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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-FIFTH  
SESSION

**HOUSE FILE No. 40**

January 8, 2007

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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act  
1.2 relating to taxes; providing a credit for employer postsecondary education  
1.3 expenses; amending Minnesota Statutes 2006, section 290.06, by adding a  
1.4 subdivision.

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

1.6 Section 1. Minnesota Statutes 2006, section 290.06, is amended by adding a  
1.7 subdivision to read:

1.8 Subd. 34. Credit for employer education expenses. A taxpayer may take a credit  
1.9 against the tax due under this chapter equal to 30 percent of the expense incurred by  
1.10 the taxpayer for payment of tuition and fees for postsecondary education for qualifying  
1.11 employees. The maximum credit allowed in any taxable year may not exceed \$2,000 for  
1.12 a qualifying employee. As used in this subdivision, "qualifying employee" means an  
1.13 employee who works at least 30 hours per week at a pay rate of less than \$12 per hour,  
1.14 and "postsecondary education" means postsecondary educational programs for which  
1.15 payment qualifies as "educational assistance" as defined in section 127(c) of the Internal  
1.16 Revenue Code, but excluding programs leading to a law, business, medical, or other  
1.17 advanced academic or professional degree.

1.18 **EFFECTIVE DATE.** This section is effective for taxable years beginning after  
1.19 December 31, 2006.