



2025 Schedule M1RCR, Credit for Tax Paid to Wisconsin

Your First Name and Initial _____

Last Name _____

Social Security Number _____

Complete this schedule if you paid state income tax to Minnesota and Wisconsin on the same income while a resident of Minnesota. If you paid income tax to other states or Canadian provinces, complete Schedule M1CR, *Credit for Income Tax Paid to Another State*.

To be eligible for this credit, all of these must apply:

- You were a full-year or part-year Minnesota resident in 2025
- You paid 2025 state income tax to **both Minnesota and Wisconsin on the same income**
- You were a Minnesota resident when both states taxed the same income

☐ Check this box if you are claiming a credit for non-composite taxes paid by a pass-through entity (*see instructions*).

☐ Check this box if you are claiming a credit for composite tax paid by a pass-through entity (*see instructions*).

Full-Year Residents and Part-Year Residents

Round amounts to the nearest whole dollar.

1	Amount of adjusted gross income you received while a Minnesota resident that was taxed by Wisconsin (<i>see instructions</i>)	1	_____
2	Your adjusted gross income adjusted by U.S. bond interest and bonds of another state (<i>see instructions</i>)	2	_____
3	Divide line 1 by line 2. Enter the result as a decimal (<i>carry to five decimal places; if line 1 is more than line 2, enter 1.00000</i>)	3	_____
4	Complete the lines below to determine your Minnesota tax after credits.		
	a Tax from line 13 of Form M1.	4a	_____
	b Add lines 1-2 and 4-9 of Schedule M1C.	4b	_____
	Subtract line 4b from line 4a (<i>if result is zero or less, enter 0</i>)	4	_____
5	Multiply line 4 by line 3	5	_____
6	From your Wisconsin Form 1NPR, enter the income tax amount before you subtract any tax withheld or estimated tax payments (<i>see instructions</i>)	6	_____
7	Full-year residents: Enter amount from line 5 or line 6, whichever is less. Also include on line 3 of Schedule M1C. Part-year residents: Complete the worksheet in the instructions. Do not enter more than the amount on line 5	7	_____
8	Subtract line 7 from line 6.	8	_____
9	Amount included on line 1 that is from wages or personal service income received while a Minnesota resident that was taxed by Wisconsin	9	_____
10	Divide line 9 by line 1 (<i>carry to five decimal places; if line 9 is more than line 1, enter 1.00000</i>)	10	_____
11	Full-year residents: Multiply line 8 by line 10. Enter the result here and line 6 of Schedule M1REF. Part-year residents: Complete the worksheet in the instructions. Enter the result here and line 6 of Schedule M1REF.	11	_____

You must include this schedule with your Form M1.



2025 Schedule M1RCR Instructions

Am I eligible?

You may be eligible for the Credit for Tax Paid to Wisconsin if all of these are true:

- You were domiciled in Minnesota for all or part of 2025
- You incurred 2025 income tax for Minnesota and for Wisconsin on the same income
- You filed a 2025 Wisconsin Form 1NPR. This may include an entity paying taxes on your behalf. If an entity paid taxes on your behalf, include the Wisconsin state entity level tax return and documentation of your ownership percentage.
- You were a Minnesota resident when you received the income taxed by both states

Include: Income taxes paid to Wisconsin by an S corporation or a partnership that you included on line 2 of Schedule M1MB, *Business Income Additions and Subtractions*.

Do not include: Taxes paid to:

- A state other than Wisconsin
- A local unit of government (such as a city, county, or school district)
- A national government, including Canada or a possession of the United States
- A Canadian province or territory

Part-Year Residents

To be eligible, you must have been a Minnesota resident when you received the income that was taxed by both states. **Also, you must file an individual or entity level tax return with Wisconsin.**

What if I paid income taxes to another state?

- 1 Complete a Schedule M1CR, *Credit for Income Taxes Paid to Another State*, for each state.
- 2 Add the amounts from line 7 or line 11, whichever applies, from each Schedule M1CR and line 7 of Schedule M1RCR.
- 3 Enter the result from step 2 on line 3 of Schedule M1C, *Other Nonrefundable Credits*.

Is there a penalty for fraudulently claiming a credit?

Yes. If you file a return that fraudulently claims a credit that results in a refund, we will 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 will also assess a penalty equal to 50% of the unpaid tax.

Line Instructions

If you are claiming a credit for taxes paid to Wisconsin for an entity level tax, check the appropriate box(es) at the top of the form.

- Non-composite tax paid: Check the first box if a pass-through entity paid a non-composite entity level tax on your behalf in Wisconsin. See IRS Notice 2020-75.
- Composite tax paid: Check the second box if a pass-through entity paid a composite entity level tax on your behalf in Wisconsin.

If you were not required to file Form 1NPR, you must provide the entity level return and documentation of your ownership percentage. Also show your portion of the income and taxes paid on your behalf by the entity.

Round amounts to the nearest whole dollar.

Line 1

To determine the amount to enter on line 1, complete the worksheet for line 1 below. Include any non-Minnesota municipal bonds taxed by the other state. Do not include any income you received from a lump-sum distribution from a qualified retirement plan and listed as income on your Schedule M1LS, *Tax on Lump-Sum Distribution*.

Worksheet for Line 1	
1	Enter your adjusted gross income from line 1 of Form M1, <i>Individual Income Tax</i>
2	Enter the amount of adjusted gross income you received in 2025 while a Minnesota resident
3	Enter the amount from Step 2 that was also taxed by Wisconsin
4	Enter the amount from Step 3 on line 1.

Line 2

Full-Year Residents: Complete the worksheet for line 2 on the next page.

Part-Year Residents: From Schedule M1NR, *Nonresidents/Part-Year Residents*, add line 22 column B, line 24 column B, line 26 column B, and line 28. From that total, subtract the amounts from lines 10 through 14 (column B) of Schedule M1NR. Enter the result on line 2 of Schedule M1RCR.

2025 Schedule M1RCR Instructions, continued

Worksheet for Line 2 (for Full-Year Residents Only)

- 1 Add lines 1 and 2 of Schedule M1M, *Income Additions and Subtractions*
- 2 Minnesota adjusted gross income (see line 1 instructions)
- 3 Add step 1 and step 2
- 4 Net interest you received from U.S. bonds from line 14 of Schedule M1M
- 5 Subtract step 4 from step 3. Enter result here and on line 2 of Schedule M1RCR

Line 6

Enter the income tax amount from Wisconsin Form 1NPR. The amount of tax must be before you add any donations and before you subtract any income tax withheld by Wisconsin or estimated tax you paid to Wisconsin. Do not include tax you paid to a local unit of government (such as a city, county, or school district).

If you filed Schedule M1LS, do not include any tax you paid on income from a lump-sum distribution from a qualified retirement plan.

Line 7

Part-year residents: Complete the Worksheet for Line 7.

Worksheet for Line 7 (for Part-Year Residents Only)

- 1 From your Wisconsin Form 1NPR, enter the **Wisconsin Income** from column B.
- 2 Enter the amount from line 1 of Schedule M1RCR
- 3 Divide step 2 by step 1
- 4 Enter the amount from line 6 of Schedule M1RCR
- 5 Multiply step 4 by step 3
- 6 Enter the amount from line 5 of Schedule M1RCR.
- 7 Enter the smaller of step 5 or step 6 here and on line 7 of Schedule M1RCR.
Also include this amount on line 3 of Schedule M1C of Form M1. If the result is less than zero, enter 0.

Line 9

Enter the amount of compensation you received for personal service income (wages, salaries, tips, commissions, and bonuses) that Wisconsin taxed while you were a Minnesota resident.

If you own a business that sells services in Wisconsin, you may include compensation for professional services you personally provide if the business income generated by your employees or from the sale of goods is incidental. Your employee salaries and gross profit from the sale of goods are considered incidental if they add up to less than \$20,000 or 10% of the gross profit, whichever is greater.

Line 11

Part-year residents: Complete the Worksheet for Line 11.

Worksheet for Line 11 (for Part-Year Residents Only)

- 1 From your Wisconsin Form 1NPR, enter the **Wisconsin Income** from column B.
- 2 Enter the amount from line 9 of Schedule M1RCR
- 3 Divide step 2 by step 1
- 4 Enter the amount from line 6 of Schedule M1RCR
- 5 Multiply step 4 by step 3
- 6 Enter the amount from line 7 of Schedule M1RCR.
- 7 Subtract step 6 from step 5. Enter the result here and on line 11 of Schedule M1RCR. If the result is less than zero, enter 0

Questions?

Forms and information are available on our website at www.revenue.state.mn.us.

If you have questions:

- Visit our website at www.revenue.state.mn.us
- Send us an email at individual.incometax@state.mn.us
- Call us at 651-296-3781 or 1-800-652-9094

This information is available in alternate formats.