

## Memo

**Date:** September 30, 2025

**To:** Energy Transition Advisory Committee (ETAC)

**From:** Holly Soderbeck, Property Tax Division, Minnesota Department of Revenue

## RE: Third Quarter 2025 ETAC Meeting

The [Minnesota Department of Revenue's Mission](#): Working together to fund the future for all of Minnesota. And **Our Vision**: Everyone reports, pays, and receives the right amount: no more, no less.

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### K-12 Education Subtraction and Credit

The Minnesota Department of Revenue has two tax relief programs for families with children in kindergarten through 12th grade: the K-12 Education Subtraction and the K-12 Education Credit. Both programs help lower taxes and may provide a larger refund when you file [Form M1, Individual Income Tax](#).

As a reminder, you now claim the credit on your Minnesota Individual Income Tax return (Form M1). You no longer file Form M1PR to claim it.

To qualify for either program, you must:

- Have a qualifying child (see Qualifying Child accordion below) attending kindergarten through 12th grade at a public, private, or qualified home school.
- Have paid "qualified education expenses" during the year for that child's education. For details, see [Qualifying Expenses for the K-12 Education Subtraction and Credit](#).

**Note:** You may not use the same qualified education expenses to claim both the subtraction and the credit.

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### Renter's Credit Refund

Previously renters filed a Renter's Property Tax Refund return (Form M1PR) to claim the Renter's Credit. Refunds typically went out this time of year.

As a reminder, you now claim the credit on your Minnesota Individual Income Tax return (Form M1). You no longer file Form M1PR to claim it.

#### **When will I get my refund for the Renter's Credit?**

If you claimed the Renter's Credit on Form M1, it was already credited to you. The credit decreases how much you owe or increases any refund due on your return.

#### **How do I know if I got the credit?**

To verify, check to see if you filed Schedule M1RENT, Renter's Credit, and Schedule M1REF, Refundable Credits, with your income tax return.

#### **What if I did not file an income tax return?**

Since the credit is part of your Form M1, you must file it to claim the Renter's Credit. Visit our [File an Income Tax Return webpage](#) for more details, including due dates and electronic and paper filing methods.

#### **What if I forgot to claim the Renter's Credit?**

If you already filed but did not claim the credit, you can amend your return. See the Forgot to Claim the Renter's Credit section on our [Renter's Credit webpage](#).

#### **Where can I find more information?**

Visit our [Renter's Credit webpage](#).

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## **Child Tax Credit – Advance Payments**

First in the nation advance payments for Minnesota's nation-leading Child Tax Credit will start reaching bank accounts next week, the Minnesota Department of Revenue announced today. Recipients of the advance payments, more than 17,000 Minnesota families, opted in to receive a portion of their 2025 Child Tax Credit in three installments going out at the end of July, September, and November. The average advance payment is \$446.

"Minnesota's Child Tax Credit was created to lift kids out of poverty and provide relief for working families. With the advance payment option, we accomplish that goal while allowing families to manage their budgets and get ahead," said Governor Walz. "I'm proud to support our kids and families as they prepare for the school year, and I'm proud to say that programs like this are why Minnesota continues to be one of the best states to raise a child."

"The advance payment option for Minnesota's Child Tax Credit will allow families opportunities for long-term financial stability," said Lieutenant Governor Flanagan. "Timing matters — the advance payment option gives a boost to family budgets throughout the year so kids aren't kept waiting."

"The goal of the advance payment option was to really make the Child Tax Credit the most impactful it could be by reaching families throughout the year and not just during tax time," said Revenue Commissioner Paul Marquart. "The advance payments will help nearly 18,000 families, including 35,000 children, as back-to-school shopping season approaches."

**Minnesota nation-leading Child Tax Credit continues success in its second year.**

New figures released today by the Minnesota Department of Revenue show the state's nation-leading Child Tax Credit put over \$564 million into the budgets of more than 219,000 Minnesota families this year. Recipients of the Child Tax Credit claimed over 447,000 eligible children for an average total credit of \$1,260. Since its inception in 2023, Minnesota's nation-leading Child Tax Credit has put over \$1 billion dollars into family budgets across the state.

Learn more about income requirements and qualifications on the [Child Tax Credit webpage](#).

#### **About advance payments of the Child Tax Credit.**

If a Child Tax Credit recipient chose advance payments of their 2025 credit when filing their 2024 tax returns, they will receive a portion, no more than 50%, of their 2025 credit in three installments going out at the end of July, September, and November. They will receive the remaining portion of the credit amount when they file their 2025 income tax returns.

Learn more about this option for the Child Tax Credit [advance payment option webpage](#).

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## **2026 State Aid Certifications**

The Minnesota Department of Revenue has certified 2026 aid amounts for the following programs. You can find the amounts and more information by visiting each webpage.

- [Aquatic Invasive Species Prevention Aid](#)
- [County Program Aid](#)
- [Local Homeless Prevention Aid](#)
- [Out-of-Home Placement Reimbursement Aid](#)
- [Riparian Protection Aid](#)
- [Statewide Affordable Housing Aid](#)
- [Electric Generation Transition Aid](#)

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## **Minnesota E-Bike Rebate Program**

### **The weeklong Minnesota e-Bike Rebate application period is now open**

The online lottery application for individuals to apply for a 2025 Minnesota e-Bike Rebate Certificate is now open. The application period will close at 2 p.m. (Central Time) on Thursday, August 7, 2025. Eligible applicants will be entered into a lottery for certificates. Late or duplicate applications will not be accepted.

#### **How do I apply?**

A link to the online application is available on the [e-Bike Rebate webpage](#).

#### **Who is eligible?**

All applicants must:

- Be under the income limit or be an individual with a disability
- Be at least 15 years old when you apply
- Be a full-year Minnesota resident for 2025 and the previous two years (2023 and 2024)

- Have filed Minnesota individual income tax returns in 2023 and 2024
- Not have been claimed as a dependent in 2024

To qualify under the income limit, your 2024 Adjusted Gross Income (AGI) must be less than:

- \$78,000 for married filing jointly
- \$62,000 for head of household
- \$41,000 for all other individuals

To qualify as an individual with a disability, you must meet at least one of the following:

- Receive Social Security Disability Insurance (SSDI) benefits
- Receive Medical Assistance for Employed Persons with Disabilities (MA-EPD)
- Be under the age of 65 and receive Supplemental Security Income (SSI)
- Receive home and community-based disability waiver services

#### **Where can I find more information?**

Revenue's [e-bike rebate webpage](#) has information about the program including the new eligibility requirements, Frequently Asked Questions, and a list of e-bike retailers approved to participate in the program.

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#### **Programs/Refunds/Credits:**

- Child Tax Credit [webpage](#) and [video](#)
- Property Tax Refund, <https://www.revenue.state.mn.us/property-tax-refund>
- Senior Citizens, <https://www.revenue.state.mn.us/senior-citizens>
- Find Free Tax Preparation Help, <https://www.revenue.state.mn.us/free-tax-preparation-help>
- [Where's My Refund?](#)