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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 1893

03/01/2017 Authored by Howe, Davids, Dettmer, Franke, Poston and others
The bill was read for the first time and referred to the Veterans Affairs Division
03/07/2017 Adoption of Report: Re-referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; individual income; extending the military pay and military
1.3 retirement pay subtractions to military technicians; amending Minnesota Statutes
1.4 2016, section 290.0132, subdivisions 11, 21.

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

1.6 Section 1. Minnesota Statutes 2016, section 290.0132, subdivision 11, is amended to read:

1.7 Subd. 11. National Guard and reserve compensation. (a) Compensation paid to
1.8 members of the Minnesota National Guard or other reserve components of the United States
1.9 military, including military technicians, for active service, including compensation for
1.10 services performed under the Active Guard Reserve (AGR) program and compensation for
1.11 services performed by federal civilian employees who are military technicians (dual status),
1.12 is a subtraction.

1.13 (b) For purposes of this subdivision, "active service" means:

1.14 (1) state active service as defined in section 190.05, subdivision 5a, clause (1); ~~or~~

1.15 (2) federally funded state active service as defined in section 190.05, subdivision 5b,
1.16 and includes service performed under section 190.08, subdivision 3; or

1.17 (3) service performed by federal civilian employees who are military technicians (dual
1.18 status) as defined in United States Code, title 10, section 10216.

1.19 EFFECTIVE DATE. This section is effective for taxable years beginning after December
1.20 31, 2016.

2.1 Sec. 2. Minnesota Statutes 2016, section 290.0132, subdivision 21, is amended to read:

2.2 Subd. 21. **Military service pension; retirement pay.** To the extent included in federal
2.3 taxable income, compensation received from a pension or other retirement pay from the
2.4 federal government for:

2.5 (1) service in the military, as computed under United States Code, title 10, sections 1401
2.6 to 1414, 1447 to 1455, and 12733; or

2.7 (2) service as a military technician (dual status), as defined in United States Code, title
2.8 10, section 10216;

2.9 is a subtraction. The subtraction must not include any amount used to claim the credit
2.10 allowed under section 290.0677.

2.11 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
2.12 31, 2016.

2.13 Sec. 3. **PURPOSE STATEMENT; TAX EXPENDITURES.**

2.14 Subdivision 1. **Authority.** This section is intended to fulfill the requirement under
2.15 Minnesota Statutes, section 3.192, that a bill creating, renewing, or continuing a tax
2.16 expenditure provide a purpose for the tax expenditure and a standard or goal against which
2.17 its effectiveness may be measured.

2.18 Subd. 2. **Military pay and retirement pay subtractions.** The provisions of sections 1
2.19 and 2, extending the subtraction of compensation and retirement pay or pensions to military
2.20 technicians (dual status), is to provide recognition for their service comparable to that
2.21 provided to other Minnesota military service members and to assist in retaining soldiers as
2.22 military technicians.