A bill for an act
relating to constitutional amendments; proposing an amendment to the Minnesota Constitution, article XI; increasing the income tax rate for certain income brackets and dedicating the receipts for property tax relief; amending Minnesota Statutes 2006, section 290.62.

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

Section 1. **CONSTITUTIONAL AMENDMENT.**

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, a section will be added to article XI, to read:

Sec. 15. Beginning July 1, 2009, until June 30, 2034, the income tax rate is increased by 1.15 percentage points on (1) the net taxable income over $400,000 for married individuals filing joint returns and surviving spouses; (2) the net taxable income over $200,000 for married individuals filing separate returns, estates, and trusts; (3) the net taxable income over $226,000 for unmarried individuals; and (4) the net taxable income over $341,000 for unmarried individuals qualifying as heads of household. The dollar amounts for this rate bracket shall be adjusted for inflation as provided by law. Receipts from the increase, plus penalties and interest and reduced by any refunds, are dedicated to property tax relief for the benefit of Minnesotans. The money dedicated under this section shall be appropriated by law. The dedicated money under this section must supplement traditional sources of funding for these purposes and may not be used as a substitute.

Sec. 2. **SUBMISSION TO VOTERS.**

The proposed amendment must be submitted to the people in the 2008 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to provide funding beginning July 1, 2009, for property tax relief by increasing until the year 2034 the individual income tax rate by 1.15 percentage points on (1) the net taxable income over $400,000 for married individuals filing joint returns and surviving spouses; (2) the net taxable income over $200,000 for married individuals filing separate returns, estates, and trusts; (3) the net taxable income over $226,000 for unmarried individuals; and (4) the net taxable income over $341,000 for unmarried individuals qualifying as heads of household, as adjusted for inflation?

Yes .......
No ......."

Sec. 3. Minnesota Statutes 2006, section 290.62, is amended to read:

**290.62 DISTRIBUTION OF REVENUES.**

Except as provided by the Minnesota Constitution, article XI, section 15, all revenues derived from the taxes, interest, penalties and charges under this chapter shall, notwithstanding any other provisions of law, be paid into the state treasury and credited to the general fund, and be distributed as follows:

(1) There shall, notwithstanding any other provision of the law, be paid from this general fund all refunds of taxes erroneously collected from taxpayers under this chapter as provided herein;

(2) There is hereby appropriated to the persons entitled to payment herein, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the refund and payment.