Bill Summary

H.F. 3902

First engrossment, as amended by H3902A4

Subject Modifying the Minnesota housing tax credit

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Summary

Minnesota allows a tax credit (applicable against individual income, insurance premium, and corporate franchise taxes) for qualifying contributions to the Minnesota Housing Finance Agency (MHFA). Contributors may designate specific projects to receive their contributions, but under current law, only income-limited properties may receive grants or loans funded through these contributions. The credit is set to expire in 2029.

This bill would repeal expiration of the credit, allow its use on workforce housing in projects that have received an award from MHFA's workforce housing development program, and set aside a fraction of the credits for contributions designated for projects located outside the metropolitan area for a 60-day period after MHFA began accepting contributions for the year. That fraction would equal the fraction of the Minnesota population residing in greater Minnesota. After the 60-day period expired, any unused portion of the credits that were reserved for greater Minnesota could be allocated for contributions for any project.

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