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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **275**

January 22, 2007

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The bill was read for the first time and referred to the Committee on Health and Human Services

1.1 A bill for an act
1.2 relating to MinnesotaCare taxes; providing for a contingent reduction in tax rates;
1.3 amending Minnesota Statutes 2006, section 295.52, by adding a subdivision.

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

1.5 Section 1. Minnesota Statutes 2006, section 295.52, is amended by adding a
1.6 subdivision to read:

1.7 Subd. 8. Contingent reduction in tax rate. On September 1 of each odd-numbered
1.8 year, beginning September 1, 2007, the commissioner of finance shall determine the
1.9 projected balance of the health care access fund as of the end of the current biennium,
1.10 based on the most recent February forecast adjusted for any legislative session changes.
1.11 If the commissioner of finance projects a surplus in the health care access fund as of
1.12 the end of the current biennium, the commissioner of finance, in consultation with the
1.13 commissioner, shall reduce the tax rates specified in subdivisions 1, 1a, 2, 3, and 4 in
1.14 one-tenth of one percent increments, making the largest reduction in tax rates consistent
1.15 with ensuring that the health care access fund retains a surplus as of the end of the current
1.16 biennium. The reduced tax rates take effect on the January 1 that immediately follows the
1.17 September 1 on which the commissioner of finance determines the projected balance and
1.18 remain in effect for two tax years. The tax rates specified in subdivisions 1, 1a, 2, 3, and 4
1.19 apply for subsequent tax years, unless the commissioner, based on a determination of the
1.20 projected balance of the health care access fund made on September 1 of an odd-numbered
1.21 year, reduces the tax rates. If the commissioner of finance does not project a surplus in
1.22 the health care access fund as of the end of the current biennium, the tax rates specified
1.23 in subdivisions 1, 1a, 2, 3, and 4 continue to apply. The commissioner of finance shall

- 2.1 publish in the State Register by October 1 of each odd-numbered year the amount of tax to
- 2.2 be imposed for the next two calendar years.