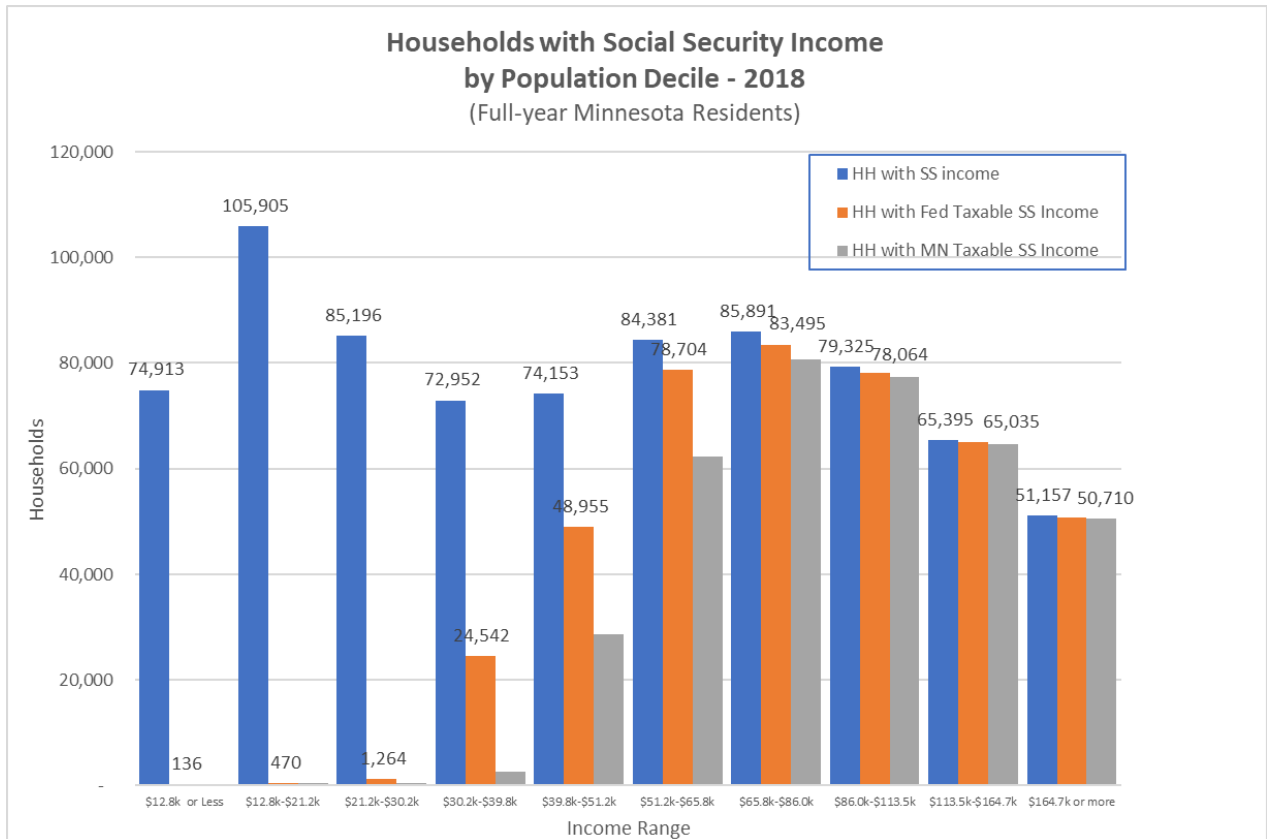
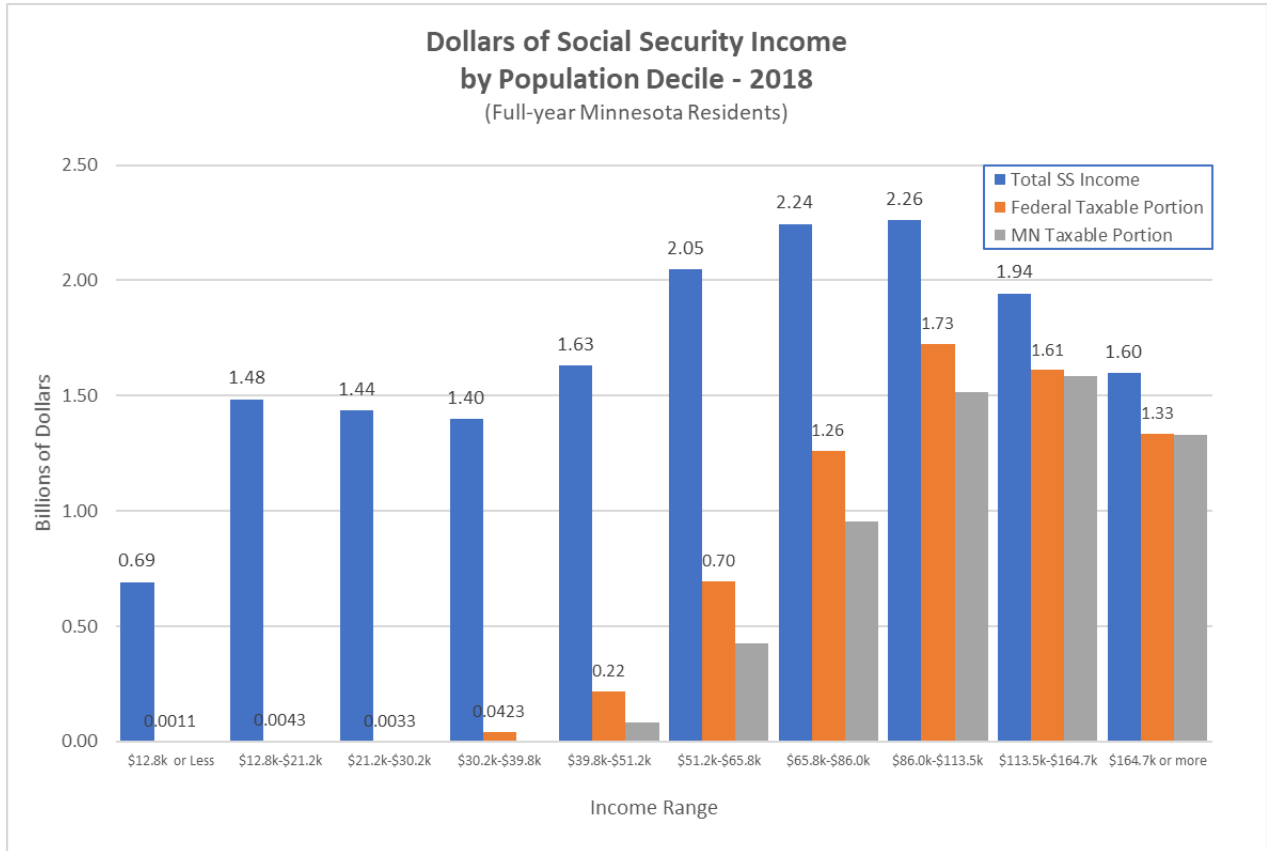


## Taxability of Social Security Income: Tax Year 2018

### The 2021 Minnesota Tax Incidence Study



**Taxable and Nontaxable Social Security Income**  
**Tax Year 2018**

Full-Year Residents Only

Household Income	Total SS Income		Federal Taxable Portion		MN Taxable After Subtraction	
	Dollars (Billions)	Number of Households	Dollars (Billions)	Number of Households	Dollars (Billions)	Number of Households
\$12.8k or Less	0.692	74,913	0.001	136	0.001	125
\$12.8k-\$21.2k	1.485	105,905	0.004	470	0.004	470
\$21.2k-\$30.2k	1.437	85,196	0.003	1,264	0.002	408
\$30.2k-\$39.8k	1.400	72,952	0.042	24,542	0.004	2,576
\$39.8k-\$51.2k	1.629	74,153	0.218	48,955	0.084	28,603
\$51.2k-\$65.8k	2.047	84,381	0.697	78,704	0.425	62,291
\$65.8k-\$86.0k	2.245	85,891	1.262	83,495	0.953	80,696
\$86.0k-\$113.5k	2.262	79,325	1.726	78,064	1.514	77,396
\$113.5k-\$164.7k	1.943	65,395	1.612	65,035	1.586	64,553
\$164.7k or more	1.598	51,157	1.334	50,710	1.329	50,520
<b>Total</b>	<b>16.738</b>	<b>779,268</b>	<b>6.900</b>	<b>431,375</b>	<b>5.902</b>	<b>367,638</b>

- In tax year 2018, about 779,300 Minnesota households will have \$16.7 billion in social security income.
- The taxable portion of social security income is \$6.9 billion. About 431,400 households have some taxable social security income.
- After accounting for Minnesota's social security subtraction, about 367,600 households will have \$5.9 billion in social security income that is subject to Minnesota income tax.
- Very few households in the first three deciles have taxable social security income after the social security subtraction.
- For households that pay tax on a portion of their social security income, about 60.3% is taxable on average.
  - In deciles four and five, 16.5% is taxable on average.
  - In deciles six and seven, 39.0% is taxable.
  - In deciles eight through ten, 77.5% is taxable.

Minnesota Department of Revenue  
Tax Research Division  
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