

This Document can be made available in alternative formats upon request

State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 410

01/29/2015 Authored by Davids, Franson, Albright and Lucero
The bill was read for the first time and referred to the Committee on Health and Human Services Reform

1.1 A bill for an act
1.2 relating to taxation; individual income; allowing a tax credit for penalties
1.3 imposed under the Affordable Care Act; appropriating money; proposing coding
1.4 for new law in Minnesota Statutes, chapter 290.

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

1.6 Section 1. **[290.0661] AFFORDABLE CARE ACT PENALTY CREDIT.**

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

1.9 (b) "Affordable Care Act" means the provisions of Public Law 111-148 and Public
1.10 Law 111-152.

1.11 (c) "Penalty" means the penalty assessed for the taxable year for failing to meet the
1.12 minimum essential coverage requirement of section 5000A of the Internal Revenue Code.

1.13 (d) "Qualified individual" means an individual subject to a penalty for the taxable
1.14 year under the Affordable Care Act's requirement to maintain minimum essential coverage.

1.15 Subd. 2. **Credit allowed.** (a) A qualified individual is allowed a credit against the
1.16 tax due under this chapter equal to the penalty paid by the individual for the taxable year.

1.17 (b) For a nonresident or part-year resident, the credit must be allocated based on the
1.18 percentage calculated under section 290.06, subdivision 2c, paragraph (e).

1.19 Subd. 3. **Credit refundable; appropriation.** (a) If the credit allowed under this
1.20 section exceeds the individual's liability under this chapter, the commissioner shall refund
1.21 the excess to the taxpayer.

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

- 2.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
- 2.2 December 31, 2014.