

This Document can be made available  
in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. **443**

01/17/2023 Authored by Her, Gomez, Koegel, Stephenson, Clardy and others  
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; increasing the maximum student loan
- 1.3 credit; increasing the student loan credit income threshold; making the student
- 1.4 loan credit refundable; amending Minnesota Statutes 2022, section 290.0682,
- 1.5 subdivision 2, by adding a subdivision.
- 1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.7 Section 1. Minnesota Statutes 2022, section 290.0682, subdivision 2, is amended to read:
- 1.8 Subd. 2. **Credit allowed.** (a) An eligible individual is allowed a credit against the tax
- 1.9 due under this chapter.
- 1.10 (b) The credit for an eligible individual equals the least of:
- 1.11 (1) eligible loan payments minus ten percent of an amount equal to adjusted gross income
- 1.12 in excess of ~~\$10,000~~ \$50,000, but in no case less than zero;
- 1.13 (2) 17 percent of the earned income for the taxable year of the eligible individual, if any;
- 1.14 (3) the sum of:
- 1.15 (i) the interest portion of eligible loan payments made during the taxable year; and
- 1.16 (ii) ten percent of the original loan amount of all qualified education loans of the eligible
- 1.17 individual; or
- 1.18 (4) ~~\$500~~ \$5,000.
- 1.19 (c) For a part-year resident, the credit must be allocated based on the percentage calculated
- 1.20 under section 290.06, subdivision 2c, paragraph (e).

2.1 (d) In the case of a married couple, each spouse is eligible for the credit in this section.  
2.2 For the purposes of paragraph (b), for married taxpayers filing joint returns, each spouse's  
2.3 adjusted gross income equals the spouse's percentage share of the couple's earned income,  
2.4 multiplied by the couple's combined adjusted gross income.

2.5 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
2.6 31, 2022.

2.7 Sec. 2. Minnesota Statutes 2022, section 290.0682, is amended by adding a subdivision  
2.8 to read:

2.9 **Subd. 3. Credit refundable; appropriation.** (a) If the amount of credit which a claimant  
2.10 is eligible to receive under this section exceeds the claimant's tax liability under this chapter,  
2.11 the commissioner shall refund the excess to the claimant.

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

2.14 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
2.15 31, 2022.