

Tax Expenditure Review Commission Member Evaluation Summary

1.6.01 Marriage Credit

Name of Expenditure:	Marriage Credit
Estimate of Annual Revenue Lost:	\$107,300,000*
Year of Adoption:	1999
Sunset Date:	None

Tax Type:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Individual Income Tax | <input type="checkbox"/> Mortgage Registry Tax |
| <input type="checkbox"/> Corporate Franchise Tax | <input type="checkbox"/> Deed Transfer Tax |
| <input type="checkbox"/> Estate Tax | <input type="checkbox"/> Lawful Gambling Tax |
| <input type="checkbox"/> General Sales and Use Tax | <input type="checkbox"/> Insurance Premiums Tax |
| <input type="checkbox"/> Motor Vehicle Sales Tax | <input type="checkbox"/> Property Tax |
| <input type="checkbox"/> Highway Fuels Excise Tax | <input type="checkbox"/> Motor Vehicle Registration Tax |
| <input type="checkbox"/> Alcoholic Beverage Tax | <input type="checkbox"/> Aircraft Registry Tax |
| <input type="checkbox"/> Cigarette and Tobacco Tax | <input type="checkbox"/> Cannabis Gross Receipts Tax |

This expenditure is the result of state conformity to the Federal Code:

- ☐ Yes
- ☒ No

Commission Approved Objective:

The objective of the Marriage Credit is to reduce marriage penalties resulting from Minnesota income tax rate brackets for qualified two-earner married couples who file a joint return.

Business (check all that apply):

- ☐ Job Creation & Maintenance
- ☐ Investment
- ☐ Competitiveness/Strategic
- ☐ Health/Environmental/Social Justice
- ☐ Other

Individual (check all that apply):

- ☐ Relief of Poverty
- ☐ Progressivity/Assistance to Low Earners
- ☐ Access to Opportunity
- ☐ Health/Environment/Social Justice
- ☐ Other

* The estimate is from the 2024 Tax Expenditure Budget published by the Department of Revenue for Fiscal Year 2026.

Measurement and Effectiveness Ratings Summary:

Statement	Strongly Disagree	Somewhat Disagree	Somewhat Agree	Strongly Agree	Total
We can measure the overall benefit towards achieving the objective(s).	0	0	1	4	5
The expenditure's benefit justifies its fiscal cost.	0	0	2	3	5
The expenditure is claimed by its intended beneficiaries.	0	0	1	4	5
The expenditure is claimed by a broad group of taxpayers.	0	0	1	4	5
The expenditure amount claimed per taxpayer is meaningful as an incentive/benefit.	0	1	1	3	5
The expenditure is relevant today.	0	1	1	3	5
Business Only: The expenditure is primarily beneficial to smaller businesses.	0	0	0	0	0
Individuals Only: The expenditure is primarily beneficial to lower income taxpayers.	1	0	2	0	3

Summary of tax expenditure is flagged for legislative review:

Continue	Repeal	Modify	Total
3	0	2	5

Comments:

“Move directly to the exact calculation and narrow the income brackets for paper filers.”

“Very important”

“Strong support”

“This tax expenditure results in a number of inefficiencies particularly if one partner in a marriage makes under a certain threshold (\$114,000) than the other partner. The credit is still meeting its objective, just not very well. In order to limit the amount of over and underpayments, I recommend modifying the credit. This may be to take the suggestion from the LBO to not use the look up table or to modify the look up table in some way. Another suggestion could be to look at other tax laws that contribute to marriage penalties and see if there's a way to harmonize those laws so as to mitigate the penalty.”