

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 2315

(SENATE AUTHORS: ABELER and Hoffman)

DATE
03/25/2021

D-PG

Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to taxation; individual income; establishing a refundable health insurance
1.3 premium tax credit; proposing coding for new law in Minnesota Statutes, chapter
1.4 290.

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

1.6 Section 1. [290.0687] HEALTH INSURANCE PREMIUM CREDIT.

1.7 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
1.8 the meanings given.

1.9 (b) "Applicable second lowest cost silver plan" has the meaning given in section
1.10 36B(b)(3)(B) of the Internal Revenue Code.

1.11 (c) "Eligible taxpayer" means a taxpayer who:

1.12 (1) has a modified adjusted gross income in excess of the income eligibility limit for the
1.13 MinnesotaCare program under section 256L.04;

1.14 (2) is not eligible for a premium tax credit under Code of Federal Regulations, title 26,
1.15 section 1.36B-2, due to:

1.16 (i) household income in excess of 400 percent of the federal poverty line for the taxpayer's
1.17 family size for the taxable year; or

1.18 (ii) access to an employer-sponsored health plan through a spouse's employer that is
1.19 deemed minimum essential coverage under Code of Federal Regulations, title 26, section
1.20 1.36B-2, where the annual premium the employee must pay for employee and dependent
1.21 coverage exceeds the required contribution percentage described in Code of Federal
1.22 Regulations, title 26, section 1.36B-2; and

2.1 (3) has purchased a qualified health plan through MNsure.

2.2 (d) "MNsure" has the meaning given in section 62V.02, subdivision 8.

2.3 (e) "Modified adjusted gross income" has the meaning given in Code of Federal
2.4 Regulations, title 26, section 1.36B-1.

2.5 (f) "Premium" means the amount paid for a health plan in a taxable year.

2.6 (g) "Qualified health plan" has the meaning given in section 62V.02, subdivision 11.

2.7 Subd. 2. **Credit allowed.** (a) An eligible taxpayer is allowed a credit against the tax
2.8 imposed by this chapter equal to:

2.9 (1) the annual premium cost of the applicable second lowest cost silver plan available
2.10 to the taxpayer within the rating area in which the taxpayer is a resident that covers the
2.11 taxpayer and the taxpayer's spouse or any dependent; minus

2.12 (2) 9.6 percent of the taxpayer's modified adjusted gross income in the taxable year.

2.13 (b) For a nonresident or part-year resident taxpayer, the credit must be allocated based
2.14 on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).

2.15 Subd. 3. **Credit refundable; method of claiming.** (a) If the amount of credit that the
2.16 taxpayer is eligible to receive under this section exceeds the taxpayer's liability for tax under
2.17 this chapter, the commissioner shall refund the excess to the taxpayer.

2.18 (b) The commissioner, in consultation with the chief executive officer of MNsure, shall
2.19 prescribe the form and manner in which the credit must be claimed.

2.20 Subd. 4. **Appropriation.** An amount sufficient to pay the refunds under this section is
2.21 appropriated to the commissioner from the general fund.

2.22 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
2.23 31, 2020.