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State of Minnesota

HOUSE OF REPRESENTATIVES

A bill for an act

relating to taxation; individual income; permitting a limited subtraction for income

received from a retirement savings plan; amending Minnesota Statutes 2022,

NINETY-THIRD SESSION

H. F. No. 4775

03/11/2024

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Authored by Nadeau
The bill was read for the first time and referred to the Committee on Taxes

1.4	section 290.0132, by adding a subdivision.
1.5	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
1.6	Section 1. Minnesota Statutes 2022, section 290.0132, is amended by adding a subdivision
1.7	to read:
1.8	Subd. 36. Retirement income subtraction. (a) The amount of income received from a
1.9	retirement savings plan is a subtraction.
1.10	(b) The subtraction under this subdivision is limited to:
1.11	(1) \$12,000 for a married taxpayer filing a joint return or a surviving spouse; or
1.12	(2) \$6,000 for all other filers.
1.13	(c) The maximum subtraction under paragraph (b) is reduced by 20 percent of adjusted
1.14	gross income in excess of \$32,000.
1.15	(d) The subtraction is limited to taxpayers who do not claim any of the subtractions
1.16	under subdivision 5, 21, or 34.
1.17	(e) For the purposes of this subdivision, "retirement savings plan" means a plan or
1.18	program offered by an employer that permits contributions to be set aside for retirement on
1.19	a pretax or after-tax basis. Retirement savings plan includes but is not limited to a plan
1.20	described in section 401(a) of the Internal Revenue Code, an annuity plan or annuity contract
1.21	described in section 403(a) or 403(b) of the Internal Revenue Code, a plan within the meaning
1.22	of section 457(b) of the Internal Revenue Code, a simplified employee pension (SEP) plan,

Section 1. 1

02/23/24	REVISOR	EAP/RC	24-07200
(17/73/74	REVISOR	$H \Delta P/R(\cdot)$	74-0770
UZ/ZJ/ZT			4T-0/400

2.1	a savings incentive match plan for employees (SIMPLE) plan, an automatic enrollment
2.2	payroll deduction individual retirement account, and a multiemployer pension plan described
2.3	in section 414(f) of the Internal Revenue Code.

- 2.4 (f) The commissioner must annually adjust the subtraction limits in paragraph (b) and
 2.5 the adjusted gross income amount in paragraph (c), as provided in section 270C.22. The
 2.6 statutory year is taxable year 2024.
- 2.7 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December 2.8 31, 2023.

Section 1. 2