

May 9, 2024

To Representative Aisha Gomez
From Sean Williams
Subject Comparison of House, Senate, and Governor proposals on the child tax credit

Executive Summary

This memo compares the changes to the Minnesota child credit proposed by the House (H.F. 5247, the third engrossment), Senate (H.F. 5247, the first unofficial engrossment), and Governor (H.F. 5247, as introduced).

Comparison Table

Provision	House	Senate	Governor
Income limitation for minimum credit	Limited to taxpayers with incomes low enough to qualify for the credit in the previous taxable year.	Limited to taxpayers with adjusted gross income of \$60,100 (married joint taxpayers) or \$49,570 (other taxpayers). Income limitations are increased by \$9,000 per child beyond the first. Income limits are indexed for inflation.	
Minimum credit limited to taxpayers who received advance payment?	Minimum credit limited to taxpayers who received an advance payment of the credit for the taxable year.		Minimum credit available to all taxpayers.
18-year-olds made eligible for the “young child” credit	18-year-old qualifying children made eligible for the young child credit.	18-year-old qualifying children continue to qualify for the credit for older children.	
Years effective	Tax year 2025 and later	Tax year 2025 to tax year 2028 only	
Advance payments required?	DOR required to establish advance payment program in tax year 2025 and later.		DOR retains existing permissive authority.
Amount deposited in child tax credit account	\$32.3 million	\$9.9 million	\$45 million
Additional costs	\$7.8 million cost to the general fund from 18-year-old provision in FY 25	—	Administrative appropriation: \$1.887 million in FY 25; \$4.772 million in FY 26-27

SW/mv