

**SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION**

S.F. No. 1187

(SENATE AUTHORS: LITTLE)

DATE
02/14/2019

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Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to taxation; individual income; establishing a subtraction for certain pension
1.3 benefits; amending Minnesota Statutes 2018, section 290.0132, by adding a
1.4 subdivision; repealing Minnesota Statutes 2018, section 424A.10, subdivision 4.

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

1.6 Section 1. Minnesota Statutes 2018, section 290.0132, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 27. Volunteer firefighter pension benefits. Benefits received under the retirement
1.9 plan established in chapter 353G or under a plan governed by chapter 424A are a subtraction,
1.10 provided that a taxpayer has been credited with at least 20 years of service as a volunteer
1.11 firefighter under at least one of the plans established in chapter 353G or governed by chapter
1.12 424A. For purposes of this subdivision, "volunteer firefighter" has the meaning given in
1.13 section 353G.01, subdivision 15. For benefits received as a lump sum payment, the
1.14 subtraction is limited to \$50,000 and may be claimed in one taxable year only. For benefits
1.15 received on a monthly basis, the subtraction is limited to \$6,000 in a taxable year.

1.16 EFFECTIVE DATE. This section is effective for taxable years beginning after December
1.17 31, 2018.

1.18 Sec. 2. REPEALER.

1.19 Minnesota Statutes 2018, section 424A.10, subdivision 4, is repealed.

1.20 EFFECTIVE DATE. This section is effective for taxable years beginning after December
1.21 31, 2018.

APPENDIX
Repealed Minnesota Statutes: 19-0463

424A.10 STATE SUPPLEMENTAL BENEFIT; VOLUNTEER FIREFIGHTERS.

Subd. 4. **In lieu of income tax exclusion.** (a) The supplemental benefit provided by this section is in lieu of the state income tax exclusion for lump-sum distributions of retirement benefits paid to volunteer firefighters.

(b) If the law is modified to exclude or exempt volunteer firefighters' lump-sum distributions from state income taxation, the supplemental benefits under this section are no longer payable, beginning with the first calendar year in which the exclusion or exemption is effective. This subdivision does not apply to exemption of all or part of a lump-sum distribution under section 290.032 or 290.0802.