Senate DFL Majority

TAX SAVINGS 2024

In 2023, DFLers passed the largest income tax cut in state history, delivering more than $3 billion in new tax benefits to Minnesotans. In 2024, lawmakers made crucial updates to the nation-leading Child Tax Credit and invested more money in taxpayer outreach to make sure all Minnesotans understand and are taking advantage of the new benefits.

Social Security recipients

- **Who?** 322,000 Social Security recipients will save about $734 in taxes annually.
- **Details:** No couple earning less than $100,000/year (individuals < $78,000/year) will pay state income tax on their Social Security benefits. 76% of Social Security recipients – 322,000 Minnesotans – will no longer have to include these benefits as taxable income.
- Couples earning between $100,000 and $140,000/year (individuals up to $118,000) can exclude a larger amount of their Social Security benefits from state taxes, or they can continue to access the state's existing Social Security Tax Subtraction if that calculation proves more financially beneficial.

Retirees earning a public pension

- **Who?** A new public pension subtraction https://www.revenue.state.mn.us/public-pension-subtraction for Minnesota seniors that receive public pensions instead of Social Security because of the jobs they worked – mainly State Troopers; certain teachers, firefighters and public safety officers; and federal employees.
- **Details:** Married couples earning up to $100,000/year will be able to subtract up to $25,000 of their public pension benefits from taxable income; single filers earning $78,000 or less can subtract $12,500. The subtraction fully phases out for taxpayers earning $120,000 married/$108,000 single.

Read more about the legislature's work on tax savings:

Child Tax Credit

- **Who?** 265,000 families with children
- **Details:** The Child Tax Credit passed in 2023 is equal to up to $1,750 per child for married filers earning up to $52,500 with one child. Amounts increase depending on household status and number of children – find more information here: Child Tax Credit. https://www.revenue.state.mn.us/child-tax-credit
- **NEW in 2024:** The Dept. Of Revenue will be setting up a system for taxpayers to opt into advanced payments that will be delivered at other times during the year, rather than just once at tax-filing time. The CTC is expected to reduce childhood poverty in Minnesota by one-third. Providing for advanced payments is a more effective and consistent way to make sure we reach that goal.

Property tax relief

- **Who?** Homeowners, renters, farmers and seniors could benefit from expanded property tax relief passed in 2023.
- **When:** Property tax refund applications are due August 15! Some increases are permanent, but some were only available for rent or property axes paid in 2023 – but you haven't missed out on those benefits yet! Taxpayers have can file for property tax refunds one year after the initial due date.
- Check the refund website to learn about eligibility and to file an application: https://www.revenue.state.mn.us/property-tax-refund.
- Relief passed in 2023:
- 20% increase in homeowner property tax refunds for 2023
- Increased "targeting refunds" for homeowners who saw property tax increases of more than 6% from 2022 to 2023
- 20% increase in renter refunds for rent paid 2022
- Expanded eligibility for the Senior Citizen Property Tax Deferral program
- Increased first-tier market value bracket for ag land owners
- Increased homestead market value cap to $517,200
- In 2025: the Renter's Refund will be a direct income tax credit for eligible filers

K12 education credit

- **Who?** Minnesota taxpayers with children in K-12 schools could receive additional help paying for education-related expenses that qualify for the K-12 education credit. In total, about 36,300 returns would see an average $305 tax reduction in the first year. More information on what qualifies for the K-12 credit and the K-12 subtraction, which is not limited by income, can be found online. https://www.revenue.state.mn.us/k-12-education-subtraction-and-credit
- **Details:** Incomes up to $70,000 now qualify for the credit, up from $35,500 in current law. The maximum credit is increased from $1,000 to $1,500 per child. This credit has not been adjusted in 25 years.
- **Reminder! Save back-to-school shopping receipts!** Most expenses – including instrument rentals and lesson fees – can be used to file for this credit or the education tax subtraction.

Filing assistance to make sure all taxpayers can access these benefits

The legislature invested another $4 million for enhanced Volunteer Income Tax Assistance (VITA) in 2024. Some taxpayers may qualify for free tax return preparation through VITA or AARP Tax-Aide. These programs help prepare federal and state income tax and property tax refund returns.

- You can generally get help at a VITA site if any of these apply:
- You are age 60 or older
- You are a person with a disability
- You speak limited or no English
- Your annual income is less than $64,000

AARP Tax-Aide sites do not have income or age restrictions, but only prepare basic returns. https://www.irs.gov/pub/irs-pdf/p3676bsp.pdf

More information on eligibility as well as specific site locations will be available on the Department of Revenue's website once filing season opens: More information on eligibility as well as specific site locations will be available on the Department of Revenue's website once filing season opens: https://www.revenue.state.mn.us/free-tax-preparation-sites

GENERAL TIPS BEFORE YOU FILE YOUR TAXES:

Direct deposit

- This is the most secure way to receive get your tax refund. Direct deposit is available whether you file your return electronically or by mail. For more information on choosing direct deposit, see the Direct Deposit https://www.revenue.state.mn.us/direct-deposit page on the Revenue website.

Fraud Prevention

- The Department of Revenue reviews and verifies information on all tax returns to make sure the right refund goes to the right person. The department may contact you via mail asking for more documentation or to verify your identity. To learn more about identity theft prevention, see the Identity Theft and Tax Refund Fraud https://www.revenue.state.mn.us/identity-theft-and-tax-refund-fraud page on our website.

Track Your Refund

- You can track the status of your refund by using the Where's My Refund? system, https://www.revenue.state.mn.us/wheres-my-refund including the date your tax refund was sent. To learn about the measures taken to process returns and issue refunds, see the video on a day in the life of a tax return. https://www.youtube.com/watch?v=5QMbOssVwIk

Stay informed

- To make sure you do not miss any important tax-filing updates, consider signing up for the Department of Revenue's email subscription list. https://public.govdelivery.com/accounts/MNREV/subscriber/new