



# 2025 Schedule KSNC, Federal Adjustments

Minnesota has not adopted the federal law changes enacted after May 1, 2023 that affect federal taxable income for tax year 2025.

Tax year beginning \_\_\_\_\_, ending \_\_\_\_\_

Shareholder's Name \_\_\_\_\_

Shareholder's Social Security Number \_\_\_\_\_

S Corporation's Name \_\_\_\_\_

S Corporation's Federal ID Number \_\_\_\_\_

S Corporation's Minnesota ID Number \_\_\_\_\_

Enter amounts as a positive  
or negative. Round amounts  
to nearest whole dollar. Form M1 filers,  
include on:

## Adjustments to federal taxable income (FTI)

- |    |  |      |       |                |
|----|--|------|-------|----------------|
| 1  | Expansion of FICA Tip Credit (H.R. 1 Sec. 70201) . . . . .                                       | 1 ■  | _____ | M1NC, Line 8   |
| 2  | a Full Expensing for Bonus Depreciation Property (H.R. 1 Sec. 70301) . . . . .                   | 2a ■ | _____ | M1NC, Line 9a  |
|    | b Enter the amount of allowable depreciation for assets on line 2a. . . . .                      | 2b ■ | _____ | M1NC, Line 9b  |
|    | c Enter the amount of allowable depreciation for prior year assets adjusted for Sec. 70301 . . . | 2c ■ | _____ | M1NC, Line 9c  |
| 3  | a Full Expensing for Domestic Research and Experimental Expenditures (H.R. 1 Sec. 70302) . . .   | 3a ■ | _____ | M1NC, Line 10a |
|    | b Enter the amount of allowable depreciation for assets on line 3a . . . . .                     | 3b ■ | _____ | M1NC, Line 10b |
|    | c Enter the amount of allowable depreciation for prior year assets adjusted for Sec. 70302 . . . | 3c ■ | _____ | M1NC, Line 10c |
| 4  | Modification of Limitation on Business Interest (H.R. 1 Sec. 70303) . . . . .                    | 4 ■  | _____ | M1NC, Line 11  |
| 5  | Limitation on Deduction for Business Meals (H.R. 1 Sec. 70305) . . . . .                         | 5 ■  | _____ | M1NC, Line 12  |
| 6  | a Limitation for Expensing of Certain Depreciation Property (H.R. 1 Sec. 70306) . . . . .        | 6a ■ | _____ | M1NC, Line 13a |
|    | b Enter the amount of allowable depreciation for assets on line 6a. . . . .                      | 6b ■ | _____ | M1NC, Line 13b |
|    | c Enter the amount of allowable depreciation for prior year assets adjusted for Sec. 70306 . . . | 6c ■ | _____ | M1NC, Line 13c |
| 7  | a Special Depreciation Allowance for Qualified Production Property (H.R. 1 Sec. 70307) . . . . . | 7a ■ | _____ | M1NC, Line 14a |
|    | b Enter the amount of allowable depreciation for assets on line 7a . . . . .                     | 7b ■ | _____ | M1NC, Line 14b |
|    | c Enter the amount of allowable depreciation for prior year assets adjusted for Sec. 70307 . . . | 7c ■ | _____ | M1NC, Line 14c |
| 8  | Enhancement of Advanced Manufacturing Investment Credit (H.R. 1 Sec. 70308) . . . . .            | 8 ■  | _____ | M1NC, Line 15  |
| 9  | Exempt Facility Bond Rules for Spaceports (H.R. 1 Sec. 70309) . . . . .                          | 9 ■  | _____ | M1NC, Line 16  |
| 10 | Subpart F Provisions (H.R. 1 Sec. 70352 and 70354) . . . . .                                     | 10 ■ | _____ | M1NC, Line 17  |
| 11 | Enhancement of Employer-Provided Child Care Credit (H.R. 1 Sec. 70401) . . . . .                 | 11 ■ | _____ | M1NC, Line 18  |
| 12 | This line intentionally left blank. . . . .  | 12 ■ | _____ |                |
| 13 | Exception to Percentage of Completion Method of Accounting (H.R. 1 Sec. 70430) . . . . .         | 13 ■ | _____ | M1NC, Line 20  |





Shareholder's Name		Shareholder's Social Security Number
S Corporation's Name	S Corporation's Federal ID Number	S Corporation's Minnesota ID Number
14	Expansion of Qualified Small Business Stock Gain Exclusion (H.R. 1 Sec. 70431) . . . . .	14 ■ _____ M1NC, Line 21
15	a Treatment of Certain Sound Recording Productions (H.R. 1 Sec. 70434) . . . . .	15a ■ _____ M1NC, Line 22a
	b Enter the amount of allowable depreciation for assets on line 15a . . . . .	15b ■ _____ M1NC, Line 22b
	c Enter the amount of allowable depreciation for prior year assets adjusted for Sec. 70434 . . .	15c ■ _____ M1NC, Line 22c
16	Exclusion of Interest on Loans Secured by Rural or Agricultural Real Property (H.R. 1 Sec. 70435) . . . . .	16 ■ _____ M1NC, Line 23
17	a Termination of Energy Efficient Commercial Buildings Deduction (H.R. 1 Sec. 70507) . . . . .	17a ■ _____ M1NC, Line 24a
	b Reverse federally claimed depreciation for assets on line 17a. . . . .	17b ■ _____ M1NC, Line 24b
18	a Termination of Cost Recovery for Energy Property (H.R. 1 Sec. 70509). . . . .	18a ■ _____ M1NC, Line 25a
	b Reverse federally claimed depreciation for assets on line 18a. . . . .	18b ■ _____ M1NC, Line 25b
	c Enter the amount of allowable depreciation for prior year assets adjusted for Sec. 70509 . . .	18c ■ _____ M1NC, Line 25c
19	Employee Retention Credit Enforcement Provisions (H.R. 1 Sec. 70605). . . . .	19 ■ _____ M1NC, Line 26
20	Minnesota-Only Bonus Depreciation . . . . .	20 ■ _____ M1NC, Line 27
21	This line intentionally left blank. . . . .	21 ■ _____
22	This line intentionally left blank. . . . .	22 ■ _____
23	This line intentionally left blank. . . . .	23 ■ _____
24	This line intentionally left blank. . . . .	24 ■ _____
25	This line intentionally left blank. . . . .	25 ■ _____
26	This line intentionally left blank. . . . .	26 ■ _____
27	This line intentionally left blank. . . . .	27 ■ _____
28	This line intentionally left blank. . . . .	28 ■ _____
29	This line intentionally left blank. . . . .	29 ■ _____
30	Other adjustments to federal taxable income . . . . .	30 ■ _____ M1NC, Line 36
31	Total lines 1-30. If the result is a positive, enter it on Schedule KS, line 6. If the amount is a negative, enter it as a positive number on Schedule KS, line 19.. . . .	
		31 ■ _____

**You must include this schedule when you file Schedule KS.**

# 2025 Schedule KSNC Instructions

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## Shareholder's use of information provided on Schedule KSNC

### Purpose of Schedule KSNC

Schedule KSNC is a supplemental schedule provided by the S corporation to its shareholders. The shareholders need this information to complete one of the following:

Minnesota Schedule M1NC if you are an individual shareholder.

Minnesota Schedule M2NC if you are a trust or estate shareholder.

Minnesota Schedule M2SBNC if you are an electing small business trust shareholder.

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

You must include Schedule KSNC 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 KSNC from the S corporation 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 shareholder.
- Form M2X, *Amended Income Tax Return for Estate and Trust*, if you are a trust or estate shareholder.

### Line Instructions

#### Line 1 – Expansion of FICA Tip Credit (H.R. 1 Sec. 70201)

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

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

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 1.

#### Line 2a - Full Expensing for Bonus Depreciation Property (H.R. 1 Sec. 70301)

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

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

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 2a.

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

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

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

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 2b.

#### Line 2c - Enter the amount of allowable depreciation for prior year assets adjusted for Sec. 70301

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

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

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 2c.

#### Line 3a – Full Expensing for Domestic Research and Experimental Expenditures (H.R. 1 Sec. 70302)

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

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

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 3a.

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

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

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

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 3b.

#### Line 3c – Enter the amount of allowable depreciation for prior year assets adjusted for Sec. 70302

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

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

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 3c.

## 2025 Schedule KSNC Instructions (*continued*)

### **Line 4 – Modification of Limitation on Business Interest (H.R. 1 Sec. 70303)**

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

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

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 4.

### **Line 5 – Limitation on Deduction for Business Meals (H.R. 1 Sec. 70305)**

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

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

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 5.

### **Line 6a – Limitation for Expensing of Certain Depreciation Property (H.R. 1 Sec. 70306)**

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

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

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 6a.

### **Line 6b – Enter the amount of allowable depreciation for assets on line 6a**

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

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

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 6c.

### **Line 6c – Enter the amount of allowable depreciation for prior year assets adjusted for Sec. 70306**

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

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

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 6c.

### **Line 7a – Special Depreciation Allowance for Qualified Production Property (H.R. 1 Sec. 70307)**

*Individuals:* Include this amount on Schedule M1NC, line 14a.

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

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 7a.

### **Line 7b – Enter the amount of allowable depreciation for assets on line 7a**

*Individuals:* Include this amount on Schedule M1NC, line 14b.

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

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 7b.

### **Line 7c – Enter the amount of allowable depreciation for prior year assets adjusted for Sec. 70307**

*Individuals:* Include this amount on Schedule M1NC, line 14c.

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

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 7c.

### **Line 8 – Enhancement of Advanced Manufacturing Investment Credit (H.R. 1 Sec. 70308)**

*Individuals:* Include this amount on Schedule M1NC, line 15.

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

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 8.

### **Line 9 – Exempt Facility Bond Rules for Spaceports (H.R. 1 Sec. 70309)**

*Individuals:* Include this amount on Schedule M1NC, line 16.

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

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 9.

### **Line 10 – Subpart F Provisions (H.R. 1 Sec. 70352 and 70354)**

*Individuals:* Include this amount on Schedule M1NC, line 17.

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

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 10.

## 2025 Schedule KSN C Instructions *(continued)*

### **Line 11 – Enhancement of Employer-Provided Child Care Credit (H.R. 1 Sec. 70401)**

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

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

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 11.

### **Line 12**

This line is intentionally left blank.

### **Line 13 – Exception to Percentage of Completion Method of Accounting (H.R. 1 Sec. 70430)**

*Individuals:* Include this amount on Schedule M1NC, line 20.

*Trusts and Estates:* Include this amount on Schedule M2NC, line 13.

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 13.

### **Line 14 – Expansion of Qualified Small Business Stock Gain Exclusion (H.R. 1 Sec. 70431)**

*Individuals:* Include this amount on Schedule M1NC, line 21.

*Trusts and Estates:* Include this amount on Schedule M2NC, line 14.

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 14.

### **Line 15a – Treatment of Certain Sound Recording Productions (H.R. 1 Sec. 70434)**

*Individuals:* Include this amount on Schedule M1NC, line 22a.

*Trusts and Estates:* Include this amount on Schedule M2NC, line 15a.

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 15a.

### **Line 15b – Enter the amount of allowable depreciation for assets on line 15a**

*Individuals:* Include this amount on Schedule M1NC, line 22b.

*Trusts and Estates:* Include this amount on Schedule M2NC, line 15b.

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 15b.

### **Line 15c – Enter the amount of allowable depreciation for prior year assets adjusted for Sec. 70434**

*Individuals:* Include this amount on Schedule M1NC, line 22c.

*Trusts and Estates:* Include this amount on Schedule M2NC, line 15c.

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 15c.

### **Line 16 – 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 23.

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

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 16.

### **Line 17a – Termination of Energy Efficient Commercial Buildings Deduction (H.R. 1 Sec. 70507)**

*Individuals:* Include this amount on Schedule M1NC, line 24a.

*Trusts and Estates:* Include this amount on Schedule M2NC, line 17a.

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 17a.

### **Line 17b – Reverse federally claimed depreciation for assets on line 17a**

*Individuals:* Include this amount on Schedule M1NC, line 24b.

*Trusts and Estates:* Include this amount on Schedule M2NC, line 17b.

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 17b.

### **Line 18a – Termination of Cost Recovery for Energy Property (H.R. 1 Sec. 70509)**

*Individuals:* Include this amount on Schedule M1NC, 25a.

*Trusts and Estates:* Include this amount on Schedule M2NC, line 18a.

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 18a.

## 2025 Schedule KSNC Instructions *(continued)*

### **Line 18b – Reverse federally claimed depreciation for assets on line 18a**

*Individuals:* Include this amount on Schedule M1NC, line 25b.

*Trusts and Estates:* Include this amount on Schedule M2NC, line 18b.

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 18b.

### **Line 18c – Enter the amount of allowable depreciation for prior year assets adjusted for Sec. 70509**

*Individuals:* Include this amount on Schedule M1NC, line 25c.

*Trusts and Estates:* Include this amount on Schedule M2NC, line 18c.

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 18c.

### **Line 19 – Employee Retention Credit Enforcement Provisions (H.R. 1 Sec. 70605)**

*Individuals:* Include this amount on Schedule M1NC, line 26.

*Trusts and Estates:* Include this amount on Schedule M2NC, line 19.

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 19.

### **Line 20 – Minnesota-Only Bonus Depreciation**

*Individuals:* Include this amount on Schedule M1NC, line 27.

*Trusts and Estates:* Include this amount on Schedule M2NC, line 20.

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 20.

### **Lines 21 through 29**

These lines are intentionally left blank.

### **Line 30 – Other Adjustments to Federal Taxable Income**

*Individuals:* Include this amount on Schedule M1NC, line 36.

*Trusts and Estates:* Include this amount on Schedule M2NC, line 30.

*Electing Small Business Trusts:* Include this amount on Schedule M2SBNC, line 30.

### **Line 31 – Total**

If the total on this line is a positive number, enter it on Schedule KS, line 6. If the total on this line is a negative, enter it as a positive number on Schedule KS, line 19.