

H.F. 886

As Introduced

Subject Standard deduction amount**Authors** Huot**Analyst** Sean Williams
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Minnesota uses federal taxable income (FTI) as the starting point for its income tax system. As part of calculating FTI, a taxpayer may subtract either itemized deductions or the standard deduction amount—as a result, these deductions are incorporated by reference as part of the state’s income tax.

H.F. 886 modifies the definition of “net income” in the state’s income tax code to stipulate that for the purposes of the state’s income tax system, the standard deduction amounts are \$2,000 greater than current law for married couples filing joint returns, and \$1,000 greater for single taxpayers and married taxpayers filing separately. The bill increases the head of household standard deduction proportionally.

Minnesota is currently not in conformity with federal changes to the standard deduction in the Tax Cuts and Jobs Act of 2017 (Public Law 115-97). As a result, the state standard deduction amounts for tax year 2019 are tied to old federal law. The following table displays the federal and state standard deduction amounts under current law and under HF 886.

Filing Status	Federal Standard Deduction (2019)	Current Law State Standard Deduction (2019)	State Standard Deduction, H.F. 886 (2019)
Married filing jointly	\$24,450	\$13,300	\$15,300
Single	\$12,200	\$6,650	\$7,650
Married filing separately	\$12,225	\$6,650	\$7,650
Head of household	\$18,350	\$9,750	\$11,200