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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 3314

02/10/2022   Authored by Davnie
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 temporary subtraction for
1.3   certain unemployment insurance benefits.

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

1.5   Section 1. **TEMPORARY INDIVIDUAL INCOME TAX SUBTRACTION;**

1.6   **UNEMPLOYMENT COMPENSATION.**

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

1.8   the meanings given them.

1.9   (b) "Subtraction" has the meaning given in Minnesota Statutes, section 290.0132.

1.10   (c) "Unemployment compensation" has the meaning given in section 85(b) of the Internal

1.11   Revenue Code, but includes federal pandemic unemployment compensation under section

1.12   2104 of the CARES Act, United States Code, title 15, section 9023, as extended by section

1.13   203 of the Continued Assistance for Unemployed Workers Act of 2020 under Public Law

1.14   116-260 and section 9013 of the American Rescue Plan Act of 2021 under Public Law

1.15   117-2.

1.16   Subd. 2. **Subtraction; income cap.** (a) For taxable years beginning after December 31,

1.17   2020, and before January 1, 2022, an individual taxpayer with adjusted gross income that

1.18   is less than $150,000 is allowed a subtraction equal to the amount of the taxpayer's

1.19   unemployment compensation received in the taxable year. The subtraction is limited to

1.20 $10,200, except for a joint return the subtraction is limited to $10,200 in unemployment

1.21   compensation received by each spouse.

2.1   (b) For the purposes of paragraph (a), the adjusted gross income of the taxpayer must

2.2   be determined after the application of sections 86, 135, 137, 219, 221, 222, and 469 of the

2.3   Internal Revenue Code.

2.4   **EFFECTIVE DATE.** This section is effective for taxable years beginning after December

2.5   31, 2020, and before January 1, 2022.