

Senate Counsel, Research, and Fiscal Analysis

Tom Bottem, Director

Minnesota Senate Building
95 University Ave. W. Suite 3300
ST. PAUL, MN 55155-1800
(651) 296-4791
www.senate.mn/scrfa

Senate

State of Minnesota

S.F. No. 3221 – Subtraction for employer student loan payments

Author: Senator Carla J. Nelson

Prepared by: Nora Pollock, Senate Counsel (651/297-8066)

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In March 2020, the CARES Act allowed the exclusion for up to \$5,250 of employer educational assistance payments to apply to payments on qualified education loans made by an employer on behalf of employees, for 2020 only. The Consolidated Appropriations Act, enacted in December 2020, extended this provision for tax years 2021 to 2025. Minnesota has not conformed to these provisions.

This bill provides a subtraction of up to \$5,250 of student loan payments made by an employer on behalf of an employee for the employee's qualified education loan, for purposes of calculating Minnesota taxable income. Married joint filers may claim a subtraction up to \$10,500.

Effective beginning in tax year 2022.