

This Document can be made available  
in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. **100**

02/10/2025 Authored by Repinski, Dotseth, Bennett, Engen, Scott and others  
The bill was read for the first time and referred to the Committee on Taxes  
02/17/2025 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act  
1.2 relating to taxation; individual income; allowing an unlimited Social Security  
1.3 subtraction; amending Minnesota Statutes 2024, section 290.0132, subdivision  
1.4 26.

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

1.6 Section 1. Minnesota Statutes 2024, section 290.0132, subdivision 26, is amended to read:

1.7 Subd. 26. **Social Security benefits.** ~~(a) A taxpayer is allowed a subtraction equal to the~~  
1.8 ~~greater of the simplified subtraction allowed under paragraph (b) or the alternate subtraction~~  
1.9 ~~determined under paragraph (c).~~

1.10 ~~(b) A taxpayer's simplified subtraction equals the amount of taxable social security~~  
1.11 ~~benefits, as reduced under paragraphs (c) and (d).~~

1.12 ~~(c) For a taxpayer other than a married taxpayer filing a separate return with adjusted~~  
1.13 ~~gross income above the phaseout threshold, the simplified subtraction is reduced by ten~~  
1.14 ~~percent for each \$4,000 of adjusted gross income, or fraction thereof, in excess of the~~  
1.15 ~~phaseout threshold. The phaseout threshold equals:~~

1.16 ~~(1) \$100,000 for a married taxpayer filing a joint return or surviving spouse;~~

1.17 ~~(2) \$78,000 for a single or head of household taxpayer; and~~

1.18 ~~(3) for a married taxpayer filing a separate return, half the amount for a married taxpayer~~  
1.19 ~~filing a joint return.~~

1.20 ~~(d) For a married taxpayer filing a separate return, the simplified subtraction is reduced~~  
1.21 ~~by ten percent for each \$2,000 of adjusted gross income, or fraction thereof, in excess of~~  
1.22 ~~the phaseout threshold.~~

2.1 ~~(e) A taxpayer's alternate subtraction equals the lesser of taxable Social Security benefits~~  
2.2 ~~or a maximum subtraction subject to the limits under paragraphs (f), (g), and (h).~~

2.3 ~~(f) For married taxpayers filing a joint return and surviving spouses, the maximum~~  
2.4 ~~subtraction under paragraph (e) equals \$5,840. The maximum subtraction is reduced by 20~~  
2.5 ~~percent of provisional income over \$88,630. In no case is the subtraction less than zero.~~

2.6 ~~(g) For single or head-of-household taxpayers, the maximum subtraction under paragraph~~  
2.7 ~~(e) equals \$4,560. The maximum subtraction is reduced by 20 percent of provisional income~~  
2.8 ~~over \$69,250. In no case is the subtraction less than zero.~~

2.9 ~~(h) For married taxpayers filing separate returns, the maximum subtraction under~~  
2.10 ~~paragraph (e) equals one-half the maximum subtraction for joint returns under paragraph~~  
2.11 ~~(f). The maximum subtraction is reduced by 20 percent of provisional income over one-half~~  
2.12 ~~the threshold amount specified in paragraph (d). In no case is the subtraction less than zero.~~

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

2.17 ~~(j) The commissioner shall adjust the phaseout threshold amounts in paragraphs (e) and~~  
2.18 ~~(d) as provided in section 270C.22. The statutory year is taxable year 2023. The maximum~~  
2.19 ~~subtraction and threshold amounts as adjusted must be rounded to the nearest \$10 amount.~~  
2.20 ~~If the amount ends in \$5, the amount is rounded up to the nearest \$10 amount.~~

2.21 (a) The amount of Social Security benefits received is a subtraction.

2.22 (b) For the purposes of this section, "Social Security benefits" has the meaning given in  
2.23 section 86(d)(1) of the Internal Revenue Code.

2.24 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
2.25 31, 2024.