



2020 Schedule M2SB, Income Tax Computation for S Portion of ESBT

Name of Trust	Federal ID Number	Minnesota ID Number
Name of S-Corporation S Portion of ESBT Holds Stock In	Federal ID Number of S-Corporation	
Additional S-Corporation S Portion of ESBT Holds Stock In	Federal ID Number of Additional S-Corporation	

- 1 Federal taxable income of S portion *(enclose federal computation)* **1** ■ _____
- 2 Fiduciary's deductions and losses not allowed by Minnesota *(see Form M2 instructions, page 5)* **2** ■ _____
- 3 Additions *(from line 24, on page 2 of this schedule)* **3** ■ _____
- 4 Add lines 1 through 3 **4** ■ _____
- 5 Subtractions *(from line 35, on page 2 of this schedule)* **5** ■ _____
- 6 Fiduciary's income from non-Minnesota sources
(see Form M2 instructions, page 5) **6** ■ _____
- 7 Add lines 5 and 6 **7** ■ _____
- 8 Minnesota taxable net income. Subtract line 7 from line 4 **8** ■ _____
- 9 Tax from table on pages 15 through 18 of the M2 instructions
using the income amount shown on line 8 **9** ■ _____
- 10 Total of tax from Schedule M2MT *(enclose Schedule M2MT)* **10** ■ _____
- 11 Total of 2020 tax for S portion. Add lines 9 and 10 and include amount on line 11 of Form M2 **11** ■ _____

You must include this schedule and a copy of federal computations for the S portion of the ESBT when you file Form M2.



Additions to Income

- 12 State and municipal bond interest from outside Minnesota
13 State taxes deducted in arriving at net income
14 Expenses deducted on your federal return that are attributable to income not taxed by Minnesota
15 80 percent of the suspended loss from 2001-2005 or 2008-2019 on your federal return that was generated by bonus depreciation
16 80 percent of federal bonus depreciation
17 Section 199A qualified business income
18 Addition due to federal changes not adopted by Minnesota
19 Net operating loss carryover adjustment
20 Foreign derived intangible income (FDII) deduction
21 Special deduction under section 965
22 This line intentionally left blank
23 This line intentionally left blank
24 Add lines 12 through 23. Enter the result here and on line 3

Subtractions from Income

- 25 Interest on U.S. government bond obligations, minus any expenses deducted on your federal return that are attributable to this income
26 State income tax refund included on federal return
27 Federal bonus depreciation subtraction
28 Subtraction due to federal changes not adopted by Minnesota
29 Subtraction for prior addback of reacquisition of business indebtedness income
30 Subtraction for railroad maintenance expenses
31 Net operating loss carryover adjustment
32 Deferred foreign income (section 965)
33 Global intangible low-taxed income (GILTI)
34 Disallowed section 280E expenses of medical cannabis manufacturers
35 Add lines 25 through 34. Enter the result here and on line 5



2020 Schedule M2SB Instructions

Who Must File Schedule M2SB

If a trust is filing as an Electing Small Business Trust (ESBT), you must file Schedule M2SB to report all items relating to the S Portion of the trust.

Report all the income from the S Portion of an ESBT on the Schedule M2SB and include a copy of Schedule KS. Enter the name and federal tax ID of each S-Corporation on the Form M2SB, if you have to enter more than two entities and need additional spaces include them on an attached statement.

Apportion all income, deductions and modifications based upon the S-corporation's Minnesota apportionment factor reported on Schedule KS, line 38. Include an attachment detailing the calculation.

Line Instructions

Round amounts to the nearest whole dollar.

Line 1

Enter the Federal taxable income of the S Portion that you calculated on your federal schedule. Be sure to include a copy of the federal schedule when you file Form M2 and Schedule M2SB.

Line 10

Complete a separate Schedule M2MT for the S Portion of the trust. See the instructions for Schedule M2MT for details on completing this form for the S Portion of the ESBT.

Lines 12 - 35

To complete lines 12 through 35, see instructions for M2 lines 35 through 58 on pages 9 through 12 of the M2 instructions.