



# 2022 Schedule M1REF, Refundable Credits

Your First Name and Initial \_\_\_\_\_ Last Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

- 1 Child and Dependent Care Credit (*enclose Schedule M1CD*) . . . . . 1 ■ \_\_\_\_\_  
Enter number of qualifying persons **1a** \_\_\_\_\_
- 2 Minnesota Working Family Credit (*enclose Schedule M1WFC*) . . . . . 2 ■ \_\_\_\_\_  
Enter number of qualifying children **2a** \_\_\_\_\_
- 3 K-12 Education Credit (*enclose Schedule M1ED*) . . . . . 3 ■ \_\_\_\_\_  
Enter number of qualifying children **3a** \_\_\_\_\_
- 4 Credit for Parents of Stillborn Children (*enclose Schedule M1PSC*) . . . . . 4 ■ \_\_\_\_\_
- 5 Refundable credit for taxes paid to Wisconsin (*enclose Schedule M1RCR*) . . . . . 5 ■ \_\_\_\_\_
- 6 Credit for Historic Structure Rehabilitation (*enclose certificate*) . . . . . 6 ■ \_\_\_\_\_  
Enter National Park Service (NPS) project number **6a** \_\_\_\_\_
- 7 Enterprise Zone Credit (*enclose DEED certificate*) . . . . . 7 ■ \_\_\_\_\_
- 8 Angel Investment Credit . . . . . 8 ■ \_\_\_\_\_
- 9 Pass-Through Entity Tax Credit (*see instructions*) . . . . . 9 ■ \_\_\_\_\_  
Enter the Minnesota Tax ID Number and amount associated with each Pass-Through Entity Credit.  
If you claimed more than three Pass-Through Entity Tax Credits, attach a statement to this form .  
  
MN Tax ID Number: \_\_\_\_\_ Credit Amount: \_\_\_\_\_  
MN Tax ID Number: \_\_\_\_\_ Credit Amount: \_\_\_\_\_  
MN Tax ID Number: \_\_\_\_\_ Credit Amount: \_\_\_\_\_
- 10 Claim of right (*see instructions*) . . . . . 10 ■ \_\_\_\_\_
- 11 This line intentionally left blank . . . . . 11 ■ \_\_\_\_\_
- 12 Add lines 1 through 11. Enter the result here and on line 22 of Form M1 . . . . . 12 \_\_\_\_\_

**You must include this schedule with your Form M1.**



# 2022 Schedule M1REF Instructions

These credits may allow you to receive a refund even if you do not have a tax liability.

## Is there a penalty for fraudulently claiming a credit?

Yes. If you file a return that fraudulently claims a credit that results in a refund, you may be assessed a penalty equal to 50% of the portion of the refund attributable to fraud. If a fraudulently claimed credit reduced your tax liability, you may also be assessed a penalty equal to 50% of the unpaid tax.

## Line Instructions

### Line 1—Child and Dependent Care Credit (Schedule M1CD)

Married persons filing separate returns cannot claim this credit.

To qualify for the Child and Dependent Care Credit, your adjusted gross income must be less than \$67,300 with one qualifying person or \$79,300 with two or more qualifying persons, and one of these must apply:

- You paid someone (other than your dependent child or stepchild younger than age 19) to care for a qualifying person while you (and your spouse if filing a joint return) were working or looking for work. A qualifying person and qualified expenses are the same as for the federal credit for child and dependent care expenses.
- You were a licensed family daycare operator caring for your own dependent child who had not reached age six by the end of the year.
- You are married and filing a joint return, your child was born in 2022, and you did not participate in a pretax dependent care assistance program.

If you qualify, complete Schedule M1CD, *Child and Dependent Care Credit*, and include it with your Minnesota income tax return.

Enter the number of qualifying persons on line 1a.

### Line 2—Minnesota Working Family Credit (Schedule M1WFC)

Married persons filing separate returns cannot claim this credit.

You may qualify for the Minnesota Working Family Credit if you earned income from a job or were self-employed. See the requirements on Schedule M1WFC, *Working Family Credit*. Include Schedule M1WFC with your Minnesota income tax return.

If you are a part-year resident, you may be eligible for this credit based on your percentage of income taxable to Minnesota.

Enter the number of your qualifying children on line 2a.

### Line 3—K–12 Education Credit (Schedule M1ED)

Married persons filing separate returns cannot claim this credit.

You may receive a credit if you paid education-related expenses in 2022 for a qualifying child in grades kindergarten through 12 (K–12). See qualifying expenses in the Form M1 instructions.

To qualify, your household income (adjusted gross income plus most nontaxable income) must be under the limit based on the number of qualifying children you have in grades K–12. A qualifying child is the same as for the federal earned income credit.

Enter the number of qualifying children on line 3a.

Number of Qualifying Children	Your household income limit is:
1 or 2	\$37,500
3	\$39,500
4	\$41,500
5	\$43,500
6 or more	\$43,500 plus \$2,000 for each additional qualifying child.

If you qualify for the credit, complete Schedule M1ED, *K–12 Education Credit*, and include it with your Minnesota income tax return.

### Line 4—Credit for Parents of Stillborn Children (Schedule M1PSC)

You may be eligible for the Credit for Parents of Stillborn Children if:

- You experienced a stillbirth in 2022
- You received a Certificate of Birth Resulting in Stillbirth from the Minnesota Department of Health, Office of Vital Records
- The child would have been your dependent if the child had been born alive

We may ask you to provide a copy of your Certificate of Birth Resulting in Stillbirth.

If you qualify for the credit, complete Schedule M1PSC, *Credit for Parents of Stillborn Children*, and include it with your Minnesota income tax return.

If you are a part-year or nonresident, you may be eligible for this credit based on your percentage of income taxable to Minnesota.

Continued

### **Line 5—Refundable credit for taxes paid to Wisconsin (Schedule M1RCR)**

You may be eligible for a refundable credit if you were a Minnesota resident who paid taxes to Wisconsin in 2022. If you qualify for this credit, complete Schedule M1RCR, *Credit for Tax Paid to Wisconsin*, and include it with your Minnesota income tax return.

### **Line 6 — Credit for Historic Structure Rehabilitation**

You may be eligible for a Minnesota credit if all of these apply:

- You made qualified improvements to a historic property in Minnesota
- The improvements qualify for the federal Historic Rehabilitation Credit under Internal Revenue Code, section 47
- You applied for certification to the Minnesota State Historic Preservation Office (SHPO) before starting the project
- The SHPO issued a credit certificate upon the project's completion

Enter your credit amount and National Park Service number listed on your credit certificate from the SHPO.

**Note:** We reserve the right to audit any amount you claim.

Enclose a copy of the credit certificate when you file your Minnesota return.

If you are eligible for the federal Historic Rehabilitation Credit through an interest in a partnership, S corporation, estate, or trust, enter the amount of the credit from your Schedule KPI, KS, or KF.

If you receive a grant in lieu of the credit for the entire amount, you are not eligible for the tax credit. If you received a grant for a portion of the claimed amount, you may be eligible for a partial credit. The credit or grant is paid in five equal annual installments beginning with the year the project is completed.

**Assignment of credit.** If you are eligible for this credit but have assigned it to another taxpayer, you may not claim the portion of the credit that you assigned.

### **Line 7 — Enterprise Zone Credit**

The Enterprise Zone Credit is a refundable credit for sole proprietors, partners of a partnership, or shareholders of an S corporation.

If you qualify, you would have received paperwork from the Minnesota Department of Employment and Economic Development (DEED). Include a copy of the documentation with Form M1.

Include the total of amounts reported to you on Schedule KS, line 29 and Schedule KPI, line 29.

### **Line 8 — Angel Investment Tax Credit**

If you made an investment in certain Minnesota businesses, you may be eligible for a refundable income tax credit.

The credit is equal to 25 percent of any new investment in a qualified business. The maximum credit is \$125,000, or \$250,000 if married and filing a joint return.

The Minnesota Department of Employment and Economic Development (DEED) certifies investors, investment funds, and businesses as being eligible to participate in this credit program. DEED allocates credits to eligible taxpayers who make qualifying investments subject to a statutory maximum annual appropriation.

If you made a qualified investment in a Minnesota business in 2022, enter the amount listed on the Angel Investment Tax Credit Certificate issued by DEED, and include a copy of the certificate with Form M1.

For more information, visit the DEED website at [www.mn.gov/deed](http://www.mn.gov/deed).

### **Line 9 — Pass-through Entity Tax Credit**

The pass-through entity tax credit is a refundable credit for qualifying individuals of a pass-through entity which elects to pay tax at the entity level. The entity passes the refundable credit for taxes paid by the entity to the individual shareholders, partners, and beneficiaries. Include the amounts from line 30 of Schedules KS, line 30 of Schedule KPI, and line 36 of Schedule KF. Attach Schedules KS, KPI, or KF with your return. Your refund will be delayed or denied if you do not provide the information.

### **Line 10 — Claim of Right**

If you repaid income in 2022 for income you received in a prior year and the amount of the repayment is over \$3,000, you may claim a credit for the amount repaid on line 10. You must recalculate your tax amount for the year you originally received the income to determine the credit. The credit amount is the difference between your tax liability for that year with and without the income. Include a copy of the recomputed tax return showing the tax liability computed without the repaid income.

If the repayment is \$3,000 or less, you may not claim a credit. You may claim an itemized deduction on line 24 of Schedule MISA for these repayments. Your deduction is subject to the 2% floor. Your total miscellaneous deductions must exceed 2% of federal adjusted gross income, and you may only deduct the portion above that level.