



Annual Tax Pro Webinar

Presentation Slides & Supplemental Handouts

2026 Filing Season

Please Note: Tax forms in this packet are for educational and illustration use only. Please check our website for the most current versions of forms and instructions. Information in this presentation may change at any time. Information is current as of December, 2025.



Annual Tax Pro Webinar 2026 Minnesota Filing Season Update

January 14, 2026 | 9:00-11:00 a.m.

WebEx

Housekeeping Items

- Please keep your camera off
- No breaks today
- Time for questions at the end
 - Enter your question in chat to everyone
- Use chat to comment; use reactions if you'd like
- Sorry, we do not offer CPE credit
- Handouts were emailed yesterday

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.

This webinar may be recorded.



Agenda

Agency Update

Legislative Update

Business Income Tax Update

Individual Income Tax and Withholding Update

Renter's and Homestead Credit Update

Improving Tax Return Processing

Tax Professional Enforcement Update

Question & Answer Session



Agency Update

Mark Krause, Tax Professional Outreach Coordinator
Income Tax and Withholding Division



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Advance Child Tax Credit Payments

- Over 17,000 families elected advance payments
- First in the nation
- Payments in July, September, November
- e-Services enhanced to manage payments
- Letters will be sent in January 2026



Tax Year 2025 Calendar Year 2026

Power of Attorney Coordinator Updates

- Minnesota not adopting Multi-State Power of Attorney form
- Form M100 and Form REV185 combined into one new form with variations for individuals (M100i), businesses (M100b), and estates (M100e). **Effective December 1**
- Reminder: Form M706 – Estate Tax Return has it's own POA section

M1 Summary in e-Services

- Now available in e-Services – Individual Tax Account
- Summary of Form M1 includes:
 - Return Summary, MN Taxable Income, Tax, Credits and Payments
- Does not replace a filed tax return
- Useful when client does not have a copy of filed return
- Does not include tax preparer contact information

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M1 Summary View in e-Services

[Return](#)

Individual Income Tax

[Return Summary](#) | [MN Taxable Income](#) | [Tax](#) | [Credits and Payments](#)

Filing Information

Below is a summary of your original return as processed. This does not include supporting schedules and worksheets, amended return changes, or adjustments from audits.

Filing Status: Married Filing Joint

Name: ZACK MORRIS

Social Security Number (SSN): XXX-XX-1111

Campaign Fund Election: Libertarian

Name: KELLY KAPOWSKI

Social Security Number (SSN): XXX-XX-2222

Campaign Fund Election: Legal Marijuana Now

Return Summary

Minnesota Taxable Income	\$43,367.00
Tax	\$2,319.00
Credits and Payments	\$5,500.00
Refund	\$3,201.00

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Tax Pro Education Program



- Built for tax professionals
- Dedicated webpage and GovDelivery list
- Course catalog growing
- NASBA CPE offered for some courses
- Suggestion Box

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Free Continuing Education Opportunity

- Volunteer tax preparation sites need your help during off-season
- 18 Continuing Education (CE) credits allowed
- Available to Enrolled Agents and IRS Annual Filing Season Program participants
- More information on IRS Fact Sheet **Continuing Education Credits for VITA/TCE Partners and Volunteers**

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Homepage Update

Funding Minnesota's Future

Individuals
Resources for families and individuals

Businesses
Resources and information for businesses

Tax Professionals
Resources for tax professionals and software providers

Governments
Resources for state agencies and local governments

I need to...

Where's My Refund?

Make a Payment

Log in to e-Services

Register for a Tax ID

Calculate Sales Tax

Find a Form

New & Noteworthy

Advance Child Tax Child Payments
Beginning with tax year 2024, you may qualify for a Child Tax Credit of \$1,700 per qualifying child.

Renter's Credit Changes
Starting with your 2024 taxes, if you are a renter, you can claim the Renter's Credit as part of your Minnesota Individual Tax return (Form M1).

Military Tax Benefits
Minnesota tax benefits are available for active-duty military members, reservists, veterans, and their spouses.

Explore Careers
Join the Revenue team of professionals who strive to innovate, think big, and work together while serving Minnesota!

News

Tax Delinquency Lists Updated
August 15, 2025 - The Minnesota Department of Revenue updated the online postings of Minnesota businesses prohibited from purchasing.

Claims for the 2023 Property Tax Refunds are due August 15, 2025
August 11, 2025 - The Minnesota Department of Revenue reminds homeowners and renters to file for their 2023 Property Tax Refund before August 15, 2025. Additionally, homeowners can still...

70,000 more renters got a property tax refund due to new Renter's Credit
August 05, 2025 - Over 70,000 more Minnesota renters received the benefits of the new Renter's Credit when they filed their individual income tax returns earlier this year, the Minnesota...

[More News](#)

Featured Videos

Child Tax Credit Explained
In this video, Minnesota's Child Tax Credit is explained including who can apply and how.

Working Family Credit Explained
In this video, Minnesota's Working Family Credit is explained including who can apply and how.

Combat Zone Credit
In this video, Minnesota's Combat Zone Credit is explained including who can apply and how.

[More Videos](#)

Legislative Update

Allyson Casseday, External Training and Communications Specialist
Corporate Franchise Tax Division



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2025 Tax Bills

Minnesota Tax Finance and
Policy Bill (H.F. 9)

June 14

July 4

2025 Federal Tax Budget and
Reconciliation Bill (H.R. 1)

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Federal Nonconformity



Conformity through May 1, 2023

- Minnesota utilizes Static Date for Internal Revenue Code (IRC)
- Federal updates to IRC enacted on July 4, 2025, are not incorporated into Minnesota Statute

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Federal Nonconformity – Schedules

- Schedule KFNC
- Schedule KPCNC
- Schedule KPINC
- Schedule KSNC
- Schedule M1NC
- Schedule M2NC
- Schedule M2SBNC
- Schedule M4NC

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Federal Conformity – What's Changing

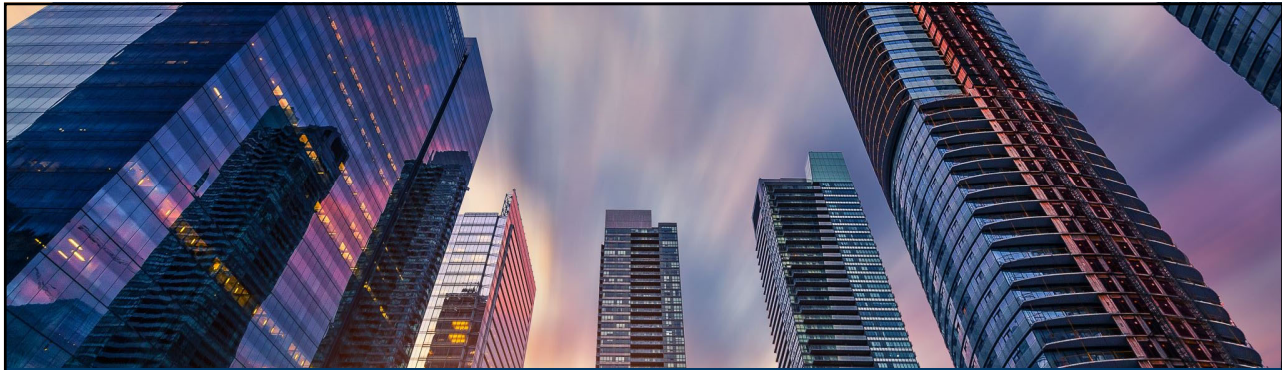
- 2025 Impacts
- Nonconformity adjustments
- 2024 and 2026 impacts



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Business Income Tax Update

Allyson Casseday, External Training and Communications Specialist
Corporate Franchise Tax Division



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Federal Conformity – Business Provisions



- 2025 impact – 19 provisions
 - Bonus Depreciation
 - Business Interest Limitation
 - Basis Adjustments
 - Expensing provisions
- Pass-Through Entity Tax

Credit for Increasing Research Activities



- Effective December 31, 2024
- Must make an election
- A portion is refundable
 - 2025 – 19.2%
 - 2026 and 2027 – 25%

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Estate Tax



- One informational return
- Between 36 and 39 months

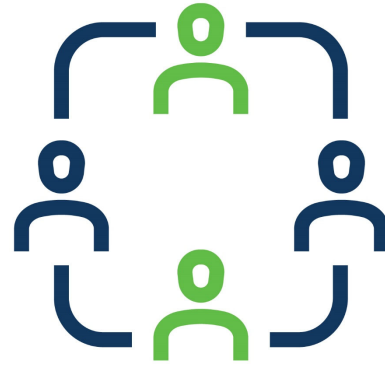
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Employee Retention Credit

- Federal guidance updated
- New webpage
- Updated forms and instructions



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Contact Us

businessincome.tax@state.mn.us

651-556-3075

1-800-657-3666

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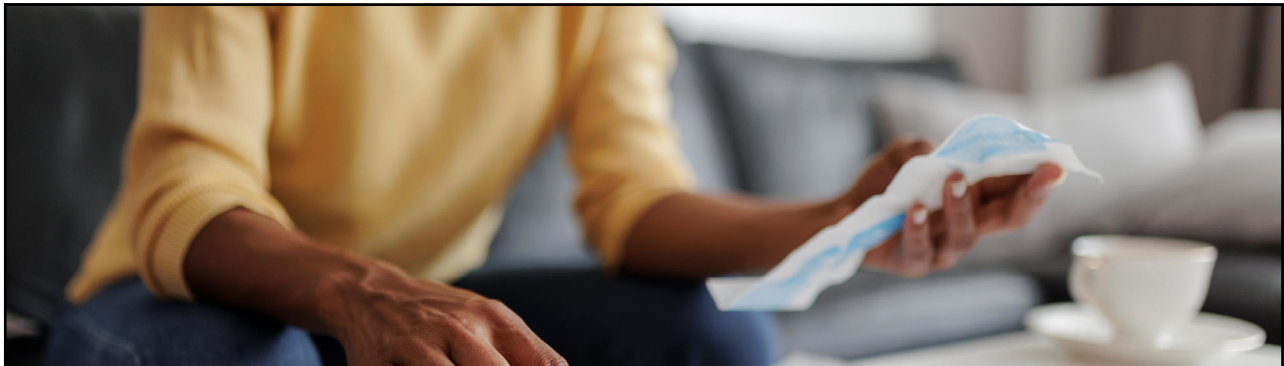
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Thank you!

Allyson Casseday
allyson.casseday@state.mn.us



Individual Income Tax and Withholding Update

Mark Krause, Tax Professional Outreach Coordinator
Income Tax and Withholding Division



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Standard Deduction for 2025

Filing Status	Minnesota Standard Deduction	Federal Standard Deduction	Change from 2024
Married Filing Jointly, Qualifying Surviving Spouse	\$29,900	\$31,500	↑\$750
Head of Household	\$22,500	\$23,625	↑\$1,100
Single and Married Filing Separately	\$14,950	\$15,750	↑\$375
Dependent on another return	Larger of \$1,250 or Earned Income + \$350, up to \$14,950		

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Dependent Exemption for 2025



\$5,200
↑\$150

Filing status	Phaseout
Married Filing Joint Qualifying Surviving Spouse	\$358,550
Head of Household	\$298,800
Single	\$239,050
Married Filing Separate	\$179,275

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Advance Child Tax Credit (ACTC)

If electing to receive advance payments, consider:

- Qualifying children turning 18
- Residency changes from full to part year
- Income changes substantially
- Taxpayers divorce or separate
- Taxpayers that receive SNAP payments

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Opting In for ACTC Payments

- Must opt in for advance payments each year
 - Check the box on Schedule M1CWFC to opt-in
 - Section 3 determines amount of each payment
 - File return by April 15, 2026
- Cannot opt-in later, even before due date
- Reminder: Direct Deposit information must be entered

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Reconciliation of ACTC

- Filing requirement to reconcile advance payments
- Minimum credit based on both:
 - 50% of child tax credit received in prior taxable year
 - Number of children in current year, if fewer children
- Remaining Child and Working Family credit on line 26
- Repayment of advance payments on line 27

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Minimum Credit

Beginning in tax year 2025:

- Must have received advance payment
- CTC and WFC must be greater than \$0 for current year
- Applies when Minimum Credit exceeds current year CTC

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Minimum Credit Example

- 2024 Child Tax Credit \$1,750
- 2025 minimum is \$875, if no change in qualifying children
- 2025 income rises, but does not reduce CTC and WFC to \$0
- Minimum Credit of \$875, if CTC and WFC between \$875 but not \$0

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Social Security Fairness Act

- Ends Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) programs
- Impact on Qualified Public Pension and Social Security Subtraction
 - More taxpayers could qualify for both subtractions

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Coerced Debt Subtraction

- Debt incurred in victim's name and discharged by court because of:
 - Personal information used without consent
 - Use of threat of force, coercion or similar means
 - Economic abuse
- Must be federally taxable
- Reported on Line 34 of Schedule M1M

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Consumer Enforcement Public Compensation Subtraction

- Federally taxable compensation received from consumer protection restitution account
- Reported on Line 35 of Schedule M1M

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Foreign Service Retirement Subtraction

- Federally taxable retirement pay received from:
 - Foreign Service Retirement and Disability System
 - Foreign Service Pension System
- Excludes any amount used for Qualified Public Pension Subtraction
- Reported on Line 36 of Schedule M1M

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Service Employees International Union Stipend Payment Subtraction

- Federally taxable stipend payments received from Minnesota Department of Human Services
- Reported on line 37 of Schedule M1M

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Limited Land Access Farmer

- **Emerging Farmer** replaced with **Limited Land Access Farmer**
 - Rents farmland for 3 years or less from unrelated person or incubator farm
- Eligible for 12% tax credit for owners of agricultural assets instead of 8%

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Minnesota Withholding Tax Updates

- Withhold on tip income
- Withhold on overtime pay
- Form 1099-DA
- Schedule M1W reorganized

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State of Minnesota Paid Leave

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PAID LEAVE


Individuals ▾ Employers ▾ Self-employed ▾ Certifiers ▾ Resources ▾ Contact ▾ [LOG IN](#)

EMPLOYERS

Taxes and Paid Leave

Find answers to common questions about state and federal taxes for individuals and employers under Minnesota Paid Leave.

[READ MORE](#) [Resource toolkit](#)

Renter's Credit and Homestead Credit Update

Mark Krause, Tax Professional Outreach Coordinator
Income Tax and Withholding Division

m DEPARTMENT OF REVENUE

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Renter's Credit Changes

- Rent exceeds income checkbox and list of non-taxable income now on Schedule M1RENT
- Instructions expanded for residents of care facilities
- Certificate of Rent Paid (CRP)
 - Electronic Control Number (ECN) is not new
 - Assist your clients that are property managers/owners if they have difficulty
- e-Services opened earlier this year for 2025 CRPs

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Homestead Credit Changes

Household Income does not include:

- Coerced debt forgiveness income
- Consumer enforcement public compensation
- Service Employees International Union (SEIU) stipend payments

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Improving Tax Return Processing

Mark Krause, Tax Professional Outreach Coordinator
Income Tax and Withholding Division



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Common Return Errors

- **General errors Form M1, *Individual Income Tax*:**
 - Table Tax errors
 - Computing total subtractions
 - General math errors when computing refund or balance due
- **Schedule M1W, *Minnesota Income Tax Withheld*:**
 - Missing this form when claiming withholding
 - Amounts included on Schedule M1W, but not included on line 20 of Form M1
- **Estimated/Extension payments:**
 - Claiming incorrect amounts, most common error we see

Common Return Errors

- **Schedule M1RENT, Renter's Credit:**

- Did not include all forms: Schedule M1RENT, Schedule M1REF, Certificate of Rent Paid "CRP(s)".
- Did not claim the credit on line 4 of Schedule M1REF
- Sent in M1RENT separately, not with Form M1, *Individual Income Tax*

- **Invalid Address**

- Incorrect format with street and house or apartment number
- Misspelled streets
- Transposed numbers
- Using physical address instead of their mailing address

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Common Return Errors

- **Mismatched Social Security Numbers**

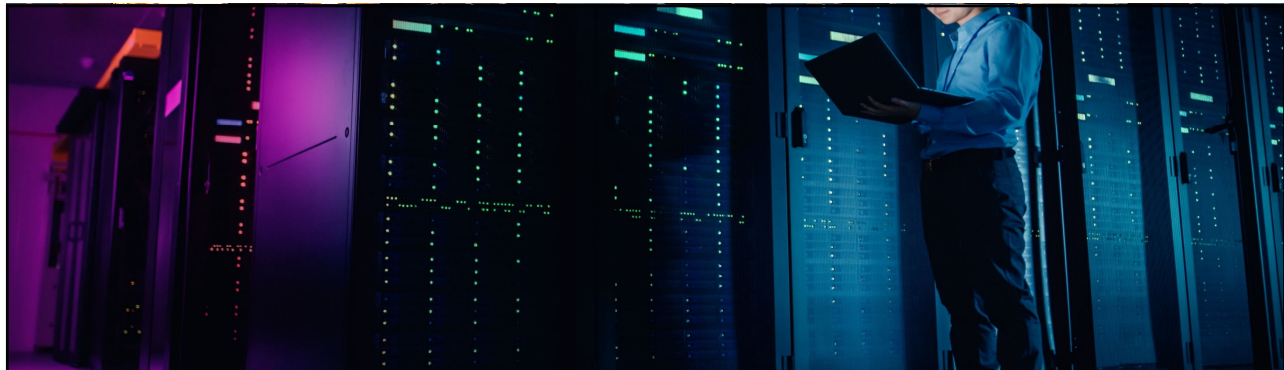
- Transposed numbers
- Switching spouse's SSNs on return
- Married/divorced and changing their names

- **Schedule M1CWFC, Child and Working Family Credit**

- Advance Payment of Child Tax Credit:
 - Line 21 (2024 Schedule M1CWFC; which will be line 29 on the 2025 Schedule M1CWFC) was a common filing error- dividing qualifying children under 17 by total qualifying children.
 - Forgetting to divide the total ACTC payments into 3 separate payments was another error we saw.

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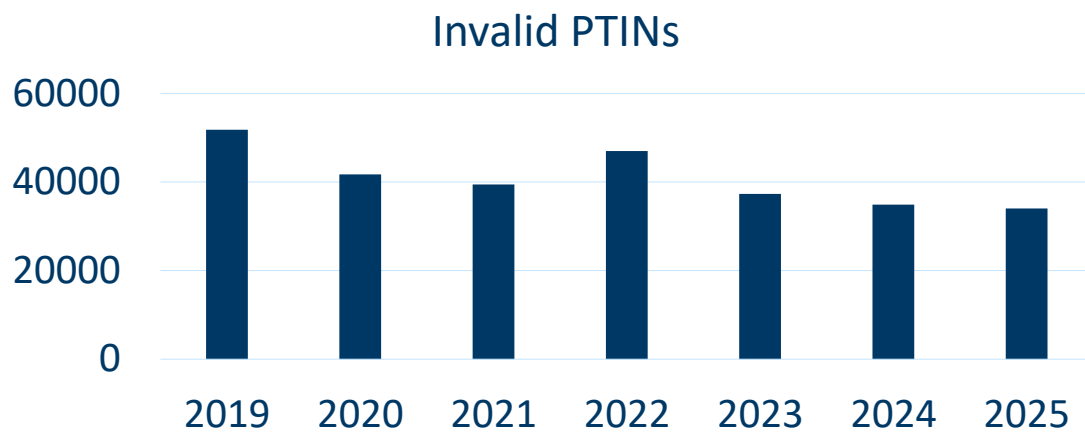
Tax Professional Enforcement Update

Mark Krause, Tax Professional Outreach Coordinator
Income Tax and Withholding Division



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Invalid Personal Tax Identification Numbers (PTIN)



Your Personal Tax Returns

- Required to file
- Approximately 600 non-filers in 2023
- Your own tax returns are important
- Disreputable conduct and may have negative outcomes

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Bank Accounts

- Violation of Standards of Conduct
- Preparers cannot take ownership or control or establish accounts in the their name
- Effective December 31, 2024

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Data Security Updates

- Have a Written Information Security Plan (WISP)?
- Bank account information on client returns
- 7 breaches so far in 2025:
 - Be transparent with your clients
 - Contact us at 651-556-4961 or incometax.fraud@state.mn.us

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Preparer Paper Filing Fee

- Reminder
 - Self-assessed fee of \$5/paper return on Form PPFF
 - M1, M2, M3, M5, M8
 - Second payment due January 15
 - Returns filed from April 16 to December 31
 - Not applicable on returns that qualify for an exception
 - Income Tax Fact Sheet 17

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Contact Me

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mark.krause@state.mn.us
taxpro.outreach@state.mn.us

Questions?



Email list sign-up



Thank you and
have a fantastic filing season!
Please complete our survey.



2025 Summary of Annual Forms Changes

Disclaimer: Information in this document is based on the laws in effect when it was written. It does not replace or change any provision of Minnesota laws, administrative rules, court cases, or revenue notices. It does not provide tax advice.

Any forms not listed have been updated with annual updates only.

General Updates

- Created new nonconformity schedules for federal adjustments
- Eliminated Schedule M1EDA, Assignment of Income Tax Refunds
- Form M1X, Amended Minnesota Income Tax may now be filed electronically

Business Income Tax Form Changes

Corporate Tax Forms

Form M4 Series, Corporate Franchise Tax Return

Form M4

- Added Line 7 for refundable R&D Credit
- Lines 7 through 19 shifted to lines 8 through 20

Form M4I, Income Calculation

- Updated Line 4j to Intentionally left blank
- Updated Line 4n to Employee Retention Credit Subtraction Line
- Updated Line 2h to Addition for federal changes not adopted by Minnesota
- Updated Line 4o to Subtraction for federal changes not adopted by Minnesota

Form M4A, Apportionment and Minimum Fee

- Minimum Fee table updated

Form M4T, Tax Calculation

- Clarified that Line 14 is for the nonrefundable portion of the R&D credit
- Added space to Line 22 for the Short Line Railroad Credit certificate number

Form M4X, Amended Corporate Franchise Tax Return

- Updated Line 2h to Addition for federal changes not adopted by Minnesota

- Updated Line 4o to Subtraction for federal changes not adopted by Minnesota
- Updated Line 4j to Intentionally left blank
- Updated description for Line 15 to include 'nonrefundable'
- Added space to Line 24 for Short Line Railroad Credit certificate number
- Added Line 33 to include refundable R&D credit amount
- Lines 33 through 45 shifted to 34 through 46

Schedule M4NC, Federal Adjustments

- New schedule

Schedule RD

- Added Line 37 and a checkbox for refundable portion of credit
- Added Line 38, Calculation line.
- Lines 37 through 46 shifted to Lines 39 through 47. Intentionally left blank Line 43 (which became 44 due to shifting) used as part of this.

Partnership Tax Forms

Form M3 Series, Partnership Return

Form M3

- Added space to Line 10 for Short Line Railroad Credit certificate number

Form M3A, Apportionment and Minimum Fee

- Minimum Fee table updated

Form M3X, Amended Partnership Return

- Added space to Line 11 for Short Line Railroad Credit certificate number

Schedule KPI, Partner's Share of Income, Credits and Modifications

- Updated Line 13 to Employee Retention Credit Subtraction Line
- Added space to Line 24 for Short Line Railroad Credit certificate number
- Updated Line 6 to Addition for federal changes not adopted by Minnesota
- Updated Line 19 to Subtraction for federal changes not adopted by Minnesota

Schedule KPC, Partner's Share of Income, Credits and Modifications

- Updated Line 16 to Employee Retention Credit Subtraction Line
- Added space to Line 26 for Short Line Railroad Credit certificate number
- Updated Line 9 to Addition for federal changes not adopted by Minnesota
- Updated Line 21 to Subtraction for federal changes not adopted by Minnesota

Schedule KPINC, Federal Adjustments

- New schedule

Schedule KPCNC, Federal Adjustments

- New schedule

S corporation Tax Forms

Form M8 Series, S corporation Return

Form M8

- Added space to Line 11 for Short Line Railroad Credit certificate number

Form M8A, Apportionment and Minimum Fee

- Minimum Fee tables updated

Form M8X, Amended S corporation Return

- Added space to Line 11 for Short Line Railroad Credit certificate number

Schedule KS, Shareholder's Share of Income, Credits and Modifications

- Updated Line 13 to Employee Retention Credit Subtraction Line
- Added space to Line 24 for Short Line Railroad Credit certificate number
- Updated Line 6 to Addition for federal changes not adopted by Minnesota
- Updated Line 19 to Subtraction for federal changes not adopted by Minnesota

Schedule KSNC, Federal Adjustments

- New schedule

Fiduciary Income Tax Form Changes

Form M2, Income Tax Return for Estates and Trusts

- Updated Line 22 to 22d, and added 'nonrefundable' to line description
- Added Lines 22e, Unused current year nonrefundable R&D credit
- Added Line 22f, Current-year credit carryover
- Added Line 32 and a checkbox for refundable portion of credit
- Added Line 69, Employee Retention Credit Subtraction
- Added space to Line 20 for Short Line Railroad Credit certificate number
- Updated Line 50 to Addition for federal changes not adopted by Minnesota
- Updated Line 62 to Subtraction for federal changes not adopted by Minnesota
- Lines 32 through 67 renumbered to 33 through 68; Lines 68 through 76 renumbered to 70 through 78

Schedule M2NC, Federal Adjustments

- New schedule

Schedule M2NM, Non-Minnesota Source Income and Related Expenses

- Added Line 32, Employee Retention Credit Subtraction
- Updated Line 13 to Addition for federal changes not adopted by Minnesota
- Updated Line 28 to Subtraction for federal changes not adopted by Minnesota

Schedule M2SB, Income Tax Computation for S Portion of ESBT

- Added Line 38, Employee Retention Credit Subtraction

- Updated Line 18 to Addition for federal changes not adopted by Minnesota
- Updated Line 31 to Subtraction for federal changes not adopted by Minnesota

Schedule M2SBNC, Federal Adjustments

- New schedule

Form M2X, Amended Income Tax Return for Estates and Trusts

- Added Line 70, Employee Retention Credit Subtraction
- Updated Line 51 to Addition for federal changes not adopted by Minnesota
- Updated Line 63 to Subtraction for federal changes not adopted by Minnesota

Shared Tax Forms & Schedules

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

- Updated Line 2 description to include Minnesota Housing Cooperatives

Schedule PTE, Pass-through Entity Tax

- Added Line 12, Employee Retention Credit Subtraction
- Updated Line 3 to Addition for federal changes not adopted by Minnesota
- Added Line 13, Subtraction for federal changes not adopted by Minnesota
- Updated Lines 19 and 20 to Intentionally left blank
- Lines 12 through 29 renumbered to 14 through 31

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

- Updated Line 10 to Employee Retention Credit Subtraction
- Updated Line 3 to Addition for federal changes not adopted by Minnesota
- Added Line 11, Subtraction for federal changes not adopted by Minnesota
- Lines 11 through 13 renumbered to 12 through 14

Schedule RAIL, Short Line Railroad Infrastructure Modernization Credit

- Form converted to only be utilized for transfers
- Added Lines 1, 1a, and 1b for certificate numbers
- Added Line 2, Credit amount granted
- Added Line 3, Amount of credit already claimed
- Added Line 4, Calculation line for transferred credit

Individual Income Tax Form Changes

Form M1, Individual Income Tax Return

- Added new political party to top of the form
- Added Line E, Social Security Benefits
- Added Line F, Taxable Social Security Benefits
- Added Line 14a, same as the M1 line 14 in prior years
- Added Line 14b, new repayment for advance child tax credit payments

- Added Line 15, now includes Lines 14a and 14b in the sum

Form M1X, Amended Minnesota Income Tax

- Added a new check box to Line 11 for Repayment of Advance Child Tax Credit
- Replaced Line 21 with Renter's Credit; prior years was M1RCR
- Will be available for electronic filing

Schedule M1C, Other Non-Refundable Credits

- Added new sub line for Line 14 to enter credit certificate number received from the Minnesota Department of Transportation
- Added Line 16e, Unused current year nonrefundable credit
- Added Line 16f, Current year credit carryover

Schedule M1CD, Child and Dependent Care Credit

- Added checkbox to claim the credit for more than one child born in 2025

Schedule M1CWFC, Minnesota Child and Working Family Credits

- Added a new section—prior year section 2 is now section 3 and section 2 is now, Reconciliation of 2025 Advance Payments and Minimum Credit Base
- Added to section 2, check box if taxpayer received advance payments of 2025 credit
- Added Line A to section 2
- Added Line B to section 2
- Added Line C to section 2
- Added Line 17
- Added Line 18
- Added Line 19 through 27, Reconciliation of 2025 Advance Payments and Minimum Credit Base
- Moved Lines 17 through 24 from section 2—now appear as Lines 28 through 32 in section 3, Advance Payment of 2026 Child Tax Credit

Schedule M1M, Income Additions and Subtractions

- Added Line 9, Addition from line 41 of Schedule M1NC
- Added Line 19a, Name of Tribe
- Added Line 19b, Physical address where taxpayer lives on the reservation
- Added Line 19c, Certificate of Degree of Indian Blood (CDIB)/Enrollment Number
- Added Line 34, Coerced debt subtraction
- Added Line 35, Consumer enforcement public compensation subtraction
- Added Line 36, Foreign service retirement subtraction
- Added Line 37, Service Employees International Union (SEIU) stipend payment subtraction
- Added Line 38, This line intentionally left blank
- Added Line 39, Subtraction from line 41 of Schedule M1NC

Schedule M1MB, Business Income Additions and Subtractions

- Updated Line 11, Intentionally left blank—previously read, Section 179 expensing subtraction
- Added Line 21, Employee Retention Credit subtraction

Schedule M1MT, Alternative Minimum Tax

- Updated Line 3, Federal nonconformity adjustments to Minnesota Alternative Minimum Tax—previously read, intentionally left blank

Schedule M1NC, Federal Adjustments

- New Schedule

Schedule M1NR, Nonresidents/Part-Year Residents

- Updated Line 14, Other adjustments from Schedule M1NC—previously read, intentionally left blank
- Updated Line 26, This line intentionally left blank—previously read, Subtraction for federal section 179 expensing

Schedule M1PSC, Credit for Parents of Stillborn Children

- Added Line 3, Name of Stillborn Child on the Certificate (if listed)

Schedule M1REF, Refundable Credits

- Added Line 13, Refundable credit for increasing research activities
- Added check box to Line 13 for electing a refundable portion of this credit
- Added Line 14, Add lines 1 through 13

Schedule M1RENT, Renter's Credit

- Added section headers
- Added check boxes in Section 1 for selecting residency at a care facility
- Added check box in Section 1 for receiving a Certificate of Rent Paid with an amount reported on Line A
- Added check box in Section 1 for total rent amount from combining line 3 of all CPRs if greater than line 1 of Form M1
- Added column A below check box to enter Type of Nontaxable Income, used for informational purposes and not for calculating the rent credit
- Added column B below check box to enter Amount of Nontaxable income, used for information purposes and not for calculating the rent credit
- Added Line 8, Service Employees International Union (SEIU) Stipend Payment Subtraction
- Shifted remaining lines down by one as compared to previous year

Schedule M1W, Minnesota Income Tax Withheld

- New Format
- Removed the Retirement Plan check box for each withholding source

Schedule NIIT, Net Investment Income Tax

- Updated Line 15, flows into line 14a of Form 1—previously line 14 of Form M1

Property Tax Refund Form Changes

Form M1PR, Homestead Credit Refund (for Homeowners)

- Added new political party to top of the form

Preparer's Paper-Filing Fee

Income Tax Fact Sheet 17

If you are a tax preparer who is required to file Minnesota tax returns electronically, you must pay a \$5 paper-filing fee for each original return filed on paper that could have been e-filed. This fact sheet explains when you must pay the fee and how to pay it.

[Open All \[+\]](#) [Close All \[-\]](#)

Am I required to file electronically?

You are required to e-file all Minnesota tax returns if you are in the business of preparing tax returns and you expect to prepare more than 10 Minnesota tax returns this year. This requirement also applies to preparers in other states.

The requirement does not include returns you prepare for homestead credit refunds, renter's property tax refunds, amended income tax returns, or returns filed with other states.

For this requirement, your business as a whole is the "preparer." If you have employees who prepare returns, the total number of returns prepared by all of your employees count toward your total. If the business operates from several locations, the total of returns prepared by all locations count toward your total.

If you are required to e-file Minnesota returns or wish to become an authorized e-file provider, see the "How to Become an Authorized E-file Provider" section.

What returns are included?

These requirements apply to all individual income, corporate franchise, S corporation, partnership, and fiduciary income tax returns.

This includes:

- [Form M1, Individual Income Tax](#)
- [Form M2, Income Tax Return for Estates and Trusts](#)
- [Form M3, Partnership Return](#)
- [Form M4, Corporation Franchise Tax Return](#)
- [Form M8, S Corporation Return](#)

The fee and requirement to file electronically are based off the total number of all of these forms you and your business file.

How much do I owe?

For each original Minnesota form you prepare, keep a count of how many are filed on paper or electronically. Keep the total number of paper and e-filed returns with your records.

The fee is \$5 for each original form that is filed on paper that could have been filed electronically.

You will also need to pay the fee for returns you filed on paper because:

- Your software does not support electronic filing. To avoid fees, you should choose a package that allows for Minnesota e-filing. You can find a list of software on our [Filing Software for Tax Professionals page](#).
- Your software does not support all forms. There may be exceptions because of software or other limitations, and we will review them on a case-by-case basis. The paper-filing fee will apply if the return was otherwise eligible for e-filing.
- Your client is a nonresident or part-year resident of Minnesota.

To determine the fee you are required to pay, multiply \$5 by the number of eligible returns you prepared that were filed on paper. Do not send \$5 with each paper return you file. Wait to send all paper fees at once.

Use [Form PPFF, Preparer's Paper-Filing Fee](#), to determine the fee based on the number of paper returns filed that did not apply to the exceptions. Send us your completed Form PPFF at the same time you pay the fee.

Exceptions

Revenue will waive the fee only if we or the IRS require a Minnesota or federal return to be filed on paper. If this is the case, write down the reason and keep it with your records.

Example: When John tried to transmit his client's federal return, the IRS rejected the Social Security Number. Because of this, he can no longer e-file the Minnesota return. Since the IRS requires John's client to file a paper federal return, we will waive the fee for filing a paper Minnesota return.

If a taxpayer asks you to file a tax return by paper, check the appropriate box on the return. This fee does not apply to returns that taxpayers ask you to file by paper.

Paying

When do I pay?

Payments are due by:

- June 15 for paper returns filed between January 1 and April 15 of the year
- January 15 of the following year based on paper returns filed between April 16 and December 31

If the due date falls on a weekend or holiday, payments you make electronically or postmark on the next business day are considered on time.

If no paper returns are filed, you do not owe a fee, and there's nothing for you to do for that installment period.

How do I pay?

Send your payment electronically or by check based on your total paper returns filed during the period.

Electronically

Pay electronically using our [e-Services payment system](#).

You will need:

- Your identifying number (Minnesota Tax ID Number or Social Security Number) that you provide in the preparer information area on the returns you prepare. If you provide your Preparer Tax Identification Number (PTIN) on the returns, you must use your Social Security Number to pay your paper-filing fees
- The four-digit calendar year (**not** the tax year) for which you are making the payment
- Your payment and banking information (routing and account numbers). You must use an account not associated with any foreign banks.

To Pay Electronically through your e-Services account

1. [Log in to e-Services](#).
2. Select your **Paper Filing Fee account**.
3. Under the **I Want To** menu, choose **Manage payments**.
4. If you use your **Social Security Number**, choose **Manage payments** under the **I Want To** menu.
5. Select **For an account I do not have online access to**.
6. Enter the requested information. When you are done, you will be given a confirmation number and a date/time stamp. Record this information and keep it with your records.

Pay by Check

1. Go to our [payment voucher system](#).
2. Use your identifying number (Minnesota Tax ID or Social Security Number) that you provide in the preparer information area on the returns you prepare. If you provide your PTIN on the returns, use your Social Security Number to pay your paper-filing fees.
3. Mail the voucher with your check or money order to the address provided on the voucher.
4. Your check authorizes us to make a one-time electronic fund transfer from your account. You will not receive your cancelled check.

How to Become an Authorized E-file Provider

To e-file returns, you must become an authorized IRS e-file provider. For details, see [Become an Authorized e-File Provider on the IRS website.](#)

To see a list of department-approved software vendors, see [Filing Software for Tax Professionals.](#)

Recordkeeping

For each return you prepare, track if it was filed electronically or by paper. For each return that is ineligible to e-file, you must also document the reason why it was ineligible. If the return was filed on paper, you will need to substantiate why you did not assess a fee. Your records must be available if we request them.

Information And Assistance

Additional forms and information, including fact sheets and frequently asked questions, are available on our website.

Website: www.revenue.state.mn.us

Email: individual.incometax@state.mn.us

Phone: 651-296-3781 or 1-800-652-9094

September 2024

Continuing Education Credits for VITA/TCE Partners and Volunteers

This document provides guidance on earning Continuing Education (CE) credits as a volunteer in the VITA/TCE program.

Background

Volunteers with any of the professional statuses outlined below can earn continuing education credits by completing the required tax law training certifications via Link and Learn Taxes (LLT) and serving as a volunteer instructor, tax return preparer or quality reviewer in the IRS Volunteer Income Tax Assistance (VITA) or Tax Counseling for the Elderly (TCE) programs.

The VITA/TCE program is an approved provider of IRS Continuing Education (CE) credits for the following professionals:

- Enrolled Agents (EAs)
- Non-credentialed tax return preparers participating in the IRS Annual Filing Season Program (AFSP)
- California Tax Education Council (CTEC) Registered Tax Return Preparer (CRTP). CTEC is responsible for registering non-credentialed tax preparers for the state of California.

Certified financial planners (CFP) are eligible to self-report their CE credits on the CFP website. Attorneys and certified public accountants (CPA) may qualify for CE credits depending on their state licensing requirements or the National Association of State Boards of Accountancy (NASBA) requirements.

Note: The VITA/TCE program is not an approved NASBA CE sponsor; therefore, we do not have an assigned sponsor number.

Volunteer Requirements

All volunteers requesting CE credits **must** register and certify via LLT and:

- Complete the following fields in their profile in addition to the required fields. These fields will auto-populate on Form 13615, Volunteer Standards of Conduct – VITA/TCE Programs, from the information entered in LLT.
- **Professional status for Continuing Education credits or Circ 230 ONLY:** Non-credentialed tax return preparers must participate in the AFSP to be eligible for CE credits.

- **Name as listed on PTIN Card:** Enter the first and last name as listed on the Preparer Tax Identification Number (PTIN) account (required if the volunteer has a PTIN).
- **PTIN:** Required for all EAs, CTEC return preparers, and non-credentialed tax return preparers participating in the AFSP and any other volunteer with a valid PTIN seeking credits to post to their PTIN account. The PTIN is an eight-digit number beginning with the letter “P” followed by eight numbers, i.e., P0XXXXXXX. Note: An incorrect name or PTIN will cause the volunteer information to reject during the Return Preparer Office (RPO) validation process.
- **CTEC Number:** Required for all CTEC registrants. This is a six-digit number beginning with the letter “A” followed by six numbers, i.e., AXXXXXX.
- Complete the following training and certification tests **before** beginning volunteer service:
 - Volunteer Standards of Conduct (VSC) training and pass the test with a score of 80% or above.
 - Intake/Interview & Quality Review training if a new volunteer.
 - Pass the Intake/Interview & Quality Review certification test with a score of 80% or above.
 - Advanced Tax Law training and pass the test with a score of 80% or above.
 - **Optional:** Complete one or more of the specialty federal tax law training options and pass the certification test(s) with a score of 80% or above.

Note: The Circular 230 test does not qualify volunteers for CE credits.

- Have a valid PTIN (if required). The Return Preparer Office (RPO) posts all CE hours to the PTIN holder's account. To determine if you must have a PTIN, see **PTIN requirements for Tax Return Preparers**.
- Note: Attorneys, CPAs and CFPs do not require a PTIN to earn CE credits. However, if a valid PTIN is provided, CE hours will post to their PTIN account.
- Complete a minimum 10 hours of volunteer services as a VITA or TCE quality reviewer, tax return preparer or tax law instructor.
- Provide the partner or site coordinator with a signed Form 13615 printed from Link & Learn taxes, reflecting the volunteer certifications completed.

Volunteers can receive up to 14 hours of CE credits for certifying in tax law at the advanced level and volunteering as a quality reviewer, tax return preparer or tax law instructor for a minimum of 10 hours. Volunteers can earn an additional 4 hours of CE

credits by certifying in a specialty course (e.g., Military, International, Puerto Rico or Foreign Student). Volunteers can earn a maximum of 18 CE credit hours.

After completion of the requirements above, eligible volunteers receive CE credits as follows:

Tax Law Certification	CE Credit Hours
VSC (Ethics)	1
Federal Tax Law Updates	3
Federal Tax Law	10
Specialty Federal Tax Law Course	4
Total Allowable CE Credits	18

Volunteers participating in IRS VITA/TCE programs **cannot** receive compensation for any activities for which they are requesting CE credits.

Note: *CE credit processing for the current filing season is not completed until late July. Volunteers needing credits prior to July should consider other avenues to earn CE credits.*

VITA/TCE Partner Requirements

- Share the requirements for seeking continuing education credits with volunteers at the beginning of the filing season.
- VITA/TCE partners, site coordinators or AARP local coordinators must review Form 13615 to ensure completion of all required fields and volunteer completion of all required certifications. Please refer to Publication 5683, VITA/TCE Handbook for Partners and Site Coordinators, for additional information.
- Once a volunteer completes CE requirements, an approving official must validate the Form 13615 by signing in both the certification section and the CE credit section. Volunteers may not sign their own form as the approving official.
- For sites closing April 15 or sooner, submit completed forms by **April 30** to your IRS relationship manager.
- For year-round sites, submit completed forms **monthly** after April 30 once volunteers meet CE requirements.

Issuance of CE Credit Certificates

- CE certificates are available via LLT for each volunteer meeting all program requirements. There will be a link to open your CE credit certificate. Volunteers must select a "Professional Status" in their profile in LLT to

generate a certificate. Current filing season certificates are expected to be available in LLT each year after July.

- In addition, for all volunteers with a valid PTIN, RPO will post the CE hours to their PTIN account. To view continuing education credits in a PTIN account, go to the **PTIN system login page**. You must have a valid PTIN prior to certifying.
- Certified financial planners must self-report their CE credits to the CFP Board. Guidance is available at www.cfp.net.
- Attorneys and CPAs should present their CE certificates to their governing board for approval.

What is the IRS Annual Filing Season Program?

The Annual Filing Season Program launched by the IRS Return Preparer Office is intended to recognize and encourage non-credentialed tax return preparers who voluntarily increase their knowledge and improve their filing season competency through continuing education. A non-credentialed tax return preparer is a tax return preparer without professional credentials. This program allows them to obtain an AFSP record of completion for participation in an annual continuing education program. AFSP participants are also included in a public database of return preparers on the IRS website. In addition, there are reduced requirements for exempt individuals. VITA/TCE volunteers are considered exempt if they meet all the above requirements to obtain at least 14 hours of continuing education credit through the VITA/TCE program and obtain an additional one hour of ethics training from another **IRS Approved Provider**.

How and when will I get my AFSP record of completion?

Once a volunteer has completed their CE requirements and renewed their PTIN for the upcoming year, they will receive an email from TaxPros@ptin.irs.gov with instructions on how to consent to the Circular 230 practice requirements and receive their certificate in their online secure mailbox.

For more information about the program, see **Annual Filing Season Program**.



Taxes and Paid Leave

Answers to common questions about state and federal taxes for individuals and employers under Minnesota Paid Leave.

Will Paid Leave benefits be taxed?

On January 15, 2025, the Internal Revenue Service (IRS) issued [Revenue Ruling 2025-04](#), which explains how the federal government will approach income taxes for premiums and benefits received from a program like Minnesota Paid Leave. For questions or comments on the guidance, please contact the IRS as directed here: [IRS guidance](#).

Minnesota follows federal law to determine when income is included or excluded from a taxpayer's gross income. This means Minnesota will generally conform to the IRS conclusions about federal gross income.

When Minnesotans apply for Paid Leave, they will have the option to withhold state and federal taxes from their weekly benefit. If an employee chooses this option, Minnesota Paid Leave will withhold 5% for state taxes and 10% for federal taxes. These are reductions set in Minnesota statute, not by the IRS.

Are premiums tax deductible for the employer?

Employers may deduct their premium contributions as an excise tax under §164. If an employer pays more than the required minimum share of the premium, they can deduct this additional contribution as an ordinary and necessary business expense under §162. The employer must include this additional contribution as wages on the employee's Form W-2.

Are premiums tax deductible for the employee?

If an employee itemizes deductions on their federal income tax return, they may deduct the full amount they pay, or that the employer pays on their behalf (up to .44% of wages), as state income tax under §164.

If an employer pays more than the required minimum share of the premium, this is additional compensation to the employee and is included in the employee's federal gross income as wages. Employees may deduct this additional contribution by the employer as state income tax under §164, if the employee itemizes deductions on their federal income tax return. This deduction applies only to

the extent that it does not exceed the state and local taxes (SALT) deduction limitation provided under §164(b)(6).

How will premiums be treated on an employee's W-2?

The employee's portion of the premium is a post-tax deduction from their pay.

The employer's required portion of the premium does not increase or decrease the employee's taxable wage as reported in W-2 Boxes 1, 3, and 5. If the employer picks up an additional portion of the premium, then that amount must be reported as wages paid.

Paid Leave requests that employers put the amount of the employee contribution and the amount of the employer pickup contribution in Box 14 of the W-2. The label should be MNPFML. If you plan to split out medical and family benefits you can add each amount and include MNPML and MNPFL respectively.

How are benefits taxed?

Paid Leave benefits are taxable, but the federal government treats family leave and medical leave differently for tax purposes.

How will family leave benefits be taxed?

Family leave benefits are not considered wages, so they are not subject to employment taxes. The benefits will be treated the same regardless of the amount of the premium covered by the employer. Paid Leave will report benefit amounts to the IRS annually and issue a 1099 to the person taking leave.

When Minnesotans apply for Paid Leave, they will have the option to withhold state and federal taxes from their weekly benefit.

How will medical leave benefits be taxed?

Medical leave benefits will be treated two different ways for federal tax purposes. Part of the benefit (the amount attributable to the employer contribution) will be treated as wages. The remaining portion (the amount attributable to the employee contribution) is excluded from the employee's federal gross income and is not taxable.

For small employers, 33% of medical benefits will be treated as wages. For other employers, 50% of medical benefits will be treated as wages.

The share of medical leave benefits that count as wages will be treated as third party sick pay, as described by the IRS in [notice 2015-6](#). This portion of the benefit is subject to federal income tax withholding, Social Security, Medicare, and Federal Unemployment Tax Act (FUTA) taxes.

The state will deduct Social Security and Medicare taxes from the claimant and send them to the IRS on the same frequency they send payroll tax deposits. The state will provide information about these payments to the employer on a frequent basis so the employer can pay their portion of Social Security and Medicare taxes. The employer must include these payments as wages on the W-2 they issue to the employee.

What is the employer's responsibility for medical leave benefits?

The state will provide employers with information about taxable amounts on a frequent basis. Employers are required to pay the employer portion of the Social Security and Medicare taxes on the taxable portion of the medical benefits. Employers are required to include these amounts, along with any wages paid by the employer for other services, on the Form W-2.

Where will employers be able to see how much they owe in taxes?











Employers will be able to see information about tax payments and reporting in their Paid Leave Administrator Account. This information will include the total payment made to employees who took leave, the taxable amount, and the employee portion of the Medicare and Social Security taxes paid.

Employers can [set up their Administrator Account today](#).



TIPS FOR WEBEX AND TEAMS

Use these tips if you're having technical issues or trouble joining a meeting.

-  **Check Meeting Details:** Make sure you have the correct meeting URL, date, time, passwords, or access codes.
-  **Check Your Internet Connection:** A poor connection can cause issues with joining the webinar. You can test your connection before joining.
-  **Check Audio and Video Settings:** Make sure your microphone, speakers, and camera are properly connected and set up. Choose the correct devices and test them before joining.
-  **Use the WebEx or Teams App:** If you're having trouble joining through your browser, try using the WebEx desktop app or Teams app instead.
-  **Update Your Browser:** Make sure you are using the latest version of your browser. Outdated browsers can cause compatibility issues.
-  **Clear Cache and Cookies:** This can help resolve loading issues and improve performance.
-  **Disable VPNs and Firewalls:** VPNs and firewalls can block your connection. Temporarily disable them to see if that resolves the issue.
-  **Close Unnecessary Apps:** File-sharing programs or other video conferencing tools use a lot of bandwidth and can cause interference.
-  **Restart Your Device:** A simple restart can resolve many technical issues.
-  **Try a Different Device:** If you're having trouble on your laptop, try joining on a tablet, smartphone, or another computer. You will need to download the WebEx or Teams app first.