

HOUSE RESEARCH

Bill Summary

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Authors: Runbeck and others

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Overview

Allows a new reading credit for students treated for a reading disorder, and a new reading educator credit for teachers who pay for training in the diagnosis and treatment of dyslexia. Both credits are refundable and not income-limited. Both credits equal 75 percent of expenses; the maximum reading credit is \$2,000 and the maximum reading educator credit is \$1,000. Coordinates the reading credit with the existing K-12 education credit, and allows the reading credit to be assigned to a financial institution or nonprofit in the same manner as the K-12 education credit.

Section

- 1** **K-12 education credit.** Provides that reading instruction expenses used to claim the credit proposed in section 2 may not also be used to claim the current law K-12 education credit.
- 2** **Reading credit.** Allows a new credit equal to 75 percent of expenses for treatment of a reading disorder such as dyslexia that impairs a child from reading and comprehending language at the expected age level. The maximum credit is \$2,000 per child, and the credit is not allowed for expenses covered by insurance or otherwise reimbursed to the parent. Defines “treatment” to mean instruction that
 - ▶ teaches language decoding skills in a systematic manner
 - ▶ uses recognized diagnostic assessments to determine the appropriate treatment, and
 - ▶ uses a research-based method

Section

Defines “instructor” by reference to chapter 120A as an individual who

- ▶ holds a Minnesota teaching license
- ▶ is supervised by an individual with a Minnesota teaching license
- ▶ teaches in an accredited school, or
- ▶ holds a bachelor’s degree

and who is not the parent, grandparent, or sibling of the child receiving instruction.

Effective beginning in tax year 2014; and sunset after tax year 2016.

- 3** **Reading educator credit.** Allows a new credit equal to 75 percent of the amount paid by a Minnesota licensed teacher to receive training in the diagnosis and treatment of dyslexia. The maximum credit is \$1,000.

Effective beginning in tax year 2014.

- 4** **Limitations.** Provides that the reading credit in section 2 and the reading educator credit in section 3 are not subject to the income limits that apply to the K-12 education credit in current law, but are allowed to all claimants regardless of income.

- 5** **Credits refundable.** Provides that the reading credit in section 2 and the reading educator credit in section 3 are refundable. The open appropriation in current law for the K-12 education credit would authorize refunds of the reading credit and the reading educator credit.

- 6** **Refund assignment.** Allows an individual who is eligible for the reading credit in section 2 to assign the reading credit to a financial institution or tax-exempt organization in the same manner as the K-12 education credit may be assigned. The assignment provision allows eligible taxpayers to obtain loans or advances from participating financial institutions or nonprofits and have the resulting credit paid directly to the institution or the nonprofit rather than to the taxpayer.