



2022 KPI, Partner's Share of Income, Credits and Modifications

Partnership: Complete and provide Schedule KPI to each nonresident individual, estate or trust partner and any Minnesota individual, estate or trust partner who has adjustments to income or credits, or all partners if the partnership is electing PTE tax. For corporate and partnership partners, use Schedule KPC instead.

Tax year beginning (MM/DD/YYYY) ____ / ____ / ____ and ending (MM/DD/YYYY) ____ / ____ / ____ Amended KPI:

<p>Partner's Federal ID or Social Security Number _____</p> <p>Partner's Name _____</p> <p>Mailing Address _____</p> <p>City _____ State _____ ZIP Code _____</p>	<p>Partnership's Federal ID Number _____</p> <p>Partnership's Name _____</p> <p>Mailing Address _____</p> <p>City _____ State _____ ZIP Code _____</p>
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Entity of Partner (check one box): Individual Trust Estate _____ %
 Partner's Distributive Share

Calculate lines 1-35 the same for all resident and nonresident partners. Calculate lines 36-52 for estate, trust, and nonresident individual partners only. Round amounts to the nearest whole dollar.

Form M1 filers, include on:

Individual, Estate and Trust Partners

- 1 Interest income from non-Minnesota state and municipal bonds 1 ■ _____ M1M, line 1
- 2 State taxes deducted in arriving at partnership's net income 2 ■ _____ M1MB, line 2
- 3 Expenses deducted attributable to income not taxed by Minnesota (other than interest or mutual fund dividends from U.S. bonds) 3 ■ _____ M1M, line 3
- 4 100% of partner's distributive share of federal bonus depreciation 4 ■ _____ M1MB, see line 1 inst
- 5 Foreign-derived intangible income (FDII) deduction 5 ■ _____ M1MB, line 3
- 6 Special deduction under section 965 6 ■ _____ See inst.
- 7a Partner's Pro rata gross profit from installment sales of pass-through businesses (see instructions) 7a ■ _____ M1AR, line 1
- 7b Partner's pro rata installment sale income from pass-through businesses (see instructions) 7b ■ _____ M1AR, line 3
- 8 Addition due to federal changes not adopted by Minnesota (KPINC, line 32) 8 ■ _____
- 9 This line intentionally left blank 9 ■ _____
- 10 This line intentionally left blank 10 ■ _____
- 11 This line intentionally left blank 11 ■ _____
- 12 This line intentionally left blank 12 ■ _____
- 13 This line intentionally left blank 13 ■ _____
- 14 Interest from U.S. government bond obligations, minus any expenses deducted on the federal return that are attributable to this income 14 ■ _____ M1M, line 14



Partner's Name	Partner's Federal ID Number or SSN
Partnership's Name	Partnership's Federal ID Number
15 Deferred foreign income (<i>section 965</i>)	15 ■ _____ M1MB, line 17
16 Global intangible low-taxed income (GILTI)	16 ■ _____ M1MB, line 18
17 Disallowed section 280E expenses of medical cannabis manufacturers	17 ■ _____ M1MB, line 16
18 Subtraction due to federal changes not adopted by Minnesota (<i>KPINC, line 32 as a positive number</i>)	18 ■ _____
19 State income tax refund included in income	19 ■ _____ M1, line 6
20 This line intentionally left blank	20 ■ _____
21 This line intentionally left blank	21 ■ _____
22 This line intentionally left blank	22 ■ _____
23 This line intentionally left blank	23 ■ _____
24 Credit for increasing research activities	24 ■ _____ M1C, line 13
25 Film Production Tax Credit	25 ■ _____ M1C, line 11
Enter the credit certificate number: TAXC - _____	
26 Tax Credit for Owners of Agricultural Assets	26 ■ _____ M1C, line 12
Enter the certificate number from the certificate received from the Rural Finance Authority:	
AO _____	
27 Credit for historic structure rehabilitation	27 ■ _____ M1REF, line 6
Enter National Park Service (NPS) number _____	
28 Employer Transit Pass Credit	28 ■ _____ M1C, line 5
29 Enterprise Zone Credit	29 ■ _____ M1REF, line 7
30 Pass-through Entity Credit. If the pass-through entity tax satisfies the partner's filing requirement, check this box <input type="checkbox"/>	30 ■ _____ (<i>see instructions</i>)
31 Minnesota backup withholding	31 ■ _____ M1W, line 7, col C
Relating to Alternative Minimum Tax	
32 Intangible drilling costs	32 ■ _____ <i>Use lines 32-35 to compute M1MT, lines 6 and 7. See M1MT instructions for details.</i>
33 Gross income from oil, gas and geothermal properties	33 ■ _____
34 Deductions allocable to oil, gas and geothermal properties	34 ■ _____





Partner's Name _____

Partner's Federal ID Number or SSN _____

Partnership's Name _____

Partnership's Federal ID Number _____

35 Depletion	35 ■	_____	
Minnesota Portion of Amounts From Federal Schedule K-1 (1065)			
36 Minnesota source gross income	36 ■	_____	<i>info only (see inst.)</i>
37 Ordinary Minnesota source income (loss) from trade or business activities	37 ■	_____	M1NR, line 6, col B
38 Income (loss) from Minnesota rental real estate	38 ■	_____	M1NR, line 6, col B
39 Other net income (loss) from Minnesota rental activities	39 ■	_____	M1NR, line 6, col B
40 Guaranteed payments	40 ■	_____	M1NR, line 6, col B
41 Interest income	41 ■	_____	M1NR, line 2, col B
42 Ordinary dividends	42 ■	_____	M1NR, line 2, col B
43 Royalties	43 ■	_____	M1NR, line 6, col B
44 Net Minnesota short-term capital gain (loss)	44 ■	_____	M1NR, line 4, col B
45 Net Minnesota long-term capital gain (loss)	45 ■	_____	M1NR, line 4, col B
46 Section 1231 Minnesota net gain (loss)	46 ■	_____	M1NR, line 4 or 8, col B
47 Other Minnesota income (loss). (Describe type of income or include separate sheet: _____)	47 ■	_____	M1NR, line 8, col B
48 Section 179 expense deduction apportionable to Minnesota	48 ■	_____	M1NR inst, line 6, col B
49 Partnership's Minnesota apportionment factor (line 5, column C of M3A)	49 ■	_____	<i>information only</i>

**Nonresident Individual Partners Only:
Composite Income Tax or Nonresident Withholding**

50 Minnesota source distributive income (see instructions)	50 ■	_____	<i>See Schedule KPI Inst.</i>
51 Minnesota composite income tax paid by partnership. If the partner elected composite income tax, check this box: <input type="checkbox"/>	51 ■	_____	<i>composite income tax</i>
52 Minnesota income tax withheld for nonresident individual partner not electing to file composite income tax. If the partner completed and signed a Form AWC, check this box: <input type="checkbox"/>	52 ■	_____	M1W, line 7, col C

Partnership: Include this schedule and copies of federal Schedules K and K-1 with your Form M3.
Partner: Include this schedule with your Form M1 (individuals) or Form M2 (estates and trusts).



2022 Schedule KPI Instructions

Individual, estate and trust partner's use of information provided on Schedule KPI

Purpose of Schedule KPI

Schedule KPI is a supplemental schedule provided by the partnership to its individual, estate or trust partners.

The partners will need this information to complete a Minnesota Form M1, *Individual Income Tax Return*, or Form M2, *Income Tax Return for Estates and Trusts*.

An individual partner who is a Minnesota resident will be taxed by Minnesota on all of his or her distributive income from the partnership even if the income is apportioned between Minnesota and other states. An estate, trust, and individual nonresident partner will be taxed on the Minnesota distributive income from the partnership.

These instructions are intended to help you report your share of the partnership's income, credits and modifications on your Minnesota return.

You must include Schedule KPI when you file your Form M1 and Form M2. If you do not include the schedule with your return as required, the department will disallow any credits and assess the tax or reduce your refund.

If you received an amended Schedule KPI from the partnership and your income or deductions have changed, you must file an amended Minnesota return. To amend your return, use Form M1X, *Amended Minnesota Income Tax Return*, or Form M2X, *Amended Income Tax Return for Estates and Trusts*.

Line Instructions

Include amounts on the appropriate lines as shown on Schedule KPI.

Line 1 – Non-Minnesota State and Municipal Bond Interest

Individuals: Include on line 1 of Schedule M1M.

Estates and Trusts: Include on line 38 of Form M2.

Line 2 – State Taxes Deducted

Individuals: Include on line 2 of Schedule M1MB.

Estates and Trusts: Include on line 39 of Form M2.

Line 3 – Expenses Deducted Attributed to Income Not Taxed by Minnesota

Individuals: Include on line 3 of Schedule M1M.

Estates and Trusts: Include on line 40 of Form M2.

Line 4 – Federal Bonus Depreciation

Individuals: See Schedule M1MB, worksheet for line 1 instructions, to determine how to report this amount.

Estates and Trusts: Include this amount on step 2 for the worksheet to determine Line 42 of the Form M2.

Line 5 – Foreign Derived Intangible Income (FDII) Deduction

Individuals: Include on line 3 of Schedule M1MB.

Estates and Trusts: Include on line 46 of Form M2.

Line 6 – Special Deduction Under Section 965

Individuals: This line does not apply.

Estates and Trusts: Include on line 47 of Form M2.

Lines 7a, and 7b – Accelerated Installment Sale Gains

Nonresident Individuals: If any information is reported to you on line 7a of Schedule KPI, file Form M1AR, Accelerated Recognition of Installment Sale Gains, with your Minnesota individual income tax return.

Resident Individuals: If any information is reported to you on line 7 of Schedule KPI, retain a copy of this schedule for your records for the entire period that you or an entity, you have an interest in, is receiving installment sale payments. If you become a nonresident in a future year while payments are being made, you are required to file Form M1AR, Accelerated Recognition of Installment Sale Gains, with your final resident tax return.

Estates and Trusts: Pass through pro rata to your beneficiaries.

Line 8 – Addition Due to Federal Changes Not Adopted by Minnesota

Individuals: This line does not apply.

Estates and Trusts: This line does not apply.

2022 Schedule KPI Instructions (Continued)

Lines 9 through 13

These lines are intentionally left blank.

Line 14 – Interest on U.S. Government Bond Obligations

Individuals: Include on line 14 of Schedule M1M.

Estates and Trusts: Include on line 54 of Form M2.

Line 15 – Deferred Foreign Income (Section 965)

Individuals: Include on line 17 of Schedule M1MB.

Estates and Trusts: Include on line 60 of Form M2.

Line 16 – Global Intangible Low-Taxed Income (GILTI)

Individuals: Include on line 18 of Schedule M1MB.

Estates and Trusts: Include on line 61 of Form M2.

Line 17 – Disallowed Section 280E Expenses of Medical Cannabis Manufacturers

Individuals: Include on line 16 of Schedule M1MB.

Estates and Trusts: Include on line 62 of Form M2.

Line 18 – Subtraction Due to Federal Changes Not Adopted by Minnesota

Individuals: This line does not apply.

Estates and Trusts: This line does not apply.

Line 19 - State income tax refund included in income

Individuals: Include on line 6 of Form M1.

Estates and Trusts: Include on line 55 of Form M2.

Lines 20 through 23

These lines are intentionally left blank.

Line 24 – Credit for Increasing Research Activities

Individuals: Include on line 13 of Form M1C. To claim this credit, you must include this schedule with Form M1.

Estates and Trusts: Include on line 19 of Form M2. To claim this credit, you must include this schedule with Form M2.

Line 25 – Film Production Tax Credit

Individuals: Include on line 11 of Form M1C and enter the certificate number in the space provided. To claim this credit, you must include this schedule with Form M1.

Estates and Trusts: Include on line 16 of Form M2 and enter the certificate number in the space provided. To claim this credit, you must include this schedule with Form M2.

Line 26 – Tax Credit for Owners of Agricultural Assets

Individuals: Include on line 12 of Form M1C and enter the certificate number in the space provided. To claim this credit, you must include this schedule with Form M1.

Estates and Trusts: Include on line 17 of Form M2 and enter the certificate number in the space provided. To claim this credit, you must include this schedule with Form M2.

Line 27 – Credit for Historic Structure Rehabilitation

Individuals: Include on line 6 of Schedule M1REF and enter the NPS project number in the space provided. To claim this credit, you must include this schedule with Form M1.

Estates and Trusts: Include on line 26 of Form M2 and enter the NPS project number in the space provided. To claim this credit, you must include this schedule with Form M2.

Line 28 – Employer Transit Pass Credit

Of the credit amount from Schedule ETP, any amount not claimed on line 6 of Form M3 may be passed through to partners based on their distributive share.

Individuals: Include on line 5 of Form M1C. To claim this credit, you must include this schedule with Form M1.

Estates and Trusts: Include on line 20 of Form M2. To claim this credit, you must include this schedule with Form M2.

2022 Schedule KPI Instructions (Continued)

Line 29 – Enterprise Zone Credit

Individuals: Include on line 7 of Form M1REF. To claim this credit, you must include this schedule with Form M1.

Estates and Trusts: Include on line 27 of Form M2. To claim this credit, you must include this schedule with Form M2.

Line 30 – Pass-Through Entity Tax Credit

Individuals: Include on line 9 of Schedule M1REF. To claim this credit, you must include this schedule with Form M1.

Estates and Trusts: Include on line 23 of Form M2. To claim this credit, you must include this schedule with Form M2.

Nonresidents: If your only Minnesota source income is from entities making a PTE tax election, or entities in which you elected composite income tax, you do not need to file Form M1 or M2.

Line 31 – Minnesota Backup Withholding

Individuals: Include on line 7, column C of Schedule M1W. To claim this credit, you must include this schedule with Form M1.

Estates and Trusts: Pass through pro rata to your beneficiaries. You must include this schedule with Form M1.

Lines 32 – 35 Items Relating to Alternative Minimum Tax

Individuals: Use the information on lines 32 through 35 to complete Schedule M1MT.

Estates and Trusts: Use the information on lines 32 through 35 to complete Schedule M2MT.

Lines 36 – 49 Minnesota Portion of Federal Amounts

Lines 36-49 apply to estate, trust, and nonresident individual shareholders.

If certain items are not entirely included in your federal income because of passive activity loss limitation, capital loss limitations, section 179 limitations or for other reasons, include only the amounts that you included in your federal adjusted gross income.

Individuals: Use the information on lines 36 through 48 to complete Schedule M1NR.

Minnesota source gross income is used to determine if a nonresident is required to file a Minnesota individual income tax return. Gross income is income before business or rental deductions and does not include losses.

If your 2022 Minnesota source gross income is \$12,900 or more and you did not elect composite filing, you are required to file Form M1 and Schedule M1NR, Nonresident/Part-Year Residents.

If your 2022 Minnesota source gross income is less than \$12,900 and you had Minnesota tax withheld (see line 31 and line 52 of Schedule KPI), file Form M1 to receive a refund.

Estates and Trusts: Use the information on lines 36 through 47 to complete Schedule M2NM.

Line 50 – Minnesota Source Distributive Income

Although Minnesota source gross income (line 36 of Schedule KPI) determines whether you must file a Minnesota return, your Minnesota source distributive income is ultimately taxed.

Line 51 – Minnesota Composite Income Tax

Individuals: If you elected composite income tax, the amount paid on your behalf equals 9.85% of your Minnesota taxable income on line 50, minus your share of any credits on lines 26-29 and 31. You are not required to file Form M1.

Estates and Trusts: This line does not apply.

Line 52 – Minnesota Nonresident withholding

Individuals: Include the amount from line 52 on Schedule M1W, line 7, column C. Also include the amount from line 50 on Schedule M1W, line 7, column B.

Estates and Trusts: This line does not apply.

Sale of a Partnership Interest

If you sell any portion of your interest in a partnership, some or all of the gain may be taxable. Or you can use any loss on the sale to offset other Minnesota income to the extent the losses are deducted on your federal return.

To determine the ratio of gain or loss that is assigned to Minnesota at the time of the sale, divide the original cost of the partnership's tangible property *in Minnesota* by the original cost of all tangible property of the partnership. (Tangible property includes real estate, inventory and equipment.) If you don't have these numbers, contact the partnership.

If more than 50 percent of the value of the partnership's assets are intangibles, the gain/loss is allocated to Minnesota using the partnership's prior year sales factor. Include the result on Schedule M1NR, line 4, column B.