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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 4194

03/05/2020 Authored by Davids
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; individual income; allowing an unlimited Social Security
1.3 subtraction; amending Minnesota Statutes 2019 Supplement, section 290.0132,
1.4 subdivision 26.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2019 Supplement, section 290.0132, subdivision 26, is
1.7 amended to read:

1.8 Subd. 26. Social Security benefits. (a) ~~A portion~~ The amount of taxable Social Security
1.9 ~~benefits received by a taxpayer in a taxable year is allowed as a subtraction. The subtraction~~
1.10 ~~equals the lesser of taxable Social Security benefits or a maximum subtraction subject to~~
1.11 ~~the limits under paragraphs (b), (c), and (d).~~

1.12 ~~(b) For married taxpayers filing a joint return and surviving spouses, the maximum~~
1.13 ~~subtraction equals \$5,150. The maximum subtraction is reduced by 20 percent of provisional~~
1.14 ~~income over \$78,180. In no case is the subtraction less than zero.~~

1.15 ~~(c) For single or head-of-household taxpayers, the maximum subtraction equals \$4,020.~~
1.16 ~~The maximum subtraction is reduced by 20 percent of provisional income over \$61,080.~~
1.17 ~~In no case is the subtraction less than zero.~~

1.18 ~~(d) For married taxpayers filing separate returns, the maximum subtraction equals~~
1.19 ~~one-half the maximum subtraction for joint returns under paragraph (b). The maximum~~
1.20 ~~subtraction is reduced by 20 percent of provisional income over one-half the threshold~~
1.21 ~~amount specified in paragraph (b). In no case is the subtraction less than zero.~~

2.1 ~~(e) For purposes of this subdivision, "provisional income" means modified adjusted~~
2.2 ~~gross income as defined in section 86(b)(2) of the Internal Revenue Code, plus one-half of~~
2.3 ~~the taxable Social Security benefits received during the taxable year, and "Social Security~~
2.4 ~~benefits" has the meaning given in section 86(d)(1) of the Internal Revenue Code.~~

2.5 ~~(f) The commissioner shall adjust the maximum subtraction and threshold amounts in~~
2.6 ~~paragraphs (b) to (d) as provided in section 270C.22. The statutory year is taxable year~~
2.7 ~~2019. The maximum subtraction and threshold amounts as adjusted must be rounded to the~~
2.8 ~~nearest \$10 amount. If the amount ends in \$5, the amount is rounded up to the nearest \$10~~
2.9 ~~amount.~~

2.10 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
2.11 31, 2019.