



# 2020 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. If you paid income tax to other states or Canadian provinces, complete Schedule M1CR, *Credit for Taxes Paid to Another State*.**

To be eligible for this credit, all of the following must apply:

- You were a full- or part-year Minnesota resident in 2020
- You paid 2020 state income tax to **both Minnesota and Wisconsin on the same income**
- You were a Minnesota resident when both states taxed 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 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. .... **4a** \_\_\_\_\_
  - b Add lines 1-2 and 4-9 of Schedule M1C. .... **4b** \_\_\_\_\_
- 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 3 of Schedule M1C. **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.**



# 2020 Schedule M1RCR Instructions

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## Am I eligible?

You may be eligible for the Credit for Tax Paid to Wisconsin if all of the following are true:

- You were domiciled in Minnesota for all or part of 2020
- You incurred 2020 income tax for Minnesota and for Wisconsin on the same income
- You filed a 2020 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

## 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 or line 11, whichever applies, from each Schedule M1CR and Schedule M1RCR.
- 3 Enter the result from step 2 on line 3 of Schedule M1C.

## Is there a penalty for fraudulently claiming a credit?

Yes. If you file a return that fraudulently claims a credit that results in a refund, you will be assessed a penalty equal to 50 percent of the portion of the refund attributable to fraud. If a fraudulently claimed credit reduced your tax liability, you may also be assessed a penalty equal to 50 percent of the unpaid tax.

## Line Instructions

*Round amounts to the nearest whole dollar.*

### Full-Year and Part-Year Residents of Minnesota

#### Line 1

Determine the amount of adjusted gross income you received in 2020 while a Minnesota resident. Your adjusted gross income is line 1 of Form M1 or line 34 of Schedule M1NC. Of that amount, determine the income that Wisconsin taxed, and enter on line 1. For Minnesota full-year residents, this is your Wisconsin income from column B of Form 1NPR. 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 lines 22-24 column B, line 26 column B, and line 28. Then subtract line 13, column B. Enter the result on line 2 of Schedule M1RCR.

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 18 of Schedule M1M .....	_____
5 Subtract step 4 from step 3. Enter result here and 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 estimated tax you paid to Wisconsin. Do not include tax you paid to a 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.

## 2020 Schedule M1RCR Instructions, continued

### Line 7

**Part-year residents:** Complete the Worksheet for Line 7.

<b>Worksheet for Line 7 (for Part-Year Residents Only)</b>	
1	From your Wisconsin Form 1NPR, enter the <b>Wisconsin Income</b> 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 3 of Schedule M1C of Form M1. ....

### Line 9

Enter the amount of compensation you received for personal service income (wages, salaries, tips, commissions, and bonuses) that Wisconsin taxed 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% of the gross profit, whichever is greater.

### Line 11

**Part-year residents:** Complete the Worksheet for Line 11.

<b>Worksheet for Line 11 (for Part-Year Residents Only)</b>	
1	From your Wisconsin Form 1NPR, enter the <b>Wisconsin Income</b> 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 .....

## Questions?

Forms and information are available on our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us).

If you have questions:

- Visit our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us)
- Send us an email at [individual.incometax@state.mn.us](mailto:individual.incometax@state.mn.us)
- Call us at 651-296-3781 or 1-800-652-9094

This information is available in alternate formats.