

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 12

(SENATE AUTHORS: MILLER, Dahms, Abeler, Hoffman and Pratt)

DATE	D-PG	OFFICIAL STATUS
01/04/2023	72	Introduction and first reading Referred to Taxes
01/05/2023	83	Authors added Dahms; Abeler; Hoffman
01/11/2023	146	Author added Pratt
01/30/2023	535	Motion did not prevail to withdraw and be placed on General Orders

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 2022, 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 2022, section 290.0132, subdivision 26, is amended to read:

1.7

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

1.8

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

1.9

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

1.10

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

1.11

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

1.12

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

1.13

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

1.14

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

1.15

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

1.16

~~In no case is the subtraction less than zero.~~

1.17

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

1.18

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

1.19

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

1.20

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

1.21

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

1.22

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

2.1 ~~the taxable Social Security benefits received during the taxable year, and "Social Security~~
2.2 ~~benefits" has the meaning given in section 86(d)(1) of the Internal Revenue Code.~~

2.3 ~~(f) The commissioner shall adjust the maximum subtraction and threshold amounts in~~
2.4 ~~paragraphs (b) to (d) as provided in section 270C.22. The statutory year is taxable year~~
2.5 ~~2019. The maximum subtraction and threshold amounts as adjusted must be rounded to the~~
2.6 ~~nearest \$10 amount. If the amount ends in \$5, the amount is rounded up to the nearest \$10~~
2.7 ~~amount.~~

2.8 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
2.9 31, 2022.