



2023 Schedule M1529, Education Savings Account Contribution Credit or Subtraction

Complete this form to claim either the credit or the subtraction. You cannot claim both.

FIRST NAME, INITXXXXXXXXX YOUR LAST NAMEXXXXXXXXXX 999999999
Your First Name and Initial Last Name Social Security Number

1 Enter the financial institution, account number, and the amount you contributed in 2023 to each qualified education savings account (commonly known as a 529 savings plan). If you contributed to more than five accounts, include a separate sheet.

Financial Institution: FINANCIAL INSTIT Account Number: 12345678912345678 Amount: 123456789

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Total amount of contributions from separate sheet (if any): 123456789

Enter the total amount you contributed to all qualified education savings accounts 1 123456789

2 Enter the total amounts withdrawn or distributed in 2023 from all accounts (see instructions) 2 123456789

3 Subtract line 2 from line 1. If the result is zero or less, STOP HERE; you do not qualify 3 123456789

If you are claiming the subtraction

4 Enter the lesser of the amount on line 3 or \$1,500 (\$3,000 if you are married and filing a joint return) here and on line 15 of Schedule M1M 4 123456789
If you claim the subtraction, you cannot claim the credit.

If you are claiming the credit

5 Enter the result from step 11 of the Worksheet for Line 5 here. If you claim the credit, you cannot claim the subtraction. Full-Year Residents: Also enter this amount on line 7 of Schedule M1C 5 123456789

6 Part-Year Residents: Multiply line 5 by line 30 of Schedule M1NR. Enter the result here and on line 7 of Schedule M1C 6 123456789

Complete lines 7-15 if a distribution from your account was not used to pay qualified expenses.

7 Enter the amount of distributions from your accounts that were not used for qualified expenses 7 123456789

8 Multiply the total amount of Education Savings Account Credits claimed in prior years on Schedule M1C by 2 8 123456789

9 Enter the total amount of contributions made to your qualified accounts in all taxable years 9 123456789

10 Divide line 8 by line 9 (carry to five decimal places). If line 8 is more than line 9, enter 1 10 123.56789

11 Enter the total amount of subtractions claimed in prior years on Schedule M1M 11 123456789

12 Divide line 11 by line 9 (carry to five decimal places). If line 11 is more than line 9, enter 1 12 123.56789

13 Multiply line 10 by 50% (.50), then multiply the result by line 7. Round amount to the nearest whole dollar. 13 123456789

14 Multiply line 12 by 10% (.10), then multiply the result by line 7. Round amount to the nearest whole dollar. 14 123456789

15 Add lines 13 and 14. Enter here and include on line 14 of Form M1. Check the box for Schedule M1529 15 123456789

2023 Schedule M1529 Instructions

Am I eligible?

You may be eligible for the credit or subtraction if you contributed to a qualified education savings account, regardless of the owner or beneficiary.

If you are a part-year resident, you will determine your credit based on your percentage of income allocated to Minnesota on Schedule M1NR, *Nonresidents/Part-Year Residents*.

You do not qualify for the credit if you are a nonresident or are eligible to be claimed as a dependent.

What is a qualified education savings account?

A qualified education savings account is any state-sponsored section 529 savings plan, including prepaid tuition plans.

What is a qualified expense?

A qualified expense for a section 529 savings plan is a cost required to attend a post-secondary educational institution. Qualified expenses do not include amounts paid for K-12 education expenses.

If you used a distribution from a 529 savings plan for K-12 education tuition, you must include the lesser of distributions or the earnings reported on federal Form 1099-Q from the savings plan on line 13 of Schedule M1M.

Can I claim both the credit and subtraction?

No. You may claim either the credit or the subtraction. You cannot claim both.

Is it better to take the credit or subtraction?

It depends on your Minnesota residency, filing status, and income.

Full and part-year residents: If your Federal Adjusted Gross Income (FAGI) is \$88,810 or less, the credit will generally provide a greater benefit to you. If your FAGI is more than \$88,810 but less than the \$113,810 (\$184,860 if you are married and filing a joint return), complete the Worksheet for Line 5.

If your filing status is Married Filing Jointly and your FAGI is more than \$184,860 (\$113,810 for all other filing statuses), you are not eligible for the credit. You may be eligible for the subtraction.

Nonresidents or individuals eligible to be claimed as a dependent: You are not eligible for the credit. You may be eligible for the subtraction.

Do I need proof of my contributions?

Yes. Save canceled checks and keep a detailed record of your contributions (such as brokerage and account statements). We may ask you to show these records if we have questions.

If you claim the credit or subtraction, maintain a record of the amounts claimed while any education savings account is open.

Line Instructions

Round amounts to the nearest whole dollar.

Line 1

Enter the financial institution, account number, and amount you contributed in 2023 for each qualified education savings account. If you contributed to more than five accounts, include a list of additional accounts on a separate sheet.

Line 2

Enter the total amount of all distributions from accounts that, during the year, you either:

- Were listed as an account owner of
- Made a contribution to

Generally, distributions are reported on federal Form 1099-Q. Do not include transfers or rollovers to other qualified accounts.

Line 4

If you are taking the subtraction instead of the credit, stop here. Enter this amount on line 15 of Schedule M1M, *Income Additions and Subtractions*. You may **not** claim both the credit and the subtraction.

If you are taking the credit instead of the subtraction, skip this line and go to line 5.

Line 5

If you are taking the credit, enter this amount on line 7 of Schedule M1C, *Nonrefundable Credits*. You may **not** claim the credit if any of these apply:

- You claim the Education Savings Account Contribution Subtraction
- You are eligible to be claimed as a dependent
- You are a nonresident

Continued

Worksheet for Line 5 (529 Credit)

- 1 Enter the amount from line 3 _____
 - 2 Multiply the amount from step 1 by 50% (.50) _____
 - 3 Enter the amount from line 1 of Form M1 _____
 - 4 If step 3 is less than or equal to \$88,810, skip steps 5-9 and enter \$500 on step 10.
If step 3 is over \$88,810, use the table below to determine steps 5, 7, and 9 for your filing status.
- Married filing jointly**
If step 3 is:
- | Over | But Not Over | Use for Step 5 | Use for Step 7 | Use for Step 9 |
|-----------|--------------|----------------|----------------|----------------|
| \$88,810 | \$113,810 | \$88,810 | 0.01 | \$500 |
| \$113,810 | \$159,860 | \$0 | 0.00 | \$250 |
| \$159,860 | — | \$159,860 | 0.01 | \$250 |
- All other filing statuses**
If step 3 is over \$88,810 :
- | Use for Step 5 | Use for Step 7 | Use for Step 9 |
|----------------|----------------|----------------|
| \$88,810 | 0.02 | \$500 |
- 5 Enter the appropriate amount for this step from the table above. _____
 - 6 Subtract step 5 from step 3 _____
 - 7 Enter the appropriate amount for this step from the table above. _____
 - 8 Multiply step 6 by step 7 _____
 - 9 Enter the appropriate amount for this step from the table above. _____
 - 10 Subtract step 8 from step 9 _____
 - 11 Enter the amount from step 2 **or** step 10, **whichever is less**. Enter this amount on line 5 of Schedule M1529 _____

Line 7

Enter the total distributions from your accounts in 2023 that were not used for qualified expenses. Do not include distributions that are subject to additional tax at the federal level.

Line 8

Multiply the total amount of Education Savings Account Credits claimed in prior years on Schedule M1C by 2. You must include all credits claimed, even if an unqualified distribution came from only one account.

Line 9

Enter the total amount of contributions made to your qualified accounts in all taxable years. Include contributions made to all accounts, not just those with an unqualified withdrawal.

Line 11

Enter the total amount of subtractions claimed in prior years on Schedule M1M.

Questions?

Forms and information are available on our website at www.revenue.state.mn.us.

If you have questions:

- Visit our website at www.revenue.state.mn.us and enter **Education Savings** into the Search box
- Send us an email at individual.incometax@state.mn.us
- Call us at 651-296-3781 or 1-800-652-9094