

2026 Session - Federal Conformity - Mechanical Conformity Provisions*

Dollars in thousands
Positive \$s = revenue gain

Line #	CATEGORY	SECTION	PROVISION	Tax	EFFECTIVE	FY 2026-27 Biennium	FY 2028-29 Biennium	Line #
1	CHILD & DEPENDENT CARE EXPENSES	70404	Enhancement of Dependent Care Credit/Pre-Tax Account, Increased Limitation	Individual	TY 26	(5,000)	(11,200)	1
2		70405	Enhancement of Dependent Care Tax Credit	Individual	TY 26	(15,800)	(33,900)	2
3		70401	Enhancement of Employer-Provided Child Care Credit	Corporate	TY 26	76,500	121,300	3
4		70401	Enhancement of Employer-Provided Child Care Credit	Individual - Business	TY 26	55,300	120,500	4
5					Subtotal	111,000	196,700	5
6	EDUCATIONAL EXPENSES	70411	Tax Credit for Contributions to Scholarship Granting Organizations	Individual	TY 27	-	7,200	6
7		70413/70414	Certain Post Secondary Credentialing Expenses Treated as Higher Education Expenses	Individual	TY 26	(200)	(500)	7
8		70412	Exclusion of Certain Employer Student Loan Payments	Individual	TY 26	(9,600)	(20,700)	
9		70117	Extension and Rollovers from Qualified Tuition Programs to ABLE Accounts Permitted	Individual	TY 26	-	(20)	9
10					Subtotal	(9,800)	(14,020)	10
11	MISC INDIVIDUAL	70113	Extension and Modification of Limitation on Deduction/Exclusion of Moving Expenses	Individual	TY 26	9,800	23,600	11
12		70112	Extension and Modification of Qualified Transportation Fringe Benefits	Individual	TY 26	(1,900)	(4,500)	12
13		70118	Extension of Treatment, Individuals Performing Services in Senai Pen., Expansion to Add 'l areas	Individual	TY 26	(10)	(20)	13
14		70114	Extension/Modification of Limitation on Wagering Losses	Individual	TY 26	800	3,000	14
15		70112	Termination of Qualified Bicycle Commuting Reimbursement Exclusion	Individual	TY 26	100	300	15
16		70204	Trump Accounts & Contribution Pilot Program	Individual	TY 26	-	(200)	16
17					Subtotal	8,790	22,180	17
18	CHARITABLE CONTRIBUTIONS	70425	0.5% - Floor - Deduction, Charitable Contributions	Individual	TY 26	19,900	42,600	18
19		70426	1% Floor - Deduction, Charitable Contributions	Corporate	TY 26	-	22,200	19
20					Subtotal	19,900	64,800	20
21	BUSINESS EXTENDERS	70301	Bonus Depreciation, 80% addback over 5 years	Corporate	Retro TY 25	7,500	27,100	21
22		70301	Bonus Depreciation, 80% addback over 5 years	Individual - Business	Retro TY 25	3,700	13,200	22
23		70434	Expands Expensing for Film, TV & Theater productions to Sound Recording Productions	Corporate	TY 26	(40)	(90)	23
24		70434	Expands Expensing for Film, TV & Theater productions to Sound Recording Productions	Individual - Business	TY 26	(20)	(50)	24
25		70302	Full Expensing, Domestic Research and Experimental Expenditures	Corporate	Retro TY 25	(321,600)	(19,500)	25
26		70302	Full Expensing, Domestic Research and Experimental Expenditures	Individual - Business	Retro TY 25	(27,500)	(1,600)	26
27		70306	Section 179 Expensing - Increased Deduction Amount, Phaseout Amount & Adjusts for Inflation	Corporate	Retro TY 25	(9,900)	(6,200)	27
28		70306	Section 179 Expensing - Increased Deduction Amount, Phaseout Amount & Adjusts for Inflation	Individual - Business	Retro TY 25	(26,300)	(16,500)	28
29		70507	Termination of 5-year Cost Recovery for Wind and Solar Energy Property (Retro TY 25)	Corporate	Retro TY 25	300	400	29
30		70507	Termination of 5-year Cost Recovery for Wind and Solar Energy Property (Retro TY 25)	Individual - Business	Retro TY 25	300	400	30
31		70509	Termination of Energy-Efficient Commercial Building Deduction	Corporate	TY 26	-	20	31
32		70509	Termination of Energy-Efficient Commercial Building Deduction	Individual - Business	TY 26	-	200	32
33					Subtotal	(373,560)	(2,620)	33
34	INTERNATIONAL BUSINESS	70354	Modification to Pro Rata Share Rules	Corporate	TY 26	7,600	18,000	34
35		70351	Permanent Extension of Look-thru for related Controlled Foreign Corporations	Corporate	TY 26	(4,500)	(9,300)	35
36		70352	Repeal of Election for Specified Foreign Corporation Taxable Year, 1-mo. Deferral	Corporate	TY 26	3,400	-	36
37		70323	Replace GILTI with Net CFC Tested Income	Corporate	TY 26	3,900	9,300	37
38		70353	Restoration of Limitation on Downward Attribution of Stock Ownership for Constructive Ownership Rule	Corporate	TY 26	(1,400)	(2,900)	38
39					Subtotal	9,000	15,100	39

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Line #	CATEGORY	SECTION	PROVISION	Tax	EFFECTIVE	FY 2026-27 Biennium	FY 2028-29 Biennium	Line #
40	MISC BUSINESS	70430	Exception to Accounting Percentage for Certain Residential Construction	Corporate	TY 26	(1,200)	(1,100)	40
41		70430	Exception to Accounting Percentage for Certain Residential Construction	Individual - Business	TY 26	(5,800)	(5,600)	41
42		70305	Exceptions from Limitations on Deduction for Business Meals	Corporate	TY 26	(200)	(600)	42
43		70305	Exceptions from Limitations on Deduction for Business Meals	Individual - Business	TY 26	(500)	(1,400)	43
44		70603	Excessive Employee Remuneration from Controlled Group Members and Allocation of Deduction	Corporate	TY 26	8,200	16,000	44
45		70421	Exclusion of Gain Invested in Qualified Opportunity Zone	Corporate	TY 27	(8,600)	(31,800)	45
46		70421	Exclusion of Gain Invested in Qualified Opportunity Zone	Individual - Business	TY 27	(38,400)	(141,600)	46
47		70435	Exclusion of Interest on Loans Secured by Rural or Ag Real Property	Corporate	Retro TY 25	(50)	(160)	47
48		70435	Exclusion of Interest on Loans Secured by Rural or Ag Real Property	Individual - Business	Retro TY 25	(800)	(2,100)	48
49		70304	Extension/Enhancement of Paid Family Medical Leave Credit	Corporate	TY 26	800	2,100	49
50		70304	Extension/Enhancement of Paid Family Medical Leave Credit	Individual - Business	TY 26	800	2,100	50
51		70201	FICA Tip Credit Expansion	Corporate	Retro TY 25	30	40	51
52		70201	FICA Tip Credit Expansion	Individual - Business	Retro TY 25	200	200	52
53		70303	Limitation on Business Interest, Modified	Corporate	Retro TY 25	(20,000)	(10,200)	53
54		70303	Limitation on Business Interest, Modified	Individual - Business	Retro TY 25	(89,400)	(45,700)	54
55		70601	Limitation on Business Losses/ Non Corporate Taxpayers, Inflation Modifications	Individual - Business	TY 26	1,400	29,000	55
56		70431	Qualified Small Business Stock Gain Exclusion	Individual - Business	Retro TY 25	900	200	56
57		70439	Restoration of taxable REIT subsidiary asset test	Individual - Business	TY 26	(700)	(1,700)	57
58					Subtotal	(153,320)	(192,320)	58
59					GRAND TOTAL	(387,990)	89,820	59

* Revenue Estimates for HF 0000 posted on the MN Dept. of Revenue's website as of December 15, 2025.

2026 Session - Federal Conformity - Other Provisions

2/24/2026

Dollars in thousands

Positive dollars show revenue gain

CATEGORY	PROVISION	Tax	EFFECTIVE	FY 26-27 Biennium	FY28-29 Biennium
MISC INDIVIDUAL	State & Local Tax Deduction (SALT) Limit Modified	Individual	Retro TY 25-29	(37,400)	(46,400)
	Subtraction for Car Loan Interest	Individual	Retro TY 25-28	(129,000)	(142,000)
	Subtraction for Overtime Pay	Individual	Retro TY 25-28	(365,900)	(400,400)
	Subtraction for Qualified Seniors	Individual	Retro TY 25-28	(362,100)	(364,200)
	Subtraction for Tip Income	Individual	Retro TY 25-28	(126,000)	(137,800)
Grand Total				(1,020,400)	(1,090,800)