taxpayer's share of the entity's assets or
 1.15 as specially allocated in their organizational documents or any other executed agreement,
 1.16 as of the last day of the taxable year.

1.17 (c) For purposes of this subdivision and section 290.0134, subdivision 20, the following
 1.18 terms have the meanings given:

1.19 (1) "gross revenues" has the meaning given in section 295.50, subdivision 3, except that
 1.20 the exclusions for health care providers under section 295.50, subdivision 4, paragraph (b),
 1.21 and for patient services under section 295.50, subdivision 9b, paragraph (b), do not apply
 1.22 in the gross revenue calculation;

2.1 (2) "provider relief fund" means the fund established in Public Law 116-136, division
2.2 B, title VIII, in the third paragraph under the heading "Public Health and Social Services
2.3 Emergency Fund" to reimburse, through grants or other mechanisms, eligible health care
2.4 providers for health care related expenses or lost revenues that are attributable to coronavirus;
2.5 and

2.6 (3) "qualifying provider relief fund grant" means any amount received by an eligible
2.7 health care provider within the meaning of clause (2) from the provider relief fund, multiplied
2.8 by one of the following percentages based on a provider's gross revenues in a taxable year:

2.9 (i) for providers with revenues not over \$3,000,000, the percentage is 100; and

2.10 (ii) for providers with revenues over \$3,000,000, the percentage is 100 percent reduced
2.11 by one percent for each \$5,000, or fraction thereof, by which the provider's gross revenues
2.12 exceed \$3,000,000.

2.13 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
2.14 after December 31, 2018.

2.15 Sec. 2. Minnesota Statutes 2020, section 290.0134, is amended by adding a subdivision
2.16 to read:

2.17 Subd. 20. **Provider relief fund grants.** The amount of a qualifying provider relief fund
2.18 grant as defined in section 290.0132, subdivision 31, is a subtraction.

2.19 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
2.20 after December 31, 2018.