

2007

Minnesota Individual Income Tax Forms and Instructions

Inside this booklet

- **Form M1**
Minnesota income tax return
- **Schedule M1W**
Minnesota withholding
- **Schedule M1ED**
Minnesota K-12 Education Credit
- **Schedule M1WFC**
Minnesota Working Family Credit
- **Form M60**
Payment voucher

Do you qualify for a
Property Tax Refund?

 **SEE THE BACK COVER**

make it
on **easy**
yourself...

try
e-file
this year

Start here:
www.taxes.state.mn.us



Need help?

Our website, www.taxes.state.mn.us, offers the following quick and convenient services:

- forms, instructions and fact sheets
- answers to frequently asked questions
- options for filing and paying electronically
- check on your refund
- look up your Form 1099-G refund information

Or, call our automated system at

651-296-4444 or **1-800-657-3676**

anytime to:

- order forms and instructions
- check on your refund
- check on your Form 1099-G refund information
- change your address

If you still have tax questions, write to us at:

- indirecttax@state.mn.us
- Minnesota Revenue, Mail Station 5510, St. Paul, MN 55146-5510.

Or, you may call

651-296-3781 or **1-800-652-9094**:

- Monday–Thursday, 8:30 a.m. to 5 p.m.
- Friday, 8:30 a.m. to 4:30 p.m.

TTY users: call **711** for Minnesota Relay.

Free tax help available

Volunteers are available to help seniors, people with low incomes or disabilities, and non-English speakers complete their tax returns. To find a volunteer tax help site, go to www.taxes.state.mn.us or call 651-297-3724.

Information in this booklet is available in other formats upon request for persons with disabilities.

Contents

Page

What's new for 2007	3
Use tax information	3
General information	4-6
Information for federal return	4
Filing requirements and residency ..	4-5
Due date	5
Payment options	6
Penalties and interest	6
Special situations	7
Refund of campaign contributions ...	7
Completing your return	8
Use of information	8
Line instructions	9-18
How to complete a paper return	14
Before you mail your return	18
Working family credit tables	19-21
Tax tables	22-27
How to get forms	27

make it easy on yourself...

Make our website your starting point for e-filing both your state and federal income tax returns!

www.taxes.state.mn.us

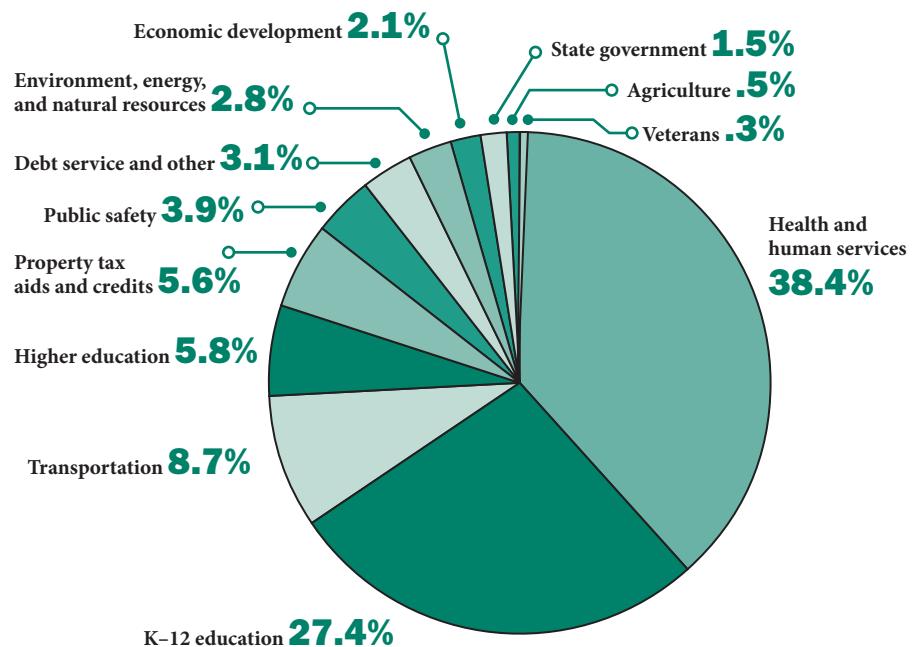
Nearly 70 percent of Minnesota taxpayers e-file because it:

- increases the accuracy of their returns,
- provides for more rapid delivery of refunds,
- checks for mathematical errors, and
- delivers transaction confirmation notices.

Most e-file programs guide you through a simple question-and-answer process, and help you to discover every possible exemption or credit for which you qualify.

For more information about electronic filing and answers to all of your tax-related questions, visit www.taxes.state.mn.us.

Where do your Minnesota tax dollars go?



All Funds – Biennium 2008/09
Source: Minnesota Department of Finance

Note: Because percentages have been rounded, the total for this pie chart exceeds 100%

What's new for 2007?

Federal changes not adopted by Minnesota

For purposes of tax year 2007, Minnesota has not adopted the federal changes made by the Heroes Earned Retirement Opportunities Act of 2006, the Pension Protection Act of 2006 and the Small Business and Work Opportunity Act of 2007. As a result, if you reverse the effect of the federal provisions that apply to 2007 returns, to do so, use Schedule M1NC. *Federal Adjustments.*

- **Disregard any instructions to complete Schedule M1NC.** For example, you may need to make adjustments to your M1 if you:
 - **Disregard line 26 of Schedule M1M.** claimed the tuition and fees deduction on your federal Form 1040.
 - **claimed the educator expenses deduction on your federal Form 1040.**
 - **are 70 1/2 or older and made a tax-free IRA withdrawal.**
 - **claimed a deduction for health insurance premiums on line 13 of federal Schedule M1M.**

- inherited an interest in an employer-sponsored retirement plan from someone other than your spouse and rolled over the proceeds into an IRA.
- **Schedules M1M and M1NR have been updated to reflect the new law changes. The line 5 instructions for Schedule M1CD and M1ED and for Form M1PR have also been updated. Be sure to use the forms revised March 2008, which are available at www.taxes.state.mn.us.**
- **donated appreciated property to a charity** and your federal adjusted gross income is between \$150,000 and \$160,000.
- **donated appreciated property to a charity** and your federal adjusted gross income is limited to your direct costs of preparing, stuffing or mounting the animal.
- **donated appreciated property to a charity** exterior in a historic district and were not allowed a federal charitable deduction because of the federal restrictions on these donations.
- **donated food inventory to a charity** in 2007 and federally deducted more than your cost basis in the inventory.
- **donated a conservation easement to a charity** and your federal deduction for the

- **contribution exceeded 30 percent of your federal adjusted gross income.**
- **were a shareholder of an S corporation, which in 2007 donated appreciated property to a charity, and you either sold the S corporation stock in 2007 or your deducting loss from the S corporation was limited in 2007 for lack of basis.**
- **claimed an IRA deduction on your federal return that is allowed federally because you used combat pay as earned income.**

Note: If the 2008 Minnesota Legislature fully adopts the federal changes before you file your M1, there is no need to complete Schedule M1NC. On the other hand, if you file a return with Schedule M1NC and the Legislature fully or partially adopts the federal changes, you will then be required to file an amended return.

Continue to check our website at www.taxes.state.mn.us for further updates.

Section 179 subtraction

2007 is the first year that you are allowed a subtraction for the amount that you added back in 2006 for excess Section 179 expensing. A new line has been added on Schedule M1M, *Income Additions and Subtractions*.

Did you purchase items over the Internet or through mail order?

Minnesota use tax

If you purchased taxable items for your own use without paying sales tax, you probably owe use tax. Here are some cases when use tax is due:

- You buy taxable items over the Internet, by mail order, from a shopping channel, etc., and the seller doesn't collect Minnesota sales tax from you.
- A seller in another state or country does not collect any sales tax from you on a sale of an item that is taxed by Minnesota.
- An out-of-state seller properly collects another state's sales tax at a rate lower than Minnesota's. In this case, you owe the difference between the two rates.

The use tax is the same rate as the sales tax, 6.5 percent.

If your total purchases subject to use tax are less than \$770 in a calendar year, you

are not required to file a use tax return. This exemption applies only to items for personal use, not to items for business use.

If you buy more than \$770, you owe use tax on all taxable items purchased during the year. File online at www.taxes.state.mn.us. Click on "Login to e-File Minnesota" on the right side of the screen. Enter your Social Security number and click on individual use tax. You may also file a paper Form UT1, *Individual Use Tax Return*. Form UT1 and Fact Sheet 156, *Use Tax for Individuals*, are available at www.taxes.state.mn.us, or by calling 651-296-6181 or toll free 1-800-657-3777.

Local use taxes

If you buy taxable items for use in the cities and counties listed in the box to the right, you must also pay local use taxes at the rates provided.

Local use tax rates

City/County	Rate
Albert Lea	0.5%
Austin	0.5%
Baxter	0.5%
Bemidji	0.5%
Brainerd	0.5%
Cook County	1.0%
Duluth	1.0%
Hennepin County	0.15%
Hermantown	0.5%
Mankato	0.5%
Minneapolis	0.5%
New Ulm	0.5%
Owatonna	0.5%
Proctor	0.5%
Rochester	0.5%
St. Cloud area (Sartell, Sauk Rapids, St. Augusta, St. Cloud, St. Joseph and Waite Park) . .	0.5%
St. Paul	0.5%
Two Harbors	0.5%
Willmar	0.5%

General information

You must file a Minnesota Form M1, Individual Income Tax Return, if you are a:

- Minnesota resident required to file a federal income tax return, or
- part-year resident or nonresident of Minnesota and you have Minnesota gross income of \$8,750 or more.

Filing requirements and residency

Minnesota residents

If you were a resident of Minnesota for the entire year and are required to file a 2007 federal income tax return, you must also file a 2007 Minnesota Form M1.

If you are not required to file a federal return, you are not required to file a Minnesota return. However, you must file a Minnesota return in order to:

- claim refundable credits for which you may qualify (the K–12 education, working family or child care credits, etc.), or
- receive a refund if your employer withheld Minnesota income tax from your wages in 2007.

Members of the Armed Forces

If you consider Minnesota to be your home, you must file a Minnesota return as a resident, regardless of where you were stationed during the year. However, if your gross income included on your federal return, minus any compensation received for active duty performed outside Minnesota, is less than \$8,750, you are not required to file a Minnesota return.

For more information, see Income Tax Fact Sheet #5, *Military Personnel*.

Did you move into or out of Minnesota during the year?

If you moved into or out of Minnesota in 2007, you must file Form M1 if you meet the filing requirements for part-year residents. (See *Filing requirements* on page 5.)

When you file, also complete Schedule M1NR, *Nonresidents/Part-Year Residents*, to determine your income received while a Minnesota resident and income received from sources in Minnesota while a nonresident. You will pay Minnesota tax based only on that income.

If you considered Minnesota your permanent home in 2007, or for an indefinite period of time, you were a resident for 2007.

For more information, see Income Tax Fact Sheet #1, *Residency*.

Did you serve in a combat zone at any time during 2007?

If so, you may be eligible for a credit of \$59 for each month or part of a month you served in a combat zone and Minnesota was your home of record. To claim a credit, complete Form M99, *Credit for Military Service in a Combat Zone*, and mail it to the department with the appropriate military records by April 15, 2008.

Form M99 is not included in the M1 booklet. Go to www.taxes.state.mn.us to download this form.

Were you a resident of another state and lived in Minnesota?

If you were a resident of another state, you may be required to file Form M1 as a Minnesota resident if both of these conditions applied to you:

- 1 you were in Minnesota for 183 or more days during the tax year, and
- 2 you or your spouse owned, rented or leased a house, townhouse, condominium, apartment, mobile home or cabin with cooking and bathing facilities in Minnesota, and it could be lived in year-round.

Continued

Information for your federal return

State refund information—Form 1040, line 10

The Department of Revenue no longer mails Form 1099-G, *Record of Income Tax Refund*, to taxpayers.

If you received a state income tax refund in 2007 and you itemized deductions on federal Form 1040 in the year you paid the tax, you may need to report an amount on line 10 of your 2007 Form 1040.

To determine the Minnesota income tax refund you received:

- go to www.taxes.state.mn.us, or
- call our automated phone system at 651-296-4444 or 1-800-657-3676, or
- review your records.

Deducting vehicle license fees—Schedule A, line 7

If you itemize on your 2007 federal return, only a portion of your Minnesota vehicle license fee is deductible as personal property tax on line 7 of federal Schedule A of Form 1040. The deduction is allowed only for passenger automobiles, pickup trucks and vans.

To correctly determine line 7 of Schedule A (1040), you must subtract \$35 from your vehicle's *registration tax*. To find the registration tax:

- go to www.mndriveinfo.org and click on "Tax Info," or

- look at the vehicle registration renewal form issued by the Driver & Vehicle Services.

The other amounts, such as the plate fee and filing fee, are not deductible and cannot be used as an itemized deduction.

If you own more than one vehicle, subtract \$35 from the registration tax shown for each vehicle.

General information (continued)

If both conditions apply, you are considered a Minnesota resident for the length of time the second condition applies. If the second condition applied for the entire year, you are considered a full-year Minnesota resident for income tax purposes. If it applied for less than the full year, you are considered a part-year resident, and you must file Form M1 if you meet the filing requirements explained in the next section.

If you were a resident of another state, but the conditions did not apply to you in 2007, you were a nonresident of Minnesota for income tax purposes. However, you must file Form M1 if you meet the filing requirements in the next section.

For further details, see Income Tax Fact Sheet #2, *Part-Year Residents*, and Fact Sheet #3, *Nonresidents*.

Filing requirements for part-year residents and nonresidents

- 1 Determine your total income from all sources (including sources not in Minnesota) while a Minnesota *resident*.
- 2 Determine the total of the following types of income you received while a *nonresident* of Minnesota:
 - wages, salaries, fees, commissions, tips or bonuses for work done in Minnesota
 - gross rents and royalties received from property located in Minnesota
 - gains from the sale of land or other tangible property in Minnesota
 - gains from the sale of a partnership interest, to the extent the partnership had property or sales in Minnesota
 - gain on the sale of goodwill or income from an agreement not to compete connected with a business operating in Minnesota
 - Minnesota gross income from a business or profession conducted partly or entirely in Minnesota. *Gross income is income before any deductions or expenses.* This is the amount from line 7 of Schedule C (1040), line 1 of Schedule C-EZ (1040) or line 11 of Schedule F (1040). Gross income from a partnership or S corporation is the amount on line 15 of Schedule KPI or line 15 of Schedule KS.
 - gross winnings from gambling in Minnesota.

- 3 Add step 1 and step 2. If the total is \$8,750 or more, you must file Form M1 and Schedule M1NR.

If the result is less than \$8,750 and you had amounts withheld or you paid estimated tax, you must file Form M1 and Schedule M1NR to receive a refund.

If only one spouse is required to file a Minnesota return and you filed a joint federal return, you must file a joint Form M1. Complete Schedule M1NR and include a copy of the schedule when you file your return.

Military personnel who are part-year residents or nonresidents: When determining if you are required to file a Minnesota return using the steps above, do not include:

- active duty military pay for service *outside* Minnesota in step 1, or
- active duty military pay for service *in* Minnesota in step 2.

Michigan, North Dakota and Wisconsin residents

Minnesota has reciprocity agreements with Michigan, North Dakota and Wisconsin. If both of the following conditions applied to you in 2007, you are not subject to Minnesota income tax:

- you were a full-year resident of Michigan or North Dakota who returned to your home state at least once a month or were a full-year Wisconsin resident, and
- your only Minnesota income was from the performance of personal services (wages, salaries, tips, commissions, bonuses).

For more information, see Income Tax Fact Sheet #4, *Reciprocity*.

If you are a resident of a reciprocity state and your only Minnesota source income is wages covered under reciprocity from which Minnesota income tax was withheld, complete Schedule M1M to get a refund of the amount withheld. When you file:

1. Enter the appropriate amounts from your federal return on lines A–D and on line 1 of Form M1.
2. Skip lines 2 through 7 of Form M1.
3. Enter the amount from line 1 of Form M1 on line 16 of Schedule M1M and on line 8 of Form M1. Be sure to check the

box on line 16 of Schedule M1M to indicate the state of which you are a resident.

4. Complete the rest of Form M1.

In addition to Schedule M1M, you must also complete and enclose Schedule M1W, *Minnesota Income Tax Withheld*, Form MWR, *Reciprocity Exemption/Affidavit of Residency*, and a copy of your home state tax return. Do not complete Schedule M1NR.

If your wages are covered by reciprocity and you *do not* want your employer to withhold Minnesota tax in the future, be sure to file Form MWR each year with your employer.

If you are filing a joint return and only one spouse works in Minnesota under a reciprocity agreement, you still must include both of your names and Social Security numbers on your return.

If your gross income assignable to Minnesota from sources other than from the performance of personal services covered under reciprocity is \$8,750 or more, you are subject to Minnesota tax on that income. You must file Form M1 and Schedule M1NR. You are not eligible to take the reciprocity subtraction on Schedule M1M.

Due date for filing and paying is April 15

Your 2007 Minnesota Form M1 must be postmarked by, brought to, or electronically filed with the Department of Revenue no later than April 15, 2008. If you file your tax according to a fiscal year, you have until the 15th day of the fourth month after the end of your fiscal year to file your return.

Your tax payment is due in full by April 15, 2008, even if you file your return after the due date.

Paying your tax when filing your return after April 15

If you are unable to complete and file your return by the due date, you may avoid penalty and interest by paying your tax by April 15. Estimate your total tax and pay the amount you owe electronically, by check or by credit card.

For information on how to pay electronically or by credit card, see *Payment options* on the next page.

Continued

General information (continued)

If you pay by check, you must send your tax payment with a completed Form M13, *Income Tax Extension Payment*, by April 15. Do not send in an incomplete return.

To avoid a late filing penalty, you must file your return by October 15, 2008.

Military extensions. Military personnel serving in, or in support of, presidentially declared combat zones are allowed the same extensions of time to file and pay their state income taxes as they are allowed for federal taxes. When you file Form M1, enclose a separate sheet stating you were serving in a combat zone.

Payment options

Pay electronically

You can pay your tax electronically—even if you file a paper return—using the department's e-File Minnesota system. There is no charge to you for using this service.

To pay electronically:

- go to **www.taxes.state.mn.us**, and click on "Make a payment" from the e-Services menu, or
- call **1-800-570-3329** to pay by phone.

Follow the prompts for individuals to make a payment.

If the transaction is successful, you will be given a confirmation number and a date/time stamp. Save this information with your tax records.

Pay by credit card

You may pay the amount you owe through Official Payments Corporation, a national credit-card payment service. You will be charged a fee by Official Payments for this service.



Have your Visa, MasterCard, American Express or Discover/Novus credit card ready, and go to www.officialpayments.com or call 1-800-272-9829. When asked for the jurisdiction number, enter **3300**. (All taxpayers paying current year Minnesota individual income tax must use this number.)

At the end of your call or website visit, you will be given a confirmation number. Be sure to write down and save this confirmation number with your records. Your payment will be effective on the date you made the request.

Pay by check or money order

Complete the Form M60 payment voucher, which is included in this booklet, and send it with your check made payable to Minnesota Revenue to the address provided on the voucher.

If you are filing a paper Form M1, send the voucher and your check *separately* from your return to ensure that your payment is properly credited to your account.

Penalties and interest

Late payment penalty

Your tax is due on the due date of your return—April 15 for most individuals—even if you have an extension to file your federal return.

If you pay all or part of your tax after the due date, a penalty of 4 percent will be assessed on the unpaid amount.

If you pay your tax 181 days or more after you file your return, you will be assessed an additional 5 percent penalty on the unpaid tax.

If you are unable to pay the full amount due, file your return and pay as much as you can by the due date to reduce your penalty.

You can find additional information on payment plans at www.taxes.state.mn.us.

Late filing penalty

There is no late filing penalty if your return is filed within six months of the due date, which is October 15 for most individuals. If your return is not filed within six months, a 5 percent late filing penalty will be assessed on the unpaid tax.

Penalty for fraudulently claiming a refund

If you file a return that fraudulently claims a refund, you will be assessed a penalty. The penalty is 50 percent of the fraudulently claimed refund.

Other penalties

There are also penalties for failing to include all taxable income, for errors due to intentionally disregarding the income tax instructions or laws, or for filing a frivolous return.

Also, there are civil and criminal penalties for intentionally failing to file a Minnesota return, evading tax and for filing a false or fraudulent return.

Interest

Interest will be assessed after April 15, 2008, on any unpaid tax and penalty. The rates are determined every year.

The interest rate for 2008 is 8 percent.

Where to file paper returns

If you are filing a paper return, mail your Form M1, including all completed Minnesota schedules, and your federal form and schedules in the printed envelope included in this booklet. If you don't have the printed envelope, mail your forms to Minnesota Individual Income Tax, Mail Station 0010, St. Paul, MN 55145-0010

Use enough postage

To avoid having the U.S. Postal Service return your income tax forms to you for more postage, be sure to include enough postage on your envelope. If you enclose more than three sheets of paper, you will probably need additional postage.

Stop writing checks *Pay electronically!*

It's Secure, Easy, Convenient, Free

www.taxes.state.mn.us

Special situations

Estimated payments

If you expect to owe \$500 or more, or Minnesota tax wasn't withheld

If your income includes pensions, commissions, dividends or other sources not subject to withholding, you may be required to pay Minnesota estimated income tax payments.

You must pay estimated tax if you expect to owe \$500 or more in Minnesota tax for 2008 after you subtract the amounts of any:

- Minnesota income tax you expect to be withheld from your income for 2008, and
- credits (K-12 education, child and dependent care, working family, JOBZ jobs and cattle tuberculosis testing credits) you expect to receive for 2008.

See *Individual Estimated Tax Payments Instructions* on our website for details on how to estimate and pay your tax.

To pay electronically:

- go to www.taxes.state.mn.us, and click on "Make a payment" from the e-Services menu, or
- call 1-800-570-3329 to pay by phone.

If you want to charge your payment, see *Payment options* on page 6.

If you pay by check, you must send your payment with a completed Form M14. Be sure to use the personalized M14 vouchers you may have received from the department or those provided by your tax preparer to ensure your payments are credited properly to your account.

Reporting federal changes

If the Internal Revenue Service (IRS) changes or audits your federal tax or you amend your federal return and it affects your Minnesota return, you have 180 days to amend your Minnesota return. File Form M1X, *Amended Minnesota Income Tax Return*, within 180 days after you were notified by the IRS or after you filed your federal amended return.

If the changes do not affect your Minnesota return, you have 180 days to send a letter of explanation to the department. Send your letter and a complete copy of your federal amended return or the correction notice you received from the IRS to: Minnesota Revenue, Mail Station 7703, St. Paul, MN 55146-7703.

If you fail to report the federal changes as required, a 10 percent penalty will be assessed on any additional tax.

If you need to correct your original Minnesota return

—you must file an amended return, Form M1X, within 3½ years of the due date of your original Minnesota return. Do not file a corrected Form M1 for the same year.

Filing on behalf of a deceased person

If a person received income in 2007 and died before filing a return, the spouse or personal representative should file Form M1 for the deceased person. The return must use the same filing status that was used to file the decedent's federal return.

If you are filing Form M1 for a deceased person, enter the decedent's name and your address in the name and address section. Print "DECD" and the date of death after the decedent's last name.

For more information, see Income Tax Fact Sheet #9, *Filing on Behalf of a Deceased Taxpayer*.

Claiming a refund on behalf of a deceased person

If you are the decedent's spouse and you are using the joint filing method, the department will send you the refund.

If you are the personal representative, you must include with the decedent's return a copy of the court document appointing you as personal representative. You will receive the decedent's refund on behalf of the estate.

If no personal representative has been appointed for the decedent and there is no

spouse, you must complete Form M23, *Claim for a Refund Due a Deceased Taxpayer*, and include it with the decedent's Form M1.

For more information, see Income Tax Fact Sheet #9, *Filing on Behalf of a Deceased Taxpayer*.

Power of attorney

The department is prohibited by law from disclosing your private information. If you want to grant power of attorney to an attorney, accountant, agent, tax return preparer or any other person as an attorney-in-fact, complete Form REV184, *Power of Attorney*. The person you appoint will be able to perform any and all acts you can perform for purposes of dealing with the department. If you wish, you may limit the authority to specific powers, such as representing you during an audit process.

If you are divorced, widowed or legally separated and still owe a joint liability

If in the past you filed a joint return with a former spouse and you still owe part of the joint liability, you may be eligible for the Separation of Liability Program. For information, contact the Taxpayer Rights Advocate at the address below.

If you have tax problems

— and cannot resolve them through normal channels, you may contact the Taxpayer Rights Advocate.

Write to:

Taxpayer Rights Advocate
Minnesota Revenue
P. O. Box 7335
St. Paul, MN 55107-7335

Refund of campaign contributions

You may be able to claim a refund of contributions made to qualified Minnesota political parties, candidates for statewide offices or the Minnesota Legislature. The maximum refund is \$50 for single persons and \$100 for married couples.

Complete Form PCR, *Political Contribution Refund Application*, and mail it with your original contribution receipt, Form

EP-3. Canceled checks are not acceptable as receipts.

For contributions made in 2007, you must file the 2007 Form PCR by April 15, 2008. For contributions made in 2008, file the 2008 Form PCR by April 15, 2009. Form PCR is available on our website at www.taxes.state.mn.us.

Completing your return

Use of Information

Information not required

Although not required on Form M1, we ask for:

- your date of birth and, if filing a joint return, your spouse's date of birth to correctly identify you and your spouse,
- a code number indicating a political party for the State Elections Campaign Fund,
- your daytime telephone number in case we have questions about your return, and
- the telephone number and Minnesota tax ID, Social Security number or PTIN of the person you paid to prepare your return.

All other information required

You must provide by Minnesota law (M.S. 289A.08, subd. 11) your Social Security number and all other information in order to properly identify you and to determine your correct tax liability. If you don't provide it, the department will return your form to you. This will delay your income tax refund or if you owe tax, your payment will not be processed and you may have to pay a penalty for late payment.

If your return is audited and you appeal the audit decision to the Minnesota Tax Court, your Social Security number and other private information on your return may become public by being included in the court's file. This may also happen if you fail to pay your income tax liability and a tax lien is filed against you with the county recorder or Secretary of State. Your private information may be listed on the lien, which is public.

Use of information from your income tax return

All information you enter on your income tax return is private. The department will use the information to determine your tax liability and may include the information as part of tax research studies. The information may also be used to verify the accuracy of any tax returns you file with the department.

Also, according to state law, the department may share and/or match some or all of the information, including your Social Security number, with:

- the IRS and other state governments for tax administration purposes,
- the Social Security Administration for purposes of administering the Minnesota Working Family Credit,
- Minnesota state or county agencies to which you owe money,
- another person who must list some or all of your income or expenses on his or her Minnesota income tax return,

- the Minnesota Department of Human Services for purposes of child support collection, verifying income for parental contribution amounts under children's service programs, refundable tax credits claimed by applicants or recipients of various assistance programs, or the MinnesotaCare program,
- a court that has found you to be delinquent in child support payments,
- the Minnesota Department of Employment and Economic Development if you received unemployment compensation or are participating in an enterprise or JOBZ zone,
- the Minnesota Department of Finance for purposes of preparing a revenue forecast,
- the Minnesota Racing Commission if you apply for or hold a license issued by the commission, or own a horse entered in an event licensed by the commission,
- any Minnesota state, county, city or other local government agency that you are asking to issue or renew your professional license or your license to conduct business, including a gambling equipment distributor license and a bingo hall license,
- the Minnesota Department of Labor and Industry for purposes of administering laws relating to tax, workers' compensation, minimum wage and conditions of employment,
- a county, city or town that has been designated as an enterprise or JOBZ zone,
- the Minnesota State Lottery before you can contract to sell lottery tickets, or if you win a lottery prize of \$600 or more,
- a local assessor for purposes of determining whether homestead benefits have been claimed appropriately,
- the Department of Health for purposes of epidemiologic investigations,
- the Legislative Auditor for purposes of auditing the Department of Revenue or a legislative program,
- the Minnesota Department of Commerce for locating owners of unclaimed property,
- sources necessary to use statutorily authorized tax collection tools for collecting tax or nontax debts,
- the Minnesota Department of Veterans Affairs, for purposes of locating veterans and notifying them of health hazards they were exposed to as a result of service in the armed forces, and of potential benefits to which they, their dependents or survivors may be entitled, or
- a district court to determine eligibility for a public defender.

There also may be instances in which the department will assist other state agencies in

mailing information to you. Although the department does not share your address information, we may send the information to you on behalf of the other state agency.

If filing a paper return

If you are filing a paper Form M1, be sure to read page 14. If you fail to follow the instructions provided, processing of your return may be delayed.

Name and address area

Enter the information in the name and address section in all capital letters using black ink. Be sure to use your legal name; do not enter a nickname.

If you live outside of the United States, be sure to mark an X in the oval box to the left of your address to indicate you have a foreign address. This allows the scanning equipment to properly record your address.

If you are married and filing separate income tax returns, enter your spouse's name and Social Security number in the area provided in the filing status area. Do not enter your spouse's name or Social Security number in the name and address area at the top of your return.

Date of birth

Enter the month, day and year you were born. If you are filing a joint return, also enter your spouse's date of birth. Although it is not required, we ask for your date of birth and your spouse's date of birth to ensure your tax information remains secure.

Federal filing status

You must use the same filing status to file your Minnesota return that you used to file your federal return. Mark an X in the oval box to show the filing status you used to file your 2007 federal return.

State elections campaign fund

You may designate \$5 of state money to go to help candidates for state offices pay campaign expenses. To designate, find the party of your choice in the list provided on your return and enter the corresponding code number where indicated. If you choose the general campaign fund, the \$5 will be distributed among candidates of all major parties listed on Form M1. If you are filing a joint return, your spouse may also designate a party. Indicating a party **will not** reduce your refund or increase your tax.

Line instructions

Line instructions

Before you enter amounts on Form M1, read the instructions on page 14.

- Round amounts to the nearest dollar. Drop amounts less than 50 cents and increase amounts 50 cents or more to the next higher dollar.
- If the line does not apply to you or if the amount is zero, leave the boxes blank.

Federal return information Lines A–D

Line A—Federal wages, salaries, tips, etc.

Enter your wages, salaries, tips, etc. from:

- line 7 of federal Form 1040,
- line 7 of Form 1040A,
- line 1 of Form 1040EZ,
- line 8 of Form 1040NR, or
- line 3 of Form 1040NR-EZ.

Line B—Taxable IRA distributions, pensions and annuities

Enter the total of your taxable IRA distributions and your taxable pensions and annuities:

- add lines 15b and 16b of federal Form 1040,
- add lines 11b and 12b of Form 1040A, or
- add lines 16b and 17b of Form 1040NR.

Line C—Unemployment compensation

Enter the unemployment compensation you received in 2007 that is included on:

- line 19 of federal Form 1040,
- line 13 of Form 1040A,
- line 3 of Form 1040EZ, or
- line 20 of Form 1040NR.

Line D—Federal adjusted gross income

Enter your 2007 federal adjusted gross income from:

- line 37 of federal Form 1040,
- line 21 of Form 1040A,
- line 4 of Form 1040EZ,
- line 35 of Form 1040NR, or
- line 10 of Form 1040NR-EZ.

If your federal adjusted gross income is a negative number (less than zero), mark an X in the oval box on line D to indicate it is a negative number.

Minnesota income Lines 1–5

Line 1—Federal taxable income

Enter your federal taxable income from:

- line 43 of federal Form 1040,
- line 27 of Form 1040A,
- line 6 of Form 1040EZ,
- line 40 of Form 1040NR, or
- line 14 of Form 1040NR-EZ.

If your federal taxable income is a negative number (less than zero), you should have entered a zero on your federal return. However, on your Minnesota return, enter the actual number and mark an X in the oval box on line 1 to indicate it is a negative number.

Line 2—State income tax or sales tax addition

Minnesota does not allow you to deduct state income or sales tax. If you itemized deductions on your 2007 federal Form 1040, you must add back any amounts you deducted on line 5 of federal Schedule A for income or sales tax. (Shareholders and partners, see instructions in the next column.)

Skip this line if you filed Form 1040A or 1040EZ, or if you filed Form 1040 but did not itemize deductions.

If you itemized deductions, follow the steps below to determine line 2. You must use the amounts from your federal Schedule A, even if your deductions were limited.

- 1 Amount from line 29 of your federal Schedule A _____
- 2 If you are not a dependent, use the table in the next column to find the amount for this step. **Dependents:** Enter the standard deduction from your federal return _____
- 3 Subtract step 2 from step 1 (if result is zero or less, enter 0) _____
- 4 State income or sales tax from line 5 of federal Schedule A and any additional state income tax you may have included on line 8 (other taxes) of Schedule A _____
- 5 Enter the amount from step 3 or step 4, whichever is less, on line 2 of Form M1.

Married couples filing separate

returns: Each spouse must complete a separate worksheet. If step 4 is less than

step 3 for either spouse, each spouse must enter the step 4 amount of their own worksheet on line 2 of their Form M1.

TABLE FOR STEP 2

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

In the table below, find your filing status and the number of boxes you checked above (from 0-4) and enter the appropriate dollar amount in step 2 in the previous column:

filing status	boxes checked above	dollar amount for step 2
single:	0	\$ 5,350
	1	6,650
	2	7,950
married filing jointly, or qualifying widow(er):	0	\$ 10,700
	1	11,750
	2	12,800
	3	13,850
married filing separately:	4	14,900
	0	\$ 5,350
	1	6,400
	2	7,450
head of household:	3	8,500
	4	9,550
	0	\$ 7,850
household:	1	9,150
	2	10,450

S corporation shareholders and individual partners: Even if you did not itemize deductions on your federal return, include on line 2 your pro rata share of income taxes paid by the corporation or partnership that were deducted in arriving at the entity's ordinary income or net rental income. This amount, if any, will be provided on the Schedule KS or KPI you received from the entity.

Nonresident aliens: Enter on line 2 the amount of state income tax from line 1 of your Schedule A (1040NR) or included on line 11 of Form 1040NR-EZ.

Lines 3–7

Line 3—Other additions (Schedule M1M)

Complete Schedule M1M if in 2007, you:

- received interest from municipal bonds of another state or its governmental units,
- received federally tax-exempt interest dividends from a mutual fund investing in bonds of another state or its local government units,
- received a capital gain from a lump-sum distribution from a qualified retirement plan,
- claimed the deduction for domestic production activities on your federal return,
- deducted expenses or interest on your federal Form 1040 that are attributable to income not taxed by Minnesota,
- are claiming a suspended loss from 2001-2005 that was generated by bonus depreciation,
- elected section 179 expensing, or
- are an employer who received federal tax-exempt subsidies for providing prescription drug coverage for your retirees.
- **NEW** claimed the educator expenses deduction or the higher education tuition and fees deduction on your federal return.

You may have received this income as an individual, as a partner in a partnership, as a shareholder in an S corporation, or as a beneficiary of a trust.

The amount you enter on line 3 will be added to your taxable income.

Minnesota subtractions Lines 5–9

You may be able to reduce your taxable income if you qualify for a subtraction. The more common subtractions available are listed separately on lines 5 through 7 of Form M1. For a list of other subtractions reported on Schedule M1M, see the line 8 instructions on page 12.

Line 5—State income tax refund

Enter your state income tax refund from:

- line 10 of federal Form 1040,
- line 11 of Form 1040NR, or
- line 4 of Form 1040NR-EZ.

If you filed federal Form 1040A or 1040EZ, skip this line.

Line 6—Net interest from U.S. bonds

Interest earned on certain direct federal obligations is taxable on the federal return, but is not taxable on the state return. You may reduce your taxable income if you reported **10** interest on your federal return that is exempt from state income tax.

On line 6, include the interest you received from certain U.S. bonds, bills, notes and other debt instruments, reduced by any related investment interest and other expenses you deducted on your federal return that relate to this income. You may also include the portion of dividends from mutual funds that are attributable to such bonds, bills or notes, reduced by any related expenses you deducted on your federal return.

Determine the net interest and dividends included in your federal taxable income that you received from:

- U.S. Treasury notes, bonds, bills, certificates of indebtedness and savings bonds, or
- Student Loan Marketing Association bonds (Sallie Maes).

Include any net U.S. bond interest income you may have received as a partner in a partnership, as a shareholder in an S corporation, or as a beneficiary of a trust.

Do not include on line 6 interest or dividends you received from:

- Government National Mortgage Association bonds (Ginnie Maes),
- Federal National Mortgage Association bonds (Fannie Maes), or
- Federal Home Loan Mortgage Corporation bonds (Freddie Mac).

If you received interest from a government source not listed, see Income Tax Fact Sheet #13, *U.S. Government Interest*, or call the department (see page 2).

Line 7—K–12 education expense subtraction

If in 2007 you purchased educational material or services for your qualifying child's K–12 education, you may be able to subtract your qualified expenses from your taxable income—regardless of your income.

However, if your household income is less than the limits for the K–12 education credit (see the line 30 instructions on page 17), first complete Schedule M1ED, *K–12 Education Credit*, to claim the credit for your qualifying education expenses. Qualifying expenses not used for the credit and any tuition expenses that do not qualify for the credit may be used for the subtraction. You cannot claim both a credit and a subtraction on the same expenses.

To subtract your education expenses, the child must:

- be your child, adopted child, stepchild, grandchild or foster child who lived with you in the United States for more than half of the year,
- have been in grades K–12 during 2007, and

- have attended a public, private or home school, and the school is located in Minnesota, Iowa, North Dakota, South Dakota or Wisconsin.

In addition to the above requirements, you must have purchased educational services or required materials during the year to help your child's K–12 education. For examples of qualifying education expenses, see page 11.

The types of education expenses that qualify for the credit also qualify for the subtraction. However, the expenses that qualify *only* for the subtraction are tuition or instructor fees paid for classes taken during the normal school day or school year, such as private school tuition and tuition for college courses that are used to satisfy high school graduation requirements.

Limits to education expenses

The maximum amount you may subtract for purchases of personal computer hardware and educational software is \$200 per family. You may split your qualifying computer expenses, up to \$200, among your children any way you choose.

The maximum amount of education expenses you may subtract is \$1,625 for each child in grades K through 6, and \$2,500 for each child in grades 7 through 12.

For more information, see Income Tax Fact Sheet #8, *K–12 Education Subtraction and Credit*.

Enter your qualifying education expenses on line 7. Also enter each child's name and the grade they were in at the time the expenses were paid.

If you qualify for the K–12 education credit (line 30 of Form M1), and you cannot use all of your education expenses on Schedule M1ED, complete the following steps to determine line 7 of Form M1:

- 1 Qualifying tuition expenses . . . _____
- 2 Qualifying computer expenses in excess of \$200, up to a maximum of \$200 _____

Complete steps 3–6 if on Schedule M1ED line 17 is less than line 16.

- 3 Line 15 of Schedule M1ED . . . _____
- 4 Line 18 of Schedule M1ED . . . _____
- 5 Multiply step 4 by 1.333 _____
- 6 Subtract step 5 from step 3 . . . _____
- 7 Add steps 1, 2 and 6 _____

Enter the result from step 7—up to the maximum subtraction amount per child—on line 7 of Form M1.

Qualifying education expenses

In general, education expenses that qualify for *either* the K–12 education subtraction on line 7 or the credit on line 30 of Form M1 include:

- instructor fees and tuition for classes or lessons taken **outside** the normal school day *if* the instructor is not the child’s sibling, parent or grandparent,
- purchases of required educational material for use **during** the normal school day,
- fees paid to others for driving your child to and from school **for** the normal school day, and
- computer hardware for personal use in your home and educational software.

The types of expenses that qualify *only* for the subtraction are private school tuition and tuition paid for college or summer school courses that are used to satisfy high school graduation requirements.

You must save your itemized cash register receipts, invoices and other documentation with your tax records. The department may ask to review them.

Expenses that do not qualify for either:

- purchases of materials for extracurricular activities,
- fees paid to others for transporting your child to and from activities **outside** the normal school day, and
- fees for extracurricular academic instruction provided by the child’s sibling, parent or grandparent.

If you qualify for the education credit—enter your qualifying expenses on the appropriate line of your Schedule M1ED and enter your expenses that qualify only for the subtraction on line 7 of Form M1. You cannot use the same expenses to claim both the credit and the subtraction.

The total of your subtraction and credit cannot be more than your actual allowable expenses.

If you do not qualify for the education credit—enter all of your qualifying expenses, up to the maximum amount allowed, on line 7 of Form M1.

If you have any of the following types of educational expenses, include them on the lines indicated:	Qualifies for:	
	credit	subtraction
Include only as a subtraction on line 7 of Form M1: Private school tuition Tuition for college courses that are used to satisfy high school graduation requirements		X X
Include on line 7 of Schedule M1ED or line 7 of Form M1: Fees for after-school enrichment programs, such as science exploration and study habits courses (by qualified instructor*) Tuition for summer camps that are primarily academic in focus, such as language or fine arts camps* Instructor fees for drivers education course if the school offers a class as part of the curriculum Fees for all-day kindergarten**	X X X X	X X X X
Include on line 8 of Schedule M1ED or line 7 of Form M1: Tutoring* Music lessons*	X X	X X
Include on line 9 of Schedule M1ED or line 7 of Form M1: Purchases of required educational material (textbooks, paper, pencils, notebooks, rulers, etc.) for use during the regular public, private or home school day	X	X
Include on line 10 of Schedule M1ED or line 7 of Form M1: Purchase or rental of musical instruments used during the regular school day	X	X
Include on line 11 of Schedule M1ED or line 7 of Form M1: Fees paid to others for transportation to/from school or for field trips during the normal school day, if the school is located in Minnesota, Iowa, North Dakota, South Dakota or Wisconsin	X	X
Include on line 14 of Schedule M1ED or line 7 of Form M1: Home computer hardware and educational software***	X	X
<p>Expenses that do not qualify for either—You cannot claim the following expenses:</p> <ul style="list-style-type: none"> • Costs for you to drive your child to/from school and to/from tutoring, enrichment programs or camps that are not part of the school day • Travel expenses, lodging and meals for overnight class trips • Fees paid for and materials and textbooks purchased for use in a program that teaches religious beliefs • Sport camps or lessons • Purchase of books and materials used for tutoring, enrichment programs, academic camps or after-school activities • Tuition and expenses for preschool or post-high school classes • Costs of school lunches • Costs of uniforms used for school, band or sports • Monthly Internet fees • Noneducational software 		

* Study must be directed by a qualified instructor. A qualified instructor is a person who is not the child’s sibling, parent or grandparent and meets one of the following requirements: is a Minnesota licensed teacher or is directly supervised by a Minnesota licensed teacher; has passed a teacher competency test; teaches in an accredited private school; has a baccalaureate degree; or is a member of the Minnesota Music Teachers Association.

** If you are using all-day kindergarten fees to qualify for the dependent care credit, you cannot use the fees as qualifying education expenses for the credit or subtraction.

*** Computer-related expenses of up to \$200 can be used to qualify for a credit and an additional subtraction of up to \$200 per family. For example, if you have \$300 of computer expenses and you qualify for both the credit and subtraction, you may use \$200 of the expenses to qualify for a \$150 credit and the remaining \$100 of expenses can be used for the subtraction.

Lines 8–12

Line 8—Other subtractions (Schedule M1M)

Complete Schedule M1M if in 2007, you:

- did not itemize deductions on your federal return and your charitable contributions were more than \$500,
- reported 80 percent of bonus depreciation as an addition to income on Form M1 in a year 2002 through 2006, or you received a federal bonus depreciation subtraction in 2007 from an estate or trust,
- **NEW** reported 80 percent of Section 179 expensing as an addition to income in 2006,
- were age 65 or older (as of January 1, 2008); are permanently and totally disabled and you received federally taxable disability income; and you qualify under the Schedule M1R income limits (see *Schedule M1R—Income qualifications* in the next column),
- received benefits from the Railroad Retirement Board, such as unemployment, sick pay or retirement benefits,
- were a resident of Michigan, North Dakota or Wisconsin, and you received wages covered by reciprocity from which Minnesota income tax was withheld,
- worked and lived on the Indian reservation of which you are an enrolled member,
- received federal active duty military pay for services performed outside Minnesota while a Minnesota resident,
- received compensation for state or federal active service performed in Minnesota as a member of the National Guard or reservists,
- received active duty military pay while a resident of another state and you are required to file a Minnesota return,
- incurred certain costs when donating a human organ,
- paid income taxes to a subnational level of a foreign country (equivalent of a state of the United States) other than Canada,
- received business or investment income exemptions for participating in a Job Opportunity Building Zone (JOBZ),
- were insolvent and you received a gain from the sale of your farm property that is included in line 37 of Form 1040, or

Schedule M1R—Income qualifications

If you (or your spouse if filing a joint return) are age 65 or older or permanently and totally disabled, use the table below to see if you are eligible for the subtraction.

Complete Schedule M1R and Schedule M1M:

if you are:	and your adjusted gross income* is less than:	and your Railroad Ret. Board benefits and nontaxable Social Security are less than:
Married, filing a joint return and both spouses are 65 or older or disabled	\$42,000	\$12,000
Married, filing a joint return and one spouse is 65 or older or disabled	\$38,500	\$12,000
Married filing a separate return, you lived apart from your spouse for all of 2007, and you are 65 or older or disabled	\$21,000	\$ 6,000
Filing single, head of household or qualifying widow(er) and you are 65 or older or disabled	\$33,700	\$ 9,600

* *Adjusted gross income is federal adjusted gross income (line 37 of federal Form 1040 or line 21 of Form 1040A) plus any lump-sum distributions reported on federal Form 4972 less any taxable Railroad Retirement Board benefits.*

- claimed a federal credit for small ethanol producers on your federal Form 6478.

If you complete Schedule M1M, include the schedule when you file Form M1.

Tax before credits Lines 11–16

Line 11—Tax from table

Turn to the tax table on pages 22 through 27. Using the amount on line 10, find the tax amount in the column of your filing status. Enter the tax from the table on line 11.

Line 12—Alternative minimum tax (Schedule M1MT)

You may be required to pay Minnesota alternative minimum tax if you were required to pay federal alternative minimum tax, or if you had large deductions (such as gambling losses, mortgage interest or K-12 education expenses) when you filed your federal or state return.

If you were required to pay federal alternative minimum tax, complete Schedule

M1MT, *Alternative Minimum Tax*. If you were not required to pay federal alternative minimum tax, complete the steps below:

- 1 Personal exemptions from line 42 of federal Form 1040 or line 26 of Form 1040A.
- 2 Determine the total of the following items:
 - accelerated depreciation
 - exercise of incentive stock options
 - tax-exempt interest or dividends from Minnesota private activity bonds not included on line 2 of Schedule M1M
 - K-12 education expenses from line 7 of Form M1
 - amortization of pollution-control facilities
 - intangible drilling costs
 - depletion
 - reserves for losses on bad debts of financial institutions
 - circulation and research and experimental expenditures
 - mining exploration and development costs
 - installment sales of property
 - tax sheltered farm loss
 - passive activity loss

Continued

Lines 12–15

- income from long-term contracts for the manufacture, installation or construction of property to be completed after 2007
 - gains excluded under IRC section 1202
 - preferences and adjustments from an electing large partnership (from the AMT adjustment boxes from your Schedule K-1 of federal Form 1065-B).
- 3 Add step 1, step 2 and line 40 of Form 1040.
- 4 Subtract lines 4, 14 and 20 of federal Schedule A (1040) from step 3.
- 5 You must complete Schedule M1MT if step 4 is more than:
- **\$55,000** if you are married and filing a joint return or filing as a qualifying widow(er),
 - **\$27,750** if you are married and filing separate returns, or

- **\$41,925** if you are single or filing head of household.

Before you complete Schedule M1MT, you must complete Part I of federal Form 6251, even if you were not required to file Form 6251 with your federal return.

On your Schedule M1MT, if line 27 is more than line 28, you must pay Minnesota alternative minimum tax. Include the schedule and Form 6251 when you file Form M1.

Line 14—Part-year residents and nonresidents:

Your tax is determined by the percentage of your income that is assignable to Minnesota. Complete Schedule M1NR to determine your Minnesota tax to enter on line 14.

See pages 4 and 5 to determine if you were a resident, part-year resident or nonresident.

If you complete Schedule M1NR, enter the amounts from lines 22 and 23 of Schedule M1NR on lines 14a and 14b of Form M1. Include the schedule when you file your return.

Line 15—Tax on lump-sum distribution (Schedule M1LS)

If you received a lump-sum distribution from a pension, profit-sharing or stock bonus plan in 2007, you must file Schedule M1LS, *Tax on Lump-Sum Distribution*, if both of the following conditions apply:

- you filed federal Form 4972, and
- you were a Minnesota resident when you received any portion of the lump-sum distribution.

If you complete Schedule M1LS, include the schedule and Form 4972 when you file Form M1.

Line instructions continued on page 15.

Minnesota voter registration application

You must be registered before you can vote in Minnesota. Unless you change your address, change your name or fail to vote at least once every four years, your voter registration is permanent.

If you need more information or assistance with registration or voting, call your county auditor's office or visit the Secretary of State's website at www.sos.state.mn.us.

To register to vote in the state of Minnesota, you must meet all three of the following qualifications:

1. A citizen of the United States of America, and
2. A resident of Minnesota at least 20 days before election day, and
3. At least 18 years old by election day.

Instructions to voter:

1. Complete lines 1-9 on the Minnesota Voter Registration Application.
2. Phone number is optional.
3. Sign and date the Minnesota Voter Registration Application.

Return to your county auditor or:

Secretary of State
60 Empire Drive
Suite 100
St. Paul, MN 55103

MINNESOTA VOTER REGISTRATION APPLICATION					
If you check "NO" to either of the questions below, DO NOT complete this form.					
1. Are you a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No		Will you be at least 18 on or before the next election? <input type="checkbox"/> Yes <input type="checkbox"/> No			
2. Last Name or Surname		First Name		Middle Name	
3. Address Where You Live (residence)		Apt. #		City	
4. If Mail Cannot Be Delivered To The Address Above, Provide P.O. Box		City		Zip Code	
5. Date of Birth (not today's date)		6. Phone Number			
7. Mark one box and provide the number that applies to you:					
<input type="checkbox"/> I have a MN-issued driver's license or MN ID card number: <input type="text"/>					
<input type="checkbox"/> I do not have a MN-issued driver's license or MN ID card. The last four digits of my Social Security Number are: XXX-XX- <input type="text"/>					
<input type="checkbox"/> I do not have a MN-issued driver's license, a MN-issued ID card, or a Social Security Number.					
If you were previously registered to vote under a different name or address, fill in numbers 8 & 9.					
8. Previous Last Name		Previous First Name		Previous Middle Name	
9. Previous Address Where You Were Last Registered		City		State	
Read The Statement Below And Sign Only If All Parts Apply To You.					
I certify that I: will be at least 18 years old on election day; am a citizen of the United States; will have resided in Minnesota for 20 days immediately preceding election day; maintain residence at the address given on the registration form; am not under court-ordered guardianship in which the court order revokes my right to vote; have not been found by a court to be legally incompetent to vote; have the right to vote because, if I have been convicted of a felony, my felony sentence has expired (been completed) or I have been discharged from my sentence; and have read and understand this statement, that giving false information is a felony punishable by not more than 5 years imprisonment or a fine of not more than \$10,000, or both.					
Date: -- -- 20		Sign Here X			

How to complete a paper return

Form M1 is scannable

The Department of Revenue uses scanning equipment to capture the information from paper income tax returns. It is important that you follow the instructions below so your return is processed quickly and accurately.

- (A) Use black ink** to enter the numbers inside the boxes. **Do not highlight** numbers, as this prevents the equipment from reading the numbers.
- (B) Please print and use CAPITAL LETTERS** when entering your name, your spouse's name and current address. Capital letters are easier to recognize.
- (C) Print your numbers like this:**

1 2 3 4 5 6 7 8 9 0

Note: Do not put a slash through the "0" (0) or "7" (7); it may be read as an "8."

- (D) Use whole dollars.** You must round the dollar amounts on your Form M1 and schedules to the nearest dollar. Drop amounts less than 50 cents and increase amounts 50 cents or more to the next dollar. For example: 129.49 becomes 129, and 129.50 becomes 130.
- (E) Leave lines blank** if they do not apply to you or if the amount is zero. Leave unused boxes blank.
- (F) Mark an X in an oval box like this:**
- (G) Reporting a negative amount.** If your federal adjusted gross income on line D or the amounts on line 1, 4 or 14b are negative amounts (losses), be sure to mark an X in the oval box provided on the line (see example below). Failure to do so will result in the loss being read by our processing equipment as a positive amount. **Do not** use parentheses or a minus sign to indicate a negative amount.

▼ If a negative number, mark an X in oval box.
 1 2 3 4 5 . 00

- (H) Do not write extra numbers, symbols or notes** on your return, such as cents, dashes, decimal points or dollar signs. Enclose any explanations on a separate sheet, unless you are instructed to write explanations on your return.
- (I) Do not staple or tape any enclosures to your return.** If you want to ensure your papers stay together, use a paper-clip.

M1 MINNESOTA REVENUE 2007 Individual Income Tax 200711
 Please print and leave unused boxes blank. **DO NOT USE STAPLES** on anything you submit.

(B) Your first name and initial, Last name, Your Social Security number, Spouse's Social Security number, Current home address (street, apartment number, route), City, State, Zip code, Spouse's date of birth (mm/dd/yyyy).

(F) 2007 federal filing status: (1) Single, (2) Married filing joint, (3) Married filing separate, (4) Head of Household, (5) Qualifying widow(er). Enter spouse's name and Social Security number here.

(G) From your federal return (for line references see instructions, page 9), enter the amount of:
 A Wages, salaries, tips, etc.; B IRA, Pensions and annuities; C Unemployment; D Federal adjusted gross income.

(G) 1 Federal taxable income (from line 43 of federal Form 1040, line 27 of Form 1040A, or line 6 of Form 1040EZ) 1
 2 State income tax or sales tax addition. If you itemized deductions on federal Form 1040, complete the worksheet on page 9 of the instructions 2 ■
 3 Other additions to your income, including non-Minnesota bond interest (see instructions, page 10, and enclose Schedule M1M) 3 ■
 4 ArtI lines 1 through 3 (if a negative number, mark an X in the oval box as indicated) 4

(G) 10 Minnesota taxable income. Subtract line 9 from line 4 (if result is zero or less, leave blank) 10
 11 Tax from the table on pages 22-27 of the M1 instructions 11
 12 Alternative minimum tax (enclose Schedule M1MT) 12 ■
 13 Add lines 11 and 12 13
 14 Full-year residents: Enter the amount from line 13 on line 14. Skip lines 14a and 14b. Part-year residents and nonresidents: From Schedule MINR, enter amount from line 22 on line 14a, from line 23 on line 14b, and the tax from line 26 on line 14 (enclose schedule) 14
 15 Tax on lump-sum distribution (enclose Schedule M1LS) 15 ■
 16 Tax before credits. Add lines 14 and 15 16

0 - Stock No. 1007010

Important reminders

Enclose Schedule M1W when required

If you are claiming Minnesota income tax withheld on line 26 of your Form M1, you must complete and enclose Schedule M1W with your return. If the schedule is not enclosed, processing of your refund will be delayed, and the department may disallow the amount of your withholding.

Also, **do not send in your W-2, 1099 or W-2G forms.** Keep these forms with your tax records and save your 2007 tax records at least through 2012. The department may ask you to show these records if there is any question.

If you pay your tax with a check

If you owe an amount on line 36 of Form M1 and you pay by check, you must complete a Form M60 payment voucher, which is included in this booklet. If you are filing a paper Form M1, send the voucher and your check *separately* from your return to ensure that your payment is properly credited to your account.

If you pay your tax after the due date

If you pay your tax after April 15, 2008, you must pay penalty and interest on the unpaid amount (see page 6 for details). Use the worksheet in the M60 instructions to determine the penalty and interest to include with your tax payment.

Form M1 does not include a line to report penalty or interest.

Line 18

Credits against tax Lines 18–22

Line 18—Marriage credit

To qualify for the marriage credit, you must meet all of the following requirements:

- you are filing a joint return,
- both you and your spouse have taxable earned income, taxable pension or taxable Social Security income,
- your joint taxable income on line 10 of your Form M1 is at least \$32,000, and
- the income of the lesser-earning spouse is at least \$19,000.

If you qualify, complete the Marriage Credit Worksheet (on this page) to determine your credit.

Instructions for steps 2 and 3 of the Marriage Credit Worksheet

Separately determine the total each spouse received of the following types of income. Enter your result on step 2 and your spouse's result on step 3:

- wages, salaries, tips and other taxable employee compensation
- self-employment income included on line 3 of Schedule SE (1040), less the self-employment tax deduction from line 6 of Schedule SE
- taxable pension and Social Security income included on lines 15b, 16b and 20b of Form 1040 or lines 11b, 12b and 14b of Form 1040A, minus any income you received from the Railroad Retirement Board included on line 16b of Form 1040 or line 12b of Form 1040A.

Marriage Credit Worksheet

- 1 Joint taxable income from line 10 of Form M1 (if less than \$32,000, you do not qualify) _____
- 2 Your total of earned income, taxable pension income and taxable Social Security income _____
- 3 Your spouse's total of earned income, taxable pension income and taxable Social Security income _____
- 4 Amount from step 2 or step 3, whichever is less (if less than \$19,000, you do not qualify) _____
- 5 **If step 4 is less than \$81,000**, use the table at left and the amounts from steps 1 and 4 to find your credit.
Enter the credit here and skip steps 6–16. See the instructions below step 16 _____

If step 4 is \$81,000 or more, continue with step 6.

- 6 Amount from step 4 _____
- 7 Value of one personal exemption plus one-half of the married-joint standard deduction **\$8,750**
- 8 Subtract step 7 from step 6 _____
- 9 Using the rate schedule for **single persons** on page 27, compute the tax for the amount on step 8 _____
- 10 Amount from step 1 _____
- 11 Amount from step 8 _____
- 12 Subtract step 11 from step 10 (if zero or less, you do not qualify) _____
- 13 Using the rate schedule for **single persons** on page 27, compute the tax for the amount on step 12 _____
- 14 Line 11 of Form M1 _____
- 15 Add step 9 and step 13 _____
- 16 Subtract step 15 from step 14. If the result is more than \$325, enter \$325. If result is zero or less, you do not qualify. Enter credit here and see instructions below _____

Full-year residents: Enter the result from step 5 or step 16, whichever is applicable, on line 18 of Form M1.

Part-year residents and nonresidents: Multiply the result from step 5 or step 16, whichever is applicable, by line 24 of Schedule M1NR. Enter the result on line 18 of Form M1.

Table for step 5 of the Marriage Credit Worksheet

If step 4 is:		and step 1 is at least:						
at least	but less than	\$32,000	\$52,000	\$72,000	\$92,000	\$112,000	\$132,000	
		but less than:						
		\$52,000	\$72,000	\$92,000	\$112,000	\$132,000		and over
		your credit amount is:						

\$19,000	\$21,000	...	\$24	...	\$24	...	\$18	...	\$0	...	\$0	...	\$0
21,000	23,000	...	58	...	58	...	58	...	0	...	0	...	0
23,000	25,000	...	92	...	92	...	92	...	0	...	0	...	0
25,000	27,000	...	126	...	126	...	126	...	8	...	0	...	0
27,000	29,000	...	160	...	160	...	160	...	58	...	0	...	0
29,000	31,000	...	184	...	194	...	194	...	108	...	0	...	0
31,000	33,000	...	151	...	195	...	195	...	125	...	0	...	0
33,000	35,000	...	117	...	195	...	195	...	141	...	0	...	0
35,000	37,000	...	83	...	195	...	195	...	157	...	0	...	0
37,000	39,000	...	49	...	195	...	195	...	173	...	13	...	0
39,000	41,000	...	15	...	195	...	195	...	189	...	29	...	15
41,000	43,000	...	0	...	195	...	195	...	195	...	45	...	31
43,000	45,000	...	0	...	195	...	195	...	195	...	61	...	47
45,000	47,000	...	0	...	195	...	195	...	195	...	77	...	63
47,000	49,000	...	0	...	195	...	195	...	195	...	93	...	79
49,000	51,000	...	0	...	185	...	195	...	195	...	109	...	95
51,000	53,000	...	0	...	151	...	195	...	195	...	125	...	111
53,000	55,000	...	0	...	117	...	195	...	195	...	141	...	127
55,000	57,000	...	0	...	83	...	195	...	195	...	157	...	143
57,000	59,000	...	0	...	49	...	195	...	195	...	173	...	159
59,000	61,000	...	0	...	15	...	195	...	195	...	189	...	175
61,000	63,000	...	0	...	0	...	195	...	195	...	195	...	191
63,000	65,000	...	0	...	0	...	195	...	195	...	195	...	207
65,000	67,000	...	0	...	0	...	195	...	195	...	195	...	223
67,000	69,000	...	0	...	0	...	195	...	195	...	195	...	239
69,000	71,000	...	0	...	0	...	185	...	195	...	195	...	255
71,000	73,000	...	0	...	0	...	151	...	195	...	195	...	271
73,000	75,000	...	0	...	0	...	117	...	195	...	195	...	287
75,000	77,000	...	0	...	0	...	83	...	195	...	195	...	303
77,000	79,000	...	0	...	0	...	49	...	195	...	195	...	319
79,000	81,000	...	0	...	0	...	5	...	185	...	185	...	325
81,000	& over	...	...	...	...	...	Complete steps 6 through 16 of the Marriage Credit Worksheet.	...	...	...	...	...	...

Lines 19–28

Line 19—Credit for long-term care insurance premiums paid (Schedule M1LTI)

You may be able to claim a credit against tax based on any premiums you paid in 2007 for a qualified long-term care insurance policy for which you did not receive a federal tax benefit.

To qualify, your long-term care insurance policy must:

- qualify as a federal deduction (see federal Schedule A of Form 1040), disregarding the 7.5 percent income test, and
- have a lifetime long-term care benefit limit of \$100,000 or more.

The maximum credit is \$100 per person.

Part-year residents and nonresidents may also be eligible for the credit based on the percentage of income taxable to Minnesota.

If you qualify, complete Schedule M1LTI, *Long-Term Care Insurance Credit*, and include the schedule when you file Form M1.

Line 20—Credit for taxes paid to another state (Schedule M1CR)

If you were a Minnesota resident for all or part of 2007 and you paid income tax both to Minnesota and to another state on the same income, you may be able to reduce your tax. A Canadian province or territory and the District of Columbia are considered a state for purposes of this credit.

If you were a resident of another state but are required to file a 2007 Minnesota income tax return as a Minnesota resident, you may be eligible for this credit. To be eligible, you must have paid 2007 state tax on the same income to both Minnesota and the state of which you were a resident. However, you must get a statement from the other state's tax department stating you are not eligible to receive a credit on that state's return for income tax paid to Minnesota. Be sure to include this statement with your Form M1.

If you claimed a federal foreign tax credit and you included taxes paid to a Canadian province or territory, you cannot use these same taxes paid to determine your Minnesota credit.

If you qualify, complete Schedule M1CR, *Credit for Income Tax Paid to Another State*, and include the schedule when you file your return.

If you worked in Wisconsin, North Dakota or Michigan: If you were a full- or part-year resident of Minnesota and had 2007 state income tax withheld by Michigan, North Dakota or Wisconsin from personal service income (such as wages, salaries, tips, commissions, bonuses) you received from working in one of those states, do not file Schedule M1CR. Instead, you can get a refund of the tax withheld for the period of time you were a Minnesota resident by filing that state's income tax return with that state.

To get the other state's income tax form, call that department or go to their website:

- Michigan Department of Treasury, 1-800-367-6263, www.michigan.gov/treasury
- North Dakota Office of State Tax Commissioner, 701-328-3450, www.nd.gov/tax
- Wisconsin Department of Revenue, 608-266-1961, www.dor.state.wi.us

Nonresidents who sold a partnership interest: If you were a nonresident of Minnesota and you sold a partnership interest on which the gain realized is taxable to both Minnesota and to your home state, you may be able to reduce your tax. If your home state does not allow a credit for taxes paid to Minnesota on the gain, complete Schedule M1CRN, *Credit for Nonresident Partners on Taxes Paid to Home State*. Do not file Schedule M1CR.

If you complete Schedule M1CRN, include the schedule when you file your Form M1.

Line 21—Alternative minimum tax credit (Schedule M1MTC)

If you paid Minnesota alternative minimum tax in one or more years from 1990 through 2006, but not for 2007, complete Schedules M1MT and M1MTC, *Alternative Minimum Tax Credit*, to determine if you can claim a credit or carry forward any unused portion of your minimum tax credit.

If you have never paid Minnesota alternative minimum tax, you do not qualify for this credit.

If you complete Schedule M1MTC, be sure to include the schedule and Schedule M1MT when you file your return.

Line 24—Nongame Wildlife Fund

You can help preserve Minnesota's nongame wildlife, such as bald eagles and loons, by donating to the Nongame Wildlife Fund.

If you wish to donate, enter the amount on line 24. This amount will decrease your refund or increase the amount you owe.

For more information about the fund, go to www.dnr.state.mn.us or write to: Nongame Wildlife Fund, Department of Natural Resources, 500 Lafayette Road, Box 25, St. Paul, MN 55155.

Total payments Lines 26–33

Line 26—Minnesota income tax withheld (Schedule M1W)

If you received W-2, 1099 or W-2G forms, or Schedules KF, KS or KPI that show Minnesota income tax was withheld for you for 2007, you must complete Schedule M1W, *Minnesota Income Tax Withheld*.

Be sure to include the schedule when you file your Form M1. If the schedule is not enclosed when required, processing of your return will be delayed and the department may disallow your withholding amount.

Do not send in your W-2, 1099 or W-2G forms. Keep your W-2, 1099 and W-2G forms with your tax records and have them available if requested by the department.

Line 27—Minnesota estimated tax and extension payments

Only three types of payments can be included on line 27. They are:

- your total 2007 Minnesota estimated tax payments made in 2007 and 2008, either paid electronically or with Form M14,
- the portion of your 2006 Minnesota income tax refund you designated on your 2006 Form M1 to be applied to your 2007 estimated tax, and
- any payment made by the due date when you are filing after the due date, either paid electronically or with Form M13.

Do **not** include any other amounts on line 27.

Line 28—Child and dependent care credit (Schedule M1CD)

To qualify for the child and dependent care credit, your household income—federal adjusted gross income plus most nontaxable income—must be \$35,530 or less, and one of the following conditions must apply:

- you paid someone (other than your dependent child or stepchild younger than age 19) to care for a qualifying person

Continued

Lines 28–34

while you, and your spouse if filing a joint return, were working or looking for work. A qualifying person and qualifying expenses are the same as for the federal credit for child and dependent care expenses, OR

- you were an operator of a licensed family day care home caring for your own dependent child who had not reached the age of six years by the end of the year, OR
- you are married and filing a joint return, your child was born in 2007, and you did not participate in a pre-tax dependent care assistance program. You may be eligible even if you did not have actual child care expenses.

If one of the above conditions applies to you, complete Schedule M1CD, *Child and Dependent Care Credit*, to determine your credit. Married persons filing separate returns cannot claim this credit.

Nonresidents and part-year residents may also be eligible for this credit based on earned income taxable to Minnesota.

Unlike the federal credit, which is allowed only up to the amount of your tax liability, the Minnesota credit is refundable. So you may be able to receive a refund even if you have no tax liability. As a result, you may qualify for the Minnesota credit even if you did not have to file a federal return or did not claim the federal credit.

However, you must complete federal Form 2441 or Schedule 2 of Form 1040A before completing Schedule M1CD. This is needed even if you did not claim the federal credit or file a federal return.

If you complete Schedule M1CD, include the schedule and federal Form 2441 or Schedule 2 of Form 1040A with Form M1. Indicate the number of qualifying persons in the boxes to the left of line 28.

Line 29—Minnesota working family credit (Schedule M1WFC)

If you qualify for the federal earned income credit, you also qualify for the Minnesota working family credit. Use Schedule M1WFC, *Working Family Credit*, (included in this booklet) and the WFC table on pages 19–21 to determine your Minnesota credit.

Nonresidents and part-year residents may qualify for this credit based on the percentage of income taxable to Minnesota.

If you complete Schedule M1WFC, include the schedule with your return. Indicate the number of your qualifying children in the boxes to the left of line 29.

Line 30—K–12 education credit (Schedule M1ED)

You may receive a credit if you paid education-related expenses in 2007 for your qualifying children in grades kindergarten through 12 (K–12). See page 11 for more information on qualifying expenses.

Married persons filing separate returns cannot claim this credit.

To qualify, your household income must be under a certain limit based on the number of qualifying children you have in grades K–12. A qualifying child is the same as for the federal earned income credit.

If your total number of qualifying children is:	Your household income limit is:
1 or 2	\$37,500
3	\$39,500
4	\$41,500
5	\$43,500
6 or more	*

* For more than 5 children, the limit is \$43,500 plus \$2,000 for each additional qualifying child.

If your household income—your federal adjusted gross income plus most nontaxable income—is more than the limits shown, you do not qualify for the credit. However, you may qualify for a subtraction. See the line 7 instructions on page 10.

If you qualify for the credit, complete Schedule M1ED, *K–12 Education Credit*, (included in this booklet). Expenses that cannot be used for the credit may be used for the subtraction on line 7 of Form M1. However, you cannot use the same expenses for both. For more details, see Income Tax Fact Sheet #8, *K–12 Education Subtraction and Credit*.

If you complete Schedule M1ED, include the schedule with Form M1. Also, be sure to indicate the number of qualifying children in the boxes to the left of line 30.

Be sure to save your original receipts and other documentation with your tax records. The department may ask you to show such records if there is a question concerning your credit or to verify the amount you claimed.

Line 31—JOBZ jobs credit (Schedule JOBZ)

A refundable jobs credit, based on higher-paying jobs, is available to qualified businesses operating in a JOBZ zone. If you are a sole proprietor operating a qualified business, see Schedule JOBZ for details. If you complete Schedule JOBZ, include the schedule with your Form M1.

Include any credit you may have received as a partner of a partnership, shareholder of an S corporation or beneficiary of an estate or trust. You must include your Schedule KPI, KS or KF with Form M1.

Line 32—Cattle tuberculosis testing credit

If you own cattle and you incurred expenses during the year to test your cattle for tuberculosis, you may qualify for a credit of 50 percent of your total expenses. To determine your credit, follow the steps below:

- 1 Expenses you incurred to test your cattle for tuberculosis
- 2 The credit is limited to 50% (.50) of your expenses50
- 3 Multiply step 1 by step 2. Enter the result here and on line 32 of Form M1

Refund or amount due Lines 34–39

Line 34—Your refund

If line 33 is more than line 25, subtract line 25 from line 33, and subtract the amount, if any, on line 37. This is your 2007 Minnesota income tax refund. If the result is zero, you must still file your return.

Of the amount on line 34, you may choose to:

- 1 receive the entire refund in the mail as a paper check (skip lines 35, 36, 38 and 39),
- 2 have the entire refund deposited directly into a checking or savings account (see the line 35 instructions on page 18), or
- 3 apply all or a portion of your refund toward your 2008 estimated taxes and receive the remaining amount, if any, in the mail as a paper check (skip lines 35 and 36, and complete lines 38 and 39).

If you owe Minnesota or federal taxes, criminal fines or a debt to a state or county agency, district court, qualifying hospital or public library, the department will apply your refund to the amount you owe. If you participate in the Senior Citizens Property Tax Deferral Program, your refund will be applied to your deferred property tax total. Your Social Security number will be used to identify you as the correct debtor. If your debt is less than your refund, you'll receive the difference.

Generally, you must file your 2007 return no later than October 15, 2011, or your right to receive the refund lapses.

Lines 35–39

Line 35—Direct deposit of refund

If you want the refund on line 34 to be directly deposited into your checking or savings account, enter the requested information on line 35. Refer to the sample below to find the routing and account numbers.

You can find your bank's routing number and account number on the bottom of your check.



The **routing number** must have nine digits.

The **account number** may contain up to 17 digits (both numbers and letters). If your account number is less than 17 digits, enter the number starting with the first box on the left—leave out any hyphens, spaces and symbols—and leave any unused boxes blank.

If the routing or account number is incorrect or is not accepted by your financial institution, your refund will be sent to you in the form of a paper check. Your refund may also be issued as a paper check if a portion was recaptured to pay a debt you owe or an adjustment was made to your return.

By completing line 35, you are authorizing the department and your financial institution to initiate electronic credit entries, and if necessary, debit entries and adjustments for any credits made in error.

Line 36—Amount you owe

If line 25 is more than line 33, you owe additional Minnesota income tax for 2007. If the difference is \$500 or more, read the instructions for line 37 to determine line 36.

Subtract line 33 from line 25, and add the amount, if any, from line 37. Enter the result on line 36. This is the Minnesota income tax you must pay. Pay your tax using one of the methods described in *Payment options* on page 6.

If you are filing your return after April 15, 2008, a late payment penalty, a late filing penalty and interest may be due (see page 6). If you file a paper return and you include penalty and interest with your check payment, be sure to enclose the worksheet from the M60 instructions or a separate statement showing how you arrived at the penalty and interest. Do not include the penalty and interest on line 36.

Line 37—Penalty for underpayment of 2007 estimated tax (Schedule M15)

You may owe a penalty if:

- line 23 is more than line 33, and the difference is \$500 or more, or
- you did not make a required estimated tax payment on time. This is true even if you have a refund.

Complete Schedule M15, *Underpayment of Estimated Income Tax*, to determine if you owe a penalty. Enter the penalty, if any, on line 37 of Form M1. Also, subtract the penalty amount from line 34 or add it to line 36 of Form M1. The penalty will increase the tax you owe or decrease your refund amount. Include Schedule M15 with your return.

To avoid this penalty next year, you may want to make larger 2008 estimated tax payments or ask your employer to increase your withholding.

Lines 38 and 39—2008 estimated tax

If you are paying 2008 estimated tax, you may apply all or part of your 2007 refund to your 2008 estimated tax.

On line 38, enter the portion of line 34 you want refunded to you as a paper check in the mail. You cannot request direct deposit.

On line 39, enter the amount from line 34 you want applied to your 2008 estimated tax. The total of lines 38 and 39 must equal line 34.

If you are not sure whether you must pay 2008 estimated tax, read *Estimated payments* on page 7.

Before you mail your return

Sign your return

Sign and date your return. If you are married and filing a joint return, both spouses must sign. An unsigned return is not considered a valid return, and you may be subject to interest and penalties if you fail to sign. If you paid someone to prepare your return, that person must also sign.

To choose limited authority for preparer.

You may check the box at the bottom of the return to give the department your permission to discuss your tax return with this paid preparer. Checking the box does not give your preparer the authority to sign any tax documents on your behalf or to represent you at any audit or appeals conference. For these types of authorities, you must file a power of attorney. For details, see page 7.

To choose not to file electronically. If you do not want your return filed electronically, check the appropriate box at the bottom of the return when asked by your preparer. Any preparer who filed more than 100 Minnesota returns last year is required to electronically file all Minnesota returns, unless you indicate otherwise.

Include copies of federal forms

In addition to your Form M1 and all the Minnesota schedules you are required to complete, also enclose a complete copy of your 2007 federal return and all required federal schedules.

How to assemble

Organize Form M1, its schedules and other documentation—when required—in the following order:

- 1 Form M1, including page 2 if it is not printed on the back of your Form M1,
- 2 Schedule M1W showing Minnesota withholding. **Do not submit W-2, 1099 or W-2G forms with your return.**
- 3 Schedules KF, KPI and/or KS showing Minnesota income tax withheld or available credits,
- 4 Minnesota schedules according to the sequence number printed at the top of each,
- 5 At the end, place a complete copy of your federal return and schedules.
- 6 **Do not staple or tape any enclosures to your return.** If you want to ensure your papers stay together, use a paperclip.

If you do not enclose the required documentation, the department may send your return back to you so you can include them.

Make copies of all your forms and schedules. Keep the copies and your W-2 forms with your tax records at least through 2012. You will be charged a fee to request copies of your forms from the department.

Also, if you are claiming the K–12 education subtraction or credit, be sure to keep with your tax records the original receipts and other documentation to substantiate your qualifying education expenses.

Minnesota Working Family Credit (WFC) Table. This is not a tax table.

If line 1 or line 3 of Schedule M1WFC is:	Single, head of household or qualifying widow(er) and you have:		Married filing jointly and you have:		If line 1 or line 3 of Schedule M1WFC is:	Single, head of household or qualifying widow(er) and you have:		Married filing jointly and you have:					
	at least	but less than	no children	one child		no children	one child	no children	one child				
28,400	28,500	0	272	956	0	387	1,162	0	387	1,162	0	387	1,162
28,500	28,600	0	266	945	0	381	1,151	0	375	1,141	0	375	1,141
28,600	28,700	0	261	935	0	375	1,141	0	369	1,131	0	369	1,131
28,700	28,800	0	255	925	0	369	1,131	0	364	1,121	0	364	1,121
28,800	28,900	0	249	915	0	364	1,121	0	358	1,110	0	358	1,110
28,900	29,000	0	243	904	0	358	1,110	0	352	1,100	0	352	1,100
29,000	29,100	0	238	894	0	352	1,100	0	347	1,090	0	347	1,090
29,100	29,200	0	232	884	0	347	1,090	0	341	1,079	0	341	1,079
29,200	29,300	0	226	873	0	341	1,079	0	335	1,069	0	335	1,069
29,300	29,400	0	221	863	0	335	1,069	0	329	1,059	0	329	1,059
29,400	29,500	0	215	853	0	329	1,059	0	324	1,048	0	324	1,048
29,500	29,600	0	209	842	0	324	1,048	0	318	1,038	0	318	1,038
29,600	29,700	0	203	832	0	318	1,038	0	312	1,028	0	312	1,028
29,700	29,800	0	198	822	0	312	1,028	0	306	1,018	0	306	1,018
29,800	29,900	0	192	812	0	306	1,018	0	301	1,007	0	301	1,007
29,900	30,000	0	186	801	0	301	1,007	0	295	997	0	295	997
30,000	30,100	0	180	791	0	295	997	0	289	987	0	289	987
30,100	30,200	0	175	781	0	289	987	0	284	976	0	284	976
30,200	30,300	0	169	770	0	284	976	0	278	966	0	278	966
30,300	30,400	0	163	760	0	278	966	0	272	956	0	272	956
30,400	30,500	0	157	750	0	272	956	0	266	945	0	266	945
30,500	30,600	0	152	739	0	266	945	0	261	935	0	261	935
30,600	30,700	0	146	729	0	261	935	0	255	925	0	255	925
30,700	30,800	0	140	719	0	255	925	0	249	915	0	249	915
30,800	30,900	0	135	709	0	249	915	0	243	904	0	243	904
30,900	31,000	0	129	698	0	243	904	0	238	894	0	238	894
31,000	31,100	0	123	688	0	238	894	0	232	884	0	232	884
31,100	31,200	0	117	678	0	232	884	0	226	873	0	226	873
31,200	31,300	0	112	667	0	226	873	0	221	863	0	221	863
31,300	31,400	0	106	657	0	221	863	0	215	853	0	215	853
31,400	31,500	0	100	647	0	215	853	0	209	842	0	209	842
31,500	31,600	0	94	636	0	209	842	0	203	832	0	203	832
31,600	31,700	0	89	626	0	203	832	0	198	822	0	198	822
31,700	31,800	0	83	616	0	198	822	0	192	812	0	192	812
31,800	31,900	0	77	606	0	192	812	0	186	801	0	186	801
31,900	32,000	0	72	595	0	186	801	0	180	791	0	180	791
32,000	32,100	0	66	585	0	180	791	0	175	781	0	175	781
32,100	32,200	0	60	575	0	175	781	0	169	770	0	169	770
32,200	32,300	0	54	564	0	169	770	0	163	760	0	163	760
32,300	32,400	0	49	554	0	163	760	0	157	750	0	157	750

2007 Tax Tables

If line 10, Form M1 is:		and you are:				If line 10, Form M1 is:		and you are:				If line 10, Form M1 is:		and you are:			
at least	but less than	single	married filing jointly or qualifying widow(er)	married filing separately	head of household	at least	but less than	single	married filing jointly or qualifying widow(er)	married filing separately	head of household	at least	but less than	single	married filing jointly or qualifying widow(er)	married filing separately	head of household
		the tax to enter on line 11 is:						the tax to enter on line 11 is:						the tax to enter on line 11 is:			
0	20	0	0	0	0	5,000	5,100	270	270	270	270	10,000	10,100	538	538	538	538
20	100	3	3	3	3	5,100	5,200	276	276	276	276	10,100	10,200	543	543	543	543
100	200	8	8	8	8	5,200	5,300	281	281	281	281	10,200	10,300	548	548	548	548
200	300	13	13	13	13	5,300	5,400	286	286	286	286	10,300	10,400	554	554	554	554
300	400	19	19	19	19	5,400	5,500	292	292	292	292	10,400	10,500	559	559	559	559
400	500	24	24	24	24	5,500	5,600	297	297	297	297	10,500	10,600	564	564	564	564
500	600	29	29	29	29	5,600	5,700	302	302	302	302	10,600	10,700	570	570	570	570
600	700	35	35	35	35	5,700	5,800	308	308	308	308	10,700	10,800	575	575	575	575
700	800	40	40	40	40	5,800	5,900	313	313	313	313	10,800	10,900	580	580	580	580
800	900	45	45	45	45	5,900	6,000	318	318	318	318	10,900	11,000	586	586	586	586
900	1,000	51	51	51	51	6,000	6,100	324	324	324	324	11,000	11,100	591	591	591	591
1,000	1,100	56	56	56	56	6,100	6,200	329	329	329	329	11,100	11,200	597	597	597	597
1,100	1,200	62	62	62	62	6,200	6,300	334	334	334	334	11,200	11,300	602	602	602	602
1,200	1,300	67	67	67	67	6,300	6,400	340	340	340	340	11,300	11,400	607	607	607	607
1,300	1,400	72	72	72	72	6,400	6,500	345	345	345	345	11,400	11,500	613	613	613	613
1,400	1,500	78	78	78	78	6,500	6,600	350	350	350	350	11,500	11,600	618	618	618	618
1,500	1,600	83	83	83	83	6,600	6,700	356	356	356	356	11,600	11,700	623	623	623	623
1,600	1,700	88	88	88	88	6,700	6,800	361	361	361	361	11,700	11,800	629	629	629	629
1,700	1,800	94	94	94	94	6,800	6,900	366	366	366	366	11,800	11,900	634	634	634	634
1,800	1,900	99	99	99	99	6,900	7,000	372	372	372	372	11,900	12,000	639	639	639	639
1,900	2,000	104	104	104	104	7,000	7,100	377	377	377	377	12,000	12,100	645	645	645	645
2,000	2,100	110	110	110	110	7,100	7,200	383	383	383	383	12,100	12,200	650	650	650	650
2,100	2,200	115	115	115	115	7,200	7,300	388	388	388	388	12,200	12,300	655	655	655	655
2,200	2,300	120	120	120	120	7,300	7,400	393	393	393	393	12,300	12,400	661	661	661	661
2,300	2,400	126	126	126	126	7,400	7,500	399	399	399	399	12,400	12,500	666	666	666	666
2,400	2,500	131	131	131	131	7,500	7,600	404	404	404	404	12,500	12,600	671	671	671	671
2,500	2,600	136	136	136	136	7,600	7,700	409	409	409	409	12,600	12,700	677	677	677	677
2,600	2,700	142	142	142	142	7,700	7,800	415	415	415	415	12,700	12,800	682	682	682	682
2,700	2,800	147	147	147	147	7,800	7,900	420	420	420	420	12,800	12,900	687	687	687	687
2,800	2,900	152	152	152	152	7,900	8,000	425	425	425	425	12,900	13,000	693	693	693	693
2,900	3,000	158	158	158	158	8,000	8,100	431	431	431	431	13,000	13,100	698	698	698	698
3,000	3,100	163	163	163	163	8,100	8,200	436	436	436	436	13,100	13,200	704	704	704	704
3,100	3,200	169	169	169	169	8,200	8,300	441	441	441	441	13,200	13,300	709	709	709	709
3,200	3,300	174	174	174	174	8,300	8,400	447	447	447	447	13,300	13,400	714	714	714	714
3,300	3,400	179	179	179	179	8,400	8,500	452	452	452	452	13,400	13,500	720	720	720	720
3,400	3,500	185	185	185	185	8,500	8,600	457	457	457	457	13,500	13,600	725	725	725	725
3,500	3,600	190	190	190	190	8,600	8,700	463	463	463	463	13,600	13,700	730	730	730	730
3,600	3,700	195	195	195	195	8,700	8,800	468	468	468	468	13,700	13,800	736	736	736	736
3,700	3,800	201	201	201	201	8,800	8,900	473	473	473	473	13,800	13,900	741	741	741	741
3,800	3,900	206	206	206	206	8,900	9,000	479	479	479	479	13,900	14,000	746	746	746	746
3,900	4,000	211	211	211	211	9,000	9,100	484	484	484	484	14,000	14,100	752	752	752	752
4,000	4,100	217	217	217	217	9,100	9,200	490	490	490	490	14,100	14,200	757	757	757	757
4,100	4,200	222	222	222	222	9,200	9,300	495	495	495	495	14,200	14,300	762	762	762	762
4,200	4,300	227	227	227	227	9,300	9,400	500	500	500	500	14,300	14,400	768	768	768	768
4,300	4,400	233	233	233	233	9,400	9,500	506	506	506	506	14,400	14,500	773	773	773	773
4,400	4,500	238	238	238	238	9,500	9,600	511	511	511	511	14,500	14,600	778	778	778	778
4,500	4,600	243	243	243	243	9,600	9,700	516	516	516	516	14,600	14,700	784	784	784	784
4,600	4,700	249	249	249	249	9,700	9,800	522	522	522	522	14,700	14,800	789	789	789	789
4,700	4,800	254	254	254	254	9,800	9,900	527	527	527	527	14,800	14,900	794	794	794	794
4,800	4,900	259	259	259	259	9,900	10,000	532	532	532	532	14,900	15,000	800	800	800	800
4,900	5,000	265	265	265	265												

Tax rate schedules

The following schedules show the tax rates that apply to given income ranges for each filing status. You must use these schedules if line 10 of Form M1 is \$75,000 or more. Follow the steps for your filing status to determine the tax amount to enter on line 11 of Form M1.

If line 10 of Form M1 is less than \$75,000, you must use the 2007 tax table on pages 22 through 26.

Single

If line 10 of Form M1 is:		Enter on line 11 of your Form M1:		of the amount over—
over—	but not over—			over—
\$ 0	\$21,310	-----	5.35%	\$ 0
21,310	69,990	\$1,140.09	+ 7.05%	21,310
69,990	-----	4,572.03	+ 7.85%	69,990

Married, filing jointly or qualifying widow(er)

If line 10 of Form M1 is:		Enter on line 11 of your Form M1:		of the amount over—
over—	but not over—			over—
\$ 0	\$ 31,150	-----	5.35%	\$ 0
31,150	123,750	\$1,666.53	+ 7.05%	31,150
123,750	-----	8,194.83	+ 7.85%	123,750

Married, filing separately

If line 10 of Form M1 is:		Enter on line 11 of your Form M1:		of the amount over—
over—	but not over—			over—
\$ 0	\$15,580	-----	5.35%	\$ 0
15,580	61,880	\$ 833.53	+ 7.05%	15,580
61,880	-----	4,097.68	+ 7.85%	61,880

Head of household

If line 10 of Form M1 is:		Enter on line 11 of your Form M1:		of the amount over—
over—	but not over—			over—
\$ 0	\$26,230	-----	5.35%	\$ 0
26,230	105,410	\$1,403.31	+ 7.05%	26,230
105,410	-----	6,985.50	+ 7.85%	105,410

DO YOU NEED 2007 FORMS?

Download the forms you need at www.taxes.state.mn.us.

Or, if you prefer:

- Photocopy the forms you need at a neighborhood library,
- Call 651-296-4444 or 1-800-657-3676, or
- Use this order form.

You'll receive two copies and instructions of each form you order.

- M1, Minnesota income tax return and instructions
- M13, Payment voucher for late filers
- M14, Deposit vouchers for Minnesota 2008 estimated income tax
- M15, To determine penalty for underpaying estimated tax
- M23, Claim for an income tax or property tax refund due a deceased taxpayer
- M60, Payment voucher for paying tax owed on Form M1
- M99, Credit for military service in a combat zone
- M99-D, Claim for military credit due a deceased taxpayer
- M1CD, Child and dependent care credit
- M1CR, Credit for income tax paid to another state
- M1CRN, Credit for nonresident partners on taxes paid to home state
- M1ED, K-12 education credit
- M1LS, For recipients of lump-sum distributions from pension, profit-sharing or stock bonus plans
- M1LTI, Credit for long-term care insurance premiums paid
- M1M, Additions to and subtractions from taxable income
- M1MT, Alternative minimum tax
- M1MTC, Alternative minimum tax credit
- M1NC, Federal adjustments
- M1NR, For nonresidents and part-year residents
- M1PR, Application for Minnesota property tax refund
- M1PRX, Minnesota amended property tax refund
- M1R, Subtraction for persons age 65 or older or for the permanently and totally disabled
- M1W, For reporting Minnesota income tax withheld
- M1WFC, Minnesota working family credit
- M1X, Minnesota amended income tax return (for 2007)
- JOBZ, Job Opportunity Building Zone (JOBZ) tax benefits
- MWR, Application for exemption from Minnesota income tax withholding for Michigan, North Dakota and Wisconsin residents
- UT1, Individual Use Tax Return

Forms and income tax fact sheets that are available only from our website include:

Form PCR, Application for refund of political campaign contribution
Fact sheets:

- | | | |
|------------------------|-----------------------|-----------------------|
| #1 Residency | #5 Military personnel | #9 Deceased persons |
| #2 Part-year residents | #6 Seniors | #12 Past-due returns |
| #3 Nonresidents | #7 Natural disasters | #13 US gov't interest |
| #4 Reciprocity | #8 Education expenses | #16 Aliens |

Complete and send to: Minnesota Tax Forms, Mail Station 1421, St. Paul, MN 55146-1421. **Do not use the envelope in this booklet.** (Type or print carefully—this is your mailing label.)

Your name _____

Street address _____

City _____

State _____

Zip code _____



MINNESOTA PROPERTY TAX REFUND

don't miss out!

Minnesota has **two** property tax refund programs. As a homeowner or renter you may qualify for one or both ...

even if you have not qualified in previous years.

Apply for the property tax refund using
**Form M1PR,
Minnesota Property Tax Refund**

To file electronically,

- visit our website at www.taxes.state.mn.us. Under e-Services, click on “File a return” to review one of the available e-file products.

To request a paper form or for more information,

- visit our website at www.taxes.state.mn.us/taxes/property, or
- call us at 651-296-4444 or 1-800-657-3676 (TTY users, call 711 for Minnesota Relay).

MINNESOTA • REVENUE
Mail Station 0010, St. Paul, Minnesota 55145-0010

MINNESOTA • REVENUE