

2.1 ~~(b)~~ (c) "Applicable amount" means \$194,650, or \$97,325 for a married individual filing
2.2 a separate return.

2.3 ~~(e)~~ (d) For the purposes of this subdivision, "itemized deductions" means the itemized
2.4 deductions otherwise allowable to the taxpayer under subdivision 1, except itemized
2.5 deductions excludes:

2.6 (1) the portion of the deduction for interest under subdivision 5 that represents investment
2.7 interest;

2.8 (2) the deduction for medical expenses under subdivision 6; and

2.9 (3) the deduction for losses under subdivision 8.

2.10 ~~(d)~~ (e) For taxable years beginning after December 31, 2019, the commissioner must
2.11 adjust for inflation the applicable amounts under paragraph ~~(b)~~ (c) as provided in section
2.12 270C.22. The statutory year is taxable year 2019. The amounts as adjusted must be rounded
2.13 down to the nearest \$50 amount. The threshold amount for married individuals filing separate
2.14 returns must be one-half of the adjusted amount for married individuals filing joint returns.

2.15 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
2.16 31, 2020.