

Minnesota's Child Credit

MINNESOTA HOUSE RESEARCH DEPARTMENT

Presentation to the House Taxes Committee

February 20, 2024

Child Credit and Working Family Credit Calculation (Tax Year 2023)

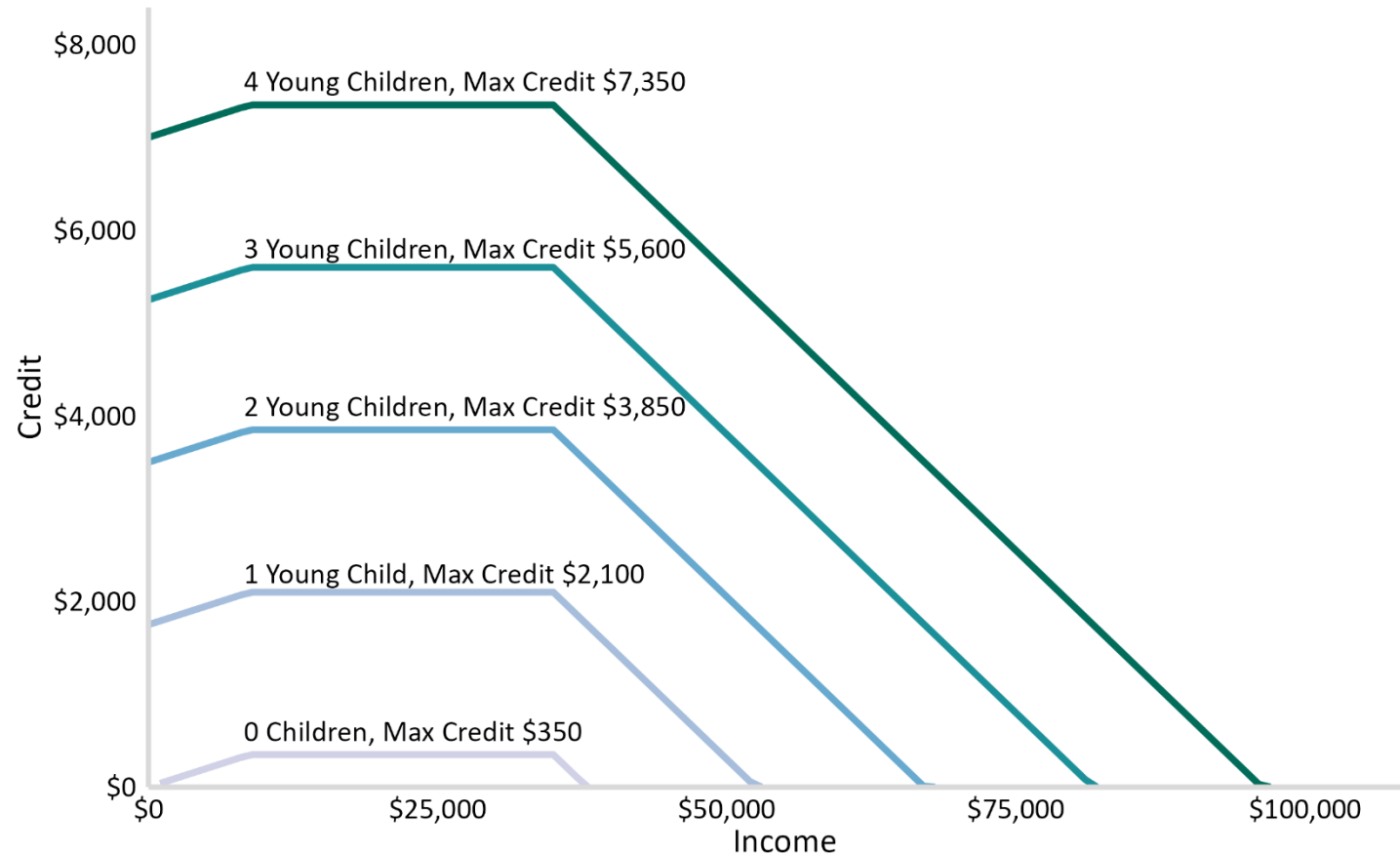
- Child Credit and Working Family Credit combined, jointly phased out.
 - Old law WFC gave larger amounts for taxpayers with children.
- Child Credit \$1,750 per qualifying child ages 0-17.
- Working Family Credit equal to 4% of first \$8,750 of earned income (\$350 maximum credit)
- Phaseout:
 - Jointly phased out at \$35,000 of income for married filers
 - Jointly phased out at \$29,500 for unmarried
- Working Family Credit for older children, closely tied to old law amount for the Working Family Credit:
 - \$925 for taxpayers with 1 older child, \$2,100 for taxpayers with 2 older children, \$2,500 for taxpayers with 3 older children.
- Older children: All 18 year-olds; 19-24 year-olds who are students or who are permanently and totally disabled

Maximum Credit Amounts and Incomes at Which Credit is Fully Phased Out, TY 2023

| Taxpayer's Number of Children | Maximum Credit | Income Level where Credit is Fully Phased Out | |
|------------------------------------|----------------|---|-----------|
| | | Married Joint | Unmarried |
| No Children | \$350 | \$37,917 | \$32,417 |
| 1 Young Child | \$2,100 | \$52,500 | \$47,000 |
| 1 Young Child and 1 Older Child | \$3,025 | \$60,208 | \$54,708 |
| 2 Young Children | \$3,850 | \$67,083 | \$61,583 |
| 2 Young Children and 1 Older Child | \$4,775 | \$74,792 | \$69,292 |
| 3 Young Children | \$5,600 | \$81,667 | \$76,167 |
| 3 Young Children and 1 Older Child | \$6,525 | \$89,375 | \$83,875 |
| 4 Young Children | \$7,350 | \$96,250 | \$90,750 |

Credit Amounts (Married Joint Filers, 2023)

Minnesota Child and Working Family Credit Amounts by Income, TY 2023



Minnesota House Research Department.

Questions?



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