

Net Interest from U.S. Bonds Subtraction

Interest earned on certain U.S. bonds is subject to federal tax but is generally not subject to Minnesota tax. You may be able to subtract this interest from your Minnesota taxable income.

Who Qualifies

You may qualify if you report interest from qualifying U.S. bonds, bills, notes, or other debt obligations. This includes interest you received through a partnership, S corporation, or as a beneficiary of a trust.

To qualify, the bond or other obligation must:

- Be a direct and primary obligation of the United States and exempt from state tax under federal law
- Be in writing – with a promise to pay interest on specific dates – and authorized by Congress
- Pay federally taxable interest for the year you claim the subtraction

Note: You must reduce your subtraction amount by any deductions on your federal return for interest and investment expenses related to this income. For details and an example, go to [Expenses Related to Income Not Taxed by Minnesota](#).

Claim the Subtraction

Complete [Schedule M1M, Income Additions and Subtractions](#), and include it with [Form M1, Individual Income Tax](#).

For more information:

- See [Minnesota Statute 290.01](#)
- See [Minnesota Rule 8002.0300, subpart 3](#)

Contact Info

Email

[Contact form](#)

Phone [±]

- Questions
[651-296-3781](#)
- [800-652-9094](#)
- Refund status and 1099G lookup
[651-296-4444](#)
- [800-657-3676](#)

Hours [±]

8:00 a.m.- 4:30 p.m. Mon.- Fri.

Address [±]

Mail your income tax return to:

Minnesota Department of Revenue
Mail Station 0010
600 N. Robert Street
St. Paul, MN 55145-0010

Mail your property tax refund return to :

Minnesota Department of Revenue
Mail Station 0020
600 N. Robert Street
St. Paul, MN 55145-0020

Mail your tax questions to:

Minnesota Department of Revenue
Mail Station 5510
600 N. Robert Street
St. Paul, MN 55146-5510

Street address (for deliveries):
Minnesota Department of Revenue
Individual Income Tax
600 North Robert Street
St. Paul, MN 55101

Returns and payments may be placed in the night deposit box located in front of our building.

Last Updated

December 29, 2021