



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
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S Corporation's Name	S Corporation's Federal ID Number	S Corporation's Minnesota ID Number
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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 _____

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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

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.

Continued

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, 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 KSNC 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.