SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 3566

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 2019 Supplement, section 290.0132,
1.4   subdivision 26.

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

1.6   Section 1. Minnesota Statutes 2019 Supplement, section 290.0132, subdivision 26, is

1.7   amended to read:

1.8   Subd. 26. **Social Security benefits.** (a) A portion The amount of taxable Social Security

1.9   benefits received by a taxpayer in a taxable year is allowed as a subtraction. The subtraction

1.10   equals the lesser of taxable Social Security benefits or a maximum subtraction subject to

1.11   the limits under paragraphs (b), (c), and (d).

1.12   (b) For married taxpayers filing a joint return and surviving spouses, the maximum

1.13   subtraction equals $5,150. The maximum subtraction is reduced by 20 percent of provisional

1.14   income over $78,180. In no case is the subtraction less than zero.

1.15   (c) For single or head-of-household taxpayers, the maximum subtraction equals $4,020.

1.16   The maximum subtraction is reduced by 20 percent of provisional income over $61,080.

1.17   In no case is the subtraction less than zero.

1.18   (d) For married taxpayers filing separate returns, the maximum subtraction equals

1.19   one-half the maximum subtraction for joint returns under paragraph (b). The maximum

1.20   subtraction is reduced by 20 percent of provisional income over one-half the threshold

1.21   amount specified in paragraph (b). In no case is the subtraction less than zero.

2.1   (e) For purposes of this subdivision, "provisional income" means modified adjusted

2.2   gross income as defined in section 86(b)(2) of the Internal Revenue Code, plus one-half of

2.3   the taxable Social Security benefits received during the taxable year, and "Social Security

2.4   benefits" has the meaning given in section 86(d)(1) of the Internal Revenue Code.

2.5   (f) The commissioner shall adjust the maximum subtraction and threshold amounts in

2.6   paragraphs (b) to (d) as provided in section 270C.22. The statutory year is taxable year

2.7   2019. The maximum subtraction and threshold amounts as adjusted must be rounded to the

2.8   nearest $10 amount. If the amount ends in $5, the amount is rounded up to the nearest $10

2.9   amount.

2.10   **EFFECTIVE DATE.** This section is effective for taxable years beginning after December

2.11   31, 2019.