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State of Minnesota HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH SESSION

HOUSE FILE No. 1817

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

1.1 A bill for an act
1.2 relating to taxes; individual income; modifying and increasing the military
1.3 service credit; amending Minnesota Statutes 2006, section 290.0677, subdivision
1.4 1.

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

1.6 Section 1. Minnesota Statutes 2006, section 290.0677, subdivision 1, is amended to
1.7 read:

1.8 Subdivision 1. Credit allowed. (a) An individual is allowed a credit against the tax
1.9 due under this chapter equal to \$59 for each month or portion thereof that the individual
1.10 was in active military service in a designated area after September 11, 2001, and before
1.11 January 1, 2007, while a Minnesota domiciliary.

1.12 (b) An individual is allowed a credit against the tax due under this chapter equal to
1.13 \$120 for each month or portion thereof that the individual was in active military service in
1.14 a designated area after December 31, 2006, while a Minnesota domiciliary.

1.15 (c) For active service performed after September 11, 2001, and before December 31,
1.16 2006, the individual may claim the credit in the taxable year beginning after December 31,
1.17 2005, and before January 1, 2007.

1.18 (e) (d) For active service performed after December 31, 2006, the individual may
1.19 claim the credit for the taxable year in which the active service was performed.

1.20 (d) (e) If a Minnesota domiciliary is killed while performing active military service
1.21 in a designated area, the individual's surviving spouse or dependent child may take the
1.22 credit in the taxable year of the death. If a Minnesota domiciliary was killed while
1.23 performing active military service in a designated area between September 11, 2001, and
1.24 December 31, 2006, the individual's surviving spouse or dependent child may claim this

2.1 ~~credit in the taxable year beginning after December 31, 2005, and before January 1, 2007~~
2.2 an individual entitled to the credit died prior to January 1, 2006, the individual's estate or
2.3 heirs at law, if the individual's probate estate has closed or the estate was not probated,
2.4 may claim the credit.

2.5 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
2.6 December 31, 2006, except that paragraph (e) is effective retroactively for tax years
2.7 beginning after December 31, 2005.