



## 2020 Individual Income and Business Tax Form Updates

*Disclaimer: Information in this document is based on the laws in effect when it was written. It does not supersede or alter any provision of Minnesota laws, administrative rules, court cases, or revenue notices. It does not provide tax advice.*

This document summarizes the changes made to 2020 Minnesota Individual Income Tax and business tax forms.

You can find [2020 Draft Forms and Instructions](#) on our website. We will post our final 2020 forms on this page in October.

## 2020 Business Tax Form Changes

### General Updates

- Created a new Schedule M2RT, Resident Trust Questionnaire
- Eliminated Form BANK, Authorization for Direct Debit
- Added a new line for backup withholding on these forms and schedules:
  - Form M4, Corporation Franchise Tax Return
  - Schedule KS, Shareholder's Share of Income, Credits, and Modifications
  - Schedule KPI, Partner's Share of Income, Credits, and Modifications
  - Schedule KPC, Partner's Share of Income, Credits, and Modifications
  - Schedule KF, Beneficiary's Share of Minnesota Taxable Income
- Brought back these schedules since current Minnesota law does not adopt federal laws enacted after December 31, 2018:
  - Schedule M4NC, Federal Adjustments
  - Schedule M2NC, Federal Adjustments
  - Schedule M2SBNC, Federal Adjustments
  - Schedule KFNC, Federal Adjustments
  - Schedule KSNC, Federal Adjustments
  - Schedule KPINC, Federal Adjustments
  - Schedule KPCNC, Federal Adjustments

### Form AWC, Alternative Withholding Certificate

- Added line 5 to ensure taxpayers consider Minnesota backup withholding into their calculation for alternative withholding

## **Form M2, Minnesota Income Tax for Estates and Trusts (Fiduciary)**

- Added three new checkboxes for Statutory Resident, Statutory Nonresident, and Due Process Nonresident
- Added and renumbered credit, withholding, and payment lines to more closely mirror the layout of Forms M1 and M4

## **Form M2X, Amended Minnesota Income Tax for Estates and Trusts (Fiduciary)**

- Added and renumbered credit, withholding, and payment lines to more closely mirror the layout of Forms M1 and M4

## **Form M4, Corporation Franchise Tax Return**

- Made the following changes to Form M4T, Tax Calculation
  - Added line 4b for Minnesota nonunitary partnership income
  - Reduced previous two A/B lines for the dividends received deduction to just one line, which is now line 8

## **Schedule RD, Credit for Increasing Research Activities**

- Updated this schedule based on recent credit carryover guidance
- Lines 41 and 42 will:
  - Pull in carryover credits received from other members of the combined return
  - Take out carryover credits allocated to other members of the combined return
- Added lines 43 and 44, which are intentionally left blank

# 2020 Individual Income Tax Form Changes

## General Updates

- Updated forms to reflect nonconformity between Minnesota tax laws and federal tax laws, including these federal laws:
  - Taxpayer Certainty and Disaster Tax Relief Act of 2019
  - Setting Every Community Up for Retirement Enhancement (SECURE) Act
  - Families First Coronavirus Response Act
  - Coronavirus Aid, Relief, and Economic Security (CARES) Act
  - Paycheck Protection Program Flexibility Act of 2020

## Form M1, Individual Income Tax

- Added new lines to list up to three dependents; taxpayers with more than three dependents must include a separate attachment with their return
- Moved some credits from Form M1 to Schedule M1C, Other Nonrefundable Credits, including:
  - Marriage Credit
  - Credit for Long-Term Care Insurance Premiums
  - Credit for Taxes Paid to Another State

## Schedule M1NR, Nonresidents/Part-Year Residents

- Now two pages instead of one
- Some lines containing multiple adjustments flowing from Schedule M1M were split
- The ratio is now on line 30 and the final calculation on line 32

## Schedule M1C, Other Nonrefundable Credits

- Added these existing credits from Form M1:
  - Marriage Credit (line 1)
  - Credit for Long-Term Care Insurance Premiums (line 2)
  - Credit for Taxes Paid to Another State (line 3)

## Schedule M1WFC, Working Family Credit

- Added a worksheet to calculate earned income rather than referring to the federal worksheet
- Requests information regarding dependents

## Schedule M1REF, Refundable Credits

- Removed the Angel Investment Credit, which expires in 2020 but is scheduled to return in 2021