

State of Minnesota

H. F. No. **4016**

1.1 A bill for an act
1.2 relating to taxation; individual income; establishing a refundable educator expense
1.3 credit; proposing coding for new law in Minnesota Statutes, chapter 290.

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

1.5 Section 1. **[290.0696] EDUCATOR EXPENSE CREDIT.**

1.6 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
1.7 the meanings given.

1.8 (b) "Eligible educator" has the meaning given in section 62(d) of the Internal Revenue
1.9 Code, except an eligible prekindergarten teacher is an eligible educator.

1.10 (c) "Eligible education expenses" means expenses that are deductible under section
1.11 62(a)(2)(D) of the Internal Revenue Code, disregarding the \$250 limitation, and substituting
1.12 the definition of eligible educator in paragraph (b).

1.13 (d) "Eligible prekindergarten teacher" means an individual whose primary job
1.14 responsibility is working directly with children who are over the age of three and not yet
1.15 enrolled in kindergarten, and who is an employee of:

1.16 (1) a school, as defined in section 120A.22, subdivision 4;
1.17 (2) a Head Start program under section 119A.50; or
1.18 (3) a licensed child care center.

1.19 Subd. 2. **Credit allowed; limit.** An eligible educator is allowed a credit equal to the
1.20 taxpayer's eligible education expenses. The credit allowed under this section is limited to

2.1 \$300, except, in the case of a married taxpayer filing a joint return, the limit is \$600 if both
2.2 spouses are eligible educators.

2.3 Subd. 3. **Credit refundable; appropriation.** (a) If the credit a taxpayer is allowed under
2.4 this section exceeds the taxpayer's tax liability under this chapter, the commissioner must
2.5 refund the excess to the individual.

2.6 (b) An amount sufficient to pay the refunds required by this section is appropriated to
2.7 the commissioner from the general fund.

2.8 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
2.9 31, 2023.