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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 485

01/28/2021 Authored by Ecklund and Lislegard The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; individual income and corporate franchise; providing a credit
1.3 for certain sponsors of veterans; proposing coding for new law in Minnesota
1.4 Statutes, chapter 290.

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

1.6 Section 1. [290.0693] CREDIT FOR SPONSORS OF VETERANS.

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

1.9 (b) "Contribution" means the amount a sponsor pays for lodging and related services at
1.10 a qualified property for a qualified individual.

1.11 (c) "Lodging and related services" means sleeping accommodations and accompanying
1.12 license to use qualified property by a qualified individual, other than the renting or leasing
1.13 of it for a continuous period of 30 days or more, under an enforceable written agreement
1.14 that may not be terminated without prior notice.

1.15 (d) "Qualified individual" means a veteran who has a service-related disability rating of
1.16 at least 30 percent.

1.17 (e) "Qualified property" means a property located in Lake County, Minnesota, that was,
1.18 for property tax assessment year 2020, owned by the United States of America, Superior
1.19 National Forest, and leased to and operated by an organization exempt under section 501(c)(3)
1.20 of the Internal Revenue Code providing recreational opportunities to disabled military
1.21 veterans.

2.1 (f) "Sponsor" means an individual or business that pays the cost, in whole or in part, of  
2.2 lodging and related services at a qualified property for a qualified individual.

2.3 (g) "Veteran" has the meaning given in section 197.447.

2.4 Subd. 2. **Credit allowed.** (a) A sponsor is allowed a credit against the tax imposed by  
2.5 this chapter. The credit may not exceed the sponsor's liability for tax under this chapter.

2.6 (b) The amount of the credit allowed equals 50 percent of each contribution made by a  
2.7 sponsor on behalf of a qualified individual for the taxable year. The maximum credit is  
2.8 \$1,000 per contribution per qualified individual.

2.9 (c) For a part-year resident, the credit must be allocated based on the percentage calculated  
2.10 under section 290.06, subdivision 2c, paragraph (e).

2.11 Subd. 3. **Application for credit; allocation and limitation; rollover.** (a) A sponsor  
2.12 may apply to the commissioner for certification of the credit to be claimed under this section.  
2.13 The commissioner must prescribe the form of the application. Applications for certification  
2.14 must be made available on the commissioner's website by December 31 of the taxable year  
2.15 for which the tax credit will be claimed.

2.16 (b) The commissioner must not allocate more than \$250,000 in credits for each taxable  
2.17 year. Claims must be placed in order of the date on which the application is filed. All  
2.18 applications filed with the commissioner on the same day must be treated as having been  
2.19 filed contemporaneously. If two or more applications are filed on the same day, and the  
2.20 aggregate amount of credit allocation claims exceeds the aggregate limit of credits under  
2.21 this section or the lesser amount of credits that remain unallocated on that day, then the  
2.22 credits must be allocated among the sponsors who filed on that day on a pro rata basis with  
2.23 respect to the amounts claimed.

2.24 (c) Any unallocated amounts for any taxable year must be added to the aggregate amount  
2.25 of claims that may be authorized for payment for the following taxable year.

2.26 Subd. 4. **Sunset.** This section expires for taxable years beginning after December 31,  
2.27 2030.

2.28 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
2.29 31, 2020.