

File Number: H.F. 4415
Version: As introduced

Date: April 16, 2018

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Subject: Stillbirth Tax Credit

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Overview

This bill modifies the refundable tax credit for parents who experience a stillbirth. Under present law, the credit applies to stillbirths that occur in Minnesota for which the Minnesota Department of Health issues a certificate of birth resulting in a still birth. The credit is provided to the individual who would have been allowed to claim the child as a tax dependent.

The bill extends the credit to stillbirths experienced by Minnesota residents that occur outside of Minnesota and makes technical changes to resolve administrative issues with the credit (e.g., when the parents are not filing a married joint return and it is unclear who would have been entitled to claim the child as a tax dependent). The bill generally resolves this by providing the mother who gave birth and is listed on the birth certificate will be allowed the credit. The changes are retroactive to the original allowance of the credit (tax year 2016).

Section

1 Stillbirth credit allowed. Modifies the stillbirth credit to provide that it is allowed to an “eligible individual” (defined in section 2) and to eliminate the test that allows the credit based on who would have been entitled to claim the stillborn child as a tax dependent.

In addition, apportionment of the credit for nonresidents is eliminated. A nonresident who is an eligible individual (e.g., the nonresident spouse of a Minnesota resident member of the military) would be allowed the full credit. Apportionment would continue for part year

Section

residents—that is, individuals who move into or out of the state during the tax year—based on the percentage of their income that is derived from Minnesota sources.

Effective date: Retroactive to tax year 2016 (original effective date of the credit)

2

Stillbirth credit; definitions. Defines terms for purposes of the stillbirth tax credit:

- **“Certificate of birth”** means a certificate of stillbirth issued by the Minnesota Department of Health for a Minnesota birth or a similar certificate issued by another state or country if the birth occurs outside of Minnesota.
- **“Eligible individual”** (i.e., individuals who will be allowed the credit) must be:
 - a Minnesota resident or the nonresident spouse of a member of the military who is a Minnesota resident; and
 - the individual who gave birth (i.e., the mother) who was listed on the birth certificate or simply is the mother who gave birth, if the birth occurred outside of Minnesota in a state or country where no certificate is issued for stillbirths.
- **“Stillbirth”** is defined by reference to the statute that requires a fetal death report, but without regard to whether the birth occurs in Minnesota.

Effective date: Retroactive to tax year 2016 (original effective date of the credit)