



2022 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 changes made to 2022 Minnesota individual income, fiduciary income, business income, and estate tax forms.

Note: As of September 14, 2022, this list does not reflect updates that may be needed as a result of the CHIPS and IRA federal tax laws which are currently under review.

2022 Business, Fiduciary, and Estate Tax Form Changes

General Updates

- Created new Form TPD, Tax Position Disclosure
- Created new Schedule M2NM, Non-Minnesota Source Income and Related Expenses, to be filed with Form M2, Form M2X, or Schedule M2SB
- Brought back these schedules since current Minnesota law does not adopt some 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 M4, Corporate Franchise Tax Return

- Added a new checkbox to mark if the taxpayer is making a tax position disclosure through Form TPD
- Changed Line 4K on the M4I to Intentionally Left Blank
- Updated minimum fee table on the M4A

Form M4X, Amended Franchise Tax Return/Claim for Refund

- Added a new checkbox to mark if the taxpayer is making a tax position disclosure through Form TPD
- Changed Line 4K on the M4I to Intentionally Left Blank
- Removed checkbox on page 3 for “I do not want my paid preparer to file my return electronically”

Schedule M4NC, Federal Adjustments

- Replaced Line 4 with “IIJA Provisions (IIJA Sec. 80401, 80402, and 80601)”, removing the previous adjustment for “Employee Retention Credit (CARES Act Sec. 2301)”
- Deleted previous adjustment for “TCDTR credit provisions impacting business expenses (TCDTR Sec. 111, 113)”
- Deleted previous adjustment for “Employee retention credit for employers affected by qualified disasters (TCDTR Sec. 203)”
- Added Line 15 for “Certain loan forgiveness and other business financial assistance (CARES Act Sec. 1112(c); COVIDTRA Sec. 278)”
- Added Line 16 for “EIDL grants (ARPA Sec. 9672)”

Form M8, S Corporation Return

- Added a new checkbox to mark if the taxpayer is making a tax position disclosure through Form TPD
- Updated minimum fee table on Form M8A

Form M8X, Amended Partnership Return

- Added a new checkbox to mark if the taxpayer is making a tax position disclosure through Form TPD

Schedule KS, Shareholder’s Share of Income, Credits and Modifications

- Added line 19 subtraction for “State Income Tax Refund Included in Income”

Schedule KSNC

- Replaced Line 2 with “IIJA Provisions (IIJA Sec. 80401, 80402, and 80601)”, removing the previous adjustment for “Employee Retention Credit (CARES Act Sec. 2301)”
- Deleted previous adjustment for “TCDTR credit provisions impacting business expenses (TCDTR Sec. 111, 113)”
- Deleted previous adjustment for “Employee retention credit for employers affected by qualified disasters (TCDTR Sec. 203)”
- Added Line 14 for “Certain loan forgiveness and other business financial assistance (CARES Act Sec. 1112(c); COVIDTRA Sec. 278)”
- Added Line 15 for “EIDL grants (ARPA Sec. 9672)”

Form M3, Partnership Return

- Added a new checkbox to mark if the taxpayer is making a tax position disclosure through Form TPD
- Updated minimum fee table on Form M3A
- Changed signature and printed name lines to “Partner or LLC Member”

Form M3X, Amended Partnership Return

- Added a new checkbox to mark if the taxpayer is making a tax position disclosure through Form TPD
- Changed signature and printed name lines to “Partner or LLC Member”

Schedule KPI, Partner’s Share of Income, Credits and Modifications

- Removed “FEIN of Partner Ultimately Taxed” from heading
- Added line 19 for “State Income Tax Refund Included in Income” subtraction

Schedule KPC, Partner’s Share of Income, Credits and Modifications

- Removed “FEIN of Partner Ultimately Taxed” from heading
- Added line 21 subtraction for “State Income Tax Refund Included in Income”

Schedule KPINC, Federal Adjustments

- Replaced Line 2 with “IIJA Provisions (IIJA Sec. 80401, 80402, and 80601)”, removing the previous adjustment for “Employee Retention Credit (CARES Act Sec. 2301)”
- Deleted previous adjustment for “TCDTR credit provisions impacting business expenses (TCDTR Sec. 111, 113)”
- Deleted previous adjustment for “Employee retention credit for employers affected by qualified disasters (TCDTR Sec. 203)”
- Added Line 14 for “Certain loan forgiveness and other business financial assistance (CARES Act Sec. 1112(c); COVIDTRA Sec. 278)”
- Added Line 15 for “EIDL grants (ARPA Sec. 9672)”

Schedule KPCNC, Federal Adjustments

- Replaced Line 2 with “IIJA Provisions (IIJA Sec. 80401, 80402, and 80601)”, removing the previous adjustment for “Employee Retention Credit (CARES Act Sec. 2301)”
- Deleted previous adjustment for “TCDTR credit provisions impacting business expenses (TCDTR Sec. 111, 113)”
- Deleted previous adjustment for “Employee retention credit for employers affected by qualified disasters (TCDTR Sec. 203)”
- Added Line 14 for “Certain loan forgiveness and other business financial assistance (CARES Act Sec. 1112(c); COVIDTRA Sec. 278)”
- Added Line 15 for “EIDL grants (ARPA Sec. 9672)”

Schedule PTE, Pass-Through Entity Tax

- Added Line 11 for “State Income Tax Refund Included in Income”
- Added Line 12 for “Add Lines 10 and 11”
- In Part 2, removed the field for entities to enter the owner’s address, separated the name and SSN entry columns, and changed the “Share of Income” column from a percentage (%) to a dollar (\$)

Form M2, Income Tax Return for Estates and Trusts

- Added a new checkbox to mark if the taxpayer is making a tax position disclosure through Form TPD
- Updated Lines 2 and 7 to reference Schedule M2NM
- Deleted previous “Subtraction for Prior Addback of Reacquisition of Business Indebtedness Income”

Form M2X, Amended Income Tax Return for Estates and Trusts

- Added a new checkbox to mark if the taxpayer is making a tax position disclosure through Form TPD
- Deleted previous “Subtraction for Prior Addback of Reacquisition of Business Indebtedness Income”

Schedule M2SB, Income Tax Computation for S Portion of ESBT

- Deleted previous “Subtraction for Prior Addback of Reacquisition of Business Indebtedness Income”

Schedule M2MT, Alternative Minimum Tax

- Updated Line 9 maximum exemption to \$41,080

Schedule M2RT, Resident Trust Questionnaire

- Updated Line 1 wording to include “(or the trust’s other fiduciaries)”
- Updated all wording for Line 2
- Updated Line 7b wording to replace “some degree of possession or control of the trust property” with “retained power to dispose of the trust property which amounted to a potential source of wealth to them”
- Deleted previous Lines 8 and 8a
- Renumbered previous Line 8b to Line 8 and updated wording slightly
- Added Line 9 and Line 9a
- Renumbered previous Line 9 to Line 10

Schedule KF, Beneficiary’s Share of Minnesota Taxable Income

- Deleted previous “Subtraction for Prior Addback of Reacquisition of Business Indebtedness Income”
- Added Line 34 for “Unused Credit for Owners of Agricultural Assets from a Prior Year” in addition to entries for the AO certificate number and remaining carryover years

Schedule M2NC, Federal Adjustments

- Replaced Line 2 with “IIJA Provisions (IIJA Sec. 80401, 80402, and 80601)”, removing the previous adjustment for “Employee Retention Credit (CARES Act Sec. 2301)”
- Deleted previous adjustment for “TCDTR credit provisions impacting business expenses (TCDTR Sec. 111, 113)”
- Deleted previous adjustment for “Employee retention credit for employers affected by qualified disasters (TCDTR Sec. 203)”
- Added Line 14 for “Certain loan forgiveness and other business financial assistance (CARES Act Sec. 1112(c); COVIDTRA Sec. 278)”
- Added Line 15 for “EIDL grants (ARPA Sec. 9672)”

Schedule M2SBNC, Federal Adjustments

- Replaced Line 2 with “IIJA Provisions (IIJA Sec. 80401, 80402, and 80601)”, removing the previous adjustment for “Employee Retention Credit (CARES Act Sec. 2301)”
- Deleted previous adjustment for “TCDTR credit provisions impacting business expenses (TCDTR Sec. 111, 113)”
- Deleted previous adjustment for “Employee retention credit for employers affected by qualified disasters (TCDTR Sec. 203)”
- Added Line 14 for “Certain loan forgiveness and other business financial assistance (CARES Act Sec. 1112(c); COVIDTRA Sec. 278)”
- Added Line 15 for “EIDL grants (ARPA Sec. 9672)”

Schedule KFNC, Federal Adjustments

- Replaced Line 2 with “IIJA Provisions (IIJA Sec. 80401, 80402, and 80601)”, removing the previous adjustment for “Employee Retention Credit (CARES Act Sec. 2301)”
- Deleted previous adjustment for “TCDTR credit provisions impacting business expenses (TCDTR Sec. 111, 113)”
- Deleted previous adjustment for “Employee retention credit for employers affected by qualified disasters (TCDTR Sec. 203)”
- Added Line 14 for “Certain loan forgiveness and other business financial assistance (CARES Act Sec. 1112(c); COVIDTRA Sec. 278)”
- Added Line 15 for “EIDL grants (ARPA Sec. 9672)”

Form M706, Estate Tax Return

- Added a new checkbox to mark if the taxpayer is making a tax position disclosure through Form TPD

Schedule M706Q, Election to Claim the Qualified Small Business and Farm Property Deduction

- Updated Part 4 agreements to include that signee has exercised all due diligence on whether the decedent applied for any tax programs with the County Assessor

2022 Individual Income Tax Form Changes

General Updates

- [hold for M1PFF, to be decided in late August]

Form M1, Individual Income Tax

- Added to Line 20 “and Schedules KPI, Ks, and KF”

Form M1PR, Property Tax Refund

- Removed description of retirement plans on Line 9
- Changed Line 10 to “Other Subtractions” and added input line below

Form M1PRX, Amended Property Tax Refund

- Removed description of retirement plans on Line 9
- Changed Line 10 to “Other Subtractions” and added input line below
- Changed the header under Line 15 to “**Homeowners:** Do not complete lines 16-18. Continue to next section”

Schedule M1HOME, First-Time Homebuyer Savings Account

- Added “Start of Year Balance” to the registration section

Schedule M1C, Nonrefundable Credits

- Made Line 18 intentionally left blank
- Created Line 19 to report the total amount of credits on Schedule M1C

Schedule M1UE, Unreimbursed Employee Expenses

- Created Lines 12b and 13b for the 2022 split mileage rates
- Created Line 20b and 20c for split mileage rate calculations

Schedule M1M, Additions and Subtractions

- Updated Line 29 to report a new subtraction for Frontline Worker Pay

Schedule M1ED, K-12 Education Credit

- Updated Line 5 to 5a
- Created Line 5b for tax year 2022 to enter Frontline Worker Pay as a negative amount

Schedule M1CD, Child and Dependent Care Credit

- Removed Lines 28-30 and shifted subsequent lines up

Schedule M1REF, Refundable Credits

- Changed Line 11 to be intentionally left blank
- Changed Line 12 to the total amount of credits

Schedule M1MB, Business Income Additions and Subtractions

- Removed Line 14 and shifted subsequent lines up