

Medal of Honor Recipients and Former Prisoners of War

Tax Expenditure Initial Review - TEB 14.1.04

Tax Expenditure Facts

Year Enacted	1983
Statute	Minnesota Statutes 2025, sections 168.031(b), 168.124, and 168.125
Tax Type	Motor Vehicle Registration Tax
Provision Type	Exemption
Latest Fiscal Impact Estimate	Less than \$50,000 per fiscal year
Latest Claims Estimate	Direct measure of this estimate is not currently available
Expiration Date	None

Estimated fiscal impact is less than \$50,000 per year through fiscal year 2027.

Tax Expenditure Description

Congressional Medal of Honor recipients may obtain special license plates with “Medal of Honor” on them, and former prisoners of war may obtain special license plates with “EX-POW” on them. In each case, the recipient is issued these plates, as well as all renewals, exempt from the motor vehicle registration tax.

Additional Background Information

The original statute, enacted in 1983, provided these plates for Medal of Honor recipients. In 1993, the legislature added special plates for former prisoners of war.ⁱ The Department of Public Safety (DPS) must provide qualified Medal of Honor recipients and former prisoners of war with these special license plates at no cost.ⁱⁱ Beneficiaries of the current tax exemption include all congressional Medal of Honor recipients and former prisoners of war who apply for this exemption and license plates. The Medal of Honor Recipients and Former Prisoners of War Exemption reduces the amount of motor vehicle registration tax that would otherwise be generated. Motor vehicle registration tax revenue is deposited in the Highway Tax Distribution Fund.

Proposed Tax Expenditure Objective for Consideration

The objective of the Medal of Honor Recipients and Former Prisoners of War Exemption is to make the license plates more affordable and accessible to Medal of Honor recipients and former prisoners of war.

Sources

An explicit tax expenditure objective was not identified in the legislative record. Many other states, including California, Wisconsin, and Illinois also provide for either or both the Medal of Honor and EX-POW license plates as a special license plate type that is exempt from registration fees.ⁱⁱⁱ

Potential Metrics and Performance Measures

A comparison between the number of Minnesota residents who are Medal of Honor recipients and former prisoners of war and the number of Medal of Honor and former prisoners of war who apply for the special license plates could provide the percentage of qualified persons who take advantage of this tax expenditure and demonstrate usage.

Contact Information and Disclaimer

This tax expenditure review was prepared by the Legislative Budget Office for the Tax Expenditure Review Commission pursuant to Minnesota Statutes 2025, section 3.8855, subdivision 4.

Notice: Proposed Tax Expenditure Objective statements are not binding authority and should not be used as a legal interpretation of any tax expenditure statute.

For questions regarding this review, please contact the Legislative Budget Office at 651-297-7146 or lbo@lbo.mn.gov.

For more information, please visit the [Tax Expenditure Review Commission website](#).

ⁱ Laws of Minnesota, 1993, chapter 214.

ⁱⁱ Minnesota Statutes 2025, section 168.124, subdivision 3; Minnesota Statutes 2025, section 168.125, subdivision 1b.

ⁱⁱⁱ State of California Department of Motor Vehicles, "[Vehicle Industry Registration Procedures Manual – 21.065 Congressional Medal of Honor License Plates \(VC §5101.6\)](#)". Available at <https://www.dmv.ca.gov/portal/handbook/vehicle-industry-registration-procedures-manual-2/special-plates/congressional-medal-of-honor-license-plates/>, State of Wisconsin Department of Transportation, "[Medal of Honor license plates](#)", available at <https://wisconsin.gov/Pages/dmv/vehicles/title-plates/moh.aspx#:~:text=The%20Medal%20of%20Honor%20license,owns%20or%20leases%20the%20vehicle>, Illinois Secretary of State, "[Congressional Medal of Honor – License Plates Guide](#)", available at https://www.ilsos.gov/departments/vehicles/license_plate_guide/military/cmedal_honor.html.