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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 1974

03/06/2025 Authored by Franson and Davids
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; individual income; establishing an income tax subtraction for
1.3 employee student loan payments by critical access dental clinics; amending
1.4 Minnesota Statutes 2024, section 290.0132, by adding a subdivision.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2024, section 290.0132, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 36. Student loan education assistance paid by critical access dental clinics. (a)
1.9 The amount of student loan educational assistance payments that is received from a critical
1.10 access dental clinic is a subtraction.

1.11 (b) For the purposes of this subdivision, the following terms have the meanings given.

1.12 (c) "Critical access dental clinic" means a dentist or dental clinic that is designated as a
1.13 critical access dental provider under section 256B.76, subdivision 4.

1.14 (d) "Student loan educational assistance payments" means payments by an employer on
1.15 the education loan of an employee that are included in the definition of educational assistance
1.16 under section 127(c)(1)(B) of the Internal Revenue Code, disregarding the expiration of
1.17 that clause. Student loan educational assistance payments are limited to amounts in excess
1.18 of the limit in section 127(a)(2) of the Internal Revenue Code.

1.19 EFFECTIVE DATE. This section is effective for taxable years beginning after December
1.20 31, 2025.