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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 2132

March 14, 2007

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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 taxation; individual income; providing income tax checkoffs to
1.3 provide additional funding for kindergarten through grade 12 education, health
1.4 care, higher education, early childhood and family education, and state parks;
1.5 proposing coding for new law in Minnesota Statutes, chapter 290.

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

1.7 Section 1. 290.433 **INCOME TAX CHECKOFFS FOR EDUCATION, HEALTH**
1.8 **CARE, AND STATE PARKS.**

1.9 Subdivision 1. **Accounts established.** (a) Accounts are established in the special
1.10 revenue fund to receive amounts designated through the income tax checkoffs in this
1.11 section. Accounts are established for:

1.12 (1) kindergarten through grade 12 education;

1.13 (2) health care;

1.14 (3) higher education;

1.15 (4) early childhood and family education; and

1.16 (5) state parks.

1.17 (b) All interest earned on money accrued, gifts, contributions, and reimbursements
1.18 of expenditures in each account must be credited to the account.

1.19 (c) The state pledges and agrees with all contributors to the accounts to use the funds
1.20 contributed solely for the purposes specified, and further agrees that it will not impose
1.21 additional conditions or restrictions that will limit or otherwise restrict the use of the funds.

1.22 Subd. 2. **Checkoff.** Every individual who files an income tax return may designate
1.23 on their original return that \$1 or more is to be added to the tax or deducted from the
1.24 refund that would otherwise be payable by or to that individual and paid into one or more
1.25 of the accounts established in subdivision 1. The commissioner of revenue shall, on the

2.1 income tax return, notify filers of their right to designate that a portion of their tax or
2.2 refund is to be paid into one or more of the accounts. The commissioner of revenue must
2.3 also provide on the income tax return for an individual to designate that an amount equal
2.4 to five percent of the individual's tax due before credits be distributed equally among the
2.5 five accounts established in subdivision 1.

2.6 Subd. 3. **Use of kindergarten through grade 12 education account.** (a) By June
2.7 1 of each year, the commissioner of revenue must report the amount of money in the
2.8 kindergarten through grade 12 education account to the chairs of the house and senate
2.9 finance committees with jurisdiction over kindergarten through grade 12 education.

2.10 (b) By September 1 of each year, the chairs of the house and senate finance
2.11 committees with jurisdiction over kindergarten through grade 12 education shall convene
2.12 a joint hearing for the purpose of making recommendations to the commissioner of
2.13 children, families, and learning on how to use the money in the kindergarten through
2.14 grade 12 education account.

2.15 Subd. 4. **Appropriation.** On October 1 of each year, an amount equal to the amount
2.16 reported to be in the kindergarten through grade 12 education account under subdivision 3
2.17 is appropriated from the kindergarten through grade 12 education account in the special
2.18 revenue fund to the commissioner of children, families, and learning.

2.19 Subd. 5. **Use of health care account.** (a) By June 1 of each year, the commissioner
2.20 of revenue must report the amount of money in the health care account to the chairs of the
2.21 house and senate finance committees with jurisdiction over health care.

2.22 (b) By September 1 of each year, the chairs of the house and senate finance
2.23 committees with jurisdiction over health care shall convene a joint hearing for the purpose
2.24 of making recommendations to the commissioner of health on how to use the money in
2.25 the health care account.

2.26 Subd. 6. **Appropriation.** On October 1 of each year, an amount equal to the amount
2.27 reported to be in the health care account under subdivision 5 is appropriated from the
2.28 health care account in the special revenue fund to the commissioner of health.

2.29 Subd. 7. **Use of higher education account.** (a) By June 1 of each year, the
2.30 commissioner of revenue must report the amount of money in the higher education
2.31 account to the chairs of the house and senate finance committees with jurisdiction over
2.32 higher education.

2.33 (b) By September 1 of each year, the chairs of the house and senate finance
2.34 committees with jurisdiction over higher education shall convene a joint hearing for
2.35 the purpose of making recommendations to the Board of Regents of the University of

3.1 Minnesota and the Board of Trustees of the Minnesota State Colleges and Universities
3.2 on how to use the money in the higher education account.

3.3 Subd. 8. **Appropriation.** (a) On October 1 of each year, an amount equal to
3.4 one-half the amount reported to be in the higher education account under subdivision 7 is
3.5 appropriated from the higher education account in the special revenue fund to the Board of
3.6 Regents of the University of Minnesota.

3.7 (b) On October 1 of each year, an amount equal to one-half the amount reported to
3.8 be in the higher education account under subdivision 7 is appropriated from the higher
3.9 education account in the special revenue fund to the Board of Trustees of the Minnesota
3.10 State Colleges and Universities.

3.11 Subd. 9. **Use of early childhood and family education account.** (a) By June 1
3.12 of each year, the commissioner of revenue must report the amount of money in the early
3.13 childhood and family education account to the chairs of the house and senate finance
3.14 committees with jurisdiction over early childhood and family education.

3.15 (b) By September 1 of each year, the chairs of the house and senate finance
3.16 committees with jurisdiction over early childhood and family education shall convene
3.17 a joint hearing for the purpose of making recommendations to the commissioner of
3.18 children, families, and learning on how to use the money in the early childhood and family
3.19 education account.

3.20 Subd. 10. **Appropriation.** On October 1 of each year, an amount equal to the
3.21 amount reported to be in the early childhood and family education account under
3.22 subdivision 9 is appropriated from the early childhood and family education account in the
3.23 special revenue fund to the commissioner of children, families, and learning.

3.24 Subd. 11. **Use of state parks account.** (a) By June 1 of each year, the commissioner
3.25 of revenue must report the amount of money in the state parks account to the chairs of the
3.26 house and senate finance committees with jurisdiction over state parks.

3.27 (b) By September 1 of each year, the chairs of the house and senate finance
3.28 committees with jurisdiction over state parks shall convene a joint hearing for the purpose
3.29 of making recommendations to the commissioner of natural resources on how to use the
3.30 money in the state parks account.

3.31 Subd. 12. **Appropriation.** On October 1 of each year, an amount equal to the
3.32 amount reported to be in the state parks account under subdivision 11 is appropriated
3.33 from the state parks account in the special revenue fund to the commissioner of natural
3.34 resources.

3.35 **EFFECTIVE DATE.** This section is effective for income tax returns for taxable
3.36 years beginning after December 31, 2006.