

e-File & Tax Form Updates for the 2024 Filing Season

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2024 Filing Season
e-File & Tax Form Updates Webinar

September 19, 2023

Disclaimer

This presentation is for educational purposes only and does not provide tax advice. It is meant to accompany an oral presentation and not to be used as a standalone document.

This presentation is based on the facts and circumstances being discussed, and on the laws in effect when it is presented. It does not supersede or alter any provisions of Minnesota laws, administrative rules, court cases, or revenue notices.

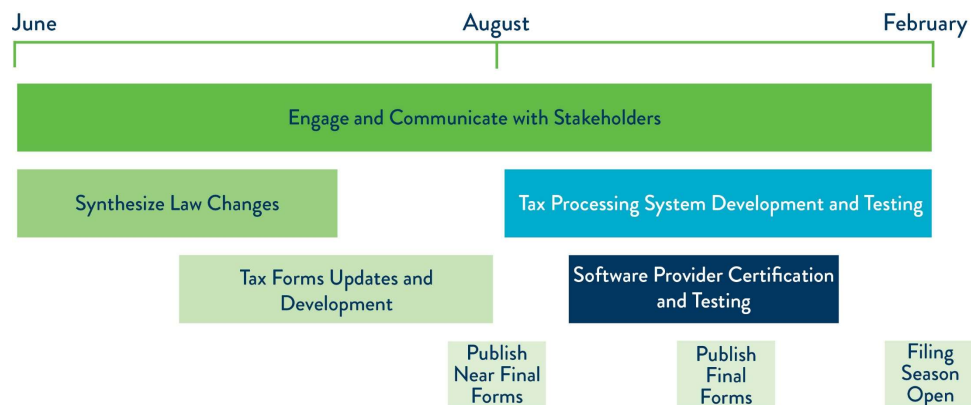
Housekeeping

- Phone lines muted
- Questions through chat
- Q&A at the end of the forms presentation
- Today's webinar is being recorded.
- Reminder about today's topics

Agenda

- Electronic Filing Updates
- Tax Year 2023 Individual Forms Review
- Tax Year 2023 Business Forms Review
- Q & A

Process for Updating Tax Filing Systems





Efile Contact Info:

651-556-4818 Option 2
efile.devsupport@state.mn.us



2023 Income Tax Form Updates

M1 Updates

23 Total payments. Add lines 20 through 22	23	_____
24 REFUND. If line 23 is more than line 19, subtract line 19 from line 23 (see instructions). For direct deposit, complete line 25	24	■ _____
25 Direct deposit of your refund (you must use an account not associated with a foreign bank):		
<input type="checkbox"/> Checking <input type="checkbox"/> Savings	Routing Number _____	Account Number _____
26 AMOUNT YOU OWE. If line 19 is more than line 23, subtract line 23 from line 19 (see instructions)	26	■ _____
27 Penalty amount from Schedule M15 (see instructions). Also subtract this amount from line 24 or add it to line 26 (enclose Schedule M15)	27	■ _____
28 Penalty and interest (see instructions)	28	■ _____
IF YOU PAY ESTIMATED TAX and want part of your refund credited to estimated tax, complete lines 29 and 30.		
29 Amount from line 24 you want sent to you	29	■ _____
30 Amount from line 24 you want applied to your 2024 estimated tax	30	■ _____

Taxpayer[s]: I declare that this return is correct and complete to the best of my knowledge and belief.

- New penalty & interest line 28
- Removed list of dependents from top of form

New Schedules M1DQC & M1CWFC



NEAR FINAL DRAFT — 8/1/23



2023 Schedule M1DQC, Dependents and Qualifying Children

Use this schedule to provide information about your dependents, qualifying children for the Minnesota Child Tax Credit and qualifying older children for the Working Family Credit. If you need to list more than three, provide a separate statement with the additional dependents and qualifying children.

Your first name and initial	Last Name	Social Security Number
	A — Child 1	B — Child 2
First name and middle initial	a1	b1
Last name	a2	b2
Social Security Number or Individual Taxpayer Identification Number	a3	b3
Date of Birth	a4	b4
Relationship to you	a5	b5
Check the box if you are claiming them as a dependent	a6 <input type="checkbox"/>	b6 <input type="checkbox"/>
Number of months they lived with you	a7	b7
Check the box if they were over age 17 but under age 24 and a full-time student	a8 <input type="checkbox"/>	b8 <input type="checkbox"/>
Check the box if they were permanently and totally disabled in any part of 2023	a9 <input type="checkbox"/>	b9 <input type="checkbox"/>
Check the box if they are a qualifying child	a10 <input type="checkbox"/>	b10 <input type="checkbox"/>
Check the box if they are a qualifying older child	a11 <input type="checkbox"/>	b11 <input type="checkbox"/>

2023 Schedule M1CWFC, Minnesota Child and Working Family Credits

To claim this credit, you must be a full- or part-year resident of Minnesota. If you are a full-year nonresident, you are not eligible for this credit. Do not complete Schedule M1CWFC if you have a 2-year or 10-year IRS ban or are otherwise restricted from claiming the federal EIC.

Your first name and initial	Last Name	Your Social Security Number
Round amounts to the nearest whole dollar.		
1 Enter the amount from line 1 of Form M1	1	■ _____
2 Enter your total earned income (see instructions)	2	■ _____
3 If line 2 is greater than \$8,750, enter \$8,750. Otherwise enter the amount from line 2	3	■ _____
4 Multiply line 3 by 4% (0.04)	4	■ _____
5 Credit for Qualifying Older Children: If you have: • One qualifying older child, enter \$925 • Two qualifying older children, enter \$2,100 • Three or more qualifying older children, enter \$3,500	5	■ _____
6 Add lines 4 and 5	6	■ _____
7 Number of qualifying children (see instructions)	7	■ _____
8 Multiply line 7 by \$5,750	8	■ _____
9 Add lines 6 and 8	9	■ _____
10 Enter the greater of line 1 or 2	10	■ _____
11 Enter \$26,500 or \$35,000 if married and filing a joint return	11	■ _____
12 If line 10 is less than line 11, skip line 13 and enter the amount from line 9 on line 15. Otherwise, subtract line 11 from line 10	12	■ _____
13 If you had an amount on line 5 but not on line 6, enter 0% (0). Otherwise enter 12% (0.12)	13	■ _____
14 Multiply line 12 by line 13	14	■ _____
15 Subtract line 14 from line 9. If less than zero, enter 0. If you are a full-year resident, enter this amount on line 2 of Schedule M1REF	15	■ _____
16 For year residents: If your Minnesota gross income is: • \$13,850 or more, multiply line 15 by line 30 of Schedule M1REF. • Enter the result here and on line 2 of Schedule M1REF. • Less than \$13,850, see instructions. Enter the result from step 5 of the Worksheet for line 16	16	■ _____

M1M & M1MB

M1M:

- Removed Frontline Worker Pay line 29
- Lines 29 – 32 are all new

29	Qualified retirement benefits subtraction (<i>see instructions</i>)
30	Subtraction for damages received under sexual harassment or abuse claims (<i>see instructions</i>)
31	Subtraction for long-term service and support workforce incentive grants (<i>see instructions</i>)
32	Subtraction for Nursing Facility Workforce Incentive Grants (<i>see instructions</i>)

M1MB:

- New subtractions:
 - Delayed Business Interest
 - Delayed Net Operating Loss

18	Delayed business interest
19	Delayed net operating loss (<i>see instructions</i>)

M1ED & M1C

M1ED:

- Line 1 is the only income line needed to calculate
- Lines 2 -6 were removed

¹ Adjusted gross income (*see instructions*)
 If you have one or two qualifying children and line 1 is \$76,000 or more, **STOP HERE**. You do not qualify.
 If you have more than two qualifying children, see instructions.

M1C:

- Three new credits:

13	Credit for Sales of Manufactured Home Parks to Cooperatives
14	Short Line Railroad Infrastructure Modernization Credit
15	Housing Tax Credit

Enter the credit certificate number:
 SHTC - ____ - _____



2023 Business & Fiduciary Tax Form Updates

NC Schedules Removed

Fiduciary M2:

- M2NC
- M2SBNC

Corporate M4:

- M4NC

Shared Schedules:

- KFNC
- KSNC
- KPINC
- KPCNC

PTE Updates

- 15 Amount on line 14 attributable to resident qualifying shareholders, nonresident qualifying shareholders, and nonresident qualifying partners whose Minnesota income tax liability is not satisfied by this entity level tax.
- 16 For qualifying shareholders and qualifying partners whose attributes are included on line 15, enter one-fifth of the bonus depreciation that was added back in a year the shareholder or partner elected to be included in the composite income tax or the entity filed Schedule PTE.
- 17 For qualifying shareholders and qualifying partners whose attributes are included on line 15, enter one-fifth of the section 179 expensing that was added back in a year the shareholder or partner elected to be included in the composite income tax or the entity filed Schedule PTE.
- 23 For qualifying shareholders and qualifying partners whose attributes are included on line 22, enter one-fifth of the bonus depreciation that was added back in a year the shareholder or partner elected to be included in the composite income tax or the entity filed Schedule PTE.
- 24 For qualifying shareholders and qualifying partners whose attributes are included on line 22, enter one-fifth of the section 179 expensing that was added back in a year the shareholder or partner elected to be included in the composite income tax or the entity filed Schedule PTE.
- 25 Add lines 23 and 24.
- 26 Subtract line 25 from line 22.
- 27 Multiply line 26 by 9.85% (.0985).
- 28 Enter the amount from Schedule PTE-RP line 13.
- 29 Add lines 21, 27, and 28. Enter this amount on Form M3, line 2, or Form M8, line 3.

- 2023 tax bill expanded eligibility for entities to make PTE election
- Lines 15 – 29 are new or have changed from 2022
- Note: We do not accept electronic returns with the PTE as a binary attachment

New PTE-RP Schedule

- Tax calculated here flows to PTE
- Can only be filed with M3
- Expect this to accompany the PTE
- Note: We will not accept electronic returns with the PTE-RP as a binary attachment

2023 Schedule PTE-RP, Pass-through Entity Tax for Resident Partners

Partnerships, and Limited Liability Companies (LLCs) taxed as a Partnership: Complete Schedule PTE-RP and file with Schedule PTE if you are electing to pay tax at the entity level. Include amounts attributable to partners who are Minnesota residents.

Name of LLC or Partnership	FEDN	Minnesota Tax ID Number
Entity is a <input type="checkbox"/> Partnership <input type="checkbox"/> LLC		
Complete lines 1 through 13 with amounts attributable to partners who are Minnesota residents.		
1	80% of federal bonus depreciation (see instructions)	1
2	Foreign-derived intangible income (FDII) deduction	2
3	This line intentionally left blank	3
4	State income taxes deducted by the entity to determine net income (see instructions)	4
5	Amounts from federal Schedules K-1, special allocations, and guaranteed payments (see instructions)	5
6	Add lines 1 through 5	6
7	Subtraction for deferred foreign income (section 965)	7
8	State income tax refund included in income (see instructions)	8
9	One-fifth of the bonus depreciation that was added back in a year the Partnership filed Schedule PTE	9
10	One-fifth of the section 179 expensing that was added back in a year the partner was a nonresident and elected to be included in the composite income tax	10
11	Add lines 7 through 10	11
12	Subtract line 11 from line 6	12
13	Multiply line 12 by 9.85% (.0985), enter the result on Schedule PTE, line 28	13

Include resident partners distribution information on Schedule PTE, part 2.

New MHP Schedule

2023 MHP, Credit for Sales of Manufactured Home Parks to Cooperatives

For taxpayers who sell a manufactured home park to a cooperative

Name of Taxpayer _____ FEIN or Social Security Number _____ Minnesota Tax ID _____

Part 1 – Qualifications

Check all boxes that apply.

- 1 Are you filing an income tax or corporate franchise tax return? 1
- 2 Did you sell a manufactured home park to a (1) cooperative or cooperative association, (2) charitable corporation, or (3) nonprofit or a representative acting with the intent of forming a cooperative or cooperative association? 2
- 3 Will the person(s) who owns a share in the cooperative or cooperative association, or holds residential participation warrant, be entitled to occupy a lot on the manufactured home park after the sale? 3
- 4 Was the manufactured home park located in Minnesota? 4
- 5 Was the manufactured home park classified as Class 4c(5)(i) or 4c(5)(ii) property? 5

You must have checked all questions in Part 1 to qualify for the manufactured home park tax credit. See the schedule instructions for more details regarding the qualifications.

Part 2 – Credit Calculation

- 1 Sales price for the manufactured home park 1 _____
- 2 Multiply line 1 by 5% (0.05). This is the amount of your credit 2 ■ _____

• Can be included with:

- M1
- M2
- M3
- M4
- M8
- M4NPI

New RAIL Schedule

• Can be included with:

- M1
- M2
- M3
- M4
- M8
- M11

2023 Schedule RAIL, Short Line Railroad Infrastructure Modernization Credit

For taxpayers classified as a Class II or Class III Railroad

Name of Taxpayer _____ FEIN or Social Security Number _____ Minnesota Tax ID _____

Part 1 – Qualifications

Check all boxes that apply:

- 1 Are you classified by the U.S. Surface Transportation Board as a Class II or Class III railroad? 1
- 2 Did you own or lease railroad infrastructure in Minnesota as of January 1, 2021? 2
- 3 Did you own or lease railroad infrastructure in Minnesota as of the close of the tax year? 3
- 4 Did you pay qualified railroad reconstruction or replacement expenditures to maintain, reconstruct, or replace railroad infrastructure during the tax year? 4

Continue to Part 2 if you checked all questions in Part 1.

Part 2 – Credit Calculation

- 1 Qualified railroad reconstruction and replacement expenses 1 _____
- 2 Multiply line 1 by 50% 2 _____
- 3 Enter the number of miles of railroad track owned or leased as of the close of the taxable year, for which line 1 applies 3 _____
- 4 Multiply line 3 by \$3,000 4 _____
- 5 Enter the lesser of line 2 or line 4. This is the amount of your credit 5 ■ _____

New Credits

These can be found on the:

- 19 Housing Tax Credit.....
Enter certificate number from Minnesota Housing: SHTC_____ - _____
- 20 Short Line Railroad Infrastructure Modernization Credit
- 21 Credit for Sales of Manufactured Home Parks to Cooperatives

- M2
- M3
- M4T
- M8
- KF
- KPC
- KPI
- KS

Subtractions Update

NEW:

Delayed Business Interest:

- M2
- M2SB
- M4I
- KS
- KF
- KPI
- KPC

Delayed Net Operating Loss:

- M2
- M2SB

REMOVED:

Global Intangible Low Income (GILTI):

- M2
- M2SB
- M4I
- KS
- KF
- KPI
- KPC

Strategic Plan

 **MISSION**
Working together to fund the future for all of Minnesota.

 **VISION**
Everyone reports, pays, and receives the right amount: no more, no less.

 **VALUES**

<p>Accountability We ensure the fair, efficient, and equitable administration of the state's revenue system for all of Minnesota.</p>	<p>Excellence We strive to be innovative, collaborative, and results-driven by thinking big, having fun, and promoting the common good.</p>	<p>Inclusion We are committed to an inclusive work environment that values each employee and works to continually address the needs of the communities we serve.</p>
<p>Integrity We are trained, knowledgeable professionals who place trust as the foundation of reputation and relationships.</p>	<p>Partnership We foster positive relationships with communities and partners across the state to help customers navigate the state's tax code.</p>	<p>Service We value all customers by serving them with respect, appreciation, inclusion, and a high expectation of excellence.</p>

Tax Law Changes Page

More Information

Resources [-]

[Legislative Bulletins \(2017-23\) - 2023 bulletins now available](#)

[Conference Calls and Webinars](#)

[Find a Form](#) (current and previous years)

[Draft Forms and Instructions](#) (upcoming year)

[Minnesota Legislature](#) (bills, statutes, laws, and rules)

Law Changes from Previous Years [+]



Questions?

651-556-4818 Option 2
efile.devsupport@state.mn.us



Thank you!

e-File Coordinators:
Ben Pederson
Paula Saxton
Phone: 651-556-4818 Option 2
efile.devsupport@state.mn.us