Schedule M1ED, K–12 Education Credit 2014 Sequence #10

You must have receipts as proof of your education expenses; keep with your tax records.

our First Name and Initial		ame and Initial	Last Name	Social Security Number	Total Number of Qualifying Children in Grades K-12 (also enter in the boxes to the left of line 26 of Form M1):
	1	Federal adjusted gross	s income (from federal line 37	of Form 1040 or line 21 of Form 104	40A) 1
	2		urity and/or Railroad Retirem e 1 above (include amounts c	ent Board benefits received deducted for medicare premiums)	2
	3			IPLE plan (add lines 28 and 32 of	
	4	MSA (Minnesota Supp	lemental Aid), SSI (Suppleme	nesota Family Investment Program), ntal Security Income), GA (General As	
	5	workers' compensatio	n, and grants and scholarship	to a 401(k) or deferred compensations (see instructions).	
-		Household income. Ac	ld lines 1 through 5 (if result is	s zero or less, enter 0)	

Qua	lifying Education Expenses—See the M1 in:	A—1st Child	B-2nd Child	C—3rd Child		
for exp sep	columns A–C, list the expenses paid in 2014 each qualifying child separately. If you have enses for more than three children, include a varate sheet that shows lines 7–12 for each litional child.	Qualifying Child's Name Child's Social Security Number K-12 Grade(s) in Which Expenses Incurred Date of Birth				
		Type of School Attended: Public, Private or Home School				
7	Fees for enrichment or academic classes ta school day or school year, including all-day linclude private school tuition. List organiza	kindergarten. Do not				
8	Fees for individual instruction by a qualified the regular school day or year, such as tutor the name of each instructor or organization	ing or music lessons. Enter				
		8				
9	Purchases of required school materials: tex notebooks, etc. You must have itemized ca					
10	 Purchases or rentals of musical instruments used during the regular school day. Enter type and cost of each:					
11	Transportation costs paid to others for the Enter transportation provider:					
12	Add lines 7 through 11 for each column	12				
	Add line 12 for all columns 13 Personal computer hardware and educational software expenses, not to exceed \$200. (Do not include monthly service fees for Internet access)					
15	Add line 13 and line 14			15		
	Multiply line 15 by 75% (.75) 16					
10	 more than \$33,500, complete the worksheet on back					
18	Amount from line 16 or line 17, whichever is less. Full-year residents: Also enter this amount on line 26 of Form M1					
19	Part-year residents and nonresidents: Multiply line 18 by line 25 of Schedule M1NR. Enter the result here and on line 26 of Form M1. However, if your Minnesota gross income is less than \$10,150, see					
	instructions; enter result from step 5 of wor You must enter the number of your qualify		•			
	and include this schedule with your return					

2014 Schedule M1ED Instructions

Who is Eligible?

You may be able to receive a credit if you paid certain types of education-related expenses in 2014 for qualifying children in grades kindergarten through 12 (K–12). Read the eligibility requirements in the Form M1 instructions to determine if you qualify.

Expenses that cannot be used for the credit may be used for the K-12 Education Subtraction (line 17 of Schedule M1M).

Penalty for Fraudulently Claiming a Credit

If you file a return that fraudulently claims a credit, you will be assessed a penalty equal to 50 percent of the fraudulently claimed credit.

You Must Have Proof

Save records (such as itemized cash register receipts and canceled checks) of all your education expenses. You may be asked to show such records if there is any question concerning your education credit.

Line Instructions

Round amounts to the nearest whole dollar.

Line 1

Enter your federal adjusted gross income from your 2014 federal return. If the amount is a net loss (a negative amount), enter the negative number. Put parentheses around a negative number.

If you did not file a 2014 federal return, obtain a federal return and instructions to determine what your federal adjusted gross income would have been.

Line 5

Enter the total nontaxable income you received in 2014 that is not included on lines 1 through 4. Enter the type(s) of income below line 5.

Common examples include:

- employer paid education or adoption expenses
- workers' compensation benefits
- your contributions to an employee elective deferral plan, such as a 401(k), 403(b), 457 deferred compensation or SIMPLE/SEP plan
- contributions made to a dependent care account (as shown on your W-2 form) and/or medical expense account
- nontaxable employee transit and parking expenses
- veterans' benefits
- nontaxable scholarships, fellowships, grants for education, including those from foreign sources, and tuition waivers or reductions
- nontaxable pension and annuity payments, including disability payments (Do not include distributions from a Roth IRA or any pension or annuity that you funded exclusively, for which your contributions could not be taken as a federal tax deduction.)
- amount reported on line 1 of Schedule M1LS
- federally nontaxed interest and mutual fund dividends

- income excluded by a tax treaty
- rent reduction received for being a caretaker
- military or clergy housing allowance
- nontaxable military earned income, such as combat pay
- strike benefits
- the gain on the sale of your home excluded from federal income
- debt forgiveness income not included in federal adjusted gross income

Also include on line 5 the following losses and deductions to the extent they reduced federal adjusted gross income:

- tuition and fees deduction
- educator expenses deduction
- health savings account, Archer MSA and domestic production activities deductions
- capital loss carryforward
- net operating loss carryforward/carryback
- the amount of a passive activity loss that is not disallowed as a result of Internal Revenue Code section 469, paragraph (i) or (m)
- prior year passive activity loss carryforward claimed in 2014 for federal purposes

Do not include on line 5:

- Minnesota property tax refunds
- child support payments
- a dependent's income, including Social Security
- any state income tax refunds not included on line 1
- the dollar value of food, clothing, food stamps and medical supplies received from government agencies
- payments from life insurance policies
- payments by someone else for your care by a nurse, nursing home or hospital
- fuel assistance payments
- IRA rollovers
- gifts and inheritancesnontaxable Holocaust settlement payments

Worksheet for Line 17 (If Line 6 is More Than \$33,500)

- 1 Multiply the number of qualifying children in grades K-12 by \$1,000

3 Income limit

- 4 Subtract step 3 from step 2
- 5 Multiply step 4 by .25 if you have only one qualifying child, or .50 if
- two or more qualifying children

 6 Subtract step 5 from step 1 (*if zero or less, stop here; you don't qualify*)
- Enter the step 6 result on line 17.

Worksheet for Line 19

- 6 Multiply step 5 by line 18 of Schedule M1ED.....
- Enter the result from step 6 on line 19 of Schedule M1ED and on line 26 of Form M1.

Line 6

The household income limit is based on the number of qualifying children you have in grades K–12.

If your total number of qualifying children	your household income must be		
in K-12 is:	less than:		
1 or 2	\$37,500		
3	\$39,500		
4	\$41,500		
5	\$43,500		
6 or more	*		

* More than 5 children: \$43,500 plus \$2,000 for each additional qualifying child.

If your household income is more than the limits shown, you do not qualify for the credit. However, you may qualify for a subtraction.

Line 17

The maximum credit you may claim is based on household income and the number of qualifying children you have in grades K–12. If line 6 is more than \$33,500, complete the Worksheet for Line 17 below.

Line 19

If your Minnesota gross income is below the filing requirement and you're filing Form M1 to claim this credit, you should have entered zero on line 23 of Schedule M1NR. However, to correctly determine this credit, you must first fully complete Schedule M1NR to determine what the amounts would have been, and then follow the Worksheet for Line 19 below.