



**2021 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 27, on page 2 of this schedule)* ..... **3** ■ \_\_\_\_\_
- 4 Add lines 1 through 3 ..... **4** ■ \_\_\_\_\_
- 5 Subtractions *(from line 43, on page 3 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 16 through 19 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 2021 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 ..... 12 ■ \_\_\_\_\_
- 13 State taxes deducted in arriving at net income ..... 13 ■ \_\_\_\_\_
- 14 Expenses deducted on your federal return that are attributable to income not taxed  
by Minnesota (other than interest or mutual fund dividends from U.S. bonds) ..... 14 ■ \_\_\_\_\_
- 15 80 percent of the suspended loss from 2001–2005 or 2008–2020 on your  
federal return that was generated by bonus depreciation (see Form M2 instructions, page 10) ..... 15 ■ \_\_\_\_\_
- 16 80 percent of federal bonus depreciation ..... 16 ■ \_\_\_\_\_
- 17 Section 199A qualified business income ..... 17 ■ \_\_\_\_\_
- 18 Addition due to federal changes not adopted by Minnesota (M2SBNC, line 32) ..... 18 ■ \_\_\_\_\_
- 19 Net operating loss carryover adjustment ..... 19 ■ \_\_\_\_\_
- 20 Foreign derived intangible income (FDII) deduction. .... 20 ■ \_\_\_\_\_
- 21 Special deduction under section 965. .... 21 ■ \_\_\_\_\_
- 22 This line intentionally left blank ..... 22 ■ \_\_\_\_\_
- 23 This line intentionally left blank ..... 23 ■ \_\_\_\_\_
- 24 This line intentionally left blank ..... 24 ■ \_\_\_\_\_
- 25 This line intentionally left blank ..... 25 ■ \_\_\_\_\_
- 26 This line intentionally left blank ..... 26 ■ \_\_\_\_\_
- 27 Add lines 12 through 26. Enter the result here and on line 3 ..... 27 ■ \_\_\_\_\_

**Subtractions from Income**

- 28 Interest on U.S. government bond obligations, minus any expenses  
deducted on your federal return that are attributable to this income ..... 28 ■ \_\_\_\_\_
- 29 State income tax refund included on federal return ..... 29 ■ \_\_\_\_\_
- 30 Federal bonus depreciation subtraction (see Form M2 instructions, page 11) ..... 30 ■ \_\_\_\_\_
- 31 Subtraction due to federal changes not adopted by Minnesota (M2SBNC, line 32 as a positive number) . . . . 31 ■ \_\_\_\_\_
- 32 Subtraction for prior addback of reacquisition of business indebtedness income ..... 32 ■ \_\_\_\_\_
- 33 Subtraction for railroad maintenance expenses ..... 33 ■ \_\_\_\_\_
- 34 Net operating loss carryover adjustment ..... 34 ■ \_\_\_\_\_
- 35 Deferred foreign income (section 965) ..... 35 ■ \_\_\_\_\_
- 36 Global intangible low-taxed income (GILTI) ..... 36 ■ \_\_\_\_\_





- 37 Disallowed section 280E expenses of medical cannabis manufacturers. . . . . 37 ■ \_\_\_\_\_
- 38 This line intentionally left blank . . . . . 38 ■ \_\_\_\_\_
- 39 This line intentionally left blank . . . . . 39 ■ \_\_\_\_\_
- 40 This line intentionally left blank . . . . . 40 ■ \_\_\_\_\_
- 41 This line intentionally left blank . . . . . 41 ■ \_\_\_\_\_
- 42 This line intentionally left blank . . . . . 42 ■ \_\_\_\_\_
- 43 Add lines 28 through 42. Enter the result here and on line 5 . . . . . 43 ■ \_\_\_\_\_



# 2021 Schedule M2SB Instructions

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## 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 47. 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 - 43

To complete lines 12 through 43, see instructions for Form M2 lines 38 through 69 on pages 9 through 12 of the Form M2 instructions.