

## Back to School

Going back to school this year is going to be significantly different. Your child might not even be going back if that is the route you decided to take.

Whatever the case may be, in school, distance learning or a combination, you still have the potential to receive tax benefits from the state of Minnesota for school supplies purchased.

This being said, save your receipts for school supplies for grades K-12. Examples of qualifying expenses include paper/notebooks, pens and pencils, textbooks, rental or purchase of educational equipment, computer hardware and educational software (up to \$200 for computer hardware/software per family). Tutoring is also a qualifying expense. By saving these receipts you could get tax benefits from the K-12 Education Credit and/or the K-12 Education Subtraction. Yes, there is a difference and let us help explain that to you.

### First the similarities:

Both could reduce your state tax liability. To qualify for either, you must have a qualifying child attending K-12 at a public, private or homeschool. The eligible costs are those purchased for the education-related expenses for the child's schooling.

### Differences between K-12 Education Credit vs K-12 Education Subtraction:

For the credit, there is an income threshold. For 1-2 children, income must be less than \$37,500, for 3 children, income must be less than \$39,500. If you have 4 or more qualifying children, you add \$2,000 for each additional child. Another stipulation is that you cannot have a married filing separate status for your tax return.

For the subtraction, there is no income limits. Tuition is an eligible expense for the subtraction only. This includes college courses taken in high school and summer school courses used to satisfy high school graduation requirements. The maximum amount you can subtract is \$1,625 for each child grades K-6 and \$2,500 for children 7-12.

### Examples of expenses that do not qualify:

- School lunches
- uniforms
- internet fees,
- backpacks
- travel to and from school

These are just a few examples, to see the full list, you can visit the MNDOR website and lookup qualifying expenses or contact us for additional information.

Please note, you may not claim both the credit and the subtraction for the same expenses.