



2018 Schedule KSNB, 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 _____

Shareholder's Name	Shareholder's Social Security or Federal ID Number	
S Corporation's Name	S Corporation's Federal ID Number	S Corporation's Minnesota Tax ID Number

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.

For M1 filers, include on:

Adjustments to federal taxable income (FTI)

- | | | | |
|--|-------|-------|----------------|
| 1 Capitalization Rules Provisions (TCJA Sec. 13207, 13801) | .1 ■ | _____ | M1NC, line 10 |
| 2 a. Increase in Federal Bonus Depreciation for Certain Assets (TCJA Sec. 13201) | .2a ■ | _____ | M1NC, line 11a |
| b. Enter the amount of allowable depreciation for assets on line 2a | .2b ■ | _____ | M1NC, line 11b |
| c. This line intentionally left blank | .2c ■ | _____ | |
| 3 a. Rules for Expensing Depreciable Business Assets (TCJA Sec. 13101) | .3a ■ | _____ | M1NC, line 12a |
| b. Enter the amount of allowable depreciation for assets on line 3a | .3b ■ | _____ | M1NC, line 12b |
| c. This line intentionally left blank | .3c ■ | _____ | |
| 4 a. Other Depreciation Provisions under Tax Cuts and Jobs Act (Sec. 13202, 13203, 13204, 13205) | .4a ■ | _____ | M1NC, line 13a |
| b. Enter the amount of allowable depreciation for assets on line 4a | .4b ■ | _____ | M1NC, line 13b |
| 5 a. This line intentionally left blank | .5a ■ | _____ | |
| b. This line intentionally left blank | .5b ■ | _____ | |
| 6 Depreciation for Assets from 2017 Nonconformity Adjustments | .6 ■ | _____ | M1NC, line 14 |
| 7 Limitation on Deduction for Interest (TCJA Sec. 13301) | .7 ■ | _____ | M1NC, line 18 |
| 8 a. Like-Kind Exchange Treatment from Schedule LK (TCJA Sec. 13303) | .8a ■ | _____ | M1NC, line 17a |
| b. Recalculated cost recovery for line 8a property from Schedule LK | .8b ■ | _____ | M1NC, line 17b |
| 9 Limitation on Deduction by Employers of Expenses for Fringe Benefits (TCJA Sec. 13304) | .9 ■ | _____ | M1NC, line 16 |
| 10 Other Deduction Provisions (TCJA Sec. 13307, 13308, 13310, 13603) | .10 ■ | _____ | M1NC, line 16 |
| 11 Limitation on Allowance of Partner's Share of Loss (TCJA Sec. 13503) | .11 ■ | _____ | M1NC, line 19 |
| 12 Cash Distributions from Converted C Corporations (TCJA Sec. 13543(b)) | .12 ■ | _____ | M1NC, line 29 |
| 13 Tax Treatment of Alaska Native Corporations (TCJA Sec. 13821) | .13 ■ | _____ | M1NC, line 20 |

2018 Schedule KSNC, Page 2



Shareholder's Name

Shareholder's Social Security or Federal ID Number

14	Special Rules for Capital Gains Invested In Opportunity Zones (<i>TCJA Sec. 13823</i>)	14 ■ _____	M1NC, line 21
15	a. Section 965 Deferred Foreign Income (<i>TCJA Sec. 14103</i>)	15a ■ _____	M1NC, line 23a
	b. Section 965 Actual Repatriated Income	15b ■ _____	M1NC, line 23b
16	Inclusion of Global Intangible Low Taxed Income (<i>TCJA Sec. 14201</i>)	16 ■ _____	M1NC, line 24
17	Deduction for Foreign Derived Intangible Income (<i>TCJA Sec. 14202</i>)	17 ■ _____	M1NC, line 25
18	Related Party Amounts Paid in Hybrid Transactions (<i>TCJA Sec. 14222</i>)	18 ■ _____	M1NC, line 27
19	Subpart F Provisions (<i>TCJA Sec. 14211, 14212, 14213, 14214, 14215</i>)	19 ■ _____	M1NC, line 28
20	Source of Income from Sales of Inventory (<i>TCJA Sec. 14303</i>)	20 ■ _____	M1NC, line 29
21	Restriction on Insurance Business Exception to Passive Foreign Investment Company Rules (<i>TCJA Sec. 14501</i>)	21 ■ _____	M1NC, line 29
22	Other Provisions (<i>TCJA Sec. 13309, 13312, 13313, 13314, 13502, 13504, 13522, 13531,</i> <i>13532, 14502</i>)	22 ■ _____	M1NC, line 29
23	Extension of Credits and Tax Incentives (<i>TCJA Sec. 13401, 13403</i>) and (<i>Bipartisan Budget Act of 2018 Sec. 40411</i>)	23 ■ _____	M1NC, line 30
24	Other adjustments to federal taxable income	24 ■ _____	M1NC, line 29
25	This line intentionally left blank	25 ■ _____	
26	This line intentionally left blank	26 ■ _____	
27	Total lines 1-26. If the result is positive, enter it on Schedule KS, line 8 If the amount is negative, enter it as a positive number on Schedule KS, line 10	27 ■ _____	

You must include this schedule when you file Schedule KS.



2018 Schedule KSNC Instructions

Shareholder's use of information provided on Schedule KSNC

Purpose of Schedule KSNC

Schedule KSNC is a supplemental schedule provided by the S corporation to its shareholders. The shareholders need this information to complete one of the following:

- *Minnesota Schedule M1NC* if you are an individual shareholder;
- *Minnesota Schedule M2NC* if you are a trust or estate shareholder; or
- *Minnesota Schedule M2SBNC* if you are an electing small business trust shareholder.

These instructions are intended to help you report your share of the S corporation's nonconformity adjustments on your Minnesota return.

You must include Schedule KSNC 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 KSNC from the S corporation and your nonconformity adjustments have changed, you must file an amended Minnesota return.

To amend your return, use:

- Form M1X, *Amended Minnesota Income Tax Return*, if you are an individual shareholder; or
- Form M2X, *Amended Income Tax Return for Estate and Trust*, if you are a trust or estate shareholder.

Line Instructions

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

Individuals: Include this amount on Schedule M1NC, line 10.

Trusts and Estates: Include this amount on Schedule M2NC, line 1.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 1.

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

Individuals: Include this amount on Schedule M1NC, line 11a.

Trusts and Estates: Include this amount on Schedule M2NC, line 2a.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 2a.

Line 2b – Allowable Depreciation for Line 2a

Individuals: Include this amount on Schedule M1NC, line 11b.

Trusts and Estates: Include this amount on Schedule M2NC, line 2b.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 2b.

Line 2c

This line intentionally left blank

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

Individuals: Include this amount on Schedule M1NC, line 12a.

Trusts and Estates: Not applicable.

Electing Small Business Trusts: Not applicable.

Line 3b – Allowable Depreciation for Line 3a

Individuals: Include this amount on Schedule M1NC, line 12b.

Trusts and Estates: Not reported.

Electing Small Business Trusts: Not applicable.

Line 3c

This line intentionally left blank

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

Individuals: Include this amount on Schedule M1NC, line 13a.

Trusts and Estates: Include this amount on Schedule M2NC, line 3a.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 3a.

Line 4b – Allowable Depreciation for Line 4a

Individuals: Include this amount on Schedule M1NC, line 13b.

Trusts and Estates: Include this amount on Schedule M2NC, line 3b.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 3b.

Lines 5a and 5b

These lines are intentionally left blank.

Line 6 – Depreciation for Assets from 2017 Nonconformity Adjustments

Individuals: Include this amount on Schedule M1NC, line 14.

Trusts and Estates: Include this amount on Schedule M2NC, line 5.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 5.

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

Individuals: Include this amount on Schedule M1NC, line 18.

Trusts and Estates: Include this amount on Schedule M2NC, line 8.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 8.

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

Individuals: Include this amount on Schedule M1NC, line 17a.

Trusts and Estates: Include this amount on Schedule M2NC, line 9a.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 9a.

Line 8b – Recalculated Cost Recovery for Line 8a

Individuals: Include this amount on Schedule M1NC, line 17b.

Trusts and Estates: Include this amount on Schedule M2NC, line 9b.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 9b.

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

Individuals: Include this amount on Schedule M1NC, line 16.

Trusts and Estates: Include this amount on Schedule M2NC, line 10.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 10.

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

Individuals: Include this amount on Schedule M1NC, line 16.

Trusts and Estates: Include this amount on Schedule M2NC, line 11.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 11.

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

Individuals: Include this amount on Schedule M1NC, line 19.

Trusts and Estates: Include this amount on Schedule M2NC, line 12.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 12.

2018 Schedule KSNC Instructions (continued)

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

Individuals: Include this amount on Schedule M1NC, line 29.

Trusts and Estates: Include this amount on Schedule M2NC, line 13.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 14.

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

Individuals: Include this amount on Schedule M1NC, line 20.

Trusts and Estates: Include this amount on Schedule M2NC, line 14.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 15.

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

Individuals: Include this amount on Schedule M1NC, line 21.

Trusts and Estates: Include this amount on Schedule M2NC, line 15.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 16.

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

Individuals: Include this amount on Schedule M1NC, line 23a.

Trusts and Estates: Include this amount on Schedule M2NC, line 16a.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 17a.

Line 15b – Section 965 Actual Repatriated Income

Individuals: Include this amount on Schedule M1NC, line 23b.

Trusts and Estates: Include this amount on Schedule M2NC, line 16b.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 17b.

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

Individuals: Include this amount on Schedule M1NC, line 24.

Trusts and Estates: Include this amount on Schedule M2NC, line 17.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 18.

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

Individuals: Include this amount on Schedule M1NC, line 25.

Trusts and Estates: Include this amount on Schedule M2NC, line 18.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 19.

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

Individuals: Include this amount on Schedule M1NC, line 27.

Trusts and Estates: Include this amount on Schedule M2NC, line 19.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 20.

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

Individuals: Include this amount on Schedule M1NC, line 28.

Trusts and Estates: Include this amount on Schedule M2NC, line 20.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 21.

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

Individuals: Include this amount on Schedule M1NC, line 29.

Trusts and Estates: Include this amount on Schedule M2NC, line 21.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 22.

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

Individuals: Include this amount on Schedule M1NC, line 29.

Trusts and Estates: Include this amount on Schedule M2NC, line 22.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 23.

Line 22 – Other Provisions (TCJA Sec. 13309, 13312, 13313, 13314, 13502, 13504, 13522, 13531, 13532, 14502)

Individuals: Include this amount on Schedule M1NC, line 29.

Trusts and Estates: Include this amount on Schedule M2NC, line 23.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 24.

Line 23 – Extension of Credits and Tax

Incentives (TCJA Sec. 13401, 13403) and (BBA Sec. 40411)

Individuals: Include this amount on Schedule M1NC, line 30.

Trusts and Estates: Include this amount on Schedule M2NC, line 24.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 25.

Line 24 – Other Adjustments to Federal Taxable Income

Individuals: Include this amount on Schedule M1NC, line 29.

Trusts and Estates: Include this amount on Schedule M2NC, line 25.

Electing Small Business Trusts: Include this amount on Schedule M2SBNC, line 26.

Lines 25 and 26

These lines are intentionally left blank.

Line 27 – Total

If the total on this line is a positive, enter it on Schedule KS, line 8. If the total on this line is a negative, enter it as a **positive** number on Schedule KS, line 10