



- 19 Subtraction of reservation income for American Indians *(see instructions)* 19 ■ _____
 Name of Tribe 19a ■ _____
 Physical address where you live on reservation 19b ■ _____
 This line intentionally left blank 19c ■ _____
- 20 Federal active-duty military pay received for services performed while a Minnesota resident, to the extent the income is federally taxable. If you received a military pension, see line 25 20 ■ _____
- 21 **Minnesota National Guard members and reservists:** See instructions 21 ■ _____
- 22 **Residents of another state:** Enter your federal active duty military pay, to the extent the income is federally taxable. If you received a military pension, see line 25. 22 ■ _____
- 23 Organ donor subtraction *(see instructions)* 23 ■ _____
- 24 Volunteer mileage reimbursement subtraction 24 ■ _____
- 25 Subtraction for military pensions or other military retirement pay *(see instructions)* 25 ■ _____
- 26 Post-service education awards received for service in an AmeriCorps National Service program 26 ■ _____
- 27 Subtraction for interest earned from a designated first-time homebuyer savings account *(enclose Schedule M1HOME)* 27 ■ _____
- 28 Subtraction for discharge of indebtedness of educational loans *(see instructions)* 28 ■ _____
- 29 Qualified public pension subtraction *(enclose Schedule M1QPEN)*. 29 ■ _____
- 30 Subtraction for damages received under sexual harassment or abuse claims *(see instructions)*. 30 ■ _____
- 31 Subtraction for long-term service and support workforce incentive grants *(see instructions)*. 31 ■ _____
- 32 Subtraction for Nursing Facility Workforce Incentive Grants *(see instructions)*. 32 ■ _____
- 33 Subtraction for one-time refund for tax year 2021 reported on 2025 Form 1099-MISC 33 ■ _____
- 34 Coerced debt subtraction *(see instructions)* 34 ■ _____
- 35 Consumer enforcement public compensation subtraction *(see instructions)* 35 ■ _____
- 36 Foreign service retirement subtraction *(see instructions)* 36 ■ _____
- 37 Service Employees International Union (SEIU) stipend payment subtraction *(see instructions)* 37 ■ _____
- 38 This line intentionally left blank 38 ■ _____
- 39 Subtraction from line 41 of Schedule M1NC *(enter as a positive number)* 39 ■ _____
- 40 Add lines 11 through 39. Enter the total here and on line 7 of Form M1. 40 _____

You must include this schedule with your Form M1.

2025 Schedule M1M Instructions

Additions

Line 1 — Interest From Municipal Bonds of Another State or its Governmental Units

Of the amount you included (or should have included) on line 2a of federal Form 1040, add the interest you received from municipal bonds issued by:

- A state other than Minnesota
- A local government (such as a county or city) in a state other than Minnesota

Line 2 — Federally Tax-Exempt Dividends from Mutual Funds Investing in Bonds of Another State

If you received federally tax-exempt interest dividends from a mutual fund, you may have to enter an amount on line 2. To determine the amount, if any, use these instructions:

- If **95% or more** of the federally tax-exempt dividends from a mutual fund came from bonds issued by Minnesota, include *only* the portion of the federally tax-exempt dividend generated by non-Minnesota bonds
- If **less than 95%** of the federally tax-exempt interest dividends from a mutual fund came from bonds issued by Minnesota, include *all* of the federally tax-exempt interest dividend from that fund

Line 3 — Expenses Relating to Income Not Taxed by Minnesota, Other Than from U.S. Bond Obligations

If you deducted expenses on your federal return connected with income not taxed by Minnesota (such as income reported on lines 17 through 22 of Schedule M1M), add those expenses to your taxable income.

Do not include expenses connected with interest or mutual fund dividends from U.S. bonds. For information on how to report these expenses, see the instructions for line 14.

Line 4 — Capital Gain Portion of a Lump-Sum Distribution from a Qualified Retirement Plan

If you received a qualifying lump-sum distribution in 2025 and you chose the capital gain election on federal Form 4972, enter the capital gain from line 6 of federal Form 4972. Include a copy of federal Form 4972 when you file your return.

Line 5 — First-Time Homebuyer Savings Account Addition

If you made a nonqualified withdrawal from a first-time homebuyer savings account, you may be required to include those amounts in your taxable income. Complete and include Schedule M1HOME, *First-Time Homebuyer Savings Account*, to determine your addition.

Line 6 — Higher Education Savings Accounts Used for K-12 Tuition

If you paid K-12 tuition with a distribution from a higher education savings account, include **one** of these amounts, whichever is less:

- The total distributions from the account used to pay K-12 tuition
- The total earnings reported on federal Form 1099-Q for the year

Subtractions

Line 11 — Charitable Contributions over \$500

You may subtract some of your contributions made during the year if both of these are true:

- You did not file Schedule M1SA, *Minnesota Itemized Deductions*.
- You made charitable contributions of more than \$500.

To determine your allowable contributions, see the instructions for Schedule M1SA, and use the Worksheet for Line 11.

Worksheet for Line 11

To determine your allowable contributions, you will need the instructions for Schedule M1SA.

1 Determine total allowable charitable contributions you would have been able to enter on lines 15 and 16 of Schedule M1SA . . .	_____
2 The first \$500 of contributions do not qualify	\$500
3 Subtract step 2 from step 1	_____
4 Multiply step 3 by 50% (.50). Enter here and on line 11 of Schedule M1M	_____

Line 12 — Social Security Subtraction

If you had taxable Social Security benefits on line 6b of Form 1040 or 1040-SR, you may be eligible to subtract those benefits from your Minnesota taxable income. Enter the full amount from line 6b of Form 1040 or 1040-SR on line 12 of Schedule M1M, if your adjusted gross income was below these amounts based on your filing status:

- Single or Head of Household: \$84,490
- Married Filing Jointly or Qualifying Surviving Spouse: \$108,320
- Married Filing Separately: \$54,160

If your adjusted gross income is greater than these amounts, you must determine your subtraction using the Worksheet for Line 12. Your subtraction equals the greater of step 28 (Alternative Method) or step 29 (Simplified Method).

Worksheet for line 12

1 Adjusted gross income from line 1 of Form M1 _____

2 Enter the amount based on your filing status _____

Married Filing Jointly or Qualifying Surviving Spouse	\$108,320
Single or Head of Household	\$84,490
Married Filing Separate	\$54,160

3 Subtract step 2 from step 1 _____

4 Divide step 3 by \$4,000 (\$2,000 if married and filing a separate return). Round up to nearest whole number. If greater than ten, enter 10 _____

5 Multiply step 4 by 10% (.1). Enter the result as a decimal _____

6 Taxable Social Security benefits from line 6b of Form 1040 or 1040-SR _____

7 Multiply step 5 by step 6 _____

8 Subtract step 7 from step 6. If less than zero, enter 0. _____

9 Enter the amount from line 9 of Form 1040 or 1040-SR _____

10 Taxable Social Security benefits from line 6b of Form 1040 or 1040-SR _____

11 Subtract step 10 from step 9. _____

12 Enter the amount from line 6a of federal Form 1040 or 1040-SR. _____

13 Multiply step 12 by 50% (0.50) _____

14 Enter the amount you included or should have included on line 2a of Form 1040 or 1040-SR _____

15 Add steps 11, 13, and 14 _____

16 Enter the amount from line 26 of federal Schedule 1. _____

17 Enter the amount from line 21 of federal Schedule 1. _____

18 Subtract step 17 from step 16. If zero or less, enter 0 _____

19 Subtract step 18 from step 15. If zero or less, enter 0 _____

20 Enter the amount based your filing status _____

Married Filing Jointly or Qualifying Surviving Spouse	\$88,630
Single or Head of Household	\$69,250
Married Filing Separate	\$44,315

21 Subtract step 20 from step 19. If zero or less, enter 0 _____

22 Multiply step 21 by 20% _____

23 Enter the amount based on your filing status _____

Married Filing Jointly or Qualifying Surviving Spouse	\$5,840
Single or Head of Household	\$4,560
Married Filing Separate	\$2,920

24 Subtract step 22 from step 23. If zero or less, enter 0 _____

25 Enter the amount from step 10 _____

26 Enter the amount of Tier 1 railroad retirement benefits included on line 17 of Schedule M1M _____

27 Subtract step 26 from step 25. If zero or less, enter 0 _____

28 Enter step 24 or step 27, whichever is less. _____

29 Subtract step 26 from step 8. If zero or less, enter 0. _____

30 Enter step 28 or 29, whichever is greater. Also, enter this amount on line 12 of Schedule M1M _____

Line 13 — K-12 Education Expense Subtraction

If you purchased qualifying educational materials or services in 2025 for your qualifying child’s K–12 education, you may be able to reduce your taxable income.

If you qualify for the K-12 Education Credit, complete Schedule M1ED, *K-12 Education Credit*, before entering an amount on this line (see instructions for line 3 of Schedule M1REF, *Refundable Credits*). For this subtraction, you may use qualifying expenses you did not use for the credit and tuition expenses which do not qualify for the credit. You may not claim both the credit and a subtraction for the same expenses. Complete the Worksheet for Line 13 if you entered an amount on line 13 of Schedule M1ED.

To subtract your education expenses, the child must:

- Be your child, adopted child, stepchild, grandchild, or foster child who lived with you in the United States for more than half of the year
- Have been in grades K–12 during 2025
- Have attended a public, private, or home school in Minnesota, Iowa, North Dakota, South Dakota, or Wisconsin
- Not be claimed as a qualifying child on another individual’s return

Additionally, you must have purchased educational services or required materials during the year to help your child’s K–12 education. Education expenses that qualify for the credit also qualify for the subtraction, but certain expenses qualify only for the subtraction. For examples of qualifying education expenses, see the instructions for Form M1, *Individual Income Tax*.

Subtraction Limits

The maximum subtraction allowed for purchases of personal computer hardware and educational software is \$200 per family. You may split qualifying computer expenses, up to \$200, among your children any way you choose. The maximum amount of education expenses you can subtract is \$1,625 for each child in grades Kindergarten through 6, and \$2,500 for each child in grades 7 through 12.

If you qualify for the K–12 Education Credit (Schedule M1REF, line 3) and you cannot use all your education expenses on Schedule M1ED, complete the Worksheet for Line 13. For more information, see Income Tax Fact Sheet 8, *K–12 Education Subtraction and Credit*, for more information.

Enter your qualifying education expenses on line 13. Also, enter each child’s name and grade at the time the expenses were paid.

Worksheet for Line 13
 If you qualify for the K–12 Education Credit and you cannot use all of your education expenses on Schedule M1ED, determine line 13 of Schedule M1M by completing these steps:

1	Qualifying tuition expenses	_____
2	Qualifying computer expenses, up to a maximum of \$200	_____

Complete steps 3–6 if on Schedule M1ED line 12 is less than line 11.

3	Line 10 of Schedule M1ED	_____
4	Line 13 of Schedule M1ED	_____
5	Multiply step 4 by 1.333	_____
6	Subtract step 5 from step 3	_____
7	Add steps 1, 2, and 6	_____

Enter the result from step 7—up to the maximum subtraction amount per child—on line 13 of Schedule M1M.

Line 14 — Net Interest from U.S. Bonds

Include federally taxable interest you received from:

- U.S. bonds, bills, notes, savings bonds, and certificates of indebtedness
- Sallie Mae bonds
- Dividends paid to you by mutual funds that are attributable to these bonds
- U.S. Government interest and dividends you received as partner of a partnership, shareholder of an S corporation, or beneficiary of a trust or estate

Reduce these amounts by any related investment interest and other expenses deducted on your federal return relating to this income. Do not include interest or dividends attributable to Ginnie Mae, Fannie Mae, or Freddie Mac bonds. If you received interest from a government source not listed, see Income Tax Fact Sheet 13, *U.S. Government Interest*.

Line 15 — Contributions to a 529 plan

You may be able to deduct certain contributions made to a 529 plan. To determine the amount of your subtraction, complete and include Schedule M1529, *Education Savings Account Contribution Credit or Subtraction*, and enter the amount from line 4 of Schedule M1529 on line 15.

Line 16 — Subtraction for Persons 65 or Older or Permanently and Totally Disabled (Schedule M1R)

You may qualify for a subtraction if either of these apply to you (or your spouse, if filing a joint return):

- You were born before January 2, 1961.
- You were permanently and totally disabled and received federally taxable disability income in 2025. If you did not receive federally taxable disability income, you do not qualify for this subtraction.

If you (or your spouse, if filing jointly) meet the age or disability requirement, see the instructions for Form M1 to determine if you meet the income requirements. If you meet all eligibility requirements, complete and include **Schedule M1R, Age 65 or Older/Disabled Subtraction**.

Line 17 — Railroad Retirement Board Benefits

If you included unemployment, sick pay, or retirement benefits from the Railroad Retirement Board in your 2025 federal adjusted gross income, you can subtract these amounts. If line 6b of Form 1040 or 1040-SR included Railroad Retirement Board Benefits and you subtracted this amount on line 12 of Schedule M1M, do not include these benefits here.

Line 18 — Reciprocity Income

Minnesota has income tax reciprocity agreements with Michigan and North Dakota. Reciprocity applies only to personal service income, such as wages, salaries, tips, commissions, fees, and bonuses. Complete line 18 if all of these apply:

- You are a resident of a reciprocity state.
- Your only Minnesota income source was wages covered under reciprocity.
- You had Minnesota income tax withheld from these wages, and you want a refund of the amount withheld. Place an X in the box for the state of which you were a permanent resident during the year, and enter the amount from line 1 of Form M1 on line 18 of Schedule M1M.

When you file Form M1, follow the steps in the Form M1 instructions. Also complete and include these forms:

- Schedule M1W, *Minnesota Income Tax Withheld*
- Form MWR, *Reciprocity Exemption/Affidavit of Residency*
- A copy of your home state tax return

To avoid having Minnesota tax withheld in the future on wages covered by reciprocity, file Form MWR each year with your employer.

When to complete Schedule M1NR: If your gross income assignable to Minnesota (other than from performing personal services covered under reciprocity) is \$14,950 or more, you are not eligible to take the reciprocity subtraction on line 18. Instead, file Form M1 and Schedule M1NR. Do not include your personal service income on column B of Schedule M1NR.

Line 19 — American Indians Living on an Indian Reservation

If you are a member of an American Indian tribe living and working on the reservation of which you are an enrolled member, enter your reservation source income to the extent it is federally taxable.

Common examples of income derived from the tribe's reservation include:

- Wages earned based on work performed on the reservation
- Pension income earned based on contributions while working on the reservation
- Military pension income based on military pay exempt from Minnesota taxes
- Interest from a bank located on the reservation
- Distributions of profits from a casino on the reservation
- Social Security income earned based on employment on the reservation
- Rent and royalty income from real or personal property on the reservation
- Gains from the sale of personal property on the reservation
- Gains from the sale of real property on a reservation
- Dividends and capital gains from a business on the reservation
- Income from a sole proprietorship to the extent you performed business on the reservation
- Partnership and S corporation income to the extent the entity does business on the reservation
- Income from a farm on the reservation
- Unemployment income based on employment on the reservation
- Gambling income won on your reservation

If you already excluded certain federally taxable income from your Minnesota taxable income using Schedule M1M or Schedule M1MB, *Business Income Additions and Subtractions*, do not subtract this income on this line.

If you are eligible to subtract reservation source income, you must apportion any Child and Dependent Care Credit you claim based on your income taxable to Minnesota.

Report on line 19a the name of your tribe. Below is a list of American Indian tribes located in Minnesota:

- Bois Forte Band of Chippewa*
- Fond Du Lac / Lake Superior Chippewa Reservation*
- Gichi-Onigaming / Grand Portage Band of Lake Superior Chippewa*
- White Earth Reservations*
- Mille Lacs Band of Ojibwe*
- Leech Lake Band of Ojibwe*
- Red Lake Band of Chippewa Indians
- Lower Sioux Indian Community
- Upper Sioux Indian Community
- Prairie Island Indian Community
- Shakopee Mdewakanton Sioux (Dakota) Community

*If a member of one of these six tribes lives and receives income on the reservation of one of the other six tribes, the member may still claim the subtraction. This does not apply to the Red Lake Band of Chippewa Indians because, although they are Chippewa, they are not a member of the Minnesota Chippewa Tribe.

Report on line 19b the physical address where you live (do not report a PO Box on this line).

Line 20 — Federal Active-Duty Military Pay Received by Residents

If you are a Minnesota resident and a member of the United States armed forces or United Nations armed forces, enter the federal active-duty military pay you received and included in your federal adjusted gross income.

Line 21 — National Guard Members and Reservists

Members of the Minnesota National Guard and Reserves are allowed a subtraction of federally taxable pay received for training and certain types of qualifying service. This includes:

- Training, including annual training and drill weekends
- State active service, including natural disaster emergency response and missing person searches
- Federally funded state active service such as airport security duty, Active Duty Operational Support (ADOS), and service under Title 10 and Title 32 Active Guard Reserve (AGR)

If you included income on line 20 for federal active-duty pay, do not include that income on line 21.

Line 23 — Organ Donor Subtraction

If, while living, you, your spouse (if filing jointly), or a dependent donated all or part of a liver, pancreas, kidney, intestine, lung, or bone marrow to another person, you may subtract your actual qualified expenses up to \$10,000.

Qualified expenses are your unreimbursed expenses for travel and lodging and for any lost wages net of sick pay due to the transplantation.

Line 24 – Volunteer Mileage Reimbursement Subtraction

If you received mileage reimbursement in volunteer service for an organization eligible for a charitable contribution under Internal Revenue Code, section 170(c), you may subtract the amount you received which exceeded the volunteer mileage rate of 14 cents per mile. You may only subtract amounts included in federal adjusted gross income. There is a cap of 70 cents per mile for 2024. Complete the Worksheet for Line 24 for each organization which reimbursed you for mileage greater than the volunteer mileage rate. Combine the result of step 6 for all worksheets completed and enter the total on line 24. If each organization reimbursed you at the same rate, you may use one worksheet and combine all reimbursements received on step 1 for miles driven in 2025.

Worksheet for Line 24

1 Reimbursements for miles driven in volunteer service that you received in 2025	_____
2 Number of volunteer miles related to reimbursements on step 1	_____
3 Multiply step 2 by 14 cents	_____
4 Multiply step 2 by 70 cents	_____
5 Enter the lesser of step 1 or step 4	_____
6 Subtract step 3 from step 5. Include this amount on line 24 of Schedule M1M	_____

Line 25 — Military Pension or Retirement Pay

If you received certain compensation from a military pension or other military retirement pay, you may reduce your taxable income by that pay. To qualify, your retirement pay must be taxable on your federal return and received for one of these:

- Service in the active component of the military (U.S. Code, title 10, sections 1401 to 1414)
- Retirement pay for service in the reserve component (U.S. Code, title 10, section 12733)
- Survivor benefit plan payments (U.S. Code, title 10, sections 1447 to 1455)

If you claim this subtraction, you may not claim the nonrefundable credit for past military service on line 4 of Schedule M1C, *Other Nonrefundable Credits*.

If you received Post-9/11 Veteran Service Bonus payment, enter the payment amount included in your federal adjusted gross income.

Line 26 — Post-Service Education Awards Received for Service in an AmeriCorps National Service Program

If you received a post-service education award, such as tuition reimbursements or student loan payments, from the federal government in 2025 for service in the AmeriCorps program, you may subtract the amount included in your federal adjusted gross income. Enter the amount you received after leaving the program. Do not include the stipend received while working in the program.

If your education award was used to repay a student loan, and you deducted the student loan interest on line 21 of federal Schedule 1, you must reduce your subtraction by the interest attributable to the award.

Line 27 — First-Time Homebuyers Savings Account

If you contributed to a designated first-time homebuyer savings account since 2017, you may be eligible to subtract your earnings on the account. Complete and include Schedule M1HOME, *First-Time Homebuyer Savings Account*, to determine your subtraction amount.

Line 28 — Discharge of Indebtedness for Education Loans

If your qualified education loan debt was discharged because you completed an income-driven repayment program, enter the amount of the debt that was discharged and included in federal adjusted gross income.

Line 29 — Qualified Public Pension Subtraction

If you received certain pension pay for public service, you may be able to reduce your taxable income. To qualify, your pension pay must be taxable on your federal return and paid to you as a member (or for survivor benefits). You are not eligible for this subtraction for pension payments based on service for which you (or the member if a survivor benefit) also earned credit toward Social Security benefits. Complete and include Schedule M1QPEN, *Qualified Public Pension Subtraction*, to determine your subtraction amount.

Line 30 — Subtraction for Damages Received under Sexual Harassment or Abuse Claims

Enter the amount of damages received under a sexual harassment or abuse claim included in federal adjusted gross income.

Line 31 – Subtraction for Long-term Service Support Workforce Incentive Grants

Enter the amount you received from the Long-term Service and Support Workforce Incentive Grant program during 2025 that was included in your adjusted gross income on line 1 of Form M1.

Line 32 – Subtraction for Nursing Facility Workforce Incentive Grants

Enter the amount you received from the Nursing Facility Workforce Incentive Grant program that was included in your adjusted gross income on line 1 of Form M1.

Line 33 – Subtraction for One-time Refund for Tax Year 2021

If you received a direct tax rebate payment in 2025 for the one-time refund for tax year 2021, include the amount you received on line 33. You must have included the payment in federal adjusted gross income to subtract it on line 33.

Line 34 – Coerced Debt Subtraction

If debt was incurred in your name, this debt was subsequently discharged by a court, and the court determined the discharged amount to be coerced debt, enter the amount of the debt that was discharged and included in federal adjusted gross income. Coerced debt includes debt incurred and subsequently discharged by a court as a result of any of the following:

- The use of your personal information without your knowledge or consent
- The use or threat of force, coercion, or similar means
- Economic abuse

You may be asked to provide proof that coerced debt was incurred in your name and that the debt was discharged. Keep any documentation of the discharged coerced debt, such as a court order.

Line 35 – Consumer Enforcement Public Compensation Subtraction

If you received consumer enforcement public compensation from the consumer protection restitution account established under Minnesota Statutes, section 8.37, after being harmed by certain unlawful behaviors of others as determined by a court order, enter the distribution amount to the extent it is included in federal adjusted gross income.

Line 36 – Foreign Service Retirement Subtraction

If you received compensation from a foreign service pension or other foreign service retirement plan, you may be able to reduce your taxable income. To qualify, your retirement pay must be taxable on your federal return and received from one of the following:

- The Foreign Service Retirement and Disability System under U.S. Code, title 22, sections 4041 to 4069
- The Foreign Service Pension System under U.S. Code, title 22, section 4071

Those who participated in the foreign service may also be receiving pension or retirement income based on other civil service besides the foreign service. You may only claim a subtraction based on the portion of your civil service that was in the foreign service. Use the Worksheet for Line 36 to determine the amount to include on line 36.

Worksheet for Line 36

1 Enter the federally taxable compensation received from a foreign service pension or retirement plan _____

2 Enter the amount from step 1 used to calculate the qualified public pension subtraction on line 1
of Schedule M1QPEN, *Qualified Public Pension Subtraction* _____

3 Subtract step 2 from step 1 _____

4 Enter the number of years you participated in the foreign service _____

5 Enter the total number of years of civil service where you received credit toward your pension _____

6 Divide step 4 by step 5 (round to the fifth decimal place) _____

7 Multiply step 3 by step 6. Include this amount on line 36 of Schedule M1M _____

Line 37 – Service Employees International Union (SEIU) Stipend Payment Subtraction

Enter the amount of federally taxable stipend payments you received on or after June 15, 2025 from the Minnesota Department of Human Services, per a collective bargaining agreement between the Service Employees International Union (SEIU) Healthcare Minnesota & Iowa and the State of Minnesota.

Only include stipend payments on line 37 to the extent they were reported as taxable income on your federal income tax return.