

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 2673

(SENATE AUTHORS: DRAZKOWSKI and Lucero)

DATE	D-PG	OFFICIAL STATUS
03/17/2025	Introduction and first reading Referred to Taxes	

1.1A bill for an act

1.2relating to taxation; individual income; repealing advance payments of the child

1.3tax credit; amending Minnesota Statutes 2024, section 289A.08, subdivision 1;

1.4repealing Minnesota Statutes 2024, section 290.0661, subdivisions 8, 9.

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

1.6Section 1. Minnesota Statutes 2024, section 289A.08, subdivision 1, is amended to read:

1.7Subdivision 1. **Generally; individuals.** (a) A taxpayer must file a return for each taxable

1.8year the taxpayer is required to file a return under section 6012 of the Internal Revenue

1.9Code or meets the requirements under paragraph (d) to file a return, except that:

1.10(1) an individual who is not a Minnesota resident for any part of the year is not required

1.11to file a Minnesota income tax return if the individual's gross income derived from Minnesota

1.12sources as determined under sections 290.081, paragraph (a), and 290.17, is less than the

1.13filing requirements for a single individual who is a full year resident of Minnesota;

1.14(2) an individual who is a Minnesota resident is not required to file a Minnesota income

1.15tax return if the individual's gross income derived from Minnesota sources as determined

1.16under section 290.17, less the subtractions allowed under section 290.0132, subdivisions

1.1712 and 15, is less than the filing requirements for a single individual who is a full-year

1.18resident of Minnesota.

1.19(b) The decedent's final income tax return, and other income tax returns for prior years

1.20where the decedent had gross income in excess of the minimum amount at which an

1.21individual is required to file and did not file, must be filed by the decedent's personal

1.22representative, if any. If there is no personal representative, the return or returns must be

2.1 filed by the transferees, as defined in section 270C.58, subdivision 3, who receive property
2.2 of the decedent.

2.3 (c) The term "gross income," as it is used in this section, has the same meaning given it
2.4 in section 290.01, subdivision 20.

2.5 (d) The commissioner of revenue must annually determine the gross income levels at
2.6 which individuals are required to file a return for each taxable year based on the amounts
2.7 allowed as a deduction under section 290.0123.

2.8 ~~(e) Notwithstanding paragraph (a), an individual must file a Minnesota income tax return~~
2.9 ~~for each taxable year that the taxpayer has made an election to receive advance payments~~
2.10 ~~of the child tax credit under section 290.0661, subdivision 8.~~

2.11 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
2.12 31, 2025.

2.13 Sec. 2. **REPEALER.**

2.14 Minnesota Statutes 2024, section 290.0661, subdivisions 8 and 9, are repealed.

2.15 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
2.16 31, 2025.

290.0661 MINNESOTA CHILD TAX CREDIT.

Subd. 8. **Advance payment of credits.** (a) The commissioner of revenue must establish a process to allow taxpayers to elect to receive one or more advance payments of the credit under this section. The amount of advance payments must be based on the taxpayer and commissioner's estimate of the amount of credits for which the taxpayer would be eligible in the taxable year beginning in the calendar year in which the payments were made. The commissioner must not distribute advance payments to a taxpayer who does not elect to receive advance payments.

(b) The amount of a taxpayer's credit under this section for the taxable year is reduced by the amount of advance payments received by the taxpayer in the calendar year during which the taxable year began. If a taxpayer's advance payments exceeded the credit the taxpayer was eligible to receive for the taxable year, the taxpayer's liability for tax is increased by the difference between the amount of advance payments received and the credit amount.

Subd. 9. **Minimum credit.** (a) An eligible taxpayer is allowed the greater of the credit allowed under subdivision 2 or the minimum credit described in this subdivision. A taxpayer is eligible for the minimum credit under this subdivision if:

- (1) the taxpayer received an advance payment of the credit under subdivision 8; and
- (2) the combined amount of the taxpayer's credits under subdivision 2 and section 290.0671, after the phaseout in subdivision 4, is greater than \$0.

(b) The credit allowed under this subdivision is equal to 50 percent of the credit received under subdivision 2 in the prior taxable year, unless paragraph (c) applies.

(c) If a taxpayer is claiming fewer qualifying children in the current taxable year than in the prior taxable year, the minimum credit allowed under this subdivision is equal to 50 percent of credit received under this section in the prior taxable year multiplied by a fraction in which:

- (1) the numerator is the number of qualifying children in the current taxable year; and
- (2) the denominator is the number of qualifying children in the prior taxable year.