



2022 Schedule M4NC, 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 (MM/DD/YYYY) / / and ending (MM/DD/YYYY) / /

Name of Corporation/Designated Filer _____ FEIN _____ Minnesota Tax ID Number _____

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

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

Adjustments to Federal Taxable Income (FTI)

- 1 This line intentionally left blank 1 ■ _____
- 2 This line intentionally left blank 2 ■ _____
- 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 ■ _____
- 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 ■ _____
- 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 This line intentionally left blank 12 ■ _____
- 13 This line intentionally left blank 13 ■ _____
- 14 Temporary allowance of full deduction for business meals (COVIDTRA Sec. 210) 14 ■ _____
- 15 This line intentionally left blank 15 ■ _____
- 16 This line intentionally left blank 16 ■ _____
- 17 This line intentionally left blank 17 ■ _____
- 18 Credit for COBRA Continuation Coverage (ARPA Sec. 9501) 18 ■ _____
- 19 This line intentionally left blank 19 ■ _____



Name of Corporation/Designated Filer	FEIN	Minnesota Tax ID Number
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31 This line intentionally left blank	31 ■	_____
32 This line intentionally left blank	32 ■	_____
33 Total lines 1-32. If the result is positive, enter it on Form M4I, line 2h. If the amount is negative, enter it as a positive number on Form M4I, line 4o.	33 ■	_____

You must include this schedule when you file Form M4.



Nonconformity Adjustment Instructions

Purpose of This Schedule

In January 2023, Minnesota law was updated to recognize the Internal Revenue Code as amended through December 15, 2022. However, some nonconformity adjustments still apply due to retroactive Minnesota modifications enacted in the tax bill.

Who Must File Schedule M4NC?

If any of the federal provisions in these instructions affect the amount of taxable income reported on your 2022 federal Form 1120, U.S. Corporate Income Tax Return, you must adjust your 2022 Minnesota return using Schedule M4NC.

Use the Schedule M4NC and these instructions to complete your Minnesota return. The adjustment for each line should reflect the change to your Minnesota return as a result of the retroactive Minnesota modifications. Each line will also include the net adjustments received from Schedule(s) KPCNC for your pro rata share in a partnership(s).

If the change results in a reduction of your FTI, enter the adjustment as a negative number. If the change results in an increase of your FTI, enter the adjustment as a positive number.

Save your entire 2022 Minnesota Form M4, Schedule M4NC, and all worksheets you use in determining the adjustments.

Line Instructions

Line 1

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Line 2

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Line 3

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Line 4

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Line 5 – Modification of Business Interest Limitation (CARES Act Section 2306)

For entities with a different Minnesota combined group and federal consolidated group

If your Minnesota combined group is different than your federal consolidated group, enter 0 on line 5 and include the adjustment required due to CARES Act Section 2306 in the calculation of Form M4I, line 1b. See page 8 of the M4 instructions for details.

For entities with the same Minnesota combined group and federal consolidated group

If your Minnesota combined group is the same as your federal consolidated group, review the following instructions to determine if an adjustment is needed due to CARES Act Section 2306.

The CARES Act created a special rule increasing the amount of business interest that can be deducted for the tax year for federal purposes from 30% to 50%. The Minnesota limitation has not changed. You must calculate a nonconformity adjustment if:

- Your business interest expense deduction exceeds the sum of 30% of your adjusted taxable income, your business interest income, and your floor plan financing interest; or
- You have Minnesota-only excess business interest expense carried forward from your 2019 through 2021 Minnesota returns.

Determine the difference between your federal deduction and the deduction allowable using 30% of your adjusted taxable income. Use the federal Form 8990 as a worksheet to recalculate the Minnesota interest expense limitation under 2018 IRC. Write “Minnesota” at the top of this Form 8990 (referred to as Minnesota Form 8990) and include it with your return.

If your interest expense allowable under 2018 IRC is less than your federal interest expense, enter the difference as a positive number on line 5. If your interest expense allowable under 2018 IRC is more than your federal interest expense, enter the difference as a negative number on line 5.

Line 6

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Line 7 – Employer Credit for Paid Medical Leave (FFCRA Section 7001; ARPA Section 9641) and Employer Payroll Credit for Required Paid Family Leave (FFCRA Section 7003; ARPA Section 9641)

Section 7001. Employer Credit for Paid Medical Leave

If you claimed the Employer Credit for Paid Medical Leave, include the amount of the credit which was included in your federal gross income as a negative amount.

Section 7003. Employer Payroll Credit for Required Paid Family Leave

If you claimed the Employer Payroll Credit for Required Paid Family Leave, include the amount of the credit which was included in your federal gross income as a negative amount.

Nonconformity Adjustment Instructions

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Line 9

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Line 10

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Line 11

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Line 12

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Line 14 – Temporary Allowance of Full Deduction for Business Meals (COVIDTRA Section 210)

If you deducted more than 50% of the cost for food or beverages provided by a restaurant under this provision, enter the amount of the deduction that exceeds 50% of the cost as a positive number on line 14.

Line 15

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Line 16

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Line 17

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Line 18

If you claimed the credit for continuation coverage under section 9501(a)(1) of ARPA, include the amount of the credit which was included in your federal gross income as a negative number.

Lines 19 through 31

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Line 32

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Line 33 - Total of lines 1 through 32

Add lines 1 through 32. If the result is positive, enter it on Form M4I, line 2h. If the result is negative, enter it as a positive number on Form M4I, line 4o.