

S.F. No. 211 – Subtraction for foreign service retirement income (as proposed to be amended by the A-1 amendment)

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Under current law, taxpayers may subtract a portion of state or federal public pension income for service for which they did not also receive Social Security benefits. This bill provides a subtraction for foreign service pension income that does not qualify for the current public pension subtraction.

Section 1. Foreign service pensions; retirement pay. Provides a subtraction for the amount of foreign service pension or retirement compensation received under specified pension systems, multiplied by the number of years of foreign service divided by the total years of civil service for which the taxpayer receives pension income. Effective beginning in tax year 2025.

Section 2. Definitions. Adds a reference to the foreign service pension subtraction in section 1 to the calculation of alternative minimum tax. Effective beginning in tax year 2025.

