

Federal Conformity, As Passed by the House Tax Committee, HF 31-1E (Gomez)

Estimated Fiscal Impact to the General Fund

Note:

(1) Positive estimates = revenue gains, estimates in parenthesis = revenue reduction, bracketed numbers are not included in the total

(2) Fiscal estimates in thousands of dollars

Tax Provision	Column A	Column B	Column C	Column D	Column E	Column F	Column G
	EFFECTIVE	FY2024	FY2025	FY2024-25	FY2026	FY2027	FY2026-27
Tax Policy -Change Items - Summary							
<i>Tax Policy - Federal Conformity - Individual Income Tax</i>		(60,220)	(3,060)	(63,280)	(2,700)	(2,220)	(4,920)
<i>Tax Policy - Federal Conformity - Corporate Tax</i>		(33,400)	(3,100)	(36,500)	(1,640)	3,390	1,750
Total - General Fund, Tax Policy - All Change Items		(93,620)	(6,160)	(99,780)	(4,340)	1,170	(3,170)
INDIVIDUAL INCOME TAX							
Change Items - Federal Conformity - Detail							
*FCAA: Expansion of Section 529 Plans	TY 19	(500)	(100)	(600)	(100)	(100)	(200)
*CARES: Increase Limitation, Charitable Deduction Limit - Food Inventory to 25%	TY 20 only	(160)	10	(150)	-	-	-
*CARES: Exclusion of Certain Employer Student Loan Payments	TY 20 only	(100)	-	(100)	-	-	-
*CARES: Inclusion of certain over-the-counter medical products as medical expenses	TY 20	-	(Negli.)	(Negli.)	-	-	(Negli.)
*CAA: Exclusion, Discharge of Indebtedness, Qualified Principle Residence	TY 21-25	(600)	(200)	(800)	(200)	-	(200)
*CAA: Exclusion of Benefits for Volunteer Firefighters & Emergency Medical Responders	TY 21	(1,000)	(400)	(1,400)	(400)	(400)	(800)
*CAA: Exclusion of Certain Employer Student Loan Payments	TY 21-25	(300)	(100)	(400)	(100)	-	(100)
*CAA: Partial Above the Line Deduction of Charitable Contributions	TY 21	(14,600)	-	(14,600)	-	-	-
*CAA: Increase Limitation, Charitable Contributions Deductions, 60% to 100% FAGI	TY 21	(4,400)	1,200	(3,200)	800	200	1,000
*CAA: Special disaster-related rules for use of retirement funds	TY 21-22	-	-	-	-	-	-
*CAA: Exclusion of SBA Loan Assistance	TY 21	(3,100)	(100)	(3,200)	(100)	(200)	(300)
*CAA: Exclusion of Shuttered Venue Grants	TY 21	(2,800)	(200)	(3,000)	(200)	(200)	(400)
*CAA: Accelerated Depreciation for Business Property on Indian Reservation	TY21	(90)	(Negli.)	(90)	-	-	-
*CAA: Depreciation of Certain Residential Rental Property over 30 years	TY18	(9,600)	(900)	(10,500)	(900)	(900)	(1,800)
*CAA: Special Expensing Rules for Certain Film, Television and Live Theatrical Productions	TY 21-25	(4,000)	(600)	(4,600)	300	1,200	1,500
*CAA: Energy-Efficient Commercial Building Deduction	TY 21	(620)	(200)	(820)	(200)	(200)	(400)
*CAA: Special Rule for the Production Period for Beer, Wine and Distilled Spirits	TY 21	(160)	(40)	(200)	(40)	(50)	(90)

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	EFFECTIVE	FY2024	FY2025	FY2024-25	FY2026	FY2027	FY2026-27
30 *ARPA: Employer-Provided Dependent Care Assistance, Exclusion Increased	TY 21 only	(1,800)	-	(1,800)	-	-	-
31 *ARPA: Discharged Student Loans, Exclusion Provided	TY 21-25	(300)	(100)	(400)	(100)	-	(100)
32 *ARPA: Increase Maximum Unearned Income for Working Family Credit	TY 21	(1,400)	(500)	(1,900)	(500)	(500)	(1,000)
33 *ARPA: Exclusion of Economic Injury Disaster Loan (EIDL) Loan Advances	TY 21 only	(7,800)	(300)	(8,100)	(300)	(300)	(600)
34 *ARPA: Exclusion of Restaurant Revitalization Grants	TY 21 only	(6,600)	(200)	(6,800)	(200)	(200)	(400)
35				-			
36 *IIJA: Private Activity Bonds for Qualified Broadband Projects	TY22	(250)	(290)	(540)	(390)	(490)	(880)
37 *IIJA: Tax Exempt Bonds for Qualified Carbon Dioxide Capture Facilities	TY22	(40)	(40)	(80)	(70)	(80)	(150)
38							
39 *FFCRA: Taxable federal credits for 100% of eligible expenses for providing leave	TY 20-21 only		-	-	-	-	-
40							
41 Subtotal - Change Items - Income Tax, Federal Conformity		(60,220)	(3,060)	(63,280)	(2,700)	(2,220)	(4,920)
42							
43							
44 CORPORATE FRANCHISE TAX							
45 Change Items - Federal Conformity - Detail							
46 *FCAA: Seven-Year Recovery Period for Motorsports Entertainment Complexes	TY18-20	(420)	(20)	(440)	10	20	30
47							
48 *CARES: Charitable Deduction Limitation Increased for Food Inventory from 15% to 25%	TY 20 only	(70)	Negli.	(70)	-	-	-
49							
50 *CAA: Exclusion of SBA Loan Assistance	TY 21	(2,700)	(100)	(2,800)	-	(100)	(100)
51 *CAA: Exclusion of Shuttered Venue Grants	TY 21	(2,800)	(200)	(3,000)	(200)	(200)	(400)
52 *CAA: Seven-Year Recovery Period for Motorsports Entertainment Complexes	TY 21-25	(300)	(110)	(410)	(70)	(30)	(100)
53 *CAA: Accelerated Depreciation for Business Property on Indian Reservation	TY 21	(70)	-	(70)	-	-	-
54 *CAA: Depreciation of Certain Residential Rental Property over 30 years	Retro TY18	(4,800)	(400)	(5,200)	(400)	(400)	(800)
55 *CAA: Special Expensing Rules- Certain Film, Television and Live Theatrical Productions	TY 21-25	(4,600)	(700)	(5,300)	400	1,400	1,800
56 *CAA: Energy-Efficient Commercial Building Deduction	TY 21	(1,000)	(320)	(1,320)	(320)	(320)	(640)
57 *CAA: Special Rule for the Production Period for Beer, Wine and Distilled Spirits	TY 21	(260)	(70)	(330)	(70)	(80)	(150)
58 *CAA: Special Disaster-Related Rules	TY 21-22	(80)	20	(60)	10	-	10
59							
60 *ARPA: Exclusion of EIDL Loan Advances	TY 21 only	(7,600)	(300)	(7,900)	(200)	(200)	(400)
61 *ARPA: Exclusion of Restaurant Revitalization Grants	TY 21 only	(6,200)	(200)	(6,400)	(200)	(200)	(400)

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	EFFECTIVE	FY2024	FY2025	FY2024-25	FY2026	FY2027	FY2026-27
62 *ARPA: Worldwide Interest Allocation Rules, Repeal	TY21	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
63 *ARPA: Deny Deduction for Highly Compensated Executives	TY27	-	-	-	-	4,000	4,000
64							
65 *IIJA: Tax Treatment of Contributions to the Capital of a Corporation Modified	TY21	(2,500)	(700)	(3,200)	(600)	(500)	(1,100)
66							
67 Subtotal - Change Items - Corporate Franchise Tax, Federal Conformity		(33,400)	(3,100)	(36,500)	(1,640)	3,390	1,750
68							
69 Change Item by Federal Tax Act and Tax Type Summary							
70 1. FCCA - Further Consolidated Appropriations Act, 2020				-			
71 Income Tax Corporate Tax		(500)	(100)	(600)	(100)	(100)	(200)
72 Corporate Franchise Tax		(420)	(20)	(440)	10	20	30
73 Total - FCCA		(920)	(120)	(1,040)	(90)	(80)	(170)
74							
75 2. CARES Act							
76 Income Tax Corporate Tax		(260)	10	(250)	-	-	-
77 Corporate Franchise Tax		(70)	-	(70)	-	-	-
78 Total - CARES Act		(330)	10	(320)	-	-	-
79							
80 3. CAA - Consolidated Appropriations Act							
81 Income Tax Corporate Tax		(41,270)	(1,540)	(42,810)	(1,040)	(550)	(1,590)
82 Corporate Franchise Tax		(16,610)	(1,880)	(18,490)	(650)	270	(380)
83 Total - CAA Act		(57,880)	(3,420)	(61,300)	(1,690)	(280)	(1,970)
84							
85 4. ARPA - American Rescue Plan							
86 Income Tax Corporate Tax		(17,900)	(1,100)	(19,000)	(1,100)	(1,000)	(2,100)
87 Corporate Franchise Tax		(13,800)	(500)	(14,300)	(400)	3,600	3,200
88 Total - ARPA Act		(31,700)	(1,600)	(33,300)	(1,500)	2,600	1,100
89							
90 5. IIJA - Infrastructure Investment and Jobs Act							
91 Income Tax Corporate Tax		(290)	(330)	(620)	(460)	(570)	(1,030)
92 Corporate Franchise Tax		(2,500)	(700)	(3,200)	(600)	(500)	(1,100)
93 Total - IIJA Act		(2,790)	(1,030)	(3,820)	(1,060)	(1,070)	(2,130)
94							
95 6. IRA - Inflation Reduction Act							
96 Income Tax Corporate Tax		-	-	-	-	-	-
97 Corporate Franchise Tax		-	-	-	-	-	-
98 Total - IRA Act		-	-	-	-	-	-
99							

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	EFFECTIVE	FY2024	FY2025	FY2024-25	FY2026	FY2027	FY2026-27
100 7. FFCRA - Families First, Coronavirus Response Act							
101 Income Tax Corporate Tax		-	-	-	-	-	-
102 Corporate Franchise Tax		-	-	-	-	-	-
103 Total - FFCRA		-	-	-	-	-	-
104							
105 Total - All Federal Conformity Acts		(93,620)	(6,160)	(99,780)	(4,340)	1,170	(3,170)

*Federal Conformity Act Acronyms:

- FCAA: Further Consolidated Appropriations Act (Public law 11-94)
- CARES: Coronavirus, Aid, Relief and Security Act (Public Law 116-127)
- CAA: Consolidated Appropriations Act (Public Law 116-260)
- ARPA: American Rescue Plan (Public Law 117-2)
- IJJA: Infrastructure, Investment and Jobs Act (Public Law - 117-58)
- IRA: Inflation Reduction Act of 2022 (Public Law 117-58)
- FFCRA: Families First Coronavirus Response Act

Commonly used spreadsheet acronyms:

- "Negli." denotes negligible cost/savings of plus or minus \$5,000
- "Nov-22" denotes current law estimates based on MMB's November 2022 Forecast
- ^^ The estimates in brackets "[]" are not included in the total.
- "DFE" denotes a provision is effective day following enactment
- "DOR" Minnesota Department of Revenue