

SENATE

STATE OF MINNESOTA

EIGHTY-EIGHTH LEGISLATURE

S.F. No. 1494

(SENATE AUTHORS: EKEN, Hoffman, Marty and Latz)

DATE	D-PG	OFFICIAL STATUS
03/21/2013	1411	Introduction and first reading Referred to Taxes
04/04/2013	1679	Authors added Hoffman; Marty
04/10/2013	1743	Author added Latz

1.1

A bill for an act

1.2

relating to taxation; imposing a long-term care tax to fund services; amending

1.3

Minnesota Statutes 2012, section 290.06, by adding a subdivision.

1.4

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

1.5

Section 1. Minnesota Statutes 2012, section 290.06, is amended by adding a

1.6

subdivision to read:

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Subd. 2g. **Long-term care tax.** (a) The long-term care tax imposed on individuals

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with taxable long-term care income must be computed by applying to their taxable

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long-term care income one-half the rate determined for the taxable year under section

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3101, paragraph (a), of the Internal Revenue Code. In the case of a married couple filing

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a joint return, each spouse must compute his or her long-term care tax separately, based

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on that spouse's taxable long-term care income. An individual who is not a Minnesota

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resident for the entire year may apportion the individuals long-term care tax using the

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percentage calculated under subdivision 2c, paragraph (e).

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(b) For purposes of this subdivision "taxable long-term care income" means (i)

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wages as defined in section 3121, paragraph (a), of the Internal Revenue Code, plus (ii)

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net earnings from self-employment, as defined in section 1402 of the Internal Revenue

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Code, in excess of the contribution and benefit base for the taxable year, as defined in

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United States Code, title 42, section 430.

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(c) A long-term care account is created in the general fund. Revenue resulting

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from the long-term care tax under this subdivision is credited to the account. All money

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earned by the account is credited to the account. Amounts remain in the account until

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appropriated for long-term care. Appropriations from the account may only be used for

2.1 long-term care services. Appropriations from the long-term care account must supplement  
2.2 traditional sources of funding for long-term services and may not be used as a substitute.

2.3 (d) Notwithstanding any other law to the contrary, the long-term tax under paragraph  
2.4 (a) is not subject to offset by any credits in this chapter.

2.5 **EFFECTIVE DATE.** This section is effective for taxable years beginning after  
2.6 December 31, 2012.