

2024 Schedule M1REF Instructions

These credits may allow you to receive a refund even if you do not have a tax liability.

Is there a penalty for fraudulently claiming a refundable credit?

Yes. If you file a return that fraudulently claims a refundable credit, we may assess a penalty equal to 50% of the portion of the refund attributable to fraud. If a fraudulently claimed credit reduced your tax liability, we may also assess a penalty equal to 50% of the unpaid tax.

Line Instructions

Line 1—Child and Dependent Care Credit (Schedule M1CD)

Married persons filing separate returns cannot claim this credit.

To qualify for the Child and Dependent Care Credit, your adjusted gross income must be less than \$74,410 with one qualifying person or \$86,410 with two or more qualifying persons, and one of these must be true:

- You paid someone (other than your dependent child or stepchild younger than age 19) to care for a qualifying person while you (and your spouse if filing a joint return) were working or looking for work. A qualifying person and qualified expenses are the same as for the federal credit for child and dependent care expenses.
- You were a licensed family daycare operator caring for your own dependent child who had not reached age six by the end of the year.
- Your child was born in 2024, and you did not participate in a pretax dependent care assistance program.

If you qualify, complete Schedule M1CD, *Child and Dependent Care Credit*, and include it with your Minnesota income tax return.

Enter the number of qualifying persons on line 1a.

Line 2—Child and Working Family Credits (Schedule M1CWFC)

You may qualify for the Child and Working Family Credits if you earned income from a job, were self-employed, or had qualifying children. See the requirements on Schedule M1DQC, *Dependents and Qualifying Children*, to determine who you may claim as a qualifying child or qualifying older child and Schedule M1CWFC, *Child and Working Family Credits*, to determine the amount of your credit. Include Schedules M1DQC and M1CWFC with your Minnesota income tax return.

If you are a part-year resident, you may be eligible for the credit based on your percentage of income taxable to Minnesota.

Line 3—K–12 Education Credit (Schedule M1ED)

Married persons filing separate returns cannot claim this credit.

You may receive a credit if you paid education-related expenses in 2024 for a qualifying child in grades kindergarten through 12 (K–12). See qualifying expenses in the instructions for Form M1, *Individual Income Tax*.

To qualify, your adjusted gross income must be under the limit based on the number of qualifying children you have in grades K–12. A qualifying child is the same as for the federal earned income credit.

Enter the number of qualifying children on line 3a.

Number of Qualifying Children	Your adjusted gross income limit is:
1 or 2	\$79,760
3	\$82,760
4	\$85,760
5	\$88,760
6 or more	\$91,760 plus \$3,000 for each additional qualifying child.

If you qualify for the credit, complete Schedule M1ED, *K–12 Education Credit*, and include it with your Minnesota income tax return.

Line 4—Renter’s Credit

You may be eligible for a credit based on rent you paid on your primary residence in Minnesota.

To qualify, all of the following must be true:

- You were a full-year or part-year resident of Minnesota
- You must have paid rent and lived in a building where either property taxes were payable or payments in lieu of property taxes (such as special assessments) were payable in 2024. If you are not sure if either of these apply, contact your property owner, property manager, or county treasurer’s office. You cannot claim the credit for rent paid for a place where you did not live.
- You must not be a dependent, and nobody can be able to claim you as a dependent on their 2024 income tax return

If you qualify for the credit, complete Schedule M1RENT, Renter’s Credit. You will need a copy of the 2024 Certificate of Rent Paid (CRP) form issued to you by your property owner or manager to complete the schedule.

Line 5—Credit for Parents of Stillborn Children (Schedule M1PSC)

You may be eligible for the Credit for Parents of Stillborn Children if all these apply:

- You experienced a stillbirth in 2024
- You received a Certificate of Birth Resulting in Stillbirth from the Minnesota Department of Health, Office of Vital Records
- The child would have been your dependent if the child had been born alive

We may ask you to provide a copy of your Certificate of Birth Resulting in Stillbirth.

If you qualify for the credit, complete Schedule M1PSC, *Credit for Parents of Stillborn Children*, and include it with your Minnesota income tax return.

If you are a part-year or nonresident, you may be eligible for this credit based on your percentage of income taxable to Minnesota. *Continued*

Line 6—Refundable credit for taxes paid to Wisconsin (Schedule M1RCR)

You may be eligible for a refundable credit if you were a Minnesota resident who paid taxes to Wisconsin in 2024. If you qualify for this credit, complete Schedule M1RCR, *Credit for Tax Paid to Wisconsin*, and include it with your Minnesota income tax return.

Line 7 — Credit for Historic Structure Rehabilitation

You may be eligible for a Minnesota credit if all of these apply:

- You made qualified improvements to a historic property in Minnesota
- The improvements qualify for the federal Historic Rehabilitation Credit under Internal Revenue Code, section 47
- You applied for certification to the Minnesota State Historic Preservation Office (SHPO) before starting the project
- The SHPO issued a credit certificate upon the project's completion

Enter your credit amount and National Park Service number listed on your credit certificate from the SHPO. We reserve the right to audit any amount you claim.

Enclose a copy of the credit certificate when you file your Minnesota return.

If you are eligible for the Minnesota credit through an interest in a partnership, S corporation, estate, or trust, enter the amount of the credit from your Schedule KPI, KS, or KF.

If you receive a grant in lieu of the credit for the entire amount, you are not eligible for the tax credit. If you received a grant for a portion of the claimed amount, you may be eligible for a partial credit. The credit or grant is paid in five equal annual installments beginning with the year the project is completed.

Assignment of credit. If you are eligible for this credit but have assigned it to another taxpayer, you may not claim the portion of the credit that you assigned.

Line 8 — Enterprise Zone Credit

The Enterprise Zone Credit is a refundable credit for sole proprietors, partners of a partnership, or shareholders of an S corporation.

If you qualify, you would have received documentation from the Minnesota Department of Employment and Economic Development (DEED). Include a copy of the documentation with Form M1.

Include the total of amounts reported to you on Schedule KS, line 32 and Schedule KPI, line 32.

Line 9 — Angel Investment Tax Credit

If you made an investment in certain Minnesota businesses, you may be eligible for a refundable income tax credit.

The credit is equal to 25% of any new investment in a qualified business. The maximum credit is \$125,000, or \$250,000 if married and filing a joint return.

The Minnesota Department of Employment and Economic Development (DEED) certifies investors, investment funds, and businesses as being eligible to participate in this credit program. DEED allocates credits to eligible taxpayers who make qualifying investments subject to a statutory maximum annual appropriation.

If you made a qualified investment in a Minnesota business in 2024, enter the amount listed on the Angel Investment Tax Credit Certificate issued by DEED, and include a copy of the certificate with Form M1.

For more information, visit the DEED website at www.mn.gov/deed.

Line 10 — Pass-through Entity Tax Credit

The pass-through entity tax credit is a refundable credit for qualifying individuals of a pass-through entity which elects to pay tax at the entity level. The entity passes the refundable credit for taxes paid by the entity to the individual shareholders, partners, and beneficiaries.

Include amounts reported to you on:

- Schedule KS, line 33
- Schedule KPI, line 33
- Schedule KF, line 42

Your refund will be delayed or denied if you do not provide these schedules.

Line 11 — Claim of Right

If you repaid income in 2024 for income you received in a prior year and the amount of the repayment is over \$3,000, you may claim a credit for the amount repaid on line 10. To determine the credit, you must recalculate your tax amount for the year you originally received the income. The credit amount is the difference between your tax liability for that year with and without the income. Include a copy of the recomputed tax return showing the tax liability computed without the repaid income.

If the repayment is \$3,000 or less, you may not claim a credit. Instead, you may claim an itemized deduction on line 24 of Schedule M1SA for these repayments. Your total miscellaneous deductions must exceed 2% of federal adjusted gross income (the "2% floor"), and you may only deduct the portion above that level.

Line 12 — Credit for Sustainable Aviation Fuel

Include the amounts and certificate number reported to you on:

- Schedule KS, line 29
- Schedule KPI, line 29
- Schedule KF, line 40

Attach the appropriate schedule when you file your return.