



2021 Schedule KFNC, Federal Adjustments

Minnesota has not adopted certain federal law changes enacted after December 31, 2018 that affect federal taxable income for tax year 2021. This schedule allows for any necessary adjustments required to file a state tax return.

Read the instructions before completing this schedule.

Tax year beginning _____, 2021, ending _____

Name of Beneficiary _____ Beneficiary's Social Security Number _____
 Name of Estate or Trust _____ Federal ID Number _____ Minnesota ID Number _____

	Enter as a positive or negative. Round amounts to the nearest whole dollar.	Form M1 filers, include on:
Adjustments to federal taxable income (FTI)		
1 Exclusion for certain employer payments of student loans (CARES Act Sec. 2206)	1 ■ _____	M1NC, Line 10
2 Employee Retention Credit (CARES Act Sec. 2301)	2 ■ _____	M1NC, Line 11
3 IRC Section 461 nonbusiness income	3 ■ _____	M1LOSS
4 IRC Section 461 nonbusiness loss	4 ■ _____	M1LOSS
5 Modification of business interest limitation (CARES Act Sec. 2306)	5 ■ _____	M1NC, Line 16
6 Qualified improvement property technical fix (CARES Act Sec. 2307)	6 ■ _____	M1NC, Line 17
7 Employer credit for paid medical leave and Employer payroll credit for required paid family leave (FFCRA Sec. 7001, 7003)	7 ■ _____	M1NC, Line 18
8 TCDTR and TCDTR20 basis and depreciation provisions (see inst. for TCDTR and TCDTR20 Secs.)	8 ■ _____	M1NC, Line 19
9 TCDTR and TCDTR20 credit provisions impacting basis and depreciation (see inst. for TCDTR and TCDTR20 Secs.)	9 ■ _____	M1NC, Line 20
10 TCDTR credit provisions impacting business expenses (TCDTR Sec. 111, 113)	10 ■ _____	M1NC, Line 21
11 Look-through rule for related controlled foreign corporations (TCDTR Sec. 145)	11 ■ _____	M1NC, Line 15
12 Employee retention credit for employers affected by qualified disasters (TCDTR Sec. 203)	12 ■ _____	M1NC, Line 12
13 TCDTR20 basis and depreciation provisions (TCDTR20 Sec. 201, 202, 203, and 204)	13 ■ _____	M1NC, Line 23
14 Restaurant revitalization grants (ARPA Sec. 9673)	14 ■ _____	M1NC, Line 24
15 Temporary allowance of full deduction for business meals (COVIDTRA Sec. 210)	15 ■ _____	M1NC, Line 25
16 This line intentionally left blank	16 ■ _____	
17 This line intentionally left blank	17 ■ _____	
18 This line intentionally left blank	18 ■ _____	
19 This line intentionally left blank	19 ■ _____	





Beneficiary's Name

Beneficiary's Social Security Number

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- 26 This line intentionally left blank. 26 ■ _____
- 27 This line intentionally left blank. 27 ■ _____
- 28 This line intentionally left blank. 28 ■ _____
- 29 This line intentionally left blank. 29 ■ _____
- 30 This line intentionally left blank. 30 ■ _____
- 31 Other adjustments to federal taxable income 31 ■ _____ M1NC, Line 22
- 32 Total lines 1-31. If the result is positive, enter it on Schedule KF, line 7.
If the amount is negative, enter it as a positive number on Schedule KF, line 21. 32 ■ _____

You must include this schedule when you file Schedule KF.



2021 Schedule KFNC Instructions

Beneficiary's use of information provided on Schedule KFNC

Purpose of Schedule KFNC

Schedule KFNC is a supplemental schedule provided by a trust or an estate to its beneficiaries. The beneficiaries need this information to complete one of the following:

- Minnesota Schedule M1NC if you are an individual beneficiary
- Minnesota Schedule M2NC if you are a trust or estate beneficiary

These instructions are intended to help you report your share of the trust's or estate's nonconformity adjustments on your Minnesota return.

You must include Schedule KFNC when you file your Minnesota return. If you do not include the schedule with your return as required, your return processing will be delayed.

If you receive an amended Schedule KFNC from the fiduciary and your nonconformity adjustments have changed, you must file an amended Minnesota return.

To amend your return, use one of the following:

- Form M1X, *Amended Minnesota Income Tax Return*, if you are an individual beneficiary.
- Form M2X, *Amended Income Tax Return for Estate and Trust*, if you are a trust or estate beneficiary.

Line Instructions

Line 1 – Exclusion for Certain Employer Payments of Student Loans (CARES Act Sec. 2206; TCDTR20 Sec. 120; ARPA Sec. 9675)

Individuals: Include this amount on Schedule M1NC, line 10.

Trusts and Estates: Include this amount on Schedule M2NC, line 1.

Line 2 – Employee Retention Credit (CARES Act Sec. 2301; TCDTR20 Sec. 206 and 207; ARPA Sec. 9651)

Individuals: Include this amount on Schedule M1NC, line 11.

Trusts and Estates: Include this amount on Schedule M2NC, line 2.

Line 3 – IRC Section 461 Nonbusiness Income

Individuals: Include this amount on Schedule M1LOSS, line 11.

Trusts and Estates: Use this amount when calculating Schedule M2NC, line 4.

Line 4 – IRC Section 461 Nonbusiness Loss

Individuals: Include this amount as a positive number on Schedule M1LOSS, line 14.

Trusts and Estates: Use this amount when calculating Schedule M2NC, line 4.

Line 5 – Modification of Business Interest Limitation (CARES Act Sec. 2306)

Individuals: Include this amount on Schedule M1NC, line 16.

Trusts and Estates: Include this amount on Schedule M2NC, line 5.

Line 6 – Qualified Improvement Property Technical Fix (CARES Act Sec. 2307)

Individuals: Include this amount on Schedule M1NC, line 17.

Trusts and Estates: Include this amount on Schedule M2NC, line 6.

Line 7 – Employer Credit for Paid Medical Leave and Employer Payroll Credit for Required Paid Family Leave (FFCRA Sec. 7001, 7003; ARPA Sec. 9641)

Individuals: Include this amount on Schedule M1NC, line 18.

Trusts and Estates: Include this amount on Schedule M2NC, line 7.

Line 8 – TCDTR and TCDTR20 Basis and Depreciation Provisions (TCDTR Sec. 114, 115, 118; TCDTR20 Sec. 102, 115, 116, 138)

Individuals: Include this amount on Schedule M1NC, line 19.

Trusts and Estates: Include this amount on Schedule M2NC, line 8.

Line 9 – TCDTR and TCDTR20 Credit Provisions Impacting Basis and Depreciation (TCDTR Sec. 112, 122, 124, 125, 126, 129; TCDTR20 Sec. 106, 140, 142, 143, 144, 146)

Individuals: Include this amount on Schedule M1NC, line 20.

Trusts and Estates: Include this amount on Schedule M2NC, line 9.

2021 Schedule KFNC Instructions (*continued*)

Line 10 – TCDTR Credit Provisions Impacting Business Expenses (TCDTR Sec. 111, 113)

Individuals: Include this amount on Schedule M1NC, line 21.

Trusts and Estates: Include this amount on Schedule M2NC, line 10.

Line 11 – Look-Through Rule for Related Controlled Foreign Corporations (TCDTR Sec. 145)

Individuals: Include this amount on Schedule M1NC, line 15.

Trusts and Estates: Include this amount on Schedule M2NC, line 11.

Line 12 – Employee Retention Credit for Employers Affected by Qualified Disasters (TCDTR Sec. 203; TCDTR20 Sec. 303)

Individuals: Include this amount on Schedule M1NC, line 12.

Trusts and Estates: Include this amount on Schedule M2NC, line 12.

Line 13 - TCDTR20 Basis and Depreciation Provisions (TCDTR20 Sec. 201, 202, 203, and 204)

Individuals: Include this amount on Schedule M1NC, line 23.

Trusts and Estates: Include this amount on Schedule M2NC, line 13.

Line 14 - Restaurant Revitalization Grants (ARPA Sec. 9673)

Individuals: Include this amount on Schedule M1NC, line 24.

Trusts and Estates: Include this amount on Schedule M2NC, line 14.

Line 15 - Temporary Allowance of Full Deduction for Business Meals (TCDTR20 Sec. 210)

Individuals: Include this amount on Schedule M1NC, line 25.

Trusts and Estates: Include this amount on Schedule M2NC, line 15.

Lines 16 Through 30

These lines are intentionally left blank.

Line 31 - Other Adjustments to Federal Taxable Income

Individuals: Include this amount on Schedule M1NC, line 22.

Trusts and Estates: Include this amount on Schedule M2NC, line 31.

Line 32 – Total

If the total on this line is a positive number, enter it on Schedule KF, line 7. If the total on this line is a negative, enter it as a **positive** number on Schedule KF, line 21.