

**INDIVIDUAL INCOME TAX  
Child Credit Increased to \$2,000**

April 6, 2026

	<b>Yes</b>	<b>No</b>
<b>DOR Administrative Costs/Savings</b>		<b>X</b>

Department of Revenue  
Analysis of H.F. 4621 (Rehm)

	<b>Fund Impact</b>			
	<b><u>F.Y. 2026</u></b>	<b><u>F.Y. 2027</u></b>	<b><u>F.Y. 2028</u></b>	<b><u>F.Y. 2029</u></b>
General Fund	\$0	(\$96,000)	(\$87,100)	(\$120,200)

Effective beginning with tax year 2026.

**EXPLANATION OF THE BILL**

**Current Law:** The child tax credit (CTC) equals \$1,800 per qualifying child in tax year 2026. The amount is adjusted annually for inflation with a statutory year of tax year 2025.

**Proposed Law:** The bill increases the CTC to \$2,000 per qualifying child beginning with tax year 2026. The new statutory year for adjusting the credit for inflation is tax year 2026.

**REVENUE ANALYSIS DETAIL**

- The House Income Tax Simulation Model (HITS 7.6) was used to estimate the revenue impact. These simulations assume the same economic conditions used by Minnesota Management and Budget for the budget forecast published in February 2026. The model uses a stratified random sample of tax year 2023 individual income tax returns compiled by the Minnesota Department of Revenue.
- Approximately 218,900 tax returns are impacted in tax year 2026, with an average tax decrease of \$438.
- Tax year impacts are allocated to the following fiscal year.

Minnesota Department of Revenue  
Tax Research Division  
<https://www.revenue.state.mn.us/revenue-analyses>