

**SENATE  
STATE OF MINNESOTA  
NINETY-THIRD SESSION**

**S.F. No. 5186**

(SENATE AUTHORS: WIKLUND)

DATE  
03/25/2024

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12884 Introduction and first reading  
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to taxation; individual income; establishing a contingent health insurance  
1.3 premium tax credit; amending Minnesota Statutes 2022, section 290.0122,  
1.4 subdivision 6; Minnesota Statutes 2023 Supplement, section 62V.13, subdivision  
1.5 3.

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

1.7 Section 1. Minnesota Statutes 2023 Supplement, section 62V.13, subdivision 3, is amended  
1.8 to read:

1.9 Subd. 3. **Outreach letter and special enrollment period.** (a) MNsure must provide a  
1.10 written letter of the projected assessment under subdivision 2 to a taxpayer who indicates  
1.11 to the commissioner of revenue that the taxpayer is interested in obtaining information on  
1.12 access to health insurance.

1.13 (b) MNsure must allow a special enrollment period for taxpayers who receive the outreach  
1.14 letter in paragraph (a) and are determined eligible to enroll in a qualified health plan through  
1.15 MNsure or in the public option. The triggering event for the special enrollment period is  
1.16 the day the outreach letter under this subdivision is mailed to the taxpayer. An eligible  
1.17 individual, and their dependents, have 65 days from the triggering event to select a qualifying  
1.18 health plan or the public option and coverage for the qualifying health plan or the public  
1.19 option is effective the first day of the month after plan selection.

1.20 (c) Taxpayers who have a member of the taxpayer's household currently enrolled in a  
1.21 qualified health plan through MNsure or in the public option are not eligible for the special  
1.22 enrollment under paragraph (b).

2.1 (d) MNsure must provide information to the general public about the easy enrollment  
2.2 health insurance outreach program and the special enrollment period described in this  
2.3 subdivision.

2.4 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,  
2.5 whichever is later. The commissioner of commerce shall notify the revisor of statutes when  
2.6 federal approval is obtained.

2.7 Sec. 2. Minnesota Statutes 2022, section 290.0122, subdivision 6, is amended to read:

2.8 Subd. 6. **Medical expenses.** A taxpayer is allowed a deduction for medical expenses.  
2.9 The deduction equals the amount allowed under section 213 of the Internal Revenue Code,  
2.10 except that the threshold percentage of adjusted gross income in paragraph (a) is ten percent  
2.11 regardless of the federal percentage for the taxable year. For taxable years beginning after  
2.12 December 31, 2025, and before January 1, 2028, no deduction is allowed for amounts paid  
2.13 for insurance premiums used to claim the credit under section 3.

2.14 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
2.15 31, 2025.

2.16 Sec. 3. **CONTINGENT HEALTH INSURANCE PREMIUM TAX CREDIT.**

2.17 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have  
2.18 the meanings given.

2.19 (b) "Commissioner" means the commissioner of revenue.

2.20 (c) "Eligible taxpayer" means a taxpayer who:

2.21 (1) is not eligible for a premium tax credit under Code of Federal Regulations, title 26,  
2.22 section 1.36B-2, due to having household income in excess of 400 percent of the federal  
2.23 poverty guidelines for the taxpayer's family size for the taxable year; and

2.24 (2) has purchased a qualified health plan through MNsure.

2.25 (d) "MNsure" has the meaning given in Minnesota Statutes, section 62V.02, subdivision  
2.26 8.

2.27 (e) "Premium" means the amount paid for a qualified health plan in a taxable year.

2.28 (f) "Qualified health plan" has the meaning given in Minnesota Statutes, section 62V.02,  
2.29 subdivision 11.

3.1 Subd. 2. **Credit allowed.** (a) Except as provided in subdivision 4, for taxable years  
3.2 beginning after December 31, 2025, and before January 1, 2028, an eligible taxpayer is  
3.3 allowed a credit against the tax imposed by Minnesota Statutes, chapter 290, equal to 20  
3.4 percent of the premiums paid for a qualified health plan purchased through MNsure.

3.5 (b) For a part-year resident taxpayer, the credit must be allocated based on the percentage  
3.6 calculated under Minnesota Statutes, section 290.06, subdivision 2c, paragraph (e).

3.7 Subd. 3. **Credit refundable; method of claiming.** (a) If the amount of the credit a  
3.8 taxpayer is eligible to receive under this section exceeds the taxpayer's liability for tax under  
3.9 Minnesota Statutes, chapter 290, the commissioner shall refund the excess to the taxpayer.

3.10 (b) The commissioner, in consultation with the chief executive officer of MNsure, shall  
3.11 prescribe the form and manner in which the credit must be claimed.

3.12 Subd. 4. **Credit contingent.** A credit under this section is only allowed for a taxable  
3.13 year described in subdivision 2 if the Minnesota premium security plan under Minnesota  
3.14 Statutes, section 62E.23, or a substantially similar plan, is not funded at any level by the  
3.15 legislature for that taxable year.

3.16 Subd. 5. **Appeals.** Eligibility for the credit is appealable to the commissioner of revenue.

3.17 Subd. 6. **Appropriation.** The amount necessary to pay the refunds under this section is  
3.18 appropriated annually for the taxable years described in subdivision 2 to the commissioner  
3.19 of revenue.

3.20 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
3.21 31, 2025, and before January 1, 2028.