

Subject Fifth tier income taxed established at 12.45%

Authors Her

Analyst Sean Williams

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Summary

H.F. 442 establishes a fifth tier for Minnesota’s individual income tax, effective for tax year 2023. The new rate would be 10.85%, and would apply to Minnesota taxable income in excess of:

- \$1,000,000 for married taxpayers filing joint returns and surviving spouses
- \$600,000 for single taxpayers
- \$800,000 for head of household taxpayers

The bill updates the tax brackets in statute to reflect their inflation-adjusted values for tax year 2023. This change is nonsubstantive—the brackets are the base values for tax year 2023.

Proposed Tax Year 2023 Rates and Brackets, H.F. 442

Tax Rate	Married Filing Jointly	Single	Married Filing Separately	Head of Household
5.35%	\$0 to \$43,950	\$0 to \$30,070	\$0 to \$21,975	\$0 to \$37,010
6.80%	\$43,950 to \$174,610	\$30,070 to \$98,760	\$21,975 to \$87,305	\$37,010 to \$148,730
7.85%	\$174,610 to \$304,970	\$98,760 to \$183,340	\$87,305 to \$152,485	\$148,730 to \$243,720
9.85%	\$304,970 to \$1,000,000	\$183,340 to \$600,000	\$152,485 to \$500,000	\$243,720 to \$800,000
10.85%	\$1,000,000 and above	\$600,000 and above	\$500,000 and above	\$800,000 and above