

1.1 A bill for an act

1.2 relating to taxation; eliminating the income-based reduction of the individual
1.3 income tax credit for prior military service; amending Minnesota Statutes 2008,
1.4 section 290.0677, subdivision 1a.

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

1.6 Section 1. Minnesota Statutes 2008, section 290.0677, subdivision 1a, is amended to
1.7 read:

1.8 Subd. 1a. **Credit allowed; past military service.** (a) A qualified individual is
1.9 allowed a credit against the tax imposed under this chapter for past military service. The
1.10 credit equals \$750. ~~The credit allowed under this subdivision is reduced by ten percent of~~
1.11 ~~adjusted gross income in excess of \$30,000, but in no case is the credit less than zero.~~

1.12 (b) For a nonresident or a part-year resident, the credit under this subdivision
1.13 must be allocated based on the percentage calculated under section 290.06, subdivision
1.14 2c, paragraph (e).

1.15 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
1.16 December 31, 2010.