



**2017 Schedule M1NR, Nonresidents/Part-Year Residents**

Other State (see inst.)

Your Last Name	Social Security Number	<input type="checkbox"/> Full-year Nonresident of MN .....	
		<input type="checkbox"/> Part-year MN Resident From _____ to _____ (mm/dd/yyyy)	
Spouse's Last Name	Spouse's Social Security Number	<input type="checkbox"/> Full-year Nonresident of MN .....	
		<input type="checkbox"/> Part-year MN Resident From _____ to _____ (mm/dd/yyyy)	

Read the instructions for this schedule, which are on a separate sheet. Before you can complete this schedule, you must complete lines 1 through 11 of Form M1.

	A. Total Amount	B. Minnesota Portion (see instructions)
<b>1</b> Wages, salaries, tips, etc. (from line 7 of Form 1040 or Form 1040A or line 1 of Form 1040EZ) .....	1 _____	_____
<b>2</b> Taxable interest and ordinary dividend income (add lines 8a and 9a of Form 1040 or Form 1040A or from line 2 of Form 1040EZ) .....	2 _____	_____
<b>3</b> Business income or loss (from line 12 of Form 1040) .....	3 _____	_____
<b>4</b> Capital gain or loss (from line 13 of Form 1040 or line 10 of Form 1040A) .....	4 _____	_____
<b>5</b> IRA distributions and pensions and annuities (add lines 15b and 16b of Form 1040 or lines 11b and 12b of Form 1040A) .....	5 _____	_____
<b>6</b> Net income from rents, royalties, partnerships, S corporations, estates and trusts (from line 17 of Form 1040) .....	6 _____	_____
<b>7</b> Farm income or loss (from line 18 of Form 1040) .....	7 _____	_____
<b>8</b> Other income (add lines 10, 11, 14, 19, 20b, and 21 of Form 1040, lines 13 and 14b of Form 1040A or line 3 of Form 1040EZ) .....	8 _____	_____
<b>9</b> Interest and dividends from non-Minnesota state or municipal bonds (add lines 3 and 4 of Schedule M1M) .....	9 _____	_____
<b>10</b> Other additions required by Minnesota (add lines 5, 6, 9, 11, 13, and 15 of Schedule M1M and line 4 of Schedule M1NC) .....	10 ■ _____	■ _____
<b>11</b> Add lines 1 through 10 for each column .....	11 _____	_____
<b>If Minnesota gross income is below the minimum filing requirement, see instructions.</b>		
<b>12</b> Educator expenses and certain business expenses (add lines 23 and 24 of Form 1040 or from line 16 of Form 1040A) .....	12 _____	_____
<b>13</b> Self-employed SEP, SIMPLE, and qualified plans and IRA deduction (add lines 28 and 32 of Form 1040 or from line 17 of Form 1040A) .....	13 _____	_____
<b>14</b> Health savings account and Archer MSA deductions (add line 25 of Form 1040 and the Archer MSA amount included on line 36 of Form 1040) .....	14 _____	_____
<b>15</b> Moving expenses (line 26 of Form 1040) .....	15 _____	_____
<b>16</b> One-half of self-employment tax and self-employed health insurance (add lines 27 and 29 of Form 1040) .....	16 _____	_____
<b>17</b> Deductions for alimony paid and student loan interest (See instructions for line 17, column B) .....	17 _____	_____
<b>18</b> Penalty on early withdrawal of savings (from line 30 of Form 1040) .....	18 _____	_____
<b>19</b> Other subtractions required by Minnesota (from lines 21, 35, 36, 40, and 42 of Schedule M1M) .....	19 ■ _____	■ _____
<b>20</b> Net U.S. bond interest (from line 18 of Schedule M1M) and active military pay received while a nonresident (from line 29 of Schedule M1M) .....	20 _____	_____
<b>21</b> Subtraction for federal section 179 expensing (from line 22 of Schedule M1M) .....	21 _____	_____
<b>22</b> Add lines 12 through 21 for each column .....	22 _____	_____
<b>23</b> Subtract line 22, column B, from line 11, column B. Enter here and on line 12a of Form M1. If your Minnesota gross income is below \$10,400 or the result is a negative amount, enter 0 .....	23 _____	<input type="text"/>
<b>24</b> Subtract line 22, column A, from line 11, column A. Enter the result here and on line 12b of Form M1 .....	24 <input type="text"/>	_____
<b>25</b> Divide line 23 by line 24, and enter the result as a decimal (carry to five decimal places). If line 23 is more than line 24, enter 1.0. If line 23 is zero, enter 0 .....	25 _____	_____
<b>26</b> Amount from line 11 of Form M1 .....	26 _____	_____
<b>27</b> Multiply line 25 by line 26. Enter the result here and on line 12 of Form M1 .....	27 _____	_____

You must include this schedule with Form M1. Also enter amounts from lines 23 and 24 of this schedule on Form M1, lines 12a and 12b.

# 2017 Schedule M1NR Instructions

## Nonresidents/Part-Year Residents

### Should I file this schedule?

File this schedule with your Form M1 if you meet the minimum filing requirement and in 2017 you were either a:

- Full-year nonresident of Minnesota
- Part-year resident of Minnesota

See Income Tax Fact Sheets 1, *Residency*; 2, *Part-Year Residents*; and 3, *Nonresidents*, to determine your residency status for tax purposes.

Married taxpayers who file a joint federal return must file a joint Minnesota return even if only one spouse is a Minnesota resident or has Minnesota income. You must include Schedule M1NR when you file your return.

### What is the minimum filing requirement?

You are required to file a Form M1 and Schedule M1NR if your gross income assignable to Minnesota is \$10,400 or more.

### What is gross income assignable to Minnesota?

Income assignable to Minnesota includes all income you received while a Minnesota resident and income from Minnesota sources while a nonresident such as income passed through to you from:

- partnerships (line 20 of Schedule KPI)
- S corporations (line 20 of Schedule KS)
- estates or trusts (line 26 of Schedule KF)

Gross income is income before any deductions or expenses. Gross income does not include military pay paid to a Minnesota resident for services outside Minnesota.

**If your Minnesota gross income is below the minimum filing requirement**, and you had tax withheld or paid estimated tax, follow the steps below to complete your Schedule M1NR:

1. Complete lines 1–11 of Schedule M1NR.
2. Skip lines 12–22.
3. Enter a zero on line 23.
4. Enter the amount from line 11, column A, on line 24.
5. Complete the rest of the schedule.

Enter the appropriate amounts from your Schedule M1NR on lines 12, 12a, and 12b of Form M1 and include the schedule when you file your return.

**If your Minnesota gross income is below the minimum filing requirement**, and you are completing Schedule M1NR only to determine your refundable credit(s):

1. Complete lines 1–22 of Schedule M1NR
2. Complete line 24 of Schedule M1NR
3. Use this information to complete the worksheet provided in the instructions for the credit(s) you are claiming

**If you were a resident of Michigan or North Dakota for all of 2017**, do not complete this schedule if your only Minnesota source income is exempt due to reciprocity (see Fact Sheet 4, *Reciprocity*, for more information). Complete Schedule M1NR only if you received income from sources in Minnesota that does not qualify under reciprocity. (Income that is not excluded under reciprocity includes Minnesota source gambling, capital gain, rental income, etc.)

### Column A Instructions

*Round amounts to the nearest whole dollar.*

Enter the appropriate amount from your 2017 federal or Minnesota income tax return. Refer to the instructions for each line on the front of this schedule.

### Column B Instructions

*Round amounts to the nearest whole dollar.*

Assign income or expenses to Minnesota according to the following instructions.

If you are a partner, shareholder or beneficiary, include the amounts from Schedule KPI, KS, or KF and follow the instructions with that schedule.

#### Line 1, Column B

##### Wages, Salaries, Tips, etc.

Include wages, salaries, tips, commissions, bonuses, and any amounts received for work performed:

- While a Minnesota resident;
- In Minnesota while a nonresident;
- In Minnesota in a prior year but received in 2017; and
- In prior years while a Minnesota resident but deferred to 2017.

Do not include on line 1, column B:

- Minnesota wages earned while a resident of Michigan or North Dakota that are covered under a reciprocity agreement;
- Military pay received while a nonresident (from line 29 of Schedule M1M)
- Wages received as a nonresident military spouse, if certain requirements are met (see M1 instructions).

#### Line 2, Column B

##### Interest and Ordinary Dividend Income

Include the interest and dividends you received (or had credited to your account) while you were a Minnesota resident.

Do not include any interest or mutual fund dividends you received from U.S. bonds.

#### Line 3, Column B

##### Business Income (loss)

Include:

- Net Business income (or loss incurred) while a Minnesota resident, and
- Amounts from Minnesota sources earned while a nonresident.

#### Line 4, Column B

##### Capital Gain (loss)

Include net capital gain (or loss) received:

- While a Minnesota resident, and
- From Minnesota sources while a nonresident.

#### Line 5, Column B

##### IRA Distributions and Pensions and Annuities

Include IRA distributions and pension and annuity payments received while a Minnesota resident.

#### Line 6, Column B

##### Net Income from Rents, Royalties, Partnerships, S Corporations, Estates and Trusts

Include income (or loss):

- Reported on federal Schedule E from rents, royalties, partnerships, S corporations, and estates recognized while a Minnesota resident, and
- Amounts from Minnesota sources recognized while a nonresident.

#### Line 7, Column B

##### Farm Income (loss)

Include net farm income (or loss incurred):

- While a Minnesota resident
- From a Minnesota farm while a nonresident.

#### Line 8, Column B

##### Other Income

Include *other* income you received:

- While a Minnesota resident
- From Minnesota sources, while a nonresident, included on lines 14 and 21 of Form 1040.

*Continued*

**Line 9, Column B**

**Interest and Dividends from Non-Minnesota State or Municipal Bonds**

Include the interest and dividends you received from non-Minnesota state or municipal bonds while a Minnesota resident.

**Line 10, Column B**

**Other Additions Required by Minnesota**

Include the additions from lines 5, 6, 9, 11, 13, and 15 of your Schedule M1M that are attributable to income earned while a Minnesota resident or from Minnesota sources earned while a nonresident and the amount reported on line 3 or 10 of your Schedule M1AR.

If you had an amount on line 4 of Schedule MINC, include the full amount for the time you were a Minnesota resident. Also, include the amount from Minnesota sources for the time you were a nonresident.

**Line 12, Column B**

**Certain Business Expenses**

Include any business expenses paid:

- While a Minnesota resident;
- From income earned as a performing artist or fee-basis government official that you earned in Minnesota while a nonresident; or
- Educator expenses paid while a Minnesota resident or for teaching in Minnesota.

If you are a member of the Reserves or National Guard, include any travel expenses paid while a resident and for meetings attended in Minnesota while a nonresident.

**Line 13, Column B**

**Pension Plans**

To determine your:

- *Minnesota qualified plan contribution deduction:* Multiply your federal qualified plan contribution deduction by the percentage you determined in step 3 of the worksheet for line 16.
- *Minnesota IRA, SEP or SIMPLE plan deduction:* Multiply your deduction by the percentage of your total earned income that is allocable to Minnesota (without lowering your wages for self-employment losses).

For purposes of this deduction only, earned income includes wages, self-employment income, and alimony received. Subtract your self-employment tax deduction (Schedule SE) from that total.

If your spouse also worked, determine the spousal deduction in the same way. Use only your spouse's earned income plus your spouse's federal IRA, SEP or SIMPLE plan deduction.

**Line 14, Column B**

**Health Savings Account and Archer Medical Savings Account (MSA) Deductions**

To determine your deduction amount:

1. Add line 25 of Form 1040 and the Archer MSA deduction included on line 36 of Form 1040.
2. Divide your Minnesota earned income by your federal earned income. For purposes of this deduction only, earned income includes wages, self-employment income, and alimony received.
3. Multiply the results of step 1 and step 2. Enter this amount on line 14, Column B.

**Line 15, Column B**

**Moving Expenses**

Include moving expenses paid while a Minnesota resident or attributable to a move into Minnesota.

**Line 16, Column B**

**Self-Employment Tax and Self-Employed Health Insurance**

Complete the worksheet below.

**Line 17, Column B**

**Deductions for Alimony Paid and Student Loan Interest**

*Part-year residents:* Add the following items and enter the same total on line 17, columns A and B:

- Alimony paid while a Minnesota resident included on line 31a of Form 1040.
- The portion of your student loan interest deduction (from line 33 of form 1040, line 18 of form 1040A) that represents interest paid while a Minnesota resident.

*Nonresidents:* Enter zero on line 17, columns A and B.

**Line 18, Column B**

**Penalty on Early Withdrawal of Savings**

Enter the penalty on early withdrawal you paid while a Minnesota resident.

**Line 19, Column B**

**Other Subtractions Required by Minnesota**

Include the depreciation subtraction apportioned to Minnesota from line 21 of Schedule M1M. The subtraction is based on the Minnesota apportionment ratio of the business in 2017.

Also include the full amounts from lines 35, 36, 40, and 42 from Schedule M1M.

**Line 20, Column B**

**Net U.S. Bond Interest and Active Duty Military Pay Received by a Nonresident**

The net amount of U.S. bond interest and active duty military pay received as a nonresident are not included in column B of lines 1 or 2. Do not subtract these amounts on line 20, column B.

**Line 21**

**Section 179 Subtraction**

Multiply the amount from line 22 of Schedule M1M by the Minnesota apportionment ratio of the business in 2017.

**Line 25**

The result on line 25 is the percentage of Minnesota income to federal income.

**Worksheet for Line 16, Column B**

1	Enter the amount from line 3 of your federal Schedule SE . . . . .	_____
2	Enter the amount from step 1 allocable to Minnesota . . . . .	_____
3	Divide step 2 by step 1 . . . . .	_____
4	Amount from line 27 of federal Form 1040. . . . .	_____
5	Multiply step 3 by step 4. The result is your Minnesota Self-Employed Tax Deduction. . . . .	_____
6	Line 2 of the worksheet for line 29 of federal Form 1040 or line 13 of the Self Employment Health Insurance worksheet found in Publication 535. . .	_____
7	Enter the amount from step 6 allocable to Minnesota . . . . .	_____
8	Divide step 7 by step 6. . . . .	_____
9	Amount from line 29 of federal Form 1040. . . . .	_____
10	Multiply step 8 by step 9. The result is your Minnesota Self-Employed Health Insurance Deduction. . . . .	_____
11	Add steps 5 and 10. Enter here and on line 16, column B . . . . .	_____