

Subject Fifth tier income taxed established at 12.45%

Authors Her

Analyst Sean Williams

Date March 22, 2021

Summary

H.F. 1335 establishes a fifth tier for Minnesota's individual income tax. The new rate would be 12.45%, and would apply to Minnesota taxable income in excess of:

- \$500,000 for married taxpayers filing joint returns and surviving spouses
- \$250,000 for single taxpayers and married taxpayers filing separate returns
- \$400,000 for head of household taxpayers

Proposed Tax Year 2021 Rates and Brackets, H.F. 1335

Tax Rate	Married Filing Jointly	Single	Married Filing Separately	Head of Household
5.35%	\$0 to \$39,810	\$0 to \$27,230	\$0 to \$19,905	\$0 to \$33,520
6.80%	\$39,810 to \$158,140	\$27,230 to \$89,440	\$19,905 to \$79,107	\$33,520 to \$134,700
7.85%	\$158,140 to \$276,200	\$89,440 to \$166,040	\$79,107 to \$138,100	\$134,700 to \$220,730
9.85%	\$276,200 to \$500,000	\$166,040 to \$250,000	\$138,100 to \$250,000	\$220,730 to \$400,000
12.45%	\$500,000 and above	\$250,000 and above	\$250,000 and above	\$400,000 and above