

MINNESOTA • REVENUE

INDIVIDUAL INCOME TAX Foreign Service Income Subtraction

April 3, 2006

Preliminary Analysis

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 3575 (Lesch) / S.F. 3340 (Cohen)

	Fund Impact			
	<u>F.Y. 2006</u>	<u>F.Y. 2007</u>	<u>F.Y. 2008</u>	<u>F.Y. 2009</u>
			(000's)	
General Fund	\$0	(Unknown)	(Unknown)	(Unknown)

Effective beginning with tax year 2006.

EXPLANATION OF THE BILL

The bill would allow to a Minnesota resident who is a member of the United States Foreign Service a subtraction from federal taxable income for compensation paid for service performed outside the United States.

REVENUE ANALYSIS DETAIL

- Almost all members of the United States Foreign Service are based in the Washington, D.C. metropolitan area when they are not posted abroad. There may be a very few members of the foreign service who are Minnesota residents.

Number of Taxpayers: The bill would affect a small number of taxpayers.

Source: Minnesota Department of Revenue
Tax Research Division
http://www.taxes.state.mn.us/taxes/legal_policy

hf3575(sf3340)/gt