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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 2502

03/17/2025 Authored by Rehm, Wolgamott, Tabke, Hill, Rehrauer and others
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; individual income; increasing the child credit phaseout to
1.3 eliminate the marriage penalty; amending Minnesota Statutes 2024, section
1.4 290.0661, subdivisions 4, 7.

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

1.6 Section 1. Minnesota Statutes 2024, section 290.0661, subdivision 4, is amended to read:

1.7 Subd. 4. Phaseout. The credits under subdivision 2 and section 290.0671 are phased
1.8 down jointly. The combined amount of the credits is reduced by 12 percent of earned income
1.9 or adjusted gross income, whichever is greater, in excess of the phaseout threshold. The
1.10 phaseout threshold equals:

1.11 (1) \$35,000 \$63,900 for a married taxpayer filing a joint return; or

1.12 (2) \$29,500 \$31,950 for all other filers.

1.13 EFFECTIVE DATE. This section is effective for taxable years beginning after December
1.14 31, 2024.

1.15 Sec. 2. Minnesota Statutes 2024, section 290.0661, subdivision 7, is amended to read:

1.16 Subd. 7. Inflation adjustment. (a) For taxable years beginning after December 31,
1.17 2025, The commissioner of revenue must annually adjust for inflation the credit amount in
1.18 subdivision 3 as provided in section 270C.22. The adjusted amounts must be rounded to
1.19 the nearest \$60. The statutory year is taxable year 2025.

2.1 (b) ~~For taxable years beginning after December 31, 2023,~~ The commissioner of revenue
2.2 must annually adjust for inflation the phaseout thresholds in subdivision 4, as provided in
2.3 section 270C.22. The statutory year is taxable year ~~2023~~ 2025.

2.4 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
2.5 31, 2025.