



2018 Schedule M1529, Education Savings Account Contribution Credit or Subtraction

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

Your First Name and Initial _____ Last Name _____ Social Security Number _____

1 Enter the financial institution, account number, and the amount you contributed in 2018 for each qualified education savings account (commonly known as a 529 college savings plan). If you contributed to more than five accounts, include a separate sheet.

Financial Institution: _____ Account Number: _____ Amount: _____

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

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

2 Enter the total amounts distributed in 2018 from all accounts (see instructions) 2 _____

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

If you are claiming the subtraction

4 To claim the subtraction, 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 36 of Schedule M1M 4 _____
If you claim the subtraction, you **cannot** claim the credit.

If you are claiming the credit

5 To claim the credit, enter the result from step 13 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 4 of Schedule M1C 5 _____
6 **Part-Year Residents:** Multiply line 5 by line 26 of Schedule M1NR. Enter the result here and on line 4 of Schedule M1C 6 _____

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 _____

8 Multiply the amount from line 7 of your 2017 Schedule M1C by 2 8 _____

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

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

11 Enter the amount from line 39 of your 2017 Schedule M1M 11 _____

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

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

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

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

2018 Schedule M1529 Instructions

Am I eligible?

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

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 college savings plan, including prepaid tuition plans.

What is a qualified expense?

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

Can I claim 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 residency status, filing status, and income.

Full and part-year residents: If your Minnesota Adjusted Gross Income (MNAGI) is \$76,490 or less, the credit will generally provide a greater benefit for you.

If your MNAGI is more than \$76,490 but less than the \$101,990 (\$162,680 if you are filing a joint return), complete the Worksheet for Line 5. You will generally benefit more by claiming the credit if the result from the worksheet is more than the amount below for your filing status:

- Single: \$118
- Married filing joint: \$212
- Head of Household: \$106
- Married filing separate: \$118

If your filing status is Married filing joint and your MNAGI is more than \$162,680 (\$101,990 for all other filing statuses), you are not eligible for the credit. However, you may be eligible for the subtraction.

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

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 | Enter the amount from line 36 of Schedule M1NC. If the amount was entered on line 40 of Schedule M1M, enter as a negative amount here | _____ | | | |
| 5 | Add steps 3 and 4. This is your MNAGI | _____ | | | |
| 6 | If step 5 is less than \$76,490, skip steps 7-11 and enter \$500 on step 12. Otherwise, use your filing status and the table below to determine steps 7, 9, and 11. | | | | |
| Married filing jointly | | | | | |
| If step 5 is: | | | | | |
| | Over | But Not Over | Use for Step 7 | Use for Step 9 | Use for Step 11 |
| | \$76,490 | \$101,990 | \$76,490 | 0.01 | \$500 |
| | \$101,990 | \$137,680 | \$0 | 0.00 | \$250 |
| | \$137,680 | — | \$137,680 | 0.01 | \$250 |
| All other filing statuses | | | | | |
| | If step 5 is over \$76,490: | | Use for Step 7 | Use for Step 9 | Use for Step 11 |
| | | | \$76,490 | 0.02 | \$500 |
| 7 | Enter the appropriate amount for this step from the table above. | _____ | | | |
| 8 | Subtract step 7 from step 5 | _____ | | | |
| 9 | Enter the appropriate amount for this step from the table above. | _____ | | | |
| 10 | Multiply step 8 by step 9 | _____ | | | |
| 11 | Enter the appropriate amount for this step from the table above. | _____ | | | |
| 12 | Subtract step 10 from step 11. | _____ | | | |
| 13 | Enter the amount from step 2 or step 12, whichever is less. Enter this amount on line 5 of Schedule M1529 | _____ | | | |

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.

Line Instructions

Round amounts to the nearest whole dollar.

Line 1

Enter the financial institution, account number, and amount you contributed in 2018 for each qualified education savings account. Include a list of additional accounts on a separate sheet of paper if you contributed to more than five accounts.

Line 2

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

- Were listed as an account owner or beneficiary
- Made a contribution to

Distributions are generally reported on federal Form 1099-Q.

Line 4

If you are taking the subtraction instead of the credit, stop here; enter this amount on line 36 of Schedule M1M, *Income Additions and Subtractions*. You may **not** claim both the credit and the subtraction.

Line 5

If you are taking the credit instead of the subtraction, skip line 4; enter this amount on line 4 of Schedule M1C, *Nonrefundable Credits*. You may **not** claim the credit if you claim the subtraction, are eligible to be claimed as a dependent, or are a nonresident.

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 **529** in the Search box
- Send us an email at individual.incometax@state.mn.us
- Call us at 651-296-3781 or 1-800-652-9094