



## Back to School Tax Reminder: Minnesota Education Credit and Subtraction

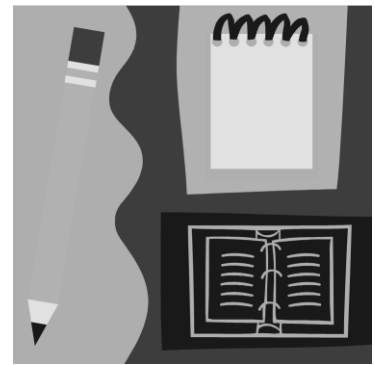
### Save Your School Supply Receipts for Your State Tax Return!

When you file your Minnesota state tax return, you might be able to claim a state tax **credit** OR a **subtraction** for costs that have to do with your child's education. This covers children in kindergarten through high school.

Taking the credit lowers the amount of taxes you owe. If the credit is more than your taxes, you can get money back. But if you make too much money, you can't claim the credit. In that case, you can use the subtraction.

The subtraction lowers your income so that you owe less in taxes. But you can't get money back from using the subtraction.

In rare cases, you can claim the credit **and** the subtraction. Talk to a tax preparer if you have a child in high school and you pay for college courses or tuition at a private school.



### The Credit

Your credit is limited to 75% of your qualifying expenses that you paid during the year for your qualifying child's K–12 education, up to the maximum amounts. The remaining 25% of qualifying expenses cannot be used to claim the subtraction. The maximum credit is equal to \$1,500 per child in the family but can be reduced if your adjusted gross income is above \$75,820.

For example, if you have 1 or 2 qualifying children, you can claim all or part of the credit if your adjusted gross income is \$81,820 or less. If you have more than 2 children, the income limit goes up by \$3,000 for each additional child.

Check the chart [Income Limits for the K-12 Education Credit](#) on the Minnesota Department of Revenue site <http://www.revenue.state.mn.us>.

**Note:** For tax year 2022 and before, you have to use household income instead of adjusted gross income to figure out if you can get the credit.

If you are married and filing a separate return, you DON'T get the credit.

## The Subtraction

Income doesn't matter for the subtraction. The subtraction is limited to \$1,625 for each qualifying child in grades K-6 and \$2,500 for each qualifying child in grades 7-12.

For children in 6th and 7th grades, use the limit for the child's grade level at the end of the tax year. For children who started college during the tax year, use the 12th grade limit. But you can only subtract qualifying education expenses from high school.

Also, to claim the subtraction, your child has to have gone to school in Minnesota, Wisconsin, Iowa, North Dakota, or South Dakota.

## What do I need to claim the credit or subtraction?

To claim the credit or subtraction save all the receipts when you buy your children's school supplies, including pencils, pens, crayons, notebooks, calculators, etc.

You can also claim expenses for things like:

- The cost of computer hardware and educational software (up to \$200)
- Tutors
- Academic textbooks
- Fees paid to others for transportation
- Music lessons
- After school academic programs
- Academic summer camps



Some expenses count for the subtraction but not the credit. For example, you can use the expenses for private school tuition or college courses (while your child is in high school) only for the subtraction.

Some expenses can't count towards either the credit or the subtraction. These include sports camps or lessons and travel expenses, lodging, and meals for overnight class trips.

## Forms

**To claim the credit**, fill out Schedule M1ED with your Minnesota State Tax Form.

**To take the subtraction** when your household income is over the maximum for the credit, use the worksheets in the Schedule M1ED Instructions.

**Remember** you **MUST** keep the receipts from your purchases to claim the credit or subtraction. You can't use the same expenses to claim both the credit and the subtraction.

## More Information

For more information and a more detailed list of what expenses can be claimed go to the Minnesota Department of Revenue Website <http://www.revenue.state.mn.us> and enter the search term "Education Credit and Subtraction."

You can also find fact sheets about expenses at:

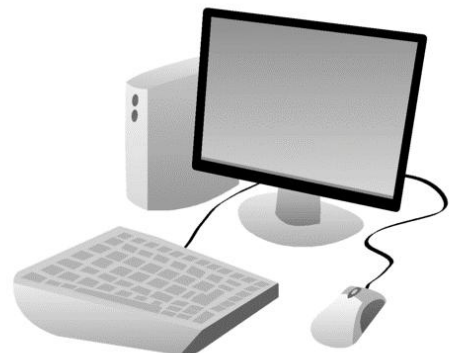
[www.revenue.state.mn.us/k-12-education-subtraction-and-credit-0](http://www.revenue.state.mn.us/k-12-education-subtraction-and-credit-0) and

[www.revenue.state.mn.us/qualifying-home-school-expenses-k-12-education-subtraction-and-credit-0](http://www.revenue.state.mn.us/qualifying-home-school-expenses-k-12-education-subtraction-and-credit-0).

## Get Help

To make sure you get the refund you should visit a **free** tax preparation site. To find a free site call (651) 297-3724 or (800) 543-7709.

Visit [www.irs.gov/vita](http://www.irs.gov/vita) to learn more about Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE).



***Fact Sheets are legal information NOT legal advice. See a lawyer for advice.***

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