

HOUSE RESEARCH

Bill Summary

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Section

Article 1: State Tax Credit

Overview

This article requires the Commissioner of Revenue to provide state income tax credits to qualified individuals who purchase qualified health plans through MNsure, the state's insurance exchange. Qualified individuals are persons who would have been eligible under the income standards of the MinnesotaCare program (this program is repealed in Article 2). The article also requires health carriers to provide premium advances to qualified individuals, equal to the amount of the tax credit.

- 1 Health carrier and health plan requirements; participation.** Amends § 62V.05, subd. 5. Requires health carriers offering coverage through MNsure to provide premium advances to qualified individuals eligible for a state tax credit under § 290.0661, equal to the amount of the tax credit. Requires qualified individuals receiving a premium advance to repay the full amount of the advance, by April 15 of the year following the coverage year for which the premium advance was provided. Requires the MNsure eligibility system to automatically notify health carriers if an enrollee is eligible for a state tax credit, and the amount of the tax credit.

Section

2 State tax credit for MNsure premium payments. Adds § 290.0661.

Subd. 1. Definitions. Defines terms. Defines “qualified individual” as a resident individual applying for, or enrolled in, qualified health plan coverage through MNsure with: (1) an income greater than 133 percent but not exceeding 200 percent of FPG; or (2) an income equal to or less than 133 percent of the FPG, if the person would have been eligible for MinnesotaCare under the eligibility criteria specified in Minnesota Statutes 2014, chapter 256L.

Subd. 2. Credit allowed; payment to health carrier. (a) Provides qualified individuals with a credit against the state income tax equal to the amount determined under subdivision 3.

(b) Specifies the method of allocating the credit for part-year residents.

(c) Requires qualified individuals receiving a premium advance under § 62V.05, subd. 5, para. (j), to repay the premium advance by April 15 of the year following the coverage year for which the premium advance was provided.

Subd. 3. Calculation of credit amount. Requires the commissioner of revenue, in consultation with the commissioner of human services and the MNsure board, to provide qualified individuals with tax credits to reduce the cost of MNsure premiums by specified dollar amounts. Requires the dollar amount of the credit to equal the base premium reduction amount, adjusted for household size. Requires the commissioner to establish separate base premium reduction amounts, on a sliding scale, for: (1) households with incomes not exceeding 150 percent of FPG; and (2) households with incomes greater than 150 percent but not exceeding 200 percent of FPG. Requires the commissioner, in developing the tax credit methodology and base premium reduction amounts, to ensure that aggregate tax credits do not exceed an unspecified dollar amount per taxable year.

Subd. 4. Credit refundable; appropriation. (a) Provides that the credit is refundable, if the credit allowed exceeds the individual’s tax liability.

(b) Appropriates to the commissioner from the general fund an amount sufficient to pay the credits required by this section.

Subd. 5. Payment in advance. Requires the commissioner of human services to seek all federal approvals and waivers necessary to pay the tax credit on a monthly basis, in advance, to the health carrier providing coverage to the qualified individual, without affecting the amount of the individual’s federal advanced premium tax credit. If the necessary approvals and waivers are obtained, requires the commissioner of human services to submit to the legislature any legislative changes necessary to implement advanced payment of tax credits, and directs the MNsure board to require health carriers to reduce premiums charged to qualified individuals by the amount of the tax credit.

Effective date. States that this section is effective for taxable years beginning after December 31, 2015.

Section

Article 2: MinnesotaCare

Overview

This article eliminates the MinnesotaCare program, effective January 1, 2016, and makes conforming changes. The article also advances the repeal of the MinnesotaCare provider taxes by one year.

Section

- 1 **Wrongfully obtaining assistance.** Amends § 256.98, subd. 1. Makes a conforming change related to the repeal of MinnesotaCare. Provides a January 1, 2016, effective date.
- 2 **Projects.** Amends § 256B.021, subd. 4. Makes a conforming change related to the repeal of MinnesotaCare. Provides a January 1, 2016, effective date.
- 3 **Debt.** Amends § 270A.03, subd. 5. Makes a conforming change related to the repeal of MinnesotaCare. Provides a January 1, 2016, effective date.
- 4 **Disclosure to commissioner of human services.** Amends § 270B.14, subd. 1. Makes a conforming change related to the repeal of MinnesotaCare. Provides a January 1, 2016, effective date.
- 5 **MinnesotaCare provider taxes.** Amends Laws 2011, 1st Spec. Sess. ch. 9, art. 6, § 97, subd. 6. Repeals the MinnesotaCare provider taxes for gross revenues received after December 31, 2018. (This advances the repeal date by one year.)
- 6 **Revisor instruction.** Directs the revisor to strike references to MinnesotaCare and make grammatical and conforming changes, in Minnesota Statutes and Minnesota Rules. Provides a January 1, 2016, effective date.
- 7 **Repealer.**

Subd. 1. MinnesotaCare program. Repeals sections of Minnesota Statutes, chapter 256L (the MinnesotaCare program).

Subd. 2. Conforming repealers. Repeals sections 13.461, subd. 26 and 62A.046, subd. 5, to conform to the repeal of the MinnesotaCare program.

Provides a January 1, 2016, effective date.