

**TAXES COMMITTEE MINUTES**

Representative Aisha Gomez, Chair of the Committee on Taxes, called the meeting to order at 9:25 AM on April 19, 2023 in Room 5 of the State Office Building.

The Committee Legislative Assistant noted the roll.

**Members present:**

GOMEZ, Aisha, Chair  
NORRIS, Matt, Vice Chair  
DAVIDS, Greg, Minority Lead  
AGBAJE, Esther  
ANDERSON, Patti  
BRAND, Jeff  
ELKINS, Steve  
HOWARD, Michael  
JOY, Jim  
KOZNICK, Jon  
LEE, Liz  
LISLEGARD, Dave  
OLSON, Bjorn  
OLSON, Liz  
PINTO, Dave  
ROBBINS, Kristin  
SMITH, Andy  
SWEDZINSKI, Chris  
WITTE, Jeff  
WIENER, Mike  
YOUAKIM, Cheryl

A quorum was present.

Vice Chair Norris moved the minutes of April 18, 2023. THE MOTION PREVAILED.

HF1938 (Gomez) Individual income and corporate franchise taxes, sales and use taxes, property taxes, local government aids, and other miscellaneous taxes and tax provisions modified; income tax additions, subtractions, and credits modified; taxes on capital gains modified; child tax credit proposed; advance on payment and one-time refundable tax credit proposed; cannabis-related sales and use tax provisions modified; sales tax exemption for entities proposed; eligibility for property tax programs modified; formula modified and definitions for calculation of local government aids added; new forms of local government aids proposed; and money appropriated.

Chair Gomez moved that HF1938 be referred to the Committee on Ways and Means.

Chair Gomez moved the A23-0111 amendment. THE MOTION PREVAILED. THE AMENDMENT WAS ADOPTED.

Chair Gomez moved the H1938A13 amendment. THE MOTION PREVAILED. THE AMENDMENT WAS ADOPTED.

Representative Anderson moved the H1938A3 amendment.

Representative Anderson requested a roll call on the H1938A3 amendment.

The clerk took the roll:

AYES

Anderson  
Joy  
Koznick  
Olson, B.  
Robbins  
Swedzinski  
Wiener  
Witte

NAYS

Gomez  
Norris  
Agbaje  
Brand  
Elkins  
Howard  
Lee  
Lislegard  
Olson, L.  
Pinto  
Smith  
Youakim

EXCUSED

Davids

There being 8 ayes, 12 nays, and 1 member excused. THE MOTION DID NOT PREVAIL.

Representative Robbins moved the H1938A4 amendment.

Pursuant to House rule 4.03 (h), relating to Ways and Means Committee; Budget Resolution; Effect on Expenditure and Revenue Bills, Vice Chair Norris ruled the H1938A4 amendment out of order.

Representative Robbins moved to reconsider the H1938A4 amendment. THE MOTION DID NOT PREVAIL.

Representative Robbins moved an oral amendment to HF1938, as amended, as below:

- Page 25, delete section 19 and insert:

“Sec. .... Minnesota Statutes 2022, section 290.0132, subdivision 26, is amended to read:

Subd. 26. **Social Security Benefits.** (a) The amount of qualified retirement benefits is allowed as a subtraction.

(c) For the purposes of this section, “qualified public pension income” means any amount received:

(1) by a basic member of any pension plan governed by chapter 3A, 352B, 353, 354, or 354A, or the basic member’s survivor, provided that the annuity or benefit is based on service for which the member or survivor is not also receiving Social Security benefits;

(2) from any retirement system administered by the federal government that is based on service for which the recipient or the recipient's survivor is not also receiving Social Security benefits; or

(3) from a public retirement system of or created by another state or any of its political subdivisions if the income tax laws of the other state permit a similar deduction or exemption or a reciprocal deduction or exemption of a retirement or pension benefit received from a public retirement system or created by this state or any political subdivision of this state.

(d) For the purposes of this section, "qualified retirement benefits" means the sum of Social Security benefits and qualified public pension income.

**EFFECTIVE DATE.** This section is effective for taxable years beginning December 31, 2026."

- Page 26, delete section 21
- Renumber the sections in sequence and correct the internal references
- Amend the title accordingly

Representative Robbins requested a roll call on the oral amendment to HF1938, as amended.

The clerk took the roll:

AYES

Anderson

Joy

Koznick

Olson, B.

Robbins

Swedzinski

Wiener

Witte

Youakim

NAYS

Gomez

Norris

Agbaje

Brand

Elkins

Howard

Lee

Lislegard

Olson, L.

Pinto

Smith

Youakim

EXCUSED

Davids

There being 8 ayes, 12 nays, and 1 member excused. THE AMENDMENT WAS NOT ADOPTED.

Representative Olson, B. moved that HF106 be included as an amendment to HF 1938, as amended.

Representative Olson, B. withdrew the motion that HF106 be included as an amendment to HF 1938, as amended.

Chair Gomez renewed the motion that HF1938, as amended, be referred to the Committee on Ways and Means.

Representative Swedzinski requested a roll call on the motion that HF1938, as amended, be referred to the Committee on Ways and Means.

The clerk took the roll:

AYES

Gomez

Norris

Agbaje

Brand

Elkins

Howard

Lee

Lislegard

Olson, L.

Pinto

Smith

You

NAYS

Anderson

Joy

Koznick

Olson, B.

Robbins

Swedzinski

Wiener

Witte

EXCUSED

Davids

There being 12 ayes, 8 nays, and 1 member excused. THE MOTION PREVAILED.

The meeting adjourned at 11:16 AM.

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Representative Aisha-Gomez, Chair

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Lauren Sabes, Committee Legislative Assistant