



STATE OF MINNESOTA
L'Étoile du Nord

Office of Governor Mark Dayton

Protecting Tax Deductions for 900,000 Minnesotans and their Families

Budget for a Better Minnesota

Governor Mark Dayton's [Tax Bill](#) continues his long-held commitment to tax fairness for hard-working Minnesotans, while preserving a responsible, balanced budget for our state's future. It would separate our state income taxes from the federal government, to protect tax deductions for 900,000 Minnesotans and their families. Minnesotans rely on these deductions, which provide important cost savings for employee expenses, homeownership costs, tuition payments, and more.

Read below to learn more about the essential tax deductions that Governor Dayton's proposal would protect, while [cutting taxes for more than 2 million Minnesotans](#) to improve family budgets. Without action by the Minnesota Legislature, these cost-saving tax deductions would be eliminated.

Protecting Tax Deductions for 900,000 Minnesotans

Deduction	Description
Unreimbursed Employee Expense Exemption	Under Governor Dayton's plan, a worker that is required to travel from different sites for their job and does not get reimbursed by their employer would remain able to deduct those qualified expenses. About 111,000 Minnesotans benefit from this deduction, saving an average \$419 annually.
Tuition Payment Deduction	Under Governor Dayton's plan, a student or family that pays tuition for higher education and career training could continue to deduct those expenses from their state taxes. About 27,000 Minnesotans benefit from this deduction, saving an average \$96 annually.
Property Tax Deduction	Under Governor Dayton's plan, Minnesotans would be able to continue to deduct all of their property taxes paid. The federal tax bill limits the itemized deduction for state and local taxes to \$10,000. About 40,000 Minnesotans benefit from this deduction, saving an average \$502 annually.

<p>Mortgage Insurance Premium Deduction</p>	<p>Under Governor Dayton’s plan, homeowners would be able to continue deducting mortgage insurance premiums for their qualified residence. About 70,000 homeowners would see tax breaks averaging \$94 annually.</p>
<p>Casualty Loss Deduction</p>	<p>Under Governor Dayton’s plan, a family that suffered a casualty loss, such as a house fire, would still be able to deduct those losses from their state taxes. Each year about 800 Minnesotans benefit from this deduction, saving an average \$16,400.</p>
<p>Moving Expense Deductions and Reimbursement Exclusion</p>	<p>Under Governor Dayton’s plan, workers who move to a new location for a job would still be able to deduct qualified moving expenses. Workers reimbursed for qualified moving expenses will be able to continue to subtract that payment from their taxable income. Each year about 61,000 Minnesotans will benefit from this subtraction, saving an average \$150.</p>
<p>Charitable Donation Deduction</p>	<p>The federal tax changes will result in fewer Minnesotans itemizing their charitable deductions. Under Governor Dayton’s plan, Minnesotans would still be able to itemize their charitable contributions. A family that, for instance, donates \$400 per year and takes the federal standard deduction, but itemizes deductions for Minnesota, could keep deducting that amount from their state taxes.</p>
<p>Disaster Relief Contribution Deductions</p>	<p>When hurricanes, tornadoes, wildfires, and other natural disasters happen in our country, or around the world, Minnesotans often give generously to disaster relief efforts to help our friends and neighbors pick up the pieces of their lives. Governor Dayton’s proposal would match federal changes by removing limits on the amount that Minnesotans can deduct from their state taxes for contributions they make to hurricane disaster relief efforts – supporting our state’s proud tradition of philanthropy and assistance in times of disaster.</p>
<p>Bicycle Commuting Exclusion</p>	<p>Under Governor Dayton’s plan, Minnesota workers would still be able to exclude up to \$20 a month in qualified bicycle commuting costs from their taxable income.</p>

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To learn more about other proposals included in Governor Dayton’s Budget for a Better Minnesota, [CLICK HERE](#).