

**SENATE**  
**STATE OF MINNESOTA**  
**NINETY-THIRD SESSION**

**S.F. No. 1500**

(SENATE AUTHORS: GRUENHAGEN, Dahms, Utke and Lieske)

DATE  
02/09/2023

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Introduction and first reading  
Referred to Taxes

OFFICIAL STATUS

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) (b) 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.