



2018 Schedule KPCNC, 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.

Tax year beginning _____, 2018, and ending _____

Partner's Name	Partner's Federal ID Number	
Partnership's Name	Partnership's Federal ID Number	Partnership's Minnesota Tax ID

Before you complete this schedule, read the instructions which are on a separate sheet.

Enter amounts as a positive or negative. Round amounts to the nearest whole dollar.

Adjustments to federal taxable income (FTI)

- 1 This line intentionally left blank **1** ■ _____
- 2 a. This line intentionally left blank **2a** ■ _____
- b. This line intentionally left blank **2b** ■ _____
- c. This line intentionally left blank **2c** ■ _____
- 3 a. This line intentionally left blank **3a** ■ _____
- b. This line intentionally left blank **3b** ■ _____
- c. This line intentionally left blank **3c** ■ _____
- 4 a. This line intentionally left blank
 **4a** ■ _____
- b. This line intentionally left blank **4b** ■ _____
- 5 a. This line intentionally left blank **5a** ■ _____
- b. This line intentionally left blank **5b** ■ _____
- 6 This line intentionally left blank **6** ■ _____
- 7 This line intentionally left blank **7** ■ _____
- 8 a. This line intentionally left blank **8a** ■ _____
- b. This line intentionally left blank **8b** ■ _____
- 9 Limitation on Deduction by Employers of Expenses for Fringe Benefits (TCJA Sec. 13304) **9** ■ _____
- 10 Other Deduction Provisions (TCJA Sec. 13307, 13308, 13310, 13603) **10** ■ _____
- 11 This line intentionally left blank **11** ■ _____
- 12 Cash Distributions from Converted C Corporations (TCJA Sec. 13543(b)) **12** ■ _____
- 13 Tax Treatment of Alaska Native Corporations (TCJA Sec. 13821) **13** ■ _____



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Partner's Name

Partner's Federal ID Number

14	Special Rules for Capital Gains Invested In Opportunity Zones (<i>TCJA Sec. 13823</i>)	14 ■	_____
15	a. Section 965 Deferred Foreign Income	15a ■	_____
	b. Income excluded as previously taxed under section 965 or 951A.	15b ■	_____
16	Inclusion of Global Intangible Low Taxed Income	16 ■	_____
17	Deduction for Foreign Derived Intangible and Global Intangible Low Taxed Income	17 ■	_____
18	Related Party Amounts Paid in Hybrid Transactions (<i>TCJA Sec. 14222</i>)	18 ■	_____
19	This line intentionally left blank	19 ■	_____
20	Source of Income from Sales of Inventory (<i>TCJA Sec. 14303</i>)	20 ■	_____
21	This line intentionally left blank	21 ■	_____
22	Other Provisions (<i>TCJA Sec. 13309, 13314, 13504, 13522, 13531, 13532, 14502</i>)	22 ■	_____
23	Extension of Credits and Tax Incentives (<i>TCJA Sec. 13401, 13403</i>)	23 ■	_____
24	Other adjustments to federal taxable income	24 ■	_____
25	IRC Section 461 Net Nonbusiness Income/Loss	25 ■	_____
26	Adjustments for the TCDTR	26 ■	_____
27	Total lines 1-26	27 ■	_____

You must include this schedule when you file Schedule KPC.



2018 Schedule KPCNC Instructions

Corporate or partnership partner's use of information provided on Schedule KPCNC

Purpose of Schedule KPCNC

Schedule KPCNC is a supplemental schedule provided by the partnership to its corporate or partnership partners. The partners need this information to complete one of the following:

- *Minnesota Schedule M4NC* if you are an C corporation partner;
- *Minnesota Schedule KSNC* if you are an S corporation partner flowing income to shareholders; or
- *Minnesota Schedule KPINC* or *Schedule KPCNC* if you are partnership partner.

These instructions are intended to help you report your share of the partnership's non-conformity adjustments on your Minnesota return.

You must include Schedule KPCNC 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 KPCNC from the partnership and your nonconformity adjustments have changed, you must file an amended Minnesota return.

To amend your return, use:

- Form M4X, *Amended Franchise Tax Return*, if you are a corporate partner;
- Form M8X, *Amended S Corporation Return*, if you are an S corporation partner; or
- Form M3X, *Amended Partnership Return*, if you are a partnership partner.

Line Instructions

Lines 5a and 5b

These lines are intentionally left blank.

Line 9 – Deduction by Employers of Expenses for Fringe Benefits (TCJA Sec. 13304)

S Corporations: Pass this information through, pro rata, to shareholders on Schedule KSNC, line 9.

Partnerships: Pass this information through, pro rata, to partners on Schedule KPINC, line 9 or Schedule KPCNC, line 9.

Line 10 – Other Deduction Provisions (TCJA Sec. 13307, 13308, 13310, 13603)

S Corporations: Pass this information through, pro rata, to shareholders on Schedule KSNC, line 10.

Partnerships: Pass this information through, pro rata, to partners on Schedule KPINC, line 10 or Schedule KPCNC, line 10.

Line 12 – Cash Distributions from Converted C Corporations (TCJA Sec. 13543(b))

S Corporations: Pass this information through, pro rata, to shareholders on Schedule KSNC, line 12.

Partnerships: Pass this information through, pro rata, to partners on Schedule KPINC, line 12 or Schedule KPCNC, line 12.

Line 13 – Tax Treatment of Alaska Native Corporations (TCJA Sec. 13821)

S Corporations: Pass this information through, pro rata, to shareholders on Schedule KSNC, line 13.

Partnerships: Pass this information through, pro rata, to partners on Schedule KPINC, line 13 or Schedule KPCNC, line 13.

Line 14 – Capital Gains Invested in Opportunity Zones (TCJA Sec. 13823)

S Corporations: Pass this information through, pro rata, to shareholders on Schedule KSNC, line 14.

Partnerships: Pass this information through, pro rata, to partners on Schedule KPINC, line 14 or Schedule KPCNC, line 14.

Line 15a – Section 965 Deferred Foreign Income

C Corporations: Include this amount on Schedule M4NC, line 18a.

S Corporations: Pass this information through, pro rata, to shareholders on Schedule KSNC, line 15a.

Partnerships: Pass this information through, pro rata, to partners on Schedule KPINC, line 15a or Schedule KPCNC, line 15a.

Line 15b – Income Excluded as Previously Taxed Under Section 965 or 951A

C Corporations: Not applicable.

S Corporations: Pass this information through, pro rata, to shareholders on Schedule KSNC, line 15b.

Partnerships: Pass this information through, pro rata, to partners on Schedule KPINC, line 15b or Schedule KPCNC, line 15b.

Line 16 – Inclusion of Global Intangible Low Taxed Income

C Corporations: Include this amount on Schedule M4NC, line 19.

S Corporations: Pass this information through, pro rata, to shareholders on Schedule KSNC, line 16.

Partnerships: Pass this information through, pro rata, to partners on Schedule KPINC, line 16 or Schedule KPCNC, line 16.

Line 17 – Deduction for Foreign Derived Intangible Income

C Corporations: Not applicable.

S Corporations: Pass this information through, pro rata, to shareholders on Schedule KSNC, line 17.

Partnerships: Pass this information through, pro rata, to partners on Schedule KPINC, line 17 or Schedule KPCNC, line 17.

Line 18 – Related Party Amounts Paid in Hybrid Transactions (TCJA Sec. 14222)

S Corporations: Pass this information through, pro rata, to shareholders on Schedule KSNC, line 18.

Partnerships: Pass this information through, pro rata, to partners on Schedule KPINC, line 18 or Schedule KPCNC, line 18.

Line 20 – Source of Income from Sales of Inventory (TCJA Sec. 14303)

S Corporations: Pass this information through, pro rata, to shareholders on Schedule KSNC, line 20.

Partnerships: Pass this information through, pro rata, to partners on Schedule KPINC, line 20 or Schedule KPCNC, line 20.

Line 22 – Other Provisions (TCJA Sec. 13309, 13314, 13504, 13522, 13531, 13532, 14502)

S Corporations: Pass this information through, pro rata, to shareholders on Schedule KSNC, line 22.

Partnerships: Pass this information through, pro rata, to partners on Schedule KPINC, line 22 or Schedule KPCNC, line 22.

Line 23 – Extension of Credits and Tax Incentives (TCJA Sec. 13401, 13403)

C Corporations: Include this amount on Schedule M4NC, line 25.

S Corporations: Pass this information through, pro rata, to shareholders on Schedule KSNC, line 23.

Partnerships: Pass this information through, pro rata, to partners on Schedule KPINC, line 23 or Schedule KPCNC, line 23.

Line 24 – Other Adjustments to Federal Taxable Income

S Corporations: Pass this information through, pro rata, to shareholders on Schedule KSNC, line 24.

Partnerships: Pass this information through, pro rata, to partners on Schedule KPINC, line 24 or Schedule KPCNC, line 24.

Continued

2018 Schedule KPCNC Instructions *(continued)*

Line 25 - IRC Section 461 Net Nonbusiness Income/Loss

C corporations: Not applicable.

S corporations: Pass this information through, pro rata, to shareholders on Schedule KSNC, line 25.

Partnerships: Pass this information through, pro rata, to partners on Schedule KPINC, line 25, or KPCNC, line 25.

Line 26 - Adjustments for the TCDTR

C Corporations: Include this amount on Schedule M4NC, line 28.

S Corporations: Pass this information through, pro rata, to shareholders on Schedule KSNC, line 26.

Partnerships: Pass this information through, pro rata, to partners on Schedule KPINC, line 26 or Schedule KPCNC, line 26.

Line 27 – Total

Enter the total of lines 1-26.