

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 230

**DATE:** January 26, 2001

**Version:** As introduced

**Authors:** Bernardy and others

**Subject:** Income tax subtraction for military pay

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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 personnel stationed outside of Minnesota.

### Section

- 1 **Military pay subtraction.** Allows a subtraction for active duty military pay. The subtraction applies to the first \$5,000 of pay for active duty service members stationed outside of Minnesota. Under current law, active duty pay other than combat pay is subject to income tax at both the federal and state levels.