

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 3548

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DATE
03/19/2018

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Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
 1.2 relating to taxation; individual income; expanding the subtraction for military
 1.3 retirement pay; amending Minnesota Statutes 2017 Supplement, section 290.0132,
 1.4 subdivision 21.

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

1.6 Section 1. Minnesota Statutes 2017 Supplement, section 290.0132, subdivision 21, is
 1.7 amended to read:

1.8 Subd. 21. **Military service pension; retirement pay.** (a) To the extent included in
 1.9 federal taxable income, compensation received from a pension or other retirement pay from
 1.10 the federal government for service in the military, ~~as~~ is a subtraction. Only the following
 1.11 amounts may be subtracted under this subdivision:

1.12 (1) compensation computed under United States Code, title 10, sections 1401 to 1414,
 1.13 1447 to 1455, and 12733, is a subtraction;

1.14 (2) one-half the amount of a federal employee retirement system pension under United
 1.15 States Code, title 5, chapter 84, if the annuity reflects military service credited under section
 1.16 8441; and

1.17 (3) one-half the amount of a civil service retirement system pension under United States
 1.18 Code, title 5, chapter 83, subchapter III, if the annuity reflects military service credited
 1.19 under section 8332.

1.20 (b) The subtraction is limited to individuals who do not claim the credit under section
 1.21 290.0677.

2.1

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning

2.2

after December 31, 2015.