Minnesota Tax Benefits for Families

Minnesota offers several tax credits that help reduce costs for families. These credits can lower the amount of tax you owe or increase your refund, depending on eligibility.

Child Tax Credit

The Child Tax Credit helps families with qualifying children reduce the amount they owe or receive a refund when they file their Minnesota Individual Income Tax.

Eligibility

- Minnesota resident for all or part of 2026
- Not a dependent of another person
- Have at least one qualifying child

Credit Amount

- Up to $1,800 per child under age 18
- No limit on number of children
- Phases out at $32,680 for Individuals, $38,770 for Married Filing Jointly

How to Claim

Complete Schedule M1DQC, *Dependents and Qualifying Children*, to determine who is a qualifying child. Then file Schedule M1CWFC, *Minnesota Child and Working Family Credits*, to determine the credit amount.

Advance Payments of the Child Tax Credit

When you claim the Child Tax Credit (CTC) on your income tax return, you can choose to receive part of the credit for the next year in three advance payments before you file your next income tax return.

Eligibility

- Qualify for the CTC in tax year 2026
- File Minnesota income tax return on or before April 15
- Have qualifying children under age 17 at the end of 2026

Credit Amount

- $1,020 for one child
- $2,330 for two children
- $2,770 for three children
- Phases out at $32,680 for Individuals, $38,770 for Married Filing Jointly

How to Claim

File Schedule M1CWFC, *Minnesota Child and Working Family Credits*, with Form M1, *Individual Income Tax*. You must choose whether to receive advance payments of the Child Tax Credit each year.

Credit for Qualifying Older Children

The Credit for Qualifying Older Children provides tax relief for families with dependents who are older than 17.

Eligibility

- Minnesota resident for all or part of 2026
- Not a dependent of another person
- Have at least one qualifying child older than 17

Credit Amount

- $1,020 for one child
- $2,330 for two children
- $2,770 for three children
- Phases out at $32,680 for Individuals, $38,770 for Married Filing Jointly

How to Claim

Complete Schedule M1DQC, *Dependents and Qualifying Children*, to determine who is an older qualifying child. Then file Schedule M1CWFC, *Minnesota Child and Working Family Credits*, to determine the credit amount.

Working Family Credit

Like the federal Earned Income Credit, the Working Family Credit supports individuals whose income is below a certain level.

Eligibility

- Minnesota resident for all or part of 2026
- Not a dependent of another person
- Must file jointly if you or spouse is a nonresident alien
- Must live in the U.S. more than half of 2026 if you have no qualifying children

Credit Amount

- Up to $388 with zero qualifying older children
- $1,408 with one qualifying older child
- $2,718 with two qualifying older children
- $3,158 with three or more qualifying older children
- Phases out at $32,680 for Individuals, $38,770 for Married Filing Jointly

How to Claim

File Schedule M1CWFC, *Minnesota Child and Working Family Credits*, with Form M1, *Individual Income Tax*.

K-12 Education Credit and Subtraction

Minnesota offers K-12 Education Credit and K-12 Education Subtraction for families with children in kindergarten through 12th grade. Both help lower taxes and may provide a larger refund.

Eligibility

- Both programs:
  - Have a qualifying child attending kindergarten through 12th grade at a public, private, or qualified home school
  - Have paid qualified education expenses during the year for that child's education
- Credit:
  - Filing status is not Married Filing Separately
  - Adjusted gross income is below certain limit
- Subtraction:
  - Qualifying child attends school in Minnesota, Iowa, North Dakota, South Dakota, or Wisconsin

Amounts

- Subtraction reduces taxable income, up to $1,625 per qualifying child in grades K to 6 and $2,500 for a qualifying child in grades 7 to 12
- Credit can refund up to 75% of school costs

How to Claim

File Schedule M1ED, *K-12 Education Credit*, to claim the credit, and file Schedule M1M, *Income Additions and Subtractions*, to claim the subtraction. Save receipts and invoices for school-related expenses.