

STATE OF MINNESOTA

Journal of the Senate

NINETY-SECOND LEGISLATURE

FORTY-EIGHTH DAY

St. Paul, Minnesota, Wednesday, April 28, 2021

The Senate met at 9:30 a.m. and was called to order by the President.

The members of the Senate paused for a moment of silent prayer and reflection.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

The roll was called, and the following Senators were present:

Abeler	Draheim	Ingebrigtsen	Mathews	Rosen
Anderson	Duckworth	Isaacson	McEwen	Ruud
Bakk	Dziedzic	Jasinski	Miller	Senjem
Benson	Eichorn	Johnson	Murphy	Tomassoni
Bigham	Eken	Johnson Stewart	Nelson	Torres Ray
Carlson	Fateh	Kent	Newman	Utke
Chamberlain	Franzen	Kiffmeyer	Newton	Weber
Champion	Frentz	Klein	Osmek	Westrom
Clausen	Gazelka	Koran	Pappas	Wiger
Coleman	Goggin	Kunesh	Port	Wiklund
Cwodzinski	Hawj	Lang	Pratt	
Dahms	Hoffman	Latz	Putnam	
Dibble	Housley	Limmer	Rarick	
Dornink	Howe	Marty	Rest	

Pursuant to Rule 14.1, the President announced the following members intend to vote under Rule 40.7: Anderson, Bigham, Carlson, Champion, Clausen, Coleman, Dibble, Fateh, Goggin, Hawj, Ingebrigtsen, Isaacson, Lang, Latz, Limmer, Mathews, McEwen, Newman, Newton, Osmek, Putnam, Senjem, Torres Ray, and Wiklund.

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

April 16, 2021

The Honorable Jeremy R. Miller
President of the Senate

Dear President Miller:

I have received, approved, signed, and deposited in the Office of the Secretary of State, Chapter 11, S.F. No. 659.

Sincerely,
Tim Walz, Governor

April 16, 2021

The Honorable Melissa Hortman
Speaker of the House of Representatives

The Honorable Jeremy R. Miller
President of the Senate

I have the honor to inform you that the following enrolled Act of the 2021 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2021	Date Filed 2021
659		11	12:24 p.m. April 16	April 16

Sincerely,
Steve Simon
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1952:

H.F. No. 1952: A bill for an act relating to operation of state government; appropriating money for the legislature, office of the governor and lieutenant governor, state auditor, attorney general, secretary of state, certain state agencies, boards, commissions, councils, offices, Minnesota State Lottery, Minnesota Humanities Center, certain retirement accounts, and military and veterans affairs; cancelling certain 2021 appropriations; designating the state fire museum; changing provisions for the legislative auditor and Legislative Coordinating Commission; authorizing virtual payments; creating the capitol flag program; modifying provisions for Tribal governments, state budget and forecast, administrative operations, general services revolving fund, grants, motor pool, historic properties and historical societies, taxpayer assistance grants, background checks, lawful gambling, election administration, campaign finance, Office of MN.IT Services, open meeting law, municipal planning, port authority, municipalities, metropolitan government, Duluth entertainment and convention center complex, bids and letting of contracts, and dedication fees; auditing state use of federal funds; creating the Office of Enterprise Sustainability; requiring racial equity impact

assessments; requiring sensory accessibility accommodations; establishing the Legislative Commission on Cybersecurity; designating India Day; requiring SEGIP to contract with a pharmacy benefit manager; requiring a strategic plan for state space consolidation and moving; certifying legislative funding needed; requiring a study of L'Orient Avenue property use; prohibiting contracts with certain vendors; requiring the secretary of state to display business addresses on its website; modifying staff reduction provision, electric vehicle charging, police canine officers, and federal funds replacement; making policy and technical changes to various military and veterans affairs provisions including provisions related to the adjutant general, housing, veterans benefits, and veterans services; allowing deferred prosecutions for former and current military members in certain circumstances; classifying data; making changes to the military code; modifying certain requirements and qualifications; making jurisdictional and appellate changes; providing punishable offenses under the military code; providing penalties; amending Minnesota Statutes 2020, sections 3.302, subdivision 3; 3.303, subdivision 1; 3.971, subdivision 2, by adding a subdivision; 3.972, subdivisions 2, 2a; 3.978, subdivision 2; 3.979, subdivision 3; 4A.01, subdivision 3; 4A.02; 5.30, subdivision 2; 5B.06; 8.31, subdivision 1; 10.44; 10.45; 10.578; 10A.01, subdivisions 4, 7, 9, 11, 16a, 17c, 18, 20, 26, 27, 28, 35, by adding a subdivision; 10A.09, subdivisions 1, 2, 5, 6, by adding a subdivision; 10A.12, subdivisions 1, 2; 10A.121, subdivision 2; 10A.13, subdivision 1; 10A.17, subdivision 4; 10A.20, subdivisions 3, 6a, 13, by adding a subdivision; 10A.27, subdivision 13; 10A.275, subdivision 1; 10A.323; 13.607, by adding a subdivision; 13D.01, subdivisions 4, 5; 13D.015; 13D.02; 13D.021; 15.01; 15.057; 16A.06, by adding a subdivision; 16A.103, subdivision 1; 16A.152, subdivision 2; 16B.24, subdivision 1, by adding a subdivision; 16B.2975, by adding a subdivision; 16B.48, subdivision 2; 16B.54, subdivisions 1, 2; 16B.98, by adding a subdivision; 16E.01; 16E.016; 16E.02; 16E.03, subdivisions 1, 2, 3, 6; 16E.036; 16E.04, subdivision 3; 16E.0465, subdivision 2; 16E.05, subdivision 1; 16E.07, subdivision 12; 16E.21, subdivision 2; 43A.046; 43A.23, subdivision 1; 97A.057, subdivision 1; 135A.17, subdivision 2; 138.081, subdivisions 1, 2, 3; 138.31, by adding a subdivision; 138.34; 138.40; 138.665, subdivision 2; 138.666; 138.667; 138.763, subdivision 1; 190.07; 192.67; 192A.02, subdivision 2; 192A.021; 192A.111; 192A.15, subdivisions 1, 2; 192A.155, subdivision 2; 192A.20; 192A.235, subdivision 3; 192A.343, subdivision 3; 192A.353, subdivision 2; 192A.371; 192A.384; 192A.56; 192A.612; 192A.62; 197.791, subdivisions 4, 5, 5a, 5b; 198.006; 198.03, subdivision 2; 201.014, by adding a subdivision; 201.071, subdivisions 1, 2, 3, 8; 201.091, subdivision 2; 201.12, subdivision 2; 201.121, subdivision 3; 201.13, subdivision 3; 201.161; 201.1611, subdivision 1; 201.162; 201.225, subdivision 2; 202A.11, subdivision 2; 202A.16, subdivision 1; 203B.01, subdivision 3, by adding a subdivision; 203B.02, by adding a subdivision; 203B.03, by adding a subdivision; 203B.04, subdivision 1; 203B.081, subdivisions 1, 2, 3; 203B.11, subdivision 1; 203B.12, subdivision 7; 203B.121, subdivisions 2, 3, 4; 203B.16, subdivision 2; 203B.24, subdivision 1; 204B.06, subdivisions 1b, 4a; 204B.09, subdivisions 1, 3; 204B.13, by adding a subdivision; 204B.16, subdivision 1; 204B.19, subdivision 6; 204B.21, subdivision 2; 204B.36, subdivision 2; 204B.44; 204B.45, subdivisions 1, 2; 204B.46; 204C.05, subdivisions 1a, 1b; 204C.10; 204C.15, subdivision 1; 204C.21, subdivision 1; 204C.27; 204C.33, subdivision 3; 204C.35, subdivision 3, by adding a subdivision; 204C.36, subdivision 1; 204D.08, subdivision 4; 204D.13, subdivision 1; 204D.19, subdivision 2; 204D.195; 204D.22, subdivision 3; 204D.23, subdivision 2; 204D.27, subdivision 5; 204D.28, subdivisions 9, 10; 205.13, subdivision 5; 205A.10, subdivision 5; 205A.12, subdivision 5; 206.805, subdivision 1; 206.89, subdivisions 4, 5; 206.90, subdivision 6; 207A.12; 207A.13; 207A.14, subdivision 3; 209.021, subdivision 2; 211B.04, subdivisions 2, 3, by adding a subdivision; 211B.11, subdivision 1; 211B.20, subdivision 1; 211B.32, subdivision 1; 270B.13, by adding a subdivision; 270C.21; 349.151, subdivision 2; 367.03, subdivision 6; 367.25, subdivision 1; 383B.041; 412.02, subdivision 2a; 447.32, subdivision 4;

462.358, by adding a subdivision; 469.074, by adding a subdivision; 471.342, subdivisions 1, 4; 471.345, subdivision 20; 473.24; 473.606, subdivision 5; 606.06; 609.165, subdivision 1; Laws 1963, chapter 305, sections 2, as amended; 3, as amended; 4, as amended; 5, as amended; 8, as amended; 9, as amended; 10, as amended; Laws 2006, chapter 269, section 2, as amended; Laws 2013, chapter 85, article 5, section 44; Laws 2019, First Special Session chapter 10, article 1, section 40; Laws 2020, chapter 77, section 3, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 1; 3; 5; 10; 13D; 16A; 16B; 16C; 43A; 192A; 196; 201; 206; 211B; 243; 299C; 471; 609; repealing Minnesota Statutes 2020, sections 3.972, subdivisions 2c, 2d; 3.9741, subdivision 5; 4A.11; 10A.15, subdivision 6; 15.0395; 16A.90; 16E.0466, subdivision 1; 16E.05, subdivision 3; 16E.071; 16E.145; 43A.17, subdivision 9; 116O.03, subdivision 9; 116O.04, subdivision 3; 179.90; 179.91; 192A.385; 299D.03, subdivision 2a; 383B.042; 383B.043; 383B.044; 383B.045; 383B.046; 383B.047; 383B.048; 383B.049; 383B.05; 383B.051; 383B.052; 383B.053; 383B.054; 383B.055; 383B.056; 383B.057.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Nelson, M.; Xiong, T.; Masin; Greenman and Nash have been appointed as such committee on the part of the House.

House File No. 1952 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted April 27, 2021

Senator Kiffmeyer moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1952, and that a Conference Committee of 5 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

REPORTS OF COMMITTEES

Senator Gazelka moved that the Committee Report at the Desk be now adopted. The motion prevailed.

Senator Gazelka, from the Committee on Rules and Administration, to which was referred

H.F. No. 2128 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS	
H.F. No.	S.F. No.
2128	2360

CONSENT CALENDAR	
H.F. No.	S.F. No.

CALENDAR	
H.F. No.	S.F. No.

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 2128 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2128, the fourth engrossment; and insert the language after the enacting clause of S.F. No. 2360, the second engrossment; further, delete the title of H.F. No. 2128, the fourth engrossment; and insert the title of S.F. No. 2360, the second engrossment.

And when so amended H.F. No. 2128 will be identical to S.F. No. 2360, and further recommends that H.F. No. 2128 be given its second reading and substituted for S.F. No. 2360, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. No. 2128 was read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Tomassoni introduced--

S.F. No. 2477: A bill for an act relating to capital investment; appropriating money for the St. James open pit mine flood mitigation project; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Tomassoni introduced--

S.F. No. 2478: A bill for an act relating to capital investment; appropriating money for the city of Buhl to provide expanded water service to the city; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Bakk introduced--

S.F. No. 2479: A bill for an act relating to capital investment; appropriating money for a marina on Rainy Lake; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

RECESS

Senator Gazelka moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Senator Gazelka from the Subcommittee on Conference Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 1952: Senators Kiffmeyer, Lang, Koran, Howe, and Carlson.

Senator Gazelka moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS

Pursuant to Rule 26, Senator Gazelka, Chair of the Committee on Rules and Administration, designated H.F. No. 991 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 991: A bill for an act relating to financing and operation of state and local government; providing conformity and nonconformity to certain federal tax law changes; modifying individual income and corporate franchise taxes, sales and use taxes, partnership taxes, special and excise taxes, property taxes, local government aids, provisions related to local taxes, tax increment financing, public finance, and other miscellaneous taxes and tax provisions; providing for various individual and corporate additions and subtractions to income; modifying certain income tax credits and authorizing new credits; providing for a pass-through entity tax; modifying definitions for resident trusts; modifying existing and providing new sales tax exemptions; modifying vapor and tobacco tax provisions; modifying and providing certain property tax exemptions; modifying property classification provisions; allowing for certain special assessments; modifying local government aid appropriations; modifying existing local taxes and authorizing new local taxes; modifying property tax homeowners' and renters' refunds; authorizing and modifying certain tax increment financing provisions; providing for a tax expenditure review commission and the required expiration of tax expenditures; making appointments; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 3.192; 3.8853, subdivision 2; 16A.152, subdivision 2; 41B.0391, subdivisions 2, 4; 116J.8737, subdivisions 5, 12; 270.41, subdivision 3a; 270.44; 270A.03, subdivision 2; 270B.12, subdivisions 8, 9; 270B.14, by adding a subdivision; 270C.11, subdivisions 2, 4, 6; 270C.13, subdivision 1; 270C.22, subdivision 1; 270C.445, subdivisions 3, 6; 272.02, by adding a subdivision; 272.029, subdivision 2; 272.0295, subdivisions 2, 5; 272.115, subdivision 1; 273.063; 273.0755; 273.124, subdivisions 1, 3a, 6, 9, 13, 13a, 13c, 13d, 14; 273.1245, subdivision 1; 273.13, subdivisions 23, 25, 34; 273.1315, subdivision 2; 273.18; 275.025, subdivisions 1, 2; 275.065, subdivisions 1, 3, by adding subdivisions; 275.066; 287.04; 289A.02, subdivision 7; 289A.08, subdivisions 7, 11, by adding subdivisions; 289A.09, subdivision 2; 289A.20, subdivision 4; 289A.31, subdivision 1; 289A.37, subdivision 2; 289A.38, subdivisions 7, 8, 9, 10; 289A.42; 289A.60, subdivisions 15, 24; 290.01, subdivisions 19, 31, by adding a subdivision; 290.0121, subdivision 3; 290.0122, subdivisions 4, 8; 290.0131, by adding subdivisions; 290.0132, subdivision 27, by adding subdivisions; 290.0133, subdivision 6, by adding subdivisions; 290.0134, subdivision 18, by adding a subdivision; 290.06, subdivisions 2c, 2d, 22, by adding subdivisions; 290.0671, subdivisions 1, 1a, 7; 290.0674, subdivision 2a; 290.0681, subdivision 10; 290.0682; 290.0685, subdivision 1, by adding a subdivision; 290.091, subdivision 2; 290.17, by adding subdivisions; 290.21, subdivision 9, by adding a subdivision; 290.31, subdivision 1; 290.92, subdivisions 1, 2a, 3, 4b, 4c, 5, 5a, 19, 20; 290.923,

subdivision 9; 290.993; 290A.03, subdivisions 3, 15; 290A.04, subdivisions 2, 2a; 290A.25; 291.005, subdivision 1; 295.75, subdivision 2; 296A.06, subdivision 2; 297A.66, subdivision 3; 297A.67, by adding a subdivision; 297A.70, subdivision 13, by adding a subdivision; 297A.71, subdivision 52, by adding a subdivision; 297A.75, subdivisions 1, 2, 3; 297A.993, subdivision 2; 297E.021, subdivision 4; 297F.01, subdivisions 19, 22b, 23, by adding subdivisions; 297F.031; 297F.04, subdivision 2; 297F.05, by adding a subdivision; 297F.09, subdivisions 3, 4a, 7, 10; 297F.10, subdivision 1; 297F.13, subdivision 4; 297F.17, subdivisions 1, 6; 297G.09, subdivision 9; 297G.16, subdivision 7; 297H.04, subdivision 2; 297H.05; 297I.05, subdivision 7; 297I.20, by adding a subdivision; 298.001, by adding a subdivision; 298.24, subdivision 1; 298.405, subdivision 1; 325F.781, subdivisions 1, 5, 6; 429.021, subdivision 1; 429.031, subdivision 3; 453A.04, subdivision 21, by adding a subdivision; 462A.38; 465.71; 469.176, by adding a subdivision; 469.1763, subdivisions 2, 3, 4; 469.319, subdivision 4; 475.56; 475.58, subdivision 3b; 475.60, subdivision 1; 475.67, subdivision 8; 477A.013, subdivision 13; 477A.03, subdivisions 2a, 2b; 477A.10; 609B.153; Laws 2009, chapter 88, article 2, section 46, subdivision 3, as amended; Laws 2017, First Special Session chapter 1, article 3, section 32, as amended; Laws 2019, First Special Session chapter 6, article 6, sections 25; 27; proposing coding for new law in Minnesota Statutes, chapters 3; 16A; 116U; 289A; 477A; proposing coding for new law as Minnesota Statutes, chapters 299O; 428B; repealing Minnesota Statutes 2020, sections 270C.17, subdivision 2; 290.01, subdivisions 7b, 19i; 290.0131, subdivision 18; 327C.01, subdivision 13; 327C.16; 469.055, subdivision 7.

Senator Nelson moved to amend H.F. No. 991, as amended pursuant to Rule 45, adopted by the Senate April 27, 2021, as follows:

(The text of the amended House File is identical to S.F. No. 961.)

Page 33, after line 29, insert:

"Sec. 8. Minnesota Statutes 2020, section 297A.77, subdivision 3, is amended to read:

Subd. 3. **Tax must be remitted.** The tax collected by a retailer under this section, except for the amount allowed to be retained by the seller under section 297A.816, must be remitted to the commissioner as provided in chapter 289A and this chapter.

EFFECTIVE DATE. This section is effective for sales taxes remitted after June 30, 2022.

Sec. 9. **[297A.816] VENDOR ALLOWANCE.**

Subdivision 1. **Eligibility.** A retailer may retain a portion of sales tax collected as a vendor allowance in compensation for the costs of collecting and administering the tax under this chapter. This section applies only if the tax minus the vendor allowance is both reported and remitted to the commissioner in a timely fashion as required under chapter 289A.

Subd. 2. **Tax not eligible for allowance.** Use taxes paid by the retailer on the retailer's own purchases and local sales and use taxes collected by the retailer are not included in calculating the vendor allowance under this section.

Subd. 3. **Calculation of allowance; maximum amounts.** (a) The amount of the vendor allowance is equal to the sum of 0.15 percent of the tax collected in the reporting period, up to \$250. The vendor allowance must not reduce the tax owed in the reporting period to less than zero.

(b) Notwithstanding section 297A.62, subdivision 4, the amount retained under this section must be calculated only on collections of the tax imposed under section 297A.62, subdivision 1.

EFFECTIVE DATE. This section is effective for sales taxes remitted after June 30, 2022."

Page 60, line 19, delete "\$710,800,000" and insert "\$716,990,000"

Page 60, line 20, delete the new language and reinstate the stricken language

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 50 and nays 16, as follows:

Those who voted in the affirmative were:

Abeler	Dibble	Hoffman	Latz	Rarick
Anderson	Dornink	Housley	Limmer	Rosen
Benson	Draheim	Howe	Mathews	Ruud
Bigham	Duckworth	Ingebrigtsen	McEwen	Senjem
Carlson	Eichorn	Isaacson	Miller	Tomassoni
Chamberlain	Eken	Jasinski	Nelson	Torres Ray
Champion	Franzen	Johnson	Newman	Utke
Clausen	Frentz	Kiffmeyer	Osmek	Weber
Coleman	Gazelka	Koran	Pratt	Westrom
Dahms	Goggin	Lang	Putnam	Wiger

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Goggin, Ingebrigtsen, Lang, Limmer, Mathews, Newman, Osmek, Senjem, and Westrom.

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Bigham, Carlson, Champion, Clausen, Dibble, Isaacson, Latz, McEwen, Putnam, and Torres Ray.

Those who voted in the negative were:

Bakk	Hawj	Kunesh	Pappas
Cwodzinski	Johnson Stewart	Marty	Port
Dziedzic	Kent	Murphy	Rest
Fateh	Klein	Newton	Wiklund

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Fateh, Hawj, Newton, and Wiklund.

The motion prevailed. So the amendment was adopted.

Senator Eken moved to amend H.F. No. 991, as amended pursuant to Rule 45, adopted by the Senate April 27, 2021, as follows:

(The text of the amended House File is identical to S.F. No. 961.)

Page 15, after line 19, insert:

"Sec. 4. Minnesota Statutes 2020, section 290.0132, subdivision 26, is amended to read:

Subd. 26. **Social Security benefits.** ~~(a) A portion~~ The amount of Social Security benefits received by a taxpayer in the taxable year is allowed as a subtraction. ~~The subtraction equals the lesser of Social Security benefits or a maximum subtraction subject to the limits under paragraphs (b), (c), and (d).~~

~~(b) For married taxpayers filing a joint return and surviving spouses, the maximum subtraction equals \$4,500. The maximum subtraction is reduced by 20 percent of provisional income over \$77,000. In no case is the subtraction less than zero.~~

~~(c) For single or head-of-household taxpayers, the maximum subtraction equals \$3,500. The maximum subtraction is reduced by 20 percent of provisional income over \$60,200. In no case is the subtraction less than zero.~~

~~(d) For married taxpayers filing separate returns, the maximum subtraction equals \$2,250. The maximum subtraction is reduced by 20 percent of provisional income over \$38,500. In no case is the subtraction less than zero.~~

~~(e) For purposes of this subdivision, "provisional income" means modified adjusted gross income as defined in section 86(b)(2) of the Internal Revenue Code, plus one-half of the Social Security benefits received during the taxable year, and "Social Security benefits" has the meaning given in section 86(d)(1) of the Internal Revenue Code.~~

~~(f) The commissioner shall adjust the maximum subtraction and threshold amounts in paragraphs (b) to (d) by the percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue Code, except that in section 1(f)(3)(B) of the Internal Revenue Code the word "2016" shall be substituted for the word "1992." For 2018, the commissioner shall then determine the percentage change from the 12 months ending on August 31, 2016, to the 12 months ending on August 31, 2017, and in each subsequent year, from the 12 months ending on August 31, 2016, to the 12 months ending on August 31 of the year preceding the taxable year. The determination of the commissioner pursuant to this subdivision must not be considered a rule and is not subject to the Administrative Procedure Act contained in chapter 14, including section 14.386. The maximum subtraction and threshold amounts as adjusted must be rounded to the nearest \$10 amount. If the amount ends in \$5, the amount is rounded up to the nearest \$10 amount.~~

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2020.

Page 16, after line 14, insert:

"Sec. 7. **[290.033] NET INVESTMENT INCOME TAX.**

(a) For purposes of this section, "net investment income" has the meaning given in section 1411(c) of the Internal Revenue Code.

(b) In addition to the tax computed under section 290.06, subdivision 2c, an additional tax is imposed on the net investment income of individuals, estates, and trusts in excess of \$250,000 at the following rates:

(1) for taxable years beginning after December 31, 2020, and before January 1, 2022, 2.6 percent; and

(2) for taxable years beginning after December 31, 2021, three percent.

(c) For an individual who is not a Minnesota resident for the entire taxable year, the tax under this subdivision must be calculated as if the individual is a Minnesota resident for the entire year, and that amount must be multiplied by a fraction in which:

(1) the numerator is net investment income allocable under section 290.17 to Minnesota; and

(2) the denominator is the total amount of net investment income for the taxable year.

(d) For an estate or trust, the tax on net investment income must be computed by multiplying the net investment income tax liability by a fraction, the numerator of which is the amount of the estate or trust's net investment income allocated to the state pursuant to the provisions of sections 290.17, 290.191, and 290.20, and the denominator of which is the taxpayer's total net investment income.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2020."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 35, as follows:

Those who voted in the affirmative were:

Bigham	Eken	Johnson Stewart	Murphy	Torres Ray
Carlson	Fateh	Kent	Newton	Wiger
Champion	Franzen	Klein	Pappas	Wiklund
Clausen	Frentz	Kunesh	Port	
Cwodzinski	Hawj	Latz	Putnam	
Dibble	Hoffman	Marty	Rest	
Dziedzic	Isaacson	McEwen	Tomassoni	

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Bigham, Carlson, Champion, Clausen, Dibble, Fateh, Hawj, Isaacson, Latz, McEwen, Newton, Putnam, Torres Ray, and Wiklund.

Those who voted in the negative were:

Abeler	Dornink	Howe	Limmer	Rarick
Anderson	Draheim	Ingebrigtsen	Mathews	Rosen
Bakk	Duckworth	Jasinski	Miller	Ruud
Benson	Eichorn	Johnson	Nelson	Senjem
Chamberlain	Gazelka	Kiffmeyer	Newman	Utke
Coleman	Goggin	Koran	Osmek	Weber
Dahms	Housley	Lang	Pratt	Westrom

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Coleman, Gazelka, Goggin, Ingebrigtsen, Johnson, Lang, Limmer, Mathews, Newman, Osmek, Rarick, Rosen, Senjem, and Westrom.

The motion did not prevail. So the amendment was not adopted.

Senator Rest moved to amend H.F. No. 991, as amended pursuant to Rule 45, adopted by the Senate April 27, 2021, as follows:

(The text of the amended House File is identical to S.F. No. 961.)

Page 16, after line 14, insert:

"Sec. 6. [290.033] NET INVESTMENT INCOME TAX.

(a) For purposes of this section, "net investment income" has the meaning given in section 1411(c) of the Internal Revenue Code.

(b) In addition to the tax computed under section 290.06, subdivision 2c, an additional tax of three-quarters of one percent is imposed on the net investment income of individuals, estates, and trusts in excess of \$250,000.

(c) For an individual who is not a Minnesota resident for the entire taxable year, the tax under this subdivision must be calculated as if the individual is a Minnesota resident for the entire year, and that amount must be multiplied by a fraction in which:

(1) the numerator is net investment income allocable under section 290.17 to Minnesota; and

(2) the denominator is the total amount of net investment income for the taxable year.

(d) For an estate or trust, the tax on net investment income must be computed by multiplying the net investment income tax liability by a fraction, the numerator of which is the amount of the estate or trust's net investment income allocated to the state pursuant to the provisions of sections 290.17, 290.191, and 290.20, and the denominator of which is the taxpayer's total net investment income.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2020, and before January 1, 2023."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Rest moved to amend the Rest amendment to H.F. No. 991 as follows:

Page 1, before line 4, insert:

"Page 4, delete section 2

Page 11, line 4, delete "EXCLUSION FROM GROSS INCOME FOR CERTAIN FORGIVEN PPP" and insert "FEDERAL UPDATE; EXCLUDING CERTAIN ITEMS FROM GROSS INCOME."

Page 11, delete line 5

Page 11, line 14, delete everything after "Adopting" and insert "certain federal changes"

Page 11, line 15, delete everything before the period

Page 11, delete line 21

Page 11, line 25, delete the period and insert a semicolon

Page 11, after line 25, insert:

"(5) special rules for use of retirement funds under section 2202 of Public Law 116-136;

(6) temporary waiver of required minimum distributions for certain retirement plans and accounts under section 2203 of Public Law 116-136;

(7) enhancement of the child and dependent care credit under section 9631 of Public Law 117-2;

(8) increase in exclusion for employer-provided dependent care assistance under section 9632 of Public Law 117-2; and

(9) temporary special rules for health and dependent care flexible spending arrangements under section 214 of the Taxpayer Certainty and Disaster Tax Relief Act of 2020 in Public Law 116-260."

Page 11, line 30, after "(3)" insert "and (5) to (9)"

Page 12, after line 2, insert:

"Sec. 9. WORKING FAMILY CREDIT; SPECIAL EARNED INCOME RULES FOR TAX YEAR 2020.

For the purposes of calculating the credit under Minnesota Statutes, section 290.067, the commissioner of revenue must allow a taxpayer to elect to determine earned income using the rules in section 211 of the Taxpayer Certainty and Disaster Tax Relief Act of 2020 in Public Law 116-260.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2019, and before January 1, 2021.

Sec. 10. TEMPORARY INDIVIDUAL INCOME TAX SUBTRACTION; UNEMPLOYMENT INSURANCE BENEFITS.

(a) For the purposes of this section:

(1) "subtraction" has the meaning given in Minnesota Statutes, section 290.0132; and

(2) "unemployment compensation" has the meaning given in section 85(b) of the Internal Revenue Code.

(b) For taxable years beginning after December 31, 2019, and before January 1, 2021, an individual taxpayer with adjusted gross income that is less than \$150,000 is allowed a subtraction

equal to the amount of unemployment compensation received in the taxable year. The subtraction is limited to \$10,200, except for a joint return the subtraction is limited to \$10,200 in unemployment compensation received by each spouse.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2019, and before January 1, 2021.""

The question was taken on the adoption of the Rest amendment to the Rest amendment.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Ingebrigtsen	Mathews	Rosen
Anderson	Duckworth	Isaacson	McEwen	Ruud
Bakk	Dziedzic	Jasinski	Miller	Senjem
Benson	Eichorn	Johnson	Murphy	Tomassoni
Bigham	Eken	Johnson Stewart	Nelson	Torres Ray
Carlson	Fateh	Kent	Newman	Utke
Chamberlain	Franzen	Kiffmeyer	Newton	Weber
Champion	Frentz	Klein	Osmek	Westrom
Clausen	Gazelka	Koran	Pappas	Wiger
Coleman	Goggin	Kunesh	Port	Wiklund
Cwodzinski	Hawj	Lang	Pratt	
Dahms	Hoffman	Latz	Putnam	
Dibble	Housley	Limmer	Rarick	
Dornink	Howe	Marty	Rest	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Gazelka, Goggin, Ingebrigtsen, Johnson, Lang, Limmer, Mathews, Newman, Osmek, Rarick, Rosen, and Westrom.

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Bigham, Carlson, Champion, Clausen, Dibble, Fateh, Hawj, Isaacson, Latz, McEwen, Newton, Putnam, Torres Ray, and Wiklund.

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the Rest amendment, as amended.

The roll was called, and there were yeas 30 and nays 36, as follows:

Those who voted in the affirmative were:

Bigham	Dziedzic	Hoffman	Latz	Port
Carlson	Eken	Isaacson	Marty	Putnam
Champion	Fateh	Johnson Stewart	McEwen	Rest
Clausen	Franzen	Kent	Murphy	Torres Ray
Cwodzinski	Frentz	Klein	Newton	Wiger
Dibble	Hawj	Kunesh	Pappas	Wiklund

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Bigham, Carlson, Champion, Clausen, Dibble, Fateh, Hawj, Isaacson, Latz, McEwen, Newton, Putnam, Torres Ray, and Wiklund.

Those who voted in the negative were:

Abeler	Draheim	Jasinski	Nelson	Tomassoni
Anderson	Duckworth	Johnson	Newman	Utke
Bakk	Eichorn	Kiffmeyer	Osmek	Weber
Benson	Gazelka	Koran	Pratt	Westrom
Chamberlain	Goggin	Lang	Rarick	
Coleman	Housley	Limmer	Rosen	
Dahms	Howe	Mathews	Ruud	
Dornink	Ingebrigtsen	Miller	Senjem	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Coleman, Dahms, Gazelka, Goggin, Ingebrigtsen, Johnson, Lang, Limmer, Mathews, Newman, Osmek, Rarick, Rosen, and Senjem.

The motion did not prevail. So the Rest amendment, as amended, was not adopted.

Senator Dziedzic moved to amend H.F. No. 991, as amended pursuant to Rule 45, adopted by the Senate April 27, 2021, as follows:

(The text of the amended House File is identical to S.F. No. 961.)

Page 16, after line 14, insert:

"Sec. 6. **[290.033] NET INVESTMENT INCOME TAX.**

(a) For purposes of this section, "net investment income" has the meaning given in section 1411(c) of the Internal Revenue Code.

(b) In addition to the tax computed under section 290.06, subdivision 2c, an additional tax of three-quarters of one percent is imposed on the net investment income of individuals, estates, and trusts in excess of \$250,000.

(c) For an individual who is not a Minnesota resident for the entire taxable year, the tax under this subdivision must be calculated as if the individual is a Minnesota resident for the entire year, and that amount must be multiplied by a fraction in which:

- (1) the numerator is net investment income allocable under section 290.17 to Minnesota; and
- (2) the denominator is the total amount of net investment income for the taxable year.

(d) For an estate or trust, the tax on net investment income must be computed by multiplying the net investment income tax liability by a fraction, the numerator of which is the amount of the estate or trust's net investment income allocated to the state pursuant to the provisions of sections 290.17, 290.191, and 290.20, and the denominator of which is the taxpayer's total net investment income.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2020."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Dziedzic moved to amend the Dziedzic amendment to H.F. No. 991 as follows:

Page 1, after line 3, insert:

"Page 11, line 4, delete "EXCLUSION FROM GROSS INCOME FOR CERTAIN FORGIVEN PPP" and insert "FEDERAL UPDATE; EXCLUDING CERTAIN ITEMS FROM GROSS INCOME."

Page 11, delete line 5

Page 11, line 14, delete everything after "Adopting" and insert "certain federal changes"

Page 11, line 15, delete everything before the period

Page 11, delete line 21

Page 11, line 22, delete everything after "(4)"

Page 11, line 25, delete the period and insert a semicolon

Page 11, after line 25, insert:

"(5) exclusion of discharge of qualified principal residence indebtedness under section 101 of the Taxpayer Certainty and Disaster Tax Relief Act of 2019, Public Law 116-94, and section 114 of the Taxpayer Certainty and Disaster Tax Relief Act of 2020, Public Law 116-260;

(6) exclusion for certain employer payments of student loans under section 2206 of Public Law 116-136, and section 120 of the Taxpayer Certainty and Disaster Tax Relief Act of 2020, Public Law 116-260;

(7) exclusion for benefits provided to volunteer firefighters and emergency medical responders under section 103 of the Taxpayer Certainty and Disaster Tax Relief Act of 2020, Public Law 116-260; and

(8) expansion of section 529 plans under section 302 of the Taxpayer Certainty and Disaster Tax Relief Act of 2019, Public Law 116-94."

Page 11, line 30, delete "specified in subdivision 2, clauses (1) to (3),"

Page 11, line 31, delete everything after "purposes" and insert a period

Page 12, delete lines 1 and 2"

Page 1, after line 23, insert:

"Sec. 7. Minnesota Statutes 2020, section 290.067, subdivision 1, is amended to read:

Subdivision 1. **Amount of credit.** (a) A taxpayer may take as a credit against the tax due from the taxpayer and a spouse, if any, under this chapter an amount equal to 2.5 times the amount of the dependent care credit for which the taxpayer is eligible pursuant to the provisions of under section 21 of the Internal Revenue Code ~~except that~~. In determining whether the child qualified as a dependent, income received as a Minnesota family investment program grant or allowance to or on behalf of the child must not be taken into account in determining whether the child received more than half of the child's support from the taxpayer.

(b) If a child who has not attained the age of six years at the close of the taxable year is cared for at a licensed family day care home operated by the child's parent, the taxpayer is deemed to have paid employment-related expenses. If the child is 16 months old or younger at the close of the taxable year, the amount of expenses deemed to have been paid equals the maximum limit for one qualified individual under section 21(c) and (d) of the Internal Revenue Code. If the child is older than 16 months of age but has not attained the age of six years at the close of the taxable year, the amount of expenses deemed to have been paid equals the amount the licensee would charge for the care of a child of the same age for the same number of hours of care.

(c) If a married couple:

(1) has a child who has not attained the age of one year at the close of the taxable year;

(2) files a joint tax return for the taxable year; and

(3) does not participate in a dependent care assistance program as defined in section 129 of the Internal Revenue Code, in lieu of the actual employment related expenses paid for that child under paragraph (a) or the deemed amount under paragraph (b), the lesser of (i) the combined earned income of the couple or (ii) the amount of the maximum limit for one qualified individual under section 21(c) and (d) of the Internal Revenue Code will be deemed to be the employment related expense paid for that child. The earned income limitation of section 21(d) of the Internal Revenue Code shall not apply to this deemed amount. These deemed amounts apply regardless of whether any employment-related expenses have been paid.

(d) If the taxpayer is not required and does not file a federal individual income tax return for the tax year, no credit is allowed for any amount paid to any person unless:

(1) the name, address, and taxpayer identification number of the person are included on the return claiming the credit; or

(2) if the person is an organization described in section 501(c)(3) of the Internal Revenue Code and exempt from tax under section 501(a) of the Internal Revenue Code, the name and address of the person are included on the return claiming the credit.

In the case of a failure to provide the information required under the preceding sentence, the preceding sentence does not apply if it is shown that the taxpayer exercised due diligence in attempting to provide the information required.

(e) In the case of a nonresident, part-year resident, or a person who has earned income not subject to tax under this chapter including earned income excluded pursuant to section 290.0132, subdivision 10, the credit determined under section 21 of the Internal Revenue Code must be allocated based on the ratio by which the earned income of the claimant and the claimant's spouse from Minnesota sources bears to the total earned income of the claimant and the claimant's spouse.

(f) For residents of Minnesota, the subtractions for military pay under section 290.0132, subdivisions 11 and 12, are not considered "earned income not subject to tax under this chapter."

(g) For residents of Minnesota, the exclusion of combat pay under section 112 of the Internal Revenue Code is not considered "earned income not subject to tax under this chapter."

(h) For taxpayers with federal adjusted gross income in excess of \$52,230, the credit is equal to the lesser of the credit otherwise calculated under this subdivision, or the amount equal to \$600 minus five percent of federal adjusted gross income in excess of \$52,230 for taxpayers with one qualified individual, or \$1,200 minus five percent of federal adjusted gross income in excess of \$52,230 for taxpayers with two or more qualified individuals, but in no case is the credit less than zero.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2020."

Page 1, before line 24, insert:

"Page 25, after line 10, insert:

"Sec. 16. **ONETIME INCOME TAX SUBTRACTION FOR SMALL BUSINESS RELIEF GRANTS.**

Subdivision 1. Subtraction allowed; individual filers. (a) For taxable years beginning after December 31, 2019, and before January 1, 2021, the amount of any grant received by a qualifying business is a subtraction.

(b) For purposes of this subdivision:

(1) "qualifying business" is a business that received a grant under Laws 2020, First Special Session chapter 1, section 4; and

(2) "subtraction" has the meaning provided in Minnesota Statutes, section 290.0132, subdivision 1.

Subd. 2. Subtraction allowed; corporate filers. (a) For taxable years beginning after December 31, 2019, and before January 1, 2021, the amount of any grant received by a qualifying business that is a corporation, other than an S corporation, is a subtraction.

(b) For purposes of this subdivision:

(1) "qualifying business" is a business that received a grant under Laws 2020, First Special Session chapter 1, section 4; and

(2) "subtraction" has the meaning provided in Minnesota Statutes, section 290.0134, subdivision 1.

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2019, and before January 1, 2021."

Page 27, line 26, delete "and"

Page 27, after line 26, insert:

"(6) the amount necessary to increase the special education aid estimated current fiscal year entitlement percentage under section 127A.45, subdivision 13, to not more than 100 percent rounded to the nearest tenth of a percent without exceeding the amount available; and"

Page 27, line 27, delete "(6)" and insert "(7)"

Page 27, line 28, delete "(5)" and insert "(6)"

Page 28, lines 3 and 6, strike "and" and insert a comma and after "(4)" insert ", and (6)"

Page 28, line 7, strike "and" and insert a comma

Page 28, line 8, after "percentage" insert ", and increase the special education aid estimated current fiscal year entitlement percentage"

Page 34, line 12, delete "fiscal year 2022 only" and insert "each year"

Page 71, after line 15, insert:

"Sec. 19. Minnesota Statutes 2020, section 290A.04, subdivision 2a, is amended to read:

Subd. 2a. **Renters.** A claimant whose rent constituting property taxes exceeds the percentage of the household income stated below must pay an amount equal to the percent of income shown for the appropriate household income level along with the percent to be paid by the claimant of the remaining amount of rent constituting property taxes. The state refund equals the amount of rent constituting property taxes that remain, up to the maximum state refund amount shown below.

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
\$0 to 5,269 <u>5,530</u>	1.0 percent	5 percent	2,150 \$ <u>2,400</u>
5,270 <u>5,531</u> to 6,999 <u>7,340</u>	1.0 percent	4 <u>5</u> percent	2,150 \$ <u>2,400</u>
7,000 <u>7,341</u> to 8,749 <u>9,180</u>	1.1 <u>1.0</u> percent	4 <u>5</u> percent	2,090 \$ <u>2,340</u>
8,750 <u>9,181</u> to 12,269 <u>12,870</u>	1.2 <u>1.0</u> percent	4 <u>5</u> percent	2,040 \$ <u>2,290</u>
12,270 <u>12,871</u> to 15,779 <u>16,550</u>	1.3 <u>1.1</u> percent	4 <u>5</u> percent	1,980 \$ <u>2,230</u>
15,780 <u>16,551</u> to 17,519 <u>18,370</u>	1.4 <u>1.2</u> percent	4 <u>5</u> percent	1,930 \$ <u>2,170</u>
17,520 <u>18,371</u> to 19,259 <u>20,200</u>	1.4 <u>1.2</u> percent	20 <u>10</u> percent	1,880 \$ <u>2,120</u>
19,260 <u>20,201</u> to 22,779 <u>23,890</u>	1.5 <u>1.3</u> percent	20 <u>10</u> percent	1,820 \$ <u>2,060</u>
22,780 <u>23,891</u> to 24,529 <u>25,720</u>	1.6 <u>1.4</u> percent	20 <u>10</u> percent	1,770 \$ <u>2,010</u>

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24,530 <u>25,721</u> to 26,279				<u>1,770</u>
	<u>27,560</u>	1.7 <u>1.5</u> percent	25 <u>15</u> percent	\$ <u>2,010</u>
26,280 <u>27,561</u> to 29,789				<u>1,770</u>
	<u>31,240</u>	1.8 <u>1.6</u> percent	25 <u>15</u> percent	\$ <u>2,010</u>
29,790 <u>31,241</u> to 31,529				<u>1,770</u>
	<u>33,060</u>	1.9 <u>1.7</u> percent	30 <u>20</u> percent	\$ <u>2,010</u>
31,530 <u>33,061</u> to 36,789				<u>1,770</u>
	<u>38,580</u>	2.0 <u>1.8</u> percent	30 <u>20</u> percent	\$ <u>2,010</u>
36,790 <u>38,581</u> to 42,039				<u>1,770</u>
	<u>44,080</u>	2.0 <u>1.8</u> percent	35 <u>25</u> percent	\$ <u>2,010</u>
42,040 <u>44,081</u> to 49,059				<u>1,770</u>
	<u>51,440</u>	2.0 <u>1.8</u> percent	40 <u>30</u> percent	\$ <u>2,010</u>
49,060 <u>51,441</u> to 50,799				<u>1,610</u>
	<u>53,270</u>	2.0 <u>1.8</u> percent	45 <u>35</u> percent	\$ <u>1,840</u>
50,800 <u>53,271</u> to 52,559				<u>1,450</u>
	<u>55,110</u>	2.0 <u>1.8</u> percent	45 <u>35</u> percent	\$ <u>1,670</u>
52,560 <u>55,111</u> to 54,319				<u>1,230</u>
	<u>56,960</u>	2.0 <u>1.8</u> percent	45 <u>35</u> percent	\$ <u>1,440</u>
54,320 <u>56,961</u> to 56,059				<u>1,070</u>
	<u>58,780</u>	2.0 <u>1.8</u> percent	50 <u>40</u> percent	\$ <u>1,270</u>
56,060 <u>58,781</u> to 57,819				<u>970</u>
	<u>60,630</u>	2.0 <u>1.8</u> percent	50 <u>40</u> percent	\$ <u>1,170</u>
57,820 <u>60,631</u> to 59,569				<u>540</u>
	<u>62,470</u>	2.0 <u>1.9</u> percent	50 <u>40</u> percent	\$ <u>670</u>
59,570 <u>62,471</u> to 61,319				<u>210</u>
	<u>64,300</u>	<u>2.0</u> percent	50 <u>40</u> percent	\$ <u>270</u>

The payment made to a claimant is the amount of the state refund calculated under this subdivision. No payment is allowed if the claimant's household income is ~~\$61,320~~ \$64,301 or more.

EFFECTIVE DATE. This section is effective for refund claims based on property taxes payable in 2022 and rent paid in 2021, and thereafter.

Sec. 20. Minnesota Statutes 2020, section 290A.04, subdivision 2h, is amended to read:

Subd. 2h. **Additional refund.** (a) Except as provided in paragraph (e), if the gross property taxes payable on a homestead increase more than 12 percent over the property taxes payable in the prior year on the same property that is owned and occupied by the same owner on January 2 of both years, and the amount of that increase is \$100 or more, a claimant who is a homeowner shall be allowed an additional refund equal to 60 percent of the amount of the increase over the greater of 12 percent of the prior year's property taxes payable or \$100. This subdivision shall not apply to any increase in the gross property taxes payable attributable to improvements made to the homestead after the assessment date for the prior year's taxes. This subdivision shall not apply to any increase in the gross property taxes payable attributable to the termination of valuation exclusions under section 273.11, subdivision 16.

The maximum refund allowed under this subdivision is \$1,000.

(b) For purposes of this subdivision "gross property taxes payable" means property taxes payable determined without regard to the refund allowed under this subdivision.

(c) In addition to the other proofs required by this chapter, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.

(d) Upon request, the appropriate county official shall make available the names and addresses of the property taxpayers who may be eligible for the additional property tax refund under this section. The information shall be provided on a magnetic computer disk. The county may recover its costs by charging the person requesting the information the reasonable cost for preparing the data. The information may not be used for any purpose other than for notifying the homeowner of potential eligibility and assisting the homeowner, without charge, in preparing a refund claim.

(e) For refund claims based on property taxes payable in 2022 through 2025 only, the 12 percent threshold in paragraph (a) shall be reduced to ten percent.

EFFECTIVE DATE. This section is effective for refund claims based on property taxes payable in 2022 and thereafter."

The question was taken on the adoption of the Dziedzic amendment to the Dziedzic amendment.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Ingebrigtsen	Mathews	Rosen
Anderson	Duckworth	Isaacson	McEwen	Ruud
Bakk	Dziedzic	Jasinski	Miller	Senjem
Benson	Eichorn	Johnson	Murphy	Tomassoni
Bigham	Eken	Johnson Stewart	Nelson	Torres Ray
Carlson	Fateh	Kent	Newman	Utke
Chamberlain	Franzen	Kiffmeyer	Newton	Weber
Champion	Frentz	Klein	Osmek	Westrom
Clausen	Gazelka	Koran	Pappas	Wiger
Coleman	Goggin	Kunesh	Port	Wiklund
Cwodzinski	Hawj	Lang	Pratt	
Dahms	Hoffman	Latz	Putnam	
Dibble	Housley	Limmer	Rarick	
Dornink	Howe	Marty	Rest	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Gazelka, Goggin, Ingebrigtsen, Lang, Limmer, Mathews, Newman, and Osmek.

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Bigham, Carlson, Champion, Clausen, Dibble, Fateh, Hawj, Isaacson, Latz, McEwen, Newton, Putnam, Torres Ray, and Wiklund.

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the Dziedzic amendment, as amended.

The roll was called, and there were yeas 31 and nays 35, as follows:

Those who voted in the affirmative were:

Bigham	Eken	Johnson Stewart	Murphy	Torres Ray
Carlson	Fateh	Kent	Newton	Wiger
Champion	Franzen	Klein	Pappas	Wiklund
Clausen	Frentz	Kunesh	Port	
Cwodzinski	Hawj	Latz	Putnam	
Dibble	Hoffman	Marty	Rest	
Dziedzic	Isaacson	McEwen	Tomassoni	

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Bigham, Carlson, Champion, Clausen, Dibble, Fateh, Isaacson, Latz, McEwen, Newton, Putnam, Torres Ray, and Wiklund.

Those who voted in the negative were:

Abeler	Dornink	Howe	Limmer	Rarick
Anderson	Draheim	Ingebrigtsen	Mathews	Rosen
Bakk	Duckworth	Jasinski	Miller	Ruud
Benson	Eichorn	Johnson	Nelson	Senjem
Chamberlain	Gazelka	Kiffmeyer	Newman	Utke
Coleman	Goggin	Koran	Osmek	Weber
Dahms	Housley	Lang	Pratt	Westrom

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Coleman, Gazelka, Goggin, Housley, Ingebrigtsen, Lang, Limmer, Mathews, Newman, and Osmek.

The motion did not prevail. So the Dziedzic amendment, as amended, was not adopted.

Senator Murphy moved to amend H.F. No. 991, as amended pursuant to Rule 45, adopted by the Senate April 27, 2021, as follows:

(The text of the amended House File is identical to S.F. No. 961.)

Page 16, after line 14, insert:

"Sec. 6. **[290.033] NET INVESTMENT INCOME TAX.**

(a) For purposes of this section, "net investment income" has the meaning given in section 1411(c) of the Internal Revenue Code.

(b) In addition to the tax computed under section 290.06, subdivision 2c, an additional tax of one-half of one percent is imposed on the net investment income of individuals, estates, and trusts in excess of \$250,000.

(c) For an individual who is not a Minnesota resident for the entire taxable year, the tax under this subdivision must be calculated as if the individual is a Minnesota resident for the entire year, and that amount must be multiplied by a fraction in which:

(1) the numerator is net investment income allocable under section 290.17 to Minnesota; and

(2) the denominator is the total amount of net investment income for the taxable year.

(d) For an estate or trust, the tax on net investment income must be computed by multiplying the net investment income tax liability by a fraction, the numerator of which is the amount of the estate or trust's net investment income allocated to the state pursuant to the provisions of sections 290.17, 290.191, and 290.20, and the denominator of which is the taxpayer's total net investment income.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2020."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Murphy moved to amend the Murphy amendment to H.F. No. 991 as follows:

Page 1, after line 23, insert:

"Sec. 7. Minnesota Statutes 2020, section 290.0671, subdivision 1, is amended to read:

Subdivision 1. **Credit allowed.** (a) An individual who is a resident of Minnesota is allowed a credit against the tax imposed by this chapter equal to a percentage of earned income. To receive a credit, a taxpayer must be eligible for a credit under section 32 of the Internal Revenue Code, except that:

(1) a taxpayer with no qualifying children who has attained the age of 21, but not attained age 65 before the close of the taxable year and is otherwise eligible for a credit under section 32 of the Internal Revenue Code may also receive a credit; and

(2) a taxpayer who is otherwise eligible for a credit under section 32 of the Internal Revenue Code remains eligible for the credit even if the taxpayer's earned income or adjusted gross income exceeds the income limitation under section 32 of the Internal Revenue Code.

(b) For individuals with no qualifying children, the credit equals ~~3.9~~ 4.6 percent of the first \$7,150 of earned income. The credit is reduced by ~~2.0~~ 2.3 percent of earned income or adjusted gross income, whichever is greater, in excess of the phaseout threshold, but in no case is the credit less than zero.

(c) For individuals with one qualifying child, the credit equals ~~9.35~~ 11 percent of the first \$11,950 of earned income. The credit is reduced by ~~6.0~~ 7.0 percent of earned income or adjusted gross income, whichever is greater, in excess of the phaseout threshold, but in no case is the credit less than zero.

(d) For individuals with two qualifying children, the credit equals ~~11~~ 13 percent of the first \$19,600 of earned income. The credit is reduced by ~~10.5~~ 12.3 percent of earned income or adjusted gross income, whichever is greater, in excess of the phaseout threshold, but in no case is the credit less than zero.

(e) For individuals with three or more qualifying children, the credit equals ~~12.5~~ 14.8 percent of the first \$20,000 of earned income. The credit is reduced by ~~10.5~~ 12.3 percent of earned income

or adjusted gross income, whichever is greater, in excess of the phaseout threshold, but in no case is the credit less than zero.

(f) For a part-year resident, the credit must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).

(g) For a person who was a resident for the entire tax year and has earned income not subject to tax under this chapter, including income excluded under section 290.0132, subdivision 10, the credit must be allocated based on the ratio of federal adjusted gross income reduced by the earned income not subject to tax under this chapter over federal adjusted gross income. For purposes of this paragraph, the following clauses are not considered "earned income not subject to tax under this chapter":

(1) the subtractions for military pay under section 290.0132, subdivisions 11 and 12;

(2) the exclusion of combat pay under section 112 of the Internal Revenue Code; and

(3) income derived from an Indian reservation by an enrolled member of the reservation while living on the reservation.

(h) For the purposes of this section, the phaseout threshold equals:

(1) \$14,570 for married taxpayers filing joint returns with no qualifying children;

(2) \$8,730 for all other taxpayers with no qualifying children;

(3) \$28,610 for married taxpayers filing joint returns with one qualifying child;

(4) \$22,770 for all other taxpayers with one qualifying child;

(5) \$32,840 for married taxpayers filing joint returns with two qualifying children;

(6) \$27,000 for all other taxpayers with two qualifying children;

(7) \$33,140 for married taxpayers filing joint returns with three or more qualifying children;
and

(8) \$27,300 for all other taxpayers with three or more qualifying children.

(i) The commissioner shall construct tables showing the amount of the credit at various income levels and make them available to taxpayers. The tables shall follow the schedule contained in this subdivision, except that the commissioner may graduate the transition between income brackets.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2020."

The question was taken on the adoption of the Murphy amendment to the Murphy amendment.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Dornink	Housley	Limmer	Putnam
Anderson	Draheim	Howe	Marty	Rarick
Bakk	Duckworth	Ingebrigtsen	Mathews	Rest
Benson	Dziedzic	Jasinski	McEwen	Rosen
Bigham	Eichorn	Johnson	Miller	Ruud
Carlson	Eken	Johnson Stewart	Murphy	Senjem
Chamberlain	Fateh	Kent	Nelson	Tomassoni
Champion	Franzen	Kiffmeyer	Newman	Torres Ray
Clausen	Frentz	Klein	Newton	Utke
Coleman	Gazelka	Koran	Osmek	Weber
Cwodzinski	Goggin	Kunesh	Pappas	Westrom
Dahms	Hawj	Lang	Port	Wiger
Dibble	Hoffman	Latz	Pratt	Wiklund

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Gazelka, Goggin, Ingebrigtsen, Lang, Limmer, Mathews, Newman, and Osmek.

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Bigham, Carlson, Champion, Clausen, Dibble, Fateh, Latz, McEwen, Newton, Putnam, Torres Ray, and Wiklund.

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the Murphy amendment, as amended.

The roll was called, and there were yeas 30 and nays 36, as follows:

Those who voted in the affirmative were:

Bigham	Dziedzic	Hoffman	Latz	Port
Carlson	Eken	Isaacson	Marty	Putnam
Champion	Fateh	Johnson Stewart	McEwen	Rest
Clausen	Franzen	Kent	Murphy	Torres Ray
Cwodzinski	Frentz	Klein	Newton	Wiger
Dibble	Hawj	Kunesh	Pappas	Wiklund

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Bigham, Carlson, Champion, Clausen, Dibble, Fateh, Isaacson, Latz, McEwen, Newton, Putnam, Torres Ray, and Wiklund.

Those who voted in the negative were:

Abeler	Draheim	Jasinski	Nelson	Tomassoni
Anderson	Duckworth	Johnson	Newman	Utke
Bakk	Eichorn	Kiffmeyer	Osmek	Weber
Benson	Gazelka	Koran	Pratt	Westrom
Chamberlain	Goggin	Lang	Rarick	
Coleman	Housley	Limmer	Rosen	
Dahms	Howe	Mathews	Ruud	
Dornink	Ingebrigtsen	Miller	Senjem	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Coleman, Gazelka, Goggin, Ingebrigtsen, Lang, Limmer, Mathews, Newman, and Osmek.

The motion did not prevail. So the Murphy amendment, as amended, was not adopted.

Senator Rosen moved to amend H.F. No. 991, as amended pursuant to Rule 45, adopted by the Senate April 27, 2021, as follows:

(The text of the amended House File is identical to S.F. No. 961.)

Page 27, line 12, strike "\$1,596,522,000" and insert "\$2,377,399,000"

The motion prevailed. So the amendment was adopted.

Senator Klein moved to amend H.F. No. 991, as amended pursuant to Rule 45, adopted by the Senate April 27, 2021, as follows:

(The text of the amended House File is identical to S.F. No. 961.)

Page 16, after line 14, insert:

"Sec. 6. [290.033] NET INVESTMENT INCOME TAX.

(a) For purposes of this section, "net investment income" has the meaning given in section 1411(c) of the Internal Revenue Code.

(b) In addition to the tax computed under section 290.06, subdivision 2c, an additional tax of 0.40 percent is imposed on the net investment income of individuals, estates, and trusts in excess of \$250,000.

(c) For an individual who is not a Minnesota resident for the entire taxable year, the tax under this subdivision must be calculated as if the individual is a Minnesota resident for the entire year, and that amount must be multiplied by a fraction in which:

(1) the numerator is net investment income allocable under section 290.17 to Minnesota; and

(2) the denominator is the total amount of net investment income for the taxable year.

(d) For an estate or trust, the tax on net investment income must be computed by multiplying the net investment income tax liability by a fraction, the numerator of which is the amount of the estate or trust's net investment income allocated to the state pursuant to the provisions of sections 290.17, 290.191, and 290.20, and the denominator of which is the taxpayer's total net investment income.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2020."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Klein moved to amend the Klein amendment to H.F. No. 991 as follows:

Page 1, after line 23, insert:

"Sec. 7. Minnesota Statutes 2020, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. **Schedules of rates for individuals, estates, and trusts.** (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code must be computed by applying to their taxable net income the following schedule of rates:

- (1) On the first ~~\$38,770~~ \$42,800, 5.35 percent;
- (2) On all over ~~\$38,770~~ \$42,800, but not over ~~\$154,020~~ \$154,010, 6.8 percent;
- (3) On all over ~~\$154,020~~ \$154,010, but not over ~~\$269,040~~ \$276,200, 7.85 percent;
- (4) On all over ~~\$269,040~~ \$276,200, 9.85 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts after the adjustment required in subdivision 2d.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first ~~\$26,520~~ \$29,270, 5.35 percent;
- (2) On all over ~~\$26,520~~ \$29,270, but not over ~~\$87,110~~ \$86,620, 6.8 percent;
- (3) On all over ~~\$87,110~~ \$86,620, but not over ~~\$161,720~~ \$166,040, 7.85 percent;
- (4) On all over ~~\$161,720~~ \$166,040, 9.85 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first ~~\$32,650~~ \$36,030, 5.35 percent;
- (2) On all over ~~\$32,650~~ \$36,030, but not over ~~\$131,190~~ \$131,230, 6.8 percent;
- (3) On all over ~~\$131,190~~ \$131,230, but not over ~~\$214,980~~ \$220,730, 7.85 percent;
- (4) On all over ~~\$214,980~~ \$220,730, 9.85 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) the numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code and increased by:

(i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, and 17, and 290.0137, paragraph (a); and reduced by

(ii) the Minnesota assignable portion of the subtraction for United States government interest under section 290.0132, subdivision 2, the subtractions under sections 290.0132, subdivisions 9, 10, 14, 15, 17, 18, and 27, and 290.0137, paragraph (c), after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code, increased by:

(i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, and 17, and 290.0137, paragraph (a); and reduced by

(ii) the subtractions under sections 290.0132, subdivisions 2, 9, 10, 14, 15, 17, 18, and 27, and 290.0137, paragraph (c).

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2020.

Sec. 8. Minnesota Statutes 2020, section 290.06, subdivision 2d, is amended to read:

Subd. 2d. **Inflation adjustment of brackets.** The commissioner shall annually adjust the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed in subdivision 2c as provided in section 270C.22. The statutory year is taxable year ~~2019~~ 2021. The rate applicable to any rate bracket must not be changed. The dollar amounts setting forth the tax shall be adjusted to reflect the changes in the rate brackets. The rate brackets as adjusted must be rounded to the nearest \$10 amount. If the rate bracket ends in \$5, it must be rounded up to the nearest \$10 amount. The commissioner shall determine the rate bracket for married filing separate returns after this adjustment is done. The rate bracket for married filing separate must be one-half of the rate bracket for married filing joint.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021."

The question was taken on the adoption of the Klein amendment to the Klein amendment.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler
Anderson
Bakk

Benson
Bigham
Carlson

Chamberlain
Champion
Clausen

Coleman
Cwodzinski
Dahms

Dibble
Dornink
Draheim

Duckworth	Housley	Kunesh	Newton	Tomassoni
Dziedzic	Howe	Lang	Osmek	Torres Ray
Eichorn	Ingebrigtsen	Latz	Pappas	Utke
Eken	Isaacson	Limmer	Port	Weber
Fateh	Jasinski	Marty	Pratt	Westrom
Franzen	Johnson	Mathews	Putnam	Wiger
Frentz	Johnson Stewart	McEwen	Rarick	Wiklund
Gazelka	Kent	Miller	Rest	
Goggin	Kiffmeyer	Murphy	Rosen	
Hawj	Klein	Nelson	Ruud	
Hoffman	Koran	Newman	Senjem	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Gazelka, Goggin, Ingebrigtsen, Johnson, Lang, Limmer, Mathews, Newman, and Osmek.

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Bigham, Carlson, Champion, Clausen, Dibble, Fateh, Isaacson, Latz, McEwen, Newton, Putnam, Torres Ray, and Wiklund.

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the Klein amendment, as amended.

The roll was called, and there were yeas 30 and nays 36, as follows:

Those who voted in the affirmative were:

Bigham	Dziedzic	Hoffman	Latz	Port
Carlson	Eken	Isaacson	Marty	Putnam
Champion	Fateh	Johnson Stewart	McEwen	Rest
Clausen	Franzen	Kent	Murphy	Torres Ray
Cwodzinski	Frentz	Klein	Newton	Wiger
Dibble	Hawj	Kunesh	Pappas	Wiklund

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Bigham, Carlson, Champion, Clausen, Cwodzinski, Dibble, Fateh, Isaacson, Kunesh, Latz, McEwen, Newton, Port, Putnam, Torres Ray, and Wiklund.

Those who voted in the negative were:

Abeler	Draheim	Jasinski	Nelson	Tomassoni
Anderson	Duckworth	Johnson	Newman	Utke
Bakk	Eichorn	Kiffmeyer	Osmek	Weber
Benson	Gazelka	Koran	Pratt	Westrom
Chamberlain	Goggin	Lang	Rarick	
Coleman	Housley	Limmer	Rosen	
Dahms	Howe	Mathews	Ruud	
Dornink	Ingebrigtsen	Miller	Senjem	

Pursuant to Rule 40, Senator Pratt cast the negative vote on behalf of the following Senators: Anderson, Coleman, Gazelka, Goggin, Ingebrigtsen, Jasinski, Lang, Limmer, Mathews, Newman, Osmek, and Rarick.

Pursuant to Rule 40, Senator Bakk cast the negative vote on behalf of the following Senator: Tomassoni.

The motion did not prevail. So the Klein amendment, as amended, was not adopted.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 12.5, Senator Tomassoni moved that the following members be excused for a Conference Committee on S.F. No. 975 at 1:00 p.m.:

Senators Tomassoni, Rarick, Goggin, Jasinski, and Clausen. The motion prevailed.

Senator Marty moved to amend H.F. No. 991, as amended pursuant to Rule 45, adopted by the Senate April 27, 2021, as follows:

(The text of the amended House File is identical to S.F. No. 961.)

Page 16, after line 14, insert:

"Sec. 6. Minnesota Statutes 2020, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. **Schedules of rates for individuals, estates, and trusts.** (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code must be computed by applying to their taxable net income the following schedule of rates:

- (1) On the first ~~\$38,770~~ \$39,810, 5.35 percent;
- (2) On all over ~~\$38,770~~ \$39,810, but not over ~~\$154,020~~ \$158,140, 6.8 percent;
- (3) On all over ~~\$154,020~~ \$158,140, but not over ~~\$269,040~~ \$276,200, 7.85 percent;
- (4) On all over ~~\$269,040~~ \$276,200, but not over \$500,000, 9.85 percent;
- (5) On all over \$500,000, 12.45 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts after the adjustment required in subdivision 2d.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first ~~\$26,520~~ \$27,230, 5.35 percent;
- (2) On all over ~~\$26,520~~ \$27,230, but not over ~~\$87,110~~ \$89,440, 6.8 percent;
- (3) On all over ~~\$87,110~~ \$89,440, but not over ~~\$161,720~~ \$166,040, 7.85 percent;
- (4) On all over ~~\$161,720~~ \$166,040, but not over \$250,000, 9.85 percent;
- (5) On all over \$250,000, 12.45 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first ~~\$32,650~~ \$33,520, 5.35 percent;
- (2) On all over ~~\$32,650~~ \$33,520, but not over ~~\$131,190~~ \$134,700, 6.8 percent;
- (3) On all over ~~\$131,190~~ \$134,700, but not over ~~\$214,980~~ \$220,730, 7.85 percent;
- (4) On all over ~~\$214,980~~ \$220,730, but not over \$400,000, 9.85 percent;
- (5) On all over \$400,000, 12.45 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) the numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code and increased by:

(i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, and 17, and 290.0137, paragraph (a); and reduced by

(ii) the Minnesota assignable portion of the subtraction for United States government interest under section 290.0132, subdivision 2, the subtractions under sections 290.0132, subdivisions 9, 10, 14, 15, 17, 18, and 27, and 290.0137, paragraph (c), after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code, increased by:

(i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, and 17, and 290.0137, paragraph (a); and reduced by

(ii) the subtractions under sections 290.0132, subdivisions 2, 9, 10, 14, 15, 17, 18, and 27, and 290.0137, paragraph (c).

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2020.

Sec. 7. Minnesota Statutes 2020, section 290.06, subdivision 2d, is amended to read:

Subd. 2d. **Inflation adjustment of brackets.** The commissioner shall annually adjust the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed in subdivision 2c as provided in section 270C.22. The statutory year is taxable year ~~2019~~ 2021. The rate applicable to any rate bracket must not be changed. The dollar amounts setting forth the tax shall be adjusted to reflect the changes in the rate brackets. The rate brackets as adjusted must be rounded to the nearest \$10 amount. If the rate bracket ends in \$5, it must be rounded up to the nearest \$10 amount. The commissioner shall determine the rate bracket for married filing separate returns after this adjustment is done. The rate bracket for married filing separate must be one-half of the rate bracket for married filing joint.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 38, as follows:

Those who voted in the affirmative were:

Bigham	Fateh	Johnson Stewart	McEwen	Torres Ray
Carlson	Franzen	Kent	Murphy	Wiger
Champion	Frentz	Klein	Newton	Wiklund
Cwodzinski	Hawj	Kunesh	Pappas	
Dibble	Hoffman	Latz	Port	
Dziedzic	Isaacson	Marty	Rest	

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Bigham, Carlson, Champion, Dibble, Fateh, Isaacson, Latz, McEwen, Newton, Torres Ray, and Wiklund.

Those who voted in the negative were:

Abeler	Draheim	Ingebrigtsen	Miller	Ruud
Anderson	Duckworth	Jasinski	Nelson	Senjem
Bakk	Eichorn	Johnson	Newman	Tomassoni
Benson	Eken	Kiffmeyer	Osmek	Utke
Chamberlain	Gazelka	Koran	Pratt	Weber
Coleman	Goggin	Lang	Putnam	Westrom
Dahms	Housley	Limmer	Rarick	
Dornink	Howe	Mathews	Rosen	

Pursuant to Rule 40, Senator Johnson cast the negative vote on behalf of the following Senators: Anderson, Coleman, Goggin, Ingebrigtsen, Jasinski, Lang, Limmer, Mathews, Newman, Osmek, and Rarick.

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senator: Putnam.

Pursuant to Rule 40, Senator Bakk cast the negative vote on behalf of the following Senator: Tomassoni.

The motion did not prevail. So the amendment was not adopted.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 12.5, Senator Pratt moved that the following members be excused for a Conference Committee on S.F. No. 1098 at 2:00 p.m.:

Senators Pratt, Rarick, Housley, Draheim, and Eken. The motion prevailed.

H.F. No. 991 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 39 and nays 26, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Howe	Mathews	Rosen
Anderson	Duckworth	Ingebrigtsen	Miller	Ruud
Bakk	Eichorn	Jasinski	Nelson	Senjem
Benson	Eken	Johnson	Newman	Tomassoni
Chamberlain	Gazelka	Kiffmeyer	Osmek	Utke
Coleman	Goggin	Koran	Pratt	Weber
Dahms	Hoffman	Lang	Rarick	Westrom
Dornink	Housley	Limmer	Rest	

Pursuant to Rule 40, Senator Johnson cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Draheim, Goggin, Housley, Ingebrigtsen, Jasinski, Lang, Limmer, Mathews, Newman, Osmek, Pratt, and Rarick.

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senator: Eken.

Those who voted in the negative were:

Bigham	Fateh	Kent	Murphy	Wiger
Carlson	Franzen	Klein	Newton	Wiklund
Champion	Frentz	Kunesh	Pappas	
Cwodzinski	Hawj	Latz	Port	
Dibble	Isaacson	Marty	Putnam	
Dziedzic	Johnson Stewart	McEwen	Torres Ray	

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Bigham, Carlson, Champion, Dibble, Fateh, Hawj, Isaacson, Latz, McEwen, Newton, Putnam, Torres Ray, and Wiklund.

So the bill, as amended, was passed and its title was agreed to.

MEMBERS EXCUSED

Senator Eaton was excused from the Session of today. Senator Isaacson was excused from the Session of today from 12:15 to 12:30 p.m. Senator Clausen was excused from the Session of today from 1:00 to 2:50 p.m.

ADJOURNMENT

Senator Gazelka moved that the Senate do now adjourn until 10:30 a.m., Thursday, April 29, 2021. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate

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