



2024 Schedule M1NC, Federal Adjustments

Minnesota has not adopted certain federal law changes enacted after May 1, 2023, that affect federal adjusted gross income for tax year 2024. This schedule allows for any necessary adjustments required to file a state tax return.

Your First Name and Initial

Last Name

Social Security Number

Read the instructions before you complete this schedule.

**Enter amounts as a positive or negative.
Round amounts to the nearest whole dollar.**

Adjustments to federal adjusted gross income (FAGI)

1 This line intentionally left blank. 1

2 This line intentionally left blank. 2

3 a Full Expensing for Bonus Depreciation Property (H.R. 1 Sec 70301) 3a

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

4 a Full expensing for Domestic Research and Experimental Expenditures (H.R. 1 Sec 70302) 4a

 b Enter the amount of allowable depreciation for assets on line 4a 4b

 c Enter the amount of allowable depreciation for prior year assets adjusted for Sec 70302.... 4c

5 a Special Depreciation Allowance for Qualified Production Property (H.R. 1 Sec 70307) 5a

 b Enter the amount of allowable depreciation for assets on line 5a.... 5b

6 Exempt Facility bond rules for spaceports (H.R. 1 Sec 70309) 6

7 Subpart F provisions (H.R. 1 Sec 70354) 7

8 Exception to percentage completion method of accounting (H.R. Sec 70431) 8

9 Expansion of qualified small business stock gain exclusion (H.R. 1 Sec 70431).... 9

10 a Treatment of certain sound recording productions (H.R. 1 Sec 70434) 10a

 b Enter the amount of allowable depreciation for assets on line 10a 10b

11 Exclusion of interest on loans secured by rural or agricultural real property (H.R. 1 Sec 70435) 11

12 a Termination of cost recovery for energy property (H.R. 1 Sec 70509).... 12a

 b Reverse federally claimed depreciation for assets on line 12a 12b

13 Employee retention credit enforcement provisions (H.R. 1 Sec 70605) 13

14 This line intentionally left blank. 14

15 This line intentionally left blank. 15

16 This line intentionally left blank) 16

17 This line intentionally left blank. 17



18 Other adjustments to adjusted gross income. 18 ■ _____

If you have an amount on lines 1 through 18 and had rental real estate losses, received social security income, contributed to an IRA, or paid interest on student loans, see the instructions and worksheets for lines 19 through 22 to determine your Minnesota deduction.

19 Rental real estate loss limitation adjustment. 19 ■ _____

20 Taxable social security benefits adjustment. 20 ■ _____

21 IRA deduction adjustment. 21 ■ _____

22 Student loan interest deduction adjustment. 22 ■ _____

23 Add lines 1 through 22. If the result is positive, enter it on line 9 of Schedule M1M.
If the result is negative, enter it as a positive number on line 34 of Schedule M1M. 23 ■ _____

24 Line 1 of Form M1. 24 ■ _____

25 **Minnesota Adjusted Gross Income.** Add lines 23 and 24, then see instructions. 25 ■ _____

You must include this schedule when you file Form M1.

2024 Schedule M1NC Instructions

For taxpayers who are affected by changes to federal tax law passed after May 1, 2023.

Purpose of This Schedule

Rules used to determine Minnesota Individual Income Tax are generally based on the Internal Revenue Code (IRC) as amended through May 1, 2023 with certain exceptions. Since that date Congress has enacted H.R. 1 of 2025.

Who Must File Schedule M1NC

If you are affected by any of the provisions included on this form, complete Schedule M1NC to make the necessary adjustments when you file Form M1. Refer to the line instructions below for more information about the adjustment for your Minnesota return.

Line Instructions

Line 3a – Full Expensing of Bonus Depreciation Property (H.R. 1 Sec. 70301)

If you deducted 100-percent bonus depreciation on qualified property acquired after January 19, 2025, include 60-percent of that depreciation as a positive number on line 3a.

Line 3b – Enter the amount of allowable depreciation for assets on line 9a

If you reported a nonconformity addition on line 3a, report the depreciation allowable for the portion of the asset cost included on line 3a using 2023 IRC for tax year 2024 as a negative number on line 3b. Attach a statement showing the calculation of the depreciation amount.

Line 4a – Full Expensing for Domestic Research and Experimental Expenditures (H.R. 1 Sec. 70302)

If you immediately deducted research and experimental expenditures under IRC section 174A, calculate the difference between the immediate deduction and the recovery period you would have been allowed under 2023 IRC. Include that amount as a positive number on line 4a.

Line 4b – Enter the amount of allowable depreciation for assets on line 10a

If you reported a nonconformity addition on line 4a, report the depreciation allowable under 2023 IRC for tax year 2024 as a negative number on line 4b. Attach a statement showing the calculation of the depreciation amount.

Line 4c – Enter the amount of allowable depreciation for prior year assets adjusted for H.R. 1 Sec. 70302

If you reported a nonconformity addition relating to section 70302 in a prior year, report the depreciation allowable under 2023 IRC for tax year 2024 as a negative number on line 4c. Attach a statement showing the calculation of the depreciation amount.

Line 5a – Special Depreciation Allowance for Qualified Production Property (H.R. 1 Sec. 70307)

If you deducted 100-percent of qualified production property placed in service after July 4, 2025, include the 100-percent depreciation deduction as a positive number on line 5a.

Line 5b – Enter the amount of allowable depreciation for assets on line 5a

If you reported a nonconformity addition on line 5a, report the depreciation allowable under 2023 IRC for tax year 2024 as a negative number on line 5b. Attach a statement showing the calculation of the depreciation amount.

Line 6 – Exempt Facility Bond Rules for Spaceports (H.R. 1 Sec. 70309)

If you exempted facility bond interest relating to a spaceport, include the amount of the exempt interest income on obligations issued after July 4, 2025, as a positive number on line 6.

Line 7 – Subpart F Provisions (H.R. 1 Sec. 70354)

If you have an adjustment for one of the provisions below, enter the amount on line 7. If you have an adjustment for more than one provision listed below, net the adjustments and enter the total on line 7. Attach a statement showing the calculation of each adjustment.

Modifications to Pro Rata Share Rules (H.R. 1 Sec. 70354)

If you included a pro rata share of Subpart F or GILTI income in AGI due to the pro rata share rule changes under H.R. 1 section 70354, recalculate your income included during the 2024 taxable year using the rules required under 2023 IRC. Include any adjustments to AGI on line 7.

Line 8 – Exception to Percentage of Completion Method of Accounting (H.R. 1 Sec. 70430)

If you utilized the completed contract method under the expanded exception within H.R. 1 section 70430 for contracts entered into in taxable years beginning after July 4, 2025, recalculate your AGI using the percentage of completion method and include any adjustments to AGI on line 8.

Line 9 – Expansion of Qualified Small Business Stock Gain Exclusion (H.R. 1 Sec. 70431)

If any of the following apply to you:

- Excluded a gain for a disposition of a qualified small business stock (QSBS) using the tiered applicable percentage holding period requirements for QSBS acquired after July 4, 2025;
- Limited the aggregate amount of gain from disposition of a QSBS using the \$15 million threshold for QSBS acquired after July 4, 2025; or
- Had aggregate gross assets between \$50 million and \$75 million for stock issued after July 4, 2025, and were determined to be a “qualified small business” for federal purposes.

Then reverse the impacts of the H.R. 1 section 70431 changes above and include any adjustments to AGI on line 9.

Line 10a – Treatment of Certain Sound Recording Productions (H.R. 1 Sec. 70434)

If you elected to immediately expense the cost of qualified sound recording productions as defined under IRC section 181(a)(2)(C) for productions commencing in taxable years ending after July 4, 2025, include the immediate expense deduction as a positive number on line 10a.

Line 10b – Enter the amount of allowable depreciation for assets on line 22a

If you reported a nonconformity addition on line 10a, report the depreciation allowable under 2023 IRC for tax year 2024 as a negative number on line 10b. Attach a statement showing the calculation of the depreciation amount.

Line 11 – Exclusion of Interest on Loans Secured by Rural or Agricultural Real Property (H.R. 1 Sec. 70435)

If you excluded interest income relating to loans secured by rural or agricultural real property as provided under IRC section 139L for taxable years ending after July 4, 2025, include the excluded interest income as a positive number on line 11.

Line 12a – Termination of Cost Recovery for Energy Property (H.R. 1 Sec. 70509)

If you constructed energy property beginning after December 31, 2024, and would have qualified for the 5-year accelerated depreciation under 2023 IRC section 168(e)(3)(B)(vi), determine the amount of depreciation allowed using the 5-year accelerated depreciation method and include the result as a negative number on line 12a. Attach a statement showing the calculation of the depreciation amount.

Line 12b – Reverse federally claimed depreciation for assets on line 25a

If you reported a nonconformity adjustment on line 12a, include the depreciation you claimed on your 2024 federal return as a positive number on line 12b.

Line 13 – Employee Retention Credit Enforcement Provisions (H.R. 1 Sec. 70605)

If you have impacts to AGI relating to the employee retention credit changes under H.R. 1 section 70605 for credits, refunds, or assessments made after July 4, 2025, that are not otherwise subtracted on line 21 of Schedule M1MB, Business Income Additions and Subtractions, include the impacts to AGI on line 13.

Line 18 – Other Adjustments to Adjusted Gross Income

If any provision within any federal acts enacted since May 1, 2023, impacts the calculation of AGI and is not included as an adjustment on another line of this schedule, enter an adjustment incorporating the change(s) to AGI on line 18. Common examples of adjustments to AGI are capital contribution limitations, capital loss limitations, basis adjustments, and gain or loss from sales.

Attach a statement showing the calculation of any amount entered on line 18.

Line 19 – Rental Real Estate Loss Limitation Adjustment

Rental real estate losses are limited based on your Minnesota adjusted gross income. Complete the Worksheet for Line 19 – Rental Real Estate Loss Limitation Adjustment if line 7 of your federal Schedule 8582 was less than \$150,000. Enter the adjustment on line 19 of this schedule.

Worksheet for Line 19 – Rental Real Estate Loss Limitation Adjustment

Before you complete this worksheet, you will need to complete federal Form 8582.

- 1 Enter the amount from line 5 of federal Form 8582
- 2 Enter the amount from line 6 of federal Form 8582
- 3 Enter the total of lines 3 through 18 of Schedule M1NC
- 4 Add steps 2 and 3. If the result is greater than or equal to step 1, skip steps 5 and 6 and enter 0 on step 7.
Otherwise, continue with step 5.....
- 5 Subtract step 4 from step 1. If zero or less, enter 0
- 6 Multiply step 5 by 50% (0.5). Do not enter more than line 8 of Form 8582
- 7 Enter the lesser of line 4 of Form 8582 or step 6 of this worksheet
- 8 Enter the amount from line 10 of Form 8582
- 9 Add steps 7 and 8.....
- 10 Enter the amount from line 11 of Form 8582
- 11 Subtract step 9 from step 10. Include the result on line 19 of Schedule M1NC

Line 20 – Taxable Social Security Benefits Adjustment

If you received Social Security benefits, you must use one of these methods to determine the taxable portion for Minnesota purposes.

Method 1

Use method 1 if you received social security benefits and either of these apply:

- You did not claim an IRA deduction on your federal return
- You did claim an IRA deduction on your federal return, but neither you or your spouse were covered by a retirement plan at work or through self-employment

Complete the Worksheet for Line 20 – Social Security benefits to determine the adjustment to your Minnesota taxable Social Security benefits.

Method 2

Use method 2 if you received Social Security benefits and both of these apply:

- You are claiming an IRA deduction
- You or your spouse were covered by a retirement plan at work or through self-employment

Complete a separate Minnesota worksheet for each of Worksheets 1 through 3 of Appendix B in IRS Publication 590-A. To determine your Minnesota IRA deduction and taxable Social Security benefits on these worksheets follow the federal instructions but with the following modifications:

- On line 1 of your Minnesota Worksheets 1 and 3, include adjustments to AGI from lines 3 through 18 of Schedule M1NC
- On your Minnesota Worksheet 3, subtract the amount from line 19 of your federal worksheet from line 19 of your Minnesota worksheet and enter the result on line 20 of Schedule M1NC
- Do not use the Worksheet for Line 21 to determine your Minnesota IRA deduction adjustment

Worksheet for Line 20 — Social Security Benefits

- 1 Total amount from box 5 of all your Forms SSA and RRB-1099
- 2 Multiply step 1 by 50%
- 3 Combine amounts from Form 1040 or 1040-SR lines 1z, 2b, 3b, 4b, 5b, 7 and 8
- 4 Form 1040 or 1040-SR line 2a (tax exempt interest)
- 5 Combine amounts from lines 3 through 19 of Schedule M1NC
- 6 Combine step 2, 3, 4, and 5
- 7 Enter the total of the amounts from Schedule 1, lines 11 through 20, and 23 and 25
- 8 If step 7 is less than step 6, subtract step 7 from step 6.
If step 7 is more than step 6, none of your Social Security is taxable.
Skip steps 9 through 18, enter 0 on step 19 and continue to step 20
- 9 If you are:
Married filing jointly enter \$32,000
Single, Head of household, Qualifying widower, Married filing separately enter \$25,000
Married filing separately and lived with spouse, skip step 9 through 16.
Multiply step 8 by 85%, enter result on step 17, and continue to step 18
- 10 If step 9 is less than step 8, subtract step 9 from step 8.
If step 9 is more than step 8, none of your social security benefits are taxable.
Skip steps 11 through 18, enter 0 on step 19 and continue to step 20
- 11 If you are:
Married filing jointly enter \$12,000
Single, head of household, qualifying widower, or married filing separately enter \$9,000
- 12 Subtract step 11 from step 10. If less than zero, enter 0
- 13 Enter smaller of step 10 or 11
- 14 Multiply step 13 by 50%
- 15 Enter smaller of step 2 or step 14
- 16 Multiply line 12 by 85%
- 17 Add steps 15 and 16
- 18 Multiply line 1 by 85%
- 19 Enter the smaller of steps 17 or 18
- 20 Enter amount from line 6b of Form 1040
- 21 Subtract Step 20 from step 19. Enter result on line 20 of Schedule M1NC. If negative, enter as a negative

Line 21 – IRA Deduction Adjustment

Use the Worksheet for Line 21 to determine your Minnesota IRA deduction. Do not use the worksheet if:

- You used method 2 on line 20 to determine your taxable Social Security benefits and IRA deduction
- You (and your spouse if filing a joint return) were not covered by a retirement plan at work or through self-employment

Worksheet for Line 21 — Minnesota IRA Deduction

Your IRA	Spouses's IRA
<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Yes	<input type="checkbox"/> No

1 Were you covered by a retirement plan? Answer Yes or No on Step 1.
If you answered No, see instructions.

2 Enter the amount shown below that applies to you 2a _____ 2b _____

- Single, Head of household, married filing separately and lived apart enter \$87,000
- Qualifying Surviving Spouse enter \$143,000
- Married filing jointly enter \$143,000 if you checked Yes on step 1
- Married filing jointly enter \$240,000 if you checked No on step 1
- Married filing separately and you lived with your spouse enter \$10,000

3 Enter the amount from line 9 of Form 1040 or 1040-SR 3 _____

4 Combine the amounts included on lines 1through 38 of Schedule M1NC 4 _____

5 Add steps 3 and 4 5 _____

6 Enter the total of amounts from Schedule 1, lines 11 through 19a, plus 23 and 25 6 _____

7 Subtract step 6 from step 5. Enter the result in both columns 7a _____ 7b _____

8 If the amount on step 7 is less than step 2, continue to step 9.

If the amount on step 7 is more than step 2, none of your IRA is deductible for Minnesota purposes.

Stop here and include the amount you entered on line 20 of federal Schedule 1 on line 21 of Schedule M1NC.

9 Subtract step 7 from step 2. If your filing status is single, head of household, or married filing separately and the result is less than \$10,000, enter the difference on step 9 and go to step 10. If the result is \$10,000 or more, enter one of the following amounts on step 10 and go to step 11 9a _____ 9b _____

- \$7,000 if under age 50 at the end of 2024
- \$8,000 if over age 50 at the end of 2024
- If you are married filing jointly or a qualifying surviving spouse, and the result is \$20,000 or more (\$10,000 in the column that entered No on step 1), enter one of the following amounts on step 12 and go to step 13.
- \$7,000 if under age 50 at the end of 2024
- \$8,000 if over age 50 at the end of 2024

Otherwise, enter the difference on line 9 and go to step 10.

10 Multiply the amounts on step 9 by the following percentages. Round the result up to the nearest multiple of \$10. If the result is less than \$200, enter \$200. 10a _____ 10b _____

If single, head of household, married filing separately use 70% (.70) or if over age 50 at the end of 2024, use 80% (.80)

If married filing jointly and answered Yes on step 1, use 35% (.35) or in the column of a person who is over age 50 at the end of 2024, use 40% (.40). In the column for people who answered No on step 1, use 70% (.70) or 80% (.80) if over age 50 at the end of 2024

11 Enter the total of your (and your spouse's if filing a joint return): 11 _____

- Wages, salaries, tips
- Alimony reported on line 2a of Schedule 1
- Nontaxable combat pay from Box 12 of Form W-2 with Code Q

12 Enter the earned income you (and your spouse if filing a joint return) received as self-employed.

This is net earnings minus the deduction on lines 15 and 16 of Schedule 1. If zero or less, enter 0 12 _____

13 Combine amounts from lines 3 through 18 of Schedule M1NC 13 _____

14 Combine the amounts on steps 11, 12, and 13. 14 _____

If married filing jointly and step 14 is less than \$14,000 (\$15,000 if one spouse is age 50 or older at the end of 2024; \$16,000 if both spouses are age 50 or older at the end of 2024), **stop here**, and use the worksheet in Pub. 590-A to figure your IRA deduction.

15 Enter traditional IRA contributions to your IRA on step 15a and your spouse's IRA on step 15b 15a _____ 15b _____

16 On step 16a, enter the smaller of steps 10a, 14, or 15a

On step 16b, enter the smaller of steps 10b, 14, or 15b 16a _____ 16b _____

17 Combine the amounts on step 16 17 _____

18 Enter the amount from line 20 of federal Schedule 1 18 _____

19 Subtract step 17 from step 18. Enter the result on line 21 of Schedule M1NC.

If the result is negative, enter as a negative amount. 19 _____

Line 22 – Student Loan Interest Deduction Adjustment

Complete the Worksheet for Line 22 – Student Loan Interest if you deducted student loan interest on your federal return. After you complete the worksheet, enter the adjustment on line 22. If you are required to complete worksheets for lines 19 through 21, you must complete those worksheets before completing the worksheet for line 22.

Worksheet for Line 22 – Student Loan Interest Deduction

- 1 Enter the interest you paid in 2024 on qualified student loans (see instructions for line 21 of federal Schedule 1).
Do not enter more than \$2,500
- 2 Enter the amount from line 9 of federal Form 1040 or 1040-SR
- 3 Enter the total of lines 3 through 20 of Schedule M1NC
- 4 Add steps 2 and 3
- 5 Enter the total of the amounts from Schedule 1, lines 11 through 20, and 23 and 25
- 6 Enter IRA deduction adjustment from line 21 of Schedule M1NC
- 7 Add steps 5 and 6
- 8 Subtract step 7 from step 4
- 9 Enter amount based on filing status

 - Single, head of household, qualifying widower - \$80,000
 - Married filing jointly - \$165,000

- 10 If step 8 is more than step 9, subtract step 9 from step 8

 - If step 8 is less than step 9, skip steps 10 and 11, enter 0 on step 12, and go to step 13

- 11 Divide step 10 by \$15,000 (\$30,000 if married filing jointly). Enter result as decimal (rounded to at least three places)
If the result is more than 1.000, enter 1.000
- 12 Multiply step 1 by step 11
- 13 Subtract step 12 from step 1. Minnesota student loan interest deduction
- 14 Federal student loan interest deduction from line 21 of federal Schedule 1
- 15 Subtract step 13 from step 14. Enter the result on line 22 of Schedule M1NC. If the result is negative, enter as a negative..

Line 23 – Add lines 1 through 22

Earned income adjustments

If you entered an amount on lines 3 through 18 and are filing Schedules M1MA, M1CWFC, M1CD, or M1SLC, follow the instructions below to determine what earned income to use when completing the schedule.

Schedule M1MA

To complete line 2 of Schedule M1MA, adjust the amount in column A or B for each spouse based on lines 3 through 18 of Schedule M1NC.

Schedule M1CWFC

Complete the Worksheet for Earned Income for line 2 of Schedule M1CWFC, combine the amounts from lines 3 through 18 of Schedule M1NC, then add these two amounts and enter the result on line 2 of Schedule M1CWFC.

Schedule M1CD

Include the amounts from lines 3 through 18 of Schedule M1NC when determining the earned income for each spouse separately on lines 2 and 3 of Schedule M1CD.

Schedule M1SLC

Include the amounts from lines 3 through 18 of Schedule M1NC when determining the earned income for each spouse for columns A and B of line 6 of Schedule M1SLC.

Line 25 – Minnesota Adjusted Gross Income

If you are claiming the social security subtraction on line 12 of Schedule M1M, Income Additions and Subtractions, use the Worksheet for Line 12 of Schedule M1M below to determine your subtraction. If you are claiming the delayed net operating loss from line 19 of Schedule M1MB, use the Worksheet for Line 19 of Schedule M1MB below to determine your subtraction.

If you are filing the following forms, use the amount from line 43 on the appropriate lines:

- Line 5 of Schedule M1CD, Child and Dependent Care Credit
- Line 1 of Schedule M1ED, K -12 Education Credit
- Line 1 of Schedule M1CWFC, Minnesota Child and Working Family Credits
- Lines 2 and 21 of Schedule M1SA, Minnesota Itemized Deductions
- Line 18 of Schedule M1CAT, Casualty and Theft
- Line 9 of Schedule M1R, Age 65 or Older/Disabled Subtraction
- Line 1 of Schedule M1MT, Alternative Minimum Tax
- Line 2 of Schedule M1SLC, Student Loan Credit
- Line 1 of Schedule M1CR, Credit for Income Tax Paid to Another State (use this amount in the instructions for line 1)

- Line 1 of Schedule M1RCR, Credit for Tax Paid to Wisconsin (use this amount in the instructions for line 1)
- Line 4 of Schedule M1QPEN, Qualified Public Pension Subtraction
- Line 1 of Schedule M1RENT, Renter's Credit

Use line 43 of Schedule M1NC on the following worksheets:

- Form M1 - Step 1 of the Worksheet for Line 4 – Standard Deduction Limitation
- Form M1 - Step 4 of the Worksheet for Line 5 – Dependent Exemptions
- Schedule M1SA – Use line 43 of Schedule M1NC to determine which worksheet to complete for Line 26
- Schedule M1SA – If required to use Worksheet A for Line 26 - Step 4 of the Worksheet A for Line 26 – Itemized Deduction Phaseout for AGI \$1,053,750 or less
- Form M1 – Step 1 of the Worksheet for Line 4 – Standard Deduction AGI over \$1,053,750
- Form M1 – Step 1 of the Adjusted Gross Income Worksheet for PTE Deductions
- Schedule M1529 - Step 3 of the Worksheet for Line 5 (529 Credit)

Worksheet for Line 19 of Schedule M1MB

- 1 Enter the amount of Minnesota NOL carried into 2024 from prior years.
Do not include amounts that were already subtracted in a prior year
- 2 Enter the amount of federal taxable income from Line 15 of Form 1040 or 1040-SR
- 3 Enter the amount from line 23 of Schedule M1NC. If negative, enter as a negative amount
- 4 Combined steps 2 and 3
- 5 Multiply Step 4 by 80%
- 6 Enter the lesser of Step 1 or 5 here and on line 19 of Schedule M1MB
- 7 Subtract step 6 from step 1. This is your Minnesota NOL carried into 2025

Worksheet for Line 12 of Schedule M1M

- 1 Line 23 of Schedule M1NC
- 2 Enter the amount based on your filing status

 - Married Filing Jointly or Qualifying Widow(er): \$105,380
 - Single or Head of household: \$82,190
 - Married Filing Separate: \$52,690

- 3 Subtract step 2 from step 1
- 4 Divide step 3 by \$4,000 (\$2,000 if married and filing a separate return).
Round up to nearest whole number. If greater than ten, enter 10.
- 5 Multiply step 4 by 10% (0.1) Enter the result as a decimal
- 6 Taxable Social Security benefits from line 6b of Form 1040 or 1040-SR
- 7 Step 21 of the Worksheet for Line 20 – Social Security Benefits
- 8 Combine steps 6 and 7
- 9 Multiply step 5 by step 8.
- 10 Subtract step 9 from step 8. If less than zero, enter 0
- 11 Enter the amount from line 9 of Form 1040 or 1040-SR
- 12 Subtract step 8 from step 11
- 13 Enter the amount from line 6a of federal Form 1040 or 1040-SR
- 14 Multiply step 13 by 50% (0.50)
- 15 Enter the amount you included or should have included on line 2a of Form 1040 or 1040-SR
- 16 Add steps 12, 14, and 15
- 17a Enter the amount from line 26 of federal Schedule 1 (total deductions from Schedule 1)
- 17b Enter your IRA deduction adjustment from Line 21 of Schedule M1NC
- 17c Combine steps 17a and 17b
- 18a Enter the amount from line 22 of federal Schedule 1
- 18b Enter your student loan interest adjustment from Line 22 of Schedule M1NC
- 18c Combine Steps 18a and 18b
- 19 Subtract step 18c from step 17c. If zero or less, enter 0.
- 20 Subtract step 19 from step 16. If zero or less, enter 0.
- 21 Enter the amount based on your filing status

 - Married Filing Jointly or Qualifying Widow(er): \$88,630
 - Single or Head of household: \$69,250
 - Married Filing Separate: \$44,315

- 22 Subtract step 20 from step 21. If zero or less, enter 0
- 23 Multiply step 22 by 20%
- 24 Enter the amount based on your filing status

 - Married Filing Jointly or Qualifying Widow(er): \$5,840
 - Single or Head of household: \$4,560
 - Married Filing Separate: \$2,920

- 25 Subtract step 24 from step 23. If zero or less, enter 0
- 26 Enter the amount from step 8 (Minnesota Taxable Social Security benefits)
- 27 Enter the amount of Tier 1 railroad retirement benefits included on line 17 of Schedule M1M
- 28 Subtract step 27 from step 26. If zero or less, enter 0
- 29 Enter step 25 or step 28, whichever is less
- 30 Subtract step 26 from step 8. If zero or less, enter 0
- 31 Enter step 28 or 29, whichever is greater. Also, enter this amount on line 12 of Schedule M1M