

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 4096

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**Version:** As introduced

**Authors:** Lenczewski

**Subject:** Modifies alternative minimum taxable income to exclude a portion of charitable contributions made by non-itemizers

**Analyst:** Nina Manzi (651) 296-5204  
Joel Michael (651) 296-5057

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### Overview

Excludes charitable contributions made by nonitemizers from alternative minimum taxable income, to the extent the contributions are allowed as a subtraction under Minnesota 's regular income tax calculation

#### Section

**1** **Alternative minimum taxable income.** Allows individuals who claim Minnesota 's charitable contribution subtraction for nonitemizers under the regular income tax (50 percent of contributions in excess of \$500) to claim subtract the same amount of charitable contributions from alternative minimum taxable income as well. Effective beginning in tax year 2008.

**Background.** Under present law, individuals who claim itemized deductions at the federal level may claim an itemized deduction for charitable contributions, which flows through to Minnesota 's individual income tax. Charitable contributions made by itemizers are also allowed as a subtraction under Minnesota 's alternative minimum tax (AMT).

Individuals who claim the standard deduction at the federal level are not allowed a federal deduction for charitable contributions. At the state level, they may subtract 50 percent of charitable contributions in excess of \$500 from Minnesota taxable income in calculating the regular income tax. Under present law, the nonitemizer charitable contribution subtraction

**Section**

is not allowed under the AMT.