



2018 Schedule M1SA, Minnesota Itemized Deductions

Your First Name and Initial _____ Last Name _____ Your Social Security Number _____

- 1 Medical and dental expenses *(see instructions)* 1 ■ _____
- 2 Minnesota Adjusted Gross Income *(see instructions)* 2 _____
- 3 Multiply line 2 by 10% (.10)..... 3 _____

- 4 Subtract line 3 from line 1. If line 3 is more than line 1, enter 0..... 4 ■ _____
- 5 State and local income taxes or general sales taxes *(see instructions)*..... 5 ■ _____
- 6 Real estate taxes *(see instructions)* 6 ■ _____
- 7 Personal property and other taxes *(see instructions)* 7 ■ _____
- 8 Add lines 5 through 7 8 ■ _____
- 9 Home mortgage interest and points on federal Form 1098 9 _____
- 10 Home mortgage interest and points not reported to you on Form 1098
(see instructions)..... 10 _____
- 11 This line intentionally left blank..... 11 _____
- 12 Investment interest expense 12 _____
- 13 Add lines 9, 10, and 12..... 13 ■ _____
- 14 Charitable contributions by cash or check *(see instructions)* 14 _____
- 15 Charitable contributions by other than cash or check *(see instructions)* . . 15 _____
- 16 Carryover of charitable contributions from a prior year 16 _____
- 17 Add lines 14 through 16..... 17 ■ _____
- 18 Casualty or theft loss *(enclose Schedule M1CAT)*..... 18 ■ _____
- 19 Unreimbursed employee expenses *(enclose Schedule M1UE)* 19 ■ _____
- 20 Other expenses such as tax prep fees, safe deposit, etc. *(see instructions)* 20 ■ _____
- 21 Add lines 19 and 20 21 _____
- 22 Minnesota Adjusted Gross Income *(see instructions)* 22 _____
- 23 Multiply line 22 by 2% (.02)..... 23 _____
- 24 Subtract line 23 from line 21. If zero or less, enter 0..... 24 ■ _____
- 25 Other miscellaneous deductions *(see instructions)*. List type and amount
_____..... 25 ■ _____
- 26 Add lines 4, 8, 13, 17, 18, 24, and 25 26 ■ _____
- 27 State and local income or sales tax addition *(determine from instructions)* 27 ■ _____
- 28 Complete the worksheet in the instructions if your Minnesota Adjusted Gross Income
is more than \$190,050 (\$95,025 if your filing status is married filing separate)..... 28 ■ _____
- 29 Add lines 27 and 28 29 ■ _____
- 30 Subtract line 29 from line 26. Enter the result here and on line 4 of Form M1 30 ■ _____

2018 Schedule M1SA Instructions

Should I file this schedule?

Complete and file Schedule M1SA to claim itemized deductions on your Minnesota income tax return. Generally, you will benefit more by filing Schedule M1SA if your itemized deductions are more than your standard deduction. You can find the standard deduction by completing the Standard Deduction Table on page 7.

You may file Schedule M1SA even if you did not file federal Schedule A. If you filed federal Schedule A, many of the amounts on that schedule will be used for this schedule. Differences between federal and Minnesota tax laws mean the numbers may be different. These differences impact lines 4, 8 through 11, and 17 through 25 of Schedule M1SA.

Line Instructions

Line 1

Medical and Dental Expenses

If you filed federal Schedule A and entered an amount on line 1, enter that amount on line 1.

If you did not file Schedule A or enter an amount on line 1 of Schedule A, enter the total of your medical and dental expenses, after you reduce these expenses by any payments received from insurance or other sources.

Examples of Medical and Dental Payments You Can Deduct

To the extent you were not reimbursed, you can deduct what you paid for:

- Insurance premiums for medical and dental care, including premiums for qualified long-term care insurance contracts. Reduce the insurance premiums by any self-employed health insurance deduction you claimed on federal Schedule 1, line 29. You cannot deduct insurance premiums paid with pretax dollars because the premiums are not included in box 1 of your Form(s) W-2. If you are a retired public safety officer, you cannot deduct any premiums you paid to the extent they were paid for with a tax-free distribution from your retirement plan.
- Prescription medicines or insulin.
- Acupuncturists, chiropractors, dentists, eye doctors, medical doctors, occupational therapists, osteopathic doctors, physical therapists, podiatrists, psychiatrists, psychoanalysts (medical care only), and psychologists.
- Medical examinations, X-ray and laboratory services, insulin treatment, and whirlpool baths your doctor ordered.

- Diagnostic tests, such as a full-body scan, pregnancy test, or blood sugar test kit.
- Nursing help (including your share of the employment taxes paid). If you paid someone to do both nursing and housework, you can deduct only the cost of the nursing help.
- Hospital care (including meals and lodging), clinic costs, and lab fees.
- Qualified long-term care services.
- The supplemental part of Medicare insurance (Medicare B).
- The premiums you pay for Medicare Part D insurance.
- A program to stop smoking and any prescription medicines to alleviate nicotine withdrawal.
- A weight-loss program as treatment for a specific disease (including obesity) diagnosed by a doctor.
- Medical treatment at a center for drug or alcohol addiction.
- Medical aids such as eyeglasses, contact lenses, hearing aids, braces, crutches, wheelchairs, and guide dogs, including the cost of maintaining them.
- Surgery to improve defective vision, such as laser eye surgery or radial keratotomy.
- Lodging expenses (but not meals) while away from home to receive medical care provided by a physician in a hospital or a medical care facility related to a hospital, provided there was no significant element of personal pleasure, recreation, or vacation in the travel.
- Ambulance service and other travel costs to get medical care. If you used your own vehicle to go to and from the place you received care, you can claim either 18 cents per mile or what you actually spent for gas and oil. Add parking and tolls to the amount you claim under either method.
- Cost of breast pumps and supplies that assist lactation.

Limit on long-term care premiums you can deduct

If the person was, at the end of 2018, age	THEN the most you can deduct is
40 or under	\$420
41-50	\$780
51-60	\$1,560
61-70	\$4,160
71 or older	\$5,200

Examples of Medical and Dental Payments You Cannot Deduct

- The cost of diet food.
- Cosmetic surgery, unless it was necessary to improve a deformity related to a congenital abnormality, an injury from an accident or trauma, or a disfiguring disease.
- Life insurance or income protection policies.
- The Medicare tax on your wages and tips or the Medicare tax paid as part of the self-employment tax or household employment taxes.
- Nursing care for a healthy baby.
- Illegal operations or drugs.
- Imported drugs not approved by the U.S. Food and Drug Administration (FDA). This includes foreign-made versions of U.S.-approved drugs manufactured without FDA approval.
- Nonprescription medicines other than insulin (including nicotine gum and certain nicotine patches).
- Travel your doctor told you to take for rest or a change.
- Funeral, burial, or cremation costs.

Whose medical and dental expenses can you include? You can include medical and dental bills you paid in 2018 for anyone who was one of the following either when the services were provided or when you paid for them.

- Yourself and your spouse.
- All dependents you claim on your return.
- Your child whom you do not claim as a dependent because of the rules for children of divorced or separated parents.
- Any person you could have claimed as a dependent on your return except that person received \$4,150 or more of gross income or filed a joint return.
- Any person you could have claimed as a dependent except that you, or your spouse if filing jointly, can be claimed as a dependent on someone else's 2018 return.

Reimbursements. If your insurance company paid the provider directly for part of your expenses, and you paid only the amount that remained, include on line 1 only the amount you paid. If you received a reimbursement in 2018 for medical or dental expenses you paid in 2018, reduce your 2018 expenses by this amount. If you received a reimbursement in 2018 for prior year medical or dental expenses, do not reduce your 2018 expenses by this amount.

Cafeteria plans. You cannot deduct amounts that have already been excluded from your income. Do not include on line 1 insurance premiums paid by an employer-sponsored health insurance plan (cafeteria plan) unless the premiums are included in box 1 of your Form(s) W-2. Also, do not include any other medical and dental expenses paid by the plan unless the amount paid is included in box 1 of your Form(s) W-2.

Line 2

Minnesota Adjusted Gross Income

If you were not required to complete Schedule M1NC, *Federal Adjustments*, your Minnesota Adjusted Gross Income is the amount on line 1 of Form M1. If the amount is zero or less, enter 0.

If you were required to complete Schedule M1NC, your Minnesota Adjusted Gross Income is the amount on line 38 of Schedule M1NC. If the amount is zero or less, enter 0 on line 2.

Line 5

Federal Schedule A

If you filed federal Schedule A, enter the amount from line 5a.

If you did not file Schedule A, determine your deduction for state and local taxes using the instructions below. You can deduct state and local general sales taxes or state and local income taxes. You cannot deduct both.

State and local income taxes include:

- State and local income taxes withheld from your salary during 2018. Your Form(s) W-2 will show these amounts. Forms W-2G, 1099-G, 1099-R, and 1099-MISC may also show state and local income taxes withheld.
- State and local income taxes paid in 2018 for a prior year, such as taxes paid with your 2017 state or local income tax return. Do not include penalties or interest.
- State and local estimated tax payments made during 2018, including any part of a prior year refund that you chose to apply to your 2018 state or local income taxes.

Do not reduce your deduction by any:

- State or local income tax refund or credit you expect to receive for 2018.
- Refund of, or credit for, prior year state and local income taxes you actually received in 2018.

State and local general sales taxes include either of the following:

- The actual state and local general sales taxes you paid in 2018 if the tax rate was the same as the general sales tax rate.
- The amount for your income and household size from the 2018 Optional Sales Tax Table from the instructions for line 5a of federal Schedule A.

Taxes You Cannot Deduct include:

- Federal income and most excise taxes.
- Social security, Medicare, federal unemployment (FUTA), and railroad retirement (RRTA) taxes.
- Customs duties.
- Federal estate and gift taxes.
- Certain state and local taxes, including tax on gasoline, car inspection fees, assessments for sidewalks or other improvements to your property, tax you paid for someone else, and license fees (for example, marriage, driver's, and pet).

Line 6

Real Estate Taxes

If you filed federal Schedule A, enter the amount from line 5b.

Include taxes (state, local, or foreign) you paid on real estate you own that was not used for business, but only if the taxes are assessed uniformly at a like rate on all real property throughout the community, and the proceeds are used for general community or governmental purposes. The 2017 IRS Pub. 530 explains the deductions homeowners can take.

Do not include:

- Itemized charges for services to specific property or persons (for example, a \$20 monthly charge per house for trash collection, a \$5 charge for every 1,000 gallons of water consumed, or a flat charge for mowing a lawn that had grown higher than permitted under local ordinance).
- Charges for improvements that tend to increase the value of your property (for example, an assessment to build a new sidewalk). The cost of property improvement is added to the basis of the property. However, a charge is deductible if it is used only to maintain an existing public facility in service (for example, a charge to repair an existing sidewalk, and any interest included in that charge).

If your mortgage payments include your real estate taxes, you can deduct only the amount the mortgage company actually paid to the taxing authority in 2018.

If you sold your home in 2018, any real estate tax charged to the buyer should be shown on your settlement statement and in box 6 of any federal Form 1099-S you received. This amount is considered a refund of real estate taxes (see **Refunds and rebates**). Any real estate taxes you paid at closing should be shown on your settlement statement.

Refunds and rebates. If you received a refund or rebate in 2018 such as from a 2017 Form M1PR, *Homestead Credit Refund (for*

M1SA-2

Homeowners) and Renter's Property Tax Refund, reduce your deduction by the amount of the refund or rebate.

Line 7

Personal Property and Other Taxes

If you filed federal Schedule A, add lines 5c and 6 and enter the result on line 7 of Schedule M1SA.

Enter the state and local personal property taxes you paid, but only if the taxes were based on value alone and imposed on a yearly basis.

Example. You paid a yearly fee for the registration of your car. Part of the fee was based on the car's value and part was a fixed amount (such as wheelage and technology fees). You can deduct only the part of the fee that was based on the car's value.

If you are claiming registration tax for a vehicle registered in Minnesota, the amount of registration tax you paid is available at the Driver and Vehicle division's website: <https://dps.mn.gov/divisions/dvs/Pages/default.aspx>. From that page, choose **Calculate Registration Tax** in the Online Services drop down.

Other taxes

If you had any deductible tax not listed on lines 5 or 6, list the type and amount of tax. Include income tax you paid to a foreign country or U.S. possession.

You cannot claim a deduction for foreign taxes if you included those taxes on federal Form 1116, *Foreign Tax Credit*.

Lines 9 through 12

Interest You Paid

The rules for deducting interest vary, depending on whether the loan proceeds are used for business, personal, or investment activities. See the 2017 IRS Publication 535 for more information about deducting business interest expenses. See the 2017 IRS Publication 550 for more information about deducting investment interest expenses. You cannot deduct personal interest.

If you use the proceeds of a loan for more than one purpose (for example, personal and business), you must allocate the interest on the loan to each use. However, you do not have to allocate home mortgage interest if it is fully deductible, regardless of how the funds are used.

You allocate interest (other than fully deductible home mortgage interest) on a loan in the same way as the loan is allocated. You do this by tracing disbursements of the debt proceeds to specific uses. For more information on allocating interest, see the 2017 IRS Publication 535.

Generally, if you paid interest in 2018 that applies to any period after 2018, you can deduct only amounts that apply for 2018

Line 9

Home Mortgage Interest Reported on Federal Form 1098

If you filed federal Schedule A, enter the amount from line 8a unless your federal mortgage interest deduction was limited or you took out a home equity loan after December 15, 2017. If your mortgage interest deduction was limited, complete the Worksheet for line 9 and 10 – Limited.

If you took out a home equity loan that originated after December 15, 2017, include on line 9 the interest you paid on up to \$100,000 of the equity.

Enter on line 9 mortgage interest and points reported to you on federal Form 1098.

A home mortgage is any loan secured by your main home or second home. It includes first and second mortgages, home equity loans, and refinanced mortgages.

A home can be a house, condominium, cooperative, mobile home, boat, or similar property. The home must provide basic living accommodations, including sleeping space, toilet, and cooking facilities.

Limit on home mortgage interest. If you took out any mortgages after October 13, 1987, your deduction may be limited. If you borrowed additional amounts after October 13, 1987, on a line-of-credit mortgage you had on that date, they are treated as a mortgage taken out after October 13, 1987. If you refinanced a mortgage you had on October 13, 1987, treat the new mortgage as taken out on or before October 13, 1987.

If your home mortgage interest deduction is limited, only enter on line 9 the deductible mortgage interest and points that were reported to you on Form 1098.

Refund of overpaid interest. If your Form 1098 shows any refund of overpaid interest, do not reduce your deduction by the refund.

Interest reported on someone else's Form 1098. If you and at least one other person (other than your spouse if filing jointly) were liable for and paid interest on the mortgage and the interest was reported on the other person's Form 1098, report your share of the interest on line 10 (see line 10 instructions).

Form 1098 does not show all interest paid. If you paid more interest to the recipient than is shown on Form 1098, show the larger deductible amount on line 9 and explain the difference. If you are filing a paper return, explain the difference by attaching a statement to your paper return and printing "See attached" to the right of line 9.

Worksheet for lines 9 and 10 - Limited

Current year average mortgage balance

Complete a separate worksheet through step 4 for each mortgage you had in 2018.

- 1 Enter the balance as of the first day of the year that the mortgage was secured by your qualified home during 2018 (generally January 1) _____
- 2 Enter the balance as of the last day of the year the mortgage secured by your qualified home during 2018 (generally December 31) _____
- 3 Add steps 1 and 2 _____
- 4 Divide step 3 by 2 _____

Qualified loan limit

- 5 Enter the total of the amounts from step 4 for mortgages you had on all homes on October 13, 1987 that you also had in 2018 _____
- 6 Enter the total of the amounts from step 4 for mortgages you took out after October 13, 1987 that you also had in 2018 _____
- 7 Enter \$1,000,000 (or \$500,000 if you are married filing a separate return). _____
- 8 Enter the larger of step 5 or step 7. _____
- 9 Add steps 5 and 6. _____
- 10 Enter the smaller of the amount on step 8 or the amount on step 9. _____
- 11 If you have home equity debt, enter the smaller of: _____
 - \$100,000 (\$50,000 if married filing separately)
 - The total of each home's fair market value reduced (but not below zero) by the amount of its debt included on step 2
- 12 Add steps 10 and 11. **This is your qualified loan limit.** _____

Deductible home mortgage interest

- 13 Add steps 5 and 6. If the result is less than the amount on step 12, **STOP HERE.** All of your interest on all of the mortgages secured by qualified residences and included on this step is deductible as home mortgage interest on Schedule M1SA. _____
- 14 Enter the total amount of interest you paid on your qualified residences. _____
- 15 Divide step 12 by step 13. Enter the result as a decimal amount (round to three places). _____
- 16 Multiply step 14 and step 15. This is your deductible home mortgage interest. Include the amount on Schedule M1SA. _____

Line 10

Home Mortgage Interest not reported on federal Form 1098

If you filed federal Schedule A, enter the amount from line 8b. If you purchased your home after December 15, 2017, and your mortgage is more than \$750,000, complete the Worksheet for Lines 9 and 10 - Limited. Enter your deductible interest on line 10.

If you paid mortgage interest to a recipient who did not provide you a Form 1098, report your deductible mortgage interest on line 10.

Seller financed mortgage. If you paid home mortgage interest to the person from whom you bought the home and that person did not provide you a Form 1098, write that person's name, identifying number, and address on the dotted lines next to line 10. If the recipient of your home mortgage payment(s) is an individual, the identifying number is his or her Social Security number (SSN). Otherwise, it is the Federal Employer Identification Number (FEIN). You must also let the recipient know your SSN.

Interest reported on someone else's Form 1098.

If you and at least one other person (other than your spouse if filing jointly) were liable for and paid interest on the mortgage, and the home mortgage interest paid was reported on the other person's Form 1098, identify the name and address of the person or persons who received a Form 1098 reporting the interest you paid. If you are filing a paper return, identify the person by attaching a statement to your paper return and printing "See attached" to the right of line 10.

Points not reported on Form 1098. Points are shown on your settlement statement. Points you paid only to borrow money are generally deductible over the life of the loan. See the 2017 IRS Publication 936 to figure the amount you can deduct. Points paid for other purposes, such as for a lender's services, are not deductible.

Refinancing. Generally, you must deduct points you paid to refinance a mortgage over the life of the loan. This is true even if the new mortgage is secured by your main home. Continued

If you used part of the proceeds to improve your main home, you may be able to deduct the part of the points related to the improvement in the year paid. See the 2017 IRS Publication 936 for details.

Line 12 Investment Interest

If you filed federal Schedule A, enter the amount from line 9.

Investment interest is interest paid on money you borrowed that is allocable to property held for investment. It does not include any interest allocable to passive activities or to securities that generate tax-exempt income.

Complete and attach a 2018 federal Form 4952 for Minnesota purposes to figure your deduction unless all three of the following apply:

- Your investment interest expense is less than your investment income from interest and ordinary dividends minus any qualified dividends.
- You have no other deductible investment expenses.
- You have no disallowed investment interest expense from 2017.

Lines 14 through 16 Charitable Contributions

You can deduct contributions you gave to organizations that are religious, charitable, educational, scientific, or literary in purpose. You can also deduct what you gave to organizations that work to prevent cruelty to children or animals. See the 2017 IRS Publication 526 for details. The instructions for qualified disaster contributions do not apply for Minnesota purposes.

To verify an organization's charitable status:

- Check with the organization you donated to. The organization should be able to provide you with verification of its charitable status.
- Use the online search tool at www.irs.gov/EOSelectCheck to see if an organization is eligible to receive tax-deductible contributions.

Examples of Qualified Charitable Organizations

The following list gives some examples of qualified organizations. See IRS Publication 526 for more examples.

- Churches, mosques, synagogues, temples, and other religious organizations.
- Boy Scouts, Boys and Girls Clubs of America, CARE, Girl Scouts, Goodwill Industries, Red Cross, Salvation Army, and United Way.
- Fraternal orders, if the contributions will be used for the purposes listed under Charitable Contributions.

- Veterans' and certain cultural groups.
- Nonprofit hospitals and medical research organizations.
- Most nonprofit educational organizations, such as colleges, but only if your contribution is not a substitute for tuition or other enrollment fees.
- Federal, state, and local governments, if the contributions are solely for public purposes.

Amounts You Can Deduct

Contributions can be in cash, property, or out-of-pocket expenses you paid to do volunteer work for the kinds of organizations described earlier. If you drove to and from the volunteer work, you can take the actual cost of gas and oil or 14 cents a mile. Add parking and tolls to the amount you claim under either method. Do not deduct any amounts repaid to you.

Contributions from which you benefit. If you made a contribution and received a benefit in return, such as food, entertainment, or merchandise, you can generally only deduct the amount that is more than the value of the benefit. However, this rule does not apply to certain membership benefits provided in return for an annual payment of \$75 or less or to certain items or benefits of token value. For details, see IRS Publication 526.

Example. You paid \$70 to a charitable organization to attend a fundraising dinner and the value of the dinner was \$40. You can deduct only \$30.

Contributions of \$250 or more. You can deduct a contribution of \$250 or more only if you have a statement from the charitable organization showing both of the following:

- The amount of any money contributed and a description (but not value) of any property donated.
- Whether the organization did or did not give you any goods or services in return for your contribution. If you did receive any goods or services, they must include a description and estimate of the value. If you received only intangible religious benefits (such as admission to a religious ceremony), the organization must state this, but it does not have to describe or value the benefit.

In figuring whether a donation is \$250 or more, do not combine separate donations. For example, if you gave your church \$25 each week for a total of \$1,300, treat each \$25 payment as a separate donation. If you made donations through payroll deductions, treat each deduction from each paycheck as a separate donation. See IRS Publication 526 if you made a separate donation of \$250 or more through payroll deduction.

Limit on the amount you can deduct. See the 2017 IRS Publication 526 to figure the amount of your deduction if any of the following apply:

- Your cash contributions or contributions of ordinary income property are more than 30 percent of the amount on line 1 of Form M1 (or line 38 of Schedule MINC if you filed that schedule).
- Your contributions of capital gain property are more than 20 percent of the amount on line 1 of Form M1 (or line 38 of Schedule MINC if you filed that schedule).
- You gave contributions of property that increased in value or gave donations of the use of property.

Amounts you cannot deduct

- Travel expenses (including meals and lodging) while away from home performing donated services, unless there was no significant element of personal pleasure, recreation, or vacation in the travel.
- Political contributions.
- Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups.
- Cost of raffle, bingo, or lottery tickets.
- Value of your time or services.
- Value of blood given to a blood bank.
- The transfer of a future interest in tangible personal property. Generally, no deduction is allowed until the entire interest has been transferred.
- Donations to individuals and groups that are operated for personal profit.
- Donations to foreign organizations. However, you may be able to deduct donations to certain U.S. organizations that transfer funds to foreign charities and certain Canadian, Israeli, and Mexican charities. See 2017 IRS Publication 526 for details.
- Donations to organizations engaged in certain political activities that are of direct financial interest to your trade or business.
- Donations to groups whose purpose is to lobby for changes in the laws.
- Donations to civic leagues, social and sports clubs, labor unions, and chambers of commerce.
- Value of benefits received in connection with a contribution to a charitable organization. See IRS Publication 526 for exceptions.
- Cost of tuition. However, you may be able to deduct this as a job education expense on line 19 or take an education credit.

Line 14 Charitable Contributions by Cash or Check

If you filed federal Schedule A, enter the amount from line 11.

Enter on line 14 the total value of donations you made in cash or by check (including out-of-pocket expenses).

Recordkeeping. For any contribution made in cash, regardless of the amount, you must maintain as a record of the contribution a bank record (such as a canceled check or credit card statement) or a written record from the charity. The written record must include the name of the charity, date, and amount of the contribution. If you made contributions through payroll deduction, see the 2017 IRS Publication 526 for information on the records you must keep. Do not attach the record to your tax return. Instead, keep it with your other tax records.

Line 15 Other Than by Cash or Check

If you filed federal Schedule A, enter the amount from line 12.

Enter on the total value of your contributions of property other than by cash or check. If you gave used items, such as clothing or furniture, deduct their fair market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale. For more details on determining the value of donated property, see IRS Publication 561.

Deduction more than \$500. If the amount of your deduction is more than \$500, you must complete and attach a statement identifying the date of contribution, name of the charitable organization, description of the property, and the fair market value.

Contribution of motor vehicle, boat, or airplane. If you deduct more than \$500 for a contribution of a motor vehicle, boat, or airplane, you must also attach a statement from the charitable organization to your paper return. The organization may use Form 1098-C to provide the required information. If your total deduction is over \$5,000 (\$500 for certain contributions of clothing and household items, you may also have to get appraisals of the values of the donated property. See federal Form 8283 and its instructions for details.

Recordkeeping. If you gave property, you should keep a receipt or written statement from the organization you gave the property to, or a reliable written record that shows the organization's name and address, the date

and location of the gift, and a description of the property. For each gift of property, you should also keep reliable written records that include:

- How you figured the property's value at the time you gave it. If the value was determined by an appraisal, keep a signed copy of the appraisal.
- The cost or other basis of the property if you must reduce it by any ordinary income or capital gain that would have resulted if the property had been sold at its fair market value.
- How you figured your deduction if you chose to reduce your deduction for donations of capital gain property.
- Any conditions attached to the donation.

Line 16 Carryover from Prior Year

If you filed federal Schedule A, enter the amount from line 13.

You may have contributions that you could not deduct in an earlier year because they exceeded the limits on the amount you could deduct. In most cases, you have five years to use contributions that were limited in an earlier year. The same limits apply this year to your carryover amounts as applied to those amounts in the earlier year. After applying those limits, enter the amount of your carryover that you are allowed to deduct this year. See IRS Publication 526 for details.

Line 18 Casualty and Theft Losses

Complete Schedule M1CAT, *Casualty and Theft*. If you filed federal Schedule A and entered an amount on line 15, complete a Schedule M1CAT for that casualty.

You may be able to deduct part or all of each loss caused by theft, vandalism, fire, storm, or similar causes; car, boat, and other accidents; and corrosive dry-wall. You may also be able to deduct money you had in a financial institution but lost because of the insolvency or bankruptcy of the institution.

You can deduct personal casualty or theft losses only to the extent that:

- The amount of each separate casualty or theft loss is more than \$100.
- The total amount of all losses during the year (reduced by the \$100 limit discussed in (1)) is more than 10 percent of the amount on line 1 of Form M1 (or line 38 of Schedule M1NC if you filed that schedule).

Corrosive drywall losses. If you paid for repairs to your personal residence or household appliances because of corrosive drywall, you may be able to deduct on line 18 those amounts paid. See 2017 IRS Publication 547 for details.

Use line 20 of Schedule M1SA, *Minnesota Itemized Deductions*, to deduct the costs of proving that you had a property loss. Examples of these costs are appraisal fees and photographs used to establish the amount of your loss.

Lines 19 through 24 Job Expenses and Certain Miscellaneous Deductions

You can deduct only the part of these expenses that exceeds 2 percent of the amount on line 1 of Form M1 (or line 38 of Schedule M1NC if you filed that schedule). The 2017 IRS Publication 529 discusses the types of expenses that can and cannot be deducted.

Examples of expenses you cannot deduct

- Political contributions.
- Legal expenses for personal matters that do not produce taxable income.
- Lost or misplaced cash or property.
- Expenses for meals during regular or extra work hours.
- The cost of entertaining friends.
- Commuting expenses. See IRS Publication 529 for the definition of commuting.
- Travel expenses for employment away from home if that period of employment exceeds one year. See IRS Publication 529 for an exception for certain federal employees.
- Travel as a form of education.
- Expenses of attending a seminar, convention, or similar meeting unless it is related to your employment.
- Club dues.
- Expenses of adopting a child.
- Fines and penalties.
- Expenses of producing tax-exempt income.

Line 19 Unreimbursed Employee Expenses

You must complete and enclose Schedule M1UE, *Unreimbursed Employee Business Expenses*. If you are married, filing a joint return, and each you and your spouse are claiming a deduction for unreimbursed employee expenses, each spouse must complete a separate Schedule M1UE with their own expense and reimbursement amounts

Enter the total ordinary and necessary job expenses you paid for which you were not reimbursed. (Amounts your employer included in box 1 of your Form W-2 are not considered reimbursements.)

An ordinary expense is one that is common and accepted in your field of trade, business, or profession. A necessary expense is one that is helpful and appropriate for your business. An expense does not have to be required to be considered necessary.

You must complete Schedule M1UE if either of the following apply:

- You claim any travel, transportation, meal, or entertainment expenses for your job.
- Your employer reimbursed you for any of your job expenses that you would otherwise report on line 19.

Do not include educator expenses you deducted on line 23 of federal Schedule 1.

Examples of other expenses to include on Schedule M1UE are:

- Safety equipment, small tools, and supplies needed for your job.
- Uniforms required by your employer that are not suitable for ordinary wear.
- Protective clothing required in your work, such as hard hats, safety shoes, and glasses.
- Physical examinations required by your employer.
- Dues to professional organizations and chambers of commerce.
- Subscriptions to professional journals.
- Fees to employment agencies and other costs to look for a new job in your present occupation, even if you do not get a new job.
- Certain business use of part of your home. For details, including limits that apply, see 2017 IRS Publication 587.
- Certain educational expenses. For details, see 2017 IRS Publication 970.

Line 20

Other Expenses

Enter the fees you paid for preparation of your tax return, including fees paid for filing your return electronically. If you paid your tax by credit or debit card, include the convenience fee you were charged.

Also, enter on this line the total amount you paid to produce or collect taxable income and manage or protect property held for earning income. Do not include any personal, living, or family expenses.

Examples of expenses to include on line 20 are:

- Certain legal and accounting fees.
- Clerical help and office rent.
- Custodial (for example, trust account) fees.
- Your share of the investment expenses of a regulated investment company.
- Certain losses on non-federally insured deposits in an insolvent or bankrupt financial institution. For details, including limits that apply, see 2017 IRS Publication 529.
- Casualty and theft losses of property used in performing services as an employee.
- Deduction for repayment of amounts under a claim of right if \$3,000 or less.
- Convenience fee charged by the card processor for paying your income tax (including estimated tax payments) by credit or debit card. The deduction is claimed for the year in which the card processor charged the fee.

If you incurred casualty and theft losses for property used in performing services as an employee, complete Section B-Business and Income-Producing Property of federal Form 4684. Include the amounts from lines 32 and 38b of Form 4684 on line 20 of Schedule M1SA. Attach the Form 4684 completed for this deduction when you file your Minnesota return.

Line 22

Adjusted Gross Income

If you were not required to complete Schedule M1NC, your Minnesota Adjusted Gross Income is the amount on line 1 of Form M1. If the amount is less than zero, enter 0 on line 22.

If you were required to complete Schedule M1NC, your Minnesota Adjusted Gross Income is the amount on line 38 of Schedule M1NC. If the amount is less than zero, enter 0 on line 22.

Line 25

Other Miscellaneous Deductions

List the type and amount of each expense from the following list next to line 25 and enter the total of these expenses on line 25. If you are filing a paper return and you cannot fit all your expenses on the dotted lines next to line 25, attach a statement instead showing the type and amount of each expense.

You may deduct only the following expenses on line 25:

- Gambling losses to the extent of gambling winnings reported on federal Form 1040, line 21. Gambling losses include, but are not limited to, the cost on non-winning bingo, lottery, and raffle tickets.

- Casualty and theft losses of income-producing property.
- Loss from other activities from federal Schedule K-1 (Form 1065-B), box 2.
- Federal estate tax on income in respect of a decedent.
- A deduction for amortizable bond premium (for example, a deduction allowed for a bond premium carryforward or a deduction for amortizable bond premium on bonds acquired before October 23, 1986).
- An ordinary loss attributable to a contingent payment debt instrument or an inflation-indexed debt instrument (for example, a Treasury Inflation-Protected Security).
- Deduction for repayment of amounts under a claim of right if over \$3,000. See IRS Publication 525 for details.
- Certain unrecovered investment in a pension.
- Impairment-related work expenses of a person with a disability.

If you incurred a casualty and theft loss for income-producing property and reported the loss on your federal return, include the amounts from lines 32 and 38b of the federal Form 4684 for these losses on line 25 of Schedule M1SA. Attach a copy of the Form 4684 for these losses to your Minnesota return.

Lines 27 and 28

Minnesota Adjustments

If you are not a dependent, use the Standard Deduction Table to complete the Worksheets for Lines 27 and 28.

Dependents: Your standard deduction is the greater of \$1,050, or your earned income plus \$350, but cannot exceed the amount in the table for your filing status.

Line 27

State Income or Sales Tax Addition

If you entered an amount on line 5, complete the Worksheet for Line 27.

Line 28

Itemized Deduction Limitation

Complete the Worksheet for Line 28 if your adjusted gross income from line 1 of Form M1 (or line 36 of Schedule M1NC if you filed that schedule) is more than \$190,050 (\$95,025 if married filing separate).

Standard Deduction Table

Check the boxes that apply to you and your spouse. If you are married filing separately, check boxes only for your own status, unless your spouse has no gross income and cannot be claimed as a dependent by another person.

You: 65 or older blind **Your Spouse:** 65 or older blind

Find your filing status below and the number of boxes you checked above (from 0-4) and enter the appropriate dollar amount in the worksheet:

<u>Filing status</u>	<u>Boxes Checked Above</u>	<u>Dollar amount for worksheet</u>
single:	0	\$ 6,500
	1	8,100
	2	9,700
married filing joint, or qualifying widow(er):	0	\$ 13,000
	1	14,300
	2	15,600
	3	16,900
	4	18,200
married filing separate:	0	\$ 6,500
	1	7,800
	2	9,100
	3	10,400
	4	11,700
head of household:	0	\$ 9,550
	1	11,150
	2	12,750

Worksheet for Line 27

- 1 Enter the amount from line 26 _____
- 2 If you are not a dependent, enter your standard deduction from the Standard Deduction Table _____
- 3 Subtract step 2 from step 1 _____
- 4 Enter the amount from line 5 and additional state income tax you may have included on line 7 _____
- 5 Enter the amount from step 3 or step 4, whichever is less, here and on line 27. _____

Worksheet for Line 28

- 1 Enter the amount from line 26 _____
- 2 Enter the total of amounts from lines 4, 12, and 18 plus any gambling and casualty or theft losses included on line 25. _____
- 3 Subtract step 2 from 1. If the result is zero or less, **STOP HERE** and enter 0 on line 28. _____
- 4 Multiply step 3 by 80% (.80). _____
- 5 Enter the amount from line 1 of Form M1 (or line 38 of Schedule M1NC if you were required to file that schedule) _____
- 6 Enter \$190,050 (\$95,025 if married filing separate) _____
- 7 Subtract step 6 from step 5. If the result is zero or less, **STOP HERE** and enter 0 on line 28 _____
- 8 Multiply step 7 by 3% (.03). _____
- 9 Enter the smaller of step 4 or step 8. _____
- 10 Enter the amount from line 27 _____
- 11 Add steps 9 and 10. _____
- 12 Enter the amount from step 1. _____
- 13 Enter your standard deduction from the Standard Deduction Table _____
- 14 Subtract step 13 from step 12. If the result is zero or less, **STOP HERE** and enter 0 on line 28. _____
- 15 Enter the amount from step 1. _____
- 16 Compare the amounts on steps 11 and 14 _____
 - If step 11 is less than or equal to step 14, subtract step 9 from step 15, OR
 - If step 11 is more than step 14, subtract step 10 from step 14, then subtract the result from step 15.
- 17 Subtract step 16 from step 1. Enter the result here and on line 28 _____

Married couples filing separate returns: Each spouse must complete a separate Worksheet for Line 28. If either spouse is required to add back 100 percent of his/her amount on step 9, your addition is the lesser of your step 9 or the difference between your step 1 and your step 10.

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