



Tax Year 2021

Minnesota Income Tax and Property Tax Refund VITA/AARP Tax-Aide Volunteer Manual

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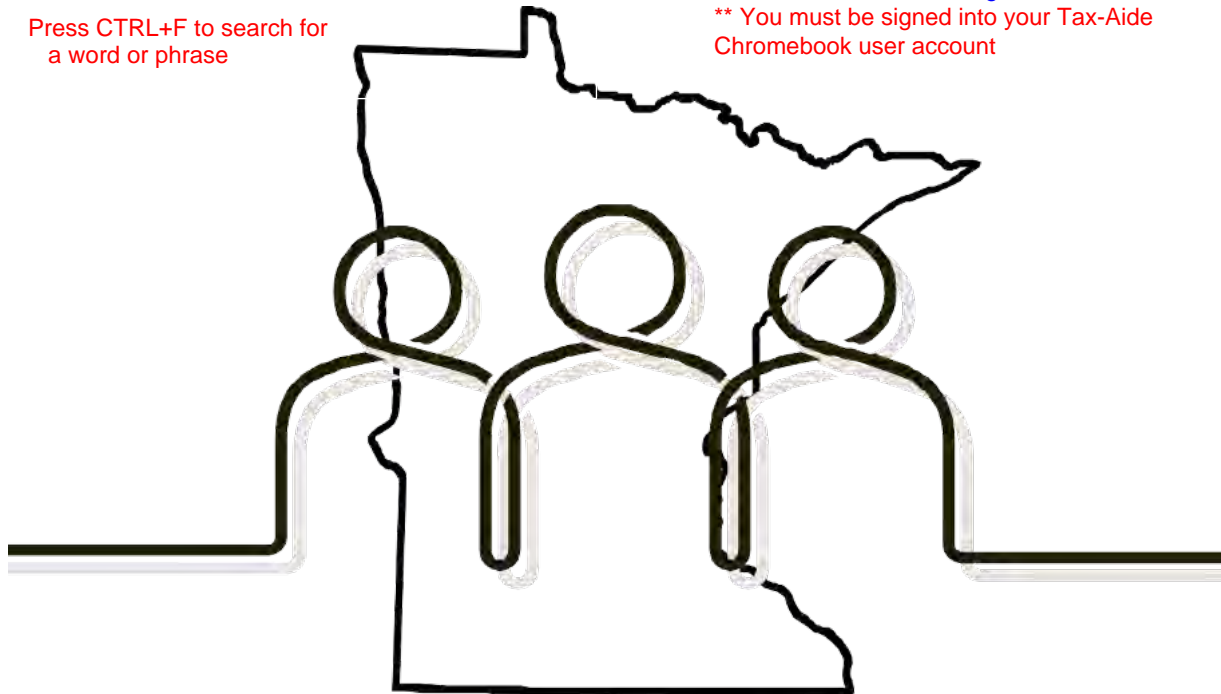
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www.taxaide-mn1.org for additional Minnesota Tax-Aide counselor resources

Press CTRL+F to search for a word or phrase

For additional Minnesota related Tip Sheets and Videos - [MnTTT Google Drive Folder](#)

** You must be signed into your Tax-Aide Chromebook user account



Modified for AARP Tax-Aide use only. Please direct corrections to:
Phyllis Stratman
MN1D06Tech@gmail.com

Rel 2: Jan 21, 2022
MnTTT - AARP Tax-Aide

Message from the Assistant Commissioner

Hello! My name is Sarah Bronson and I'm an assistant commissioner at the Minnesota Department of Revenue. I want to welcome you to the start of the 2022 tax filing season and thank you for all the work you do to assist Minnesota taxpayers.

Before we look ahead to the upcoming filing season, let's look back at the accomplishments of the previous filing season.

We were once again impacted by the ongoing COVID-19 pandemic and the tax laws enacted during the filing season. While it was challenging for the department, preparers and taxpayers got through it successfully together, with an extended grace period to match the IRS. We resumed some in-person services in our St. Paul office on weekdays. You may still ask us to cancel or reduce penalties, additional tax charges, and interest if you have reasonable cause or are negatively affected by the pandemic.

The department processed more than 2.9 million 2020 income tax returns and issued more than 1.8 million refunds. This work would not be possible without the dedication of our volunteer tax community. We also completed work adjusting over 310,000 returns from tax years 2017 and 2018 affected by conformity changes.

We are continuing work on implementing changes made in the 2021 tax laws. The department has committed to adjusting as many returns affected by the exclusion of unemployment compensation and Paycheck Protection Program loan forgiveness income. We are working to adjust over 550,000 returns.

Our mission at the department is: "Working together to fund the future for all of Minnesota." Our vision is: "Everyone reports, pays, and receives the right amount: no more, no less." We know that our partnership with you is essential for ensuring our mission and making our vision a reality.

Let me join everyone at the department in wishing you a successful tax season. Thank you for your continued partnership.

Best wishes,

A handwritten signature in black ink, appearing to read "Sarah Bronson". The signature is fluid and cursive, written on a light-colored background.

Assistant Commissioner

Outreach and Education Staff Contact Information

Jessica Delcid

Phone: 651-556-3052 or 1-800-818-6871

Email: jessica.delcid@state.mn.us

The Minnesota Department of Revenue's Outreach and Education program provides support for free income tax and property tax refund return preparation programs. Some of the communities we work with include:

- Individuals who are minority, low-income, or elderly
- Individuals who have disabilities
- Individuals for whom English is a second language
- Military service members
- Tax professionals (paid and volunteer)

We create tax resource materials, offer training, and provide tax and technical support to volunteer sites. We also help people obtain services and information they need to meet their tax obligations and be informed about Minnesota's tax system.

The outreach and education staff also includes Asian and Latino community outreach coordinators who speak Hmong and Spanish:

Asian Outreach Coordinator

Phone: 651-556-6613

Latino Outreach Coordinator

Phone: 651-556-6616

Volunteer Resources for Income Tax or Property Tax Refund Questions

Assistance is available Monday through Friday, 8 a.m. to 4:30 p.m.

Phone: 651-556-3050

Email: individual.incometax@state.mn.us

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The forms in this book have been resized to fit the format for this manual.

Do not copy and file these forms at your site.

Find these forms on our website at:

www.revenue.state.mn.us

Grant to Provide Volunteer Taxpayer Assistance Services

In July of every odd-numbered year, the Minnesota Department of Revenue requests proposals from organizations to receive grants to coordinate, facilitate, encourage, and aid in the provision of volunteer taxpayer assistance services to Minnesotans who are low-income, elderly, and disadvantaged.

How much funding is available?

The commissioner of Revenue has authority to issue grants totaling \$1.45 million for the 2022-2023 biennium (the “grant period”). \$700,000 is available the first year of the biennium (FY22) and \$750,000 is available to the second year of the biennium (FY23). All grant funds for the 2022-2023 biennium have been awarded.

Is my organization eligible for grant funding?

To be eligible for grant funding, your organization must meet these requirements:

- Be an eligible organization that meets the definition provided in [Internal Revenue Code of 1986, section 7526A\(e\)\(2\)\(B\)](#). A definition of “eligible organization” follows this section.
- Be registered with the IRS as part of the Volunteer Income Tax Assistance (VITA) or Tax Counseling for the Elderly (TCE) programs
- Operate within the VITA and TCE programs’ established guidelines and requirements
- Be compliant with Minnesota tax and information reporting requirements
- Be compliant with last year’s grant contract, if a previous grant recipient
- Follow [Minnesota Department of Health guidelines](#) for social distancing

Eligible Organization

The applicant must be classified as one of these:

- A private or public non-profit organization that qualified for and received an IRS determination letter confirming the organization’s tax exemption under section 501 of the Internal Revenue Code, including but not limited to credit unions and faith-based and community organizations
- A public, non-profit, or proprietary (privately owned, profit-making) college, university, vocational school, or other postsecondary educational institution
- A local government agency such as a county or municipal government agency or an Indian tribe, including any tribally designated housing entity or other wholly owned tribal entity
- A regional, statewide, or local coalition with one lead organization that meets one of the eligibility requirements noted above; the lead organization filing the application must have a substantive role in the coalition
- A state government agency or Cooperative Extension office as established by a land-grant college or university (applies to taxpayers and members of underserved populations as defined in section 7526A of the Internal Revenue Code, to which no organizations described above are available)

What are volunteer taxpayer assistance services?

Volunteer taxpayer assistance services are free accounting and tax preparation services provided by volunteers to low-income, elderly, and disadvantaged Minnesota residents. These services include:

- Filing federal and Minnesota income tax returns
- Filing Minnesota property tax refund returns
- Providing personal representation before the Department of Revenue and the IRS

What are the volunteer taxpayer assistance services grant program goals for FY22-FY23?

We awarded grants for FY22-FY23 to increase free tax preparation assistance services for Minnesotans who are low-income, elderly, and disadvantaged.

Our long-term goals for expanding service remain for FY22-FY23:

- Increase the number of multilingual volunteers at free tax preparation sites throughout Minnesota – including but not limited to Spanish, Hmong, Oromo, and Somali speakers – specifically in:
 - The seven-county metro area of Hennepin, Ramsey, Anoka, Washington, Dakota, Scott, and Carver counties
 - St. Cloud
 - Rochester
 - Willmar
- Expand the availability of free tax preparation services – specifically in:
 - Greater Minnesota
 - Brooklyn Park
 - Brooklyn Center
 - North Minneapolis
 - Northeast Minneapolis

When is the grant application period?

We accept grant applications from July 1 through July 31 every other year.

Applications for the next fiscal year will open on July 1, 2023.

How do I apply?

1. Go to www.revenue.state.mn.us and enter **grant** into the Search box
2. Review the Request for Proposal (RFP) for information and requirements
3. Apply by following the instructions in the RFP

What if I have questions about the grant?

Contact us.

- Email: Volunteer.Grant.MDOR@state.mn.us
- Phone: 651-556-3052 or 1-800-818-6871

Introduction

The 2021 VITA/AARP Tax-Aide Volunteer Manual is a reference guide explaining basic tax laws and procedures for the 2021 Minnesota Individual Income Tax return and the 2021 Minnesota Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund return.

Last year, the VITA/AARP Tax-Aide program prepared 40,449 Minnesota income tax returns and 30,603 property tax refund returns. Over \$36.1 million dollars in state income tax and property tax refunds were issued to Minnesota taxpayers. By issuing refunds to those legitimately entitled to them, we ensure everyone reports, pays, and receives the right amount: no more, no less.

As you move forward into the next tax season, protect the privacy and rights of those you serve. **You work with very sensitive personal information, so keep it safe, secure, and confidential.** With identity theft on the rise, your continued diligence in this area is even more important. We all need to work together to make sure the right refund goes to the right person.

Disclaimer

The information in this manual is based on the laws in effect when it was written. It does not supersede or alter any provisions of Minnesota laws, administrative rules, court cases, or Revenue Notices. It does not provide tax advice.

The examples in this manual are completely fictitious. Any resemblance to a real individual is purely coincidental.

If you have questions or need clarification on this manual's information, contact the Minnesota Department of Revenue's volunteer outreach coordinator.

Email: Jessica.Delcid@state.mn.us

Phone: 651-556-3052 or 1-800-818-6871

Department Updates

2020 Tax Return Adjustments

Due to Minnesota tax law changes enacted in 2021, we are in the process of adjusting returns with unemployment compensation or Paycheck Protection Program (PPP) loan forgiveness included as taxable income. Taxpayers will receive either a letter explaining their return adjustments or a letter asking them to file an amended return.

If your clients need to amend their returns for the tax law changes, they should have already received a letter. If you are unsure if your clients received this letter, contact us.

For the latest details on tax law changes and how they affect returns, sign up for our [Tax Law Change email updates](#).

Identity Theft Forms

The Minnesota Department of Revenue introduced new forms to report identity theft to us and request copies of fraudulently filed tax returns.

- [Form M11D, Identity Theft Affidavit](#), informs us that identity theft may impact your tax return.
- [Form REV189, Request for Copy of Return Related to Identity Theft](#), requests a copy of the fraudulently filed tax return for your records.
- [Form REV190, Authorization to Release Return Related to Identity Theft](#), requests a copy of the fraudulently filed tax return be sent to a specific law enforcement agency.

Property Tax Fact Sheets

We recently converted our Property Tax fact sheets into webpages. You can find the newly organized information on our [Property Tax Information page](#).

Individual Income Tax Updates

This section covers the legislative impacts to individual taxpayers for tax years 2017 through 2021. This is not a complete list, since some law changes affect items not within the scope of the VITA/TCE programs.

Federal Nonconformity

See instructions for M1NC on pages [93-101](#).
see also [TY21 Most Common Minnesota Tax Issues tip sheet](#)

Definitions used to determine Minnesota taxable income are based on the Internal Revenue Code as amended through December 31, 2018, with certain exceptions. Since that date, Congress enacted these significant acts:

- Taxpayer Certainty and Disaster Tax Relief (TCDTR) Act of 2019
- Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019
- Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020
- American Rescue Plan Act (ARPA) of 2021
- Consolidated Appropriations Act, 2021 (CAA 2021)
- COVID-related Tax Relief Act (COVIDTRA) of 2020

assume that adjustment entries are manual in TSO until proven otherwise
MN>Additions to Income>Federal Adjustments Not Adopted by MN

Minnesota special session bill H.F. 9, signed July 1, 2021 (the Minnesota tax bill), conformed the state tax code to certain provisions from these federal acts. Minnesota has not adopted all federal changes, so tax return adjustments are needed to correctly determine Minnesota taxable income.

Disclaimer: The information in this chapter is based on Minnesota and federal laws enacted through the Minnesota legislature's first special session of 2021.

TCDTR Act and SECURE Act

The TCDTR Act and SECURE Act were enacted in December 2019. Commonly required Minnesota adjustments include:

- Deduction for tuition and fees
- Expansion of eligible distributions for 529 higher education savings plans

The Minnesota tax bill conformed state law to some provisions of the TCDTR and SECURE Acts. Minnesota law still requires an adjustment for the provisions listed. We updated 2020 Minnesota forms and instructions in July 2021 to reflect these law changes.

CARES Act

The CARES Act, enacted in March 2020, included a variety of provisions. A commonly required state adjustment is for charitable contribution deductions for taxpayers who do not itemize deductions

The Minnesota tax bill conforms state law to the Paycheck Protection Program (PPP) loan forgiveness income exclusion and IRA distribution recognition rules included in the CARES Act. We updated 2020 Minnesota forms and instructions in July 2021 to remove nonconformity adjustments relating to these CARES Act provisions.

ARPA

ARPA was enacted in March 2021. Significant provisions included in this act include:

- ✓ • Exclusion from income for unemployment compensation received in 2020
- ✓ • Increased federal child and dependent care credit used to determine the Minnesota Child and Dependent Care Credit amount

- ✓ • Exclusion from income for certain forgiven loans and grants

The Minnesota tax bill included conformity to the exclusion of the unemployment compensation and certain forgiven loans and grants. We updated 2020 Minnesota forms and instructions in July 2021 to remove nonconformity adjustments relating to these provisions.

Minnesota Tax Law Changes

The 2021 Minnesota tax bill was passed and signed into law on July 1, 2021. The bill includes tax changes impacting individual taxpayers.

Federal Conformity

The Minnesota income tax code generally conforms to the Internal Revenue Code as amended through December 31, 2018. The Minnesota tax bill enacted on July 1, 2021, conforms Minnesota to certain sections of federal law enacted by Congress after December 31, 2018, found in these federal acts:

Public Law	Federal Acts
116-94	Further Consolidated Appropriations Act, 2020 (FCAA 2020), which includes: <ul style="list-style-type: none"> • Taxpayer Certainty and Disaster Tax Relief (TCDTR19) Act of 2019 • Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019
116-136	Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020
116-260	Consolidated Appropriations Act, 2021 (CAA 2021), which includes: <ul style="list-style-type: none"> • Taxpayer Certainty and Disaster Tax Relief Act (TCDTR20) Act of 2020 • COVID-related Tax Relief Act (COVIDTRA) of 2020
177-2	American Rescue Plan Act (ARPA)

The tax bill also provided temporary conformity to these federal tax changes:

Federal Act, Section	Description	Effective Date
TCDTR 2019, 101	Provides an exclusion from gross income for loan forgiveness on discharged mortgages on taxpayer's principal residence.	Effective for discharges of indebtedness after December 31, 2017, and before January 1, 2021.

Federal Act, Section	Description	Effective Date
SECURE, 301	Increases an exclusion from gross income for up to \$50 a month (was \$30 a month) in benefits paid to volunteer firefighters and emergency medical responders.	Effective for taxable years beginning after December 31, 2019, and before January 1, 2021.

Federal Act, Section	Description	Effective Date
CARES, 1106(i)	Provides an exclusion from gross income for loan amounts forgiven as a part of the PPP.	Effective for PPP loan amounts forgiven after February 15, 2020.
CARES, 2202	Allows up to \$100,000 of coronavirus-related distributions for retirement accounts and forgives the 10% penalty that ordinarily applies. The distribution amount is included in gross income in the three years following the distribution. Taxpayers may repay all or a portion of the distribution anytime during the three-year period beginning the day after the date the distribution was received. Repaid distributions will not be taxed.	Effective for coronavirus-related distributions between January 1, 2020, and December 31, 2020.
CTRA, 275	Requires the Secretary of Treasury to issue regulation or guidance to clarify that personal protective equipment, disinfectant, and other supplies to control COVID-19 are eligible for the federal educator expense deduction.	Effective for expenses paid or incurred after March 12, 2020.
CTRA, 277	Provides an exclusion from gross income for emergency financial aid grants provided to students under the CARES Act.	Effective for qualified emergency financial aid grants made after March 26, 2020.
ARPA, 9042	Provides an exclusion from gross income for up to \$10,200 of unemployment insurance compensation. The exclusion is limited to taxpayers with Federal Adjusted Gross Income less than \$150,000. For joint returns, the exclusion is \$10,200 of compensation for each spouse.	Effective for taxable years beginning in 2020.

Volunteer Driver Reimbursement

The tax bill provided a new subtraction to volunteer drivers for mileage reimbursement paid by charitable organizations. The subtraction allows volunteer drivers to subtract the amount received which exceeded the 14 cent per mile volunteer mileage rate, but not to exceed the business standard mileage rate for the applicable tax year (56 cents for 2021).

This law change is effective for taxable years beginning after December 31, 2020.

Working Family Credit

The tax bill amended the Minnesota Working Family Credit by lowering the age requirement for taxpayers with no qualifying children from 21 to 19.

This law change is effective for taxable years beginning after December 31, 2020.

Student Loan Credit

The tax bill amended the Student Loan Credit by modifying the definition of earned income. Married taxpayers filing joint returns are no longer penalized if both spouses earn income.

This law change is effective for taxable years beginning after December 31, 2020.

Withholding

The tax bill amended Minnesota law to refer to withholding exemptions as withholding allowances, consistent with conforming federal law.

Withholding allowances are based on newly codified state definitions for the standard deduction (including the additional amount for seniors and individuals who are blind), dependent exemptions, and itemized deductions. The commissioner of Revenue may adjust withholding to determine the proper amount to withhold as provided under U.S. Code, Title 26, section 3402(m)(3).

This law change is effective for taxable years beginning after December 31, 2020.

Miscellaneous Withholding Arrangements

The tax bill amended Minnesota law to require a financial institution to withhold Minnesota income tax on any periodic payment or nonperiodic distribution for Minnesota residents, unless the Minnesota resident asks the financial institution not to.

This law change is effective for payments and distributions made after December 31, 2021.

Property Tax Refund

Under the tax law, veteran's disability compensation paid under title 38 of the U.S. Code is excluded when determining household income for the Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund.

This amendment is effective for refund claims based on property taxes payable in 2022 and rent paid in 2021 and thereafter.

Inflation Adjustment

The tax law removed language regarding the rounding of the inflation adjustment under Minnesota Statutes section 290.0121, subdivision 3. The language was unnecessary because there is already rounding language in the previous sentence.

This law change is effective as of July 2, 2021.

Tax Forms

Tax Years 2017, 2018, and 2019

We anticipate releasing updated forms for tax years 2017 to 2019 in late fall 2021. Watch the [Minnesota Department of Revenue website](#) for these updates or [subscribe for email updates](#).

Tax Year 2020

In July, we updated [Minnesota tax forms for tax year 2020](#). If you have not yet filed a 2020 return or filed for an extension, you may file using the updated forms to claim unemployment and PPP loan forgiveness income exclusions and deductions, as well as other retroactive conformity provisions.

Tax Year 2021

We continue to develop forms for tax year 2021. We posted drafts of these forms to our website in August 2021. Visit [Draft Forms and Instructions](#) on our website.

Minnesota Individual Income Tax

This section covers Minnesota Form M1, *Individual Income Tax*, and how to complete the form.

Form M1, *Individual Income Tax*

Filing Status

There are five filing statuses:

- Single
- Married Filing Jointly
- Married Filing Separately
- Head of Household
- Qualifying Widow(er)

Your clients' 2021 Minnesota returns **must** use the same filing status as their 2021 federal returns.

✓ Filing Requirements

If your client is a Minnesota resident and is required to file a federal income tax return, they must file a Minnesota return. If your client is not required to file a federal income tax return, use this table to determine if they must file a Minnesota return based on their filing status, situation, and income.

If your filing status is	And	Then you must file a Minnesota income tax return if your income was at least
Single	You were born on or after January 2, 1957	\$12,525
	You were born before January 2, 1957	\$14,175
Married Filing Jointly	You and your spouse were born on or after January 2, 1957	\$25,050
	You or your spouse was born before January 2, 1957	\$26,350
	You and your spouse were born before January 2, 1957	\$27,650
Head of Household	You were born on or after January 2, 1957	\$18,800
	You were born before January 2, 1957	\$20,450
Married Filing Separately	Any age	\$5
Qualifying Widow(er)	You were born on or after January 2, 1957	\$25,050
	You were born before January 2, 1957	\$26,350

If a client is only filing a federal return to receive a refund of federal tax withholding, they do not need to file a Minnesota return. This situation may apply if your client:

- Is below the filing requirement
- Has no credits due
- Has no difference between Minnesota and federal gross income
- Did not have Minnesota tax withholding

If a client is a dependent, they must file a Minnesota return if their gross income is greater than the standard deduction determined by their earned income, filing status, and allowable additional standard deduction amounts.

Members of the military: If your clients are military members and Minnesota residents, you may exclude active-duty military pay when determining if they meet the Minnesota filing requirement.

Nonresidents and part-year residents: If your clients are nonresidents or part-year residents, they must file a Minnesota return if their Minnesota source gross income is \$12,525 or more. For details on Minnesota source income, see the table on assignability of income on page 33.

American Indians: If your clients are American Indian, are Minnesota residents, and must file a federal income tax return, they must file a Minnesota return. This is true even if all or part of their income is exempt from Minnesota tax. For more information, see the American Indians section on pages 28-29.

✓ State Elections Campaign Funds

Ask your clients if they wish to give \$5 to the State Elections Campaign Fund. Contributing will **not** change the amount of their balance or refund. The money comes from the state’s general treasury fund.

If your clients wish to designate money for the campaign fund, fill in the code number for the party of their choice. If they do not wish to designate money, leave the code number blank.

Political Party	Code Number
Republican	11
Democratic/Farmer-Labor	12
Independence	13
Grassroots/Legalize Cannabis	14
Libertarian	16
Legal Marijuana Now	17
General Campaign Fund	99

Money assigned to specific parties is distributed to candidates after the primary election for elective state office. Money assigned to the general campaign fund is distributed after the primary election to major party candidates who meet the criteria for limiting campaign expenses.

Completing Form M1

Federal Return Information (Form M1, Lines A-D)

From the federal return, enter your clients' income information:

- Wages
- Salaries
- Tips
- Discharge of indebtedness
- Taxable IRA distributions
- Pensions
- Annuities
- Unemployment compensation
- Federal taxable income

From Your Federal Return *(see instructions)*

A. Wages, salaries, tips, etc.

B. IRA, pensions, and annuities

C. Unemployment

D. Federal taxable income

✓ **Line 1 (Form M1): Federal Adjusted Gross Income**

If federal adjusted gross income is less than zero, your clients should have entered zero on the federal return. Minnesota returns require the negative number. If negative, enter the amount as a negative number (for example, -10,000).

1 Federal adjusted gross income *(from line 11 of federal Form 1040 and 1040-SR)* 1 ■ _____

Line 2 (Form M1): **Additions to Income** from line 10 of Schedule M1M

Federal>Income>Interest & Dividends>Taxable State Interest *NTTC 4012 pg D-8-10*

Complete line 2 of Form M1 using lines 1 through 10 of Schedule M1M, *Income Additions and Subtractions*. Even if only one addition applies, you must complete and enclose Schedule M1M with your clients' returns.

✓ **Interest from Municipal Bonds of Another State or its Governmental Units (Line 1, Schedule M1M)**

You must add your clients' interest earned on out-of-state municipal bonds to their income. Ordinarily, the federal government does not tax interest earned from debt obligations (bonds) of municipalities or other governmental subdivisions (counties, school districts, etc.). Minnesota only exempts interest earned on Minnesota municipal bonds from state taxation.

✓ **Federally Tax-Exempt Dividends from Mutual Funds Investing in Bonds of Another State (Line 2, Schedule M1M)**

You must add any dividends from a mutual fund attributable to interest from municipal bonds of another state or its local government units to your clients' income.

To determine the amount to include, follow these instructions:

Federal>Income>Interest & Dividends>Taxable State Dividends *NTTC 4012 pg D-12-13*

- If 95% or more of the dividend came from bonds issued by Minnesota, include **only** the portion of the interest dividends generated by non-Minnesota bonds.
- If less than 95% of the dividend came from bonds issued by Minnesota, include **all** the fund's interest dividends.

Lines 3-4 (Schedule M1M)

✗ Refer your clients to a paid preparer if they have either: out of scope

- Expenses deducted on the federal return attributable to income not taxed by Minnesota
- Capital gain portion of a lump-sum distribution

✗ Addition from Line 7 of Schedule M1HOME (Line 5, Schedule M1M) (Schedule M1HOME)

Your clients may need to report an addition to Minnesota taxable income for nonqualified withdrawals from a first-time homebuyer savings account.

You must report this addition on your clients' returns if either of these apply: out of scope

- Your clients previously reported a subtraction on Schedule M1HOME, *First-Time Homebuyer Savings Account*, and a withdrawal from the account was used for anything but eligible costs
- The account balance exceeds contributions at the close of the tenth year the accounts are open

✗ Distributions from Higher Education Savings Accounts Used for K-12 Tuition (Line 6, Schedule M1M) (Schedule M1529) refer to the sections on Subtractions and Credits for more information on 529 Plans, and also Non-Conformity for 529 plan distributions

Clients may have used distributions from a higher education savings account to pay for K-12 tuition. As opposed to other uses, distributions used for K-12 tuition are taxable in Minnesota. You must add these distributions to a client's taxable income.

If your client claimed a credit or subtraction in a prior year for contributions to a higher education savings account, they may be subject to a recapture tax for nonqualified distributions on Schedule M1529.

✓ Line 4 (Form M1): Itemized Deductions (Schedule M1SA) or Standard Deduction

If your client chooses the standard deduction on their Minnesota income tax return, determine the amount based on their filing status.

Filing Status	Amount
Single	\$12,525
Head of Household	\$18,800
Married Filing Jointly or Qualifying Widow(er)	\$25,050
Married Filing Separately	\$15,525

If your client is married and filing a separate return, they may only claim the standard deduction if their spouse did not itemize deductions. If your client can be claimed as a dependent on another person's tax return, see the instructions for line 4 to determine the standard deduction amount.

If your client chooses to itemize deductions on their Minnesota income tax return, complete Schedule M1SA, *Minnesota Itemized Deductions*.

✓ Medical and Dental Expenses (Line 1, Schedule M1SA)

Minnesota allows a deduction for medical and dental expenses. The allowable expenses are the same for federal and Minnesota purposes. The amount of the Minnesota deduction is limited to amounts exceeding 10% of adjusted gross income.

Federal>Deductions>Itemized Deductions. These will carry to MN NTTC 4012 beginning pg F-5 Enter all possible deductions for both Federal and State and those that apply to MN will carry over and be ignored or limited from Federal. DO NOT manually limit taxes deduction to \$10,000. Let TSO handle what applies to MN or not.

✓ Real Estate Taxes (Line 5, Schedule M1SA)

If your clients filed federal Schedule A, enter the amount from line 5b.

subtract any Property Tax Refund received during the year from taxes paid

Include taxes (state, local, or foreign) your clients paid on real estate they own and did not use for business. The deduction for state and local real property and personal property is limited to \$10,000 (\$5,000 for married clients filing separately).

Vehicle license tabs: only the Registration Tax less \$35 is deductible. Do not include any other fees paid. Ask to see the actual registration bill that they paid. Information may also be available at https://onlineservices.dps.mn.gov/EServices/_/#2

✓ **Personal Property Taxes (Line 6, Schedule M1SA)**

If your clients filed federal Schedule A, include the amount from line 5c of Schedule A on line 6 of Schedule M1SA. Enter the state and local personal property taxes they paid only if the taxes were based on a value alone and imposed on a yearly basis.

✓ **Other Taxes (Line 9, Schedule M1SA)**

If your clients had any deductible tax not listed on lines 5 or 6, list the type and amount of tax. Include income tax they paid to a foreign country or U.S. possession. Your client cannot claim a deduction for foreign taxes if they included those taxes on federal Form 1116.

✓ **Home Mortgage Interest and Points on Federal Form 1098 (Line 11, Schedule M1SA)**

Enter the mortgage interest and points reported to your clients on federal Form 1098.

If your clients filed federal Schedule A, enter the amount from line 8a that does not include home equity loan interest. The deduction for mortgage interest is limited to interest paid on the first \$750,000 for loans originated on or after December 16, 2017. The deduction is limited to interest on the first \$1,000,000 for loans originated before December 16, 2017, with an exception to loans taken out on or before October 13, 1987.

Minnesota does not allow deductions for home equity loan interest or mortgage insurance premiums treated as interest.

automatic reversal if mortgage Insurance entered in Fed>Itemized Deductions>Mortgage insurance, manual adjustment for home equity loan interest MN>Subtractions>Itemized Deductions:Home equity loan interest

✓ **Home Mortgage Interest and Points Not Reported on Federal Form 1098 (Line 12, Schedule M1SA)**

If your clients filed federal Schedule A, enter the amount from line 8b.

If your clients paid mortgage interest to a recipient who did not provide them a federal Form 1098, report the deductible mortgage interest.

✗ **Investment Interest (Line 13, Schedule M1SA)**

out of scope

If your clients filed federal Schedule A, enter the amount from line 9.

Investment interest is interest paid on money borrowed that is allocable to property held for investment. It does not include any interest allocable to passive activities or to securities generating tax-exempt income.

✓ **Charitable Contributions (Lines 15 through 17, Schedule M1SA)**

Minnesota allows a deduction for charitable contributions. Clients report deductions by cash or check on line 15 of Schedule M1SA, and contributions not by cash or check on line 16 of Schedule M1SA.

If your client carried over a charitable contribution from a prior year (Line 17) and they filed federal Schedule A, enter the amount from line 13. The same limits apply this year to your client's carryover amounts as applied to those amounts in the earlier year.

✗ **Casualty or Theft Losses (Line 19, Schedule M1SA) (Schedule M1CAT)**

Refer your clients to a paid preparer.

Enter contributions in excess of \$500 even if not itemizing. MN allows contributions that are both monetary and non-cash. The federal allowance for \$300 cash deduction is not included in AGI and will not be carried to MN AGI.

✓ **Unreimbursed Employee Expenses (Line 20, Schedule M1SA) (Schedule M1UE)**

To calculate your clients' deductible employee business expenses, complete and file Schedule M1UE, *Unreimbursed Employee Business Expenses*. If your clients are married and file a joint return, complete a separate Schedule M1UE for each spouse who incurred unreimbursed expenses as an employee. Report the total deduction from Schedule M1UE on Schedule M1SA. currently this is only in aggregate for both spouses in the federal itemized deduction area.

Schedule M1UE is a two-part schedule. Part 1 calculates the allowable deduction, and Part 2 calculates vehicle expenses.

- If your clients need to report expenses for multiple vehicles, use a separate Schedule M1UE Part 2 for each vehicle
- If your clients are married and file a joint return, and both spouses claim a deduction for unreimbursed employee expenses, complete a separate Schedule M1UE for each spouse

Gambling losses entered on W-2G screen will carry to here. Do not duplicate.

✓ **Other Miscellaneous Deductions (Line 24, Schedule M1SA)**

Enter the amount of gambling losses to the extent of gambling winnings reported on line 8b of federal Schedule 1. Gambling losses include, but are not limited to, the cost of non-winning bingo, lottery, and raffle tickets.

Line 5 (Form M1): Exemptions

The dependent exemption amount is \$4,350 for each qualifying dependent in 2021. The total exemption amount depends on income and filing status:

Filing Status	Threshold
Married Filing Jointly and Qualifying Widow(er)	\$299,750
Head of Household	\$249,800
Single	\$199,850
Married Filing Separately	\$149,875

A worksheet in the Form M1 instructions will calculate this subtraction and phaseout. You will enter the result on line 5 of Form M1.

Federal>Income>State & Local Refunds: *NTTC 4012 pg D-14*
This only applies if TP itemized last year and took a deduction for MN Income taxes paid. Use caution. This is only in scope if the refund is taxable on the Federal..

✓ **Line 6 (Form M1): State Income Tax Refund**

Enter the amount of state income tax refund from line 1 of federal Schedule 1. If the client did not file a federal return or did not have an amount on line 1 of Schedule 1, do not enter an amount on line 6 of Form M1.

✓ **Line 7 (Form M1): Other Subtractions from Line 32 of Schedule M1M (Schedule M1M)**

Complete line 7 of Form M1 using lines 11 through 32 of Schedule M1M, *Income Additions and Subtractions*. Even if only one subtraction applies, you must complete and enclose Schedule M1M with your clients' returns.

✓ **Charitable Contributions Over \$500 (Line 11, Schedule M1M)**

If your clients did not file Schedule M1SA and made more than \$500 of allowable charitable contributions during the year, they may subtract some of their contributions. They may subtract 50% of their total contributions for the year over \$500. see also pg 21 notes

Note: Your clients must keep receipts and other documentation in case of an audit.

Social Security Benefit Subtraction (Line 12, Schedule M1M)

automatic in TSO

If your clients receive federally taxable Social Security or Railroad Retirement benefits, they may qualify for this subtraction if their provisional income is within these limits:

If your client's filing status is	And their provisional income is	The maximum subtraction is
Married Filing Jointly Qualifying Widow(er)	Less than \$80,270	\$5,290
	\$79,480 - \$106,720	\$5,290 minus 20% of their provisional income over \$80,270
	More than \$106,720	\$0 (They are not eligible)
Single Head of Household	Less than \$62,710	\$4,130
	\$62,710 - \$83,360	\$4,130 minus 20% of their provisional income over \$62,710
	More than \$83,360	\$0 (They are not eligible)
Married Filing Separately	Less than \$40,135	\$2,645
	\$40,135 - \$53,360	\$2,645 minus 20% of their provisional income over \$40,135
	More than \$53,360	\$0 (They are not eligible)

Provisional income is federal adjusted gross income (FAGI) plus any tax-exempt interest and one-half of your client's total Social Security and Tier 1 Railroad Retirement benefits.

✓ **K-12 Education Expense Subtraction (Line 13, Schedule M1M)**

Ensure the return has taxable MN income. This only REDUCES taxable income. It is not refundable.

Your clients may claim a subtraction for qualifying K-12 education expenses from their taxable income. Unlike the K-12 Education Credit (Schedule M1ED), this subtraction has no income limit. (See the list of qualifying expenses in the Form M1 instructions.)

Determine if taxpayer qualifies for K-12 Credit first (income limits). If not then use K-12 Subtraction. Some expenses qualify for only Subtraction and not Credit. Refer to MN Fact Sheet 8 and 8A *Taxpayer MUST keep receipts in the advent of audit (which is common).

To qualify for the K-12 education subtraction, the child must:

- Be your client's child, adopted child, stepchild, grandchild, or foster child who lived with them in the United States for more than half the year
- Have been in grades K-12 during 2021
- Have attended a public, private, or qualifying home school in Minnesota, Iowa, North Dakota, South Dakota, or Wisconsin
- Not be claimed as a qualifying child on another individual's return
- Have had educational services or required materials purchased for them in 2021

Private school tuition and tuition for college courses used to satisfy a high school graduation requirement are only eligible for the subtraction and not for the credit.

For 2021, the maximum amounts for the K-12 education subtraction are:

- **\$1,625** per child in grades K-6
- **\$2,500** per child in grades 7-12

These limits are not automatic in TSO. You need to enter only the allowable dollar amounts

If a child was in both grades 6 and 7 during the tax year, use grade 7 to determine the limit.

If a child is in grade 12 and starts college during the tax year, use grade 12 to determine the limit.

Important: Your clients may not reuse expenses claimed on Schedule M1ED for the K-12 Education Subtraction.

Your clients must keep receipts. We may ask for this information before allowing the K-12 Education Subtraction. We may also request this information during an audit.

For more information about this subtraction, see Income Tax Fact Sheet 8, *K-12 Education Subtraction and Credit*, and Income Tax Fact Sheet 8a, *Qualifying Home School Expenses for K-12 Education Subtraction and Credit*.

✓ **Net Interest or Mutual Fund Dividends from U.S. Bonds (Line 14, Schedule M1M)**

The interest your clients earned on certain qualified federal obligations (more commonly called U.S. Bond Interest) is taxable on their federal return. It is not taxable on the state return.

Determining taxability of the debt obligations of a federal agency or government-sponsored organization can be confusing. For instance, the Federal Home Loan Bank and Sallie Mae ordinarily issue **tax-exempt** debt obligations while Ginnie Mae, Fannie Mae, and Freddie Mac ordinarily issue **taxable** obligations.

The mutual fund reports the amount of tax-exempt interest and dividends to your clients.

Note: Before subtracting any U.S. bond interest or dividends from mutual funds, reduce the subtraction by any related investment interest and other expenses deducted on the federal return.

When your clients may claim this subtraction

These types of income may qualify for this subtraction:

*Federal>Income>Interest & Dividends> Amount of Interest on US Savings Bonds you want subtracted from your state return
NTTC 4012 pg D-8-10*

- Income from federal obligations purchased by a mutual fund or money market account
- Interest or dividends received from a mutual fund attributable to direct obligations of the federal government (U.S. Treasury notes and bonds)
- Obligations issued by these agencies:
 - Bank for Cooperatives
 - Commodity Credit Corporation
 - Federal Credit System Financial Assistance Corporation
 - Federal Deposit Insurance Corporation
 - Federal Farm Credit Administration
 - Federal Home Loan Banks
 - Federal Intermediate Credit Banks
 - Federal Land Bank Associations
 - Federal Land Banks
 - Federal Savings and Loan Insurance Corporation
 - Financing Corporation
 - General Insurance Fund of the Department of Housing and Urban Development, including:
 - Armed Services Housing
 - National Defense Housing Insurance
 - Neighborhood Conservation Housing Insurance
 - Production Credit Associations
 - Rental Housing Insurance
 - Rental Housing Project
 - Resolution Funding Corporations
 - Student Loan Marketing Association (Sallie Mae)
 - Tennessee Valley Authority
 - U.S. Postal Service

- U.S. Treasury Department (notes, bonds, bills, savings bonds, freedom shares, certificates of indebtedness, and TIPS (Treasury Inflation-Protected Securities))
- War Housing Insurance

Note: Zero coupon treasury bonds with names like CATS, LIONS, TIGRS, and STRIPS, and Original Issue Discount (OID) income from U.S. securities are exempt from Minnesota income tax.

When your clients may NOT claim this subtraction

These types of income **DO NOT** qualify for this subtraction:

- Interest or dividends received from a mutual fund for obligations that are merely guaranteed by the federal government
- Capital gain recognized from the sale of a federal obligation by a mutual fund, even if the interest paid on those obligations is exempt from state tax
- Income from repurchase agreements
- Obligations issued by these agencies:
 - Asian Development Bank
 - College Construction Loan Insurance Association
 - District of Columbia Armory Board
 - Environmental Financing Authority
 - Export-Import Bank
 - Farmers Home Administration (FHA)
 - Federal Agricultural Mortgage Corporation
 - Federal Financing Bank
 - Federal Home Loan Mortgage Corporation (Freddie Mac)
 - Federal National Mortgage Association (FNMA) (Fannie Mae)
 - Federal Reserve Banks
 - Government National Mortgage Association (GNMA) (Ginnie Maes)
 - Inter-American Development Bank
 - International Bank for Reconstruction and Development (World Bank)
 - International Monetary Fund (IMF)
 - Maritime Administration Merchant Marine
 - National Consumer Cooperative Bank
 - New Community Development Corporations
 - Small Business Administration
 - Small Business Investment Companies

✓ **Subtraction for Contributions to a Qualified Education Savings Plan (Line 15, Schedule M1M) (Schedule M1529)**

If your clients contribute to a section 529 college savings plan, they may be eligible for a subtraction from income up to \$1,500 (\$3,000 if Married Filing Jointly). There are no income limits for the subtraction, and it is available to residents and nonresidents.

MN>Subtractions> TSO will default to the credit, it has income limits. Subtraction does not have income limits. See Schedule M1529 instructions

To determine the amount of the subtraction, complete Schedule M1529, *Education Savings Account Contribution Credit or Subtraction*. If your clients claim the subtraction, they may not claim the credit.

Note: Any K-12 distributions that do not qualify make this Out of Scope. (Distributions not used to pay qualified higher education expenses) see also Credit on pg 36

Subtraction for Persons 65 or Older or Permanently and Totally Disabled (Line 16, Schedule M1M) (Schedule M1R)

Automatic in TSO for seniors

To qualify, your client (or their spouse if filing jointly) must be either:

- Born before January 2, 1957
- Permanently and totally disabled and receiving federally taxable disability income in 2021

Your clients must also meet certain income requirements. (See instructions for Schedule M1R.)

Married couples filing separate returns are eligible for the subtraction **only** if they did not live together for any portion of 2021.

Note: If your client is under 65 and disabled, the subtraction is limited to the amount of disability income.

✓ **Railroad Retirement Board Benefits (Line 17, Schedule M1M)**

If your client included unemployment, sick pay, or retirement benefits from the Railroad Retirement Board in their 2021 federal adjusted gross income, they can subtract these amounts.

Under federal law, states cannot tax retirement, unemployment, or sick pay benefits from the Railroad Retirement Board (RRB). To the extent your clients included these benefits in Federal Adjusted Gross Income (FAGI), they are allowed to subtract that income on the Minnesota return.

Railroad employees do not participate in the Social Security program. They receive a Social Security equivalent benefit as part of their railroad retirement pension, commonly called Tier 1 benefits or Social Security Equivalent Benefits (SSEB). Report Tier 1 benefits on federal Form RRB-1099, similar to the Social Security Administration’s SSA-1099. Tier 1 benefits are taxable on the federal return under the Social Security benefit rules.

Tier 2 benefits are traditional pension benefits reported to your clients on federal Form RRB-1099-R. Generally, at least a portion of these benefits is taxable at the federal level under the pension and annuity rules. (See examples of these forms below.)

Tier 1 - Equivalent to Social Security (Blue Form)

Tier 1

UNFOLD TO SEE ALL TAX STATEMENT FORMS - SEE REVERSE SIDE FOR GENERAL INFORMATION		
PAYER'S NAME, STREET ADDRESS, CITY, STATE, AND ZIP CODE UNITED STATES RAILROAD RETIREMENT BOARD 844 N RUSH ST CHICAGO IL 60611-1275	20XX	PAYMENTS BY THE RAILROAD RETIREMENT BOARD
PAYER'S FEDERAL IDENTIFYING NO.	3. Gross Social Security Equivalent Benefit Portion of Tier 1 Paid in 2015	
1. Claim Number and Payee Code	4. Social Security Equivalent Benefit Portion of Tier 1 Repaid to RRB in 2015	
2. Recipient's Identification Number	5. Net Social Security Equivalent Benefit Portion of Tier 1 Paid in 2015	
Recipient's Name, Street Address, City, State, and Zip Code	6. Workers' Compensation Offset in 2015	
	7. Social Security Equivalent Benefit Portion of Tier 1 Paid for 2014	
	8. Social Security Equivalent Benefit Portion of Tier 1 Paid for 2013	
	9. Social Security Equivalent Benefit Portion of Tier 1 Paid for Years Prior to 2013	
	10. Federal Income Tax Withheld	11. Medicare Premium Total

COPY C - FOR RECIPIENT'S RECORDS. THIS INFORMATION IS BEING FURNISHED TO THE INTERNAL REVENUE SERVICE.

FORM RRB-1099 **DO NOT ATTACH TO YOUR INCOME TAX RETURN**

Tier 2 - Equivalent to Pension (Green Form)

Tier 2

see NTTC 4012 pg D-45. Tier 2 benefits automatically carry to MN as non-taxable. Tier 1 (Social Security equivalent) must be entered on MN>Subtractions from Income>Tier 1 RRB included in Federal Taxable Income
 Caution: enter only the RRB portion for each spouse that is TAXABLE on the Federal. ex: TP may get Tier 1 and Spouse gets SSI. SSI may be taxable in MN, but Tier 1 is not. So you need to split the calculation.

PAYER'S NAME, STREET ADDRESS, CITY, STATE, AND ZIP CODE UNITED STATES RAILROAD RETIREMENT BOARD 844 N RUSH ST CHICAGO IL 60611-2092		20XX		ANNUITIES OR PENSIONS BY THE RAILROAD RETIREMENT BOARD			
PAYER'S FEDERAL IDENTIFYING NO.		3. Employee Contributions		COPY B - REPORT THIS INCOME ON YOUR FEDERAL TAX RETURN. IF THIS FORM SHOWS FEDERAL INCOME TAX WITHHELD IN BOX 9 ATTACH THIS COPY TO YOUR RETURN. THIS INFORMATION IS BEING FURNISHED TO THE INTERNAL REVENUE SERVICE.			
1. Claim Number and Payee Code	4. Contributory Amount Paid						
2. Recipient's Identification Number	5. Vested Dual Benefit						
Recipient's Name, Street Address, City, State, and Zip Code	6. Supplemental Annuity						
	7. Total Gross Paid (Sum of boxes 4, 5, and 6)						
	8. Repayments						
	9. Federal Income Tax Withheld						
	10. Rate of Tax					11. Country	12. Medicare Premium Total

FORM RRB-1099-R

✓ **Residents of Michigan or North Dakota Filing Form M1 Only to Receive a Refund of All Minnesota Tax Withheld (Line 18, Schedule M1M)** MN>choose Non-Resident status>Residents of MI & ND>enter FAGI and select the correct state

Minnesota has income tax reciprocity agreements with Michigan and North Dakota. Under these agreements, reciprocity state residents' personal service income (wages, salaries, tips, commissions, fees, and bonuses) is not subject to Minnesota tax. Similarly, a Minnesota resident does not pay state tax to a reciprocity state on personal service income earned in that state. In either instance, your clients only pay tax to their state of residence.

Your clients must return to their permanent residence at least once a month to qualify for reciprocity.

✓ **Reciprocity for Michigan and North Dakota Residents** income from employment work, not sales of goods

If a reciprocity state resident's only Minnesota income was for **personal services** as an employee or self-employed person, it is not subject to Minnesota income tax. If your client's employer withheld Minnesota income tax from personal service income, they must file Form M1 and complete Schedules M1W and M1M for them to receive a refund of the tax withheld.

Form MWR, Reciprocity Exemption/Affidavit of Residency

If Michigan or North Dakota residents work in Minnesota and want to prevent withholding of Minnesota income tax from their pay, they must file Form MWR with their employer each year.

Note: If your client is a Minnesota resident working in a reciprocity state, and their employer does not withhold Minnesota state tax, your client should make quarterly estimated tax payments if they expect to owe more than \$500 in tax for the year.

✓ **Other Situations**

Reciprocity state residents must pay Minnesota income tax if their gross income assignable to Minnesota from sources other than personal services (such as rental income or gambling winnings) is over \$12,525. They must file Form M1 and Schedule M1NR, *Nonresidents/Part-Year Residents*.

If a married couple files jointly, and only one spouse works in Minnesota under a reciprocity agreement, include the names of both spouses and both Social Security Numbers on Form M1.

✓ **American Indians: Total Amount Earned on an Indian Reservation while Living on the Reservation, to the Extent the Income is Federally Taxable (Line 19, Schedule M1M)**

If your client is a member of an American Indian tribe who receives income **from the reservation where they live and work and are an enrolled member**, you **must** subtract this income from Minnesota income.

Examples include:

- Wages for services performed on the reservation
- Distributions from casino profits from a casino located on the reservation
- Gambling winnings won on the reservation where your client resides
- Interest from a bank located on the reservation
- Unemployment compensation based on employment performed on the reservation
- Military pension income paid to an American Indian whose military pay was exempt from state taxation by operation of the federal Service Member's Civil Relief Act of 2003 because they entered the military while residing on the reservation
- Social Security pension, to the extent that the contributions were made as a result of employment on the reservation
- Pension income from an employee pension plan, if the contributions were made as a result of employment on the reservation
- Income from a sole proprietorship (or ordinary income from partnerships or S corporations), to the extent it does business on the reservation
- Rent and royalty income from real property or personal property located on the reservation
- Farm income from a farm located on the reservation
- Dividend income from a corporation located on the reservation
- Net gain from the sale of real property and personal property sold on the reservation

If your client lives off the reservation, all federally taxable income is taxable to Minnesota and cannot be subtracted.

Important: If an American Indian is a Minnesota resident and is required to file a federal return, they must file a Minnesota return even if all or part of the income is exempt.

Minnesota Chippewa Tribe members in these bands can exclude income regardless of which reservations they live and work on.

- Mille Lacs (including Hinckley)
- Nett Lake (Bois Forte)
- Fond du Lac
- Leech Lake
- White Earth

- Grand Portage

The Red Lake Band, although Chippewa, is not a member of the Minnesota Chippewa Tribe. Red Lake members must live and work on the Red Lake Reservation in order to claim the subtraction.

American Indians' Eligibility for Credits

American Indians with exempt reservation income are eligible for the Child and Dependent Care Credit, Working Family Credit, and K-12 Education Credit.

An American Indian with exempt reservation income **must** determine the Child and Dependent Care Credit based on income taxable to Minnesota. You must multiply your client's credit amount (calculated using their income and number of qualifying individuals) by the percentage of their earned income taxable to Minnesota. If all their income is exempt from Minnesota income tax, they are not eligible for the Child and Dependent Care Credit. They may still be eligible for the Working Family and K-12 Education Credits.

American Indians **may not** refuse to take a subtraction for their exempt income to receive a larger refund.

The Working Family Credit is based on all income, including nontaxable income. It is not reduced based on the percentage of an American Indian's income that is not taxed by Minnesota.

Note: American Indians living on a reservation who pay real estate taxes on their home are eligible to claim the property tax refund if they meet all other qualifications. This is true even if all their income is exempt from Minnesota income tax.

✓ **Federal Active-Duty Military Pay Received for Services Performed While a Minnesota Resident (Line 20, Schedule M1M)** requires Military certification

Minnesota residents serving in the United States or United Nations Armed Forces (Army, Navy, Air Force, and Marines) may subtract their federally taxable U.S. Code, Title 10 active duty pay.

Note: Combat pay and hazardous duty pay are not federally taxable and cannot be subtracted.

✓ **Minnesota National Guard Members and Reservists (Line 21, Schedule M1M)** Requires Military certification MN>Subtractions>National Guard/Reservists

Your clients may subtract federally taxable income earned for service in the Minnesota National Guard or Reserves. This includes income received under U.S. Code, Title 10 and 32, such as:

- Annual training
- Drill weekends
- State or federal active service for natural disaster emergency response
- Called to state active service in aid of state civil authority or in case of actual or threatened public disaster, war, riot, tumult, breach of the peace, or resistance of process
- Missing person searches
- Airport security duty
- Active-duty Operational Support (ADOS)
- Re-enlistment bonuses
- Tuition and student loan payments
- Compensation for serving while assigned to Active Guard Reserves (AGR)

If you have clients who are National Guard dual-status military technicians, they may qualify for this subtraction if:

- They are a member of the National Guard.
- They received paid compensation for Service or duty under U.S. Code, Title 32 (1983), and travel to or from that service or duty. If their regular/civilian pay portion does not fall under title 32, it would not qualify for the subtraction.

Important: The National Guard was called to State Active Duty (SAD) several times in 2021. Guard members will receive a unique Form W-2 from MMB for this SAD compensation. SAD compensation will not be reflected on the W-2 from the Defense Finance and Accounting Services (DFAS).

*MN>Subtractions>Active Duty Military Pay
(requires Military certification)*

✓ **Active-Duty Residents of Another State (Line 22, Schedule M1M)**

Enter your clients' federal active service military pay to the extent their income is federally taxed. **Do not** include military pensions.

✓ **Organ Donor (Line 23, Schedule M1M)**

To qualify for this subtraction, all of these must be true:

MN>Subtractions>Expenses related to Human Organ Donation

- Your client, their spouse (if filing a joint return), or their dependent made the donation
- The donor made a living donation to another person of all or part of a liver, pancreas, kidney, intestine, lung, or bone marrow
- Your client or the donor did not receive reimbursement for travel, lodging, or lost wages net of sick pay

Enter unreimbursed expenses for travel, lodging, and lost wages net of sick pay. The subtraction is equal to your clients' actual expenses or \$10,000, whichever is less.

✓ **Volunteer Mileage Reimbursement (Line 24, Schedule M1M)**

*Volunteer must make this calculation using the worksheet and enter the dollar amount in
MN>Subtractions from Income*

If your client received mileage reimbursement in volunteer service for an organization eligible for a charitable contribution under Internal Revenue Code section 170(c), they may subtract the amount they received which exceeded the 14 cent per mile volunteer mileage rate. There is a maximum of 56 cents per mile for 2021. Complete the [worksheet for Line 24](#) to determine the subtraction amount.

✓ **Military Pension or Other Military Retirement Pay (Line 25, Schedule M1M)**

If your clients receive certain types of military pensions or other retirement pay, they may subtract these amounts from their Minnesota taxable income. To qualify for the subtraction, the retirement pay must be:

- Taxable on the federal return
- Computed under U.S. Code Title 10, sections 1401 to 1414, 1447 to 1455, or 12733

The sections of Title 10 that qualify for the subtraction and identify military pensions or retirement pay received include:

*MN>Subtractions>Military Pension
This income IS part of Household
Income to be included on M1PR line 5.
See also [Military Tip-Sheet](#)*

- Service in the active-duty component of the military (sections 1401-1414)
- Survivor benefit plan payments (sections 1447-1455)
- Retirement Pay for service in the reserve component (section 12733)

Income that qualifies for this subtraction is generally reported on federal Form 1099-R issued by the Department of Defense (DoD or DFAS).

Caution: DFAS also reports for civilian pensions. Be sure the taxpayer is receiving military pension

If your clients claim this subtraction, they may not claim the nonrefundable Credit for Past Military Service on Schedule M1C, *Other Nonrefundable Credits*.

To determine whether the subtraction will be more beneficial than the nonrefundable credit, use this table:

If	And	Then
Your clients received a military pension or other military retirement pay that qualifies for this subtraction	Their federal adjusted gross income is \$37,500 or more (review federal Form 1040, line 1)	The subtraction will provide a greater benefit. subtraction is always the better choice
Your clients received a military pension or other military retirement pay that qualifies for this subtraction	Their federal taxable income is less than their qualifying military pension or retirement pay (review Form M1, line D)	Generally, the subtraction will provide an equal or greater benefit. Subtraction is usually the better choice, but check
Your clients received a military pension or other military retirement pay that qualifies for this subtraction	They received \$14,018 or more in qualifying military pension or retirement pay	Generally, the subtraction will provide an equal or greater benefit. Subtraction is usually the better choice, but check

✓ **Post-Service Education Awards Received for Service in an AmeriCorps National Service Program (Line 26, Schedule M1M)** [MN>Subtractions>Post service...Americorps](#)

Enter the post-service education award, such as tuition reimbursement or student loan payments, received from the federal government and included in federal adjusted gross income for service in the AmeriCorps program. Do not include your clients' stipend while working in the program.

If your client's education award was used to repay a student loan, deduct the student loan interest on line 21 of federal Schedule 1. You must reduce the subtraction by the interest attributable to the award.

✓ **Subtraction for Interest Earned from a Designated First-Time Homebuyer Savings Account (Line 27, Schedule M1M) (Schedule M1HOME)** [MN>Subtractions>First-time Homebuyer](#)

If your clients opened and contributed to a designated first-time homebuyer's account since 2017, they may be eligible to subtract the interest and dividends earned on the account. Complete Schedule M1HOME, *First-Time Homebuyer Savings Account*, to determine the subtraction amount.

✗ **Subtraction for Discharge of Indebtedness of Educational Loans (Line 28, Schedule M1M)**

If your clients had a qualifying education loan forgiven following the completion of a federal income-driven repayment plan, enter the amount of debt discharged and included in federal adjusted gross income.

Income-driven plans are a different sort of loan forgiveness from the Federal loans forgiven under ARPA

Federally taxable student loan forgiveness is out of scope. Therefore this is out of scope.

✗ **Line 11 (Form M1, Page 2): Alternative Minimum Tax (Schedule M1MT)** out of scope

Refer your clients to a paid preparer.

Line 13a and 13b (Form M1, Page 2)

✓ **Part-Year Residents and Nonresidents (Schedule M1NR)** choose Part-year or Nonresident status when first choosing to add the state module in TSO.

Enter the amount from line 32 of Schedule M1NR, *Nonresidents/Part-Year Residents*, on line 13 of Form M1. Enter the amount from line 28 of Schedule M1NR on line 13a of Form M1 and the amount from line 29 of Schedule M1NR on line 13b of Form M1.

Generally, Minnesota defines residency according to two rules:

- The 183-day rule
- Domicile (the place your clients intend to make their home permanently or for an unspecified period)

The 183-Day Rule

If your client is a resident of another state, they may be required to file a Minnesota income tax return as a Minnesota resident if both of these conditions applied:

- Your client spent at least 183 days in Minnesota during the year (any part of a day counts as a full day)
- Your client or their spouse owned, rented, occupied, or maintained an abode (a residence in Minnesota suitable for year-round use and equipped with its own cooking and bathing facilities)

Applying the 183-Day Rule

- If **conditions 1 and 2** applied to your client, they are considered a Minnesota resident for the days that the second condition applies.
 - If the second condition applied for the entire year, your client is considered a **full-year Minnesota** resident for tax purposes.
 - If the second condition applied for less than the full year, your client is considered a **part-year resident** for tax purposes and must file Form M1 along with Schedule M1NR.
- If **neither 1 nor 2** applies, then your client is a nonresident of Minnesota for tax purposes under the 183-day rule. Your client must file a Minnesota income tax return (Form M1 along with Schedule M1NR) if they meet Minnesota's filing requirements.
- If your clients do not meet the 183-day rule, they may be considered Minnesota residents for tax purposes under the domicile rules. Refer these clients to a paid preparer.

If your clients are not required to file a 2021 Minnesota income tax return but had Minnesota tax withheld or made Minnesota estimated tax payments, they must file a Minnesota income tax return to receive a refund.

Nonresidents and Part-year Residents Filing Requirements

Follow these steps to determine if a Minnesota nonresident or part-year resident must file:

1. Calculate clients' total income from all sources (including non-Minnesota sources) **while a Minnesota resident**.
2. Calculate clients' total income received **while a Minnesota nonresident**, including:
 - Wages, salaries, fees, commissions, tips, and bonuses for work done in Minnesota
 - Gross rents and royalties received from Minnesota property
 - Gains from the sale of land or other tangible property in Minnesota
 - Gross income from a business or profession conducted partly or entirely in Minnesota
 - Gross winnings from gambling in Minnesota
 - Gain from sale of goodwill or income from a non-compete agreement connected with a business operating in Minnesota

- Combine the totals from steps 1 and 2. If the total is \$12,525 or more, they must file Form M1 and Schedule M1NR. If the amount was less than \$12,525 – but your clients had amounts withheld or paid estimated tax, or qualify for certain Minnesota refundable credits – they must file Form M1 and Schedule M1NR to receive a refund.

Minnesota Source Income

Income is Minnesota source income if it is assignable to Minnesota. Assignability is determined by the type of income and your clients' residency status. All of a part-year resident's income is assignable to Minnesota during their period of residency in Minnesota.

choose Part-year or Nonresident status when starting a MN return in TSO. Bogart tools has a Part-Year calculator that can be useful in splitting amounts to determine Minnesota allocations. Be aware that it is written for Colorado taxes specifically and some adjustments will not apply to MN.

How Minnesota Taxes Nonresident Income

Type of Income	Taxable to Minnesota?
Wages, salaries, tips, commissions, bonuses, severance pay, annual leave, stock options	Yes, for services performed or income earned in Minnesota
Interest, dividends	No
State refunds, alimony received, unemployment compensation	No
Capital Gains and losses from the sale of tangible assets not used in a trade or business	Yes, for property located in Minnesota
Covenant not to compete, goodwill	Generally, yes
Qualified pensions, IRA distributions, annuities, deferred compensation plans	No
Gain on the sale of a partnership interest	Yes, for partnerships located in Minnesota
Business income from a sole proprietorship	Yes, to the extent activities are conducted in Minnesota
Nonqualified plans (such as stock options)	Yes, if earned in Minnesota
Rent and Royalty income	Yes, for property located in Minnesota
Installment sales	Yes, if the capital assets were located in Minnesota, but only the gain on the sale was assigned to Minnesota, not the interest
Like-kind exchanges	No
Partnership, S Corporation income or loss	Yes, to the extent the activities were conducted in Minnesota
Farm Income or loss	Yes, to the extent activities were conducted in Minnesota
Social Security Income	No
Other Income	Yes, if earned in Minnesota (including gambling winnings)

Nonresidents and part-year residents must complete Schedule M1NR, *Nonresidents/Part-Year Residents*. This schedule determines the amounts of income, losses, and expenses reported federally that are from working or other sources in Minnesota.

M1NR Examples

Moving to Minnesota

- Thomas is single and moves to Minnesota from Washington. He earned half of his income in Washington and the rest in Minnesota. Thomas files Form M1 and Schedule M1NR. On Schedule M1NR, column B, Thomas includes:
 - Income earned after he becomes a Minnesota resident
 - Income earned as a nonresident prior to moving to Minnesota, if assignable to Minnesota

Military

- Susie is a single Pennsylvania resident serving in Minnesota with the military. She has a W-2 showing income from the U.S. Army. Since Minnesota will not tax her income received from military service, Susie does not need to file a Minnesota return.
- Derek is a Minnesota resident serving in Illinois with the military. Unless he takes the necessary steps to change his state of residency, Derek remains a Minnesota resident and will not file Schedule M1NR. He will file Schedule M1M to claim a subtraction for his active-duty military pay.
- Brad and Sara file a joint federal return, so they must file a joint Minnesota return. Brad is a nonresident serving in Minnesota with the military, and his only income is military pay. Sara is a part-year Minnesota resident. They will file a Form M1 and Schedules M1M and M1NR. Their joint income must be listed in column A on Schedule M1NR. Only Sara's Minnesota source income must be listed in Column B on Schedule M1NR.

Nonresident Alien

- David is a nonresident alien who lived in Minnesota the entire tax year. He files Form M1 as a full-year resident.

✗ **Line 14 (Form M1, Page 2): Other Taxes (Schedules M1HOME, M1529, and M1LS)**

Additional taxes may be required if your client received a lump-sum distribution from a certain qualified plan and filed a federal Form 4972, withdrew funds from a first-time homebuyer or 529 accounts, and did not use those withdrawn funds for their respective qualified expenses.

these make the return out of scope

- M1HOME: If your clients had an addition to income on line 8 of Schedule M1HOME, they must pay a recapture tax equal to 10% of the addition.
- M1529: If a withdrawal from a qualified account is used for anything other than to pay for qualified higher education expenses (such as K-12 tuition expenses), the account owner must pay additional state tax on:
 - The amount of the distribution
 - Amounts previously claimed as a subtraction or credit

Refer your clients to a paid preparer if they have tax on a lump-sum distribution.

Line 16 (Form M1, Page 2) Other Nonrefundable Credits (Schedule M1C)

✓ **Marriage Credit (Line 1, Schedule M1C) (Schedule M1MA)** *Automatic in TSO*

When both spouses have taxable earned income, pension, or Social Security income on a joint return, they may qualify for the Marriage Credit. To be eligible, your clients' Minnesota taxable income on line 9 of Form M1 must

be at least \$40,000 and the lesser-earning spouse's income must be at least \$26,000. Complete Schedule M1MA and fill in the credit amount on line of Schedule M1C.

Note: For the Marriage Credit, wages, self-employment income, taxable pensions, taxable IRA distributions, and taxable Social Security are earned income. Railroad retirement is not taxable income to Minnesota and is not earned income.

MN>Credits>Long Term Care Insurance
requires insurance company name and policy
number for each spouse that is covered

✓ **Credit for Long-Term Care Insurance Premiums Paid (Line 2, Schedule M1C) (Schedule M1LTI)**

If your clients paid qualifying long-term care insurance premiums, they should complete Schedule M1LTI to claim a nonrefundable credit of up to \$100 (\$200 for married couples filing jointly).

Federal>Deductions>Itemized Deductions>Medical:
Long Term Care Insurance (limits on amount eligible)

✓ **Credit for Taxes Paid to Another State (Line 3, Schedule M1C) (Schedules M1CR and M1RCR)**

Minnesota taxes all the income of a Minnesota resident, regardless of where it is earned. Other states or a Canadian province may also tax this income. To prevent double taxation, your clients may file Schedule M1CR, *Credit for Income Tax Paid to Another State*, or Schedule M1RCR, *Credit for Tax Paid to Wisconsin*, if they are Minnesota residents.

MN>Credits>Credit for Taxes Paid to Another State

Note: These credits are not available for taxes paid to the government of a city, county, or foreign country.

Your client may be a resident of another state but are also a Minnesota resident for income tax purposes because of the 183-day rule discussed on page 32. If this applies, your client can file Schedule M1CR only if the other state does not allow them a credit for taxes paid to Minnesota. Your client must submit documentation from the other state showing that the other state will not grant the credit.

You must complete Schedule M1CR for **each** state that your clients are eligible to receive the credit. The amount claimed for the credit should match the tax amount from the other state's return.

Do not use Schedule M1CR to report taxes paid to Wisconsin. Instead, use Schedule M1RCR.

There is a special entry for Wisconsin
in MN>Credits>Credit for Taxes Paid to
Another State

Important: You must complete the other state's return before Schedules M1CR or M1RCR can be completed.

✓ **Credit for Past Military Service (Line 4, Schedule M1C)**

MN>Credits>Credit for Past Military Service see also Military Subtraction pg 30

If your clients are U.S. military veterans, including the National Guard and Reserves, they may qualify for a tax credit of up to \$750 for their past service.

To qualify, your clients must have separated from military service before the end of the year, have adjusted gross income under \$37,500, have not claimed a subtraction on line 25 of Schedule M1M, and at least one of these applies:

- They served at least 20 years in the military
- They were honorably discharged and receive a military pension or other retirement pay for their service in the military
- They have a service-related disability rating of 100% total and permanent (as rated by the U.S. Department of Veterans' Affairs)

To determine the amount of the credit, complete the worksheet in the Schedule M1C instructions.

✗ **Lines 5 and 6 (Schedule M1C)**

Refer your clients to a paid preparer if they have either:

- Employer Transit Pass Credit
- SEED Capital Investment Credit

MN>Credits>Education Savings Acct - see also Subtraction Any K-12 distributions that do not qualify as a subtraction make this Out of Scope (Distributions not used to pay qualified higher education expenses)

✓ **Education Savings Account Contribution Credit (Line 7, Schedule M1C) (Schedule M1529)**

Your clients are not eligible for this credit if they claim the Education Savings Account Subtraction.

If your clients contributed to a qualified education savings account in 2021, they may be eligible for a nonrefundable credit. Complete Schedule M1529, *Education Savings Account Contribution Credit or Subtraction*, and enter the credit on line 7 of Schedule M1C.

To complete Schedule M1529, your clients will need to report the financial institution, account number, and contribution amount for each qualified education savings account they contributed to. They will also need to report the total distributions from qualified education savings accounts they contributed to.

Contributions to any qualifying account under Internal Revenue Code, Section 529, are eligible regardless of which state administers the plan. The beneficiary of the account does not need to be your clients' dependent.

✓ **Credit for Attaining Master's Degree in Teacher's Licensure Field (Line 8, Schedule M1C) (Schedule M1CMD)**

If your client is a licensed Minnesota teacher who completed a master's degree program during 2021, they may be eligible for a nonrefundable credit up to \$2,500.

Your clients may qualify for this credit if all of these apply:

MN>Credits>Credit for Attaining Masters... follow the rules below

- They began a Master of Arts or science degree program after June 30, 2017
- Their master's degree program did not include pedagogy or a pedagogy component; pedagogy is the method and practice of teaching
- They completed the master's degree program in 2021 in a core content area directly related to their licensure field (reading, English or language arts, mathematics, science, foreign languages, civics and government, economics, arts, history, or geography)
- They held a Minnesota teaching license issued by the Minnesota Department of Education when they began and completed the master's degree program
- They paid for tuition, fees, books, or instructional materials for their master's degree program

Nonresidents or part-year residents may be eligible for this credit based on their percentage of earned income that is taxable to Minnesota.

Your clients may only claim the credit once per qualifying degree. They must save detailed records of payments for tuition and required fees, books, and instructional materials in order to claim the credit. To complete Schedule M1CMD, you will need their teaching license number, the total amount your clients paid toward the master's degree program and their total amount of scholarships and employer reimbursements received.

If your clients complete more than one qualifying master's degree program per year, they must complete a separate Schedule M1CMD for each program completed.

Complete Schedule M1CMD and enter the credit on line 8 of Schedule M1C.

✓ **Student Loan Credit (Line 9, Schedule M1C) (Schedule M1SLC)**

Your clients may be eligible for a nonrefundable credit up to \$500 if:

MN>Credits>Student Loan Credit limited with \$5000 max original loan amount. Requires total amount paid (interest + principal). Income limits apply.

- They are full- or part-year Minnesota residents
- They made eligible loan payments (on principal or interest) on their own qualified education loans during the year
- They had taxable earned income

For married couples, each spouse may be eligible for this credit

When calculating this credit, your clients may not include payments on education loans used to pay for someone else's education. For example, a parent making payments towards their child's education loans may not include those payments. This is true regardless of who took out the original loan. Your clients are only eligible for this credit based on payments they made towards loans used for their own education.

Complete Schedule M1SLC, *Student Loan Credit*, and enter the credit from the schedule on line 9 of Schedule M1C. Include both schedules with the return.

✓ **Line 18 (Form M1, Page 2) Nongame Wildlife Fund Contribution**

MN>Contributions. You can also select this contribution in the M1PR instead.

Your clients can donate to help conserve and protect Minnesota's nongame wildlife. The Minnesota Nongame Wildlife Program uses this amount to help wildlife species that are not hunted or harvested.

A donation on this line **will decrease your clients' refund or increase their amount owed.**

Payments

✓ **Line 20 (Form M1, Page 2) Minnesota Income Tax Withheld (Schedule M1W)**

If your clients have wages from more than one employer, they should have a federal Form W-2 from each employer. Your clients should also report Minnesota withholding on federal Form W-2G (gambling winnings) in the 1099 section on Schedule M1W.

Report only W-2s and 1099s showing Minnesota income tax withheld on Schedule M1W.

Note: Do not send in Forms W-2, 1099, or W-2G. Your clients should keep these with their tax records.

Read your clients' Forms W-2 and 1099 carefully. Do not include amounts withheld for other states, federal tax, FICA tax, city taxes, or other amounts.

✓ **Line 21 (Form M1, Page 2) Minnesota Estimated Tax and Extension Payments Made for 2021**

Carries here from Federal if on any tax form entered there.
If estimated taxes are paid enter in *Federal>Payments and Estimates*

Enter the total amount of estimated payments your clients made to Minnesota for tax year 2021. Include any 2020 refund credited to 2021 estimated tax.

For information about making estimated payments, see page 65.

Refundable Credits

Line 22 (Form M1, Page 2) (Schedule M1REF)

Complete Schedule M1REF, *Refundable Credits*, if your clients are claiming any refundable credits.

✓ **Child and Dependent Care Credit (Line 1, Schedule M1REF) (Schedule M1CD)**

Child Care credit information will flow here from the Federal. Enter other types directly in MN>Credits>Child and Dependent Care Enter any non-taxable income that applies here also.

To claim this refundable credit, all of these must apply:

- Your client’s filing status is not Married Filing Separately, unless you meet the requirements listed in the instructions under “Married Persons Filing Separately” in the Schedule M1CD instructions
- A qualifying person lived with your client for more than half of the year
- Your client’s federal adjusted gross income plus most nontaxable income is less than \$65,630 with one qualifying person, or less than \$77,630 with two or more qualifying persons

Also, at least one of these must apply to your client:

- They paid someone (other than their dependent child or stepchild younger than age 19) to care for a qualifying child under age 13, disabled spouse, or disabled dependent so they could work or look for work.
- They are a licensed family day care operator caring for their own dependent child who had not reached age six by the end of the year. (See **Licensed Family Day Care Operators.**) MN>Credits>Child and Dependent Care
- If they are married and filing a joint return, they had a child or adopted child born in the tax year and did not participate in a pre-tax dependent care assistance program. (See **Child Born During 2021.**) MN>Credits>Child and Dependent Care

When determining if your clients’ child qualifies as a dependent, you do not have to include payments from programs or other public assistance payments made to, or on behalf of, the child. For the Minnesota credit, a child may be a dependent even though that child does not qualify as a dependent for the federal credit due to program benefits received.

The Minnesota credit is **refundable**. This means that your clients can receive a refund even if they do not need to file a return or do not have a tax liability.

Part-year residents, nonresidents, and American Indians living on a reservation may also be eligible for this credit based on the percentage of their earned income taxable to Minnesota.

✓ **Licensed Family Day Care Operators**

MN>Credits>Child and Dependent Care

If your client operates a licensed family day care home, they can claim the credit for care of their own child if the child is less than 6 years old at the end of 2021.

If the child is 16 months or younger at the end of 2021, the credit is based on \$3,000 of qualifying expenses (\$6,000 if there are two or more children age 16 months or younger). If a child is over 16 months but under 6 years old, the credit is based on the amount your client would charge to care for a child of the same age for the same number of hours (up to the maximum amount of \$3,000 per qualifying child).

To correctly determine the credit, complete Schedule M1CD using your clients’ qualifying expense amounts instead of expenses actually paid. Be sure to check the box on the front of Schedule M1CD if this situation applies.

✓ **Child Born During 2021**

MN>Credits>Child and Dependent Care. This is NOT automatic in TSO from federal based on the dependent date of birth.

Married couples filing a joint return may qualify for this credit if all of these are true:

- They had a child or an adopted child born in 2021
- They are not participating in a pretax dependent care assistance program (generally through an employer, with benefits listed in box 10 of Form W-2)

- One spouse had earned income

They may be eligible even without any actual childcare expenses.

The credit is based on \$3,000 of qualifying expenses (even if their actual expenses are less) or the couple’s combined earned income, whichever is less. In the case of multiple births in the tax year, the couple’s credit is the lesser of \$6,000 or their combined earned income.

✓ **Minnesota Working Family Credit (Line 2, Schedule M1REF) (Schedule M1WFC)**

automatic in TSO

A client may be eligible for the Minnesota Working Family Credit if all of these are true:

- They were a full-year or part-year resident of Minnesota in 2021
- They meet the income requirements in the table below based on their filing status and number of qualifying children
- The IRS has not restricted them from claiming the federal Earned Income Credit (EIC)
- They are not a dependent of another person
- They are not a qualifying child of another taxpayer

Number of Qualifying Children	Filing Status	Income Limit
None (if age at end of taxable year at least 19 but under 65)	Married Filing Jointly	\$29,100
	All other filing statuses	\$23,100
One	Married Filing Jointly	\$48,400
	All other filing statuses	\$42,400
Two	Married Filing Jointly	\$54,700
	All other filing statuses	\$48,700
Three or more	Married Filing Jointly	\$58,400
	All other filing statuses	\$52,400

To determine the allowable Working Family Credit, see the Schedule M1WFC instructions.

Enrolled members of an American Indian reservation who live and work on the reservation must include their nontaxable income when calculating the Working Family Credit.

Federal Earned Income Credit Qualification Information

Review your clients' Social Security cards to see if they qualify for the Earned Income Credit.

If your client has	Then
A Social Security card	They may qualify for the Earned Income Credit
A Social Security card that reads "VALID FOR WORK ONLY WITH INS AUTHORIZATION"	
A Social Security card that reads "VALID FOR WORK ONLY WITH DHS AUTHORIZATION"	
A Social Security card that reads "NOT VALID FOR EMPLOYMENT"	They do not qualify for the Earned Income Credit

See also K-12 [Subtraction](#). Refer to MN fact sheets [8](#) & [8a](#) for allowable expenses. Taxpayer MUST keep receipts

✓ Minnesota K-12 Education Credit (Line 3, Schedule M1REF) (Schedule M1ED)

To claim this refundable credit, all of these must apply:

K-12 Credit is based on Household Income, K-12 Subtraction is not. Welfare & VA incomes are entered in the K-12 Credit screen. Enter other additional Household Income in MN>Additional Nontaxable Income

- Your client's "household income" (federal adjusted gross income plus most nontaxable income) must meet limits based on their number of qualifying children in grades K-12
- Your client's filing status is not Married Filing Separately
- Your client's child must be a "qualifying child" as defined for purposes of the federal Earned Income Credit
- The qualifying children must be enrolled in grades K-12 and attend a public, private, or qualifying home school
- Your client must have paid expenses for helping a child improve or expand their knowledge and skills of subjects normally taught in grades K-12 of public schools

Part-year and nonresidents may be eligible for a prorated credit based on income taxable to Minnesota.

You can find a list of qualifying expenses in the Form M1 instructions or Income Tax Fact Sheet 8 -- *K-12 Education Subtraction and Credit*.

Limit on Qualifying Expenses

The maximum K-12 Education Credit is \$1,000 per qualifying child. Your clients' credit is reduced when household income is more than \$33,500. (See the Worksheet for Line 17 of Schedule M1ED.)

Note: Your clients cannot use the remaining 25% of qualifying expenses (not allowed as a credit) to claim the subtraction. They may claim a subtraction for any additional qualifying expenses.

Example 1. One child's expenses = \$800

The amount that will be claimed for the credit is 75% of the total expenses, \$600. ($\$800 \times .75 = \600) Your client cannot use the \$200 that was not allowed as a credit to claim the subtraction.

Example 2. One child's expenses = \$2,100

The definition of a qualifying child is the same for both the credit and the subtraction. The requirements for the qualifying child are the same as those for a qualifying person for the Federal Earned Income Credit. These include the following (in addition to others): * meet relationship test: child, descendent, sibling, niece, or nephew, * meet residency test: lived with taxpayer for more than half the year, and * must have SSN which is valid for employment. The Bogart dependency tool can assist with this.

To get the maximum credit of \$1,000 for one child, use \$1,333 of expenses x .75 (75 percent) = \$999.75, rounded to \$1,000. Your clients may use the remainder of expenses (\$767) to claim the education subtraction. They cannot use \$333 to claim the subtraction.

Limit on Computer Hardware and Educational Software

Your clients can claim up to \$200 for computer hardware and educational software **per family** for the K-12 Education Credit. They may also claim an additional \$200 subtraction per family for any additional qualifying computer hardware and educational software expenses.

Household Income Limit

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

If the number of qualifying children in K-12 is:	Household income must be less than:
1 or 2	\$37,500
3	\$39,500
More than 3	\$39,500 plus \$2,000 for each additional child

Be aware of income limits - if TP does not qualify for Credit use the Subtraction for expenses that qualify.

Year of Payment

Your clients’ expenses qualify in the tax year that they made the payment, not the year the educational service occurred or the year they received the material. The only exception is if the seller financed the purchase. In this case, each payment made to the seller during the tax year may qualify.

✓ **Credit for Parents of Stillborn Children (Line 4, Schedule M1REF) (Schedule M1PSC)**

MN>Credits>Credit for Parents of Stillborn Children

Parents who experience the stillbirth of a child in Minnesota may be eligible for a refundable credit of \$2,000.

Your clients may qualify for this credit if:

- They experienced the stillbirth of a child during the tax year after 20 weeks of gestation
- They received a Certificate of Birth Resulting in Stillbirth from the Minnesota Department of Health, Office of Vital Records
- They would have claimed the child as a dependent if the child had been born alive

If your clients experienced more than one stillbirth in the tax year, they will need to complete a separate Schedule M1PSC for each stillborn child.

✗ **Refundable Credit for Taxes Paid to Wisconsin (Line 5, Schedule M1REF) (Schedule M1RCR)**

Out of scope unless preparer is certified in MN and WI

If your client is a Minnesota resident who works in Wisconsin, they may be eligible for this credit if all of these are true:

- They were domiciled (lived permanently) in Minnesota for all or part of 2021
- They incurred 2021 income tax for Minnesota and for Wisconsin on the same income
- They filed a 2021 Wisconsin Form 1NPR

Part-year residents of Minnesota may also be eligible, but they must have been a Minnesota resident when they received the income taxed by both states.

To complete Schedule M1RCR, *Credit for Tax Paid to Wisconsin*, you will need to identify the adjusted gross income your clients received while a Minnesota resident. Of that amount, you will need to determine the income taxed by Wisconsin.

You will report amounts from Schedule M1RCR on both Form M1 and Schedule M1REF.

Do not use Schedule M1CR to report taxes paid to Wisconsin.

✓ **Line 24 (Form M1, Page 2) Refund**

see also [Filing on Behalf of a Deceased Person](#)

If your clients have a refund, check to see if they have a bank account to direct deposit the refund.

✓ **Line 25 (Form M1, Page 2) Direct Deposit**

For direct deposit of the full refund amount on line 24, fill in the:

- Account type (checking or savings)
- Routing number
- Account number

Enter deposit information in the E-File section of TSO

This is the safest and most secure way for your clients to receive their refund.

Note: Your clients' bank account must not be associated with a foreign bank.

If your clients wish to direct deposit the refund into a savings account, have them verify the routing and account numbers. The numbers on savings account deposit slips are not always complete.

Note: We will only deposit up to five Minnesota tax refunds into a single bank account or debit card.

✓ **Line 26 (Form M1, Page 2) Amount You Owe**

Enter in E-File section of TSO

You can find payment information for a balance due on page 64.

✓ **Line 27 (Form M1, Page 2) Underpayment of Estimated Tax Penalty (Schedule M15)**

Your clients are not subject to the underpayment penalty if any of these apply:

- Tax due with the income tax return is less than \$500 (after subtracting withholding and credits)
- Withholding, refundable credits, and required, timely estimated tax payments equal 90% of their current-year tax liability
- Withholding, refundable credits, and required, timely estimated tax payments equal 100% of their prior-year tax liability (or 110%, if last year's adjusted gross income was more than \$150,000)
 - Part-year and nonresidents must have had at least \$1 in Minnesota tax liability on their prior year return to use this clause
- Your client was a full-year resident of Minnesota in 2021 with no Minnesota liability that year
- Your client retired after reaching age 62 or became disabled in 2020 or 2021 and the underpayment was due to reasonable cause
- They meet the IRS exceptions to the penalty; in this case, attach a copy of federal request to Form M1, and do not file Schedule M15

If your clients are subject to the underpayment penalty, discuss how they can either make estimated payments or increase their withholding to avoid the penalty next year.

Line 28 (Form M1, Page 2)

Enter the amount from line 24 that your clients want sent to them.

Line 29 (Form M1, Page 2)

MN>Payments

Only complete this line if your clients want all of part of their refund applied to next year's estimated tax. Enter the amount from line 24 that your clients want applied to their 2022 estimated tax.

Once your clients apply this amount to next year, they cannot change their mind and have the money refunded to them. They must file a 2022 Minnesota income tax return to get a refund.

Individual Income Tax Wrap-Up

Signatures

Your clients (and spouses if filing jointly) must sign and date the return on the back of the form. They should also list a daytime phone number in case we have questions about their return.

- Volunteers **do not** sign the return
- The site number consists of "S" followed by an 8-digit number, which will automatically populate in the boxes at the bottom of the return

Note: Do **not** check the box at the bottom of Form M1 authorizing a tax preparer to discuss filed returns with us. It is only for paid preparers, not volunteers.

Quality Review

Once a volunteer completes the return, it **must** go through the proper quality review process. Pay special attention to common filing errors. Here are some important items to check.

Important: Your clients' returns may be delayed if you do not check for these errors ahead of time.

General

- The last name for the clients and all dependents matches their Social Security cards or ITIN letter.
- Double-check bank routing and account numbers used on tax forms.
- The employers' Minnesota Tax ID Number and Minnesota withholding amounts are correct.
- Confirm the amount of estimated taxes your clients are claiming. Do not assume your clients paid what they were told to pay.
- If you carried forward your clients' prior year refunds to the current year, ask them if we adjusted this refund. If so, our adjustment may affect the refund carried forward to the current year. Our adjustment notice would indicate if the changes affected the refund carried forward.
- When using software to prepare a paper return, make sure your client's Social Security Number is **not** masked on the return. This is especially important if the return contains [Schedule M1WFC, Minnesota Working Family Credit](#).

Credits and Subtractions

- Confirm that clients qualify for the K-12 Education Credit, if appropriate.

- Confirm that clients qualify for the Child and Dependent Care Credit, if appropriate.
- Check the box for child born in 2021 on the Child and Dependent Care Credit, if appropriate.
- When claiming the Credit for Income Tax Paid to Another State (Schedule M1CR), include the income taxed by the other state in Minnesota source income on [Schedule M1NR, Nonresidents/Part-Year Residents](#).
- To learn more about who qualifies for the federal Earned Income Credit, review [federal Form 8867](#).
- When claiming the Alternative Minimum Tax Credit ([Schedule M1MTC](#)), complete [Schedule M1MT, Alternative Minimum Tax](#), and Schedule M1MTC for every taxable year since your client paid alternative minimum tax.
- The subtraction for military pay should not be more than the total military pay. Do not subtract National Guard pay and then subtract it again as federal active duty pay.

Schedules and Forms

- When Form M1 has amounts coming from a Minnesota schedule, attach the schedule or include it with the electronic return.
- On [Schedule M1M, Income Additions and Subtractions](#), enter the amount on the correct line of the schedule. Do not enter notations, such as “see statement,” “other subtraction,” or “K1 subtraction.”

✓ Paper Filing

If you file a return by paper, do not staple or tape enclosures to the return. You may use a paperclip.

Place a copy of your clients’ federal return and schedules behind their Minnesota forms. Do not send copies of Forms W-2 and 1099 with the return. Have your clients keep them with their tax records.

Mail to:

Minnesota Individual Income Tax
Mail Station 0010
600 N. Robert St.
St. Paul, MN 55145-0010

Tax Return Acknowledgements and Error Rejection Codes

Software providers send an acknowledgement of acceptance as evidence of receiving and accepting your clients’ returns.

If a return is rejected, you’ll receive a rejection notice including the [Error Rejection Code \(ERC\)](#) explaining why the return was not accepted. Explanations of these error codes are located in the [Tax Professionals](#) section of our website.

For more information, go to www.revenue.state.mn.us and enter **ERCs** into the Search box or call our Electronic Filing Technical Support team at 651-556-4818.

Driver’s Licenses and State ID Cards

Minnesota does not require state driver’s license or state ID card information on income tax returns. This information does not affect return processing times.

Refund Timing and Direct Deposit

Check the status of your client's refund online using our [Where's My Refund?](#) system. Our system is updated overnight, Monday through Friday, and provides the most accurate and timely information available.

Each tax return is different. We review every return to verify the information on the return and take the time necessary to make sure the right refund goes to the right person.

Direct deposit is the easiest, most convenient, and most secure way for your clients to get their refunds.

We will only deposit up to five Minnesota Individual Income Tax refunds and five property tax refunds into a single bank account. The limitation may affect families who deposit parents' and children's refunds into a family bank account.

The limit applies to financial accounts such as bank checking or savings. If an account entered on a tax return exceeds this limit, we will send the refund as a paper check. We will send clients a letter if we make this change to their refund.

Note: We issue paper checks if a bank rejects the direct deposit information.

Extensions

There is no late filing penalty if your clients file by October 17, 2022. There is no form to request an extension for a Minnesota income tax return.

If your clients believe they will have a Minnesota balance due, but are unable to file their returns by April 18, 2022, they should make an extension tax payment by April 18, 2022, to avoid or minimize late payment penalties.

Members of the military have more extensions for filing and paying (see page 76 for details).

Return Verification Letters

When reviewing returns, we may take extra steps to protect an individual's identity. To confirm the identity on some returns filed, we may send your clients a letter asking them to verify their return before processing can continue.

The letter directs your clients to our website where they enter the last name on the tax return and a verification code provided in the letter. They also must indicate whether or not you filed the return we received.

The data entries for 2021 CRP and Home Owners with their 2022 Property Tax statement are made in *MN>Property Tax Refund>Minnesota Local Forms M1PR>*

1. If Taxpayer has welfare income or SSI income, enter that in *Enter your Total Household Income* first.
2. If Homeowner has co-occupant, enter that information there in *Co-Occupant Worksheet*
3. If taxpayer made a Roth IRA contribution enter *Additional Retirement Account Subtraction*

Then choose *Complete your Minnesota Property Tax Rebate>* answer question regarding is TP or spouse disabled (includes blind)

1. Homeowner: choose *Did you own your home on Jan 2, 2022* then complete the *PROPST* section
2. Renter: choose *Did you live in a rental unit for any part of 2021* then complete the *MN-CRP* section
3. Mobile Homeowner: choose *did you own and live in your mobile home on Jan 2, 2021* then complete BOTH the CRP and the PROPST sections
4. Nursing Home or Assisted Living: complete Nursing Home section **use caution here to ensure amounts are correct

Minnesota Property Tax Refund

This section covers Minnesota Form M1PR, *Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund*, and how to complete the form. This credit is more generally known as the property tax refund.

Form M1PR

See also MnTTT [TY21 MPR Worksheet](#)

General Qualifications

To qualify for a Homestead Credit Refund (for Homeowners) or a Renter's Property Tax Refund, your clients:

- Must be full- or part-year residents of Minnesota for the year
- Cannot be eligible to be claimed as a dependent by another individual

Your clients' eligibility is also based on household income and the rent paid or property taxes payable on a principal residence in Minnesota.

- **Renters.** Your clients' household income for 2021 must be less than \$64,920. The maximum refund is \$2,280
- **Homeowners.** Your clients' household income for 2021 must be less than \$119,790. The maximum refund is \$2,930.

Homestead Credit Refund Information

If your clients are homeowners, you will file Form M1PR using information from their Statement of Property Taxes Payable in 2022. The 2022 statement reflects the taxes levied in 2021 but payable in 2022.

Your clients' home or mobile home must be classified with the county as a "homestead." Properties classified as a "relative homestead" do not qualify.

A homeowner may also be eligible for a special property tax refund if their property tax increased by more than 12% from 2021 to 2022, the increase was at least \$100, and they owned and lived in the home on January 2, 2021, and January 2, 2022. There is no income limit for the special refund. The maximum special property tax refund is \$1,000.

Additional Homeowner Qualifications

- Your clients must own and occupy the home on January 2, 2022, with the exception of a temporary absence. Acceptable absences include medical issues, job assignments, or spending winter in a warmer location. Your clients must intend to return to Minnesota.
- Your clients' property must be classified as a homestead on the 2022 Statement of Property Taxes Payable or on an approved homestead application. Clients with ITINs are not eligible to file as a homeowner. Married clients may qualify if at least one spouse has a valid Social Security Number.
- Your clients cannot owe delinquent property tax on the homestead. If delinquent taxes are due on their property, your clients must have signed a Confession of Judgement with their county auditor and be current on payments.

Be sure you are using the 2022 statement from the county (usually issued after March 15, 2022 not the Proposed Tax statement)

Information on Property Tax Statement Differs from Form M1PR

The information on your clients' Statement of Property Taxes Payable in 2022 may differ from information on their Form M1PR. Here are some common differences and how to handle them.

- **The name on the tax statement is not your client's.**

Attach a note explaining the situation, such as:

- A contract for deed has the previous owner's name on it
- A life estate has a different name on it
- A multiple dwelling or joint ownership has a different name on it

- **Your client's current name or address is different from the statement because they sold the residence after January 2, 2022.**

Attach a note explaining the sale, and provide the date your client moved.

Note: If your clients owned and occupied the residence on January 2, 2022, they may claim the property tax refund based on all the taxes payable in 2022. This is true regardless of who paid the taxes.

- **The address on the tax statement is not the same as your client's.**

Attach an explanation, such as:

- The county still has an old address on record
- The mailing address for a refund is different from the property's address
- A city changed the address when rezoning

- **The line 1 property tax amount on the property tax statement differs from the line 19 amount on Form M1PR.**

Attach an explanation, such as:

- Your client lives in a multiple-unit dwelling. (They would only use the percentage owned and occupied; enclose a note explaining the percentage used.)
- The county made an error computing the line 1 property tax amount. (Enclose an explanation on county letterhead or obtain a new statement from the county.)
- Your client did not have the property homesteaded in time. (They must get a letter from the county stating that they were granted homestead status.)

Dwelling Owned by More than One Person

One or more people may occupy your clients' home. These situations can affect who may file for the refund and what should be included in household income. See the list of common scenarios below.

- **Two or more persons, who are not married, own and occupy a single-family dwelling.**
 - One of the owner-occupants files for a property tax refund using the total qualifying tax amount
 - Your client files the return including all the occupants' income in household income
- **Two or more persons own a single-family dwelling, but not all owners reside in it.**
 - The owners who do not reside in the unit do not qualify for the property tax refund
 - Only show the occupants' income
- **Two or more persons own and occupy separate sections of a multiple family dwelling.**
 - Each person who owns and occupies a unit in the multiple dwelling can file for a property tax refund, using their own income

- Your client must use a proportionate share of the tax on line 1 of the property tax statement to the percent of the dwelling owned and occupied by them (enclose an explanation).

Renter's Property Tax Refund Information

from *Complete your MN Property Tax Rebate* choose *Did you live in a rental unit*
READ the instructions on the screen and choose the correct response
 Complete the CRP section if a renter

- If your clients are renters, they must use the Certificate of Rent Paid (CRP) their landlord issued. They use the amount from line 3 of the CRP to file Form M1PR.
- If your clients have more than one CRP, you may add the line 3 amounts together if the CRPs do not cover more than twelve months. If your clients' CRPs have overlapping months, they must prorate the rent based on where they lived during those months.
- Landlords must give renters completed CRPs no later than January 31, 2022. If a unit has more than one renter, each renter receives a separate CRP splitting the rent equally between each adult. These renters will file separately using their own income and CRPs.

Each spouse and adult dependent will receive their own CRP. Add them together to make a single entry.

Businesses with e-Services accounts can generate CRPs electronically through our e-Services system. This feature allows users to create, print, and submit CRPs to the department. The Electronic Certificate Number (ECN) field automatically generates when using e-Services. If property owners and managing agents do not use e-Services to generate CRPs, this field will be blank. Generating and submitting CRPs in e-Services is optional.

● Additional Renter Qualifications:

- Your clients must have lived in a building on which the owner was assessed property tax or made payments in lieu of property taxes
- Your clients must have paid at least part of their rent from their own funds

Note: Individuals with Individual Taxpayer Identification Numbers (ITINs) can qualify for the Renter's Property Tax Refund.

Nursing home, adult foster care, or health care facility residents may be eligible for property tax refunds if they:

- Pay a portion of the rent from their own funds
- Live in the home as a **permanent** resident (not a temporary recuperative period)
- Reside in a home in which the owner is assessed property taxes or makes payments in lieu of property taxes

Important: These residents are **not eligible** for the refund if Medical Assistance or a supplemental assistance program pays their total rent. These programs may include SSI (Supplemental Security Income), MSA (Minnesota Supplemental Aid), or Minnesota Housing Support (formerly GRH, or Group Residential Housing).

Note: Dorms and nonprofit nursing homes do not qualify because neither is assessed property taxes.

Rent Paid Affidavit (RPA)

The Minnesota Department of Revenue may issue your clients a Rent Paid Affidavit (RPA) after March 1, 2022, if a landlord:

- Refuses to issue your client a CRP
- Issues a CRP showing incorrect information and refuses to correct it

If your clients are unable to get a CRP from their landlord by **March 1, 2022**, they should request an RPA by contacting us at 651-296-3781 or 1-800-652-9094. Your clients should make every attempt to obtain a correct CRP from their landlord **before** contacting us.

If your clients need an RPA, **they must have all this information before calling:**

- Landlord's name, address, and phone number
- Rental unit address
- County the property is in
- Renter's Social Security Number or ITIN
- Renter's name and current address
- Spouse's name and Social Security Number or ITIN (if applicable)
- Renter's daytime phone number
- Dates rented
- Number of adult renters in the unit
- Whether or not the rent was subsidized (Section 8, HUD, etc.)
- Amount of rent paid per month

If your clients include an RPA to file their return, they **must** provide proof of rent payments (cancelled checks or receipts).

Filing Situations for the Property Tax Refund

Below are some special situations you may encounter when [filing for a property tax refund](#).

Unusual Filing Situations: Renters

- **Your client wants to claim rent paid for more than 12 months.** Your client rents two units during 2021, and the CRPs show rent paid in both units during the same period. You should include rent for only one of the units in the overlapping time. Use the CRP for where your client lived at the time.
- **Your client owns a home, sells it, and becomes a renter during the same year.** Your client must file as a renter using their total income for the year and rent paid during the rental period. Your client cannot file as a homeowner because they did not own and occupy the home on January 2 of the following year.
- **Your client rents and then buys a homestead during the year.**
 - Your client should file one Property Tax Refund return and check both the renter and homeowner boxes.
 - Calculate the Renter's Property Tax Refund on lines 16, 17, and 18 of Form M1PR.
 - Calculate the Homestead Credit Refund on lines 19 through 22.
 - Add the two refunds on line 23 and report the total refund amount on line 25.
 - They should expect to receive the refund in the homeowner's timeframe.
- **Your client rents a mobile home and mobile lot from two different landlords and received two CRPs for the same period.** Your client should file one Property Tax Refund return claiming the total rent paid for the year.

- Add the line 3 amounts from the CRPs and list the total on line 16 of Form M1PR.
 - Check the “Mobile Home” and “Mobile Home Lot” boxes.
 - Enclose an explanation so we do not disallow one of the CRPs due to rent paid for an overlapping period.
- **A third party paid rent on behalf of your client.** Your client may receive credit for the rent on a CRP if the other party – such as parents, church, or nonprofit organization – paid the funds to your client first. If the other party paid the rent directly to the landlord, and your client did not control the funds, your client may not receive credit on a CRP.
 - **Multiple tenants occupy your client’s rental unit.** A landlord must give each tenant a separate CRP and split the rent equally among them, regardless of how much rent each tenant pays.

Note: Married couples must receive separate CRPs showing they each paid an equal portion of the rent. They are not considered one person when completing a CRP.

- **Your client rents a unit with transient renters.** If your client rents a unit but has additional people staying there who come and go during the year (transient renters), the landlord should issue a CRP to only the known tenants – usually your client or others listed on the lease.
 - Transient renters who did not receive a CRP should request one from the tenants on the lease. This is a sublease situation.
 - If your client issued a CRP to the transient renter, you must reduce their CRP by the amount of rent the transient renter paid. Write this amount in the lower figure on the CRP.
- **Your client is a renter with an adult dependent.** If your client’s dependent received a CRP splitting the amount of rent, your client should ask the landlord to reissue a corrected CRP. The landlord can write “corrected” at the top of the new CRP. If the landlord will not issue a corrected CRP, add the dependent’s CRP information to your client’s CRP and include an explanation with their return.
- **Your client resides in campgrounds, travel trailers, or campers.** Your client is not eligible for the Property Tax Refund because residents of campgrounds, travel trailers, and campers do not receive a CRP. This is true even if your client does not have a permanent residence elsewhere. Also, your clients do not receive CRPs for the land rented for a trailer.
- **Your client is a part-year resident renter.** Include only the income your client received while a Minnesota resident. Renters only include their part-year income because the CRP will only reflect part-year rent.

Note: If your client rented for part of the year and bought and homesteaded a home by January 2 of the following year, you must use their household income for the entire year.

Unusual Filing Situations: Homeowners

- **Your client owns or lives in a “relative homestead.”** Neither the owner nor the related occupants of a “relative homestead” property are eligible for a property tax refund. The occupants are not eligible because they do not own the property. The owner is not eligible because they do not live on the property.

- **Your client owns a home, sells it, and becomes a renter during the same year.** Your client must file as a renter using their total income for the year and rent paid during the rental period. Your client cannot file as a homeowner because they did not own and occupy the home on January 2 of the following year.
- **Your client rents and then buys a homestead during the year.**
 - You should file one return checking both the renter and homeowner boxes.
 - Calculate the Renter's Property Tax Refund on lines 16, 17, and 18 of Form M1PR.
 - Calculate the Homestead Credit Refund on lines 19 through 22.
 - Add the two refunds on line 23 and report the total refund amount on line 25.
- **Your client lives in a cooperative (co-op).** Residents of co-ops are considered homeowners for the purpose of this credit. Your client will file as a homeowner, and they should receive a statement from their association allocating the property taxes to each resident. Your client must contact their association if they have not received a statement.
- **Your client has an agricultural homestead.** For this credit, your client's qualifying tax on an agricultural homestead (on line 1 of the property tax statement) is limited to the taxes on the house, garage, and the immediately surrounding one acre of land. The county calculates this amount when preparing the property tax statement, so you should not need to do any adjustment or calculation when completing Form M1PR.
- **Your client has a life estate.** Elderly homeowners may transfer their property to a relative or friend but continue to occupy the property under a life estate. If your client occupies the property and retains an ownership interest in the home, they may qualify for the property tax refund.
- **Your client is married but maintains a separate household.** If a married couple lives apart and maintains separate households for an indefinite period, they may each file their own property tax refund using only their own income. You must include the other spouse's income for any time the couple lived together. The couple should also include letters with their returns explaining the situation.
- **Your client is married, lives with their spouse, and owns a home. Your client has a Social Security Number and their spouse has an Individual Taxpayer Identification Number (ITIN).** Since your client has a valid Social Security Number and is listed as the property owner, the couple can homestead the property. The couple may qualify for the Homestead Credit Refund.
- **Your client is a part-year resident homeowner.** You must include your client's household income for the entire year because the Statement of Property Taxes Payable reflects the entire year's taxes.

Unusual Filing Situations: Mobile Homeowners

this includes if one is in a Nursing Home and one is not - file separately with separate incomes and mail in. Does not apply if nursing home stay is temporary. It must be a permanent situation. See pg 52

- **Your client owns a mobile home and rents the lot on which it's located.** They receive both a property tax statement and a Certificate of Rent Paid. Your client will file the return as a mobile homeowner. Complete Worksheet 1 in the Form M1PR instructions to compute the amount for line 19.
- **Your client co-owns a mobile home.** Mobile homeowners are treated as homeowners. If there are two co-owners, they cannot split the CRP and property tax statement. Only one may file for the property tax refund, and the filer must include the other owner's income on [Schedule M1PR-AI, Additions to Income](#). If each owner received a CRP for half of the lot rent, the filer must combine both CRPs and include an explanation.

Completing Form M1PR

State Elections Campaign Fund

If your clients wish to contribute to the State Elections Campaign Fund, fill in the appropriate code number.

Clients who made a designation on Form M1 cannot make a designation on Form M1PR.

Property Tax Refund Filing Status

Be sure to place an X in the appropriate boxes on the top of Form M1PR.

If your clients	Place an X in the box(es) for
Lived in a rental unit for any part of 2021	Renter
Owned and lived in a home on January 2, 2022	Homeowner
Rented during 2021 and then owned and lived in a home on January 2, 2022	Renter and Homeowner
Received a Certificate of Rent Paid from one of these: <ul style="list-style-type: none"> • Nursing home • Adult foster care provider • Intermediate care facility • Assisted living facility • Other health care facility 	<p>Nursing Home or Adult Foster Care Resident, if they received benefits from Medical Assistance (Medicaid), Supplemental Security Income (SSI), Minnesota Supplemental Aid (MSA), or Minnesota Housing Support (formerly GRH).</p> <p>Renter, if they did not receive Medicaid, SSI, MSA, or Minnesota Housing Support.</p>
Owned and lived in a mobile home on January 2, 2022, and rented the land on which it is located	Mobile Homeowner
On January 2, 2022, owned and lived in a mobile home and the property on which it is located	Homeowner

✓ Nursing Home, Adult Foster Care, Intermediate Care Facilities, or Group Homes

If your clients lived in one of these facilities, but paid the entire rent themselves, they should file as a **renter**. They must file as **Nursing Home or Adult Foster Care Resident**, if the resident received any of these types of public assistance:

- Supplemental Security Income (SSI)
- Minnesota Supplemental Aid (MSA)
- If the resident has an entry on line A of Form CRP for Medical Assistance (Medicaid) or an entry on line B of the CRP for Minnesota Housing Support (formerly Group Residential Housing, or GRH) payments

Note: A common error is selecting the “Renter” filing status when the “Nursing Home” filing status should be selected. This can delay return processing.

Your clients' refund will be prorated based on the sources of household income (after removing SSI, MSA, Medicaid, and Minnesota Housing Support) compared to their government assistance received. If public assistance paid for the entire rent and your clients did not contribute their own funds, they cannot claim a property tax refund.

✓ Nursing Home Filing Situations for Married Couples

Below are some common nursing home situations you may encounter when filing Form M1PR.

- **One spouse lives in a nursing home while the other resides in a rental unit or home.**
 - Each spouse files a separate return.
 - The spouse in the rental unit or home includes their full income for the year plus the other spouse's income for any period they lived together.
 - The spouse in the nursing home must claim the rent paid to the nursing home. This spouse will use only their income for the portion of the year they lived in the nursing home.
 - Each spouse must include an explanation of how they determined their income.

Note: Do not include the other spouse's name or Social Security Number when filing separate property tax refund returns.

- **Both spouses live in a nursing home in separate rooms.**
 - Each spouse files a separate return.
 - Each spouse includes their full income for the year plus the other spouse's income for any period they lived together.
- **Both spouses live in a nursing home in the same room.**
 - The couple files one Form M1PR.
 - Include both spouses' income.
 - If each spouse received their own CRP, add line 3 of both CRPs.

✓ Income of Others Living with You

If your client is a renter, include their spouse's income while the couple lived together, but not the income of any other persons living in the residence.

If the co-occupant considers this address their "tax home", then their income must be included.

If your client is a homeowner, include their spouse's income while the couple lived together. If any of these individuals lived with your client, their income must be included on your client's return:

- Unmarried co-owners
- Nondependent children
- Nondependent parents who are co-owners

Enter *prorated* income for only the time the co-occupant was living in the home. Software will ask for number of months, but preparer must allocate the income

Do not include income for people who are boarders on contract, renters on contract, or dependents. Do not include parents' income if they lived with the client and did not co-own the home. For each person living with your client, complete Worksheet 5 – Co-occupant Income, in the M1PR instructions. If the co-occupant's income is positive, it should be included in the total on line 14. If the co-occupant's income is negative, it should be included in the total on line 14, as a negative amount. This **only** applies to homeowners.

Example. A mother and daughter co-own and live in the same home. Only one of them may file for the homestead credit refund. The filer must use the full value of the Statement of Property Taxes Payable and include both of their incomes.

Note: Only use income of others living with the homeowner to determine household income on Form M1PR.

✓ **Married During the Tax Year**

Clients who marry during the tax year may file one property tax refund together or each file separately.

If they file together, include both incomes for the year, both names, and both Social Security Numbers or ITINs at the top of the form.

If they file separately, list your client's income for the entire year and the spouse's income for the period during the tax year they were married and living together. Do not include the spouse's name and Social Security Number at the top of the form. Enclose an explanation. this will be a paper file if they file income taxes as married joint

✓ **Divorced, Separated, or Widowed During the Tax Year**

see also [Filing on Behalf of a Deceased Person](#)

For renters, each person will use line 3 of the CRP for the unit they rented after the divorce or separation. Only one person may include the amounts from line 3 of the CRPs for the rental unit lived in together prior to the divorce or separation.

For homeowners, the clients use their income for the entire year plus their spouse's income for the time they were married and living together during the year. Only the spouse who owned and lived in the home on January 2, 2022, can apply as the homeowner for the home. They will enter the full amount from line 1 of their 2022 Statement of Property Taxes Payable on line 19 of Form M1PR.

✓ **Part-Year Residents**

For renters, list your clients' household income received during the period they lived in Minnesota. For homeowners, list their household income for all of 2021, including before their move to Minnesota.

Note: Always include a written explanation when these situations occur. Sending an explanation when filing the return may prevent processing delays.

Household Income (Lines 1 through 15)

See also MnTTT [TY21 Household Income Tip Sheet](#)

Household income is based on federal adjusted gross income (FAGI) plus other types of nontaxable income.

✓ **Line 1: Federal Adjusted Gross Income (FAGI)**

If your client is not required to file a federal return, complete federal Form 1040 to calculate FAGI, but do not file it.

✓ **Line 2: Nontaxable Social Security and/or Railroad Retirement Board Benefits**

On line 2 of Form M1PR, your clients must add Social Security and/or Railroad Retirement Board benefits **not** included in line 1. Also, include Social Security disability income and amounts deducted for Medicare and Retirement Survivors Disability Insurance (RSDI). automatic carry-over if entered on M1 return

If no Social Security income is included in FAGI on line 1, use the amount listed from box 5 of Form SSA-1099.

Do not include Social Security income for dependents.

✓ **Line 3: Deduction for Contributions to a Qualified Retirement Plan**

List all your clients' payments to a qualified retirement plan if they deducted these payments on lines 16 or 20 of federal Schedule 1. Qualified retirement plans may include:

- IRA
- Keogh
- Simplified Employee Pension (SEP) Plan
- SIMPLE Plan

automatic if entered in federal

✓ **Line 4: Total Payments Received from Programs**

Include nontaxable payments your clients received from these programs not included on line 1 of Form M1PR:

- MFIP (Minnesota Family Investment Program)
- MSA (Minnesota Supplemental Aid)
- SSI (Supplemental Security Income)
- GA (General Assistance)
- DWP (Diversionary Work Program)
- Minnesota Housing Support (formerly Group Residential Housing, or GRH)
- Pay-for-Performance Success Payments under the federal Home Affordable Modification Program (HAMP)
- Refugee cash assistance
- Emergency assistance

Be sure these are 2021 payment amounts, not 2022

MN>Property Tax Refund>Enter Total Household Income
DO NOT enter these with other types of Household Income in
MN>Additional Nontaxable Income

Recipients do **not** include Medicaid payments or non-cash benefits, such as:

- Dollar value of food and food stamps, clothing, and medical supplies from government agencies
- Fuel assistance
- Childcare assistance or vendor-received childcare payments

If your clients repaid program payments during the year, they may subtract these repayment amounts reported on line 4. Do not subtract any repayments they made in other years.

Note: Your clients usually receive a statement from the Minnesota Department of Human Services showing their cash assistance. The statement has their name, case number, month, and amount. The amount can vary each month.

If manual, these are entered in the M1 section:
MN>Additional Nontaxable Income because these
can also apply to M1ED credit

✓ **Line 5: Additional Nontaxable Income (Schedule M1PR-AI)**

Fill in your clients' total nontaxable income received in 2021 and not included on lines 1 through 4. Enter the types of income received on Schedule M1PR-AI, *Additions to Income*. For more examples, see the Form M1PR instructions.

Note: Beginning in tax year 2021, veteran's disability compensation is no longer included in household income.

Common examples include:

- A positive amount on line 35 of Schedule M1NC, *Federal Adjustments* (exclude the amount on Step 16 from "Worksheet for Line 32 – Social Security Income") **automatic**

- Acquisition or abandonment of property gain, reported on 1099-A, not included in your federal income **automatic if on Form 982**
- Adoption assistance – subsidy payments as well as employer-paid expenses **manual**
- Alimony received to the extent not included in adjusted gross income **manual**
- Canceled, discharged, or forgiven debt that was not included in your federal adjusted gross income **manual if non taxable, auto if on M1NC**
- Community Access for Disability Inclusion Waivers **manual**
- Contributions to deferred compensation plans such as 401(k), 403(b), 457 deferred compensation, or SIMPLE/SEP plan **automatic if on federal form**
- Contributions to dependent care accounts and medical expense accounts **ex: FSA, HSA, HRA, MFA contributions. If W-2 box 12 they will be automatic, if box 14 they are manual. W-2 Box 10 dependent benefit is also automatic.**
- Disability benefits (exclude veteran’s disability benefits) **automatic only if on federal form**
- Distributions from a ROTH or traditional IRA not included on line 1, including distributions made to charity **automatic only if on federal form**
- Employer paid education expenses **manual**
- Federal adjustments to income for contributions to IRA, Keogh, and SIMPLE/SEP plans **automatic only if on federal form**
- Federally nontaxed interest and mutual fund dividends **automatic if entered with 1099-INT/DIV in federal section**
- Foreign earned income exclusion **Out of scope**
- Foster care payments, including adult foster care **manual**
- Gain on the sale of your home excluded from your federal income **automatic if on form 982**
- G.I. Bill funding, including scholarships **??**
- Housing allowance for military or clergy **out of scope**
- Income excluded by tax treaty **out of scope**
- Long-term care benefits not used for medical expenses **manual - see form 8853**
- Medicaid Home & Community-Based Services Waiver program payments **manual**
- Medicare Part B Premiums not included in lines 1 or 2 **manual if not deducted from SSA**
- Nontaxable Compensated Work Therapy (CWT) payments **Veterans Health benefit program**
- Nontaxable employee transit and parking expenses **manual**
- Nontaxable military earned income, such as combat zone pay **requires military certification**
- Nontaxable pension and annuity payments, including disability payments **automatic if entered on 1099R**
- Nontaxable personal injury or settlement income (to the extent not used for medical expenses) **manual**
- Nontaxable scholarships, fellowships, grants for education, including those from foreign sources, and tuition waivers or reductions **Only if it is for the taxpayer and not the dependent from 1098-T box 5**
- Public Safety Officer medical insurance exclusion **This will be automatic if entered on the TSO simplified calculation. If using Bogart, this will be included as part of nontaxable Box 2 1099-R.**
- Reduction in rent for caretaking responsibilities (include the amount shown on your CRP) **automatic from CRP**
- Sick pay (to the extent not used for medical expenses) **manual W-2 Box 12, code J**
- Strike benefits **manual**
- VEBA contributions made by the employee **a public employees health benefit association - similar to a health reimbursement plan**
- Worker’s compensation benefits (to the extent not used for medical expenses) **manual**

* Veterans benefits paid to the taxpayer that are NOT Title 38 Disability Benefits ARE included as household income

Also include any of these losses and deductions to the extent they reduced federal adjusted gross income:

- Capital loss carryforward (use Worksheet 4 to compute amount) **automatic**
- Educator expenses **automatic**
- Health savings account and Archer MSA deductions **automatic from form 8879**
- Net operating loss carryforward/carryback **out of scope**
- Passive activity losses in current year in excess of current year passive activity income, including rental losses, even if actively involved in real estate **out of scope**

- Prior year passive activity loss carryforward claimed in 2021 for federal purposes **out of scope**

Capital loss carryforward

Worksheet 4: For Calculating Capital Losses to Include on Schedule M1PR-AI

1. Combined net gain/loss (line 16 of federal Schedule D) 1 _____
2. Short-term capital loss carryforward (line 6 of Schedule D)
Enter as positive number. 2 _____
3. Long-term capital loss carryforward (line 14 of Schedule D)
Enter as a positive number 3 _____
4. Add steps 2 and 3. If step 1 is a positive number,
skip steps 5 and 6 and enter this amount on step 7 4 _____
5. Add steps 1 and 4 5 _____
6. Capital loss from line 7 of federal Form 1040 or 1040-SR (allowable loss).
Enter as a positive number 6 _____
7. Add steps 5 and 6 (if less than zero, enter 0).
Enter total here and include with other nontaxable income on Schedule M1PR-AI . 7 _____

Example: Emily has:

Current year capital loss	\$ (2,000)
Current year capital gain	\$ 3,000
Prior year loss carryforward	<u>\$ (7,000)</u>
Net capital loss	\$ (6,000)
Less: Federal loss allowed	<u>\$ (3,000)</u>
Current year loss carryforward	\$ (3,000)

You do not add back Emily’s \$2,000 current year capital loss deduction. You must add back to income Emily’s **reduction** in the loss carryforward of \$4,000 (\$7,000 prior year loss carryforward minus \$3,000 current year loss carryforward). Emily used the \$4,000 of loss carryforward to:

- Reduce capital gain income by \$1,000
- Reduce other income on her federal Form 1040 by \$3,000

Do not include:

- COVID-19 federal economic stimulus payments
- After-tax contributions to annuities
- Car insurance settlement payments used to pay medical bills
- Certain federal adjustments to income such as moving expenses, student loan interest deduction, penalty on early withdrawal, ½ self-employment tax, self-employment health insurance, and alimony paid
- Childcare assistance
- Child support payments
- Dependent’s income, including Social Security

- Dependents indemnity compensation
- Employee's mandatory contributions to a retirement plan
- Employer's contributions to filer's deferred compensation or pension plan
- FEMA emergency grants for disaster victims
- Foster care adoption bonus
- Gifts and inheritances
- Gulf War bonus
- Health and dental insurance contributions paid by employee or employer
- HSA funding distributions (distributions from a traditional IRA or a ROTH IRA, made to an individual's Health Savings Account as a contribution)
- IRA rollovers
- IRS stimulus/rebate
- Long-term care benefits used to pay medical expenses
- Loss on sale of rental property
- Minnesota property tax refunds
- Nontaxable Holocaust settlement payments
- Payments by someone else for your care by a nurse, nursing home, or hospital
- Payments from life insurance policies
- Premium tax credit
- Reimbursements by employer for expenses paid, such as gas, meals, and lodging
- Return of capital or return of investment
- Reverse mortgage proceeds
- Special needs welfare benefits
- Spouse's Social Security income when filing separately
- State income tax refunds not included on line 1 of Form M1PR
- Veteran's disability compensation paid under title 38 of the U.S. Code

✓ **Line 7: Subtraction for 65 or Older or Disabled**

Senior subtraction is automatic in TSO. Check the box on the first M1PR entry screen if disabled.

If your clients are 65 or older, or disabled, fill in \$4,350 on line 7 of Form M1PR and check the appropriate boxes. This subtraction is only \$4,350, even if both spouses are age 65 or older or disabled.

✓ **Line 8: Dependent Subtraction**

automatic in TSO

A person must meet the federal qualifications for your clients to claim them as a dependent for Form M1PR.

Important: In some cases, a dependent may be claimed on more than one return. Minnesota follows the federal tie-breaker rules to determine who may claim this subtraction.

A parent is not a dependent for purposes of Form M1PR unless they are a dependent for income tax purposes.

If your clients have qualifying dependents, use the appropriate table in the Form M1PR instructions to determine their line 8 amount. Write in the names and tax identification numbers of the dependents in the space provided on line 8. Also, fill in the number of dependents.

✓ **Line 9: Retirement Account Subtraction**

automatic in TSO entered in Fed,
manual if Roth

You may enter your clients' retirement account contributions to nontaxable and taxable accounts, up to a total of \$6,000 (\$12,000 for Married Filing Jointly). You must add your clients' pretax retirement account contributions to household income on line 3 or line 5. You may then deduct these contributions on line 9 up to the maximum amount.

✓ **Line 10: Non-deductible Alimony Payments and COVID-Related IRA Distributions**

Non-deductible alimony payments: Include on line 10 alimony payments your client made which were non-deductible from line 19a of federal Schedule 1.

alimony paid is carried over if entered in Federal
Adjustments for divorce agreements after 12/31/2018

COVID-related IRA distributions: If your client received COVID-related IRA distributions in 2020 and elected to include the distributions in income over future years, include the portion included in their 2021 federal adjusted gross income which was received in 2020. Do not enter an amount for these distributions if it was not also included in the amount entered on line 1 of Form M1PR.

✓ **Line 11: Subtraction from Line 35 of Schedule M1NC, Federal Adjustments**

If the amount on line 35 of Schedule M1NC, *Federal Adjustments*, is negative, enter as a positive amount on line 11, excluding the amount on Step 16 from "Worksheet for Line 32 – Social Security Income."

automatic in TSO-will carry from
Non-conformity entries

✓ **Line 14: Co-occupant Income (Worksheet 5 – Co-occupant Income)**

Renters do not complete this line.

only include the portion of income that is during the time the co-occupant lived there. It is a manual calculation. *MN>M1PR>enter your total Household Income*

Use Worksheet 5 to determine the total income for each co-occupant living with a homeowner. If the total co-occupant income is a negative number, enter the total as a negative. If the client had multiple co-occupants, complete a worksheet for each co-occupant.

✓ **Line 16: Total Rent from CRP(s) (Renter's Property Tax Refund only)**

entries are in CRP section of TSO

If your client lived in one rental unit during the year: Enter the amount from line 3 of the CRP.

If your client lived in two or more rental units during the year: Complete the Worksheet for multiple CRPs to calculate line 16. Do not file a separate property tax refund for each CRP. Only use the rent amount for the time your client actually lived in a rental unit to determine their refund.

If your client has adult dependents who received a CRP for a portion of the rent paid, combine the amount on line 3 of their CRP with the amount on line 3 of the clients CRP. Enter the total on line 16 and include an explanation.

In addition to rent paid, line 1 of the CRP should include rent for a garage, parking space, or storage locker provided as part of the rental package. Do not include rent for a garage, separate structure, or parking space other than what the landlord owns. For example, no CRP is given if a tenant rents the garage of a homeowner across the street.

Individuals in a Nursing Home, Intermediate Care, Adult Foster Care, Assisted Living, or other Health Care Facility

There is a set dollar amount used when completing CRPs for nursing homes, intermediate care facilities for persons with developmental disabilities (ICF/DD), and adult foster care. For 2022, rent for nursing homes and ICF/DDs is set at \$530 per month or \$6,360 for a full year. Rent for adult foster care is set at \$830 per month or \$9,960 for a full year.

Landlords use line A of the CRP if a person in a nursing home has their rent paid by Medical Assistance (Medicaid). Landlords use line B for Minnesota Housing Support (formerly Group Residential Housing, or GRH) payments they received for an adult foster care resident.

Refer to page 522 for more information on how to file for your clients who live in a nursing home, intermediate care facility, adult foster care, or assisted living facility.

✓ **Line 19: Amount from the Statement of Property Taxes Payable in 2022 (Page 2, Form M1PR) (Homestead Credit Refund only)**

Enter the property tax amount from line 1 of the Statement of Property Taxes Payable in 2022. If there is no amount on line 1, use the amount on line 5 or line 6 (depending on county) in the 2022 Column.

Note: We will adjust returns if you file them using your clients' Proposed Property Tax Statement or the Statement of Estimated Market Values. These statements do not provide the correct figures for the property tax refund.

Above line 19 on Form M1PR, enter the county in which your clients' property is located. Do not use periods or dashes in the property ID.

✓ **Mobile Homeowners - Owns the Mobile Home and Rents the Lot**

Complete Worksheet 1 in the Form M1PR instructions. Then, use the Homestead Credit Refund table in the instructions to determine your clients' refund amount.

TSO will calculate this if info is properly entered

Note: Mobile homeowners cannot file until they receive their 2022 property tax statement.

✗ **Business Use of Home/Rental of Home**

If your clients' rent out part of their home or use it for business, complete Worksheet 2 in the Form M1PR instructions. Do not complete Worksheet 2 if line 1 of the property tax statement is less than line 6.

Note: If the statement indicates a residential homestead and another classification (such as commercial or rental property), line 1 of the statement should include the taxes payable only on the homesteaded portion.

Line 20: Special Property Tax Refund (Page 2, Form M1PR) (Homestead Credit Refund only)

The amount shown on this line is from the special property tax refund calculation on Schedule 1.

Special Property Tax Refund (Homestead Credit Refund only)

If your clients do not qualify for the 2022 regular property tax refund, they may still be eligible for the special property tax refund. **There is no income limitation for the special refund.**

Your clients may be eligible for the special property tax refund if all these situations apply:

- They owned and lived in the same home on January 2, 2021, and on January 2, 2022
- The net property tax on the homestead increased by more than 12% from 2021 to 2022
- The increase was at least \$100

The maximum special property tax refund amount is \$1,000.

Special Property Tax Refund is Optional

Your clients may receive a larger refund by claiming only the regular property tax refund and not calculating the special property tax refund. The special refund may provide your clients with a larger refund. If it does not, your clients do not need to claim it.

Line 27: New Improvements or Expired Exclusions (Schedule 1 – Special Refund)

If your clients improved their home, or built a new home, they must complete Worksheet 3 in the Form M1PR instructions to determine the percentage to enter on line 27.

For the special property tax refund, your clients' increase in property taxes cannot be based on improvements to the property or expired exclusions, such as building a home or adding on to the property.

Note: In the case of a new house, the first year's property taxes are usually based on the lot, and the second year's tax is based on the lot and the house. In this case, the entire value of the house is a "new improvement," and you must factor that out on Worksheet 3 in the Form M1PR instructions.

✓ **Line 24: Nongame Wildlife Fund Contribution (Page 2, Form M1PR)**

Your clients can donate to help preserve Minnesota's nongame wildlife. The Minnesota Nongame Wildlife Program uses this amount to help wildlife species that are not hunted or harvested. A donation on this line **will reduce your clients' refund**.

Line 25: Property Tax Refund (Page 2, Form M1PR)

see also [Filing on behalf of a Deceased Person](#)

If your clients have a refund, check to see if they have a bank account to direct deposit the refund.

✓ **Line 39: Direct Deposit (Page 2, Form M1PR)**

For direct deposit of the full refund amount on line 25, fill in the:

- Account type (checking or savings)
- Routing number
- Account number

Banking information is entered in the E-FILE section of TSO. There is no provision to deposit the MN Income Tax Refund and the Property Tax Refund into separate bank accounts

This is the safest and most secure way for your clients to receive their refund. Clients should ideally use an account that will be valid until the end of the year, since property tax refunds are sent later in the year. If the bank account is closed or direct deposit is rejected, we will send the refund as a check.

Note: Your clients' bank account must not be associated with a foreign bank.

If your clients wish to direct deposit the refund into a savings account, have them verify the routing and account numbers. The numbers on savings account deposit slips are not always complete.

Note: We will only deposit up to five Minnesota tax refunds into a single bank account or debit card.

Property Tax Refund Wrap-Up

Signatures

Your client (and spouses if filing jointly) must sign and date the return on the back of the form. They should also list a daytime phone number in case we have questions about their return.

- Volunteers **do not** sign the return
- The site number consists of “S” followed by an 8-digit number, which will automatically populate in the boxes at the bottom of the return

Note: Do **not** check the box at the bottom of Form M1PR authorizing a tax preparer to discuss filed returns with us. It is only for paid preparers, not volunteers.

✓ Quality Review

Once the return has been completed, it **must** go through the quality review process. Pay special attention to common filing errors for Form M1PR. Here are some important items to check:

General

- All information from the CRP and property tax statement is entered in TaxSlayer correctly
- Homeowner clients included the income of individuals living with them, when required
- The correct direct deposit information is entered on the bottom of Form M1PR
- When using software to prepare paper returns, make sure your client’s Social Security number or ITIN is **not** masked on the return.

Homeowners

- For [Homestead Credit Refund returns \(Form M1PR\)](#), use the correct property tax statement. For a 2021 return, use your client’s Statement of Property Taxes Payable in 2022.
- When computing the special property tax refund on Schedule 1 of Form M1PR, only use the previous year’s special refund on line 31.

Important: Do not use the 2021 Property Tax Statement or 2022 Notice of Proposed Taxes. Processing will be delayed if you file your clients’ returns using incorrect statements. Wait until your clients receive the Statement of Property Taxes Payable in 2022 to complete the 2021 Form M1PR.

Renters

- If your client has multiple [Certificates of Rent Paid \(CRPs\)](#), only file one Renter’s Property Tax Refund return (Form M1PR) and combine the line 3 amounts from the CRPs.

✓ Paper Filing

Renters: Enclose copies of Certificates of Rent Paid. If your clients received a Rent Paid Affidavit (RPA), include both the RPA and your clients’ proof of rent payments. Clients should keep original CRPs and RPAs for their records.

Homeowners: Do not include a copy of the property tax statement for paper filed returns.

All Filers: Any attachment or letter of explanation must be on a full sheet of paper.

Mail to:

Minnesota Property Tax Refund
Mail Station 0020
600 N. Robert St.
St. Paul, MN 55145-0020

Refund Information

Your clients can check the status of their refund by using our [“Where’s My Refund?”](#) system after July 1 at www.revenue.state.mn.us. Property tax refund returns will not show in our system before July 1. The system will show where in the process your clients’ refunds are. When their return is finished, they will see the date we sent their refund. Each return is different, so processing times will vary.

Your clients may only cash property tax refund checks within two years of being issued, or the right to payment expires. If your clients can show reasonable cause for not cashing the check in two years, we may reissue the check within five years of the original issue date. We issue paper checks if a bank rejects the direct deposit information. Clients should contact the Department of Revenue to update their address.

Additional Information for Federal Return

Reporting the Homestead Credit Refund on the Federal Return

If your clients itemize their deductions, they must subtract the Homestead Credit Refund amount from their real estate taxes on federal Schedule A, line 6.

Example. Wendy is a homeowner and received her Homestead Credit Refund in September 2021 of \$400. She paid \$2,000 in property taxes in October 2021. On her 2021 federal Schedule A and Minnesota Schedule M1SA, she deducts \$1,600 (\$2,000 - \$400) for real estate taxes.

Note: If your clients itemize deductions, encourage them to bring in their prior year property tax refund return. If they do not, call us at 651-296-3781 or 1-800-652-9094 to find out the amount of their prior year refund.

Payment Information

If your clients do not pay their amount owed by April 18, 2022, penalty and interest will accrue on their unpaid balance. If they are unable to pay in full, they should still file their return by the due date to avoid further penalties. Your clients should also pay as much as they can before the due date to reduce penalties and interest.

If your clients receive a bill from us, they may set up a payment agreement by going to www.revenue.state.mn.us or contacting us at 651-556-3003 or 1-800-657-3909. We will add a \$50 nonrefundable fee for all payment agreements. If your clients cannot afford a payment agreement, they may contact us to discuss other options.

Paying Individual Income Tax Liability

Pay Electronically with e-Services

Your clients can pay their Minnesota taxes electronically from their bank account, even if they file a paper return, using the Minnesota Department of Revenue's [e-Services system](#). There is no charge for using this service. Go to www.revenue.state.mn.us and enter **Make a Payment** into the Search box.

To make a payment electronically through a bank account, your clients will need their:

- Social Security Number or ITIN (and their spouse's, if filing a joint return)
- Date of birth (and their spouse's, if filing a joint return)
- Email address
- Bank routing and account numbers
- Date they want the amount withdrawn from the account

Your clients can also call 1-800-570-3329 to pay by phone using the same information.

If the payment is successful, they will receive a confirmation number and a date and time stamp. Make sure they save this information with their tax records.

Pay Electronically in TaxSlayer

We encourage you and your clients to make payments electronically.

You can set up tax payments in the e-file section of TaxSlayer.

If your clients have a balance due, you may file their returns electronically with a direct debit authorization for electronic payment. Funds are withdrawn in the amount and on the date your clients specify. This is a convenient way for your clients to postpone payment until April 18 while ensuring they pay their balance on time. Clients should ensure they have sufficient funds to make the payment on April 18.

Pay by Check

Send an Individual Income Tax return payment voucher (generated by TaxSlayer or on our website) and check separate from the Minnesota return. Checks should be made payable to the Minnesota Department of Revenue.

Mail payments to:

Minnesota Department of Revenue
P.O. Box 64054

St. Paul, MN 55164-0054

Note: When your clients provide a check, it is considered an authorization to make a one-time electronic fund transfer from that account.

Pay by Credit or Debit Card

Your clients can pay the amount owed using their Visa, MasterCard, American Express, or Discover credit card by going to www.paytax.at/mn or calling 1-855-947-2966. Value Payment Systems LLC charges a 2.25% convenience fee for this service. Value Payment Systems is a third-party vendor and is not affiliated with the State of Minnesota.

At the end of the transaction, your clients will receive a confirmation number and digital time stamp on their receipt. They should save this information for their records.

Information on Estimated Payments

Who Should Make Estimated Tax Payments

Generally, if your clients' Minnesota income tax liability is \$500 or more after withholding and refundable credits, they must make estimated tax payments.

Note: For federal purposes, your clients generally have to make estimated tax payments if they are going to owe \$1,000 or more in tax.

Married couples can make joint or separate estimated tax payments. If your clients file a joint tax return, they should make joint estimated tax payments. If they plan to file separate tax returns, they should make separate estimated tax payments by only including one person's name and Social Security Number or ITIN. The filing status of estimated payments does not preclude your clients from later using the other filing status for their return.

When and How to Make Estimated Payments

Your clients make estimated tax payments on or before April 18, June 15, and September 15 of the current year, and January 15 of the following year. If they file a Minnesota income tax return and pay the balance due by January 31, they may skip the January 15 installment without penalty.

You can set up estimated tax payments for your clients in the federal section of TaxSlayer, under payments and estimates.

Pay Estimated Tax Electronically

If your clients want to pay estimated taxes electronically, refer them to our website at www.revenue.state.mn.us, or have them call 1-800-570-3329 to pay by phone.

Pay Estimated Tax by Check

[MN>Miscellaneous Forms to print vouchers](#)

- Write the last four digits of your clients' Social Security Number or ITIN (and the spouse's, if paying jointly) on all checks.
- Make checks payable to the Minnesota Department of Revenue.
- Go to our website to create an estimated tax payment voucher, or generate a voucher through TaxSlayer.
- Mail the voucher with the amount due to:

Penalties

Late Payment Penalty

If your clients pay all or part of the Individual Income Tax due after the due date (April 18, 2022, for individuals filing returns annually), we can assess a penalty of 4% of the unpaid tax. We will not assess a late payment penalty if your Individual Income Tax clients do both of these:

- Pay at least 90% of their tax liability (after credits other than withholding and estimated payments) on or before the due date
- File their return and pay any remaining balance due by October 17

For more information, see [Minnesota Statute 289A.60, subdivision 1\(c\)](#).

Late Filing Penalty

There is no late filing penalty if your clients file their tax return within six months of the due date. If they do not file within six months, we can assess a late filing penalty equal to 5% of their unpaid tax. (See [Minnesota Statute 289A.60, subdivision 2](#).)

Extended Delinquency Penalty

For Individual Income Tax returns (including Commissioner Filed Returns), if your clients do not pay the tax due within 180 days after the date of filing the return, assessment date, or final resolution of an appeal, we can assess a 5% extended delinquency penalty.

We impose an additional penalty for failure to file a tax return within 30 days after providing your clients with written requests for missing returns. The penalty is \$100 or 5% of the tax not paid prior to our written request, whichever is greater. This penalty also applies to requests resulting in a refund. (See [Minnesota Statute 289A.60, subdivision 2, paragraph \(a\)](#).)

Other Penalties

We can assess a penalty for fraudulently claiming a credit or refund on income tax or property tax refund returns. The penalty is 50% of the claimed refund attributable to the fraud, plus 50% of any understated tax. We can also assess other civil penalties, including those for substantial understatement of tax, negligence, and other fraud penalties.

Interest

We charge interest on any amount of tax and penalty not paid by April 18, 2022, and we continue to charge it until your clients pay their balance in full. The interest rate for 2021 is 3%. This rate changes annually based on market interest rates.

Abatement of Penalty and Interest

An abatement is a reduction or cancellation of a penalty or interest. Examples of penalties you can ask us to abate may include penalties for:

- Filing tax returns late
- Paying tax debts late
- Failing to make estimated deposits as required
- Failing to file or pay by electronic funds transfer

We generally abate penalties for reasonable cause. Reasonable cause is considered circumstances beyond your clients' control preventing them from filing or paying tax on time. You may ask us to cancel or reduce penalties, additional tax charges, and interest for late filing or payment if your clients have a reasonable cause or are negatively affected by the COVID-19 pandemic.

You must submit abatement requests in writing and postmark them within 60 days of our first written notice of penalty. Include an explanation of the specific events or circumstances preventing your clients from filing or paying on time. (See [Minnesota Statute 270C.34](#).)

You may request an abatement after we notify you of a penalty. For more information, see [Penalty Abatement for Individuals](#) or [Penalty Abatement for Businesses](#) on our website.

By the due date, clients should either pay their tax or contact us to set up a payment agreement.

Note: The Homestead Credit Refund and Renter's Property Tax Refund are not considered payments towards your clients' Minnesota income tax liability, even if filed before April 18, 2022.

Programs and Procedures

Obtaining Copies of Prior Year Returns

To request a copy of a client's return, use [Form M100, Request for Copy of Tax Return](#).

We can provide a copy of the state return and all submitted attachments for the past six years. If you need a certified copy, you must check the appropriate box on Form M100.

There is a \$5 processing fee per copy of a return, and you must pay it by check or money order before we send copies.

Make your check or money order payable to Minnesota Revenue. Send your request to:

Minnesota Department of Revenue
Mail Station 7703
600 N. Robert St.
St. Paul, MN 55146-7703

Senior Citizens Property Tax Deferral Program

The Senior Citizens Property Tax Deferral Program allows certain individuals to defer a portion of the property taxes they owe.

You or your clients can now apply for the [Senior Citizens' Property Tax Deferral Program](#) more efficiently using our [online application](#). By completing the application process online, clients will receive an email confirming receipt and providing their next steps. The filing deadline is November 1.

Eligibility Requirements

To participate in this program, your clients must meet these requirements:

- Be 65 or older in the year they apply. If married, one of them is 65 or older and the other is at least 62
- Have household income (as calculated on Form M1PR for the year preceding the initial application) is \$60,000 or less
- Have owned and lived in their home for the last 15 years
- Home has been homesteaded for 15 years
- Do not have a reverse mortgage, a life estate, or any state or federal liens on the property
- Other liens against the property are less than 75% of the estimated market value

This program is voluntary. Clients who participate will have a tax lien placed on their property. Your clients must satisfy this lien before they can sell the property. If the owner dies, the heirs must satisfy the lien before they can acquire a clear title. Your clients may want to consult with an attorney, estate planner, or family member before enrolling.

Note: Your clients may still claim the property tax refund if they qualify. We will apply their property tax refunds and income tax refunds to their deferred homestead property taxes.

For more details on this program, contact us at 651-556-6091.

Taxpayer Rights Advocate

History and Purpose

Established in 1990, the [Taxpayer Rights Advocate Office](#) is a place for your clients to have an independent review of their tax situation while promoting and upholding the Minnesota Department of Revenue's fair and equitable application of tax laws. The Advocate Office also reviews policy and procedure issues affecting your clients.

If your client has a problem resolving a tax issue with the department and has exhausted all other administrative options, the Taxpayer Rights Advocate may be able to help.

Contact the Taxpayer Rights Advocate Office:

Phone: 651-556-6013 or 1-855-452-0767

Email: dor.tra@state.mn.us

Mail: Minnesota Revenue
Mail Station 7102
600 N. Robert St.
St. Paul, MN 55145-7102

Fax: 651-556-5211

The advocate can:

- Ensure fair and consistent application of Minnesota tax law and department policies
- Promote taxpayer issues and concerns to department policymakers and state legislators
- Provide a fresh look at individual tax situations when all other administrative options are exhausted
- Help provide options to solve taxpayer issues, problems, and concerns
- Provide an alternative point of contact if standard lines of communication within the department did not answer all your questions
- Advocate for individual taxpayer concerns when significant hardship occurs
- Intervene if department actions create or will create an unjust and inequitable result for your client

The advocate cannot:

- Change Minnesota tax law for individual situations
- Interfere with normal processing unless a documented hardship exists
- Change time limits for filing, payment, or refunds
- Act as legal counsel
- Help with federal income tax or tax paid to other states

Acting as Case Reviewer

- Minnesota Statute 16D.10 assigns the Taxpayer Rights Advocate the duties of a case reviewer for the collection of nontax debts. The advocate may issue debtor assistance orders if they determine the way the state debt collection laws are administered will create an unjust and inequitable result for your client.

Assisting with Significant Financial Hardship

A significant financial hardship is the imminent inability for your client to pay for basic necessities. Examples include the inability to:

- Secure or maintain appropriate shelter
- Pay for utilities in the home
- Buy essential medication
- Get critical medical treatment for the client or the client's immediate family member

If your client is experiencing a significant financial hardship, and a collection action is about to take place, they may ask the Taxpayer Rights Advocate for a prompt review of their situation.

Enforcement actions by the department, such as deducting money from wages or bank accounts, do not necessarily create a significant financial hardship. This is true even if these actions might prevent your client from paying bills they consider as important as the tax bill.

Separation of Liability, Innocent Spouse, and Nonliable (Injured) Spouse Programs

Separation of Liability Program

Spouses who file a joint income tax return are both responsible for the full amount of tax, penalty, and interest owed. If your clients are now divorced, legally separated, or widowed, they can ask us to adjust their income tax debt under the Separation of Liability Program.

If your clients qualify for the program, we divide the income tax debt based on each spouse's income, deductions, credits, exemptions, payments, and refunds. We also divide any items applying to both spouses jointly. If we audited (changed) your clients' joint return, we divide the debt based on our assessment. Your clients are responsible only for their portion of the debt.

Limitations on Requests for Recalculation of Separate Liability

The Separation of Liability Program only applies to income tax debts, not property tax refund debts. We will not separate unpaid liabilities of \$100 or less. If your clients made payments prior to the allocation request, they are refundable only within 60 days of us receiving written notice of the marriage dissolution, legal separation, or death of a spouse from the surviving spouse.

How to Participate in the Separation of Liability Program

Your clients may send us a signed letter asking for help under the state's Separation of Liability Program. They must include:

- A signed letter including their name, the last four digits of their Social Security Number or ITIN, their phone number, and the tax years they are requesting relief.
- A copy of the final divorce decree, final separation agreement, or the spouse's death certificate. If your clients are divorced, send the first page of the decree that lists the parties involved and is stamped by the courts, and the page where the judge signed the order.

Once we receive your clients' application, we will review it and may contact them for more information. If we ask for more information and your clients do not provide it, we will close the request and both spouses will remain responsible for the total debt.

Proposed Calculation and Final Determination

After we review the application, we will notify your clients if they qualify for the program. If they do not qualify, the letter will explain why. If they do qualify, we will send a letter to both spouses explaining our proposal to calculate their portion of the debt. Each will have 30 days to respond to the letter. If the former spouse disagrees with the information, we will notify the claimant.

If the spouses agree with the information or do not contact us within 30 days, we will make our final determination. We will change the spouses' tax records to reflect their portions of the debt and send information based on the adjustment amounts. Each will have 60 days from the notice date to appeal the final determination to the Minnesota Tax Court. If the changes are for a refund claim, you may appeal to the Minnesota Tax Court within 60 days from the notice date or sue in the Minnesota District Court within 18 months of the notice date.

Innocent Spouse Program

Innocent Spouse relief is available when, on a jointly filed return, one spouse is unaware of and did not benefit from income excluded from the original income tax return. If your client's spouse has done something that results in an underpayment of tax and additional tax is assessed, your client may qualify for Innocent Spouse status.

Your clients do not have to be divorced, legally separated, or widowed to be eligible for Innocent Spouse relief. They can use this program to avoid paying the tax liabilities resulting from their spouse's actions. Your clients may only apply for relief on audited income tax returns.

To qualify for innocent spouse relief, your clients must meet these requirements:

- Your client owes additional tax because we changed (audited) a joint Minnesota tax return
- The underpayment of tax resulted from their spouse's or former spouse's actions
- Your client did not know about, or benefit from, their spouse's or former spouse's actions
- Your client qualifies for relief under Section 6015(b) or 6015(f) of the Internal Revenue Code (only applies to tax years 2019 and later)

Note: The Innocent Spouse program does not apply to debt due to an audit of the property tax return; it only applies to debt due to an income tax audit.

How to Participate in the Innocent Spouse Program

Your clients may send us a signed letter asking for help under the state's Innocent Spouse Program. They must include:

- A signed letter including their name, the last four digits of their Social Security Number or ITIN, their phone number, and the tax years they are requesting relief
- An explanation of how they qualify for the program
- A copy of the IRS order ("determination") granting relief of their federal tax debt, if applicable; the determination must include the IRS provision used to grant the relief

Note: While Minnesota’s Innocent Spouse Program is not the same as the federal innocent spouse program, our determinations are consistent with those made at the federal level.

How to apply

Submit applications for both the Separation of Liability and Innocent Spouse programs to:

Minnesota Department of Revenue
Income Tax and Withholding Division
Attn: Separation of Liability/Innocent Spouse Program
Mail Station 7701
600 N. Robert St.
St. Paul, MN 55146-7701

Questions?

Call 651-556-6994.

Nonliable (Injured) Spouse Program

The IRS administers an Injured Spouse program using federal Form 8379, which allows a nonliable spouse to receive their portion of the federal refund by filing this form with the federal income tax return.

We also have an Injured Spouse program and handle requests differently based on who recaptured the refund.

If your clients file a joint tax return, and their refund is applied to pay one spouse’s	Then your client should contact
Agency debt (such as child support)	The claimant agency to request their portion of the refund
Federal nontax agency debt (such as education loans)	Our Collection Division to request their portion of the refund
Prior-year income tax debt	• Phone: 651-556-3003 or 1-800-657-3909 • Email: CD.Offset.program.mdor@state.mn.us
Prior-year business tax debt	
Other agency debt turned over to the department (such as parking tickets or unpaid tuition)	

Questions?

Call 651-556-4803.

Individual Taxpayer Identification Number

If your clients cannot obtain a valid Social Security Number, they must apply for an Individual Taxpayer Identification Number (ITIN) for tax purposes. The ITIN is **only** available to individuals who are not eligible for a Social Security Number. Anyone can apply for an ITIN, regardless of nationality. ITINs have nine digits and start with a 9.

The IRS issues ITINs to help individuals comply with the U.S. tax laws and to enable your clients to file income tax returns. **Your clients cannot use an ITIN for employment purposes.** The IRS issues ITINs regardless of immigration status, since both resident and nonresident aliens may have a federal filing or reporting requirement with the United States. Your clients must have a filing requirement and file a valid federal income tax return to receive an ITIN, unless they meet an exception.

An ITIN allows your clients to file a tax return and claim many credits and exemptions. Clients with ITINs **are not allowed to claim the federal Earned Income Credit and are not eligible for the Minnesota Working Family Credit or the Homestead Credit Refund (for Homeowners).** Clients cannot claim the federal Child Tax Credit for a child who does not have a valid Social Security Number. If your clients file jointly, one spouse needs to have a valid Social Security Number to qualify for the Homestead Credit Refund (for Homeowners).

If your clients have ITINs and are employed, their Forms W-2, 1099, and other tax documents will have a different Social Security Number and possibly a different name. Use the ITIN on both federal Form 1040 and Minnesota Form M1 where it asks for the Social Security Number. **Do not** use the Social Security Number or names that appear on Forms W-2 or 1099.

If your clients do not have an ITIN, give them federal Form W-7 or Form W-7SP (Spanish version). You can do the same for their spouse, children, and any other dependents living in the United States, Canada, and Mexico. Your clients complete this form with supporting documentation and mail it to the IRS.

Once you have completed the return, print copies of both the federal and state returns and cross out the temporary ITIN with an ink pen. Doing this notifies both us and the IRS that this person is applying for an ITIN.

Your clients must send in their federal return with the ITIN application and supporting documentation. Processing ITINs takes about 14 weeks. If your clients applied and have not received their ITIN or other correspondence after six weeks, they may call the IRS at 1-800-829-1040 to request their application status.

Do not complete the Minnesota return until your clients receive an ITIN.

Note: The ITIN will be valid for tax filing in future years.

Protecting Americans from Tax Hikes (PATH) Act: ITIN Changes and Renewals

Provisions in the PATH Act require some of your clients to renew their ITINs. Your clients' ITINs will no longer be valid if they have not used it on a federal tax return at least once in the last three years. In this case, your clients will need to renew their ITINs. See federal Publication 5259 Fact Sheet – Expiring ITINs.

If your client has an ITIN assigned prior to 2013 and if it has not already been renewed, they may need to renew it before it expires on December 31, 2021. They should receive a letter from the IRS with instructions on how to do so.

Your clients with affected ITIN numbers should receive a notice from the IRS titled “CP48: You must renew your Individual Taxpayer Identification Number (ITIN) to file your U.S. tax return.” They should renew their ITINs before the filing season starts to avoid errors in processing their refund. They may be ineligible for certain tax credits if they use an expired ITIN. Once their ITIN is renewed, your client will keep using the same number.

To renew an expired ITIN, your clients must submit a completed federal Form W-7 and all required identification documents to the IRS. See federal Publication 1915 for acceptable identification documents. Be sure to use the most recent revision for the Form W-7 (revision 9-2016) when renewing an ITIN.

If a U.S. tax return is filed with an expired ITIN, there may be a delay in processing the tax return.

Your clients can renew ITINs at any time if they expired in years 2016 through 2021. For assistance renewing an ITIN, your clients may visit a Certified Acceptance Agent at any of these locations. Due to COVID-19, we recommend contacting them first.

- Prepare + Prosper
- Comunidades Latinas Unidas en Servicio (CLUES)
- An IRS Tax Assistance Center

Military Personnel

Most of these require Military certification

This section summarizes some Minnesota tax credits, subtractions, filing extensions, and resources for military service members.

You and your clients can find more information by:

- Visiting our website at www.revenue.state.mn.us and selecting Members of the Military
- Seeing Income Tax Fact Sheet 5, Military Personnel - Residency
- Seeing Income Tax Fact Sheet 5a, Military Personnel - Subtractions, Credits, and Extensions

2021 Form M99, Credit for Military Service in a Combat Zone

Your clients may be eligible for the Credit for Military Service in a Combat Zone if:

- They served in a combat zone or qualified hazardous duty area anytime during 2021
- Their combat pay is excluded from federal gross income under Internal Revenue Code, section 112
- They were a Minnesota resident during the period of combat zone or hazardous duty service

Online Filing for Form M99, Credit for Military Service in a Combat Zone

Form M99 is available for your clients to electronically file for free on our website.

If your client made an error and needs to amend Form M99, they should complete the paper form for the year they served and mail it to us. They cannot amend Form M99 through our online services.

To check the status of this refund, call us at 651-296-3781 or 1-800-652-9094. The Where’s My Refund? application cannot give you an update on the status of this refund.

These documents are required to apply for the credit:

- **National Guard, Reservists, and retired or discharged active-duty members:** For each period of qualifying service, attach a copy of Form DD-214, Certificate of Release or Discharge from Active Duty.
- **Active-duty members:** Attach a copy of the Leave and Earnings Statement for each qualifying month (first page only).

To Claim the Credit for Prior Years

This credit is also available for 2018, 2019, and 2020. To apply for prior year credits, file the appropriate year's Form M99. You can find prior year forms on our website at www.revenue.state.mn.us or file them electronically.

Note: Minnesota law allows your clients to claim this credit within 3.5 years from the original due date of the income tax return for the year of the combat zone service. If your clients need to amend Form M99, use the same form and check the box at the top of the page. We only accept amended Forms M99 by mail.

Filing for a Deceased Person

If your clients are deceased and were eligible for the Credit for Military Service in a Combat Zone, their surviving spouse or personal representative may file to claim the refund. If there is no surviving spouse or personal representative, these relatives of the decedent may claim the credit (in the order listed):

- Children
- Grandchildren
- Parents
- Siblings
- Children of the decedent's siblings.

To claim the credit, file Form M99 with Form M23, *Claim for Refund for a Deceased Taxpayer*. This must be done by paper and will not be an option electronically.

If more than one person may claim the credit, all eligible persons must agree on who will receive it. The designated person must get a signed waiver of consent from the others who are eligible. This waiver is included with Form M23.

Military Subtractions

These subtractions are for clients who are members of the military. For more detailed information, refer to Schedule M1M, *Subtractions from Income*, on pages 29 - 31 of the manual.

Schedule M1M, Line 20: Federal Active-Duty Military Pay

Schedule M1M, Line 21: National Guard or Reservists

Schedule M1M, Line 22: Active-Duty Residents of Another State

Schedule M1M, Line 25: Military Pension or other Retirement Military Pay

Members of the military and their spouses remain domiciled in the state in which they have established permanent residency, regardless of where they were stationed during the year. They must take certain steps to change their residency.

Example: Lukas entered the armed forces as a Minnesota resident. He remains domiciled in Minnesota until he takes action to abandon his Minnesota residency and establish a domicile in another state. If Lukas were

stationed in Montana, he would not file Schedule M1NR as a part-year or nonresident. He is allowed a subtraction for the active-duty income earned in Montana on Schedule M1M, line 20.

Military Pensions

Minnesota residents' military pensions and military retirement pay are not taxable by Minnesota.

If your clients moved to Minnesota, their military pension is not taxable once they become a Minnesota resident, even if they earned the pension prior to moving.

If your clients move out of Minnesota and establish a new state of domicile, the new state may tax their military pension. They should check with their new state's tax department.

Military Filing Extensions

When filing the Minnesota income tax return, enclose a sheet of paper stating that your client is filing the return under a combat zone or military extension.

Extensions for Federal Active-Duty Members

If military personnel serve in a presidentially designated combat zone or contingency operation, they have the same extensions to file and pay their state income taxes as for their federal taxes.

The deadline for filing and paying state income taxes without penalty or interest is whichever is later:

- 180 days after the last day in a combat zone
- 180 days after the last day of continuous hospitalization for injuries suffered in a combat zone

Clients stationed outside the United States on the due date, but not in combat zone operations, may file their state income tax return without penalty by October 15. To avoid a late payment penalty and interest, your client must pay at least 90% of their Minnesota income tax liability by April 18, 2022. They must pay any remaining tax by October 17, 2022.

Extensions for National Guard and Reservists

If members of the National Guard and Reserves are called to active service in a designated combat zone, they have the same extensions to file and pay as active-duty personnel in a combat zone.

Those not called to combat zone service are allowed this extension to file and pay without interest or penalty:

- If called to active service **in the United States**, your client has until October 17
- If called to active service **abroad**, your client has 180 days after they return from abroad

Amended Returns

Form M1X

Amended returns must be paper filed

If you find a mistake on your client's Minnesota Individual Income Tax return after filing, you must file [Form M1X, Amended Minnesota Income Tax](#), to correct the error.

Do not write "amended" on the top of [Form M1, Individual Income Tax](#), and use it to amend a return.

Note: Your clients may not change their filing status from Married Filing Jointly to Married Filing Separately after the due date (April 18 for most people).

Deadline for Amending

To claim an income tax refund, you must file Form M1X within 3 ½ years of the original due date of the return. For example, to receive a refund for amending a 2019 income tax return, you must file a 2019 Form M1X by October 17, 2023.

Reporting Federal Changes

If you amend your client's federal return or the IRS changes it, you must notify the Minnesota Department of Revenue or amend the Minnesota return within 180 days. If you do not amend the Minnesota return or notify us as required, we will charge a 10% penalty on any additional tax your client owes. This also extends the statute of limitations, providing us an additional six years to audit the return.

- **If the federal changes affect your client's Minnesota tax return:** File Form M1X, even if the refund or amount due does not change. Include a copy of the amended federal return or IRS correction notice. Mail the amended return to:
 - Minnesota Amended Individual Income Tax
 - Mail Station 1060
 - 600 N. Robert St.
 - St. Paul, MN 55145-1060
- **If the changes do not affect your client's Minnesota tax return:** Send us a letter of explanation and a complete copy of the federal amended return or IRS correction notice. Mail the letter to:
 - Minnesota Department of Revenue
 - Mail Station 7703
 - 600 N. Robert St.
 - St. Paul, MN 55146-7703

Important: If your client's file Form M1X, check if the change affects their Form M1PR.

Form M1PRX

If you find a mistake on your client's Property Tax Refund return, amend it by filing Form M1PRX, *Amended Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund*.

Common reasons to amend the return include any of these:

- Your client's household income changed
- Your client received an additional or corrected Certificate of Rent Paid
- Your client received a corrected Statement of Property Taxes Payable

- Your client received an abatement that reduced their property taxes

The deadline for filing Form M1PRX is 3.5 years from the due date of the Minnesota income tax return for the same year. These due dates also apply to amended property tax returns.

If your client's file Form M1PRX to change income, rent, or property tax amounts, they must enclose the appropriate schedules, lists, or forms to support the changes.

Your client's may need to file Form M1PRX before receiving their refund on Form M1PR. They may submit Form M1PRX before they receive their Form M1PR refund. We will hold the original refund until we process the amended return, and we will only issue the correct refund amount on the amended return.

Filing on Behalf of a Deceased Person

✓ Individual Income Tax

If a person died before filing a 2021 tax return and had income that meets the minimum filing requirement for 2021, the spouse or personal representative must file a Minnesota income tax return for the deceased person. The return must have the same filing status used to file the deceased person's federal return.

To file a Minnesota income tax return for a deceased person, enter the deceased person's name and your client's name on the return and print "DECD" and the date of death after the deceased person's last name.

If the deceased person's spouse is filing and they are using the joint filing method, we will send the refund to the surviving spouse. If the personal representative is filing, they must include a copy of the court document appointing them as personal representative. The personal representative will receive the deceased person's refund on behalf of the estate.

If no personal representative has been appointed for the deceased person and there is no spouse, your clients must complete Form M23, *Claim for a Refund for a Deceased Taxpayer*, and include it with the deceased person's Minnesota income tax return.

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

Property Tax Refund

✓ Died before filing Form M1PR

If a person eligible to claim a property tax refund dies before applying for the refund, the surviving spouse may apply. If there is no surviving spouse, a surviving dependent may apply for the refund. No one else, including the personal representative of the estate, may apply for the refund.

✓ Died in 2021

If a person died in 2021, the surviving spouse may apply for the refund using both names, their income, plus the deceased person's income (if living together) up to the date of death. The spouses do not need to have been living together for the surviving spouse to claim the decedent's refund.

If there is no surviving spouse, a surviving dependent may apply for the refund.

✓ **Died in 2022**

If a person died in 2022, but before filing for the refund, the surviving spouse must apply using both names and all income for the year. The surviving spouse should print "DECD" and the date of death after the deceased person's last name and enclose a copy of the death certificate. If the refund check lists both names, the spouse must return it to us with an explanation to reissue the check with only their name on it.

If there is no surviving spouse, a surviving dependent may apply for the refund. The dependent must complete and enclose Form M23, *Claim for a Refund for a Deceased Taxpayer*, along with a copy of the death certificate. If there is no surviving spouse or surviving dependent to claim the refund, no one else may apply for it.

✓ **Died after filing Form M1PR**

If a person died after filing Form M1PR, the date we issued the refund determines who may claim it. If we issued the refund after the date of death, only a surviving spouse or surviving dependent may claim it. If we issued an uncashed check on or before the date of the death, a personal representative of the estate may claim it. If there is no personal representative appointed, another claiming party may claim it.

Important: Enclose Form M23, *Claim for a Refund for a Deceased Taxpayer*, and a copy of the death certificate. If the property was jointly owned or rented, the surviving spouse does not have to file Form M23. They may apply for the refund in his or her own name.

Definitions

Individual Income Tax

Blind: A person is legally blind when the sharpness of a person's central vision does not exceed 20/200 in the better eye with correcting lenses, or if the sharpness is greater than 20/200, but is accompanied by a limitation in the fields of vision such that a person's peripheral vision is no greater than 20 degrees.

Credits: Amounts applied directly against the tax to decrease or eliminate the amount an individual owes. Examples include the Credit for Taxes Paid to Another State, Child and Dependent Care Credit, Working Family Credit, K-12 Education Credit, and Credit for Parents of Stillborn Children. A refundable credit reduces or eliminates the amount an individual owes, and any leftover amount generally creates a refund for the individual.

Disabled: An individual is certified as disabled by the Social Security Administration or is unable to work for at least one year because of a severe mental or physical disability, blindness, or a condition expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months. See Internal Revenue Code, section 22(e)(3).

Exempt income: Income excluded from Minnesota gross income, such as U.S. Savings Bond interest, or dividends from mutual funds attributable to interest from U.S. Treasury notes or bonds.

Federal adjusted gross income (FAGI): FAGI is located on line 11 of the federal Form 1040 and 1040-SR.

Filing status:

- Single
- Head of Household
- Married Filing Jointly
- Married Filing Separately
- Qualifying Widow(er)

An individual's status on the last day of the tax year determines if they are single or married. Minnesota requires individuals to use the same filing status used for federal filing purposes.

Gross income (Minnesota): For filing requirements, Minnesota gross income is all income before deductions that is subject to Minnesota tax.

Penalty: We impose a penalty for either improper or late filing of a return or for late payment of tax liability. We can also apply penalties in other specific circumstances.

Personal service income: Personal service income is income earned in exchange for services or work performed by the individual. Examples of personal service income include:

- Wages
- Salaries
- Tips
- Commissions
- Bonuses earned by employees during their employment

- Scholarship income that requires personal service for students receiving a Form W-2
- Compensation to sole proprietors providing personal services

Personal service income does not include capital gains from the sale of tangible property, gross winnings from gambling, rents and royalties, S corporation income (other than wages), and business income from the sale of goods or services of others.

Provisional income: FAGI plus tax-exempt interest and half of an individual’s total Social Security and Tier 1 Railroad Retirement benefits.

Reciprocity agreement: Minnesota has reciprocity agreements with North Dakota and Michigan. Under these agreements, each state does not tax the personal service income of persons who work in their state, but reside in the other state, as long as your client returns to their home state at least once per month.

Senior citizen: A person age 65 or older. For income tax purposes, a person must be 65 on or before the last day of the tax year.

Tax liability: The amount of tax owed before applying withholding, estimated payments, and refundable credits.

Minnesota taxable income: The amount of income taxed by Minnesota after additions and subtractions.

Property Tax Refund

Agricultural Homestead: The property tax refund on agricultural homesteads is limited to the tax on the house, garage, and one acre of land.

Boarder: A person who, under contract, is provided with regular meals or lodging at another’s home for a predetermined amount of pay.

Dependent: A dependent is a person who meets at least one of these three requirements, regardless of whether or not someone claims them:

- Could be claimed as a dependent on someone else’s federal income tax return
- Lived with a parent, grandparent, sibling, aunt or uncle, for more than half the year and either
 - Was under age 19 at the end of the year (age 24 if a full-time student)
 - Did not provide more than 50% of their own support
- Had gross income of less than \$4,350 in 2021 and had more than 50% of their support provided by either:
 - A person they lived with for the entire year
 - A parent, grandparent, child, grandchild, aunt, uncle, sibling, niece, or nephew

Dependents are not eligible to file for a property tax refund.

Person with a disability: A person is considered to be disabled, as defined by the Social Security Administration, if any of these apply:

- They have a physical or mental impairment as of December 31, 2021, which has lasted or can be expected to last no less than 12 continuous months
- They have a disability that has lasted or is expected to last for at least one year or will result in death
- They are blind

The physical or mental impairment or illness must be so severe that it prohibits the person from engaging in any substantial gainful employment.

When claiming disability status, a person should have one of these documents in their records in case we request additional information:

- Letter from the Social Security Administration certifying the disability
- Certificate of 100% disability from the Veterans' Administration
- Letter of explanation from any organization paying the person's workers' compensation or some other disability compensation
- Letter from the person's physician stating:
 - The date the disability commenced
 - The nature of the disability
 - The reason that the person cannot be gainfully employed

To be eligible to claim disabled status on Form M1PR, the person must be disabled on or before December 31.



2021 Form M1, Individual Income Tax

Do not use staples on anything you submit.

Your First Name and Initial _____ Last Name _____ Your Social Security Number _____ Your Date of Birth (MM/DD/YYYY) _____
 If a Joint Return, Spouse's First Name and Initial _____ Spouse's Last Name _____ Spouse's Social Security Number _____ Spouse's Date of Birth _____
 Current Home Address _____ Check if Address is: New Foreign
 City _____ State _____ ZIP Code _____

2021 Federal Filing Status (place an X in one box):

(1) Single (2) Married Filing Jointly (3) Married Filing Separately (4) Head of Household (5) Qualifying Widow(er)
 Spouse Name _____
 Spouse SSN _____

Dependents (see instructions):

Dependent 1 First Name _____	Dependent 1 Last Name _____	Dependent 1 SSN _____	Dependent 1 Relationship to You _____
Dependent 2 First Name _____	Dependent 2 Last Name _____	Dependent 2 SSN _____	Dependent 2 Relationship to You _____
Dependent 3 First Name _____	Dependent 3 Last Name _____	Dependent 3 SSN _____	Dependent 3 Relationship to You _____

State Elections Campaign Fund

To grant \$5 to this fund, enter the code for the party of your choice. It will help candidates for state offices pay campaign expenses. This will not increase your tax or reduce your refund.

Political Party Code Numbers: Democratic/Farmer-Labor . . . 12 Grassroots/Legalize Cannabis 14 Legal Marijuana Now 17
 Republican 11 Independence 13 Libertarian 16 General Campaign Fund 99
 Your Code Spouse's Code

From Your Federal Return (see instructions)

A. Wages, salaries, tips, etc.	B. IRA, pensions, and annuities	C. Unemployment	D. Federal taxable income
1	Federal adjusted gross income (from line 11 of federal Form 1040 and 1040-SR)	1 ■	_____
2	Additions to income from line 10 of Schedule M1M and line 9 of Schedule M1MB (see instructions)	2 ■	_____
3	Add lines 1 and 2.	3	_____
4	Itemized deductions (from Schedule M1SA) or your standard deduction (see instructions)	4 ■	_____
5	Exemptions (determine from instructions)	5 ■	_____
6	State income tax refund from line 1 of federal Schedule 1.	6 ■	_____
7	Subtractions from line 32 of Schedule M1M and line 22 of Schedule M1MB (see instructions)	7 ■	_____
8	Total subtractions. Add lines 4 through 7.	8	_____
9	Minnesota taxable income. Subtract line 8 from line 3. If zero or less, leave blank.	9	_____
10	Tax from the table in the Form M1 instructions	10	_____



- 11 Alternative minimum tax (enclose Schedule M1MT) 11 ■ _____
- 12 Add lines 10 and 11 12 _____
- 13 **Full-year residents:** Enter the amount from line 12 on line 13. Skip lines 13a and 13b.
Part-year residents and nonresidents: From Schedule M1NR, enter the amount from line 32 on
line 13, from line 28 on line 13a, and from line 29 on line 13b (enclose Schedule M1NR) 13 _____
- 13a ■ _____ 13b ■ _____
- 14 Other taxes, such as recapture amounts and the tax on lump-sum distributions (check appropriate boxes)
 (a) Schedule M1HOME (b) Schedule M1529 (c) Schedule M1LS 14 ■ _____
- 15 Tax before credits. Add lines 13 and 14 15 _____
- 16 Amount from line 18 of Schedule M1C, *Nonrefundable Credits* (enclose Schedule M1C) 16 ■ _____
- 17 Subtract line 16 from line 15 (if result is zero or less, leave blank) 17 _____
- 18 Nongame Wildlife Fund contribution (see instructions)
This will reduce your refund or increase the amount you owe 18 ■ _____
- 19 Add lines 17 and 18 19 _____
- 20 **Minnesota income tax withheld.** Complete and enclose Schedule M1W to report
Minnesota withholding from Forms W-2, 1099, and W-2G (do not send) 20 ■ _____
- 21 Minnesota estimated tax and extension payments made for 2021 21 ■ _____
- 22 Amount from line 11 of Schedule M1REF, *Refundable Credits* (see instructions; enclose Schedule M1REF) ... 22 ■ _____
- 23 Total payments. Add lines 20 through 22 23 _____
- 24 **REFUND.** If line 23 is more than line 19, subtract line 19 from line 23 (see instructions).
For direct deposit, complete line 25 24 ■ _____
- 25 Direct deposit of your refund (you must use an account not associated with a foreign bank):
 Checking Savings _____
Routing Number Account Number
- 26 **AMOUNT YOU OWE.** If line 19 is more than line 23, subtract line 23 from line 19 (see instructions) 26 ■ _____
- 27 Penalty amount from Schedule M15 (see instructions). Also subtract
this amount from line 24 or add it to line 26 (enclose Schedule M15) 27 ■ _____
- IF YOU PAY ESTIMATED TAX** and want part of your refund credited to estimated tax, complete lines 28 and 29.
- 28 Amount from line 24 you want sent to you 28 ■ _____
- 29 Amount from line 24 you want applied to your 2022 estimated tax 29 ■ _____

Taxpayer: I declare that this return is correct and complete to the best of my knowledge and belief.

Your Signature Spouse's Signature (If Filing Jointly) Date (MM/DD/YYYY)

Daytime Phone Email Address

Paid Preparer's Signature Date (MM/DD/YYYY) PTIN or VITA/TCE # (required)

Preparer's Daytime Phone Preparer's Email Address

I do not want my paid preparer to file my return electronically.

I authorize the Minnesota Department of Revenue to discuss this tax return with the preparer or the third-party designee indicated on my federal return.

Include a copy of your 2021 federal return and schedules.

Mail to: Minnesota Individual Income Tax, Mail Station 0010, 600 N. Robert St., St. Paul, MN 55145-0010 9995



2021 Schedule M1M, Income Additions and Subtractions

Complete this schedule to determine line 2 and line 7 of Form M1.

Your First Name and Initial Your Last Name Your Social Security Number

Additions to Income

- 1 Interest from municipal bonds of another state or its governmental units included on line 2a of federal Form 1040 **1** ■ _____
- 2 Federally tax-exempt dividends from mutual funds investing in bonds of another state or its governmental units included on line 2a of federal Form 1040 **2** ■ _____
- 3 Expenses deducted on your federal return attributable to income not taxed by Minnesota (*other than interest or mutual fund dividends from U.S. bonds*) **3** ■ _____
- 4 Capital gain portion of a lump-sum distribution (*from line 6 of federal Form 4972; enclose Form 4972*) ... **4** ■ _____
- 5 Addition from line 7 of Schedule M1HOME (*enclose Schedule M1HOME*) **5** ■ _____
- 6 Distributions from higher education savings accounts used for K-12 tuition (*see instructions*) **6** ■ _____
- 7 This line intentionally left blank. **7** ■ _____
- 8 This line intentionally left blank. **8** ■ _____
- 9 Addition from line 35 of Schedule M1NC **9** ■ _____
- 10 Add lines 1 through 9. Enter the total here and on line 2 of Form M1 **10** _____

Subtractions from Income

- 11 If you are not filing Schedule M1SA, and your charitable contributions were more than \$500, see instructions. **11** ■ _____
- 12 Social Security benefit subtraction (*determine from worksheet in instructions*) **12** ■ _____
- 13 Education expenses you paid for your qualifying children in grades K-12 (*see instructions*)
Enter the name and grade of each child on the line below **13** ■ _____
- _____
- 14 Net interest or mutual fund dividends from U.S. bonds (*see instructions*) **14** ■ _____
- 15 Subtraction for contributions to a qualified education savings plan (*enclose Schedule M1529*) **15** ■ _____
- 16 Subtraction for persons age 65 or older, or permanently and totally disabled (*enclose Schedule M1R*) ... **16** ■ _____
- 17 Railroad Retirement Board benefits (*see instructions*) **17** ■ _____
- 18 If you are a resident of Michigan or North Dakota filing Form M1 only to receive a refund of all Minnesota tax withheld, enter the amount from line 1 of Form M1. If the amount is zero or less, enter 0 **18** ■ _____
 - Place an X in one box to indicate the reciprocity state of which you were a resident during 2021 Michigan North Dakota
- 19 Subtraction of reservation income for American Indians (*see instructions*) **19** ■ _____
- 20 Federal active duty military pay received for services performed while a Minnesota resident, to the extent the income is federally taxable. If you received a military pension, see line 25 **20** ■ _____
- 21 **Minnesota National Guard members and reservists:** See instructions **21** ■ _____





- 22 **Residents of another state:** Enter your federal active service military pay, to the extent the income is federally taxable. If you received a military pension, see line 25. 22 ■ _____
- 23 Organ Donor Subtraction (*see instructions*) 23 ■ _____
- 24 Volunteer mileage reimbursement subtraction 24 ■ _____
- 25 Subtraction for military pensions or other military retirement pay (*see instructions*) 25 ■ _____
- 26 Post-service education awards received for service in an AmeriCorps National Service program 26 ■ _____
- 27 Subtraction for interest earned from a designated first-time homebuyer savings account (*enclose Schedule M1HOME*) 27 ■ _____
- 28 Subtraction for discharge of indebtedness of educational loans (*see instructions*) 28 ■ _____
- 29 This line intentionally left blank 29 ■ _____
- 30 This line intentionally left blank 30 ■ _____
- 31 Subtraction from line 35 of Schedule M1NC. Enter as a positive number 31 ■ _____
- 32 Add lines 11 through 31. Enter the total here and on line 7 of Form M1. 32 _____

You must include this schedule with your Form M1.

2021 Schedule M1M Instructions

Additions

Line 1 — Interest From Municipal Bonds of Another State or its Governmental Units

Of the amount you included (or should have included) on line 2a of federal Form 1040, add the interest you received from municipal bonds issued by:

- A state other than Minnesota
- A local government (such as a county or city) in a state other than Minnesota

Line 2 — Federally Tax-Exempt Dividends from Mutual Funds Investing in Bonds of Another State

If you received federally tax-exempt interest dividends from a mutual fund, you may have to enter an amount on line 2. To determine the amount, if any, use the following instructions:

- If **95% or more** of the federally tax-exempt dividends from a mutual fund came from bonds issued by Minnesota, include *only* the portion of the federally tax-exempt dividend generated by non-Minnesota bonds.
- If **less than 95%** of the federally tax-exempt interest dividends from a mutual fund came from bonds issued by Minnesota, include *all* of the federally tax-exempt interest dividend from that fund.

Line 3 — Expenses Relating to Income Not Taxed by Minnesota, Other Than From U.S. Bond Obligations

If you deducted expenses on your federal return connected with income not taxed by Minnesota (such as income reported on lines 17 through 22 of Schedule M1M), add those expenses to your taxable income.

Do not include expenses connected with interest or mutual fund dividends from U.S. bonds. For information on how to report these expenses, see the instructions for line 14.

Line 4 — Capital Gain Portion of a Lump-Sum Distribution From a Qualified Retirement Plan

If you received a qualifying lump-sum distribution in 2021 and you chose the capital gain election on federal Form 4972, enter the capital gain from line 6 of federal Form 4972. Include a copy of federal Form 4972 when you file your return.

Line 5 — First-Time Homebuyer Savings Account Addition

If you made a nonqualified withdrawal from a first-time homebuyer savings account, you may be required to include those amounts in your taxable income. Complete and include Schedule M1HOME, *First-Time Homebuyer Savings Account*, to determine your addition.

Line 6 — Higher Education Savings Accounts Used for K-12 Tuition

If you paid K-12 tuition with a distribution from a higher education savings account, include the lesser of the total distributions from the account used to pay K-12 tuition or the total earnings reported on federal Form 1099-Q for the year.

Subtractions

Line 11 — Charitable Contributions over \$500

You may subtract some of your contributions made during the year if both of the following are true:

- You did not file Schedule M1SA, *Minnesota Itemized Deductions*.
- You made charitable contributions of more than \$500.

To determine your allowable contributions, see the instructions for Schedule M1SA, and use the Worksheet for Line 11.

Worksheet for Line 11

To determine your allowable contributions, you will need the instructions for Schedule M1SA.

1 Determine total allowable charitable contributions you would have been able to enter on lines 15 and 16 of Schedule M1SA . . .	_____
2 The first \$500 of contributions do not qualify	\$500
3 Subtract step 2 from step 1	_____
4 Multiply step 3 by 50% (.50). Enter here and on line 11 of Schedule M1M	_____

Line 12 — Social Security Subtraction

If you entered an amount on line 6b of federal Form 1040, complete the Worksheet for Line 12.

If you completed Schedule M1NC, *Federal Adjustments*, use the Worksheet for Line 12 of Schedule M1M in the Schedule M1NC instructions.

Worksheet for line 12

1 Enter the amount from line 9 of federal Form 1040 or 1040-SR _____

2 Enter the amount from line 6b of federal Form 1040 or 1040-SR _____

3 Subtract step 2 from step 1 _____

4 Enter the amount from line 6a of federal Form 1040 or 1040-SR _____

5 Multiply step 4 by 50% (0.50) _____

6 Enter the amount you included or should have included on line 2a of federal Form 1040 or 1040-SR _____

7 Add steps 3, 5 and 6 _____

8 Enter the amount on line 26 of federal Schedule 1 _____

9 Enter the amount on line 21 of federal Schedule 1 _____

10 Subtract step 9 from step 8. If zero or less, enter 0 _____

11 Subtract step 10 from step 7. If zero or less, enter 0 _____

12 Enter the amount for your filing status from below: _____

Married Filing Jointly or Qualifying Widow(er): \$80,270

Single or Head of household: \$62,710

Married Filing Separate: \$40,135

13 Subtract step 12 from step 11. If zero or less, enter 0 _____

14 Multiply step 13 by 20% (.20) _____

15 Enter the amount for your filing status from below _____

Married Filing Jointly or Qualifying Widow(er): \$5,290

Single or Head of household: \$4,130

Married Filing Separate: \$2,645

16 Subtract step 14 from step 15. If zero or less, enter 0 _____

17 Enter the amount from step 2 _____

18 Enter the amount of Tier 1 railroad retirement benefits included on line 17 of Schedule M1M. _____

19 Subtract step 18 from step 17. If zero or less, enter 0. _____

20 Enter step 16 or step 19, whichever is less. Also enter this amount on line 12 of Schedule M1M. _____

Line 13 — K-12 Education Expense Subtraction

If you purchased qualifying educational materials or services in 2021 for your qualifying child’s K–12 education, you may be able to reduce your taxable income.

If you qualify for the K-12 Education Credit, complete Schedule M1ED before entering an amount on this line (see instructions for line 3 of Schedule M1REF, *Refundable Credits*). For this subtraction, you may use qualifying expenses you did not use for the credit and tuition expenses which do not qualify for the credit. You may not claim both the credit and a subtraction for the same expenses. Complete the Worksheet for Line 13 if you entered an amount on line 18 of Schedule M1ED.

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 2021.
- Have attended a public, private, or home school in Minnesota, Iowa, North Dakota, South Dakota, or Wisconsin.
- Not be claimed as a qualifying child on another individual’s return.

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. Education expenses that qualify for the credit also qualify for the subtraction. However, certain expenses qualify only for the subtraction. For examples of qualifying education expenses, see the Form M1 instructions.

Subtraction Limits

The maximum subtraction allowed for purchases of personal computer hardware and educational software is \$200 per family. You may split qualifying computer expenses, up to \$200, among your children any way you choose. The maximum amount of education expenses you can subtract is \$1,625 for each child in grades K through 6, and \$2,500 for each child in grades 7 through 12.

If you qualify for the K–12 Education Credit (Schedule M1REF, line 3) and you cannot use all of your education expenses on Schedule M1ED, complete the Worksheet for Line 13. See Income Tax Fact Sheet 8, *K–12 Education Subtraction and Credit*, for more information. Enter your qualifying education expenses on line 13. Also, enter each child’s name and grade at the time the expenses were paid.

Worksheet for Line 13

If you qualify for the K–12 Education Credit and you cannot use all of your education expenses on Schedule M1ED, determine line 13 of Schedule M1M by completing the following steps:

- 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 13 of Schedule M1M.

Line 14 — Net Interest From U.S. Bonds

Include federally taxable interest you received from:

- U.S. bonds, bills, notes, savings bonds, and certificates of indebtedness
- Sallie Mae bonds
- Dividends paid to you by mutual funds that are attributable to these bonds
- U.S. Government interest and dividends you received as partner of a partnership, shareholder of an S corporation, or beneficiary of a trust

Reduce these amounts by any related investment interest and other expenses deducted on your federal return relating to this income. Do not include interest or dividends attributable to Ginnie Mae, Fannie Mae, or Freddie Mac bonds. See Income Tax Fact Sheet 13, *U.S. Government Interest*, if you received interest from a government source not listed.

Line 15 — Contributions to a 529 plan

You may be able to deduct certain contributions made to a 529 plan. To determine the amount of your subtraction, complete and include Schedule M1529, *Education Savings Account Contribution Credit or Subtraction*, and enter the amount from line 4 of Schedule M1529 on line 15.

Line 16 — Subtraction for Persons 65 or Older or Permanently and Totally Disabled (Schedule M1R)

You may qualify for a subtraction if either of the following apply to you (or your spouse, if filing a joint return):

- You were born before January 2, 1957.
- You were permanently and totally disabled and received federally taxable disability income in 2021. If you did not receive federally taxable disability income, you do not qualify for this subtraction.

If you (or your spouse, if filing jointly) meet the age or disability requirement, see the Form M1 instructions to determine if you meet the income requirements. If you meet all eligibility requirements, complete and include **Schedule M1R, Age 65 or Older/Disabled Subtraction**.

Line 17 — Railroad Retirement Board Benefits

If you included unemployment, sick pay, or retirement benefits from the Railroad Retirement Board in your 2021 federal adjusted gross income, you can subtract these amounts.

Line 18 — Reciprocity Income

Minnesota has income tax reciprocity agreements with Michigan and North Dakota. Reciprocity applies only to personal service income, such as wages, salaries, tips, commissions, fees, and bonuses. Complete line 18 if all of the following are true:

- You are a resident of a reciprocity state.
- Your only Minnesota source income was wages covered under reciprocity.
- You had Minnesota income tax withheld from these wages, and want a refund of the amount withheld. Place an X in the box for the state of which you were a permanent resident during the year, and enter the amount from line 1 of Form M1 on line 18 of Schedule M1M.

When you file Form M1, follow the steps in the Form M1 instructions. Also complete and include the following:

- Schedule M1W, *Minnesota Income Tax Withheld*
- Form MWR, *Reciprocity Exemption/Affidavit of Residency*
- A copy of your home state tax return

To avoid having Minnesota tax withheld in the future on wages covered by reciprocity, file Form MWR each year with your employer.

When to complete Schedule M1NR: If your gross income assignable to Minnesota (other than from performing personal services covered under reciprocity) is \$12,525 or more, you are not eligible to take the reciprocity subtraction on line 18. Instead, file Form M1 and Schedule M1NR. Do not include your personal service income on column B of Schedule M1NR.

Line 19 — American Indians Living on an Indian Reservation

If you are a member of an American Indian tribe living and working on the reservation of which you are an enrolled member, enter your reservation source income to the extent it is federally taxable.

If you are eligible to subtract reservation source income, you must apportion any Child and Dependent Care Credit you claim based on your income taxable to Minnesota.

Line 20 — Federal Active Duty Military Pay Received by Residents

If you are a Minnesota resident and a member of the United States armed forces or United Nations armed forces, enter the federal active duty military pay you received and included in your federal adjusted gross income.

Line 21 — National Guard Members and Reservists

Members of the Minnesota National Guard and Reserves are allowed a subtraction of federally taxable pay received for training and certain types of qualifying service. This includes:

- Training, including annual training and drill weekends.
- State active service, including natural disaster emergency response and missing person searches.
- Federally funded state active service such as airport security duty, Active Duty Operational Support (ADOS), and service under Title 10 and Title 32 Active Guard Reserve (AGR).

If you included income on line 20 for federal active duty pay, do not include that income on line 21.

Line 23 — Organ Donor

If, while living, you, your spouse (if filing jointly), or a dependent donated all or part of a liver, pancreas, kidney, intestine, lung, or bone marrow to another person, you can subtract your actual qualified expenses up to \$10,000.

Qualified expenses are your unreimbursed expenses for travel and lodging and for any lost wages net of sick pay due to the transplantation.

Line 24 – Volunteer mileage reimbursement subtraction

If you received mileage reimbursement in volunteer service for an organization eligible for a charitable contribution under Internal Revenue Code section 170(c), you may subtract the amount you received which exceeded the 14 cent per mile volunteer mileage rate. There is a cap of 56 cents per mile for 2021. Complete the Worksheet for Line 24 for each organization which reimbursed you for mileage greater than the volunteer mileage rate. Combine the result of step 6 for all worksheets completed and enter the total on line 24. If each organization reimbursed you at the same rate, you may use one worksheet and combine all reimbursements received on step 1.

Worksheet for Line 24

1 Reimbursements for miles driven in volunteer service that you received in 2021

2 Number of volunteer miles related to reimbursements on step 1

3 Multiply step 2 by 14 cents

4 Multiply step 2 by 56 cents

5 Enter the lesser of step 1 or step 4

6 Subtract step 3 from step 5. Include this amount on line 24 of Schedule M1M.

Line 25 — Military Pension or Retirement Pay

If you received certain compensation from a military pension or other military retirement pay, you may reduce your taxable income by that pay. To qualify, your retirement pay must be taxable on your federal return and received for one of the following reasons:

- Service in the active component of the military (U.S. Code, title 10, sections 1401 to 1414)
- Retirement pay for service in the reserve component (U.S. Code, title 10, section 12733)
- Survivor benefit plan payments (U.S. Code, title 10, sections 1447 to 1455)

If you claim this subtraction, you may not claim the nonrefundable credit for past military service on line 1 of Schedule M1C, *Other Nonrefundable Credits*.

Line 26 — Post-Service Education Awards Received for Service in an AmeriCorps National Service Program

If you received a post-service education award, such as tuition reimbursements or student loan payments, from the federal government in 2021 for service in the AmeriCorps program, you can subtract the amount you included in your federal adjusted gross income. Enter the amount you received after leaving the program. Do not include the stipend received while working in the program.

If your education award was used to repay a student loan, and you deducted the student loan interest on line 21 of federal Schedule 1, you must reduce your subtraction by the interest attributable to the award.

Line 27 — First-Time Homebuyers Savings Account

If you contributed to a designated first-time homebuyer savings account since 2017, you may be eligible to subtract your earnings on the account. Complete and include Schedule M1HOME, *First-Time Homebuyer Savings Account*, to determine your subtraction amount.

Line 28 — Discharge of Indebtedness for Education Loans

If you had a qualifying education loan forgiven because you completed an income-driven repayment program, enter the amount of debt discharged and included in federal adjusted gross income.



2021 Schedule M1NC, Federal Adjustments

Minnesota has not adopted certain federal law changes enacted after December 31, 2018, that affect federal adjusted gross income for tax year 2021. This schedule allows for any necessary adjustments required to file a state tax return.

Your First Name and Initial _____ Last Name _____ Social Security Number _____

Read the instructions before you complete this schedule.

Enter amounts as a positive or negative.
Round amounts to the nearest whole dollar.

All of these entries are manual

Adjustments to federal adjusted gross income (FAGI)

- 1 Home mortgage debt cancelled in 2021 and excluded from federal income 1 ■ manual
- 2 Deduction for IRA contributions of individuals over age 70 1/2 2 ■ manual
- 3 Distributions from higher education savings accounts used for apprenticeship programs or student loan payments. 3 ■ manual
- 4 Employer provided Dependent Care Assistance Program benefits excluded from income 4 ■ manual
unused dependent care - box 10 on W-2
- 5 This line intentionally left blank. 5 ■ _____
- 6 This line intentionally left blank. 6 ■ _____
- 7 This line intentionally left blank 7 ■ _____
- 8 This line intentionally left blank. 8 ■ _____
- 9 This line intentionally left blank. 9 ■ _____
- 10 Exclusion for certain employer payments of student loans. 10 ■ manual
- 11 Employee Retention Credit under the CARES Act 11 ■ OOS
- 12 Employee Retention Credit for employers affected by qualified disasters under TCDTR20. 12 ■ OOS
- 13 Net operating loss carryovers and suspension of 80% Limit adjustment. 13 ■ OOS
- 13a Enter your current year federal NOL deduction 13a ■ _____
- 13b Enter your MN net operating loss carryover to 2022 (see instructions). 13b ■ _____
- 14 Section 461 excess business loss limitation adjustment (see Schedule M1LOSS) 14 ■ OOS
- 14a Enter your federal net operating loss for 2021. 14a ■ _____
- 14b Enter your Minnesota net operating loss for 2021 (see instructions) 14b ■ _____
- 15 Subpart F Income Adjustment 15 ■ OOS
- 16 Modification of business interest limitation 16 ■ OOS
- 17 Qualified Improvement Property technical fix 17 ■ OOS
- 18 Employer credit for paid medical leave and Employer payroll credit for required paid family leave 18 ■ OOS



19	TCDTR and TCDTR20 basis and depreciation provisions	19	■	oos
20	Credit provisions impacting basis and depreciation	20	■	oos
21	Credit provisions impacting business expenses	21	■	oos
22	Other adjustments to federal adjusted gross income <i>includes ARPA student loan forgiveness</i>	22	■	manual
23	TCDTR20 basis and depreciation provisions	23	■	oos
24	Restaurant revitalization grants excluded from income <i>(see instructions)</i>	24	■	oos
25	Temporary allowance of full deduction for business meals <i>(see instructions)</i>	25	■	oos
26	Net operating loss deduction from a farming activity carried back to 2021 <i>(see instructions)</i>	26	■	oos
27	This line intentionally left blank	27	■	
28	This line intentionally left blank	28	■	
29	This line intentionally left blank	29	■	
30	If you received a distribution from an IRA in 2021 and made an adjustment to your allowable Minnesota deduction for IRA contributions on a prior year Schedule M1NC, see instructions	30	■	manual

If you have an amount on lines 1 through 30 and had rental real estate losses, received social security income, contributed to an IRA, or paid interest on student loans, see the instructions and worksheets for lines 31 through 34 to determine your Minnesota deduction.
these are all automatic or out of scope

31	Rental real estate loss limitation	31	■	
32	Taxable social security benefits	32	■	
33	IRA Deduction	33	■	
34	Student loan interest deduction	34	■	
35	Add lines 1-34. If the result is positive, enter it on Form M1M, line 9. If the amount is negative, enter it as a positive number on Form M1M, line 31	35	■	
36	Line 1 of Form M1	36	■	
37	Minnesota adjusted gross income. Add lines 35 and 36, then see instructions	37	■	

You must include this schedule when you file Form M1.



2021 Schedule M1NC Instructions

For taxpayers who are affected by changes to federal tax law passed after December 31, 2018

Purpose of This Schedule

Rules used to determine Minnesota Individual Income Tax are generally based on the Internal Revenue Code (IRC) as amended through December 31, 2018, with certain exceptions.

Since that date, federal tax laws were enacted containing provisions affecting tax year 2021. These federal laws include the Taxpayer Certainty and Disaster Tax Relief (TCDTR) Act of 2019, the Families First Coronavirus Response (FFCR) Act, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Setting Every Community Up for Retirement Enhancement (SECURE) Act, the Taxpayer Certainty and Disaster Tax Relief Act (TCDTR20) of 2020, the COVID-Related Tax Relief (COVIDTR) Act, and the American Rescue Plan Act (ARPA) of 2021. Because Minnesota has not adopted certain federal changes, you may need to adjust your Minnesota return.

You must use this Schedule to complete your Minnesota return if you are affected by any of its provisions. Several provisions may require an income adjustment for Minnesota tax purposes. This Schedule includes the most common adjustments; you must make adjustments as needed for certain provisions included in the TCDTR, FFCR, CARES, SECURE, TCDTR20, COVIDTR, and ARPA Acts.

Save your entire 2021 Minnesota income tax return and all worksheets you use.

Who Must File Schedule M1NC

If you are affected by any of the provisions included on this form, complete Schedule M1NC to make the necessary adjustments when you file Form M1. Refer to the line instructions below for more information about the adjustments for your Minnesota return.

Line Instructions

Line 1 — Home mortgage debt cancelled in 2021 and excluded from federal income (TCDTR Act Sec. 101 and TCDTR20 Sec. 114)

If you filed federal Form 982 and checked the box on line 1e, enter the amount of discharged qualified principal residence indebtedness included on line 2 of Form 982.

Line 2 - Deduction for IRA contributions of individuals over age 70 1/2

If you claimed a deduction for contributions to an IRA and you were over age 70 1/2 at the beginning of the year, use the following instructions to determine what amount to enter on line 2.

On line 2 of Schedule M1NC, enter the full amount claimed on line 20 of federal Schedule 1 and do not complete the Worksheet for Line 33 - Minnesota IRA Deduction if either of the following apply:

- Your filing status is single, head of household or married filing separately and you are over the age of 70 1/2 at the beginning of 2021
- Your filing status is married filing jointly and you and your spouse are over the age of 70 1/2 at the beginning of 2021

If your filing status is married filing jointly and you or your spouse are over age 70 1/2 at the beginning of 2021, enter the full amount of the deduction claimed on line 20 of Schedule 1 on line 2 of Schedule M1NC. When you have completed any other required adjustments on Schedule M1NC, complete Worksheet for line 33 - Minnesota IRA Deduction. Enter 0 on step 20 of that worksheet when you are asked to enter your federal IRA deduction from line 20 of federal Schedule 1.

If you and your spouse (if married filing a joint return) are under age 70 1/2, do not enter an amount on this line.

Line 3 — Distributions from higher education savings accounts used for apprenticeship programs or student loan payments (SECURE Act Sec. 302)

If you received a distribution from a 529 savings plan for the following items, include the amount of earnings that were part of the distribution on line 3.

- Fees, books, supplies, and equipment required for participation in an apprenticeship program
- Pay for education loans of the designated beneficiary or their sibling

If you claimed the Minnesota section 529 plan credit or subtraction on a prior year return, you may be required to repay some of the benefit you received. Complete Schedule M1529, *Education Savings Account Contribution Credit or Subtraction*, to calculate any recapture tax you be required to pay.

Line 4 — Employer provided Dependent Care Assistance Program benefits excluded from income

Use Part 3 of Schedule M1CD to determine what amount of Dependent Care Assistance Program benefits to include on line 4.

Include Schedule M1CD if you enter an amount on line 4.

Line 10 — Exclusion for certain employer payments of student loans (CARES Act Sec. 2206 and TCDTR20 Sec. 120)

If you or your lender received a contribution by your employer for principal or interest on any qualified education loan, and the payment was excluded from your federal gross income pursuant to an "Educational-Assistance Program," include the amount contributed by your employer on line 10.

Line 11 — Employee Retention Credit under the CARES Act (CARES Act Sec. 2301; TCDTR20 Sec. 206 and 207; ARPA Sec. 9651)

If you claimed the federal credit and as a result claimed less wages as a business expense deduction, include the disallowed wages as a negative number.

Line 12 — Employee Retention Credit for employers affected by qualified disasters (TCDFR Act Sec. 203 and TCDFR20 Sec. 303)

If you claimed the federal credit, include the disallowed wages as a negative number.

Line 13 — Net operating loss carryovers and suspension of 80% limit adjustment

If you are claiming a net operating loss deduction from a net operating loss generated in tax years 2018 through 2020, you must recalculate your allowable deduction for Minnesota purposes. Complete Worksheet for Line 13 – Minnesota Net Operating Loss deduction. You must provide the worksheet with your return to show how you determined your Minnesota net operating loss deduction.

Worksheet for Line 13 — Minnesota Net Operating Loss Deduction

- 1 Federal taxable income before NOL deductions.
- 2 Enter the total from lines 1-12 and 14-30 of Schedule M1NC.
- 3 Add steps 1 and 2.
- 4 NOL carried from years prior to 2018 (enter as a positive amount)
- 5 Subtract step 4 from step 3.
- 6 NOL carried from years after 2017 (enter as a positive amount).
- 7 Multiply step 3 by 80% (.80)
- 8 Enter the lesser of step 6 or step 7
- 9 Enter the lesser of step 8 or step 5
- 10 **Add step 4 and step 9. This is your 2021 Minnesota Net Operating Loss Deduction.**
- 11 Federal Net Operating Loss Deduction claimed on line 8(a) of Schedule 1 (enter as a positive amount)
- 12 Subtract step 10 from step 11. Enter the result on line 13 of Schedule M1NC
- 13 Add steps 4 and 6.
- 14 Subtract step 10 from step 13. This amount may be carried to the next year.

Line 13a – Enter your current year federal NOL deduction

Enter the amount from line 8a of federal Schedule 1. Do not include this amount in the total on line 35 of Schedule M1NC.

Line 13b – Enter your MN net operating loss carryover to 2022

If you claimed a net operating loss deduction, use the Worksheet for line 13 – MN Net Operating Loss Deduction to determine your Minnesota net operating loss carryover to 2022, then enter the amount from step 14 of that worksheet on line 13b.

If you had a net operating loss in 2021, use the Worksheet for line 13b – MN Net Operating Loss Carryover to determine your net operating loss carryover to 2022.

Worksheet for Line 13b — Minnesota Net Operating Loss Carryover

- 1 Step 26 of your Figuring your Minnesota Net Operating Loss (on the next page), if less than zero
- 2 Portion of step 1 that is a farming loss carried back to 2019 or 2020. Enter as a positive amount
- 3 Excess business loss from line 21 of Schedule M1LOSS. Enter as a negative amount.
- 4 Combine steps 1 through 3. This is your NOL carryover to 2022.

Line 14 — Excess business loss limitation adjustment (See Schedule M1LOSS)

If you had losses from a trade or business exceeding \$262,000 (\$524,000 if married filing a joint return) Complete Schedule M1LOSS to determine your Minnesota loss limitation. Enter the amount from line 23 on line 14.

Line 14a – Enter your federal net operating loss for 2021.

Determine if you have a federal net operating loss. Enter the net operating loss calculated from Worksheet 1 of IRS Publication 536 on line 14a. Do not include this amount in the total on line 35 of Schedule M1NC.

Line 14b – Enter your Minnesota net operating loss for 2021

After you complete Schedule M1NC, use the amount on line 35 of Schedule M1NC to determine your Minnesota net operating loss using the Figuring your Minnesota Net Operating Loss worksheet on the next page. Enter the result on line 14b. Use this amount and any excess business loss adjustment from Schedule M1LOSS to complete the Worksheet for Line 13b – Minnesota Net Operating Loss Carryover. The worksheet will help you determine your Minnesota net operating loss carryover from 2021. If step 26 is less than zero, you have a Minnesota net operating loss. Enter this amount on line 14b. If step 26 is greater than zero you do not have a Minnesota net operating loss.

Figuring your Minnesota Net Operating Loss

1	Subtract your federal standard deduction or itemized deductions from your federal adjusted gross income	1
2	Enter the amount from line 35 of Schedule M1NC	2
3	Add Steps 1 and 2	3
4	Nonbusiness capital losses before limitation. Enter as a positive number	4
5	Nonbusiness capital gains (without regard to section 1202 exclusion)	5
6	If step 4 is more than step 5, enter the difference. Otherwise, enter 0	6
7	If step 5 is more than step 4, enter the difference. Otherwise, enter 0	7
8	Nonbusiness deductions. Enter as a positive	8
9	Nonbusiness income other than capital gains	9
10	Add steps 7 and 9	10
11	If step 8 is more than step 10, enter the difference. Otherwise, enter 0	11
12	If step 10 is more than step 8, enter the difference. Otherwise, enter 0. Do not enter an amount greater than step 7	12
13	Business capital losses before limitation. Enter as a positive number	13
14	Business capital gains (without regard to any section 1202 exclusion)	14
15	Add steps 12 and 14	15
16	Subtract step 15 from step 13. If less than zero, enter 0	16
17	Add steps 6 and 16	17
18	If you had a loss on line 16 of federal Schedule D, enter the amount as a positive. If you don't have a loss, skip steps 18 through 23, and enter the amount from step 17 on step 24	18
19	Enter section 1202 exclusion as a positive amount	19
20	Subtract step 19 from step 18. If less than zero, enter 0	20
21	If you had a loss on line 21 of federal Schedule D, enter the loss as a positive amount	21
22	If step 20 is more than step 21, enter the difference. Otherwise, enter 0	22
23	If step 21 is more than step 20, enter the difference. Otherwise, enter 0	23
24	Subtract step 22 from step 17. If zero or less, enter 0	24
25	Net operating loss deduction for losses from other years. Enter as a positive amount	25
26	Combine lines 3, 11, 19, and 23 through 25. If the result is less than zero, enter it here. If the result is zero or more, you do not have a Minnesota NOL.	26

Line 15 – Subpart F Income Adjustment (TCDTR Act Sec. 145 and TCDTR20 Sec. 111)

Filers who had income subject to the extension of the look-through rule for related controlled foreign corporations under IRC 954(c)(6) should make an adjustment reversing the impacts of this provision and enter the amount as a positive number.

Line 16 — Modification of business interest limitation (CARES Act Sec. 2306)

The amount of the business interest limitation that can be deducted for Minnesota is 30%.

Only if you file on a fiscal year basis, include the following amounts reported on Schedules KFNC, KSNC, and KPINC on line 16:

- Line 5 of Schedule KFNC
- Line 5 of Schedule KSNC
- Line 5 of Schedule KPINC

Line 17 — Qualified Improvement Property technical fix (CARES Act Sec. 2307)

If you claimed federal bonus depreciation on this type of property, determine the difference between the federal bonus depreciation you claimed on this property, and the cost recovery deduction or expensing method you would have been able to claim prior to the CARES Act. Include the result as a positive number.

Do not include the bonus depreciation claimed for this property on your federal Form 4562 when you complete Step 1 of the Worksheet for Line 3 - Bonus Depreciation Modification.

If you claimed bonus depreciation on this property on your 2020 return and made an adjustment on your 2020 Schedule M1NC to add back the amount not allowed for Minnesota purposes, you may calculate the depreciation you would have been able to claim prior to the CARES Act for 2021 on line 17. Include this amount as a negative number.

Line 18 — Employer credit for paid medical leave and employer payroll credit for required paid family leave (FFCR Act Sec. 7001, 7003; TCDTR Act Sec. 142; TCDTR20 Sec. 119; ARPA Section 9641)

FFCR Act Sec. 7001. Employer Credit for Paid Medical Leave

If you received the Employer Credit for Required Paid Medical Leave under the FFCR Act section 7001, include the amount of the credit which was included in your federal income as a negative amount.

FFCR Act Sec. 7003. Employer Payroll Credit for Required Paid Family Leave

If you received the Employer Credit for Paid Family and Medical Leave under the FFCR Act section 7003, include the amount of the credit which was included in your federal income as a negative amount.

TCDTR Act Sec. 142. Employer credit for paid family and medical leave

Expansion of the employer tax credit for paid family and medical leave to tax year 2021. Wages used in determining the credit are not allowed a business deduction.

Line 19 — Basis and depreciation provisions (TCDTR Act Sec. 114, 115, 118, and TCDTR20 Sec. 137, 115, 138, 116, 118, 102)

To report the differences for Minnesota tax purposes on line 19, you must attach to your Schedule M1NC a list of the federal provisions affecting your taxable income by section numbers listed below and show how you calculated each adjustment amount.

Subtotal all nonconformity adjustments (positive and negative) calculated from the provisions listed. If the net of all adjustments results in an increase to income, enter as a positive amount on line 19. If the net of all adjustments results in a decrease, enter as a negative on line 19.

Include the following amounts reported on Schedules KFNC, KSNC, and KPINC as a positive number on line 19:

- Line 8 of Schedule KFNC
- Line 8 of Schedule KSNC
- Line 8 of Schedule KPINC

TCDTR Act Sec. 114. Classification of certain racehorses as 3-year property (TCDTR20 Sec. 137)

If you own racehorses and you claimed a 3-year recovery period on your federal return, calculate the difference between the 3-year recovery period and the recovery period you would have been allowed under 2018 IRC. If your recovery period reported on your federal return is greater than the recalculated amount, include the difference as a positive number. If your recovery period reported on your **federal return is less than the recalculated amount**, include the difference as a negative number.

TCDTR Act Sec. 115. 7-year recovery period for motorsports entertainment complexes (TCDTR20 Sec. 115)

If you have a motorsports entertainment complex and you claimed a 7-year recovery period on your federal return, calculate the difference between the 7-year recovery period and the recovery period you would have been allowed under 2018 IRC. If your recovery period reported on your federal return is greater than the recalculated amount, include the difference as a positive number. If your recovery period reported on your federal return is less than the recalculated amount, include the difference as a negative number.

TCDTR20 Sec. 138. Accelerated depreciation for business property on Indian reservations, for property placed in service after December 31, 2020.

If you have qualified Indian reservation property and claimed accelerated depreciation, calculate the depreciation you would have been allowed under 2018 IRC. If your depreciation reported on your federal return is greater than the recalculated amount, include the difference as a positive number. If your depreciation reported on your federal return is less than the recalculated amount, include the difference as a negative number.

TCDTR20 Sec. 116. Expensing rules for certain productions commencing after December 31, 2020

If you were allowed to deduct instead of capitalizing expenditures related to qualified film, television, and theatrical productions on your federal return, include the excess expenses deducted as a positive number.

TCDTR Act Sec. 118. Empowerment Zone Tax incentives (TCDTR20 Sec. 118)

If you had a tax change relating to an empowerment zone that impacted your FTI on your federal return, reverse the tax impacts to your FTI.

TCDTR20 Sec. 102. Energy efficient commercial buildings deduction

If you claimed an energy efficient commercial buildings deduction on your federal return that impacted your FTI, reverse the tax impacts to your FTI.

TCDTR20 Sec. 106. Certain provisions related to beer, wine, distilled spirits

If your depreciation and property basis for beer, wine, and distilled spirits was impacted by the changes to the aging period, reverse the tax impacts accordingly. Certain beer, wine, and distilled spirits are impacted by nonconformity to TCDTR20. Effective dates generally begin after December 31, 2020 depending on certain actions taken.

Line 20 — Credit provisions impacting basis and depreciation (TCDTR Act Sec. 112, 122, 124, 125, 126, 129, 141, 144 and TCDTR20 Sec. 140, 142, 143, 144, 146, 112, 106)

To report the differences for Minnesota tax purposes on line 20, you must attach to your Schedule M1NC a list of the federal provisions affecting your taxable income by section numbers listed below and show how you calculated each adjustment amount.

Subtotal all nonconformity adjustments (positive and negative) calculated from the provisions listed. If the net of all adjustments results in an increase to income, enter as a positive amount on line 20. If the net of all adjustments results in a decrease, enter as a negative on line 20.

Include the following amounts reported on Schedules KFNC, KSNC, and KPINC as a positive number on line 20:

- Line 9 of Schedule KFNC
- Line 9 of Schedule KSNC
- Line 9 of Schedule KPINC

TCDTR Act Sec. 122. Second generation biofuel producer credit (TCDTR20 Sec. 140)

If you claimed the Second Generation Biofuel Producer Credit on your federal return that impacted your Federal Taxable Income (FTI), reverse the tax impacts to your FTI.

TCDTR Act Sec. 124. Qualified fuel cell motor vehicles (TCDTR20 Sec. 142)

If you claimed the credit for Qualified Fuel Cell Motor Vehicles on your federal return that impacted your FTI, reverse the tax impacts to your FTI.

TCDTR Act Sec. 125. Alternative fuel refueling property credit (TCDTR20 Sec. 143)

If you claimed the Alternative Fuel Refueling Property Credit on your federal return, adjust the property's basis without regard to the basis reduction required under 2020 IRC. Include any adjustments to FTI as a result of this Minnesota change in basis.

TCDTR Act Sec. 126. 2-Wheeled plug-in electric vehicle credit (TCDTR20 Sec. 144)

If you claimed the 2-Wheeled Plug-In Electric Vehicle Credit on your federal return, adjust the vehicle's basis without regard to the basis reduction required under 2020 IRC. Include any adjustments to FTI as a result of this Minnesota change in basis.

TCDTR Act Sec. 129. Energy efficient homes credit (TCDTR20 Sec. 146)

If you claimed the Energy Efficient Homes Credit on your federal return, adjust the property's basis without regard to the basis reduction required under 2020 IRC. Include any adjustments to FTI as a result of this Minnesota change in basis.

TCDTR Act Sec. 141. New Markets Tax credit (TCDTR20 Sec. 112)

If you claimed a New Markets Tax Credit, adjust the basis of the qualified equity investment property by the amount of the credit.

Line 21 — Credit Provisions Impacting Business Expenses TCDTR Act. Sec. 111, 113; TCDTR20 Sec. 135, 136)

To report the differences for Minnesota tax purposes on line 21, you must attach to your Schedule M1NC a list of the federal provisions affecting your taxable income by section numbers listed below and show how you calculated each adjustment amount.

Subtotal all nonconformity adjustments (positive and negative) calculated from the provisions listed. If the net of all adjustments results in an increase to income, enter as a positive amount on line 21. If the net of all adjustments results in a decrease, enter as a negative on line 21.

Include the following amounts reported on Schedules KFNC, KSNC, and KPINC as a positive number on line 21:

- Line 10 of Schedule KFNC
- Line 10 of Schedule KSNC
- Line 10 of Schedule KPINC

TCDTR20 Act Sec. 120. Indian Employment Credit

If you were not allowed to deduct expenses due to the Indian Employment Credit on your federal return, include the amount of the disallowed expenses as a negative number.

TCDTR20 Act Sec. 136. Mine Rescue Team Training Credit

If you were not allowed to deduct expenses due to the Mine Rescue Team Training Credit on your federal return, include the amount of the disallowed expenses as a negative number.

Line 22 — Other Adjustments to Federal Adjusted Gross Income

Other adjustments to adjusted gross income, such as Shuttered Venue Operators Grants (SVOG), Economic Injury Disaster Loan (EIDL) grants, and **student loan forgiveness under ARPA section 9675**, should be included on line 22.

Line 23 - TCDTR20 basis and depreciation provisions (TCDTR20 Act Sec. 201, 202, 203, and 204)**TCDTR20 Sec. 201. Low Income Housing tax credit rate**

If you claimed the Minimum Low-Income Housing Tax Credit on your federal return, adjust the property's basis without regard to the basis adjustments required under current federal law. Include the difference between the basis under the 2018 IRC and current federal law on line 23.

TCDTR20 Sec. 202. 30-year residential real property depreciation

If you had certain residential property and claimed depreciation using a 30-year recovery period on your federal return, calculate the difference between the 30-year recovery period and the recovery period allowed under the 2018 IRC. Include the difference as a positive number on line 23.

TCDTR20 Sec. 203. Waste energy recovery property

If you claimed the Energy Credit for waste energy recovery property on your federal return, adjust the property's basis to what is allowed under the 2018 IRC. Include the difference between the basis under current federal law and basis under the 2018 IRC on line 23.

TCDTR20 Sec. 204. Energy credit for offshore wind facilities

If you claimed the Energy Credit for offshore wind facilities on your federal return, adjust the property's basis to what is allowed under the 2018 IRC. Include the difference between the basis under current federal law and basis under the 2018 IRC on line 23.

Also include amounts from line 14 of Schedules KFNC, KSNC, and KPINC.

Line 24 - Restaurant revitalization grants excluded from income (ARPA Sec. 9673)

Include the restaurant revitalization grant on line 24 which were excluded from your federal adjusted gross income.

Also include amounts from line 15 of Schedules KFNC, KSNC, and KPINC.

Line 25 - Temporary Allowance of Full Deduction for Business Meals (TCDTR20 Act Sec. 210)

If you deducted more than 50% of the cost for food or beverages provided by a restaurant under this provision, enter the amount of the deduction that exceeds 50% of the cost. Also include amounts from line 16 of Schedules KFNC, KSNC, and KPINC.

Include the amount as a positive amount.

Line 26 — Net operating loss deduction from a farming activity carried back to 2021

Do not enter an amount on line 26 of your original return. This line is only for losses from farm activities carried back to 2021 from future tax years and you are amending 2021 to claim a net operating loss deduction.

Line 30 — Distributions from an IRA with different federal and Minnesota basis

You may need to make an adjustment on line 30 because of a difference between your federal and Minnesota basis in an IRA if all these apply:

- You received a distribution from an IRA in 2021
- You had an adjustment to income on Schedule M1NC in tax years 2019 or 2021
- You entered an amount on line 9 of the 2019 Schedule M1NC or line 31 of the 2020 Schedule M1NC after completing the IRA deduction adjustment worksheet for those lines

Combine the adjustments calculated in your IRA deduction limitation worksheets for 2019 and 2020 to determine if line 30 is a positive or negative adjustment in basis for a 2021 IRA distribution. If the result is positive, then include your difference in basis as a negative amount on line 30. If the result is negative, then include your difference in basis as positive amount on line 30.

Line 31 — Rental real estate loss limitation

Rental real estate losses are limited based on your Minnesota adjusted gross income.

Complete the Worksheet for Line 31 – Rental Real Estate Losses if line 7 of your federal Schedule 8582 was less than \$150,000. Enter the adjustment on line 31 of this schedule.

Worksheet for Line 31 — Rental Real Estate Losses

Before you complete this worksheet, you will need to complete federal Form 8582.

- 1 Enter the amount from line 5 of federal Form 8582
- 2 Enter the amount from line 6 of federal Form 8582
- 3 Enter the total from lines 1 through 30 of Schedule M1NC
- 4 Add steps 2 and 3. If the result is greater than or equal to step 1, skip steps 5 and 6 and enter 0 on step 7.
Otherwise, continue with step 5.
- 5 Subtract step 4 from step 1. If zero or less, enter 0.
- 6 Multiply step 5 by 50% (0.5). Do not enter more than line 8 of Form 8582
- 7 Enter the lesser of line 4 of Form 8582 or step 6 of this worksheet.
- 8 Enter the amount from line 10 of Form 8582
- 9 Add steps 7 and 8.
- 10 Enter the amount from line 11 of Form 8582
- 11 Subtract step 9 from step 10. Include the result on line 31 of Schedule M1NC

Line 32 — Taxable Social Security Benefits

Complete the Worksheet for Line 32 – Social Security Income if you include less than 85% of your Social Security benefits in your federal taxable income.

Worksheet for Line 32 — Social Security Benefits

- 1 Total amount from box 5 of all your Forms SSA and RRB-1099
- 2 Multiply step 1 by 50%
- 3 Combine amounts from Form 1040 or 1040-SR lines 1, 2b, 3b, 4b, 5b, 7 and 8
- 4 Form 1040 or 1040-SR line 2a (tax exempt interest)
- 5 Combine amounts from lines 1 through 25, 30, and 31 of Schedule M1NC
- 6 Combine step 2, 3, 4, and 5
- 7 Enter the total of the amounts from Schedule 1, lines 11 through 19a, and 23 and 25
- 8 This step intentionally left blank
- 9 Add steps 7 and 8
- 10 If step 9 is **less** than step 6, subtract step 9 from step 6.
If step 9 is **more** than step 6, none of your Social Security is taxable. Skip steps 11 through 20,
enter 0 on step 21 and continue to step 22.
- 11 If you are:
- Married filing jointly enter \$32,000
- Single, Head of household, Qualifying widower, Married filing separately enter \$25,000
- Married filing separately and lived with spouse, skip step 11 through 18. Multiply step 10 by 85%,
enter result on step 19, and continue to step 20
- 12 If step 11 is **less** than step 10, subtract step 11 from step 10
- If step 11 is **more** than step 10, none of your social security benefits are taxable. Skip steps 13 through 20,
enter 0 on step 21 and continue to step 22.
- 13 If you are:
- Married filing jointly enter \$12,000
- Single, head of household, qualifying widower, or married filing separately enter \$9,000
- 14 Subtract 13 from 12. If less than zero, enter 0
- 15 Enter smaller of step 12 or 13
- 16 Multiply step 15 by 50%
- 17 Enter smaller of step 2 or step 16
- 18 Multiply line 14 by 85%
- 19 Add steps 17 and 18
- 20 Multiply line 1 by 85%
- 21 Enter smaller of steps 19 or 20
- 22 Enter amount from line 6b of Form 1040
- 23 Subtract Step 22 from step 21. Enter result on line 32 of Schedule M1NC. If negative, enter as a negative

Line 33 — IRA Deduction

Complete the Worksheet for Line 33 – IRA Deduction if you deducted contributions to an IRA. Enter the adjustment on line 33 of this schedule. If you were required to complete a worksheet in IRS Publication 590-A, complete that worksheet using Minnesota income amounts. If neither you or your spouse are covered by a retirement plan at work and were not required to determine a deduction limitation based on income on your federal return, do not complete the Worksheet for Line 33 - Minnesota IRA Deduction.

Worksheet for Line 33 — Minnesota IRA Deduction

If you were age 70 1/2 or older at the end of 2021, you can't deduct any contributions made to your traditional IRA or treat them as nondeductible contributions. Don't complete this worksheet for anyone age 70 1/2 or older at the end of 2021. If you are married filing jointly and only one spouse was under age 70 1/2 at the end of 2021, complete this worksheet only for that spouse.

	Your IRA	Spouse's IRA
	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
1 Were you covered by a retirement plan? Answer Yes or No on Step 1.		
If you answered No, see instructions		
2 Enter the amount shown below that applies to you	2 _____	_____
<ul style="list-style-type: none"> • Single, Head of household, married filing separately and lived apart enter \$76,000 • Qualifying Widower enter \$125,000 • Married filing jointly enter \$125,000 if you checked Yes on step 1 • Married filing jointly enter \$208,000 if you checked No on step 1 • Married filing separately and you lived with your spouse enter \$10,000 		
3 Enter the amount from line 9 of Form 1040 or 1040-SR.	3 _____	
4 Combine the amounts included on lines 1 and 3 through 26 of Schedule M1NC	4 _____	
5 Add steps 3 and 4	5 _____	
6 Enter total of amounts from lines 11 through 19a of Schedule 1. Plus any write-in adjustments on line 26 of Schedule 1.	6 _____	
7 Enter the amount from line 31 and 32 of Schedule M1NC for Rental Real Estate losses and taxable Social Security income adjustments.	7 _____	
8 Add steps 6 and 7.	8 _____	
9 Subtract step 8 from step 5. Enter the result in both columns.	9a _____	9b _____
10 If the amount on step 9 is less than step 2 continue to step 11	10 _____	
If the amount on step 9 is more than step 2, none of your IRA is deductible for Minnesota purposes. Include the amount you entered on line 20 of federal Schedule 1 on line 33 of Schedule M1NC.		
11 Subtract step 9 from step 2. If your filing status is single, head of household, or married filing separately and the result is less than \$10,000, go to step 12. If the result is \$10,000 or more, enter one of the following amounts on step 12 and go to step 13.		
<ul style="list-style-type: none"> • \$6,000 if under age 50 at the end of 2021 • \$7,000 if over age 50 at the end of 2021 		
If you are married filing jointly or a qualifying widower, and the result is \$20,000 or more (\$10,000 in the column that entered No on step 1), enter one of the following amounts on step 12 and go to step 13.		
<ul style="list-style-type: none"> • \$6,000 if under age 50 at the end of 2021 • \$7,000 if over age 50 at the end of 2021 		
Otherwise, go to step 12	11a _____	11b _____
12 Multiply the amounts on step 11 by the following percentages. Round the result up to the nearest multiple of \$10. If the result is less than \$200, enter \$200.		
<ul style="list-style-type: none"> • If single, head of household, married filing separately use 60% (.60) or if over age 50 at the end of 2021, use 70% (.70) • If married filing jointly and answered Yes on step 1, use 30% (.30) or in the column of a person who is over age 50 at the end of 2021, use 35% (.35). In the column for people who answered No on step 1, use 60% (.60) or 70% (.70) if over age 50 at the end of 2021. 		
	12a _____	12b _____
13 Enter the total of your (and your spouse's if filing a joint return):		
<ul style="list-style-type: none"> • Wages, salaries, tips • Alimony reported on line 2a of Schedule 1 • Nontaxable combat pay from box 12 of Form W-2 with Code Q 		
	13 _____	
14 Enter the earned income you (and your spouse if filing a joint return) received as self-employed. This is net earnings minus the deduction on lines 15 and 16 of Schedule 1 If zero or less, enter 0	14 _____	
15 Combine amounts from lines 4 through 25 of Schedule M1NC.	15 _____	
16 Combine the amounts on steps 13, 14, and 15	16 _____	
If married filing jointly and line 10 is less than \$12,000 (\$13,000 if one spouse is age 50 or older at the end of 2021; \$14,000 if both spouses are age 50 or older at the end of 2021), stop here and use the worksheet in Pub. 590-A to figure your IRA deduction		
17 Enter traditional IRA contributions to your IRA on step 17a and your spouse's IRA on step 17b.	17a _____	17b _____
18 On step 18a, enter the smaller of steps 12a, 16, or 17a	18a _____	18b _____
On step 18b, enter the smaller of steps 12b, 16, or 17b.		
19 Combine the amounts on step 18.	19 _____	
20 Enter the amount from line 20 of federal Schedule 1	20 _____	
21 Subtract step 19 from step 20. Enter the result on line 33 of Schedule M1NC. If the result is negative, enter as a negative.	21 _____	

Line 34 — Student loan interest deduction

Complete the Worksheet for Line 34 – Student Loan Interest if you deducted student loan interest on your federal return. Enter the adjustment on line 34 of this schedule.

Worksheet for Line 34 — Student Loan Interest Deduction

If you are required to complete any of the other worksheets for line 34, you must complete those worksheets before completing this worksheet.

- 1 Enter the interest you paid in 2021 on qualified student loans (see instructions for line 21 of federal Schedule 1). Do not enter more than \$2,500. _____
- 2 Enter the amount from line 9 of federal Form 1040 or 1040-SR. _____
- 3 Enter the total of lines 1 through 32 of Schedule M1NC. _____
- 4 Add steps 2 and 3. _____
- 5 Enter total from lines 11 through 19a of Schedule 1. Plus any write-in adjustments on line 26 of Schedule 1. _____
- 6 Enter IRA deduction adjustment from line 33 of Schedule M1NC. _____
- 7 Add steps 5 and 6. _____
- 8 Subtract step 7 from step 4. _____
- 9 Enter amount based on filing status. _____
 - Single, head of household, qualifying widower - \$70,000
 - Married filing jointly - \$140,000
- 10 If step 8 is more than step 9, subtract step 9 from step 8. _____
If step 8 is less than step 9, skip steps 10 and 11, enter 0 on step 12, and go to step 13
- 11 Divide step 10 by \$15,000 (\$30,000 if married filing jointly). Enter result as decimal (rounded to at least three places). If the result is more than 1.000, enter 1.000. _____
- 12 Multiply step 1 by step 11. _____
- 13 Subtract step 12 from step 1. Minnesota student loan interest deduction. _____
- 14 Federal student loan interest deduction from line 21 of federal Schedule 1. _____
- 15 Subtract step 13 from step 14. Enter the result on line 34 of Schedule M1NC.
If the result is negative, enter as a negative. _____

Line 35

Add lines 1 through 34 of Schedule M1NC. Do not include amounts reported on lines 13a, 13b, 14a, and 14b in the total entered on line 35.

Include this amount on Form M1PR, Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund. However, if you entered an amount on line 32 of Schedule M1NC to adjust your taxable Social Security benefits, combine the amounts from lines 1 through 31, 33, and 34. Enter the amount on Form M1PR:

- Line 5, if positive
- Line 11, if negative (enter as a positive amount on Form M1PR)

Earned income adjustments

If you entered an amount on lines 4, 10 through 12, or 15 through 25, you may need to adjust your earned income on Schedules M1WFC, M1MA, M1CD, and M1SLC. Use the following instructions and Earned income adjustment worksheet to determine how to make those adjustments.

Earned Income Adjustment Worksheet

- 1 Enter line 4. _____
- 2 Enter the combined total of lines 10 through 12. _____
- 3 Enter the combined total of lines 15 through 25. _____
- 4 Combine steps 1 through 3. _____

To complete lines 1 and 2 of Schedule M1MA, complete an Earned income adjustment worksheet for each spouse. Include the amount from step 1 of this worksheet on line 1 of the appropriate column of Schedule M1MA. Combine the amounts from steps 2 and 3 of the worksheet and include the result in the appropriate column of line 2 of Schedule M1MA.

On line 1 of Schedule M1WFC, complete the Worksheet for Earned income in the line 1 instructions. Add step 4 of the Earned income adjustment worksheet to the amount determined in the worksheet. Enter the result on line 1 of Schedule M1WFC.

On Schedule M1CD, complete a separate Earned income adjustment worksheet for each spouse. Include the result of the Earned income adjustment worksheet with the amount determined using the instructions for lines 2 and 3 of Schedule M1CD.

On Schedule M1SLC, determine earned income for each spouse in each column of line 6. Complete an Earned income adjustment worksheet for each spouse. Add the result for each worksheet to the appropriate column.

Line 37 — Minnesota Adjusted Gross Income

If you are claiming the social security subtraction on line 12 of Schedule M1M, *Income Additions and Subtractions*, use the Worksheet for Line 12 of Schedule M1M below to determine your subtraction.

If you are filing the following forms, use the amount from line 37 on the appropriate lines:

- Line 5 of Schedule M1CD, *Child and Dependent Care Credit*
- Line 1 of Schedule M1ED, *K -12 Education Credit*
- Line 3 of Schedule M1WFC, *Minnesota Working Family Credit*
- Lines 2 and 21 of Schedule M1SA, *Minnesota Itemized Deductions*
- Line 18 of Schedule M1CAT, *Casualty and Theft*
- Line 9 of Schedule M1R, *Age 65 or Older/Disabled Subtraction*
- Line 1 of Schedule M1MT, *Alternative Minimum Tax*
- Line 2 of Schedule M1SLC, *Student Loan Credit*
- Line 1 of Schedule M1CR, *Credit for Income Tax Paid to Another State* (use this amount in the instructions for line 1)

Use line 37 of Schedule M1NC on the following worksheets:

- Form M1 - Step 1 of the Worksheet for Line 4 – Standard Deduction Limitation
- Form M1 - Step 4 of the Worksheet for line 5 – Dependent Exemptions
- Schedule M1SA - Step 5 of the Worksheet for Line 26
- Schedule M1529 - Step 3 of the Worksheet for Line 5 (529 Credit)

Worksheet for Line 12 of Schedule M1M

Do not complete this worksheet if you did not enter an amount on lines 1-30 of Schedule M1NC.

1 Enter the amount from line 9 of federal Form 1040 or 1040-SR _____

2 Combine the amounts from lines 1 through 30 of Schedule M1NC. _____

3 Add Steps 1 and 2. _____

4 Enter the amount from line 6b of federal Form 1040 or 1040-SR _____

5 Enter the amount form line 32 of Schedule M1NC (enter as a negative, if the result was negative) _____

6 Add steps 4 and 5 _____

7 Subtract step 6 from step 3 _____

8 Enter the amount from line 6a of federal Form 1040 or 1040-SR _____

9 Multiply step 8 by 50% (0.50) _____

10 Enter the amount you included or should have included on line 2a of federal Form 1040 or 1040-SR _____

11 Add steps 7, 9, and 10 _____

12 Enter the amount from line 26 of federal Schedule 1. _____

13 Enter the amount from line 33 of Schedule M1NC _____

14 Combine steps 12 and 13 _____

15 Combine the amounts from line 21 of federal Schedule 1 and line 34 of Schedule M1NC _____

16 Subtract step 15 from step 14. If zero or less, enter 0 _____

17 Subtract step 16 from Step 11. If zero or less, enter 0 _____

18 Enter the amount for your filing status from below:
 Married Filing Jointly or Qualifying Widow(er): \$80,270
 Single or Head of household: \$62,710
 Married Filing Separate: \$40,135

19 Subtract step 18 from step 17. If zero or less, enter 0 _____

20 Multiply step 19 by 20% (.20) _____

21 Enter the amount for your filing status from below _____
 Married Filing Jointly or Qualifying Widow(er): \$5,290
 Single or Head of household: \$4,130
 Married Filing Separate: \$2,645

22 Subtract step 20 from step 21. If zero or less, enter 0 _____

23 Enter the amount from step 6 _____

24 Enter the amount of Tier 1 railroad retirement benefits included on line 17 of Schedule M1M _____

25 Subtract step 24 from step 23. If zero or less, enter 0 _____

26 Enter step 22 or step 25, whichever is less. Also enter this amount on line 12 of Schedule M1M. _____



2021 Schedule M1HOME, First-Time Home Buyer Savings Account

If you are the account holder of more than one first-time home buyer savings account, complete a separate Schedule M1HOME for each account.

Your First Name and Initial _____ Last Name _____ Social Security Number _____

Registration Information

Bank Name _____ Date Account Opened (MM/DD/YYYY) _____ Account Number _____ End of Year Balance _____

Qualified Beneficiary _____ Date Beneficiary Named _____

Withdrawals from Account

Date of First Withdrawal _____ Amount of First Withdrawal _____ Purpose of First Withdrawal _____

Date of Second Withdrawal _____ Amount of Second Withdrawal _____ Purpose of Second Withdrawal _____

Date of Third Withdrawal _____ Amount of Third Withdrawal _____ Purpose of Third Withdrawal _____

Round amounts to the nearest whole dollar.

Account Reporting

- 1 Amount of contributions to the account prior to 2021 (see instructions) 1 ■ _____
- 2 Amount of contributions made in 2021. Do not enter more than \$14,000 (\$28,000 if married filing a joint return) . . . 2 ■ _____
- 3 Add Lines 1 and 2 3 ■ _____
- 4 Qualified withdrawals in 2021 (see instructions) 4 ■ _____
- 5 Nonqualified withdrawals in 2021 (see instructions) 5 ■ _____

Subtraction

- 6 Enter amount of interest earned in 2021 on this account here and on line 27 of Schedule M1M 6 _____

Addition

- 7 Subtract line 3 from line 5. If the result is zero or less, **STOP HERE**. You do not have an addition.
If you have a positive number, enter this amount on line 5 of Schedule M1M and complete line 8. 7 _____

Additional Tax

- 8 Multiply line 7 by 10% (.10). Enter the amount here and on line 14 of Form M1.
Check the box for Schedule M1HOME on line 14 of Form M1 8 _____



2021 Schedule M1HOME Instructions

Complete Schedule M1HOME, *First-time Home Buyer Savings Account*, to:

- Register a First-Time Home Buyer Savings Account in Minnesota
- Designate a qualified beneficiary
- Determine your subtraction or addition and additional tax

Complete one form per qualified First-Time Home Buyer Savings Account you earned interest from or took a distribution from in 2021.

Who is a qualified beneficiary?

A qualified beneficiary is the person or married couple that the account holder designates on this schedule. The beneficiary must be a Minnesota resident who has not had ownership interest in a principal residence in the last three years. The account holder may be the beneficiary of a First-Time Home Buyer Account. You may change the qualified beneficiary at any time.

How do I determine the date I named the qualifying beneficiary?

Typically, you name the qualified beneficiary the day you open the account. To qualify for this subtraction, you must name the beneficiary on Schedule M1HOME.

What is a qualified withdrawal?

A qualified withdrawal is a withdrawal of funds used for a down payment on a single-family residence, closing costs, cost of construction, or financing the construction of a single-family residence in Minnesota. A single-family residence also includes a manufactured home, trailer, mobile home, condominium unit, townhome, or cooperative.

What is a nonqualified withdrawal?

A nonqualified withdrawal is a withdrawal of funds used for anything other than expenses listed as a qualified withdrawal.

Line Instructions

Round amounts to the nearest whole dollar.

Line 1

Enter the contributions to the account made prior to 2021. If there were distributions from this account in prior years, reduce your overall contributions by the amount of these distributions.

Line 2

Enter the contributions to the account during 2021. Do not enter more than \$14,000 (\$28,000 if married and filing a joint return).

Line 3

Add the amounts from line 1 and 2. The total contribution limit to the account must not exceed \$50,000 (\$100,000 if you are married and filing a joint return).

Line 4

Enter the amount of qualified withdrawals taken from the account in 2021.

Line 5

Enter the amount of nonqualified withdrawals taken from the account in 2021.

Line 6

Enter the amount of interest or dividends earned on this account in 2021. You may find this amount on a federal Form 1099 your financial institution issued. This amount is your subtraction to enter on line 4 of this schedule and on line 27 of Schedule M1M, *Income Additions and Subtractions*.

Line 7

Enter the result of this line here and on line 5 of Schedule M1M. This is the amount of your addition.

Line 8

Multiply the amount on line 7 by 10% (.10). Enter this amount here and on line 14 of Form M1. This is your additional tax.

Questions? Need forms?

Forms and information are available on our website at www.revenue.state.mn.us.

If you have questions:

- Visit our website at www.revenue.state.mn.us
- Send us an email at individual.incometax@state.mn.us
- Call us at 651-296-3781 or 1-800-652-9094



2021 Schedule M1SA, Minnesota Itemized Deductions

Your First Name and Initial _____ Last Name _____ Your Social Security Number _____

Medical and Dental Expenses

- 1 Medical and dental expenses (see instructions) 1 ■ _____
- 2 Adjusted gross income (see instructions) 2 _____
- 3 Multiply line 2 by 10% (.10) 3 _____
- 4 Subtract line 3 from line 1. If line 3 is more than line 1, enter 0 4 ■ _____

Taxes You Paid

- 5 Real estate taxes (see instructions) 5 ■ _____
- 6 Personal property taxes (see instructions) 6 ■ _____
- 7 Add lines 5 and 6 7 ■ _____
- 8 Enter the lesser of line 7 or \$10,000 (\$5,000 if Married Filing Separately) 8 ■ _____
- 9 Other taxes. List the type and amount 9 ■ _____
- 10 Add lines 8 and 9 10 ■ _____

Interest You Paid

- 11 Home mortgage interest and points on federal Form 1098 11 _____
- 12 Home mortgage interest and points not reported to you on Form 1098 (see instructions) 12 _____
- 13 Investment interest expense 13 _____
- 14 Add lines 11 through 13 14 ■ _____

Charitable Contributions

- 15 Charitable contributions by cash or check (see instructions) 15 _____
- 16 Charitable contributions by other than cash or check (see instructions) 16 _____
- 17 Carryover of charitable contributions from a prior year 17 _____
- 18 Add lines 15 through 17 18 ■ _____

Casualty and Theft Losses

- 19 Casualty or theft loss (enclose Schedule M1CAT) 19 ■ _____

Unreimbursed Employee Business Expenses

- 20 Unreimbursed employee expenses (enclose Schedule M1UE) 20 ■ _____
- 21 Adjusted gross income (see instructions) 21 _____
- 22 Multiply line 21 by 2% (.02) 22 _____
- 23 Subtract line 22 from line 20. If zero or less, enter 0 23 ■ _____

Other Miscellaneous Deductions

- 24 Other miscellaneous deductions (see instructions) 24 ■ _____
List type and amount _____
- 25 Add lines 4, 10, 14, 18, 19, 23, and 24 25 ■ _____
- 26 Complete the worksheet in the instructions if Line 1 of Form M1 or line 37 of Schedule M1NC is more than \$199,850 (\$99,925 if your filing status is Married Filing Separately) 26 ■ _____
- 27 Subtract line 26 from line 25. Enter the result here and on line 4 of Form M1 27 ■ _____

2021 Schedule M1SA Instructions

Should I file this schedule?

Complete and file Schedule M1SA, *Minnesota Itemized Deductions*, to claim itemized deductions on your Minnesota income tax return. Generally, you will benefit more by filing Schedule M1SA if your itemized deductions are more than your standard deduction. Use the Standard Deduction Table to determine your standard deduction.

You may file Schedule M1SA even if you did not file federal Schedule A. If you filed federal Schedule A, you will use many of the amounts on that schedule for Schedule M1SA.

If you filed federal Form 1040-NR you are not eligible for the standard deduction unless a U.S. tax treaty allows it. You may qualify for certain Minnesota itemized deductions such as charitable contributions, casualty and theft losses, and certain miscellaneous deductions. If you entered amounts on **lines 2 through 7 of Form 1040-NR**, Schedule A, see instructions for lines 15-19 and line 24 of this schedule to determine your Minnesota itemized deductions.

Line Instructions

Line 1 — Medical and Dental Expenses

If you filed federal Schedule A and entered an amount on line 1, enter that amount on line 1 of Schedule M1SA. If you did not file Schedule A or enter an amount on line 1 of Schedule A, enter the total of your medical and dental expenses after you reduce these expenses by any payments received from insurance or other sources.

Examples of Medical and Dental Payments You Can Deduct

To the extent you were not reimbursed, you can deduct what you paid for:

- Insurance premiums for medical and dental care, including premiums for qualified long-term care insurance contracts. Reduce the insurance premiums by any self-employed health insurance deduction you claimed on federal Schedule 1, line 17. You cannot deduct insurance premiums paid with pretax dollars because the premiums are not included in box 1 of your federal Form W-2. If you are a retired public safety officer, you cannot deduct any premiums to the extent you paid for them with a tax-free distribution from your retirement plan.

Limit on long-term care premiums you can deduct	
If the person was, at the end of 2021, age	Then the most you can deduct is
40 or under	\$450
41-50	\$850
51-60	\$1,690
61-70	\$4,520
71 or older	\$5,640

- Prescription medicines or insulin.
- Acupuncturists, chiropractors, dentists, eye doctors, medical doctors, occupational therapists, osteopathic doctors, physical therapists, podiatrists, psychiatrists, psychoanalysts (medical care only), and psychologists.
- Medical examinations, X-ray and laboratory services, insulin treatment, and whirlpool baths your doctor ordered.
- Diagnostic tests, such as a full-body scan, pregnancy test, or blood sugar test kit.
- Nursing help (including your share of the employment taxes paid). If you paid someone to do both nursing and housework, you can deduct only the cost of the nursing help.
- Hospital care (including meals and lodging), clinic costs, and lab fees.
- Qualified long-term care services.
- The supplemental part of Medicare insurance (Medicare B).
- The premiums you pay for Medicare Part D insurance.
- A program to stop smoking and any prescription medicines to alleviate nicotine withdrawal.
- A weight-loss program as treatment for a specific disease (including obesity) diagnosed by a doctor.
- Medical treatment at a center for drug or alcohol addiction.
- Medical aids such as eyeglasses, contact lenses, hearing aids, braces, crutches, wheelchairs, and guide dogs, and the cost to maintain them.
- Surgery to improve defective vision, such as laser eye surgery or radial keratotomy.
- Lodging expenses (but not meals) while away from home to receive medical care provided by a physician in a hospital or a medical care facility related to a hospital, provided there was no significant element of personal pleasure, recreation, or vacation in the travel.
- Ambulance service and other travel costs to get medical care. If you used your own vehicle to go to and from a place to receive care, you can claim 17 cents per mile or what you actually spent for gas and oil. Add parking and tolls to the amount you claim under either method.
- Cost of breast pumps and supplies that assist lactation

Standard Deduction Table

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.

You: 65 or older blind Your Spouse: 65 or older blind

Filing status	Boxes Checked Above	Standard Deduction
Single:	0	\$ 12,525
	1	14,175
	2	15,825
Married Filing Jointly or Qualifying Widow(er):	0	\$ 25,050
	1	26,350
	2	27,650
	3	28,950
Married Filing Separately:	0	\$ 12,525
	1	13,825
	2	15,125
	3	16,425
Head of Household:	0	\$ 18,800
	1	20,450
	2	22,100

Continued

Examples of Medical and Dental Payments You Cannot Deduct

- The cost of diet food
- Cosmetic surgery, unless it was necessary to improve a deformity related to a congenital abnormality, an injury from an accident or trauma, or a disfiguring disease
- Life insurance or income protection policies
- The Medicare tax on your wages and tips, or the Medicare tax paid as part of the self-employment tax or household employment taxes
- Nursing care for a healthy baby
- Illegal operations or drugs
- Imported drugs not approved by the U.S. Food and Drug Administration (FDA). This includes foreign-made versions of U.S.-approved drugs manufactured without FDA approval
- Nonprescription medicines other than insulin (including nicotine gum and certain nicotine patches)
- Travel your doctor told you to take for rest or a change
- Funeral, burial, or cremation costs

Whose medical and dental expenses can you include? You can include medical and dental bills you paid in 2021 for any of these individuals, either when the services were provided or when you paid for them.

- Yourself and your spouse
- All dependents you claim on your return
- Your child whom you do not claim as a dependent because of the rules for children of divorced or separated parents
- Any person you could have claimed as a dependent on your return unless that person received \$4,350 or more of gross income or filed a joint return
- Any person you could have claimed as a dependent except that you, or your spouse if filing jointly, can be claimed as a dependent on someone else's 2021 return

Reimbursements. If your insurance company paid the provider directly for part of your expenses, and you paid only the amount that remained, include on line 1 only the amount you paid. If you received a reimbursement in 2021 for medical or dental expenses you paid in 2021, reduce your 2021 expenses by this amount. If you received a reimbursement in 2021 for prior year medical or dental expenses, do not reduce your 2021 expenses by this amount.

Cafeteria plans. You cannot deduct amounts that were already excluded from your income. Do not include on line 1 insurance premiums paid by an employer-sponsored health insurance plan (cafeteria plan) unless the premiums are included in box 1 of your Forms W-2. Also, do not include any other medical and dental expenses paid by the plan unless the amount paid is included in box 1 of your Forms W-2.

Line 2 - Adjusted Gross Income

Enter the amount from line 1 of Form M1. If you completed Schedule M1NC, enter the amount from line 37 of that Schedule. If the amount is zero or less, enter 0.

Line 5 — Real Estate Taxes

If you filed federal Schedule A, enter the amount from **line 5b**.

Include state and local taxes you paid on real estate if all of these apply:

- You did not use the real estate for business
- The taxes were assessed uniformly at a like rate on all real property throughout the community
- The tax proceeds are used for general community or governmental purposes

IRS Publication 530 explains the deductions homeowners can take.

Do not include:

- Itemized charges for services to specific property or persons (for example, a \$20 monthly charge per house for trash collection, a \$5 charge for every 1,000 gallons of water consumed, or a flat charge for mowing a lawn that had grown higher than permitted under local ordinance)
- Charges for improvements that tend to increase the value of your property (for example, an assessment to build a new sidewalk). The cost of property improvement is added to the basis of the property. A charge is deductible if it is used only to maintain an existing public facility in service (for example, a charge to repair an existing sidewalk, and any interest included in that charge)

If your mortgage payments include real estate taxes, you can deduct only the amount the mortgage company actually paid to the taxing authority in 2021.

If you sold your home in 2021, any real estate tax charged to the buyer should be shown on your settlement statement and in box 6 of any federal Form 1099-S you received. This amount is considered a refund of real estate taxes (see **Refunds and rebates**). Any real estate taxes you paid at closing should be shown on your settlement statement.

Refunds and rebates. If you received a refund or rebate in 2021 such as from a 2020 Form M1PR, *Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund*, reduce your deduction by the amount of the refund or rebate.

Line 6 — Personal Property Taxes

If you filed federal Schedule A and you had an amount **on line 5c**, enter that amount on line 6 of Schedule M1SA. Enter the state and local personal property taxes you paid, but only if the taxes were based on value alone and imposed on a yearly basis.

If you are claiming registration tax for a vehicle registered in Minnesota, you may deduct part of your Minnesota vehicle license fee as personal property tax for passenger automobiles, pick-up trucks, and vans. You may not deduct other amounts, such as the plate fee and filing fee.

Calculate the allowed deduction by subtracting \$35 from your vehicle's registration tax for each vehicle you register. To find the registration tax:

- Go to www.drive.mn.gov and select Calculate Registration Tax
- Look at the vehicle registration renewal form issued by Driver and Vehicle Services

Line 9 — Other Taxes

If you had any deductible tax not listed on lines 5 or 6, list the type and amount of tax. Include income tax you paid to a foreign country or U.S. possession. You cannot claim a deduction for foreign taxes if you included those taxes on federal Form 1116.

Lines 11 through 13 — Interest You Paid

The rules for deducting interest vary, depending on whether you used the loan proceeds for business, personal, or investment activities. See IRS Publication 535 for more information about deducting business interest expenses. See IRS Publication 550 for more information about deducting investment interest expenses. You cannot deduct personal interest.

If you use the proceeds of a loan for more than one purpose (for example, personal and business), you must allocate the interest on the loan to each use. Do not allocate home mortgage interest if it is fully deductible, regardless of how you used the funds.

You allocate interest (other than fully deductible home mortgage interest) on a loan in the same way as the loan is allocated. Trace disbursements of the debt proceeds to specific uses. For more information on allocating interest, see IRS Publication 535.

Generally, if you paid interest in 2021 that applies to any period after 2021, you can deduct only amounts that apply for 2021.

Line 11 — Home Mortgage Interest Reported on Federal Form 1098

If you filed federal Schedule A, enter the amount from **line 8a**. Do not include any home equity loan interest that was included on **line 8a**. If you meet the exception to the federal limitation for a loan taken out after December 15, 2017, but before April 1, 2018, follow the instructions for limits on loans taken out on or after December 16, 2017, on Schedule M1SA.

Enter on line 11 mortgage interest and points reported to you on federal Form 1098.

A home mortgage is any loan secured by your main home or second home. It includes first and second mortgages and refinanced mortgages. A home can be a house, condominium, cooperative, mobile home, boat, or similar property. The home must provide basic living accommodations, including sleeping space, toilet, and cooking facilities.

Limit on loans taken out before December 16, 2017. For qualifying debt taken out before December 16, 2017, you can only deduct mortgage interest on up to \$1,000,000 (\$500,000 if you are married and file a separate return) of that debt. The only exception is for loans taken out on or before October 13, 1987. See IRS Publication 936, if you took out the loan on or before October 13, 1987.

Limit on loans taken out on or after December 16, 2017. For qualifying debt taken out on or after December 16, 2017, you can only deduct home mortgage interest on up to \$750,000 (\$375,000 if you are married and file a separate return) of that debt. If you also have qualifying debt subject to the \$1,000,000 limitation discussed under the previous paragraph, the \$750,000 limit for debt taken out on or after December 16, 2017, is reduced by the amount of your qualifying debt subject to the \$1,000,000 limit.

Refund of overpaid interest. If your Form 1098 shows any refund of overpaid interest, do not reduce your deduction by the refund.

Interest reported on someone else's Form 1098. If you and at least one other person (other than your spouse, if filing jointly) were liable for and paid interest on the mortgage, and the interest was reported on the other person's Form 1098, report your share of the interest on line 2. (See IRS Publication 936 to calculate your mortgage interest deduction.)

Form 1098 does not show all interest paid. If you paid more interest to the recipient than is shown on Form 1098, show the larger deductible amount on line 11 and explain the difference. If you are filing a paper return, explain the difference by attaching a statement to your paper return and printing "See attached" to the right of line 11.

Line 12 — Home Mortgage Interest not reported on federal Form 1098

If you filed federal Schedule A, enter the amount from **line 8b**.

If you paid mortgage interest to a recipient who did not provide you a Form 1098, report your deductible mortgage interest on line 12.

Seller financed mortgage. If you paid home mortgage interest to the person from whom you bought the home and that person did not provide you a Form 1098, write that person's name, identifying number, and address on the line next to line 12. If the recipient of your home mortgage payment(s) is an individual, the identifying number is their Social Security Number (SSN). Otherwise, it is their Federal Employer Identification Number (FEIN). You must also let the recipient know your SSN.

Interest reported on someone else's Form 1098. If you and at least one other person (other than your spouse if filing jointly) were liable for and paid interest on the mortgage, and the home mortgage interest paid was reported on the other person's Form 1098, identify the name and address of the person or persons who received a Form 1098 reporting the interest you paid. If you are filing a paper return, identify the person by attaching a statement to your paper return and printing "See attached" to the right of line 12.

Points not reported on Form 1098. Points are shown on your settlement statement. Points you paid only to borrow money are generally deductible over the life of the loan. See IRS Publication 936 to figure the amount you can deduct. You may not deduct points paid for other purposes, such as for a lender's services.

Refinancing. Generally, you must deduct points you paid to refinance a mortgage over the life of the loan. This is true even if the new mortgage is secured by your main home.

If you used part of the proceeds to improve your main home, you may be able to deduct the part of the points related to the improvement in the year paid. See IRS Publication 936 for details.

Line 13 — Investment Interest

If you filed federal Schedule A, enter the amount from **line 9**.

Investment interest is interest paid on money you borrowed that is allocable to property held for investment. It does not include any interest allocable to passive activities or to securities generating tax-exempt income.

Continued

Complete and attach a 2021 federal Form 4952 for Minnesota purposes to figure your deduction unless all of these apply:

- Your investment interest expense is less than your investment income from interest and ordinary dividends minus any qualified dividends
- You have no other deductible investment expenses
- You have no disallowed investment interest expense from 2020

Lines 15 through 17 — Charitable Contributions

You can deduct contributions you gave to organizations that are religious, charitable, educational, scientific, or literary in purpose. You can also deduct what you gave to organizations that work to prevent cruelty to children or animals. See IRS Publication 526 for details.

To verify an organization's charitable status:

- Check with the organization you donated to; the organization should be able to verify its charitable status
- Use the online search tool at www.irs.gov/EOSelectCheck to see if an organization is eligible to receive tax-deductible contributions

Examples of Qualified Charitable Organizations

This list gives some examples of qualified organizations. See IRS Publication 526 for more examples.

- Churches, mosques, synagogues, temples, and other religious organizations
- Boy Scouts, Boys and Girls Clubs of America, CARE, Girl Scouts, Goodwill Industries, Red Cross, Salvation Army, and United Way
- Fraternal orders, if the contributions will be used for the purposes listed under Charitable Contributions
- Veterans' and certain cultural groups
- Nonprofit hospitals and medical research organizations
- Most nonprofit educational organizations, such as colleges, but only if your contribution is not a substitute for tuition or other enrollment fees
- Federal, state, and local governments, if the contributions are solely for public purposes

Amounts You Can Deduct

Contributions can be in cash, property, or out-of-pocket expenses you paid to do volunteer work for the kinds of organizations described earlier. If you drove to and from the volunteer work, you can take the actual cost of gas and oil or 14 cents a mile. Add parking and tolls to the amount you claim under either method. Do not deduct any amounts repaid to you. You may deduct volunteer mileage reimbursement exceeding 14 cents on line 24 of Schedule M1M.

Contributions from which you benefit. If you made a contribution and received a benefit in return, such as food, entertainment, or merchandise, you can generally only deduct the amount that is more than the value of the benefit. This rule does not apply to certain membership benefits provided in return for an annual payment of \$75 or less or to certain items or benefits of token value. For details, see IRS Publication 526.

Example. You paid \$70 to a charitable organization to attend a fundraising dinner and the value of the dinner was \$40. You can deduct only \$30.

Contributions of \$250 or more. You can deduct a contribution of \$250 or more only if you have a statement from the charitable organization showing:

- The amount of any money contributed and a description (but not value) of any property donated
- Whether the organization did or did not give you any goods or services in return for your contribution. If you did receive any goods or services, they must include a description and estimate of the value. If you received only intangible religious benefits (such as admission to a religious ceremony), the organization must state this, but it does not have to describe or value the benefit

In figuring whether a donation is \$250 or more, do not combine separate donations. For example, if you gave your church \$25 each week for a total of \$1,300, treat each \$25 payment as a separate donation. If you made donations through payroll deductions, treat each deduction from each paycheck as a separate donation. See IRS Publication 526 if you made a separate donation of \$250 or more through payroll deduction.

Limit on the amount you can deduct. See IRS Publication 526 to figure the amount of your deduction if any of these apply:

- Your cash contributions or contributions of ordinary income property are more than 30% of the amount on line 1 of Form M1
- Your contributions of capital gain property are more than 20% of the amount on line 1 of Form M1 (or line 37 of Schedule M1NC)
- You gave contributions of property that increased in value or gave donations of the use of property

Amounts you cannot deduct

- Travel expenses (including meals and lodging) while away from home performing donated services, unless there was no significant element of personal pleasure, recreation, or vacation in the travel
- Political contributions
- Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups
- Cost of raffle, bingo, or lottery tickets
- Value of your time or services
- Value of blood given to a blood bank
- The transfer of a future interest in tangible personal property. Generally, no deduction is allowed until the entire interest has been transferred
- Donations to individuals and groups that are operated for personal profit
- Donations to foreign organizations. However, you may be able to deduct donations to certain U.S. organizations that transfer funds to foreign charities and certain Canadian, Israeli, and Mexican charities. See IRS Publication 526 for details.
- Donations to organizations engaged in certain political activities that are of direct financial interest to your trade or business
- Donations to groups whose purpose is to lobby for changes in the laws
- Donations to civic leagues, social and sports clubs, labor unions, and chambers of commerce

Continued

- Value of benefits received in connection with a contribution to a charitable organization. See IRS Publication 526 for exceptions.
- Cost of tuition. However, you may be able to deduct this as a job education expense on line 20 or take an education credit

Line 15 — Charitable Contributions by Cash or Check

If you filed federal Schedule A, enter the amount from line 11. Do not include amounts that exceed 60% of line 1 of Form M1 or line 37 of Schedule M1NC, you were required to complete Schedule M1NC.

If you filed federal Form 1040-NR, enter the amount from line 2 of Schedule A. Do not include amounts that exceed 60% of line 1 of Form M1 or line 37 of Schedule M1NC, you were required to complete Schedule M1NC.

Enter on line 15 the total value of donations you made in cash or by check (including out-of-pocket expenses).

Recordkeeping. Keep bank records of contributions (such as a canceled check or credit card statement) or written records from the charity, regardless of your amounts contributed. The written record must include the name of the charity, date, and amount of the contribution. If you made contributions through payroll deduction, see IRS Publication 526. Do not attach the record to your tax return.

Line 16 — Other Than by Cash or Check

If you filed federal Schedule A, enter the **amount from line 12**.

If you filed federal Form 1040-NR, enter the amount from **line 3 of Schedule A**.

Enter the total value of your contributions of property other than by cash or check. If you gave used items, such as clothing or furniture, deduct their fair market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale. For more details on determining the value of donated property, see IRS Publication 561.

Deduction more than \$500. If the amount of your deduction is more than \$500, you must complete and attach a statement identifying the date of contribution, name of the charitable organization, description of the property, and the fair market value.

Deduction more than \$5,000. If your total deduction is over \$5,000 (\$500 for certain contributions of clothing and household items), you may also have to get appraisals of the values of the donated property. See federal Form 8283 and its instructions for details.

Contribution of motor vehicle, boat, or airplane. If you deduct more than \$500 for a contribution of a motor vehicle, boat, or airplane, you must also attach a statement from the charitable organization to your paper return. The organization may use Form 1098-C to provide the required information.

Recordkeeping. If you gave property, you should keep a receipt or written statement from the organization you gave the property to, or a reliable written record that shows the organization's name and address, the date and location of the gift, and a description of the property. For each gift of property, you should also keep reliable written records that include:

- How you figured the property's value at the time you gave it. If the value was determined by an appraisal, keep a signed copy of the appraisal
- The cost or other basis of the property if you must reduce it by any ordinary income or capital gain that would have resulted if the property had been sold at its fair market value
- How you figured your deduction if you chose to reduce your deduction for donations of capital gain property
- Any conditions attached to the donation

Line 17 — Carryover from Prior Year

If you have contributions that you could not deduct in an earlier year because they exceeded the limits on the amount you could deduct, you generally have five years to use those contributions. The same limits apply this year to your carryover amounts as applied to those amounts in the earlier year. After applying those limits, enter the amount of your carryover that you are allowed to deduct this year.

Line 19 — Casualty and Theft Losses

Complete Schedule M1CAT, Casualty and Theft. If you filed federal Schedule A and entered an **amount on line 15**, complete a Schedule M1CAT for that casualty. If you filed federal Form 1040NR and entered an amount on **line 6 of Schedule A**, complete Schedule M1CAT for that casualty or theft loss.

You may be able to deduct part or all of each loss caused by any of these:

- Theft, vandalism, fire, storm, or similar causes
- Car, boat, and other accidents
- Corrosive dry-wall
- Money you had in a financial institution but lost because of the institution's insolvency or bankruptcy

You can deduct personal casualty or theft losses only to the extent that:

- The amount of each separate casualty or theft loss is more than \$100
- The total amount of all losses during the year reduced by \$100 is more than 10% of the amount on line 1 of Form M1 (or line 37 of Schedule M1NC)

Corrosive drywall losses. If you paid for repairs to your personal residence or household appliances because of corrosive drywall, you may be able to deduct on line 19 those amounts paid. See IRS Publication 547 for details.

Line 20 — Unreimbursed Employee Expenses

Complete and enclose Schedule M1UE, *Unreimbursed Employee Business Expenses*. If you are married, filing a joint return, and both you and your spouse claim deductions for unreimbursed employee expenses, each spouse must complete a separate Schedule M1UE with their own expense and reimbursement amounts.

Enter the total ordinary and necessary job expenses you paid for which you were not reimbursed.

An ordinary expense is one that is common and accepted in your field of trade, business, or profession. A necessary expense is one that is helpful and appropriate for your business. An expense does not have to be required to be considered necessary.

You must complete Schedule M1UE if either of these apply:

- You claim any travel, transportation, meal, or entertainment expenses for your job
- Your employer reimbursed you for any of your job expenses that you would otherwise report on line 20

Do not include educator expenses you deducted on line 11 of federal Schedule 1.

Examples of other expenses to include on Schedule M1UE are:

- Safety equipment, small tools, and supplies needed for your job
- Uniforms required by your employer that are not suitable for ordinary wear
- Protective clothing required in your work, such as hard hats, safety shoes, and glasses
- Physical examinations required by your employer
- Dues to professional organizations and chambers of commerce
- Subscriptions to professional journals
- Fees to employment agencies and other costs to look for a new job in your present occupation, even if you do not get a new job
- Certain business use of part of your home (see IRS Publication 587 for details on limits)
- Certain educational expenses (see IRS Publication 970 for details)

Line 21 — Adjusted Gross Income

Enter the amount from line 1 of Form M1. If you completed Schedule M1NC, enter the amount from line 37 of that schedule. If the amount is zero or less, enter 0.

Line 24 — Other Miscellaneous Deductions

List the type and amount of each expense from the following list next to line 24 and enter the total of these expenses on line 24. If you are filing a paper return and you cannot fit all your expenses on the line next to line 24, attach a statement instead showing the type and amount of each expense. If you filed federal Schedule A, you may have reported these deductions on **line 16**. If you filed federal Form 1040-NR, you may qualify for only certain deductions from the following list which you may have deducted on **line 7 of Form 1040-NR, Schedule A**.

You may deduct only these expenses on line 24:

- Gambling losses to the extent of gambling winnings reported on line 8b of federal Schedule 1. Gambling losses include, but are not limited to, the cost on non-winning bingo, lottery, and raffle tickets
- Federal estate tax on income in respect of a decedent
- Deduction for amortizable bond premium (for example, a deduction allowed for a bond premium carryforward or a deduction for amortizable bond premium on bonds acquired before October 23, 1986)
- Deduction for repayment of amounts under a claim of right, if over \$3,000 (see IRS Publication 525 for details)
- Certain unrecovered investment in a pension
- Impairment-related work expenses of a person with a disability
- Deduction allowable in connection with personal property used in a short sale as described under section 67(b)(8)
- Deduction of taxes, interest, and business depreciation for cooperative housing corporation tenant-stockholder under section 216 of the Internal Revenue Code

Line 26 — Itemized Deduction Limitation

Complete the Worksheet for Line 26 if your adjusted gross income from line 1 of Form M1 is more than \$199,850 (\$99,925 if married and filing a separate return).

Worksheet for Line 26

- 1 Enter the amount from line 25.
- 2 Enter the total amounts from lines 4, 13, and 19.
- 3 Subtract step 2 from 1. If the result is zero or less, **STOP HERE** and enter 0 on line 26.
- 4 Multiply step 3 by 80% (.80).
- 5 Adjusted Gross Income: Enter the amount from line 1 of Form M1 or line 37 of Schedule M1NC.
- 6 Enter \$199,850 (\$99,925 if married and filing a separate return).
- 7 Subtract step 6 from step 5.
- 8 Multiply step 7 by 3% (.03).
- 9 Enter the smaller of step 4 or step 8. Enter the result here and on line 26.

If married and filing separate returns, each spouse must complete a separate Worksheet for Line 26.

2021 M1UE, Page 2



Part 2: Vehicle Expenses. If you are claiming expenses for multiple vehicles, complete and enclose a separate Part 2 of Schedule M1UE for each vehicle.

- 11 Enter the date the vehicle was placed in service **11** _____
- 12 Total miles driven during 2021 **12** _____
- 13 Business miles included on line 12 **13** _____
- 14 Divide line 13 by line 12 **14** _____
- 15 Average daily roundtrip commuting distance **15** _____
- 16 Commuting miles included on line 12. **16** _____
- 17 Other miles. Add lines 13 and 16 and subtract the total from line 12 **17** _____
- 18 Was your vehicle available for personal use during off-duty hours? Yes No
- 19 Do you (or your spouse) have another vehicle available for personal use? Yes No

Standard Mileage Rate (see instructions to determine whether to complete this section or “Actual Expenses”)

- 20 Multiply line 13 by 56 cents (.56). Enter the result here and on line 1 **20** _____

Actual Expenses (see instructions to determine whether to complete this section or “Standard Mileage Rate”)

- 21 Gasoline, oil, repairs, vehicle, insurance, etc.. **21** _____
- 22 a. Vehicle rentals **22a** _____
 b. Inclusion amount (*see instructions*) **22b** _____
- 23 Subtract line 22b from line 22a **23** _____
- 24 Value of employer-provided vehicle (if 100% of the annual lease value was included in federal adjusted gross income). **24** _____
- 25 Add lines 21, 23, and 24 **25** _____
- 26 Multiply line 25 by the percentage on line 14 **26** _____
- 27 Depreciation (*determine from worksheet in the instructions*) **27** _____
- 28 Add lines 26 and 27. Enter the result here and on line 1 **28** _____



2021 Schedule M1UE Instructions

Standard mileage rate. The 2021 rate for business use of your vehicle is 56 cents (0.56) a mile.

Recordkeeping

You cannot deduct expenses for travel (including meals unless you used the standard meal allowance), gifts, or use of a car or other listed property unless you keep records to prove the time, place, business purpose, business relationship (for gifts), and amounts of these expenses. Generally, you must also have receipts for all lodging expenses regardless of the amount.

Should I complete this schedule?

Complete Schedule M1UE to report expenses you did not include on line 12 of federal Schedule 1.

Do not complete Schedule M1UE for expenses claimed on federal Form 2106 if you are any of these:

- A member of the Armed Forces
- A qualifying performing artist
- A fee-basis state or local government official

If you have a disability and claimed impairment-related work expenses on federal Form 2106, complete Schedule M1UE and enter the amount from line 10 of this form on line 24 of Schedule M1SA, *Minnesota Itemized Deductions*. These expenses are not subject to the 2% limit that applies to most other employee business expenses.

Part 1—Enter Your Expenses

Line 1

If you incurred vehicle expenses for more than one vehicle, complete a separate Part 2 of Schedule M1UE for each vehicle. Combine amounts from line 20 or 28 on line 1.

If you were a rural mail carrier, you can treat the amount of qualified reimbursement you received as the amount of your allowable expense. Because the qualified reimbursement is treated as paid under an accountable plan, your employer should not include the reimbursement amount in your income.

You were a rural mail carrier if you were an employee of the United States Postal Service (USPS) who performed services involving mail collection and delivery on a rural route.

Qualified reimbursements. These are the amounts paid by the USPS as an equipment maintenance allowance under a collective bargaining agreement between the USPS and the National Rural Letter Carriers' Association, but only if such amounts do not exceed the amount that would have been paid under the 1991 collective bargaining agreement (adjusted for changes in the Consumer Price Index since 1991).

If you were a rural mail carrier and your vehicle expenses were:

- **Less than or equal to your qualified reimbursements,** do not file Schedule M1UE unless you have deductible expenses other than vehicle expenses. If you have deductible expenses other than vehicle expenses, skip line 1 and do not include any qualified reimbursements in column A on line 7.
- **More than your qualified reimbursements,** first complete Part 2 of Schedule M1UE. Enter your total vehicle expenses from line 28 on line 1 and the amount of your qualified reimbursements in column A on line 7.

Line 2

You may not deduct expenses for commuting to and from work. See the line 15 instructions for the definition of commuting.

Line 3

Enter lodging and transportation expenses connected with overnight travel away from your tax home (defined below). Do not include expenses for meals. For details, including limits, see IRS Publication 463.

Tax home. Generally, your tax home is your regular or main place of business or post of duty regardless of where you maintain your family home. If you do not have a regular or main place of business due to the nature of your work, then your tax home may be the place where you regularly live. If you do not have a regular or a main place of business or post of duty and there is no place where you regularly live, you are considered an itinerant (a transient). In this case, your tax home is wherever your work. As an itinerant, you are never away from home and cannot claim a travel expense deduction. For details on the definition of a tax home, see IRS Publication 463.

Generally, you cannot deduct any expenses for travel away from your tax home for any period of temporary employment of more than one year. This one-year rule does not apply for a temporary period in which you were a federal employee certified by the Attorney General (or their designee) as traveling in temporary duty status for the U.S. government to investigate or prosecute a federal crime (or to provide support services for the investigation or prosecution of a federal crime).

Incidental expenses. The term "incidental expenses" means fees and tips given to porters, baggage carriers, hotel staff, and staff on ships.

Incidental expenses do not include:

- Expenses for laundry, cleaning, and pressing of clothing
- Costs of telegrams or telephone calls

- Transportation between places of lodging or business and places where meals are taken
- Mailing costs of filing travel vouchers and paying employer-sponsored charge card bills

You can use an optional method (instead of actual cost) for deducting incidental expenses only. The amount of the deduction is \$5 a day. You can use this method only if you did not pay or incur any meal expenses. You cannot use this method on any day you use the standard meal allowance (defined later in the instructions for line 5).

Line 4

Enter other job-related expenses not listed on any other line of this form. Include expenses for business gifts, education (tuition, fees, and books), home office, trade publications, etc. For details, including limits, see IRS Publications 463 and 529.

If you are deducting home office expenses, see IRS Publication 587 for special instructions on how to report these expenses.

Do not include expenses for meals, taxes, or interest on line 4.

Line 5

Enter your allowable meals expense. Include meals while away from your tax home overnight and other business meals.

Standard meal allowance. Instead of actual cost, you may be able to claim the standard meal allowance for your daily meals and incidental expenses (M&IE) while away from your tax home overnight. Under this method, instead of keeping records of your actual meal expenses, you deduct a specified amount depending on where you travel. You must still keep records of the time, place, and business purpose of your travel.

The standard meal allowance is the federal M&IE rate. For most small localities in the United States, this rate is \$55 a day. Most major cities and many other localities in the United States qualify for higher rates.

You can find the 2021 rates online at www.gsa.gov/perdiem.

Line 7

Enter reimbursements received from your employer (or third party) for expenses shown on lines 1 through 6 that were not included in your Federal Adjusted Gross Income (FAGI). Include reimbursements for meals in Column B. Include other business expense reimbursements in Column A. Include the reimbursements reported under code “L” in box 12 of your Form W-2 on line 7.

If your employer paid you a single amount that covers meals as well as other business expenses, you must allocate the reimbursement so you know how much to enter in Columns A and B of line 7. Use this worksheet to determine the allocation.

Reimbursement Allocation Worksheet for Line 7 (keep for your records)

- 1 Enter the total amounts of reimbursements your employer gave you that were not reported in box 1 of federal Form W-2. _____
- 2 Enter the total amount of your expenses for the periods covered by this reimbursement _____
- 3 Enter the part of step 2 that was your total expense for meals _____
- 4 Divide step 3 by step 2 _____
- 5 Multiply step 1 by step 4. Enter the result here and on line 7, column B _____
- 6 Subtract step 5 from step 1. Enter the result here and on line 7, column A. _____

Line 9

Generally, you can deduct only 50% of your business meal expenses, including meals incurred while away from home on business. However, if you were an employee subject to the U.S. Department of Transportation (DOT) hours of service limits, that percentage is increased to 80 % for business meals consumed during, or incident to, any period of duty for which those limits are in effect.

Employees subject to the DOT hours of service limits include:

- Certain air transportation employees, such as pilots, crew, dispatchers, mechanics, and control tower operators
- Interstate truck operators and interstate bus drivers
- Certain railroad employees, such as engineers, conductors, train crews, dispatchers, and control operations personnel
- Certain merchant mariners

Part 2—Vehicle Expenses

There are two methods for figuring vehicle expenses: the standard mileage rate and the actual expense method. You may use the standard mileage rate only if either of these apply:

- You owned the vehicle and used the standard mileage rate for the first year you placed the vehicle in service.
- You leased the vehicle and are using the standard mileage rate for the entire lease period.

You cannot use actual expenses for a leased vehicle if you previously used the standard mileage rate for that vehicle.

If you have the option of using either the standard mileage rate or actual expense method, you should figure your expenses both ways to find the method most beneficial to you. When completing Schedule M1UE, however, fill in only the sections that apply to the method you choose.

If you were a rural mail carrier and received an equipment maintenance allowance, see the line 1 instructions.

If you are claiming expenses for multiple vehicles used for business during the year, complete and enclose a separate Part 2 of Schedule M1UE for each vehicle.

Line 11

The date placed in service is generally the date you first start using your vehicle. If you first start using your vehicle for personal use and later convert it to business use, the vehicle is treated as placed in service on the date you start using it for business.

Line 12

Enter the total number of miles you drove each vehicle during 2021.

Change from personal to business use. If you changed your vehicle during the year from personal to business use (or vice versa) and you do not have mileage records for the time before the change, enter the total number of miles driven after this change. You must keep a record of miles driven for business.

Line 13

Do not include commuting miles on this line; commuting miles are not considered business miles. See the line 15 instructions.

Line 14

Divide line 13 by line 12 to figure your business use percentage.

Change from personal to business use. If you entered on line 12 the total number of miles driven after the change to business use, multiply the percentage you figured by the number of months you drove the vehicle for business and divide the result by 12.

Line 15

Enter your average daily round trip commuting distance. If you went to more than one work location, figure the average.

Commuting. Generally, commuting is travel between your home and a work location. Travel that meets any of these conditions is not commuting:

- You have at least one regular work location away from your home and the travel is to a temporary work location in the same trade or business, regardless of the distance. Generally, a temporary work location is one where your employment is expected to last a year or less.
- The travel is to a temporary work location outside the metropolitan area where you live and normally work.
- Your home is your principal place of business under Internal Revenue Code, section 280A(c)(1)(A) (for purposes of deducting expenses for business use of your home) and the travel is to another work location in the same trade or business, regardless of distance and whether that location is regular or temporary.

Line 16

If you do not know the total actual miles you used your vehicle for commuting during the year, multiply the number of days during the year that you used each vehicle for commuting by the average daily round trip commuting distance in miles.

Change from personal to business use. If you converted your vehicle from personal to business use (or vice versa), enter your commuting miles only for the period you drove your vehicle for business. You must keep a record of miles driven for business.

Standard Mileage Rate

Line 20

You may be able to use the standard mileage rate instead of actual expenses to figure the deductible costs of operating a passenger vehicle, including a van, sport utility vehicle (SUV), pickup, or panel truck.

If you want to use the standard mileage rate for a vehicle you own, you must do so in the first year you place your vehicle in service. In later years, you can deduct actual expenses instead, but you must use straight line depreciation.

If you lease your vehicle, you can use the standard mileage rate, but only if you use the rate for the entire lease period.

Complete and enclose a separate Part 2 of Schedule M1UE for each vehicle you are claiming expenses for.

If you are claiming the standard mileage rate for mileage driven in more than one business activity, you must figure the deduction for each business on a separate Schedule M1UE for each activity you were an employee.

Actual Expenses

Line 21

Enter your total annual expenses for gasoline, oil, repairs, insurance, tires, license plates, and similar items. Do not include state and local personal property taxes or interest expense you paid. Deduct state and local personal property taxes on line 6 of Schedule M1SA. Employees cannot deduct car loan interest.

Line 22a

If, during 2021, you rented or leased instead of using your own vehicle, enter the cost of renting. Include the cost of temporary rentals, such as when your car was being repaired, except for amounts you included on line 3.

Line 22b

If you leased a vehicle for a term of 30 days or more, you may have to reduce your deduction for vehicle lease payments by an amount called the inclusion amount.

For tax years beginning in 2019, all vehicles are subject to a single inclusion amount threshold for passenger automobiles leased and put into service. You may have an inclusion amount for a passenger automobile if the lease term began in 2018 through 2021 and the vehicle's fair market value on the first day of the lease exceeded \$50,000. You have an inclusion amount if your lease term began in 2013 to 2017 and your car's fair market value is greater than \$19,000 or your truck or van's fair market value is greater than \$19,500. See IRS Publication 463 to determine your inclusion amount.

Line 24

If, during 2021, your employer provided a vehicle for your business use and included 100% of its annual lease value in box 1 of your federal Form W-2, enter this amount on line 24. If your employer included less than 100% of the annual lease value in box 1, skip line 24.

Line 27

Depreciation of vehicles

Depreciation is an amount you can deduct to recover the cost or other basis of your vehicle over a certain number of years. In some cases, you can elect to expense part of the cost of your vehicle in the year of purchase or claim a special depreciation allowance. For details, see IRS Publication 463.

Worksheet for Line 27 - Depreciation of Vehicles	
1	Enter cost or other basis (see instructions) _____
2	Enter section 179 deduction and special allowance (see instructions) _____
3	Multiply Step 1 by line 14 (see instructions if you claimed the section 179 deduction or special allowance) _____
4	Enter the depreciation method and percentage (see instructions) _____
5	Multiply Step 3 by the percentage on Step 4 (see instructions) _____
6	Add Steps 2 and 5. _____
7	Enter the applicable limit explained in the Step 7 instructions _____
8	Multiply Step 7 by the percentage on line 14. _____
9	Enter the smaller of Step 6 or Step 8. If you skipped Steps 7 and 8, enter the amount from Step 6. Enter this amount on line 27 _____

Worksheet for Line 27 Instructions

Step 1

Enter the vehicle's actual cost or other basis. Do not reduce your basis by any prior year's depreciation. You must reduce your basis by any deductible casualty loss deduction for clean-fuel vehicle, Gas Guzzler Tax, Alternative Motor Vehicle Credit, or qualified Plug-in Electric Vehicle Credit you claimed. Increase your basis by any sales tax paid (unless you deducted sales taxes in the year you purchased your vehicle) and any substantial improvements to your vehicle.

If you traded in your vehicle, your basis is the adjusted basis of the old vehicle (reduced by depreciation figured as if 100% of the vehicle's use had been for business purposes) plus any additional amount you pay for the new vehicle. See IRS Publication 463 for more information.

If you converted the vehicle from personal use to business use, your basis for depreciation is the smaller of the vehicle's adjusted basis or its fair market value on the date of conversion.

Step 2

Enter the amount of any section 179 deduction and any special depreciation allowance claimed for this year.

Section 179 deduction. If 2021 is the first year your vehicle was placed in service and the percentage on line 14 is more than 50%, you can deduct a portion of the cost as an expense (subject to a yearly limit). To figure this section 179 deduction, multiply the part of the cost of the vehicle that you choose to expense by the percentage on line 14. The total of your depreciation and section 179 deduction generally cannot be more than the percentage on line 14 multiplied by the applicable limit (explained in the Step 7 instructions). Your section 179 deduction for the year cannot be more than the income from your job and any other active trade or business on your federal Form 1040 or 1040-SR.

Limit for sport utility and certain other vehicles. For sport utility and certain other vehicles placed in service in 2021, the portion of the vehicle's cost taken into account in figuring your section 179 deduction is limited to \$25,000. This rule applies to any 4-wheeled vehicle primarily designed or used to carry passengers over public streets, roads, or highways that is not subject to any of the passenger automobile limits explained in step 7 instructions and is rated at no more than 14,000 pounds gross vehicle weight. The \$25,000 limit does not apply to vehicles equipped with any of these:

- Seating capacity of more than nine persons behind the driver's seat
- Cargo area of at least six feet in interior length that is an open area, or is designed for use as an open area but is enclosed by a cap and not readily accessible from the passenger compartment
- An internal enclosure, fully enclosing the driver compartment and load carrying device, does not have seating rearward of the driver's seat, and has no body section protruding more than 30 inches ahead of the windshield's leading edge

Bonus depreciation (Special depreciation allowance). Bonus depreciation applies only in the first year a vehicle is placed in service. It applies to new vehicles regardless of the date in 2021 it was placed in service. Bonus depreciation is an additional first year depreciation deduction of 100%. Your total section 179 deduction, bonus depreciation, and regular depreciation deduction cannot be more than \$18,200 for passenger automobiles, multiplied by your business use percentage on line 14. See the step 7 instructions for depreciation limits. Use the worksheet to figure the amount of your special depreciation allowance.

Worksheet for the Special Depreciation Allowance *(keep for your records)*

- 1 Enter the amount from Step 1 of the Worksheet for Line 27
- 2 Multiply step 1 by the percentage on line 14 of Schedule M1UE
- 3 Enter any section 179 deduction
- 4 Subtract step 3 from step 2
- 5 Multiply the limit provided in step 7 of the Worksheet for Line 27 by the percentage on Line 14 of Schedule M1UE ..
- 6 Subtract step 3 from step 5
- 7 Enter the smaller of step 4 or step 6. Add the result to any section 179 deduction from step 3 of this worksheet and enter the total on step 2 of the Worksheet for Line 27

Election out. You can elect not to claim the special depreciation allowance for your vehicle. If you make this election, it applies to all property in the same class placed in service during the year. Attach a statement to your timely filed return (including extensions) indicating that you are electing not to claim the special depreciation allowance and the class of property for which you are making the election. See IRS Publication 463, chapter 4, for more information on the special depreciation allowance.

Step 3

To figure the basis for depreciation, multiply Step 1 by the percentage on line 14. From that result, subtract the total amount of any section 179 deduction and special depreciation allowance claimed this year (see Step 2) or claimed in any prior year for this vehicle.

Step 4

If you used the standard mileage rate in the first year the vehicle was placed in service and now elect to use the actual expense method, you must use the straight line method of depreciation for the vehicle’s estimated useful life. Otherwise, use the **Depreciation Method and Percentage Chart** to find the depreciation method and percentage to enter on Step 4.

To use the chart, find the date you placed the vehicle in service (line 11). Then, select the depreciation method and percentage from column (a), (b), or (c). For example, if you placed a car in service on July 1, 2021, and you use the method in column (a), enter “200 DB 20%” on step 4.

If your vehicle was placed in service:

- **Before 2021:** Use the same method you used on last year’s return unless a decline in your business use requires a change to the straight line method.
- **During 2021:** Select the depreciation method and percentage after reading the explanations for each column below.

Column (a)—200% declining balance method. You can use column (a) only if the business use percentage on line 14 is more than 50 %. Of the three depreciation methods, this method may give you the largest depreciation deduction for the first 3 years (after considering the depreciation limit for your vehicle). See the depreciation limit tables on the next page.

Column (b)—150% declining balance method. You can use column (b) only if the business use percentage on line 14 is more than 50%. This method may give you a smaller depreciation deduction than in column (a) for the first 3 years.

Column (c)—Straight line method. You must use column (c) if the business use percentage on line 14 is 50% or less. The method for these vehicles is the straight line method over five years.

Depreciation Method and Percentage Chart

Date Placed in Service	(a) ¹		(b) ¹		(c)	
Oct. 1 – Dec. 31, 2021	200 DB	5.0 %	150 DB	3.75%	SL	2.5%
Jan. 1 – Sept. 30, 2021	200 DB	20.0	150 DB	15.0	SL	10.0
Oct. 1 – Dec. 31, 2020	200 DB	38.0	150 DB	28.88	SL	20.0
Jan. 1 – Sept. 30, 2020	200 DB	32.0	150 DB	25.5	SL	20.0
Oct. 1 – Dec. 31, 2019	200 DB	22.8	150 DB	20.21	SL	20.0
Jan. 1 – Sept. 30, 2019	200 DB	19.2	150 DB	17.85	SL	20.0
Oct. 1 – Dec. 31, 2018	200 DB	13.68	150 DB	16.4	SL	20.0
Jan. 1 – Sept. 30, 2018	200 DB	11.52	150 DB	16.66	SL	20.0
Oct. 1 – Dec. 31, 2017	200 DB	10.94	150 DB	16.41	SL	20.0
Jan. 1 – Sept. 30, 2017	200 DB	11.52	150 DB	16.66	SL	20.0
Oct. 1 – Dec. 31, 2016	200 DB	9.58	150 DB	14.35	SL	17.5
Jan. 1 – Sept. 30, 2016	200 DB	5.76	150 DB	8.33	SL	10.0
Prior to 2016 ²						

¹You can only use this column if the business use of your car is more than 50%.

²If your car was subject to the maximum limits for depreciation and you have unrecovered basis in the car, you can continue to claim depreciation. See IRS Publication 463 for more information.

Step 5

If you sold or exchanged your vehicle during the year, use the following instructions to figure the amount to enter on Step 5. If your vehicle was placed in service:

- **Before 2014:** Multiply Step 3 by the percentage on Step 4.
- **2014 or later:**
 - **January through September:** Multiply Step 3 by Step 4. Then, multiply this result by 50% (0.50)
 - **October through December:** Multiply Step 3 by Step 4. Then, multiply the result by the percentage shown for your month of disposal.

Month of Disposal	Percentage
Jan., Feb., March	12.5%
April, May, June	37.5%
July, Aug., Sept.	62.5%
Oct., Nov., Dec.	87.5%

Step 7

Using the applicable chart for your type of vehicle, find the date you placed your vehicle in service. Then, enter on Step 7 the corresponding amount from the "Limit" column. Before using the charts, read these definitions.

- A passenger automobile is a four-wheeled vehicle manufactured primarily for use on public roads that is rated at 6,000 pounds unloaded gross vehicle weight or less. Certain vehicles, such as ambulances, hearses, and taxicabs, are not considered passenger automobiles and are not subject to the Step 7 limits. See IRS Publication 463 for details.
- A truck or van is a passenger automobile that is classified by the manufacturer as a truck or van, and that is rated at 6,000 pounds gross vehicle weight or less.

If your vehicle is not subject to any of the Step 7 limits, skip Steps 7 and 8, and enter the amount from Step 6 on Step 9.

Limits for Passenger Automobiles (Including Trucks and Vans) acquired before September 28, 2017, and placed in service during 2018 or 2019	
Date Vehicle Was Placed in Service	Limit
Jan. 1, 2019 – Dec. 31, 2019	\$9,800*
Jan. 1, 2018 – Dec. 31, 2018	5,860

Limits for Passenger Automobiles (Including Trucks and Vans) acquired after September 27, 2017, and placed in service during 2018 or later	
Date Vehicle Was Placed in Service	Limit
Jan. 1, 2021– Dec. 31, 2021	\$18,200*
Jan. 1, 2020 – Dec. 31, 2020	16,400
Jan. 1, 2019 – Dec. 31, 2019	9,800
Jan. 1, 2018 – Dec. 31, 2018	5,860

* If you elect not to claim the special depreciation allowance for the vehicle or the vehicle is not qualified property, the limit is \$10,200.

Limits for Passenger Automobiles (Except Trucks and Vans) Placed in Service Prior to 2018	
Date Vehicle Was Placed in Service	Limit
Jan. 1, 2012 – Dec. 31, 2017	\$1,875
Jan. 1, 2006 – Dec. 31, 2011	1,775
Jan. 1, 2004 – Dec. 31, 2005	1,675
Jan. 1, 1995 – Dec. 31, 2003	1,775

Limits for Trucks and Vans Placed in Service Prior to 2018	
Date Vehicle Was Placed in Service	Limit
Jan. 1, 2016 – Dec. 31, 2017	\$2,075
Jan. 1, 2013 – Dec. 31, 2015	1,975
Jan. 1, 2010 – Dec. 31, 2012	1,875
Jan. 1, 2009 – Dec. 31, 2009	1,775
Jan. 1, 2004 – Dec. 31, 2008	1,875
Jan. 1, 2003 – Dec. 31, 2003	1,975
Jan. 1, 1995 – Dec. 31, 2002	1,775



2021 Schedule M1R, Age 65 or Older/Disabled Subtraction

Before you complete this schedule, read the instructions on the back to see if you are eligible for this subtraction. If you are married and filing separate federal income tax returns, you are not eligible for this subtraction unless you and your spouse lived apart for all of 2021.

Your First Name and Initial	Last Name	Social Security Number
Round amounts to the nearest whole dollar.		
1	If you are married and filing a joint federal income tax return, enter \$12,000. If you are single, enter \$9,600. If you are married and filing separately, enter \$6,000	1 _____
2	If you (or your spouse if filing a joint return) are 65 or older, enter 0. If you (and your spouse if filing a joint return) are under age 65, enter your disability pensions and insurance payments included on line 1 of federal Form 1040 or 1040-SR.	2 _____
3	If you (or your spouse if filing a joint return) are 65 or older, enter the amount from line 1 above. If you (and your spouse if filing a joint return) are younger than 65, enter the amount from line 1 or line 2, whichever is less	3 _____
4	Any pension, annuity, or disability benefit included on line 13b of federal Schedule R. If you did not complete Schedule R, enter 0	4 _____
5 a	Social Security benefits (from your Forms SSA-1099)	5 a _____
b	Taxable Social Security benefits (see instructions)	5 b _____
	Nontaxable Social Security benefits (subtract line 5b from line 5a)	5 _____
6 a	Social Security equivalent benefit portion of Tier 1 paid by the Railroad Retirement Board (from your Forms RRB-1099)	6 a _____
b	Railroad Retirement Board benefits (included on line 4b and 5b of federal Form 1040 or 1040-SR)	6 b _____
	Total Railroad Retirement Board benefits received (add lines 6a and 6b)	6 _____
7	Add lines 4, 5, and 6	7 _____
8	Subtract line 7 from line 3. If zero or less, STOP HERE . You do not qualify for this subtraction.	8 _____
9 a	Federal adjusted gross income (see instructions)	9 a _____
b	Railroad Retirement Board benefits (incl. on line 6b of fed. Form 1040 or 1040-SR) 9 b _____	9 b _____
	Subtract line 9b from line 9a. If you received a lump-sum distribution, see instructions.	9 _____
10	Amount from the instructions for line 10 (on the back of this schedule)	10 _____
11	Subtract line 10 from line 9 (if zero or less, enter 0 on lines 11 and 12 and go on to line 13)	11 _____
12	Multiply line 11 by 50% (.50)	12 _____
13	Subtract line 12 from line 8 and enter the result here and on line 16 of Schedule M1M. (if zero or less, enter 0. You do not qualify for this subtraction)	13 _____

You must include this schedule with your Form M1.



2021 Schedule M1R Instructions

Am I eligible?

To qualify for this subtraction, you (or your spouse if filing a joint return) must either be aged 65 or older (born before January 2, 1957) or meet the disability requirements below. Also, you must meet the income limitations below.

If you are married and filing separate federal income tax returns, you are not eligible unless you and your spouse lived apart for all of 2021.

What are the disability requirements?

To meet the disability requirements, both of these must be true:

- You (or your spouse if filing a joint return) had a permanent and total disability by the end of 2021
- You (or your spouse if filing a joint return) received federally taxable disability income in 2021

You may be eligible if at any time a physician signed the statement in the instructions for federal Schedule R certifying that you have a permanent and total disability.

If you are a veteran, you may qualify if you received a signed certification from the Department of Veterans Affairs stating you have a permanent and total disability.

If you have never filed Schedule R but believe you have a permanent and total disability, ask your physician to determine if you meet the disability requirements. If you do, have your physician sign the statement in the Schedule R instructions and keep it with your tax records.

Note: You do not need to file Schedule R with your federal income tax return to be eligible for the Minnesota subtraction.

What are the income limitations?

If you (or your spouse if filing a joint return) meet the age or disability requirements, use the table below to see if you are eligible for the subtraction.

You qualify if you are:	And your adjusted gross income* is less than:	And your Railroad Retirement Board benefits and nontaxable Social Security are less than:
Filing single, head of household, or qualifying widow(er), and you are 65 or older or disabled	\$33,700	\$ 9,600
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 are 65 or older or disabled, and you lived apart from your spouse for all of 2021	\$21,000	\$ 6,000

* Adjusted gross income is the amount from line 1 of Form M1 or line 37 of Schedule M1NC plus any lump-sum distributions reported on federal Form 4972, less any taxable Railroad Retirement Board benefits (see line 9 instructions).

Line Instructions

Line 9 — Adjusted Gross Income

If you received a lump-sum distribution and used the ten-year averaging or the capital gain election on federal Form 4972, follow the steps below to determine line 9:

- 1 From the front of this schedule, subtract line 9b from line 9a _____
- 2 From your federal Form 4972, add line 10 and any capital gain reported on line 6.
(The line 6 amount must also be reported on line 4 of Schedule M1M) _____
- 3 Add steps 1 and 2, and enter the result here and on line 9 of Schedule M1R _____

On line 9a, your federal adjusted gross income is line 1 of Form M1 or line 37 of Schedule M1NC.

Line 10

Enter the dollar amount for your filing status and age:

Filing single, head of household, or qualifying widow(er), and you are 65 or older or disabled	\$14,500
Married filing a joint return and both spouses are either 65 or older or disabled	\$18,000
Married filing a joint return and one spouse is 65 or older or disabled	\$14,500
Married filing a separate return and you are 65 or older or disabled	\$ 9,000



2021 Schedule M1529, Education Savings Account Contribution Credit or Subtraction

Complete this form to claim either the credit or the subtraction. You cannot claim both.

Your First Name and Initial _____ Last Name _____ Social Security Number _____

1 Enter the financial institution, account number, and the amount you contributed in 2021 for each qualified education savings account (commonly known as a 529 college savings plan). If you contributed to more than five accounts, include a separate sheet.

Financial Institution: _____ Account Number: _____ Amount: _____

Financial Institution: _____ Account Number: _____ Amount: _____

Financial Institution: _____ Account Number: _____ Amount: _____

Financial Institution: _____ Account Number: _____ Amount: _____

Financial Institution: _____ Account Number: _____ Amount: _____

Total amount of contributions from separate sheet (if any): _____

Enter the total amount you contributed to all qualified education savings accounts 1 ■ _____

2 Enter the total amounts distributed in 2021 from all accounts (see instructions) 2 _____

3 Subtract line 2 from line 1. If the result is zero or less, STOP HERE; you do not qualify 3 ■ _____

If you are claiming the subtraction

4 To claim the subtraction, enter the lesser of the amount on line 3 or \$1,500 (\$3,000 if you are married and filing a joint return) here and on line 15 of Schedule M1M 4 _____
If you claim the subtraction, you cannot claim the credit.

If you are claiming the credit

5 To claim the credit, enter the result from step 11 of the Worksheet for Line 5 here. If you claim the credit, you cannot claim the subtraction. Full-Year Residents: Also enter this amount on line 7 of Schedule M1C 5 _____

6 Part-Year Residents: Multiply line 5 by line 30 of Schedule M1NR. Enter the result here and on line 7 of Schedule M1C 6 _____

Complete lines 7-15 if a distribution from your account was not used to pay qualified expenses.

7 Enter the amount of distributions from your accounts that were not used for qualified expenses 7 _____

8 Multiply the total amount of Education Savings Account Credits claimed in prior years on Schedule M1C by 2 8 _____

9 Enter the total amount of contributions made to your qualified accounts in all taxable years 9 _____

10 Divide line 8 by line 9 (carry to five decimal places). If line 8 is more than line 9, enter 1 10 _____

11 Enter the total amount of subtractions claimed in prior years on Schedule M1M 11 _____

12 Divide line 11 by line 9 (carry to five decimal places). If line 11 is more than line 9, enter 1 12 _____

13 Multiply line 10 by 50% (.50), then multiply the result by line 7. Round amount to the nearest whole dollar. 13 _____

14 Multiply line 12 by 10% (.10), then multiply the result by line 7. Round amount to the nearest whole dollar. 14 _____

15 Add lines 13 and 14. Enter here and include on line 14 of Form M1. Check the box for Schedule M1529 ... 15 _____



2021 Schedule M1529 Instructions

Am I eligible?

You may be eligible for the credit or subtraction if you contributed to a qualified education savings account, regardless of the owner or beneficiary.

You do not qualify for the credit if you are a nonresident or are eligible to be claimed as a dependent.

What is a qualified education savings account?

A qualified education savings account is any state-sponsored section 529 college savings plan, including prepaid tuition plans.

What is a qualified expense?

A qualified expense for a section 529 college savings plan is a cost required to attend a post-secondary educational institution. Qualified expenses do not include amounts paid for K-12 education expenses.

If you used a distribution from a 529 college savings plan for K-12 education tuition, you must include the lesser of distributions or the earnings reported on Form 1099-Q from the college savings plan on line 13 of Schedule M1M.

The Setting Every Community up for Retirement Enhancement (SECURE) Act allows individuals to use distributions from a section 529 college savings plan to pay for apprenticeships and certain student loan payments. If you entered an amount on line 3 of Schedule M1NC for a distribution, those distributions are not qualified distributions for Minnesota purposes. Include these nonqualified expenses on line 7.

Can I claim both the credit and subtraction?

No. You may claim either the credit or the subtraction. You cannot claim both.

Is it better to take the credit or subtraction?

It depends on your residency status, filing status, and income.

Full and part-year residents: If your Federal Adjusted Gross Income (FAGI) is \$80,430 or less, the credit will generally provide a greater benefit for you. If your FAGI is more than \$80,430 but less than the \$105,430 (\$169,780 if you are married and filing a joint return), complete the Worksheet for Line 5.

If your filing status is Married Filing Jointly and your FAGI is more than \$169,780 (\$105,430 for all other filing statuses), you are not eligible for the credit. You may be eligible for the subtraction.

Nonresidents or individuals eligible to be claimed as a dependent: You are not eligible for the credit. You may be eligible for the subtraction.

Do I need proof of my contributions?

Yes. Save canceled checks and keep a detailed record of your contributions (such as brokerage and account statements). We may ask you to show these records if we have questions.

If you claim the credit or subtraction, maintain a record of the amounts claimed as long as any education savings account is open.

Line Instructions

Round amounts to the nearest whole dollar.

Line 1

Enter the financial institution, account number, and amount you contributed in 2021 for each qualified education savings account. If you contributed to more than five accounts, include a list of additional accounts on a separate sheet.

Line 2

Enter the total amount of all distributions from accounts that, during the year, you:

- Were listed as an account owner or beneficiary
- Made a contribution to

Generally, distributions are reported on federal Form 1099-Q.

Line 4

If you are taking the subtraction instead of the credit, stop here; enter this amount on line 38 of Schedule M1M, *Income Additions and Subtractions*. You may **not** claim both the credit and the subtraction.

Line 5

If you are taking the credit instead of the subtraction, skip line 4; enter this amount on line 7 of Schedule M1C, *Nonrefundable Credits*. You may **not** claim the credit if any of these apply:

- You claim the Education Savings Account Contribution Subtraction
- You are eligible to be claimed as a dependent
- You are a nonresident

Continued

Worksheet for Line 5 (529 Credit)

- 1 Enter the amount from line 3 _____
- 2 Multiply the amount from step 1 by 50% (.50) _____
- 3 Enter the amount from line 1 of Form M1 or if you were required to complete Schedule M1NC, the amount from line 37 of Schedule M1NC. _____
- 4 If step 3 is less than \$80,430, skip steps 5-9 and enter \$500 on step 10.

If step 3 is \$80,430 or more, use the table below to determine steps 5, 7, and 9 for your filing status.

Married filing jointly

If step 3 is:

Over	But Not Over	Use for Step 5	Use for Step 7	Use for Step 9
\$80,430	\$105,430	\$80,430	0.01	\$500
\$105,430	\$144,780	\$0	0.00	\$250
\$144,780	—	\$144,780	0.01	\$250

All other filing statuses

If step 3 is over \$80,430:	Use for Step 5	Use for Step 7	Use for Step 9
	\$80,430	0.02	\$500

- 5 Enter the appropriate amount for this step from the table above. _____
- 6 Subtract step 5 from step 3 _____
- 7 Enter the appropriate amount for this step from the table above. _____
- 8 Multiply step 6 by step 7 _____
- 9 Enter the appropriate amount for this step from the table above. _____
- 10 Subtract step 8 from step 9 _____
- 11 Enter the amount from step 2 or step 10, **whichever is less**. Enter this amount on line 5 of Schedule M1529 _____

Questions?

Forms and information are available on our website at www.revenue.state.mn.us.

If you have questions:

- Visit our website at www.revenue.state.mn.us and enter **Education Savings** into the Search box
- Send us an email at individual.incometax@state.mn.us
- Call us at 651-296-3781 or 1-800-652-9094



2021 Schedule M1NR, Nonresidents/Part-Year Residents

Before you complete this schedule, read the instructions and complete lines 1 through 11 of Form M1.

Your First Name and Initial _____ Your Last Name _____ Your Social Security Number _____

Spouse's First Name and Initial _____ Spouse's Last Name _____ Spouse's Social Security Number _____

Minnesota Residency (Place an X in one box and enter other state of residency)

You: Full-year Nonresident Part-Year Resident from _____ to _____ Other State of Residency: _____
(MM/DD/YYYY) (MM/DD/YYYY)

Your Spouse: Full-year Nonresident Part-Year Resident from _____ to _____ Other State of Residency: _____
(MM/DD/YYYY) (MM/DD/YYYY)

	A. Total Amount	B. Minnesota Portion
1 Wages, salaries, tips, etc. (from line 1 of federal Form 1040 or 1040-SR)	1 _____	_____
2 Taxable interest and ordinary dividend income (lines 2b and 3b of Form 1040 or 1040-SR)	2 _____	_____
3 Business income or loss (from line 3 of federal Schedule 1)	3 _____	_____
4 Capital gain or loss (from line 7 of Form 1040 or 1040-SR)	4 _____	_____
5 IRA distributions, pensions, and annuities (from lines 4b and 5b of Form 1040 or 1040-SR)	5 _____	_____
6 Net income from rents, royalties, partnerships, S corporations, estates, and trusts (from line 5 of federal Schedule 1)	6 _____	_____
7 Farm income or loss (from line 6 of federal Schedule 1)	7 _____	_____
8 Other income (add lines 6b of Form 1040 or 1040-SR and lines 1, 2a, 4, 7, and 9 of federal Schedule 1)	8 _____	_____
9 Interest and dividends from non-Minnesota state or municipal bonds (add lines 1 and 2 of Schedule M1M)	9 _____	_____
10 Bonus depreciation addition from line 1 of Schedule M1MB	10 ■ _____	■ _____
11 If you entered an amount on line 9 of Schedule M1REF, see instructions	11 ■ _____	■ _____
12 Suspended loss from line 4 of Schedule M1MB	12 ■ _____	■ _____
13 Other required additions from Schedule M1M and M1AR (see instructions)	13 ■ _____	■ _____
14 Federal adjustments from Schedule M1NC (See instructions)	14 ■ _____	■ _____
15 Add lines 1 through 14 for each column	15 ■ _____	■ _____
If your Minnesota gross income is below \$12,525, see instructions.		
16 Educator expenses, certain business expenses, and Armed Forces moving expenses (add lines 11, 12, and 14 of federal Schedule 1)	16 _____	_____
17 Self-employed SEP, SIMPLE, and qualified plans and IRA deduction (add lines 16 and 20 of federal Schedule 1)	17 _____	_____
18 Health savings account and Archer MSA deductions (add lines 13 and 23 of federal Schedule 1)	18 _____	_____
19 One-half of self-employment tax and self-employed health insurance (add lines 15 and 17 of federal Schedule 1)	19 _____	_____
20 Deductions for alimony paid and student loan interest (see instructions for line 20, column B)	20 _____	_____



- 21 Penalty on early withdrawal of savings (from line 18 of federal Schedule 1) 21 _____
- 22 Net operating loss carryover adjustment from line 13 of Schedule M1MB (see instructions) 22 ■ _____
- 23 Social Security benefit from line 12 of Schedule M1M (see instructions). 23 ■ _____
- 24 Subtraction for federal bonus depreciation from line 10 of Schedule M1MB 24 ■ _____
- 25 Net U.S. bond interest and active military pay
received while a nonresident (add lines 14 and 22 of Schedule M1M) 25 _____
- 26 Subtraction for federal section 179 expensing (from line 11 of Schedule M1MB) 26 _____
- 27 Add lines 16 through 26 for each column 27 _____
- 28 Subtract line 27, column B, from line 15, column B. Enter here and on line 13a of Form
M1. If your Minnesota gross income is below \$12,525 or the result is zero or less, enter 0 28 _____
- 29 Subtract line 27, column A, from line 15, column A.
Enter the result here and on line 13b of Form M1 29 _____
- 30 Divide line 28 by line 29, and enter the result as a decimal (carry to five decimal
places). If line 28 is more than line 29, enter 1.0. If line 28 is zero, enter 0 30 _____
- 31 Amount from line 12 of Form M1 31 _____
- 32 Multiply line 30 by line 31. Enter the result here and on line 13 of Form M1 32 _____

You must include this schedule with Form M1. Enter the amounts from lines 28 and 29 of this schedule on Form M1, lines 13a and 13b.



2021 Schedule M1NR Instructions

Should I file this schedule?

File this schedule with your Form M1 if you meet the minimum filing requirement and in 2021 you were either a:

- Full-year nonresident of Minnesota
- Part-year resident of Minnesota

See Income Tax Fact Sheets 1, *Residency*; 2, *Part-Year Residents*; and 3, *Nonresidents*, to determine your residency status for Minnesota tax purposes.

If you are married and file a joint federal return, you must file a joint Minnesota return even if only one spouse is a Minnesota resident or has Minnesota income. You must include Schedule M1NR when you file your return.

What is the minimum filing requirement?

If your gross income assignable to Minnesota is \$12,525 or more, you must file Form M1 and Schedule M1NR.

If you are considered a nonresident alien for federal tax purposes, and have gross income of at least \$5 assignable to Minnesota, you must file a Minnesota tax return and Schedule M1NR.

What is gross income assignable to Minnesota?

Gross income assignable to Minnesota includes all income you received while a Minnesota resident and income from Minnesota sources while a nonresident, such as income passed through to you from:

- Partnerships (line 36 of Schedule KPI)
- S corporations (line 36 of Schedule KS)
- Estates or trusts (line 43 of Schedule KF)

Gross income is income before any deductions or expenses. Gross income does not include any military pay a Minnesota resident received for military services outside Minnesota.

If your Minnesota gross income is below the minimum filing requirement, and you had tax withheld or paid estimated tax, follow the steps below to complete your Schedule M1NR:

1. Complete lines 1-15 of Schedule M1NR.
2. Skip lines 16-26.
3. Enter a 0 on line 28.
4. Enter the amount from line 15, column A, on line 29.
5. Complete lines 30-32.

Enter the appropriate amounts from Schedule M1NR on lines 13, 13a, and 13b of Form M1 and include the schedule when you file your return.

If your Minnesota gross income is below the minimum filing requirement, and you are completing Schedule M1NR only to determine your refundable credits:

1. Complete lines 1-27 of Schedule M1NR.
2. Complete line 29 of Schedule M1NR.
3. Use this information to complete the worksheet provided in the instructions for the credits you claim.

If you were a resident of Michigan or North Dakota for all of 2021, do not complete this schedule if your only Minnesota source income is exempt due to reciprocity (see Fact Sheet 4, *Reciprocity*, for more information). Complete Schedule M1NR only if you received income from sources in Minnesota that does not qualify under reciprocity. (Income that is not excluded under reciprocity includes Minnesota source gambling winnings, capital gains, rental income, etc.)

Line Instructions

Round amounts to the nearest whole dollar.

Column A — Enter the appropriate amount from your 2021 federal or Minnesota income tax return. See the instructions for each line.

Line 11, Column A

If you received the pass-through entity tax credit as a shareholder, partner, or beneficiary of an electing pass-through entity, include the portion from line 2 of Schedule M1MB which is passed to you from the electing entity.

Line 13, Column A — Other required additions from Schedule M1M and M1AR

Include the amounts from:

- line 3 of Schedule M1M
- line 3 of Schedule M1MB
- line 5 of Schedule M1MB
- line 6 of Schedule M1MB if you completed Schedule M1AR

Line 14, Column A — Federal adjustments from Schedule M1NC

Include the full amount from line 35 of Schedule M1NC.

Continued

Column B — Assign income or expenses to Minnesota according to the instructions. If you are a partner, shareholder, or beneficiary, include the amounts from Schedule KPI, KS, or KF and follow the instructions with that schedule.

Line 1, Column B — Wages, Salaries, Tips, etc.

Include wages, salaries, tips, commissions, bonuses, and any amounts received for work performed:

- While a Minnesota resident
- In Minnesota while a nonresident
- In Minnesota in a prior year but received in 2021
- In prior years while a Minnesota resident but deferred to 2021

Do not include on line 1, column B:

- Minnesota wages earned while a resident of Michigan or North Dakota that are covered under a reciprocity agreement
- Military pay received while a nonresident (from line 22 of Schedule M1M, *Income Additions and Subtractions*)
- Wages received as a nonresident military spouse, if you meet certain requirements (see Form M1 instructions)

Line 2, Column B — Interest and Ordinary Dividend Income

Include the interest and dividends you received (or had credited to your account) while you were a Minnesota resident and from Minnesota sources you recognized while a nonresident. Do not include any interest or mutual fund dividends you received from U.S. bonds.

Line 3, Column B — Business Income (loss)

Include:

- Net Business income (or loss incurred) while a Minnesota resident
- From Minnesota sources earned while a nonresident

Line 4, Column B — Capital Gain (loss)

Include net capital gain (or loss) received:

- While a Minnesota resident
- From Minnesota sources while a nonresident

Line 5, Column B — IRA Distributions and Pensions and Annuities

Include IRA distributions and pension and annuity payments received while a Minnesota resident.

Line 6, Column B — Net Income from Rents, Royalties, Partnerships, S Corporations, Estates, and Trusts

Include income (or loss):

- Reported on federal Schedule E from rents, royalties, partnerships, S corporations, and estates recognized while a Minnesota resident
- From Minnesota sources recognized while a nonresident

Line 7, Column B — Farm Income (loss)

Include net farm income (or loss incurred):

- While a Minnesota resident
- From a Minnesota farm while a nonresident

Line 8, Column B — Other Income

Include other income you received:

- While a Minnesota resident
- From Minnesota sources, while a nonresident, included on lines 4 and 9 of federal Schedule 1

Line 9, Column B — Interest and Dividends from Non-Minnesota State or Municipal Bonds

Include the interest and dividends you received from non-Minnesota state or municipal bonds while a Minnesota resident.

Line 10, Column B — Bonus depreciation addition from line 1 of Schedule M1MB

Include the amount of the addition on line 1 of Schedule M1MB from Minnesota sources.

Line 11, Column B

Include the amounts from line 2 of Schedule M1MB passed to you from an electing pass-through entity which are attributable to Minnesota sources.

Line 12, Column B — Suspended loss from line 4 of Schedule M1MB

Include the amount from line 4 of Schedule M1MB that is attributed to income earned while a Minnesota resident or from Minnesota sources while a nonresident.

Line 13, Column B — Other required additions from Schedules M1M and M1MB

Include the amounts from the lines listed below that are attributable to income earned while a Minnesota resident or from Minnesota sources earned while a nonresident.

- line 3 of Schedule M1M
- line 3 of Schedule M1MB
- line 5 of Schedule M1MB
- line 5 or line 12 of Schedule M1AR

Line 14, Column B — Federal Adjustments

Use the following table to determine the net amounts to include in Column B which are reported on Schedule M1NC. If the total is negative, enter the amount in Column B as a negative number.

Line 1	Include the amount of debt cancelled while you were a Minnesota resident. Do not include an amount if you were a full-year nonresident.
Line 2	Multiply the amount of the deduction for IRA contributions of individuals over the age of 70 1/2 years by the percentage of your earned income that is allocable to Minnesota (without lowering your wages for self-employment losses).
Line 3	Include the amount of distributions made for apprenticeship programs or to pay student loans while a Minnesota resident. Do not include an amount if you were a full year nonresident.
Line 4	Include the amounts received while a Minnesota resident or in Minnesota while a nonresident.
Line 10	Include the amount your employer contributed to your education loans while a resident of Minnesota. Do not include an amount if you were a full year nonresident.
Lines 11 and 12	Multiply the expenses by the apportionment percentage of the business. If your adjustment is the result of multiple businesses, you must allocate the adjustment for each entity separately. Include the result on line 14, Column B.
Line 13	Include the amount attributable to Minnesota sources while a nonresident. Do not include Lines 13a or 13b.
Line 14	Include the amount attributable to income earned while a Minnesota resident or from Minnesota sources while a nonresident. Do not include Lines 14a or 14b.
Lines 15 and 16	Multiply the expenses by the apportionment percentage of the business. If your adjustment is the result of multiple businesses, you must allocate the adjustment for each entity separately. Include the result on line 14, Column B.
Line 17	For each asset included on this line, determine the Minnesota allocable depreciation by multiplying the business apportionment percentage by the depreciation claimed. If you have multiple businesses, you must allocate the depreciation for each business separately. Include the result on line 14, Column B.
Line 18	Multiply the expenses by the apportionment percentage of the business. If your adjustment is the result of multiple businesses, you must allocate the adjustment for each entity separately. Include the result on line 14, Column B.
Line 19	For each asset included on this line, determine the Minnesota allocable depreciation by multiplying the business apportionment percentage by the depreciation claimed. If you have multiple businesses, you must allocate the depreciation for each business separately. Include the result on line 14, Column B.
Line 20	For each asset included on this line, determine the Minnesota allocable depreciation by multiplying the business apportionment percentage by the depreciation claimed. If you have multiple businesses, you must allocate the depreciation for each business separately. Include the result on line 14, Column B.
Line 21	Multiply the expenses by the apportionment percentage of the business. If your adjustment is the result of multiple businesses, you must allocate the adjustment for each entity separately. Include the result on line 14, Column B.
Line 22	Multiply the amount on this line by the apportionment percentage of the business. If your adjustment is the result of multiple businesses, you must allocate the adjustment for each entity separately. Include the result on line 14, Column B.
Line 23	For each asset included on this line, determine the Minnesota allocable depreciation by multiplying the business apportionment percentage by the depreciation claimed. If you have multiple businesses, you must allocate the depreciation for each business separately. Include the result on line 14, Column B.
Line 24	Include grants received that are allocable to Minnesota sources.
Line 25	Multiply the expenses by the apportionment percentage of the business. If your adjustment is the result of multiple businesses, you must allocate the adjustment for each entity separately. Include the result on line 14, Column B.
Line 26	Include farm losses while you were a resident of Minnesota or from a Minnesota farm while a nonresident.
Line 30	Include the distributions you received while a MN resident and do not include any amount if you were a full year nonresident.
Line 31	Rental real estate loss limitation: Include the rental real estate losses from Schedule M1NC that are attributable to Minnesota properties.
Line 32	Taxable Social Security benefits: Include taxable social security income received while a Minnesota resident.
Line 33	IRA deduction: Multiply the amount of the deduction by the percentage of your earned income that is allocable to Minnesota (without lowering your wages for self-employment losses). Include the result on line 14 column B.
Line 34	Student loan interest deduction: Include the portion of your adjusted student loan interest deduction you paid while a Minnesota resident.

Line 16, Column B — Certain Business Expenses

Include any business expenses paid:

- While a Minnesota resident
- From income earned as a performing artist or fee-basis government official that you earned in Minnesota while a nonresident
- While teaching as a Minnesota resident or for teaching in Minnesota

If you are a member of the Reserves or National Guard, include any travel expenses paid while a resident and for meetings attended in Minnesota while a nonresident.

Armed Forces Moving Expenses

Of the amount on line 14 federal Schedule 1, include moving expenses paid while a Minnesota resident or attributable to a move into Minnesota.

Line 17, Column B — Pension Plans

To determine your:

- **Minnesota qualified plan contribution deduction:** Multiply your federal qualified plan contribution deduction by the percentage you determined in step 3 of the Worksheet for Line 19, Column B.
- **Minnesota IRA, SEP or SIMPLE plan deduction:** Multiply your deduction by the percentage of your total earned income that is allocable to Minnesota (without lowering your wages for self-employment losses).

For the purpose of this deduction only, earned income includes wages, self-employment income, and alimony received. Subtract your self-employment tax deduction (federal Schedule SE) from that total.

If your spouse also worked, determine your spouse’s deduction in the same way. Use only your spouse’s earned income plus your spouse’s federal IRA, SEP, or SIMPLE plan deduction.

Line 18, Column B — Health Savings Account and Archer Medical Savings Account (MSA) Deductions

To determine your deduction amount:

1. Add lines 13 and 23 of federal Schedule 1.
2. Divide your Minnesota earned income by your federal earned income. For the purpose of this deduction only, earned income includes wages, self-employment income, and alimony received.
3. Multiply the results of step 1 and step 2. Enter this amount on line 18, column B.

Line 19, Column B — Self-Employment Tax and Self-Employed Health Insurance

Worksheet for Line 19, Column B	
1	Enter the amount from line 3 of your federal Schedule SE
2	Enter the amount from step 1 allocable to Minnesota
3	Divide step 2 by step 1
4	Amount from line 14 of federal Schedule 1.
5	Multiply step 3 by step 4. The result is your Minnesota Self-Employed Tax Deduction.
6	Line 2 of the worksheet for line 16 of federal Schedule 1 or line 13 of the Self Employment Health Insurance worksheet in IRS Publication 535
7	Enter the amount from step 6 allocable to Minnesota
8	Divide step 7 by step 6.
9	Amount from line 16 of federal Schedule 1.
10	Multiply step 8 by step 9. The result is your Minnesota Self-Employed Health Insurance Deduction.
11	Add steps 5 and 10. Enter here and on line 19, column B.

Line 20, Column B — Deductions for Alimony Paid and Student Loan Interest

Part-year residents: Add the following items and enter the same total on line 20, columns A and B:

- Alimony paid while a Minnesota resident included on line 19a of federal Schedule 1
- The portion of your student loan interest deduction (line 21 of federal Schedule 1) that represents interest paid while a Minnesota resident

Nonresidents: Enter zero on line 20, columns A and B.

Line 21, Column B — Penalty on Early Withdrawal of Savings

Enter the penalty on early withdrawal you paid while a Minnesota resident.

Line 22, Column B — Net operating loss carryover adjustment from line 13 of Schedule M1MB

Carryover of a Minnesota net operating loss as a result of the Worker, Homeownership, and Business Assistance Act of 2009. Minnesota did not adopt these provisions of the federal act. Multiply the amount from line 13 of Schedule M1MB by the Minnesota apportionment ratio of the business in 2021. Include the result on line 22, Column B.

Line 23, Column B — Social Security benefit subtraction from line 12 of Schedule M1MB

Include the full amount in column B that is reported on line 12 of Schedule M1M.

Line 24, Column B — Subtraction for federal bonus depreciation

Multiply the amount from line 10 of Schedule M1MB by the Minnesota apportionment ratio of the business in 2021. Include the result in column B.

Line 25, Column B — Net U.S. Bond Interest and Active Duty Military Pay Received by a Nonresident

The net amount of U.S. bond interest and active duty military pay you received as a nonresident is not included in column B of lines 1 or 2. Do not subtract these amounts on line 27, column B.

Line 26 — Section 179 Subtraction

Multiply the amount from line 11 of Schedule M1MB by the Minnesota apportionment ratio of the business in 2021. Include the result in column B.

Line 30

The result on line 30 is the percentage of Minnesota income to federal income.



2021 Schedule M1MA, Marriage Credit

Your First Name and Initial Your Last Name Your Social Security Number

Spouse's First Name and Initial Spouse's Last Name Spouse's Social Security Number

Part 1 A - Taxpayer B - Spouse
1 Wages, salaries, tips, etc.
2 Self-employment income
3 Taxable pension income
4 Taxable Social Security income
5 Add lines 1 through 4 for each column
6 Amount from line 5, Column A or B, whichever is less
7 Joint taxable income from line 9 of Form M1.
8 If line 6 is less than \$104,000, determine the amount of your credit using lines 6 and 7 and the table in the instructions.

Part 2 - If Line 6 is \$104,000 or More
9 Enter the amount from line 6
10 Value of one-half of the standard deduction for Married Filing Jointly
11 Subtract line 10 from line 9
12 Using the tax schedule for single persons in the M1 instructions, compute the tax for the amount on line 11
13 Amount from line 7
14 Amount from line 11
15 Subtract line 14 from line 13
16 Using the tax schedule for single persons in the Form M1 instructions, compute the tax for the amount on line 15
17 Tax from line 10 of Form M1
18 Add lines 12 and 16
19 Subtract line 18 from line 17. If the result is more than \$1,548, enter \$1,548. If result is zero or less, you do not qualify.

Part 3 - Part-Year Residents and Nonresidents
20 Part-year residents and nonresidents: Enter the percentage from line 30 of Schedule M1NR
21 Multiply line 8 or line 19, whichever is applicable, by line 20. Enter the result here and on line 1 of Schedule M1C

Include this schedule when you file Form M1. Keep a copy for your records. 9995



2021 Schedule M1MA Instructions

Do I qualify?

You may qualify for the Marriage Credit if all of these are true:

- Your filing status is Married Filing Jointly
- Both you and your spouse have taxable earned income, taxable pension, or taxable Social Security income
- Your joint taxable income on line 9 of your Form M1 is at least \$40,000
- The income of the lesser-earning spouse is at least \$26,000

Line Instructions

Lines 1–5

Complete lines 1 through 5, Columns A and B, to determine the earned income for each spouse.

If you completed Schedule M1NC, see instructions for line 35 of that schedule to determine if you need to adjust the amounts entered on lines 1 and 2 of Schedule M1MA.

Line 1

Do not include the following amounts on line 1:

- Military wages that you are allowed to subtract on Schedule M1M, Income Additions and Subtractions
- Railroad retirement board benefits
- Medicaid Waiver Payments you excluded from adjusted gross income on line 9 of federal Schedule 1

Line 3

Taxable pension income included on lines 4b and 5b of federal Forms 1040 and 1040-SR. When calculating line 3, do not include any Railroad Retirement Board benefits.

Line 4

If you did not have to complete Schedule M1NC, enter the amount from line 6b of federal Form 1040 or 1040-SR. If you did complete Schedule M1NC **and** had an amount on line 32 of that schedule, combine the amount from line 6b of Form 1040 or 1040-SR with the amount entered on line 32 of Schedule M1NC.

Line 8

Table for Line 8

If line 6 is:		and line 7 is at least:											
at least	but less than	\$40,000	60,000	80,000	100,000	120,000	140,000	160,000	180,000	200,000	220,000	240,000	260,000
		but less than:											
		\$60,000	80,000	100,000	120,000	140,000	160,000	180,000	200,000	220,000	240,000	260,000	& over
		your credit amount is:											
\$26,000	28,000	27	27	27	0	0	0	0	0	0	0	0	0
28,000	30,000	56	56	56	14	0	0	0	0	0	0	0	0
30,000	32,000	85	85	85	64	0	0	0	0	0	0	0	0
32,000	34,000	114	114	114	114	0	0	0	0	0	0	0	0
34,000	36,000	143	143	143	143	0	0	0	0	0	0	0	0
36,000	38,000	148	172	172	172	4	0	0	0	0	0	0	0
38,000	40,000	148	201	201	201	54	0	0	0	0	0	0	0
40,000	42,000	130	212	212	212	86	0	0	0	0	0	0	0
42,000	44,000	101	212	212	212	107	0	0	0	0	0	0	0
44,000	46,000	72	212	212	212	128	0	0	0	0	0	0	0
46,000	48,000	43	212	212	212	149	0	0	0	0	0	0	0
48,000	50,000	14	212	212	212	170	0	0	0	0	0	0	0
50,000	52,000	0	212	212	212	191	0	0	0	0	0	0	0
52,000	54,000	0	212	212	212	212	2	0	0	0	0	0	0
54,000	56,000	0	212	212	212	212	23	0	0	0	0	0	0
56,000	58,000	0	188	212	212	212	44	0	0	0	0	0	0
58,000	60,000	0	159	212	212	212	65	0	0	0	0	0	0
60,000	62,000	0	130	212	212	212	86	0	0	0	0	0	0
62,000	64,000	0	101	212	212	212	107	21	21	21	0	0	0
64,000	66,000	0	72	212	212	212	128	42	42	42	0	0	0
66,000	68,000	0	43	212	212	212	149	63	63	63	0	0	0
68,000	70,000	0	14	212	212	212	170	84	84	84	0	0	0
70,000	72,000	0	0	212	212	212	191	105	105	105	0	0	0
72,000	74,000	0	0	212	212	212	212	126	126	126	56	0	0
74,000	76,000	0	0	212	212	212	212	147	147	147	117	0	0
76,000	78,000	0	0	188	212	212	212	168	168	168	168	0	0
78,000	80,000	0	0	159	212	212	212	189	189	189	189	0	0
80,000	82,000	0	0	130	212	212	212	210	210	210	210	0	0
82,000	84,000	0	0	101	212	212	212	231	231	231	231	0	0
84,000	86,000	0	0	72	212	212	212	252	252	252	252	22	0
86,000	88,000	0	0	43	212	212	212	273	273	273	273	83	0
88,000	90,000	0	0	14	212	212	212	294	294	294	294	144	0
90,000	92,000	0	0	0	212	212	212	315	315	315	315	205	0
92,000	94,000	0	0	0	212	212	212	336	336	336	336	266	0
94,000	96,000	0	0	0	212	212	212	357	357	357	357	327	0
96,000	98,000	0	0	0	188	212	212	378	378	378	378	378	0
98,000	100,000	0	0	0	159	212	212	399	399	399	399	399	49
100,000	102,000	0	0	0	130	212	212	420	420	420	420	420	110
102,000	104,000	0	0	0	90	202	202	441	441	441	441	441	160



2021 Schedule M1CR, Credit for Income Tax Paid to Another State

Your First Name and Initial _____

Last Name _____

Social Security Number _____

State or Canadian Province or Territory That Taxed Income Also Taxed By Minnesota _____

You must complete a separate Schedule M1CR for each state or province to which you paid taxes. To report tax paid to Wisconsin, use Schedule M1RCR, Credit for Taxes Paid to Wisconsin.

To be eligible for this credit, all of these must apply:

- You were a full- or part-year Minnesota resident in 2021
- You paid 2021 state income tax to **both Minnesota and another state or Canadian province on the same income**
- You were a Minnesota resident when both states taxed the same income.

Use Schedule M1RCR to report tax paid to Wisconsin.

Round amounts to the nearest whole dollar.

Full-Year Residents and Part-Year Residents

- 1** Amount of adjusted gross income you received while a Minnesota resident that was taxed by the other state *(see instructions)* **1** _____
- 2** Your adjusted gross income adjusted by U.S. bond interest and bonds of another state *(determine from instructions)*.
Part-year residents: See instructions **2** _____
- 3** Divide line 1 by line 2. Enter the result as a decimal *(carry to five decimal places; if line 1 is more than line 2, enter 1.00000)* **3** _____
- 4** Complete the lines below to determine your Minnesota tax after credits.
 - a** Tax from line 13 of Form M1. **4 a** _____
 - b** Add lines 1-2 and 4-9 of Schedule M1C. **4 b** _____
- Subtract line 4b from line 4a. If the result is zero or less, **STOP HERE**. You do not qualify for this credit **4** _____
- 5** Multiply line 4 by line 3 **5** _____
- 6** From the other state's income tax return, enter the tax amount before you subtract any tax withheld or estimated tax payments *(see instructions)*.
If you paid taxes to a Canadian province or territory, see instructions **6** ■ _____

Full-Year Residents

- 7** Amount from line 5 or line 6, whichever is less. Enter here and include on line 3 of Schedule M1C **7** _____

Part-Year Residents

- 8** From the other state's income tax return, enter the amount of income taxed by that state before subtracting itemized or standard deductions **8** _____
- 9** Divide line 1 by line 8. Enter the result as a decimal *(carry to five decimal places; if line 1 is more than line 8, enter 1.00000)* **9** _____
- 10** Multiply line 6 by line 9 **10** _____
- 11** Amount from line 5 or line 10, whichever is less. Enter here and include on line 3 of Schedule M1C. **11** _____

You must include this schedule with your Form M1.



2021 Schedule M1CR Instructions

Am I eligible?

You may be eligible for the credit for income tax paid to another state if all of these are true:

- You were domiciled in Minnesota for all or part of 2021
- You paid 2021 income tax to Minnesota and to another state on the same income
- You filed an income tax return with the other state. This may include a corporate entity paying taxes on your behalf. If an entity paid taxes on your behalf, please include the other state's return
- You were a Minnesota resident when you received the income taxed by the other state

A Canadian province or territory and the District of Columbia are considered states for purposes of this credit.

Include: Any income taxes paid to another state by an S corporation or a partnership that you included on line 2 of Schedule M1MB.

Do not include: Taxes paid to:

- Wisconsin (file Schedule M1RCR, *Credit for Tax Paid to Wisconsin*)
- A local unit of government (such as a city, county, or school district)
- A national government, including a possession of the United States or the national government of Canada
- A Canadian province or territory if you used the tax to claim a federal foreign tax credit (see the line 6 instructions for details)

Part-Year Residents

To be eligible, you must have been a Minnesota resident when you received the income taxed by both states. **You must also file an income tax return with the other state.**

Exception: You may be eligible for this credit if all of these are true:

- You were a permanent resident of another state
- You are required to file a Minnesota income tax return as a resident under the 183-day rule
- You paid 2021 state income tax on the same income to Minnesota and your state of permanent residence

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. Include the statement and Schedule M1CR with your Form M1.

Minnesota Residents Paying Income Tax to Wisconsin

Do not use Schedule M1CR. Use Schedule M1RCR to determine whether you qualify for a nonrefundable credit.

Minnesota Residents Working in Michigan or North Dakota

Do not use Schedule M1CR if both of these apply:

- You received personal service income (wages, salaries, tips, commissions, and bonuses) from working in Michigan or North Dakota
- You had 2021 Michigan or North Dakota income tax withheld from that income

To get a refund of the tax withheld while you were a Minnesota resident, file an income tax return with the appropriate state.

If you paid 2021 income tax to one of those states on income other than from personal service income—such as income from rental property—you may be eligible for this credit. Complete Schedule M1CR.

What if I paid income taxes to more than one other state?

1. Complete a **separate** Schedule M1CR for each state
2. Add the amounts from line 7 or line 11, whichever applies, from each Schedule M1CR and Schedule M1RCR
3. Enter the result from step 2 on line 3 of Schedule M1C

Line Instructions

Round amounts to the nearest whole dollar.

Line 1

To determine the amount to enter on line 1, follow these steps:

1. Find your adjusted gross income on line 1 of Form M1 or line 37 of Schedule M1NC
2. Determine the amount of adjusted gross income you received in 2021 while a Minnesota resident
3. Determine the amount from Step 2 that was also taxed by the other state
4. Enter the amount from Step 3 on line 1

Include any non-Minnesota municipal bonds taxed by the other state. Do not include any income you received from a lump-sum distribution from a qualified retirement plan and listed as income on your Schedule M1LS, *Tax on Lump-Sum Distribution*.

Continued

Line 2

Full-Year Residents: Complete the Worksheet for Line 2 below.

Part-Year Residents: From Schedule M1NR, *Nonresidents/Part-Year Residents*, add line 22, column B, line 23, column B, line 24, column B, line 26 column B, and line 28. From that total, subtract the amounts from Column B of lines 10 through 14 of Schedule M1NR. Enter the result on line 2 of Schedule M1CR.

Worksheet for Line 2 (for Full-Year Residents Only)

- 1 Add lines 1 and 2 of Schedule MIM _____
- 2 Adjusted gross income (see line 1 instructions) _____
- 3 Add step 1 and step 2 _____
- 4 Net interest you received from U.S. bonds from line 14 of Schedule MIM _____
- 5 Subtract step 4 from step 3. Enter result here and on line 2 of Schedule M1CR _____

Line 6

Enter the tax amount from the other state’s tax return. The amount of tax must be before you subtract any income tax withheld by that state or any estimated tax you paid to that state. Do not include tax you paid to a local unit of government (such as a city, county, or school district).

If you filed Schedule MILS, do not include any tax you paid on income from a lump-sum distribution from a qualified retirement plan.

Note: If you paid taxes to a Canadian province or territory, complete the Worksheet for Line 6 below.

Worksheet for Line 6 (If You Paid Canadian Taxes)

- 1 Total foreign taxes paid from line 9 of the federal Form(s) 1116 you completed for your Canadian taxes paid _____
- 2 Total federal foreign tax credit from line 24 of the Form(s) 1116 for your Canadian taxes paid _____
- 3 Subtract step 2 from step 1 _____
- 4 Tax paid to a Canadian province or territory on income you received while a Minnesota resident _____
- 5 Amount from step 3 or step 4, whichever is less. Enter the result here and on line 6 of Schedule M1CR _____



2021 Schedule M1RCR, Credit for Tax Paid to Wisconsin

Your First Name and Initial _____

Last Name _____

Social Security Number _____

Complete this schedule if you paid state income tax to Minnesota and Wisconsin on the same income while a resident of Minnesota. If you paid income tax to other states or Canadian provinces, complete Schedule M1CR, *Credit for Taxes Paid to Another State*.

To be eligible for this credit, all of these must apply:

- You were a full- or part-year Minnesota resident in 2021
- You paid 2021 state income tax to **both Minnesota and Wisconsin on the same income**
- You were a Minnesota resident when both states taxed the same income.

Round amounts to the nearest whole dollar.

Full-Year Residents and Part-Year Residents

- 1 Amount of adjusted gross income you received while a Minnesota resident that was taxed by Wisconsin (*see instructions*) **1** _____
- 2 Your adjusted gross income adjusted by U.S. bond interest and bonds of another state (*see instructions*) **2** _____
- 3 Divide line 1 by line 2. Enter the result as a decimal (*carry to five decimal places; if line 1 is more than line 2, enter 1.00000*) **3** _____
- 4 Complete the lines below to determine your Minnesota tax after credits.
 - a Tax from line 13 of Form M1. **4 a** _____
 - b Add lines 1-2 and 4-9 of Schedule M1C. **4 b** _____
- Subtract line 4b from line 4a (*if result is zero or less, enter 0*) **4** _____
- 5 Multiply line 4 by line 3 **5** _____
- 6 From your Wisconsin Form 1NPR, enter the income tax amount before you subtract any tax withheld or estimated tax payments (*see instructions*) **6** ■ _____
- 7 **Full-year residents:** Enter amount from line 5 or line 6, whichever is less. Also include on line 3 of Schedule M1C. **Part-year residents:** Complete the worksheet in the instructions. Do not enter more than the amount on line 5 ... **7** _____
- 8 Subtract line 7 from line 6. **8** _____
- 9 Amount included on line 1 that is from wages or personal service income received while a Minnesota resident that was taxed by Wisconsin **9** ■ _____
- 10 Divide line 9 by line 1 (*carry to five decimal places; if line 9 is more than line 1, enter 1.00000*) **10** _____
- 11 **Full-year residents:** Multiply line 8 by line 10. Enter the result here and line 5 of Schedule M1REF. **Part-year residents:** Complete the worksheet in the instructions. Enter the result here and line 5 of Schedule M1REF. **11** _____

You must include this schedule with your Form M1.



2021 Schedule M1RCR Instructions

Am I eligible?

You may be eligible for the Credit for Tax Paid to Wisconsin if all of these are true:

- You were domiciled in Minnesota for all or part of 2021
- You incurred 2021 income tax for Minnesota and for Wisconsin on the same income
- You filed a 2021 Wisconsin Form 1NPR. This may include a corporate entity paying taxes on your behalf. If an entity paid taxes on your behalf, please include the Wisconsin state tax return
- You were a Minnesota resident when you received the income taxed by both states

Include: Income taxes paid to Wisconsin by an S corporation or a partnership that you included on line 2 of Schedule M1MB.

Do not include: Taxes paid to:

- A state other than Wisconsin
- A local unit of government (such as a city, county, or school district)
- A national government, including a possession of the United States or the national government of Canada
- A Canadian province or territory

Part-Year Residents

To be eligible, you must have been a Minnesota resident when you received the income that was taxed by both states. **Also, you must file a tax return with Wisconsin.**

What if I paid income taxes to another state?

- 1 Complete a Schedule M1CR for each state.
- 2 Add the amounts from line 7 or line 11, whichever applies, from each Schedule M1CR and Schedule M1RCR.
- 3 Enter the result from step 2 on line 3 of Schedule M1C.

Is there a penalty for fraudulently claiming a credit?

Yes. If you file a return that fraudulently claims a credit that results in a refund, we will assess a penalty equal to 50% of the portion of the refund attributable to fraud. If a fraudulently claimed credit reduced your tax liability, we will also assess a penalty equal to 50% of the unpaid tax.

Line Instructions

Round amounts to the nearest whole dollar.

Line 1

To determine the amount to enter on line 1, follow these steps:

- Find your adjusted gross income on line 1 of Form M1 or line 37 of Schedule M1NC
- Determine the amount of adjusted gross income you received in 2021 while a Minnesota resident
- Determine the amount from Step 2 that was also taxed by Wisconsin
- Enter the amount from Step 3 on line 1

Include any non-Minnesota municipal bonds taxed by the other state. Do not include any income you received from a lump-sum distribution from a qualified retirement plan and listed as income on your Schedule MILS, *Tax on Lump-Sum Distribution*.

Line 2

Full-Year Residents: Complete the worksheet for line 2 below.

Part-Year Residents: From Schedule M1NR, add lines 22-24 column B, line 26 column B, and line 28. From that total, subtract the amounts from Column B of lines 10 through 14 of Schedule M1NR. Enter the result on line 2 of Schedule M1RCR.

Worksheet for Line 2 (for Full-Year Residents Only)	
1 Add lines 1 and 2 of Schedule M1M	_____
2 Minnesota adjusted gross income (see line 1 instructions)	_____
3 Add step 1 and step 2	_____
4 Net interest you received from U.S. bonds from line 14 of Schedule M1M	_____
5 Subtract step 4 from step 3. Enter result here and on line 2 of Schedule M1RCR	_____

2021 Schedule M1RCR Instructions, continued

Line 6

Enter the income tax amount from Wisconsin Form 1NPR. The amount of tax must be before you add any donations and before you subtract any income tax withheld by Wisconsin or estimated tax you paid to Wisconsin. Do not include tax you paid to a local unit of government (such as a city, county, or school district).

If you filed Schedule MILS, do not include any tax you paid on income from a lump-sum distribution from a qualified retirement plan.

Line 7

Part-year residents: Complete the Worksheet for Line 7.

Worksheet for Line 7 (for Part-Year Residents Only)

- | | | |
|---|--|-------|
| 1 | From your Wisconsin Form 1NPR, enter the Wisconsin Income from column B. | _____ |
| 2 | Enter the amount from line 1 of Schedule M1RCR | _____ |
| 3 | Divide step 2 by step 1 | _____ |
| 4 | Enter the amount from line 6 of Schedule M1RCR | _____ |
| 5 | Multiply step 4 by step 3 | _____ |
| 6 | Enter the amount from line 5 of Schedule M1RCR. | _____ |
| 7 | Enter the smaller of step 5 or step 6 here and on line 7 of Schedule M1RCR.
Also include this amount on line 3 of Schedule M1C of Form M1. | _____ |

Line 9

Enter the amount of compensation you received for personal service income (wages, salaries, tips, commissions, and bonuses) that Wisconsin taxed while you were a Minnesota resident.

If you own a business that sells services in Wisconsin, you may include compensation for professional services you personally provide if the business income generated by your employees or from the sale of goods is incidental. Your employee salaries and gross profit from the sale of goods are considered incidental if they add up to less than \$20,000 or 10% of the gross profit, whichever is greater.

Line 11

Part-year residents: Complete the Worksheet for Line 11.

Worksheet for Line 11 (for Part-Year Residents Only)

- | | | |
|---|---|-------|
| 1 | From your Wisconsin Form 1NPR, enter the Wisconsin Income from column B. | _____ |
| 2 | Enter the amount from line 9 of Schedule M1RCR | _____ |
| 3 | Divide step 2 by step 1 | _____ |
| 4 | Enter the amount from line 6 of Schedule M1RCR | _____ |
| 5 | Multiply step 4 by step 3 | _____ |
| 6 | Enter the amount from line 7 of Schedule M1RCR. | _____ |
| 7 | Subtract step 6 from step 5. Enter the result here and on line 11 of Schedule M1RCR | _____ |

Questions?

Forms and information are available on our website at www.revenue.state.mn.us.

If you have questions:

- Visit our website at www.revenue.state.mn.us
- Send us an email at individual.incometax@state.mn.us
- Call us at 651-296-3781 or 1-800-652-9094

This information is available in alternate formats.



2021 Schedule M1C, Nonrefundable Credits

Complete this schedule to determine line 16 of Form M1. Include this schedule when filing your return.

Your First Name and Initial	Your Last Name	Your Social Security Number
1	Marriage Credit for joint return when both spouses have taxable earned income or taxable retirement income (<i>enclose Schedule M1MA</i>)	1 ■ _____
2	Credit for long-term care insurance premiums paid (<i>enclose Schedule M1LTI</i>)	2 ■ _____
3	Credit for taxes paid to another state (<i>enclose Schedule(s) M1CR and M1RCR</i>)	3 ■ _____
4	Credit for Past Military Service (<i>see instructions</i>)	4 ■ _____
5	Employer Transit Pass Credit (<i>enclose Schedule ETP</i>)	5 ■ _____
6	SEED Capital Investment Credit (<i>see instructions; enclose certification</i>)	6 ■ _____
7	Education Savings Account Contribution Credit (<i>enclose Schedule M1529</i>)	7 ■ _____
8	Credit for Attaining Master’s Degree in Teacher’s Licensure Field (<i>enclose Schedule M1CMD</i>)	8 ■ _____
9	Student Loan Credit (<i>enclose Schedule M1SLC</i>)	9 ■ _____
10	Beginning Farmer Management Credit Enter the certificate number from the certificate you received from the Rural Finance Authority: BF 21 - _____	10 ■ _____
11	Film Production Credit Enter the credit certificate number: TAXC - _____	11 ■ _____
12	Tax Credit for Owners of Agricultural Assets. Enter the certificate number from the certificate you received from the Rural Finance Authority: AO 21 - _____ AO 21 - _____ AO 21 - _____	12 ■ _____
13	Credit for increasing research activities (<i>enclose Schedule KPI, KS, or KF</i>)	13 ■ _____
14	Carryforward of prior year Beginning Farmer Management Credits (<i>see instructions</i>) BF ____ - _____ BF ____ - _____	14 ■ _____
15	Carryforward of prior year Owners of Agricultural Assets Credits (<i>see instructions</i>) AO ____ - _____ AO ____ - _____	15 ■ _____
16	Carryforward of prior year Credit for Increasing Research Activities List the years the credits were reported to you on Schedule KPI, KS, or KF: _____	16 ■ _____
17	Alternative Minimum Tax Credit (<i>enclose Schedule M1MTC</i>)	17 ■ _____
18	Add lines 1 through 17. Enter total here and on line 16 of Form M1.	18 _____

You must include this schedule with your Form M1.



2021 Schedule M1C Instructions

Should I file this schedule?

Complete Schedule M1C if any of the following apply to you (or your spouse if filing a joint return):

- You are filing a joint return and have taxable earned income, pension, or Social Security income
- You paid premiums on a qualified long-term care insurance policy
- You were a Minnesota resident for all or part of 2021 and paid income tax to both Minnesota and another state on the same income
- You qualify for the Credit for Past Military Service (see the instructions for line 4 on this schedule)
- You purchased transit passes to resell or give to your employees
- You paid Minnesota alternative minimum tax in prior years and are not required to pay it in 2021
- You invested in a qualified business in East Grand Forks, Breckenridge, Dilworth, Moorhead, or Ortonville, and the business has been certified as qualified for the SEED Capital Investment Program
- You contributed to a qualified education savings account in 2021 and did not claim the Education Savings Account Subtraction
- You were a licensed teacher who completed a qualifying master's degree program you began after June 30, 2017
- You were a full-year or part-year resident and made eligible loan payments on your own qualified student loans
- You received a credit certificate from the Minnesota Rural Finance Authority

Report the total of all credits from Schedule M1C on line 16 of Form M1. Include any schedules you completed when filing your return.

Line Instructions

Round amounts to the nearest whole dollar.

Line 1 — Marriage Credit (Schedule M1MA)

To qualify for the Marriage Credit, all of the following must apply:

- 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 9 of your Form M1 is at least \$40,000
- The earned income of the lesser-earning spouse is at least \$25,000

If you qualify, complete Schedule M1MA, *Marriage Credit*, to determine your credit.

Line 2—Credit for Long-Term Care Insurance Premiums (Schedule M1LTI)

You may be able to claim a credit against tax based on premiums you paid in 2021 for a qualified long-term care insurance policy for which you did not receive a full deduction on Schedule M1SA, *Minnesota Itemized Deductions*.

To qualify, your long-term care insurance policy must do both of the following:

- Qualify as a deduction (see Schedule M1SA), disregarding the income test
- Have a lifetime long-term care benefit limit of \$100,000 or more

The maximum credit is \$100 per person. If you qualify, complete Schedule M1LTI, *Long-Term Care Insurance Credit*.

Line 3—Credit for Taxes Paid to Another State (Schedule M1CR and Schedule M1RCR)

If you were a Minnesota resident for all or part of 2021 and you paid income tax to both Minnesota and 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 states for purposes of this credit.

If you were a resident of another state, but are required to file a 2021 Minnesota income tax return as a Minnesota resident, you may be eligible for this credit. To be eligible, you must have paid 2021 state tax on the same income to both Minnesota and your state of residence. You must get a statement from the other state's tax department stating ineligibility to receive a credit on that state's return for income tax paid to Minnesota. 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 with Form M1.

If you paid income tax to Wisconsin: A portion of your credit may be refundable. Complete Schedule M1RCR, *Credit for Tax Paid to Wisconsin*, and include the schedule with Form M1.

Line 4 — Credit for Past Military Service

You qualify for a credit if you (or your spouse if filing a joint return) have separated from service, your adjusted gross income is less than \$37,500, you did not claim a subtraction for military pension or other military retirement pay on line 25 of Schedule M1M, and one of the following is true:

- You were honorably discharged and receive a military pension or other retirement pay for your service in the military.
- You had served in the military for at least 20 years.
- You have a service-related disability rated by the U.S. Department of Veterans' Affairs as being 100 percent total and permanent.

Continued

If your adjusted gross income is:

- \$30,000 or less, enter \$750 on line 4 of Schedule M1C (if you and your spouse both qualify for the credit and you are filing a joint return, enter \$1,500)
- Between \$30,000 and \$37,500, use the Worksheet for Line 4 to determine your credit amount.
- More than \$37,500, you do not qualify for this credit.

You may not claim this credit if you claimed the subtraction for military retirement pay on Schedule M1M.

Worksheet for Line 4

If your income is between \$30,000 and \$37,500, follow the steps below:

1 The maximum credit is \$750	750
2 Federal adjusted gross income from line 1 of Form M1 or line 37 of Schedule M1NC	
3 Income limit	30,000
4 Subtract step 3 from step 2	
5 Multiply step 4 by 10% (.10)	
6 Subtract step 5 from step 1	

Full-year residents: Enter the result here and on line 4 of Schedule M1C.

Part-year residents and nonresidents:

7 Enter the percentage from line 30 of Schedule M1NR	
8 Multiply step 6 by step 7. Enter the result here and on line 4 of Schedule M1C.	

If you and your spouse both qualify for the credit and are filing a joint return, multiply the result on step 6 (or step 8 if you are a part-year resident or nonresident) by 2.

Line 5 — Employer Transit Pass Credit (Schedule ETP)

If you purchase transit passes to give or resell to your employees, you may be eligible for this credit. To qualify:

- The transit pass must be a pass, token, farecard, voucher, or similar item entitling a person to transportation at regular or reduced prices.
- The passes must be used in Minnesota.
- The transportation must be provided by either of the following:
 - A public or privately-owned mass transit facility
 - A person in the business of transporting people for compensation or hire. The vehicle must have seating capacity for at least six adults, not including the driver.

The credit is equal to 30% of the difference between the price you pay for the passes and the price you charge employees.

If you qualify, complete Schedule ETP, *Employer Transit Pass Credit*. Enter the credit amount on line 5 of Schedule M1C, and include both schedules when you file Form M1. Include any credits reported to you on any Schedule KPI, KS, or KF you received.

Line 6 — SEED Capital Investment Credit

If you invest in a qualified business in Breckenridge, Dilworth, East Grand Forks, Moorhead, or Ortonville, and the business has been certified by the Minnesota Department of Employment and Economic Development (DEED) as qualifying for the SEED Capital Investment Program, you may qualify for this credit. You may carry the credit forward for up to four years.

Enter the amount from the credit certificate you received from DEED. **Include the credit certificate and Schedule M1C when you file Form M1.**

Line 7 — Education Savings Account Contribution Credit

If you contributed to a qualified education savings account in 2021, you may be eligible for a nonrefundable credit. Complete Schedule M1529, and enter the credit on line 7 of Schedule M1C. Include both schedules with your Form M1.

You are not eligible for this credit if you claimed the Education Savings Account Subtraction.

Line 8 — Credit for Attaining Master's Degree in Teacher's Licensure Field

If you were a licensed teacher who completed a master's degree program in a core content area that you began after **June 30, 2017**, you may be eligible for a nonrefundable credit. Complete Schedule M1CMD, *Credit for Attaining Master's Degree in Teacher's Licensure Field*, and enter the credit on line 8 of Schedule M1C. Include both schedules with your return.

Line 9 — Student Loan Credit

If you were a full-year or part-year resident of Minnesota in 2021 and you made eligible loan payments on your own qualified student loans in 2020, you may be eligible for a credit against tax if you had taxable earned income. Complete Schedule M1SLC, *Student Loan Credit*, and enter your credit from the schedule on line 9 of Schedule M1C. Include both schedules with your return.

Line 10 — Beginning Farmer Management Credit

If you received a credit certificate from the Minnesota Rural Finance Authority for enrolling in a management class, enter the certificate number in the space provided and credit amount on line 10. You may carry the unused credit forward for up to 3 years after the tax year it is generated.

Continued

Line 11 — Film Production Credit

If you received a credit certificate from the Minnesota Department of Employment and Economic Development for certain eligible film production costs, enter the certificate number in the space provided and credit amount on line 11. The Film Production Credit should only be claimed for the tax year during which eligible film production costs were incurred.

Line 12 — Tax Credit for Owners of Agricultural Assets

If you received a credit certificate from the Minnesota Rural Finance Authority for selling or leasing agricultural assets to a beginning farmer, enter the certificate number in the space provided and credit amount on line 12.

If you received a certificate as an individual, and from a Partnership or S-Corporation, enter the certificate number for the certificate you received as an individual. If you received more than one certificate from an entity, but not as an individual, enter each certificate number on the spaces provided. If you received more than three certificates, provide an attachment with a list of the additional certificate numbers.

You may carry the unused credit forward for up to 15 years after the tax year it is generated.

Line 13 — Credit for Increasing Research Activities

Include the amounts reported you on:

- Schedule KS, line 17
- Schedule KPI, line 17
- Schedule KF, line 24

Attach the appropriate schedule when you file your return.

You may carry the unused credit forward for up to 15 years after the tax year it is generated.

Line 14 - Carryforward of prior year Beginning Farmer Management Credit

If you have a carryforward of one or more prior year Beginning Farmer Management Credits, enter the certificate number for each credit. Next to each certificate number, enter the amount you are claiming for the current year. On line 14, enter the total carryforward amount for all credits you are claiming in the current year.

Line 15 - Carryforward of prior year Owners of Agricultural Assets Credit

If you have a carryforward of one or more prior year Owners of Agricultural Assets Credits, enter the certificate number for each credit. Next to each certificate number, enter the amount you are claiming for the current year. On line 15, enter the total carryforward amount for all credits you are claiming in the current year.

Line 17 — Alternative Minimum Tax Credit (Schedule M1MTC)

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

If you paid Minnesota alternative minimum tax in one or more years from 1989 through 2020, but not for 2021, complete Schedule M1MT, *Alternative Minimum Tax*, and Schedule M1MTC, *Alternative Minimum Tax Credit*, to determine if you qualify or have a credit carry over from a prior year of any unused portion of your minimum tax credit. Enter the credit from Schedule M1MTC on line 17 of Schedule MIC.



2021 Schedule M1CMD, Credit for Attaining Master's Degree in Teacher's Licensure Field

You may qualify for this credit if all of these are true:

- You began a master of arts or science degree program after June 30, 2017
- You held a teaching license from the Minnesota Department of Education when you began and completed the program
- You completed the program in 2021
- Your master's degree program did not include pedagogy or a pedagogy component
- You completed the master's degree program in a core content area directly related to your licensure field

See the instructions for additional qualifications.

Your First Name and Initial	Last Name	Social Security Number
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Minnesota Board of Teaching Licensure Information

Function Description	Student Grade Level	License Number
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Master's Degree Program Information

Accredited College/University	Degree Program	Program Start Date	Program Completion Date
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Round amounts to the nearest whole dollar.

All Applicants

- 1 Total amount paid in tuition and required fees, books, and instructional materials for the program **1** ■ _____
- 2 Total amount of scholarships received in all years for the program **2** ■ _____
- 3 Total employer reimbursement received in all years for the program **3** ■ _____
- 4 Add lines 2 and 3. **4** _____
- 5 Subtract line 4 from line 1. If zero or less, **STOP HERE**. You do not qualify **5** _____
- 6 Enter the lesser of line 5 or \$2,500 **6** _____
Full-Year Residents: Also enter this amount on line 8 of Schedule M1C.

Part-Year Residents and Nonresidents

- 7 Enter the percentage from line 30 of Schedule M1NR **7** _____
- 8 Multiply line 6 by line 7. Enter the result here and on line 8 of Schedule M1C. **8** _____

Include this schedule with your Form M1.



2021 Schedule M1CMD Instructions

Am I eligible?

If you are a licensed Minnesota teacher who completed a master of arts or science degree program in 2021, you may be eligible for a nonrefundable credit up to \$2,500.

You qualify for the credit if all of these are true:

- You began a master's degree program after June 30, 2017.
- You completed the master's degree program in 2021 in a core content area directly related to your licensure field.
- Your master's degree program did not include pedagogy or a pedagogy component. Pedagogy is the art, occupation, or practice of teaching.
- You held a Minnesota teaching license issued by the Minnesota Department of Education when you began and completed the master's degree program.
- You paid for tuition or required fees, books, or instructional materials for your master's degree program.

If you are a part-year or nonresident, you may be eligible for this credit based on the percentage of your income taxable to Minnesota.

Do I need proof?

Yes. Save transcripts and detailed records of payments (such as student account statements) for tuition and required fees, books, and instructional materials. We may ask you to show these records if we have questions.

Who is a qualified teacher?

A qualified teacher is any person with a teaching license issued by the Minnesota Board of Teaching. To qualify, you must have a teaching license when you began **and** completed the master's degree program.

What expenses qualify?

Qualifying expenses include all tuition and required fees, books, and instructional materials purchased for your master's degree program. You can include expenses for which you receive scholarships or employer reimbursement, but you must include the scholarships and reimbursement on lines 2 and 3.

Can I qualify for this credit more than once?

You may only claim this credit once for each master's degree program completed in a core content area.

What is a core content area?

Core content areas include reading, English or language arts, mathematics, science, foreign languages, civics and government, economics, arts, history, and geography.

Line Instructions

Round amounts to the nearest whole dollar.

Line 1

Enter the total amount you paid for tuition and required fees, books, and instructional materials for your master's degree program. Include amounts you paid in prior years.

Line 2

Enter the amounts you received in scholarships for your master's degree program. Include amounts you received in prior years.

Line 3

Enter the amounts you received in employer reimbursements for your master's degree program. Include amounts you received in prior years.

Line 6

The maximum credit amount is \$2,500 for each degree.

Questions? Need forms?

Forms and information are available on our website at www.revenue.state.mn.us.

If you have questions:

- Visit our website at www.revenue.state.mn.us
- Send us an email at individual.incometax@state.mn.us
- Call us at 651-296-3781 or 1-800-652-9094



2021 Schedule M1SLC, Student Loan Credit

_____ Your First Name and Initial	_____ Last Name	_____ Social Security Number
_____ Spouse's First Name and Initial	_____ Last Name	_____ Social Security Number

To claim this credit, you must be a full- or part-year Minnesota resident.

	A — Taxpayer	B — Spouse
1 Total amount you paid toward your own qualified education loans in 2021. Do not include amounts you paid toward another individual's loans. 1 ■ _____	_____	_____
2 Your federal adjusted gross income (see instructions). If you are married and filing a joint return, complete the Worksheet for Line 2 2 ■ _____	_____	_____
3 Subtract \$10,000 from line 2. If zero or less, enter 0. 3 _____	_____	_____
4 Multiply line 3 by 10% (0.10) 4 _____	_____	_____
5 Subtract line 4 from line 1. (If the result in a column is zero or less, STOP in that column.) 5 _____	_____	_____
6 Enter your total earned income, including wages, salaries, tips, and net earnings from self-employment (see instructions). If zero or less, STOP HERE. You do not qualify 6 _____	_____	_____
7 Enter the lesser of \$5,000 or the amount of qualified education loan used to pay for your postsecondary education (see instructions) 7 ■ _____	_____	_____
8 Multiply line 7 by 10% (0.10) 8 _____	_____	_____
9 Enter the amount of interest you paid in 2021 on qualified education loans used to pay for your postsecondary education (from box 1 of federal Form 1098-E) 9 ■ _____	_____	_____
10 Add lines 8 and 9 10 _____	_____	_____
11 Enter the lesser of line 5, 6, or 10 11 _____	_____	_____
12 Maximum credit is \$500 per person 12 _____	500	500
13 Amount from line 11 or line 12, whichever is less 13 _____	_____	_____
14 Full-year residents: Enter the amount from line 13. Part-year residents: If you are not filing a joint return, multiply the amount on line 13 by line 30 of Schedule M1NR. If you are filing a joint return, see instructions. 14 _____	_____	_____
15 Add line 14 from columns A and B. Enter the result here and on line 9 of Schedule M1C 15 _____	_____	_____

Include this schedule when you file Form M1. Keep a copy for your records.

2021 Schedule M1SLC Instructions

Am I eligible?

You may be eligible for the Student Loan Credit if both of these are true:

- You have taxable earned income
- You made payments toward your own qualified education loans during the year

What is a qualified education loan?

Qualified education loans include loans used for the cost of attendance at an eligible postsecondary college or university. This does not include loans from a relative or a qualified employer plan.

Can I claim payments I made toward someone else's loans?

No. You may only qualify for the credit based on your own eligible payments toward your own qualified education loans.

Do I need proof?

Yes. Save canceled checks and keep a detailed record from the institution you make payments to for your qualified loans. We may ask you to show these records if we have questions.

Line Instructions

Round amounts to the nearest whole dollar.

Line 1

Enter the amount you paid in 2021 toward qualified education loans taken out to pay for your postsecondary education. Include payments made toward principal and interest.

If you are married, filing a joint return, and made payments toward loans taken out to pay for each spouse's postsecondary education, enter the amount you paid toward each spouse's loans in the appropriate column.

Example for married couples filing a joint return: You paid \$3,000 toward loans taken out to pay for your postsecondary education and \$2,500 toward your spouse's loans. You will enter \$3,000 in column A, and \$2,500 in column B.

Line 2

Enter your federal adjusted gross income (FAGI) from line 1 of Form M1 or line 37 of Schedule M1NC.

If you are married and filing a joint return, complete the Worksheet for line 2.

Worksheet for Line 2		A Taxpayer	B Spouse
1	Enter your combined FAGI from line 1 of Form M1 or line 37 of Schedule M1NC in each column	_____	_____
2	Enter earned income for each individual (see line 6 instructions).	_____	_____
3	Add Column A and B of step 2 and enter total in each column.	_____	_____
4	Divide Step 2 by Step 3. If the result is zero or less, enter 0. If the result is greater than 1, enter 1	_____	_____
5	Multiply Step 4 by step 1 in each column. Enter this amount in the appropriate column on line 2.	_____	_____

Line 6

Enter your total earned income from 2021. This amount is the total of your wages, salaries, tips, and other employee compensation reported in box 1 of federal Form W-2 plus your net earnings from self-employment.

If you completed Schedule M1NC, see instructions on line 35 of Schedule M1NC to determine adjustments to earned income.

Line 7

Enter the total amount of qualified education loans taken out for your postsecondary education. This is the original amount of your qualified education loans, including amounts previously paid and amounts not yet paid. Do not include loans taken out for someone else's college education expenses.

Line 14

Full-year Minnesota residents: Enter the amount from line 13.

Part-year Minnesota residents:

- If you are not filing a joint return, multiply the amount on line 13 by line 30 of Schedule M1NR, *Nonresidents/Part-Year Residents*.
- If you are filing a joint return, complete a separate Schedule M1NR for each spouse who qualifies for this credit. If you have a joint income source (such as a joint investment account) or deductions (such as moving expenses), use 50% of the income or deduction on each spouse's separate Schedule M1NR. Use only that spouse's income on the Schedule M1NR you prepare for the spouse. Use the separate Schedules M1NR to complete the Worksheet for Line 14 below.

Worksheet for Line 14 — Married Part-Year Residents Filing Jointly		A Taxpayer	B Spouse
1	Enter the amount from line 13	_____	_____
2	Enter the amount from line 30 of the separate Schedule M1NR prepared using only that spouse's income. Do not enter more than 1.00000. If you are a full-year resident, enter 1.00000	_____	_____
3	Multiply step 1 by step 2. Enter the result here and on line 14 in the appropriate column.	_____	_____

Forms and Information

- Website: www.revenue.state.mn.us
- Email: individual.incometax@state.mn.us
- Phone: 651-296-3781 or 1-800-652-9094



Complete lines 5 and 6 to report Minnesota income tax withheld if you received more than five Forms W-2 or more than four Forms 1099, W-2G, and 1042-S. Complete line 7 to report Minnesota tax withheld on Schedules KPI, KS, and KF.

5 Minnesota wages and Minnesota tax withheld on additional Forms W-2 (other than W-2G).

A	B—Box 13	C—Box 15	D—Box 16	E—Box 17
If the Form W-2 is for: • you, enter 1 • spouse, enter 2	If Retirement Plan box is checked, mark an X below.	Employer's seven-digit Minnesota Tax ID Number	State wages, tips, etc. <i>(round to nearest whole dollar)</i>	Minnesota tax withheld <i>(round to nearest whole dollar)</i>
a1 _____	b1 <input type="checkbox"/>	c1 MN _____	d1 _____	e1 _____
a2 _____	b2 <input type="checkbox"/>	c2 MN _____	d2 _____	e2 _____
a3 _____	b3 <input type="checkbox"/>	c3 MN _____	d3 _____	e3 _____
a4 _____	b4 <input type="checkbox"/>	c4 MN _____	d4 _____	e4 _____

Subtotal for additional Forms W-2 (add amounts in line 5, column E) **5** _____
 Enter the result here and include on line 1 on the front of this schedule.

6 Minnesota tax withheld on additional Forms 1099, W-2G, and 1042-S.

A	B	C	D
If the Form 1099 or W-2G is for: • you, enter 1 • spouse, enter 2	Payer's seven-digit Minnesota Tax ID Number (if unknown, contact the payer)	Income amount (see the table at the bottom of this page for amounts to include) (round to nearest whole dollar)	Minnesota tax withheld
a1 _____	b1 MN _____	c1 _____	d1 _____
a2 _____	b2 MN _____	c2 _____	d2 _____
a3 _____	b3 MN _____	c3 _____	d3 _____
a4 _____	b4 MN _____	c4 _____	d4 _____

Subtotal for additional Forms 1099, W-2G, and 1042-S (add amounts in line 6, column D) **6** _____
 Enter the result here and include on line 2 on the front of this schedule.

7 Minnesota income and tax withheld by partnerships, S corporations, and fiduciaries, if any.

A	B—Minnesota Income Amount	C—Minnesota Tax Withheld
Entity's seven-digit Minnesota Tax ID Number (if unknown, contact the entity)	(from line 50 of Schedule KPI, line 48 of KS, or line 43 of KF)	(the sum of lines 31 and 52 of Schedule KPI, lines 31 and 50 of KS, or lines 31 and 37 of KF)
a1 MN _____	b1 _____	c1 _____
a2 MN _____	b2 _____	c2 _____
a3 MN _____	b3 _____	c3 _____
a4 MN _____	b4 _____	c4 _____

Subtotal of Minnesota tax withheld by any partnerships, S corporations, and fiduciaries (add amounts in line 7, column C). Enter the result here and on line 3 on the front of this schedule. **7** _____

Table for Column C, Lines 2 and 6					
Use to determine which amounts from your Form 1099 and 1042-S you must include as income on column C, lines 2 and 6.					
Form	Include the Sum of Boxes:	Form	Include the Sum of Boxes:	Form	Include the Sum of Boxes:
1099-G	1, 2, 5-7	1099-INT	1	1099-K	1a
1099-MISC	1-3, 5-8, 10, 13, 14	1099-OID	1, 2	1099-R	14 or 2a or 1
1099-DIV	1a, 2a	1042-S	2	1099-NEC	1



2021 Schedule M1REF, Refundable Credits

Your First Name and Initial	Last Name	Social Security Number
1 Child and Dependent Care Credit (<i>enclose Schedule M1CD</i>)		1 ■ _____
Enter number of qualifying persons 1a _____		
2 Minnesota Working Family Credit (<i>enclose Schedule M1WFC</i>)		2 ■ _____
Enter number of qualifying children 2a _____		
3 K-12 Education Credit (<i>enclose Schedule M1ED</i>)		3 ■ _____
Enter number of qualifying children 3a _____		
4 Credit for Parents of Stillborn Children (<i>enclose Schedule M1PSC</i>)		4 ■ _____
5 Refundable credit for taxes paid to Wisconsin (<i>enclose Schedule M1RCR</i>)		5 ■ _____
6 Credit for Historic Structure Rehabilitation (<i>enclose certificate</i>)		6 ■ _____
Enter National Park Service (NPS) project number 6a _____		
7 Enterprise Zone Credit (<i>enclose DEED certificate</i>)		7 ■ _____
8 Angel Investment Credit		8 ■ _____
9 Pass-Through Entity Tax Credit (<i>see instructions</i>)		9 ■ _____
10 Claim of right (<i>see instructions</i>)		10 ■ _____
11 Add lines 1 through 10. Enter the result here and on line 22 of Form M1		11 _____

You must include this schedule with your Form M1.



2021 Schedule M1REF Instructions

These credits may allow you to receive a refund even if you do not have a tax liability.

Is there a penalty for fraudulently claiming a credit?

Yes. If you file a return that fraudulently claims a credit that results in a refund, you may be assessed a penalty equal to 50% of the portion of the refund attributable to fraud. If a fraudulently claimed credit reduced your tax liability, you may also be assessed a penalty equal to 50% of the unpaid tax.

Line Instructions

Line 1—Child and Dependent Care Credit (Schedule M1CD)

Married persons filing separate returns cannot claim this credit.

To qualify for the Child and Dependent Care Credit, your adjusted gross income must be less than \$65,630 with one qualifying person or \$77,630 with two or more qualifying persons, and one of these must apply:

- You paid someone (other than your dependent child or stepchild younger than age 19) to care for a qualifying person while you (and your spouse if filing a joint return) were working or looking for work. A qualifying person and qualified expenses are the same as for the federal credit for child and dependent care expenses.
- You were a licensed family daycare operator caring for your own dependent child who had not reached age six by the end of the year.
- You are married and filing a joint return, your child was born in 2021, and you did not participate in a pretax dependent care assistance program.

If you qualify, complete Schedule M1CD, *Child and Dependent Care Credit*, and include it with your Minnesota income tax return.

Enter the number of qualifying persons on line 1a.

Line 2—Minnesota Working Family Credit (Schedule M1WFC)

Married persons filing separate returns cannot claim this credit.

You may qualify for the Minnesota Working Family Credit if you earned income from a job or were self-employed. See the requirements on Schedule M1WFC, *Working Family Credit*. Include Schedule M1WFC with your Minnesota income tax return.

If you are a part-year resident, you may be eligible for this credit based on your percentage of income taxable to Minnesota.

Enter the number of your qualifying children on line 2a.

Line 3—K–12 Education Credit (Schedule M1ED)

Married persons filing separate returns cannot claim this credit.

You may receive a credit if you paid education-related expenses in 2021 for a qualifying child in grades kindergarten through 12 (K–12). See qualifying expenses in the Form M1 instructions.

To qualify, your household income (adjusted gross income plus most nontaxable income) must be under the 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.

Enter the number of qualifying children on line 3a.

Number of Qualifying Children	Your household income limit is:
1 or 2	\$37,500
3	\$39,500
4	\$41,500
5	\$43,500
6 or more	\$43,500 plus \$2,000 for each additional qualifying child.

If you qualify for the credit, complete Schedule M1ED, *K–12 Education Credit*, and include it with your Minnesota income tax return.

Line 4—Credit for Parents of Stillborn Children (Schedule M1PSC)

You may be eligible for the Credit for Parents of Stillborn Children if:

- You experienced a stillbirth in 2021
- You received a Certificate of Birth Resulting in Stillbirth from the Minnesota Department of Health, Office of Vital Records
- The child would have been your dependent if the child had been born alive

We may ask you to provide a copy of your Certificate of Birth Resulting in Stillbirth.

If you qualify for the credit, complete Schedule M1PSC, *Credit for Parents of Stillborn Children*, and include it with your Minnesota income tax return.

If you are a part-year or nonresident, you may be eligible for this credit based on your percentage of income taxable to Minnesota.

Continued

Line 5—Refundable credit for taxes paid to Wisconsin (Schedule M1RCR)

You may be eligible for a refundable credit if you were a Minnesota resident who paid taxes to Wisconsin in 2021. If you qualify for this credit, complete Schedule M1RCR, *Credit for Tax Paid to Wisconsin*, and include it with your Minnesota income tax return.

Line 6 — Credit for Historic Structure Rehabilitation

You may be eligible for a Minnesota credit if all of these apply:

- You made qualified improvements to a historic property in Minnesota
- The improvements qualify for the federal Historic Rehabilitation Credit under Internal Revenue Code, section 47
- You applied for certification to the Minnesota State Historic Preservation Office (SHPO) before starting the project
- The SHPO issued a credit certificate upon the project's completion

Enter your credit amount and National Park Service number listed on your credit certificate from the SHPO.

Note: We reserve the right to audit any amount you claim.

Enclose a copy of the credit certificate when you file your Minnesota return.

If you are eligible for the federal Historic Rehabilitation Credit through an interest in a partnership, S corporation, estate, or trust, enter the amount of the credit from your Schedule KPI, KS, or KF.

If you receive a grant in lieu of the credit for the entire amount, you are not eligible for the tax credit. If you received a grant for a portion of the claimed amount, you may be eligible for a partial credit. The credit or grant is paid in five equal annual installments beginning with the year the project is completed.

Assignment of credit. If you are eligible for this credit but have assigned it to another taxpayer, you may not claim the portion of the credit that you assigned.

Line 7 — Enterprise Zone Credit

The Enterprise Zone Credit is a refundable credit for sole proprietors, partners of a partnership, or shareholders of an S corporation.

If you qualify, you would have received paperwork from the Minnesota Department of Employment and Economic Development (DEED). Include a copy of the documentation with Form M1.

Include the total of amounts reported to you on Schedule KS, line 29 and Schedule KPI, line 29.

Line 9 — Pass-through Entity Tax Credit

The pass-through entity tax credit is a refundable credit for qualifying individuals of a pass-through entity which elects to pay tax at the entity level. The entity passes the refundable credit for taxes paid by the entity to the individual shareholders, partners, and beneficiaries. Include the amounts from line 30 of Schedules KS, line 30 of Schedule KPI, and line 36 of Schedule KF.

Line 10 — Claim of Right

If you repaid income in 2021 for income you received in a prior year and the amount of the repayment is over \$3,000, you may claim a credit for the amount repaid on line 10. You must recalculate your tax amount for the year you originally received the income to determine the credit. The credit amount is the difference between your tax liability for that year with and without the income. Include a copy of the recomputed tax return showing the tax liability computed without the repaid income.

If the repayment is \$3,000 or less, you may not claim a credit. You may claim an itemized deduction on line 24 of Schedule MISA for these repayments. Your deduction is subject to the 2% floor. Your total miscellaneous deductions must exceed 2% of federal adjusted gross income, and you may only deduct the portion above that level.



Part 3 — Dependent Care Benefits

- 14 Enter the total amounts of dependent care benefits you received in 2021 (see instructions) 14 ■ _____
- 15 Enter the amount of benefits you carried over from 2020 and used in 2021 (see instructions) 15 ■ _____
- 16 Enter the amount you forfeited or carried forward to 2022 as a negative amount (see instructions) 16 ■ _____
- 17 Combine lines 14 through 16 17 ■ _____
- 18 Enter the total amount of qualified expenses incurred in 2021 for the care of the qualifying person(s) 18 ■ _____
- 19 Enter the smaller of line 17 or 18 19 ■ _____
- 20 Enter your earned income (see instructions) 20 ■ _____
- 21 Enter the amount from the instructions based on your filing status (see instructions) 21 ■ _____
- 22 Enter the smallest of lines 19, 20, or 21 22 ■ _____
- 23 Enter \$5,000 (\$2,500 if married filing separately and you were required to enter your spouse's earned income on line 21) 23 ■ _____
- 24 Enter the total amount from line 14 and line 15 that was from your sole proprietorship or partnership. 24 ■ _____
If you entered an amount on line 24, check this box:
- 25 Subtract line 24 from line 17. 25 _____
- 26 **Deductible benefits.** Enter the smaller of line 22, 23, or 24 (see instructions) 26 ■ _____
- 27 **Excluded benefits** (If you did not check the box on line 24, enter the smaller of line 22 or line 23. Otherwise, subtract line 26 from the smaller of line 22 or line 23. If zero or less, enter 0) 27 ■ _____
- 28 **Taxable Minnesota benefits.** Subtract line 27 from line 25. 28 _____
- 29 **Taxable federal benefits.** Enter the amount from line 26 of federal Form 2441 29 ■ _____
- 30 **Schedule M1NC adjustment.** Subtract line 29 from line 28. Enter this amount on line 4 of Schedule M1NC . . 30 _____

Part 4 — Complete lines 31 through 35 to claim the child and dependent care credit in Part 2

- 31 Enter \$3,000 (\$6,000 if two or more qualifying persons) 31 ■ _____
- 32 Add lines 26 and 27 32 _____
- 33 Subtract line 32 from 31. If zero or less, stop. You can't claim the credit.
If you paid 2020 expenses in 2021, see the instructions for line 7. 33 ■ _____
- 34 Complete the Table 2 for expenses of qualifying persons on page 1.
Do not include any amount in qualifying expenses in column d which are included on line 32.
Enter the total of column d on line 34 34 ■ _____
- 35 Enter the smaller of line 33 or 34. Also, enter this amount on line 1 to claim the Dependent Care Credit in Part 2. 35 ■ _____

Include this schedule with your Form M1.



2021 Schedule M1CD Instructions

What is the purpose of this form?

If you paid someone to care for your child or other qualifying person so you (and your spouse if filing jointly) could work or look for work in 2021, you may claim the credit for dependent care expenses.

If you (or your spouse if filing jointly) received any dependent care benefits in 2021, you must use Schedule M1CD to figure the amount of the benefits you can exclude from your income. You must complete part 3 of Schedule M1CD before you can figure your credit in part 2.

Am I eligible?

If you (and your spouse if filing a joint return) received earned income, you may be eligible for a credit based on your qualified expenses. You must have documentation showing the expenses you paid for one or both of the following:

- Someone to care for your child or other qualifying person
- Someone for household services

To qualify for the credit, all of the following must be true:

- Your filing status may be single, head of household, qualifying widow(er) with dependent child, or married filing jointly.
- The care was provided so you (and your spouse if filing jointly) could work or look for work. However, if you didn't find a job and have no earned income for the year, you cannot take the credit.
- The care must be for one or more qualifying persons.
- The person who provided the care was not your spouse, the parent of your qualifying child, or a person whom you can claim as a dependent. If your child provided the care, he or she must have been age 19 or older by the end of 2021, and he or she cannot be your dependent.
- You report the required information about the care provider and the information about the qualifying person in Table 1 and Table 2.

The Minnesota credit is refundable, meaning you may benefit even if you have no state tax liability. This is different from the federal credit, which you can only use to offset tax.

If you are a part-year or nonresident, you may be eligible for this credit based on your percentage of earned income taxable to Minnesota.

Married persons filing separately

Generally, married persons filing separately must file a joint return to claim the credit. If your filing status is married filing separately and all of the following apply, you are considered unmarried for purposes of claiming the credit.

- You lived apart from your spouse during the last 6 months of 2021
- Your home was the qualifying person's main home for more than half of 2021
- You paid more than half of the cost of keeping up that home for 2021

If you meet all the requirements to be treated as unmarried and meet bulleted items 2 through 5 listed earlier under **To qualify for this credit**, you can generally take the credit or exclusion. If you do not meet all the requirements to be treated as unmarried, you can not take the credit. However, you can generally take the exclusion if you meet bulleted items 2 through 5.

Is there a penalty for fraudulently claiming a credit?

Yes. If you file a return that fraudulently claims a credit that results in a refund, we will assess a penalty equal to 50% of the portion of the refund attributable to fraud. If a fraudulently claimed credit reduced your tax liability, we may also assess a penalty equal to 50% of the unpaid tax.

Do I need proof of my payments?

Yes. Save canceled checks and itemized receipts showing your payments for child and dependent care expenses. We may ask you to show these records if we have questions.

Who is a qualifying person?

A qualifying person is any person who meets the requirements for the federal credit for child and dependent care expenses. Generally, a qualifying person is someone who lived with you for more than half of the year and is one of the following:

- Your dependent child who is younger than 13
- Your disabled spouse or disabled dependent

To determine if a child is a dependent, do not use income received as a Minnesota Family Investment Program (MFIP) grant or allowance to or on behalf of the child in order to determine the amount of support the child received.

If you were divorced, legally separated, or lived apart from your spouse during the last six months of 2021 and your child is not your dependent, you may claim the credit if your child meets the requirements of a qualifying person. In this case, the other parent cannot treat the child as a qualifying person.

What expenses qualify?

Qualifying expenses are the same as for the federal credit for child and dependent care expenses. Generally, qualifying expenses are expenses you paid for one or both of the following:

- The care of your qualifying person so you (**and** your spouse, if filing a joint return) could work or look for work
- Household services so you (**and** your spouse, if filing a joint return) could work or look for work

If you worked or actively looked for work during only part of the time you incurred expenses, you must figure your expenses for each day. There are special rules for temporary absences or part-time work in Internal Revenue Service (IRS) Publication 503.

Household services are services needed to care for the qualifying person as well as to run the home. For example, the services of a cook, maid, babysitter, housekeeper, or cleaning person if the services were partly for the care of a qualifying person. Do not include the services of a chauffeur or gardener.

Care of the qualifying person

The cost of care for the qualifying person includes the cost of services for their well-being and protection. It does not include the cost of food, lodging, education, clothing or entertainment.

You can include the cost of care provided outside your home for your dependent under age 13 or any other qualifying person who regularly spends at least 8 hours a day in your home. If the care was provided by a dependent care center, the center must meet all applicable state and local regulations. A dependent care center is a place that provides care for more than six persons (other than persons who live there) and receives a fee, payment, or grant for providing services for any of those persons, even if the center isn't run for profit.

You can include amounts paid for items other than the care of your child (such as food and schooling) only if the items are incidental to the care of the child and can't be separated from the total cost. But don't include the cost of schooling for a child in kindergarten or above. You can include the cost of a day camp, even if it specializes in a particular activity, such as computers or soccer. But do not include any expenses for sending your child to an overnight camp, summer school, or a tutoring program.

If you did not have expenses, you may still qualify for this credit.

- If you are married and filing a joint return, and your child was born in 2021, see "What if my child was born in 2021?"
- If you are a licensed day care operator, see "What if I am a licensed day care operator?"

If you had expenses in 2020 that you paid in 2021, you may be able to increase the credit on your 2021 return. Use the Prior-Year Expense Worksheet for line 7 to determine your credit.

What if my child was born in 2021?

You may be eligible to calculate your credit using \$3,000 of expenses for your child born in 2021, even if you did not have actual expenses for that child or only one spouse had earned income.

If all of the following are true, complete Table 2 and enter \$3,000 for qualifying expenses in Column D for each child born in 2021.

- You are married and filing a joint return
- You had a child (or children) born in 2021
- You had less than \$3,000 in child care expenses **or** you or your spouse earned less than \$3,000
- Neither you nor your spouse participated in a pretax dependent care assistance program

What if I am a licensed day care operator?

You may be able to claim a credit for the care of your own child if your child was younger than age 6 at the end of 2021.

Your credit amount depends on your child's age at the end of 2021.

- If your child was 16 months or younger, the credit is based on \$3,000 of qualified expenses
- If your child was older than 16 months but younger than age six, the credit is based on the amount you would charge for a child of the same age being cared for in your home for the same number of hours (up to the maximum amount of \$3,000 per qualifying child)

Use the amounts above for entering qualifying expenses in column D of Table 2. Do not enter more than \$3,000 of qualifying expenses for each child. Place an X in the appropriate box above Part 1.

Line Instructions

Round amounts to the nearest whole dollar.

Married persons filing separately check box

If your filing status is married filing separately and you meet the requirements listed under **Married persons filing separately** to claim the credit for dependent care expenses, place an X in the box above Part 1.

Part 1 – Table 1. Persons or organizations providing the care

Complete columns (a) through (d) for each person or organization that provided the care. You can use Form W-10, Dependent Care Provider's Identification and Certification, or any other source listed in its instructions to get the information from the care provider. If you don't give correct or complete information, your credit (and exclusion) may be disallowed. If you have more than two care providers, attach a statement to your return with the required information.

If you had neither a qualifying person nor any care providers for 2021, and you are filing Form M1CD only to report taxable income in Part 3, enter "none" in column A.

Columns A and B

Enter the care provider's name and address. If you were covered by your employer's dependent care plan and your employer furnished the care (either at your workplace or by hiring a care provider), enter your employer's name in column A. Next, enter "See W-2" in column B. Then leave Columns C and D blank. If your employer paid a third party on your behalf to provide the care, you must give the information on the third party in columns A through D.

Column C

Enter the total amount you actually paid in 2021 to the care provider. Also, include amounts your employer paid to a third party on your behalf. It doesn't matter when the expenses were incurred. Don't reduce this amount by any reimbursements you received.

After completing Part 1

- If you received dependent care benefits, complete Part 3 next
- If you did not receive dependent care benefits, you must only complete Part 2 next

Part 2 – Table 2. Credit for dependent care expenses: Information about qualifying persons

Complete columns A through D for each qualifying person. If you have more than two qualifying persons, attach a statement to your return with the required information.

Column C

You must enter the qualifying person's social security number (SSN). Be sure the name and SSN entered match the person's social security card. If the child was born and died in 2021 and didn't have an SSN, enter "Died" in column C and attach a copy of the child's birth certificate, or hospital medical records.

Column D

Enter the qualifying expenses you incurred and paid in 2021 for the person listed in column A. Prepaid expenses are treated as paid in the year the care is provided. Do not include in column D qualified expenses:

- You incurred in 2021 but didn't pay until 2022. (You may be able to use these expenses to increase your 2022 credit)
- You incurred in 2020 but didn't pay until 2021. (See instructions for line 7)
- You prepaid in 2021 for care to be provided in 2022. These expenses can only be used to figure your 2022 credit

To qualify for the credit, you must have one or more qualifying persons. You should show the expenses for each qualifying person in column D. If you paid qualified expenses for the care of two or more qualifying persons, the applicable dollar limit is \$6,000. The limit does not need to be divided equally. For example, if you paid and incurred \$2,500 of qualified expenses for the care of one qualifying person and \$3,500 for the care of another qualifying person, you can use the total, \$6,000, to figure the credit.

Lines 2 and 3

If filing jointly, figure your and your spouse's earned income separately. Enter your earned income on line 2 and your spouse's earned income on line 3.

Earned income for figuring the credit generally includes the following amounts.

The amount from line 1 of Form 1040 or 1040-SR, minus any amount:

- Included for a scholarship or fellowship grant that was not reported to you on Form W-2
- Excluded as foreign earned income (including housing exclusion) on line 43 of Form 2555
- Also reported on Schedule SE because you were a member of the clergy or you received \$108.28 or more of church employee income
- Received for work performed while an inmate in a penal institute, or
- Received as a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457(b) plan. This amount may be reported in box 11 of Form W-2. If you received such an amount but box 11 is blank, contact your employer for the amount received as a pension or annuity.

The amount shown on line 3 of Schedule SE, minus any deduction you claim on line 15 of Schedule 1.

- If you use the optional method to figure self-employment tax, subtract any deduction you claim on line 14 of Schedule 1 from the total of the amounts shown on lines 3 and 4b of Schedule SE.
- If you received church employee income of \$108.28 or more, subtract any deduction you claim on line 15 of Schedule 1 from the total amounts shown on lines 3 and 4b of Schedule SE.

If you are filing Schedule C as a statutory employee, the amount shown on line 1 of Schedule C.

If you received nontaxable combat pay, you may elect to include it in earned income. Including this income will only give you a larger credit if you (or your spouse's) other earned income is less than the amount entered on line 1. Include the nontaxable combat pay on line 2 (or 3 for your spouse) to make this election. If you both received nontaxable combat pay, each of you may make your own election. The amount of your nontaxable combat pay is shown in box 12 of Form W-2 with code Q.

If your spouse was a student or disabled

Your spouse was a full-time student if he or she was enrolled as a full-time student at a school for some part of 5 calendar months during 2021. The months do not need to be consecutive. A school does not include an on-the-job training course, a correspondence school, or a school offering courses only through the internet. Your spouse was disabled if they were not physically or mentally capable of self-care. Figure your spouse's earned income on a monthly basis.

For each month or part of a month your spouse was a student or was disabled, they were considered to have worked and earned income. Their earned income for each month is considered to be at least \$250 (\$500 if more than one qualifying person was cared for in 2021). Include the amount on line 3. If your spouse also worked during that month, use the higher of \$250 (or \$500) or their actual earned income for that month. For any month they were not a student or disabled, use their actual earned income if they worked during that month.

Line 5 — Adjusted Gross Income

Enter the amount from line 1 of Form M1 or the amount from line 37 of Schedule M1NC, if you were required to complete Schedule M1NC. If the amount is less than zero, enter the negative number and put parentheses around it.

If you received dependent care benefits during 2021, you must complete part 3 of Schedule M1CD to determine if you must make an adjustment on line 4 of Schedule M1NC before entering an amount on line 5 of Schedule M1CD.

Line 6 — Decimal

Table 3

If line 5 is		
Over	But not over	Decimal Amount
\$0	15,000	.35
15,000	17,000	.34
17,000	19,000	.33
19,000	21,000	.32
21,000	23,000	.31
23,000	25,000	.30
25,000	27,000	.29
27,000	29,000	.28
29,000	31,000	.27
31,000	33,000	.26
33,000	35,000	.25
35,000	37,000	.24
37,000	39,000	.23
39,000	41,000	.22
41,000	43,000	.21
43,000	No limit	.20

Line 7 — Worksheet for Line 7

Prior-Year Expense Worksheet for Line 7

- 1 Enter your 2020 qualified expenses paid in 2020 1 _____
- 2 Enter your 2020 qualified expenses paid in 2021 2 _____
- 3 Add the amounts on steps 1 and 2 3 _____
- 4 Enter \$3,000 if care was for one qualifying person (\$6,000 if for two or more). 4 _____
- 5 Compare your earned income for 2020 and your spouse's earned income for 2020 and enter the smaller amount 5 _____
- 6 Compare the amounts on steps 3 and 5 and enter the smallest amount 6 _____
- 7 Enter the amount on which you figured the credit for 2020 7 _____
- 8 Subtract the amount on step 7 from the amount on step 6 and enter the result. If zero or less, stop here.
You cannot increase your 2021 credit by any previous year's expenses 8 _____
- 9 Enter your 2020 adjusted gross income (from your 2020 Schedule M1CD, line 1) 9 _____
- 10 Find your 2020 adjusted gross income in the table for line 6 of Schedule M1CD
and enter the corresponding decimal amount here 10 _____
11. Multiply step 10 by step 8. Add this amount to your 2021 credit and enter the total on line 7 of Schedule M1CD.
Enter the following on the dotted line next to line 7: "CPYE" 11 _____

Attach a statement to your tax return showing the name and taxpayer identification number of the person for whom you paid the prior-year expenses and how you figured the credit.

Line 8 — Worksheet for Line 8

If your adjusted gross income on line 5 is less than or equal to \$53,630, do not complete the worksheet and enter the amount from line 5.

Worksheet for Line 8 (If Line 5 is More Than \$53,630)

- 1 Enter the amount from line 5 _____
- 2 Income limit \$53,630
- 3 Subtract step 2 from step 1 _____
- 4 Multiply step 3 by 5% (.05) _____
- 5 If you have one qualifying dependent, enter \$600. If you have two or more qualifying dependents, enter \$1,200 _____
- 6 Subtract step 4 from step 5. Enter the result here and on line 8 of Schedule M1CD (if less than zero, enter \$0) _____

Part 3 — Dependent Care Benefits

Lines 14 and 15

Dependent care benefits include:

- Amounts your employer paid directly to either you or your care provider for the care of your qualifying person(s) while you worked
- The fair market value of care in a day care facility provided or sponsored by your employer
- Pre-tax contributions you made under a dependent care flexible spending arrangement (FSA)

Your salary may have been reduced to pay for these benefits. If you received dependent care benefits as an employee, they should be shown in box 10 of your 2020 Form(s) W-2. Benefits you received as a partner should be shown in box 13 of your Schedule K-1 (Form 1065) with code O.

Line 16

If you had an employer-provided dependent care plan, enter on line 16 the total of the following amounts included on line 14.

- Any amount you forfeited. You forfeited an amount if you did not receive it because you did not incur the expense. Do not include amounts you expect to receive at a future date.
- Any amount you did not receive but are permitted by your employer to carry forward and use in the following year during a grace period.

Lines 20 and 21

Use the instructions for lines 2 and 3 to determine earned income to enter on line 20.

If married filing jointly, use the instructions from lines 2 and 3 to determine earned income to enter on line 21.

If married filing separately, are all of the following true?

- You lived apart from your spouse during the last 6 months of 2021
- Your home was the qualifying person's main home for more than half of 2021
- You paid more than half of the cost of keeping up that home for 2021

If you answered **yes**, enter the amount from line 20 on line 21.

If you answered **no**, then enter your spouse's earned income on line 21. If you or your spouse was a full-time student or disabled in 2021, see instructions for lines 2 and 3 to determine earned income.

All other filing statuses, enter the amount from line 20 on line 21.

Part 4

If you are reporting dependent care benefits in Part 3, you must complete lines 31 through 35 if you are also claiming the credit in Part 2.

Questions? Need forms?

- Website: www.revenue.state.mn.us
- Email: individual.incometax@state.mn.us
- Phone: 651-296-3781 or 1-800-652-9094



2021 Schedule M1WFC, Minnesota Working Family Credit

To claim this credit, you must be a full- or part-year resident of Minnesota. If you are a full-year nonresident, you are not eligible for this credit. If the IRS restricted you from claiming the Earned Income Credit (EIC), do not complete Schedule M1WFC.

Your First Name and Initial	Last Name	Your Social Security Number
Number of Qualifying Children: <input type="checkbox"/> None <input type="checkbox"/> One <input type="checkbox"/> Two <input type="checkbox"/> Three or More		
A — Child 1	B — Child 2	C — Child 3
Child's First Name and Middle Initial.a1 _____	b1 _____	c1 _____
Child's Last Namea2 _____	b2 _____	c2 _____
Child's Social Security Number.a3 _____	b3 _____	c3 _____
Child's Date of Birtha4 _____	b4 _____	c4 _____
Child's Relationship to Youa5 _____	b5 _____	c5 _____
Number of Months Child Lived with you in 2021 (See Instructions)a6 _____	b6 _____	c6 _____
Check Box if Child is Under Age 24 and a Full-Time Studenta7 <input type="checkbox"/>	b7 <input type="checkbox"/>	c7 <input type="checkbox"/>
Check Box if Child is Permanently and Totally Disabled in Any part of 2021.a8 <input type="checkbox"/>	b8 <input type="checkbox"/>	c8 <input type="checkbox"/>

Round amounts to the nearest whole dollar.

- 1 Enter your total earned income (*see instructions*) **1** ■ _____
- 2 Using the amount on line 1, your filing status, and number of qualifying children, find the credit amount using the Working Family Credit table in the Form M1 instructions (*If the result is zero, STOP HERE; you do not qualify for this credit*) **2** _____
- 3 Federal adjusted gross income (*see instructions; if less than zero, enter as a negative number*) **3** ■ _____
If line 3 is the same as line 1, skip line 4 and enter the amount from line 2 on line 5.
- 4 If you have:
 - No qualifying children, is line 3 less than \$8,960 (\$14,960 if Married Filing Jointly)?
 - One qualifying child, is line 3 less than \$23,380 (\$29,380 if Married Filing Jointly)?
 - Two qualifying children, is line 3 less than \$27,720 (\$33,720 if Married Filing Jointly)?
 - Three or more qualifying children, is line 3 less than \$28,030 (\$34,030 if Married Filing Jointly)?

Yes. Skip this line and go to line 5 below.

No. Using the amount on line 3, your filing status, and number of qualifying children, find the credit amount using the Working Family Credit Table in the Form M1 instructions **4** _____
- 5 **Working family credit amount.**
 - If you answered **Yes** on line 4, enter the amount from line 2.
 - If you answered **No** on line 4, enter the amount from line 2 or line 4, **whichever is less** **5** _____

Full-year residents: Also enter this amount on line 2 of Schedule M1REF.
- 6 **Part-year residents:** If your Minnesota gross income is:
 - \$12,525 or more, multiply line 5 by line 30 of Schedule M1NR. Enter the result here and on line 2 of Schedule M1REF. **6** _____
 - Less than \$12,525, see instructions.
Enter the result from step 5 of the Worksheet for Line 6: _____

Include this schedule with your Form M1. Enter the number of qualifying children on line 2a of Schedule M1REF.

2021 Schedule M1WFC Instructions

Am I eligible?

You must meet all of these requirements to be eligible to claim the Minnesota Working Family Credit:

- You were a full-year or part-year resident of Minnesota in 2021 (if you are a member of the military, see below)
- You meet the income requirements in the table below based on your filing status and number of qualifying children
- You have investment income less than \$3,650 (if you have investment income greater than \$3,650, complete step 2 in the instructions for line 27 of Form 1040 to determine if you are eligible to claim the Working Family Credit and use \$3,650 as the limitation instead of \$10,000)
- You are not a dependent of another person
- If you have no qualifying children, you and your spouse’s main residence was in the United States for more than half of 2021
- If you are married, and you or your spouse are a nonresident alien your filing status must be Married Filing Jointly

You are **not** eligible if any of these apply:

- You have a 2-year or 10-year IRS ban on claiming the federal EIC
- You are the dependent or qualifying child of another person
- You, and your spouse if filing a joint return, do not have a Social Security Number issued on or before the due date of your 2021 return
- You, your spouse, or your dependents have an Individual Income Tax Identification Number (ITIN)
- Your filing status is Married Filing Separately

Income requirements

You may qualify for the Minnesota Working Family Credit if your income is below the limit for your filing status and number of qualifying children:

Number of Qualifying Children	Filing Status	Income Limit
None (if between the age of 19 and 64)	Married Filing Jointly	\$29,100
	Other Than Married Filing Jointly	\$23,100
One	Married Filing Jointly	\$48,400
	Other Than Married Filing Jointly	\$42,400
Two	Married Filing Jointly	\$54,700
	Other Than Married Filing Jointly	\$48,700
Three or More	Married Filing Jointly	\$58,400
	Other Than Married Filing Jointly	\$52,400

Information on Qualifying Children

Near the top of Schedule M1WFC, check the box indicating your total number of qualifying children. Enter the requested information for each qualifying child. If you have more than three qualifying children, list only three.

Enter the number of months the child lived with you during the year. If the child lived with you in the United States for more than half of the year but less than seven months, enter “7” in the space provided. If the child was born or had died in 2021 and lived in your home for the entire time they were alive during the year, enter “12.”

Enter the number of qualifying children on line 2a of Schedule M1REF, *Refundable Credits*.

Treatment of military personnel stationed outside Minnesota

If you are a member of the Armed Forces, you will be treated as if you resided in Minnesota during any period during which you are stationed outside the United States while serving on extended active duty with the U.S. Armed Forces. “Extended active duty” means any period of active duty pursuant to a call or order to such duty for a period in excess of 90 days or for an indefinite period. You must otherwise be a resident of Minnesota. You may include nontaxable combat zone pay as earned income.

Is there a penalty for fraudulently claiming a refund?

Yes. If you file a return that fraudulently claims a credit that results in a refund, you may be assessed a penalty equal to 50% of the portion of the refund attributable to fraud. If a fraudulently claimed credit reduced your tax liability, you may also be assessed a penalty equal to 50% of the unpaid tax.

Line Instructions

Round amounts to the nearest whole dollar.

Line 1

Use the Worksheet for Earned Income below to determine the amount for line 1. You must use your 2021 earned income when completing this worksheet.

Worksheet for Earned Income

- 1 Line 1 of federal Form 1040 or 1040-SR. Include any Medicaid Waiver Payments you received that are not already included on line 1 of Form 1040. Church employees and clergy, see instructions below for Step 1.
- 2 Amount from step 4 of Earned income adjustment worksheet from line 35 of Schedule M1NC.
- 3 Add Steps 1 and 2.
- 4 Any amount included on line 1 of Form 1040 or 1040-SR that is a taxable scholarship or fellowship grant not reported on a Form W-2
- 5 Any amount included on line 1 of Form 1040 or 1040-SR that you received for work performed while an inmate in a penal institution
- 6 Amount included on line 1 of Form 1040 or 1040-SR that you received as a pension or annuity from a nonqualified deferred compensation plan or nongovernmental section 457 plan. See instructions below for Step 6
- 7 Add lines 4, 5, and 6.
- 8 Subtract step 7 from step 3. See instructions for Step 8 if you were self-employed and had other earned income.
- 9 Enter all of your nontaxable combat pay if you elect to include it in earned income
- 10 Add lines 8 and 9. Enter this amount on line 1 of this schedule.

Instructions for Worksheet for Earned Income

Step 1

If you are a church employee, determine how much of the amount was reported on both line 1 of Form 1040 or 1040-SR and line 5a of federal Schedule SE. Subtract the amount reported on both lines from the amount reported on line 1 of Form 1040 or 1040-SR. Enter the result on Step 1.

If you are a minister, a member of a of a religious order that has not taken a vow of poverty, or a Christian Science Practitioner, determine the amount reported on both line 1 of Form 1040 or 1040-SR and line 2 of federal Schedule SE. Subtract the amount that was reported on both lines from the amount reported on line 1 of Form 1040 or 1040-SR. Enter the result on Step 1.

Step 2

If completed Schedule M1NC and had an amount on lines 4, 10 through 12, or 15 through 25, use the Earned Income Adjustment instructions on line 35 of Schedule M1NC to determine the amount to enter on step 2.

Step 6

This amount may be shown in box 11 of Form W-2. If you received this type of income, but box 11 is blank, contact your employer for the amount received.

Step 8

If you were self-employed, filing federal Schedule SE as a member of the clergy, had church employee income, or are filing federal Schedule C as a statutory employee, use this amount on line 4a of Worksheet B of the instructions for line 27 of Form 1040. Complete the federal worksheet and enter the amount from Step 6 of EIC Worksheet B on line 1 of this schedule.

If you were not self-employed, enter the amount from step 10 of the Worksheet for Earned Income on line 1 of this schedule.

Line 3

Enter the amount from line 1 Form M1. If you completed Schedule M1NC, enter the amount from line 37.

Line 6 — Part-year residents

If you are a part-year resident, you will determine your credit using your percentage of income taxable to Minnesota.

If your gross income is less than \$12,525, you should have entered zero on line 28 of Schedule M1NR, *Nonresidents/Part-Year Residents*. To determine this credit, fully complete Schedule M1NR (do not skip lines 16-27) to determine what the amounts would have been. Then, complete the Worksheet for Line 6 below.

Worksheet for Line 6 (for part-year residents whose Minnesota gross income is less than \$12,525)

Note: If you are a full-year nonresident, do not use this worksheet. You are not eligible for this credit.

- 1 Line 15, column B, of Schedule M1NR
- 2 Line 27, column B, of Schedule M1NR
- 3 Subtract step 2 from step 1. (If result is zero or less, **STOP HERE**. You do not qualify for the credit)
- 4 Line 29 of Schedule M1NR
- 5 Divide step 3 by step 4 and enter the result as a decimal (carry to five decimal places). If step 3 is more than step 4, enter 1.0. Enter the result on the space provided on line 6 of Schedule M1WFC
- 6 Amount from line 5 of Schedule M1WFC
- 7 Multiply step 5 by step 6. Enter the result on line 6 of Schedule M1WFC and on line 2 of Schedule M1REF



2021 Schedule M1ED, K-12 Education Credit

You must have receipts as proof of your education expenses. Keep these receipts with your tax records.

Your First Name and Initial _____ Last Name _____ Social Security Number _____ Total Number of Qualifying Children _____

(also enter in the box on line 3a of Schedule M1REF)

- 1 Adjusted gross income (from line 1 of Form M1 or line 37 of Schedule M1NC). **1** _____
- 2 Social Security and Railroad Retirement Board benefits received and not included in line 1 **2** _____
- 3 Deduction for payments made to an IRA, SEP, or SIMPLE plan (add lines 15 and 20 of federal Schedule 1) **3** _____
- 4 Total payments from programs including the Minnesota Family Investment Program (MFIP), Minnesota Supplemental Aid (MSA), Supplemental Security Income (SSI), General Assistance (GA), and Minnesota Housing Support (formerly GRH) **4** _____
- 5 Additional nontaxable income such as contributions to a 401(k) or deferred compensation plan, workers' compensation, and grants and scholarships (see instructions for more examples) **5** _____
List types and amounts: _____
- 6 Household income. Add lines 1 through 5 (if zero or less, enter 0). **6** _____

If you have one or two qualifying children and line 6 is \$37,500 or more, **STOP HERE**. You do not qualify.
If you have more than two qualifying children, see instructions for line 6.

Qualifying Education Expenses—In columns A–C, list expenses paid in 2021 for each qualifying child separately. If you have expenses for more than three children, include a separate sheet that shows lines 7–12 for each additional child. See Form M1 instructions for a list of qualifying expenses.

	Child A	Child B	Child C
Qualifying Child's Name			
Child's Social Security Number			
K-12 Grade for Which Expenses Incurred			
Date of Birth			
Type of School Attended (Public, Private, Home School)			
7 Fees for enrichment or academic classes taken outside the regular school day or school year. Do not include private school tuition 7			
Organization and type of class: _____			
8 Fees for individual instruction by a qualified instructor taught outside the regular school day or year, such as tutoring or music lessons 8			
Name of instructor or organization and the type of class: _____			
9 Purchases of required school materials (Attach itemized cash register receipts) 9			
10 Purchases or rentals of musical instruments used during the regular school day. 10			
Type and cost of each: _____			
11 Transportation costs paid to others for the regular school day 11			
Transportation provider: _____			
12 Add lines 7 through 11 for each column 12			

- 13 Add line 12 for all columns **13** _____
- 14 Personal computer hardware and educational software expenses, not to exceed \$200. (Do not include monthly service fees for internet access) **14** _____
- 15 Add line 13 and line 14 **15** _____
- 16 Multiply line 15 by 75% (.75) **16** _____
- 17 If your household income on line 6 is **\$33,500 or less**, multiply the number of qualifying children in grades K–12 by \$1,000. If it is **more than \$33,500**, complete the Worksheet for Line 17 in the instructions **17** _____
- 18 Amount from line 16 or line 17, **whichever is less**.
Full-year residents: Also enter this amount on line 3 of Schedule M1REF **18** _____
- 19 **Part-year residents and nonresidents:** Multiply line 18 by line 30 of Schedule M1NR. Enter the result here and on line 3 of Schedule M1REF. However, if your Minnesota gross income is less than \$12,525, complete worksheet in instructions; enter result from step 5 of worksheet here: _____ and enter step 6 on line 19 **19** _____

Enter qualifying children on line 3a of Schedule M1REF. Include this schedule with your Form M1. Save your receipts.

2021 Schedule M1ED Instructions

Am I eligible?

You may be eligible for this credit if you paid education-related expenses for a qualifying child in grades Kindergarten through 12 (K-12).

What is a qualifying child?

For this credit, a qualifying child must:

- Be your child, descendent, sibling, niece, or nephew
- Be enrolled in a grade K-12
- Have lived with you more than half the year
- Not be claimed as a qualifying child by any other person

What are education-related expenses?

Education-related expenses include the purchase of required educational material for use during the regular school day, fees for after-school enrichment programs, and tutoring by a qualified instructor. See Income Tax Fact Sheet 8, *K-12 Education Subtraction and Credit*.

If you cannot use expenses for this credit, you may be able to use them for the K-12 Education Subtraction. For details, see the instructions for line 13 of Schedule M1M, *Income Additions and Subtractions*.

Do I need proof?

Yes. Save a detailed record of your payments — including canceled checks, invoices, and itemized receipts — for all qualified expenses. We may ask you to show these records if we have questions.

Is there a penalty for fraudulently claiming a credit?

Yes. If you file a return that fraudulently claims a credit that results in a refund, you will be assessed a penalty equal to 50% of the portion of the refund attributable to fraud. If a fraudulently claimed credit reduced your tax liability, you may also be assessed a penalty equal to 50% of the unpaid tax.

Line Instructions

Round amounts to the nearest whole dollar.

Line 1

Enter your adjusted gross income from line 1 of Form M1. If the amount is less than zero, enter the negative number in parentheses.

If you did not file a 2021 federal return, complete 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 2021 that is not included on lines 1 through 4. Enter the types of income below line 5.

Common examples include:

- payments received under the state Medicaid Home & Community-Based Services Waiver (Medicaid Waiver)
- 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 Form W-2) and 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 you could not claim a federal deduction for your contributions)
- 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 these 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
- current year passive activity losses, including rental losses in excess of current year passive activity income
- prior year passive activity loss carryforward claimed in 2021 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 inheritances
- nontaxable Holocaust settlement payment

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 in K-12 is	Your household income must be less than
1 or 2	\$37,500
3	\$39,500
More than 3	\$39,500, plus \$2,000 for each additional child

If your household income is more than the limits shown, you do not qualify for the credit. You may qualify for the K-12 Education Subtraction. See the instructions for line 13 of Schedule M1M.

Line 17

If line 6 is more than \$33,500, complete the Worksheet for Line 17.

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	_____
2	Line 6 of Schedule M1ED	_____
3	Income limit	\$33,500
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. Enter the result here and on line 17 (If zero or less, STOP HERE . You do not qualify)	_____

Line 19

If your Minnesota gross income is below the filing requirement, you should have entered zero on line 28 of Schedule M1NR, *Nonresidents/Part-Year Residents*. To determine this credit, fully complete Schedule M1NR (do not skip lines 16-27) to determine what the amounts would have been. Then, complete the Worksheet for Line 19.

Worksheet for Line 19

1	Line 15, column B of Schedule M1NR	_____
2	Line 27, column B of Schedule M1NR	_____
3	Subtract step 2 from step 1 (If zero or less, STOP HERE . You do not qualify)	_____
4	Line 29 of Schedule M1NR	_____
5	Divide step 3 by step 4 (carry to five decimal places). If step 3 is more than step 4, enter 1.0. Enter result on the space provided on line 19 of Schedule M1ED	_____
6	Multiply step 5 by line 18 of Schedule M1ED. Enter the result here and on line 19 of Schedule M1ED and line 3 of Schedule M1REF	_____



2021 Schedule M1PSC, Credit for Parents of Stillborn Children

Complete this schedule if all of the following are true:

- You experienced the birth of a stillborn child in 2021
- You received a Certificate of Birth Resulting in Stillbirth from Minnesota
- The child would have been your dependent in 2021 if they had been born alive

Your First Name and Initial

Last Name

Social Security Number

- A Did you experience the birth of a stillborn child in 2021? Yes No
(If you answered no, **STOP HERE**. You do not qualify for this credit.)
- B Do you have a Certificate of Birth Resulting in Stillbirth from the Minnesota Department of Health? Yes No
(If you answered no, but experienced the birth of a stillborn child in Minnesota in 2021, see instructions.)
- C Would you have claimed the child as your dependent in 2021 had the child been born alive? Yes No
(If you answered no, **STOP HERE**. You do not qualify for this credit.)

Enter the following information. If you have a Certificate of Birth Resulting in Stillbirth for more than one child in 2021, complete a separate schedule and include with your Form M1.

- 1 Name of Parent 1 on Certificate of Birth Resulting in Stillbirth 1 ■ _____
- 2 Name of Parent 2 on Certificate of Birth Resulting in Stillbirth (if listed). 2 ■ _____
- 3 Date of delivery on the Certificate of Birth Resulting in Stillbirth. 3 _____
- 4 **State file number** on the Certificate of Birth Resulting in Stillbirth 4 ■ _____
- 5 **Document control number** on the Certificate of Birth Resulting in Stillbirth 5 ■ _____
- 6 Credit allowed per child 6 _____ 2,000
Full-year residents: Include this amount on line 4 of Schedule M1REF.
- 7 **Part-year residents and nonresidents:** Multiply the amount on line 6 by line 30 of Schedule M1NR. Include the result here and on line 4 of Schedule M1REF. However, if your Minnesota gross income is less than \$12,525, see instructions; enter the result from step 5 of the worksheet here: _____
Enter the result from step 6 on line 7 and on line 4 of Schedule M1REF. 7 ■ _____

You must include this schedule with your Form M1.



2021 Schedule M1PSC Instructions

Am I eligible?

You may be eligible for a \$2,000 refundable credit if all of the following are true:

- You experienced the birth of a stillborn child in 2021
- You received a Certificate of Birth Resulting in Stillbirth from the Minnesota Department of Health, Office of Vital Records
- You would have claimed the child as a dependent if the child had been born alive

If you are a part-year or nonresident, you may be eligible for this credit based on the percentage of your income taxable to Minnesota.

What is a Certificate of Birth Resulting in Stillbirth?

A Certificate of Birth Resulting in Stillbirth is a record of birth issued by the Minnesota Department of Health, Office of Vital Records, to parents who have experienced a pregnancy loss (fetal death) resulting in stillbirth.

What is a state file number?

It is the number printed in the upper right area inside the margin on the Certificate of Birth Resulting in Stillbirth.

What if my certificate does not have a state file number?

Call the Office of Vital Records at 651-201-5970 to ask for a replacement certificate.

What is a document control number?

It is the number printed in the lower left corner under the barcode on the Certificate of Birth Resulting in Stillbirth.

How do I request a Certificate of Birth Resulting in Stillbirth?

Parents may request a Certificate of Birth Resulting in Stillbirth by contacting the Office of Vital Records. You can find the application online at www.health.state.mn.us/people/vitalrecords/docs/stillbirthapp.pdf. Contact the Office of Vital Records at 651-201-5970 for any additional questions.

Do both parents need to request a Certificate of Birth Resulting in Stillbirth?

No. Only one credit is allowed per birth resulting in stillbirth. If you are filing a joint return with the person listed on the fetal death report, you only need to obtain one certificate for each birth resulting in stillbirth. If you are not filing jointly with the person listed on the fetal death report, only the person who would have claimed the child as a qualifying dependent in 2021, if the child had been born alive, may claim this credit.

How do I know if I would have had a qualifying dependent?

Generally, this means the child would have lived with you and would not have paid more than half of their own support. Minnesota uses the federal definition for a dependent. For more information, see Internal Revenue Service Publication 501.

What if I experienced more than one birth of a stillborn child in 2021?

1. Complete a separate Schedule M1PSC for each child.
2. Add the amounts from line 6 or line 7, whichever applies, from each Schedule M1PSC.
3. Enter the result from step 2 on line 4 of Schedule M1REF.

Do I qualify for this credit if I had a stillborn child before 2021?

No. The delivery must have occurred in 2021.

Do I qualify for this credit if I received a Certificate of Birth Resulting in Stillbirth from another state for a loss in 2021?

No. The Certificate of Birth Resulting in Stillbirth must be issued by the Minnesota Department of Health, Office of Vital Records.

What do I need to provide?

To qualify for this credit, you must have received a Certificate of Birth Resulting in Stillbirth issued by the Minnesota Department of Health for a delivery occurring in 2021. We may ask you to provide a copy of this record if we cannot verify the information.

Line Instructions

Line B

If you experienced the birth of a stillborn child in Minnesota in 2021 but did not request a Certificate of Birth Resulting in Stillbirth, you can request one by completing an application and submitting the form and fee to the Office of Vital Records. You can find the application online at www.health.state.mn.us/people/vitalrecords/docs/stillbirthapp.pdf. You will need this certificate to complete Schedule M1PSC.

Line 7

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 30 of Schedule M1NR, *Nonresidents/Part-Year Residents*. However, to correctly determine this credit, you must first fully complete Schedule M1NR (do not skip lines 16-27) to determine what the amounts would have been, and then follow the Worksheet for Line 7.

Worksheet for Line 7

1	Line 15, column B, of Schedule M1NR	_____
2	Line 27, column B, of Schedule M1NR	_____
3	Subtract step 2 from step 1. If zero or less, STOP HERE . You do not qualify.	_____
4	Line 29 of Schedule M1NR	_____
5	Divide step 3 by step 4 (carry to five decimal places). If step 3 is more than step 4, enter 1.0. Enter result on the space provided on line 7 of Schedule M1PSC	_____
6	Multiply step 5 by line 6 of Schedule M1PSC	_____
	Enter the step 6 result on line 7 of Schedule M1PSC and on line 4 of Schedule M1REF.	



2021 Form M1X, Amended Minnesota Income Tax

Do not use staples on anything you submit.

Your First Name and Initial _____ Last Name _____ Your Social Security Number _____ Your Date of Birth (MM/DD/YYYY) _____

If Joint Return, Spouse First Name and Initial _____ Spouse Last Name _____ Spouse Social Security Number _____ Spouse Date of Birth _____

Current Home Address _____ City _____ State _____ ZIP Code _____

Filing status claimed. Note: You cannot change from joint to separate returns after the due date.

On original return: Single Married filing jointly Married filing separately Head of household Qualifying widow(er)
 On this return: Single Married filing jointly Married filing separately Head of household Qualifying widow(er)

For department use only. Do not write in this space.
Effective interest date:

Place an X in the appropriate box to indicate why you are filing this amended return:

- Federal audit or adjustment. Enclose a **complete** copy of the IRS adjustment notice and see line 30 instruction
- Net operating loss carried back from tax year ending _____ Claim due to a pending court case (explain on back page)
- Claiming a different number of dependents from your original return Other (explain on back page)

If you show a refund on line 27 or tax due on line 29, you must report an increase or decrease in column B for at least one of the income, tax, or credit lines (lines 1–22).

You will need instructions for this form and for 2021 Form M1. A. Original or Previously Adjusted Amount B. Increase or Decrease C. Correct Amount

1 Federal adjusted gross income (see instructions) 1 ■ _____	■	_____	_____
2 Additions to income (from line 2 of Form M1) 2 ■ _____	■	_____	_____
3 Add lines 1 and 2 3 _____		_____	_____
4 Total subtractions (from line 8 of Form M1) 4 ■ _____	■	_____	_____
5 Minnesota taxable income. Subtract line 4 from line 3 5 _____		_____	_____
6 Tax from the table in the Form M1 instructions 6 ■ _____		_____	_____
7 Alternative minimum tax (Schedule M1MT) 7 ■ _____	■	_____	_____
8 Add lines 6 and 7 8 _____		_____	_____
9 Part-year residents and nonresidents — From Schedule M1NR (enclose Schedule M1NR):			
a Corrected amount from line 28 9a ■ _____			
b Corrected amount from line 29 9b ■ _____			
10 Full-year residents — Enter amount from line 8. 10 ■ _____		_____	_____
Part-year residents and nonresidents — Enter amount from line 32 of Schedule M1NR			
11 Other taxes from Line 14 of Form M1 11 ■ _____	■	_____	_____
Check all that apply: <input type="checkbox"/> M1HOME <input type="checkbox"/> M1529 <input type="checkbox"/> M1LS			
12 Tax before credits. Add lines 10 and 11 12 ■ _____	■	_____	_____
13 Nonrefundable Credits from line 16 of Form M1 13 ■ _____	■	_____	_____
Check all that apply: <input type="checkbox"/> M1MA <input type="checkbox"/> M1CR <input type="checkbox"/> M1RCR <input type="checkbox"/> M1C <input type="checkbox"/> M1LTI			
14 Subtract line 13 from line 12 (if zero or less, enter 0) 14 ■ _____	■	_____	_____
15 Minnesota income tax withheld (Schedule M1W) 15 ■ _____	■	_____	_____
16 Minnesota estimated tax payments made for 2021 16 ■ _____	■	_____	_____

2021 Form M1X Instructions

Only use the 2021 Form M1X to amend your 2021 Form M1.

Should I file Form M1X?

File this form if you need to correct (or amend) an original Minnesota Individual Income Tax return. You will need the 2021 Individual Income Tax Instructions to complete this form.

Do **not** file Form M1X only to change either of the following:

- Banking information
- Your filing status from Married filing jointly to Married filing separately after the due date (April 15, 2022, for most taxpayers)

Federal changes. If the Internal Revenue Service (IRS) changes or audits your federal income tax return, or you amend your federal return and it affects your Minnesota return, you have 180 days to file an amended Minnesota return. If you are filing Form M1X based on an IRS adjustment, check the box in the heading and enclose a complete copy of your federal Form 1040X or your IRS correction notice.

If the federal changes do not affect your Minnesota return, you have 180 days to send a letter of explanation to the Minnesota Department of Revenue. Send your letter and a complete copy of your federal Form 1040X or your IRS correction notice to:

Minnesota Department of Revenue
Mail Station 7703
600 N. Robert St.
St. Paul, MN 55146-7703

If you fail to report the federal changes as required, we will assess a 10 percent penalty on any additional tax, and we will have six more years to audit your return.

Net operating losses. Minnesota generally allows only a carryforward for losses. There is an exception to carryback farm-related losses to each of the two preceding years on federal Forms 1045 or 1040X. You will carry it back to the same year on Minnesota Form M1X. See the Schedule M1NC instructions for further information regarding net operating losses.

What may be affected if I am reporting a change to my income?

Common items affected by reported changes to income include:

- Refundable credits such as the Child and Dependent Care Credit, K-12 Education Credit, Minnesota Working Family Credit, and Credit for Taxes Paid to Wisconsin (see Schedules M1CD, M1ED, M1WFC, M1RCR)
- Nonrefundable credits
- Property Tax Refund (see Forms M1PR and M1PRX)
- Alternative Minimum Tax (see Schedule M1MT)

Other items on your tax return may be affected. Include a copy of all schedules that change.

Can I file for another taxpayer?

If you are filing Form M1X for another taxpayer, enclose a copy of the court appointment authorizing you to represent the taxpayer.

If you are claiming a refund on behalf of a deceased person, enclose a copy of the court appointment authorizing you to represent the deceased person. Also, enclose Form M23, *Claim for a Refund For a Deceased Taxpayer*.

How long do I have to file?

To claim a refund, you must file Form M1X within 3½ years of the original due date for the year you are amending. Other deadlines may apply if either of the following are true:

- Your federal return has been changed since you originally filed.
- We have assessed you additional income tax within the last year.

If either of the situations apply to the year being amended and you need more information, contact us.

If you owe additional tax, you must file Form M1X within 3½ years of the original due date or the date you filed the return, whichever is later. If the tax and interest is not fully paid when you file Form M1X, we will assess a late payment penalty and additional interest on your first bill.

Married Filing Separate Returns

Do not include your spouse's name, date of birth, or Social Security number if you are filing separate returns.

You may not change your filing status from Married filing jointly to Married filing separately after the due date for the original Form M1.

Column A, Lines 1–22

Enter the amounts from the appropriate lines of your original 2021 return. However, if we changed your original Form M1 or if you have filed an amended return prior to this one, enter the corrected amounts. If you received a notice of change or an audit report from us which changed amounts on your original return, use the amounts as shown in that notice or audit report.

Column B, Lines 1–22

Enter the dollar amount of each change as an increase or decrease for each line that changed. Show all decreases in parentheses.

If you do not enter an amount when there is a change, the processing of your amended return will be delayed.

If you are not making a change to a given line, leave column B blank.

If the changes you are making affect the amounts reported on a schedule, complete and enclose a corrected schedule.

Briefly explain each change in the space on the back of Form M1X and enclose any related schedules or forms.

Column C, Lines 1–22

Do one of the following for each line, whichever applies.

- Add the increase in column B to column A.
- Subtract the column B decrease from column A.
- Enter the column A amount in column C if there is no change to column B.

Line Instructions

Line 1—Federal Adjusted Gross Income

In column A, enter the amount from line 1 of your original 2021 Form M1. If we or the IRS previously adjusted your federal adjusted gross income, enter the corrected amount.

Line 4—Total Subtractions

If you are changing your total subtractions, you must enclose a list of the corrected subtractions you reported on lines 5–7 of Form M1 and a corrected Schedule M1M and Schedule M1MB.

Changes to your total subtractions may also affect the alternative minimum tax you may be required to pay.

Line 6—Tax From the Table

If the taxable income on line 5C has changed, you must look up the corrected tax using the tables in the 2021 Form M1 instructions. Enter the correct tax amount on line 6C and the difference between lines 6A and 6C on line 6B.

Lines 9a–9b—Part-Year Residents and Nonresidents

Changes to your Schedule M1NR, *Nonresidents/Part-Year Residents*, will also affect many credits you claim, such as the credit for taxes paid to Wisconsin, child and dependent care, working family, and K-12 education credits.

Lines 13 — Nonrefundable Credits

If you are changing any credits against tax on this line, you must enclose a corrected copy of the appropriate schedule and check the appropriate box.

Lines 15–22—Payments and Credits

If you are changing any payments or credits on lines 15 through 22, you must enclose a corrected copy of the appropriate schedule.

Line 23

Enter the total of the following tax amounts, whether or not paid:

- Amount from line 26 of your original Form M1.
- Amount from line 29 of a previously filed 2021 Form M1X.
- Additional tax due as the result of an audit or notice of change.

Reduce the total by any amounts that were paid for:

- Penalty
- Interest
- Underpayment of estimated tax (Schedule M15)
- Contributions you made to the Nongame Wildlife Fund

The penalty for underpayment of estimated tax is based on the original tax liability. Subsequent changes to the tax do not affect the penalty.

Line 25

Enter the total of the following refund amounts, even if you have not received the refund:

- Amount from line 24 of your original Form M1.
- Amount from line 27 of any previously filed 2021 amended return.
- Refund or reduction in tax from an audit adjustment or appeal.

Include any amount credited to estimated tax, applied to pay past due taxes, used to pay an outstanding debt to a state or county agency, or donated to the Nongame Wildlife Fund.

Do not include any interest that may have been included in the refunds you received.

Lines 27 and 29

Lines 27 and 29 should reflect the changes to your tax, credits, or both, as reported in column B on lines 1-22 of Form M1X. **If you have unpaid taxes on your original Form M1, Form M1X will not show your corrected balance due.**

Continued

Line 27

This refund *cannot* be applied to your estimated tax account. If you have a refund, skip lines 29 through 33.

If you owe federal or Minnesota taxes, criminal fines or a debt to a state or county agency, district court, qualifying hospital, or public library, we must apply your refund to the amount you owe (including penalty and interest on the taxes). Also, if you participate in the Senior Citizens Property Tax Deferral Program, we will apply your refund 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 will receive the difference.

Line 28—Direct Deposit of Refund

If you want the refund on line 27 to be directly deposited into your checking or savings account, enter the requested information on line 28.

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

The **account number** may contain up to 17 digits (both numbers and letters). Leave out any hyphens, spaces, and symbols.

If the routing or account number is incorrect or is not accepted by your financial institution, we will send your refund by paper check.

By completing line 28, you are authorizing us and your financial institution to initiate electronic credit entries, and if necessary, debit entries and adjustments for any credits made in error.

Line 29

If line 26 is a negative amount, treat it as a positive amount and add it to line 14C. Enter the result on line 29. This is the amount you owe, which is due when you file your amended return. You *cannot* use any funds in your estimated tax account to pay this amount. Continue with line 30.

Line 30

If only one of the penalties below applies, you must multiply line 29 by 10 percent (.10). If both penalties apply, multiply line 29 by 20 percent (.20). Enter the result on line 30.

- The IRS assessed a **penalty for negligence or disregard of rules or regulations**.
- You **failed to report federal changes to the department within 180 days as required** (see page 1 of these instructions).

Line 32—Interest

You must pay interest on any unpaid tax plus penalty from the regular due date until paid in full. To determine the interest you owe, go to our website at www.revenue.state.mn.us and type **interest rates** into the Search box.

Line 33—Amount Due

Pay the amount due electronically or by check. Go to www.revenue.state.mn.us to pay electronically.

To make a payment by check, go to our website at www.revenue.state.mn.us and choose **Make a Payment** under **Top Tasks for Individuals** then select **Check or Money Order** to create a voucher.

Dependents

Enter dependent information on the lines provided. Use the same information that you provided when completing federal Form 1040.

If you have more than three dependents, provide a separate statement with their name, social security number, and their relationship to you.

Sign Your Return

If you are married and filing a joint return, your spouse must also sign. If you paid someone to prepare your return, that person must also sign and include their preparer identification number.

You may check the box in the signature area to give us your permission to discuss your return with the paid preparer and/or third party.

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 conferences. For these types of authorities, you must file a power of attorney or Form REV184 with us.

Return Checkbox Authorization

Check this box to authorize the department to discuss this return with the preparer. This authority allows us to discuss with your preparer these items from this return: line item details; tax due on original and adjustments made during processing; penalty or interest due; documents received or sent like a tax order or bill; and dates and amounts of payments, credits, or refunds. The authority also allows your preparer to cancel direct deposit or debit payments and submit an abatement request.

The authority granted by a marked return checkbox is valid for one year after the due date for current original returns, or one year from the date the form was submitted for amended and noncurrent original returns.

Checking the box does **not** give your preparer the authority to sign any tax documents on your behalf, represent you at any audit or appeals conference, or discuss abatement progress. For these types of authorities, you must file Form REV184i, *Individual or Sole Proprietor Power of Attorney*, with the department.

Questions?

Go to www.revenue.state.mn.us for additional information, to find forms, or for electronic payment options.

If you have questions, call 651-296-3781 or 1-800-652-9094 during business hours.

This information is available in alternate formats.

Where to File Your Form M1X

Send your completed Form M1X and required enclosures to the address provided at the bottom of the second page of Form M1X.



2021 Form M1PR, Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund

Your First Name and Initial _____ Last Name _____ Your Social Security Number _____ Your Date of Birth (MM/DD/YYYY) _____
 If a Joint Return, Spouse's First Name and Initial _____ Spouse's Last Name _____ Spouse's Social Security Number _____ Spouse's Date of Birth _____
 Current Home Address _____ Check if Address is: New Foreign
 City _____ State _____ ZIP Code _____
Check all that apply: Renter Homeowner Nursing Home or Adult Foster Care Resident Mobile Home Owner

State Elections Campaign Fund: To grant \$5 to this fund, enter the code for the party of your choice. It will help candidates for state offices pay campaign expenses. This will not increase your tax or reduce your refund.

Your Code	Spouse's Code	Political Party Code Numbers:	Democratic/Farmer-Labor . . . 12	Grassroots/Legalize Cannabis 14	Legal Marijuana Now 17
		Republican 11	Independence 13	Libertarian 16	General Campaign Fund 99

- 1 **Federal adjusted gross income** (from Line 1 of Form M1, see instructions if you did not file Form M1) 1 ■ _____
 - 2 **Nontaxable Social Security** and/or Railroad Retirement Board benefits received and not included in line 1 above (determine from instructions) 2 ■ _____
 - 3 Deduction for contributions to a qualified retirement plan (add lines 16 and 20 of federal Schedule 1; see instructions) Also see line 9 of this Form M1PR. 3 ■ _____
 - 4 Total payments from programs including MFIP (MN Family Investment Program), MSA (MN Supplemental Aid) SSI (Supplemental Security Income), GA (General Assistance), and Minnesota Housing Support (formerly GRH) 4 ■ _____
 - 5 **Additional nontaxable income** from line 20 of Schedule M1PR-AI, Additions to Income 5 ■ _____
 - 6 Add lines 1 through 5 (if you are a renter and this line is less than the rent you paid, enclose an explanation) . . 6 _____
 - 7 Subtraction for 65 or older (born before January 2, 1957) or disabled: If you (or your spouse if filing a joint return) are age 65 or older or are disabled, enter \$4,350: 7 ■ _____
Check the box if you or your spouse are: (A) 65 or Older (B) Disabled
 - 8 Dependent Subtraction: Enter your subtraction for dependents (use worksheet in instructions) 8 ■ _____
 Number of dependents: _____ Names and Social Security numbers: _____
 - 9 Retirement Account Subtraction: If you (or your spouse) contributed to a 401(k), IRA, 457(b), or other retirement plan, or had an amount on line 3, see instructions 9 ■ _____
 - 10 Your non-deductible alimony payments and COVID-related IRA distributions from prior years (see instructions) 10 ■ _____
 - 11 If you have a negative amount on line 35 of Schedule M1NC, enter the amount on line 11 (see instructions) . . 11 ■ _____
 - 12 Add lines 7 through 11 12 _____
 - 13 Subtract line 12 from line 6 13 _____
 - 14 Co-occupant Income (from line 13 of Worksheet 5 - Co-occupant Income. If negative, enter as a negative). . . 14 ■ _____
 - 15 Add line 14 to line 13 15 _____
- Renters - Complete lines 16-18. Homeowners - Continue to next section.**
- 16 Enter total rent from Certificates of Rent Paid (CRPs) (you must enclose your CRPs) 16 ■ _____
 - 17 Multiply line 16 by 17% (.17) 17 _____
 - 18 **Renter's Refund.** Using the amount from line 13 and line 17, find the amount to enter here from the renters refund table in the instructions. You must continue with lines 23-25 on the next page. 18 _____



Homeowners

Property ID Number _____ County where property is located _____

- 19 Property tax from line 1 of Statement of Property Taxes Payable in 2022
20 If claiming the special refund, enter amount from line 38 of Schedule 1 below
21 Subtract line 20 from line 19
22 Homestead Credit Refund: Using the amounts from line 15 and line 21
Homeowners and Renters
23 Add lines 18, 20, and 22
24 Nongame Wildlife Fund contribution
25 Your Refund. Subtract line 24 from line 23.

Schedule 1 - Special Refund

To qualify, you must have owned and lived in this homestead both on January 2, 2021, and on January 2, 2022. If you qualify, see the instructions.

- 26 Line 1 of Statement of Property Taxes Payable in 2022. If the Statement does not list an amount for new improvements or expired exclusions, skip lines 27 and 28 and enter this amount on line 29
27 If the Statement lists an amount for new improvements or expired exclusions, complete and enclose Worksheet 3 from the instructions and enter the percentage from Step 3 here
28 Multiply line 26 by the percentage on line 27
29 If you did not have new improvements or expired exclusions, enter the amount from line 26. If you had new improvements or expired exclusions, subtract line 28 from line 26.
30 From your Statement of Property Taxes Payable in 2022, enter the amount from line 2 (2021 column). If there is no amount on line 2, see instructions.
31 Special refund (not your regular refund) from line 20 of your 2020 Form M1PR
32 Subtract line 31 from line 30
33 Subtract line 32 from line 29
34 Amount from Line 32 X 12% (.12)
35 Amount from line 34 or \$100, whichever is greater.
36 Subtract line 35 from line 33
37 Multiply line 36 by 60% (.60)
38 Special Refund. Amount from line 37 or \$1,000, whichever is less. Enter the amount here and on line 20 of this Form M1PR.

39 Direct deposit of your refund (you must use an account not associated with a foreign bank):

Checking Savings

Routing Number

Account Number

Taxpayer: I declare that this return is correct and complete to the best of my knowledge and belief.

Your Signature

Spouse's Signature (If Filing Jointly)

Date (MM/DD/YYYY)

Daytime Phone

Paid Preparer's Signature

Date (MM/DD/YYYY)

PTIN or VITA/TCE # (required)

Preparer's Daytime Phone

I authorize the Minnesota Department of Revenue to discuss this tax return with the preparer.

Mail to: Minnesota Property Tax Refund St. Paul, MN 55145-0020

Renters — Include your 2021 CRP(s).



2021 Schedule M1PR-AI, Additions to Income

Complete Schedule M1PR-AI, *Additions to Income*, to report amounts for line 5 of Form M1PR, *Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund*. Enter the type of income that was received in Column A and the amount in Column B. See instructions to determine which types of income to include.

Your First Name and Initial _____ Last Name _____ Your Social Security Number _____

If a Joint Return, Spouse's First Name and Initial _____ Spouse's Last Name _____ Spouse's Social Security Number _____

Column A — Type of Income Received

Column B — Amount

1a ■ _____	1b ■ _____
2a ■ _____	2b ■ _____
3a ■ _____	3b ■ _____
4a ■ _____	4b ■ _____
5a ■ _____	5b ■ _____
6a ■ _____	6b ■ _____
7a ■ _____	7b ■ _____
8a ■ _____	8b ■ _____
9a ■ _____	9b ■ _____
10a ■ _____	10b ■ _____
11a ■ _____	11b ■ _____
12a ■ _____	12b ■ _____
13a ■ _____	13b ■ _____
14a ■ _____	14b ■ _____
15a ■ _____	15b ■ _____
16a ■ _____	16b ■ _____
17a ■ _____	17b ■ _____
18a ■ _____	18b ■ _____
19a ■ _____	19b ■ _____

20 Total of Column B. Add all amounts in Column B. Enter here and on line 5 of Form M1PR **20** _____

You must include this schedule with your Form M1PR. If you had more than 19 items, include a statement with the type of income and amounts received.





2021 Form M1PRX, Amended Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund

You will need the 2021 Form M1PR instructions, including refund tables, to complete this form. Do not use staples on anything you submit.

Personal information fields: Your First Name and Initial, Last Name, Social Security Number, Date of Birth (MM/DD/YYYY), If Joint Return, Spouse First Name and Initial, Spouse Last Name, Spouse Social Security Number, Spouse Date of Birth, Current Home Address, City, State, ZIP Code. Includes checkboxes for Renter, Homeowner, Nursing home or adult foster care resident, Mobile home owner, and a note about federal adjustments.

- 1 Federal adjusted gross income (from line 1 of Form M1, see instructions if you did not file Form M1)
2 Nontaxable Social Security and/or Railroad Retirement Board benefits received and not included in line 1 above
3 Deduction for contributions to a qualified retirement plan
4 Total payments from programs including MFIP (MN Family Investment Program), MSA (MN Supplemental Aid), SSI (Supplemental Security Income), GA (General Assistance), and MN Housing Support (formerly GRH)
5 Additional nontaxable income from line 20 of Schedule M1PR-AI, Additions to Income.
6 Add lines 1 through 5 (if you are a renter and this line is less than the rent you paid, enclose an explanation)
7 Subtraction for 65 or older (born before January 2, 1957) or disabled: If you (or your spouse if filing a joint return) are age 65 or older or are disabled, enter \$4,300:
8 Dependent Subtraction: Enter your subtraction for dependents (determine from worksheet in instructions)
9 Retirement Account Subtraction: If you (or your spouse) contributed to a 401(k), IRA, 457(b), or other retirement plan, or had an amount on line 3, see instructions
10 Your non-deductible alimony payments and COVID-related IRA distributions from prior years (see instructions)
11 Subtraction from line 35 of Schedule M1NC, Federal Adjustments (see instructions for Schedule M1NC)
12 Add lines 7 through 11
13 Subtract line 12 from line 6
14 Co-occupant Income (from line 13 of Worksheet 5 - Co-occupant Income. If negative, enter as a negative).
15 Add line 14 to line 13

Renters - Complete lines 16-18. Homeowners - Continue to next section.

- 16 Enter total rent from CRP(s) (you must enclose your CRPs)
17 Multiply line 16 by 17% (.17)
18 Renter's Refund. Using the amount from line 13 and line 17, find the amount to enter here from the renters refund table in the instructions. Continue with lines 23-25

Homeowners

- Property ID Number _____ County where property is located _____
19 Property tax from line 1 of Statement of Property Taxes Payable in 2022 (Mobile homeowners: See worksheet 1 in the instructions)
20 If claiming the special refund, enter amount from line 41 of Schedule 1 on next page (see instructions)

Instructions for Form M1PRX

Amended Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund Return

Use Form M1PRX to amend your original Form M1PR, *Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund*. You can use Form M1PRX to either apply for an additional refund or pay back some or all of the refund you received.

Should I file Form M1PRX?

File Form M1PRX if your property tax refund amount on Form M1PR changes for any reason, including any of the following:

- You made a mistake on your original Form M1PR.
- You are a homeowner who received a corrected Statement of Property Taxes Payable.
- You are a homeowner who received an abatement of some of your property taxes.
- You are a renter who received a corrected or an additional Certificate of Rent Paid (CRP).
- Your household income has changed.

There are civil and criminal penalties for not filing an amended return if you are required to do so, and for filing a return containing false information.

Explanation of Change

You must include an explanation of any changes you are making. Enclose a separate page with your Form M1PRX to explain the changes.

Deadline for Filing

The deadline for filing Form M1PRX is 3.5 years from the due date of your Minnesota income tax return for the same year:

Year of Form M1PR	Due Date
2017	October 15, 2021
2018	October 15, 2022
2019	October 15, 2023
2020	October 15, 2024

What will I need?

To complete Form M1PRX, you may need any of the following (for the year you are amending):

- A copy of the original 2020 Form M1PR
- 2020 Form M1PR instructions (including refund tables)
- Any documents you received from the Minnesota Department of Revenue making a change to your Minnesota income tax return
- Any documents you received from the Internal Revenue Service (IRS) making a change to your federal income tax return
- If you are a homeowner or mobile home owner, any corrected Statements of Property Taxes Payable
- If you are a renter, any corrected CRPs. Submit the CRPs issued and signed by your landlord. Do not use a CRP created by software you used to complete your return. **You must include a copy of any corrected CRP you received. If you do not, your refund will be delayed or denied.**

All Applicants

Your Name and Address

Enter your current name and address. If you have changed your name since you filed your original Form M1PR, explain the change on a separate sheet.

Place an X in All Boxes That Apply

Place an X in each box that applied to you during the year you are amending. If you do not place an X in the same boxes that you placed an X in on your original Form M1PR, explain the change on a separate sheet.

Federal Changes

If you are filing Form M1PRX because the IRS made a change to your income, place an X in the box below the name and address section. Include a copy of any documents you received from the IRS when you file your Form M1PRX.

Filing an Amended Return For Another Taxpayer

If you are filing Form M1PRX for another person, enclose a completed Form REV184, *Power of Attorney*, or a copy of the court appointment authorizing you to represent the person.

If you are filing Form M1PRX on behalf of a deceased person, any additional refund would be considered part of the estate. Include Form M23, *Claim for a Refund For a Deceased Taxpayer*, and a copy of the court appointment authorizing you to represent the deceased person when you file Form M1PRX.

Line Instructions

Line 24—Original Refund Amount

Enter the refund amount from line 23 of your Form M1PR. If your refund changed because we adjusted your return or because you previously filed Form M1PRX, enter the adjusted refund amount.

Continued

Line 25—Additional Refund

If line 23 is more than line 24 subtract line 24 from line 23. This is your additional refund. Skip lines 26 through 28.

If you want your refund directly deposited into your checking or savings account, see the instructions for 42.

If you owe Minnesota taxes, criminal fines, or debts to other government agencies, we must apply any additional property tax refund to these debts. If you participate in the Senior Citizens Property Tax Deferral Program, we will apply your additional refund to your deferred property tax total.

If your debt is less than your additional refund, you will receive the difference.

Line 27—Interest

You must pay interest on the amount on line 26. To determine the interest you owe, visit our website at www.revenue.state.mn.us and type **interest rates** into the Search box.

Line 28—Amount You Owe

Add lines 26 and 27 and enter the result on line 28 of Form M1PRX. This is the total amount you must pay.

You may pay the amount you owe electronically, by credit card, or by check. To make a payment, go to our website at www.revenue.state.mn.us and choose **Make a Payment** under **Top Tasks** for **Individuals**.

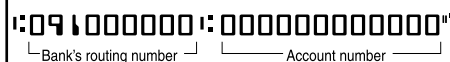
Line 42—Direct Deposit of Refund

If you want your refund on line 25 directly deposited into your checking or savings account, enter the requested information on line 42. The **routing number** must have nine digits. The **account number** may contain up to 17 digits (both numbers and letters). Leave out any hyphens, spaces, and symbols.

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.

By completing line 42, you authorize us and your financial institution to initiate electronic credit entries and, if necessary, debit entries and adjustments for any credits made in error.

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



Sign Your Return

You must sign your Form M1PRX. If you are married and filing Form M1PRX with your spouse, both of you must sign. If you paid someone to prepare your return, that person must also sign.

You must enclose copies of any documents you received from us or the IRS which have made it necessary for you to file Form M1PRX. Also, enclose any corrected CRPs or Statements of Property Taxes Payable in 2021.

Return Checkbox Authorization

Check this box to authorize the department to discuss this return with the preparer. This authority allows us to discuss with your preparer these items from this return: line item details; tax due on original and adjustments made during processing; penalty or interest due; documents received or sent like a tax order or bill; and dates and amounts of payments, credits, or refunds. The authority also allows your preparer to cancel direct deposit or debit payments and submit an abatement request.

The authority granted by a marked return checkbox is valid for one year after the due date for current original returns, or one year from the date the form was submitted for amended and noncurrent original returns.

Checking the box does **not** give your preparer the authority to sign any tax documents on your behalf, represent you at any audit or appeals conference, or discuss abatement progress. For these types of authorities, you must file Form REV184i, *Individual or Sole Proprietor Power of Attorney*, with the department.

Use of Information

All information provided on Form M1PRX is private under state law. It cannot be given to others without your consent except to the IRS, other Minnesota state agencies, local government agencies, and other state governments that are authorized by law to receive the information. For a list of authorized agencies and possible uses of your Social Security number, see the Form M1PR instructions.

What is required?

Information not required. Although not required on Form M1PRX, we ask for:

- Your date of birth (and your spouse's, if filing a joint return)
- Your daytime phone number in case we have a question about your return
- The phone number and identification number of the person you paid to prepare your return

All other information is required. You must provide your Social Security number (see Minnesota Statute 270C.306) and all other information on this form in order to properly identify you. This ensures that your amended return is properly processed. If you do not provide it, your property tax refund will be delayed or denied.

Forms and Information

- Website: www.revenue.state.mn.us
- Email: individual.incometax@state.mn.us
- Phone: 651-296-3781 or 1-800-652-9094 (toll-free)

This information is available in alternate formats.

Example 1: M1, M1W, CRP, M1PR, M1PR-AI

Beverly Hills (471-66-1111) is single with no dependents.

Beverly is taking the standard deduction. Beverly is not claiming any credits or subtractions.

Beverly is a renter. Beverly paid \$7,560 in rent last year.

Beverly received a \$500 nontaxable scholarship.

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		OMB No. 1545-0116 2021 Form 1099-NEC	Nonemployee Compensation	
PAYER'S TIN	RECIPIENT'S TIN 471-66-1111	1 Nonemployee compensation \$ 1,600	Copy B For Recipient <small>This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.</small>	
RECIPIENT'S name Beverly Hills		2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>		
Street address (including apt. no.) 35 Park Way Unit 5		3		
City or town, state or province, country, and ZIP or foreign postal code Oakdale, MN 55128		4 Federal income tax withheld \$		
Account number (see instructions)		5 State tax withheld \$	6 State/Payer's state no.	7 State income \$
Form 1099-NEC (keep for your records)		www.irs.gov/Form1099NEC		Department of the Treasury - Internal Revenue Service

Example 1

		a Employee's social security number 471-66-1111		OMB No. 1545-0008		This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.	
b Employer identification number (EIN) 41-1111111				1 Wages, tips, other compensation 25,000		2 Federal income tax withheld 1,112	
c Employer's name, address, and ZIP code Oakdale Garden Center 1419 3rd St. Oakdale, MN 55128				3 Social security wages		4 Social security tax withheld	
				5 Medicare wages and tips		6 Medicare tax withheld	
				7 Social security tips		8 Allocated tips	
d Control number				9		10 Dependent care benefits	
e Employee's first name and initial		Last name		Suff.		11 Nonqualified plans	
Beverly Hills						12a See instructions for box 12	
35 Park Way						12b	
Unit 5						12c	
Oakdale, MN 55128						12d	
† Employee's address and ZIP code							
15 State Employer's state ID number		16 State wages, tips, etc.		17 State income tax		18 Local wages, tips, etc.	
MN 7654321		25,000		980			
						19 Local income tax	
						20 Locality name	

Form **W-2** Wage and Tax Statement
 Copy C—For EMPLOYEE'S RECORDS
 (See Notice to Employee on the back of Copy B.)

2021

Department of the Treasury—Internal Revenue Service

Safe, accurate, FAST! Use 

Example 1

Form **1040**

Department of the Treasury—Internal Revenue Service (99)
U.S. Individual Income Tax Return

2021

OMB No. 1545-0074

IRS Use Only—Do not write or staple in this space.

Filing Status Single Married filing jointly Married filing separately (MFS) Head of household (HOH) Qualifying widow(er) (QW)
Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ▶

Your first name and middle initial Beverly	Last name Hills	Your social security number 4 7 1 6 1 1 1 1
If joint return, spouse's first name and middle initial	Last name	Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. 35 Park Way		Apt. no. 5	Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse
City, town, or post office. If you have a foreign address, also complete spaces below. Oakdale	State MN	ZIP code 55128	
Foreign country name	Foreign province/state/county	Foreign postal code	

At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency? Yes No

Standard Deduction **Someone can claim:** You as a dependent Your spouse as a dependent
 Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness **You:** Were born before January 2, 1957 Are blind **Spouse:** Was born before January 2, 1957 Is blind

Dependents (see instructions): If more than four dependents, see instructions and check here ▶ <input type="checkbox"/>	(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see instructions): Child tax credit	Credit for other dependents
						<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>

Attach Sch. B if required. Standard Deduction for— • Single or Married filing separately, \$12,550 • Married filing jointly or Qualifying widow(er), \$25,100 • Head of household, \$18,800 • If you checked any box under Standard Deduction, see instructions.	1	Wages, salaries, tips, etc. Attach Form(s) W-2	1	25,000
	2a	Tax-exempt interest	2a	
	3a	Qualified dividends	3a	
	4a	IRA distributions	4a	
	5a	Pensions and annuities	5a	
	6a	Social security benefits	6a	
	7	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/>	7	
	8	Other income from Schedule 1, line 10	8	1,600
	9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income ▶	9	26,600
	10	Adjustments to income from Schedule 1, line 26	10	22
	11	Subtract line 10 from line 9. This is your adjusted gross income ▶	11	26,578
	12a	Standard deduction or itemized deductions (from Schedule A)	12a	12,550
	b	Charitable contributions if you take the standard deduction (see instructions)	12b	
	c	Add lines 12a and 12b	12c	12,550
	13	Qualified business income deduction from Form 8995 or Form 8995-A	13	
14	Add lines 12c and 13	14	12,550	
15	Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-	15	14,028	

16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	16
17	Amount from Schedule 2, line 3	17
18	Add lines 16 and 17	18
19	Nonrefundable child tax credit or credit for other dependents from Schedule 8812	19
20	Amount from Schedule 3, line 8	20
21	Add lines 19 and 20	21
22	Subtract line 21 from line 18. If zero or less, enter -0-	22
23	Other taxes, including self-employment tax, from Schedule 2, line 21	23
24	Add lines 22 and 23. This is your total tax	24
25	Federal income tax withheld from:	
a	Form(s) W-2	25a
b	Form(s) 1099	25b
c	Other forms (see instructions)	25c
d	Add lines 25a through 25c	25d
26	2021 estimated tax payments and amount applied from 2020 return	26
27a	Earned income credit (EIC) Check here if you were born after January 1, 1998, and before January 2, 2004, and you satisfy all the other requirements for taxpayers who are at least age 18, to claim the EIC. See instructions <input type="checkbox"/>	27a
b	Nontaxable combat pay election	27b
c	Prior year (2019) earned income	27c
28	Refundable child tax credit or additional child tax credit from Schedule 8812	28
29	American opportunity credit from Form 8863, line 8	29
30	Recovery rebate credit. See instructions	30
31	Amount from Schedule 3, line 15	31
32	Add lines 27a and 28 through 31. These are your total other payments and refundable credits	32
33	Add lines 25d, 26, and 32. These are your total payments	33
Refund	34 If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34
35a	Amount of line 34 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>	35a
▶ b	Routing number	▶ c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
▶ d	Account number	
36	Amount of line 34 you want applied to your 2022 estimated tax	36
Amount You Owe	37 Amount you owe . Subtract line 33 from line 24. For details on how to pay, see instructions	37
38	Estimated tax penalty (see instructions)	38

If you have a qualifying child, attach Sch. EIC.

Third Party Designee Do you want to allow another person to discuss this return with the IRS? See instructions **Yes**. Complete below. **No**

Designee's name Phone no. Personal identification number (PIN)

Sign Here Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.) <input type="text"/>
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.) <input type="text"/>
Phone no.	Email address		

Paid Preparer Use Only

Preparer's name	Preparer's signature	Date	PTIN	Check if: <input type="checkbox"/> Self-employed
Firm's name	Firm's address			Phone no.
Firm's EIN				

**SCHEDULE 1
(Form 1040)**

Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income

▶ Attach to Form 1040, 1040-SR, or 1040-NR.
▶ Go to www.irs.gov/Form1040 for instructions and the latest information.

OMB No. 1545-0074

2021
Attachment
Sequence No. **01**

Name(s) shown on Form 1040, 1040-SR, or 1040-NR

Beverly Hills

Your social security number

471-66-1111

Part I Additional Income

1	Taxable refunds, credits, or offsets of state and local income taxes	1	
2a	Alimony received	2a	
b	Date of original divorce or separation agreement (see instructions) ▶ _____		
3	Business income or (loss). Attach Schedule C	3	1,600
4	Other gains or (losses). Attach Form 4797	4	
5	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	5	
6	Farm income or (loss). Attach Schedule F	6	
7	Unemployment compensation	7	
8	Other income:		
a	Net operating loss	8a	()
b	Gambling income	8b	
c	Cancellation of debt	8c	
d	Foreign earned income exclusion from Form 2555	8d	()
e	Taxable Health Savings Account distribution	8e	
f	Alaska Permanent Fund dividends	8f	
g	Jury duty pay	8g	
h	Prizes and awards	8h	
i	Activity not engaged in for profit income	8i	
j	Stock options	8j	
k	Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property	8k	
l	Olympic and Paralympic medals and USOC prize money (see instructions)	8l	
m	Section 951(a) inclusion (see instructions)	8m	
n	Section 951A(a) inclusion (see instructions)	8n	
o	Section 461(l) excess business loss adjustment	8o	
p	Taxable distributions from an ABLE account (see instructions)	8p	
z	Other income. List type and amount ▶ _____	8z	
9	Total other income. Add lines 8a through 8z	9	
10	Combine lines 1 through 7 and 9. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8	10	1,600

For Paperwork Reduction Act Notice, see your tax return instructions.

Cat. No. 71479F

Schedule 1 (Form 1040) 2021

Part II Adjustments to Income

11	Educator expenses		11	
12	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106		12	
13	Health savings account deduction. Attach Form 8889		13	
14	Moving expenses for members of the Armed Forces. Attach Form 3903		14	
15	Deductible part of self-employment tax. Attach Schedule SE		15	<u>22</u>
16	Self-employed SEP, SIMPLE, and qualified plans		16	
17	Self-employed health insurance deduction		17	
18	Penalty on early withdrawal of savings		18	
19a	Alimony paid		19a	
b	Recipient's SSN			
c	Date of original divorce or separation agreement (see instructions) ▶			
20	IRA deduction		20	
21	Student loan interest deduction		21	
22	Reserved for future use		22	
23	Archer MSA deduction		23	
24	Other adjustments:			
a	Jury duty pay (see instructions)	24a		
b	Deductible expenses related to income reported on line 8k from the rental of personal property engaged in for profit	24b		
c	Nontaxable amount of the value of Olympic and Paralympic medals and USOC prize money reported on line 8l	24c		
d	Reforestation amortization and expenses	24d		
e	Repayment of supplemental unemployment benefits under the Trade Act of 1974	24e		
f	Contributions to section 501(c)(18)(D) pension plans	24f		
g	Contributions by certain chaplains to section 403(b) plans	24g		
h	Attorney fees and court costs for actions involving certain unlawful discrimination claims (see instructions)	24h		
i	Attorney fees and court costs you paid in connection with an award from the IRS for information you provided that helped the IRS detect tax law violations	24i		
j	Housing deduction from Form 2555	24j		
k	Excess deductions of section 67(e) expenses from Schedule K-1 (Form 1041)	24k		
z	Other adjustments. List type and amount ▶ _____	24z		
25	Total other adjustments. Add lines 24a through 24z		25	
26	Add lines 11 through 23 and 25. These are your adjustments to income . Enter here and on Form 1040 or 1040-SR, line 10, or Form 1040-NR, line 10a		26	<u>22</u>

**SCHEDULE C
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

**Profit or Loss From Business
(Sole Proprietorship)**

▶ Go to www.irs.gov/ScheduleC for instructions and the latest information.

▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships must generally file Form 1065.

OMB No. 1545-0074

2021
Attachment
Sequence No. **09**

Name of proprietor Beverly Hills		Social security number (SSN) 471-66-1111
A Principal business or profession, including product or service (see instructions)	B Enter code from instructions	
C Business name. If no separate business name, leave blank.	D Employer ID number (EIN) (see instr.)	
E Business address (including suite or room no.) ▶ City, town or post office, state, and ZIP code		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶		
G Did you "materially participate" in the operation of this business during 2021? If "No," see instructions for limit on losses		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
H If you started or acquired this business during 2021, check here		<input type="checkbox"/>
I Did you make any payments in 2021 that would require you to file Form(s) 1099? See instructions		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
J If "Yes," did you or will you file required Form(s) 1099?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked ▶ <input type="checkbox"/>	1	1,600
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	1,600
4 Cost of goods sold (from line 42)	4	
5 Gross profit. Subtract line 4 from line 3	5	1,600
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6 ▶	7	1,600

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8	18 Office expense (see instructions)	18	
9 Car and truck expenses (see instructions)	9	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10	20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11	a Vehicles, machinery, and equipment	20a	
12 Depletion	12	b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	21 Repairs and maintenance	21	
14 Employee benefit programs (other than on line 19)	14	22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15	23 Taxes and licenses	23	
16 Interest (see instructions):		24 Travel and meals:		
a Mortgage (paid to banks, etc.)	16a	a Travel	24a	
b Other	16b	b Deductible meals (see instructions)	24b	
17 Legal and professional services	17	25 Utilities	25	
28 Total expenses before expenses for business use of home. Add lines 8 through 27a ▶	28	26 Wages (less employment credits)	26	
29 Tentative profit or (loss). Subtract line 28 from line 7	29	27a Other expenses (from line 48)	27a	
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions. Simplified method filers only: Enter the total square footage of (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30	27b Reserved for future use	27b	
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040), line 3 , and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.	31			1,600
32 If you have a loss, check the box that describes your investment in this activity. See instructions. • If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 3 , and on Schedule SE, line 2 . (If you checked the box on line 1, see the line 31 instructions.) Estates and trusts, enter on Form 1041, line 3 . • If you checked 32b, you must attach Form 6198 . Your loss may be limited.				

32a All investment is at risk.
32b Some investment is not at risk.

**SCHEDULE SE
(Form 1040)**

Self-Employment Tax

OMB No. 1545-0074

2021
Attachment
Sequence No. **17**

Department of the Treasury
Internal Revenue Service (99)

▶ Go to www.irs.gov/ScheduleSE for instructions and the latest information.
▶ Attach to Form 1040, 1040-SR, or 1040-NR.

Name of person with self-employment income (as shown on Form 1040, 1040-SR, or 1040-NR)

Social security number of person
with self-employment income ▶

Beverly Hills

Beverly

Part I Self-Employment Tax

Note: If your only income subject to self-employment tax is **church employee income**, see instructions for how to report your income and the definition of church employee income.

A If you are a minister, member of a religious order, or Christian Science practitioner **and** you filed Form 4361, but you had \$400 or more of **other** net earnings from self-employment, check here and continue with Part I

Skip lines 1a and 1b if you use the farm optional method in Part II. See instructions.

1a Net farm profit or (loss) from Schedule F, line 34, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A **1a** Hills

b If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included on Schedule F, line 4b, or listed on Schedule K-1 (Form 1065), box 20, code AH **1b** ()

Skip line 2 if you use the nonfarm optional method in Part II. See instructions.

2 Net profit or (loss) from Schedule C, line 31; and Schedule K-1 (Form 1065), box 14, code A (other than farming). See instructions for other income to report or if you are a minister or member of a religious order **2**

3 Combine lines 1a, 1b, and 2 **3**

4a If line 3 is more than zero, multiply line 3 by 92.35% (0.9235). Otherwise, enter amount from line 3 **4a** 1,478

Note: If line 4a is less than \$400 due to Conservation Reserve Program payments on line 1b, see instructions.

b If you elect one or both of the optional methods, enter the total of lines 15 and 17 here **4b**

c Combine lines 4a and 4b. If less than \$400, **stop**; you don't owe self-employment tax. **Exception:** If less than \$400 and you had **church employee income**, enter -0- and continue **4c** 1,478

5a Enter your **church employee income** from Form W-2. See instructions for definition of church employee income **5a**

b Multiply line 5a by 92.35% (0.9235). If less than \$100, enter -0- **5b**

6 Add lines 4c and 5b **6** 1,600

7 Maximum amount of combined wages and self-employment earnings subject to social security tax or the 6.2% portion of the 7.65% railroad retirement (tier 1) tax for 2021 **7** 142,800

8a Total social security wages and tips (total of boxes 3 and 7 on Form(s) W-2) and railroad retirement (tier 1) compensation. If \$142,800 or more, skip lines 8b through 10, and go to line 11 **8a**

b Unreported tips subject to social security tax from Form 4137, line 10 **8b**

c Wages subject to social security tax from Form 8919, line 10 **8c** 1,600

d Add lines 8a, 8b, and 8c **8d**

9 Subtract line 8d from line 7. If zero or less, enter -0- here and on line 10 and go to line 11 **9**

10 Multiply the **smaller** of line 6 or line 9 by 12.4% (0.124) **10**

11 Multiply line 6 by 2.9% (0.029) **11** 43

12 **Self-employment tax.** Add lines 10 and 11. Enter here and on **Schedule 2 (Form 1040), line 4** **12** 43

13 **Deduction for one-half of self-employment tax.** Multiply line 12 by 50% (0.50). Enter here and on **Schedule 1 (Form 1040), line 15** **13** 22

Part II Optional Methods To Figure Net Earnings (see instructions)

Farm Optional Method. You may use this method **only** if **(a)** your gross farm income¹ wasn't more than \$8,820, **or (b)** your net farm profits² were less than \$6,367.

14 Maximum income for optional methods **14** 5,880

15 Enter the **smaller** of: two-thirds (²/₃) of gross farm income¹ (not less than zero) **or** \$5,880. Also, include this amount on line 4b above **15**

Nonfarm Optional Method. You may use this method **only** if **(a)** your net nonfarm profits³ were less than \$6,367 and also less than 72.189% of your gross nonfarm income,⁴ **and (b)** you had net earnings from self-employment of at least \$400 in 2 of the prior 3 years. **Caution:** You may use this method no more than five times.

16 Subtract line 15 from line 14 **16**

17 Enter the **smaller** of: two-thirds (²/₃) of gross nonfarm income⁴ (not less than zero) **or** the amount on line 16. Also, include this amount on line 4b above **17**

¹ From Sch. F, line 9; and Sch. K-1 (Form 1065), box 14, code B.

² From Sch. F, line 34; and Sch. K-1 (Form 1065), box 14, code A—minus the amount you would have entered on line 1b had you not used the optional method.

³ From Sch. C, line 31; and Sch. K-1 (Form 1065), box 14, code A.

⁴ From Sch. C, line 7; and Sch. K-1 (Form 1065), box 14, code C.



2021 Form M1, Individual Income Tax

Do not use staples on anything you submit.

Your First Name and Initial Beverly	Last Name Hills	Your Social Security Number 471-66-1111	Your Date of Birth (MM/DD/YYYY)
If a Joint Return, Spouse's First Name and Initial	Spouse's Last Name	Spouse's Social Security Number	Spouse's Date of Birth
Current Home Address 35 Park Way, Unit 5 City		Check if Address is:	<input type="checkbox"/> New <input type="checkbox"/> Foreign
		MN State	55128 ZIP Code

2021 Federal Filing Status (place an X in one box):

(1) Single
 (2) Married Filing Jointly
 (3) Married Filing Separately
 (4) Head of Household
 (5) Qualifying Widow(er)

Spouse Name _____
 Spouse SSN _____

Dependents (see instructions):

Dependent 1 First Name _____	Dependent 1 Last Name _____	Dependent 1 SSN _____	Dependent 1 Relationship to You _____
Dependent 2 First Name _____	Dependent 2 Last Name _____	Dependent 2 SSN _____	Dependent 2 Relationship to You _____
Dependent 3 First Name _____	Dependent 3 Last Name _____	Dependent 3 SSN _____	Dependent 3 Relationship to You _____

State Elections Campaign Fund

To grant \$5 to this fund, enter the code for the party of your choice. It will help candidates for state offices pay campaign expenses. This will not increase your tax or reduce your refund.

Your Code	Spouse's Code	Political Party Code Numbers: Democratic/Farmer-Labor . . . 12 Republican 11 Independence 13	Grassroots/Legalize Cannabis 14 Libertarian 16	Legal Marijuana Now 17 General Campaign Fund 99
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From Your Federal Return (see instructions)

25,000	14,028	A. Wages, salaries, tips, etc.	B. IRA, pensions, and annuities	C. Unemployment	D. Federal taxable income
1 Federal adjusted gross income (from line 11 of federal Form 1040 and 1040-SR) 1 ■ 26,578					
2 Additions to income from line 10 of Schedule M1M and line 9 of Schedule M1MB (see instructions) 2 ■ _____					
3 Add lines 1 and 2. 3 26,578					
4 Itemized deductions (from Schedule M1SA) or your standard deduction (see instructions) 4 ■ 12,525					
5 Exemptions (determine from instructions) 5 ■ _____					
6 State income tax refund from line 1 of federal Schedule 1 6 ■ _____					
7 Subtractions from line 32 of Schedule M1M and line 22 of Schedule M1MB (see instructions) 7 ■ _____					
8 Total subtractions. Add lines 4 through 7 8 12,525					
9 Minnesota taxable income. Subtract line 8 from line 3. If zero or less, leave blank. 9 14,053					
10 Tax from the table in the Form M1 instructions 10 752					





11 Alternative minimum tax (enclose Schedule M1MT) 11 ■ _____

12 Add lines 10 and 11 12 _____ 7 5 2

13 **Full-year residents:** Enter the amount from line 12 on line 13. Skip lines 13a and 13b.
Part-year residents and nonresidents: From Schedule M1NR, enter the amount from line 32 on
line 13, from line 28 on line 13a, and from line 29 on line 13b (enclose Schedule M1NR) 13 _____ 7 5 2

13a ■ _____ 13b ■ _____


14 Other taxes, such as recapture amounts and the tax on lump-sum distributions (check appropriate boxes)

(a) Schedule M1HOME (b) Schedule M1529 (c) Schedule M1LS 14 ■ _____

15 Tax before credits. Add lines 13 and 14 15 _____ 7 5 2

16 Amount from line 18 of Schedule M1C, *Nonrefundable Credits* (enclose Schedule M1C) 16 ■ _____

17 Subtract line 16 from line 15 (if result is zero or less, leave blank) 17 _____ 7 5 2

18 Nongame Wildlife Fund contribution (see instructions)
This will reduce your refund or increase the amount you owe  18 ■ _____

19 Add lines 17 and 18 19 _____ 7 5 2

20 **Minnesota income tax withheld.** Complete and enclose Schedule M1W to report
Minnesota withholding from Forms W-2, 1099, and W-2G (do not send) 20 ■ _____ 9 8 0

21 Minnesota estimated tax and extension payments made for 2021 21 ■ _____

22 Amount from line 11 of Schedule M1REF, *Refundable Credits* (see instructions; enclose Schedule M1REF) 22 ■ _____

23 Total payments. Add lines 20 through 22 23 _____ 9 8 0

24 **REFUND.** If line 23 is more than line 19, subtract line 19 from line 23 (see instructions).
For direct deposit, complete line 25 24 ■ _____ 2 2 8

25 Direct deposit of your refund (you must use an account not associated with a foreign bank):

Checking Savings _____
Routing Number Account Number

26 **AMOUNT YOU OWE.** If line 19 is more than line 23, subtract line 23 from line 19 (see instructions) 26 ■ _____

27 Penalty amount from Schedule M15 (see instructions). Also subtract
this amount from line 24 or add it to line 26 (enclose Schedule M15) 27 ■ _____

IF YOU PAY ESTIMATED TAX and want part of your refund credited to estimated tax, complete lines 28 and 29.

28 Amount from line 24 you want sent to you 28 ■ _____

29 Amount from line 24 you want applied to your 2022 estimated tax 29 ■ _____

Taxpayer: I declare that this return is correct and complete to the best of my knowledge and belief.

Your Signature Spouse's Signature (If Filing Jointly) Date (MM/DD/YYYY)

Daytime Phone Email Address

Paid Preparer's Signature Date (MM/DD/YYYY) PTIN or VITA/TCE # (required)

Preparer's Daytime Phone Preparer's Email Address

I do not want my paid preparer to file my return electronically. I authorize the Minnesota Department of Revenue to discuss this tax return

Include a copy of your 2021 federal return and schedules. with the preparer or the third-party designee indicated on my federal return.

Mail to: Minnesota Individual Income Tax, Mail Station 0010, 600 N. Robert St., St. Paul, MN 55145-0010
9995



2021 Schedule M1W, Minnesota Income Tax Withheld

Complete this schedule to report Minnesota income tax withheld. Include this schedule when you file your return.

Beverly _____ Hills _____ 471-66-1111 _____
Your First Name and Initial **Last Name** **Your Social Security Number**

_____ _____ _____
If a Joint Return, Spouse's First Name and Initial **Spouse's Last Name** **Spouse's Social Security Number**

If you received a federal Form W-2, 1099, W-2G, 1042-S, or Minnesota Schedule KPI, KS, or KF showing Minnesota income tax withheld, complete this schedule to determine line 20 of Form M1. List only the forms that report Minnesota income tax withheld. Round dollar amounts to the nearest whole dollar. You must include this schedule when you file your return. **DO NOT** send in your Forms W-2, 1099, or W-2G; keep them with your tax records. All instructions are included on this schedule.

1 Minnesota wages and Minnesota tax withheld on Forms W-2, other than from Forms W-2G. If you have more than five Forms W-2, complete line 5 on the back.

A	B—Box 13	C—Box 15	D—Box 16	E—Box 17
If the Form W-2 is for:	If Retirement Plan box is checked, mark an X below.	Employer's seven-digit Minnesota Tax ID Number	State wages, tips, etc. <i>(round to nearest whole dollar)</i>	Minnesota tax withheld <i>(round to nearest whole dollar)</i>
• you, enter 1				
• spouse, enter 2				
a1 _____	b1 <input type="checkbox"/>	c1 MN 7654321 _____	d1 25,000 _____	e1 980 _____
a2 _____	b2 <input type="checkbox"/>	c2 MN _____	d2 _____	e2 _____
a3 _____	b3 <input type="checkbox"/>	c3 MN _____	d3 _____	e3 _____
a4 _____	b4 <input type="checkbox"/>	c4 MN _____	d4 _____	e4 _____
a5 _____	b5 <input type="checkbox"/>	c5 MN _____	d5 _____	e5 _____

Subtotal for additional Forms W-2 (from line 5 on page 2) _____

Total Minnesota tax withheld on all Forms W-2 (add amounts in line 1, column E) 1 ■ 980

2 Minnesota tax withheld on Forms 1099, W-2G, and 1042-S. If you have more than four forms, complete line 6 on the back.

A	B	C	D
If the Form 1099, W-2G, or 1042-S is for:	Payer's seven-digit Minnesota Tax ID Number (if unknown, contact the payer)	Income amount (see the table on the back for amounts to include)	Minnesota tax withheld (round to nearest whole dollar)
• you, enter 1			
• spouse, enter 2			
a1 _____	b1 MN _____	c1 1,600 _____	d1 _____
a2 _____	b2 MN _____	c2 _____	d2 _____
a3 _____	b3 MN _____	c3 _____	d3 _____
a4 _____	b4 MN _____	c4 _____	d4 _____

Subtotal for additional 1099, W-2G, and 1042-S (from line 6 on page 2) _____

Total Minnesota tax withheld on all 1099, W-2G, and 1042-S (add amounts in line 2, column D) 2 ■

3 Total Minnesota tax withheld by partnerships, S corporations, and fiduciaries (from line 7 on page 2) 3 ■

4 Total. Add the Minnesota tax withheld on lines 1, 2, and 3.
 Enter the total here and on line 20 of Form M1 **4 ■ 980**

**Include this schedule with your Form M1.
 If required, include Schedules KPI, KS, and KF.**



Complete lines 5 and 6 to report Minnesota income tax withheld if you received more than five Forms W-2 or more than four Forms 1099, W-2G, and 1042-S. Complete line 7 to report Minnesota tax withheld on Schedules KPI, KS, and KF.

5 Minnesota wages and Minnesota tax withheld on additional Forms W-2 (other than W-2G).

A	B—Box 13	C—Box 15	D—Box 16	E—Box 17
If the Form W-2 is for: • you, enter 1 • spouse, enter 2	If Retirement Plan box is checked, mark an X below.	Employer's seven-digit Minnesota Tax ID Number	State wages, tips, etc. <i>(round to nearest whole dollar)</i>	Minnesota tax withheld <i>(round to nearest whole dollar)</i>
a1 _____	b1 <input type="checkbox"/>	c1 MN _____	d1 _____	e1 _____
a2 _____	b2 <input type="checkbox"/>	c2 MN _____	d2 _____	e2 _____
a3 _____	b3 <input type="checkbox"/>	c3 MN _____	d3 _____	e3 _____
a4 _____	b4 <input type="checkbox"/>	c4 MN _____	d4 _____	e4 _____

Subtotal for additional Forms W-2 (add amounts in line 5, column E) **5** _____
 Enter the result here and include on line 1 on the front of this schedule.

6 Minnesota tax withheld on additional Forms 1099, W-2G, and 1042-S.

A	B	C	D
If the Form 1099 or W-2G is for: • you, enter 1 • spouse, enter 2	Payer's seven-digit Minnesota Tax ID Number (if unknown, contact the payer)	Income amount (see the table at the bottom of this page for amounts to include) (round to nearest whole dollar)	Minnesota tax withheld
a1 _____	b1 MN _____	c1 _____	d1 _____
a2 _____	b2 MN _____	c2 _____	d2 _____
a3 _____	b3 MN _____	c3 _____	d3 _____
a4 _____	b4 MN _____	c4 _____	d4 _____

Subtotal for additional Forms 1099, W-2G, and 1042-S (add amounts in line 6, column D) **6** _____
 Enter the result here and include on line 2 on the front of this schedule.

7 Minnesota income and tax withheld by partnerships, S corporations, and fiduciaries, if any.

A	B—Minnesota Income Amount	C—Minnesota Tax Withheld
Entity's seven-digit Minnesota Tax ID Number (if unknown, contact the entity)	(from line 50 of Schedule KPI, line 48 of KS, or line 43 of KF)	(the sum of lines 31 and 52 of Schedule KPI, lines 31 and 50 of KS, or lines 31 and 37 of KF)
a1 MN _____	b1 _____	c1 _____
a2 MN _____	b2 _____	c2 _____
a3 MN _____	b3 _____	c3 _____
a4 MN _____	b4 _____	c4 _____

Subtotal of Minnesota tax withheld by any partnerships, S corporations, and fiduciaries (add amounts in line 7, column C). Enter the result here and on line 3 on the front of this schedule. **7** _____

Table for Column C, Lines 2 and 6					
Use to determine which amounts from your Form 1099 and 1042-S you must include as income on column C, lines 2 and 6.					
Form	Include the Sum of Boxes:	Form	Include the Sum of Boxes:	Form	Include the Sum of Boxes:
1099-G	1, 2, 5-7	1099-INT	1	1099-K	1a
1099-MISC	1-3, 5-8, 10, 13, 14	1099-OID	1, 2	1099-R	14 or 2a or 1
1099-DIV	1a, 2a	1042-S	2	1099-NEC	1



2021 CRP, Certificate of Rent Paid

Renter/Unit Information

Beverly		Hills		Electronic Certificate Number (ECN)	
Renter First Name and Initial		Renter Last Name		1/1/2021 12/31/2021	
35 Park Way		5		Rented from (MM/DD/YYYY) to (MM/DD/YYYY)	
Rental Unit Address		Unit		12 1	
Oakdale	MN	55128		Total Months Rented Total Adults Living in Unit	
City	State	ZIP Code	County		

Property Information

Place an X if the property is:

(1) Adult Foster Care
 (2) Assisted Living
 (3) Intermediate Care Facility
 (4) Nursing Home
 (5) Mobile Home
 (6) Mobile Home Lot

489572015890

Property ID or Parcel Number

25

Number of Units on This Property

Rent Details

A. Was any rent paid by Medical Assistance (*see instructions*)? (A) Yes No If yes, enter amount: A ■ _____

B. Did the renter receive Minnesota Housing Support (formerly GRH)(*see instructions*)? (B) Yes No If yes, enter amount: B ■ _____

Total Rent

1	Renter's share of rent paid (<i>see instructions</i>)	1	■	7,560
2	Caretaker rent reduction (<i>see instructions</i>)	2	■	
3	Total rent (<i>Add lines 1 and 2</i>)	3	■	7,560

Property Owner

Property Owner Name	Daytime Phone
Property Owner Address	City
State	ZIP Code

Sign Here

I declare that this certificate is correct and complete to the best of my knowledge and belief.

Owner or Agent Signature	Date (MM/DD/YYYY)
Managing Agent Name, If Applicable (<i>please print</i>)	Daytime Phone

Renter Instructions

Use this certificate to complete Form M1PR, *Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund*. When you file Form M1PR, you must attach all CRPs used to determine your refund. Keep copies of Form M1PR and all CRPs for your records.

Note: The property owner or managing agent must give each renter living in a unit a separate CRP showing that they paid an equal portion of the rent, regardless of the portion actually paid.

For forms and tax-related information, go to our website at www.revenue.state.mn.us, or call 651-296-3781 or 1-800-652-9094.



2021 Form M1PR, Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund

Beverly Hills 471-66-1111 _____
 Your First Name and Initial Last Name Your Social Security Number Your Date of Birth (MM/DD/YYYY)

If a Joint Return, Spouse's First Name and Initial _____ Spouse's Last Name _____ Spouse's Social Security Number _____ Spouse's Date of Birth _____
 35 Park Way, Unit 5 _____
 Current Home Address Check if Address is: New Foreign

Oakdale MN 55128
 City State ZIP Code

Check all that apply: Renter Homeowner Nursing Home or Adult Foster Care Resident Mobile Home Owner

State Elections Campaign Fund: To grant \$5 to this fund, enter the code for the party of your choice. It will help candidates for state offices pay campaign expenses. This will not increase your tax or reduce your refund.

Political Party Code Numbers: Democratic/Farmer-Labor . . . 12 Grassroots/Legalize Cannabis 14 Legal Marijuana Now 17
 Your Code Spouse's Code Republican 11 Independence 13 Libertarian 16 General Campaign Fund 99

- 1 **Federal adjusted gross income** (from Line 1 of Form M1, see instructions if you did not file Form M1) 1 ■ 26,600
- 2 **Nontaxable Social Security** and/or Railroad Retirement Board benefits received and not included in line 1 above (determine from instructions) 2 ■ _____
- 3 Deduction for contributions to a qualified retirement plan (add lines 16 and 20 of federal Schedule 1; see instructions) Also see line 9 of this Form M1PR. 3 ■ _____
- 4 Total payments from programs including MFIP (MN Family Investment Program), MSA (MN Supplemental Aid) SSI (Supplemental Security Income), GA (General Assistance), and Minnesota Housing Support (formerly GRH) 4 ■ _____
- 5 **Additional nontaxable income** from line 20 of Schedule M1PR-AI, Additions to Income 5 ■ 500
- 6 Add lines 1 through 5 (if you are a renter and this line is less than the rent you paid, enclose an explanation) . . 6 27,100
- 7 Subtraction for 65 or older (born before January 2, 1957) or disabled: If you (or your spouse if filing a joint return) are age 65 or older or are disabled, enter \$4,350: 7 ■ _____
Check the box if you or your spouse are: (A) 65 or Older (B) Disabled
- 8 **Dependent Subtraction:** Enter your subtraction for dependents (use worksheet in instructions) 8 ■ _____
 Number of dependents: _____ Names and Social Security numbers: _____
- 9 **Retirement Account Subtraction:** If you (or your spouse) contributed to a 401(k), IRA, 457(b), or other retirement plan, or had an amount on line 3, see instructions 9 ■ _____
- 10 Your non-deductible alimony payments and COVID-related IRA distributions from prior years (see instructions) 10 ■ _____
- 11 If you have a negative amount on line 35 of Schedule M1NC, enter the amount on line 11 (see instructions) . . 11 ■ _____
- 12 Add lines 7 through 11 12 _____
- 13 Subtract line 12 from line 6 13 27,100
- 14 **Co-occupant Income** (from line 13 of Worksheet 5 - Co-occupant Income. If negative, enter as a negative). . . 14 ■ _____
- 15 Add line 14 to line 13 15 27,100
- Renters - Complete lines 16-18. Homeowners - Continue to next section.**
- 16 Enter total rent from Certificates of Rent Paid (CRPs) (you must enclose your CRPs) 16 ■ 7,560
- 17 Multiply line 16 by 17% (.17) 17 1,285
- 18 **Renter's Refund.** Using the amount from line 13 and line 17, find the amount to enter here from the renters refund table in the instructions. You must continue with lines 23-25 on the next page. 18 623

2021 Form M1PR, page 2



Homeowners

Property ID Number _____ County where property is located _____

- 19 Property tax from line 1 of Statement of Property Taxes Payable in **2022** 19 ■ _____
(Mobile homeowners: See worksheet 1 in the instructions)
- 20 **If claiming the special refund**, enter amount from line 38 of Schedule 1 below *(see instructions)*. 20 ■ _____
- 21 Subtract line 20 from line 19 *(if result is zero or less, leave blank)* 21 _____
- 22 **Homestead Credit Refund:** Using the amounts from line 15 and line 21, find the amount to enter here from the homeowners refund table in the instructions. 22 _____
- Homeowners and Renters**
- 23 Add lines 18, 20, and 22 23 ■ 623
- 24 Nongame Wildlife Fund contribution. Your refund will be reduced by this amount 24 ■ _____
- 25 **Your Refund.** Subtract line 24 from line 23. Continue to line 39. 25 ■ 623

Schedule 1 - Special Refund

To qualify, you must have owned and lived in this homestead both on January 2, 2021, and on January 2, 2022. If you qualify, see the instructions.

- 26 Line 1 of Statement of Property Taxes Payable in 2022. If the Statement does not list an amount for new improvements or expired exclusions, skip lines 27 and 28 and enter this amount on line 29 26 ■ _____
- 27 If the Statement lists an amount for new improvements or expired exclusions, complete and enclose Worksheet 3 from the instructions and enter the percentage from Step 3 here. 27 ■ _____ %
- 28 Multiply line 26 by the percentage on line 27 28 _____
- 29 If you did not have new improvements or expired exclusions, enter the amount from line 26. If you had new improvements or expired exclusions, subtract line 28 from line 26. 29 _____
- 30 From your Statement of Property Taxes Payable in 2022, enter the amount from line 2 (2021 column). If there is no amount on line 2, see instructions. 30 ■ _____
- Disabled Veterans Homestead Exclusion (see instructions)**
- 31 Special refund (not your regular refund) from line 20 of your 2020 Form M1PR 31 ■ _____
- 32 Subtract line 31 from line 30 *(if result is a negative number or more than line 29, STOP HERE; you are not eligible for the special refund)* 32 _____
- 33 Subtract line 32 from line 29 *(if result is less than \$100, STOP HERE; you are not eligible for the special refund)* 33 _____
- 34 Amount from Line 32 _____ X 12% (.12) 34 _____
- 35 Amount from line 34 or \$100, whichever is greater. 35 _____
- 36 Subtract line 35 from line 33 *(if result is zero or less, STOP HERE; you are not eligible for this special refund)* 36 _____
- 37 Multiply line 36 by 60% (.60) 37 _____
- 38 **Special Refund.** Amount from line 37 or \$1,000, whichever is less. Enter the amount here and on line 20 of this Form M1PR. 38 _____

39 Direct deposit of your refund *(you must use an account not associated with a foreign bank):*

Checking Savings

Routing Number _____

Account Number _____

Taxpayer: I declare that this return is correct and complete to the best of my knowledge and belief.

Your Signature _____

Spouse's Signature (If Filing Jointly) _____

Date (MM/DD/YYYY) _____

Daytime Phone _____

Paid Preparer's Signature _____

Date (MM/DD/YYYY) _____

PTIN or VITA/TCE # (required) _____

Preparer's Daytime Phone _____

I authorize the Minnesota Department of Revenue to discuss this tax return with the preparer.

Mail to: Minnesota Property Tax Refund St. Paul, MN 55145-0020

Renters — Include your 2021 CRP(s).



2021 Schedule M1PR-AI, Additions to Income

Complete Schedule M1PR-AI, *Additions to Income*, to report amounts for line 5 of Form M1PR, *Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund*. Enter the type of income that was received in Column A and the amount in Column B. See instructions to determine which types of income to include.

<u>Beverly</u>	<u>Hills</u>	<u>471-66-1111</u>
Your First Name and Initial	Last Name	Your Social Security Number

<u> </u>	<u> </u>	<u> </u>
If a Joint Return, Spouse's First Name and Initial	Spouse's Last Name	Spouse's Social Security Number

Column A — Type of Income Received	Column B —Amount
---	-------------------------

1a ■ Scholarship	1b ■ 500
2a ■	2b ■
3a ■	3b ■
4a ■	4b ■
5a ■	5b ■
6a ■	6b ■
7a ■	7b ■
8a ■	8b ■
9a ■	9b ■
10a ■	10b ■
11a ■	11b ■
12a ■	12b ■
13a ■	13b ■
14a ■	14b ■
15a ■	15b ■
16a ■	16b ■
17a ■	17b ■
18a ■	18b ■
19a ■	19b ■

20 Total of Column B. Add all amounts in Column B. Enter here and on line 5 of Form M1PR	20 500
---	--------

You must include this schedule with your Form M1PR. If you had more than 19 items, include a statement with the type of income and amounts received.

Example 2: M1, M1W, M1MA, M1PR, M1PR-AI

Ryan (889-45-6666) and Tricia (889-45-8989) Melrose are Married Filing Jointly. They have no dependents and are homeowners. They will take the standard deduction.

Ryan made a \$1,500 contribution to their 457(b) Deferred Compensation Plan.

Tricia had additional income of \$1,000 from participating in a clinical study.

They had a Federal IRA Deduction of \$2,500.

Line 12 of 2020 M1PR: \$0

<input type="checkbox"/> CORRECTED (if checked)			OMB No. 1545-0045		2021	Miscellaneous Information
Form 1099-MISC			Form 1099-MISC			
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. Clinical Research Testing Site 1000 Hennepin Ave. Minneapolis, MN 55406			1 Pents	\$	Copy B For Recipient	This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
			2 Royalties	\$		
			3 Other income	\$ 1,000		
			4 Federal income tax withheld	\$		
PAYER'S TIN:	RECIPIENT'S TIN:		5 Fishing boat proceeds	\$	6 Medical and health care payments	
41-2222222	889-45-8989		7 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>	\$	8 Substitute payments in lieu of dividends or interest	
RECIPIENT'S name			9 Crop insurance proceeds	\$	10 Gross proceeds paid to an attorney	
Tricia Melrose			11 Fish purchased for resale	\$	12 Section 409A deferrals	
Street address (including apt. no.)			13 Excess golden parachute payments	\$	14 Nonqualified deferred compensation	
783 Pluto Drive			15 State tax withheld	\$	16 State/Payer's state no.	17 State income
City or town, state or province, country, and ZIP or foreign postal code			\$	\$		\$ 1,000
Minneapolis, MN 55406			16 State/Payer's state no.	\$		\$
Account number (see instructions)	FATCA filing requirement <input type="checkbox"/>					

Form 1099-MISC (keep for your records) www.irs.gov/Form1099MISC Department of the Treasury - Internal Revenue Service

Example 2

a Employee's social security number 889-45-6666		OMB No. 1545-0008				This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.	
b Employer identification number (EIN) 11-1112222		1 Wages, tips, other compensation \$38,000		2 Federal income tax withheld \$1,222			
c Employer's name, address, and ZIP code Civil Center 1119 3rd Street Minneapolis, MN 55401		3 Social security wages		4 Social security tax withheld			
		5 Medicare wages and tips		6 Medicare tax withheld			
		7 Social security tips		8 Allocated tips			
d Control number		9		10 Dependent care benefits			
e Employee's first name and initial Last name Suffix Ryan Melrose 783 Pluto Drive Minneapolis, MN 55408		11 Nonqualified plans		12a See instructions for box 12 \$0 \$1,500			
		13 Seasonal employee <input type="checkbox"/> Fulltime or part-time <input checked="" type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b			
		14 Other		12c			
				12d			
f Employee's address and ZIP code		15 State Employer's state ID number MN 7658721		16 State wages, tips, etc. \$38,000		17 State income tax \$800	
				18 Local wages, tips, etc.		19 Local income tax	
						20 Locality name	

Form **W-2** Wage and Tax Statement **2021** Department of the Treasury—Internal Revenue Service
 Copy C—For EMPLOYEE'S RECORDS (See Notice to Employee on the back of Copy B.)
 Safe, accurate, FAST! Use



Hennepin County, MN
 2022 Property Tax Statement
STATE COPY

This form has been approved by the Minnesota Department of Revenue for use when filing for the State of Minnesota M-1PR Property Tax Refund. Read information below on eligibility. File by August 15, 2019.

Taxpayer or Agent Owner Property ID No. Property Address	Ryan Melrose Tricia Melrose 783 Pluto Drive Minneapolis, MN	[Redacted] [Redacted] [Redacted]
---	--	--

Use these amounts when filling out Form M-1PR to see if you are eligible for one or both of the refunds available

Line 1:	\$4,000
Line 2:	\$2,000
Line 5:	\$4,000

If this box is checked you owe delinquent taxes and may not apply for the Property Tax Refund. Call Hennepin County at (612) 348-3011 for amount due.


Taxes Payable	2022	Taxes Payable	2022
HOMESTEAD		HOMESTEAD	
0		New Improvements	\$17,382
\$208,500		Estimated Market Value	\$233,500
\$190,025		Taxable Market Value	\$217,275
Property Tax Refund Information			

Example 2

a Employee's social security number <small>(OMB-15-8008)</small>		OMB No. 1545-0008				This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.	
b Employer identification number (EIN)		1 Wages, tips, other compensation <small>(\$)</small>		2 Federal income tax withheld <small>(\$)</small>			
c Employer's name, address, and ZIP code ABC Call Center 122 6th Street Minneapolis, MN 55406		3 Social security wages		4 Social security tax withheld			
		5 Medicare wages and tips		6 Medicare tax withheld			
		7 Social security tips		8 Allocated tips			
d Control number		9		10 Dependent care benefits			
e Employee's first name and initial Last name Suffix Tina Melmo 793 Plaza Drive Minneapolis, MN 55406		11 Nonqualified plans		12a See instructions for box 12			
		13 <input type="checkbox"/> Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay		12b			
		14 Other		12c			
f Employee's address and ZIP code				12d			
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name	
MN	6655777	\$35,000	\$690				

Form **W-2** Wage and Tax Statement
 Copy C—For EMPLOYEE'S RECORDS
 (See Notice to Employee on the back of Copy B.)

2021

Department of the Treasury—Internal Revenue Service
 Safe, accurate, FAST! Use 

Example 2

Worksheet 3

For Homesteads with New Improvements and/or Expired Exclusions

- | | | |
|---|---|---------|
| 1 | Amount of new improvements/expired exclusions in the 2022 column listed on your Statement(s) of Property Taxes Payable in 2022 | 17,382 |
| 2 | Amount of Taxable Market Value in the 2022 column as listed on your Statement(s) of Property Taxes Payable in 2022 | 217,275 |
| 3 | Divide step 1 by step 2 and convert to a percentage (round to the nearest whole percentage). Enter the resulting percentage here and on line 27 | 8 % |

Complete lines 28–38 to determine if you are eligible for the special refund.

Example 2

Form **1040**

Department of the Treasury—Internal Revenue Service (99)
U.S. Individual Income Tax Return

2021

OMB No. 1545-0074

IRS Use Only—Do not write or staple in this space.

Filing Status Single Married filing jointly Married filing separately (MFS) Head of household (HOH) Qualifying widow(er) (QW)
Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ▶

Your first name and middle initial Beverly	Last name Hills	Your social security number 4 7 1 6 1 1 1 1
If joint return, spouse's first name and middle initial	Last name	Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. 35 Park Way		Apt. no. 5	Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse
City, town, or post office. If you have a foreign address, also complete spaces below. Oakdale	State MN	ZIP code 55128	
Foreign country name	Foreign province/state/county	Foreign postal code	

At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency? Yes No

Standard Deduction **Someone can claim:** You as a dependent Your spouse as a dependent
 Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness **You:** Were born before January 2, 1957 Are blind **Spouse:** Was born before January 2, 1957 Is blind

Dependents (see instructions): If more than four dependents, see instructions and check here ▶ <input type="checkbox"/>	(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see instructions): Child tax credit	Credit for other dependents
						<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>

Attach Sch. B if required.	1 Wages, salaries, tips, etc. Attach Form(s) W-2	1	25,000
	2a Tax-exempt interest	2a	
	3a Qualified dividends	3a	
	4a IRA distributions	4a	
	5a Pensions and annuities	5a	
	6a Social security benefits	6a	
	7 Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/>	7	
	8 Other income from Schedule 1, line 10	8	1,600
	9 Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income ▶	9	26,600
	10 Adjustments to income from Schedule 1, line 26	10	22
11 Subtract line 10 from line 9. This is your adjusted gross income ▶	11	26,578	
12a Standard deduction or itemized deductions (from Schedule A)	12a	12,550	
b Charitable contributions if you take the standard deduction (see instructions)	12b		
c Add lines 12a and 12b	12c	12,550	
13 Qualified business income deduction from Form 8995 or Form 8995-A	13		
14 Add lines 12c and 13	14	12,550	
15 Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-	15	14,028	

16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	16
17	Amount from Schedule 2, line 3	17
18	Add lines 16 and 17	18
19	Nonrefundable child tax credit or credit for other dependents from Schedule 8812	19
20	Amount from Schedule 3, line 8	20
21	Add lines 19 and 20	21
22	Subtract line 21 from line 18. If zero or less, enter -0-	22
23	Other taxes, including self-employment tax, from Schedule 2, line 21	23
24	Add lines 22 and 23. This is your total tax	24
25	Federal income tax withheld from:	
a	Form(s) W-2	25a
b	Form(s) 1099	25b
c	Other forms (see instructions)	25c
d	Add lines 25a through 25c	25d
26	2021 estimated tax payments and amount applied from 2020 return	26
27a	Earned income credit (EIC) Check here if you were born after January 1, 1998, and before January 2, 2004, and you satisfy all the other requirements for taxpayers who are at least age 18, to claim the EIC. See instructions <input type="checkbox"/>	27a
b	Nontaxable combat pay election	27b
c	Prior year (2019) earned income	27c
28	Refundable child tax credit or additional child tax credit from Schedule 8812	28
29	American opportunity credit from Form 8863, line 8	29
30	Recovery rebate credit. See instructions	30
31	Amount from Schedule 3, line 15	31
32	Add lines 27a and 28 through 31. These are your total other payments and refundable credits	32
33	Add lines 25d, 26, and 32. These are your total payments	33
Refund	34 If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34
	35a Amount of line 34 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>	35a
Direct deposit? See instructions.	b Routing number: _____ c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
	d Account number: _____	
	36 Amount of line 34 you want applied to your 2022 estimated tax	36
Amount You Owe	37 Amount you owe . Subtract line 33 from line 24. For details on how to pay, see instructions	37
	38 Estimated tax penalty (see instructions)	38

If you have a qualifying child, attach Sch. EIC.

Third Party Designee Do you want to allow another person to discuss this return with the IRS? See instructions **Yes**. Complete below. **No**

Designee's name: _____ Phone no.: _____ Personal identification number (PIN): _____

Sign Here Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.)

Phone no. _____ Email address _____

Paid Preparer Use Only

Preparer's name	Preparer's signature	Date	PTIN	Check if: <input type="checkbox"/> Self-employed
Firm's name	Firm's address			Phone no.
Firm's EIN				

**SCHEDULE 1
(Form 1040)**

Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income

▶ Attach to Form 1040, 1040-SR, or 1040-NR.
▶ Go to www.irs.gov/Form1040 for instructions and the latest information.

OMB No. 1545-0074

2021
Attachment
Sequence No. **01**

Name(s) shown on Form 1040, 1040-SR, or 1040-NR

Beverly Hills

Your social security number

471-66-1111

Part I Additional Income

1	Taxable refunds, credits, or offsets of state and local income taxes	1	
2a	Alimony received	2a	
b	Date of original divorce or separation agreement (see instructions) ▶ _____		
3	Business income or (loss). Attach Schedule C	3	1,600
4	Other gains or (losses). Attach Form 4797	4	
5	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	5	
6	Farm income or (loss). Attach Schedule F	6	
7	Unemployment compensation	7	
8	Other income:		
a	Net operating loss	8a	()
b	Gambling income	8b	
c	Cancellation of debt	8c	
d	Foreign earned income exclusion from Form 2555	8d	()
e	Taxable Health Savings Account distribution	8e	
f	Alaska Permanent Fund dividends	8f	
g	Jury duty pay	8g	
h	Prizes and awards	8h	
i	Activity not engaged in for profit income	8i	
j	Stock options	8j	
k	Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property	8k	
l	Olympic and Paralympic medals and USOC prize money (see instructions)	8l	
m	Section 951(a) inclusion (see instructions)	8m	
n	Section 951A(a) inclusion (see instructions)	8n	
o	Section 461(l) excess business loss adjustment	8o	
p	Taxable distributions from an ABLE account (see instructions)	8p	
z	Other income. List type and amount ▶ _____	8z	
9	Total other income. Add lines 8a through 8z	9	
10	Combine lines 1 through 7 and 9. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8	10	1,600

For Paperwork Reduction Act Notice, see your tax return instructions.

Cat. No. 71479F

Schedule 1 (Form 1040) 2021

Part II Adjustments to Income

11	Educator expenses		11	
12	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106		12	
13	Health savings account deduction. Attach Form 8889		13	
14	Moving expenses for members of the Armed Forces. Attach Form 3903		14	
15	Deductible part of self-employment tax. Attach Schedule SE		15	<u>22</u>
16	Self-employed SEP, SIMPLE, and qualified plans		16	
17	Self-employed health insurance deduction		17	
18	Penalty on early withdrawal of savings		18	
19a	Alimony paid		19a	
b	Recipient's SSN			
c	Date of original divorce or separation agreement (see instructions) ▶			
20	IRA deduction		20	
21	Student loan interest deduction		21	
22	Reserved for future use		22	
23	Archer MSA deduction		23	
24	Other adjustments:			
a	Jury duty pay (see instructions)	24a		
b	Deductible expenses related to income reported on line 8k from the rental of personal property engaged in for profit	24b		
c	Nontaxable amount of the value of Olympic and Paralympic medals and USOC prize money reported on line 8l	24c		
d	Reforestation amortization and expenses	24d		
e	Repayment of supplemental unemployment benefits under the Trade Act of 1974	24e		
f	Contributions to section 501(c)(18)(D) pension plans	24f		
g	Contributions by certain chaplains to section 403(b) plans	24g		
h	Attorney fees and court costs for actions involving certain unlawful discrimination claims (see instructions)	24h		
i	Attorney fees and court costs you paid in connection with an award from the IRS for information you provided that helped the IRS detect tax law violations	24i		
j	Housing deduction from Form 2555	24j		
k	Excess deductions of section 67(e) expenses from Schedule K-1 (Form 1041)	24k		
z	Other adjustments. List type and amount ▶ _____	24z		
25	Total other adjustments. Add lines 24a through 24z		25	
26	Add lines 11 through 23 and 25. These are your adjustments to income . Enter here and on Form 1040 or 1040-SR, line 10, or Form 1040-NR, line 10a		26	<u>22</u>



2021 Form M1, Individual Income Tax

Do not use staples on anything you submit.

Ryan Your First Name and Initial	Melrose Last Name	889-45-6666 Your Social Security Number	_____ Your Date of Birth (MM/DD/YYYY)
Tricia If a Joint Return, Spouse's First Name and Initial	Melrose Spouse's Last Name	889-45-8989 Spouse's Social Security Number	_____ Spouse's Date of Birth
783 Pluto Drive Current Home Address		Check if Address is:	<input type="checkbox"/> New <input type="checkbox"/> Foreign
Minneapolis City		MN State	55408 ZIP Code

2021 Federal Filing Status (place an X in one box):

(1) Single
 (2) Married Filing Jointly
 (3) Married Filing Separately
 (4) Head of Household
 (5) Qualifying Widow(er)

Spouse Name _____
 Spouse SSN _____

Dependents (see instructions):

Dependent 1 First Name _____	Dependent 1 Last Name _____	Dependent 1 SSN _____	Dependent 1 Relationship to You _____
Dependent 2 First Name _____	Dependent 2 Last Name _____	Dependent 2 SSN _____	Dependent 2 Relationship to You _____
Dependent 3 First Name _____	Dependent 3 Last Name _____	Dependent 3 SSN _____	Dependent 3 Relationship to You _____

State Elections Campaign Fund

To grant \$5 to this fund, enter the code for the party of your choice. It will help candidates for state offices pay campaign expenses. This will not increase your tax or reduce your refund.


Your Code	Spouse's Code	Political Party Code Numbers: Democratic/Farmer-Labor . . . 12 Republican 11	Grassroots/Legalize Cannabis 14 Independence 13	Legal Marijuana Now 17 Libertarian 16 General Campaign Fund 99
-----------	---------------	---	--	--

From Your Federal Return (see instructions)

73,000	_____	_____	46,400
A. Wages, salaries, tips, etc.	B. IRA, pensions, and annuities	C. Unemployment	D. Federal taxable income
1 Federal adjusted gross income (from line 11 of federal Form 1040 and 1040-SR)			1 ■ 71,500
2 Additions to income from line 10 of Schedule M1M and line 9 of Schedule M1MB (see instructions)			2 ■ _____
3 Add lines 1 and 2.			3 71,500
4 Itemized deductions (from Schedule M1SA) or your standard deduction (see instructions)			4 ■ 25,050
5 Exemptions (determine from instructions)			5 ■ _____
6 State income tax refund from line 1 of federal Schedule 1			6 ■ _____
7 Subtractions from line 32 of Schedule M1M and line 22 of Schedule M1MB (see instructions)			7 ■ _____
8 Total subtractions. Add lines 4 through 7			8 25,050
9 Minnesota taxable income. Subtract line 8 from line 3. If zero or less, leave blank.			9 46,450
10 Tax from the table in the Form M1 instructions			10 2,581





11	Alternative minimum tax (enclose Schedule M1MT)	11	■	_____
12	Add lines 10 and 11	12		2,581
13	Full-year residents: Enter the amount from line 12 on line 13. Skip lines 13a and 13b. Part-year residents and nonresidents: From Schedule M1NR, enter the amount from line 32 on line 13, from line 28 on line 13a, and from line 29 on line 13b (enclose Schedule M1NR)	13		2,581
	13a ■ _____ 13b ■ _____			
14	Other taxes, such as recapture amounts and the tax on lump-sum distributions (check appropriate boxes)	14	■	_____
	<input type="checkbox"/> (a) Schedule M1HOME <input type="checkbox"/> (b) Schedule M1529 <input type="checkbox"/> (c) Schedule M1LS			
15	Tax before credits. Add lines 13 and 14	15		2,581
16	Amount from line 18 of Schedule M1C, Nonrefundable Credits (enclose Schedule M1C)	16	■	143
17	Subtract line 16 from line 15 (if result is zero or less, leave blank)	17		2,438
18	Nongame Wildlife Fund contribution (see instructions) This will reduce your refund or increase the amount you owe 	18	■	_____
19	Add lines 17 and 18	19		2,438
20	Minnesota income tax withheld. Complete and enclose Schedule M1W to report Minnesota withholding from Forms W-2, 1099, and W-2G (do not send)	20	■	1,490
21	Minnesota estimated tax and extension payments made for 2021	21	■	_____
22	Amount from line 11 of Schedule M1REF, Refundable Credits (see instructions; enclose Schedule M1REF)	22	■	_____
23	Total payments. Add lines 20 through 22	23		1,490
24	REFUND. If line 23 is more than line 19, subtract line 19 from line 23 (see instructions). For direct deposit, complete line 25	24	■	_____
25	Direct deposit of your refund (you must use an account not associated with a foreign bank): <input type="checkbox"/> Checking <input type="checkbox"/> Savings _____ Routing Number Account Number			
26	AMOUNT YOU OWE. If line 19 is more than line 23, subtract line 23 from line 19 (see instructions)	26	■	948
27	Penalty amount from Schedule M15 (see instructions). Also subtract this amount from line 24 or add it to line 26 (enclose Schedule M15)	27	■	_____
	IF YOU PAY ESTIMATED TAX and want part of your refund credited to estimated tax, complete lines 28 and 29.			
28	Amount from line 24 you want sent to you	28	■	_____
29	Amount from line 24 you want applied to your 2022 estimated tax	29	■	_____

Taxpayer: I declare that this return is correct and complete to the best of my knowledge and belief.

Your Signature _____ Spouse's Signature (If Filing Jointly) _____ Date (MM/DD/YYYY) _____

Daytime Phone _____ Email Address _____

Paid Preparer's Signature _____ Date (MM/DD/YYYY) _____ PTIN or VITA/TCE # (required) _____

Preparer's Daytime Phone _____ Preparer's Email Address _____

I do not want my paid preparer to file my return electronically. I authorize the Minnesota Department of Revenue to discuss this tax return with the preparer or the third-party designee indicated on my federal return.

Include a copy of your 2021 federal return and schedules.

Mail to: Minnesota Individual Income Tax, Mail Station 0010, 600 N. Robert St., St. Paul, MN 55145-0010 9995



2021 Schedule M1W, Minnesota Income Tax Withheld

Complete this schedule to report Minnesota income tax withheld. Include this schedule when you file your return.

Ryan	Melrose	889-45-6666
Your First Name and Initial	Last Name	Your Social Security Number
Tricia	Melrose	889-45-8989
If a Joint Return, Spouse's First Name and Initial	Spouse's Last Name	Spouse's Social Security Number

If you received a federal Form W-2, 1099, W-2G, 1042-S, or Minnesota Schedule KPI, KS, or KF showing Minnesota income tax withheld, complete this schedule to determine line 20 of Form M1. List only the forms that report Minnesota income tax withheld. Round dollar amounts to the nearest whole dollar. You must include this schedule when you file your return. **DO NOT** send in your Forms W-2, 1099, or W-2G; keep them with your tax records. All instructions are included on this schedule.

1 Minnesota wages and Minnesota tax withheld on Forms W-2, other than from Forms W-2G. If you have more than five Forms W-2, complete line 5 on the back.

A	B—Box 13	C—Box 15	D—Box 16	E—Box 17
If the Form W-2 is for:	If Retirement Plan box is checked, mark an X below.	Employer's seven-digit Minnesota Tax ID Number	State wages, tips, etc. <i>(round to nearest whole dollar)</i>	Minnesota tax withheld <i>(round to nearest whole dollar)</i>
• you, enter 1				
• spouse, enter 2				
a1 <u>1</u>	b1 <input checked="" type="checkbox"/>	c1 MN <u>7658721</u>	d1 <u>38,000</u>	e1 <u>800</u>
a2 <u>2</u>	b2 <input type="checkbox"/>	c2 MN <u>6655777</u>	d2 <u>35,000</u>	e2 <u>690</u>
a3 _____	b3 <input type="checkbox"/>	c3 MN _____	d3 _____	e3 _____
a4 _____	b4 <input type="checkbox"/>	c4 MN _____	d4 _____	e4 _____
a5 _____	b5 <input type="checkbox"/>	c5 MN _____	d5 _____	e5 _____

Subtotal for additional Forms W-2 (from line 5 on page 2) _____

Total Minnesota tax withheld on all Forms W-2 (add amounts in line 1, column E) 1 ■ 1,490

2 Minnesota tax withheld on Forms 1099, W-2G, and 1042-S. If you have more than four forms, complete line 6 on the back.

A	B	C	D
If the Form 1099, W-2G, or 1042-S is for:	Payer's seven-digit Minnesota Tax ID Number (if unknown, contact the payer)	Income amount (see the table on the back for amounts to include)	Minnesota tax withheld (round to nearest whole dollar)
• you, enter 1			
• spouse, enter 2			
a1 <u>1</u>	b1 MN <u>4122222</u>	c1 <u>1,000</u>	d1 _____
a2 _____	b2 MN _____	c2 _____	d2 _____
a3 _____	b3 MN _____	c3 _____	d3 _____
a4 _____	b4 MN _____	c4 _____	d4 _____

Subtotal for additional 1099, W-2G, and 1042-S (from line 6 on page 2) _____

Total Minnesota tax withheld on all 1099, W-2G, and 1042-S (add amounts in line 2, column D) 2 ■ _____

3 Total Minnesota tax withheld by partnerships, S corporations, and fiduciaries (from line 7 on page 2) 3 ■ _____

4 Total. Add the Minnesota tax withheld on lines 1, 2, and 3.
Enter the total here and on line 20 of Form M1 **4 ■ 1,490**

**Include this schedule with your Form M1.
If required, include Schedules KPI, KS, and KF.**



Complete lines 5 and 6 to report Minnesota income tax withheld if you received more than five Forms W-2 or more than four Forms 1099, W-2G, and 1042-S. Complete line 7 to report Minnesota tax withheld on Schedules KPI, KS, and KF.

5 Minnesota wages and Minnesota tax withheld on additional Forms W-2 (other than W-2G).

A	B—Box 13	C—Box 15	D—Box 16	E—Box 17
If the Form W-2 is for: • you, enter 1 • spouse, enter 2	If Retirement Plan box is checked, mark an X below.	Employer's seven-digit Minnesota Tax ID Number	State wages, tips, etc. <i>(round to nearest whole dollar)</i>	Minnesota tax withheld <i>(round to nearest whole dollar)</i>
a1 _____	b1 <input type="checkbox"/>	c1 MN _____	d1 _____	e1 _____
a2 _____	b2 <input type="checkbox"/>	c2 MN _____	d2 _____	e2 _____
a3 _____	b3 <input type="checkbox"/>	c3 MN _____	d3 _____	e3 _____
a4 _____	b4 <input type="checkbox"/>	c4 MN _____	d4 _____	e4 _____

Subtotal for additional Forms W-2 (add amounts in line 5, column E) **5** _____
 Enter the result here and include on line 1 on the front of this schedule.

6 Minnesota tax withheld on additional Forms 1099, W-2G, and 1042-S.

A	B	C	D
If the Form 1099 or W-2G is for: • you, enter 1 • spouse, enter 2	Payer's seven-digit Minnesota Tax ID Number (if unknown, contact the payer)	Income amount (see the table at the bottom of this page for amounts to include) (round to nearest whole dollar)	Minnesota tax withheld
a1 _____	b1 MN _____	c1 _____	d1 _____
a2 _____	b2 MN _____	c2 _____	d2 _____
a3 _____	b3 MN _____	c3 _____	d3 _____
a4 _____	b4 MN _____	c4 _____	d4 _____

Subtotal for additional Forms 1099, W-2G, and 1042-S (add amounts in line 6, column D) **6** _____
 Enter the result here and include on line 2 on the front of this schedule.

7 Minnesota income and tax withheld by partnerships, S corporations, and fiduciaries, if any.

A	B—Minnesota Income Amount	C—Minnesota Tax Withheld
Entity's seven-digit Minnesota Tax ID Number (if unknown, contact the entity)	(from line 50 of Schedule KPI, line 48 of KS, or line 43 of KF)	(the sum of lines 31 and 52 of Schedule KPI, lines 31 and 50 of KS, or lines 31 and 37 of KF)
a1 MN _____	b1 _____	c1 _____
a2 MN _____	b2 _____	c2 _____
a3 MN _____	b3 _____	c3 _____
a4 MN _____	b4 _____	c4 _____

Subtotal of Minnesota tax withheld by any partnerships, S corporations, and fiduciaries (add amounts in line 7, column C). Enter the result here and on line 3 on the front of this schedule. **7** _____

Table for Column C, Lines 2 and 6

Use to determine which amounts from your Form 1099 and 1042-S you must include as income on column C, lines 2 and 6.

Form	Include the Sum of Boxes:	Form	Include the Sum of Boxes:	Form	Include the Sum of Boxes:
1099-G	1, 2, 5-7	1099-INT	1	1099-K	1a
1099-MISC	1-3, 5-8, 10, 13, 14	1099-OID	1, 2	1099-R	14 or 2a or 1
1099-DIV	1a, 2a	1042-S	2	1099-NEC	1



2021 Schedule M1MA, Marriage Credit

Ryan	Melrose	889-45-6666
Your First Name and Initial	Your Last Name	Your Social Security Number
Tricia	Melrose	889-45-8989
Spouse's First Name and Initial	Spouse's Last Name	Spouse's Social Security Number

		A — Taxpayer	B — Spouse
Part 1			
1 Wages, salaries, tips, etc. (see instructions)	1	38,000	35,000
2 Self-employment income (from line 3 of federal Schedule SE, less the self-employment tax deduction from line 13 of federal Schedule SE).	2		
3 Taxable pension income (see instructions)	3		
4 Taxable Social Security income (see instructions)	4		
5 Add lines 1 through 4 for each column	5	38,000	35,000
6 Amount from line 5, Column A or B, whichever is less (If less than \$26,000, STOP HERE . You do not qualify)	6		35,000
7 Joint taxable income from line 9 of Form M1. (If less than \$40,000, STOP HERE . You do not qualify)	7		46,450
8 If line 6 is less than \$104,000 , determine the amount of your credit using lines 6 and 7 and the table in the instructions.			
— Full-year residents: Enter the result here and on line 1 of Schedule M1C	8		143
— Part-year residents and nonresidents: Skip ahead to Part 3			
If line 6 is \$104,000 or more, continue to Part 2			

Part 2 — If Line 6 is \$104,000 or More

9 Enter the amount from line 6	9	
10 Value of one-half of the standard deduction for Married Filing Jointly	10	12,525
11 Subtract line 10 from line 9	11	
12 Using the tax schedule for single persons in the M1 instructions, compute the tax for the amount on line 11	12	
13 Amount from line 7	13	
14 Amount from line 11.	14	
15 Subtract line 14 from line 13 (If zero or less, STOP HERE . You do not qualify).	15	
16 Using the tax schedule for single persons in the Form M1 instructions, compute the tax for the amount on line 15.	16	
17 Tax from line 10 of Form M1	17	
18 Add lines 12 and 16	18	
19 Subtract line 18 from line 17. If the result is more than \$1,548, enter \$1,548. If result is zero or less, you do not qualify.		
Full-year residents: Enter the result here and on line 1 of Schedule M1C	19	
Part-year residents and nonresidents: Continue to Part 3 .		

Part 3 — Part-Year Residents and Nonresidents

20 Part-year residents and nonresidents: Enter the percentage from line 30 of Schedule M1NR	20	
21 Multiply line 8 or line 19, whichever is applicable, by line 20. Enter the result here and on line 1 of Schedule M1C	21	

Include this schedule when you file Form M1. Keep a copy for your records.

2021 Schedule M1MA Instructions

Do I qualify?

You may qualify for the Marriage Credit if all of these are true:

- Your filing status is Married Filing Jointly
- Both you and your spouse have taxable earned income, taxable pension, or taxable Social Security income
- Your joint taxable income on line 9 of your Form M1 is at least \$40,000
- The income of the lesser-earning spouse is at least \$26,000

Line Instructions

Lines 1–5

Complete lines 1 through 5, Columns A and B, to determine the earned income for each spouse.

If you completed Schedule M1NC, see instructions for line 35 of that schedule to determine if you need to adjust the amounts entered on lines 1 and 2 of Schedule M1MA.

Line 1

Do not include the following amounts on line 1:

- Military wages that you are allowed to subtract on Schedule M1M, Income Additions and Subtractions
- Railroad retirement board benefits
- Medicaid Waiver Payments you excluded from adjusted gross income on line 9 of federal Schedule 1

Line 3

Taxable pension income included on lines 4b and 5b of federal Forms 1040 and 1040-SR. When calculating line 3, do not include any Railroad Retirement Board benefits.

Line 4

If you did not have to complete Schedule M1NC, enter the amount from line 6b of federal Form 1040 or 1040-SR. If you did complete Schedule M1NC **and** had an amount on line 32 of that schedule, combine the amount from line 6b of Form 1040 or 1040-SR with the amount entered on line 32 of Schedule M1NC.

Line 8

Table for Line 8

If line 6 is:		and line 7 is at least:												
at least	but less than	\$40,000	60,000	80,000	100,000	120,000	140,000	160,000	180,000	200,000	220,000	240,000	260,000	& over
		but less than:												
		\$60,000	80,000	100,000	120,000	140,000	160,000	180,000	200,000	220,000	240,000	260,000	& over	
\$26,000	28,000	27	27	27	0	0	0	0	0	0	0	0	0	0
28,000	30,000	56	56	56	14	0	0	0	0	0	0	0	0	0
30,000	32,000	85	85	85	64	0	0	0	0	0	0	0	0	0
32,000	34,000	114	114	114	114	0	0	0	0	0	0	0	0	0
34,000	36,000	143	143	143	143	0	0	0	0	0	0	0	0	0
36,000	38,000	148	172	172	172	4	0	0	0	0	0	0	0	0
38,000	40,000	148	201	201	201	54	0	0	0	0	0	0	0	0
40,000	42,000	130	212	212	212	86	0	0	0	0	0	0	0	0
42,000	44,000	101	212	212	212	107	0	0	0	0	0	0	0	0
44,000	46,000	72	212	212	212	128	0	0	0	0	0	0	0	0
46,000	48,000	43	212	212	212	149	0	0	0	0	0	0	0	0
48,000	50,000	14	212	212	212	170	0	0	0	0	0	0	0	0
50,000	52,000	0	212	212	212	191	0	0	0	0	0	0	0	0
52,000	54,000	0	212	212	212	212	2	0	0	0	0	0	0	0
54,000	56,000	0	212	212	212	212	23	0	0	0	0	0	0	0
56,000	58,000	0	188	212	212	212	44	0	0	0	0	0	0	0
58,000	60,000	0	159	212	212	212	65	0	0	0	0	0	0	0
60,000	62,000	0	130	212	212	212	86	0	0	0	0	0	0	0
62,000	64,000	0	101	212	212	212	107	21	21	21	0	0	0	0
64,000	66,000	0	72	212	212	212	128	42	42	42	0	0	0	0
66,000	68,000	0	43	212	212	212	149	63	63	63	0	0	0	0
68,000	70,000	0	14	212	212	212	170	84	84	84	0	0	0	0
70,000	72,000	0	0	212	212	212	191	105	105	105	0	0	0	0
72,000	74,000	0	0	212	212	212	212	126	126	126	56	0	0	0
74,000	76,000	0	0	212	212	212	212	147	147	147	117	0	0	0
76,000	78,000	0	0	188	212	212	212	168	168	168	168	0	0	0
78,000	80,000	0	0	159	212	212	212	189	189	189	189	0	0	0
80,000	82,000	0	0	130	212	212	212	210	210	210	210	0	0	0
82,000	84,000	0	0	101	212	212	212	231	231	231	231	0	0	0
84,000	86,000	0	0	72	212	212	212	252	252	252	252	22	0	0
86,000	88,000	0	0	43	212	212	212	273	273	273	273	83	0	0
88,000	90,000	0	0	14	212	212	212	294	294	294	294	144	0	0
90,000	92,000	0	0	0	212	212	212	315	315	315	315	205	0	0
92,000	94,000	0	0	0	212	212	212	336	336	336	336	266	0	0
94,000	96,000	0	0	0	212	212	212	357	357	357	357	327	0	0
96,000	98,000	0	0	0	188	212	212	378	378	378	378	378	0	0
98,000	100,000	0	0	0	159	212	212	399	399	399	399	399	49	0
100,000	102,000	0	0	0	130	212	212	420	420	420	420	420	110	0
102,000	104,000	0	0	0	90	202	202	441	441	441	441	441	160	0



2021 Schedule M1C, Nonrefundable Credits

Complete this schedule to determine line 16 of Form M1. Include this schedule when filing your return.

Ryan	Melrose	889-45-6666
Your First Name and Initial	Your Last Name	Your Social Security Number

- | | | | |
|---|---|---|-----|
| 1 Marriage Credit for joint return when both spouses have taxable earned income or taxable retirement income <i>(enclose Schedule M1MA)</i> | 1 | ■ | 143 |
|---|---|---|-----|
- | | | | |
|---|---|---|-------|
| 2 Credit for long-term care insurance premiums paid <i>(enclose Schedule M1LTI)</i> | 2 | ■ | _____ |
|---|---|---|-------|
- | | | | |
|--|---|---|-------|
| 3 Credit for taxes paid to another state <i>(enclose Schedule(s) M1CR and M1RCR)</i> | 3 | ■ | _____ |
|--|---|---|-------|
- | | | | |
|--|---|---|-------|
| 4 Credit for Past Military Service <i>(see instructions)</i> | 4 | ■ | _____ |
|--|---|---|-------|
- | | | | |
|--|---|---|-------|
| 5 Employer Transit Pass Credit <i>(enclose Schedule ETP)</i> | 5 | ■ | _____ |
|--|---|---|-------|
- | | | | |
|---|---|---|-------|
| 6 SEED Capital Investment Credit <i>(see instructions; enclose certification)</i> | 6 | ■ | _____ |
|---|---|---|-------|
- | | | | |
|---|---|---|-------|
| 7 Education Savings Account Contribution Credit <i>(enclose Schedule M1529)</i> | 7 | ■ | _____ |
|---|---|---|-------|
- | | | | |
|---|---|---|-------|
| 8 Credit for Attaining Master’s Degree in Teacher’s Licensure Field <i>(enclose Schedule M1CMD)</i> | 8 | ■ | _____ |
|---|---|---|-------|
- | | | | |
|---|---|---|-------|
| 9 Student Loan Credit <i>(enclose Schedule M1SLC)</i> | 9 | ■ | _____ |
|---|---|---|-------|
- | | | | |
|---|----|---|-------|
| 10 Beginning Farmer Management Credit | 10 | ■ | _____ |
| Enter the certificate number from the certificate you received from the Rural Finance Authority:
BF 21 - _____ | | | |
- | | | | |
|---|----|---|-------|
| 11 Film Production Credit | 11 | ■ | _____ |
| Enter the credit certificate number: TAXC - _____ | | | |
- | | | | |
|---|----|---|-------|
| 12 Tax Credit for Owners of Agricultural Assets | 12 | ■ | _____ |
| Enter the certificate number from the certificate you received from the Rural Finance Authority:
AO 21 - _____
AO 21 - _____
AO 21 - _____ | | | |
- | | | | |
|---|----|---|-------|
| 13 Credit for increasing research activities <i>(enclose Schedule KPI, KS, or KF)</i> | 13 | ■ | _____ |
|---|----|---|-------|
- | | | | |
|---|----|---|-------|
| 14 Carryforward of prior year Beginning Farmer Management Credits <i>(see instructions)</i> | 14 | ■ | _____ |
| BF ____ - _____
BF ____ - _____ | | | |
- | | | | |
|---|----|---|-------|
| 15 Carryforward of prior year Owners of Agricultural Assets Credits <i>(see instructions)</i> | 15 | ■ | _____ |
| AO ____ - _____
AO ____ - _____ | | | |
- | | | | |
|--|----|---|-------|
| 16 Carryforward of prior year Credit for Increasing Research Activities | 16 | ■ | _____ |
| List the years the credits were reported to you on Schedule KPI, KS, or KF:
_____ | | | |
- | | | | |
|---|----|---|-------|
| 17 Alternative Minimum Tax Credit <i>(enclose Schedule M1MTC)</i> | 17 | ■ | _____ |
|---|----|---|-------|
- | | | | |
|---|----|---|-----|
| 18 Add lines 1 through 17. Enter total here and on line 16 of Form M1. | 18 | ■ | 143 |
|---|----|---|-----|

You must include this schedule with your Form M1.



2021 Schedule M1C Instructions

Should I file this schedule?

Complete Schedule M1C if any of the following apply to you (or your spouse if filing a joint return):

- You are filing a joint return and have taxable earned income, pension, or Social Security income
- You paid premiums on a qualified long-term care insurance policy
- You were a Minnesota resident for all or part of 2021 and paid income tax to both Minnesota and another state on the same income
- You qualify for the Credit for Past Military Service (see the instructions for line 4 on this schedule)
- You purchased transit passes to resell or give to your employees
- You paid Minnesota alternative minimum tax in prior years and are not required to pay it in 2021
- You invested in a qualified business in East Grand Forks, Breckenridge, Dilworth, Moorhead, or Ortonville, and the business has been certified as qualified for the SEED Capital Investment Program
- You contributed to a qualified education savings account in 2021 and did not claim the Education Savings Account Subtraction
- You were a licensed teacher who completed a qualifying master's degree program you began after June 30, 2017
- You were a full-year or part-year resident and made eligible loan payments on your own qualified student loans
- You received a credit certificate from the Minnesota Rural Finance Authority

Report the total of all credits from Schedule M1C on line 16 of Form M1. Include any schedules you completed when filing your return.

Line Instructions

Round amounts to the nearest whole dollar.

Line 1 — Marriage Credit (Schedule M1MA)

To qualify for the Marriage Credit, all of the following must apply:

- 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 9 of your Form M1 is at least \$40,000
- The earned income of the lesser-earning spouse is at least \$25,000

If you qualify, complete Schedule M1MA, *Marriage Credit*, to determine your credit.

Line 2—Credit for Long-Term Care Insurance Premiums (Schedule M1LTI)

You may be able to claim a credit against tax based on premiums you paid in 2021 for a qualified long-term care insurance policy for which you did not receive a full deduction on Schedule M1SA, *Minnesota Itemized Deductions*.

To qualify, your long-term care insurance policy must do both of the following:

- Qualify as a deduction (see Schedule M1SA), disregarding the income test
- Have a lifetime long-term care benefit limit of \$100,000 or more

The maximum credit is \$100 per person. If you qualify, complete Schedule M1LTI, *Long-Term Care Insurance Credit*.

Line 3—Credit for Taxes Paid to Another State (Schedule M1CR and Schedule M1RCR)

If you were a Minnesota resident for all or part of 2021 and you paid income tax to both Minnesota and 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 states for purposes of this credit.

If you were a resident of another state, but are required to file a 2021 Minnesota income tax return as a Minnesota resident, you may be eligible for this credit. To be eligible, you must have paid 2021 state tax on the same income to both Minnesota and your state of residence. You must get a statement from the other state's tax department stating ineligibility to receive a credit on that state's return for income tax paid to Minnesota. 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 with Form M1.

If you paid income tax to Wisconsin: A portion of your credit may be refundable. Complete Schedule M1RCR, *Credit for Tax Paid to Wisconsin*, and include the schedule with Form M1.

Line 4 — Credit for Past Military Service

You qualify for a credit if you (or your spouse if filing a joint return) have separated from service, your adjusted gross income is less than \$37,500, you did not claim a subtraction for military pension or other military retirement pay on line 25 of Schedule M1M, and one of the following is true:

- You were honorably discharged and receive a military pension or other retirement pay for your service in the military.
- You had served in the military for at least 20 years.
- You have a service-related disability rated by the U.S. Department of Veterans' Affairs as being 100 percent total and permanent.

Continued

Example 2

If your adjusted gross income is:

- \$30,000 or less, enter \$750 on line 4 of Schedule M1C (if you and your spouse both qualify for the credit and you are filing a joint return, enter \$1,500)
- Between \$30,000 and \$37,500, use the Worksheet for Line 4 to determine your credit amount.
- More than \$37,500, you do not qualify for this credit.

You may not claim this credit if you claimed the subtraction for military retirement pay on Schedule M1M.

Worksheet for Line 4

If your income is between \$30,000 and \$37,500, follow the steps below:

1 The maximum credit is \$750	750
2 Federal adjusted gross income from line 1 of Form M1 or line 37 of Schedule M1NC	
3 Income limit	30,000
4 Subtract step 3 from step 2	
5 Multiply step 4 by 10% (.10)	
6 Subtract step 5 from step 1	

Full-year residents: Enter the result here and on line 4 of Schedule M1C.

Part-year residents and nonresidents:

7 Enter the percentage from line 30 of Schedule M1NR	
8 Multiply step 6 by step 7. Enter the result here and on line 4 of Schedule M1C.	

If you and your spouse both qualify for the credit and are filing a joint return, multiply the result on step 6 (or step 8 if you are a part-year resident or nonresident) by 2.

Line 5 — Employer Transit Pass Credit (Schedule ETP)

If you purchase transit passes to give or resell to your employees, you may be eligible for this credit. To qualify:

- The transit pass must be a pass, token, farecard, voucher, or similar item entitling a person to transportation at regular or reduced prices.
- The passes must be used in Minnesota.
- The transportation must be provided by either of the following:
 - A public or privately-owned mass transit facility
 - A person in the business of transporting people for compensation or hire. The vehicle must have seating capacity for at least six adults, not including the driver.

The credit is equal to 30% of the difference between the price you pay for the passes and the price you charge employees.

If you qualify, complete Schedule ETP, *Employer Transit Pass Credit*. Enter the credit amount on line 5 of Schedule M1C, and include both schedules when you file Form M1. Include any credits reported to you on any Schedule KPI, KS, or KF you received.

Line 6 — SEED Capital Investment Credit

If you invest in a qualified business in Breckenridge, Dilworth, East Grand Forks, Moorhead, or Ortonville, and the business has been certified by the Minnesota Department of Employment and Economic Development (DEED) as qualifying for the SEED Capital Investment Program, you may qualify for this credit. You may carry the credit forward for up to four years.

Enter the amount from the credit certificate you received from DEED. **Include the credit certificate and Schedule M1C when you file Form M1.**

Line 7 — Education Savings Account Contribution Credit

If you contributed to a qualified education savings account in 2021, you may be eligible for a nonrefundable credit. Complete Schedule M1529, and enter the credit on line 7 of Schedule M1C. Include both schedules with your Form M1.

You are not eligible for this credit if you claimed the Education Savings Account Subtraction.

Line 8 — Credit for Attaining Master's Degree in Teacher's Licensure Field

If you were a licensed teacher who completed a master's degree program in a core content area that you began after **June 30, 2017**, you may be eligible for a nonrefundable credit. Complete Schedule M1CMD, *Credit for Attaining Master's Degree in Teacher's Licensure Field*, and enter the credit on line 8 of Schedule M1C. Include both schedules with your return.

Line 9 — Student Loan Credit

If you were a full-year or part-year resident of Minnesota in 2021 and you made eligible loan payments on your own qualified student loans in 2020, you may be eligible for a credit against tax if you had taxable earned income. Complete Schedule M1SLC, *Student Loan Credit*, and enter your credit from the schedule on line 9 of Schedule M1C. Include both schedules with your return.

Line 10 — Beginning Farmer Management Credit

If you received a credit certificate from the Minnesota Rural Finance Authority for enrolling in a management class, enter the certificate number in the space provided and credit amount on line 10. You may carry the unused credit forward for up to 3 years after the tax year it is generated.

Continued

Example 2

Line 11 — Film Production Credit

If you received a credit certificate from the Minnesota Department of Employment and Economic Development for certain eligible film production costs, enter the certificate number in the space provided and credit amount on line 11. The Film Production Credit should only be claimed for the tax year during which eligible film production costs were incurred.

Line 12 — Tax Credit for Owners of Agricultural Assets

If you received a credit certificate from the Minnesota Rural Finance Authority for selling or leasing agricultural assets to a beginning farmer, enter the certificate number in the space provided and credit amount on line 12.

If you received a certificate as an individual, and from a Partnership or S-Corporation, enter the certificate number for the certificate you received as an individual. If you received more than one certificate from an entity, but not as an individual, enter each certificate number on the spaces provided. If you received more than three certificates, provide an attachment with a list of the additional certificate numbers.

You may carry the unused credit forward for up to 15 years after the tax year it is generated.

Line 13 — Credit for Increasing Research Activities

Include the amounts reported you on:

- Schedule KS, line 17
- Schedule KPI, line 17
- Schedule KF, line 24

Attach the appropriate schedule when you file your return.

You may carry the unused credit forward for up to 15 years after the tax year it is generated.

Line 14 - Carryforward of prior year Beginning Farmer Management Credit

If you have a carryforward of one or more prior year Beginning Farmer Management Credits, enter the certificate number for each credit. Next to each certificate number, enter the amount you are claiming for the current year. On line 14, enter the total carryforward amount for all credits you are claiming in the current year.

Line 15 - Carryforward of prior year Owners of Agricultural Assets Credit

If you have a carryforward of one or more prior year Owners of Agricultural Assets Credits, enter the certificate number for each credit. Next to each certificate number, enter the amount you are claiming for the current year. On line 15, enter the total carryforward amount for all credits you are claiming in the current year.

Line 17 — Alternative Minimum Tax Credit (Schedule M1MTC)

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

If you paid Minnesota alternative minimum tax in one or more years from 1989 through 2020, but not for 2021, complete Schedule M1MT, *Alternative Minimum Tax*, and Schedule M1MTC, *Alternative Minimum Tax Credit*, to determine if you qualify or have a credit carry over from a prior year of any unused portion of your minimum tax credit. Enter the credit from Schedule M1MTC on line 17 of Schedule MIC.



2021 Form M1PR, Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund

Personal information fields: Your First Name and Initial (Ryan), Last Name (Melrose), Social Security Number (889-45-6666), Date of Birth, Spouse's information, Current Home Address (783 Pluto Drive, Minneapolis, MN), and ZIP Code (55408).

Check all that apply: Renter, Homeowner (checked), Nursing Home or Adult Foster Care Resident, Mobile Home Owner

State Elections Campaign Fund: To grant \$5 to this fund, enter the code for the party of your choice. It will help candidates for state offices pay campaign expenses. This will not increase your tax or reduce your refund.

Table with 4 columns: Your Code, Spouse's Code, Political Party Code Numbers (Democratic/Farmer-Labor, Republican, Independence, Grassroots/Legalize Cannabis, Libertarian), and Legal Marijuana Now/General Campaign Fund.

- 1 Federal adjusted gross income (from Line 1 of Form M1, see instructions if you did not file Form M1) 71,500
2 Nontaxable Social Security and/or Railroad Retirement Board benefits received
3 Deduction for contributions to a qualified retirement plan (add lines 16 and 20 of federal Schedule 1; see instructions) Also see line 9 of this Form M1PR. 2,500
4 Total payments from programs including MFIP (MN Family Investment Program), MSA (MN Supplemental Aid) SSI (Supplemental Security Income), GA (General Assistance), and Minnesota Housing Support (formerly GRH)
5 Additional nontaxable income from line 20 of Schedule M1PR-AI, Additions to Income 1,500
6 Add lines 1 through 5 (if you are a renter and this line is less than the rent you paid, enclose an explanation) 75,500
7 Subtraction for 65 or older (born before January 2, 1957) or disabled: If you (or your spouse if filing a joint return) are age 65 or older or are disabled, enter \$4,350:
Check the box if you or your spouse are: (A) 65 or Older (B) Disabled
8 Dependent Subtraction: Enter your subtraction for dependents (use worksheet in instructions)
Number of dependents: Names and Social Security numbers:
9 Retirement Account Subtraction: If you (or your spouse) contributed to a 401(k), IRA, 457(b), or other retirement plan, or had an amount on line 3, see instructions 4,000
10 Your non-deductible alimony payments and COVID-related IRA distributions from prior years (see instructions)
11 If you have a negative amount on line 35 of Schedule M1NC, enter the amount on line 11 (see instructions)
12 Add lines 7 through 11 4,000
13 Subtract line 12 from line 6 71,500
14 Co-occupant Income (from line 13 of Worksheet 5 - Co-occupant Income. If negative, enter as a negative)
15 Add line 14 to line 13 71,500

Renters - Complete lines 16-18. Homeowners - Continue to next section.

- 16 Enter total rent from Certificates of Rent Paid (CRPs) (you must enclose your CRPs)
17 Multiply line 16 by 17% (.17)
18 Renter's Refund. Using the amount from line 13 and line 17, find the amount to enter here from the renters refund table in the instructions. You must continue with lines 23-25 on the next page.



Example 2

2021 Form M1PR, page 2



Homeowners

Property ID Number 18-492-55-44-8888 County where property is located Hennepin

Table with 3 columns: Line number, Description, Amount. Includes lines 19-25 for Homeowners and Renters.

Schedule 1 - Special Refund

To qualify, you must have owned and lived in this homestead both on January 2, 2021, and on January 2, 2022. If you qualify, see the instructions.

Table with 3 columns: Line number, Description, Amount. Includes lines 26-38 for Special Refund.

39 Direct deposit of your refund (you must use an account not associated with a foreign bank):
[X] Checking [] Savings
Routing Number Account Number

Taxpayer: I declare that this return is correct and complete to the best of my knowledge and belief.

Your Signature Spouse's Signature (If Filing Jointly) Date (MM/DD/YYYY) Daytime Phone
Paid Preparer's Signature Date (MM/DD/YYYY) PTIN or VITA/TCE # (required) Preparer's Daytime Phone

I authorize the Minnesota Department of Revenue to discuss this tax return with the preparer.

Mail to: Minnesota Property Tax Refund St. Paul, MN 55145-0020 Renters — Include your 2021 CRP(s).



2021 Schedule M1PR-AI, Additions to Income

Complete Schedule M1PR-AI, *Additions to Income*, to report amounts for line 5 of Form M1PR, *Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund*. Enter the type of income that was received in Column A and the amount in Column B. See instructions to determine which types of income to include.

<u>Ryan</u>	<u>Melrose</u>	<u>889-45-6666</u>
Your First Name and Initial	Last Name	Your Social Security Number
<u>Tricia</u>	<u>Melrose</u>	<u>889-45-8989</u>
If a Joint Return, Spouse's First Name and Initial	Spouse's Last Name	Spouse's Social Security Number

Column A — Type of Income Received	Column B — Amount
1a ■ 457(B)	1b ■ 1,500
2a ■	2b ■
3a ■	3b ■
4a ■	4b ■
5a ■	5b ■
6a ■	6b ■
7a ■	7b ■
8a ■	8b ■
9a ■	9b ■
10a ■	10b ■
11a ■	11b ■
12a ■	12b ■
13a ■	13b ■
14a ■	14b ■
15a ■	15b ■
16a ■	16b ■
17a ■	17b ■
18a ■	18b ■
19a ■	19b ■
20 Total of Column B. Add all amounts in Column B. Enter here and on line 5 of Form M1PR	20 1,500

You must include this schedule with your Form M1PR. If you had more than 19 items, include a statement with the type of income and amounts received.

Example 3: M1, M1W, M1M, M1SA, M1529

Jorge (124-66-1111) and Carrie (777-33-4444) Hernandez are Married Filing Separately. Jorge claims their dependent grandchild Jose (444-22-6666), born (06/08/2015). Jorge is 67 years old.

Jorge had these expenses:

Doctor Visits: \$5,960

Surgery: \$6,774

Prescriptions: \$6,870

Premiums for Long-term care insurance policy: \$4,000

Dentist: \$2,680

Eyeglasses: \$560

Jorge had Real Estate Taxes of \$8,000 and home mortgage interest of \$20,000.

Jorge made a charitable contribution to the church by check for \$15,000.

Jorge made multiple charitable contributions to Goodwill totaling \$5,000.


Jorge contributed \$3,500 to a 529-education savings account. No amount was distributed in 2021.

Example 3

		a Employee's social security number 124-66-1111		OMB No. 1545-0008		This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.				
b Employer identification number (EIN) 41-1234567				1 Wages, tips, other compensation \$60,000		2 Federal income tax withheld \$9,112				
c Employer's name, address, and ZIP code Superior Way 800 Main Street Duluth, MN 55801				3 Social security wages		4 Social security tax withheld				
				5 Medicare wages and tips		6 Medicare tax withheld				
				7 Social security tips		8 Allocated tips				
d Control number				9		10 Dependent care benefits				
e Employee's first name and initial		Last name		Suff.		11 Nonqualified plans		12a See instructions for box 12		
Jorge Hernandez						13 <input type="checkbox"/> Seasonal employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third party sick pay		12b		
15102 27th Ave.						14 Other		12c		
Duluth, MN 55801								12d		
f Employee's address and ZIP code										
15 State Employer's state ID number		16 State wages, tips, etc.		17 State income tax		18 Local wages, tips, etc.		19 Local income tax		20 Locality name
MN 8795881		\$60,000		\$5,000						

Form **W-2** Wage and Tax Statement
 Copy C—For EMPLOYEE'S RECORDS
 (See Notice to Employee on the back of Copy B.)

2021


Department of the Treasury—Internal Revenue Service
 Safe, accurate, FAST! Use 

Example 3

		a Employee's social security number 124-66-1111		OMB No. 1545-0008 This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.	
b Employer identification number (EIN) 41-9876543		1 Wages, tips, other compensation \$100,000		2 Federal income tax withheld \$10,112	
c Employer's name, address, and ZIP code Best Care Nursing Home 100 Main Street Duluth, MN 55801		3 Social security wages		4 Social security tax withheld	
		5 Medicare wages and tips		6 Medicare tax withheld	
		7 Social security tips		8 Allocated tips	
d Control number		9		10 Dependent care benefits	
e Employee's first name and initial Last name Suff. Jorge Hernandez 15102 27th Ave. Duluth, MN 55805		11 Nonqualified plans		12a See instructions for box 12	
		13 Statutory employee Pension plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b	
		14 Other		12c	
				12d	
f Employee's address and ZIP code					
15 State Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name
MN 7698981	\$100,000	\$30,000			

Form **W-2** Wage and Tax Statement
Copy C - For EMPLOYEE'S RECORDS
 (See Notice to Employee on the back of Copy B.)

2021

Department of the Treasury - Internal Revenue Service
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CORRECTED (if checked)

PAYER'S name, street address, city or town, province or state, country, and ZIP or foreign postal code		1 Reportable winnings \$	2 Date won
		3 Type of wager	4 Federal income tax withheld \$
		5 Transaction	6 Race
PAYER'S federal identification number	PAYER'S telephone number	7 Winnings from identical wagers \$	8 Cashier
		9 Winner's taxpayer identification no.	10 Window
WINNER'S name Jorge Hernandez		11 First identification	12 Second identification
Street address (including apt. no.) 15102 27th Ave		13 State/Payer's state identification no.	14 State winnings \$
City or town, province or state, country, and ZIP or foreign postal code Duluth, MN 55805		15 State income tax withheld \$	16 Local winnings \$
		17 Local income tax withheld \$	18 Name of locality

OMB No. 1545-0238
Form W-2G
Certain Gambling Winnings
 (Rev. January 2021)
 For calendar year 20 2021

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

Copy C
For Winners Records

Under penalties of perjury, I declare that, to the best of my knowledge and belief, the name, address, and taxpayer identification number that I have furnished correctly identify me as the recipient of this payment and any payments from identical wagers, and that no other person is entitled to any part of these payments.

Signature _____ Date _____

Form **W-2G** (Rev. 1-2021) www.irs.gov/FormW2G Department of the Treasury - Internal Revenue Service

Example 3

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. Federal Tax-Exempt Dividends		1a Total ordinary dividends	OMB No. 1545-0110	2021	Dividends and Distributions
		\$			
		1b Qualified dividends		Form 1099-DIV	
		\$			
		2a Total capital gain distr.	2b Unrecap. Sec. 1250 gain		Copy B For Recipient This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
		\$	\$		
PAYER'S TIN	RECIPIENT'S TIN	2c Section 1202 gain	2d Collectibles (28%) gain		
		\$	\$		
		2e Section 897 ordinary dividends	2f Section 897 capital gain		
		\$	\$		
RECIPIENT'S name Jorge Hernandez		3 Nondividend distributions	4 Federal income tax withheld		
Street address (including apt. no.) 15102 27th Ave.		\$	\$		
City or town, state or province, country, and ZIP or foreign postal code Duluth, MN 55801		5 Section 199A dividends	6 Investment expenses		
		\$	\$		
		7 Foreign tax paid	8 Foreign country or U.S. possession		
		\$			
		9 Cash liquidation distributions	10 Noncash liquidation distributions		
		\$	\$		
		11 Exempt-interest dividends	12 Specified private activity bond interest dividends		
		\$	\$		
		13 State	14 State identification no.	15 State tax withheld	
				\$	
Account number (see instructions)				\$	

Form **1099-DIV** (keep for your records) www.irs.gov/Form1099DIV Department of the Treasury - Internal Revenue Service

Example 3

Worksheet for Line 5 — Dependent Exemptions

If you are a dependent, leave line 5 of Form M1 blank and **do not complete this worksheet**.

1	Enter the number of dependents you claimed on your federal income tax return. If you did not file a federal income tax return, review the instructions for federal Form 1040 or 1040-NR to determine the number of people you may claim as a dependent. You may not claim anyone as a dependent if another individual claimed them as a dependent on their federal or Minnesota income tax return.	1
2	Enter \$4,350.	\$4,350
3	Multiply step 1 by step 2.	\$4,350
4	Enter the amount from line 1 of Form M1 or line 37 of Schedule MINC.	\$175,000
5	Enter the amount that matches your filing status:	\$149,875
	Married Filing Jointly or Qualifying Widow(er): \$299,750 Single: \$199,850	
	Head of Household: \$249,800 Married Filing Separately: \$149,875	
6	Compare the amounts on steps 4 and 5. If step 5 is more than step 4, enter the amount from step 3 on line 5 of Form M1 and STOP HERE . If step 4 is more than step 5, subtract step 5 from step 4.	\$25,125
7	If step 6 is more than \$122,500 (\$61,250 for Married Filing Separately), enter 0 on line 5 of Form M1 and STOP HERE . If step 6 is less than or equal to \$122,500 (\$61,250 for Married Filing Separately), divide step 6 by \$2,500 (\$1,250 if your filing status is Married Filing Separately) and round up to the next whole number (Example: .0004 to 1).	21
8	Multiply step 7 by 2% (.02). Enter the result as a decimal.	.42
9	Multiply step 3 by step 8.	\$1,827
10	Subtract step 9 from step 3. Enter the result on line 5 of Form M1.	\$2,523

Example 3

Filing Status Single Married filing jointly Married filing separately (MFS) Head of household (HOH) Qualifying widow(er) (QW)
 Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ▶

Your first name and middle initial Beverly	Last name Hills	Your social security number 4 7 1 6 1 1 1 1
If joint return, spouse's first name and middle initial	Last name	Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. 35 Park Way		Apt. no. 5	Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse
City, town, or post office. If you have a foreign address, also complete spaces below. Oakdale	State MN	ZIP code 55128	
Foreign country name	Foreign province/state/county	Foreign postal code	

At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency? Yes No

Standard Deduction **Someone can claim:** You as a dependent Your spouse as a dependent Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness **You:** Were born before January 2, 1957 Are blind **Spouse:** Was born before January 2, 1957 Is blind

Dependents (see instructions): If more than four dependents, see instructions and check here ▶ <input type="checkbox"/>	(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see instructions): Child tax credit	Credit for other dependents
						<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>

Attach Sch. B if required. Standard Deduction for— • Single or Married filing separately, \$12,550 • Married filing jointly or Qualifying widow(er), \$25,100 • Head of household, \$18,800 • If you checked any box under <i>Standard Deduction</i> , see instructions.	1 Wages, salaries, tips, etc. Attach Form(s) W-2	1	25,000
	2a Tax-exempt interest	2a	
	3a Qualified dividends	3a	
	4a IRA distributions	4a	
	5a Pensions and annuities	5a	
	6a Social security benefits	6a	
	7 Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/>	7	
	8 Other income from Schedule 1, line 10	8	1,600
	9 Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income ▶	9	26,600
	10 Adjustments to income from Schedule 1, line 26	10	22
	11 Subtract line 10 from line 9. This is your adjusted gross income ▶	11	26,578
	12a Standard deduction or itemized deductions (from Schedule A)	12a	12,550
	b Charitable contributions if you take the standard deduction (see instructions)	12b	
	c Add lines 12a and 12b	12c	12,550
	13 Qualified business income deduction from Form 8995 or Form 8995-A	13	
14 Add lines 12c and 13	14	12,550	
15 Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-	15	14,028	

16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/> _____	16	
17	Amount from Schedule 2, line 3	17	
18	Add lines 16 and 17	18	
19	Nonrefundable child tax credit or credit for other dependents from Schedule 8812	19	
20	Amount from Schedule 3, line 8	20	
21	Add lines 19 and 20	21	
22	Subtract line 21 from line 18. If zero or less, enter -0-	22	
23	Other taxes, including self-employment tax, from Schedule 2, line 21	23	
24	Add lines 22 and 23. This is your total tax	24	
25	Federal income tax withheld from:		
a	Form(s) W-2	25a	
b	Form(s) 1099	25b	
c	Other forms (see instructions)	25c	
d	Add lines 25a through 25c	25d	
26	2021 estimated tax payments and amount applied from 2020 return	26	
27a	Earned income credit (EIC) Check here if you were born after January 1, 1998, and before January 2, 2004, and you satisfy all the other requirements for taxpayers who are at least age 18, to claim the EIC. See instructions <input type="checkbox"/>	27a	
b	Nontaxable combat pay election	27b	
c	Prior year (2019) earned income	27c	
28	Refundable child tax credit or additional child tax credit from Schedule 8812	28	
29	American opportunity credit from Form 8863, line 8	29	
30	Recovery rebate credit. See instructions	30	
31	Amount from Schedule 3, line 15	31	
32	Add lines 27a and 28 through 31. These are your total other payments and refundable credits	32	
33	Add lines 25d, 26, and 32. These are your total payments	33	
Refund	34 If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34	
	35a Amount of line 34 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>	35a	
Direct deposit? See instructions.	b Routing number: _____ c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	d Account number: _____		
	36 Amount of line 34 you want applied to your 2022 estimated tax	36	
Amount You Owe	37 Amount you owe . Subtract line 33 from line 24. For details on how to pay, see instructions	37	
	38 Estimated tax penalty (see instructions)	38	

If you have a qualifying child, attach Sch. EIC.

Third Party Designee Do you want to allow another person to discuss this return with the IRS? See instructions **Yes**. Complete below. **No**

Designee's name: _____ Phone no.: _____ Personal identification number (PIN): _____

Sign Here Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.)

Phone no. _____ Email address _____

Paid Preparer Use Only

Preparer's name	Preparer's signature	Date	PTIN	Check if: <input type="checkbox"/> Self-employed
Firm's name	Firm's address			Phone no.
Firm's EIN				

**SCHEDULE 1
(Form 1040)**

Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income

▶ Attach to Form 1040, 1040-SR, or 1040-NR.
▶ Go to www.irs.gov/Form1040 for instructions and the latest information.

OMB No. 1545-0074

2021
Attachment
Sequence No. **01**

Name(s) shown on Form 1040, 1040-SR, or 1040-NR

Beverly Hills

Your social security number

471-66-1111

Part I Additional Income

1	Taxable refunds, credits, or offsets of state and local income taxes	1	
2a	Alimony received	2a	
b	Date of original divorce or separation agreement (see instructions) ▶ _____		
3	Business income or (loss). Attach Schedule C	3	1,600
4	Other gains or (losses). Attach Form 4797	4	
5	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	5	
6	Farm income or (loss). Attach Schedule F	6	
7	Unemployment compensation	7	
8	Other income:		
a	Net operating loss	8a	()
b	Gambling income	8b	
c	Cancellation of debt	8c	
d	Foreign earned income exclusion from Form 2555	8d	()
e	Taxable Health Savings Account distribution	8e	
f	Alaska Permanent Fund dividends	8f	
g	Jury duty pay	8g	
h	Prizes and awards	8h	
i	Activity not engaged in for profit income	8i	
j	Stock options	8j	
k	Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property	8k	
l	Olympic and Paralympic medals and USOC prize money (see instructions)	8l	
m	Section 951(a) inclusion (see instructions)	8m	
n	Section 951A(a) inclusion (see instructions)	8n	
o	Section 461(l) excess business loss adjustment	8o	
p	Taxable distributions from an ABLE account (see instructions)	8p	
z	Other income. List type and amount ▶ _____	8z	
9	Total other income. Add lines 8a through 8z	9	
10	Combine lines 1 through 7 and 9. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8	10	1,600

For Paperwork Reduction Act Notice, see your tax return instructions.

Cat. No. 71479F

Schedule 1 (Form 1040) 2021

Part II Adjustments to Income

11	Educator expenses		11	
12	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106		12	
13	Health savings account deduction. Attach Form 8889		13	
14	Moving expenses for members of the Armed Forces. Attach Form 3903		14	
15	Deductible part of self-employment tax. Attach Schedule SE		15	<u>22</u>
16	Self-employed SEP, SIMPLE, and qualified plans		16	
17	Self-employed health insurance deduction		17	
18	Penalty on early withdrawal of savings		18	
19a	Alimony paid		19a	
b	Recipient's SSN			
c	Date of original divorce or separation agreement (see instructions) ▶			
20	IRA deduction		20	
21	Student loan interest deduction		21	
22	Reserved for future use		22	
23	Archer MSA deduction		23	
24	Other adjustments:			
a	Jury duty pay (see instructions)	24a		
b	Deductible expenses related to income reported on line 8k from the rental of personal property engaged in for profit	24b		
c	Nontaxable amount of the value of Olympic and Paralympic medals and USOC prize money reported on line 8l	24c		
d	Reforestation amortization and expenses	24d		
e	Repayment of supplemental unemployment benefits under the Trade Act of 1974	24e		
f	Contributions to section 501(c)(18)(D) pension plans	24f		
g	Contributions by certain chaplains to section 403(b) plans	24g		
h	Attorney fees and court costs for actions involving certain unlawful discrimination claims (see instructions)	24h		
i	Attorney fees and court costs you paid in connection with an award from the IRS for information you provided that helped the IRS detect tax law violations	24i		
j	Housing deduction from Form 2555	24j		
k	Excess deductions of section 67(e) expenses from Schedule K-1 (Form 1041)	24k		
z	Other adjustments. List type and amount ▶ _____	24z		
25	Total other adjustments. Add lines 24a through 24z		25	
26	Add lines 11 through 23 and 25. These are your adjustments to income . Enter here and on Form 1040 or 1040-SR, line 10, or Form 1040-NR, line 10a		26	<u>22</u>

SCHEDULE A
(Form 1040)

Itemized Deductions

OMB No. 1545-0074

2021

Attachment
Sequence No. **07**

Department of the Treasury
Internal Revenue Service (99)

▶ Go to www.irs.gov/ScheduleA for instructions and the latest information.

▶ Attach to Form 1040 or 1040-SR.

Caution: If you are claiming a net qualified disaster loss on Form 4684, see the instructions for line 16.

Name(s) shown on Form 1040 or 1040-SR

Jorge Hernandez

Your social security number

471-66-1111

Medical and Dental Expenses

Caution: Do not include expenses reimbursed or paid by others.

1	Medical and dental expenses (see instructions)		1
2	Enter amount from Form 1040 or 1040-SR, line 11	2	175,000
3	Multiply line 2 by 7.5% (0.075)		
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-		
			4 13,719

Taxes You Paid

5 State and local taxes.

a State and local income taxes or general sales taxes. You may include either income taxes or general sales taxes on line 5a, but not both. If you elect to include general sales taxes instead of income taxes, check this box

b State and local real estate taxes (see instructions)

c State and local personal property taxes

d Add lines 5a through 5c

e Enter the smaller of line 5d or \$10,000 (\$5,000 if married filing separately)

6 Other taxes. List type and amount ▶ 1,600

7 Add lines 5e and 6

5a	
5b	
5c	
5d	1,600
5e	
6	1,600

7

Interest You Paid

Caution: Your mortgage interest deduction may be limited (see instructions).

8 Home mortgage interest and points. If you didn't use all of your home mortgage loan(s) to buy, build, or improve your home, see instructions and check this box

a Home mortgage interest and points reported to you on Form 1098. See instructions if limited

b Home mortgage interest not reported to you on Form 1098. See instructions if limited. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying no., and address

c Points not reported to you on Form 1098. See instructions for special rules

d Mortgage insurance premiums (see instructions)

e Add lines 8a through 8d

9 Investment interest. Attach Form 4952 if required. See instructions.

10 Add lines 8e and 9

8a	1,600
8b	
8c	43
8d	43
8e	22
9	

10

Gifts to Charity

Caution: If you made a gift and got a benefit for it, see instructions.

11 Gifts by cash or check. If you made any gift of \$250 or more, see instructions

12 Other than by cash or check. If you made any gift of \$250 or more, see instructions. You **must** attach Form 8283 if over \$500.

13 Carryover from prior year

14 Add lines 11 through 13

11	
12	
13	

14

20,000

Casualty and Theft Losses

15 Casualty and theft loss(es) from a federally declared disaster (other than net qualified disaster losses). Attach Form 4684 and enter the amount from line 18 of that form. See instructions

15

Other Itemized Deductions

16 Other—from list in instructions. List type and amount ▶

16

Total Itemized Deductions

17 Add the amounts in the far right column for lines 4 through 16. Also, enter this amount on Form 1040 or 1040-SR, line 12a

17

58,719

18 If you elect to itemize deductions even though they are less than your standard deduction, check this box



11 Alternative minimum tax (enclose Schedule M1MT) 11 ■ _____

12 Add lines 10 and 11 12 _____ 8,292

13 **Full-year residents:** Enter the amount from line 12 on line 13. Skip lines 13a and 13b.
Part-year residents and nonresidents: From Schedule M1NR, enter the amount from line 32 on
line 13, from line 28 on line 13a, and from line 29 on line 13b (enclose Schedule M1NR) 13 _____ 8,292

13a ■ _____ 13b ■ _____


14 Other taxes, such as recapture amounts and the tax on lump-sum distributions (check appropriate boxes)

(a) Schedule M1HOME (b) Schedule M1529 (c) Schedule M1LS 14 ■ _____

15 Tax before credits. Add lines 13 and 14 15 _____ 8,292

16 Amount from line 18 of Schedule M1C, *Nonrefundable Credits* (enclose Schedule M1C) 16 ■ _____

17 Subtract line 16 from line 15 (if result is zero or less, leave blank) 17 _____ 8,292

18 Nongame Wildlife Fund contribution (see instructions)
This will reduce your refund or increase the amount you owe  18 ■ _____

19 Add lines 17 and 18 19 _____ 8,292

20 **Minnesota income tax withheld.** Complete and enclose Schedule M1W to report
Minnesota withholding from Forms W-2, 1099, and W-2G (do not send) 20 ■ _____ 35,000

21 Minnesota estimated tax and extension payments made for 2021 21 ■ _____

22 Amount from line 11 of Schedule M1REF, *Refundable Credits* (see instructions; enclose Schedule M1REF) . . . 22 ■ _____

23 Total payments. Add lines 20 through 22 23 _____ 35,000

24 **REFUND.** If line 23 is more than line 19, subtract line 19 from line 23 (see instructions).
For direct deposit, complete line 25 24 ■ _____ 26,708

25 Direct deposit of your refund (you must use an account not associated with a foreign bank):

Checking Savings _____
Routing Number Account Number

26 **AMOUNT YOU OWE.** If line 19 is more than line 23, subtract line 23 from line 19 (see instructions) 26 ■ _____

27 Penalty amount from Schedule M15 (see instructions). Also subtract
this amount from line 24 or add it to line 26 (enclose Schedule M15) 27 ■ _____

IF YOU PAY ESTIMATED TAX and want part of your refund credited to estimated tax, complete lines 28 and 29.

28 Amount from line 24 you want sent to you 28 ■ _____

29 Amount from line 24 you want applied to your 2022 estimated tax 29 ■ _____

Taxpayer: I declare that this return is correct and complete to the best of my knowledge and belief.

Your Signature _____ Spouse's Signature (If Filing Jointly) _____ Date (MM/DD/YYYY) _____

Daytime Phone _____ Email Address _____

Paid Preparer's Signature _____ Date (MM/DD/YYYY) _____ PTIN or VITA/TCE # (required) _____

Preparer's Daytime Phone _____ Preparer's Email Address _____

I do not want my paid preparer to file my return electronically. I authorize the Minnesota Department of Revenue to discuss this tax return with the preparer or the third-party designee indicated on my federal return.

Include a copy of your 2021 federal return and schedules.

Mail to: Minnesota Individual Income Tax, Mail Station 0010, 600 N. Robert St., St. Paul, MN 55145-0010 9995



2021 Schedule M1W, Minnesota Income Tax Withheld

Complete this schedule to report Minnesota income tax withheld. Include this schedule when you file your return.

Jorge _____ Hernandez _____ 124-66-1111 _____
 Your First Name and Initial Last Name Your Social Security Number

If a Joint Return, Spouse's First Name and Initial _____ Spouse's Last Name _____ Spouse's Social Security Number _____

If you received a federal Form W-2, 1099, W-2G, 1042-S, or Minnesota Schedule KPI, KS, or KF showing Minnesota income tax withheld, complete this schedule to determine line 20 of Form M1. List only the forms that report Minnesota income tax withheld. Round dollar amounts to the nearest whole dollar. You must include this schedule when you file your return. **DO NOT** send in your Forms W-2, 1099, or W-2G; keep them with your tax records. All instructions are included on this schedule.

1 Minnesota wages and Minnesota tax withheld on Forms W-2, other than from Forms W-2G. If you have more than five Forms W-2, complete line 5 on the back.

A	B—Box 13	C—Box 15	D—Box 16	E—Box 17
If the Form W-2 is for: • you, enter 1 • spouse, enter 2	If Retirement Plan box is checked, mark an X below.	Employer's seven-digit Minnesota Tax ID Number	State wages, tips, etc. <i>(round to nearest whole dollar)</i>	Minnesota tax withheld <i>(round to nearest whole dollar)</i>
a1 <u>1</u>	b1 <input type="checkbox"/>	c1 MN <u>8795881</u>	d1 <u>60,000</u>	e1 <u>5,000</u>
a2 <u>1</u>	b2 <input type="checkbox"/>	c2 MN <u>7698981</u>	d2 <u>100,000</u>	e2 <u>30,000</u>
a3 _____	b3 <input type="checkbox"/>	c3 MN _____	d3 _____	e3 _____
a4 _____	b4 <input type="checkbox"/>	c4 MN _____	d4 _____	e4 _____
a5 _____	b5 <input type="checkbox"/>	c5 MN _____	d5 _____	e5 _____

Subtotal for additional Forms W-2 (from line 5 on page 2) _____

Total Minnesota tax withheld on all Forms W-2 (add amounts in line 1, column E) 1 ■ 35,000

2 Minnesota tax withheld on Forms 1099, W-2G, and 1042-S. If you have more than four forms, complete line 6 on the back.

A	B	C	D
If the Form 1099, W-2G, or 1042-S is for: • you, enter 1 • spouse, enter 2	Payer's seven-digit Minnesota Tax ID Number (if unknown, contact the payer)	Income amount (see the table on the back for amounts to include)	Minnesota tax withheld <i>(round to nearest whole dollar)</i>
a1 <u>1</u>	b1 MN _____	c1 <u>15,000</u>	d1 _____
a2 _____	b2 MN _____	c2 _____	d2 _____
a3 _____	b3 MN _____	c3 _____	d3 _____
a4 _____	b4 MN _____	c4 _____	d4 _____

Subtotal for additional 1099, W-2G, and 1042-S (from line 6 on page 2) _____

Total Minnesota tax withheld on all 1099, W-2G, and 1042-S (add amounts in line 2, column D) 2 ■ _____

3 Total Minnesota tax withheld by partnerships, S corporations, and fiduciaries (from line 7 on page 2) 3 ■ _____

4 Total. Add the Minnesota tax withheld on lines 1, 2, and 3.
 Enter the total here and on line 20 of Form M1 4 ■ 35,000

**Include this schedule with your Form M1.
 If required, include Schedules KPI, KS, and KF.**



Complete lines 5 and 6 to report Minnesota income tax withheld if you received more than five Forms W-2 or more than four Forms 1099, W-2G, and 1042-S. Complete line 7 to report Minnesota tax withheld on Schedules KPI, KS, and KF.

5 Minnesota wages and Minnesota tax withheld on additional Forms W-2 (other than W-2G).

A	B—Box 13	C—Box 15	D—Box 16	E—Box 17
If the Form W-2 is for: • you, enter 1 • spouse, enter 2	If Retirement Plan box is checked, mark an X below.	Employer's seven-digit Minnesota Tax ID Number	State wages, tips, etc. <i>(round to nearest whole dollar)</i>	Minnesota tax withheld <i>(round to nearest whole dollar)</i>
a1 _____	b1 <input type="checkbox"/>	c1 MN _____	d1 _____	e1 _____
a2 _____	b2 <input type="checkbox"/>	c2 MN _____	d2 _____	e2 _____
a3 _____	b3 <input type="checkbox"/>	c3 MN _____	d3 _____	e3 _____
a4 _____	b4 <input type="checkbox"/>	c4 MN _____	d4 _____	e4 _____

Subtotal for additional Forms W-2 (add amounts in line 5, column E) **5** _____
 Enter the result here and include on line 1 on the front of this schedule.

6 Minnesota tax withheld on additional Forms 1099, W-2G, and 1042-S.

A	B	C	D
If the Form 1099 or W-2G is for: • you, enter 1 • spouse, enter 2	Payer's seven-digit Minnesota Tax ID Number (if unknown, contact the payer)	Income amount (see the table at the bottom of this page for amounts to include) (round to nearest whole dollar)	Minnesota tax withheld
a1 _____	b1 MN _____	c1 _____	d1 _____
a2 _____	b2 MN _____	c2 _____	d2 _____
a3 _____	b3 MN _____	c3 _____	d3 _____
a4 _____	b4 MN _____	c4 _____	d4 _____

Subtotal for additional Forms 1099, W-2G, and 1042-S (add amounts in line 6, column D) **6** _____
 Enter the result here and include on line 2 on the front of this schedule.

7 Minnesota income and tax withheld by partnerships, S corporations, and fiduciaries, if any.

A	B—Minnesota Income Amount	C—Minnesota Tax Withheld
Entity's seven-digit Minnesota Tax ID Number (if unknown, contact the entity)	(from line 50 of Schedule KPI, line 48 of KS, or line 43 of KF)	(the sum of lines 31 and 52 of Schedule KPI, lines 31 and 50 of KS, or lines 31 and 37 of KF)
a1 MN _____	b1 _____	c1 _____
a2 MN _____	b2 _____	c2 _____
a3 MN _____	b3 _____	c3 _____
a4 MN _____	b4 _____	c4 _____

Subtotal of Minnesota tax withheld by any partnerships, S corporations, and fiduciaries (add amounts in line 7, column C). Enter the result here and on line 3 on the front of this schedule. **7** _____

Table for Column C, Lines 2 and 6

Use to determine which amounts from your Form 1099 and 1042-S you must include as income on column C, lines 2 and 6.

Form	Include the Sum of Boxes:	Form	Include the Sum of Boxes:	Form	Include the Sum of Boxes:
1099-G	1, 2, 5-7	1099-INT	1	1099-K	1a
1099-MISC	1-3, 5-8, 10, 13, 14	1099-OID	1, 2	1099-R	14 or 2a or 1
1099-DIV	1a, 2a	1042-S	2	1099-NEC	1



2021 Schedule M1M, Income Additions and Subtractions

Complete this schedule to determine line 2 and line 7 of Form M1.

Jorge Hernandez 124-66-1111
Your First Name and Initial Your Last Name Your Social Security Number

Additions to Income

- 1 Interest from municipal bonds of another state or its governmental units included on line 2a of federal Form 1040 1
2 Federally tax-exempt dividends from mutual funds investing in bonds of another state or its governmental units included on line 2a of federal Form 1040 2 1,000
3 Expenses deducted on your federal return attributable to income not taxed by Minnesota (other than interest or mutual fund dividends from U.S. bonds) 3
4 Capital gain portion of a lump-sum distribution (from line 6 of federal Form 4972; enclose Form 4972) 4
5 Addition from line 7 of Schedule M1HOME (enclose Schedule M1HOME) 5
6 Distributions from higher education savings accounts used for K-12 tuition (see instructions) 6
7 This line intentionally left blank 7
8 This line intentionally left blank 8
9 Addition from line 35 of Schedule M1NC 9
10 Add lines 1 through 9. Enter the total here and on line 2 of Form M1 10 1,000

Subtractions from Income

- 11 If you are not filing Schedule M1SA, and your charitable contributions were more than \$500, see instructions 11
12 Social Security benefit subtraction (determine from worksheet in instructions) 12
13 Education expenses you paid for your qualifying children in grades K-12 (see instructions) Enter the name and grade of each child on the line below 13
14 Net interest or mutual fund dividends from U.S. bonds (see instructions) 14
15 Subtraction for contributions to a qualified education savings plan (enclose Schedule M1529) 15 1,500
16 Subtraction for persons age 65 or older, or permanently and totally disabled (enclose Schedule M1R) 16
17 Railroad Retirement Board benefits (see instructions) 17
18 If you are a resident of Michigan or North Dakota filing Form M1 only to receive a refund of all Minnesota tax withheld, enter the amount from line 1 of Form M1. If the amount is zero or less, enter 0 18
- Place an X in one box to indicate the reciprocity state of which you were a resident during 2021 Michigan North Dakota
19 Subtraction of reservation income for American Indians (see instructions) 19
20 Federal active duty military pay received for services performed while a Minnesota resident, to the extent the income is federally taxable. If you received a military pension, see line 25 20
21 Minnesota National Guard members and reservists: See instructions 21





22	Residents of another state: Enter your federal active service military pay, to the extent the income is federally taxable. If you received a military pension, see line 25.	22 ■	_____
23	Organ Donor Subtraction (<i>see instructions</i>)	23 ■	_____
24	Volunteer mileage reimbursement subtraction	24 ■	_____
25	Subtraction for military pensions or other military retirement pay (<i>see instructions</i>)	25 ■	_____
26	Post-service education awards received for service in an AmeriCorps National Service program	26 ■	_____
27	Subtraction for interest earned from a designated first-time homebuyer savings account (<i>enclose Schedule M1HOME</i>)	27 ■	_____
28	Subtraction for discharge of indebtedness of educational loans (<i>see instructions</i>)	28 ■	_____
29	This line intentionally left blank	29 ■	_____
30	This line intentionally left blank	30 ■	_____
31	Subtraction from line 35 of Schedule M1NC. Enter as a positive number	31 ■	_____
32	Add lines 11 through 31. Enter the total here and on line 7 of Form M1.	32	_____ 1,500

You must include this schedule with your Form M1.

2021 Schedule M1M Instructions

Additions

Line 1 — Interest From Municipal Bonds of Another State or its Governmental Units

Of the amount you included (or should have included) on line 2a of federal Form 1040, add the interest you received from municipal bonds issued by:

- A state other than Minnesota
- A local government (such as a county or city) in a state other than Minnesota

Line 2 — Federally Tax-Exempt Dividends from Mutual Funds Investing in Bonds of Another State

If you received federally tax-exempt interest dividends from a mutual fund, you may have to enter an amount on line 2. To determine the amount, if any, use the following instructions:

- If **95% or more** of the federally tax-exempt dividends from a mutual fund came from bonds issued by Minnesota, include *only* the portion of the federally tax-exempt dividend generated by non-Minnesota bonds.
- If **less than 95%** of the federally tax-exempt interest dividends from a mutual fund came from bonds issued by Minnesota, include *all* of the federally tax-exempt interest dividend from that fund.

Line 3 — Expenses Relating to Income Not Taxed by Minnesota, Other Than From U.S. Bond Obligations

If you deducted expenses on your federal return connected with income not taxed by Minnesota (such as income reported on lines 17 through 22 of Schedule M1M), add those expenses to your taxable income.

Do not include expenses connected with interest or mutual fund dividends from U.S. bonds. For information on how to report these expenses, see the instructions for line 14.

Line 4 — Capital Gain Portion of a Lump-Sum Distribution From a Qualified Retirement Plan

If you received a qualifying lump-sum distribution in 2021 and you chose the capital gain election on federal Form 4972, enter the capital gain from line 6 of federal Form 4972. Include a copy of federal Form 4972 when you file your return.

Line 5 — First-Time Homebuyer Savings Account Addition

If you made a nonqualified withdrawal from a first-time homebuyer savings account, you may be required to include those amounts in your taxable income. Complete and include Schedule M1HOME, *First-Time Homebuyer Savings Account*, to determine your addition.

Line 6 — Higher Education Savings Accounts Used for K-12 Tuition

If you paid K-12 tuition with a distribution from a higher education savings account, include the lesser of the total distributions from the account used to pay K-12 tuition or the total earnings reported on federal Form 1099-Q for the year.

Subtractions

Line 11 — Charitable Contributions over \$500

You may subtract some of your contributions made during the year if both of the following are true:

- You did not file Schedule M1SA, *Minnesota Itemized Deductions*.
- You made charitable contributions of more than \$500.

To determine your allowable contributions, see the instructions for Schedule M1SA, and use the Worksheet for Line 11.

Worksheet for Line 11

To determine your allowable contributions, you will need the instructions for Schedule M1SA.

1 Determine total allowable charitable contributions you would have been able to enter on lines 15 and 16 of Schedule M1SA . . .	_____
2 The first \$500 of contributions do not qualify	\$500
3 Subtract step 2 from step 1	_____
4 Multiply step 3 by 50% (.50). Enter here and on line 11 of Schedule M1M	_____

Line 12 — Social Security Subtraction

If you entered an amount on line 6b of federal Form 1040, complete the Worksheet for Line 12.

If you completed Schedule M1NC, *Federal Adjustments*, use the Worksheet for Line 12 of Schedule M1M in the Schedule M1NC instructions.

Example 3

Worksheet for line 12

1	Enter the amount from line 9 of federal Form 1040 or 1040-SR	_____
2	Enter the amount from line 6b of federal Form 1040 or 1040-SR	_____
3	Subtract step 2 from step 1	_____
4	Enter the amount from line 6a of federal Form 1040 or 1040-SR	_____
5	Multiply step 4 by 50% (0.50)	_____
6	Enter the amount you included or should have included on line 2a of federal Form 1040 or 1040-SR	_____
7	Add steps 3, 5 and 6	_____
8	Enter the amount on line 26 of federal Schedule 1	_____
9	Enter the amount on line 21 of federal Schedule 1	_____
10	Subtract step 9 from step 8. If zero or less, enter 0	_____
11	Subtract step 10 from step 7. If zero or less, enter 0	_____
12	Enter the amount for your filing status from below:	_____
	Married Filing Jointly or Qualifying Widow(er): \$80,270	
	Single or Head of household: \$62,710	
	Married Filing Separate: \$40,135	
13	Subtract step 12 from step 11. If zero or less, enter 0	_____
14	Multiply step 13 by 20% (.20)	_____
15	Enter the amount for your filing status from below	_____
	Married Filing Jointly or Qualifying Widow(er): \$5,290	
	Single or Head of household: \$4,130	
	Married Filing Separate: \$2,645	
16	Subtract step 14 from step 15. If zero or less, enter 0	_____
17	Enter the amount from step 2	_____
18	Enter the amount of Tier 1 railroad retirement benefits included on line 17 of Schedule M1M.	_____
19	Subtract step 18 from step 17. If zero or less, enter 0.	_____
20	Enter step 16 or step 19, whichever is less. Also enter this amount on line 12 of Schedule M1M.	_____

Line 13 — K-12 Education Expense Subtraction

If you purchased qualifying educational materials or services in 2021 for your qualifying child's K-12 education, you may be able to reduce your taxable income.

If you qualify for the K-12 Education Credit, complete Schedule M1ED before entering an amount on this line (see instructions for line 3 of Schedule M1REF, *Refundable Credits*). For this subtraction, you may use qualifying expenses you did not use for the credit and tuition expenses which do not qualify for the credit. You may not claim both the credit and a subtraction for the same expenses. Complete the Worksheet for Line 13 if you entered an amount on line 18 of Schedule M1ED.

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 2021.
- Have attended a public, private, or home school in Minnesota, Iowa, North Dakota, South Dakota, or Wisconsin.
- Not be claimed as a qualifying child on another individual's return.

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. Education expenses that qualify for the credit also qualify for the subtraction. However, certain expenses qualify only for the subtraction. For examples of qualifying education expenses, see the Form M1 instructions.

Subtraction Limits

The maximum subtraction allowed for purchases of personal computer hardware and educational software is \$200 per family. You may split qualifying computer expenses, up to \$200, among your children any way you choose. The maximum amount of education expenses you can subtract is \$1,625 for each child in grades K through 6, and \$2,500 for each child in grades 7 through 12.

If you qualify for the K-12 Education Credit (Schedule M1REF, line 3) and you cannot use all of your education expenses on Schedule M1ED, complete the Worksheet for Line 13. See Income Tax Fact Sheet 8, *K-12 Education Subtraction and Credit*, for more information. Enter your qualifying education expenses on line 13. Also, enter each child's name and grade at the time the expenses were paid.

Example 3

Worksheet for Line 13

If you qualify for the K–12 Education Credit and you cannot use all of your education expenses on Schedule M1ED, determine line 13 of Schedule M1M by completing the following steps:

- 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 13 of Schedule M1M.

Line 14 — Net Interest From U.S. Bonds

Include federally taxable interest you received from:

- U.S. bonds, bills, notes, savings bonds, and certificates of indebtedness
- Sallie Mae bonds
- Dividends paid to you by mutual funds that are attributable to these bonds
- U.S. Government interest and dividends you received as partner of a partnership, shareholder of an S corporation, or beneficiary of a trust

Reduce these amounts by any related investment interest and other expenses deducted on your federal return relating to this income. Do not include interest or dividends attributable to Ginnie Mae, Fannie Mae, or Freddie Mac bonds. See Income Tax Fact Sheet 13, *U.S. Government Interest*, if you received interest from a government source not listed.

Line 15 — Contributions to a 529 plan

You may be able to deduct certain contributions made to a 529 plan. To determine the amount of your subtraction, complete and include Schedule M1529, *Education Savings Account Contribution Credit or Subtraction*, and enter the amount from line 4 of Schedule M1529 on line 15.

Line 16 — Subtraction for Persons 65 or Older or Permanently and Totally Disabled (Schedule M1R)

You may qualify for a subtraction if either of the following apply to you (or your spouse, if filing a joint return):

- You were born before January 2, 1957.
- You were permanently and totally disabled and received federally taxable disability income in 2021. If you did not receive federally taxable disability income, you do not qualify for this subtraction.

If you (or your spouse, if filing jointly) meet the age or disability requirement, see the Form M1 instructions to determine if you meet the income requirements. If you meet all eligibility requirements, complete and include **Schedule M1R, Age 65 or Older/Disabled Subtraction**.

Line 17 — Railroad Retirement Board Benefits

If you included unemployment, sick pay, or retirement benefits from the Railroad Retirement Board in your 2021 federal adjusted gross income, you can subtract these amounts.

Line 18 — Reciprocity Income

Minnesota has income tax reciprocity agreements with Michigan and North Dakota. Reciprocity applies only to personal service income, such as wages, salaries, tips, commissions, fees, and bonuses. Complete line 18 if all of the following are true:

- You are a resident of a reciprocity state.
- Your only Minnesota source income was wages covered under reciprocity.
- You had Minnesota income tax withheld from these wages, and want a refund of the amount withheld. Place an X in the box for the state of which you were a permanent resident during the year, and enter the amount from line 1 of Form M1 on line 18 of Schedule M1M.

When you file Form M1, follow the steps in the Form M1 instructions. Also complete and include the following:

- Schedule M1W, *Minnesota Income Tax Withheld*
- Form MWR, *Reciprocity Exemption/Affidavit of Residency*
- A copy of your home state tax return

To avoid having Minnesota tax withheld in the future on wages covered by reciprocity, file Form MWR each year with your employer.

When to complete Schedule M1NR: If your gross income assignable to Minnesota (other than from performing personal services covered under reciprocity) is \$12,525 or more, you are not eligible to take the reciprocity subtraction on line 18. Instead, file Form M1 and Schedule M1NR. Do not include your personal service income on column B of Schedule M1NR.

Line 19 — American Indians Living on an Indian Reservation

If you are a member of an American Indian tribe living and working on the reservation of which you are an enrolled member, enter your reservation source income to the extent it is federally taxable.

If you are eligible to subtract reservation source income, you must apportion any Child and Dependent Care Credit you claim based on your income taxable to Minnesota.

Example 3

Line 20 — Federal Active Duty Military Pay Received by Residents

If you are a Minnesota resident and a member of the United States armed forces or United Nations armed forces, enter the federal active duty military pay you received and included in your federal adjusted gross income.

Line 21 — National Guard Members and Reservists

Members of the Minnesota National Guard and Reserves are allowed a subtraction of federally taxable pay received for training and certain types of qualifying service. This includes:

- Training, including annual training and drill weekends.
- State active service, including natural disaster emergency response and missing person searches.
- Federally funded state active service such as airport security duty, Active Duty Operational Support (ADOS), and service under Title 10 and Title 32 Active Guard Reserve (AGR).

If you included income on line 20 for federal active duty pay, do not include that income on line 21.

Line 23 — Organ Donor

If, while living, you, your spouse (if filing jointly), or a dependent donated all or part of a liver, pancreas, kidney, intestine, lung, or bone marrow to another person, you can subtract your actual qualified expenses up to \$10,000.

Qualified expenses are your unreimbursed expenses for travel and lodging and for any lost wages net of sick pay due to the transplantation.

Line 24 — Volunteer mileage reimbursement subtraction

If you received mileage reimbursement in volunteer service for an organization eligible for a charitable contribution under Internal Revenue Code section 170(c), you may subtract the amount you received which exceeded the 14 cent per mile volunteer mileage rate. There is a cap of 56 cents per mile for 2021. Complete the Worksheet for Line 24 for each organization which reimbursed you for mileage greater than the volunteer mileage rate. Combine the result of step 6 for all worksheets completed and enter the total on line 24. If each organization reimbursed you at the same rate, you may use one worksheet and combine all reimbursements received on step 1.

Worksheet for Line 24

1 Reimbursements for miles driven in volunteer service that you received in 2021	_____
2 Number of volunteer miles related to reimbursements on step 1	_____
3 Multiply step 2 by 14 cents	_____
4 Multiply step 2 by 56 cents	_____
5 Enter the lesser of step 1 or step 4	_____
6 Subtract step 3 from step 5. Include this amount on line 24 of Schedule M1M.	_____

Line 25 — Military Pension or Retirement Pay

If you received certain compensation from a military pension or other military retirement pay, you may reduce your taxable income by that pay. To qualify, your retirement pay must be taxable on your federal return and received for one of the following reasons:

- Service in the active component of the military (U.S. Code, title 10, sections 1401 to 1414)
- Retirement pay for service in the reserve component (U.S. Code, title 10, section 12733)
- Survivor benefit plan payments (U.S. Code, title 10, sections 1447 to 1455)

If you claim this subtraction, you may not claim the nonrefundable credit for past military service on line 1 of Schedule M1C, *Other Nonrefundable Credits*.

Line 26 — Post-Service Education Awards Received for Service in an AmeriCorps National Service Program

If you received a post-service education award, such as tuition reimbursements or student loan payments, from the federal government in 2021 for service in the AmeriCorps program, you can subtract the amount you included in your federal adjusted gross income. Enter the amount you received after leaving the program. Do not include the stipend received while working in the program.

If your education award was used to repay a student loan, and you deducted the student loan interest on line 21 of federal Schedule 1, you must reduce your subtraction by the interest attributable to the award.

Line 27 — First-Time Homebuyers Savings Account

If you contributed to a designated first-time homebuyer savings account since 2017, you may be eligible to subtract your earnings on the account. Complete and include Schedule M1HOME, *First-Time Homebuyer Savings Account*, to determine your subtraction amount.

Line 28 — Discharge of Indebtedness for Education Loans

If you had a qualifying education loan forgiven because you completed an income-driven repayment program, enter the amount of debt discharged and included in federal adjusted gross income.



2021 Schedule M1SA, Minnesota Itemized Deductions

Jorge Hernandez 124-66-1111
 Your First Name and Initial Last Name Your Social Security Number

Medical and Dental Expenses

- 1 Medical and dental expenses (see instructions) 1 ■ 26,844
- 2 Adjusted gross income (see instructions) 2 175,000
- 3 Multiply line 2 by 10% (.10). 3 17,500
- 4 Subtract line 3 from line 1. If line 3 is more than line 1, enter 0 4 ■ 9,344

Taxes You Paid

- 5 Real estate taxes (see instructions) 5 ■ 8,000
- 6 Personal property taxes (see instructions) 6 ■
- 7 Add lines 5 and 6. 7 ■ 8,000
- 8 Enter the lesser of line 7 or \$10,000 (\$5,000 if Married Filing Separately) 8 ■ 5,000
- 9 Other taxes. List the type and amount 9 ■
- 10 Add lines 8 and 9. 10 ■ 5,000

Interest You Paid

- 11 Home mortgage interest and points on federal Form 1098 11 20,000
- 12 Home mortgage interest and points not reported to you on Form 1098 (see instructions) 12
- 13 Investment interest expense 13
- 14 Add lines 11 through 13 14 ■ 20,000

Charitable Contributions

- 15 Charitable contributions by cash or check (see instructions). 15 15,000
- 16 Charitable contributions by other than cash or check (see instructions) 16 5,000
- 17 Carryover of charitable contributions from a prior year 17
- 18 Add lines 15 through 17 18 ■ 20,000

Casualty and Theft Losses

- 19 Casualty or theft loss (enclose Schedule M1CAT) 19 ■

Unreimbursed Employee Business Expenses

- 20 Unreimbursed employee expenses (enclose Schedule M1UE) 20 ■
- 21 Adjusted gross income (see instructions) 21
- 22 Multiply line 21 by 2% (.02) 22
- 23 Subtract line 22 from line 20. If zero or less, enter 0 23 ■

Other Miscellaneous Deductions

- 24 Other miscellaneous deductions (see instructions) 24 ■
 List type and amount _____
- 25 Add lines 4, 10, 14, 18, 19, 23, and 24 25 ■ 54,344
- 26 Complete the worksheet in the instructions if Line 1 of Form M1 or line 37 of Schedule M1NC is more than \$199,850 (\$99,925 if your filing status is Married Filing Separately) 26 ■ 2,252
- 27 Subtract line 26 from line 25. Enter the result here and on line 4 of Form M1 27 ■ 52,092

2021 Schedule M1SA Instructions

Should I file this schedule?

Complete and file Schedule M1SA, *Minnesota Itemized Deductions*, to claim itemized deductions on your Minnesota income tax return. Generally, you will benefit more by filing Schedule M1SA if your itemized deductions are more than your standard deduction. Use the Standard Deduction Table to determine your standard deduction.

You may file Schedule M1SA even if you did not file federal Schedule A. If you filed federal Schedule A, you will use many of the amounts on that schedule for Schedule M1SA.

If you filed federal Form 1040-NR you are not eligible for the standard deduction unless a U.S. tax treaty allows it. You may qualify for certain Minnesota itemized deductions such as charitable contributions, casualty and theft losses, and certain miscellaneous deductions. If you entered amounts on **lines 2 through 7 of Form 1040-NR**, Schedule A, see instructions for lines 15-19 and line 24 of this schedule to determine your Minnesota itemized deductions.

Standard Deduction Table

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.

You: 65 or older blind Your Spouse: 65 or older blind

Filing status	Boxes Checked Above	Standard Deduction
Single:	0	\$ 12,525
	1	14,175
	2	15,825
Married Filing Jointly or Qualifying Widow(er):	0	\$ 25,050
	1	26,350
	2	27,650
	3	28,950
Married Filing Separately:	0	\$ 12,525
	1	13,825
	2	15,125
	3	16,425
Head of Household:	0	\$ 18,800
	1	20,450
	2	22,100

Line Instructions

Line 1 — Medical and Dental Expenses

If you filed federal Schedule A and entered an amount on line 1, enter that amount on line 1 of Schedule M1SA. If you did not file Schedule A or enter an amount on line 1 of Schedule A, enter the total of your medical and dental expenses after you reduce these expenses by any payments received from insurance or other sources.

Examples of Medical and Dental Payments You Can Deduct

To the extent you were not reimbursed, you can deduct what you paid for:

- Insurance premiums for medical and dental care, including premiums for qualified long-term care insurance contracts. Reduce the insurance premiums by any self-employed health insurance deduction you claimed on federal Schedule 1, line 17. You cannot deduct insurance premiums paid with pretax dollars because the premiums are not included in box 1 of your federal Form W-2. If you are a retired public safety officer, you cannot deduct any premiums to the extent you paid for them with a tax-free distribution from your retirement plan.

Limit on long-term care premiums you can deduct	
If the person was, at the end of 2021, age	Then the most you can deduct is
40 or under	\$450
41-50	\$850
51-60	\$1,690
61-70	\$4,520
71 or older	\$5,640

- Prescription medicines or insulin.
- Acupuncturists, chiropractors, dentists, eye doctors, medical doctors, occupational therapists, osteopathic doctors, physical therapists, podiatrists, psychiatrists, psychoanalysts (medical care only), and psychologists.
- Medical examinations, X-ray and laboratory services, insulin treatment, and whirlpool baths your doctor ordered.
- Diagnostic tests, such as a full-body scan, pregnancy test, or blood sugar test kit.
- Nursing help (including your share of the employment taxes paid). If you paid someone to do both nursing and housework, you can deduct only the cost of the nursing help.
- Hospital care (including meals and lodging), clinic costs, and lab fees.
- Qualified long-term care services.
- The supplemental part of Medicare insurance (Medicare B).
- The premiums you pay for Medicare Part D insurance.
- A program to stop smoking and any prescription medicines to alleviate nicotine withdrawal.
- A weight-loss program as treatment for a specific disease (including obesity) diagnosed by a doctor.
- Medical treatment at a center for drug or alcohol addiction.
- Medical aids such as eyeglasses, contact lenses, hearing aids, braces, crutches, wheelchairs, and guide dogs, and the cost to maintain them.
- Surgery to improve defective vision, such as laser eye surgery or radial keratotomy.
- Lodging expenses (but not meals) while away from home to receive medical care provided by a physician in a hospital or a medical care facility related to a hospital, provided there was no significant element of personal pleasure, recreation, or vacation in the travel.
- Ambulance service and other travel costs to get medical care. If you used your own vehicle to go to and from a place to receive care, you can claim 17 cents per mile or what you actually spent for gas and oil. Add parking and tolls to the amount you claim under either method.
- Cost of breast pumps and supplies that assist lactation.

Continued

Example 3

Examples of Medical and Dental Payments You Cannot Deduct

- The cost of diet food
- Cosmetic surgery, unless it was necessary to improve a deformity related to a congenital abnormality, an injury from an accident or trauma, or a disfiguring disease
- Life insurance or income protection policies
- The Medicare tax on your wages and tips, or the Medicare tax paid as part of the self-employment tax or household employment taxes
- Nursing care for a healthy baby
- Illegal operations or drugs
- Imported drugs not approved by the U.S. Food and Drug Administration (FDA). This includes foreign-made versions of U.S.-approved drugs manufactured without FDA approval
- Nonprescription medicines other than insulin (including nicotine gum and certain nicotine patches)
- Travel your doctor told you to take for rest or a change
- Funeral, burial, or cremation costs

Whose medical and dental expenses can you include? You can include medical and dental bills you paid in 2021 for any of these individuals, either when the services were provided or when you paid for them.

- Yourself and your spouse
- All dependents you claim on your return
- Your child whom you do not claim as a dependent because of the rules for children of divorced or separated parents
- Any person you could have claimed as a dependent on your return unless that person received \$4,350 or more of gross income or filed a joint return
- Any person you could have claimed as a dependent except that you, or your spouse if filing jointly, can be claimed as a dependent on someone else's 2021 return

Reimbursements. If your insurance company paid the provider directly for part of your expenses, and you paid only the amount that remained, include on line 1 only the amount you paid. If you received a reimbursement in 2021 for medical or dental expenses you paid in 2021, reduce your 2021 expenses by this amount. If you received a reimbursement in 2021 for prior year medical or dental expenses, do not reduce your 2021 expenses by this amount.

Cafeteria plans. You cannot deduct amounts that were already excluded from your income. Do not include on line 1 insurance premiums paid by an employer-sponsored health insurance plan (cafeteria plan) unless the premiums are included in box 1 of your Forms W-2. Also, do not include any other medical and dental expenses paid by the plan unless the amount paid is included in box 1 of your Forms W-2.

Line 2 - Adjusted Gross Income

Enter the amount from line 1 of Form M1. If you completed Schedule M1NC, enter the amount from line 37 of that Schedule. If the amount is zero or less, enter 0.

Line 5 — Real Estate Taxes

If you filed federal Schedule A, enter the amount from [line 5b](#).

Include state and local taxes you paid on real estate if all of these apply:

- You did not use the real estate for business
- The taxes were assessed uniformly at a like rate on all real property throughout the community
- The tax proceeds are used for general community or governmental purposes

IRS Publication 530 explains the deductions homeowners can take.

Do not include:

- Itemized charges for services to specific property or persons (for example, a \$20 monthly charge per house for trash collection, a \$5 charge for every 1,000 gallons of water consumed, or a flat charge for mowing a lawn that had grown higher than permitted under local ordinance)
- Charges for improvements that tend to increase the value of your property (for example, an assessment to build a new sidewalk). The cost of property improvement is added to the basis of the property. A charge is deductible if it is used only to maintain an existing public facility in service (for example, a charge to repair an existing sidewalk, and any interest included in that charge)

If your mortgage payments include real estate taxes, you can deduct only the amount the mortgage company actually paid to the taxing authority in 2021.

If you sold your home in 2021, any real estate tax charged to the buyer should be shown on your settlement statement and in box 6 of any federal Form 1099-S you received. This amount is considered a refund of real estate taxes (see **Refunds and rebates**). Any real estate taxes you paid at closing should be shown on your settlement statement.

Refunds and rebates. If you received a refund or rebate in 2021 such as from a 2020 Form M1PR, *Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund*, reduce your deduction by the amount of the refund or rebate.

Line 6 — Personal Property Taxes

If you filed federal Schedule A and you had an amount [on line 5c](#), enter that amount on line 6 of Schedule M1SA. Enter the state and local personal property taxes you paid, but only if the taxes were based on value alone and imposed on a yearly basis.

If you are claiming registration tax for a vehicle registered in Minnesota, you may deduct part of your Minnesota vehicle license fee as personal property tax for passenger automobiles, pick-up trucks, and vans. You may not deduct other amounts, such as the plate fee and filing fee.

Calculate the allowed deduction by subtracting \$35 from your vehicle's registration tax for each vehicle you register. To find the registration tax:

- Go to www.drive.mn.gov and select Calculate Registration Tax
- Look at the vehicle registration renewal form issued by Driver and Vehicle Services

Example 3

Line 9 — Other Taxes

If you had any deductible tax not listed on lines 5 or 6, list the type and amount of tax. Include income tax you paid to a foreign country or U.S. possession. You cannot claim a deduction for foreign taxes if you included those taxes on federal Form 1116.

Lines 11 through 13 — Interest You Paid

The rules for deducting interest vary, depending on whether you used the loan proceeds for business, personal, or investment activities. See IRS Publication 535 for more information about deducting business interest expenses. See IRS Publication 550 for more information about deducting investment interest expenses. You cannot deduct personal interest.

If you use the proceeds of a loan for more than one purpose (for example, personal and business), you must allocate the interest on the loan to each use. Do not allocate home mortgage interest if it is fully deductible, regardless of how you used the funds.

You allocate interest (other than fully deductible home mortgage interest) on a loan in the same way as the loan is allocated. Trace disbursements of the debt proceeds to specific uses. For more information on allocating interest, see IRS Publication 535.

Generally, if you paid interest in 2021 that applies to any period after 2021, you can deduct only amounts that apply for 2021.

Line 11 — Home Mortgage Interest Reported on Federal Form 1098

If you filed federal Schedule A, enter the amount from **line 8a**. Do not include any home equity loan interest that was included on **line 8a**. If you meet the exception to the federal limitation for a loan taken out after December 15, 2017, but before April 1, 2018, follow the instructions for limits on loans taken out on or after December 16, 2017, on Schedule M1SA.

Enter on line 11 mortgage interest and points reported to you on federal Form 1098.

A home mortgage is any loan secured by your main home or second home. It includes first and second mortgages and refinanced mortgages. A home can be a house, condominium, cooperative, mobile home, boat, or similar property. The home must provide basic living accommodations, including sleeping space, toilet, and cooking facilities.

Limit on loans taken out before December 16, 2017. For qualifying debt taken out before December 16, 2017, you can only deduct mortgage interest on up to \$1,000,000 (\$500,000 if you are married and file a separate return) of that debt. The only exception is for loans taken out on or before October 13, 1987. See IRS Publication 936, if you took out the loan on or before October 13, 1987.

Limit on loans taken out on or after December 16, 2017. For qualifying debt taken out on or after December 16, 2017, you can only deduct home mortgage interest on up to \$750,000 (\$375,000 if you are married and file a separate return) of that debt. If you also have qualifying debt subject to the \$1,000,000 limitation discussed under the previous paragraph, the \$750,000 limit for debt taken out on or after December 16, 2017, is reduced by the amount of your qualifying debt subject to the \$1,000,000 limit.

Refund of overpaid interest. If your Form 1098 shows any refund of overpaid interest, do not reduce your deduction by the refund.

Interest reported on someone else's Form 1098. If you and at least one other person (other than your spouse, if filing jointly) were liable for and paid interest on the mortgage, and the interest was reported on the other person's Form 1098, report your share of the interest on line 2. (See IRS Publication 936 to calculate your mortgage interest deduction.)

Form 1098 does not show all interest paid. If you paid more interest to the recipient than is shown on Form 1098, show the larger deductible amount on line 11 and explain the difference. If you are filing a paper return, explain the difference by attaching a statement to your paper return and printing "See attached" to the right of line 11.

Line 12 — Home Mortgage Interest not reported on federal Form 1098

If you filed federal Schedule A, enter the amount from **line 8b**.

If you paid mortgage interest to a recipient who did not provide you a Form 1098, report your deductible mortgage interest on line 12.

Seller financed mortgage. If you paid home mortgage interest to the person from whom you bought the home and that person did not provide you a Form 1098, write that person's name, identifying number, and address on the line next to line 12. If the recipient of your home mortgage payment(s) is an individual, the identifying number is their Social Security Number (SSN). Otherwise, it is their Federal Employer Identification Number (FEIN). You must also let the recipient know your SSN.

Interest reported on someone else's Form 1098. If you and at least one other person (other than your spouse if filing jointly) were liable for and paid interest on the mortgage, and the home mortgage interest paid was reported on the other person's Form 1098, identify the name and address of the person or persons who received a Form 1098 reporting the interest you paid. If you are filing a paper return, identify the person by attaching a statement to your paper return and printing "See attached" to the right of line 12.

Points not reported on Form 1098. Points are shown on your settlement statement. Points you paid only to borrow money are generally deductible over the life of the loan. See IRS Publication 936 to figure the amount you can deduct. You may not deduct points paid for other purposes, such as for a lender's services.

Refinancing. Generally, you must deduct points you paid to refinance a mortgage over the life of the loan. This is true even if the new mortgage is secured by your main home.

If you used part of the proceeds to improve your main home, you may be able to deduct the part of the points related to the improvement in the year paid. See IRS Publication 936 for details.

Line 13 — Investment Interest

If you filed federal Schedule A, enter the amount from **line 9**.

Investment interest is interest paid on money you borrowed that is allocable to property held for investment. It does not include any interest allocable to passive activities or to securities generating tax-exempt income.

Continued

Example 3

Complete and attach a 2021 federal Form 4952 for Minnesota purposes to figure your deduction unless all of these apply:

- Your investment interest expense is less than your investment income from interest and ordinary dividends minus any qualified dividends
- You have no other deductible investment expenses
- You have no disallowed investment interest expense from 2020

Lines 15 through 17 — Charitable Contributions

You can deduct contributions you gave to organizations that are religious, charitable, educational, scientific, or literary in purpose. You can also deduct what you gave to organizations that work to prevent cruelty to children or animals. See IRS Publication 526 for details.

To verify an organization's charitable status:

- Check with the organization you donated to; the organization should be able to verify its charitable status
- Use the online search tool at www.irs.gov/EOSelectCheck to see if an organization is eligible to receive tax-deductible contributions

Examples of Qualified Charitable Organizations

This list gives some examples of qualified organizations. See IRS Publication 526 for more examples.

- Churches, mosques, synagogues, temples, and other religious organizations
- Boy Scouts, Boys and Girls Clubs of America, CARE, Girl Scouts, Goodwill Industries, Red Cross, Salvation Army, and United Way
- Fraternal orders, if the contributions will be used for the purposes listed under Charitable Contributions
- Veterans' and certain cultural groups
- Nonprofit hospitals and medical research organizations
- Most nonprofit educational organizations, such as colleges, but only if your contribution is not a substitute for tuition or other enrollment fees
- Federal, state, and local governments, if the contributions are solely for public purposes

Amounts You Can Deduct

Contributions can be in cash, property, or out-of-pocket expenses you paid to do volunteer work for the kinds of organizations described earlier. If you drove to and from the volunteer work, you can take the actual cost of gas and oil or 14 cents a mile. Add parking and tolls to the amount you claim under either method. Do not deduct any amounts repaid to you. You may deduct volunteer mileage reimbursement exceeding 14 cents on line 24 of Schedule M1M.

Contributions from which you benefit. If you made a contribution and received a benefit in return, such as food, entertainment, or merchandise, you can generally only deduct the amount that is more than the value of the benefit. This rule does not apply to certain membership benefits provided in return for an annual payment of \$75 or less or to certain items or benefits of token value. For details, see IRS Publication 526.

Example. You paid \$70 to a charitable organization to attend a fundraising dinner and the value of the dinner was \$40. You can deduct only \$30.

Contributions of \$250 or more. You can deduct a contribution of \$250 or more only if you have a statement from the charitable organization showing:

- The amount of any money contributed and a description (but not value) of any property donated
- Whether the organization did or did not give you any goods or services in return for your contribution. If you did receive any goods or services, they must include a description and estimate of the value. If you received only intangible religious benefits (such as admission to a religious ceremony), the organization must state this, but it does not have to describe or value the benefit

In figuring whether a donation is \$250 or more, do not combine separate donations. For example, if you gave your church \$25 each week for a total of \$1,300, treat each \$25 payment as a separate donation. If you made donations through payroll deductions, treat each deduction from each paycheck as a separate donation. See IRS Publication 526 if you made a separate donation of \$250 or more through payroll deduction.

Limit on the amount you can deduct. See IRS Publication 526 to figure the amount of your deduction if any of these apply:

- Your cash contributions or contributions of ordinary income property are more than 30% of the amount on line 1 of Form M1
- Your contributions of capital gain property are more than 20% of the amount on line 1 of Form M1 (or line 37 of Schedule M1NC)
- You gave contributions of property that increased in value or gave donations of the use of property

Amounts you cannot deduct

- Travel expenses (including meals and lodging) while away from home performing donated services, unless there was no significant element of personal pleasure, recreation, or vacation in the travel
- Political contributions
- Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups
- Cost of raffle, bingo, or lottery tickets
- Value of your time or services
- Value of blood given to a blood bank
- The transfer of a future interest in tangible personal property. Generally, no deduction is allowed until the entire interest has been transferred
- Donations to individuals and groups that are operated for personal profit
- Donations to foreign organizations. However, you may be able to deduct donations to certain U.S. organizations that transfer funds to foreign charities and certain Canadian, Israeli, and Mexican charities. See IRS Publication 526 for details.
- Donations to organizations engaged in certain political activities that are of direct financial interest to your trade or business
- Donations to groups whose purpose is to lobby for changes in the laws
- Donations to civic leagues, social and sports clubs, labor unions, and chambers of commerce

Example 3

- Value of benefits received in connection with a contribution to a charitable organization. See IRS Publication 526 for exceptions.
- Cost of tuition. However, you may be able to deduct this as a job education expense on line 20 or take an education credit

Line 15 — Charitable Contributions by Cash or Check

If you filed federal Schedule A, enter the amount from line 11. Do not include amounts that exceed 60% of line 1 of Form M1 or line 37 of Schedule M1NC, you were required to complete Schedule M1NC.

If you filed federal Form 1040-NR, enter the amount from line 2 of Schedule A. Do not include amounts that exceed 60% of line 1 of Form M1 or line 37 of Schedule M1NC, you were required to complete Schedule M1NC.

Enter on line 15 the total value of donations you made in cash or by check (including out-of-pocket expenses).

Recordkeeping. Keep bank records of contributions (such as a canceled check or credit card statement) or written records from the charity, regardless of your amounts contributed. The written record must include the name of the charity, date, and amount of the contribution. If you made contributions through payroll deduction, see IRS Publication 526. Do not attach the record to your tax return.

Line 16 — Other Than by Cash or Check

If you filed federal Schedule A, enter the **amount from line 12**.

If you filed federal Form 1040-NR, enter the amount from **line 3 of Schedule A**.

Enter the total value of your contributions of property other than by cash or check. If you gave used items, such as clothing or furniture, deduct their fair market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale. For more details on determining the value of donated property, see IRS Publication 561.

Deduction more than \$500. If the amount of your deduction is more than \$500, you must complete and attach a statement identifying the date of contribution, name of the charitable organization, description of the property, and the fair market value.

Deduction more than \$5,000. If your total deduction is over \$5,000 (\$500 for certain contributions of clothing and household items), you may also have to get appraisals of the values of the donated property. See federal Form 8283 and its instructions for details.

Contribution of motor vehicle, boat, or airplane. If you deduct more than \$500 for a contribution of a motor vehicle, boat, or airplane, you must also attach a statement from the charitable organization to your paper return. The organization may use Form 1098-C to provide the required information.

Recordkeeping. If you gave property, you should keep a receipt or written statement from the organization you gave the property to, or a reliable written record that shows the organization's name and address, the date and location of the gift, and a description of the property. For each gift of property, you should also keep reliable written records that include:

- How you figured the property's value at the time you gave it. If the value was determined by an appraisal, keep a signed copy of the appraisal
- The cost or other basis of the property if you must reduce it by any ordinary income or capital gain that would have resulted if the property had been sold at its fair market value
- How you figured your deduction if you chose to reduce your deduction for donations of capital gain property
- Any conditions attached to the donation

Line 17 — Carryover from Prior Year

If you have contributions that you could not deduct in an earlier year because they exceeded the limits on the amount you could deduct, you generally have five years to use those contributions. The same limits apply this year to your carryover amounts as applied to those amounts in the earlier year. After applying those limits, enter the amount of your carryover that you are allowed to deduct this year.

Line 19 — Casualty and Theft Losses

Complete Schedule M1CAT, Casualty and Theft. If you filed federal Schedule A and entered an **amount on line 15**, complete a Schedule M1CAT for that casualty. If you filed federal Form 1040NR and entered an amount on **line 6 of Schedule A**, complete Schedule M1CAT for that casualty or theft loss.

You may be able to deduct part or all of each loss caused by any of these:

- Theft, vandalism, fire, storm, or similar causes
- Car, boat, and other accidents
- Corrosive dry-wall
- Money you had in a financial institution but lost because of the institution's insolvency or bankruptcy

You can deduct personal casualty or theft losses only to the extent that:

- The amount of each separate casualty or theft loss is more than \$100
- The total amount of all losses during the year reduced by \$100 is more than 10% of the amount on line 1 of Form M1 (or line 37 of Schedule M1NC)

Corrosive drywall losses. If you paid for repairs to your personal residence or household appliances because of corrosive drywall, you may be able to deduct on line 19 those amounts paid. See IRS Publication 547 for details.

Line 20 — Unreimbursed Employee Expenses

Complete and enclose Schedule M1UE, *Unreimbursed Employee Business Expenses*. If you are married, filing a joint return, and both you and your spouse claim deductions for unreimbursed employee expenses, each spouse must complete a separate Schedule M1UE with their own expense and reimbursement amounts.

Enter the total ordinary and necessary job expenses you paid for which you were not reimbursed.

Continued

Example 3

An ordinary expense is one that is common and accepted in your field of trade, business, or profession. A necessary expense is one that is helpful and appropriate for your business. An expense does not have to be required to be considered necessary.

You must complete Schedule M1UE if either of these apply:

- You claim any travel, transportation, meal, or entertainment expenses for your job
- Your employer reimbursed you for any of your job expenses that you would otherwise report on line 20

Do not include educator expenses you deducted on line 11 of federal Schedule 1.

Examples of other expenses to include on Schedule M1UE are:

- Safety equipment, small tools, and supplies needed for your job
- Uniforms required by your employer that are not suitable for ordinary wear
- Protective clothing required in your work, such as hard hats, safety shoes, and glasses
- Physical examinations required by your employer
- Dues to professional organizations and chambers of commerce
- Subscriptions to professional journals
- Fees to employment agencies and other costs to look for a new job in your present occupation, even if you do not get a new job
- Certain business use of part of your home (see IRS Publication 587 for details on limits)
- Certain educational expenses (see IRS Publication 970 for details)

Line 21 — Adjusted Gross Income

Enter the amount from line 1 of Form M1. If you completed Schedule M1NC, enter the amount from line 37 of that schedule. If the amount is zero or less, enter 0.

Line 24 — Other Miscellaneous Deductions

List the type and amount of each expense from the following list next to line 24 and enter the total of these expenses on line 24. If you are filing a paper return and you cannot fit all your expenses on the line next to line 24, attach a statement instead showing the type and amount of each expense. If you filed federal Schedule A, you may have reported these deductions on [line 16](#). If you filed federal Form 1040-NR, you may qualify for only certain deductions from the following list which you may have deducted on [line 7 of Form 1040-NR, Schedule A](#).

You may deduct only these expenses on line 24:

- Gambling losses to the extent of gambling winnings reported on line 8b of federal Schedule 1. Gambling losses include, but are not limited to, the cost on non-winning bingo, lottery, and raffle tickets
- Federal estate tax on income in respect of a decedent
- Deduction for amortizable bond premium (for example, a deduction allowed for a bond premium carryforward or a deduction for amortizable bond premium on bonds acquired before October 23, 1986)
- Deduction for repayment of amounts under a claim of right, if over \$3,000 (see IRS Publication 525 for details)
- Certain unrecovered investment in a pension
- Impairment-related work expenses of a person with a disability
- Deduction allowable in connection with personal property used in a short sale as described under section 67(b)(8)
- Deduction of taxes, interest, and business depreciation for cooperative housing corporation tenant-stockholder under section 216 of the Internal Revenue Code

Line 26 — Itemized Deduction Limitation

Complete the Worksheet for Line 26 if your adjusted gross income from line 1 of Form M1 is more than \$199,850 (\$99,925 if married and filing a separate return).

Worksheet for Line 26

1	Enter the amount from line 25.	54,344
2	Enter the total amounts from lines 4, 13, and 19.	9,344
3	Subtract step 2 from 1. If the result is zero or less, STOP HERE and enter 0 on line 26.	45,000
4	Multiply step 3 by 80% (.80).	36,000
5	Adjusted Gross Income: Enter the amount from line 1 of Form M1 or line 37 of Schedule M1NC	175,000
6	Enter \$199,850 (\$99,925 if married and filing a separate return)	99,925
7	Subtract step 6 from step 5	75,075
8	Multiply step 7 by 3% (.03).	2,252
9	Enter the smaller of step 4 or step 8. Enter the result here and on line 26	2,252

If married and filing separate returns, each spouse must complete a separate Worksheet for Line 26.

2021 Schedule M1529 Instructions

Am I eligible?

You may be eligible for the credit or subtraction if you contributed to a qualified education savings account, regardless of the owner or beneficiary.

You do not qualify for the credit if you are a nonresident or are eligible to be claimed as a dependent.

What is a qualified education savings account?

A qualified education savings account is any state-sponsored section 529 college savings plan, including prepaid tuition plans.

What is a qualified expense?

A qualified expense for a section 529 college savings plan is a cost required to attend a post-secondary educational institution. Qualified expenses do not include amounts paid for K-12 education expenses.

If you used a distribution from a 529 college savings plan for K-12 education tuition, you must include the lesser of distributions or the earnings reported on Form 1099-Q from the college savings plan on line 13 of Schedule M1M.

The Setting Every Community up for Retirement Enhancement (SECURE) Act allows individuals to use distributions from a section 529 college savings plan to pay for apprenticeships and certain student loan payments. If you entered an amount on line 3 of Schedule M1NC for a distribution, those distributions are not qualified distributions for Minnesota purposes. Include these nonqualified expenses on line 7.

Can I claim both the credit and subtraction?

No. You may claim either the credit or the subtraction. You cannot claim both.

Is it better to take the credit or subtraction?

It depends on your residency status, filing status, and income.

Full and part-year residents: If your Federal Adjusted Gross Income (FAGI) is \$80,430 or less, the credit will generally provide a greater benefit for you. If your FAGI is more than \$80,430 but less than the \$105,430 (\$169,780 if you are married and filing a joint return), complete the Worksheet for Line 5.

If your filing status is Married Filing Jointly and your FAGI is more than \$169,780 (\$105,430 for all other filing statuses), you are not eligible for the credit. You may be eligible for the subtraction.

Nonresidents or individuals eligible to be claimed as a dependent: You are not eligible for the credit. You may be eligible for the subtraction.

Do I need proof of my contributions?

Yes. Save canceled checks and keep a detailed record of your contributions (such as brokerage and account statements). We may ask you to show these records if we have questions.

If you claim the credit or subtraction, maintain a record of the amounts claimed as long as any education savings account is open.

Line Instructions

Round amounts to the nearest whole dollar.

Line 1

Enter the financial institution, account number, and amount you contributed in 2021 for each qualified education savings account. If you contributed to more than five accounts, include a list of additional accounts on a separate sheet.

Line 2

Enter the total amount of all distributions from accounts that, during the year, you:

- Were listed as an account owner or beneficiary
- Made a contribution to

Generally, distributions are reported on federal Form 1099-Q.

Line 4

If you are taking the subtraction instead of the credit, stop here; enter this amount on line 38 of Schedule M1M, *Income Additions and Subtractions*. You may **not** claim both the credit and the subtraction.

Line 5

If you are taking the credit instead of the subtraction, skip line 4; enter this amount on line 7 of Schedule M1C, *Nonrefundable Credits*. You may **not** claim the credit if any of these apply:

- You claim the Education Savings Account Contribution Subtraction
- You are eligible to be claimed as a dependent
- You are a nonresident

Example 3

Worksheet for Line 5 (529 Credit)

- 1 Enter the amount from line 3 _____
- 2 Multiply the amount from step 1 by 50% (.50) _____
- 3 Enter the amount from line 1 of Form M1 or if you were required to complete Schedule M1NC, the amount from line 37 of Schedule M1NC. _____
- 4 If step 3 is less than \$80,430, skip steps 5-9 and enter \$500 on step 10.

If step 3 is \$80,430 or more, use the table below to determine steps 5, 7, and 9 for your filing status.

Married filing jointly

If step 3 is:

Over	But Not Over	Use for Step 5	Use for Step 7	Use for Step 9
\$80,430	\$105,430	\$80,430	0.01	\$500
\$105,430	\$144,780	\$0	0.00	\$250
\$144,780	—	\$144,780	0.01	\$250

All other filing statuses

If step 3 is over \$80,430:	Use for Step 5	Use for Step 7	Use for Step 9
	\$80,430	0.02	\$500

- 5 Enter the appropriate amount for this step from the table above. _____
- 6 Subtract step 5 from step 3 _____
- 7 Enter the appropriate amount for this step from the table above. _____
- 8 Multiply step 6 by step 7 _____
- 9 Enter the appropriate amount for this step from the table above. _____
- 10 Subtract step 8 from step 9 _____
- 11 Enter the amount from step 2 or step 10, **whichever is less**. Enter this amount on line 5 of Schedule M1529 _____

Questions?

Forms and information are available on our website at www.revenue.state.mn.us.

If you have questions:

- Visit our website at www.revenue.state.mn.us and enter **Education Savings** into the Search box
- Send us an email at individual.incometax@state.mn.us
- Call us at 651-296-3781 or 1-800-652-9094

Example 4: M1, M1W, M1REF, M1WFC, M1CD

Jamal (123-45-6789) and Deidra (987-67-3214) Brown are Married Filing Jointly.

They have 3 dependents:

Donovan is in 6th grade (444-88-9999, Date of Birth 09/07/2010) at a public school:

- Music lessons: \$120
- Tennis shoes for gym class: \$150
- Notebooks and pens: \$105
- Calculator: \$275
- School Lunches: \$300
- Software purchased for Spanish class: \$200
- Purchase of Musical instruments: \$350

Chante is in 1st grade (666-78-3258, Date of birth: 05/12/2015) at a public school:

- Paper, pencils, markers, crayons: \$335
- Soccer camp: \$417

Denise (448-95-7777) is an infant born on 12/09/2020. Jack and Peggy paid \$15,600 for childcare.

They spent \$1,050 on doctor visits.

They spent \$160 on prescription medications.

Example 4

		a Employee's social security number: 123-45-6789		OMB No. 1545-0008 This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.		
b Employer identification number (EIN) 41-1444222			1 Wages, tips, other compensation \$24,030		2 Federal income tax withheld \$1,100	
c Employer's name, address, and ZIP code Ben's Warehouse 9854 Elmdale Lane Mankato, MN 56001			3 Social security wages		4 Social security tax withheld	
			5 Medicare wages and tips		6 Medicare tax withheld	
			7 Social security tips		8 Allocated tips	
d Control number			9		10 Dependent care benefits	
e Employee's first name and initial: Last name: Suffix: Jamal Brown 211 Grouse Rd. Mankato, MN 56001			11 Nonqualified plans		12a See instructions for box 12	
			13 Stationary employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b	
			14 Other		12c	
					12d	
f Employee's address and ZIP code						
15 State Employer's state ID number		16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name
MN 7022001		\$24,030	\$1,990			

Form **W-2** Wage and Tax Statement
 Copy C—For EMPLOYEE'S RECORDS
 (See Notice to Employee on the back of Copy B.)

2021

Department of the Treasury—Internal Revenue Service



Example 4

		a Employee's social security number 987-67-3214		This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it. OMB No. 1545-0008	
b Employer identification number (EIN) 41-1236547		1 Wages, tips, other compensation \$17,100		2 Federal income tax withheld \$1,089	
c Employer's name, address, and ZIP code Michaels Inc. 2100 Birch Drive Mankato, MN 56001		3 Social security wages		4 Social security tax withheld	
		5 Medicare wages and tips		6 Medicare tax withheld	
		7 Social security tips		8 Allocated tips	
d Control number		9		10 Dependent care benefits	
e Employee's first name and initial Last name Suffix Deidra Brown 211 Grouse Rd. Mankato, MN 56001		11 Nonqualified plans		12a See instructions for box 12	
		13 <input type="checkbox"/> Seasonal employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay		12b	
		14 Other		12c	
				12d	
f Employee's address and ZIP code					
15 State Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name
MN 7022003	\$17,100	\$960			

Form **W-2** Wage and Tax Statement
 Copy C—For EMPLOYEE'S RECORDS
 (See Notice to Employee on the back of Copy B.)

2021

Department of the Treasury—Internal Revenue Service

Safe, accurate, FAST! Use 

Example 4

Filing Status Single Married filing jointly Married filing separately (MFS) Head of household (HOH) Qualifying widow(er) (QW)
 Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ▶

Your first name and middle initial Beverly	Last name Hills	Your social security number 4 7 1 6 1 1 1 1
If joint return, spouse's first name and middle initial	Last name	Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. 35 Park Way		Apt. no. 5	Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse
City, town, or post office. If you have a foreign address, also complete spaces below. Oakdale	State MN	ZIP code 55128	
Foreign country name	Foreign province/state/county	Foreign postal code	

At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency? Yes No

Standard Deduction **Someone can claim:** You as a dependent Your spouse as a dependent Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness **You:** Were born before January 2, 1957 Are blind **Spouse:** Was born before January 2, 1957 Is blind

Dependents (see instructions): If more than four dependents, see instructions and check here ▶ <input type="checkbox"/>	(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see instructions): Child tax credit	Credit for other dependents
						<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>

Attach Sch. B if required. Standard Deduction for— • Single or Married filing separately, \$12,550 • Married filing jointly or Qualifying widow(er), \$25,100 • Head of household, \$18,800 • If you checked any box under Standard Deduction, see instructions.	1	Wages, salaries, tips, etc. Attach Form(s) W-2	1	25,000
	2a	Tax-exempt interest	2a	
	3a	Qualified dividends	3a	
	4a	IRA distributions	4a	
	5a	Pensions and annuities	5a	
	6a	Social security benefits	6a	
	7	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/>	7	
	8	Other income from Schedule 1, line 10	8	1,600
	9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income ▶	9	26,600
	10	Adjustments to income from Schedule 1, line 26	10	22
	11	Subtract line 10 from line 9. This is your adjusted gross income ▶	11	26,578
	12a	Standard deduction or itemized deductions (from Schedule A)	12a	12,550
	b	Charitable contributions if you take the standard deduction (see instructions)	12b	
	c	Add lines 12a and 12b	12c	12,550
	13	Qualified business income deduction from Form 8995 or Form 8995-A	13	
14	Add lines 12c and 13	14	12,550	
15	Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-	15	14,028	

16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	16
17	Amount from Schedule 2, line 3	17
18	Add lines 16 and 17	18
19	Nonrefundable child tax credit or credit for other dependents from Schedule 8812	19
20	Amount from Schedule 3, line 8	20
21	Add lines 19 and 20	21
22	Subtract line 21 from line 18. If zero or less, enter -0-	22
23	Other taxes, including self-employment tax, from Schedule 2, line 21	23
24	Add lines 22 and 23. This is your total tax	24
25	Federal income tax withheld from:	
a	Form(s) W-2	25a
b	Form(s) 1099	25b
c	Other forms (see instructions)	25c
d	Add lines 25a through 25c	25d
26	2021 estimated tax payments and amount applied from 2020 return	26
27a	Earned income credit (EIC) Check here if you were born after January 1, 1998, and before January 2, 2004, and you satisfy all the other requirements for taxpayers who are at least age 18, to claim the EIC. See instructions <input type="checkbox"/>	27a
b	Nontaxable combat pay election	27b
c	Prior year (2019) earned income	27c
28	Refundable child tax credit or additional child tax credit from Schedule 8812	28
29	American opportunity credit from Form 8863, line 8	29
30	Recovery rebate credit. See instructions	30
31	Amount from Schedule 3, line 15	31
32	Add lines 27a and 28 through 31. These are your total other payments and refundable credits	32
33	Add lines 25d, 26, and 32. These are your total payments	33
Refund	34 If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34
	35a Amount of line 34 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>	35a
Direct deposit? See instructions.	b Routing number: _____ c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
	d Account number: _____	
	36 Amount of line 34 you want applied to your 2022 estimated tax	36
Amount You Owe	37 Amount you owe . Subtract line 33 from line 24. For details on how to pay, see instructions	37
	38 Estimated tax penalty (see instructions)	38

If you have a qualifying child, attach Sch. EIC.

Third Party Designee Do you want to allow another person to discuss this return with the IRS? See instructions **Yes**. Complete below. **No**

Designee's name: _____ Phone no.: _____ Personal identification number (PIN): _____

Sign Here Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.)

Phone no. _____ Email address _____

Paid Preparer Use Only

Preparer's name	Preparer's signature	Date	PTIN	Check if: <input type="checkbox"/> Self-employed
Firm's name	Firm's address			Phone no.
Firm's EIN				



2021 Form M1, Individual Income Tax

Do not use staples on anything you submit.

Jamal Your First Name and Initial		Brown Last Name		123-45-6789 Your Social Security Number		Your Date of Birth (MM/DD/YYYY)	
Deidra If a Joint Return, Spouse's First Name and Initial		Brown Spouse's Last Name		987-67-3214 Spouse's Social Security Number		Spouse's Date of Birth	
Current Home Address		Check if Address is:		<input type="checkbox"/> New		<input type="checkbox"/> Foreign	
City		State		ZIP Code			

2021 Federal Filing Status (place an X in one box):

(1) Single
 (2) Married Filing Jointly
 (3) Married Filing Separately
 (4) Head of Household
 (5) Qualifying Widow(er)

Spouse Name _____

Spouse SSN _____

Dependents (see instructions):

Donovan Dependent 1 First Name	Brown Dependent 1 Last Name	444-88-9999 Dependent 1 SSN	Son Dependent 1 Relationship to You
Chante Dependent 2 First Name	Brown Dependent 2 Last Name	666-78-3258 Dependent 2 SSN	Daughter Dependent 2 Relationship to You
Denise Dependent 3 First Name	Brown Dependent 3 Last Name	448-95-7777 Dependent 3 SSN	Daughter Dependent 3 Relationship to You

State Elections Campaign Fund

To grant \$5 to this fund, enter the code for the party of your choice. It will help candidates for state offices pay campaign expenses. This will not increase your tax or reduce your refund.

Your Code Spouse's Code	Political Party Code Numbers:	Democratic/Farmer-Labor . . . 12	Grassroots/Legalize Cannabis 14	Legal Marijuana Now 17
	Republican 11	Independence 13	Libertarian 16	General Campaign Fund 99

From Your Federal Return (see instructions)

\$41,130			\$16,030
A. Wages, salaries, tips, etc.	B. IRA, pensions, and annuities	C. Unemployment	D. Federal taxable income
1 Federal adjusted gross income (from line 11 of federal Form 1040 and 1040-SR) 1 ■ 41,130			
2 Additions to income from line 10 of Schedule M1M and line 9 of Schedule M1MB (see instructions) 2 ■			
3 Add lines 1 and 2. 3 41,130			
4 Itemized deductions (from Schedule M1SA) or your standard deduction (see instructions) 4 ■ 25,050			
5 Exemptions (determine from instructions). 5 ■ 13,050			
6 State income tax refund from line 1 of federal Schedule 1. 6 ■			
7 Subtractions from line 32 of Schedule M1M and line 22 of Schedule M1MB (see instructions) 7 ■ 1,535			
8 Total subtractions. Add lines 4 through 7. 8 39,635			
9 Minnesota taxable income. Subtract line 8 from line 3. If zero or less, leave blank. 9 1,495			
10 Tax from the table in the Form M1 instructions 10 78			





11	Alternative minimum tax (enclose Schedule M1MT)	11	■	_____
12	Add lines 10 and 11	12		78
13	Full-year residents: Enter the amount from line 12 on line 13. Skip lines 13a and 13b. Part-year residents and nonresidents: From Schedule M1NR, enter the amount from line 32 on line 13, from line 28 on line 13a, and from line 29 on line 13b (enclose Schedule M1NR)	13		78
	13a ■ _____ 13b ■ _____			
14	Other taxes, such as recapture amounts and the tax on lump-sum distributions (check appropriate boxes) <input type="checkbox"/> (a) Schedule M1HOME <input type="checkbox"/> (b) Schedule M1529 <input type="checkbox"/> (c) Schedule M1LS	14	■	_____
15	Tax before credits. Add lines 13 and 14	15		78
16	Amount from line 18 of Schedule M1C, <i>Nonrefundable Credits</i> (enclose Schedule M1C)	16	■	_____
17	Subtract line 16 from line 15 (if result is zero or less, leave blank)	17		78
18	Nongame Wildlife Fund contribution (see instructions) This will reduce your refund or increase the amount you owe	18	■	_____
19	Add lines 17 and 18	19		78
20	Minnesota income tax withheld. Complete and enclose Schedule M1W to report Minnesota withholding from Forms W-2, 1099, and W-2G (do not send)	20	■	2,950
21	Minnesota estimated tax and extension payments made for 2021	21	■	_____
22	Amount from line 11 of Schedule M1REF, <i>Refundable Credits</i> (see instructions; enclose Schedule M1REF) . . .	22	■	2,449
23	Total payments. Add lines 20 through 22	23		5,399
24	REFUND. If line 23 is more than line 19, subtract line 19 from line 23 (see instructions). For direct deposit, complete line 25	24	■	5,321
25	Direct deposit of your refund (you must use an account not associated with a foreign bank): <input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings _____ Routing Number Account Number			
26	AMOUNT YOU OWE. If line 19 is more than line 23, subtract line 23 from line 19 (see instructions)	26	■	_____
27	Penalty amount from Schedule M15 (see instructions). Also subtract this amount from line 24 or add it to line 26 (enclose Schedule M15)	27	■	_____
IF YOU PAY ESTIMATED TAX and want part of your refund credited to estimated tax, complete lines 28 and 29.				
28	Amount from line 24 you want sent to you	28	■	_____
29	Amount from line 24 you want applied to your 2022 estimated tax	29	■	_____

Taxpayer: I declare that this return is correct and complete to the best of my knowledge and belief.

_____ Your Signature	_____ Spouse's Signature (If Filing Jointly)	_____ Date (MM/DD/YYYY)
_____ Daytime Phone	_____ Email Address	
_____ Paid Preparer's Signature	_____ Date (MM/DD/YYYY)	_____ PTIN or VITA/TCE # (required)
_____ Preparer's Daytime Phone	_____ Preparer's Email Address	

I do not want my paid preparer to file my return electronically.

I authorize the Minnesota Department of Revenue to discuss this tax return with the preparer or the third-party designee indicated on my federal return.

Include a copy of your 2021 federal return and schedules.

Mail to: Minnesota Individual Income Tax, Mail Station 0010, 600 N. Robert St., St. Paul, MN 55145-0010 9995



2021 Schedule M1M, Income Additions and Subtractions

Complete this schedule to determine line 2 and line 7 of Form M1.

Jamal Your First Name and Initial Brown Your Last Name 123-45-6789 Your Social Security Number

Additions to Income

- 1 Interest from municipal bonds of another state or its governmental units included on line 2a of federal Form 1040 1 ■ _____
- 2 Federally tax-exempt dividends from mutual funds investing in bonds of another state or its governmental units included on line 2a of federal Form 1040 2 ■ _____
- 3 Expenses deducted on your federal return attributable to income not taxed by Minnesota (other than interest or mutual fund dividends from U.S. bonds) 3 ■ _____
- 4 Capital gain portion of a lump-sum distribution (from line 6 of federal Form 4972; enclose Form 4972) ... 4 ■ _____
- 5 Addition from line 7 of Schedule M1HOME (enclose Schedule M1HOME) 5 ■ _____
- 6 Distributions from higher education savings accounts used for K-12 tuition (see instructions) 6 ■ _____
- 7 This line intentionally left blank. 7 ■ _____
- 8 This line intentionally left blank. 8 ■ _____
- 9 Addition from line 35 of Schedule M1NC 9 ■ _____
- 10 Add lines 1 through 9. Enter the total here and on line 2 of Form M1 10 _____

Subtractions from Income

- 11 If you are not filing Schedule M1SA, and your charitable contributions were more than \$500, see instructions. 11 ■ _____
- 12 Social Security benefit subtraction (determine from worksheet in instructions) 12 ■ _____
- 13 Education expenses you paid for your qualifying children in grades K-12 (see instructions) Enter the name and grade of each child on the line below. 13 ■ 1,535
 - Donovan, 6th grade Chante, 1st grade
- 14 Net interest or mutual fund dividends from U.S. bonds (see instructions) 14 ■ _____
- 15 Subtraction for contributions to a qualified education savings plan (enclose Schedule M1529) 15 ■ _____
- 16 Subtraction for persons age 65 or older, or permanently and totally disabled (enclose Schedule M1R) ... 16 ■ _____
- 17 Railroad Retirement Board benefits (see instructions) 17 ■ _____
- 18 If you are a resident of Michigan or North Dakota filing Form M1 only to receive a refund of all Minnesota tax withheld, enter the amount from line 1 of Form M1. If the amount is zero or less, enter 0 18 ■ _____
 - Place an X in one box to indicate the reciprocity state of which you were a resident during 2021 Michigan North Dakota
- 19 Subtraction of reservation income for American Indians (see instructions) 19 ■ _____
- 20 Federal active duty military pay received for services performed while a Minnesota resident, to the extent the income is federally taxable. If you received a military pension, see line 25 20 ■ _____
- 21 Minnesota National Guard members and reservists: See instructions 21 ■ _____





- 22 **Residents of another state:** Enter your federal active service military pay, to the extent the income is federally taxable. If you received a military pension, see line 25. 22 ■ _____
- 23 Organ Donor Subtraction (*see instructions*) 23 ■ _____
- 24 Volunteer mileage reimbursement subtraction 24 ■ _____
- 25 Subtraction for military pensions or other military retirement pay (*see instructions*) 25 ■ _____
- 26 Post-service education awards received for service in an AmeriCorps National Service program 26 ■ _____
- 27 Subtraction for interest earned from a designated first-time homebuyer savings account (*enclose Schedule M1HOME*) 27 ■ _____
- 28 Subtraction for discharge of indebtedness of educational loans (*see instructions*) 28 ■ _____
- 29 This line intentionally left blank 29 ■ _____
- 30 This line intentionally left blank 30 ■ _____
- 31 Subtraction from line 35 of Schedule M1NC. Enter as a positive number 31 ■ _____
- 32 Add lines 11 through 31. Enter the total here and on line 7 of Form M1. 32 1,535

You must include this schedule with your Form M1.

2021 Schedule M1M Instructions

Additions

Line 1 — Interest From Municipal Bonds of Another State or its Governmental Units

Of the amount you included (or should have included) on line 2a of federal Form 1040, add the interest you received from municipal bonds issued by:

- A state other than Minnesota
- A local government (such as a county or city) in a state other than Minnesota

Line 2 — Federally Tax-Exempt Dividends from Mutual Funds Investing in Bonds of Another State

If you received federally tax-exempt interest dividends from a mutual fund, you may have to enter an amount on line 2. To determine the amount, if any, use the following instructions:

- If **95% or more** of the federally tax-exempt dividends from a mutual fund came from bonds issued by Minnesota, include *only* the portion of the federally tax-exempt dividend generated by non-Minnesota bonds.
- If **less than 95%** of the federally tax-exempt interest dividends from a mutual fund came from bonds issued by Minnesota, include *all* of the federally tax-exempt interest dividend from that fund.

Line 3 — Expenses Relating to Income Not Taxed by Minnesota, Other Than From U.S. Bond Obligations

If you deducted expenses on your federal return connected with income not taxed by Minnesota (such as income reported on lines 17 through 22 of Schedule M1M), add those expenses to your taxable income.

Do not include expenses connected with interest or mutual fund dividends from U.S. bonds. For information on how to report these expenses, see the instructions for line 14.

Line 4 — Capital Gain Portion of a Lump-Sum Distribution From a Qualified Retirement Plan

If you received a qualifying lump-sum distribution in 2021 and you chose the capital gain election on federal Form 4972, enter the capital gain from line 6 of federal Form 4972. Include a copy of federal Form 4972 when you file your return.

Line 5 — First-Time Homebuyer Savings Account Addition

If you made a nonqualified withdrawal from a first-time homebuyer savings account, you may be required to include those amounts in your taxable income. Complete and include Schedule M1HOME, *First-Time Homebuyer Savings Account*, to determine your addition.

Line 6 — Higher Education Savings Accounts Used for K-12 Tuition

If you paid K-12 tuition with a distribution from a higher education savings account, include the lesser of the total distributions from the account used to pay K-12 tuition or the total earnings reported on federal Form 1099-Q for the year.

Subtractions

Line 11 — Charitable Contributions over \$500

You may subtract some of your contributions made during the year if both of the following are true:

- You did not file Schedule M1SA, *Minnesota Itemized Deductions*.
- You made charitable contributions of more than \$500.

To determine your allowable contributions, see the instructions for Schedule M1SA, and use the Worksheet for Line 11.

Worksheet for Line 11

To determine your allowable contributions, you will need the instructions for Schedule M1SA.

1 Determine total allowable charitable contributions you would have been able to enter on lines 15 and 16 of Schedule M1SA . . .	_____
2 The first \$500 of contributions do not qualify	\$500
3 Subtract step 2 from step 1	_____
4 Multiply step 3 by 50% (.50). Enter here and on line 11 of Schedule M1M	_____

Line 12 — Social Security Subtraction

If you entered an amount on line 6b of federal Form 1040, complete the Worksheet for Line 12.

If you completed Schedule M1NC, *Federal Adjustments*, use the Worksheet for Line 12 of Schedule M1M in the Schedule M1NC instructions.

Example 4

Worksheet for line 12

1	Enter the amount from line 9 of federal Form 1040 or 1040-SR	_____
2	Enter the amount from line 6b of federal Form 1040 or 1040-SR	_____
3	Subtract step 2 from step 1	_____
4	Enter the amount from line 6a of federal Form 1040 or 1040-SR	_____
5	Multiply step 4 by 50% (0.50)	_____
6	Enter the amount you included or should have included on line 2a of federal Form 1040 or 1040-SR	_____
7	Add steps 3, 5 and 6	_____
8	Enter the amount on line 26 of federal Schedule 1	_____
9	Enter the amount on line 21 of federal Schedule 1	_____
10	Subtract step 9 from step 8. If zero or less, enter 0	_____
11	Subtract step 10 from step 7. If zero or less, enter 0	_____
12	Enter the amount for your filing status from below:	_____
	Married Filing Jointly or Qualifying Widow(er): \$80,270	
	Single or Head of household: \$62,710	
	Married Filing Separate: \$40,135	
13	Subtract step 12 from step 11. If zero or less, enter 0	_____
14	Multiply step 13 by 20% (.20)	_____
15	Enter the amount for your filing status from below	_____
	Married Filing Jointly or Qualifying Widow(er): \$5,290	
	Single or Head of household: \$4,130	
	Married Filing Separate: \$2,645	
16	Subtract step 14 from step 15. If zero or less, enter 0	_____
17	Enter the amount from step 2	_____
18	Enter the amount of Tier 1 railroad retirement benefits included on line 17 of Schedule M1M.	_____
19	Subtract step 18 from step 17. If zero or less, enter 0.	_____
20	Enter step 16 or step 19, whichever is less. Also enter this amount on line 12 of Schedule M1M.	_____

Line 13 — K-12 Education Expense Subtraction

If you purchased qualifying educational materials or services in 2021 for your qualifying child's K–12 education, you may be able to reduce your taxable income.

If you qualify for the K-12 Education Credit, complete Schedule M1ED before entering an amount on this line (see instructions for line 3 of Schedule M1REF, *Refundable Credits*). For this subtraction, you may use qualifying expenses you did not use for the credit and tuition expenses which do not qualify for the credit. You may not claim both the credit and a subtraction for the same expenses. Complete the Worksheet for Line 13 if you entered an amount on line 18 of Schedule M1ED.

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 2021.
- Have attended a public, private, or home school in Minnesota, Iowa, North Dakota, South Dakota, or Wisconsin.
- Not be claimed as a qualifying child on another individual's return.

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. Education expenses that qualify for the credit also qualify for the subtraction. However, certain expenses qualify only for the subtraction. For examples of qualifying education expenses, see the Form M1 instructions.

Subtraction Limits

The maximum subtraction allowed for purchases of personal computer hardware and educational software is \$200 per family. You may split qualifying computer expenses, up to \$200, among your children any way you choose. The maximum amount of education expenses you can subtract is \$1,625 for each child in grades K through 6, and \$2,500 for each child in grades 7 through 12.

If you qualify for the K–12 Education Credit (Schedule M1REF, line 3) and you cannot use all of your education expenses on Schedule M1ED, complete the Worksheet for Line 13. See Income Tax Fact Sheet 8, *K–12 Education Subtraction and Credit*, for more information. Enter your qualifying education expenses on line 13. Also, enter each child's name and grade at the time the expenses were paid.

Example 4

Worksheet for Line 13

If you qualify for the K–12 Education Credit and you cannot use all of your education expenses on Schedule M1ED, determine line 13 of Schedule M1M by completing the following steps:

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 13 of Schedule M1M.

Line 14 — Net Interest From U.S. Bonds

Include federally taxable interest you received from:

- U.S. bonds, bills, notes, savings bonds, and certificates of indebtedness
- Sallie Mae bonds
- Dividends paid to you by mutual funds that are attributable to these bonds
- U.S. Government interest and dividends you received as partner of a partnership, shareholder of an S corporation, or beneficiary of a trust

Reduce these amounts by any related investment interest and other expenses deducted on your federal return relating to this income. Do not include interest or dividends attributable to Ginnie Mae, Fannie Mae, or Freddie Mac bonds. See Income Tax Fact Sheet 13, *U.S. Government Interest*, if you received interest from a government source not listed.

Line 15 — Contributions to a 529 plan

You may be able to deduct certain contributions made to a 529 plan. To determine the amount of your subtraction, complete and include Schedule M1529, *Education Savings Account Contribution Credit or Subtraction*, and enter the amount from line 4 of Schedule M1529 on line 15.

Line 16 — Subtraction for Persons 65 or Older or Permanently and Totally Disabled (Schedule M1R)

You may qualify for a subtraction if either of the following apply to you (or your spouse, if filing a joint return):

- You were born before January 2, 1957.
- You were permanently and totally disabled and received federally taxable disability income in 2021. If you did not receive federally taxable disability income, you do not qualify for this subtraction.

If you (or your spouse, if filing jointly) meet the age or disability requirement, see the Form M1 instructions to determine if you meet the income requirements. If you meet all eligibility requirements, complete and include **Schedule M1R, Age 65 or Older/Disabled Subtraction**.

Line 17 — Railroad Retirement Board Benefits

If you included unemployment, sick pay, or retirement benefits from the Railroad Retirement Board in your 2021 federal adjusted gross income, you can subtract these amounts.

Line 18 — Reciprocity Income

Minnesota has income tax reciprocity agreements with Michigan and North Dakota. Reciprocity applies only to personal service income, such as wages, salaries, tips, commissions, fees, and bonuses. Complete line 18 if all of the following are true:

- You are a resident of a reciprocity state.
- Your only Minnesota source income was wages covered under reciprocity.
- You had Minnesota income tax withheld from these wages, and want a refund of the amount withheld. Place an X in the box for the state of which you were a permanent resident during the year, and enter the amount from line 1 of Form M1 on line 18 of Schedule M1M.

When you file Form M1, follow the steps in the Form M1 instructions. Also complete and include the following:

- Schedule M1W, *Minnesota Income Tax Withheld*
- Form MWR, *Reciprocity Exemption/Affidavit of Residency*
- A copy of your home state tax return

To avoid having Minnesota tax withheld in the future on wages covered by reciprocity, file Form MWR each year with your employer.

When to complete Schedule M1NR: If your gross income assignable to Minnesota (other than from performing personal services covered under reciprocity) is \$12,525 or more, you are not eligible to take the reciprocity subtraction on line 18. Instead, file Form M1 and Schedule M1NR. Do not include your personal service income on column B of Schedule M1NR.

Line 19 — American Indians Living on an Indian Reservation

If you are a member of an American Indian tribe living and working on the reservation of which you are an enrolled member, enter your reservation source income to the extent it is federally taxable.

If you are eligible to subtract reservation source income, you must apportion any Child and Dependent Care Credit you claim based on your income taxable to Minnesota.

Example 4

Line 20 — Federal Active Duty Military Pay Received by Residents

If you are a Minnesota resident and a member of the United States armed forces or United Nations armed forces, enter the federal active duty military pay you received and included in your federal adjusted gross income.

Line 21 — National Guard Members and Reservists

Members of the Minnesota National Guard and Reserves are allowed a subtraction of federally taxable pay received for training and certain types of qualifying service. This includes:

- Training, including annual training and drill weekends.
- State active service, including natural disaster emergency response and missing person searches.
- Federally funded state active service such as airport security duty, Active Duty Operational Support (ADOS), and service under Title 10 and Title 32 Active Guard Reserve (AGR).

If you included income on line 20 for federal active duty pay, do not include that income on line 21.

Line 23 — Organ Donor

If, while living, you, your spouse (if filing jointly), or a dependent donated all or part of a liver, pancreas, kidney, intestine, lung, or bone marrow to another person, you can subtract your actual qualified expenses up to \$10,000.

Qualified expenses are your unreimbursed expenses for travel and lodging and for any lost wages net of sick pay due to the transplantation.

Line 24 — Volunteer mileage reimbursement subtraction

If you received mileage reimbursement in volunteer service for an organization eligible for a charitable contribution under Internal Revenue Code section 170(c), you may subtract the amount you received which exceeded the 14 cent per mile volunteer mileage rate. There is a cap of 56 cents per mile for 2021. Complete the Worksheet for Line 24 for each organization which reimbursed you for mileage greater than the volunteer mileage rate. Combine the result of step 6 for all worksheets completed and enter the total on line 24. If each organization reimbursed you at the same rate, you may use one worksheet and combine all reimbursements received on step 1.

Worksheet for Line 24

1 Reimbursements for miles driven in volunteer service that you received in 2021	_____
2 Number of volunteer miles related to reimbursements on step 1	_____
3 Multiply step 2 by 14 cents	_____
4 Multiply step 2 by 56 cents	_____
5 Enter the lesser of step 1 or step 4	_____
6 Subtract step 3 from step 5. Include this amount on line 24 of Schedule M1M.	_____

Line 25 — Military Pension or Retirement Pay

If you received certain compensation from a military pension or other military retirement pay, you may reduce your taxable income by that pay. To qualify, your retirement pay must be taxable on your federal return and received for one of the following reasons:

- Service in the active component of the military (U.S. Code, title 10, sections 1401 to 1414)
- Retirement pay for service in the reserve component (U.S. Code, title 10, section 12733)
- Survivor benefit plan payments (U.S. Code, title 10, sections 1447 to 1455)

If you claim this subtraction, you may not claim the nonrefundable credit for past military service on line 1 of Schedule M1C, *Other Nonrefundable Credits*.

Line 26 — Post-Service Education Awards Received for Service in an AmeriCorps National Service Program

If you received a post-service education award, such as tuition reimbursements or student loan payments, from the federal government in 2021 for service in the AmeriCorps program, you can subtract the amount you included in your federal adjusted gross income. Enter the amount you received after leaving the program. Do not include the stipend received while working in the program.

If your education award was used to repay a student loan, and you deducted the student loan interest on line 21 of federal Schedule 1, you must reduce your subtraction by the interest attributable to the award.

Line 27 — First-Time Homebuyers Savings Account

If you contributed to a designated first-time homebuyer savings account since 2017, you may be eligible to subtract your earnings on the account. Complete and include Schedule M1HOME, *First-Time Homebuyer Savings Account*, to determine your subtraction amount.

Line 28 — Discharge of Indebtedness for Education Loans

If you had a qualifying education loan forgiven because you completed an income-driven repayment program, enter the amount of debt discharged and included in federal adjusted gross income.



2021 Schedule M1W, Minnesota Income Tax Withheld

Complete this schedule to report Minnesota income tax withheld. Include this schedule when you file your return.

Jamal	Brown	123-45-6789
Your First Name and Initial	Last Name	Your Social Security Number
Diedra	Brown	987-67-3214
If a Joint Return, Spouse's First Name and Initial	Spouse's Last Name	Spouse's Social Security Number

If you received a federal Form W-2, 1099, W-2G, 1042-S, or Minnesota Schedule KPI, KS, or KF showing Minnesota income tax withheld, complete this schedule to determine line 20 of Form M1. List only the forms that report Minnesota income tax withheld. Round dollar amounts to the nearest whole dollar. You must include this schedule when you file your return. **DO NOT** send in your Forms W-2, 1099, or W-2G; keep them with your tax records. All instructions are included on this schedule.

1 Minnesota wages and Minnesota tax withheld on Forms W-2, other than from Forms W-2G. If you have more than five Forms W-2, complete line 5 on the back.

A	B—Box 13	C—Box 15	D—Box 16	E—Box 17
If the Form W-2 is for: • you, enter 1 • spouse, enter 2	If Retirement Plan box is checked, mark an X below.	Employer's seven-digit Minnesota Tax ID Number	State wages, tips, etc. <i>(round to nearest whole dollar)</i>	Minnesota tax withheld <i>(round to nearest whole dollar)</i>
a1 <u>1</u>	b1 <input type="checkbox"/>	c1 MN <u>7022001</u>	d1 <u>24,030</u>	e1 <u>1,990</u>
a2 <u>2</u>	b2 <input type="checkbox"/>	c2 MN <u>7022003</u>	d2 <u>17,100</u>	e2 <u>960</u>
a3 _____	b3 <input type="checkbox"/>	c3 MN _____	d3 _____	e3 _____
a4 _____	b4 <input type="checkbox"/>	c4 MN _____	d4 _____	e4 _____
a5 _____	b5 <input type="checkbox"/>	c5 MN _____	d5 _____	e5 _____

Subtotal for additional Forms W-2 (from line 5 on page 2) _____

Total Minnesota tax withheld on all Forms W-2 (add amounts in line 1, column E) 1 ■ 2,950

2 Minnesota tax withheld on Forms 1099, W-2G, and 1042-S. If you have more than four forms, complete line 6 on the back.

A	B	C	D
If the Form 1099, W-2G, or 1042-S is for: • you, enter 1 • spouse, enter 2	Payer's seven-digit Minnesota Tax ID Number (if unknown, contact the payer)	Income amount (see the table on the back for amounts to include)	Minnesota tax withheld <i>(round to nearest whole dollar)</i>
a1 _____	b1 MN _____	c1 _____	d1 _____
a2 _____	b2 MN _____	c2 _____	d2 _____
a3 _____	b3 MN _____	c3 _____	d3 _____
a4 _____	b4 MN _____	c4 _____	d4 _____

Subtotal for additional 1099, W-2G, and 1042-S (from line 6 on page 2) _____

Total Minnesota tax withheld on all 1099, W-2G, and 1042-S (add amounts in line 2, column D) 2 ■ _____

3 Total Minnesota tax withheld by partnerships, S corporations, and fiduciaries (from line 7 on page 2) 3 ■ _____

4 Total. Add the Minnesota tax withheld on lines 1, 2, and 3.
Enter the total here and on line 20 of Form M1 **4 ■ 2,950**

**Include this schedule with your Form M1.
If required, include Schedules KPI, KS, and KF.**



Complete lines 5 and 6 to report Minnesota income tax withheld if you received more than five Forms W-2 or more than four Forms 1099, W-2G, and 1042-S. Complete line 7 to report Minnesota tax withheld on Schedules KPI, KS, and KF.

5 Minnesota wages and Minnesota tax withheld on additional Forms W-2 (other than W-2G).

A	B—Box 13	C—Box 15	D—Box 16	E—Box 17
If the Form W-2 is for: • you, enter 1 • spouse, enter 2	If Retirement Plan box is checked, mark an X below.	Employer's seven-digit Minnesota Tax ID Number	State wages, tips, etc. <i>(round to nearest whole dollar)</i>	Minnesota tax withheld <i>(round to nearest whole dollar)</i>
a1 _____	b1 <input type="checkbox"/>	c1 MN _____	d1 _____	e1 _____
a2 _____	b2 <input type="checkbox"/>	c2 MN _____	d2 _____	e2 _____
a3 _____	b3 <input type="checkbox"/>	c3 MN _____	d3 _____	e3 _____
a4 _____	b4 <input type="checkbox"/>	c4 MN _____	d4 _____	e4 _____

Subtotal for additional Forms W-2 (add amounts in line 5, column E) **5** _____

Enter the result here and include on line 1 on the front of this schedule.

6 Minnesota tax withheld on additional Forms 1099, W-2G, and 1042-S.

A	B	C	D
If the Form 1099 or W-2G is for: • you, enter 1 • spouse, enter 2	Payer's seven-digit Minnesota Tax ID Number (if unknown, contact the payer)	Income amount (see the table at the bottom of this page for amounts to include) (round to nearest whole dollar)	Minnesota tax withheld
a1 _____	b1 MN _____	c1 _____	d1 _____
a2 _____	b2 MN _____	c2 _____	d2 _____
a3 _____	b3 MN _____	c3 _____	d3 _____
a4 _____	b4 MN _____	c4 _____	d4 _____

Subtotal for additional Forms 1099, W-2G, and 1042-S (add amounts in line 6, column D) **6** _____

Enter the result here and include on line 2 on the front of this schedule.

7 Minnesota income and tax withheld by partnerships, S corporations, and fiduciaries, if any.

A	B—Minnesota Income Amount	C—Minnesota Tax Withheld
Entity's seven-digit Minnesota Tax ID Number (if unknown, contact the entity)	(from line 50 of Schedule KPI, line 48 of KS, or line 43 of KF)	(the sum of lines 31 and 52 of Schedule KPI, lines 31 and 50 of KS, or lines 31 and 37 of KF)
a1 MN _____	b1 _____	c1 _____
a2 MN _____	b2 _____	c2 _____
a3 MN _____	b3 _____	c3 _____
a4 MN _____	b4 _____	c4 _____

Subtotal of Minnesota tax withheld by any partnerships, S corporations, and fiduciaries (add amounts in line 7, column C). Enter the result here and on line 3 on the front of this schedule. **7** _____

Table for Column C, Lines 2 and 6

Use to determine which amounts from your Form 1099 and 1042-S you must include as income on column C, lines 2 and 6.

Form	Include the Sum of Boxes:	Form	Include the Sum of Boxes:	Form	Include the Sum of Boxes:
1099-G	1, 2, 5-7	1099-INT	1	1099-K	1a
1099-MISC	1-3, 5-8, 10, 13, 14	1099-OID	1, 2	1099-R	14 or 2a or 1
1099-DIV	1a, 2a	1042-S	2	1099-NEC	1



2021 Schedule M1REF, Refundable Credits

Jamal	Brown	123-45-6789
Your First Name and Initial	Last Name	Social Security Number

- | | | |
|--|-----|-----|
| 1 Child and Dependent Care Credit (<i>enclose Schedule M1CD</i>) | 1 ■ | 630 |
| Enter number of qualifying persons 1a _____ | | |
- | | | |
|---|-----|-------|
| 2 Minnesota Working Family Credit (<i>enclose Schedule M1WFC</i>) | 2 ■ | 1,819 |
| Enter number of qualifying children 2a <u> 3 </u> | | |
- | | | |
|--|-----|-------|
| 3 K-12 Education Credit (<i>enclose Schedule M1ED</i>) | 3 ■ | _____ |
| Enter number of qualifying children 3a _____ | | |
- | | | |
|--|-----|-------|
| 4 Credit for Parents of Stillborn Children (<i>enclose Schedule M1PSC</i>) | 4 ■ | _____ |
|--|-----|-------|
- | | | |
|---|-----|-------|
| 5 Refundable credit for taxes paid to Wisconsin (<i>enclose Schedule M1RCR</i>) | 5 ■ | _____ |
|---|-----|-------|
- | | | |
|---|-----|-------|
| 6 Credit for Historic Structure Rehabilitation (<i>enclose certificate</i>) | 6 ■ | _____ |
| Enter National Park Service (NPS) project number 6a _____ | | |
- | | | |
|--|-----|-------|
| 7 Enterprise Zone Credit (<i>enclose DEED certificate</i>) | 7 ■ | _____ |
|--|-----|-------|
- | | | |
|---------------------------------|-----|-------|
| 8 Angel Investment Credit | 8 ■ | _____ |
|---------------------------------|-----|-------|
- | | | |
|--|-----|-------|
| 9 Pass-Through Entity Tax Credit (<i>see instructions</i>) | 9 ■ | _____ |
|--|-----|-------|
- | | | |
|---|------|-------|
| 10 Claim of right (<i>see instructions</i>) | 10 ■ | _____ |
|---|------|-------|
- | | | |
|--|----|-------|
| 11 Add lines 1 through 10. Enter the result here and on line 22 of Form M1 | 11 | 2,449 |
|--|----|-------|

You must include this schedule with your Form M1.



2021 Schedule M1REF Instructions

These credits may allow you to receive a refund even if you do not have a tax liability.

Is there a penalty for fraudulently claiming a credit?

Yes. If you file a return that fraudulently claims a credit that results in a refund, you may be assessed a penalty equal to 50% of the portion of the refund attributable to fraud. If a fraudulently claimed credit reduced your tax liability, you may also be assessed a penalty equal to 50% of the unpaid tax.

Line Instructions

Line 1—Child and Dependent Care Credit (Schedule M1CD)

Married persons filing separate returns cannot claim this credit.

To qualify for the Child and Dependent Care Credit, your adjusted gross income must be less than \$65,630 with one qualifying person or \$77,630 with two or more qualifying persons, and one of these must apply:

- You paid someone (other than your dependent child or stepchild younger than age 19) to care for a qualifying person while you (and your spouse if filing a joint return) were working or looking for work. A qualifying person and qualified expenses are the same as for the federal credit for child and dependent care expenses.
- You were a licensed family daycare operator caring for your own dependent child who had not reached age six by the end of the year.
- You are married and filing a joint return, your child was born in 2021, and you did not participate in a pretax dependent care assistance program.

If you qualify, complete Schedule M1CD, *Child and Dependent Care Credit*, and include it with your Minnesota income tax return.

Enter the number of qualifying persons on line 1a.

Line 2—Minnesota Working Family Credit (Schedule M1WFC)

Married persons filing separate returns cannot claim this credit.

You may qualify for the Minnesota Working Family Credit if you earned income from a job or were self-employed. See the requirements on Schedule M1WFC, *Working Family Credit*. Include Schedule M1WFC with your Minnesota income tax return.

If you are a part-year resident, you may be eligible for this credit based on your percentage of income taxable to Minnesota.

Enter the number of your qualifying children on line 2a.

Line 3—K–12 Education Credit (Schedule M1ED)

Married persons filing separate returns cannot claim this credit.

You may receive a credit if you paid education-related expenses in 2021 for a qualifying child in grades kindergarten through 12 (K–12). See qualifying expenses in the Form M1 instructions.

To qualify, your household income (adjusted gross income plus most nontaxable income) must be under the 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.

Enter the number of qualifying children on line 3a.

Number of Qualifying Children	Your household income limit is:
1 or 2	\$37,500
3	\$39,500
4	\$41,500
5	\$43,500
6 or more	\$43,500 plus \$2,000 for each additional qualifying child.

If you qualify for the credit, complete Schedule M1ED, *K–12 Education Credit*, and include it with your Minnesota income tax return.

Line 4—Credit for Parents of Stillborn Children (Schedule M1PSC)

You may be eligible for the Credit for Parents of Stillborn Children if:

- You experienced a stillbirth in 2021
- You received a Certificate of Birth Resulting in Stillbirth from the Minnesota Department of Health, Office of Vital Records
- The child would have been your dependent if the child had been born alive

We may ask you to provide a copy of your Certificate of Birth Resulting in Stillbirth.

If you qualify for the credit, complete Schedule M1PSC, *Credit for Parents of Stillborn Children*, and include it with your Minnesota income tax return.

If you are a part-year or nonresident, you may be eligible for this credit based on your percentage of income taxable to Minnesota.

Example 4

Line 5—Refundable credit for taxes paid to Wisconsin (Schedule M1RCR)

You may be eligible for a refundable credit if you were a Minnesota resident who paid taxes to Wisconsin in 2021. If you qualify for this credit, complete Schedule M1RCR, *Credit for Tax Paid to Wisconsin*, and include it with your Minnesota income tax return.

Line 6 — Credit for Historic Structure Rehabilitation

You may be eligible for a Minnesota credit if all of these apply:

- You made qualified improvements to a historic property in Minnesota
- The improvements qualify for the federal Historic Rehabilitation Credit under Internal Revenue Code, section 47
- You applied for certification to the Minnesota State Historic Preservation Office (SHPO) before starting the project
- The SHPO issued a credit certificate upon the project's completion

Enter your credit amount and National Park Service number listed on your credit certificate from the SHPO.

Note: We reserve the right to audit any amount you claim.

Enclose a copy of the credit certificate when you file your Minnesota return.

If you are eligible for the federal Historic Rehabilitation Credit through an interest in a partnership, S corporation, estate, or trust, enter the amount of the credit from your Schedule KPI, KS, or KF.

If you receive a grant in lieu of the credit for the entire amount, you are not eligible for the tax credit. If you received a grant for a portion of the claimed amount, you may be eligible for a partial credit. The credit or grant is paid in five equal annual installments beginning with the year the project is completed.

Assignment of credit. If you are eligible for this credit but have assigned it to another taxpayer, you may not claim the portion of the credit that you assigned.

Line 7 — Enterprise Zone Credit

The Enterprise Zone Credit is a refundable credit for sole proprietors, partners of a partnership, or shareholders of an S corporation.

If you qualify, you would have received paperwork from the Minnesota Department of Employment and Economic Development (DEED). Include a copy of the documentation with Form M1.

Include the total of amounts reported to you on Schedule KS, line 29 and Schedule KPI, line 29.

Line 9 — Pass-through Entity Tax Credit

The pass-through entity tax credit is a refundable credit for qualifying individuals of a pass-through entity which elects to pay tax at the entity level. The entity passes the refundable credit for taxes paid by the entity to the individual shareholders, partners, and beneficiaries. Include the amounts from line 30 of Schedules KS, line 30 of Schedule KPI, and line 36 of Schedule KF.

Line 10 — Claim of Right

If you repaid income in 2021 for income you received in a prior year and the amount of the repayment is over \$3,000, you may claim a credit for the amount repaid on line 10. You must recalculate your tax amount for the year you originally received the income to determine the credit. The credit amount is the difference between your tax liability for that year with and without the income. Include a copy of the recomputed tax return showing the tax liability computed without the repaid income.

If the repayment is \$3,000 or less, you may not claim a credit. You may claim an itemized deduction on line 24 of Schedule MISA for these repayments. Your deduction is subject to the 2% floor. Your total miscellaneous deductions must exceed 2% of federal adjusted gross income, and you may only deduct the portion above that level.



2021 Schedule M1CD, Child and Dependent Care Credit

If you received dependent care benefits, you must complete Parts 1 through 4. If you did not receive dependent care benefits, complete only Parts 1 and 2. You cannot claim child and dependent care expenses if your filing status is married filing separately, unless you meet the requirements listed in the instructions under "Married Persons Filing Separately."

Jamal Your First Name and Initial Brown Your Last Name 123-45-6789 Your Social Security Number

- Place an X in this box if you meet the requirements to claim the credit under "Married Persons Filing Separately" in the instructions.
- Place an X in this box if you operate a licensed family day care home and are claiming the credit for your own child(ren).
Enter your day care license number: _____
- Place an X in this box if you are a married couple filing jointly and claiming the credit for your child born in 2021.

Part 1 — Table 1. Persons or organizations providing the care (if more than two care providers, see instructions):

(a) Care Provider Name	(b) Address	(c) ID Number (SSN or FEIN)	(d) Amount Paid
Daycare		129-19-2020	\$15,600

Part 2 — Table 2. Credit for dependent care expenses: Information about qualifying persons
(If more than two qualifying persons, see instructions.)

(a) Qualifying Person Name	(b) Date of Birth (MM/DD/YYYY)	(c) ID Number (SSN)	(d) Qualifying Expenses
Denise Brown	12/09/2020	448-95-7777	\$15,600

Round amounts to the nearest whole dollar.

- 1 Add the amounts in column d of Table 2. Do not enter more than \$3,000 for one qualifying person or \$6,000 for two or more qualifying persons. If you completed Part 4, enter the amount from line 35. **1** ■ 3,000
 - 2 Enter your earned income (see instructions) **2** ■ 24,030
 - 3 If married filing jointly, enter your spouse's earned income.
If your spouse was a student or was disabled, see instructions. All others, enter the amount from line 2 **3** ■ 17,100
 - 4 Enter the smallest of 1, 2, or 3. **4** ■ 3,000
 - 5 Adjusted gross income (see instructions) **5** ■ 41,130
 - 6 Enter the decimal amount shown in Table 3 of the instructions that applies to the amount from line 5. **6** ■ .21
 - 7 Multiply line 6 by line 4. If you paid 2020 expenses in 2021, see the instructions **7** ■ 630
 - 8 If line 5 is \$53,630 or less, skip line 8 and enter the amount from line 7 on line 9. If line 5 is greater than \$53,630, enter the amount from step 10 of the Worksheet for Line 8 **8** ■ _____
 - 9 Enter the amount from line 7 or line 8, whichever is less
Full-year residents, enter the result here and on line 1 of Schedule M1REF.
Enter the number of qualifying persons on line 1a of Schedule M1REF **9** ■ 630
- Part-Year Residents, Nonresidents, and American Indians Living on a Reservation**
- 10** If you are married, add lines 2 and 3. If you are single, enter the amount from line 2 **10** ■ _____
 - 11** Amount of income on line 10 taxable to Minnesota **11** ■ _____
 - 12** Divide line 11 by line 10. Enter the result as a decimal (carry to five decimal places) **12** _____
 - 13** Multiply line 9 by line 12. Enter the result here and on line 1 of Schedule M1REF.
Enter the number of qualifying persons on line 1a of Schedule M1REF. **13** _____

Continued

2021 Schedule M1CD, page 2



Part 3 — Dependent Care Benefits

- 14 Enter the total amounts of dependent care benefits you received in 2021 (see instructions) **14** ■ _____
- 15 Enter the amount of benefits you carried over from 2020 and used in 2021 (see instructions) **15** ■ _____
- 16 Enter the amount you forfeited or carried forward to 2022 as a negative amount (see instructions) **16** ■ _____
- 17 Combine lines 14 through 16 **17** ■ _____
- 18 Enter the total amount of qualified expenses incurred in 2021 for the care of the qualifying person(s) **18** ■ _____
- 19 Enter the smaller of line 17 or 18 **19** ■ _____
- 20 Enter your earned income (see instructions) **20** ■ _____
- 21 Enter the amount from the instructions based on your filing status (see instructions) **21** ■ _____
- 22 Enter the smallest of lines 19, 20, or 21 **22** ■ _____
- 23 Enter \$5,000 (\$2,500 if married filing separately and you were required to enter your spouse's earned income on line 21) **23** ■ _____
- 24 Enter the total amount from line 14 and line 15 that was from your sole proprietorship or partnership. **24** ■ _____
If you entered an amount on line 24, **check this box:**
- 25 Subtract line 24 from line 17. **25** _____
- 26 **Deductible benefits.** Enter the smaller of line 22, 23, or 24 (see instructions) **26** ■ _____
- 27 **Excluded benefits** (If you did not check the box on line 24, enter the smaller of line 22 or line 23. Otherwise, subtract line 26 from the smaller of line 22 or line 23. If zero or less, enter 0) **27** ■ _____
- 28 **Taxable Minnesota benefits.** Subtract line 27 from line 25. **28** _____
- 29 **Taxable federal benefits.** Enter the amount from line 26 of federal Form 2441 **29** ■ _____
- 30 **Schedule M1NC adjustment.** Subtract line 29 from line 28. Enter this amount on line 4 of Schedule M1NC . . **30** _____

Part 4 — Complete lines 31 through 35 to claim the child and dependent care credit in Part 2

- 31 Enter \$3,000 (\$6,000 if two or more qualifying persons) **31** ■ 3,000
- 32 Add lines 26 and 27 **32** _____
- 33 Subtract line 32 from 31. If zero or less, stop. You can't claim the credit.
If you paid 2020 expenses in 2021, see the instructions for line 7. **33** ■ 3,000
- 34 Complete the Table 2 for expenses of qualifying persons on page 1.
Do not include any amount in qualifying expenses in column d which are included on line 32.
Enter the total of column d on line 34 **34** ■ 15,600
- 35 Enter the smaller of line 33 or 34. Also, enter this amount on line 1 to claim the Dependent Care Credit in Part 2. **35** ■ 3,000

Include this schedule with your Form M1.



2021 Schedule M1CD Instructions

What is the purpose of this form?

If you paid someone to care for your child or other qualifying person so you (and your spouse if filing jointly) could work or look for work in 2021, you may claim the credit for dependent care expenses.

If you (or your spouse if filing jointly) received any dependent care benefits in 2021, you must use Schedule M1CD to figure the amount of the benefits you can exclude from your income. You must complete part 3 of Schedule M1CD before you can figure your credit in part 2.

Am I eligible?

If you (and your spouse if filing a joint return) received earned income, you may be eligible for a credit based on your qualified expenses. You must have documentation showing the expenses you paid for one or both of the following:

- Someone to care for your child or other qualifying person
- Someone for household services

To qualify for the credit, all of the following must be true:

- Your filing status may be single, head of household, qualifying widow(er) with dependent child, or married filing jointly.
- The care was provided so you (and your spouse if filing jointly) could work or look for work. However, if you didn't find a job and have no earned income for the year, you cannot take the credit.
- The care must be for one or more qualifying persons.
- The person who provided the care was not your spouse, the parent of your qualifying child, or a person whom you can claim as a dependent. If your child provided the care, he or she must have been age 19 or older by the end of 2021, and he or she cannot be your dependent.
- You report the required information about the care provider and the information about the qualifying person in Table 1 and Table 2.

The Minnesota credit is refundable, meaning you may benefit even if you have no state tax liability. This is different from the federal credit, which you can only use to offset tax.

If you are a part-year or nonresident, you may be eligible for this credit based on your percentage of earned income taxable to Minnesota.

Married persons filing separately

Generally, married persons filing separately must file a joint return to claim the credit. If your filing status is married filing separately and all of the following apply, you are considered unmarried for purposes of claiming the credit.

- You lived apart from your spouse during the last 6 months of 2021
- Your home was the qualifying person's main home for more than half of 2021
- You paid more than half of the cost of keeping up that home for 2021

If you meet all the requirements to be treated as unmarried and meet bulleted items 2 through 5 listed earlier under **To qualify for this credit**, you can generally take the credit or exclusion. If you do not meet all the requirements to be treated as unmarried, you can not take the credit. However, you can generally take the exclusion if you meet bulleted items 2 through 5.

Is there a penalty for fraudulently claiming a credit?

Yes. If you file a return that fraudulently claims a credit that results in a refund, we will assess a penalty equal to 50% of the portion of the refund attributable to fraud. If a fraudulently claimed credit reduced your tax liability, we may also assess a penalty equal to 50% of the unpaid tax.

Do I need proof of my payments?

Yes. Save canceled checks and itemized receipts showing your payments for child and dependent care expenses. We may ask you to show these records if we have questions.

Who is a qualifying person?

A qualifying person is any person who meets the requirements for the federal credit for child and dependent care expenses. Generally, a qualifying person is someone who lived with you for more than half of the year and is one of the following:

- Your dependent child who is younger than 13
- Your disabled spouse or disabled dependent

To determine if a child is a dependent, do not use income received as a Minnesota Family Investment Program (MFIP) grant or allowance to or on behalf of the child in order to determine the amount of support the child received.

If you were divorced, legally separated, or lived apart from your spouse during the last six months of 2021 and your child is not your dependent, you may claim the credit if your child meets the requirements of a qualifying person. In this case, the other parent cannot treat the child as a qualifying person.

What expenses qualify?

Qualifying expenses are the same as for the federal credit for child and dependent care expenses. Generally, qualifying expenses are expenses you paid for one or both of the following:

- The care of your qualifying person so you (**and** your spouse, if filing a joint return) could work or look for work
- Household services so you (**and** your spouse, if filing a joint return) could work or look for work

If you worked or actively looked for work during only part of the time you incurred expenses, you must figure your expenses for each day. There are special rules for temporary absences or part-time work in Internal Revenue Service (IRS) Publication 503.

Example 4

Household services are services needed to care for the qualifying person as well as to run the home. For example, the services of a cook, maid, babysitter, housekeeper, or cleaning person if the services were partly for the care of a qualifying person. Do not include the services of a chauffeur or gardener.

Care of the qualifying person

The cost of care for the qualifying person includes the cost of services for their well-being and protection. It does not include the cost of food, lodging, education, clothing or entertainment.

You can include the cost of care provided outside your home for your dependent under age 13 or any other qualifying person who regularly spends at least 8 hours a day in your home. If the care was provided by a dependent care center, the center must meet all applicable state and local regulations. A dependent care center is a place that provides care for more than six persons (other than persons who live there) and receives a fee, payment, or grant for providing services for any of those persons, even if the center isn't run for profit.

You can include amounts paid for items other than the care of your child (such as food and schooling) only if the items are incidental to the care of the child and can't be separated from the total cost. But don't include the cost of schooling for a child in kindergarten or above. You can include the cost of a day camp, even if it specializes in a particular activity, such as computers or soccer. But do not include any expenses for sending your child to an overnight camp, summer school, or a tutoring program.

If you did not have expenses, you may still qualify for this credit.

- If you are married and filing a joint return, and your child was born in 2021, see "What if my child was born in 2021?"
- If you are a licensed day care operator, see "What if I am a licensed day care operator?"

If you had expenses in 2020 that you paid in 2021, you may be able to increase the credit on your 2021 return. Use the Prior-Year Expense Worksheet for line 7 to determine your credit.

What if my child was born in 2021?

You may be eligible to calculate your credit using \$3,000 of expenses for your child born in 2021, even if you did not have actual expenses for that child or only one spouse had earned income.

If all of the following are true, complete Table 2 and enter \$3,000 for qualifying expenses in Column D for each child born in 2021.

- You are married and filing a joint return
- You had a child (or children) born in 2021
- You had less than \$3,000 in child care expenses **or** you or your spouse earned less than \$3,000
- Neither you nor your spouse participated in a pretax dependent care assistance program

What if I am a licensed day care operator?

You may be able to claim a credit for the care of your own child if your child was younger than age 6 at the end of 2021.

Your credit amount depends on your child's age at the end of 2021.

- If your child was 16 months or younger, the credit is based on \$3,000 of qualified expenses
- If your child was older than 16 months but younger than age six, the credit is based on the amount you would charge for a child of the same age being cared for in your home for the same number of hours (up to the maximum amount of \$3,000 per qualifying child)

Use the amounts above for entering qualifying expenses in column D of Table 2. Do not enter more than \$3,000 of qualifying expenses for each child. Place an X in the appropriate box above Part 1.

Line Instructions

Round amounts to the nearest whole dollar.

Married persons filing separately check box

If your filing status is married filing separately and you meet the requirements listed under **Married persons filing separately** to claim the credit for dependent care expenses, place an X in the box above Part 1.

Part 1 – Table 1. Persons or organizations providing the care

Complete columns (a) through (d) for each person or organization that provided the care. You can use Form W-10, Dependent Care Provider's Identification and Certification, or any other source listed in its instructions to get the information from the care provider. If you don't give correct or complete information, your credit (and exclusion) may be disallowed. If you have more than two care providers, attach a statement to your return with the required information.

If you had neither a qualifying person nor any care providers for 2021, and you are filing Form M1CD only to report taxable income in Part 3, enter "none" in column A.

Columns A and B

Enter the care provider's name and address. If you were covered by your employer's dependent care plan and your employer furnished the care (either at your workplace or by hiring a care provider), enter your employer's name in column A. Next, enter "See W-2" in column B. Then leave Columns C and D blank. If your employer paid a third party on your behalf to provide the care, you must give the information on the third party in columns A through D.

Column C

Enter the total amount you actually paid in 2021 to the care provider. Also, include amounts your employer paid to a third party on your behalf. It doesn't matter when the expenses were incurred. Don't reduce this amount by any reimbursements you received.

Example 4

After completing Part 1

- If you received dependent care benefits, complete Part 3 next
- If you did not receive dependent care benefits, you must only complete Part 2 next

Part 2 – Table 2. Credit for dependent care expenses: Information about qualifying persons

Complete columns A through D for each qualifying person. If you have more than two qualifying persons, attach a statement to your return with the required information.

Column C

You must enter the qualifying person's social security number (SSN). Be sure the name and SSN entered match the person's social security card. If the child was born and died in 2021 and didn't have an SSN, enter "Died" in column C and attach a copy of the child's birth certificate, or hospital medical records.

Column D

Enter the qualifying expenses you incurred and paid in 2021 for the person listed in column A. Prepaid expenses are treated as paid in the year the care is provided. Do not include in column D qualified expenses:

- You incurred in 2021 but didn't pay until 2022. (You may be able to use these expenses to increase your 2022 credit)
- You incurred in 2020 but didn't pay until 2021. (See instructions for line 7)
- You prepaid in 2021 for care to be provided in 2022. These expenses can only be used to figure your 2022 credit

To qualify for the credit, you must have one or more qualifying persons. You should show the expenses for each qualifying person in column D. If you paid qualified expenses for the care of two or more qualifying persons, the applicable dollar limit is \$6,000. The limit does not need to be divided equally. For example, if you paid and incurred \$2,500 of qualified expenses for the care of one qualifying person and \$3,500 for the care of another qualifying person, you can use the total, \$6,000, to figure the credit.

Lines 2 and 3

If filing jointly, figure your and your spouse's earned income separately. Enter your earned income on line 2 and your spouse's earned income on line 3.

Earned income for figuring the credit generally includes the following amounts.

The amount from line 1 of Form 1040 or 1040-SR, minus any amount:

- Included for a scholarship or fellowship grant that was not reported to you on Form W-2
- Excluded as foreign earned income (including housing exclusion) on line 43 of Form 2555
- Also reported on Schedule SE because you were a member of the clergy or you received \$108.28 or more of church employee income
- Received for work performed while an inmate in a penal institute, or
- Received as a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457(b) plan. This amount may be reported in box 11 of Form W-2. If you received such an amount but box 11 is blank, contact your employer for the amount received as a pension or annuity.

The amount shown on line 3 of Schedule SE, minus any deduction you claim on line 15 of Schedule 1.

- If you use the optional method to figure self-employment tax, subtract any deduction you claim on line 14 of Schedule 1 from the total of the amounts shown on lines 3 and 4b of Schedule SE.
- If you received church employee income of \$108.28 or more, subtract any deduction you claim on line 15 of Schedule 1 from the total amounts shown on lines 3 and 4b of Schedule SE.

If you are filing Schedule C as a statutory employee, the amount shown on line 1 of Schedule C.

If you received nontaxable combat pay, you may elect to include it in earned income. Including this income will only give you a larger credit if you (or your spouse's) other earned income is less than the amount entered on line 1. Include the nontaxable combat pay on line 2 (or 3 for your spouse) to make this election. If you both received nontaxable combat pay, each of you may make your own election. The amount of your nontaxable combat pay is shown in box 12 of Form W-2 with code Q.

If your spouse was a student or disabled

Your spouse was a full-time student if he or she was enrolled as a full-time student at a school for some part of 5 calendar months during 2021. The months do not need to be consecutive. A school does not include an on-the-job training course, a correspondence school, or a school offering courses only through the internet. Your spouse was disabled if they were not physically or mentally capable of self-care. Figure your spouse's earned income on a monthly basis.

For each month or part of a month your spouse was a student or was disabled, they were considered to have worked and earned income. Their earned income for each month is considered to be at least \$250 (\$500 if more than one qualifying person was cared for in 2021). Include the amount on line 3. If your spouse also worked during that month, use the higher of \$250 (or \$500) or their actual earned income for that month. For any month they were not a student or disabled, use their actual earned income if they worked during that month.

Example 4

Line 5 — Adjusted Gross Income

Enter the amount from line 1 of Form M1 or the amount from line 37 of Schedule M1NC, if you were required to complete Schedule M1NC. If the amount is less than zero, enter the negative number and put parentheses around it.

If you received dependent care benefits during 2021, you must complete part 3 of Schedule M1CD to determine if you must make an adjustment on line 4 of Schedule M1NC before entering an amount on line 5 of Schedule M1CD.

Line 6 — Decimal

Table 3

If line 5 is		
Over	But not over	Decimal Amount
\$0	15,000	.35
15,000	17,000	.34
17,000	19,000	.33
19,000	21,000	.32
21,000	23,000	.31
23,000	25,000	.30
25,000	27,000	.29
27,000	29,000	.28
29,000	31,000	.27
31,000	33,000	.26
33,000	35,000	.25
35,000	37,000	.24
37,000	39,000	.23
39,000	41,000	.22
41,000	43,000	.21
43,000	No limit	.20

Line 7 — Worksheet for Line 7

Prior-Year Expense Worksheet for Line 7

1	Enter your 2020 qualified expenses paid in 2020	1	_____
2	Enter your 2020 qualified expenses paid in 2021	2	_____
3	Add the amounts on steps 1 and 2	3	_____
4	Enter \$3,000 if care was for one qualifying person (\$6,000 if for two or more)	4	_____
5	Compare your earned income for 2020 and your spouse's earned income for 2020 and enter the smaller amount . . .	5	_____
6	Compare the amounts on steps 3 and 5 and enter the smallest amount	6	_____
7	Enter the amount on which you figured the credit for 2020	7	_____
8	Subtract the amount on step 7 from the amount on step 6 and enter the result. If zero or less, stop here. You cannot increase your 2021 credit by any previous year's expenses	8	_____
9	Enter your 2020 adjusted gross income (from your 2020 Schedule M1CD, line 1)	9	_____
10	Find your 2020 adjusted gross income in the table for line 6 of Schedule M1CD and enter the corresponding decimal amount here	10	_____
11	Multiply step 10 by step 8. Add this amount to your 2021 credit and enter the total on line 7 of Schedule M1CD. Enter the following on the dotted line next to line 7: "CPYE"	11	_____

Attach a statement to your tax return showing the name and taxpayer identification number of the person for whom you paid the prior-year expenses and how you figured the credit.

Line 8 — Worksheet for Line 8

If your adjusted gross income on line 5 is less than or equal to \$53,630, do not complete the worksheet and enter the amount from line 5.

Worksheet for Line 8 (If Line 5 is More Than \$53,630)

1	Enter the amount from line 5	_____
2	Income limit	\$53,630
3	Subtract step 2 from step 1	_____
4	Multiply step 3 by 5% (.05)	_____
5	If you have one qualifying dependent, enter \$600. If you have two or more qualifying dependents, enter \$1,200	_____
6	Subtract step 4 from step 5. Enter the result here and on line 8 of Schedule M1CD (if less than zero, enter \$0)	_____

Part 3 — Dependent Care Benefits

Lines 14 and 15

Dependent care benefits include:

- Amounts your employer paid directly to either you or your care provider for the care of your qualifying person(s) while you worked
- The fair market value of care in a day care facility provided or sponsored by your employer
- Pre-tax contributions you made under a dependent care flexible spending arrangement (FSA)

Your salary may have been reduced to pay for these benefits. If you received dependent care benefits as an employee, they should be shown in box 10 of your 2020 Form(s) W-2. Benefits you received as a partner should be shown in box 13 of your Schedule K-1 (Form 1065) with code O.

Example 4

Line 16

If you had an employer-provided dependent care plan, enter on line 16 the total of the following amounts included on line 14.

- Any amount you forfeited. You forfeited an amount if you did not receive it because you did not incur the expense. Do not include amounts you expect to receive at a future date.
- Any amount you did not receive but are permitted by your employer to carry forward and use in the following year during a grace period.

Lines 20 and 21

Use the instructions for lines 2 and 3 to determine earned income to enter on line 20.

If married filing jointly, use the instructions from lines 2 and 3 to determine earned income to enter on line 21.

If married filing separately, are all of the following true?

- You lived apart from your spouse during the last 6 months of 2021
- Your home was the qualifying person's main home for more than half of 2021
- You paid more than half of the cost of keeping up that home for 2021

If you answered **yes**, enter the amount from line 20 on line 21.

If you answered **no**, then enter your spouse's earned income on line 21. If you or your spouse was a full-time student or disabled in 2021, see instructions for lines 2 and 3 to determine earned income.

All other filing statuses, enter the amount from line 20 on line 21.

Part 4

If you are reporting dependent care benefits in Part 3, you must complete lines 31 through 35 if you are also claiming the credit in Part 2.

Questions? Need forms?

- Website: www.revenue.state.mn.us
- Email: individual.incometax@state.mn.us
- Phone: 651-296-3781 or 1-800-652-9094



2021 Schedule M1WFC, Minnesota Working Family Credit

To claim this credit, you must be a full- or part-year resident of Minnesota. If you are a full-year nonresident, you are not eligible for this credit. If the IRS restricted you from claiming the Earned Income Credit (EIC), do not complete Schedule M1WFC.

Jamal _____ Brown _____ 123-45-6789 _____
Your First Name and Initial Last Name Your Social Security Number

Number of Qualifying Children: None One Two Three or More

A — Child 1

B — Child 2

C — Child 3

Child's First Name and Middle Initiala1	Donovan	b1	Chante	c1	Denise
Child's Last Namea2	Brown	b2	Brown	c2	Brown
Child's Social Security Numbera3	444-88-9999	b3	666-78-3258	c3	448-95-7777
Child's Date of Birtha4	9/7/2010	b4	5/12/2015	c4	12/9/2020
Child's Relationship to Youa5	Son	b5	Daughter	c5	Daughter
Number of Months Child Lived with you in 2021 (See Instructions)a6	12	b6	12	c6	12
Check Box if Child is Under Age 24 and a Full-Time Studenta7	<input checked="" type="checkbox"/>	b7	<input checked="" type="checkbox"/>	c7	<input checked="" type="checkbox"/>
Check Box if Child is Permanently and Totally Disabled in Any part of 2021a8	<input type="checkbox"/>	b8	<input type="checkbox"/>	c8	<input type="checkbox"/>

Round amounts to the nearest whole dollar.

- 1 Enter your total earned income (see instructions) **1** ■ 41,130
- 2 Using the amount on line 1, your filing status, and number of qualifying children, find the credit amount using the Working Family Credit table in the Form M1 instructions (If the result is zero, **STOP HERE**; you do not qualify for this credit) **2** 1,819
- 3 Federal adjusted gross income (see instructions; if less than zero, enter as a negative number) **3** ■ 41,130
If line 3 is the same as line 1, skip line 4 and enter the amount from line 2 on line 5.
- 4 If you have:
 - No qualifying children, is line 3 less than \$8,960 (\$14,960 if Married Filing Jointly)?
 - One qualifying child, is line 3 less than \$23,380 (\$29,380 if Married Filing Jointly)?
 - Two qualifying children, is line 3 less than \$27,720 (\$33,720 if Married Filing Jointly)?
 - Three or more qualifying children, is line 3 less than \$28,030 (\$34,030 if Married Filing Jointly)?

Yes. Skip this line and go to line 5 below.
No. Using the amount on line 3, your filing status, and number of qualifying children, find the credit amount using the Working Family Credit Table in the Form M1 instructions **4** _____
- 5 **Working family credit amount.**
 - If you answered **Yes** on line 4, enter the amount from line 2.
 - If you answered **No** on line 4, enter the amount from line 2 or line 4, **whichever is less** **5** 1,819

Full-year residents: Also enter this amount on line 2 of Schedule M1REF.
- 6 **Part-year residents:** If your Minnesota gross income is:
 - \$12,525 or more, multiply line 5 by line 30 of Schedule M1NR. Enter the result here and on line 2 of Schedule M1REF. **6** _____
 - Less than \$12,525, see instructions.
Enter the result from step 5 of the Worksheet for Line 6: _____

Include this schedule with your Form M1. Enter the number of qualifying children on line 2a of Schedule M1REF.

2021 Schedule M1WFC Instructions

Am I eligible?

You must meet all of these requirements to be eligible to claim the Minnesota Working Family Credit:

- You were a full-year or part-year resident of Minnesota in 2021 (if you are a member of the military, see below)
- You meet the income requirements in the table below based on your filing status and number of qualifying children
- You have investment income less than \$3,650 (if you have investment income greater than \$3,650, complete step 2 in the instructions for line 27 of Form 1040 to determine if you are eligible to claim the Working Family Credit and use \$3,650 as the limitation instead of \$10,000)
- You are not a dependent of another person
- If you have no qualifying children, you and your spouse's main residence was in the United States for more than half of 2021
- If you are married, and you or your spouse are a nonresident alien your filing status must be Married Filing Jointly

You are **not** eligible if any of these apply:

- You have a 2-year or 10-year IRS ban on claiming the federal EIC
- You are the dependent or qualifying child of another person
- You, and your spouse if filing a joint return, do not have a Social Security Number issued on or before the due date of your 2021 return
- You, your spouse, or your dependents have an Individual Income Tax Identification Number (ITIN)
- Your filing status is Married Filing Separately

Income requirements

You may qualify for the Minnesota Working Family Credit if your income is below the limit for your filing status and number of qualifying children:

Number of Qualifying Children	Filing Status	Income Limit
None (if between the age of 19 and 64)	Married Filing Jointly	\$29,100
	Other Than Married Filing Jointly	\$23,100
One	Married Filing Jointly	\$48,400
	Other Than Married Filing Jointly	\$42,400
Two	Married Filing Jointly	\$54,700
	Other Than Married Filing Jointly	\$48,700
Three or More	Married Filing Jointly	\$58,400
	Other Than Married Filing Jointly	\$52,400

Information on Qualifying Children

Near the top of Schedule M1WFC, check the box indicating your total number of qualifying children. Enter the requested information for each qualifying child. If you have more than three qualifying children, list only three.

Enter the number of months the child lived with you during the year. If the child lived with you in the United States for more than half of the year but less than seven months, enter "7" in the space provided. If the child was born or had died in 2021 and lived in your home for the entire time they were alive during the year, enter "12."

Enter the number of qualifying children on line 2a of Schedule M1REF, *Refundable Credits*.

Treatment of military personnel stationed outside Minnesota

If you are a member of the Armed Forces, you will be treated as if you resided in Minnesota during any period during which you are stationed outside the United States while serving on extended active duty with the U.S. Armed Forces. "Extended active duty" means any period of active duty pursuant to a call or order to such duty for a period in excess of 90 days or for an indefinite period. You must otherwise be a resident of Minnesota. You may include nontaxable combat zone pay as earned income.

Is there a penalty for fraudulently claiming a refund?

Yes. If you file a return that fraudulently claims a credit that results in a refund, you may be assessed a penalty equal to 50% of the portion of the refund attributable to fraud. If a fraudulently claimed credit reduced your tax liability, you may also be assessed a penalty equal to 50% of the unpaid tax.

Example 4

Line Instructions

Round amounts to the nearest whole dollar.

Line 1

Use the Worksheet for Earned Income below to determine the amount for line 1. You must use your 2021 earned income when completing this worksheet.

Worksheet for Earned Income

- 1 Line 1 of federal Form 1040 or 1040-SR. Include any Medicaid Waiver Payments you received that are not already included on line 1 of Form 1040. Church employees and clergy, see instructions below for Step 1.
- 2 Amount from step 4 of Earned income adjustment worksheet from line 35 of Schedule M1NC.
- 3 Add Steps 1 and 2.
- 4 Any amount included on line 1 of Form 1040 or 1040-SR that is a taxable scholarship or fellowship grant not reported on a Form W-2
- 5 Any amount included on line 1 of Form 1040 or 1040-SR that you received for work performed while an inmate in a penal institution
- 6 Amount included on line 1 of Form 1040 or 1040-SR that you received as a pension or annuity from a nonqualified deferred compensation plan or nongovernmental section 457 plan. See instructions below for Step 6
- 7 Add lines 4, 5, and 6.
- 8 Subtract step 7 from step 3. See instructions for Step 8 if you were self-employed and had other earned income.
- 9 Enter all of your nontaxable combat pay if you elect to include it in earned income
- 10 Add lines 8 and 9. Enter this amount on line 1 of this schedule.

Instructions for Worksheet for Earned Income

Step 1

If you are a church employee, determine how much of the amount was reported on both line 1 of Form 1040 or 1040-SR and line 5a of federal Schedule SE. Subtract the amount reported on both lines from the amount reported on line 1 of Form 1040 or 1040-SR. Enter the result on Step 1.

If you are a minister, a member of a of a religious order that has not taken a vow of poverty, or a Christian Science Practitioner, determine the amount reported on both line 1 of Form 1040 or 1040-SR and line 2 of federal Schedule SE. Subtract the amount that was reported on both lines from the amount reported on line 1 of Form 1040 or 1040-SR. Enter the result on Step 1.

Step 2

If completed Schedule M1NC and had an amount on lines 4, 10 through 12, or 15 through 25, use the Earned Income Adjustment instructions on line 35 of Schedule M1NC to determine the amount to enter on step 2.

Step 6

This amount may be shown in box 11 of Form W-2. If you received this type of income, but box 11 is blank, contact your employer for the amount received.

Step 8

If you were self-employed, filing federal Schedule SE as a member of the clergy, had church employee income, or are filing federal Schedule C as a statutory employee, use this amount on line 4a of Worksheet B of the instructions for line 27 of Form 1040. Complete the federal worksheet and enter the amount from Step 6 of EIC Worksheet B on line 1 of this schedule.

If you were not self-employed, enter the amount from step 10 of the Worksheet for Earned Income on line 1 of this schedule.

Line 3

Enter the amount from line 1 Form M1. If you completed Schedule M1NC, enter the amount from line 37.

Line 6 — Part-year residents

If you are a part-year resident, you will determine your credit using your percentage of income taxable to Minnesota.

If your gross income is less than \$12,525, you should have entered zero on line 28 of Schedule M1NR, *Nonresidents/Part-Year Residents*. To determine this credit, fully complete Schedule M1NR (do not skip lines 16-27) to determine what the amounts would have been. Then, complete the Worksheet for Line 6 below.

Worksheet for Line 6 (for part-year residents whose Minnesota gross income is less than \$12,525)

Note: If you are a full-year nonresident, do not use this worksheet. You are not eligible for this credit.

- 1 Line 15, column B, of Schedule M1NR
- 2 Line 27, column B, of Schedule M1NR
- 3 Subtract step 2 from step 1. (If result is zero or less, **STOP HERE**. You do not qualify for the credit)
- 4 Line 29 of Schedule M1NR
- 5 Divide step 3 by step 4 and enter the result as a decimal (carry to five decimal places). If step 3 is more than step 4, enter 1.0. Enter the result on the space provided on line 6 of Schedule M1WFC
- 6 Amount from line 5 of Schedule M1WFC
- 7 Multiply step 5 by step 6. Enter the result on line 6 of Schedule M1WFC and on line 2 of Schedule M1REF

Contact Information

Division	Phone Number	Email Address
Individual Income Tax		
Individual Income Tax and Property Tax Refund	651-296-3781 1-800-652-9094	individual.incometax@state.mn.us
Outreach and Education	651-556-3052 1-800-818-6871	
VITA/TCE Hotline	651-556-3050 1-800-657-3829	individual.incometax@state.mn.us
Other Divisions		
Business Registration	651-282-5225 1-800-657-3605	business.registration@state.mn.us
Collections (bills, payment plans)	651-556-3003 1-800-657-3909	mdor.collection@state.mn.us
Corporate Franchise, S-Corp, Partnership, Estate, Fiduciary	651-556-3075	businessincome.tax@state.mn.us
Criminal Investigation	651-296-0811	tax.securityPOA@state.mn.us
Electronic Filing Technical Support	651-556-4818	Efile.prepsupport@state.mn.us
Lawful Gambling	651-297-1772	lawfulgambling.taxes@state.mn.us
MinnesotaCare	651-282-5533	minnesotacare.tax@state.mn.us
Nonprofit Organizations	651-297-5199	special.taxes@state.mn.us
Petroleum	651-296-0889	petroleum.tax@state.mn.us
Sales and Use Tax	651-296-6181 1-800-657-3777	salesuse.tax@state.mn.us
Taxpayer Rights Advocate	651-556-6013 1-855-452-0767	dor.tra@state.mn.us
Withholding Tax	651-282-9999 1-800-657-3594	withholding.tax@state.mn.us
Additional Resources		
	Phone Number	Website
Internal Revenue Service	1-800-829-1040	www.irs.gov
Minnesota Tax Court	651-539-3260	info@taxcourt.mn.us
Social Security Administration	1-800-772-1213	www.ssa.gov
Unemployment Insurance	651-296-3644 1-877-898-9090	ui.mn@state.mn.us
MN Secretary of State	651-296-2803	www.sos.state.mn.us

Income Tax Fact Sheets

This is a [list of Individual Income Tax fact sheets](#) available on the Minnesota Department of Revenue website. We update these fact sheets annually.

Income Tax Fact Sheet Title	Fact Sheet Number
Aliens	16
Credit for Parents of Stillborn Children	24
Filing on Behalf of a Deceased Taxpayer	9
Filing Past-Due Returns	12
K-12 Education Subtraction and Credit	8
Military Personnel – Residency	5
Military Personnel – Subtractions, Credits, and Extensions	5a
Municipal Bond Payment Reporting Information	19
Nonresidents	3
Part-Year Residents	2
Preparer’s Paper Filing Fee	17
Qualifying Home School Expenses for K-12 Education Subtraction and Credit	8a
Reciprocity	4
Residency	1
Seniors	6
Taxpayers with Disabilities	20
U.S. Government Interest	13

Other Facts Sheets

- [Assigning Employee Income to Minnesota \(Withholding Fact Sheet 19\)](#)
- [Household Employees \(Withholding Fact Sheet 7\)](#)

Informational Handouts Available in Other Languages

These handouts [are available in Spanish, Hmong, and Somali](#) on our website:

- Working Family Credit ... Get Credit for Working!
- I owe the Minnesota Department of Revenue. Now What?
- How do I make a payment?
- What are my rights as a taxpayer?
- Minnesota Revenue is auditing (reviewing) my tax return. Now what?
- How to Select a Tax Preparer
- Free Tax Preparation Sites
- What should I bring with me?
- Penalty and interest
- K-12 Education Subtraction and Credit



Supplemental Intake Questions for Minnesota Taxes

Tennessee Warning (Minnesota Statute 13.04, subdivision 2)

To be read by the preparer before asking these questions:

The information you provide us in your responses is private under state law. We may provide it to certain other government entities if allowed by law. We use this information to create income tax returns and to help determine your eligibility for tax refunds. Participation in this program is voluntary. You are not required to provide the information requested, but we are unable to prepare your tax returns unless you provide us complete information.

Federal Income Tax

- Y N Did you receive a 2020 Minnesota property tax refund as a homeowner or mobile homeowner?
- Y N Did you itemize deductions on your 2020 federal tax return?

Minnesota Income Tax

Part-year and Nonresidents

- Y N Were you a resident of another state during any part of 2021?
- Y N Did you work in a state other than your state of residence?
 - Y N If yes, did you pay state income taxes or have state income taxes withheld?

Interest and Dividends

- Y N Do you have any interest from out-of-state municipal bonds?
- Y N Do you have interest or dividends from mutual funds investing in bonds from another state?
- Y N Do you have net interest or mutual fund dividends from U.S. bonds, bills, or notes?

General

- Y N Did you work and live on an Indian Reservation of which you are an enrolled member?
- Y N Did you pay any education expenses for your qualifying child(ren) attending grades K-12, and have receipts for these expenses?
- Y N Did you make more than \$500 in charitable contributions?
- Y N Did you make any payments for long-term care insurance?
- Y N Did you have a child born in 2021 and are going to file as Married Filing Jointly?
- Y N Did you experience a stillbirth in 2021?
- Y N Did you make any estimated state income tax payments or apply last year's state income tax refund to your 2021 state taxes?
- Y N Did you (or your spouse) open a savings account in 2018, 2019, 2020, or 2021 and designate it as a first-time homebuyer savings account?
- Y N Did you (or your spouse) contribute to an education savings account (529 college savings plan)?
- Y N Are you (or your spouse) a licensed Minnesota teacher who began and completed a master's program after June 30, 2017?

Supplemental Intake Questions for Minnesota Taxes

Property Tax

Renters Refund

Y N Did you pay rent for your personal residence during any part of 2021?

Y N If yes, do you have a copy of your Certificate of Rent Paid (CRP)?

Homestead Credit

Y N Did you own your personal residence in 2021 through January 2, 2022?

Y N If yes, do you have your 2022 Property Tax Statement (not the estimate)?

Y N Did you share the residence with any other adults who are not your dependents?

Mobile Homeowners

Y N Was your residence a mobile home during any part of 2021?

Y N If yes, did you own the mobile home?

Y N If yes, do you have your Statement of Property Taxes Payable in 2022 (not the estimate)?

Y N Did you pay lot rent?

Y N If yes, do you have a copy of your Certificate of Rent Paid (CRP)?

Retirement Account Contributions

Y N Did you contribute to a retirement account in 2021?

Nontaxable Income -- Did you receive:

Y N Program payments (SSI, MFIP, MSA, GA, EA, DWP, Minnesota Housing Support – formerly GRH)

Y N Veterans benefits (other than pensions, medical care, or lowered real estate taxes)

Y N Nontaxable scholarships, fellowships, grants, or tuition waivers or reductions

Y N Gain from the sale of a home, which was nontaxable on your federal return

Y N Workers' compensation

Y N Strike Benefits

Y N Income excluded by tax treaty (American Indians)

Y N Housing allowance for military or clergy

Y N Rent reduction for services as a caretaker

Y N Other nontaxable income? If so, please specify below:

REVIEW QUESTIONS FOR MINNESOTA INCOME TAX RETURN AND PROPERTY TAX REFUND RETURN TAX YEAR 2021

At the end of your training class, complete and review these questions. If you did not attend training, contact your lead instructor or training coordinator for answers.

M1 REVIEW QUESTIONS

1. A client provides you with a Form 1099-INT with municipal bonds from Nevada. The client will need to add these bonds back to calculate Minnesota taxable income. **T or F**
2. The K-12 Education Subtraction allows families to include up to \$_____ of related computer expenses.
3. An American Indian family lives and earns all income on the reservation where they are enrolled members. Are they eligible for the Child and Dependent Care Credit **and** the K-12 Education Credit?
 - a. Yes, both
 - b. No, just the Child and Dependent Care Credit
 - c. No, just the K-12 Education Credit
 - d. No, neither
4. Members of the military are eligible to subtract what type of pay on Schedule M1M?
 - a. Combat pay
 - b. Hazardous duty pay
 - c. Active duty pay
5. A Florida resident wins money at a Minnesota casino. The winnings are not assignable to Minnesota. **T or F**
6. A client filing as Married Filing Separately will not qualify for which of these Minnesota credits? **(Circle all that apply.)**
 - a. Marriage Credit
 - b. Credit for Taxes Paid to Another State
 - c. Credit for Long-Term Insurance Premiums
 - d. Child and Dependent Care Credit
 - e. K-12 Education Credit
7. Circle the expenses that qualify for the Minnesota K-12 Education Credit (Schedule M1ED):
 - a. Uniforms for private school
 - b. Calculator required for math class

- c. Private school tuition
- d. Fees for summer language camp
- e. Private music lessons by the grandmother of the child
- f. Tuition for college courses used to satisfy high school graduation requirements
- g. Paper, pens, crayons, and books required for class
- h. Monthly internet fees
- i. Fees for after school art enrichment program by a qualified instructor
- j. Purchase of books and materials for tutoring
- k. Purchase of a musical instrument to be used in band class
- l. Cost of school lunches

8. Which two items on the federal Schedule A, *Itemized Deductions*, may provide a tax benefit on the Minnesota income tax return even if clients do not take them as itemized deductions?

- a. _____
- b. _____

9. Clients paid their 20-year-old independent daughter to care for their 7-year-old daughter while they work. The clients are eligible for the Child and Dependent Care Credit. **T or F**

10. Which one of these is a refundable credit?

- a. Credit for Past Military Service
- b. K-12 Education Credit
- c. Credit for Long-Term Insurance Premiums

M1PR REVIEW QUESTIONS

11. At least one spouse must have a valid Social Security Number in order to file for a homestead property tax refund. **T or F**

12. A client is not eligible for the property tax refund if someone claims them as a dependent on their income tax return. **T or F**

13. The owner of a relative homestead property qualifies for the property tax refund. **T or F**

14. If a client has two CRPs with an overlapping week, it is not necessary to prorate the reported amount of rent. **T or F**

15. A mobile homeowner who rents the lot and owns the mobile home must wait for what document in order to file Form M1PR?

- a. Confirmation from the landlord to file
- b. Statement of Property Taxes Payable in 2022 from the County

- c. No additional document is required to file
- d. 2022 Proposed Statement of Property Taxes Payable from the County

16. On which line of Form M1PR would you enter each of these incomes?

Veteran's Disability Compensation	_____
Nontaxable Social Security Income	_____
Alimony (received to the extent not included in AGI)	_____
Supplemental Security Income	_____
Nontaxable Scholarships	_____
Dependent's Social Security Income	_____
Child Support Payments	_____
Nontaxable Railroad Retirement Benefits	_____
General Assistance	_____
Excluded Gain on the Sale of a Home	_____
Food Stamps	_____
Non-Dependent Child Living with Homeowner	_____

17. Billy and Jenny are unmarried co-owners of a home where they both reside. Who may file and whose income should be included?

- a. Billy and Jenny file separately, with only their own income
- b. Either Billy or Jenny files one return, with both incomes
- c. Either Billy or Jenny files one return, with just their own income

18. New improvements calculated in a client's property taxes should not be included when calculating the special property tax refund. **T or F**

19. A client has federal adjusted gross income of \$32,000. They made a \$2,000 taxable retirement contribution and a \$3,100 nontaxable retirement contribution. What is their household income?

- a. \$26,900
- b. \$28,900
- c. \$30,000
- d. \$37,100

20. A client rents an apartment, and lives with their adult daughter who is their dependent. The landlord splits the CRP between the client and their daughter. The client should request a

corrected CRP from the landlord with the full amount of the rent on their CRP and none for their daughter. **T or F**

21. A client lived in a nursing home. They paid \$4,000 in rent each month for their room and received \$9,500 in Minnesota Supplemental Aid in 2021. How should they file on Form M1PR?

- a. Renter
- b. Nursing Home/Adult Foster Care
- c. Homeowner

22. A client filed their 2021 M1PR on March 17, 2022. They died on May 8, 2022. The check is released on August 27, 2022. Who may claim the refund check?

- a. Dependent
- b. Representative of the Estate
- c. Surviving Spouse
- d. A and C
- e. All of the above

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