DEPARTMENT OF REVENUE

NEAR FINAL DRAFT — 8/3/26

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2026 Schedule KF, Beneficiary's Share of Minnesota Taxable Income

Fiduciary: *Complete and provide Schedule KF to each estate, trust, or nonresident individual beneficiary with Minnesota source income and any Minnesota beneficiary who has adjustments to income or credits.*

Tax year beginning (MM/DD/YYYY) ___/___/___ , ending (MM/DD/YYYY) ___/___/___ Amended KF: ☐

Beneficiary's Social Security Number	Estate's or Trust's Federal ID Number	Minnesota Tax ID Number
Beneficiary's Name	Estate's or Trust's Name	
Address of Beneficiary	Address of Fiduciary	

Beneficiary City	State	ZIP Code	Fiduciary City	State	ZIP Code

Calculate lines 1–44 the same for all resident and nonresident beneficiaries. Calculate lines 45-49 for estate, trust, and nonresident individual beneficiaries only. Calculate lines 50-51 for nonresident beneficiaries only. Round amounts to the nearest whole dollar.

Additions to income			**Beneficiary: Include on:**
1	State and municipal bond interest from outside Minnesota	**1** ■	Line 1, Schedule M1M
2	State taxes deducted in arriving at net income	**2** ■	Line 2, Schedule M1MB
3	Expenses deducted that are attributable to income not taxed by Minnesota *(other than interest or mutual fund dividends from U.S. bonds)*	**3** ■	Line 3, Schedule M1M
4	80 percent of the suspended loss from 2001–2005 or 2008–2025 that was generated by bonus depreciation	**4** ■	Line 4 inst., Sched. M1MB
5	80 percent of federal bonus depreciation	**5** ■	Line 1 inst., Sched. M1MB
6a	Beneficiary's pro rata gross profit from installment sale of pass-through entities *(see instructions)*	**6a** ■	Line 1, Schedule M1AR
6b	Beneficiary's pro rata installment sale income from sales of pass-through entities *(see instructions)*	**6b** ■	Line 3, Schedule M1AR
6c	Applicable S corporation's or partnership's apportionment percentage of the year of sale (see instructions)	**6c** ■	Line 6, Schedule M1AR
7	This line intentionally left blank	**7** ■	
8	Net operating loss (NOL) carryover adjustment	**8** ■	Line 5, Schedule M1MB
9	Foreign derived intangible income (FDII) deduction	**9** ■	Line 3, Schedule M1MB
10	Other additions *(see instructions)*	**10** ■	See line 10 instructions
11	Interest received on loans secured by rural and agricultural real property	**11** ■	Line 7, Schedule M1MB
12	Certain business meals and entertainment	**12** ■	Line 8, Schedule M1MB
13	Certain subpart F income	**13** ■	Line 9, Schedule M1MB
14	This line intentionally left blank	**14** ■	
15	This line intentionally left blank	**15** ■	

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Beneficiary's Name _____ Beneficiary's Social Security Number _____

Subtractions from income **Include on:**

16	Interest on U.S. government bond obligations, minus any expenses deducted on the federal return that are attributable to this income	**16**		Line 16, Schedule M1M
17	State income tax refund	**17**		Line 6, Form M1
18	Federal bonus depreciation subtraction	**18**		Line 13, Schedule M1MB
19	Subtraction for railroad maintenance expenses	**19**		Line 16, Schedule M1MB
20	This line intentionally left blank	**20**		
21	Net operating loss (NOL) carryover adjustment	**21**		Line 15, Schedule M1MB
22	Deferred foreign income (section 965)	**22**		Line 19, Schedule M1MB
23	Disallowed section 280E expenses of a licensed cannabis or hemp business	**23**		Line 18, Schedule M1MB
24	Delayed business interest	**24**		Line 20, Schedule M1MB
25	Employee Retention Credit subtraction.	**25**		Line 23, Schedule M1MB
26	Other subtractions *(see instructions)*.	**26**		See instructions
27	QBAI deduction against net CFC tested income	**27**		Line 22, Schedule M1MB
28	This line intentionally left blank	**28**		
29	This line intentionally left blank	**29**		
30	This line intentionally left blank	**30**		

Adjustments to Net Investment Income

31	Beneficiary's pro rata share of a net gain relating to dispositions of Class 2a property.	**31**		Line 2, Schedule NIIT
32	Beneficiary's pro rata share of deductions and modifications relating to line 31.	**32**		Line 7, Schedule NIIT

Credits *(you must enclose this schedule with your Form M1 if claiming a credit)* **Include on:**

33	Any Minnesota income tax withholding credit received by the fiduciary	**33**		Line 3, Schedule M1W
34	Credit for increasing research activities	**34**		Line 16 inst., Schedule M1C
35	Film Production Tax Credit Enter the credit certificate number: TAXC - _____	**35**		Line 11, Schedule M1C
36	Tax Credit for Owners of Agricultural Assets Enter the certificate number from the certificate you received from the Rural Finance Authority: AO ____ - _____	**36**		Line 12, Schedule M1C
37	State Housing Tax Credit Enter certificate number from Minnesota Housing: SHTC_____ - _____	**37**		Line 15, Schedule M1C
38	Short Line Railroad Infrastructure Modernization Credit Enter certificate number from the certificate you received from the Minnesota Department of Transportation: MN-SLR-_____ - _____	**38**		Line 14, Schedule M1C
39	Credit for Sales of Manufactured Home Parks to Cooperatives	**39**		Line 13, Schedule M1C

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Beneficiary's Name _____ Beneficiary's Social Security Number _____

40 Carryover credits from prior years *(see instructions)* . . . . . **40** ■ _____ Line 17, Schedule M1C

	D — Name of Credit	E — Certificate Number	F — Unused Credit	G — Remaining Years
d1	_____	e1 _____	f1 _____	g1 _____
d2	_____	e2 _____	f2 _____	g2 _____
d3	_____	e3 _____	f3 _____	g3 _____

41 Credit for Sustainable Aviation Fuel . . . . . **41** ■ _____ Line 12, Schedule M1REF
Enter certificate number from the Department of Agriculture: _____

42 Credit for historic structure rehabilitation . . . . . **42** ■ _____ Line 7, Schedule M1REF
National Park Service (NPS) project number: _____

43 Pass-Through Entity Tax Credit . . . . . **43** ■ _____ Line 10, Schedule M1REF

44 Minnesota backup withholding . . . . . **44** ■ _____ Line 3, Schedule M1W

Estate, trust, and nonresident individual beneficiaries
Minnesota portion of amounts from federal Schedule K-1 (1041)

Include on Schedule M1NR, column B on:

45 Capital gain or loss on Minnesota real property . . . . . **45** ■ _____ Line 4

46 **a** Business income or loss . . . . . **a** ■ _____

b Income from Minnesota rents, royalties, partnerships, S corporations, estates and trusts . . . **b** ■ _____

c Farm income or loss . . . . . **c** ■ _____

Total *(add lines 46a, 46b, 46c)* . . . . . **46** ■ _____ Line 6

47 Interest and dividend income derived from a trade or business (S corporations and partnerships) that is assignable to Minnesota . . . . . **47** ■ _____ Line 2

48 Other income . . . . . **48** ■ _____ Line 8

49 Minnesota source gross income from this fiduciary . . . . . **49** ■ _____ *information only*

Nonresident beneficiaries

Composite income tax for electing nonresident beneficiaries

50 Minnesota source distributive income from this fiduciary . . . . . **50** ■ _____ *information only*

51 Minnesota composite income tax paid by fiduciary.
If the beneficiary elected composite income tax, check this box ☐ . . . . . **51** ■ _____ *composite income tax*

Fiduciary: Enclose this schedule and copies of all Schedules KF and federal Schedules K-1 with your Form M2.
Beneficiary: See instructions. Include this schedule when you file your Form M1 (individuals) or Form M2 (estates and trusts).