

## S.F. No. 3401 – Excess premium health insurance credit

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### Section 1. Excess premium credit.

**Subd. 1. Definitions.** Provides definitions for the following terms:

**b) Eligible taxpayer** is a taxpayer whose modified adjusted gross income (MAGI) exceeds the income eligibility limit for MinnesotaCare (\$53,000 for a family of four in 2022) and is not eligible for a premium tax credit under the Affordable Care Act (ACA) due to either:

- having household income in excess of 400 percent of the federal poverty line for the taxpayer's family size for the taxable year (\$53,001 for a family of four in 2022); or
- declining minimal essential coverage under an employer sponsored health plan through a spouse's employer, if the annual premium for the declined coverage the spouse must pay for the employee and dependent coverage exceeds the required contribution percentage under the ACA (9.61 percent in 2022).

**c) Excess premium** means the amount paid by a taxpayer to purchase a plan through MNSure in excess of 120 percent of the statewide average premium for the metal level purchased by the taxpayer for that year.

**(d) Gold plan** means a plan that pays 80 percent of eligible health care costs.

**(e) Metal level** means bronze, silver, gold, or platinum level of coverage.

**(f) Silver plan** means a plan that pays 70 percent of eligible health care costs.

**Subd. 2. Credit allowed.** Provides a nonrefundable income tax credit for excess health insurance premiums paid for a gold or silver plan. The credit equals 100 percent of excess premiums paid for a silver plan and 75 percent of excess premiums paid for a gold plan.

**Subd. 3. Maximum credit.** Provides that the maximum credit is \$10,000. The credit is reduced by ten percent of FAGI in excess of \$150,000 for married joint filers, and by 20 percent of FAGI in excess of \$75,000.

**Subd. 4. Part-year residents.** Provides that the credit must be allocated according to the calculation in current law for income tax liability for part-year residents.

Effective beginning in tax year 2022.