SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 271

(SENATE AUTHORS: CHAMBERLAIN, Clausen, Anderson, Kent and Kiffmeyer)

DATE	D-PG	OFFICIAL STATUS
01/22/2015	116	Introduction and first reading
		Referred to Education
03/02/2015	462	Comm report: To pass and re-referred to Taxes

1.1   A bill for an act

1.2   relating to education; modifying the reading tax credit; amending Laws 2014,

1.3   chapter 308, article 4, section 22, subdivision 1.

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

1.5   Section 1. Laws 2014, chapter 308, article 4, section 22, subdivision 1, is amended to

1.6   read:

1.7   Subdivision 1. **Reading credit.** (a) A taxpayer is allowed a credit, up to ~~$2,000~~

1.8 $3,000, against the tax imposed by Minnesota Statutes, chapter 290. The credit amount

1.9   equals 75 percent of the amount of eligible expenses paid by a taxpayer who is a parent

1.10   or guardian of a qualifying child:

1.11   (1) who has been evaluated for determination of a specific learning disability under

1.12   Minnesota Rules, part 3525.1341, ~~and was not found to meet the criteria under Minnesota~~

1.13   ~~Rules, part 3525.1341, subpart 2, to have a specific learning disability~~ or by a licensed

1.14   psychologist; and

1.15   (2) for whom the evaluation indicated a determination of dyslexia, a specific learning

1.16   disability, or a ~~deficiency~~ deficit in basic reading skills, reading comprehension, ~~or~~ reading

1.17   fluency ~~that impair a child to meet expected age or grade-level standards~~, or spelling.

1.18   (b) For purposes of this subdivision, the following definitions apply:

1.19   (1) "eligible expenses" means actual expenses, less the amount of expenses used

1.20   to claim the credit under Minnesota Statutes, section 290.0674, subdivision 1, paid by

1.21   the taxpayer for an evaluation under paragraph (a), clause (1), tutoring, instruction,

1.22   or treatment by an instructor and not compensated by insurance, pretax account, or

1.23   otherwise, for purposes of meeting the academic standards required under Minnesota

1.24   Statutes, section 120B.021;

2.1   (2) "instructor" means a person qualifying under Minnesota Statutes, section

2.2   120A.22, subdivision 10, clauses (1) to (5), who is not a lineal ancestor or sibling of

2.3   the qualifying child;

2.4   (3) "treatment" means instruction that:

2.5   (i) teaches language decoding skills in a systematic manner;

2.6   (ii) uses recognized diagnostic assessments to determine what intervention would be

2.7   most appropriate for individual students; and

2.8   (iii) employs a research-based method; and

2.9   (4) "qualifying child" has the meaning given in section 32(c)(3) of the Internal

2.10   Revenue Code.

2.11   (c) A taxpayer claiming the credit under this subdivision must provide documentation

2.12   of eligibility for the credit in a form and manner prescribed by the commissioner of

2.13   revenue in consultation with the commissioner of education. The documentation under

2.14   this paragraph must not disclose any information other than that necessary to prove

2.15   eligibility for the credit allowed under this subdivision.

2.16   (d) For a nonresident or part-year resident, the credit determined under this section

2.17   must be allocated based on the percentage calculated under Minnesota Statutes, section

2.18   290.06, subdivision 2c, paragraph (e).

2.19   (e) The amount used to claim the credit under this section must be excluded from

2.20   any amount subtracted from federal taxable income under section 290.01, subdivision

2.21   19b, clause (3).

2.22   **EFFECTIVE DATE.** This section is effective retroactively for taxable years

2.23   beginning after December 31, 2013.

2.24   Sec. 2. Laws 2014, chapter 308, article 4, section 22, the effective date, is amended to

2.25   read:

2.26   **EFFECTIVE DATE.** This section is effective for taxable years beginning after

2.27   December 31, 2013, and before January 1, ~~2015~~ 2020, only.

2.28   **EFFECTIVE DATE.** This section is effective the day following final enactment.