

March 3, 2026

	Yes	No
DOR Administrative Costs/Savings	X	

Department of Revenue
Analysis of H.F. 3659 (Hollins)

	Fund Impact			
	<u>F.Y. 2026</u>	<u>F.Y. 2027</u>	<u>F.Y. 2028</u>	<u>F.Y. 2029</u>
			(000's)	
General Fund	\$0	\$600	Unknown	Unknown

Effective beginning with tax year 2026.

EXPLANATION OF THE BILL

Current Law: Individuals who are not Minnesota residents are only required to file an individual income tax return if their Minnesota-source income is greater than the filing requirements for a single full-year resident of Minnesota. An individual that receives advanced child tax credit payments must always file a return.

Proposed Law: The bill would require nonresidents to file an individual income tax return if they earned Minnesota-source income while participating in immigration enforcement activities or provided material support to immigration enforcement activities.

REVENUE ANALYSIS DETAIL

- Approximately 3,000 individuals were involved in immigration enforcement activities or provided material support as a part of Operation Metro Surge so far in tax year 2026. It is assumed that 95% of these individuals are not Minnesota residents with Minnesota income below the filing requirement.
- It is assumed all these individuals would be required to file under the proposal.
- The federal adjusted gross income (FAGI) and the filing status of these individuals is unknown.
- Assuming an individual filing as a single has FAGI equal to \$60,000, \$5,000 of which is Minnesota-source income from immigration enforcement activities, their tax after the standard deduction would equal \$213. It is assumed the individual would have no eligible additions, subtractions, credits, or withholding.
- Tax year impacts are allocated to the following fiscal year.

Number of Taxpayers: At least 3,000 returns would have an average tax increase of about \$213.

Minnesota Department of Revenue
Tax Research Division
<https://www.revenue.state.mn.us/revenue-analyses>