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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 4000

03/05/2026 Authored by Wiener, Davids and Roach
The bill was read for the first time and referred to the Committee on Taxes

A bill for an act

relating to taxation; income; establishing a subtraction for capital gains on the sale of a principal residence; amending Minnesota Statutes 2024, section 290.0132, by adding a subdivision.

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

Section 1. Minnesota Statutes 2024, section 290.0132, is amended by adding a subdivision to read:

Subd. 40. **Capital gains on the sale of principal residence.** The amount of gain from the sale of a principal residence in excess of the $250,000 or $500,000 limit in section 121 of the Internal Revenue Code is a subtraction. For the purposes of this subdivision, "principal residence" means a property that qualifies for the exclusion from gross income under section 121 of the Internal Revenue Code.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2025.