



2023 Schedule M1HOME, First-Time Homebuyer Savings Account

If you are the account holder of more than one first-time home buyer savings account, complete a separate Schedule M1HOME for each account.

Registration Information form with fields for Name, SSN, Bank Name, Date Account Opened, Account Number, Start/End of Year Balance, Beneficiary, and Date Beneficiary Named.

Withdrawals from Account

Table with 3 columns: Date of Withdrawal, Amount of Withdrawal, and Purpose of Withdrawal. Contains three rows of withdrawal data.

Round amounts to the nearest whole dollar.

Account Reporting

Account Reporting section with lines 1 through 5, each with a description and a value field.

Subtraction

Line 6: Enter amount of interest and dividends earned in 2023 on this account here and on line 27 of Schedule M1M.

Addition

Line 7: Subtract line 3 from line 5. If the result is zero or less, STOP HERE. You do not have an addition.

Additional Tax

Line 8: Multiply line 7 by 10% (.10). Enter the amount here and on line 14 of Form M1.

2023 Schedule M1HOME Instructions

Complete Schedule M1HOME, *First-time Homebuyer Savings Account*, to:

- Register a first-time homebuyer savings account in Minnesota
- Designate a qualified beneficiary
- Determine your subtraction or addition and additional tax

Complete one form per qualified first-time homebuyer savings account you earned interest and dividends from or took a distribution from in 2023.

Who is a qualified beneficiary?

A qualified beneficiary is the person or married couple that the account holder designates on this schedule. The beneficiary must be a Minnesota resident who has not had ownership interest in a principal residence in the last three years. The account holder may be the beneficiary of a first-time homebuyer account. You may change the qualified beneficiary at any time.

How do I determine the date I named the qualifying beneficiary?

Typically, you name the qualified beneficiary the day you open the account. To qualify for this subtraction, you must name the beneficiary on Schedule M1HOME.

What is a qualified withdrawal?

A qualified withdrawal is a withdrawal of funds used for a single-family residence in Minnesota, including:

- Down-payment
- Closing costs
- Cost of construction
- Financing the construction

A single-family residence also includes any of these:

- Manufactured home
- Trailer
- Mobile home
- Condominium unit
- Townhome
- Cooperative

What is a nonqualified withdrawal?

A nonqualified withdrawal is a withdrawal of funds used for anything other than expenses listed as a qualified withdrawal.

Line Instructions

Round amounts to the nearest whole dollar.

Line 1

Enter the contributions to the account made prior to 2023. If there were distributions from this account in prior years, reduce your overall contributions by the amount of these distributions.

Line 2

Enter the contributions to the account during 2023. Do not enter more than \$14,000 (\$28,000 if married and filing a joint return).

Line 3

Add the amounts from line 1 and 2. The total contributions to the account must not exceed \$50,000 (\$100,000 if married and filing a joint return).

Line 4

Enter the amount of qualified withdrawals taken from the account in 2023.

Line 5

Enter the amount of nonqualified withdrawals taken from the account in 2023.

Do not include:

- Withdrawals made due to the account holder's or designated qualified beneficiary's death or disability
- Disbursement of assets under federal bankruptcy law
- Disbursement of assets of the account under Minnesota Statutes 550 or 551

Line 6

Enter the amount of interest or dividends earned on this account in 2023. You may find this amount on a federal Form 1099 your financial institution issued. This amount is your subtraction to enter on line 4 of this schedule and on line 27 of Schedule M1M, *Income Additions and Subtractions*.

Line 7

Enter the result of this line here and on line 5 of Schedule M1M. This is the amount of your addition.

Line 8

Multiply the amount on line 7 by 10% (.10). Enter this amount here and on line 14 of Form M1. This is your additional tax.

Questions? Need forms?

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
- Send us an email at individual.incometax@state.mn.us
- Call us at 651-296-3781 or 1-800-652-9094