



# 2018 Schedule KPCNC, Federal Adjustments

Minnesota has not adopted the federal law changes enacted after December 16 2016 that affect federal taxable income for tax year 2018.

Tax year beginning \_\_\_\_\_, 2018, and ending \_\_\_\_\_

Partner's Name	Partner's Federal ID Number
Partnership's Name	Partnership's Federal ID Number      Partnership's Minnesota Tax ID

Before you complete this schedule, read the instructions which are on a separate sheet.

Enter amounts as a positive or negative. Round amounts to the nearest whole dollar.

**Adjustments to federal taxable income (FTI)**

- 1 Capitalization Rules Provisions (TCJA Sec. 13207, 13801) ..... **1** ■ \_\_\_\_\_
- 2 a. Increase in Federal Bonus Depreciation for Certain Assets (TCJA Sec. 13201) ..... **2a** ■ \_\_\_\_\_
  - b. Enter the amount of allowable depreciation for assets on line 2a ..... **2b** ■ \_\_\_\_\_
  - c. This line intentionally left blank ..... **2c** ■ \_\_\_\_\_
- 3 a. Rules for Expensing Depreciable Business Assets (TCJA Sec. 13101) ..... **3a** ■ \_\_\_\_\_
  - b. Enter the amount of allowable depreciation for assets on line 3a ..... **3b** ■ \_\_\_\_\_
  - c. This line intentionally left blank ..... **3c** ■ \_\_\_\_\_
- 4 a. Other Depreciation Provisions under Tax Cuts and Jobs Act (Sec. 13202, 13203, 13204, 13205) ..... **4a** ■ \_\_\_\_\_
  - b. Enter the amount of allowable depreciation for assets on line 4a ..... **4b** ■ \_\_\_\_\_
- 5 a. This line intentionally left blank ..... **5a** ■ \_\_\_\_\_
  - b. This line intentionally left blank ..... **5b** ■ \_\_\_\_\_
- 6 Depreciation for Assets from 2017 Nonconformity Adjustments ..... **6** ■ \_\_\_\_\_
- 7 Limitation on Deduction for Interest (TCJA Sec. 13301) ..... **7** ■ \_\_\_\_\_
- 8 a. Like-Kind Exchange Treatment from Schedule LK (TCJA Sec. 13303) ..... **8a** ■ \_\_\_\_\_
  - b. Recalculated cost recovery for line 8a property from Schedule LK ..... **8b** ■ \_\_\_\_\_
- 9 Limitation on Deduction by Employers of Expenses for Fringe Benefits (TCJA Sec. 13304) ..... **9** ■ \_\_\_\_\_
- 10 Other Deduction Provisions (TCJA Sec. 13307, 13308, 13310, 13603) ..... **10** ■ \_\_\_\_\_
- 11 Limitation on Allowance of Partner's Share of Loss (TCJA Sec. 13503) ..... **11** ■ \_\_\_\_\_
- 12 Cash Distributions from Converted C Corporations (TCJA Sec. 13543(b)) ..... **12** ■ \_\_\_\_\_
- 13 Tax Treatment of Alaska Native Corporations (TCJA Sec. 13821) ..... **13** ■ \_\_\_\_\_



# 2018 Schedule KPCNC, Page 2



Partner's Name

Partner's Federal ID Number

<b>14</b>	Special Rules for Capital Gains Invested In Opportunity Zones ( <i>TCJA Sec. 13823</i> ) . . . . .	<b>14</b> ■	_____
<b>15</b>	a. Section 965 Deferred Foreign Income ( <i>TCJA Sec. 14103</i> ) . . . . .	<b>15a</b> ■	_____
	b. Section 965 Actual Repatriated Income. . . . .	<b>15b</b> ■	_____
<b>16</b>	Inclusion of Global Intangible Low Taxed Income ( <i>TCJA Sec. 14201</i> ) . . . . .	<b>16</b> ■	_____
<b>17</b>	Deduction for Foreign Derived Intangible and Global Intangible Low Taxed Income ( <i>TCJA Sec. 14202</i> ) . . . . .	<b>17</b> ■	_____
<b>18</b>	Related Party Amounts Paid in Hybrid Transactions ( <i>TCJA Sec. 14222</i> ) . . . . .	<b>18</b> ■	_____
<b>19</b>	Subpart F Provisions ( <i>TCJA Sec. 14211, 14212, 14213, 14214, 14215</i> ) . . . . .	<b>19</b> ■	_____
<b>20</b>	Source of Income from Sales of Inventory ( <i>TCJA Sec. 14303</i> ) . . . . .	<b>20</b> ■	_____
<b>21</b>	Restriction on Insurance Business Exception to Passive Foreign Investment Company Rules ( <i>TCJA Sec. 14501</i> ) . . . . .	<b>21</b> ■	_____
<b>22</b>	Other Provisions ( <i>TCJA Sec. 13309, 13313, 13314, 13502, 13504, 13522, 13531,</i> <i>13532, 14502</i> ) . . . . .	<b>22</b> ■	_____
<b>23</b>	Extension of Credits and Tax Incentives ( <i>TCJA Sec. 13401, 13403</i> ) and ( <i>Bipartisan Budget Act of 2018 Sec. 40411</i> ) . . . . .	<b>23</b> ■	_____
<b>24</b>	Other adjustments to federal taxable income . . . . .	<b>24</b> ■	_____
<b>25</b>	This line intentionally left blank . . . . .	<b>25</b> ■	_____
<b>26</b>	This line intentionally left blank . . . . .	<b>26</b> ■	_____
<b>27</b>	Total lines 1-26 . . . . .	<b>27</b> ■	_____

You must include this schedule when you file Schedule KPC.



# 2018 Schedule KPCNC Instructions

## Corporate or partnership partner's use of information provided on Schedule KPCNC

### Purpose of Schedule KPCNC

Schedule KPCNC is a supplemental schedule provided by the partnership to its corporate or partnership partners. The partners need this information to complete one of the following:

- *Minnesota Schedule M4NC* if you are an C corporation partner;
- *Minnesota Schedule KSNC* if you are an S corporation partner flowing income to shareholders; or
- *Minnesota Schedule KPINC* or *Schedule KPCNC* if you are partnership partner.

These instructions are intended to help you report your share of the partnership's non-conformity adjustments on your Minnesota return.

**You must include Schedule KPCNC when you file your Minnesota return.** If you do not include the schedule with your return as required, your return processing will be delayed.

**If you receive an amended Schedule KPCNC** from the partnership and your nonconformity adjustments have changed, you must file an amended Minnesota return.

To amend your return, use:

- Form M4X, *Amended Franchise Tax Return*, if you are a corporate partner;
- Form M8X, *Amended S Corporation Return*, if you are an S corporation partner; or
- Form M3X, *Amended Partnership Return*, if you are a partnership partner.

### Line Instructions

#### Line 1 – Capitalization Rules Provisions (TCJA Sec. 13207, 13801)

*C Corporations:* Include this amount on Schedule M4NC, line 1.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 1.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 1 or Schedule KPCNC, line 1.

#### Line 2a – Increase in Federal Bonus Depreciation (TCJA Sec. 13201)

*C Corporations:* Include this amount on Schedule M4NC, line 2a.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 2a.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 2a or Schedule KPCNC, line 2a.

#### Line 2b – Allowable Depreciation for Line 2a

*C Corporations:* Include this amount on Schedule M4NC, line 2b.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 2b.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 2b or Schedule KPCNC, line 2b.

#### Line 2c

This line intentionally left blank.

#### Line 3a – Expensing Depreciable Business Assets (TCJA Sec. 13101)

*C Corporations:* Include this amount on Schedule M4NC, line 3a.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 3a.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 3a or Schedule KPCNC, line 3a.

#### Line 3b – Allowable Depreciation for Line 3a

*C Corporations:* Include this amount on Schedule M4NC, line 3b.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 3b.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 3b or Schedule KPCNC, line 3b.

#### Line 3c

This line intentionally left blank.

#### Line 4a – Other Depreciation Provisions (TCJA Sec. 13202, 13203, 13204, 13205)

*C Corporations:* Include this amount on Schedule M4NC, line 4a.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 4a.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 4a or Schedule KPCNC, line 4a.

#### Line 4b – Allowable Depreciation for Line 4a

*C Corporations:* Include this amount on Schedule M4NC, line 4b.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 4b.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 4b or Schedule KPCNC, line 4b.

#### Lines 5a and 5b

These lines are intentionally left blank.

#### Line 6 – Depreciation for Assets from 2017 Nonconformity Adjustments

*C Corporations:* Include this amount on Schedule M4NC, line 6.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 6.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 6 or Schedule KPCNC, line 6.

#### Line 7 – Limitation on Deduction for Interest (TCJA Sec. 13301)

*C Corporations:* Include this amount on Schedule M4NC, line 8.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 7.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 7 or Schedule KPCNC, line 7.

## 2018 Schedule KPCNC Instructions (continued)

### Line 8a – Like-Kind Exchange Treatment (TCJA Sec. 13303)

*C Corporations:* Include this amount on Schedule M4NC, line 9a.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 8a.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 8a or Schedule KPCNC, line 8a.

### Line 8b – Recalculated Cost Recovery for Line 8a

*C Corporations:* Include this amount on Schedule M4NC, line 9b.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 8b.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 8b or Schedule KPCNC, line 8b.

### Line 9 – Deduction by Employers of Expenses for Fringe Benefits (TCJA Sec. 13304)

*C Corporations:* Include this amount on Schedule M4NC, line 10.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 9.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 9 or Schedule KPCNC, line 9.

### Line 10 – Other Deduction Provisions (TCJA Sec. 13307, 13308, 13310, 13603)

*C Corporations:* Include this amount on Schedule M4NC, line 11.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 10.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 10 or Schedule KPCNC, line 10.

### Line 11 – Limitation on Allowance of Partner's Share of Loss (TCJA Sec. 13503)

*C Corporations:* Include this amount on Schedule M4NC, line 12.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 11.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 11 or Schedule KPCNC, line 11.

### Line 12 – Cash Distributions from Converted C Corporations (TCJA Sec. 13543(b))

*C Corporations:* Include this amount on Schedule M4NC, line 14.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 12.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 12 or Schedule KPCNC, line 12.

### Line 13 – Tax Treatment of Alaska Native Corporations (TCJA Sec. 13821)

*C Corporations:* Include this amount on Schedule M4NC, line 15.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 13.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 13 or Schedule KPCNC, line 13.

### Line 14 – Capital Gains Invested in Opportunity Zones (TCJA Sec. 13823)

*C Corporations:* Include this amount on Schedule M4NC, line 16.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 14.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 14 or Schedule KPCNC, line 14.

### Line 15a – Section 965 Deferred Foreign Income (TCJA Sec. 14103)

*C Corporations:* Include this amount on Schedule M4NC, line 18a.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 15a.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 15a or Schedule KPCNC, line 15a.

### Line 15b – Section 965 Actual Repatriated Income

*C Corporations:* Include this amount on Schedule M4NC, line 18b.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 15b.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 15b or Schedule KPCNC, line 15b.

### Line 16 – Inclusion of Global Intangible Low Taxed Income (TCJA Sec. 14201)

*C Corporations:* Include this amount on Schedule M4NC, line 19.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 16.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 16 or Schedule KPCNC, line 16.

### Line 17 – Deduction for Foreign Derived Intangible Income (TCJA Sec. 14202)

*C Corporations:* Not applicable.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 17.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 17 or Schedule KPCNC, line 17.

### Line 18 – Related Party Amounts Paid in Hybrid Transactions (TCJA Sec. 14222)

*C Corporations:* Include this amount on Schedule M4NC, line 20.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 18.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 18 or Schedule KPCNC, line 18.

### Line 19 – Subpart F Provisions (TCJA Sec. 14211, 14212, 14213, 14214, 14215)

*C Corporations:* Include this amount on Schedule M4NC, line 21.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 19.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 19 or Schedule KPCNC, line 19.

### Line 20 – Source of Income from Sales of Inventory (TCJA Sec. 14303)

*C Corporations:* Include this amount on Schedule M4NC, line 22.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 20.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 20 or Schedule KPCNC, line 20.

## 2018 Schedule KPCNC Instructions *(continued)*

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### **Line 21 – Restriction on Insurance Business Exception (TCJA Sec. 14501)**

*C Corporations:* Include this amount on Schedule M4NC, line 23.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 21.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 21 or Schedule KPCNC, line 21.

### **Line 22 – Other Provisions (TCJA Sec. 13309, 13313, 13314, 13502, 13504, 13522, 13531, 13532, 14502)**

*C Corporations:* Include this amount on Schedule M4NC, line 24.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 22.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 22 or Schedule KPCNC, line 22.

### **Line 23 – Extension of Credits and Tax Incentives (TCJA Sec. 13401, 13403) and (BBA Sec. 40411)**

*C Corporations:* Include this amount on Schedule M4NC, line 25.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 23.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 23 or Schedule KPCNC, line 23.

### **Line 24 – Other Adjustments to Federal Taxable Income**

*C Corporations:* Include this amount on Schedule M4NC, line 26.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 24.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 24 or Schedule KPCNC, line 24.

### **Lines 25 and 26**

These lines are intentionally left blank.

### **Line 27 – Total**

Enter the total of lines 1-26.