

# 2015 Minnesota Income Tax for Estates and Trusts (Fiduciary) Form M2 Instructions

## What's New for 2015

### Update as of January 2017

A bill signed into law on January 13, 2017, conforms Minnesota law to federal law when determining federal taxable income for tax year 2015.

As a result, taxpayers are no longer required to recompute Minnesota taxable income for Minnesota tax purposes.

See the instructions on page 10 to determine if you need to make adjustments to your Minnesota return.

Continue to check our website for further updates.

### Power of Attorney Elections

Starting for all returns filed in 2015, power of attorney elections are no longer accepted for firms or companies. A power of attorney election must be made for each individual that the taxpayer elects for representation.

### Payment Voucher System

The department no longer offers blank paper payment vouchers. To create a personalized voucher, go to [www.revenue.state.mn.us](http://www.revenue.state.mn.us) and type **Payment Voucher** in the search box.

### New Form Format

Due to some formatting changes, our 2015 forms may look different and may have additional pages.

## Questions?

You can find forms and information, including answers to frequently asked questions and options for filing and paying electronically, on our website at:

[www.revenue.state.mn.us](http://www.revenue.state.mn.us)

Send us an e-mail at:

[businessincome.tax@state.mn.us](mailto:businessincome.tax@state.mn.us)

Call us at **651-556-3075**

## Need Forms?

Go to [www.revenue.state.mn.us](http://www.revenue.state.mn.us).

We'll provide information in another format upon request to persons with disabilities.

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See "Update" above

## Filing Requirements

An estate or trust - regardless if it is considered a resident - must file Form M2 when:

1. There is \$600 or more of gross income allocable to Minnesota; or
2. There is a nonresident alien as a beneficiary.

[M.S. 289A.08.subd. 1]

Income allocable to Minnesota includes:

- Income earned from a resident trust or estate;
- Income earned from Minnesota real or tangible property of a nonresident trust or estate; or
- Business income apportioned to Minnesota from a nonresident trust or estate.

[M.S. 290.17]

When required, the trustee of a trust or the personal representative of an estate is responsible for filing the Minnesota Form M2, *Income Tax Return for Estates and Trusts (Fiduciaries)* and for paying the tax.

**Bankruptcy estates.** If the fiduciary of a bankruptcy estate of a Minnesota resident filed a federal return, a Minnesota return must also be filed. Use Form M1, *Individual Income Tax Return*, to determine the Minnesota tax and attach it to Form M2. File it in the same way you file federal returns.

**Resident estates.** An estate is considered a Minnesota estate if:

- the decedent was a resident of Minnesota at the time of death, or
- the personal representative or fiduciary was appointed by a Minnesota court—or the court administration was performed in Minnesota—in other than an ancillary proceeding.

File the first Form M2 covering the period from the date of the decedent's death to the end of the tax year. Be sure to check the box to indicate it is the fiduciary's initial return.

File subsequent returns for later years until the end of the estate's administration period.

**Resident trusts.** The definition of a resident trust differs depending on the date—before or after December 31, 1995—the trust becomes irrevocable or is first administered in Minnesota.

**For trusts that became irrevocable or were first administered in Minnesota after December 31, 1995:** A resident trust means a trust, except a grantor type trust, that either:

- 1 was created by a will of a decedent who at his or her death was a Minnesota resident, or
- 2 is an irrevocable trust, and at the time the trust became irrevocable, the grantor was a Minnesota resident. A trust is considered irrevocable if the grantor is not treated as the owner as defined in sections 671 to 678 of the IRC.

**For trusts that became irrevocable or were first administered in Minnesota before January 1, 1996:** A resident trust means any trust administered in Minnesota.

To be considered a resident trust administered in Minnesota, you must meet two of the following three criteria:

- A majority of the discretionary investment decisions are made in Minnesota,
- The majority of discretionary distribution decisions are made in Minnesota, and
- The trust's official books and records are kept in Minnesota.

[M.S. 290.01, subd. 7b]

## Before You File Complete a Federal Return

Before you complete Form M2, complete federal Form 1041, *U.S. Income Tax Return for Estates and Trusts*, and supporting schedules. You will need to reference them.

**If you are a:** **Complete federal Form:**

Charitable remainder (*enter zero on Form M2, lines 1 and 9*) . . . . 1041A  
or charitable lead trust . . . . . or 5227

Designated or qualified settlement fund (under IRC section 468B) . . . . 1120-SF

Qualified funeral trust . . . . . 1041-QFT  
Electing small business trust (ESBT) . . 1041

## Minnesota Tax ID Number

Your Minnesota tax ID is the seven-digit number you're assigned when you register with the department. It's important to include your Minnesota tax ID on your return so that any payments you make are properly credited to your account.

**If you don't have a Minnesota tax ID, you must apply for one.** Go to [www.revenue.state.mn.us](http://www.revenue.state.mn.us) and type **Business Registration** on the search box or call 651-282-5225 or 1-800-657-3605.

# General Information (continued)

## Due Dates and Extensions

### Due Date for Filing and Paying is April 15, 2016

The regular due date for filing Form M2 and paying the tax due is April 15, 2016. If you file your return according to a fiscal year, your return and payment are due the 15th day of the fourth month following the end of the tax year.

Short-year returns are due by the 15th day of the fourth month following the month in which the short year ends. **Example:** If the fiscal year end is May 31, the due date would be September 15.

### Extension of Time to File

All estates and trusts are granted an automatic six-month extension to file Form M2, if the tax is paid in full by the regular due date. **If the tax is not paid by the regular due date, the extension of time to file is invalid.**

This is a filing extension only. To avoid penalties, you must make an extension tax payment by the regular due date. See *Extension payment* in the next section for details.

## Payments

There are three types of fiduciary income tax payments—extension payments, estimated tax payments and tax return payments. (See Payment options above.)

**Note:** If you are currently paying electronically using the ACH credit method, continue to call your bank as usual. If you wish to make payments using the ACH credit method, instructions are available at [www.revenue.state.mn.us](http://www.revenue.state.mn.us).

### Extension Payment

**Your tax is due by the regular due date, even if you're filing under an extension. Any tax not paid by the regular due date is subject to penalties and interest** (see lines 17 and 18 instructions on pages 5 and 6).

If you're filing after the regular due date, you can avoid penalty and interest by making an extension payment for the full amount of the tax owed by the regular due date. For information about payment options see *Payment options* above. **If you administer 100 or more trusts, you are required to pay all fiduciary income taxes electronically.** [M.S. 289A.20, subd. 1c]

## Payment Options

If you administer 100 or more trusts, you are required to pay all the fiduciary income taxes electronically. A 5 percent penalty will be assessed if you fail to do so when required.

### ■ Pay electronically using e-Services

- To pay over the Internet—go to [www.revenue.state.mn.us](http://www.revenue.state.mn.us), and click on “Login to e-Services,” or
- To pay by phone—call **1-800-570-3329**.

Both options are free and there's no need to preregister. If you're using the system for the first time and need a temporary password, call 651-282-5225 or 1-800-657-3605.

To be timely, you must complete your transaction and receive a confirmation number on or before the due date for that payment.

### ■ Pay by credit or debit card

For a fee, you can use your credit or debit card to make a payment through Value Payment Systems, a national company that partners with federal, state and local governments to provide credit and debit card payment services.

To do so:

- Go to [payMNTax.com](http://payMNTax.com); or
- Call 1-855-9-IPAY-MN.

The Department of Revenue does not have any financial agreement with Value Payment Systems and does not receive any of its fees.

### ■ Pay by check

- Go to our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us) and click on **Make a Payment**.
- Click **By Check** to create and print a payment voucher. Write your check to Minnesota Revenue and mail together to the address on the voucher.

Your check authorizes us to make a one-time electronic fund transfer from your account. You may not receive your cancelled check.

Forms are available from our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us).

## Estimated Payments

Minnesota may require an estate to make estimated tax payments.

A trust must make quarterly estimated tax payments if it has either:

- an estimated tax of \$500 or more, or
- any nonresident beneficiary's share of estimated composite income tax of \$500 or more.

Payments are due by the 15th day of the fourth, sixth, and ninth months of the tax year and the first month following the end of the tax year. If estimated tax is required for both the estimated tax and the composite income tax, include both on the same quarterly payment. [M.S. 289A.25]

To make an estimated tax payment, see *Payment options* above. If you're paying by check, send a completed payment voucher with your payment. For additional information, see *Fiduciary Estimated Tax instructions*.

## Tax Return Payment

If there is an amount due on line 20 of Form M2, you must make a tax return payment (see *Payment options* above). If you're paying by check, you must send a completed payment voucher with your payment.

## Penalties and Interest

**Late payment.** A late payment penalty is assessed on any tax not paid by the regular due date. The penalty is 6 percent of the unpaid tax.

If you file your return after the regular due date with a balance due, an additional 5 percent penalty will be assessed on the unpaid tax. [M.S.289A.60, subd. 1]

**Late filing.** There is also a penalty if you file after the extended due date and owe tax. The late filing penalty is 5 percent of any tax not paid by the extended due date. [M.S. 289A.60, subd. 2]

**Interest.** You must also pay interest on the penalty and tax you are sending in late. The interest rate for 2015 is 3 percent. [M.S. 270C.40]

# General Information (continued)

**Other penalties.** There are also civil and criminal penalties for intentionally failing to file a Minnesota return, evading tax and for filing a false, fraudulent or frivolous return. [M.S. 289A.60 and 289A.63]

## Reporting Federal Changes

If the Internal Revenue Service (IRS) changes or audits your federal return and it affects your Minnesota return or distributions to beneficiaries, you must file a Form M2X, *Amended Income Tax Return for Estates and Trusts*, with the department within 180 days after you were notified by the IRS.

To file an amended return, use Form M2X. Enclose a copy of the IRS report or your amended federal return with your amended Minnesota return.

If the changes do not affect your Minnesota return or Schedules K-1, you have 180 days to send a letter of explanation to the department. Send your letter and a complete copy of your amended federal return or the correction notice to: Minnesota Fiduciary Income Tax, Mail Station 5140, St. Paul, MN 55146-5140.

If you fail to report as required, a 10 percent penalty will be assessed on any additional tax. [M.S. 289A.60, subd. 24]

## Filing Reminders Composite Income Tax

Minnesota allows estates and trusts to file composite Minnesota income tax on behalf of their beneficiaries who are nonresident individuals and who elect to be included. As a result, the electing beneficiary is not required to file Form M1, *Minnesota Individual Income Tax Return*.

The electing individuals must not have any Minnesota source income other than the income from this trust or estate and other entities electing composite filing.

If you are paying composite income tax for your electing beneficiaries, check the box for composite income tax on the front of Form M2 and see the line 13 instructions on page 5.

## Request for Early Audit

You may request an early audit of the return of a decedent, estate, terminating trust, or other fiduciary entity on Form M22, *Request for Early Audit of Minnesota Income Tax Return*. Filing Form M22 reduces the time limit the department has to assess any additional taxes from 3½ years after you file an income tax return to 18 months.

## Use of Information

Your Minnesota tax ID number is public information. All other information on this form is private, and cannot be given to others except as provided by state law. The identity and income information of the beneficiaries are required under state law so the department can determine the beneficiary's correct Minnesota taxable income and verify if the beneficiary has filed a return and paid the tax. The Social Security numbers of the beneficiaries are required under M.S. 289A.12, subd. 13.

## When Filing a Paper Return

### How to Assemble

Arrange your Minnesota schedules in the order they were completed and place them behind your Form M2. Then place your federal return and its schedules behind the Minnesota material.

### Where to Send

Mail your completed Minnesota and federal forms and schedules, using the mailing label below. Cut on the dotted line and tape to your envelope.

Or mail your forms to:

MINNESOTA REVENUE  
Fiduciary Income Tax  
St. Paul, Minnesota 55145-1310

Minnesota Revenue  
Fiduciary Income Tax  
Mail Station 1310  
St. Paul, MN 55145-1310.

# Form M2

*Before you complete Form M2, you must first complete Federal Form 1041 and supporting schedules.*

## Tax Year

If you are filing on a fiscal year basis, be sure to enter the beginning and ending dates. Without the dates, your filing and payments may not be considered timely.

## Minnesota Tax ID Number

Be sure to put your Minnesota tax ID number on Form M2. Without it, processing of the return is delayed, and your estimated tax and extension prepayments cannot be verified and credited properly.

## Check Boxes

Place an X in all boxes that apply to the return that you are filing.

**Final return.** For income tax purposes, Minnesota follows federal law on termination of estates and trusts. All income, deductions and credits are passed through to the beneficiaries. If this is your final return, check the box on the front of Form M2.

**Initial return.** If this is the fiduciary's first return filed in Minnesota, check the box on the front of the form.

**Bankruptcy estate.** A separate and distinct taxable entity created when an individual debtor files for bankruptcy under Chapter 7 or 11 of Title 11 of the United States Code. If bankruptcy estate is checked, enter the Bankruptcy debtor's SSN in the Bankruptcy debtor SSN box and, if filing jointly, enter the second debtor's SSN in the corresponding box).

**Composite income tax.** If you are paying composite income tax for your electing nonresident beneficiaries, check the box on the front of Form M2 and see the instructions for line 13 on page 5.

**ESBT (Electing Small Business Trust).** A non-grantor trust that has income from one or more S corporations. The portion of an ESBT that consists of stock of one or more S corporations is treated as a separate trust.

**Irrevocable Trust.** A trust is considered irrevocable if the grantor no longer has control over the trust assets and administration. Enter the date the trust became irrevocable.

**Revocable Trust.** A trust is considered revocable if the grantor retains control over the trust assets and administration.

**Section 645 Election.** Allows a qualified revocable trust to be treated and taxed as part of the related estate during the election period. If the election is made for federal income tax purposes, it also applies for Minnesota. Enclose a copy of federal Form 8855 or letter making the election.

**Nonresident.** Check the Nonresident box if a nonresident trust/estate. Refer to the definitions of a resident trust/estate on page 1 of the Form M2 instructions to determine whether your trust/estate qualifies.

## Line Instructions

*Trust and estate income is based on income from Minnesota sources only. Therefore, any non-Minnesota losses that are allocated to the fiduciary must be added back to federal taxable income, and non-Minnesota income and gains must be subtracted from federal taxable income.*

*Income allocable to Minnesota includes:*

- *Income earned from a resident trust or estate;*
- *Income earned from Minnesota real or tangible property of a nonresident trust or estate; or*
- *Business income apportioned to Minnesota from a nonresident trust or estate.*

*Round amounts to whole dollars. Drop amounts less than 50 cents and increase amounts 50 cents or more to the next higher dollar.*

## Line 2 Deductions and Losses not Allowed

Direct expenses should be allocated to the income to which it is associated. Indirect expenses should be allocated to each class of income in the proportion that each class of income bears to the total income. Only those expenses that relate to the non-Minnesota income should be added back on line 2 of Form M2.

### Deductions not allowed by Minnesota.

Interest and other expenses deducted on your federal return which relate to income or gains from non-Minnesota sources must be added to your taxable income.

Include administration fees and expenses, interest, taxes, depletion and other deductions (including the charitable deduction) that are connected with or allowed against income or gains not taxed by Minnesota. An example of this would be expenses incurred

in connection with a probate proceeding in another state. [M.S. 290.17, subd. 1(b)].

**Losses not allowed by Minnesota.** Include your total losses from non-Minnesota sources to the extent the losses are deducted in determining your federal taxable income or loss.

Common examples of losses to include on line 2 are:

- losses deducted on the sale or other disposition of real or tangible property outside Minnesota,
- casualty losses deducted on property outside Minnesota,
- losses deducted on the operation of a farm outside Minnesota,
- out-of-state losses from partnerships, S corporations and other fiduciaries,
- losses deducted on the operation of a trade or business from sources outside Minnesota, and
- losses deducted on the sale or other disposition of stocks, bonds, securities and other intangible property by nonresident estates and trusts.

## Line 3

### Capital Gain of Lump Sum Distribution

If you received a qualifying lump-sum distribution in 2015 and 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 Form M2.

## Lines 4 and 6 Additions and Subtractions

Read the instructions under *Allocation of adjustments* on page 9.

## Line 7

### Income from Non-Minnesota Sources

Enter the total income from sources outside Minnesota to the extent the amounts are included in your federal taxable income. Do not include, however, any income or gains that are being distributed to the beneficiary.

Examples of income not subject to Minnesota tax include:

- gains from the sale or other disposition of real or tangible property outside Minnesota,
- income or gains from the operation of a farm outside Minnesota,
- profit from a trade or business outside Minnesota (enter the name and location of the trade or business under line 7),

# M2, Lines 10–17

- out-of-state income from partnerships, S corporations and other fiduciaries (enter the name and location of the partnership or other fiduciary under line 7),
- rents and royalties from land, buildings, machinery or other tangible property outside Minnesota (enter the name and location of the property producing the rents and royalties under line 7), and
- interest, dividends, income and gains from stocks, bonds and other securities for nonresident estates and trusts, unless the income was generated by a trade or business (S corporations and partnerships) and was apportioned to Minnesota.

Enclose a separate schedule, if needed.

## Line 10 Minnesota Tax

Use the table starting on page 10 to determine the amount to enter on line 10.

## Line 11 Tax from S portion of an Electing Small Business Trust

If you are filing as an Electing Small Business Trust (ESBT), you must file Schedule M2SB to report all items relating to the S portion of the trust. Enter the tax calculated on the M2SB on line 11 of Form M2. Include Schedule M2SB when you file Form M2.

## Line 12 Additional Tax

**Schedule M1LS—Tax on a Lump-Sum Distribution.** If you received a lump-sum distribution from a qualified pension plan, profit sharing plan or stock bonus plan and the 10-year averaging method on federal Form 4972 was used, you must complete Minnesota Schedule M1LS, *Tax on Lump-Sum Distribution*.

Include the amount from line 11 of Schedule M1LS on line 12 of Form M2. Be sure to check the box for Schedule M1LS and include a copy of the schedule when you file your return.

**Schedule M2MT—Alternative Minimum Tax.** If you had to complete federal Schedule I, *Alternative Minimum Tax*, you must complete Minnesota Schedule M2MT, *Alternative Minimum Tax for Estates and Trusts*.

Include the amount from line 17 of Schedule M2MT on line 12 of Form M2. Be sure to check the box for Schedule M2MT and include a copy of the schedule with your return.

## Line 13 Composite Income Tax

Add the composite income tax attributed to all electing beneficiaries (the total of lines 25 from all KF schedules), and enter the result on line 13 of Form M2.

## Lines 15a–15e and 15 Total Payments and Credits

**Line 15a.** Enter your total estimated tax and extension payments paid for the tax year, including:

- your total 2015 estimated tax payments made in 2015 and 2016, either paid electronically or by check,
- the portion of your 2014 refund applied to your 2015 estimated tax, and
- any 2015 extension payment, paid electronically or by check, that was made by the due date when filing under an extension.

**Line 15b.** Enter the total of any 2015 Minnesota tax withheld, including:

- backup withholding on income retained by the estate or trust,
- Minnesota income tax withheld in error (and not repaid) by an employer on wages and salaries of a decedent that was received by the decedent's estate (enclose a copy of federal Form W-2, *Wage and Tax Statement*), and
- the fiduciary's share of any Minnesota income tax withholding from Schedule KS or KPI not passed through to the beneficiaries.

If you are including withholding on line 15b, you must include with your Form M2 a copy of the 1099, Schedule KPI, Schedule KS or other documentation showing the amount withheld. If the documentation is not included, the department will disallow the amount and assess the tax or reduce your refund.

**Line 15c.** A refundable jobs credit, based on higher-paying jobs, is available to qualified businesses operating in a JOBZ zone. Complete and enclose Schedule JOBZ.

You may also include any credit you may have received as a partner of a partnership or shareholder of an S corporation. You must include your Schedule KPI or KS with Form M2.

Enter the total jobs credit that is being claimed directly by the fiduciary and not passed through to the beneficiaries.

**Line 15d.** If you are including an amount on this line you must include a statement indicating which credit(s) are being claimed as well as any required forms.

Include on line 15d only credits that are being retained by the fiduciary.

**Line 15e.** If you are including an amount on this line you must include a statement indicating which credit(s) are being claimed as well as any required forms. If you have nonrefundable credits available calculate the amount to enter on line 15e as follows:

- If the amount of nonrefundable credits available is less than or equal to the amount on line 14 enter the full amount on line 15e,
- If the amount of nonrefundable credits available is more than the amount on line 14 enter on line 15e the amount of line 14.

## Credit for Taxes Paid to Another State

You may claim a credit on line 15 for taxes paid to another state if you were a resident trust or estate and you paid 2015 income tax (including tax withheld) to Minnesota and to another state on the same income. For purposes of this credit, a Canadian province or territory and the District of Columbia are considered a state. The credit cannot exceed the tax shown on line 10.

Use Schedule M1CR, *Credit for Income Tax Paid to Another State*, as a worksheet to determine the credit. When you file Form M2, include the M1CR worksheet or a statement showing how you arrived at the amount.

## Line 17 Penalty

Penalties are collected as part of the tax and are in addition to any charge for underpaying estimated tax. If you are paying your tax after the regular due date, include the appropriate penalties on line 17. Include a statement showing how you arrived at the penalty amount.

**Please note: An extension of time to file is not an extension to pay.** Therefore, if payment in full is not made by the original due date, an extension of time is invalid and both late-filing and late-payment penalties become applicable.

**Late Payment.** If the tax is not paid by the original due date, a penalty is due of 6 percent of the unpaid tax on line 16.

If you file your return after the regular due date with a balance due, an additional 5 percent penalty will be assessed on the unpaid tax.

# M2, Lines 18–25

**Late Filing.** If you are filing your return after the extended due date, you must pay a late filing penalty. The late filing penalty is 5 percent of the unpaid tax on line 16.

**Payment Method.** If you are required to pay electronically and do not, an additional 5 percent penalty applies to payments not made electronically, even if your paper check is sent on time.

## Line 18 Interest

You must pay interest on the unpaid tax and penalty from the regular due date until the total is paid. The interest rate for calendar year 2015 is 3 percent.

To figure how much interest you owe, use the following formula with the appropriate interest rate:

$$\text{Interest} = (\text{tax} + \text{penalty}) \times \# \text{ of days late} \times \text{interest rate} \div 365$$

## Line 19 Trusts Only

Skip this line if you are an estate.

*Trusts:* In addition to any penalties you may owe on line 17, you may also owe an additional charge for underpaying or not paying estimated tax. You may owe this additional charge if:

- line 16 of Form M2 is \$500 or more,
- any nonresident beneficiary's share of the composite income tax on line 13 is \$500 or more, or
- you did not pay the required amount of estimated tax by the due dates. This is true even if you have a refund.

Complete Schedule EST, *Additional Charge for Underpayment of Estimated Tax (for Trusts, Partnerships and S Corporations)*, to determine the additional charge for underpaying estimated tax, if any, to enter on line 19. Include Schedule EST with your return.

## Line 20 Amount Due

Add lines 16 through 19. This is the amount of tax you owe.

Be sure to check the appropriate box on line 20 to indicate your method of payment. See *Payment options* on page 2.

## Line 21 Overpayment

If you have an overpayment, you may choose to have it directly deposited into your bank account. You may also choose to apply all or a portion of your overpayment toward your 2016 estimated tax account.

## Line 22 2016 Estimated Tax

Skip this line if you owe additional tax or you will be electing to have your entire refund directly deposited (see line 24).

If you are paying 2016 estimated tax, you may apply all or a portion of your refund to your 2016 estimated tax. Enter the portion of line 21 you want to apply toward your 2016 estimated tax.

## Line 23 Minnesota Income Tax Refund

Subtract line 22 from line 21. The result is the amount of your 2015 Minnesota income tax refund that will be refunded to you.

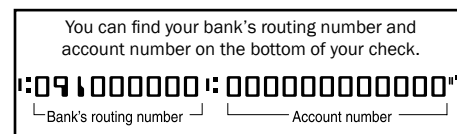
If you want to request your refund to be direct deposited into your bank account, complete line 24. Your bank statement will indicate when your refund was deposited to your account. Otherwise, skip line 24 and your refund will be sent to you in the mail.

## Line 24 To Request Direct Deposit of Refund

If you want your refund to be directly deposited into your checking or savings account, enter the routing and account numbers.

The **routing number** must have nine digits. The **account number** may contain up to 17 digits (both numbers and letters). Enter the number and leave out any hyphens, spaces and symbols.

If the routing or account number is incorrect or is not accepted by your financial institu-



tion, your refund will be sent to you in the form of a paper check.

By completing line 24, you are authorizing the department and your financial institution to initiate electronic credit entries, and if necessary, debit entries and adjustments for any credits made in error.

## Line 25 State and Municipal Bond Interest

Enter the amount of interest or dividends received from bonds or a bond mutual fund which invests in non-Minnesota state or municipal securities.

To determine the amount to include, follow these instructions:

- If 95 percent or more of the federally tax-exempt dividends from a mutual fund

came from bonds issued by Minnesota, only the portion of the dividend generated by non-Minnesota bonds must be included.

- If less than 95 percent of all federally tax-exempt interest dividends from a mutual fund came from bonds issued by Minnesota, all of the federally tax-exempt interest dividend from that fund must be included.

**Nonresident estates and trusts:** Non-Minnesota interest or dividends received from bonds or a bond mutual fund do not have to be added back to Minnesota income. [M.S. 290.01, subd. 19a(1)]

*Line instructions continued on page 7.*

## Signature

The return must be signed by the fiduciary or authorized officer of the organization receiving, controlling or managing the income of the estate or trust. The person must also include his or her ID number.

If someone other than the fiduciary prepared the return, the preparer must also sign. The preparer's ID number and phone number should also be included.

You may check the box in the signature area to give us your permission to discuss your return with the paid preparer. This authorization remains in effect until you notify the department in writing (either by mail or fax) that the authorization is revoked.

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 conference. For these types of authorities, you must file Form REV184, *Power of Attorney*.

## E-mail Address

If the department has questions regarding your return and you want to receive correspondence electronically, indicate the e-mail address below your signature. Check a box to indicate if the e-mail address belongs to the fiduciary or paid preparer.

By providing an e-mail address, you are authorizing the department to correspond with you or the designated person over the Internet and you understand that the entity's nonpublic tax data may be transmitted over the Internet.

You also accept the risk that the data may be accessed by someone other than the intended recipient. The department is not liable for any damages that the fiduciary may incur as a result of an interception.



# M2, Lines 26–36

## Line 26

### State Income Tax

Enter the amount of state income tax deducted on the federal return. State income tax deductions are not allowed on the Minnesota return. [M.S. 290.01, subd. 19a(2)]

## Line 27

### Expenses Related to Income Not Taxed by Minnesota, Other Than From U.S. Bond Obligations

#### Bond Obligations

Expenses deducted on your federal return that relate to income not taxed by Minnesota must be added to your taxable net income. [M.S. 290.01, subd. 19a(5)]

If you had expenses attributable to interest or mutual fund dividends from U.S. bonds, see line 35.

## Line 28

### Suspended Loss of Bonus Depreciation

If you're claiming a suspended loss from 2001-2005 or 2008-2014 on your federal return that was generated by bonus depreciation, and you did not add back 80 percent of the bonus depreciation in those years, complete the following steps:

- 1 Bonus depreciation from 2001–2005 or 2008–2014 not added back on Form M2 . . . . . \_\_\_\_\_
- 2 Total suspended loss from activity remaining after 2015 . . . . . \_\_\_\_\_
- 3 Subtract step 2 from step 1 (if a negative amount, enter zero) . . . . . \_\_\_\_\_
- 4 Multiply step 3 by 80 percent (.80) . . . . . \_\_\_\_\_
- 5 Total of the 80 percent bonus depreciation addition passed through to you as a beneficiary of another estate or trust (from line 4 of Schedule KF) . . . . . \_\_\_\_\_
- 6 Add steps 4 and 5. Enter here and on line 28 . . . . . \_\_\_\_\_

## Line 29

### Federal Bonus Depreciation Addition

If you chose on your federal return the special depreciation allowance for certain qualified property, you must add back 80 percent of the bonus depreciation to Minnesota.

Follow the steps below to determine line 29:

- 1 Add line 14 and line 25 of your federal Form 4562\* . . . . . \_\_\_\_\_
- 2 Total of bonus depreciation passed through to you as a shareholder of an S corporation (from line 5 of Schedule KS), or as a partner of a partnership (from line 5 of Schedule KPI) . . . . . \_\_\_\_\_
- 3 Add steps 1 and 2 . . . . . \_\_\_\_\_
- 4 Multiply step 3 by 80% (.80) . . . . . \_\_\_\_\_
- 5 Total of any 80% federal bonus depreciation addition you received as a beneficiary of another estate or trust (from line 5 of Schedule KF) . . . . . \_\_\_\_\_
- 6 Add steps 4 and 5. Enter here and on line 29 . . . . . \_\_\_\_\_

\* If bonus depreciation included in step 1 or 2 generated a loss in an activity that cannot be deducted in 2015 (e.g., a passive activity loss or a loss in excess of basis), you may reduce step 1 or 2 by the amount of loss not allowed from the activity for 2015, up to the bonus depreciation claimed by the activity.

In a future year when the 2015 suspended loss is allowed, you must include the bonus depreciation as an addition. The bonus depreciation is treated as the last suspended loss allowed.

## Line 30

### Fines, Fees and Penalties Deducted on your Federal Return

You must add fines and penalties that were deducted as business expenses paid to a government entity or nongovernment regulatory body as a result of a violation of law, or the investigation of any potential violation of law. This does not include amounts identified in a court order or settlement agreement as restitution or as an amount paid to come into compliance with the law.

## Line 32

### Net Operating Loss (NOL) Carryover Adjustment

The Minnesota Legislature did not adopt the provisions of the Worker, Homeownership, and Business Assistance Act of 2009 (WHBA). Under this Act, taxpayers are allowed to carryback 3, 4, or 5 years an NOL generated in 2008 or 2009. For federal purposes, any remaining NOL that was not fully absorbed in the carryback years can be

carried forward for up to 20 years, beginning in 2010. If you claimed the deduction in 2015, you must add back the federal NOL amount as a positive number on line 32.

## Line 33

### Domestic Production Activities Deduction

If you are claiming a portion of the domestic production activities deduction on the estate's or trust's federal return, add back this amount on line 33.

## Line 35

### Net Interest from U.S. Bonds

Interest earned on certain direct federal obligations is taxable on the federal return, but is not taxable on the state return. You may reduce your taxable income if you reported interest on your federal return that is exempt from state income tax.

Include the interest you received from certain U.S. bonds, bills, notes and other debt instruments, reduced by any related investment interest and other expenses you deducted on your federal return that relate to this income.

You may also include the portion of dividends from mutual funds that are attributable to such bonds, bill or notes, reduced by any related expenses you deducted on your federal return.

Enclose a statement from the fund indicating the proportionate interest earned on the above securities. [M.S. 290.01, subd. 19b(1)]

## Line 36

### State Income Tax Refunds

Income tax refunded by Minnesota or any other taxing jurisdiction that was included as income on the federal return is not taxed by Minnesota. [M.S. 290.01, subd. 19b(2)]

## Line 37

### Federal Bonus Depreciation Subtraction

You may be able to reduce your taxable income if you:

- deducted bonus depreciation on your 2010 through 2014 federal return, and
- reported 80 percent of the federal bonus depreciation as an addition to income on your 2010 through 2014 Form M2, or
- received a federal bonus depreciation subtraction in 2015 from another estate or trust.

To determine the amount, see *Worksheet for Line 37*.

# Lines 37–42

## Line 38

### JOBZ Income Exemptions

If you invested in or operated a qualified business in a JOBZ zone, you may be able to subtract certain types of income, to the extent that the income would otherwise be taxable.

Complete Schedule JOBZ, *JOBZ Tax Benefits*, if in 2015 you received:

- income for renting real or tangible personal property used by a qualified business located in a zone,
- income from operating a qualified business in a zone,
- gains from the sale or exchange of real or tangible personal property used by a qualified business located in a zone, or
- gains from the sale of an ownership interest in a qualified business.

If you received JOBZ income as a partner of a partnership, a shareholder of an S corporation or a beneficiary of another estate or trust, these amounts are shown on the Schedule KPI, KS or KF you received from the entity. There is no need for you to complete Schedule JOBZ.

## Line 40

### Subtraction for Prior Addback of Reacquisition of Indebtedness Income

If you included in this year's federal taxable income any discharge of indebtedness income from reacquisition of business debt which you elected to defer federally in a prior year, enter that amount on line 40.

## Line 42

### Net Operating Loss (NOL) from 2008 or 2009

Minnesota did not adopt the provisions of the Worker, Homeownership, and Business Assistance Act of 2009 (WHBA). If you chose this federal option, you are limited on your Minnesota return to a carryback period of two years preceding the loss.

On line 42, enter the amount you are carrying forward for 2015 for Minnesota purposes.

For complete information on how to determine line 42 and any amount to carry forward, go to our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us).

*The beneficiary(s) of a trust or an estate must file an individual income tax return to report their portion of the income distributed. A resident beneficiary must report all income from the trust or estate. A nonresident beneficiary who receives \$10,300 or more of Minnesota gross income must report income assignable to Minnesota.*

## Worksheet for Line 37

### If you claimed bonus depreciation as an addition on your 2010 Form M2:

- |   |  |   |       |
|---|--|---|-------|
| 1 | Portion of lines 26 and 28 of your 2010 Form M2 allocated to fiduciary .....   | 5 | _____ |
| 2 | Net operating loss generated for tax year 2010 (line 25, Schedule A of 2010 federal Form 1045). Enter as a positive number ..... | 6 | _____ |
| 3 | Subtract step 2 from step 1 .....  | 7 | _____ |
| 4 | Multiply step 3 by 20% (.20) .....   | 8 | _____ |

### If you claimed bonus depreciation as an addition on your 2011 Form M2:

- |   |  |    |       |
|---|--|----|-------|
| 5 | Portion of lines 28 and 29 of your 2011 Form M2 allocated to fiduciary .....   | 9  | _____ |
| 6 | Net operating loss generated for tax year 2011 (line 25, Schedule A of 2011 federal Form 1045). Enter as a positive number ..... | 10 | _____ |
| 7 | Subtract step 6 from step 5 .....  | 11 | _____ |
| 8 | Multiply step 7 by 20% (.20) .....   | 12 | _____ |

### If you claimed bonus depreciation as an addition on your 2012 Form M2:

- |    |  |    |       |
|----|--|----|-------|
| 9  | Portion of lines 28 and 29 of your 2012 Form M2 allocated to fiduciary .....   | 13 | _____ |
| 10 | Net operating loss generated for tax year 2012 (line 25, Schedule A of 2012 federal Form 1045). Enter as a positive number ..... | 14 | _____ |
| 11 | Subtract step 10 from step 9 .....   | 15 | _____ |
| 12 | Multiply step 11 by 20% (.20) .....  | 16 | _____ |

### If you claimed bonus depreciation as an addition on your 2013 Form M2:

- |    |  |    |       |
|----|--|----|-------|
| 13 | Portion of lines 28 and 29 of your 2013 Form M2 allocated to fiduciary .....   | 17 | _____ |
| 14 | Net operating loss generated for tax year 2013 (line 25, Schedule A of 2013 federal Form 1045). Enter as a positive number ..... | 18 | _____ |
| 15 | Subtract step 14 from step 13 .....  | 19 | _____ |
| 16 | Multiply step 15 by 20% (.20) .....  | 20 | _____ |

### If you claimed bonus depreciation as an addition on your 2014 Form M2:

- |    |  |   |       |
|----|--|---|-------|
| 17 | Portion of lines 28 and 29 of your 2014 Form M2 allocated to fiduciary .....   | 1 | _____ |
| 18 | Net operating loss generated for tax year 2014 (line 25, Schedule A of 2014 federal Form 1045). Enter as a positive number ..... | 2 | _____ |
| 19 | Subtract step 18 from step 17 (if zero or less, enter 0) .....   | 3 | _____ |
| 20 | Multiply step 19 by 20% (.20) .....  | 4 | _____ |

### If you received a subtraction in 2015 from an estate or trust:

- |    |  |    |       |
|----|--|----|-------|
| 21 | Total of any bonus depreciation subtraction amounts you received as a beneficiary of an estate or trust (from line 12 of Schedule KF) .. | 21 | _____ |
|----|--|----|-------|

### Total subtraction

- |    |   |    |       |
|----|---|----|-------|
| 22 | Add steps 4, 8, 12, 16, 20, and 21.<br>Enter here and on line 37 of Form M2 ..... | 22 | _____ |
|----|---|----|-------|



# Federal Changes Not Adopted by Minnesota

**Update as of January 2017**  
A bill signed into law on January 13, 2017, conforms Minnesota law to federal law when determining federal taxable income for tax year 2015. As a result, taxpayers are no longer required to recompute Minnesota taxable income for Minnesota tax purposes.

The following codes will reference a non-conformity issue, which will require an adjustment to Minnesota Income. Place the code in the box and the amount on the corresponding line. If you need additional lines, attach a supplemental schedule.

## M2, Line 31; M2SB, Line 18; M2X, Line 37

### Code Description of Issue

11 If you claimed depreciation for business property on Indian reservation on federal Form 4562 using the alternative depreciation class-life, recalculate depreciation using the regular class-life and enter the difference. Individual taxpayer enter this amount on line 6 of Schedule M1NC.

12 If you claimed the modified treatment of certain qualified film and television production expenses on federal Form 4562, recalculate your expenses for Minnesota purposes and enter the difference. Individual taxpayer enter this amount on line 7 of Schedule M1NC.

13 If you placed into service certain qualified leasehold improvements, restaurant or retail improvement property and depreciated the property using a 15 year class life, recalculate your Minnesota depreciation using a 39 year class life and enter the difference. Individual taxpayers enter this amount on line 8 of Scheduled M1NC.

14 If you utilized the special 7 year cost recovery period for property used for land improvement and support facilities for motor sports entertainment facilities you must recalculate the depreciation using a 15 or 39 year life (as appropriate). Enter the difference between the special 7 year depreciation and the recomputed depreciation on the corresponding line. Individual taxpayer enter this amount on line 9 of the Scheduled M1NC.

15 If you expensed up to the first 50% of the cost of qualified mine safety equipment, calculate the depreciation on the portion of the equipment you expensed. Enter the difference between the amount expensed and the amount allowed as depreciation on the corresponding line. Individual taxpayers enter this amount on line 10 of Schedule M1NC

40 Other Additions

## M2, Line 39; M2SB, Line 26; M2X Line 45

### Code Description of Issue

50 Other general subtractions. Attach a supplemental statement with your return regarding your subtraction

Continue to check our website for updates.

# Allocation of Adjustments

The purpose of this section is to allocate any adjustments noted on lines 25-33 and 35-42 between the beneficiary(s) and fiduciary. If all the income is retained by the trust or estate, then any adjustment is allocated entirely to the fiduciary. If all of the income is distributed, then any adjustment is passed through to the beneficiary(s) in proportion to their share of distributable net income. If part of the income is retained and part distributed, then part of the adjustment is allocated to the fiduciary and part to the beneficiary(s).

The share of adjustments in column E is the same percentage share as the fiduciary's and each beneficiary's share of federal distributable net income to the total distributable net income (the amount on Form 1041, Schedule B, line 7.) Divide each share by the total distributable net income to determine the percentage.

Where the adjustment is an addition, that portion of the adjustment allocated to each beneficiary and to the fiduciary must be shown as an addition.

Where the adjustment is a subtraction, that part of the adjustment allocated to each beneficiary and to the fiduciary must be shown as a subtraction.

## Column C

Enter the federal distributable net income assigned to each beneficiary and the fiduciary as determined for federal purposes. Add the amounts and enter the total on line 46, column C.

## Column D

To obtain the proper percentage, divide each figure from column C on lines 44 and 45 by the total of column C on line 46. Enter this percentage in column D for to correspond with each beneficiary and the fiduciary. The total of column D must equal 100%.

## Column E

To obtain the proper share for each beneficiary and the fiduciary, multiply the adjustment on line 46, column E, under additions and subtractions by the percentage in column D. Enter the result for each beneficiary and the fiduciary in column E, under additions or subtractions.

Complete a Schedule KF for each beneficiary who is assigned adjustments.

Any adjustment allocated to the fiduciary on line 45, column E, must be reported on Form M2 as an addition on line 4 or a subtraction on line 6.

If there is no federal distributable net income, the adjustment, if any, is distributed according to the terms of the will or trust instrument or according to Minnesota law.

# Schedule KF

*Complete and provide Schedule KF to each nonresident beneficiary with Minnesota source income and any Minnesota beneficiary who has adjustments to income.*

## Purpose

The purpose of Schedule KF is to provide beneficiaries with the information they need to file Form M1, *Minnesota Individual Income Tax Return*. The schedule shows each beneficiary their specific share of the fiduciary's income, credits and modifications.

A beneficiary who is a Minnesota resident must report all income from the trust or estate. A nonresident beneficiary must report income which is assignable to Minnesota.

Be sure to include copies of all Schedules KF and federal Schedules K-1 when you file your Form M2.

# 2015 Tax Table

If line 9 of Form M2 is:			If line 9 of Form M2 is:			If line 9 of Form M2 is:			If line 9 of Form M2 is:		
at least	but less than	your tax is:	at least	but less than	your tax is:	at least	but less than	your tax is:	at least	but less than	your tax is:
0	20	0	6,400	6,500	345	12,900	13,000	693	19,400	19,500	1,060
20	100	3	6,500	6,600	350	13,000	13,100	698	19,500	19,600	1,067
100	200	8	6,600	6,700	356	13,100	13,200	704	19,600	19,700	1,074
200	300	13	6,700	6,800	361	13,200	13,300	709	19,700	19,800	1,081
300	400	19	6,800	6,900	366	13,300	13,400	714	19,800	19,900	1,088
400	500	24	6,900	7,000	372	13,400	13,500	720	19,900	20,000	1,095
500	600	29	7,000	7,100	377	13,500	13,600	725	20,000	20,100	1,102
600	700	35	7,100	7,200	383	13,600	13,700	730	20,100	20,200	1,109
700	800	40	7,200	7,300	388	13,700	13,800	736	20,200	20,300	1,116
800	900	45	7,300	7,400	393	13,800	13,900	741	20,300	20,400	1,123
900	1,000	51	7,400	7,500	399	13,900	14,000	746	20,400	20,500	1,130
1,000	1,100	56	7,500	7,600	404	14,000	14,100	752	20,500	20,600	1,137
1,100	1,200	62	7,600	7,700	409	14,100	14,200	757	20,600	20,700	1,144
1,200	1,300	67	7,700	7,800	415	14,200	14,300	762	20,700	20,800	1,151
1,300	1,400	72	7,800	7,900	420	14,300	14,400	768	20,800	20,900	1,158
1,400	1,500	78	7,900	8,000	425	14,400	14,500	773	20,900	21,000	1,165
1,500	1,600	83	8,000	8,100	431	14,500	14,600	778	21,000	21,100	1,172
1,600	1,700	88	8,100	8,200	436	14,600	14,700	784	21,100	21,200	1,179
1,700	1,800	94	8,200	8,300	441	14,700	14,800	789	21,200	21,300	1,187
1,800	1,900	99	8,300	8,400	447	14,800	14,900	794	21,300	21,400	1,194
1,900	2,000	104	8,400	8,500	452	14,900	15,000	800	21,400	21,500	1,201
2,000	2,100	110	8,500	8,600	457	15,000	15,100	805	21,500	21,600	1,208
2,100	2,200	115	8,600	8,700	463	15,100	15,200	811	21,600	21,700	1,215
2,200	2,300	120	8,700	8,800	468	15,200	15,300	816	21,700	21,800	1,222
2,300	2,400	126	8,800	8,900	473	15,300	15,400	821	21,800	21,900	1,229
2,400	2,500	131	8,900	9,000	479	15,400	15,500	827	21,900	22,000	1,236
2,500	2,600	136	9,000	9,100	484	15,500	15,600	832	22,000	22,100	1,243
2,600	2,700	142	9,100	9,200	490	15,600	15,700	837	22,100	22,200	1,250
2,700	2,800	147	9,200	9,300	495	15,700	15,800	843	22,200	22,300	1,257
2,800	2,900	152	9,300	9,400	500	15,800	15,900	848	22,300	22,400	1,264
2,900	3,000	158	9,400	9,500	506	15,900	16,000	853	22,400	22,500	1,271
3,000	3,100	163	9,500	9,600	511	16,000	16,100	859	22,500	22,600	1,278
3,100	3,200	169	9,600	9,700	516	16,100	16,200	864	22,600	22,700	1,285
3,200	3,300	174	9,700	9,800	522	16,200	16,300	869	22,700	22,800	1,292
3,300	3,400	179	9,800	9,900	527	16,300	16,400	875	22,800	22,900	1,299
3,400	3,500	185	9,900	10,000	532	16,400	16,500	880	22,900	23,000	1,306
3,500	3,600	190	10,000	10,100	538	16,500	16,600	885	23,000	23,100	1,313
3,600	3,700	195	10,100	10,200	543	16,600	16,700	891	23,100	23,200	1,320
3,700	3,800	201	10,200	10,300	548	16,700	16,800	896	23,200	23,300	1,328
3,800	3,900	206	10,300	10,400	554	16,800	16,900	901	23,300	23,400	1,335
3,900	4,000	211	10,400	10,500	559	16,900	17,000	907	23,400	23,500	1,342
4,000	4,100	217	10,500	10,600	564	17,000	17,100	912	23,500	23,600	1,349
4,100	4,200	222	10,600	10,700	570	17,100	17,200	918	23,600	23,700	1,356
4,200	4,300	227	10,700	10,800	575	17,200	17,300	923	23,700	23,800	1,363
4,300	4,400	233	10,800	10,900	580	17,300	17,400	928	23,800	23,900	1,370
4,400	4,500	238	10,900	11,000	586	17,400	17,500	934	23,900	24,000	1,377
4,500	4,600	243	11,000	11,100	591	17,500	17,600	939	24,000	24,100	1,384
4,600	4,700	249	11,100	11,200	597	17,600	17,700	944	24,100	24,200	1,391
4,700	4,800	254	11,200	11,300	602	17,700	17,800	950	24,200	24,300	1,398
4,800	4,900	259	11,300	11,400	607	17,800	17,900	955	24,300	24,400	1,405
4,900	5,000	265	11,400	11,500	613	17,900	18,000	960	24,400	24,500	1,412
5,000	5,100	270	11,500	11,600	618	18,000	18,100	966	24,500	24,600	1,419
5,100	5,200	276	11,600	11,700	623	18,100	18,200	971	24,600	24,700	1,426
5,200	5,300	281	11,700	11,800	629	18,200	18,300	976	24,700	24,800	1,433
5,300	5,400	286	11,800	11,900	634	18,300	18,400	982	24,800	24,900	1,440
5,400	5,500	292	11,900	12,000	639	18,400	18,500	989	24,900	25,000	1,447
5,500	5,600	297	12,000	12,100	645	18,500	18,600	996	25,000	25,100	1,454
5,600	5,700	302	12,100	12,200	650	18,600	18,700	1,003	25,100	25,200	1,461
5,700	5,800	308	12,200	12,300	655	18,700	18,800	1,010	25,200	25,300	1,468
5,800	5,900	313	12,300	12,400	661	18,800	18,900	1,017	25,300	25,400	1,476
5,900	6,000	318	12,400	12,500	666	18,900	19,000	1,024	25,400	25,500	1,483
6,000	6,100	324	12,500	12,600	671	19,000	19,100	1,031	25,500	25,600	1,490
6,100	6,200	329	12,600	12,700	677	19,100	19,200	1,038	25,600	25,700	1,497
6,200	6,300	334	12,700	12,800	682	19,200	19,300	1,046	25,700	25,800	1,504
6,300	6,400	340	12,800	12,900	687	19,300	19,400	1,053	25,800	25,900	1,511

# 2015 Tax Table (continued)

If line 9 of Form M2 is:			If line 9 of Form M2 is:			If line 9 of Form M2 is:			If line 9 of Form M2 is:		
at least	but less than	your tax is:	at least	but less than	your tax is:	at least	but less than	your tax is:	at least	but less than	your tax is:
25,900	26,000	1,518	32,400	32,500	1,976	38,900	39,000	2,434	45,400	45,500	2,893
26,000	26,100	1,525	32,500	32,600	1,983	39,000	39,100	2,441	45,500	45,600	2,900
26,100	26,200	1,532	32,600	32,700	1,990	39,100	39,200	2,448	45,600	45,700	2,907
26,200	26,300	1,539	32,700	32,800	1,997	39,200	39,300	2,456	45,700	45,800	2,914
26,300	26,400	1,546	32,800	32,900	2,004	39,300	39,400	2,463	45,800	45,900	2,921
26,400	26,500	1,553	32,900	33,000	2,011	39,400	39,500	2,470	45,900	46,000	2,928
26,500	26,600	1,560	33,000	33,100	2,018	39,500	39,600	2,477	46,000	46,100	2,935
26,600	26,700	1,567	33,100	33,200	2,025	39,600	39,700	2,484	46,100	46,200	2,942
26,700	26,800	1,574	33,200	33,300	2,033	39,700	39,800	2,491	46,200	46,300	2,949
26,800	26,900	1,581	33,300	33,400	2,040	39,800	39,900	2,498	46,300	46,400	2,956
26,900	27,000	1,588	33,400	33,500	2,047	39,900	40,000	2,505	46,400	46,500	2,963
27,000	27,100	1,595	33,500	33,600	2,054	40,000	40,100	2,512	46,500	46,600	2,970
27,100	27,200	1,602	33,600	33,700	2,061	40,100	40,200	2,519	46,600	46,700	2,977
27,200	27,300	1,610	33,700	33,800	2,068	40,200	40,300	2,526	46,700	46,800	2,984
27,300	27,400	1,617	33,800	33,900	2,075	40,300	40,400	2,533	46,800	46,900	2,991
27,400	27,500	1,624	33,900	34,000	2,082	40,400	40,500	2,540	46,900	47,000	2,998
27,500	27,600	1,631	34,000	34,100	2,089	40,500	40,600	2,547	47,000	47,100	3,005
27,600	27,700	1,638	34,100	34,200	2,096	40,600	40,700	2,554	47,100	47,200	3,012
27,700	27,800	1,645	34,200	34,300	2,103	40,700	40,800	2,561	47,200	47,300	3,020
27,800	27,900	1,652	34,300	34,400	2,110	40,800	40,900	2,568	47,300	47,400	3,027
27,900	28,000	1,659	34,400	34,500	2,117	40,900	41,000	2,575	47,400	47,500	3,034
28,000	28,100	1,666	34,500	34,600	2,124	41,000	41,100	2,582	47,500	47,600	3,041
28,100	28,200	1,673	34,600	34,700	2,131	41,100	41,200	2,589	47,600	47,700	3,048
28,200	28,300	1,680	34,700	34,800	2,138	41,200	41,300	2,597	47,700	47,800	3,055
28,300	28,400	1,687	34,800	34,900	2,145	41,300	41,400	2,604	47,800	47,900	3,062
28,400	28,500	1,694	34,900	35,000	2,152	41,400	41,500	2,611	47,900	48,000	3,069
28,500	28,600	1,701	35,000	35,100	2,159	41,500	41,600	2,618	48,000	48,100	3,076
28,600	28,700	1,708	35,100	35,200	2,166	41,600	41,700	2,625	48,100	48,200	3,083
28,700	28,800	1,715	35,200	35,300	2,174	41,700	41,800	2,632	48,200	48,300	3,090
28,800	28,900	1,722	35,300	35,400	2,181	41,800	41,900	2,639	48,300	48,400	3,097
28,900	29,000	1,729	35,400	35,500	2,188	41,900	42,000	2,646	48,400	48,500	3,104
29,000	29,100	1,736	35,500	35,600	2,195	42,000	42,100	2,653	48,500	48,600	3,111
29,100	29,200	1,743	35,600	35,700	2,202	42,100	42,200	2,660	48,600	48,700	3,118
29,200	29,300	1,751	35,700	35,800	2,209	42,200	42,300	2,667	48,700	48,800	3,125
29,300	29,400	1,758	35,800	35,900	2,216	42,300	42,400	2,674	48,800	48,900	3,132
29,400	29,500	1,765	35,900	36,000	2,223	42,400	42,500	2,681	48,900	49,000	3,139
29,500	29,600	1,772	36,000	36,100	2,230	42,500	42,600	2,688	49,000	49,100	3,146
29,600	29,700	1,779	36,100	36,200	2,237	42,600	42,700	2,695	49,100	49,200	3,153
29,700	29,800	1,786	36,200	36,300	2,244	42,700	42,800	2,702	49,200	49,300	3,161
29,800	29,900	1,793	36,300	36,400	2,251	42,800	42,900	2,709	49,300	49,400	3,168
29,900	30,000	1,800	36,400	36,500	2,258	42,900	43,000	2,716	49,400	49,500	3,175
30,000	30,100	1,807	36,500	36,600	2,265	43,000	43,100	2,723	49,500	49,600	3,182
30,100	30,200	1,814	36,600	36,700	2,272	43,100	43,200	2,730	49,600	49,700	3,189
30,200	30,300	1,821	36,700	36,800	2,279	43,200	43,300	2,738	49,700	49,800	3,196
30,300	30,400	1,828	36,800	36,900	2,286	43,300	43,400	2,745	49,800	49,900	3,203
30,400	30,500	1,835	36,900	37,000	2,293	43,400	43,500	2,752	49,900	50,000	3,210
30,500	30,600	1,842	37,000	37,100	2,300	43,500	43,600	2,759	50,000	50,100	3,217
30,600	30,700	1,849	37,100	37,200	2,307	43,600	43,700	2,766	50,100	50,200	3,224
30,700	30,800	1,856	37,200	37,300	2,315	43,700	43,800	2,773	50,200	50,300	3,231
30,800	30,900	1,863	37,300	37,400	2,322	43,800	43,900	2,780	50,300	50,400	3,238
30,900	31,000	1,870	37,400	37,500	2,329	43,900	44,000	2,787	50,400	50,500	3,245
31,000	31,100	1,877	37,500	37,600	2,336	44,000	44,100	2,794	50,500	50,600	3,252
31,100	31,200	1,884	37,600	37,700	2,343	44,100	44,200	2,801	50,600	50,700	3,259
31,200	31,300	1,892	37,700	37,800	2,350	44,200	44,300	2,808	50,700	50,800	3,266
31,300	31,400	1,899	37,800	37,900	2,357	44,300	44,400	2,815	50,800	50,900	3,273
31,400	31,500	1,906	37,900	38,000	2,364	44,400	44,500	2,822	50,900	51,000	3,280
31,500	31,600	1,913	38,000	38,100	2,371	44,500	44,600	2,829	51,000	51,100	3,287
31,600	31,700	1,920	38,100	38,200	2,378	44,600	44,700	2,836	51,100	51,200	3,294
31,700	31,800	1,927	38,200	38,300	2,385	44,700	44,800	2,843	51,200	51,300	3,302
31,800	31,900	1,934	38,300	38,400	2,392	44,800	44,900	2,850	51,300	51,400	3,309
31,900	32,000	1,941	38,400	38,500	2,399	44,900	45,000	2,857	51,400	51,500	3,316
32,000	32,100	1,948	38,500	38,600	2,406	45,000	45,100	2,864	51,500	51,600	3,323
32,100	32,200	1,955	38,600	38,700	2,413	45,100	45,200	2,871	51,600	51,700	3,330
32,200	32,300	1,962	38,700	38,800	2,420	45,200	45,300	2,879	51,700	51,800	3,337
32,300	32,400	1,969	38,800	38,900	2,427	45,300	45,400	2,886	51,800	51,900	3,344

Continued

# 2015 Tax Table (continued)

If line 9 of Form M2 is:			If line 9 of Form M2 is:			If line 9 of Form M2 is:			If line 9 of Form M2 is:		
at least	but less than	your tax is:	at least	but less than	your tax is:	at least	but less than	your tax is:	at least	but less than	your tax is:
51,900	52,000	3,351	58,400	58,500	3,809	64,900	65,000	4,267	71,400	71,500	4,726
52,000	52,100	3,358	58,500	58,600	3,816	65,000	65,100	4,274	71,500	71,600	4,733
52,100	52,200	3,365	58,600	58,700	3,823	65,100	65,200	4,281	71,600	71,700	4,740
52,200	52,300	3,372	58,700	58,800	3,830	65,200	65,300	4,289	71,700	71,800	4,747
52,300	52,400	3,379	58,800	58,900	3,837	65,300	65,400	4,296	71,800	71,900	4,754
52,400	52,500	3,386	58,900	59,000	3,844	65,400	65,500	4,303	71,900	72,000	4,761
52,500	52,600	3,393	59,000	59,100	3,851	65,500	65,600	4,310	72,000	72,100	4,768
52,600	52,700	3,400	59,100	59,200	3,858	65,600	65,700	4,317	72,100	72,200	4,775
52,700	52,800	3,407	59,200	59,300	3,866	65,700	65,800	4,324	72,200	72,300	4,782
52,800	52,900	3,414	59,300	59,400	3,873	65,800	65,900	4,331	72,300	72,400	4,789
52,900	53,000	3,421	59,400	59,500	3,880	65,900	66,000	4,338	72,400	72,500	4,796
53,000	53,100	3,428	59,500	59,600	3,887	66,000	66,100	4,345	72,500	72,600	4,803
53,100	53,200	3,435	59,600	59,700	3,894	66,100	66,200	4,352	72,600	72,700	4,810
53,200	53,300	3,443	59,700	59,800	3,901	66,200	66,300	4,359	72,700	72,800	4,817
53,300	53,400	3,450	59,800	59,900	3,908	66,300	66,400	4,366	72,800	72,900	4,825
53,400	53,500	3,457	59,900	60,000	3,915	66,400	66,500	4,373	72,900	73,000	4,832
53,500	53,600	3,464	60,000	60,100	3,922	66,500	66,600	4,380	73,000	73,100	4,840
53,600	53,700	3,471	60,100	60,200	3,929	66,600	66,700	4,387	73,100	73,200	4,848
53,700	53,800	3,478	60,200	60,300	3,936	66,700	66,800	4,394	73,200	73,300	4,856
53,800	53,900	3,485	60,300	60,400	3,943	66,800	66,900	4,401	73,300	73,400	4,864
53,900	54,000	3,492	60,400	60,500	3,950	66,900	67,000	4,408	73,400	73,500	4,872
54,000	54,100	3,499	60,500	60,600	3,957	67,000	67,100	4,415	73,500	73,600	4,880
54,100	54,200	3,506	60,600	60,700	3,964	67,100	67,200	4,422	73,600	73,700	4,887
54,200	54,300	3,513	60,700	60,800	3,971	67,200	67,300	4,430	73,700	73,800	4,895
54,300	54,400	3,520	60,800	60,900	3,978	67,300	67,400	4,437	73,800	73,900	4,903
54,400	54,500	3,527	60,900	61,000	3,985	67,400	67,500	4,444	73,900	74,000	4,911
54,500	54,600	3,534	61,000	61,100	3,992	67,500	67,600	4,451	74,000	74,100	4,919
54,600	54,700	3,541	61,100	61,200	3,999	67,600	67,700	4,458	74,100	74,200	4,927
54,700	54,800	3,548	61,200	61,300	4,007	67,700	67,800	4,465	74,200	74,300	4,935
54,800	54,900	3,555	61,300	61,400	4,014	67,800	67,900	4,472	74,300	74,400	4,942
54,900	55,000	3,562	61,400	61,500	4,021	67,900	68,000	4,479	74,400	74,500	4,950
55,000	55,100	3,569	61,500	61,600	4,028	68,000	68,100	4,486	74,500	74,600	4,958
55,100	55,200	3,576	61,600	61,700	4,035	68,100	68,200	4,493	74,600	74,700	4,966
55,200	55,300	3,584	61,700	61,800	4,042	68,200	68,300	4,500	74,700	74,800	4,974
55,300	55,400	3,591	61,800	61,900	4,049	68,300	68,400	4,507	74,800	74,900	4,982
55,400	55,500	3,598	61,900	62,000	4,056	68,400	68,500	4,514	74,900	75,000	4,989
55,500	55,600	3,605	62,000	62,100	4,063	68,500	68,600	4,521	75,000	75,100	4,997
55,600	55,700	3,612	62,100	62,200	4,070	68,600	68,700	4,528	75,100	75,200	5,005
55,700	55,800	3,619	62,200	62,300	4,077	68,700	68,800	4,535	75,200	75,300	5,013
55,800	55,900	3,626	62,300	62,400	4,084	68,800	68,900	4,542	75,300	75,400	5,021
55,900	56,000	3,633	62,400	62,500	4,091	68,900	69,000	4,549	75,400	75,500	5,029
56,000	56,100	3,640	62,500	62,600	4,098	69,000	69,100	4,556	75,500	75,600	5,037
56,100	56,200	3,647	62,600	62,700	4,105	69,100	69,200	4,563	75,600	75,700	5,044
56,200	56,300	3,654	62,700	62,800	4,112	69,200	69,300	4,571	75,700	75,800	5,052
56,300	56,400	3,661	62,800	62,900	4,119	69,300	69,400	4,578	75,800	75,900	5,060
56,400	56,500	3,668	62,900	63,000	4,126	69,400	69,500	4,585	75,900	76,000	5,068
56,500	56,600	3,675	63,000	63,100	4,133	69,500	69,600	4,592	76,000	76,100	5,076
56,600	56,700	3,682	63,100	63,200	4,140	69,600	69,700	4,599	76,100	76,200	5,084
56,700	56,800	3,689	63,200	63,300	4,148	69,700	69,800	4,606	76,200	76,300	5,092
56,800	56,900	3,696	63,300	63,400	4,155	69,800	69,900	4,613	76,300	76,400	5,099
56,900	57,000	3,703	63,400	63,500	4,162	69,900	70,000	4,620	76,400	76,500	5,107
57,000	57,100	3,710	63,500	63,600	4,169	70,000	70,100	4,627	76,500	76,600	5,115
57,100	57,200	3,717	63,600	63,700	4,176	70,100	70,200	4,634	76,600	76,700	5,123
57,200	57,300	3,725	63,700	63,800	4,183	70,200	70,300	4,641	76,700	76,800	5,131
57,300	57,400	3,732	63,800	63,900	4,190	70,300	70,400	4,648	76,800	76,900	5,139
57,400	57,500	3,739	63,900	64,000	4,197	70,400	70,500	4,655	76,900	77,000	5,146
57,500	57,600	3,746	64,000	64,100	4,204	70,500	70,600	4,662	77,000	77,100	5,154
57,600	57,700	3,753	64,100	64,200	4,211	70,600	70,700	4,669	77,100	77,200	5,162
57,700	57,800	3,760	64,200	64,300	4,218	70,700	70,800	4,676	77,200	77,300	5,170
57,800	57,900	3,767	64,300	64,400	4,225	70,800	70,900	4,683	77,300	77,400	5,178
57,900	58,000	3,774	64,400	64,500	4,232	70,900	71,000	4,690	77,400	77,500	5,186
58,000	58,100	3,781	64,500	64,600	4,239	71,000	71,100	4,697	77,500	77,600	5,194
58,100	58,200	3,788	64,600	64,700	4,246	71,100	71,200	4,704	77,600	77,700	5,201
58,200	58,300	3,795	64,700	64,800	4,253	71,200	71,300	4,712	77,700	77,800	5,209
58,300	58,400	3,802	64,800	64,900	4,260	71,300	71,400	4,719	77,800	77,900	5,217

# 2015 Tax Table (continued)

If line 9 of Form M2 is:			If line 9 of Form M2 is:			If line 9 of Form M2 is:			If line 9 of Form M2 is:		
at least	but less than	your tax is:	at least	but less than	your tax is:	at least	but less than	your tax is:	at least	but less than	your tax is:
77,900	78,000	5,225	80,900	81,000	5,460	83,900	84,000	5,696	86,900	87,000	5,931
78,000	78,100	5,233	81,000	81,100	5,468	84,000	84,100	5,704	87,000	87,100	5,939
78,100	78,200	5,241	81,100	81,200	5,476	84,100	84,200	5,712	87,100	87,200	5,947
78,200	78,300	5,249	81,200	81,300	5,484	84,200	84,300	5,720	87,200	87,300	5,955
78,300	78,400	5,256	81,300	81,400	5,492	84,300	84,400	5,727	87,300	87,400	5,963
78,400	78,500	5,264	81,400	81,500	5,500	84,400	84,500	5,735	87,400	87,500	5,971
78,500	78,600	5,272	81,500	81,600	5,508	84,500	84,600	5,743	87,500	87,600	5,979
78,600	78,700	5,280	81,600	81,700	5,515	84,600	84,700	5,751	87,600	87,700	5,986
78,700	78,800	5,288	81,700	81,800	5,523	84,700	84,800	5,759	87,700	87,800	5,994
78,800	78,900	5,296	81,800	81,900	5,531	84,800	84,900	5,767	87,800	87,900	6,002
78,900	79,000	5,303	81,900	82,000	5,539	84,900	85,000	5,774	87,900	88,000	6,010
79,000	79,100	5,311	82,000	82,100	5,547	85,000	85,100	5,782	88,000	88,100	6,018
79,100	79,200	5,319	82,100	82,200	5,555	85,100	85,200	5,790	88,100	88,200	6,026
79,200	79,300	5,327	82,200	82,300	5,563	85,200	85,300	5,798	88,200	88,300	6,034
79,300	79,400	5,335	82,300	82,400	5,570	85,300	85,400	5,806	88,300	88,400	6,041
79,400	79,500	5,343	82,400	82,500	5,578	85,400	85,500	5,814	88,400	88,500	6,049
79,500	79,600	5,351	82,500	82,600	5,586	85,500	85,600	5,822	88,500	88,600	6,057
79,600	79,700	5,358	82,600	82,700	5,594	85,600	85,700	5,829	88,600	88,700	6,065
79,700	79,800	5,366	82,700	82,800	5,602	85,700	85,800	5,837	88,700	88,800	6,073
79,800	79,900	5,374	82,800	82,900	5,610	85,800	85,900	5,845	88,800	88,900	6,081
79,900	80,000	5,382	82,900	83,000	5,617	85,900	86,000	5,853	88,900	89,000	6,088
80,000	80,100	5,390	83,000	83,100	5,625	86,000	86,100	5,861	89,000	89,100	6,096
80,100	80,200	5,398	83,100	83,200	5,633	86,100	86,200	5,869	89,100	89,200	6,104
80,200	80,300	5,406	83,200	83,300	5,641	86,200	86,300	5,877	89,200	89,300	6,112
80,300	80,400	5,413	83,300	83,400	5,649	86,300	86,400	5,884	89,300	89,400	6,120
80,400	80,500	5,421	83,400	83,500	5,657	86,400	86,500	5,892	89,400	89,500	6,128
80,500	80,600	5,429	83,500	83,600	5,665	86,500	86,600	5,900	89,500	89,600	6,136
80,600	80,700	5,437	83,600	83,700	5,672	86,600	86,700	5,908	89,600	89,700	6,143
80,700	80,800	5,445	83,700	83,800	5,680	86,700	86,800	5,916	89,700	89,800	6,151
80,800	80,900	5,453	83,800	83,900	5,688	86,800	86,900	5,924	89,800	89,900	6,159
									89,900	90,000	6,167

90,000 & over					
If line 9 of Form M2 is:		Enter on line 10 of your Form M2:		of the amount over—	
is:	but not over—				
\$ 0	\$18,330	-----	5.35%	\$ 0	
18,330	72,810	\$ 980.66	+ 7.05%	18,330	
72,810	129,130	4,821.50	+ 7.85%	72,810	
129,130	-----	9,242.62	+ 9.85%	129,130	

## Common Problems Using Software Packages

If you use tax preparation software, be careful to buy packages acceptable to the Department of Revenue. Forms produced by the software must meet requirements and be approved before being sold or provided to consumers.

If you are considering any company's tax preparation software, ask to see the vendor's approval letter for the forms you will be using. Keep in mind that we usually won't know if they are approved until late January. It is also important to test the software before filing forms prepared with it. We do not, however, approve the operation or accuracy of any software.

Below are common problems found on fiduciary returns submitted using software packages:

- **Verify that the program uses updated tax tables.** Tax tables are required to be updated every year for inflation. Be sure that the amount on line 9 of your Form M2 is the same amount shown in the tax tables.
  - Fiscal year filers must use the table based on the beginning year of the return.
  - If you are an Electing Small Business Trust (ESBT), verify that the software package uses the tax table when determining the tax. The ESBT is taxed at the highest tax rate only for federal purposes.
- **Look for a payment voucher if you have tax due on line 20 of Form M2.** If you owe tax, your software package is required to include a payment voucher when you print out a copy of your return. If you are paying your tax by check, you must complete and send this payment voucher with your check to ensure your payment is credited properly.
- **Verify that estimated tax payments were made.** Some software programs may insert the amount of estimated tax payments that *should have been* paid, not the amount of tax *actually* paid.