

# 2019 SPECIAL SESSION OMNIBUS TAX BILL (HF 5) INCOME TAX POLICY DETAILS

	FEDERAL: PRIOR TO TCJA	FEDERAL: TCJA	MINNESOTA: HF 5
<b>Standard Deduction (TY 19, MFJ)</b>	\$13,300	\$24,400	\$24,400
<b>Personal Exemptions</b>	Allowed	Not allowed	Not Allowed
<b>Dependent Exemptions</b>	Allowed	Not allowed	Allowed
<b>State and Local Taxes (SALT) Itemized Deduction</b>	Allowed	Limited to \$10,000 for MFJ	Limited to \$10,000 for MFJ
<b>Charitable Contributions Itemized Deduction</b>	Limited to 50% of AGI	Limited to 60% of AGI	Limited to 60% of AGI
<b>Home Equity Interest Itemized Deduction</b>	Allowed, on debt up to \$1 million	Allowed, on debt up to \$750,000	Allowed, on debt up to \$750,000
<b>Medical Expenses Itemized Deduction</b>	Allowed, for expenses above 10% of AGI	Allowed, for expenses above 10% of AGI	Allowed, for expenses above 10% of AGI

## OTHER MISC. ITEMIZED DEDUCTIONS

### 1. MISC. DEDUCTIONS SUBJECT TO 2% LIMIT:

	FEDERAL: PRIOR TO TCJA	FEDERAL: TCJA	MINNESOTA: HF 5
<b>A) Unreimbursed Employee Expenses (Subject to 2% Limit)</b>			
<i>2017 Form 1040, Schedule A, Line 21</i>			
Damages paid to a former employer	Allowed, subject to 2% AGI limit	Not Allowed	Allowed, subject to 2% AGI limit
Business bad debt of an employee.	Allowed, subject to 2% AGI limit	Not Allowed	Allowed, subject to 2% AGI limit
Business liability insurance premiums	Allowed, subject to 2% AGI limit	Not Allowed	Allowed, subject to 2% AGI limit
Damages paid to a former employer for breach of an employment contract	Allowed, subject to 2% AGI limit	Not Allowed	Allowed, subject to 2% AGI limit
Depreciation on a computer your employer requires you to use in your work	Allowed, subject to 2% AGI limit	Not Allowed	Allowed, subject to 2% AGI limit
Dues to a chamber of commerce if membership helps you do your job	Allowed, subject to 2% AGI limit	Not Allowed	Allowed, subject to 2% AGI limit
Dues to professional societies	Allowed, subject to 2% AGI limit	Not Allowed	Allowed, subject to 2% AGI limit
Educator expenses (Qualified)	Allowed, subject to 2% AGI limit	Not Allowed	Allowed, subject to 2% AGI limit
Home office or part of your home used regularly and exclusively in your work	Allowed, subject to 2% AGI limit	Not Allowed	Allowed, subject to 2% AGI limit
Job search expenses in your present occupation	Allowed, subject to 2% AGI limit	Not Allowed	Allowed, subject to 2% AGI limit
Laboratory breakage fees	Allowed, subject to 2% AGI limit	Not Allowed	Allowed, subject to 2% AGI limit
Legal fees related to your job	Allowed, subject to 2% AGI limit	Not Allowed	Allowed, subject to 2% AGI limit
Licenses and regulatory fees	Allowed, subject to 2% AGI limit	Not Allowed	Allowed, subject to 2% AGI limit
Malpractice insurance premiums	Allowed, subject to 2% AGI limit	Not Allowed	Allowed, subject to 2% AGI limit
Medical examinations required by an employer	Allowed, subject to 2% AGI limit	Not Allowed	Allowed, subject to 2% AGI limit
Occupational taxes	Allowed, subject to 2% AGI limit	Not Allowed	Allowed, subject to 2% AGI limit
Passport for a business trip	Allowed, subject to 2% AGI limit	Not Allowed	Allowed, subject to 2% AGI limit
Repayment of an income aid payment received under an employer's plan	Allowed, subject to 2% AGI limit	Not Allowed	Allowed, subject to 2% AGI limit
Research expenses of a college professor	Allowed, subject to 2% AGI limit	Not Allowed	Allowed, subject to 2% AGI limit
Rural mail carriers' vehicle expenses	Allowed, subject to 2% AGI limit	Not Allowed	Allowed, subject to 2% AGI limit
Subscriptions to professional journals and trade magazines related to your work	Allowed, subject to 2% AGI limit	Not Allowed	Allowed, subject to 2% AGI limit

Tools and supplies used in your work	Allowed, subject to 2% AGI limit	Not Allowed	Allowed, subject to 2% AGI limit
Travel, transportation, meals, entertainment, gifts, and local lodging related to your work	Allowed, subject to 2% AGI limit	Allowed for select categories of employment	Allowed, subject to 2% AGI limit
Union dues and expenses	Allowed, subject to 2% AGI limit	Not Allowed	Allowed, subject to 2% AGI limit
Work clothes and uniforms if required and not suitable for everyday use	Allowed, subject to 2% AGI limit	Not Allowed	Allowed, subject to 2% AGI limit
Work-related education	Allowed, subject to 2% AGI limit	Not Allowed	Allowed, subject to 2% AGI limit

**B) Other Miscellaneous Expenses (Subject to 2% Limit)**

2017 Form 1040, Schedule A, Line 21

Appraisal fees for a casualty loss or charitable contribution	Allowed, subject to 2% AGI limit	Not Allowed	Not Allowed
Casualty and theft losses from property used in performing services as an employee	Allowed, subject to 2% AGI limit	Not Allowed	Not Allowed
Clerical help and office rent in caring for investments	Allowed, subject to 2% AGI limit	Not Allowed	Not Allowed
Depreciation on home computers used for investments	Allowed, subject to 2% AGI limit	Not Allowed	Not Allowed
Excess deductions allowed a beneficiary on termination of an estate or trust	Allowed, subject to 2% AGI limit	Not Allowed	Not Allowed
Fees to collect interest and dividends	Allowed, subject to 2% AGI limit	Not Allowed	Not Allowed
Hobby expenses, but generally not more than hobby income	Allowed, subject to 2% AGI limit	Not Allowed	Not Allowed
Indirect miscellaneous deductions from pass-through entities	Allowed, subject to 2% AGI limit	Not Allowed	Not Allowed
Investment fees and expenses	Allowed, subject to 2% AGI limit	Not Allowed	Not Allowed
Legal fees related to producing or collecting taxable income or getting tax advice	Allowed, subject to 2% AGI limit	Not Allowed	Not Allowed
Loss on deposits in an insolvent or bankrupt financial institution	Allowed, subject to 2% AGI limit	Not Allowed	Not Allowed
Loss on traditional IRAs or Roth IRAs, when all amounts have been distributed to you	Allowed, subject to 2% AGI limit	Not Allowed	Not Allowed
Repayments of income	Allowed, subject to 2% AGI limit	Not Allowed	Not Allowed
Repayments of social security benefits	Allowed, subject to 2% AGI limit	Not Allowed	Not Allowed
Safe deposit box rental, except for storing jewelry and other personal effects	Allowed, subject to 2% AGI limit	Not Allowed	Not Allowed
Service charges on dividend reinvestment plans	Allowed, subject to 2% AGI limit	Not Allowed	Not Allowed
Tax advice fees	Allowed, subject to 2% AGI limit	Not Allowed	Not Allowed
Trustee's fees for your IRA, if separately billed and paid	Allowed, subject to 2% AGI limit	Not Allowed	Not Allowed

**2. MISC. DEDUCTIONS NOT SUBJECT TO 2% LIMIT:**

2017 Form 1040, Schedule A, Line 28

	FEDERAL: PRIOR TO TCJA	FEDERAL: TCJA	MINNESOTA: HF 5
Amortizable premium on taxable bonds	Allowed	Allowed	Allowed
Casualty and theft losses from income-producing property	Allowed	Limited to losses in disaster areas	MN-specific deduction available
Federal estate tax on income in respect of a decedent	Allowed	Allowed	Allowed
Gambling losses up to the amount of gambling winnings	Allowed	Allowed, with modified limit	Allowed, with modified limit
Impairment-related work expenses of persons with disabilities	Allowed	Allowed	Allowed
Loss from other activities from Schedule K-1 (Form 1065-B), box 2	Allowed	Allowed	Allowed
Losses from Ponzi-type investment schemes	Allowed	Allowed	Allowed
Repayments of more than \$3,000 under a claim of right	Allowed	Allowed	Allowed
Unrecovered investment in an annuity	Allowed	Allowed	Allowed