

2023 Schedule PTE-RP Instructions

Who should file Schedule PTE-RP?

Complete and file Schedule PTE-RP if you are a partnership filing Schedule PTE, and have one or more partners who is a Minnesota resident and qualifying owner during 2023.

How is Schedule PTE-RP different from Schedule PTE?

The May 2023 tax bill modified the PTE calculation for partnerships by allocating 100% of resident partner's distributive share from the partnership to Minnesota for purposes of the PTE tax. The result from Schedule PTE-RP is reported on Schedule PTE.

Line Instructions

Line 1 – 80% of Federal Bonus Depreciation

Determine the total distributive share of federal bonus depreciation for all resident partners. This amount must equal the total amount reported to resident partners on Schedule KPI, line 4. Multiply that amount by 80% and enter the result on line 1.

Line 2 – Addition due to Foreign-Derived Intangible Income (FDII) Deduction

Enter the total distributive share of FDII for all resident partners. This line must equal the total amount reported to resident partners on Schedule KPI, line 5.

Line 4 – State Income Taxes Deducted

Enter the total distributive share of state income taxes deducted by the entity for all resident partners. This line must equal the total amount reported to resident partners on Schedule KPI, line 2.

Line 5 – Total Amounts from Federal Schedule K-1 (1065)

Enter the total distributive share of federal amounts reported on Schedule K-1 (1065) for resident partners.

Line 7 – Deferred Foreign Income (Section 965) (DFI)

Enter the total distributive share of DFI and delayed business interest for resident partners. This line must equal the total amount reported to resident partners on Schedule KPI lines 15 and 17.

Line 8 – State Income Tax Refund Included in Income

Enter the total distributive share of state income taxes included in the entity's income for all resident partners. This line must equal the total amount reported to partners on Schedule KPI, line 18.

Line 9 – Delayed Bonus Depreciation

Determine the amount of bonus depreciation included on your 2021 and 2022 Schedule PTE, line 1, attributable to partners who were Minnesota residents in 2023. Include 20% of that amount on line 10.

Also include 20% of bonus depreciation reported to a partner who is both of the following:

- A Minnesota resident in 2023
- Included in the entity's composite filing, or had Schedule PTE fulfill their filing requirement, in 2018-2022

Line 10 – Delayed Section 179

Determine the 2018 and 2019 Section 179 expensing attributable to partners who are Minnesota residents in 2023, and who were included in the entity's composite filing in that year.

Line 13 – PTE Tax

This is the PTE tax attributable to resident partners. Enter this amount on Schedule PTE, line 28.