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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. **4762**

04/07/2022 Authored by Theis, Wolgamott and Novotny
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 an income tax holiday for
- 1.3 police officers; appropriating money.
- 1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.5 Section 1. **INCOME TAX HOLIDAY FOR POLICE OFFICERS.**
- 1.6 (a) Notwithstanding any law to the contrary, an individual taxpayer who was employed
- 1.7 as a peace officer in a taxable year and meets the requirements of paragraphs (e) and (f)
- 1.8 may elect to receive an income tax holiday as provided in this section. The election under
- 1.9 this section is available for taxable years beginning:
- 1.10 (1) after December 31, 2021, and before January 1, 2023; and
- 1.11 (2) after December 31, 2022, and before January 1, 2024.
- 1.12 (b) A married taxpayer filing a joint return is eligible for the election under paragraph
- 1.13 (a) if one spouse or both spouses are peace officers.
- 1.14 (c) Notwithstanding any law to the contrary, for a taxable year in which an individual
- 1.15 taxpayer elected to receive an income tax holiday, the taxpayer's liability for the taxes
- 1.16 imposed under Minnesota Statutes, sections 290.03 and 290.091, is \$0. The commissioner
- 1.17 of revenue must refund to an individual any estimated payments of income tax for a taxable
- 1.18 year covered by this section and any taxes withheld under Minnesota Statutes, section
- 1.19 290.92. The amount necessary to pay the refunds required under this section is appropriated
- 1.20 from the general fund to the commissioner of revenue.
- 1.21 (d) This section does not apply to an individual whose liability for tax is negative for
- 1.22 the taxable years in paragraph (a).

2.1 (e) To qualify for an income tax holiday under paragraph (a), an individual must be
2.2 employed as a peace officer for a 12-month period beginning in the taxable year as follows:

2.3 (1) for an individual who was first hired as a peace officer prior to the taxable year, the
2.4 12-month period is the taxable year; or

2.5 (2) for an individual who was first hired as a peace officer during the taxable year, the
2.6 12-month is the period beginning on the day the individual was first hired as a peace officer.

2.7 A taxpayer may file a return for the taxable year and elect to receive an income tax holiday
2.8 under paragraph (a) prior to completing the employment requirement in this paragraph, but
2.9 must certify that the taxpayer completed the employment requirement in accordance with
2.10 paragraph (f).

2.11 (f) No more than four months after the 12-month period described in paragraph (e), the
2.12 individual must certify to the commissioner of revenue that they fulfilled the employment
2.13 requirement under paragraph (e). The commissioner of revenue must revoke the holiday
2.14 under this section from any taxpayer who fails to complete the employment requirement or
2.15 fails to make a timely certification in accordance with this paragraph.

2.16 (g) For the purposes of this section, "peace officer" has the meaning given in Minnesota
2.17 Statutes, section 626.84, subdivision 1, paragraph (c), and the definitions in Minnesota
2.18 Statutes, section 290.01, apply to this section.

2.19 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
2.20 31, 2021, and before January 1, 2024.