

March 3, 2026

	Yes	No
DOR Administrative Costs/Savings	X	

Department of Revenue
Analysis of H.F. 3611 (Finke) / S.F. 3767 (McEwen)

	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	Unknown	Unknown	Unknown

Effective beginning with tax year 2026.

EXPLANATION OF THE BILL

Current Law: Under federal law, compensation for physical injuries or sickness is excluded from the income of the recipient.

In addition, Minnesota law allows a subtraction from taxable income for damages received under a sexual harassment or abuse claim that are not excluded from federal gross income because the damages are not due to personal injuries or physical sickness.

Proposed Law: The bill would modify the subtraction to include damages received as the result of claims arising from injuries caused by a federal agency conducting activities related to immigration enforcement.

REVENUE ANALYSIS DETAIL

- Due to the uncertainty associated with potential future lawsuits, the number and dollar amount of subtractions is unknown at this time.

Number of Taxpayers: Unknown.

Minnesota Department of Revenue
Tax Research Division
[https://www.revenue.state.mn.us/
revenue-analyses](https://www.revenue.state.mn.us/revenue-analyses)

hf3611(sf3767) Subtractions for Federal Enforcement Lawsuits / add