



2018 Schedule M1RCR, Credit for Tax Paid to Wisconsin

Your First Name and Initial

Last Name

Social Security Number

Complete this schedule if you paid state income tax to Minnesota and Wisconsin on the same income while a resident of Minnesota. You must complete a Schedule M1CR, Credit for Taxes Paid to Another State, for other states or Canadian provinces to which you paid tax. To be eligible for this credit, you must have been a full- or part-year resident of Minnesota in 2018 and have paid 2018 state income tax to both Minnesota and Wisconsin on the same income.

Round amounts to the nearest whole dollar.

Full-Year Residents and Part-Year Residents

- 1 Amount of adjusted gross income you received while
a Minnesota resident that was taxed by Wisconsin (*see instructions*) **1** _____
- 2 Your adjusted gross income adjusted by U.S. bond interest and/or
bonds of another state (*see instructions*) **2** _____
- 3 Divide line 1 by line 2. Enter the result as a decimal (*carry to
five decimal places; if line 1 is more than line 2, enter 1.00000*) **3** . _____
- 4 Complete the lines below to determine your Minnesota tax after credits.
 - a Tax from line 13 of Form M1. **4 a** _____
 - b Add lines 16 and 17 of Form M1 and lines 1-6 of Schedule M1C **4 b** _____
- Subtract line 4b from line 4a (*if result is zero or less, enter 0*) **4** _____
- 5 Multiply line 4 by line 3 **5** _____
- 6 From your Wisconsin Form 1NPR, enter the income tax amount before
you subtract any tax withheld or estimated tax payments (*see instructions*) **6** ■ _____
- 7 **Full-year residents:** Enter amount from line 5 or line 6, whichever is less. Also include on line 18 of Form M1.
Part-year residents: Complete the worksheet in the instructions. Do not enter more than the amount on line 5 ... **7** _____
- 8 Subtract line 7 from line 6. **8** _____
- 9 Amount included on line 1 that is from wages or personal service income received
while a Minnesota resident that was taxed by Wisconsin **9** ■ _____
- 10 Divide line 9 by line 1 (*carry to five decimal places; if line 9 is more than line 1, enter 1.00000*) **10** . _____
- 11 **Full-year residents:** Multiply line 8 by line 10. Enter the result here and line 5 of Schedule M1REF.
Part-year residents: Complete the worksheet in the instructions.
Enter the result here and line 5 of Schedule M1REF. **11** _____

You must include this schedule with your Form M1.



2018 Schedule M1RCR Instructions

Am I eligible?

You may be eligible for the credit for income tax paid to Wisconsin if all of the following are true:

- You were domiciled in Minnesota for all or part of 2018
- You incurred 2018 income tax for Minnesota and for Wisconsin on the same income
- You filed a 2018 Wisconsin Form 1NPR
- You were a Minnesota resident when you received the income taxed by both states

Include: Income taxes paid to Wisconsin by an S corporation or a partnership that you included on line 5 of Schedule M1M.

Do not include: Tax paid to any of the following:

- A state other than Wisconsin
- A local unit of government (such as a city, county, or school district)
- A national government, including a possession of the United States or the national government of Canada
- A Canadian province or territory if you used them to claim a federal foreign tax credit (see line 6 instructions for details)

Part-Year Residents

To be eligible, you must have been a Minnesota resident when you received the income that was taxed by both states. **Also, you must file a return with Wisconsin.**

What if I paid income taxes to another state?

- 1 Complete a Schedule M1CR for each state.
- 2 Add the amounts from line 7 from each Schedule M1CR and Schedule M1RCR.
- 3 Enter the result from step 2 on line 18 of Form M1.

Is there a penalty for fraudulently claiming a refund?

Yes. If you file a return that fraudulently claims a credit, you will be assessed a penalty equal to 50 percent of the fraudulently claimed credit.

Line Instructions

Round amounts to the nearest whole dollar.

Full-Year and Part-Year Residents of Minnesota

Line 1

Your adjusted gross income is line 1 of Form M1. If you filed Schedule M1NC, your adjusted gross income is line 38 of Schedule M1NC.

Determine the amount of adjusted gross income you received in 2018 while a Minnesota resident. Of that amount, determine the income taxed by Wisconsin, and enter on line 1. For Minnesota full-year residents, this is your Wisconsin income from column B of Form 1NPR. Also include any non-Minnesota municipal bonds taxed by Wisconsin.

Do not include any income you received from a lump-sum distribution from a qualified retirement plan listed as income on your Schedule M1LS, *Tax on Lump-Sum Distribution*.

Line 2

Full-Year Residents: Complete the worksheet for line 2 below.

Part-Year Residents: From Schedule M1NR, add line 20, column B, line 22 column B, and line 24. Then subtract line 10, column B. Enter the result on line 2 of Schedule M1RCR.

Line 6

Enter the income tax amount from Wisconsin Form 1NPR. The amount of tax must be before you add any donations and before you subtract any income tax withheld by Wisconsin or any estimated tax you paid to Wisconsin. Do not include any tax you paid to any local unit of government (such as a city, county, or school district).

If you filed Schedule M1LS, do not include any tax you paid on income from a lump-sum distribution from a qualified retirement plan.

Line 9

Enter the amount of compensation you received for personal service income - including wages, salaries, tips, commissions, fees, and bonuses - taxed by Wisconsin while you were a Minnesota resident.

If you own a business that sells services in Wisconsin, you may include compensation for professional services you personally provide if the business income generated by your employees or from the sale of goods is incidental. Your employee salaries and gross profit from the sale of goods are considered incidental if they add up to less than \$20,000 or 10 percent of the gross profit, whichever is greater.

Questions?

Forms and information are available on our website at www.revenue.state.mn.us.

If you have questions:

- Visit our website at www.revenue.state.mn.us
- Send us an email at individual.incometax@state.mn.us
- Call us at 651-296-3781 or 1-800-652-9094

Worksheet for Line 2 (for Full-Year Residents Only)

- 1 Add lines 1 and 2 of Schedule M1M _____
- 2 Minnesota adjusted gross income (see line 1 instructions) _____
- 3 Add step 1 and step 2 _____
- 4 Net interest you received from U.S. bonds from line 16 of Schedule M1M _____
- 5 Subtract step 4 from step 3. Enter result here and on line 2 of Schedule M1RCR _____

Worksheet for Line 7 (for Part-Year Residents Only)

- 1 From your Wisconsin Form 1NPR, enter the **Wisconsin Income** from column B. _____
- 2 Enter the amount from line 1 of Schedule M1RCR _____
- 3 Divide step 2 by step 1 _____
- 4 Enter the amount from line 6 of Schedule M1RCR _____
- 5 Multiply step 4 by step 3 _____
- 6 Enter the amount from line 5 of Schedule M1RCR. _____
- 7 Enter the smaller of step 5 or step 6 here and on line 7 of Schedule M1RCR. _____
Also include this amount on line 18 of Form M1. _____

Worksheet for Line 11 (for Part-Year Residents Only)

- 1 From your Wisconsin Form 1NPR, enter the **Wisconsin Income** from column B. _____
- 2 Enter the amount from line 9 of Schedule M1RCR _____
- 3 Divide step 2 by step 1 _____
- 4 Enter the amount from line 6 of Schedule M1RCR _____
- 5 Multiply step 4 by step 3 _____
- 6 Enter the amount from line 7 of Schedule M1RCR. _____
- 7 Subtract step 6 from step 5. Enter the result here and on line 11 of Schedule M1RCR. _____