

2018 Legislative Session - HF 947 - TAX POLICY

GENERAL FUND, CHANGE ITEMS ONLY

\$ in thousands | BOLD indicates rows included in total

TAX POLICY: Positive amounts indicate revenue increase

AIDS, CREDITS, REFUND: Positive amounts indicate expenditure

LINE	ITEM	EFFECTIVE DATE	GOVERNOR		HOUSE		SENATE		VETOED: CH 205 - HF 947					
			A	B	C	D	E	F	H	I	J	K	L	M
			FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18	FY 19	FY 18-19	FY 20	FY 21	FY 20-21
TAX POLICY:														
TCJA CONFORMITY - NON-BUSINESS INDIVIDUAL INCOME TAX PROVISIONS														
1	Reverse Forecast Adjustment/Repeal Consistent Election Requirement	TY18	-26,500	-55,000	-26,500	-55,000	-26,500	-55,000	0	-26,500	-26,500	-27,100	-27,900	-55,000
2	Create a MN Standard Deduction , \$14,000, MJ Filers/\$7,000 Single & Married Separate	TY 18			-119,300	-153,000								
3	FAGI Starting Point/Adopt Chained CPI/Allow federal itemized deductions like TCJA deductions	TY 18			122,900	214,100								
4	FAGI Starting Point/Adopt Chained CPI/Allow prior law federal itemized deductions	TY18			0	0	-23,500	14,800	0	-23,200	-23,200	-2,700	13,000	10,300
5	Increased Limit for Property/Real Estate Deduction to \$30,000	TY 18			-23,900	-40,500								
6	Allow Exclusion of Discharged Student Loan Debt in Case of Death or Disability	TY18	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)	0	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)
7	Allow Section 529 Withdrawals of up to \$10,000	TY18					-800	-1,700						
8	Expand Eligibility for Medical Expense Deduction by Reducing FAGI Floor to 7.5% from 10%	TY17-18			-25,300	0	-26,400	0	0	-26,400	-26,400	0	0	0
9	Repeal Deduction for Alimony Payments and Corresponding Inclusion of Received Alimony	TY19			500	3,400	500	3,400	0	500	500	1,100	2,300	3,400
10	Subtraction for Qualified Moving Expenses	TY19					-5,000	-7,600	0	-5,000	-5,000	-3,700	-3,900	-7,600
11	Suspend Deduction for moving expenses other than service members	TY19			5,000	7,900	5,000	7,900	0	5,000	5,000	3,900	4,000	7,900
12	Suspend Exclusion of Qualified Moving Expenses				5,600	7,800								
13	Clarify Limit on Wagering Losses	TY18			150	180	150	180	0	150	150	90	90	180
14	Conform to Disallowing the Charitable Deduction for College Athletic Seating Payments	TY18	2,000	2,400	2,000	2,400	2,000	2,400	0	2,000	2,000	1,200	1,200	2,400
15	Repeal Exclusion for Certain Employer-Provided Bicycle Fringe Benefits	TY18			40	60	40	60	0	40	40	30	30	60
16	Allow Increased Contributions to ABLE Accounts	TY18			(Negl.)	(Negl.)	(Negl.)	(Negl.)	0	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)
17	Extend Rollover Period for Certain Retirement Plan Loan Offsets	TY18			(Negl.)	(Negl.)	(Negl.)	(Negl.)	0	(Negl.)	(Negl.)	(Negl.)	(Negl.)	(Negl.)
18	Repeal Special Rule Permitting Recharacterization of IRA Contributions	TY18			450	600	450	600	0	450	450	300	300	600
19	SUBTOTAL: TCJA CONFORMITY - NON-BUSINESS INDIVIDUAL INCOME TAX PROVISIONS		-24,500	-52,600	-58,360	-12,060	-74,060	-34,960	0	-72,960	-72,960	-26,880	-10,880	-37,760
TCJA CONFORMITY - INDIVIDUAL INCOME TAX PROVISIONS RELATED TO PASS-THROUGHS														
22	Full Conformity with Section 179 Expensing, Eliminate 80% Addback	TY18	-81,600	-85,200	-81,600	-85,200			-19,800	-61,800	-81,600	-48,600	-36,600	-85,200
23	Full Conformity with Section 179 Expensing, Eliminate 80% Addback	TY 19					-20,300	-113,700						
24	Conform to Bonus Depreciation, Maintain 80% MN Addback	TY18	400	19,400	400	19,400	400	19,400	-600	1,000	400	8,700	10,700	19,400
25	Disallow Certain Active Pass Through Losses, \$500,000 Married Joint Filers	TY18	58,000	98,500	58,000	98,500	58,000	98,500	0	58,000	58,000	52,200	46,300	98,500
26	Tax Gain on Sale of Partnership on a Look-Through Basis	TY18	1,100	3,700	1,100	3,700	1,100	3,700	0	1,100	1,100	1,800	1,900	3,700
27	Expand Definition of Built-in Loss for Purposes of Partnership Loss Transfers	TY18	400	600	400	600	400	600	0	400	400	300	300	600
28	Charitable Contributions & Foreign Taxes Accounted for in Determining Limit on Partner's Share of Loss	TY18	700	1,500	700	1,500	700	1,500	0	700	700	700	800	1,500
29	Repeal Rollover of Publicly Traded Securities Gain	TY18	300	600	300	600	300	600	0	300	300	300	300	600
30	Small Business Accounting Method Reform and Simplification	TY18	-67,000	-34,200	-67,000	-34,200	-67,000	-34,200	-4,300	-62,700	-67,000	-22,000	-12,200	-34,200
31	Conform to Limitation on Net Interest Deduction to 30% of Income with Carryforward	TY18	102,100	183,000	102,100	183,000	102,100	183,000	4,400	97,700	102,100	90,500	92,500	183,000
32	Conform to Modifications of Net Operating Loss Deduction	TY18	40,900	75,200	40,900	75,200	40,900	75,200	2,100	38,800	40,900	31,900	43,300	75,200
33	Repeal Deferred Gain on Like-Kind Exchanges	TY18	2,400	5,800	2,400	5,800	2,400	5,800	100	2,300	2,400	2,500	3,300	5,800
34	Reduce Recovery Period for Certain Real Property	TY18	-200	-1,000	-200	-1,000	-200	-1,000	0	-200	-200	-400	-600	-1,000
35	Repeal Deduction for Local Lobbying Expenses (Day following Enactment)	7/1/2018	200	200	200	200	200	200	0	200	200	100	100	200
36	Limit Deduction for Employer-Provided Meals and Entertainment Expenses	TY18	3,800	5,300	3,800	5,300	3,800	5,300	200	3,600	3,800	2,600	2,700	5,300
37	Limit Deduction for Certain Employer-Provided Transportation Benefits	TY18	2,900	4,000	2,900	4,000	2,900	4,000	200	2,700	2,900	2,000	2,000	4,000
38	Prohibit Deduction for Employee Achievement Awards	TY18	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.						

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			A	B	C	D	E	F	H	I	J	K	L	M
			FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18	FY 19	FY 18-19	FY 20	FY 21	FY 20-21
39	Limit Deduction for FDIC Premiums	TY18	2,000	3,600	2,000	3,600	2,000	3,600	100	1,900	2,000	1,800	1,800	3,600
40	Conform to Disallowance of Deduction for Sexual Harassment Payments Made Subject to NDA (Day of Enac	7/1/2018	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.
41	Revise Treatment of Contributions to Capital (Day of Enactment)	7/1/2018	300	1,100	300	1,100	300	1,100	0	300	300	400	700	1,100
42	Modify Treatment of Interest for Producers of Beer, Wine, and Distilled Spirits	TY18-19	-1,600	-900	-1,600	-900	-1,600	-900	-100	-1,500	-1,600	-900	0	-900
43	Modify Limit on Excessive Compensation	TY18	500	1,200	500	1,200	500	1,200	0	500	500	600	600	1,200
44	Repeal Exclusion of Interest on Advance Refunding Bonds	TY18	3,600	8,700	3,600	8,700	3,600	8,700	100	3,500	3,600	3,900	4,800	8,700
45	Inclusion of Global Intangible Low Tax Income (GILTI) with deduction	TY18	6,600	12,700										
46	Inclusion of foreign derived intangible income(FDII) from domestic trade or business, with deduction	TY18	2,000	7,700										
47	SUBTOTAL: TCJA CONFORMITY - INDIVIDUAL INCOME TAX PROVISIONS RELATED TO PASS-THROUGHS		77,800	311,500	69,200	291,100	130,500	262,600	-17,600	86,800	69,200	128,400	162,700	291,100
	TCJA CONFORMITY - CORPORATE FRANCHISE TAX													
50	Full conformity with Section 179 Expensing, Eliminate 80% Addback		-30,900	-32,300	-30,900	-32,300			-7,500	-23,400	-30,900	-18,400	-13,900	-32,300
51	Full conformity with Section 179 Expensing, Eliminate 80% Addback	TY19	0	0	0	0	-7,700	-43,000						
52	Index Corporate Minimum Fee Using Chained CPI	TY18	0	0	0	200	0	200	0	0	0	100	100	200
53	Conform to Bonus Depreciation, Maintain 80% MN Addback	TY18	800	40,900	800	40,900	800	40,900	-1,300	2,100	800	18,300	22,600	40,900
54	Repeal Rollover of Publicly Traded Securities Gain	TY18	700	1,200	700	1,200	700	1,200	0	700	700	600	600	1,200
55	Small Business Accounting Method Reform and Simplification	TY18	-7,400	-3,700	-7,400	-3,700	-7,400	-3,700	-500	-6,900	-7,400	-2,400	-1,300	-3,700
56	Conform to Limitation on Net Interest Deduction to 30% of Income	TY18	17,300	31,100	17,300	31,100	17,300	31,100	700	16,600	17,300	15,400	15,700	31,100
57	Repeal Deferred Gain on Like-Kind Exchanges	TY18	3,000	7,300	3,000	7,300	3,000	7,300	100	2,900	3,000	3,100	4,200	7,300
58	Reduce Recovery Period for Certain Real Property	TY18	-500	-1,900	-500	-1,900	-500	-1,900	0	-500	-500	-800	-1,100	-1,900
59	Repeal Deduction for Local Lobbying Expenses (Day of Enactment)	7/1/2018	400	600	400	600	400	600	0	400	400	300	300	600
60	Limit Deduction for Employer-Provided Meals and Entertainment Expenses	TY18	10,400	14,300	10,400	14,300	10,400	14,300	600	9,800	10,400	7,000	7,300	14,300
61	Limit Deduction for Certain Employer-Provided Transportation Benefits	TY18	7,700	11,000	7,700	11,000	7,700	11,000	400	7,300	7,700	5,400	5,600	11,000
62	Prohibit Deduction for Employee Achievement Awards	TY18	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.
63	Limit Deduction for FDIC Premiums	TY18	5,200	9,800	5,200	9,800	5,200	9,800	200	5,000	5,200	4,900	4,900	9,800
64	Conform to Disallowance of Deduction for Sexual Harassment Payments Made Subject to NDA (Day of Enac	7/1/2018	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.
65	Revise Treatment of Contributions to Capital (Day of Enactment)	7/1/2018	800	3,100	800	3,100	800	3,100	0	800	800	1,100	2,000	3,100
66	Conform to Modifications of Historic Rehabilitation Credit (TY 2018)	TY18	14,900	37,700	14,900	37,700	14,900	37,700	0	14,900	14,900	25,000	12,700	37,700
67	Modify Treatment of Interest for Producers of Beer, Wine, and Distilled Spirits	TY18-19	-2,000	-1,100	-2,000	-1,100	-2,000	-1,100	-100	-1,900	-2,000	-1,100	0	-1,100
68	Modify Limit on Excessive Compensation	TY18	2,800	7,200	2,800	7,200	2,800	7,200	0	2,800	2,800	3,600	3,600	7,200
69	Repeal Exclusion of Interest on Advance Refunding Bonds	TY18	1,900	4,600	1,900	4,600	1,900	4,600	100	1,800	1,900	2,100	2,500	4,600
70	Deemed Repatriation of Foreign Income	TY18	172,800	210,600	0	0								
71	Deemed Repatriation of Foreign Income, Net Amount	TY 18			56,000	68,200			3,500	52,500	56,000	33,500	34,700	68,200
72	Inclusion of Global Intangible Low Tax Income (GILTI) with deduction	TY18	62,000	120,000										
73	Inclusion of Foreign Derived Intangible Income (FDII) from domestic trade or business, with deduction	TY18	12,300	47,000										
74	Other Modifications to Subpart F	TY 18			Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.
75	SUBTOTAL: TCJA CONFORMITY - CORPORATE FRANCHISE TAX		272,200	507,400	81,100	198,200	48,300	119,300	-3,800	84,900	81,100	97,700	100,500	198,200
	TCJA CONFORMITY - PROPERTY TAX REFUND - INTERACTION													
78	Modifications to FAGI - Homestead Credit Refund				0	70			0	0	0	35	35	70
79	Modifications to FAGI - Renters Property Tax Refund				0	30			0	0	0	15	15	30

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			FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18-19	FY 20-21	FY 18	FY 19	FY 18-19	FY 20	FY 21	FY 20-21
80	Chained CPI-U - Homestead Credit Refund	Payable 19							0	0	0	700	1,500	2,200
81	Chained CPI-U - Renters Property Tax Refund	Payable 19							0	0	0	300	600	900
82	SUBTOTAL: TCJA CONFORMITY - PROPERTY TAX REFUND				0	100			0	0	0	1,050	2,150	3,200
	UNRELATED BUSINESS INCOME TAX													
85	Unrelated Business Income of Charitable Organizations Separately Computed	TY18						3,100	4,400					
86	SUBTOTAL: UNRELATED BUSINESS INCOME TAX							3,100	4,400					
	OTHER CONFORMITY													
89	Make Permanent Mortgage Insurance Premiums Deduction	TY18	-7,000	-16,800				-7,000	-16,800					
90	Make Permanent Tuition Expenses Deduction	TY18	-2,600	-5,300				-2,600	-5,300					
91	SUBTOTAL: OTHER CONFORMITY		-9,600	-22,100				-9,600	-22,100					
	BIPARTISAN BUDGET ACT - INDIVIDUAL INCOME													
94	Exclusion of Discharge of Indebtedness on Principal Residence	TY 17	-6,700	0	-6,700	0	-6,700	0	-6,700	0	-6,700	0	0	0
95	Premium for Mortgage Insurance Deductible as Qualified Residence Interest	TY 17	-6,500	0	-6,500	0	-6,500	0	-6,500	0	-6,500	0	0	0
96	Deduction for Tuition & Related Expenses	TY 17	-2,500	0	-2,500	0	-2,500	0	-2,500	0	-2,500	0	0	0
97	Extend Limitation Period for Exclusion for Wrongfully Incarcerated Individuals	2/9/2018	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	0	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)
98	Expand the Deduction of Legal Fees for Whistleblowers	TY 18	-100	-200	-100	-200	-100	-200	0	-100	-100	-100	-100	-200
99	Expand Foreign Earned Income Exclusion, Individuals Supporting Armed Forces in Combat Zones	TY 18	-600	-800	-600	-800	-600	-800	0	-600	-600	-400	-400	-800
100	Classification of Certain Racehorses as 3-year Property	TY 17	-75	20	-75	20	-75	20	-50	-25	-75	10	10	20
101	Accelerated Depreciation for Business Property on an Indian Reservation	TY 17	-290	35	-290	35	-290	35	-230	-60	-290	10	25	35
102	Special Expensing Rules for Certain Films/TV/Theatrical Productions	TY 17	-1,600	700	-1,600	700	-1,600	700	-2,100	500	-1,600	400	300	700
103	Special Depreciation Allowance for Second Generation Biofuel Property	TY 17	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	0	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)
104	Energy Efficiency Commercial Deduction	TY 17	-140	5	-140	5	-140	5	-150	10	-140	5	Negli.	5
105	Modify Temporary Suspension of Limits on Charitable Contributions	TY 17-18	-100	45	-100	45	-100	45	-150	50	-100	25	20	45
106	Modify Special Rule for Qualified Casualty Losses	TY 17	-100	0	-100	0	-100	0	-100	0	-100	0	0	0
107	Modify Disaster Related Rules for Use of Retirement Funds		(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	0	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)
108	SUBTOTAL: BIPARTISAN BUDGET ACT - INDIVIDUAL INCOME TAX		-18,705	-195	-18,705	-195	-18,705	-195	-18,480	-225	-18,705	-50	-145	-195
	BIPARTISAN BUDGET ACT - CORPORATE TAX													
111	Seven Year Period for Motor Sports Entertainment Complexes	TY 17	-35	-15	-35	-15	-35	-15	-20	-15	-35	-10	-5	-15
112	Accelerated Depreciation for Business Property on an Indian Reservation	TY 17	-270	25	-270	25	-270	25	-220	-50	-270	5	20	25
113	Election to Expense Mine Safety Equipment	TY 17	-10	Negli.	-10	Negli.	-10	0	-10	Negli.	-10	Negli.	Negli.	Negli.
114	Special Expensing Rules for Certain Films/TV/Theatrical Productions	TY 17	-1,450	600	-1,450	600	-1,450	600	-1,900	450	-1,450	350	250	600
115	Energy Efficiency Commercial Deduction	TY 17	-105	5	-105	5	-105	5	-110	5	-105	5	Negli.	5
116	Modify Temporary Suspension of Limits on Charitable Contributions	TY 17-18	-30	15	-30	15	-30	15	-50	20	-30	10	5	15
117	Modify Disaster Related Rules for Use of Retirement Funds		(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	0	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)	(Negli.)
118	SUBTOTAL: BIPARTISAN BUDGET ACT - CORPORATE TAX		-1,900	630	-1,900	630	-1,900	630	-2,310	410	-1,900	360	270	630

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	DISASTER RELIEF ACT & AIRPORTS & AIRWAYS EXTENSION ACT - INDIVIDUAL INCOME													
121	Modify Temporary Suspension of Limits on Charitable Contributions	TY 17	-1,900	900	-1,900	900	-1,900	900	-3,700	1,800	-1,900	600	300	900
122	Modify & Expand Casualty Loss Deduction for Damage in Disaster Areas	TY 17	-1,400	0	-1,400	0	-1,400	0	-1,400	0	-1,400	0	0	0
123	Special Rules for Qualified Early ITRA Distributions	TY 17	-50	20	-50	20	-50	20	-40	-10	-50	10	10	20
124	SUBTOTAL: DISASTER TAX RELIEF ACT - INDIVIDUAL INCOME TAX		-3,350	920	-3,350	920	-3,350	920	-5,140	1,790	-3,350	610	310	920
	DISASTER RELIEF ACT & AIRPORTS & AIRWAYS EXTENSION ACT - CORPORATE TAX													
127	Modify Temporary Suspension of Limits on Charitable Contributions	TY 17	-200	100	-200	100	-200	100	-400	200	-200	100	0	100
128	SUBTOTAL: DISASTER TAX RELIEF ACT - CORPORATE TAX		-200	100	-200	100	-200	100	-400	200	-200	100	0	100
130	REFERENCE SUBTOTAL: NET EFFECT OF CONFORMITY-RELATED ITEMS		291,745	745,655	67,785	478,795	74,085	330,695	-47,730	100,915	53,185	201,290	254,905	456,195