



**2020 Schedule M1ED, K–12 Education Credit**

You must have receipts as proof of your education expenses. Keep these receipts with your tax records.

Your First Name and Initial \_\_\_\_\_ Last Name \_\_\_\_\_ Social Security Number \_\_\_\_\_ Total Number of Qualifying Children \_\_\_\_\_

(also enter in the box on line 3a of Schedule M1REF)

- 1 Federal adjusted gross income (from line 1 of Form M1; if a negative number, enter in parentheses) . . . . . **1** \_\_\_\_\_
- 2 Social Security and Railroad Retirement Board benefits received and not included in line 1 . . . . . **2** \_\_\_\_\_
- 3 Deduction for payments made to an IRA, SEP, or SIMPLE plan (add lines 15 and 19 of federal Schedule 1) . . . . . **3** \_\_\_\_\_
- 4 Total payments from programs including the Minnesota Family Investment Program (MFIP), Minnesota Supplemental Aid (MSA), Supplemental Security Income (SSI), General Assistance (GA), and Minnesota Housing Support (formerly GRH) . . . **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** \_\_\_\_\_  
List types and amounts: \_\_\_\_\_
- 6 Household income. Add lines 1 through 5 (if 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 instructions for line 6.

**Qualifying Education Expenses**—In columns A–C, list expenses paid in 2020 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. See Form M1 instructions for a list of qualifying expenses.

	Child A	Child B	Child C
Qualifying Child's Name			
Child's Social Security Number			
K-12 Grade for 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> . . . . . <b>7</b>			
Organization and type of class: _____			
8 Fees for individual instruction by a qualified instructor taught outside the regular school day or year, such as tutoring or music lessons . . . . . <b>8</b>			
Name of instructor or organization and the type of class: _____			
9 Purchases of required school materials (Attach itemized cash register receipts) . <b>9</b>			
10 Purchases or rentals of musical instruments used during the regular school day. . . . . <b>10</b>			
Type and cost of each: _____			
11 Transportation costs <b>paid to others</b> for the regular school day . . . . . <b>11</b>			
Transportation provider: _____			
12 Add lines 7 through 11 for each column . . . . . <b>12</b>			

- 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 for Line 17 in the instructions . . . . . **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 30 of Schedule M1NR. Enter the result here and on line 3 of Schedule M1REF. However, if your Minnesota gross income is less than \$12,400, complete worksheet in 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 Form M1. Save your receipts.**

# 2020 Schedule M1ED Instructions

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## 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:

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

### What are education-related expenses?

Education-related expenses include 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*.

If you cannot use expenses for this credit, you may be able to use them for the K-12 Education Subtraction. For details, see the instructions for line 19 of Schedule M1M, *Income Additions and Subtractions*.

### 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 credit?

Yes. If you file a return that fraudulently claims a credit that results in a refund, you will be assessed a penalty equal to 50 percent of the portion of the refund attributable to fraud. If a fraudulently claimed credit reduced your tax liability, you may also be assessed a penalty equal to 50 percent of the unpaid tax.

## Line Instructions

*Round amounts to the nearest whole dollar.*

### Line 1

Enter your adjusted gross income from line 1 of Form M1. If the amount is less than zero, enter the negative number in parentheses.

If you did not file a 2020 federal return, complete 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 2020 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 Form W-2) and 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 you could not claim a federal deduction for your contributions)
- 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 2020 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 payment

**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
More than 3	\$39,500, plus \$2,000 for each additional child

If your household income is more than the limits shown, you do not qualify for the credit. However, you may qualify for the K-12 Education Subtraction. See the instructions for line 19 of Schedule M1M.

**Line 17**

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

<b>Worksheet for Line 17 (If Line 6 is More Than \$33,500)</b>	
1 Multiply the number of qualifying children in grades K–12 by \$1,000 .....	_____
2 Line 6 of Schedule M1ED .....	_____
3 Income limit .....	<u>\$33,500</u>
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. Enter the result here and on line 17 (If zero or less, <b>STOP HERE</b> . You do not qualify) .....	_____

**Line 19**

If your Minnesota gross income is below the filing requirement, you should have entered zero on line 28 of Schedule M1NR, *Nonresidents/Part-Year Residents*. To determine this credit, fully complete Schedule M1NR (do not skip lines 16-27) to determine what the amounts would have been. Then, complete the Worksheet for Line 19.

<b>Worksheet for Line 19</b>	
1 Line 15, column B of Schedule M1NR .....	_____
2 Line 27, column B of Schedule M1NR .....	_____
3 Subtract step 2 from step 1 (If zero or less, <b>STOP HERE</b> . You do not qualify) .....	_____
4 Line 29 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 here and on line 19 of Schedule M1ED and line 3 of Schedule M1REF .....	_____