



2020 Schedule M1CR, Credit for Income Tax Paid to Another State

Your	First Name and Initial	Last Name	Social Security Number
State	or Canadian Province or Territory	That Taxed Income Also Taxed By Minnesota	
V	t	hadda MACD for each state as well in a second	and any to Tourney the control of the Williams in the Cabodal
	CR, <i>Credit for Taxes Paid to</i>		paid tax to. To report tax paid to Wisconsin, use Schedule
	•		
	e eligible for this credit, all of the		
	ou were a full- or part-year Mir		n province on the came income
		to both Minnesota and another state or Canadia	in province on the same income
		when both states taxed the same income.	Bound on contacts the
Use :	Schedule M1RCR to report tax	paid to Wisconsin.	Round amounts to the nearest whole dollar.
Full	-Year Residents and Part	Year Residents	
1	Amount of adjusted gross inco	ome you received while	
	a Minnesota resident that wa	s taxed by the other state (see instructions)	1
2	Your adjusted gross income ac	djusted by U.S. bond interest and	
	bonds of another state (deter	mine from instructions).	
	Part-year residents: See instru	uctions	2
3	Divide line 1 by line 2. Enter t	ne result as a decimal (carry to	
	five decimal places; if line 1 is	more than line 2, enter 1.00000)	3 <u></u>
4	Complete the lines below to	determine your Minnesota tax after credits.	
	a Tax from line 13 of Form	M1	4a
		chedule M1C	
	Subtract line 4b from line 4a.	If the result is zero or less, STOP HERE . You do no	ot qualify for this credit
5	Multiply line 4 by line 3		5
6		e tax return, enter the tax amount before	
		d or estimated tax payments (see instructions).	
			6 ■
Full	-Year Residents		
7	Amount from line 5 or line 6,	whichever is less. Enter here and include on line	3 of Schedule M1C 7
Part	-Year Residents		
8	From the other state's incom	e tax return, enter the amount of income	
	taxed by that state before su	btracting itemized or standard deductions	8
9	•	the result as a decimal <i>(carry to</i>	
	five decimal places; if line 1 is	s more than line 8, enter 1.00000)	9 <u>•</u>
10	Multiply line 6 by line 9		10
11	Amount from line 5 or line 10), whichever is less. Enter here and include on line	e 3 of Schedule M1C 11
You	must include this sched	ule with your Form M1.	

Rev. 1/23

2020 Schedule M1CR Instructions

Am I eligible?

You may be eligible for the credit for income tax paid to another state if all of the following are true:

- You were domiciled in Minnesota for all or part of 2020
- You paid 2020 income tax to Minnesota and to another state on the same income
- You filed an income tax return with the other state
- You were a Minnesota resident when you received the income taxed by the other state

A Canadian province or territory and the District of Columbia are considered states for purposes of this credit.

Include: Any income taxes paid to another state by an S corporation or a partnership that you included on line 5 of Schedule M1M.

Do not include: Tax paid to any of the following:

- Wisconsin (file Schedule M1RCR, Credit for Tax Paid to Wisconsin)
- A local unit of government (such as a city, county, or school district)
- · A national government, including a possession of the United States or the national government of Canada
- A Canadian province or territory if you used the tax to claim a federal foreign tax credit (see the line 6 instructions for details)

Part-Year Residents

To be eligible, you must have been a Minnesota resident when you received the income taxed by both states. You must also file an income tax return with the other state.

Exception: You may be eligible for this credit if all of the following are true:

- You were a permanent resident of another state
- You are required to file a Minnesota income tax return as a resident under the 183-day rule
- You paid 2020 state income tax on the same income to Minnesota and your state of permanent residence

You must get a statement from the other state's tax department stating you are not eligible to receive a credit on that state's return for income tax paid to Minnesota. Include the statement and Schedule M1CR with your Form M1.

Minnesota Residents Paying Income Tax to Wisconsin

Do not use Schedule M1CR. Use Schedule M1RCR to determine whether you qualify for a nonrefundable credit.

Minnesota Residents Working in Michigan or North Dakota

Do not use Schedule M1CR if both of the following apply:

- · You received personal service income (wages, salaries, tips, commissions, and bonuses) from working in Michigan or North Dakota
- You had 2020 Michigan or North Dakota income tax withheld from that income

To get a refund of the tax withheld while you were a Minnesota resident, file an income tax return with the appropriate state.

If you paid 2020 income tax to one of those states on income other than from personal service income—such as income from rental property—you may be eligible for this credit. Complete Schedule M1CR.

What if I paid income taxes to more than one other state?

- 1. Complete a **separate** Schedule M1CR for each state
- Add the amounts from line 7 or line 11, whichever applies, from each Schedule M1CR and Schedule M1RCR
- 3. Enter the result from step 2 on line 3 of Schedule M1C

Line Instructions

Round amounts to the nearest whole dollar.

Line 1

Your adjusted gross income is line 1 of Form M1. Determine the amount of adjusted gross income you received in 2020 while a Minnesota resident. Of that amount, determine the income that was taxed by the other state, and enter that amount on line 1. Include any non-Minnesota municipal bonds taxed by the other state. Do not include any income you received from a lump-sum distribution from a qualified retirement plan and listed as income on your Schedule M1LS, *Tax on Lump-Sum Distribution*.

Line 2

Full-Year Residents: Complete the Worksheet for Line 2 below.

Part-Year Residents: From Schedule M1NR, *Nonresidents/Part-Year Residents*, add line 22, column B, line 23, column B, line 24, column B, line 26 column B, and line 28. From that total, subtract the amounts from Column B of lines 10 through 14 of Schedule M1NR. Enter the result on line 2 of Schedule M1CR.

Worksheet for Line 2 (for Full-Year Residents Only)				
1 Add lines 1 and 2 of Schedule M1M				
2 Adjusted gross income (see line 1 instructions)				
3 Add step 1 and step 2				
4 Net interest you received from U.S. bonds from line 18 of Schedule M1M				
5 Subtract step 4 from step 3. Enter result here and on line 2 of Schedule M1CR				

Line 6

Enter the tax amount from the other state's tax return. The amount of tax must be before you subtract any income tax withheld by that state or any estimated tax you paid to that state. Do not include tax you paid to a local unit of government (such as a city, county, or school district).

If you filed Schedule M1LS, do not include any tax you paid on income from a lump-sum distribution from a qualified retirement plan.

Note: If you paid taxes to a Canadian province or territory, complete the Worksheet for Line 6 below.

Worksheet for Line 6 (If You Paid Canadian Taxes)			
1 Total foreign taxes paid from line 9 of the federal Form(s) 1116 you completed for your Canadian taxes paid			
2 Total federal foreign tax credit from line 24 of the Form(s) 1116 for your Canadian taxes paid			
3 Subtract step 2 from step 1			
4 Tax paid to a Canadian province or territory on income you received while a Minnesota resident			
5 Amount from step 3 or step 4, whichever is less. Enter the result here and on line 6 of Schedule M1CR			