



# 2017 Schedule M1ED, K-12 Education Credit

You must have receipts as proof of your education expenses; keep with your tax records.

Your First Name and Initial	Last Name	Social Security Number	Total Number of Qualifying Children in Grades K-12 (also enter in the box by line 3 of Schedule M1REF):
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- 1 Federal adjusted gross income (from federal line 37 of Form 1040 or line 21 of Form 1040A) . . . . . 1 \_\_\_\_\_
- 2 Nontaxable Social Security and/or Railroad Retirement Board benefits received and not included in line 1 above . . . . . 2 \_\_\_\_\_
- 3 Deduction for payments made to an IRA, SEP or SIMPLE plan (add lines 28 and 32 of Form 1040 or line 17 of Form 1040A) . . . . . 3 \_\_\_\_\_
- 4 Total payments from programs including MFIP (Minnesota Family Investment Program), MSA (Minnesota Supplemental Aid), SSI (Supplemental Security Income), GA (General Assistance) and GRH (Group Residential Housing) . . . . . 4 \_\_\_\_\_
- 5 Additional nontaxable income such as contributions to a 401(k) or deferred compensation plan, workers' compensation, and grants and scholarships (see instructions for more examples) . . . . . 5 \_\_\_\_\_  
Enter total and type(s): \_\_\_\_\_
- 6 Household income. Add lines 1 through 5 (if result is zero or less, enter 0) . . . . . 6 \_\_\_\_\_

**If you have one or two qualifying children and line 6 is \$37,500 or more, STOP HERE; you do not qualify.**

**If you have more than two qualifying children, see the instructions for line 6.**

**Qualifying Education Expenses**—See the M1 instructions.

In columns A-C, list expenses paid in 2017 for each qualifying child separately. If you have expenses for more than three children, include a separate sheet that shows lines 7-12 for each additional child.

	A—1st Child	B—2nd Child	C—3rd Child
Qualifying Child's Name			
Child's Social Security Number			
K-12 Grade(s) in Which Expenses Incurred			
Date of Birth			
Type of School Attended: Public, Private, Home School			
7 Fees for enrichment or academic classes taken outside the regular school day or school year. <b>Do not include private school tuition.</b> List organization and type of class: _____ 7			
8 Fees for individual instruction by a qualified instructor taught outside the regular school day or year, such as tutoring or music lessons . . . . . 8 Enter the name of instructor or organization and the type of class: _____			
9 Purchases of required school materials: textbooks, paper, pencils, notebooks, etc. <b>You must have itemized cash register receipts</b> . . . . . 9			
10 Purchases or rentals of musical instruments used during the regular school day. Type and cost of each: _____ 10			
11 Transportation costs <b>paid to others</b> for the regular school day Transportation provider: _____ 11			
12 Add lines 7 through 11 for each column . . . . . 12			

- 13 Add line 12 for all columns . . . . . 13 \_\_\_\_\_
- 14 Personal computer hardware and educational software expenses, not to exceed \$200. (Do not include monthly service fees for Internet access) . . . . . 14 \_\_\_\_\_
- 15 Add line 13 and line 14 . . . . . 15 \_\_\_\_\_
- 16 Multiply line 15 by 75% (.75) . . . . . 16 \_\_\_\_\_
- 17 If your household income on line 6 is **\$33,500 or less**, multiply the number of qualifying children in grades K-12 by \$1,000. If it is **more than \$33,500**, complete the worksheet on back . . . . . 17 \_\_\_\_\_
- 18 Amount from line 16 or line 17, **whichever is less**.  
**Full-year residents:** Also enter this amount on line 3 of Schedule M1REF . . . . . 18 \_\_\_\_\_
- 19 **Part-year residents and nonresidents:** Multiply line 18 by line 25 of Schedule M1NR. Enter the result here and on line 3 of Schedule M1REF. However, if your Minnesota gross income is less than \$10,400, see instructions; enter result from step 5 of worksheet here: \_\_\_\_\_ and enter step 6 on line 19 . . . . . 19 \_\_\_\_\_

**Enter qualifying children on line 3a of Schedule M1REF. Include this schedule with your return. Save your receipts.**

# 2017 Schedule M1ED Instructions

## Am I eligible?

You may be eligible for this credit if you paid education related expenses for a qualifying child in grades Kindergarten through 12 (K-12).

## What is a Qualifying Child?

For this credit, a qualifying child must meet all of these conditions:

- is your child, descendent, sibling, niece, or nephew
- is enrolled in a grade K-12
- lived with you more than half the year
- is not claimed as a qualifying child by any other person

## What are Education Related Expenses?

Education related expenses include the amounts paid for the purchase of required educational material for use during the regular school day, fees for after-school enrichment programs, and tutoring by a qualified instructor. See Income Tax Fact Sheet #8, *K-12 Education Subtraction and Credit*, for more information.

Some expenses that cannot be used for the credit may be used for the K-12 Education Subtraction (line 19 of Schedule M1M).

## Do I need proof?

Yes. Save a detailed record of your payments including canceled checks, invoices, and itemized receipts for all qualified expenses. We may ask you to show these records if we have questions.

## Is there a penalty for fraudulently claiming a refund?

Yes. If you file a return that fraudulently claims a credit, you will be assessed a penalty equal to 50 percent of the fraudulently claimed credit.

## Line Instructions

Round amounts to the nearest whole dollar.

### Line 1

Enter your federal adjusted gross income from your 2017 federal return. If the amount is less than zero, enter the negative number. Put parentheses around a negative number.

If you did not file a 2017 federal return, obtain a federal return and instructions to determine what your federal adjusted gross income would have been.

### Line 5

Enter the total nontaxable income you received in 2017 that is not included on lines 1 through 4. Enter the type(s) of income below line 5.

Common examples include:

- payments received under the state Medicaid Home & Community-Based Services Waiver (Medicaid Waiver)
- employer paid education or adoption expenses
- workers compensation benefits
- your contributions to an employee elective deferral plan, such as a 401(k), 403(b), 457 deferred compensation or SIMPLE/SEP plan

- contributions made to a dependent care account (as shown on your W-2 form) and/or medical expense account
- nontaxable employee transit and parking expenses
- veterans benefits
- nontaxable scholarships, fellowships, grants for education, including those from foreign sources, and tuition waivers or reductions
- nontaxable pension and annuity payments, including disability payments (Do not include distributions from a Roth IRA or any pension or annuity that you funded exclusively, for which your contributions could not be taken as a federal tax deduction.)
- federally nontaxed interest and mutual fund dividends
- income excluded by a tax treaty
- rent reduction received for being a caretaker
- military or clergy housing allowance
- nontaxable military earned income, such as combat pay
- strike benefits
- the gain on the sale of your home excluded from federal income
- debt forgiveness income not included in federal adjusted gross income

Also include on line 5 the following losses and deductions to the extent they reduced federal adjusted gross income:

- tuition and fees deduction
- educator expenses deduction
- health savings account, Archer MSA and domestic production activities deductions
- capital loss carryforward
- net operating loss carryforward/carryback
- current year passive activity losses, including rental losses in excess of current year passive activity income
- prior year passive activity loss carryforward claimed in 2017 for federal purposes

### Do not include on line 5:

- Minnesota property tax refunds
- child support payments

- a dependent's income, including Social Security
- any state income tax refunds not included on line 1
- the dollar value of food, clothing, food stamps and medical supplies received from government agencies
- payments from life insurance policies
- payments by someone else for your care by a nurse, nursing home or hospital
- fuel assistance payments
- IRA rollovers
- gifts and inheritances
- nontaxable Holocaust settlement payments

## Line 6

The household income limit is based on the number of qualifying children you have in grades K-12.

If your total number of qualifying children in K-12 is:	your household income must be less than:
1 or 2	\$37,500
3	\$39,500
4	\$41,500
5	\$43,500
6 or more	*

\* More than 5 children: \$43,500 plus \$2,000 for each additional qualifying child.

If your household income is more than the limits shown, you do not qualify for the credit. However, you may qualify for a subtraction.

## Line 17

If line 6 is more than \$33,500, complete the Worksheet for Line 17.

## Line 19

If your Minnesota gross income is below the filing requirement and you're filing Form M1 to claim this credit, you should have entered zero on line 23 of Schedule M1NR. However, to correctly determine this credit, you must first fully complete Schedule M1NR (do not skip lines 12-22) to determine what the amounts would have been, and then follow the Worksheet for Line 19.

### Worksheet for Line 17 (If Line 6 is More Than \$33,500)

1	Multiply the number of qualifying children in grades K-12 by \$1,000	_____
2	Line 6 of Schedule M1ED	_____
3	Income limit	\$33,500
4	Subtract step 3 from step 2	_____
5	Multiply step 4 by .25 if you have only one qualifying child, or .50 if two or more qualifying children.	_____
6	Subtract step 5 from step 1 (if zero or less, stop here; you don't qualify)	_____
Enter the step 6 result on line 17.		

### Worksheet for Line 19

1	Line 11, column B, of Schedule M1NR	_____
2	Line 22, column B, of Schedule M1NR	_____
3	Subtract step 2 from step 1 (if zero or less, stop here; you don't qualify)	_____
4	Line 24 of Schedule M1NR	_____
5	Divide step 3 by step 4 (carry to five decimal places). If step 3 is more than step 4, enter 1.0. Enter result on the space provided on line 19 of Schedule M1ED	_____
6	Multiply step 5 by line 18 of Schedule M1ED	_____
Enter the result from step 6 on line 19 of Schedule M1ED and on line 3 of Schedule M1REF		