

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 3912

(SENATE AUTHORS: REST)

DATE
03/10/2022

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Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
 1.2 relating to taxation; individual income; expanding the subtraction for Social Security
 1.3 benefits; amending Minnesota Statutes 2020, section 290.0132, subdivision 26.

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

1.5 Section 1. Minnesota Statutes 2020, section 290.0132, subdivision 26, is amended to read:

1.6 Subd. 26. **Social Security benefits.** (a) A portion of ~~taxable~~ Social Security benefits is
 1.7 allowed as a subtraction. The subtraction equals the ~~lesser amount~~ amount of taxable Social Security
 1.8 benefits ~~or a maximum subtraction,~~ subject to the limits under paragraphs (b), (c), and (d).

1.9 (b) For married taxpayers filing a joint return and surviving spouses, the ~~maximum~~
 1.10 subtraction ~~equals \$5,150. The maximum subtraction~~ is reduced by 20 percent of ~~provisional~~
 1.11 adjusted gross income over ~~\$78,180~~ \$80,000. In no case is the subtraction less than zero.

1.12 (c) For single or head-of-household taxpayers, the ~~maximum~~ subtraction ~~equals \$4,020.~~
 1.13 ~~The maximum subtraction~~ is reduced by 20 percent of ~~provisional~~ adjusted gross income
 1.14 over ~~\$61,080~~ \$62,500. In no case is the subtraction less than zero.

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

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

2.1 ~~(f)~~ (e) The commissioner shall adjust the maximum subtraction and threshold amounts
2.2 in paragraphs (b) to (d) as provided in section 270C.22. The statutory year is taxable year
2.3 ~~2019~~ 2022. The maximum subtraction and threshold amounts as adjusted must be rounded
2.4 to the nearest \$10 amount. If the amount ends in \$5, the amount is rounded up to the nearest
2.5 \$10 amount.

2.6 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
2.7 31, 2021.