

# HOUSE RESEARCH

## Bill Summary

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### Overview

Allows active duty personnel to subtract the first \$5,000 of military pay in determining Minnesota taxable income and income tax liability. The subtraction is limited to pay for services performed outside Minnesota.

- 1 Military pay subtraction.** Allows a subtraction of up to \$5,000 for active duty military pay. The subtraction applies to services performed outside of Minnesota for either the U.S. armed forces or the United Nations. Under current law, active duty pay other than combat pay is included in taxable income at both the federal and state levels.
- 2 Effective date.** Effective beginning in tax year 1999.