

S.F. No. 570 – K-12 credit modifications (as proposed to be amended by the A-1 amendment)

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Section 1. Limitations. Under current law, the K-12 credit phases out for claimants with income over \$33,500. For purposes of this credit, “income” is defined as adjusted gross income (AGI) with a number of nontaxable and other income sources added back. This section modifies the income threshold by: 1) referencing only AGI; and 2) allowing the threshold to be the greater of \$33,500 AGI or the household income threshold for reduced-price lunch as determined under federal law for a taxable year. For the 2020-2021 school year the income threshold is \$48,470 for a household size of four. Defines “household” for purposes of calculating the income threshold.

Section 2. Definitions. Strikes language in the definition of “qualifying taxpayer” that references income requirements, which is no longer necessary given the repeal of the definition of “income” in section 4.

Section 3. Consent for disclosure. Amends the disclosure requirements used when a taxpayer assigns the credit by requiring both spouses to consent to the assignment if the refund is claimed on a joint return.

Section 4. Repealer. Repeals the definition of “income” used in the K-12 credit, since the revisions to the credit in section 1 provide a new definition.

Effective beginning in tax year 2021.