

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

S.F. No. 4797

(SENATE AUTHORS: LUCERO and Drazkowski)

DATE
03/11/2024

D-PG
12130 Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to taxation; estates; increasing the exclusion to \$7,000,000; amending
1.3 Minnesota Statutes 2022, sections 289A.10, subdivision 1; 291.016, subdivision
1.4 3.

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

1.6 Section 1. Minnesota Statutes 2022, section 289A.10, subdivision 1, is amended to read:

1.7 Subdivision 1. **Return required.** (a) In the case of a decedent who has an interest in
1.8 property with a situs in Minnesota, the personal representative must submit a Minnesota
1.9 estate tax return to the commissioner, on a form prescribed by the commissioner, if:

1.10 (1) a federal estate tax return is required to be filed; or

1.11 (2) the sum of the federal gross estate and federal adjusted taxable gifts, as defined in
1.12 section 2001(b) of the Internal Revenue Code, made within three years of the date of the
1.13 decedent's death exceeds ~~\$1,200,000 for estates of decedents dying in 2014; \$1,400,000 for~~
1.14 ~~estates of decedents dying in 2015; \$1,600,000 for estates of decedents dying in 2016;~~
1.15 ~~\$2,100,000 for estates of decedents dying in 2017; \$2,400,000 for estates of decedents dying~~
1.16 ~~in 2018; \$2,700,000 for estates of decedents dying in 2019; and \$3,000,000 for estates of~~
1.17 ~~decedents dying in 2020~~ \$7,000,000 for estates of decedents dying in 2024 and \$7,000,000 for estates of decedents dying in 2025 and
1.18 thereafter.

1.19 (b) For estates of decedents dying in 2026 and thereafter, the commissioner must adjust
1.20 for inflation the \$7,000,000 amount in paragraph (a) as provided in section 270C.22. The
1.21 statutory year is calendar year 2025. The amounts as adjusted must be rounded down to the
1.22 nearest \$50 amount.

2.1 (c) The return must contain a computation of the Minnesota estate tax due. The return
2.2 must be signed by the personal representative.

2.3 **EFFECTIVE DATE.** This section is effective for estates of decedents dying after
2.4 December 31, 2024.

2.5 Sec. 2. Minnesota Statutes 2022, section 291.016, subdivision 3, is amended to read:

2.6 Subd. 3. **Subtraction.** (a) ~~For estates of decedents dying after December 31, 2016,~~ A
2.7 subtraction is allowed in computing the Minnesota taxable estate, equal to the sum of:

2.8 (1) the exclusion amount for the year of death under paragraph (b); and

2.9 ~~(2) the lesser of:~~

2.10 ~~(i) (2) the value of qualified small business property under section 291.03, subdivision~~
2.11 ~~9, and the value of qualified farm property under section 291.03, subdivision 10; or that~~
2.12 ~~does not exceed \$2,000,000.~~

2.13 ~~(ii) \$5,000,000 minus the exclusion amount for the year of death under paragraph (b).~~

2.14 (b) The following exclusion amounts apply for the year of death:

2.15 ~~(1) \$2,100,000 for decedents dying in 2017;~~

2.16 ~~(2) \$2,400,000 for decedents dying in 2018;~~

2.17 ~~(3) \$2,700,000 for decedents dying in 2019; and~~

2.18 ~~(4) (1) \$3,000,000 for decedents dying in 2020 and thereafter.~~ 2024; and

2.19 (2) \$7,000,000 for decedents dying in 2025 and thereafter.

2.20 (c) The subtraction under this subdivision must not reduce the Minnesota taxable estate
2.21 to less than zero.

2.22 (d) For estates of decedents dying in 2026 and thereafter, the commissioner must adjust
2.23 for inflation the \$7,000,000 amount in paragraph (b), clause (2), as provided in section
2.24 270C.22. The statutory year is calendar year 2025. The amounts as adjusted must be rounded
2.25 down to the nearest \$50 amount.

2.26 **EFFECTIVE DATE.** This section is effective for estates of decedents dying after
2.27 December 31, 2024.