

**SENATE  
STATE OF MINNESOTA  
NINETY-FIRST SESSION**

**S.F. No. 3088**

(SENATE AUTHORS: ANDERSON, B.)

DATE  
02/13/2020

D-PG

Introduction and first reading  
Referred to Taxes

OFFICIAL STATUS

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 of~~ The amount of taxable Social  
1.9 Security benefits received by a taxpayer in the taxable year is allowed as a subtraction. ~~The~~  
1.10 ~~subtraction equals the lesser of taxable Social Security benefits or a maximum subtraction~~  
1.11 ~~subject to 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.