



2018 Schedule M1C, Other Nonrefundable Credits

Complete this schedule to determine line 19 of Form M1. Include this schedule when filing your return.

Your First Name and Initial	Last Name	Your Social Security Number
1	Credit for past military service <i>(see instructions)</i>	1 ■ _____
2	Employer Transit Pass Credit <i>(enclose Schedule ETP)</i>	2 ■ _____
3	SEED Capital Investment Credit <i>(see instructions; enclose certification)</i>	3 ■ _____
4	Education Savings Account Contribution Credit <i>(enclose Schedule M1529)</i>	4 ■ _____
5	Credit for Attaining Master's Degree in Teacher's Licensure Field <i>(enclose Schedule M1CMD)</i>	5 ■ _____
6	Student Loan Credit <i>(enclose Schedule M1SLC)</i>	6 ■ _____
7	Beginning Farmer Management Credit. Enter the certificate number from the certificate you received from the Rural Finance Authority: BF <u>18</u> - _____	7 ■ _____
8	Tax Credit for Owners of Agricultural Assets. Enter the certificate number from the certificate you received from the Rural Finance Authority: AO <u>18</u> - _____	8 ■ _____
9	Credit for increasing research activities <i>(enclose Schedule KPI, KS, or KF)</i>	9 ■ _____
10	Unused credit for increasing research activities from a prior year List the year(s) the credit was reported to you on Schedule KPI, KS, or KF: _____	10 ■ _____
11	Alternative Minimum Tax Credit <i>(enclose Schedule M1MTC)</i>	11 ■ _____
12	Add lines 1 through 11. Enter total here and on line 19 of Form M1.	12 _____

You must include this schedule with your Form M1.



2018 Schedule M1C Instructions

What's New?

Legislation enacted in 2017 created two new nonrefundable credits available this year:

- Tax Credit for Owners of Agricultural Assets
 - Beginning Farmer Management Credit
- You must have received a credit certificate from the Minnesota Rural Finance Authority to claim one of these credits.

Should I file this schedule?

Complete Schedule M1C if any of the following apply to you (and/or your spouse if filing a joint return):

- You qualify for the Credit for Past Military Service (see the instructions for line 1 on this schedule).
- You purchased transit passes to resell or give to your employees.
- You paid Minnesota alternative minimum tax in prior years and are not required to pay it in 2018.
- You invested in a qualified business in East Grand Forks, Breckenridge, Dilworth, Moorhead, or Ortonville, and the business has been certified as qualified for the SEED Capital Investment Program.
- You contributed to a qualifying education savings account in 2018 and did not claim the education savings account subtraction.
- You were a licensed teacher who completed a qualifying master's degree program you began after June 30, 2017.
- You were a full-year or part-year resident and made eligible loan payments on your own qualified student loans.
- You received a credit certificate from the Minnesota Rural Finance Authority.

Report the total of all credits from Schedule M1C on line 19 of Form M1. Include any schedules you completed when filing your return.

Line 1

Credit for Past Military Service

You qualify for a credit if you (or your spouse if filing a joint return) have separated from service, your adjusted gross income is less than \$37,500, you did not claim a subtraction for military pension or other military retirement pay on line 30 of Schedule M1M, and one of the following is true:

- You were honorably discharged and receive a military pension or other retirement pay for your service in the military.
- You had served in the military for at least 20 years.

- You have a service-related disability rated by the U.S. Department of Veterans' Affairs as being 100 percent total and permanent.

If your adjusted gross income is:

- \$30,000 or less, enter \$750 on line 2 of Schedule M1C. (If you and your spouse both qualify for the credit and you are filing a joint return, enter \$1,500).
- Between \$30,000 and \$37,500, use the Worksheet for line 1 to determine your credit amount.
- More than \$37,500, you do not qualify for this credit.

You may not claim this credit if you claimed the subtraction for military retirement pay on Schedule M1M.

Line 2

Employer Transit Pass Credit (Schedule ETP)

If you purchase transit passes to give or resell to your employees, you may be eligible for this credit.

To qualify:

- The transit pass must be a pass, token, farecard, voucher, or similar item entitling a person to transportation at regular or reduced prices.
- The passes must be used in Minnesota.
- The transportation must be provided by either of the following:
 - A public or privately-owned mass transit facility
 - A person in the business of transporting people for compensation or hire. The vehicle must have seating capacity for at least six adults, not including the driver.

The credit is equal to 30 percent of the difference between the price you pay for the passes and the price you charge employees.

If you qualify, complete Schedule ETP, *Employer Transit Pass Credit*. Enter the credit amount on line 2 of Schedule M1C, and include both schedules when you file Form M1.

Include any credits reported to you on any Schedule KPI, KS, or KF you received.

Line 3

SEED Capital Investment Credit

If you invest in a qualified business in Breckenridge, Dilworth, East Grand Forks, Moorhead, or Ortonville, and the business has been certified by the Minnesota Department of Employment and Economic Development (DEED) as qualifying for the SEED Capital Investment Program, you may qualify for this credit.

You may carry the credit forward for up to four years.

Enter the amount from the credit certification you received from DEED.

Include the credit certificate and this schedule when you file Form M1.

Line 4

Education Savings Account Contribution Credit

If you contributed to a qualified education savings account in 2018, you may be eligible for a nonrefundable credit.

Complete Schedule M1529, and enter the credit on line 4 of Schedule M1C. Include both schedules with your Form M1.

You are not eligible for this credit if you claimed the education savings account subtraction.

Continued

Worksheet for Line 1

If your income is between \$30,000 and \$37,500, follow the steps below:

1	The maximum credit is \$750	750
2	Federal adjusted gross income from line 1 of Form M1	
3	Amount from line 36 of Schedule M1NC. If you entered the amount on line 40 of Schedule M1M, enter as a negative amount.	
4	Add steps 2 and 3	
5	Income limit	30,000
6	Subtract step 5 from step 4	
7	Multiply step 6 by 10% (.10)	
8	Subtract step 7 from step 1	
Full-year residents: Enter the result here and on line 1 of Schedule M1C.		
Part-year residents and nonresidents:		
9	Enter the percentage from line 26 of Schedule M1NR	
10	Multiply step 8 by step 9. Enter the result here and on line 1 of Schedule M1C.	

If you and your spouse both qualify for the credit, you are filing a joint return, and your amount on step 4 is between \$30,000 and \$37,500, multiply the result on step 8 (or step 10 if you are a part-year resident or nonresident) by 2.

Line 5

Credit for Attaining Master’s Degree in Teacher’s Licensure Field

If you were a licensed teacher who completed a master’s degree program in a core content area that you began after June 30, 2017, you may be eligible for a nonrefundable credit. Complete Schedule M1CMD, *Credit for Attaining Master’s Degree in Teacher’s Licensure Field*, and, and enter the credit on line 5 of Schedule M1C. Include both schedules with your return.

Line 6

Student Loan Credit

If you were a full-year or part-year resident of Minnesota in 2018 and you made eligible loan payments on your own qualified student loans in 2018, you may be eligible for a credit against tax if you had taxable earned income. Complete Schedule M1SLC, *Student Loan Credit*, and enter your credit from the schedule on line 6 of Schedule M1C. Include both schedules with your return.

Line 7

Beginning Farmer Management Credit

If you received a credit certificate from the Minnesota Rural Finance Authority for enrolling in a management class, enter the certificate number in the space provided and credit amount on line 7.

Line 8

Tax Credit for Owners of Agricultural Assets

If you received a credit certificate from the Minnesota Rural Finance Authority for selling or leasing agricultural assets to a beginning farmer, enter the certificate number in the space provided and credit amount on line 8.

If you received a certificate as an individual, and from a Partnership or S-Corporation, enter the certificate number for the certificate you received as an individual. If you received more than one certificate from an entity, but not as an individual, enter the certificate number for the largest credit amount.

Line 9

Credit for Increasing Research Activities

Complete the Worksheet for Line 9 that applies to you if you received a credit for increasing research activities reported to you on a 2018:

- Schedule KS, line 11
- Schedule KPI, line 11
- Schedule KF, line 19

Attach the appropriate schedule when you file your return.

You may carry the unused credit forward for up to 15 years after the tax year it is generated.

Line 11

Alternative Minimum Tax Credit (Schedule M1MTC)

If you have never paid Minnesota alternative minimum tax, you do not qualify for this credit.

If you paid Minnesota alternative minimum tax in one or more years from

1989 through 2017, but not for 2018, complete Schedule M1MT, Alternative Minimum Tax, and Schedule M1MTC, *Alternative Minimum Tax Credit*, to determine if you qualify or have a credit carry over from a prior year of any unused portion of your minimum tax credit. Enter the credit from Schedule M1MTC on line 11 of Schedule M1C.

Worksheet for Line 9 — AMT

Complete this worksheet if you had an amount for credit for increasing research activities reported to you on a 2018 Schedule KS, KPI, or KF, and entered an amount on Line 11 of Form M1.

- 1 Tax before credits from line 15 of Form M1
- 2 **Residents:** Enter the amount from line 11 of Form M1.
Part-year residents and nonresidents: Multiply the amount from line 11 of Form M1 by line 26 of Schedule M1NR.
- 3 Credits from lines 17 and 18 of Form M1, and lines 1 through 6 of Schedule M1C
- 4 Compare the amounts on steps 2 and 3
If the amount on step 3 is great than the amount on step 2, **STOP HERE.** Complete the **Worksheet for Line 9 - No AMT.**
If the amount on step 2 is more than step 3, subtract step 3 from step 2
- 5 Credit from lines 7 and 8 of Schedule M1C
- 6 Compare the amounts on steps 4 and 5.
If the amount on step 5 is greater than the amount on step 4, **STOP HERE.** Complete the **Worksheet for Line 9 - No AMT.**
If the amount on step 4 is more than step 5, subtract step 5 from step 4.
- 7 Subtract step 2 from step 1.
- 8 Enter the smaller of line 16 of Form M1 or step 7.
- 9 Subtract step 8 from step 7.
- 10 Sum of credits for increasing research activities reported to you on 2018 Schedule KS, KPI, and KF
- 11 Enter the smaller of steps 9 and 10 on line 9 of Schedule M1C.
Subtract step 10 from step 9, enter the result here. If the result is less than zero, enter as a positive amount. This is your credit for increasing research activities generated in 2018 that you can carry forward to 2019.

Worksheet for Line 9 — No AMT

Complete this worksheet if you had an amount for credit for increasing research activities reported to you on a 2018 Schedule KS, KPI, or KF, and did not enter an amount on Line 11 of Form M1, or were directed to complete this worksheet by another worksheet.

- 1 **Residents:** Enter the amount from line 10 of Form M1.
Part-year residents and nonresidents: Multiply the amount from line 10 of Form M1 by line 26 of Schedule M1NR
- 2 Enter the amount from line 14 of Form M1.
- 3 Add steps 1 and 2.
- 4 Credits from lines 16 through 18 of Form M1, and lines 1 through 6 of Schedule M1C
- 5 Subtract step 4 from step 3.
- 6 Credits from lines 7 and 8 of Schedule M1C.
- 7 Subtract step 6 from step 5.
If less than zero: Enter the result as a positive amount and **STOP HERE.** This is your beginning farmer tax credit that you can carry forward to 2019. If you had a credit for increasing research activities reported to you on a 2018 Schedule KS, KPI, or KF, this is the amount of your credit for increasing research activities credit generated in 2018 that you can carry forward to 2019.
- 8 Sum of credits for increasing research activities reported to you on 2018 Schedule KS, KPI, and KF
- 9 Enter the smaller of step 7 or step 8 on line 9 of Schedule M1C.
Subtract step 8 from step 7, and enter the result here. If the result is less than zero, enter as a positive amount. This is your credit for increasing research activities generated in 2018 that you can carry forward to 2019.