



2021 Schedule KFNC, Federal Adjustments

Minnesota has generally adopted the Internal Revenue Code as amended through December 15, 2022.

This schedule allows for any remaining 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 This line intentionally left blank. 1 ■ _____
- 2 Employee Retention Credit (CARES Act Sec. 2301) 2 ■ _____ M1NC, Line 11
- 3 This line intentionally left blank. 3 ■ _____
- 4 This line intentionally left blank. 4 ■ _____
- 5 Modification of business interest limitation (CARES Act Sec. 2306) 5 ■ _____ M1NC, Line 16
- 6 This line intentionally left blank. 6 ■ _____
- 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 This line intentionally left blank. 8 ■ _____
- 9 This line intentionally left blank. 9 ■ _____
- 10 This line intentionally left blank. 10 ■ _____
- 11 This line intentionally left blank. 11 ■ _____
- 12 Employee retention credit for employers affected by qualified disasters (TCDTR Sec. 203) 12 ■ _____ M1NC, Line 12
- 13 This line intentionally left blank. 13 ■ _____
- 14 This line intentionally left blank. 14 ■ _____
- 15 Temporary allowance of full deduction for business meals (COVIDTRA Sec. 210) 15 ■ _____ M1NC, Line 25
- 16 Credit for COBRA Continuation Coverage (ARPA Sec. 9501) 16 ■ _____ M1NC, Line 27
- 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 _____

- 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 This line intentionally left blank. 24 ■ _____
- 25 This line intentionally left blank. 25 ■ _____
- 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 This line intentionally left blank. 31 ■ _____
- 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

This line is intentionally left blank.

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

This line is intentionally left blank.

Line 4

This line is intentionally left blank.

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

This line is intentionally left blank.

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

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Line 9

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Line 10

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Line 11

This line is intentionally left blank.

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.

2021 Schedule KFNC Instructions (*continued*)

Line 13

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Line 14

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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.

Line 16 – Credit for COBRA Continuation Coverage (ARPA Sec. 9501)

Individuals: Include this amount on Schedule M1NC, line 27.

Trusts and Estates: Include this amount on Schedule M2NC, line 16.

Lines 17 Through 30

These lines are intentionally left blank.

Line 31

This line is intentionally left blank.

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.