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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 1379

02/06/2023 Authored by Howard and Gomez 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; disallowing the itemized deduction for
1.3 mortgage interest on a second home; amending Minnesota Statutes 2022, section
1.4 290.0122, subdivision 5.

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

1.6 Section 1. Minnesota Statutes 2022, section 290.0122, subdivision 5, is amended to read:

1.7 Subd. 5. Interest. A taxpayer is allowed a deduction for interest. The deduction equals
1.8 the amount allowed to the taxpayer as interest paid or accrued during the taxable year under
1.9 section 163 of the Internal Revenue Code with the following exceptions:

1.10 (1) qualified residence interest excludes home equity interest;

1.11 (2) acquisition indebtedness must not exceed \$750,000, or \$375,000 for a married
1.12 separate return, for indebtedness incurred on or after December 16, 2017; and

1.13 (3) mortgage insurance premiums treated as interest under section 163(h)(3)(E) are not
1.14 interest for the purposes of this subdivision; and

1.15 (4) qualified residence interest under section 163(h)(3) is limited to interest paid or
1.16 accrued on a principal residence, as defined in section 163(h)(4)(A)(i)(I), and excludes any
1.17 other residence allowed under section 163(h)(4)(A)(i)(II).

1.18 EFFECTIVE DATE. This section is effective for taxable years beginning after December
1.19 31, 2022.