



S.F. No. 519 – Aerospace and aviation credit

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This bill provides an income tax credit for graduates of qualifying aerospace and aviation-related educational programs and for employers of graduates of those programs, effective for taxable years beginning after December 31, 2025.

Section 1. Aerospace and aviation credit.

Subd. 1. Definitions. Defines terms applicable to the credit.

Subd. 2. Credit for qualified employees; carryover. Provides a \$5,000 nonrefundable credit for qualified employees in each of the first five years of employment with a qualified employer. The credit may be carried forward for four years.

Subd. 3. Credit for tuition paid by qualified employers; limitation. Provides a nonrefundable credit equal to 50 percent of the amount of tuition reimbursed by a qualified employer to a qualified employee in a tax year. The credit must not exceed 50 percent of the average annual amount paid by a qualified employee for enrollment and instruction in a qualified program. The credit may not be carried forward.

Subd. 4. Credit for compensation paid by qualified employers; limitation. Provides a nonrefundable credit equal to ten percent of compensation paid to a qualified employee in a tax year for the first five years of employment, up to \$15,000 per employee per year. The credit may not be carried forward.

Subd. 5. Qualified employer credits; pass-through entities. Specifies that credits awarded to individual partners, members, shareholders, or owners of a pass-through entity are passed through on a pro rata basis or as specified in organizational documents or any other executed agreement as of the last day of the taxable year.

Subd. 6. Reports. Requires the commissioner to submit a written report to the chairs and ranking members of the Senate and House taxes committees by January 15, 2028, and annually thereafter, which must include information regarding the cost and effectiveness of the credits and may include recommendations for changes necessary to implement the credit.

Subd. 7. Expiration. Provides that no new credits may be earned for taxable years beginning after December 31, 2030, and that carryforward credits may be claimed for taxable years beginning before January 1, 2035.



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