



# 2025 Schedule M1C, Nonrefundable Credits

Complete this schedule to determine line 16 of Form M1. Include this schedule when filing your return.

Your First Name and Initial	Your Last Name	Your Social Security Number
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<b>1</b> Marriage Credit for joint return when both spouses have taxable earned income or taxable retirement income ( <i>enclose Schedule M1MA</i> ) .....	<b>1</b>	■	
<b>2</b> Credit for long-term care insurance premiums paid ( <i>enclose Schedule M1LTI</i> ) .....	<b>2</b>	■	
<b>3</b> Credit for taxes paid to another state ( <i>enclose Schedules M1CR and M1RCR</i> ) .....	<b>3</b>	■	
<b>4</b> Credit for Past Military Service ( <i>see instructions</i> ) .....	<b>4</b>	■	
<b>5</b> Employer Transit Pass Credit ( <i>enclose Schedule ETP</i> ) .....	<b>5</b>	■	
<b>6</b> SEED Capital Investment Credit ( <i>see instructions; enclose certification</i> ) .....	<b>6</b>	■	
<b>7</b> Education Savings Account Contribution Credit ( <i>enclose Schedule M1529</i> ) .....	<b>7</b>	■	
<b>8</b> Credit for Attaining Master's Degree in Teacher's Licensure Field ( <i>enclose Schedule M1CMD</i> ) .....	<b>8</b>	■	
<b>9</b> Student Loan Credit ( <i>enclose Schedule M1SLC</i> ) .....	<b>9</b>	■	
<b>10</b> Beginning Farmer Management Credit .....	<b>10</b>	■	
Enter the certificate number from the certificate you received from the Rural Finance Authority: BF 25 - _____			
<b>11</b> Film Production Credit .....	<b>11</b>	■	
Enter the credit certificate number: TAXC - _____			
<b>12</b> Tax Credit for Owners of Agricultural Assets .....	<b>12</b>	■	
Enter the certificate number from the certificate you received from the Rural Finance Authority: AO 25 - _____ AO 25 - _____			
<b>13</b> Credit for Sales of Manufactured Home Parks to Cooperatives .....	<b>13</b>	■	
<b>14</b> Short Line Railroad Infrastructure Modernization Credit .....	<b>14</b>	■	
Enter the credit certificate number you received from the Minnesota Department of Transportation: MN-SLR- _____ - _____			
<b>15</b> State Housing Tax Credit .....	<b>15</b>	■	
Enter the credit certificate number: SHTC - _____ - _____			
<b>16</b> Nonrefundable credit for increasing research activities ( <i>enclose Schedule KPI, KS, or KF</i> ) .....	<b>16d</b>	■	
<b>16e</b> Unused current year nonrefundable credit ..... <b>16e</b> _____			
<b>16f</b> Current year credit carryover. .... <b>16f</b> _____			
<b>17</b> Carryover credits from prior years ( <i>see instructions</i> ) .....	<b>17</b>	■	

  

<b>D — Name of Credit</b>	<b>E — Certificate Number</b>	<b>F — Unused Credit</b>
<b>d1</b> _____	<b>e1</b> _____	<b>f1</b> _____
<b>d2</b> _____	<b>e2</b> _____	<b>f2</b> _____
<b>d3</b> _____	<b>e3</b> _____	<b>f3</b> _____

  

<b>18</b> Alternative Minimum Tax Credit ( <i>enclose Schedule M1MTC</i> ) .....	<b>18</b>	■	
<b>19</b> Add lines 1 through 15, 16d, 17, and 18. Enter total here and on line 16 of Form M1. ....	<b>19</b>	■	

**You must include this schedule with your Form M1.**



# 2025 Schedule M1C Instructions

## Should I file this schedule?

Complete Schedule M1C if any of these apply to you (or your spouse if filing a joint return):

- You are filing a joint return and have taxable earned income, pension, or Social Security income
- You paid premiums on a qualified long-term care insurance policy
- You were a Minnesota resident for all or part of 2025 and paid income tax to both Minnesota and another state on the same income
- You qualify for the Credit for Past Military Service (see the instructions for line 4 of this schedule)
- You purchased transit passes to resell or give to your employees
- You paid Minnesota alternative minimum tax in prior years and are not required to pay it in 2025
- You invested in a qualified business in East Grand Forks, Breckenridge, Dilworth, Moorhead, or Ortonville, and the business has been certified as qualified for the SEED Capital Investment Program
- You contributed to a qualified education savings account in 2025 and did not claim the Education Savings Account Subtraction
- You were a licensed teacher who completed a qualifying master's degree program you began after June 30, 2017
- You were a full-year or part-year resident and made eligible loan payments on your own qualified student loans
- You received a credit certificate from the Minnesota Rural Finance Authority

Report the total of all credits from Schedule M1C on line 16 of Form M1. Include any schedules you completed when filing your return.

## Line Instructions

*Round amounts to the nearest whole dollar.*

### Line 1 — Marriage Credit (Schedule M1MA)

To qualify for the Marriage Credit, all of these must be true:

- You are filing a joint return
- Both you and your spouse have taxable earned income, taxable pension, or taxable Social Security income
- Your joint taxable income on line 9 of your Form M1 is at least \$48,000
- The earned income of the lesser-earning spouse is at least \$31,000

If you qualify, complete Schedule M1MA, *Marriage Credit*, to determine your credit.

### Line 2—Credit for Long-Term Care Insurance Premiums (Schedule M1LTI)

You may be able to claim a credit against tax based on premiums you paid in 2025 for a qualified long-term care insurance policy for which you did not receive a full deduction on Schedule M1SA, *Minnesota Itemized Deductions*.

To qualify, your long-term care insurance policy must:

- Qualify as a deduction (see Schedule M1SA), disregarding the income test
- Have a lifetime long-term care benefit limit of \$100,000 or more

The maximum credit is \$100 per person. If you qualify, complete Schedule M1LTI, *Long-Term Care Insurance Credit*.

### Line 3—Credit for Taxes Paid to Another State (Schedule M1CR and Schedule M1RCR)

If you were a Minnesota resident for all or part of 2025 and you paid income tax to both Minnesota and another state on the same income, you may be able to reduce your tax. A Canadian province or territory and the District of Columbia are considered states for purposes of this credit.

If you were domiciled in another state, but you are required to file a 2025 Minnesota income tax return as a Minnesota resident under the 183-day rule, you may be eligible for this credit. To be eligible, you must have paid 2025 state tax on the same income to both Minnesota and your state of domicile. You must get a statement from the other state's tax department stating ineligibility to receive a credit on that state's return for income tax paid to Minnesota. Include this statement with your Form M1.

If you claimed a federal foreign tax credit and you included taxes paid to a Canadian province or territory, you cannot use these same taxes paid to determine your Minnesota credit. If you qualify, complete Schedule M1CR, *Credit for Income Tax Paid to Another State*, and include the schedule with Form M1.

**If you paid income tax to Wisconsin:** A portion of your credit may be refundable. Complete Schedule M1RCR, *Credit for Tax Paid to Wisconsin*, and include the schedule with Form M1.

### Line 4 — Credit for Past Military Service

You qualify for a credit if you (or your spouse if filing a joint return) have separated from service, your adjusted gross income is less than \$37,500, you did not claim a subtraction for military pension or other military retirement pay on line 25 of Schedule M1M, and at least one of these is true:

- You were honorably discharged and receive a military pension or other retirement pay for your service in the military
- You had served in the military for at least 20 years
- You have a service-related disability rated by the U.S. Department of Veterans' Affairs as being 100% total and permanent

*Continued*

If your adjusted gross income is:

- \$30,000 or less, enter \$750 on line 4 of Schedule M1C (if both you and your spouse qualify for the credit and are filing a joint return, enter \$1,500)
- Between \$30,000 and \$37,500, use the Worksheet for Line 4 to determine your credit amount
- More than \$37,500, you do not qualify for this credit

**You may not claim this credit if you claimed the subtraction for military retirement pay on Schedule M1M.**

#### **Worksheet for Line 4**

Complete this worksheet if your income is between \$30,000 and \$37,500.

1 The maximum credit is \$750 .....	750
2 Federal adjusted gross income from line 1 of Form M1 .....	
3 Income limit. ....	30,000
4 Subtract step 3 from step 2 .....	
5 Multiply step 4 by 10% (.10) .....	
6 Subtract step 5 from step 1 .....	

**Full-year residents:** Enter the result here and on line 4 of Schedule M1C.

**Part-year residents and nonresidents:**

7 Enter the percentage from line 30 of Schedule M1NR .....	
8 Multiply step 6 by step 7. Enter the result here and on line 4 of Schedule M1C. ....	

**If both you and your spouse qualify for the credit and are filing a joint return,** multiply the result on step 6 (or step 8 if you are a part-year resident or nonresident) by 2.

#### **Line 5 — Employer Transit Pass Credit (Schedule ETP)**

If you purchase transit passes to give or resell to your employees, you may be eligible for this credit. To qualify:

- The transit pass must be a pass, token, farecard, voucher, or similar item entitling a person to transportation at regular or reduced prices.
- The pass must be used in Minnesota.
- The transportation must be provided by either of these:
  - A public or privately-owned mass transit facility
  - A person in the business of transporting people for compensation or hire. The vehicle must have seating capacity for at least six adults, not including the driver

The credit is equal to 30% of the difference between the price you incur for the passes and the price you charge employees.

If you qualify, complete Schedule ETP, *Employer Transit Pass Credit*. Enter the credit amount on line 5 of Schedule M1C, and include both schedules when you file Form M1. Include any credits reported to you on any Schedule KPI, KS, or KF you received.

#### **Line 6 — SEED Capital Investment Credit**

If you invest in a qualified business in Breckenridge, Dilworth, East Grand Forks, Moorhead, or Ortonville, and the business is certified by the Minnesota Department of Employment and Economic Development (DEED) as qualifying for the SEED Capital Investment Program, you may qualify for this credit. You may carry the credit forward for up to four years.

Enter the amount from the credit certificate you received from DEED. **Include the certificate and Schedule M1C when you file Form M1.**

#### **Line 7 — Education Savings Account Contribution Credit**

If you contributed to a qualified education savings account (section 529 plan) in 2025, you may be eligible for a nonrefundable credit. Complete Schedule M1529, *Education Savings Account Contribution Credit or Subtraction*, and enter the credit on line 7 of Schedule M1C. Include both schedules with your return.

You are not eligible for this credit if you claimed the Education Savings Account Subtraction.

#### **Line 8 — Credit for Attaining Master's Degree in Teacher's Licensure Field**

If you were a licensed teacher who completed a master's degree program in a core content area that you began after **June 30, 2017**, you may be eligible for a nonrefundable credit if your degree program did **not** include pedagogy or a pedagogy component. Complete Schedule M1CMD, *Credit for Attaining Master's Degree in Teacher's Licensure Field*, and enter the credit on line 8 of Schedule M1C. Include both schedules with your return.

#### **Line 9 — Student Loan Credit**

If you were a full-year or part-year resident of Minnesota in 2025 and made eligible loan payments on your own qualified student loans in 2025, you may be eligible for a credit against tax if you had taxable earned income. Complete Schedule M1SLC, *Student Loan Credit*, and enter your credit from the schedule on line 9 of Schedule M1C. Include both schedules with your return.

#### **Line 10 — Beginning Farmer Management Credit**

If you received a credit certificate from the Minnesota Rural Finance Authority for enrolling in a management class, enter the certificate number in the space provided and the credit amount on line 10. You may carry the unused credit forward for up to 3 years after the tax year it is generated.

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### Line 11 — Film Production Credit

Include the amounts reported to you on:

- Schedule KS, line 27
- Schedule KPI, line 27
- Schedule KF, line 35

You may carry the unused credit forward for up to 5 years after the tax year it is generated.

### Line 12 — Tax Credit for Owners of Agricultural Assets

If you received a credit certificate from the Minnesota Rural Finance Authority for selling or leasing agricultural assets to a beginning farmer, enter the certificate number in the space provided and the credit amount on line 12.

If, as an individual, you received a certificate from a Partnership or S-Corporation, enter the certificate number for the certificate you received as an individual. If you received more than one certificate from an entity, but not as an individual, enter each certificate number on the spaces provided. If you received more than three certificates, provide an attachment with a list of the additional certificate numbers.

You may carry the unused credit forward for up to 15 years after the tax year it is generated.

### Line 13 — Credit for Sales of Manufactured Home Parks to Cooperatives

Include amounts reported to you on:

- Schedule KS, line 25
- Schedule KPI, line 25
- Schedule KF, line 39

If you were a part year or nonresident of Minnesota, you will determine your credit by using your percentage of income taxable to Minnesota. Multiply the amount of the credit or the amounts reported to you on the lines listed above, by line 30 of Schedule M1NR.

You may carry the unused credit forward for up to 5 years after the tax year it is generated.

### Line 14 — Short Line Railroad Infrastructure Modernization Credit

Include amounts reported to you on:

- Schedule KS, line 24
- Schedule KPI, line 24
- Schedule KF, line 38

If you were a part year or nonresident of Minnesota, you will determine your credit by using your percentage of income taxable to Minnesota. Multiply the amount of the credit or the amounts reported to you on the lines listed above, by line 30 of Schedule M1NR.

You may carry the unused credit forward for up to 5 years after the tax year it is generated.

### Line 15 — State Housing Tax Credit

If you received a certificate from the Minnesota Housing Finance Agency (MHFA) for qualifying contributions to a state fund, enter the certificate number in the space provided and the credit amount on line 15. If you received multiple certificates, combine the amounts from all certificates when completing line 15, and provide a statement with the certificate numbers and the amount from the certificate. If you were a part year or nonresident of Minnesota, you will determine your credit by using your percentage of income taxable to Minnesota. Multiply the credit amount you would have used if your income was fully taxable to Minnesota by line 30 of Schedule M1NR.

Also include amounts reported to you on:

- Schedule KS, line 23
- Schedule KPI, line 23
- Schedule KF, line 37

### Line 16d — Credit for Increasing Research Activities

Use the Worksheet for Line 16d to determine what amount to enter on lines 16d, 16e, and 16f.

#### Worksheet for Line 16d

1	Tentative Current Year Credit: Include the amounts reported to you on line 26 of Schedule KS, line 26 of Schedule KPI, and line 34 of Schedule KF .....	_____
2	Regular Tax: Enter the amount from line 10 of Form M1 .....	_____
3	Nonrefundable Credits: Enter the amount from lines 1 through 15 and 17 of Schedule M1C .....	_____
4	Regular Tax Less Nonrefundable Credits: Subtract step 3 from step 2 .....	_____
5	Prior Year Credit Carryover: Include the portion of line 17 relating to a research credit carryover from prior years. .	_____
6	Liability for tax: Add steps 4 and 5 .....	_____
7	Limitation: Enter the lesser of step 2 and step 6. If the result is zero or less, leave blank .....	_____
8	Current year credit after limitation: Enter the lesser of step 1 and step 7. Include the result here and on line 16d ...	_____
9	Unused Current-Year Nonrefundable Credit: Subtract step 8 from step 1. Include the result here and on line 16e. ....	_____
	If the result is zero or less, STOP HERE, your refundable credit amount is \$0. ....	_____
10	Refundable Credit Amount: Multiply step 9 by 19.2% (0.192). Enter the result here and see instructions for line 13 of Schedule M1REF .....	_____
11	Current year credit carryover: Subtract step 10 from step 9. Include the result here and on line 16f .....	_____

You may carry any unused credit forward for up to 15 years. You cannot use the carryover amount when determining the refundable portion of the credit.

### Line 17 - Carryover Credits from Prior Years

Certain credits may be carried over if you were unable to claim the full amount of the credit in a prior year. Use the table below to determine which credits may be claimed on your 2025 return that were carried over from a prior year and what to enter in columns d through e on line 17.

Credit in Column D of line 17	Number of Carryover Years from the Original Year	Certificate Number in Column E of Line 17
Credit for Increasing Research Activities	15 Years	None
Owners of Agricultural Assets Credit	15 years	Enter the certificate number starting with AO
Beginning Farmer	3 Years	Enter the certificate number starting with BF
Film Production Credit	5 Years	Enter the certificate number starting with TAXC
Credit for Sales of Manufactured Home Parks to Cooperatives	5 Years	None
Short Line Railroad Infrastructure Modernization Credit	5 Years	Enter the credit certificate number starting with MN-SLR
Housing Tax Credit	10 Years	Enter the certificate number starting with SHTC

Include the amount of unused credit from a prior year that you are claiming on your 2025 return in column F.

### Line 18 — Alternative Minimum Tax Credit (Schedule M1MTC)

If you have never paid Minnesota alternative minimum tax, you do not qualify for this credit. If you paid Minnesota alternative minimum tax in one or more years from 1989 through 2024, but not for 2025, complete Schedule M1MT, *Alternative Minimum Tax*, and Schedule M1MTC, *Alternative Minimum Tax Credit*, to determine if you qualify or have a credit carry over from a prior year of any unused portion of your minimum tax credit. Enter the credit from Schedule M1MTC on line 18 of Schedule M1C.