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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 2731

03/08/2023 Authored by Scott, Davids, Niska, Dotseth and Harder 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; establishing a refundable income tax rebate
1.3 credit for taxable year 2023.

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

1.5 Section 1. INCOME TAX REBATES.

1.6 Subdivision 1. Tax rebate credit. (a) An individual income taxpayer is allowed a credit
1.7 against the taxes imposed in Minnesota Statutes, sections 290.03 and 290.091. The credit
1.8 equals the greater of:

1.9 (1) \$775; or

1.10 (2) 98 percent of the taxpayer's individual income tax liability under Minnesota Statutes,
1.11 chapter 290, for the taxable year.

1.12 (b) A taxpayer who was claimed as a dependent on another return is not eligible for a
1.13 credit under this section.

1.14 Subd. 2. Part-year residents. For an individual who was a resident of Minnesota for
1.15 less than the entire taxable year, the credit equals the amount determined under subdivision
1.16 2 for their filing status, multiplied by the percentage determined pursuant to Minnesota
1.17 Statutes, section 290.06, subdivision 2c, paragraph (e).

1.18 Subd. 3. Credit refundable; appropriation. (a) If the amount of credit which a claimant
1.19 is eligible to receive under this section exceeds the claimant's liability for tax, the
1.20 commissioner shall refund the excess to the claimant.

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

2.3 **Subd. 4. Distribution of credit payments; filing process for taxpayers without tax**
2.4 **liability.** (a) To the extent feasible, the commissioner of revenue must automatically adjust
2.5 the return of any taxpayer who filed a return for a taxable year in which the credit under
2.6 this section applies. If a taxpayer is eligible for a refund as a result of the credit under this
2.7 section, to the extent feasible, the commissioner must distribute the refund via direct deposit
2.8 to the taxpayer's bank account, check, or any other mechanism the commissioner deems
2.9 appropriate.

2.10 (b) The commissioner of revenue must establish a simplified filing process through
2.11 which a taxpayer who did not file a return due to a lack of individual income tax liability
2.12 may file a return for the taxable years in which the credit is available. The filing process
2.13 and forms may be in the form or manner determined by the commissioner, but must be
2.14 designed to reduce the complexity of the filing process and the time needed to file for
2.15 individuals without an income tax liability for the taxable year.

2.16 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
2.17 after December 31, 2021, and before January 1, 2023.