

FIFTY-THIRD DAY

St. Paul, Minnesota, Monday, May 4, 2015

The Senate met at 11:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Petersen, B. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Dennis Morreim.

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 answered to their names:

Anderson	Eaton	Johnson	Osmek	Sieben
Bakk	Eken	Kent	Pappas	Skoe
Benson	Fischbach	Kiffmeyer	Pederson, J.	Sparks
Bonoff	Franzen	Koenen	Petersen, B.	Stumpf
Brown	Gazelka	Latz	Pratt	Thompson
Carlson	Goodwin	Limmer	Reinert	Tomassoni
Chamberlain	Hall	Lourey	Rest	Torres Ray
Champion	Hann	Marty	Rosen	Weber
Clausen	Hawj	Metzen	Ruud	Westrom
Cohen	Hayden	Miller	Saxhaug	Wiger
Dahle	Hoffman	Nelson	Scalze	Wiklund
Dahms	Housley	Newman	Schmit	
Dibble	Ingebrigtsen	Nienow	Senjem	
Dziedzic	Jensen	Ortman	Sheran	

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.

May 1, 2015

The Honorable Sandra L. Pappas
President of the Senate

Dear Madam President:

Please be advised that I have received, approved, signed and deposited in the Office of the Secretary of State, Chapter 9, S.F. No. 1238; Chapter 13, S.F. No. 1444; and Chapter 14, S.F. No. 1147.

Sincerely,
Mark Dayton, Governor

May 1, 2015

The Honorable Kurt L. Daudt
Speaker of the House of Representatives

The Honorable Sandra L. Pappas
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2015 Session of the State Legislature have been received from the Office of the Governor and are 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 2015	Date Filed 2015
1238		9	12:17 p.m. May 1	May 1
	510	10	12:18 p.m. May 1	May 1
	239	11	12:18 p.m. May 1	May 1
	2225	12	12:19 p.m. May 1	May 1
1444		13	12:20 p.m. May 1	May 1
1147		14	12:20 p.m. May 1	May 1

Sincerely,
Steve Simon
Secretary of State

MESSAGES FROM THE HOUSE

Madam President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 100 and 1455.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned May 1, 2015

Madam President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 846:

H.F. No. 846: A bill for an act relating to state government; appropriating money for environment and natural resources; modifying public entity purchasing requirements; modifying solid waste provisions; modifying subsurface sewage treatment systems provisions; modifying compensable losses due to harmful substances; modifying invasive species provisions; modifying state parks and trails provisions; modifying requirements for fire training; modifying auxiliary forest provisions; modifying recreational vehicle provisions; providing for all-terrain vehicle safety training indication on drivers' licenses and identification cards; modifying and providing for certain fees; creating and modifying certain accounts; providing for and modifying certain grants; modifying disposition of certain revenue; modifying certain permit provisions; providing for condemnation of certain school trust lands; modifying Water Law; providing for certain enforcement delay; modifying personal flotation device provisions; regulating wake surfing; modifying game and fish laws; modifying Metropolitan Area Water Supply Advisory Committee and specifying duties; providing for Minnesota Pollution Control Agency Citizens' Board; prohibiting sale of certain personal care products containing synthetic plastic microbeads; requiring reports; requiring rulemaking; amending Minnesota Statutes 2014, sections 16A.531, subdivision 1a; 16C.073, subdivision 2; 84.415, subdivision 7; 84.788, subdivision 5, by adding a subdivision; 84.82, subdivision 6; 84.84; 84.92, subdivisions 8, 9, 10; 84.922, subdivision 4; 84.925, subdivision 5; 84.9256, subdivision 1; 84.928, subdivision 1; 84D.01, subdivisions 13, 15, 17, 18, by adding a subdivision; 84D.03, subdivision 3; 84D.06; 84D.10, subdivision 3; 84D.11, subdivision 1; 84D.12, subdivisions 1, 3; 84D.13, subdivision 5; 84D.15, subdivision 3; 85.015, subdivision 28, by adding a subdivision; 85.054, subdivision 12; 85.32, subdivision 1; 86B.313, subdivisions 1, 4; 86B.315; 86B.401, subdivision 3; 88.17, subdivision 3; 88.49, subdivisions 3, 4, 5, 6, 7, 8, 9, 11; 88.491, subdivision 2; 88.50; 88.51, subdivisions 1, 3; 88.52, subdivisions 2, 3, 4, 5, 6; 88.523; 88.53, subdivisions 1, 2; 88.6435, subdivision 4; 90.14; 90.193; 94.10, subdivision 2; 94.16, subdivisions 2, 3; 97A.045, subdivision 11; 97A.057, subdivision 1; 97A.435, subdivision 4; 97A.465, by adding a subdivision; 97B.063; 97B.081, subdivision 3; 97B.085, subdivision 2; 97B.301, by adding a subdivision; 97B.668; 97C.005, subdivision 1, by adding a subdivision; 97C.301, by adding a subdivision; 97C.345, by adding a subdivision; 97C.501, subdivision 2; 103B.101, by adding a subdivision; 103B.3355; 103F.612, subdivision 2; 103G.005, by adding a subdivision; 103G.222, subdivisions 1, 3; 103G.2242, subdivisions 1, 2, 3, 4, 12, 14; 103G.2251; 103G.245, subdivision 2; 103G.271, subdivisions 3, 5, 6a; 103G.287, subdivisions 1, 2; 103G.291, subdivision 3; 103G.301, subdivision 5a; 115.03, by adding a subdivision; 115.073; 115.55, subdivisions 1, 3; 115.56, subdivision 2; 115A.03, subdivision 25a; 115A.551, subdivision 2a; 115A.557, subdivision 2; 115A.93, subdivision 1; 115B.34, subdivision 2; 115C.05; 116.02; 116.03, subdivision 1; 116.07, subdivisions 4d, 4j, 7, by adding a subdivision; 116D.04, by adding a subdivision; 144.12, by adding a subdivision; 171.07, by adding a subdivision; 282.011, subdivision 3; 446A.073, subdivisions 1, 3, 4; 473.1565; Laws 2010, chapter 215, article 3, section 3, subdivision 6, as amended; Laws 2014, chapter 312, article 12, section 6, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 84; 84D; 85; 92; 97A; 97B; 103B; 103G; 114C; 115; 115A; 325E; repealing Minnesota Statutes 2014, sections 84.68; 86B.13, subdivisions 2, 4; 88.47; 88.48; 88.49, subdivisions 1, 2, 10; 88.491, subdivision 1; 88.51, subdivision 2; 97A.475, subdivision 25; 97B.905, subdivision 3; 116.02, subdivisions 7, 8, 10; 282.013; 477A.19; Minnesota Rules, part 6264.0400, subparts 27, 28.

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

McNamara, Hamilton, Hackbarth, Fabian and Dill have been appointed as such committee on the part of the House.

House File No. 846 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 May 1, 2015

Senator Bakk, for Senator Tomassoni, moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 846, 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.

Madam President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 546, 1003, 1358 and 1770.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted May 1, 2015

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 546: A bill for an act relating to state government; permitting a government entity to release certain military release forms to another government entity for a limited purpose; amending Minnesota Statutes 2014, section 196.08.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 338, now on General Orders.

H.F. No. 1003: A bill for an act relating to local government; permitting local governments to donate certain surplus equipment to nonprofit organizations; creating an exception to tort liability; amending Minnesota Statutes 2014, section 466.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 471.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1416, now on General Orders.

H.F. No. 1358: A bill for an act relating to local government; adding to the definition of "energy conservation measure" in the Uniform Municipal Contracting Law; amending Minnesota Statutes 2014, section 471.345, subdivision 13.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1439, now on General Orders.

H.F. No. 1770: A bill for an act relating to courts; providing for conciliation court jurisdiction to determine claims by a county against a nonresident; amending Minnesota Statutes 2014, section 491A.01, subdivision 3a, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 440, now on General Orders.

REPORTS OF COMMITTEES

Senator Bakk moved that the Committee Reports at the Desk be now adopted, with the exception of the report pertaining to appointments. The motion prevailed.

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

H.F. No. 294 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
294	300				

and that the above 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. Report adopted.

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

H.F. No. 1127 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1127	1043				

and that the above 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. Report adopted.

Senator Latz from the Committee on Judiciary, to which were referred the following appointments:

BOARD ON JUDICIAL STANDARDS

Terry Saario
Cindy Telstad
William Wernz

Reports the same back with the recommendation that the appointments be confirmed.

Senator Bakk moved that the foregoing committee report be laid on the table. The motion prevailed.

SECOND READING OF HOUSE BILLS

H.F. Nos. 294 and 1127 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time.

Senators Dahle, Koenen, Eken and Newman introduced—

S.F. No. 2142: A bill for an act relating to state government; modifying disaster recovery loan program for farmers; appropriating money for avian influenza response activities; authorizing transfers and payments; amending Minnesota Statutes 2014, section 41B.047, subdivisions 1, 3, 4.

Referred to the Committee on Finance.

MOTIONS AND RESOLUTIONS

Senator Wiger moved that the name of Senator Kent be added as a co-author to S.F. No. 1071. The motion prevailed.

Senator Nelson introduced –

Senate Resolution No. 146: A Senate resolution congratulating Danielle Schmidt of Dover, Minnesota, for receiving the Girl Scout Gold Award.

Referred to the Committee on Rules and Administration.

RECESS

Senator Bakk 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.

CALL OF THE SENATE

Senator Reinert imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

APPOINTMENTS

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

S.F. No. 2101: Senators Tomassoni, Cohen, Sparks, Jensen and Osmek.

H.F. No. 846: Senators Tomassoni, Sparks, Hoffman, Marty and Weber.

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

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 26, Senator Bakk, Chair of the Committee on Rules and Administration, designated H.F. No. 848 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 848: A bill for an act relating to financing and operation of state and local government; making changes to individual income, corporate franchise, property, sales and use, excise, estate, mineral, tobacco, gambling, special, local, and other taxes and tax-related provisions; providing for long-term care savings plans; modifying business income tax credits; modifying income tax subtractions and additions; modifying the definition of resident for income tax purposes; modifying the dependent care credit, education credit, and research credit; providing credits for MNsure premium payments, attaining a master's degree, student loan payments, college savings plans, and job training centers; modifying reciprocity provisions; providing an additional personal and dependent exemption; allowing a reverse referendum for property tax levies under certain circumstances; modifying dates for local referenda related to spending; changing proposed levy certification dates for special taxing districts; modifying general property tax provisions; providing for joint county and township assessment agreements; modifying the definition of agricultural homestead; modifying property classification definitions; permanently extending the market value exclusion for surviving spouses of deceased service members and permanently disabled veterans; modifying provisions for appeals and equalizations courses; providing a tax credit for overvalued property; modifying and phasing out the state general levy; modifying proposed levy provisions; modifying due dates for property taxes; changing withdrawal procedures for the Sustainable Forest Incentive Program; authorizing valuation exclusion for certain improvements to homestead and commercial-industrial property; providing an increased estate tax exemption amount and other estate tax provisions; providing for certain economic development projects; providing for the Minnesota New Markets Jobs Act; restricting expenditures and other powers related to certain rail projects; providing for additional border city zone allocations; modifying general tax increment financing provisions; modifying provisions for the Destination Medical Center; modifying general and local sales and use tax provisions; modifying sales tax definitions and refunds related to petroleum and special fuel, durable medical equipment, instructional materials, propane tanks, bullion, capital equipment, and nonprofit groups; providing for a vendor allowance; providing exemptions for animal shelters, city celebrations, BMX tracks, and certain building and construction materials; repealing the tax on digital products; providing a separate rate for certain modular housing; modifying gambling taxes; providing a definition and rate of tax for vapor products under the tobacco tax; modifying cigarette stamp provisions; modifying rates for pull tabs sold at bingo halls; modifying miscellaneous tax provisions; modifying sales tax deposits, accounts, and provisions for transportation purposes; modifying local government aids and credits; providing for a school building bond agricultural credit; modifying assessor accreditation; accelerating the repeal of MinnesotaCare provider taxes; creating a county program aid working group; establishing trust fund accounts; providing trust fund payments to counties; modifying provisions related to payments in lieu of taxes for natural resources land; repealing the political contribution refund; making various conforming and technical changes; requiring reports; appropriating money; amending Minnesota Statutes 2014, sections 16A.726; 40A.18, subdivision 2; 62V.05, subdivision 5; 97A.055, subdivision 2; 97A.056, subdivision 1a, by adding subdivisions; 116J.8737, subdivisions 5, 12; 116P.02, subdivision 1, by adding a subdivision; 123B.63, subdivision 3; 126C.17, subdivision 9; 205.10, subdivision 1; 205A.05, subdivision

1; 216B.46; 237.19; 270A.03, subdivision 7; 270B.14, subdivision 17; 270C.13, subdivision 1; 270C.9901; 273.061, subdivision 4; 273.072, by adding a subdivision; 273.124, subdivision 14; 273.13, subdivisions 23, 25, 34; 274.014, subdivision 2; 275.025; 275.065, subdivisions 1, 3; 275.07, subdivisions 1, 2; 275.08, subdivision 1b; 275.60; 276.04, subdivisions 1, 2; 278.12; 279.01, subdivisions 1, 3; 279.37, subdivision 2; 282.01, subdivision 4; 282.261, subdivision 2; 289A.02, subdivision 7, as amended; 289A.10, subdivision 1; 289A.12, by adding a subdivision; 289A.20, subdivision 4; 289A.50, subdivision 1; 290.01, subdivisions 6, 7, 19, as amended, 19a, 19b, 19d, 29, 31, as amended; 290.06, by adding subdivisions; 290.067, subdivision 1; 290.0671, subdivisions 1, 6a; 290.0672, subdivision 2; 290.0674, subdivisions 1, 2, by adding a subdivision; 290.0677, subdivision 2; 290.068, subdivisions 1, 3, 6a, by adding a subdivision; 290.081; 290.091, subdivision 2; 290.191, subdivision 5; 290A.03, subdivision 15, as amended; 290C.10; 291.005, subdivision 1, as amended; 291.016, subdivision 3; 291.03, subdivisions 1, 1d; 296A.01, subdivision 12; 296A.08, subdivision 2; 296A.16, subdivision 2; 297A.61, subdivisions 3, 4, 38; 297A.62, subdivision 3; 297A.668, subdivisions 1, 2, 6a, 7; 297A.669, subdivision 14a; 297A.67, subdivisions 7a, 13a, by adding subdivisions; 297A.68, subdivisions 5, 19; 297A.70, subdivisions 4, 10, 14, by adding subdivisions; 297A.71, by adding subdivisions; 297A.75, subdivisions 1, 2, 3; 297A.77, subdivision 3; 297A.815, subdivision 3; 297A.94; 297A.992, subdivisions 1, 6, 6a, by adding a subdivision; 297A.994, subdivision 4; 297E.02, subdivisions 1, 6; 297F.01, subdivision 19, by adding subdivisions; 297F.05, subdivisions 1, 3, by adding subdivisions; 297F.06, subdivisions 1, 4; 297F.08, subdivisions 5, 7, 8; 297F.09, subdivision 1; 297I.20, by adding a subdivision; 298.24, subdivision 1; 309.53, subdivision 3; 345.42, by adding a subdivision; 349.12, by adding a subdivision; 412.221, subdivision 2; 412.301; 426.19, subdivision 2; 447.045, subdivisions 2, 3, 4, 6, 7; 452.11; 455.24; 455.29; 459.06, subdivision 1; 469.053, subdivision 5; 469.0724; 469.107, subdivision 2; 469.169, by adding a subdivision; 469.174, subdivisions 12, 14; 469.175, subdivision 3; 469.176, subdivisions 4, 4c; 469.1761, by adding a subdivision; 469.1763, subdivisions 1, 2, 3; 469.178, subdivision 7; 469.190, subdivisions 1, 5; 469.40, subdivision 11, as amended; 469.43, by adding a subdivision; 469.45, subdivisions 1, 2; 469.47, subdivision 4, as amended; 471.57, subdivision 3; 471.571, subdivision 3; 471.572, subdivisions 2, 4; 473.13, by adding a subdivision; 473.39, by adding a subdivision; 473.446, subdivision 1; 473H.09; 473H.17, subdivision 1a; 475.59; 477A.013, subdivision 10, by adding a subdivision; 477A.017, subdivision 2, by adding a subdivision; 477A.03, subdivisions 2a, 2b; 477A.10; 477A.11, by adding subdivisions; 609.5316, subdivision 3; 611.27, subdivisions 13, 15; Laws 1980, chapter 511, sections 1, subdivision 2, as amended; 2, as amended; Laws 1991, chapter 291, article 8, section 27, subdivisions 3, as amended, 4, as amended, 5, 6; Laws 1996, chapter 471, article 3, section 51; Laws 1999, chapter 243, article 4, section 18, subdivision 1, as amended; Laws 2008, chapter 366, article 7, section 20; Laws 2009, chapter 88, article 5, section 17, as amended; Laws 2011, First Special Session chapter 9, article 6, section 97, subdivision 6; Laws 2014, chapter 308, article 6, section 7; proposing coding for new law in Minnesota Statutes, chapters 11A; 16A; 16B; 116J; 116P; 117; 273; 274; 275; 290; 297A; 416; 459; 473; 477A; 609; proposing coding for new law as Minnesota Statutes, chapter 116X; repealing Minnesota Statutes 2014, sections 10A.322, subdivision 4; 13.4967, subdivision 2; 205.10, subdivision 3; 290.06, subdivision 23; 290.067, subdivisions 2, 2a, 2b; 297A.61, subdivisions 50, 51, 52, 53, 54, 55, 56; 297A.992, subdivision 12; 297F.05, subdivision 1a; 477A.017, subdivision 3; 477A.085; 477A.19; Minnesota Rules, part 4503.1400, subpart 4.

Senator Skoe moved to amend H.F. No. 848, as amended pursuant to Rule 45, adopted by the Senate May 1, 2015, as follows:

(The text of the amended House File is identical to S.F. No. 826.)

Page 190, after line 27, insert:

"Sec. 32. **APPROPRIATION CANCELLATIONS.**

All unspent funds, estimated to be \$2,380,000, to provide the 20 percent local match funding required to obtain Federal Highway Administration emergency relief funds to repair local roads and bridges damaged by June 2014 flooding, under Laws 2015, chapter 2, section 3, are canceled to the general fund on June 30, 2015.

Sec. 33. **DEPARTMENT OF TRANSPORTATION; APPROPRIATION.**

\$2,380,000 is appropriated from the general fund to the commissioner of transportation in fiscal year 2016 to provide the 20 percent local match funding required to obtain Federal Highway Administration emergency relief funds to repair local roads and bridges damaged by flooding in June 2014. This is a onetime appropriation."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Senator Ortman imposed a call of the Senate for the balance of the proceedings on H.F. No. 848. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Skoe amendment. The motion prevailed. So the amendment, was adopted.

Senator Gazelka moved to amend H.F. No. 848, as amended pursuant to Rule 45, adopted by the Senate May 1, 2015, as follows:

(The text of the amended House File is identical to S.F. No. 826.)

Page 11, after line 19, insert:

"Sec. 9. Minnesota Statutes 2014, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. **Subtractions from federal taxable income.** For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) net interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others, less the amount used to claim the credit allowed under section 290.0674, not to exceed \$1,625 for each qualifying child in grades kindergarten to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and transportation of each qualifying child in attending an elementary or secondary school situated in Minnesota, North

Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363A. For the purposes of this clause, "tuition" includes fees or tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause, "textbooks" includes books and other instructional materials and equipment purchased or leased for use in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. Equipment expenses qualifying for deduction includes expenses as defined and limited in section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. No deduction is permitted for any expense the taxpayer incurred in using the taxpayer's or the qualifying child's vehicle to provide such transportation for a qualifying child. For purposes of the subtraction provided by this clause, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code;

(4) income as provided under section 290.0802;

(5) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491;

(6) to the extent not deducted or not deductible pursuant to section 408(d)(8)(E) of the Internal Revenue Code in determining federal taxable income by an individual who does not itemize deductions for federal income tax purposes for the taxable year, an amount equal to 50 percent of the excess of charitable contributions over \$500 allowable as a deduction for the taxable year under section 170(a) of the Internal Revenue Code, under the provisions of Public Law 109-1 and Public Law 111-126;

(7) for individuals who are allowed a federal foreign tax credit for taxes that do not qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover of subnational foreign taxes for the taxable year, but not to exceed the total subnational foreign taxes reported in claiming the foreign tax credit. For purposes of this clause, "federal foreign tax credit" means the credit allowed under section 27 of the Internal Revenue Code, and "carryover of subnational foreign taxes" equals the carryover allowed under section 904(c) of the Internal Revenue Code minus national level foreign taxes to the extent they exceed the federal foreign tax credit;

(8) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (7), or 19c, clause (12), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount of the addition made by the taxpayer under subdivision 19a, clause (7), or subdivision 19c, clause (12), in the case of a shareholder of an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. The resulting delayed depreciation cannot be less than zero;

(9) job opportunity building zone income as provided under section 469.316;

(10) to the extent included in federal taxable income, the amount of compensation paid to members of the Minnesota National Guard or other reserve components of the United States

military for active service, including compensation for services performed under the Active Guard Reserve (AGR) program. For purposes of this clause, "active service" means (i) state active service as defined in section 190.05, subdivision 5a, clause (1); or (ii) federally funded state active service as defined in section 190.05, subdivision 5b, and "active service" includes service performed in accordance with section 190.08, subdivision 3;

(11) to the extent included in federal taxable income, the amount of compensation paid to Minnesota residents who are members of the armed forces of the United States or United Nations for active duty performed under United States Code, title 10; or the authority of the United Nations;

(12) an amount, not to exceed \$10,000, equal to qualified expenses related to a qualified donor's donation, while living, of one or more of the qualified donor's organs to another person for human organ transplantation. For purposes of this clause, "organ" means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow; "human organ transplantation" means the medical procedure by which transfer of a human organ is made from the body of one person to the body of another person; "qualified expenses" means unreimbursed expenses for both the individual and the qualified donor for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that such expenses may be subtracted under this clause only once; and "qualified donor" means the individual or the individual's dependent, as defined in section 152 of the Internal Revenue Code. An individual may claim the subtraction in this clause for each instance of organ donation for transplantation during the taxable year in which the qualified expenses occur;

(13) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (8), or 19c, clause (13), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the addition made by the taxpayer under subdivision 19a, clause (8), or 19c, clause (13), in the case of a shareholder of a corporation that is an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. If the net operating loss exceeds the addition for the tax year, a subtraction is not allowed under this clause;

(14) to the extent included in the federal taxable income of a nonresident of Minnesota, compensation paid to a service member as defined in United States Code, title 10, section 101(a)(5), for military service as defined in the Servicemembers Civil Relief Act, Public Law 108-189, section 101(2);

(15) to the extent included in federal taxable income, the amount of national service educational awards received from the National Service Trust under United States Code, title 42, sections 12601 to 12604, for service in an approved Americorps National Service program;

(16) to the extent included in federal taxable income, discharge of indebtedness income resulting from reacquisition of business indebtedness included in federal taxable income under section 108(i) of the Internal Revenue Code. This subtraction applies only to the extent that the income was included in net income in a prior year as a result of the addition under subdivision 19a, clause (13);

(17) the amount of the net operating loss allowed under section 290.095, subdivision 11, paragraph (c);

(18) the amount of expenses not allowed for federal income tax purposes due to claiming the railroad track maintenance credit under section 45G(a) of the Internal Revenue Code;

(19) the amount of the limitation on itemized deductions under section 68(b) of the Internal Revenue Code;

(20) the amount of the phaseout of personal exemptions under section 151(d) of the Internal Revenue Code; and

(21) to the extent included in federal taxable income, the amount of qualified transportation fringe benefits described in section 132(f)(1)(A) and (B) of the Internal Revenue Code. The subtraction is limited to the lesser of the amount of qualified transportation fringe benefits received in excess of the limitations under section 132(f)(2)(A) of the Internal Revenue Code for the year or the difference between the maximum qualified parking benefits excludable under section 132(f)(2)(B) of the Internal Revenue Code minus the amount of transit benefits excludable under section 132(f)(2)(A) of the Internal Revenue Code; and

(22) for each taxable year, if the amounts in the tax reduction account are sufficient as determined by the commissioner under section 289A.70, subdivision 3, then to the extent included in federal taxable income, compensation received from a pension or other retirement pay from the federal government for service in the military, as computed under United States Code, title 10, sections 1401 to 1414, 1447 to 1455, and 12733.

EFFECTIVE DATE. This section is effective for tax years beginning after December 31, 2014."

Page 105, delete section 5

Page 109, delete section 13

Page 110, delete section 14

Page 172, after line 14, insert:

"Sec. 5. **[289A.70] TAX REDUCTION ACCOUNT.**

Subdivision 1. **Establishment.** There is a tax reduction account created in the special revenue fund.

Subd. 2. **Deposit.** The commissioner shall transfer from the general fund to the tax reduction account an amount equal to \$222,200,000 on July 1, 2015.

Subd. 3. **Determination of resources.** On December 15 of each year, the commissioner shall determine if the balance in the account exceeds the estimated amounts for the subtraction under section 290.01, subdivision 19b, clause (22).

Subd. 4. **Transfer.** In each taxable year for which the balance in the account is sufficient, the commissioner shall transfer from the account to the general fund an amount equal to the total estimated by allowing the subtraction under section 290.01, subdivision 19b, clause (22).

EFFECTIVE DATE. This section is effective the day following final enactment."

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 30 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Dahms	Ingebrigtsen	Nienow	Rosen
Benson	Fischbach	Kiffmeyer	Ortman	Ruud
Brown	Gazelka	Limmer	Osmek	Senjem
Carlson	Hall	Miller	Pederson, J.	Thompson
Chamberlain	Hann	Nelson	Pratt	Weber
Clausen	Housley	Newman	Reinert	Westrom

Those who voted in the negative were:

Bonoff	Franzen	Kent	Petersen, B.	Skoe
Cohen	Goodwin	Koenen	Rest	Sparks
Dahle	Hawj	Latz	Saxhaug	Stumpf
Dibble	Hayden	Lourey	Scalze	Tomassoni
Dziedzic	Hoffman	Marty	Schmit	Torres Ray
Eaton	Jensen	Metzen	Sheran	Wiger
Eken	Johnson	Pappas	Sieben	Wiklund

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

Senator Skoe moved to amend H.F. No. 848, as amended pursuant to Rule 45, adopted by the Senate May 1, 2015, as follows:

(The text of the amended House File is identical to S.F. No. 826.)

Page 10, line 17, delete "except that they do not" and insert "but"

Page 22, line 29, after "means" insert ":(i)"

Page 22, line 30, before the period, insert "; and (ii) an employer not eligible to receive a grant under the veterans jobs grant program in section 31"

Page 36, line 3, after "means" insert ":(i)"

Page 36, line 4, before the period, insert "; and (ii) an employer not eligible to receive the veterans jobs credit under Minnesota Statutes, section 290.0894"

Page 102, line 14, delete "information" and insert "nonfederal out-of-home placement costs for the three prior calendar years for each county" and delete "July" and insert "June"

Page 106, line 27, strike "2014" and delete "through 2016" and insert "2015"

Page 106, line 28, reinstate the stricken language and before "\$129,909,575" insert ". For aids payable in 2016, the total aid paid under section 477A.0124 is"

Page 111, line 19, after the second comma, insert "the city of Worthington must notify the commissioner of revenue by July 5."

Page 111, line 20, delete "the" and insert "The"

Page 113, line 16, delete "1,500" and insert "1,000"

Page 119, line 9, delete "1,500" and insert "1,000"

The motion prevailed. So the amendment was adopted.

Senator Gazelka moved to amend H.F. No. 848, as amended pursuant to Rule 45, adopted by the Senate May 1, 2015, as follows:

(The text of the amended House File is identical to S.F. No. 826.)

Page 43, delete section 5

Page 106, line 12, delete "\$540,940,079" and insert "\$538,940,079"

Page 106, line 13, delete "\$564,982,145" and insert "\$562,982,145"

Page 113, after line 6, insert:

"Sec. 20. **PERMANENT AID REDUCTIONS.**

For aids payable in 2016 and thereafter, cities of the first class located in the metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2, shall have their total aid amount under Minnesota Statutes, section 477A.013, subdivision 9, reduced by a combined total of \$2,000,000. The aid reductions shall be made to each city in proportion to the total amount of aid payable under Minnesota Statutes, section 477A.013, subdivision 9, that would have been paid without regard to the reduction under this section. The amount of the aid reductions under this section shall cancel to the general fund.

EFFECTIVE DATE. This section is effective for aids payable in 2016 and thereafter."

Renumber the sections in sequence and correct the internal references

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:

Anderson	Franzen	Kiffmeyer	Osmek	Thompson
Benson	Gazelka	Limmer	Pederson, J.	Weber
Bonoff	Hall	Miller	Petersen, B.	Westrom
Brown	Hann	Nelson	Pratt	
Chamberlain	Housley	Newman	Rosen	
Dahms	Ingebrigtsen	Nienow	Ruud	
Fischbach	Jensen	Ortman	Senjem	

Those who voted in the negative were:

Bakk	Eaton	Kent	Reinert	Skoe
Carlson	Eken	Koenen	Rest	Sparks
Clausen	Goodwin	Latz	Saxhaug	Stumpf
Cohen	Hawj	Lourey	Scalze	Tomassoni
Dahle	Hayden	Marty	Schmit	Torres Ray
Dibble	Hoffman	Metzen	Sheran	Wiger
Dziedzic	Johnson	Pappas	Sieben	Wiklund

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

Senator Ortman moved to amend H.F. No. 848, as amended pursuant to Rule 45, adopted by the Senate May 1, 2015, as follows:

(The text of the amended House File is identical to S.F. No. 826.)

Page 61, after line 30, insert:

"Sec. 22. [289A.70] TAX REDUCTION ACCOUNT.

Subdivision 1. Establishment. There is a tax reduction account created in the special revenue fund.

Subd. 2. Deposit. The commissioner shall transfer from the general fund to the tax reduction account an amount equal to \$222,200,000 on July 1, 2015.

Subd. 3. Determination of resources. On December 15 of each year, the commissioner shall determine if the balance in the account exceeds the amount of refunds allocated under section 469.501.

Subd. 4. Transfer. In each taxable year for which the balance in the account is sufficient, the commissioner shall transfer from the tax reduction account to the general fund an amount equal to the amount of refunds allocated under section 469.501.

EFFECTIVE DATE. This section is effective the day following final enactment."

Page 66, after line 9, insert:

"Sec. 28. [469.501] STATE GENERAL TAX REFUND.

Subdivision 1. Definitions. (a) When used in this section, the following terms have the meanings given them.

(b) "Commissioner" means the commissioner of employment and economic development.

(c) "Job creation zone" means an area including one or more contiguous census tracts, as determined and measured by the United States Census Bureau where the unemployment rate is at least 50 percent higher than the statewide average unemployment rate as estimated by the United States Census Bureau using data collected in the most recent American Community Survey.

(d) "Employee" and "wages" have the meanings given them in section 290.92, subdivision 1.

Subd. 2. Refund; authorized. The commissioner may approve an application for a refund of the state general tax paid under section 275.025 applicable to that portion of the property occupied by an eligible business. The owner of an eligible business must apply annually to the commissioner by July 1 of each year on a form prescribed by the commissioner in order to receive a refund for that year. Upon approval, the commissioner shall notify the commissioner of revenue by September 1. The refund is equal to the state general tax payable on the property where the eligible business is located multiplied by a ratio, the numerator of which is the area of the property occupied by the eligible business and the denominator of which is the total area of the property where the business is located. The commissioner of revenue shall pay the amount determined under this section to the eligible business owner by December 1. The refund is subject to reduction under subdivision 4.

Subd. 3. Eligible business. An eligible business is an employer that (1) is located in a job creation zone as defined under subdivision 1; (2) pays at least 50 percent of the wages to employees who reside either within the job creation zone where the business is located or any contiguous census tract; and (3) is a for-profit business.

Subd. 4. Appropriation. The amount necessary to make the refunds under this section is appropriated annually to the commissioner of revenue, provided that the total of state general tax refunds shall not exceed five percent of the base amount in section 275.025, subdivision 1, for that

year. If the total amount of refunds approved under this section exceeds five percent of the base amount in section 275.025, subdivision 1, for that year, the amounts of the refunds shall be reduced proportionately.

Subd. 5. **Limitation.** Refunds under this section shall only be paid if sufficient funds exist under section 289A.70.

EFFECTIVE DATE. This section is effective for applications filed in calendar year 2015 for refunds of the state general tax payable in 2015 through 2025."

Page 105, delete section 5

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 32 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Ingebrigtsen	Ortman	Thompson
Benson	Gazelka	Kiffmeyer	Osmek	Torres Ray
Brown	Goodwin	Limmer	Pederson, J.	Weber
Chamberlain	Hall	Miller	Pratt	Westrom
Champion	Hann	Nelson	Rosen	
Dahms	Hayden	Newman	Ruud	
Dziedzic	Housley	Nienow	Senjem	

Those who voted in the negative were:

Bakk	Eaton	Kent	Petersen, B.	Skoe
Bonoff	Eken	Koenen	Reinert	Sparks
Carlson	Franzen	Latz	Rest	Stumpf
Clausen	Hawj	Lourey	Scalze	Tomassoni
Cohen	Hoffman	Marty	Schmit	Wiger
Dahle	Jensen	Metzen	Sheran	Wiklund
Dibble	Johnson	Pappas	Sieben	

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

Senator Pederson, J. moved to amend H.F. No. 848, as amended pursuant to Rule 45, adopted by the Senate May 1, 2015, as follows:

(The text of the amended House File is identical to S.F. No. 826.)

Page 13, after line 14, insert:

"(e) The commissioner must not allocate more than \$900,000 in credits per taxable year. Taxpayers must file an application with the commissioner to receive the credit. Applications must be filed in a form and manner prescribed by the commissioner. Credits are available on a first-come, first-served basis."

Page 180, after line 10, insert:

"Sec. 22. Minnesota Statutes 2014, section 297E.02, subdivision 1, is amended to read:

Subdivision 1. **Imposition.** (a) A tax is imposed on all lawful gambling other than (1) paper or electronic pull-tab deals or games; (2) tipboard deals or games; (3) electronic linked bingo; and (4)

items listed in section 297E.01, subdivision 8, clauses (4) and (5), at the rate of 8.5 percent on the gross receipts as defined in section 297E.01, subdivision 8, less prizes actually paid.

(b) A tax is imposed on the conduct of paper pull-tabs, at the rate of nine percent of the gross receipts, less prizes actually paid, of the pull-tab deal. However, the tax imposed under this paragraph applies only to paper pull-tabs sold at a bingo hall as defined in section 349.12, subdivision 4a.

(c) The tax imposed by this subdivision is in lieu of the tax imposed by section 297A.62 and all local taxes and license fees except a fee authorized under section 349.16, subdivision 8, or a tax authorized under subdivision 5.

(d) The tax imposed under this subdivision is payable by the organization or party conducting, directly or indirectly, the gambling.

EFFECTIVE DATE. This section is effective for gross receipts received and sales made on or after July 1, 2015.

Sec. 23. Minnesota Statutes 2014, section 297E.02, subdivision 6, is amended to read:

Subd. 6. **Combined net receipts tax.** (a) In addition to the taxes imposed under subdivision 1, a tax is imposed on the combined receipts of the organization. As used in this section, "combined net receipts" is the sum of the organization's gross receipts from lawful gambling less gross receipts directly derived from the conduct of paper bingo, raffles, and paddlewheels, as defined in section 297E.01, subdivision 8, and less the net prizes actually paid, other than prizes actually paid for paper bingo, raffles, and paddlewheels, for the fiscal year. The combined net receipts of an organization are subject to a tax computed according to the following schedule:

If the combined net receipts for the fiscal year are:	The tax is:
Not over \$87,500	nine percent
Over \$87,500, but not over \$122,500	\$7,875 plus 18 percent of the amount over \$87,500, but not over \$122,500
Over \$122,500, but not over \$157,500	\$14,175 plus 27 percent of the amount over \$122,500, but not over \$157,500
Over \$157,500	\$23,625 plus 36 percent of the amount over \$157,500

(b) On or before April 1, 2016, the commissioner shall estimate the total amount of revenue, including interest and penalties, that will be collected for fiscal year 2016 from taxes imposed under this chapter. If the amount estimated by the commissioner equals or exceeds \$94,800,000, the commissioner shall certify that effective July 1, 2016, the rates under this paragraph apply in lieu of the rates under paragraph (a) and shall publish a notice to that effect in the State Register and notify each taxpayer by June 1, 2016. If the rates under this section apply, the combined net receipts of an organization are subject to a tax computed according to the following schedule:

If the combined net receipts for the fiscal year are:	The tax is:
Not over \$87,500	8.5 percent

Over \$87,500, but not over \$122,500	\$7,438 plus 17 percent of the amount over \$87,500, but not over \$122,500
Over \$122,500, but not over \$157,500	\$13,388 plus 25.5 percent of the amount over \$122,500, but not over \$157,500
Over \$157,500	\$22,313 plus 34 percent of the amount over \$157,500

(c) Gross receipts derived from sports-themed tipboards are exempt from taxation under this section. For purposes of this paragraph, a sports-themed tipboard means a sports-themed tipboard as defined in section 349.12, subdivision 34, under which the winning numbers are determined by the numerical outcome of a professional sporting event.

(d) A bingo hall as defined in section 349.12, subdivision 4a, is exempt from taxation under this subdivision with respect to receipts from paper pull-tabs.

EFFECTIVE DATE. This section is effective July 1, 2015.

Sec. 24. Minnesota Statutes 2014, section 349.12, is amended by adding a subdivision to read:

Subd. 4a. **Bingo hall.** "Bingo hall" means a premises where the primary business is bingo conducted by a nonprofit organization licensed by the board.

EFFECTIVE DATE. This section is effective July 1, 2015."

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 36, as follows:

Those who voted in the affirmative were:

Anderson	Hall	Nelson	Pratt	Weber
Benson	Hann	Newman	Rosen	Westrom
Brown	Housley	Nienow	Ruud	Wiger
Chamberlain	Ingebrigtsen	Ortman	Scalze	
Dahms	Kiffmeyer	Osmek	Senjem	
Fischbach	Limmer	Pederson, J.	Sparks	
Gazelka	Miller	Petersen, B.	Thompson	

Those who voted in the negative were:

Bakk	Dziedzic	Jensen	Pappas	Stumpf
Bonoff	Eaton	Johnson	Reinert	Tomassoni
Carlson	Eken	Kent	Rest	Torres Ray
Champion	Franzen	Koenen	Saxhaug	Wiklund
Clausen	Goodwin	Latz	Schmit	
Cohen	Hawj	Lourey	Sheran	
Dahle	Hayden	Marty	Sieben	
Dibble	Hoffman	Metzen	Skoe	

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

Senator Nelson moved to amend H.F. No. 848, as amended pursuant to Rule 45, adopted by the Senate May 1, 2015, as follows:

(The text of the amended House File is identical to S.F. No. 826.)

Page 11, after line 19, insert:

"Sec. 9. Minnesota Statutes 2014, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. **Subtractions from federal taxable income.** For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) net interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others, less the amount used to claim the credit allowed under section 290.0674, and amounts used to claim the credit under section 290.067, not to exceed \$1,625 for each qualifying child in ~~grades~~ a prekindergarten educational program or in kindergarten ~~to through grade 6~~ and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and transportation of each qualifying child in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363A, or for fees charged for enrollment in a prekindergarten educational program. For the purposes of this clause, "tuition" includes fees or tuition as defined in section 290.0674, subdivision 1, clause (1).

As used in this clause, "prekindergarten educational program" means:

(i) prekindergarten programs established by a school district under chapter 124D;

(ii) preschools, nursery schools, and early childhood development programs licensed by the Department of Human Services and accredited by the National Association for the Education of Young Children or National Early Childhood Program Accreditation;

(iii) Montessori programs affiliated with or accredited by the American Montessori Society or American Montessori International;

(iv) child care programs provided by family day care providers holding a current early childhood development credential approved by the commissioner of human services;

(v) the Head Start program under section 119A.50; and

(vi) Parent Aware providers with a four-star rating.

As used in this clause, "textbooks" includes books and other instructional materials and equipment purchased or leased for use in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. Equipment expenses qualifying for deduction includes expenses as defined and limited in section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to,

extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. No deduction is permitted for any expense the taxpayer incurred in using the taxpayer's or the qualifying child's vehicle to provide such transportation for a qualifying child. For purposes of the subtraction provided by this clause, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code;

(4) income as provided under section 290.0802;

(5) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491;

(6) to the extent not deducted or not deductible pursuant to section 408(d)(8)(E) of the Internal Revenue Code in determining federal taxable income by an individual who does not itemize deductions for federal income tax purposes for the taxable year, an amount equal to 50 percent of the excess of charitable contributions over \$500 allowable as a deduction for the taxable year under section 170(a) of the Internal Revenue Code, under the provisions of Public Law 109-1 and Public Law 111-126;

(7) for individuals who are allowed a federal foreign tax credit for taxes that do not qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover of subnational foreign taxes for the taxable year, but not to exceed the total subnational foreign taxes reported in claiming the foreign tax credit. For purposes of this clause, "federal foreign tax credit" means the credit allowed under section 27 of the Internal Revenue Code, and "carryover of subnational foreign taxes" equals the carryover allowed under section 904(c) of the Internal Revenue Code minus national level foreign taxes to the extent they exceed the federal foreign tax credit;

(8) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (7), or 19c, clause (12), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount of the addition made by the taxpayer under subdivision 19a, clause (7), or subdivision 19c, clause (12), in the case of a shareholder of an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. The resulting delayed depreciation cannot be less than zero;

(9) job opportunity building zone income as provided under section 469.316;

(10) to the extent included in federal taxable income, the amount of compensation paid to members of the Minnesota National Guard or other reserve components of the United States military for active service, including compensation for services performed under the Active Guard Reserve (AGR) program. For purposes of this clause, "active service" means (i) state active service as defined in section 190.05, subdivision 5a, clause (1); or (ii) federally funded state active service as defined in section 190.05, subdivision 5b, and "active service" includes service performed in accordance with section 190.08, subdivision 3;

(11) to the extent included in federal taxable income, the amount of compensation paid to Minnesota residents who are members of the armed forces of the United States or United Nations for active duty performed under United States Code, title 10; or the authority of the United Nations;

(12) an amount, not to exceed \$10,000, equal to qualified expenses related to a qualified donor's donation, while living, of one or more of the qualified donor's organs to another person for human

organ transplantation. For purposes of this clause, "organ" means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow; "human organ transplantation" means the medical procedure by which transfer of a human organ is made from the body of one person to the body of another person; "qualified expenses" means unreimbursed expenses for both the individual and the qualified donor for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that such expenses may be subtracted under this clause only once; and "qualified donor" means the individual or the individual's dependent, as defined in section 152 of the Internal Revenue Code. An individual may claim the subtraction in this clause for each instance of organ donation for transplantation during the taxable year in which the qualified expenses occur;

(13) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (8), or 19c, clause (13), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the addition made by the taxpayer under subdivision 19a, clause (8), or 19c, clause (13), in the case of a shareholder of a corporation that is an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. If the net operating loss exceeds the addition for the tax year, a subtraction is not allowed under this clause;

(14) to the extent included in the federal taxable income of a nonresident of Minnesota, compensation paid to a service member as defined in United States Code, title 10, section 101(a)(5), for military service as defined in the Servicemembers Civil Relief Act, Public Law 108-189, section 101(2);

(15) to the extent included in federal taxable income, the amount of national service educational awards received from the National Service Trust under United States Code, title 42, sections 12601 to 12604, for service in an approved Americorps National Service program;

(16) to the extent included in federal taxable income, discharge of indebtedness income resulting from reacquisition of business indebtedness included in federal taxable income under section 108(i) of the Internal Revenue Code. This subtraction applies only to the extent that the income was included in net income in a prior year as a result of the addition under subdivision 19a, clause (13);

(17) the amount of the net operating loss allowed under section 290.095, subdivision 11, paragraph (c);

(18) the amount of expenses not allowed for federal income tax purposes due to claiming the railroad track maintenance credit under section 45G(a) of the Internal Revenue Code;

(19) the amount of the limitation on itemized deductions under section 68(b) of the Internal Revenue Code;

(20) the amount of the phaseout of personal exemptions under section 151(d) of the Internal Revenue Code; and

(21) to the extent included in federal taxable income, the amount of qualified transportation fringe benefits described in section 132(f)(1)(A) and (B) of the Internal Revenue Code. The subtraction is limited to the lesser of the amount of qualified transportation fringe benefits received in excess of the limitations under section 132(f)(2)(A) of the Internal Revenue Code for the year or the difference between the maximum qualified parking benefits excludable under section

132(f)(2)(B) of the Internal Revenue Code minus the amount of transit benefits excludable under section 132(f)(2)(A) of the Internal Revenue Code.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2014, provided that the amounts in the tax reduction account are sufficient as determined by the commissioner under Minnesota Statutes, section 289A.70, subdivision 3."

Page 16, line 1, delete "preschool" and insert "a prekindergarten educational program or in kindergarten"

Page 16, line 14, before the semicolon, insert ", and fees for enrollment in a prekindergarten educational program as defined in section 290.01, subdivision 19b, to the extent not used to claim the credit under section 290.067"

Page 16, lines 16 and 31, delete "preschool," and insert "a prekindergarten educational program, defined in section 290.01, subdivision 19b,"

Page 16, line 36, delete the new language

Page 17, lines 1 and 2, delete the new language

Page 17, lines 4 and 21, before the period, insert ", provided that the amounts in the tax reduction account are sufficient as determined by the commissioner under Minnesota Statutes, section 289A.70, subdivision 3"

Page 17, line 8, delete "preschool" and insert "a prekindergarten educational program, defined in section 290.01, subdivision 19b,"

Page 105, line 8, after "aid" insert "excluding aid under section 477A.03, subdivision 2b,"

Page 105, line 10, after the period, insert "The commissioner of revenue shall make the payment of aid under section 477A.03, subdivision 2b, to affected taxing jurisdictions in two installments on July 15 and November 15 annually."

Page 172, after line 14, insert:

"Sec. 5. **[289A.70] TAX REDUCTION ACCOUNT.**

Subdivision 1. **Establishment.** There is a tax reduction account created in the special revenue fund.

Subd. 2. **Deposit.** The commissioner shall transfer \$59,600,000 from the general fund to the tax reduction account on July 1, 2015.

Subd. 3. **Determination of resources.** On December 15 of each year, the commissioner shall determine if the balance in the account exceeds the estimated amounts needed for the changes to the subtraction under section 290.01, subdivision 19b, clause (3), and the changes to the credit under section 290.0674 of this act.

Subd. 4. **Transfer.** In each taxable year for which the balance in the account is sufficient, the commissioner shall transfer from the tax reduction account to the general fund an amount equal to the total estimated by allowing the changes to the subtraction under section 290.01, subdivision 19b, clause (3), and the changes to the credit under section 290.0674 of this act.

EFFECTIVE DATE. This section is effective the day following final enactment."

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 30 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Ingebrigtsen	Nienow	Rosen
Benson	Franzen	Kiffmeyer	Ortman	Ruud
Bonoff	Gazelka	Limmer	Osmek	Senjem
Brown	Hall	Miller	Pederson, J.	Thompson
Chamberlain	Hann	Nelson	Petersen, B.	Weber
Dahms	Housley	Newman	Pratt	Westrom

Those who voted in the negative were:

Bakk	Eaton	Kent	Rest	Stumpf
Carlson	Eken	Koenen	Saxhaug	Tomassoni
Champion	Goodwin	Latz	Scalze	Torres Ray
Clausen	Hawj	Lourey	Schmit	Wiger
Cohen	Hayden	Marty	Sheran	Wiklund
Dahle	Hoffman	Metzen	Sieben	
Dibble	Jensen	Pappas	Skoe	
Dziedzic	Johnson	Reinert	Sparks	

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

Senator Senjem moved to amend H.F. No. 848, as amended pursuant to Rule 45, adopted by the Senate May 1, 2015, as follows:

(The text of the amended House File is identical to S.F. No. 826.)

Page 11, after line 19, insert:

"Sec. 9. Minnesota Statutes 2014, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. **Subtractions from federal taxable income.** For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) net interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others, less the amount used to claim the credit allowed under section 290.0674, not to exceed \$1,625 for each qualifying child in grades kindergarten to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and transportation of each qualifying child in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363A. For the purposes of this clause, "tuition" includes fees or tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause, "textbooks" includes books and other instructional materials and equipment

purchased or leased for use in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. Equipment expenses qualifying for deduction includes expenses as defined and limited in section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. No deduction is permitted for any expense the taxpayer incurred in using the taxpayer's or the qualifying child's vehicle to provide such transportation for a qualifying child. For purposes of the subtraction provided by this clause, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code;

(4) income as provided under section 290.0802;

(5) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491;

(6) to the extent not deducted or not deductible pursuant to section 408(d)(8)(E) of the Internal Revenue Code in determining federal taxable income by an individual who does not itemize deductions for federal income tax purposes for the taxable year, an amount equal to 50 percent of the excess of charitable contributions over \$500 allowable as a deduction for the taxable year under section 170(a) of the Internal Revenue Code, under the provisions of Public Law 109-1 and Public Law 111-126;

(7) for individuals who are allowed a federal foreign tax credit for taxes that do not qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover of subnational foreign taxes for the taxable year, but not to exceed the total subnational foreign taxes reported in claiming the foreign tax credit. For purposes of this clause, "federal foreign tax credit" means the credit allowed under section 27 of the Internal Revenue Code, and "carryover of subnational foreign taxes" equals the carryover allowed under section 904(c) of the Internal Revenue Code minus national level foreign taxes to the extent they exceed the federal foreign tax credit;

(8) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (7), or 19c, clause (12), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount of the addition made by the taxpayer under subdivision 19a, clause (7), or subdivision 19c, clause (12), in the case of a shareholder of an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. The resulting delayed depreciation cannot be less than zero;

(9) job opportunity building zone income as provided under section 469.316;

(10) to the extent included in federal taxable income, the amount of compensation paid to members of the Minnesota National Guard or other reserve components of the United States military for active service, including compensation for services performed under the Active Guard Reserve (AGR) program. For purposes of this clause, "active service" means (i) state active service as defined in section 190.05, subdivision 5a, clause (1); or (ii) federally funded state active service as defined in section 190.05, subdivision 5b, and "active service" includes service performed in accordance with section 190.08, subdivision 3;

(11) to the extent included in federal taxable income, the amount of compensation paid to Minnesota residents who are members of the armed forces of the United States or United Nations for active duty performed under United States Code, title 10; or the authority of the United Nations;

(12) an amount, not to exceed \$10,000, equal to qualified expenses related to a qualified donor's donation, while living, of one or more of the qualified donor's organs to another person for human organ transplantation. For purposes of this clause, "organ" means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow; "human organ transplantation" means the medical procedure by which transfer of a human organ is made from the body of one person to the body of another person; "qualified expenses" means unreimbursed expenses for both the individual and the qualified donor for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that such expenses may be subtracted under this clause only once; and "qualified donor" means the individual or the individual's dependent, as defined in section 152 of the Internal Revenue Code. An individual may claim the subtraction in this clause for each instance of organ donation for transplantation during the taxable year in which the qualified expenses occur;

(13) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (8), or 19c, clause (13), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the addition made by the taxpayer under subdivision 19a, clause (8), or 19c, clause (13), in the case of a shareholder of a corporation that is an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. If the net operating loss exceeds the addition for the tax year, a subtraction is not allowed under this clause;

(14) to the extent included in the federal taxable income of a nonresident of Minnesota, compensation paid to a service member as defined in United States Code, title 10, section 101(a)(5), for military service as defined in the Servicemembers Civil Relief Act, Public Law 108-189, section 101(2);

(15) to the extent included in federal taxable income, the amount of national service educational awards received from the National Service Trust under United States Code, title 42, sections 12601 to 12604, for service in an approved Americorps National Service program;

(16) to the extent included in federal taxable income, discharge of indebtedness income resulting from reacquisition of business indebtedness included in federal taxable income under section 108(i) of the Internal Revenue Code. This subtraction applies only to the extent that the income was included in net income in a prior year as a result of the addition under subdivision 19a, clause (13);

(17) the amount of the net operating loss allowed under section 290.095, subdivision 11, paragraph (c);

(18) the amount of expenses not allowed for federal income tax purposes due to claiming the railroad track maintenance credit under section 45G(a) of the Internal Revenue Code;

(19) the amount of the limitation on itemized deductions under section 68(b) of the Internal Revenue Code;

(20) the amount of the phaseout of personal exemptions under section 151(d) of the Internal Revenue Code; and

(21) to the extent included in federal taxable income, the amount of qualified transportation fringe benefits described in section 132(f)(1)(A) and (B) of the Internal Revenue Code. The subtraction is limited to the lesser of the amount of qualified transportation fringe benefits received in excess of the limitations under section 132(f)(2)(A) of the Internal Revenue Code for the year or the difference between the maximum qualified parking benefits excludable under section 132(f)(2)(B) of the Internal Revenue Code minus the amount of transit benefits excludable under section 132(f)(2)(A) of the Internal Revenue Code; and

(22) to the extent included in federal taxable income, a percentage of Social Security benefits. For purposes of this clause, for the taxable year beginning after December 31, 2015, and before January 1, 2017, the percentage is five percent, and the percentage increases by five percentage points in each calendar year thereafter until the percentage of Social Security benefits allowed as a subtraction under this clause is 100 percent. The subtraction under this clause is allowed only if the balance in the tax reduction account under section 289A.70 is sufficient.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2015."

Page 105, delete section 5

Page 109, delete section 13

Page 110, delete section 14

Page 172, after line 14, insert:

"Sec. 5. **[289A.70] TAX REDUCTION ACCOUNT.**

Subdivision 1. **Establishment.** There is a tax reduction account created in the special revenue fund.

Subd. 2. **Deposit.** The commissioner shall transfer \$222,200,000 from the general fund to the tax reduction account on July 1, 2015.

Subd. 3. **Determination of resources.** On December 15 of each year, the commissioner shall determine if the balance in the account exceeds the estimated amounts for the subtraction under section 290.01, subdivision 19b, clause (22).

Subd. 4. **Transfer.** In each taxable year for which the balance in the account is sufficient, the commissioner shall transfer from the tax reduction account to the general fund an amount equal to the total estimated by allowing the subtraction under section 290.01, subdivision 19b, clause (22).

EFFECTIVE DATE. This section is effective the day following final enactment."

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 40, as follows:

Those who voted in the affirmative were:

Anderson
Benson

Brown
Chamberlain

Dahms
Fischbach

Gazelka
Hall

Hann
Housley

Ingebrigtsen	Nelson	Osmek	Ruud	Westrom
Kiffmeyer	Newman	Pederson, J.	Senjem	
Limmer	Nienow	Pratt	Thompson	
Miller	Ortman	Rosen	Weber	

Those who voted in the negative were:

Bakk	Dziedzic	Jensen	Pappas	Sieben
Bonoff	Eaton	Johnson	Petersen, B.	Skoe
Carlson	Eken	Kent	Reinert	Sparks
Champion	Franzen	Koenen	Rest	Stumpf
Clausen	Goodwin	Latz	Saxhaug	Tomassoni
Cohen	Hawj	Lourey	Scalze	Torres Ray
Dahle	Hayden	Marty	Schmit	Wiger
Dibble	Hoffman	Metzen	Sheran	Wiklund

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

Senator Osmek moved to amend H.F. No. 848, as amended pursuant to Rule 45, adopted by the Senate May 1, 2015, as follows:

(The text of the amended House File is identical to S.F. No. 826.)

Page 76, after line 25, insert:

"Sec. 9. **CITY OF WAYZATA; TAX INCREMENT FINANCING.**

The requirements of Minnesota Statutes, section 469.1763, subdivision 3, that activities must be undertaken within a five-year period from the date of certification of a tax increment financing district, are considered to be met for Tax Increment Financing District 3 (Widsten) in the city of Wayzata if the revenues derived from tax increments from the district are expended for any project contemplated by the original tax increment financing plan for the district, including, without limitation, a municipal parking ramp within the district.

EFFECTIVE DATE. This section is effective upon compliance by the chief clerical officer of the governing body of the city of Wayzata with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3."

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:

Anderson	Fischbach	Kiffmeyer	Osmek	Thompson
Benson	Gazelka	Limmer	Pederson, J.	Weber
Bonoff	Hall	Miller	Petersen, B.	Westrom
Brown	Hann	Newman	Pratt	
Carlson	Housley	Nienow	Rosen	
Dahms	Ingebrigtsen	Ortman	Ruud	

Those who voted in the negative were:

Bakk	Dahle	Eken	Hayden	Kent
Champion	Dibble	Franzen	Hoffman	Koenen
Clausen	Dziedzic	Goodwin	Jensen	Latz
Cohen	Eaton	Hawj	Johnson	Lourey

Marty	Reinert	Schmit	Sparks	Wiger
Metzen	Rest	Sheran	Stumpf	Wiklund
Nelson	Saxhaug	Sieben	Tomassoni	
Pappas	Scalze	Skoe	Torres Ray	

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

Senator Chamberlain moved to amend H.F. No. 848, as amended pursuant to Rule 45, adopted by the Senate May 1, 2015, as follows:

(The text of the amended House File is identical to S.F. No. 826.)

Page 178, delete section 21

Re-number 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 29 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Dziedzic	Housley	Ortman	Scalze
Benson	Eaton	Kiffmeyer	Osmek	Thompson
Brown	Fischbach	Limmer	Pederson, J.	Torres Ray
Carlson	Gazelka	Marty	Petersen, B.	Weber
Chamberlain	Hall	Newman	Pratt	Westrom
Dibble	Hayden	Nienow	Ruud	

Those who voted in the negative were:

Bakk	Goodwin	Latz	Rosen	Stumpf
Bonoff	Hawj	Lourey	Saxhaug	Tomassoni
Champion	Hoffman	Metzen	Schmit	Wiger
Clausen	Ingebrigtsen	Miller	Senjem	Wiklund
Cohen	Jensen	Nelson	Sheran	
Dahle	Johnson	Pappas	Sieben	
Dahms	Kent	Reinert	Skoe	
Franzen	Koenen	Rest	Sparks	

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

Senator Senjem moved to amend H.F. No. 848, as amended pursuant to Rule 45, adopted by the Senate May 1, 2015, as follows:

(The text of the amended House File is identical to S.F. No. 826.)

Page 11, after line 19, insert:

"Sec. 9. Minnesota Statutes 2014, section 290.01, subdivision 19a, is amended to read:

Subd. 19a. **Additions to federal taxable income.** For individuals, estates, and trusts, there shall be added to federal taxable income:

(1)(i) interest income on obligations of any state other than Minnesota or a political or governmental subdivision, municipality, or governmental agency or instrumentality of any state other than Minnesota exempt from federal income taxes under the Internal Revenue Code or any other federal statute; and

(ii) exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code, except:

(A) the portion of the exempt-interest dividends exempt from state taxation under the laws of the United States; and

(B) the portion of the exempt-interest dividends derived from interest income on obligations of the state of Minnesota or its political or governmental subdivisions, municipalities, governmental agencies or instrumentalities, but only if the portion of the exempt-interest dividends from such Minnesota sources paid to all shareholders represents 95 percent or more of the exempt-interest dividends, including any dividends exempt under subitem (A), that are paid by the regulated investment company as defined in section 851(a) of the Internal Revenue Code, or the fund of the regulated investment company as defined in section 851(g) of the Internal Revenue Code, making the payment; and

(iii) for the purposes of items (i) and (ii), interest on obligations of an Indian tribal government described in section 7871(c) of the Internal Revenue Code shall be treated as interest income on obligations of the state in which the tribe is located;

(2) the amount of income, sales and use, motor vehicle sales, or excise taxes paid or accrued within the taxable year under this chapter and the amount of taxes based on net income paid, sales and use, motor vehicle sales, or excise taxes paid to any other state or to any province or territory of Canada, to the extent allowed as a deduction under section 63(d) of the Internal Revenue Code, but the addition may not be more than the amount by which the state itemized deduction exceeds the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code, minus any addition that would have been required under clause (17) if the taxpayer had claimed the standard deduction. For the purpose of this clause, income, sales and use, motor vehicle sales, or excise taxes are the last itemized deductions disallowed under clause (15);

(3) the capital gain amount of a lump-sum distribution to which the special tax under section 1122(h)(3)(B)(ii) of the Tax Reform Act of 1986, Public Law 99-514, applies;

(4) the amount of income taxes paid or accrued within the taxable year under this chapter and taxes based on net income paid to any other state or any province or territory of Canada, to the extent allowed as a deduction in determining federal adjusted gross income. For the purpose of this paragraph, income taxes do not include the taxes imposed by sections 290.0922, subdivision 1, paragraph (b), 290.9727, 290.9728, and 290.9729;

(5) the amount of expense, interest, or taxes disallowed pursuant to section 290.10 other than expenses or interest used in computing net interest income for the subtraction allowed under subdivision 19b, clause (1);

(6) the amount of a partner's pro rata share of net income which does not flow through to the partner because the partnership elected to pay the tax on the income under section 6242(a)(2) of the Internal Revenue Code;

(7) 80 percent of the depreciation deduction allowed under section 168(k) of the Internal Revenue Code. For purposes of this clause, if the taxpayer has an activity that in the taxable year generates a deduction for depreciation under section 168(k) and the activity generates a loss for the taxable year that the taxpayer is not allowed to claim for the taxable year, "the depreciation allowed under section 168(k)" for the taxable year is limited to excess of the depreciation claimed by the

activity under section 168(k) over the amount of the loss from the activity that is not allowed in the taxable year. In succeeding taxable years when the losses not allowed in the taxable year are allowed, the depreciation under section 168(k) is allowed;

(8) 80 percent of the amount by which the deduction allowed by section 179 of the Internal Revenue Code exceeds the deduction allowable by section 179 of the Internal Revenue Code of 1986, as amended through December 31, 2003;

(9) to the extent deducted in computing federal taxable income, the amount of the deduction allowable under section 199 of the Internal Revenue Code;

(10) the amount of expenses disallowed under section 290.10, subdivision 2;

(11) for taxable years beginning before January 1, 2010, the amount deducted for qualified tuition and related expenses under section 222 of the Internal Revenue Code, to the extent deducted from gross income;

(12) for taxable years beginning before January 1, 2010, the amount deducted for certain expenses of elementary and secondary school teachers under section 62(a)(2)(D) of the Internal Revenue Code, to the extent deducted from gross income;

(13) discharge of indebtedness income resulting from reacquisition of business indebtedness and deferred under section 108(i) of the Internal Revenue Code;

(14) changes to federal taxable income attributable to a net operating loss that the taxpayer elected to carry back for more than two years for federal purposes but for which the losses can be carried back for only two years under section 290.095, subdivision 11, paragraph (c);

(15) the amount of disallowed itemized deductions, but the amount of disallowed itemized deductions plus the addition required under clause (2) may not be more than the amount by which the itemized deductions as allowed under section 63(d) of the Internal Revenue Code exceeds the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code, and reduced by any addition that would have been required under clause (17) if the taxpayer had claimed the standard deduction:

(i) the amount of disallowed itemized deductions is equal to the lesser of:

(A) three percent of the excess of the taxpayer's federal adjusted gross income over the applicable amount; or

(B) 80 percent of the amount of the itemized deductions otherwise allowable to the taxpayer under the Internal Revenue Code for the taxable year;

(ii) the term "applicable amount" means \$100,000, or \$50,000 in the case of a married individual filing a separate return. Each dollar amount shall be increased by an amount equal to:

(A) such dollar amount, multiplied by

(B) the cost-of-living adjustment determined under section 1(f)(3) of the Internal Revenue Code for the calendar year in which the taxable year begins, by substituting "calendar year 1990" for "calendar year 1992" in subparagraph (B) thereof;

(iii) the term "itemized deductions" does not include:

- (A) the deduction for medical expenses under section 213 of the Internal Revenue Code;
- (B) any deduction for investment interest as defined in section 163(d) of the Internal Revenue Code; and
- (C) the deduction under section 165(a) of the Internal Revenue Code for casualty or theft losses described in paragraph (2) or (3) of section 165(c) of the Internal Revenue Code or for losses described in section 165(d) of the Internal Revenue Code;
- (16) the amount of disallowed personal exemptions for taxpayers with federal adjusted gross income over the threshold amount:
- (i) the disallowed personal exemption amount is equal to the number of personal exemptions allowed under section 151(b) and (c) of the Internal Revenue Code multiplied by the dollar amount for personal exemptions under section 151(d)(1) and (2) of the Internal Revenue Code, as adjusted for inflation by section 151(d)(4) of the Internal Revenue Code, and by the applicable percentage;
- (ii) "applicable percentage" means two percentage points for each \$2,500 (or fraction thereof) by which the taxpayer's federal adjusted gross income for the taxable year exceeds the threshold amount. In the case of a married individual filing a separate return, the preceding sentence shall be applied by substituting "\$1,250" for "\$2,500." In no event shall the applicable percentage exceed 100 percent;
- (iii) the term "threshold amount" means:
- (A) \$150,000 in the case of a joint return or a surviving spouse;
- (B) \$125,000 in the case of a head of a household;
- (C) \$100,000 in the case of an individual who is not married and who is not a surviving spouse or head of a household; and
- (D) \$75,000 in the case of a married individual filing a separate return; and
- (iv) the thresholds shall be increased by an amount equal to:
- (A) such dollar amount, multiplied by
- (B) the cost-of-living adjustment determined under section 1(f)(3) of the Internal Revenue Code for the calendar year in which the taxable year begins, by substituting "calendar year 1990" for "calendar year 1992" in subparagraph (B) thereof; and
- (17) to the extent deducted in the computation of federal taxable income, for taxable years beginning after December 31, 2010, and before January 1, 2014, the difference between the standard deduction allowed under section 63(c) of the Internal Revenue Code and the standard deduction allowed for 2011, 2012, and 2013 under the Internal Revenue Code as amended through December 1, 2010; and
- (18) the amount of the deduction under section 170 of the Internal Revenue Code that represents contributions to a qualified foundation for which a credit is received under section 290.0693. The addition under this clause applies only for taxable years in which the commissioner has determined that the balance of the tax reduction account under section 289A.70, subdivision 3, is sufficient to fund the reduction in revenue resulting from the credit under section 290.0696.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2014.

Sec. 10. Minnesota Statutes 2014, section 290.01, subdivision 19c, is amended to read:

Subd. 19c. **Corporations; additions to federal taxable income.** For corporations, there shall be added to federal taxable income:

(1) the amount of any deduction taken for federal income tax purposes for income, excise, or franchise taxes based on net income or related minimum taxes, including but not limited to the tax imposed under section 290.0922, paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or any foreign country or possession of the United States;

(2) interest not subject to federal tax upon obligations of: the United States, its possessions, its agencies, or its instrumentalities; the state of Minnesota or any other state, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities; the District of Columbia; or Indian tribal governments;

(3) exempt-interest dividends received as defined in section 852(b)(5) of the Internal Revenue Code;

(4) the amount of any net operating loss deduction taken for federal income tax purposes under section 172 or 832(c)(10) of the Internal Revenue Code or operations loss deduction under section 810 of the Internal Revenue Code;

(5) the amount of any special deductions taken for federal income tax purposes under sections 241 to 247 and 965 of the Internal Revenue Code;

(6) losses from the business of mining, as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota income tax;

(7) the amount of any capital losses deducted for federal income tax purposes under sections 1211 and 1212 of the Internal Revenue Code;

(8) the amount of percentage depletion deducted under sections 611 through 614 and 291 of the Internal Revenue Code;

(9) for certified pollution control facilities placed in service in a taxable year beginning before December 31, 1986, and for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, as amended through December 31, 1985, the amount of the amortization deduction allowed in computing federal taxable income for those facilities;

(10) the amount of a partner's pro rata share of net income which does not flow through to the partner because the partnership elected to pay the tax on the income under section 6242(a)(2) of the Internal Revenue Code;

(11) any increase in subpart F income, as defined in section 952(a) of the Internal Revenue Code, for the taxable year when subpart F income is calculated without regard to the provisions of Division C, title III, section 303(b) of Public Law 110-343;

(12) 80 percent of the depreciation deduction allowed under section 168(k)(1)(A) and (k)(4)(A) of the Internal Revenue Code. For purposes of this clause, if the taxpayer has an activity that in the

taxable year generates a deduction for depreciation under section 168(k)(1)(A) and (k)(4)(A) and the activity generates a loss for the taxable year that the taxpayer is not allowed to claim for the taxable year, "the depreciation allowed under section 168(k)(1)(A) and (k)(4)(A)" for the taxable year is limited to excess of the depreciation claimed by the activity under section 168(k)(1)(A) and (k)(4)(A) over the amount of the loss from the activity that is not allowed in the taxable year. In succeeding taxable years when the losses not allowed in the taxable year are allowed, the depreciation under section 168(k)(1)(A) and (k)(4)(A) is allowed;

(13) 80 percent of the amount by which the deduction allowed by section 179 of the Internal Revenue Code exceeds the deduction allowable by section 179 of the Internal Revenue Code of 1986, as amended through December 31, 2003;

(14) to the extent deducted in computing federal taxable income, the amount of the deduction allowable under section 199 of the Internal Revenue Code;

(15) the amount of expenses disallowed under section 290.10, subdivision 2; ~~and~~

(16) discharge of indebtedness income resulting from reacquisition of business indebtedness and deferred under section 108(i) of the Internal Revenue Code; and

(17) the amount of the deduction under section 170 of the Internal Revenue Code that represents contributions to a qualified foundation for which a credit is received under section 290.0693. The addition under this clause applies only for taxable years in which the commissioner has determined that the balance of the tax reduction account under section 289A.70, subdivision 3, is sufficient to fund the reduction in revenue resulting from the credit under section 290.0696.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2014."

Page 24, after line 20, insert:

"Sec. 26. **[290.0696] EQUITY AND OPPORTUNITY IN EDUCATION TAX CREDIT.**

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

(b) "Eligible student" means a student who:

(1) resides in Minnesota;

(2) is a member of a household whose total annual income during the year prior to initial receipt of a qualified grant, without consideration of the benefits under this program, does not exceed an amount equal to two times the income standard used to qualify for a reduced-price meal under the National School Lunch Program, as specified in United States Code, title 42, section 1758; and

(3) either:

(i) attended a public, nonpublic, or charter school in the semester preceding initial receipt of a qualified grant;

(ii) is starting school in Minnesota for the first time; or

(iii) previously received a qualified grant under this section.

(c) "Equity and opportunity in education donation" means a donation to a qualified foundation that makes qualified grants.

(d) "Qualified school" means a school operated in Minnesota that is either:

(1) a nonpublic elementary or secondary school in Minnesota wherein a resident may legally fulfill the state's compulsory attendance laws and that is not operated for profit;

(2) a charter elementary or secondary school in Minnesota that has at least 30 percent of its students who qualify for a reduced-price meal under the National School Lunch Program; or

(3) public or nonpublic preschool serving children ages 3 to 5.

(e) "Qualified foundation" means a nonprofit organization granted an exemption from the federal income tax described in section 501(c)(3) of the Internal Revenue Code that complies with the requirements of the equity and opportunity in education tax credit. Two or more qualified schools can form a qualified foundation.

(f) "Qualified grant" means a grant from a qualified foundation for:

(1) qualified scholarships to a qualified student for tuition to attend a qualified school; or

(2) a qualified charter school for use in support of the school's mission of educating eligible students in academics, arts, or athletics, including transportation.

(g) "Qualified scholarship" means a payment to or on behalf of the parent or guardian of a qualified student for payment of tuition at a qualified school. A qualified scholarship must not exceed an amount greater than 70 percent of the state average general education revenue under section 126C.10, subdivision 1, per pupil unit.

Subd. 2. **Credit allowed.** (a) An individual or corporate taxpayer is allowed a credit against the tax due under this chapter equal to 80 percent of the amount donated to a qualified foundation during the taxable year. No credit is allowed if the taxpayer designates a specific child as the beneficiary of the contribution.

(b) A taxpayer must provide a copy of the receipt provided by the qualified foundation when claiming the credit for the donation.

(c) The credit is limited to the liability for tax under this chapter, including the tax imposed by sections 290.0921 and 290.0922.

(d) If the amount of the credit under this subdivision for any taxable year exceeds the limitations under paragraph (c), the excess is a credit carryover to each of the five succeeding taxable years. The entire amount of the excess unused credit for the taxable year must be carried first to the earliest of the taxable years to which the credit may be carried. The amount of the unused credit that may be added under this paragraph may not exceed the taxpayer's liability for tax, less the credit for the taxable year. No credit may be carried to a taxable year more than five years after the taxable year in which the credit was earned.

Subd. 3. **Application for credit certificate.** (a) A taxpayer must apply to the commissioner for an equity and opportunity in education tax credit certificate.

(b) The commissioner must not issue a tax credit certificate for an amount greater than the limits under subdivision 2.

(c) The credit certificates under this section must be made available on a first-come, first-served basis until the maximum statewide credit amount of \$25,000,000 has been reached.

Subd. 4. **Responsibilities of qualified foundations.** (a) Each qualified foundation that receives donations directly from taxpayers under this section must:

(1) notify the commissioner of its intent to participate in this program and, for purposes of determining the maximums under subdivision 3, the type of qualified schools who receive grants or the type of qualified schools attended by qualified students who receive qualified scholarships from that foundation;

(2) demonstrate to the commissioner that it has been granted an exemption from the federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code;

(3) provide a receipt or verification on a form approved by the commissioner to taxpayers for donations and commitments made to qualified foundations;

(4) conduct criminal background checks on all of its employees and board members and exclude from employment or governance any individuals that might reasonably pose a risk to the appropriate use of contributed funds;

(5) demonstrate its financial accountability by:

(i) submitting a financial information report for the organization that complies with uniform financial accounting standards established by the commissioner and conducted by a certified public accountant; and

(ii) having the auditor certify that the report is free of material misstatements;

(6) demonstrate its financial viability, if they are to receive donations of \$50,000 or more during the school year, by filing financial information with the commissioner prior to September 1 of each year that demonstrates the financial viability of the qualified foundation;

(7) consistent with paragraph (c), use amounts received as donations to provide qualified scholarships or make qualified grants within one calendar year from the September 1 following the date of receiving the donation; and

(8) ensure that a qualified school that receives qualified grants or enrolls eligible students:

(i) complies with all health and safety laws or codes that apply to nonpublic schools;

(ii) holds a valid occupancy permit if required by its municipality;

(iii) certifies that it adheres to the provisions of United States Code, title 42, section 1981; and

(iv) provides academic accountability to parents of students in the program by regularly reporting to the parents on the student's progress.

(b) A qualified foundation that receives donations directly from taxpayers under this program must report to the commissioner by June 1 of each year the following information prepared by a certified public accountant regarding its grants in the previous calendar year:

(1) the total number and total dollar amount of donations from taxpayers received during the previous calendar year; and

(2) the total number and total dollar amount of qualified scholarships or qualified grants awarded during the previous calendar year.

(c) The foundation may use up to seven percent of the amounts received as donations for reasonable administrative expenses, including but not limited to fund-raising, scholarship tracking, and reporting requirements.

(d) If the commissioner decides to bar a qualified foundation from the program for failure to comply with the requirements in paragraph (a), clauses (1) to (8), the qualified foundation must notify taxpayers who have donated to the qualified foundation in writing within 30 days.

Subd. 5. Responsibilities of commissioner. (a) The commissioner must prescribe a standardized format for a receipt to be issued by a qualified foundation to a taxpayer to indicate the value of a donation received.

(b) The commissioner must prescribe a standardized format for qualified foundations to report the information required under subdivision 4.

(c) The commissioner must post on the department's Web site the names and addresses of qualified foundations and regularly update the names and addresses of any qualified foundations that have been barred from participating in the program.

(d) The commissioner may conduct either a financial review or audit of a qualified foundation upon finding evidence of fraud or intentional misreporting.

(e) The commissioner may bar a qualified foundation from participating in the program if the commissioner establishes that the qualified foundation has intentionally and substantially failed to comply with the requirements in subdivision 4. If the commissioner determines that a qualified foundation should be barred from the program, the commissioner must notify the qualified foundation within 60 days of that determination.

Subd. 6. Limitation. This section is effective only for taxable years in which the commissioner has determined that the balance of the tax reduction account under section 289A.70, subdivision 3, is sufficient.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2014."

Page 105, delete section 5

Page 109, delete section 13

Page 110, delete section 14

Page 172, after line 14, insert:

"Sec. 5. **[289A.70] TAX REDUCTION ACCOUNT.**

Subdivision 1. Establishment. There is a tax reduction account created in the special revenue fund.

Subd. 2. Deposit. The commissioner shall transfer \$222,200,000 from the general fund to the tax reduction account on July 1, 2015.

Subd. 3. **Determination of resources.** On December 15 of each year, the commissioner shall determine if the balance in the account exceeds the estimated amounts for the credit under section 290.0696.

Subd. 4. **Transfer.** In each taxable year for which the balance in the account is sufficient, the commissioner shall transfer from the tax reduction account an amount equal to the total estimated by allowing the credit under section 290.0696.

EFFECTIVE DATE. This section is effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Senator Dibble moved to amend H.F. No. 848, as amended pursuant to Rule 45, adopted by the Senate May 1, 2015, as follows:

(The text of the amended House File is identical to S.F. No. 826.)

Page 100, after line 14, insert:

"Sec. 30. **REPEALER.**

Minnesota Statutes 2014, section 297A.68, subdivision 9, is repealed.

EFFECTIVE DATE. This section is effective the day following final enactment."

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:

Anderson	Dziedzic	Housley	Osmek	Weber
Benson	Fischbach	Kiffmeyer	Pederson, J.	Westrom
Brown	Gazelka	Limmer	Petersen, B.	Wiger
Carlson	Goodwin	Marty	Reinert	
Chamberlain	Hall	Newman	Scalze	
Dahms	Hawj	Nienow	Thompson	
Dibble	Hayden	Ortman	Torres Ray	

Those who voted in the negative were:

Bakk	Eken	Koenen	Pratt	Sheran
Bonoff	Franzen	Latz	Rest	Sieben
Champion	Hoffman	Lourey	Rosen	Skoe
Clausen	Ingebrigtsen	Metzen	Ruud	Sparks
Cohen	Jensen	Miller	Saxhaug	Stumpf
Dahle	Johnson	Nelson	Schmit	Tomassoni
Eaton	Kent	Pappas	Senjem	Wiklund

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

Senator Thompson moved to amend H.F. No. 848, as amended pursuant to Rule 45, adopted by the Senate May 1, 2015, as follows:

(The text of the amended House File is identical to S.F. No. 826.)

Page 3, after line 30, insert:

"Sec. 2. Minnesota Statutes 2014, section 116J.8737, subdivision 5, is amended to read:

Subd. 5. **Credit allowed.** (a)(1) A qualified investor or qualified fund is eligible for a credit equal to 25 percent of the qualified investment in a qualified small business. Investments made by a pass-through entity qualify for a credit only if the entity is a qualified fund. The commissioner must not allocate more than ~~\$15,000,000~~ \$17,000,000 in credits to qualified investors or qualified funds for taxable years beginning after December 31, 2013, and before January 1, 2017; and

(2) for taxable years beginning after December 31, 2014, and before January 1, 2017, ~~\$7,500,000~~ \$8,500,000 must be allocated to credits for qualifying investments in qualified greater Minnesota businesses and minority- or women-owned qualified small businesses in Minnesota. Any portion of a taxable year's credits that is reserved for qualifying investments in greater Minnesota businesses and minority- or women-owned qualified small businesses in Minnesota that is not allocated by September 30 of the taxable year is available for allocation to other credit applications beginning on October 1. Any portion of a taxable year's credits that is not allocated by the commissioner does not cancel and may be carried forward to subsequent taxable years until all credits have been allocated.

(b) The commissioner may not allocate more than a total maximum amount in credits for a taxable year to a qualified investor for the investor's cumulative qualified investments as an individual qualified investor and as an investor in a qualified fund; for married couples filing joint returns the maximum is \$250,000, and for all other filers the maximum is \$125,000. The commissioner may not allocate more than a total of \$1,000,000 in credits over all taxable years for qualified investments in any one qualified small business.

(c) The commissioner may not allocate a credit to a qualified investor either as an individual qualified investor or as an investor in a qualified fund if, at the time the investment is proposed:

(1) the investor is an officer or principal of the qualified small business; or

(2) the investor, either individually or in combination with one or more members of the investor's family, owns, controls, or holds the power to vote 20 percent or more of the outstanding securities of the qualified small business.

A member of the family of an individual disqualified by this paragraph is not eligible for a credit under this section. For a married couple filing a joint return, the limitations in this paragraph apply collectively to the investor and spouse. For purposes of determining the ownership interest of an investor under this paragraph, the rules under section 267(c) and 267(e) of the Internal Revenue Code apply.

(d) Applications for tax credits for 2010 must be made available on the department's Web site by September 1, 2010, and the department must begin accepting applications by September 1, 2010. Applications for subsequent years must be made available by November 1 of the preceding year.

(e) Qualified investors and qualified funds must apply to the commissioner for tax credits. Tax credits must be allocated to qualified investors or qualified funds in the order that the tax credit request applications are filed with the department. The commissioner must approve or reject tax credit request applications within 15 days of receiving the application. The investment specified in the application must be made within 60 days of the allocation of the credits. If the investment is not made within 60 days, the credit allocation is canceled and available for reallocation. A qualified

investor or qualified fund that fails to invest as specified in the application, within 60 days of allocation of the credits, must notify the commissioner of the failure to invest within five business days of the expiration of the 60-day investment period.

(f) All tax credit request applications filed with the department on the same day must be treated as having been filed contemporaneously. If two or more qualified investors or qualified funds file tax credit request applications on the same day, and the aggregate amount of credit allocation claims exceeds the aggregate limit of credits under this section or the lesser amount of credits that remain unallocated on that day, then the credits must be allocated among the qualified investors or qualified funds who filed on that day on a pro rata basis with respect to the amounts claimed. The pro rata allocation for any one qualified investor or qualified fund is the product obtained by multiplying a fraction, the numerator of which is the amount of the credit allocation claim filed on behalf of a qualified investor and the denominator of which is the total of all credit allocation claims filed on behalf of all applicants on that day, by the amount of credits that remain unallocated on that day for the taxable year.

(g) A qualified investor or qualified fund, or a qualified small business acting on their behalf, must notify the commissioner when an investment for which credits were allocated has been made, and the taxable year in which the investment was made. A qualified fund must also provide the commissioner with a statement indicating the amount invested by each investor in the qualified fund based on each investor's share of the assets of the qualified fund at the time of the qualified investment. After receiving notification that the investment was made, the commissioner must issue credit certificates for the taxable year in which the investment was made to the qualified investor or, for an investment made by a qualified fund, to each qualified investor who is an investor in the fund. The certificate must state that the credit is subject to revocation if the qualified investor or qualified fund does not hold the investment in the qualified small business for at least three years, consisting of the calendar year in which the investment was made and the two following years. The three-year holding period does not apply if:

(1) the investment by the qualified investor or qualified fund becomes worthless before the end of the three-year period;

(2) 80 percent or more of the assets of the qualified small business is sold before the end of the three-year period;

(3) the qualified small business is sold before the end of the three-year period;

(4) the qualified small business's common stock begins trading on a public exchange before the end of the three-year period; or

(5) the qualified investor dies before the end of the three-year period.

(h) The commissioner must notify the commissioner of revenue of credit certificates issued under this section.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2014."

Page 13, delete section 11

Page 23, delete section 23

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 29 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Gazelka	Kiffmeyer	Ortman	Ruud
Benson	Goodwin	Metzen	Osmek	Senjem
Brown	Hall	Miller	Pederson, J.	Thompson
Chamberlain	Hann	Nelson	Petersen, B.	Weber
Dahms	Housley	Newman	Pratt	Westrom
Fischbach	Ingebrigtsen	Nienow	Rosen	

Those who voted in the negative were:

Bonoff	Eaton	Kent	Rest	Stumpf
Carlson	Eken	Koenen	Saxhaug	Tomassoni
Champion	Franzen	Latz	Scalze	Torres Ray
Clausen	Hawj	Limmer	Schmit	Wiger
Cohen	Hayden	Lourey	Sheran	Wiklund
Dahle	Hoffman	Marty	Sieben	
Dibble	Jensen	Pappas	Skoe	
Dziedzic	Johnson	Reinert	Sparks	

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

Senator Thompson moved to amend H.F. No. 848, as amended pursuant to Rule 45, adopted by the Senate May 1, 2015, as follows:

(The text of the amended House File is identical to S.F. No. 826.)

Page 13, delete section 11

Page 23, delete section 23

Page 139, delete article 9

Renumber the articles and sections in sequence and correct the internal references

Amend the title accordingly

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

H.F. No. 848 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 42 and nays 25, as follows:

Those who voted in the affirmative were:

Bakk	Eaton	Johnson	Reinert	Sparks
Bonoff	Eken	Kent	Rest	Stumpf
Carlson	Franzen	Koenen	Saxhaug	Tomassoni
Champion	Gazelka	Latz	Scalze	Torres Ray
Clausen	Goodwin	Lourey	Schmit	Wiger
Cohen	Hawj	Marty	Senjem	Wiklund
Dahle	Hayden	Metzen	Sheran	
Dibble	Hoffman	Nelson	Sieben	
Dziedzic	Jensen	Pappas	Skoe	

Those who voted in the negative were:

Anderson	Fischbach	Kiffmeyer	Ortman	Rosen
Benson	Hall	Limmer	Osmek	Ruud
Brown	Hann	Miller	Pederson, J.	Thompson
Chamberlain	Housley	Newman	Petersen, B.	Weber
Dahms	Ingebrigtsen	Nienow	Pratt	Westrom

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

MEMBERS EXCUSED

Senator Champion was excused from the Session of today from 1:00 to 2:30 p.m. Senator Bakk was excused from the Session of today from 2:00 to 2:15 p.m. and from 4:00 to 4:15 p.m. Senator Saxhaug was excused from the Session of today from 2:20 to 2:30 p.m.

ADJOURNMENT

Senator Bakk moved that the Senate do now adjourn until 11:00 a.m., Tuesday, May 5, 2015. The motion prevailed.

JoAnne M. Zoff, Secretary of the Senate

