

Federal Tax Code	Full conformity in Minnesota	Partial conformity in Minnesota	No conformity in Minnesota	Effective date	Notes
Section 179		X		Tax year 2018	The tax bill kept the state 80% add-back but conformed to all the other new federal changes (higher deduction limit and phase-out, etc.).
Bonus depreciation		X		Tax year 2017	The tax bill removes MACRS for 2017 & 2018; allows for used assets; maintains 80% add-back rule.
NOLs		X		Tax year 2018	For corporate NOLs, the tax bill did not conform to the TCJA's treatment of pre-TCJA NOLs in imposing the 80% net income limit on this deduction.
Like-kind exchanges	X			Tax year 2018	
199A			X	Tax year 2018	
Technical termination of partnerships	X			Tax year 2019	
Excess business losses	X			Tax year 2018	
Cancellation of debt on principal residence debt	X			Tax year 2017 only	
163j	X			Tax year 2018	
Entertainment expenses	X			Tax year 2019	The effective date 2019 applies because entertainment expenses wasn't included in the special limited adjustment. However, that adjustment doesn't apply to C Corporations.
Transportation fringe benefits		X		Tax year 2019	The tax bill allows nonprofits to continue to take this deduction under the bill's UBIT provisions.
GILTI, FDII and deemed repatriation			X	Tax year 2018	The effect of the tax bill is to completely decouple from federal law on these international provisions.

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## Personal deductions & exemptions

Standard deduction	X			Tax year 2019	The state standard deduction corresponds to the federal amounts allowed, but are subject to a reduction if the taxpayer's income exceeds the threshold amounts (\$194,650 for most, except for married filing separate). Establishes a state dependent exemption equal to \$4,250 in tax year 2019.
Dependent exemption		X		Tax year 2019	
Personal exemption	X			Tax year 2019	
Alimony	X			Tax year 2019	
Above the line deduction for tuition			X	Tax year 2017 only	
529 funds used for K-12 expenses			X	Tax year 2018	The bill requires distributions from 529 Plans (Qualified Tuition Plans) that are used to pay for K-12 expenses to be added to FAGI

## Itemized deductions

State and local taxes paid (Including real estate tax)	X			Tax year 2019	At the state level, deductions are only allowed for property and foreign taxes paid.
Charitable contributions	X			Tax year 2019	
Home mortgage interest	X			Tax year 2019	
Medical expenses	X			Tax year 2019	The tax bill conformed to the medical expense deduction for tax year 2017, as well, but not for tax year 2018.

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Unreimbursed employee expenses			X	Tax year 2019	The tax bill allows and itemized deduction for unreimbursed employee expenses. The deduction is limited to expenses in excess of 2 percent of AGI. The tax bill allows a state itemized deduction for personal casualty and theft losses. TCJA limited the deduction to losses in disaster areas.
Casualty losses Mortgage insurance premium deduction			X	Tax year 2019 Tax year 2017 only	
<b>Other state program changes</b>					
Working Family Tax Credit				Tax year 2019	Expands the Working Family Credit. Allocates \$10 million to the small-business investment credit for tax years 2019 and 2021
Angel Credit				Tax year 2019	
Social Security subtraction				Tax year 2019	Increases the Minnesota Social Security subtraction by \$450 for married couples filing joint returns, and by \$360 for single and head of household taxpayers.
Tax rates				Tax year 2019	Second tier rate reduced from 7.05% to 6.80%.