



# 2022 Schedule M1NC, Federal Adjustments

Minnesota has generally adopted the Internal Revenue Code as amended through December 15, 2022. This schedule allows for any remaining adjustments required to file with your state return.

Your First Name and Initial \_\_\_\_\_ Last Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

Read the instructions before you complete this schedule.

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

## Adjustments to federal adjusted gross income (FAGI)

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- 2 This line intentionally left blank ..... 2 ■ \_\_\_\_\_
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- 10 This line intentionally left blank ..... 10 ■ \_\_\_\_\_
- 11 This line intentionally left blank ..... 11 ■ \_\_\_\_\_
- 12 This line intentionally left blank ..... 12 ■ \_\_\_\_\_
- 13 Net operating loss carryovers and suspension of 80% Limit adjustment (you must provide the worksheet in the instructions with your return)..... 13 ■ \_\_\_\_\_
- 13a This line intentionally left blank ..... 13a ■ \_\_\_\_\_
- 13b Enter the amount from step 5 of the Worksheet for line 13 (see instructions) . . . . 13b ■ \_\_\_\_\_
- 14 This line intentionally left blank ..... 14 ■ \_\_\_\_\_
- 14a This line intentionally left blank ..... 14a ■ \_\_\_\_\_
- 14b This line intentionally left blank ..... 14b ■ \_\_\_\_\_
- 15 This line intentionally left blank ..... 15 ■ \_\_\_\_\_
- 16 Modification of business interest limitation (see instructions) ..... 16 ■ \_\_\_\_\_
- 17 This line intentionally left blank ..... 17 ■ \_\_\_\_\_
- 18 Employer credit for paid medical leave and employer payroll credit for required paid family leave ..... 18 ■ \_\_\_\_\_





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- 23 This line intentionally left blank ..... 23 ■ \_\_\_\_\_
- 24 This line intentionally left blank ..... 24 ■ \_\_\_\_\_
- 25 Temporary allowance of full deduction for business meals (*see instructions*) ..... 25 ■ \_\_\_\_\_
- 26 This line intentionally left blank ..... 26 ■ \_\_\_\_\_
- 27 Credit for COBRA Continuation Coverage ..... 27 ■ \_\_\_\_\_
- 28 This line intentionally left blank ..... 28 ■ \_\_\_\_\_
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- 32 This line intentionally left blank ..... 32 ■ \_\_\_\_\_
- 33 This line intentionally left blank ..... 33 ■ \_\_\_\_\_
- 34 This line intentionally left blank ..... 34 ■ \_\_\_\_\_
- 35 Add lines 1-34. If the result is positive, enter it on Form M1M, line 9.  
If the amount is negative, enter it as a positive number on Form M1M, line 31 ..... 35 ■ \_\_\_\_\_
- 36 This line intentionally left blank ..... 36 ■ \_\_\_\_\_
- 37 This line intentionally left blank ..... 37 ■ \_\_\_\_\_

You must include this schedule when you file Form M1.



# 2022 Schedule M1NC Instructions

## Purpose of This Schedule

Rules used to determine Minnesota Individual Income Tax are generally based on the Internal Revenue Code (IRC) as amended through December 15, 2022 with certain exceptions.

## Who Must File Schedule M1NC

If you are affected by any of the following, complete Schedule M1NC and provide it with your return.

- You had business meal expense exceeding 50% of the cost.
- You exceeded the 30% business interest expense limitation which was increased by the CARES Act.
- You had a Minnesota net operating loss carryover due to nonconformity to the CARES Act for disallowed excess business losses.
- You had a net operating loss in tax years 2018 through 2020 which you carried back to prior years and had your net operating loss deduction limited to 80% of taxable income.
- You claimed a federal employer paid leave credit and had to include an amount in income due to claiming the credit.
- You claimed a credit for continuation of coverage and were required to include an amount in gross income.

## Line Instructions

### Line 13 — Net operating loss carryovers and suspension of 80% limit adjustment

If you were required to make an addition on your Minnesota return in prior years for a net operating loss deduction that exceeded the 80% limitation under the TCJA or had to make an addition for an excess business loss for tax years for tax years 2018 through 2020, determine the amount of your Minnesota NOL deduction that has not been previously deducted. Use the worksheet below to determine your Minnesota deduction.

#### Worksheet for Line 13 — Minnesota Net Operating Loss Deduction

- 1 Enter the amount of Minnesota NOL carried to 2022 from prior years.  
Do not include amounts that were already subtracted in an earlier year . . . . . \_\_\_\_\_
- 2 Enter the amount of federal taxable income from line 15 of Form 1040 or 1040-SR. If less than zero, enter 0 . . . . . \_\_\_\_\_
- 3 Multiply step 2 by 80% (.80) . . . . . \_\_\_\_\_
- 4 Enter the lesser of step 1 or step 3. Include this amount on line 13 as a negative amount.  
This is your Minnesota NOL deduction for 2022 . . . . . \_\_\_\_\_
- 5 Subtract step 4 from step 1. This is your Minnesota NOL carried into 2023. Enter this amount on line 13b. . . . . \_\_\_\_\_

### Line 13b – Enter your MN net operating loss carryover to 2023

If you claimed a net operating loss deduction, use the Worksheet for Line 13 – MN Net Operating Loss Deduction to determine your Minnesota net operating loss carryover to 2023, then enter the amount from step 5 of that worksheet on line 13b.

### Line 16 — Modification of business interest limitation (CARES Act Sec. 2306)

Generally, the amount of business interest expense that can be deducted for Minnesota cannot exceed the sum of these:

- The taxpayer's business interest income for the year
- 30% of the taxpayer's adjusted taxable income
- The taxpayer's floor plan financing interest expense for the year

Only if you file on a fiscal year basis, include the following amounts reported on Schedules KFNC, KSNC, and KPINC on line 16:

- Line 5 of Schedule KFNC
- Line 5 of Schedule KSNC
- Line 5 of Schedule KPINC

### Line 18 — Employer credit for paid medical leave and employer payroll credit for required paid family leave (FFCR Act Sec. 7001, 7003; TCDTR Act Sec. 142; TCDTR20 Sec. 119; ARPA Section 9641)

If you claimed a federal credit for employer paid medical leave or paid family leave, you may be allowed a subtraction for Minnesota purposes. The Minnesota subtraction is the amount of expenses you were not allowed for federal income tax purposes due to claiming the credit. Enter the amount of the expenses as a negative amount on line 18.

#### FFCR Act Sec. 7001. Employer Credit for Paid Medical Leave

If you received the Employer Credit for Required Paid Medical Leave under the FFCR Act section 7001, include the amount of the credit which was included in your federal income as a negative amount.

#### FFCR Act Sec. 7003. Employer Payroll Credit for Required Paid Family Leave

If you received the Employer Credit for Paid Family and Medical Leave under the FFCR Act section 7003, include the amount of the credit which was included in your federal income as a negative amount.

#### TCDTR Act Sec. 142. Employer credit for paid family and medical leave

Expansion of the employer tax credit for paid family and medical leave to tax year 2022. Wages used in determining the credit are not allowed as a business deduction.

**Line 25 - Temporary Allowance of Full Deduction for Business Meals (TCDTR20 Act Sec. 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. Also include amounts from line 13 of Schedules KFNC, KSNC, and KPINC.

Include the amount as a positive amount.

Also include amounts from line 13 of Schedules KFNC, KSNC, and KPINC.

**Line 27 – COBRA Continuation Coverage Credit (ARPA Sec. 9501)**

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.