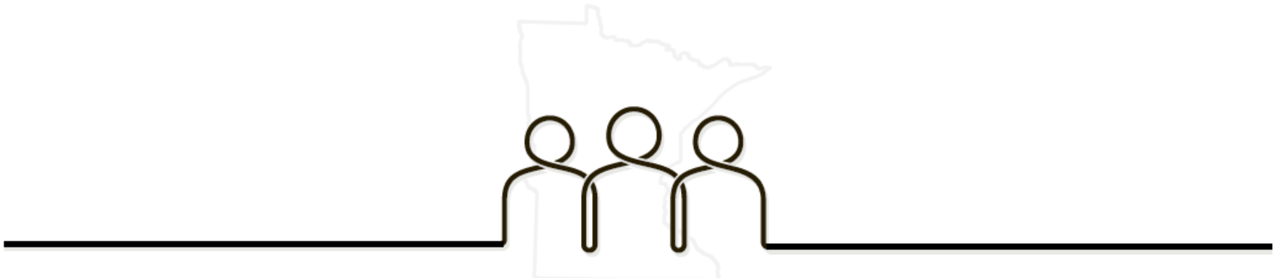
DEPARTMENT OF REVENUE

# Tax Year 2024

## Minnesota Income Tax and Property Tax Refund Information



**Disclaimer:** The information in this document is based on the laws in effect when it was written. It does not supersede or alter any provisions of Minnesota laws, administrative rules, court cases, or Revenue Notices.

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# Federal and State Filing Requirements for Income Tax

Filing requirements are based on filing status, age, and gross income.

If your client is a Minnesota resident and must file a federal income tax return, they must also file a Minnesota income tax return. If your client is not required to file a federal income tax return, they must file a Minnesota income tax return if their gross income meets these thresholds.

| Filing Status | Age | Federal Gross Income | Minnesota Gross Income |
|---|---|---|---|
| Single | Under 65<br>65 or older | $14,600<br>$16,550 | $14,575<br>$16,525 |
| Married Filing Jointly | Under 65 (both spouses)<br>65 or older (one spouse)<br>65 or older (both spouses) | $29,200<br>$30,750<br>$32,300 | $29,150<br>$30,700<br>$32,250 |
| Married Filing Separately | Any age | $5 | $5 |
| Head of Household | Under 65<br>65 or older | $21,900<br>$23,850 | $21,900<br>$23,850 |
| Qualifying Surviving Spouse | Under 65<br>65 or older | $29,200<br>$30,750 | $29,150<br>$30,700 |

**Note:** If Married Filing Jointly clients are not living with their spouse at the end of the tax year with at least $5 minimum gross income, they must still file regardless of their age.

Nonresidents or part-year Minnesota residents must file a state return if their state source gross income is at least $14,575.

If your client is not required to file a federal return, they should file a Minnesota return to:

- Claim refundable credits such as: K-12 Education, Child, Working Family, Dependent Care, Parents of Stillborn Children, and Renter's Credit
- Get a refund if their employer issued a 2024 federal Form W-2 reporting Minnesota income tax withheld from wages

## When Self-Employed Persons Must File a Federal Return

Self-employed persons must file if they had net earnings of $400 or more. Self-employed people may include:

- Sole proprietors carrying on a trade or business
- Independent contractors
- Members of a partnership
- Persons in business for themselves

## When Dependents Must File a Minnesota Return

If a dependent's gross income is greater than their standard deduction amount, they must file a Minnesota income tax return. Find this using the **Worksheet for Line 4 – Dependent Standard Deduction** in the instructions for Form M1, Individual Income Tax.

## When Dependents Must File a Federal Return

In this chart, **unearned income** includes taxable interest, ordinary dividends, and capital gain distributions. It also includes unemployment compensation, taxable Social Security benefits, pensions, annuities, and distributions of unearned income from a trust. **Earned income** includes salaries, wages, tips, professional fees, and taxable scholarships and fellowship grants. **Gross income** is the total of your unearned and earned income. For clients who may be claimed as dependents, see page 5.

## Single Dependents

Either 65 or over or blind

You must file a return if any of these apply:

1. Your unearned income was over $3,250 ($5,200 if 65 or older and blind)
2. Your earned income was over $16,550 ($18,550 if 65 or older and blind)
3. Your gross income was more than one of these, whichever is greater:
   a. $3,250 ($5,200 if 65 or older and blind)
   b. Your earned income (up to $14,150 plus $2,400 or $4,350 if 65 or older and blind)

Under 65 and not blind

You must file a return if any of these apply:

1. Your unearned income was over $1,300
2. Your earned income was over $14,600
3. Your gross income was more than one of these, whichever is greater:
   a. $1,300
   b. Your earned income (up to $14,150 plus $450)

## Married Dependents

Either age 65 or older or blind

You must file a return if any of these apply:

1. Your unearned income was over $2,850 ($4,400 if 65 or older and blind)
2. Your earned income was over $16,150 ($17,700 if 65 or older and blind)
3. Your gross income was at least $5 and your spouse files a separate return and itemizes deductions
4. Your gross income was more than one of these, whichever is greater:
   a. $2,850 ($4,400 if 65 or older and blind)
   b. Your earned income (up to $14,150 plus $2,000 ($3,550 if 65 or older and blind)

Under age 65 and not blind

You must file a return if any of these apply:

1. Your unearned income was over $1,300
2. Your earned income was over $14,600
3. Your gross income was at least $5 and your spouse files a separate return and itemizes deductions
5. Your gross income was more than one of these, whichever is greater:
   a. $1,300
   b. Your earned income (up to $14,150 plus $450)

# Age Requirements

| Age | Thresholds |
|---|---|
| 72 and over | May be required to make IRA withdrawal (traditional) |
| 65 and over | Can claim an additional standard deduction for 65 or older<br>Can claim a tax credit (federal Schedule R)<br>Can claim a subtraction (Minnesota Schedule M1R)<br>Cannot receive a federal Earned Income Credit without a qualifying child |
| 59 ½ and over | Can make an IRA withdrawal without additional federal tax |
| 25 and over | Can claim a federal Earned Income Credit with no dependents |
| Under 24 | Qualifies as a dependent if a full-time student (part of at least five months) (Federal and MN) |
| 19 and over | Can be a childcare provider for a relative, if not a dependent (Federal and MN) |
| Under 18 | Can include child's income on parent's return (Federal and MN)<br>Can be a qualifying child for the federal Child Tax Credit<br>Can be a qualifying child for the Minnesota Child Tax Credit |
| Under 13 | Can claim the federal Child and Dependent Care Credit |
| Under 6 | Can claim the Minnesota Child and Dependent Care Credit for own child if they are a provider |

# Gross Income

Use this list as a guide for determining your clients' gross income to help determine if your clients have a filing requirement. This is not a complete list.

## Include in Gross Income

- Alimony (for divorce before 2019)
- Annuities
- Awards
- Back pay
- Bonuses
- Breach of contract damages
- Business income
- Cash income
- Capital gain distributions
- Commissions
- Compensation for personal services
- Debts forgiven
- Director's fees
- Disability benefits (employer-funded)
- Dividends
- Employee awards and bonuses
- Estate and trust income
- Farm income
- Fees
- Frontline Worker Pay
- Gain from sale of property or securities
- Gambling winnings
- Hobby income
- Grants to businesses, even disaster related, unless exempted by law
- Interest
- Traditional IRA distributions
- Jury duty fees
- Military pay and pension
- Notary fees
- Original issue discount
- Partnership income (client's share)
- Pensions
- Prizes
- Punitive damage award
- Tips and gratuities
- Tribal per capita payments
- Railroad retirement – Tier I and II (equivalent to Social Security)
- Recovery of prior year deduction (medical property taxes)
- Refunds of State and local income tax (if reportable)
- Rents (gross rent)
- Rewards
- Royalties
- Scholarships and grants (see federal Form 1040 instructions)
- Severance pay
- Social Security payment (federal Form SSA-1099 – **not** Supplement Security Income)
- Profit from stock sale (federal Form 1099-B)
- Supplemental unemployment benefits
- Unemployment compensation
- Wages and salaries

## Exclude From Gross Income

- Child support received
- Death payments (see federal Form 1040 instructions)
- Dividends on life insurance
- Federal Employees' Compensation Act payments
- Gifts, bequests, and inheritances (but not income from them)
- Insurance proceeds (generally)
  - Accident
  - Casualty
  - Health
  - Life
- Interest on insurance dividends left with the Veterans Benefits Administration
- Interest on tax-free securities
- Meals and lodging for the convenience of employer (see federal Form 1040 instructions)
- Public benefit payments (General Assistance, Minnesota Family Investment Program, and similar programs)
- Relocation payments
- Supplemental Security Income (SSI)
- Veterans benefits
- Workers' compensation or payments in lieu of workers' compensation

# Filing Status

Your clients must use the same filing status on their Minnesota return as they used on their federal return.

| | | |
|---|---|---|
| 1. **Single** . . . . . . . . . . . . . . . . . . | Unmarried or legally separated as of December 31, 2024 | |
| 2. **Married Filing Jointly** . . . . . . . | Married as of December 31, 2024 | • Include both incomes<br>• Both spouses must sign the return<br>• Both spouses are responsible for tax payment |
| 3. **Married Filing Separately** . . . | Married as of December 31, 2024 | • Report own income<br>• Provide spouse's name and Social Security Number<br>• If one spouse itemizes, both spouses must itemize (liability is separated) |

4. **Head of Household**

Your clients must meet **all** these requirements to file Head of Household:

- Unmarried or "considered unmarried" on the last day of the tax year (for details on "considered unmarried, see IRS Publication 504)
- Paid more than half of the cost of keeping up a home for the year
- A qualifying person resided in their home for more than half of the year
    - **Exception:** If the qualifying person is your client's parent, the parent does not need to reside in your client's home. They must be your client's dependent, and your client must have paid more than half the cost of keeping up the parents' home.
    - An individual is not your client's qualifying person solely because:
      -The individual lived with your client for the entire year
      -Your client may claim the individual as a dependent under a multiple support agreement

**Married Child:** If a qualifying person is married at the end of the year, **both** of these must apply for the individual to be your client's qualifying person for Head of Household:

- The individual cannot file a joint return, unless the return is filed only as a claim for refund and no tax liability would exist for either spouse if they filed separate returns
- The individual must be a U.S. citizen, U.S. national, or a resident of the United States, Canada, or Mexico
    - An exception applies to certain adopted children

5. **Qualifying Surviving Spouse**

To file as a qualifying surviving spouse, your client must have:

- Been entitled to file jointly in the year of the spouse's death
- A qualifying child (not a foster child) who lived in the home the entire tax year
- Not remarried within two years of the spouse's death
- Paid more than half of the cost of keeping up a home for the year

Clients may be eligible to use this status up to two years after the spouse's death

## Exemptions

For Minnesota purposes, your clients may claim exemptions for any qualifying dependents.

For tax year 2024, Minnesota's exemption amount is $5,050. Your clients cannot claim exemptions if they are, or could be, claimed as a dependent on someone else's return.

## Dependents

A dependent is either a qualifying child or a qualifying relative.

### Qualifying Child

Generally, a qualifying child must meet **all** these conditions:

- The child must be your client's child (including an adopted child, stepchild, or eligible foster child), sibling, stepsibling, or a descendant of any of them
- The child must have lived with your client for more than half of 2024
  - Exceptions may apply for temporary absences, children of divorced or separated parents, or children who were born or died in the tax year
- At the end of 2024, the child must be under age 19, under age 24 if a full-time student, or permanently and totally disabled (any age)
- The child must not have provided over half of their own support in 2024
- The child is not filing a joint return (unless the return is only filed for a refund)

### Qualifying Relative

Generally, a qualifying relative must meet **all** these conditions:

- The person cannot be the qualifying child of another person in 2024
- The person must be either a relative or any other person (where the relationship does not violate local law) who lived in the home the entire year as a member of the household
- The person must have gross income of less than $5,050
  - If the person is permanently and totally disabled, certain income from a sheltered workshop may be excluded for this purpose
- Your client must have provided over half of the person's support in 2024
  - Certain exceptions apply for children of divorced or separated parents and for a person supported by two or more clients

### Additional Rules for Dependents

- Dependents of another person cannot claim any dependents on their own return
- Dependents who are married cannot file a joint return unless both of these apply:
  - The couple files a return only as a claim for refund
  - No tax liability would exist for either spouse if they had filed separate returns
- Dependents must be a U.S. citizen, U.S. national, or a resident of the United States, Canada, or Mexico
- If a child is a qualifying child for multiple people and more than one claims the child as a dependent, we use these tie-breaker rules to determine who can claim the child:

| If | Then the child will be treated as the qualifying child of the |
|---|---|
| One person is the child's parent | Parent |
| Two people are the child's parent | • Parent with whom the child lived for the longer period<br>• If the child spent equal time with each, the parent with the highest adjusted gross income (AGI) |
| None of the people are the child's parent | Person who can claim the qualifying child of another client, so long as that person's AGI is higher than the highest AGI of any parent of the qualifying child |

# Income and Adjustments

## Types of Taxable Income

- Wages, salaries, and tips
- Discharge of indebtedness
- Interest (if over $1,500, complete and enclose federal Schedule B)
    - Bank accounts
    - Credit union accounts, bonds (not municipal)
    - Loans and notes receivable
- Dividends (if over $1,500, complete and enclose federal Schedule B)
- State tax refund, if your client itemized last year (see worksheet in federal Form 1040 instructions)
- Alimony received
- Business income or loss (complete and enclose federal Schedule C or Schedule E)
- Capital gain or loss (complete and enclose federal Schedule D or Form 4797)
- Pensions, annuities, IRAs, Tier II Railroad Retirement benefits
- Rents, royalties, partnerships
- Farm income or loss (complete and enclose federal Schedule F)
- Unemployment compensation
- Social Security or equivalent Tier I Railroad Retirement benefits
- Prizes, awards, gambling winnings, jury duty fees, and election board payments
- Scholarships and fellowships (excluding payments for tuition, fees, books, and supplies)

## Adjustments to Income

- Certain expenses of military reservists, qualified performing artists, and fee-basis state or local government officials (complete and enclose federal Form 2106)
- Health savings account deduction (complete and enclose federal Form 8889)
- Moving expenses for active-duty members of the Armed Forces with orders to a new permanent duty station (complete and enclose federal Form 3903)
- One-half of self-employment tax (complete and enclose federal Schedule SE)
- Self-employed SEP, SIMPLE, Keogh, and qualified plan contributions
- Self-employed health insurance deduction
- Penalty on early withdrawal of savings
- Alimony paid (must list recipient's Social Security Number or Individual Taxpayer Identification Number (ITIN))
- IRA contributions (maximum of $7,000 or, if age 50 or older, $8,000)
    - Allowable deduction phases out based on Modified Adjusted Gross Income (MAGI) between these levels:
        - $77,000 - $87,000 if Single
        - $77,000 - $87,000 if Head of Household
        - $123,000 - $143,000 if Married Filing Jointly (and both spouses are covered by a retirement plan)
        - $123,000 - $143,000 if Qualifying Surviving Spouse
        - $0 - $10,000 if Married Filing Separately
            - If your client did not live with their spouse at any time during the year, their filing status is considered Single
- Student loan interest (maximum of $2,500 for all except Married Filing Separately and limited by MAGI)

# Standard Deduction

| Filing Status | Federal Standard Deduction | Minnesota Standard Deduction |
|---|---|---|
| Single | $14,600 | $14,575 |
| Married Filing Jointly | $29,200 | $29,150 |
| Qualifying Surviving Spouse | $29,200 | $29,150 |
| Married Filing Separately | $14,600 | $14,575 |
| Head of Household | $21,900 | $21,900 |

| Filing Status | 65 or older or blind | Federal Standard Deduction | Minnesota Standard Deduction |
|---|---|---|---|
| Single | 65 or older or blind | $16,550 | $16,525 |
| | 65 or older and blind | $18,500 | $18,475 |
| Married Filing Jointly, or Qualifying Surviving Spouse | One 65 or older or blind | $30,750 | $30,700 |
| | One 65 or older and blind | $32,300 | $32,250 |
| | One 65 or older **or** blind, and the other 65 or older **and** blind | $38,850 | $33,800 |
| | Both 65 or older and blind | $35,400 | $35,350 |
| Head of Household | 65 or older or blind | $23,850 | $23,850 |
| | 65 or older and blind | $25,800 | $25,800 |
| Married Filing Separately | 65 or older or blind | $16,150 | $16,525 |
| | 65 or older and blind | $17,700 | $18,475 |
| | One 65 or older **or** blind, and the other 65 or older **and** blind | $19,250 | $20,425 |
| | Both 65 or older and blind | $20,800 | $22,375 |

**Standard Deduction for Married Filing Separately:** The federal standard deduction for each spouse is $14,600, and the Minnesota standard deduction is $14,575. If one spouse itemizes deductions, the other spouse cannot claim the standard deduction and must:

- File a return if their gross income is greater than $5
- Itemize their deductions

**Exception:** If the other spouse qualifies to file as Head of Household, that spouse may take the standard deduction even if your client itemizes.

**Standard Deduction for Dependents:** If your client may be claimed as a dependent, their standard deduction depends on their earned income, filing status, and any additional standard deduction they may claim.

- **Minnesota:** Their Minnesota standard deduction is limited to the greater of $1,300 or the dependent's earned income plus $400, up to $14,575. They may claim additional standard deduction amounts for themselves or their spouse if either of them are 65 or older or blind.
- **Federal:** Their federal standard deduction is limited to the greater of $1,300 or the dependent's earned income plus $450 up to the standard deduction for their filing status. They may claim additional standard deduction amounts for themselves or their spouse if either of them are 65 or older or blind.

# Itemized Deductions

Your clients may itemize their deductions on their Minnesota return, whether or not they itemize on their federal return. If your clients choose to itemize their deductions for Minnesota, complete Schedule M1SA, Minnesota Itemized Deductions. Refer to IRS Publication 17 for more information on allowable federal itemized deductions.

A. **Medical and Dental** – For Minnesota purposes, allowable to the extent they exceed 10% of federal adjusted gross income. (7.5% for the federal return.)

B. **Taxes** – The deduction for taxes paid is limited on the federal and state return.

**Federal Schedule A:** State and local income tax (such as withholding, estimated, and regular state income taxes paid during the calendar year), allowable amount from a car license (registration tax minus $35), and net real estate taxes (the amount paid to a county minus the property tax refund received in the tax year).

The aggregate federal deduction for state, foreign income, local income (or sales taxes in lieu of income taxes), and property taxes is limited to $10,000 ($5,000 if Married Filing Separately) per return.

**Minnesota Schedule M1SA:** The deduction for state and local real estate and personal property taxes are limited to $10,000 ($5,000 if Married Filing Separately). There is no deduction for state and local income taxes on Schedule M1SA.

C. **Interest** - There is no deduction for personal interest expenses (car loans, credit cards, etc.).

**Mortgage Interest** – Your clients may generally deduct interest on debt secured by their main or second home (not to exceed the residence's fair market value).
**Federal Schedule A**: Your clients may generally deduct the interest on debt secured by their main or second home (not to exceed the residence's fair market value) in any of these situations:

- The debt, regardless of amount, was incurred on or before October 13, 1987, and was not refinanced after this date
- The debt is not more than $1,000,000 ($500,000 if Married Filing Separately), for debt secured after October 13, 1987, and before December 15, 2017, provided your clients used the proceeds to buy, build, or substantially improve the home
- The debt is not more than $750,000 ($375,000 if Married Filing Separately) for debt secured after December 15, 2017, provided your clients used the proceeds to buy, build, or substantially improve the home

**Minnesota Schedule M1SA:** The deduction is allowed on mortgage interest attributable to the first $1,000,000 ($500,000 if Married Filing Separately) of mortgage debt if it is incurred before December 16, 2017. The debt must be less than $750,000 ($375,000 if Married Filing Separately) if it is incurred on or after December 16, 2017. There is no deduction for home equity loan interest or mortgage insurance premiums.

D. **Contributions** - Charitable contributions made to qualifying organizations by cash, check, or non-cash methods for which your clients have receipts. The contribution amount must be limited by your clients' income and any amount of benefit received.

E. **Unreimbursed employee business expenses:** Minnesota allows a deduction for unreimbursed employee business expenses that exceed 2% of adjusted gross income. Complete Minnesota Schedule M1UE, Unreimbursed Employee Business Expenses, to claim this deduction. This deduction is not allowed on the federal return.

F. **Losses:** Deducting losses is allowed to the extent not reimbursed by insurance or otherwise. (See Minnesota Statute 290.0122, subdivision 8.)

G. **Miscellaneous Deductions:** The deduction for miscellaneous itemized deductions is different on Minnesota and federal returns. Deductions you may claim on either return include:

- Gambling losses to the extent of gambling winnings reported on line 8b of federal Schedule 1
- Repayment of amounts under a claim of right over $3,000
- Impairment-related work expenses of a person with a disability (complete Schedule M1UE on the Minnesota return)

See line 16 of federal Schedule A and line 24 of Minnesota Schedule M1SA for more available deductions. For details on federal deductions, see IRS Publication 529.

**Note:** For Minnesota purposes, Itemized deductions phase out as income exceeds certain thresholds.

# Federal Credits

Nonrefundable credits are only allowed up to your clients' total tax liability. Refundable credits reduce their total tax liability, and they may be refunded any remaining credit amounts. Any information on federal tax credits is meant to be a brief summary. For more detailed guidance, see IRS Publication 4012.

## Nonrefundable Credits

Nonrefundable credits are applied in the order they are listed on federal Form 1040.

**Child and Dependent Care Credit (complete and enclose federal Form 2441)**
Credit may be refundable on Minnesota Form M1 (check instructions for Schedule M1CD, Child and Dependent Care Credit).

**To qualify, your client must:**

- Make payments for the care of either:
  - A qualifying child under age 13 when the care was provided
  - Any person incapable of self-care (cannot dress, clean, or feed themselves, or need constant attention to prevent injury to self or others) whom the client can claim as a dependent or could have been claimed as a dependent. They do not qualify if either of these applied:
    - The person had gross income of more than $5,050 or filed a joint return
    - The client (or their spouse, if Married Filing Jointly), could be claimed as a dependent on someone else's 2024 return
  - A spouse or other person who was not physically or mentally able to care for themselves and lived with your client for more than half the year
- Have earned income during the year (unless, on a joint return, one spouse had earned income and the other spouse is a full-time student or physically or mentally unable to care for themselves)
- Pay care expenses so your client (and spouse, if filing jointly) can work or look for work
- Make payments to a person your client cannot claim as a dependent
  - For payments to your client's child, the child must be 19 or older and not be claimed as a dependent
  - Payments cannot be to your client's spouse or the parent of the qualifying person
- **Not** file Married Filing Separately, unless your client meets the requirements in the Schedule M1CD instructions (under Married Persons Filing Separately)
- Identify the name, address, and taxpayer ID number of the childcare provider

**To calculate the allowable credit amount:**

1. Figure the least of your client's or their spouse's:
   - Earned income
   - Actual expenses paid
   - $3,000 (one qualifying person) or $6,000 (two or more qualifying persons)
   - The maximum credit is 35% of your employment-related expenses. The more you earn, the lower the percentage of employment-related expenses that are considered to determine the credit. Once your adjusted gross income is over $43,000, the maximum credit is 20% of your employment-related expenses
2. Limit the result from step 1 by a percentage of Adjusted Gross Income as calculated by the table on federal Form 2441

**Lifetime Learning Credit (complete and enclose federal Form 8863)**
See IRS Publication 970 for more information.

**To qualify, your client must:**

- Have qualified expenses, including tuition and fees and course-related books, supplies, and equipment
  - Reduce the expense amount by any refunds or tax-free assistance received
- Be enrolled in any year of postsecondary education or courses to acquire or improve job skills
  - Student does not need to be pursuing a degree
  - No limit to the number of years the credit can be claimed

- Be enrolled in at least one class
- Pay qualified expenses in 2024 for academic periods starting in 2024 or the first three months of 2025
- **Not** file Married Filing Separately, be a dependent, or be a nonresident alien (unless an exception in IRS Publication 519 applies)

**To calculate the allowable credit amount:**

1. Figure 20% of the lesser of actual qualified expenses or $10,000
2. Apply an income phaseout between $160,000 to $180,000 for Married Filing Jointly, or $80,000 to $90,000 for all other filing statuses
3. The total nonrefundable credit is limited to $2,000 or your client's overall tax liability

### Child Tax Credit

This is a nonrefundable credit intended to reduce your client's tax due. The credit is up to $2,000 per qualifying child and calculates automatically.

**To qualify, your client must:**

- Have at least one qualifying child who:
    - Has a Social Security Number valid for employment and issued before the due date of the return, including extensions
    - Is claimed as a dependent (following all qualifying child rules) on your client's return
    - Is under age 17 at the end of 2024

**To calculate the allowable credit amount:**

1. Apply an income phaseout based on the difference between Modified Adjusted Gross Income and phaseout amounts of filing status ($400,000 Married Filing Jointly and $200,000 for all others).
2. The total nonrefundable credit is limited to $2,000 (or limited amount from step 1) per qualifying child or your client's overall tax liability.

### Credit for the Elderly (complete and enclose federal Schedule R for Form 1040)

**To qualify, your client must:**

- Be 65 or older, or under 65 and meet all of these requirements:
    - Retired on permanent and total disability
    - Have received taxable disability benefits in 2024
- Be a U.S. citizen or resident alien
- **Not** file Married Filing Separately, unless your client lived apart from their spouse the entire tax year

**Qualifying Income Limits**

Even if your clients meet these qualifications, they do not qualify for the credit if their income exceeds certain limits based on their filing status. **Total Nontaxable Income** includes nontaxable Social Security and other nontaxable pensions, annuities, or disability income.

| Filing Status | | Adjusted Gross Income | OR | Total Nontaxable Income |
|---|---|---|---|---|
| Single, Head of Household, or Qualifying Surviving Spouse | | $17,500 | | $5,000 |
| Married Filing Jointly | One qualifying spouse | $20,000 | | $5,000 |
| | Two qualifying spouses | $25,000 | | $7,500 |
| Married Filing Separately | | $12,500 | | $3,750 |

**To calculate the allowable credit amount:**

- Determine the lesser of 15% of the credit calculated on federal Schedule R or your client's overall tax liability

## Adoption Credit

Your clients may qualify for a tax credit of up to $15,950, subject to income limitations, for qualified expenses paid to adopt an eligible child. (Refer to IRS Publication 17 for details.)

## Refundable Credits

**Earned Income Credit (complete and enclose Schedule EIC)**

**Rules for all clients:**

- Taxpayer (and spouse) and qualifying child must have valid Social Security Numbers
- Taxpayer (and spouse) must be a U.S. citizen or resident alien for the entire year
- Filing status cannot be Married Filing Separately
- Investment income must not exceed $11,600
- Cannot file federal Form 2555 relating to foreign earned income
- Adjusted gross income and earned income must be less than:
    - $18,591 ($25,511 if Married Filing Jointly) if no qualifying children
    - $49,084 ($56,004 if Married Filing Jointly) if one qualifying child
    - $55,768 ($62,688 if Married Filing Jointly) if two qualifying children
    - $59,899 ($66,819 if Married Filing Jointly) if three or more qualifying children

**Rules with a qualifying child:**

- Child must meet the relationship, age, and residency tests (see **Relationship, Age, and Residency Tests**)
- Multiple tax returns cannot claim the same qualifying child
- Your client cannot be a qualifying child of someone else

**Rules with no qualifying child:**

- Must generally be at least 25 years old at the end of 2024
- Cannot be the qualifying child or dependent of another person
- Must live in the U.S. more than half the year

**Relationship, Age, and Residency Tests**

- **Relationship:** Must be a child, stepchild, foster child, sibling, stepsibling, half-sibling, or a descendant of any of them. A married child must be claimed as a dependent to qualify.
- **Age:** At the end of 2024, the child must be under age 19, or under 24 if a full-time student, or be permanently and totally disabled at any age.
- **Residency:** The child must have lived with your client in the main home, in the U.S., for more than half the year in 2024.

**Additional Child Tax Credit (ACTC) (complete and enclose federal Form 8812)**

- A refundable credit for people who get less than the full amount of the Child Tax Credit
- The credit is based on your client's limited Child Tax Credit amount in excess of the allowed credit amount
    - Clients with more than $2,500 of taxable earned income may be eligible for this credit if they have at least one qualifying child
    - Clients with three or more children may also be eligible regardless of their income (limited to $1,700 per qualifying child)
- To claim the Additional Child Tax Credit, the qualifying child must have a Social Security Number
- If your client has three or more children, you must follow a different calculation
    - See federal Form 8812 for a detailed description of the calculation

**American Opportunity Tax Credit (complete and enclose federal Form 8863)**

**To qualify, your client must:**

- Pay qualified expenses, including tuition and fees and course-related books, supplies, and equipment
    - Reduce the expense amount by any refunds or tax-free assistance received
- Be in **only** the first four years of post-secondary education
    - Student must be pursuing a degree or other education credential
    - Only available for four years per eligible student
- Be enrolled with at least half-time credits for at least one academic period during 2024

- Pay qualified expenses in 2024 for academic periods starting in 2024 or the first three months of 2025
- **Not** file Married Filing Separately or be a dependent or nonresident alien (unless an exception in IRS Publication 519 applies)

**To calculate the allowable credit amount:**

1. Allow 100% of the first $2,000 and 25% of the next $2,000 of qualified expenses
2. Apply an income phaseout at $160,000 to $180,000 for Married Filing Jointly or $80,000 to $90,000 for all other qualifying statuses
3. The total refundable credit is limited to $2,500 per eligible student or your client's overall tax liability

# Minnesota Income Modifications

## Minnesota Additions to Income

**Additions to Income (complete and enclose Schedule M1M, Income Additions and Subtractions)**

- Line 1: Interest from municipal bonds of another state or its governmental units
- Line 2: Federally tax-exempt dividends from mutual funds investing in bonds of another state
- Line 5: Addition from line 7 of Schedule M1HOME, First-Time Homebuyer Savings Account (complete and enclose Schedule M1HOME)
- Line 6: Distributions from higher education savings accounts used for K-12 tuition

See the Schedule M1M instructions for more details.

**Line 4: Itemized deductions (from Schedule M1SA) or the standard deduction (see Form M1 instructions for more details)**

## Minnesota Subtractions from Income

**Line 5: Exemptions for dependents (from Schedule M1DQC)**

**Line 6: State income tax refund from line 1 of federal Schedule 1**

**Line 7: Other Subtractions from Minnesota income from line 35 of Schedule M1M (complete and enclose Schedule M1M)**

- Line 11: Charitable contribution deduction for your clients who did not itemize and contributed more than $500
- Line 12: Social Security benefit subtraction
- Line 13: Education expenses paid for qualifying children in grades K-12 (see page 23 for details)
- Line 14: Net interest or mutual fund dividends from U.S. bonds
- Line 15: Subtraction for contributions to a qualified education savings plan (complete and enclose Schedule M1529)
- Line 16: Subtraction for persons age 65 or older, or permanently and totally disabled (see page 28 for details) (complete and enclose Schedule M1R)
- Line 17: Benefits from the Railroad Retirement Board included in federal taxable income
- Line 18: Residents of Michigan or North Dakota filing Form M1 only to receive a refund for all Minnesota tax withheld
- Line 19: Earned income of American Indians who worked and lived on a reservation
- Line 20: Federal active-duty military pay received for services performed while a Minnesota resident
- Line 21: Income earned as a member of the Minnesota National Guard or Reserves
- Line 22: Active-duty military pay while a resident of another state to the extent the income is federally taxed
- Line 23: Unreimbursed travel and lodging expenses and lost wages net of sick pay for an organ donor
- Line 24: Volunteer mileage reimbursement
- Line 25: Military pension or other retirement military pay computed under U.S. Code, Title 10
- Line 26: Post-service education awards from AmeriCorps
- Line 27: Subtraction for interest earned from a designated first-time homebuyer savings account (complete and enclose Schedule M1HOME)
- Line 28: Subtraction for discharge of indebtedness of educational loans
- Line 29: Qualified public pension (complete and enclose Schedule M1QPEN)

See the Schedule M1M instructions for more details.

## Line 16 - Schedule M1M: Age 65 or Older or Disabled Subtraction (complete and enclose Schedule M1R)

**To qualify, your client (or spouse if filing jointly) must either:**

- Be 65 years old (born before January 2, 1960)
- Have a permanent and total disability, and have received federally taxable disability income in 2024

**Qualifying Income Limits**

Your client's income must be at or below these limits based on their filing status. Adjusted Gross Income is the amount from line 1 of Form M1 (or line 37 of Schedule M1NC plus any lump-sum distributions reported on federal Form 4972, minus any taxable Railroad Retirement Board benefits).

| Filing Status | Adjusted Gross Income | AND | Railroad Board Benefits and Nontaxable Social Security |
|---|---|---|---|
| **Married Filing Jointly** | | | |
| One spouse is 65+ or disabled | $38,500 | | $12,000 |
| Both spouses are 65+ or disabled | $42,000 | | $12,000 |
| **Married Filing Separately** (only allowable if your clients lived apart from their spouse for the entire year) | | | |
| 65+ or disabled | $21,000 | | $6,000 |
| **Single, Head of Household, Or Qualifying Surviving Spouse** | | | |
| 65+ or disabled | $33,700 | | $9,600 |

# Minnesota Nonrefundable Credits

## Form M1, Line 16: Complete and enclose Schedule M1C

## Schedule M1C, Line 1: Marriage Credit (complete and enclose Schedule M1MA)

**To qualify, your client must:**

- File a joint return
- Have taxable earned income, taxable pensions, or taxable Social Security income
    - Earned income includes, but is not limited to: wages, salaries, tips, earnings from self-employment, farm income, and some federal Schedule K-1 income
    - Reduce net income by half of any Self-Employment Tax subtraction
- Have a minimum of $47,000 on line 9 of Form M1
- Verify the lesser-earning spouse's income is at least $30,000

**To calculate the allowable credit amount:**

For couples where both spouses' income is less than $120,000, use lines 6 and 7 of Schedule M1MA to find the allowable, nonrefundable credit in the table located in the Schedule M1MA instructions.

## Line 2: Credit for Long-Term Care Insurance Premiums Paid (complete and enclose Schedule M1LTI)

**To qualify, your client's long-term care insurance policy must:**

- Qualify as an itemized deduction (see Schedule M1SA), regardless of income limitations
- Have a lifetime long-term care benefit limit of $100,000 or more

## Line 3: Credit for Income Taxes Paid to Another State (complete and enclose Schedule M1CR or M1RCR)

**To qualify, your client must:**

- Be a full-year or part-year Minnesota resident in 2024
- Pay 2024 state income tax to both Minnesota and another state or Canadian Province on the same income
    - Your client must file a separate Schedule M1CR for each state where the income was taxed twice
- Complete and file the return for the other state to determine that tax liability

See Schedule M1CR or Schedule M1RCR instructions for more details on the calculation.
For tax paid to **Wisconsin**, use Schedule M1RCR, Credit for Tax Paid to Wisconsin. For all other states, use Schedule M1CR.

## Other Nonrefundable Credits

- Line 4: Credit for Past Military Service
- Line 7: Education Savings Account Contribution Credit (complete and enclose Schedule M1529)
- Line 8: Credit for Attaining Master's Degree in Teacher's Licensure Field (complete and enclose Schedule M1CMD)
- Line 9: Student Loan Credit (complete and enclose Schedule M1SLC)

# Payments

## Form M1, Line 20: Minnesota Income Tax Withheld (complete and enclose Schedule M1W)

- If your clients received federal Forms W-2, 1099, or W-2G, or Minnesota Schedules KPI, KS, or KF with Minnesota income tax withheld, complete and enclose Schedule M1W
  - Only include **Minnesota** withholding on Schedule M1W

## Line 21: Minnesota Estimated Tax and Extension Payments

**Your clients may only include three types of payments on Line 21:**

- Total 2024 Minnesota estimated tax payments made in 2024 or 2025, either paid by check or electronically
- The portion of the 2023 Form M1 refund designated to be applied to 2024 estimated tax
- Extension payments made by the regular due date for a late-filed return, either by check or electronically

# Minnesota Refundable Credits

## Form M1, Line 22: Complete and enclose Schedule M1REF

## Schedule M1REF, Line 1: Child and Dependent Care Credit (complete and enclose Schedule M1CD)

**To qualify, all these must be true:**

- The amount on line 5 of Schedule M1CD is less than $74,410 with one qualifying person, or less than $86,410 with two or more qualifying persons
- Your client's filing status is **not** Married Filing Separately
- The qualifying person lived with your client for more than half of the year

**Licensed Day Care Operators** may claim this credit if they care for their own child and that child had not reached age six by the end of the tax year. This is true even if your client did not incur actual dependent care expenses or only one spouse had earned income.

- If the child is **16 months or younger** on December 31, 2024, the credit is based on $3,000 of qualifying expenses or $6,000 if there are two children under age 16 months
- If the child **is over 16 months but younger than age six** on December 31, 2024, the credit equals the amount the provider would charge to care for a child of the same age in their home

**A child born in 2024** may be a qualifying person if your client had birthed or adopted a child born in 2024. This is true regardless of your client's filing status, even if they did not incur actual dependent care expenses or only one spouse had earned income.

- The credit for a child born in 2024 is based on the lesser of $3,000 of qualifying expenses **or** the lesser-earning spouse's earned income was $3,000 or more ($6,000 if they had two or more children born in 2024)
- Your client cannot participate in a pretax dependent care assistance program

## Line 2: Minnesota Child and Working Family Credits (complete and enclose Schedule M1CWFC)

**To qualify, your client must:**

- Not be restricted from claiming the federal Earned Income Credit (see page 16 for restrictions)
- Be a Minnesota resident or have Minnesota source income as a part-year resident
- Meet Minnesota's income requirements for claiming the Minnesota Working Family Credit

  **Note:** The Minnesota credit's income and age limits differ from the federal Earned Income Tax Credit.

The credit for part-year residents is apportioned based on Minnesota source income. Nonresidents are not eligible for the credit.

The Working Family Credit is 4% of the first $9,220 of earned income plus an additional amount for up to three qualifying older children. The maximum Working Family Credit is:

- $369 with no qualifying older children
- $1,339 with one qualifying older child
- $2,579 with two qualifying older children
- $2,999 with three or more qualifying older children

The Minnesota Child Tax Credit is $1,750 for each qualifying child under the age of 18.

The Working Family Credit and Child Tax Credit are reduced when adjusted gross income exceeds $31,090 or $36,880 if Married Filing Jointly.

These credits are available for clients with either a Social Security Number or Individual Taxpayer Identification Number (ITIN).

**Advance Child Tax Credit**

**New:** To elect to receive advance payments for their 2025 Child Tax Credit, taxpayers must:

- File a 2024 state income tax return by April 15, 2025
- Be eligible for a child tax credit in 2024
- Check the box added to the top of Schedule M1CWFC

This election is valid for one year and must be made annually.

Taxpayers must file an income tax return the following year if they elected to receive advance payment of their Child Tax Credit.

## Line 3: K-12 Education Credit (complete and enclose Schedule M1ED)

**To qualify, your client must:**

- Have a qualifying child as defined by the federal Earned Income Credit (see page 16 for details)
- Have adjusted gross income below these limits, based on the number of qualifying children in grades K-12

| Qualifying Children | Adjusted Gross Income |
|---|---|
| 1 or 2 | $ 79,760 |
| 3 | $ 82,760 |
| More than 3 | $ 85,760, plus $3,000 for each additional child |

- Have paid for education-related expenses for qualifying children in grades K-12 (see Form M1 instructions for a list of qualifying expenses)
- **Not** file Married Filing Separately

**To calculate the allowable credit amount:**

1. Limit qualifying expenses to 75% of the total amount. Your client cannot use the remaining 25% for the subtraction.
2. The total refundable credit is the lesser of $1,500 per qualifying child or 75% of the qualifying expenses.

## Line 4: Renter's Credit (complete and enclose Schedule M1RENT)

**New:** Renters and residents of care facilities will now claim the Renter's Credit on their Minnesota Individual Income Tax Return using Schedule M1RENT. They will provide Certificate of Rent (CRP) information when they file their Individual Income Tax Return.

Renters must file Form M1 even if they do not have an individual income tax return filing requirement.

To qualify, household income must be below $75,390. Household income is adjusted gross income minus subtractions for:

- Those over 65 or disabled
- Dependents claimed on Schedule M1DQC

## Line 5: Credit for Parents of Stillborn Children (complete and enclose Schedule M1PSC)

Parents who experience the stillbirth of a child in Minnesota may be eligible for a refundable credit of $2,000.

**Your clients may qualify for this credit if:**

- They experienced the stillbirth of a child during the tax year
- The Minnesota Department of Health issued a Certificate of Birth Resulting in Stillbirth for the child
- They would have been eligible to claim the child as a dependent

## Line 6: Refundable Credit for Taxes Paid to Wisconsin (complete and enclose Schedule M1RCR)

**To qualify, your client must:**

- Be a full-year or part-year Minnesota resident in 2024
- Pay 2024 state income tax to both Minnesota and Wisconsin on the same income
- Complete and file a Wisconsin income tax return to determine that tax liability

For states other than Wisconsin, your client must file a separate Schedule M1CR for each state where the income was taxed twice.

## Line 13: Part-Year Residents and Nonresidents (complete and enclose Schedule M1NR)

To calculate the Minnesota tax liability for part-year and nonresidents, use Schedule M1NR to determine the amount of total income and deductions allocable to Minnesota.

- You must complete Form M1 through line 12 to complete Schedule M1NR
- Determine the percentage of Minnesota source income to total income, then apply the percentage to the amount of tax from line 12 of Form M1

## Filing and Payment Extensions

- For most clients, the due date for filing and payment for Form M1 is April 15, 2025
- Your clients may file federal Form 4868 with the IRS to request a 6-month extension (until October 15, 2025) to file with no late filing penalty
- Your clients must file the Minnesota Individual Income Tax return within 6 months of the due date (October 15, 2025) to avoid the late filing penalty
    - Since there is no Minnesota extension to pay, your clients must pay any estimated Minnesota tax liability by April 15, 2025, to avoid a late payment penalty
    - Submit a payment voucher with a check or go to www.revenue.state.mn.us to pay online

# Household Income

You must determine household income to calculate the Homestead Credit Refund on Form M1PR.

## Household income includes, but is not limited to:

- Federal Adjusted Gross Income (FAGI)
- Nontaxable Social Security benefits (including amounts deducted for Medicare), Railroad Retirement Board benefits, and Retirement Survivors Disability Insurance (RSDI)
  - Do not include Social Security income for dependents
- Deductions on federal Form 1040 for payments to an IRA, Keogh, Simplified Employee Pension (SEP), or SIMPLE plans
- Program payments received, including Minnesota Family Investment Program (MFIP), Minnesota Supplemental Aid (MSA), Supplemental Security Income (SSI), Minnesota Housing Support (formerly Group Residential Housing, or GRH), and General Assistance (GA)
- Alimony or separate maintenance payments
  - Do not include child support payments
  - For **Form M1PR,** do not include alimony paid
- Employer contributions to dependent care accounts and medical health expense accounts, shown on Form W-2
- Distributions from a ROTH or traditional IRA not included on line 1, including charitable distributions
- Employer-paid education or adoption expenses not included in federal adjusted gross income
- Federal student loan forgiveness
- Federal subsidies paid to employers for providing prescription drug coverage for retired employees
- Federally nontaxed interest and mutual fund dividends
- Gain from the sale of the primary residence excluded from income
- Housing allowance for military or clergy
- Income excluded by a tax treaty
- Lump-sum distribution reported on line 1 of Schedule M1LS
- Nontaxable employee transit and parking expenses or contributions to a section 125 cafeteria plan
- Nontaxable military earned income, such as combat pay
- Nontaxable pension and annuity payments, including lump-sum distributions and disability payments
  - Do not include distributions received from any pension or annuity funded exclusively by your client and for which your client could not take contributions as a federal tax deduction
- Nontaxable scholarships, fellowships, grants for education, veterans' education benefits, and qualifying tuition reduction, including those from foreign sources
- Post-9/11 Veteran Service Bonus payments
- Pretax contributions to an employee elective deferral plan such as a 401(k), 403(b), 457 deferred compensation, or SEP and SIMPLE plan, amount shown on Form W-2
- Reduction in rent for caretaking responsibilities
  - The difference between the actual rent and the amount the rent would have been without the caretaking
- Refugee cash assistance and emergency assistance
- Strike benefits
- Veterans' benefits, including Special Monthly Compensation (SMC)
  - For **Form M1PR,** do not include veteran's disability compensation paid under U.S. Code, title 38
- Workers' compensation

**Also include these losses and deductions to the extent they reduced Federal Adjusted Gross Income:**

- Capital loss carryforward
- Net operating loss carryforward and carryback
- Current year passive activity losses allowed under section 469
- Prior year passive activity loss carryforward claimed in 2024 for federal purposes
- Health Savings Account (HSA), educator expense, Archer MSA, and domestic production activities deductions

## Household income does NOT include:

- Car insurance settlement payments used to pay medical bills
- Childcare assistance
- Child support payments
- Dependent's income, including Social Security
- Dollar value of food, clothing, food stamps, and medical supplies received from government agencies
- Employee's mandatory contributions to a retirement plan
- Fuel assistance payments
- Health and dental insurance contributions paid by employee or employer
- IRA rollovers
- Long-term care benefits used to pay medical expenses
- Loss on sale of rental property
- Minnesota property tax refunds
- Nontaxable Holocaust settlement payments
- Payments by someone else for your client's care by a nurse, nursing home, or hospital
- Payments from life insurance policies
- Reimbursements by employer for expenses paid, such as gas, meals, and lodging
- Return of capital or return of investment
- Reverse mortgage proceeds
- Spouse's Social Security income, if filing separately
- State income tax refunds not included on line 1
- Veteran's disability compensation paid under U.S. Code, title 38

## Household income for Form M1PR:

- Your client may subtract up to $7,000, or $14,000 for a joint property tax return, of taxable or nontaxable retirement account contributions.
- Your client must include all nontaxable distributions received from a 401, 403, 408, 408A, or 457 retirement plan.
- Your client must subtract from income alimony paid to the extent it was included in Federal Adjusted Gross Income.
- Your client must add alimony received to the extent it was not included in their Federal Adjusted Gross Income.
- Your client must include the income of persons who lived with them during the year, excluding boarders on contract, renters on contract, and dependents (see Worksheet 5: Co-occupant Income in the Form M1PR instructions). Clients must also include parents' income if they lived with your client, co-owned the home, or were not your client's dependents.

**Household Income for Married or Separated Clients Filing Form M1PR:**

| | |
|---|---|
| **Married All Year and domiciled in the same homestead all year** . . . . . . . . . . . . | Include both spouses' income for the whole year. Include the income of any other persons in the household except boarders on contract, renters on contract, dependents, and parents who are not co-owners (see pages 25 and 26). |
| **Married During the Year** . . . . . . . . . **(applying together)** | Same as "Married All Year." |

| | |
|---|---|
| Married During the Year . . . . . . . . . (applying separately) | Include your client's income for the whole year **plus** their spouse's income for the time they were married. Include the income of any other persons in the household except boarders, renters, dependents, and parents who are not co-owners (see pages 25 and 26). |
| Divorced or Separated During . . . . the Year | Include your client's income for the whole year **plus** their spouse's income for the time they were married. Apply for separate refunds. |

# Additional Form M1PR Information

- Total household income must be less than $139,320. The maximum refund is $3,410.
  - If the property has relative homestead status, neither the property owner nor the relative occupant may claim a property tax or special refund.
- Clients who are claimed or able to be claimed as a dependent do not qualify for the property tax refund.

## Schedule 1: Special Property Tax Refund (complete and enclose Schedule M1PR-SR)

Complete Schedule M1PR-SR to determine eligibility. There are no income limits on the special refund.

**To qualify, your client must:**

- Have owned and lived in the home on both January 2, 2024, and January 2, 2025
- Have property taxes on the homestead increase by more than 12% from 2024 to 2025
- Have the property taxes increase by at least $100

## Subtractions From Household Income:

Complete lines 8 through 11 on Form M1PR to determine any applicable subtractions from household income.

### Subtraction For Persons Age 65 or Older or Are Disabled

If your client or their spouse was born before January 2, 1960, or is disabled, enter $5,050 on Form M1PR, line 8.

### Dependent Subtraction

| Number of dependents | Enter on Form M1PR, Line 9 |
|---|---|
| 0 | $0 |
| 1 | $7,070 |
| 2 | $13,635 |
| 3 | $19,695 |
| 4 | $25,250 |
| 5 or more | $30,300 |

If more than one person may claim the dependent, follow the federal tie-breaker rules (see table on page 9).

### Retirement Account Subtraction

If your client or their spouse contributed to a 401(k), 403(b), IRA, Roth IRA (from line 10 of federal Form 5498), or 457 retirement plan, enter the lesser of $7,000, or $14,000 if Married Filing Jointly, or their total contributions on Form M1PR, line 10. The contributions must have been included in federal adjusted gross income.

For details on how to calculate the subtraction, see the Form M1PR instructions.

## Property Tax Refund Filing Deadline

Your clients should file 2024 Form M1PR by August 15, 2025. The final deadline to claim the 2024 refund is August 15, 2026.

Refund checks expire two years after the original issue date.

# Other Information

| Volunteer Resources | IRS | Minnesota |
|---|---|---|
| **VITA Hotline** | Mon-Fri: 7 a.m. - 7 p.m. | Mon-Fri: 8 a.m. - 4:30 p.m. |
| Phone | 1-800-829-8482 | 651-556-3050 |
| Email | | individual.incometax@state.mn.us |
| **Outreach & Education** | | |
| Twin Cities Area | 763-347-7365 | 651-556-6600 |
| Email | | region1.mdor@state.mn.us<br>region2.mdor@state.mn.us<br>region3.mdor@state.mn.us<br>region4.mdor@state.mn.us |
| **Address** | Internal Revenue Service<br>1550 American Blvd. E.<br>Suite 805<br>Bloomington, MN 55425 | Minnesota Department of Revenue<br>Attn: Outreach and Communications<br>Mail Station 5410<br>600 N. Robert St.<br>St. Paul, MN 55146-5410 |

| Taxpayer Resources | IRS | Minnesota |
|---|---|---|
| **Income Tax Information** | | |
| Twin Cities Area | | 651-296-3781 |
| Toll Free Individual | 1-800-829-1040 | 1-800-652-9094 |
| Taxpayer Assistance Center Appointment line. | 1-844-545-5640 | |
| Email | | individual.incometax@state.mn.us |
| **Collections** | | 651-556-3003<br>1-800-657-3909 |
| **Sales Tax Information** | | 651-296-6181<br>1-800-657-3777 |
| **Taxpayer Rights Advocate Office** | | 651- 556-6013<br>1-855-452-0767 |
| **Withholding Tax Information** | | 651-282-9999<br>1-800-657-3594 |
| **Order Forms** | 1-800-829-3676 | 651-296-3781 |
| **Automated Refund Hotline (24/7)** | 1-800-829-1954<br>www.irs.gov/refunds | 651-296-4444<br>1-800-657-3676 |
| **Websites** | www.irs.gov | www.revenue.state.mn.us |
| **Site Locations (by ZIP code)** | 1-888-227-7669 (TCE)<br>https://www.aarp.org/money/taxes/aarp_taxaide/locations.html<br>1-800-906-9887 (VITA)<br>https://irs.treasury.gov/freetaxprep | 651-297-3724<br><br>1-800-657-3989 |

## Standard Deduction, Filing Requirements, Mileage Rates, and Income Limits for Credits

| Category | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| **Filing Status** | **Federal Standard Deduction (Minnesota Standard Deduction)** | | | |
| Single | $14,600<br>$14,575 | $13,850<br>$13,825 | $12,950<br>$12,900 | $12,500<br>$12,525 |
| Head of Household | $21,900<br>$21,900 | $20,800<br>$20,800 | $19,400<br>$19,400 | $18,800<br>$18,800 |
| Married Filing Jointly and Qualifying Surviving Spouse | $29,200<br>$29,150 | $27,700<br>$27,650 | $25,900<br>$25,800 | $25,100<br>$25,050 |
| Married Filing Separately | $14,600<br>$14,575 | $13,850<br>$13,825 | $12,950<br>$15,900 | $12,550<br>$15,525 |
| **Exemptions** | **Federal Exemptions (Minnesota Exemptions)** | | | |
| Dependent exemption | $0<br>$5,050 | $0<br>$4,800 | $0<br>$4,450 | $0<br>$4,350 |
| Personal exemption | $0 | $0 | $0 | $0 |
| **Filing Status** | **Additional Federal Standard Deduction (Additional Minnesota Standard Deduction)** | | | |
| Single | $1,950<br>$1,950 | $1,850<br>$1,850 | $1,750<br>$1,700 | $1,700 |
| Head of Household | $1,950<br>$1,950 | $1,850<br>$1,850 | $1,750<br>$1,700 | $1,700 |
| Married Filing Jointly and Qualifying Surviving Spouse | $1,550<br>$1,550 | $1,500<br>$1,450 | $1,400<br>$1,350 | $1,350 |
| Married Filing Separately | $1,950<br>$1,950 | $1,500<br>$1,450 | $1,400<br>$1,350 | $1,350 |
| **Residency** | **Federal Filing Requirements (Minnesota Filing Requirements)** | | | |
| Nonresident alien | $5 | $5 | $5 | $5 |
| **Type of Mileage** | **Standard Mileage Rates** | | | |
| Business (Jan 1 - Jun 30) | $0.67 | $0.655 | $0.585 | $0.56 |
| Business (Jul 1 - Dec 31) | $0.67 | $0.655 | $0.625 | $0.56 |
| Charitable (Jan 1 - Jun 30) | $0.14 | $0.14 | $0.14 | $0.14 |
| Charitable (Jul 1 - Dec 31) | $0.14 | $0.14 | $0.14 | $0.14 |
| Medical and Moving (Jan 1 - Jun 30) | $0.21 | $0.22 | $0.18 | $0.16 |
| Medical and Moving (Jul 1 - Dec 31) | $0.21 | $0.22 | $0.22 | $0.16 |
| **Credit** | **Income Limits** | | | |
| Earned Income Credit (EIC): No children | $18,591 | $17,640 | $16,480 | $21,430 |
| EIC: No children, Married Filing Jointly | $25,511 | $24,210 | $22,610 | $27,380 |
| EIC: 1 child | $49,084 | $46,560 | $43,492 | $42,158 |
| EIC: 1 child, Married Filing Jointly | $56,004 | $53,120 | $49,622 | $48,108 |
| EIC: 2 children | $55,768 | $52,918 | $43,399 | $47,915 |
| EIC: 2 children, Married Filing Jointly | $62,688 | $59,478 | $55,529 | $53,865 |
| EIC: 3 children | $59,899 | $56,838 | $53,057 | $51,464 |
| EIC: 3 children, Married Filing Jointly | $66,819 | $63,398 | $59,187 | $57,414 |
| Minnesota Working Family Credit (WFC): No children and ages 19-64 | $31,090 | $29,500 | $23,100 | $23,200 |
| WFC: No children, Married Filing Jointly, either spouse is age 19-64 | $36,880 | $35,000 | $29,100 | $29,200 |
| WFC: 1 child | $31,090 | $29,500 | $42,400 | $42,500 |
| WFC: 1 child, Married Filing Jointly | $36,880 | $35,000 | $48,400 | $48,500 |
| WFC: 2 children | $31,090 | $29,500 | $48,700 | $48,800 |
| WFC: 2 children, Married Filing Jointly | $36,880 | $35,000 | $54,700 | $54,800 |
| WFC: 3 or more children | $31,090 | $29,500 | $52,400 | $52,500 |
| WFC: 3 or more children, Married Filing Jointly | $36,880 | $35,000 | $58,400 | $58,500 |
| M1ED: K-12 Education Credit (Maximum for two or fewer children - limit increases by $3,000 for each additional qualifying child) | $79,760 | $76,000 | $37,500 | $37,500 |
| M1CD: Child and Dependent Care Credit | $86,410 | $83,210 | $79,300 | $77,630 |

## Phaseout Table for 2024 Child Tax Credit

For each qualifying child after 5, increase the phaseout by $14,583.

If a client is not eligible for the Working Family Credit, reduce the phaseout by $3,075.

| Qualifying Children (Under Age 18 Only) | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Married Filing Jointly and receiving full Working Family Credit of $369 | $54,534 | $69,117 | $83,700 | $98,284 | $112,867 |
| Not Married Filing Jointly and receiving full Working Family Credit of $369 | $48,744 | $63,327 | $77,910 | $92,494 | $107,077 |

## Phaseout Table for 2024 Credit for Qualifying Older Children

If a client is not eligible for the Working Family Credit, reduce the phaseout by $4,100.

| Qualifying Older Children (No Child Tax Credit) | 1 | 2 | 3 |
|---|---|---|---|
| Married Filing Jointly and receiving full Working Family Credit of $369 | $51,758 | $65,536 | $70,202 |
| Not Married Filing Jointly and receiving full Working Family Credit of $369 | $45,968 | $59,746 | $64,412 |