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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 2550

03/08/2016 Authored by Laine
The bill was read for the first time and referred to the Veterans Affairs Division

1.1 A bill for an act
1.2 relating to taxes; individual income and corporate franchise; providing a tax
1.3 credit to employers that employ qualified veterans under age 35; amending
1.4 Minnesota Statutes 2014, section 290.06, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2014, section 290.06, is amended by adding a
1.7 subdivision to read:

1.8 Subd. 37. **Employment of qualified veteran tax credit.** (a) For taxable years
1.9 beginning after December 31, 2015, a taxpayer is allowed a credit against the tax imposed
1.10 under this chapter for employment of one or more qualified veterans who had not attained
1.11 the age of 35 on the day the veteran began working for the employer.

1.12 (b) "Qualified veteran" has the meaning given in section 51 of the Internal Revenue
1.13 Code.

1.14 (c) The credit equals the credit allowed under section 51 of the Internal Revenue
1.15 Code without regard to the limitation to federal liability, but is limited to the portion of the
1.16 federal credit allowed for employment of qualified veterans in Minnesota, and is limited
1.17 to employment of qualified veterans who had not attained the age of 35 on the day the
1.18 veteran began working for the employer.

1.19 (d) The credit under this subdivision is in effect without regard to whether or not the
1.20 credit allowed under section 51 of the Internal Revenue Code is allowed for wages paid
1.21 during the taxable year.

1.22 (e) If the amount of the credit determined under this section exceeds the liability for
1.23 tax under this chapter, the excess may be carried forward to each of the next ten taxable
1.24 years. The entire amount of the excess unused credit for the taxable year shall be carried

2.1 first to the earliest of the taxable years to which the credit may be carried, and then to each
2.2 successive year to which the credit may be carried. The amount of the unused credit which
2.3 may be added under this paragraph shall not exceed the taxpayer's liability for tax less the
2.4 credit under this section for the taxable year.

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

2.7 **Sec. 2. PURPOSE STATEMENT; TAX EXPENDITURES.**

2.8 **Subdivision 1. Authority.** This section is intended to fulfill the requirement under
2.9 Minnesota Statutes, section 3.192, that a bill creating, renewing, or continuing a tax
2.10 expenditure provide a purpose for the tax expenditure and a standard or goal against
2.11 which its effectiveness may be measured.

2.12 **Subd. 2. Employment of qualified veteran tax credit.** The provisions of section 1,
2.13 providing a tax credit for the employment of qualified veterans, are intended to give an
2.14 incentive to employers to hire returning veterans under the age of 35 who would otherwise
2.15 be unemployed and to encourage their reintegration into the community. The standard
2.16 against which the effectiveness of the credit is to be measured is the number of veterans
2.17 under the age of 35 who are hired under the tax credit.