



**2018 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)	

Before you complete this schedule, read the instructions.

Also, complete lines 1 through 11 of Form M1.

	A. Total Amount	B. Minnesota Portion (see instructions)
1 Wages, salaries, tips, etc. (from line 1 of federal Form 1040) .....	1 _____	_____
2 Taxable interest and ordinary dividend income (add lines 2b and 3b of Form 1040) .....	2 _____	_____
3 Business income or loss (from line 12 of federal Schedule 1) .....	3 _____	_____
4 Capital gain or loss (from line 13 of federal Schedule 1) .....	4 _____	_____
5 IRA distributions, pensions, and annuities (from line 4b of Form 1040) .....	5 _____	_____
6 Net income from rents, royalties, partnerships, S corporations, estates, and trusts (from line 17 of federal Schedule 1) .....	6 _____	_____
7 Farm income or loss (from line 18 of federal Schedule 1) .....	7 _____	_____
8 Other income (add lines 5b of Form 1040 and lines 10, 11, 14, 19, and 21 of federal Schedule 1) .....	8 _____	_____
9 Interest and dividends from non-Minnesota state or municipal bonds (add lines 1 and 2 of Schedule M1M) .....	9 _____	_____
10 Other required additions (add lines 3, 4, 6, 8, 10, 12 of Schedule M1M) .....	10 ■ _____	■ _____
11 Federal Adjustments (from line 34 of Schedule M1NC) .....	11 ■ _____	■ _____
12 Add lines 1 through 11 for each column .....	12 ■ _____	■ _____
<b>If your Minnesota gross income is below \$10,650, see instructions.</b>		
13 Educator expenses, certain business expenses, and Armed Forces moving expenses (add lines 23, 24, and 26 of federal Schedule 1) .....	13 _____	_____
14 Self-employed SEP, SIMPLE, and qualified plans and IRA deduction (add lines 28 and 32 of federal Schedule 1) .....	14 _____	_____
15 Health savings account and Archer MSA deductions (add lines 25 and Archer MSA amount included on line 36 of federal Schedule 1) .....	15 _____	_____
16 Federal adjustments (from line 35 of Schedule M1NC) .....	16 ■ _____	■ _____
17 One-half of self-employment tax and self-employed health insurance (add lines 27 and 29 of federal Schedule 1) .....	17 _____	_____
18 Deductions for alimony paid and student loan interest (see instructions for line 18, column B) .....	18 _____	_____
19 Penalty on early withdrawal of savings (from line 30 of federal Schedule 1) .....	19 _____	_____
20 Other required subtractions (add lines 19, 33, 34, 37, and 39 of Schedule M1M) .....	20 ■ _____	■ _____
21 Net U.S. bond interest and active military pay received while a nonresident (add lines 16 and 27 of Schedule M1M) .....	21 _____	_____
22 Subtraction for federal section 179 expensing (from line 20 of Schedule M1M) .....	22 _____	_____
23 Add lines 13 through 22 for each column .....	23 _____	_____
24 Subtract line 23, column B, from line 12, column B. Enter here and on line 13a of Form M1. If your Minnesota gross income is below \$10,650 or the result is less than zero, enter 0 .....	24 _____	
25 Subtract line 23, column A, from line 12, column A. Enter the result here and on line 13b of Form M1 .....	25 <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"> </span>	_____
26 Divide line 24 by line 25, and enter the result as a decimal (carry to five decimal places). If line 24 is more than line 25, enter 1.0. If line 24 is zero, enter 0 .....	26 _____	_____
27 Amount from line 12 of Form M1 .....	27 _____	_____
28 Multiply line 26 by line 27. Enter the result here and on line 13 of Form M1 .....	28 _____	_____

You must include this schedule with Form M1. Enter the amounts from lines 24 and 25 of this schedule on Form M1, lines 13a and 13b.

# 2018 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 2018 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 Minnesota tax purposes.

If you are married and file a joint federal return, you 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?

If your gross income assignable to Minnesota is \$10,650 or more, you must file Form M1 and Schedule M1NR.

### What is gross income assignable to Minnesota?

Gross 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 any military pay a Minnesota resident received for military 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 1-12 of Schedule M1NR.
2. Skip lines 13-23.
3. Enter a 0 on line 24.
4. Enter the amount from line 12, column A, on line 25.
5. Complete lines 26-28.

Enter the appropriate amounts from your Schedule M1NR on lines 13, 13a, and 13b 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 credits:

1. Complete lines 1-23 of Schedule M1NR.
2. Complete line 25 of Schedule M1NR.
3. Use this information to complete the worksheet provided in the instructions for the credits you claim.

**If you were a resident of Michigan or North Dakota for all of 2018**, 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 winnings, capital gains, rental income, etc.)

### Column A Instructions

*Round amounts to the nearest whole dollar.*

Enter the appropriate amount from your 2018 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 2018
- In prior years while a Minnesota resident but deferred to 2018

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 27 of Schedule M1M, *Income Additions and Subtractions*)
- Wages received as a nonresident military spouse, if you meet certain requirements (see Form 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
- 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
- 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
- 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 federal Schedule 1

*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 required additions

Include the additions from lines 3, 4, 6, 8, 10, and 12 of your Schedule M1M that are attributable to income earned while a Minnesota resident or from Minnesota sources earned while a nonresident. Also, include the amount reported on line 3 or 10 of your Schedule M1AR, *Accelerated Recognition of Installment Sale Gains*.

## Line 11, Column B

Determine the amount to enter in column B of line 11 by determining the Minnesota source portion of your adjustments from Schedule M1NC using the instructions below.

Schedule M1NC line:	Instruction for Schedule M1NR, line 11 column B
3	Include the reimbursements you received while a resident of Minnesota, or for work performed in Minnesota.
4	Include the amount of student loan debt forgiven while you were a Minnesota resident.
5	Include the earnings portion of any distribution from an education savings account that was used to pay K-12 education tuition or rolled into an ABLE account you received while a Minnesota resident.
6	Include any casualty gain resulting from reimbursements you received while a Minnesota resident. Also include any casualty gains related to real property located in Minnesota.
7	Include the earnings portion of any distribution from an ABLE account you received while a Minnesota resident that is attributable to contributions in excess of \$15,000 per year.
9	Include any qualified stock received while a Minnesota resident or for work performed in Minnesota.
10	Include the amount from the addition for column line 10 of Schedule M1NC multiplied by the business's apportionment percentage. If you own more than one business for which an amount was included in the addition column of line 10, you must allocate the amount for each business separately.

11a, 11b, 12a, 12b, 13a, 14, 17a, and 17b	For each asset included on the identified lines of Schedule M1NC, determine the Minnesota allocable depreciation by multiplying the business's apportionment percentage by the depreciation included the appropriate line on M1NC. If you own more than one business for which assets were included on the identified lines on Schedule M1NC, you must allocate the depreciation for each business's assets using that business's apportionment percentage.
15a	<b>If you had to make an adjustment on line 15a of Schedule M1NC, include the full amount for the time you were a Minnesota resident. Include the amount from Minnesota sources for the time you were a nonresident.</b>
17a	The federal loss recognized on the business property you reported on line 1 of Schedule LK is included on line 4 or 8 of Schedule M1NR. For line 11 of Schedule M1NR, multiply the loss deferred for Minnesota purposes by the apportionment factor you used to determine column B for line 4 or 8. Include the result on line 11, column B.
19	Include the limitation reported on line 19 of Schedule M1NC multiplied by the business's apportionment percentage.
20	Multiply the adjustment in the addition column of line 20 of Schedule M1NC by the entity's Minnesota apportionment percentage. Include the result on line 11 column B.
21	Include the gain realized while a Minnesota resident or from Minnesota sources realized while a nonresident.
22	Multiply the adjustment in the addition column of line 22 of Schedule M1NC by the entity's Minnesota apportionment percentage. Include the result on line 11 column B.
23b	Include the Section 965 Deferred Foreign Income you actually repatriated while a Minnesota resident. Also include Section 965 Deferred Foreign Income from Minnesota sources actually repatriated while a nonresident.

25	Include your Foreign Derived Intangible Income you realized while a Minnesota resident and from Minnesota sources while a nonresident.
26	<b>If you had to make an adjustment on line 26 of Schedule M1NC, include the full amount of line 26 in Column A. Include the amount attributable to income earned while a Minnesota resident or from Minnesota sources while a nonresident in Column B.</b>
27, 28, 29, and 30	Multiply the adjustment in the additions column of the identified lines by apportionment percentage for the business which generated the adjustment. If your adjustment on the identified lines are the result of multiple business entities, you must allocate the adjustment for each entity separately. Include the result on line 11, column B of Schedule M1NR.
31 and 32	<b>IRA Deduction:</b> If your IRA deduction was limited for Minnesota purposes to less than your allowable federal deduction, multiply the amount of the deduction included on the additions column on line 32 of Schedule M1NC by the percentage of your earned income that is allocable to Minnesota (without lowering your wages for self-employment losses). Include the result on line 11 column B. <b>Social Security Income:</b> If more of your social security income is taxable on your Minnesota return than on your Federal return, include the portion your adjustment in the addition column of line 32 on Schedule M1NC that was received while a Minnesota resident. <b>Student loan interest:</b> If your student loan interest deduction was limited for Minnesota purposes to less than your allowable federal deduction, include the portion of the additional interest you paid while a Minnesota resident. <b>Rental Real Estate Losses:</b> If less of your rental real estate losses were recognizable on your Minnesota return than on your federal return, include the additional losses attributable to Minnesota properties.

### Line 13, 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
- While teaching as 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.

#### Armed Forces Moving Expenses

Of the amount on line 26 federal Schedule 1, include moving expenses paid while a Minnesota resident or attributable to a move into Minnesota.

### Line 14, 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 17, Column B.
- **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 the purpose of this deduction only, earned income includes wages, self-employment income, and alimony received. Subtract your self-employment tax deduction (federal Schedule SE) from that total.

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

### Line 15, Column B

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

To determine your deduction amount:

1. Add lines 25 and Archer MSA amount included on line 36 of federal Schedule 1.
2. Divide your Minnesota earned income by your federal earned income. For the purpose 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 15, column B.

### Line 16, Column B

Determine the amount to enter in column B of line 16 by determining the Minnesota source portion of your adjustments from Schedule M1NC using the instructions below.

Schedule M1NC line:	Instruction for Schedule M1NR, line 16 column B
1	Include the reimbursements you received while a resident of Minnesota, or for commuting to work in Minnesota.
2	Include moving expenses you paid while a Minnesota resident or for a move into Minnesota.
10	Include the amount from the subtraction column for line 10 of Schedule M1NC multiplied by the business's apportionment percentage. If you own more than one business for which an amount was included on the subtraction column of line 10, you must allocate the amount for each business separately.
11a, 11b, 12a, 12b, 13b, 14, 17a, and 17b	For each asset included on the identified M1NC lines, determine the Minnesota allocable depreciation by multiplying the business's apportionment percentage by the depreciation included on the identified lines of Schedule M1NC. If you own more than one business for which assets were included on the identified lines of Schedule M1NC, you must allocate the depreciation for each business's assets using that business's apportionment percentage.
16	Multiply the expenses by the apportionment percentage for that business. If you had more than one business for which you included expenses on line 16 of Schedule M1NC, you must allocate each business's expenses using that business's apportionment percentage.
17a	The federal gain recognized on the business property you reported on line 1 of Schedule LK is included on line 4 or 8 of Schedule M1NR.  For line 16 of Schedule M1NR, multiply the gain deferred for Minnesota purposes by the apportionment factor you used to determine column B for line 4 or 8. Include the result on line 11, column B.

18 and 19	Include the limitation reported on lines 18 and 19 of Schedule M1NC multiplied by the business's apportionment percentage.
20	Multiply the adjustment in the subtraction column of line 20 of Schedule M1NC by the entity's Minnesota apportionment percentage. Include the result on line 16 column B.
22	Multiply the adjustment in the subtraction column of line 22 of Schedule M1NC by the entity's Minnesota apportionment percentage. Include the result on line 16 column B.
27, 28, 29, and 30	Multiply the adjustment in the additions column of the identified lines by apportionment percentage for the business which generated the adjustment. If your adjustment on the identified lines are the result of multiple business entities, you must allocate the adjustment for each entity separately. Include the result on line 11, column b of Schedule M1NR.  <b>Members of Congress:</b> Include expenses paid while a Minnesota resident.
31	<b>Carryforward Loss:</b> Include the additional carryforward loss you are able to recognize for Minnesota purposes attributable to property located in Minnesota. Also include any loss suspended on your 2017 Schedule M1NC that is recognizable because you disposed of the property in a fully taxable transaction while a Minnesota resident.  <b>IRA Distribution:</b> If you had additional Minnesota basis in your IRA and you received distributions from that account while a Minnesota resident, include the amount of the distributions you received while a Minnesota resident that represents additional basis for Minnesota purposes.

32	<p><b>IRA Deduction:</b> If your IRA deduction was limited for federal purposes to less than your allowable Minnesota deduction, multiply the amount of the deduction included on the subtractions column on line 32 of Schedule M1NC by the percentage of your earned income that is allocable to Minnesota (without lowering your wages for self-employment losses). Include the result on line 16 column B.</p> <p><b>Social Security Income:</b> If more of your social security income is taxable on your federal return than on your Minnesota return, include the portion of your adjustment in the subtraction column of line 32 on Schedule M1NC that was received while a Minnesota resident.</p> <p><b>Student loan interest:</b> If your student loan interest deduction was limited for federal purposes to less than your allowable Minnesota deduction, include the portion of the additional interest you paid while a Minnesota resident.</p> <p><b>Rental Real Estate Losses:</b> If more of your rental real estate losses were recognizable on your Minnesota return than on your federal return, include the additional losses attributable to Minnesota properties.</p>
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**Line 17, Column B**  
**Self-Employment Tax and**  
**Self-Employed Health Insurance**

Complete the Worksheet for Line 17, Column B below.

**Line 18, Column B**  
**Deductions for Alimony Paid and Student**  
**Loan Interest**

**Part-year residents:** Add the following items and enter the same total on line 18, columns **A and B:**

- Alimony paid while a Minnesota resident included on line 31a of federal Schedule 1
- The portion of your student loan interest deduction (from line 33 of federal Schedule 1) that represents interest paid while a Minnesota resident

**Nonresidents:** Enter zero on line 18, columns **A and B.**

**Line 19, Column B**

**Penalty on Early Withdrawal of Savings**

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

**Line 20, Column B**

**Other required subtractions**

Include the depreciation subtraction apportioned to Minnesota from line 19 of Schedule M1M. The subtraction is based on the Minnesota apportionment ratio of the business in 2018.

Also include the full amounts from lines 33, 34, 37, and 39 of Schedule M1M.

**Line 21, 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 you received as a nonresident is not included in column B of lines 1 or 2. Do not subtract these amounts on line 21, column B.

**Line 22**

**Section 179 Subtraction**

Multiply the amount from line 20 of Schedule M1M by the Minnesota apportionment ratio of the business in 2018.

**Line 26**

The result on line 26 is the percentage of Minnesota income to federal income.

<b>Worksheet for Line 17, Column B</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 Schedule 1 . . . . . _____
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 Schedule 1 or line 13 of the Self Employment Health Insurance worksheet found in IRS 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 Schedule 1 . . . . . _____
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 17, column B. . . . . _____