

MINNESOTA • REVENUE

**Schedule M2SB, Income Tax Computation for S Portion of ESBT 2012**      **2012 M2SB**

<b>Print or Type</b>	Name of Trust	Federal ID Number	Minnesota ID Number
	Name of S-Corporation S Portion of ESBT Holds Stock In	Federal ID Number of S-Corporation	
	Additional S-Corporation S Portion of ESBT Holds Stock In	Federal ID Number of Additional S-Corporation	

<b>Income</b>	<b>1</b> Federal taxable income of S portion ( <i>enclose federal computation</i> ) .....		<b>1</b>	
	<b>2</b> Fiduciary's deductions and losses not allowed by Minnesota ( <i>see Form M2 instructions, page 4</i> ) ..		<b>2</b>	
	<b>3</b> Additions ( <i>from line 21, on the back of this form</i> ) .....		<b>3</b>	
	<b>4</b> Add lines 1 through 3 .....		<b>4</b>	
	<b>5</b> Subtractions ( <i>from line 28, on the back of this form</i> ) .....	<b>5</b>		
	<b>6</b> Fiduciary's income from non-Minnesota sources ( <i>see Form M2 instructions, page 4</i> ) .....	<b>6</b>		
	<b>7</b> Add lines 5 and 6 .....		<b>7</b>	
	<b>8</b> Minnesota taxable net income. Subtract line 7 from line 4 .....		<b>8</b>	
<b>Tax and Payments</b>	<b>9</b> Tax from table on pages 10 through 13 of the M2 instructions using the income amount shown on line 8 .....		<b>9</b>	
	<b>10</b> Total of tax from Schedule M2MT ( <i>enclose Schedule M2MT</i> ) .....		<b>10</b>	
	<b>11</b> Total of 2012 tax for S portion. Add lines 9 and 10 and include amount on line 11 of Form M2 .....		<b>11</b>	

(Continued)

**You must include this schedule and a copy of federal computations for the S portion of the ESBT when you file Form M2.**

## Adjustments to Income

2011 M2SBP2

Additions	<b>12</b> State and municipal bond interest from outside Minnesota .....	<b>12</b>	
	<b>13</b> State income tax deducted on federal return .....	<b>13</b>	
	<b>14</b> Expenses deducted on your federal return that are attributable to income not taxed by Minnesota (other than interest or mutual fund dividends from U.S. bonds) .....	<b>14</b>	
	<b>15</b> 80 percent of the suspended loss from 2001–2005 or 2008–2011 on your federal return that was generated by bonus depreciation (see <i>Form M2 instructions, page 7</i> ) ....	<b>15</b>	
	<b>16</b> 80% of federal bonus depreciation .....	<b>16</b>	
	<b>17</b> Fines, fees and penalties deducted federally as a trade or business expense .....	<b>17</b>	
	<b>18</b> Net operating loss carryover adjustment .....	<b>18</b>	
	<b>19</b> Domestic production activities deduction .....	<b>19</b>	
	<b>20</b> Federal tax-exempt subsidies paid to employers for providing prescription drug coverage for their retirees .....	<b>20</b>	
	<b>21</b> Add lines 12 through 20. Enter the result here and on line 3 .....	<b>21</b>	
Subtractions	<b>22</b> Interest on U.S. government bond obligations, minus any expenses deducted on your federal return that are attributable to this income .....	<b>22</b>	
	<b>23</b> State income tax refund included on federal return .....	<b>23</b>	
	<b>24</b> Federal bonus depreciation subtraction (see <i>Form M2 instructions, page 7</i> ) .....	<b>24</b>	
	<b>25</b> Job Opportunity Building Zone (JOBZ) business and investment income exemptions (see <i>Form M2 instructions, page 8</i> ) .....	<b>25</b>	
	<b>26</b> Subtraction for prior addback of reacquisition of business indebtedness income .....	<b>26</b>	
	<b>27</b> Net operating loss carryover adjustment .....	<b>27</b>	
	<b>28</b> Add lines 22 through 27. Enter the result here and on line 5 .....	<b>28</b>	

# Schedule M2SB Instructions 2012

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## Who Must File Schedule M2SB

If a trust is 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.

## Line Instructions

*Round amounts to the nearest whole dollar.*

### Line 1

Enter the Federal taxable income of the S Portion that you calculated on your federal schedule. Be sure to include a copy of the federal schedule when you file Form M2 and Schedule M2SB.

### Line 10

Complete a separate Schedule M2MT for the S Portion of the trust. See the instructions for Schedule M2MT for details on completing this form for the S Portion of the ESBT.