

## Income Tax Fact Sheet 3, Nonresidents

This fact sheet explains what income is taxed by Minnesota if you are a nonresident. For more information on residency, see Income Tax Fact Sheet 1, *Residency*, or Income Tax Fact Sheet 2, *Part-Year Residents*.

If you are a member of the military, see Income Tax Fact Sheet 5, *Military Personnel - Residency*.

If you are a resident or nonresident alien, see Income Tax Fact Sheet 16, *Aliens*.

### Are you a nonresident?

You are considered a nonresident if your permanent residence (domicile) is in another state and you did not meet the 183-day rule for Minnesota. For information on domicile and the 183-day rule, see Income Tax Fact Sheet 1, *Residency*.

### Filing Requirements

You are required to file a Minnesota income tax return if your Minnesota gross income meets the minimum filing requirement (\$12,200 for 2019). File electronically, or use Form M1, *Individual Income Tax*, and Schedule M1NR, *Nonresidents/Part-Year Residents*, to file your return. For more information, see Income Tax Fact Sheet 12, *Filing Past Due Returns*.

If your Minnesota gross income is less than the requirement, you should file a Minnesota return to claim a refund if any of these apply:

- You had Minnesota tax withheld
- You made estimated tax payments to Minnesota
- You qualify for refundable credits

Minnesota gross income includes:

- Wages, salaries, fees, commissions, tips, and bonuses for work done in Minnesota
- Gross winnings from gambling in Minnesota
- Gross rents and royalties from Minnesota property
- Gains from the sale of land or other tangible property in Minnesota
- Gains from the sale of a partnership interest that had property or sales in Minnesota
- Gains on the sale of goodwill or income from a “non-compete” agreement connected with a business operating in Minnesota
- Minnesota gross income from a business or profession conducted partly or entirely in Minnesota

**Note:** For 2019, a partnership will find this amount on line 26 of Schedule KPI and an S corporation will find the amount on line 26 of Schedule KS.

If you need information on prior year losses or business income apportionment, visit our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us).

### Types of income taxed by your home state that are not subject to Minnesota tax include:

- Interest income
- Dividends
- Alimony received
- Unemployment compensation
- State refunds
- Qualified pensions
- IRA distributions and annuities
- Capital gains and losses from the sale of intangible assets (such as stocks)

For more types of nonresident income subject and not subject to Minnesota tax, visit our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us) and type **non-resident income** into the Search box.

### Filing Status

Your Minnesota filing status must be the same as your federal filing status. If you are filing a joint return and only one spouse has income taxable to Minnesota, you must file a joint Form M1 and Schedule M1NR. Enter your joint taxable income from the federal return on line 1 of your Form M1; do not modify the amount. Your income will be apportioned when you complete Schedule M1NR.

### Reciprocity

If you are a resident of Michigan or North Dakota, you do not have to include your Minnesota wages or other personal service income when determining whether you meet the minimum filing requirements. For more information, see Income Tax Fact Sheet 4, *Reciprocity*.

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## **Telecommuting**

Nonresidents who telecommute may need to apportion their income based on the number of days they work from home. For Minnesota income tax purposes, nonresidents will need to divide the number of days worked in Minnesota by the total number of days worked.

## **Eligibility for Minnesota Credits**

Nonresidents may qualify for Minnesota credits. For general information on available credits, see the instructions for Form M1, *Individual Income Tax*. Some credits may be prorated for nonresidents. To find out if a credit needs to be prorated, see the instructions for each credit. Generally, only Minnesota residents may qualify to claim a credit for taxes paid to another state (Schedule M1CR), the Working Family Credit (Schedule M1WFC), or a Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund (Form M1PR).

## **Estimated Tax**

If you did not have Minnesota tax withheld from your income and you expect to owe more than \$500 of Minnesota tax, you may be required to pay quarterly estimated tax. For more information, go to [www.revenue.state.mn.us](http://www.revenue.state.mn.us) and type **Estimated Tax** into the Search box.

## **Information and Assistance**

Additional forms and information, including fact sheets and frequently asked questions, are available on our website.

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

Email: [individual.incometax@state.mn.us](mailto:individual.incometax@state.mn.us)

Phone: 651-296-3781 or 1-800-652-9094 (toll free)

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