

**INDIVIDUAL INCOME TAX
CORPORATE FRANCHISE TAX
GROSS PREMIUMS TAX
Housing Tax Credit Carryover**

March 6, 2024

	Yes	No
DOR Administrative Costs/Savings		x

Department of Revenue
Analysis of H.F 4463 (Tabke)

	Fund Impact			
	<u>F.Y. 2024</u>	<u>F.Y. 2025</u>	<u>F.Y. 2026</u>	<u>F.Y. 2027</u>
General Fund	\$0	\$0	\$0	\$0

(000's)

Effective retroactively beginning in tax year 2023.

EXPLANATION OF THE BILL

Current Law: Under current law, a taxpayer may claim a nonrefundable credit against the individual income tax, corporate franchise tax, or gross premiums tax for contributions to a designated housing development account. The credit is equal to 85% of contributions of at least \$1,000 but not more than \$2 million. If the credit exceeds the taxpayer’s tax liability, the excess may be carried over for up to 10 years. Total statewide credits are limited to \$9.9 million per year. The credits expire after tax year 2028.

Proposed Law: The bill would allow any remaining amount of the \$9.9 million that is not allocated in a tax year to be available for allocation for the following tax years until the entire allocation has been made. The credits would still expire after tax year 2028.

REVENUE ANALYSIS DETAIL

- The bill will have no impact since the February 2024 forecast assumes that the maximum of \$9.9 million in credits will be claimed each year.

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