



2024 Schedule KFNC, Federal Adjustments

Minnesota has not adopted the federal law changes enacted after May 1, 2023 that affect federal taxable income for tax year 2024.

Tax year beginning _____, ending _____

Name of Beneficiary

Beneficiary's Social Security Number

Name of Estate or Trust

Federal ID Number

Minnesota ID Number

	Enter as a positive or negative. Round amounts to the nearest whole dollar.	Form M1 filers, include on:
Adjustments to federal taxable income (FTI)		
1 a Full Expensing for Bonus Depreciation Property (H.R. 1 Sec. 70301)	1a	_____ M1NC, Line 3a
b Enter the amount of allowable depreciation for assets on line 1a	1b	_____ M1NC, Line 3b
2 a Full Expensing for Domestic Research and Experimental Expenditures (H.R. 1 Sec. 70302) . . .	2a	_____ M1NC, Line 4a
b Enter the amount of allowable depreciation for assets on line 2a.	2b	_____ M1NC, Line 4b
c Enter the amount of allowable depreciation for prior year assets adjusted for Sec. 70302.	2c	_____ M1NC, Line 4c
3 a Special Depreciation Allowance for Qualified Production Property (H.R. 1 Sec. 70307)	3a	_____ M1NC, Line 5a
b Enter the amount of allowable depreciation for assets on line 3a.	3a	_____ M1NC, Line 5b
4 Exempt Facility Bond Rules for Spaceports (H.R. 1 Sec. 70309)	4	_____ M1NC, Line 6
5 Subpart F Provision (H.R. 1 Sec. 70354)	5	_____ M1NC, Line 7
6 Exception to Percentage of Completion Method of Accounting (H.R. 1 Sec. 70430)	6	_____ M1NC, Line 8
7 Expansion of Qualified Small Business Stock Gain Exclusion (H.R. 1 Sec. 70431)	7	_____ M1NC, Line 9
8 a Treatment of Certain Sound Recording Productions (H.R. 1 Sec. 70434)	8a	_____ M1NC, Line 10a
b Enter the amount of allowable depreciation for assets on line 8a	8b	_____ M1NC, Line 10b
9 Exclusion of Interest on Loans Secured by Rural or Agricultural Real Property (H.R. 1 Sec. 70435)	9	_____ M1NC, Line 11
10 a Termination of Cost Recovery for Energy Property (H.R. 1 Sec. 70509)	10a	_____ M1NC, Line 12a
b Reverse federally claimed depreciation for assets on line 10a	10b	_____ M1NC, Line 12b
11 Employee Retention Credit Enforcement Provisions (H.R. 1 Sec. 70605).	11	_____ M1NC, Line 13
12 This line intentionally left blank.	12	_____
13 This line intentionally left blank.	13	_____
14 This line intentionally left blank.	14	_____
15 This line intentionally left blank.	15	_____



Beneficiary's Name _____

Beneficiary's Social Security Number _____

- 16

Other adjustments to federal taxable income

16

_____ M1NC, Line 18
- 17

Total lines 1-16. If the result is positive, enter it on Schedule KF, line 7.
If the amount is negative, enter it as a positive number on Schedule KF, line 20

17

You must include this schedule when you file Schedule KF.



Schedule KFNC Instructions

Beneficiary's use of information provided on Schedule KFNC

Purpose of Schedule KFNC

Schedule KFNC is a supplemental schedule provided by a trust or an estate to its beneficiaries. The beneficiaries need this information to complete one of the following:

- Minnesota Schedule M1NC if you are an individual beneficiary
- Minnesota Schedule M2NC if you are a trust or estate beneficiary

These instructions are intended to help you report your share of the trust's or estate's nonconformity adjustments on your Minnesota return.

You must include Schedule KFNC when you file your Minnesota return. If you do not include the schedule with your return as required, your return processing will be delayed.

If you receive an amended Schedule KFNC from the fiduciary and your nonconformity adjustments have changed, you must file an amended Minnesota return.

To amend your return, use one of the following:

- Form M1X, *Amended Minnesota Income Tax Return*, if you are an individual beneficiary.
- Form M2X, *Amended Income Tax Return for Estate and Trust*, if you are a trust or estate beneficiary.

Line Instructions

Line 1a – Full Expensing for Bonus Depreciation Property (H.R. 1 Sec. 70301)

Individuals: Include this amount on Schedule M1NC, line 3a.

Trusts and Estates: Include this amount on Schedule M2NC, line 1a.

Line 1b – Enter the amount of allowable depreciation for assets on line 1a

Individuals: Include this amount on Schedule M1NC, line 3b.

Trusts and Estates: Include this amount on Schedule M2NC, line 1b.

Line 2a – Full Expensing for Domestic Research and Experimental Expenditures (H.R. 1 Sec. 70302)

Individuals: Include this amount on Schedule M1NC, line 4a.

Trusts and Estates: Include this amount on Schedule M2NC, line 2a.

Line 2b – Enter the amount of allowable depreciation for assets on line 2a

Individuals: Include this amount on Schedule M1NC, line 4b.

Trusts and Estates: Include this amount on Schedule M2NC, line 2b.

Line 2c – Enter the amount of allowable depreciation for prior year assets adjusted for Sec. 70302

Individuals: Include this amount on Schedule M1NC, line 4c.

Trusts and Estates: Include this amount on Schedule M2NC, line 2c.

Line 3a – Special Depreciation Allowance for Qualified Production Property (H.R. 1 Sec. 70307)

Individuals: Include this amount on Schedule M1NC, line 5a.

Trusts and Estates: Include this amount on Schedule M2NC, line 3a.

Line 3b – Enter the amount of allowable depreciation for assets on line 3a

Individuals: Include this amount on Schedule M1NC, line 5b.

Trusts and Estates: Include this amount on Schedule M2NC, line 3b.

Line 4 – Exempt Facility Bond Rules for Spaceports (H.R. 1 Sec. 70309)

Individuals: Include this amount on Schedule M1NC, line 6.

Trusts and Estates: Include this amount on Schedule M2NC, line 4.

Line 5 – Subpart F Provision (H.R. 1 Sec. 70354)

Individuals: Include this amount on Schedule M1NC, line 7.

Trusts and Estates: Include this amount on Schedule M2NC, line 5.

Schedule KFNC Instructions Continued

Line 6 – Exception to Percentage of Completion Method of Accounting (H.R. 1 Sec. 70430)

Individuals: Include this amount on Schedule M1NC, line 8.

Trusts and Estates: Include this amount on Schedule M2NC, line 6.

Line 7 – Expansion of Qualified Small Business Stock Gain Exclusion (H.R. 1 Sec. 70431)

Individuals: Include this amount on Schedule M1NC, line 9.

Trusts and Estates: Include this amount on Schedule M2NC, line 7.

Line 8a – Treatment of Certain Sound Recording Productions (H.R. 1 Sec. 70434)

Individuals: Include this amount on Schedule M1NC, line 10a.

Trusts and Estates: Include this amount on Schedule M2NC, line 8a.

Line 8b – Enter the amount of allowable depreciation for assets on line 8a

Individuals: Include this amount on Schedule M1NC, line 10b.

Trusts and Estates: Include this amount on Schedule M2NC, line 8b.

Line 9 – Exclusion of Interest on Loans Secured by Rural or Agricultural Real Property (H.R. 1 Sec. 70435)

Individuals: Include this amount on Schedule M1NC, line 11.

Trusts and Estates: Include this amount on Schedule M2NC, line 9.

Line 10a – Termination of Cost Recovery for Energy Property (H.R. 1 Sec. 70509)

Individuals: Include this amount on Schedule M1NC, line 12a.

Trusts and Estates: Include this amount on Schedule M2NC, line 10a.

Line 10b – Reverse federally claimed depreciation for assets on line 10a

Individuals: Include this amount on Schedule M1NC, line 12b.

Trusts and Estates: Include this amount on Schedule M2NC, line 10b.

Line 11 – Employee Retention Credit Enforcement Provisions (H.R. 1 Sec. 70605)

Individuals: Include this amount on Schedule M1NC, line 13.

Trusts and Estates: Include this amount on Schedule M2NC, line 11.

Lines 12 through 15

These lines are intentionally left blank.

Line 16 – Other Adjustments to Federal Taxable Income

Individuals: Include this amount on Schedule M1NC, line 18.

Trusts and Estates: Include this amount on Schedule M2NC, line 16.

Line 17 – Total

If the total on this line is a positive number, enter it on Schedule KF, line 7. If the total on this line is a negative, enter it as a positive number on Schedule KF, line 20.