



## 2005 ASSEMBLY BILL 106

February 17, 2005 - Introduced by Representatives WOOD, KREIBICH, HINES, KRAWCZYK, F. LASEE, MCCORMICK, MOULTON, NASS, OTT, PETROWSKI, SUDER and VOS, cosponsored by Senator KANAVAS. Referred to Committee on Ways and Means. Referred to Joint Survey Committee on Tax Exemptions.

- 1 **AN ACT to amend** 71.05 (6) (b) 28. (intro.) of the statutes; **relating to:** expanding  
2 the individual income tax deduction for college tuition expenses.

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### *Analysis by the Legislative Reference Bureau*

Current law provides a subtraction from federal adjusted gross income for an amount paid, up to \$3,000 per year per student, for tuition to attend a university, college, technical college, or other school that is approved by the Educational Approval Board and that is located in this state or that is subject to the Minnesota-Wisconsin reciprocity agreement. The subtraction is phased out at certain income levels. Also under current law, nonresidents and part-year residents of this state may claim a prorated amount of the subtraction based on a fraction, the numerator of which is the individual's wages, income, and net earnings from a trade or business that are taxable by this state and the denominator of which is the individual's total wages, income, and net earnings from a trade or business. The subtraction is further limited to the total wages, income, and net earnings from a trade or business taxable by this state.

Under this bill, the subtraction is expanded such that it may be claimed for tuition expenses at any college, university, or technical college that is approved by the Educational Approval Board and that is located in Minnesota, Illinois, Iowa, or Michigan.

This bill will be referred to the Joint Survey Committee on Tax Exemptions for a detailed analysis, which will be printed as an appendix to this bill.

