

**Subject** Income tax; first tier bracket eliminated

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## Summary

H.F. 812 eliminates the first tier of the individual income tax. Under the bill, married taxpayers would not pay any tax on the first \$47,620 of Minnesota Taxable Income (MTI), and single taxpayers would not pay any tax on the first \$32,700 of MTI.

The table below shows the incomes at which different example taxpayers would first owe tax, after accounting for the standard deduction, dependent exemption, and the zero bracket established by the bill. The tables below do not account for credits such as the child credit.

### Income Needed to Owe Tax, Married Joint Taxpayers H.F. 812, Tax Year 2025

	Married Joint 0 Children	Married Joint 1 Child	Married Joint 2 Children
Standard deduction	29,900	29,900	29,900
Dependent exemption	0	5,200	10,400
Start of 6.80% bracket	47,620	47,620	47,620
<b>Income needed to owe tax before credits, H.F. 812</b>	<b>77,520</b>	<b>82,720</b>	<b>87,920</b>

### Income Needed to Owe Tax, Unmarried Taxpayers H.F. 812, Tax Year 2025

	Single Taxpayer 0 Children	Head of Household 1 Child	Head of Household 2 Children
Standard deduction	14,950	22,500	22,500
Dependent exemption	0	5,200	10,400
Start of 6.80% bracket	32,570	40,100	40,100
<b>Income needed to owe tax, H.F. 812</b>	<b>47,520</b>	<b>67,800</b>	<b>73,000</b>

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