DEPARTMENT OF REVENUE

NEAR FINAL DRAFT 8/3/26

267411

2026 KS, Shareholder's Share of Income, Credits and Modifications

S corporation: *Complete and provide Schedule KS to each nonresident shareholder and Minnesota shareholder who has adjustments to income or credits, or all shareholders if the S corporation is electing PTE tax.*

Tax year beginning (MM/DD/YYYY) ____/____/____ and ending (MM/DD/YYYY) ____/____/____ **Amended KS:** ☐

Shareholder's Federal ID or Social Security Number	**S Corporation's Federal ID Number** / **S Corporation's Minnesota Tax ID**
Shareholder's Name	**S Corporation's Name**
Mailing Address	**Mailing Address**
City / **State** / **ZIP Code**	**City** / **State** / **ZIP Code**

Entity of Shareholder *(place an X in one box):* ☐ **Individual** ☐ **Trust** ☐ **Estate** ☐ **Exempt Organization**

Shareholder's percentage of stock ownership for tax year: ________

Calculate lines 1–39 the same for all resident and nonresident shareholders. Calculate lines 40-54 for all nonresident shareholder's, and resident shareholders if the s-corporation elected PTE tax. Round amounts to the nearest whole dollar.

Modifications to Federal Taxable Income

Line	Description	Amount	Form M1 filers, include on:
1	Interest income from non-Minnesota state and municipal bonds . . . . . 1 ■		M1M, line 1
2	State taxes deducted in arriving at s corporation's net income . . . . . 2 ■		M1MB, line 2
3	Expenses deducted that are attributable to income not taxed by Minnesota (other than interest or mutual fund dividends from U.S. bonds) . . . . . 3 ■		M1M, line 3
4	100% of shareholder's pro rata share of federal bonus depreciation . . . . . 4 ■		M1MB, see line 1 inst.
5	Foreign-derived intangible income (FDII) deduction . . . . . 5 ■		M1MB, line 3
6	This line intentionally left blank . . . . . 6 ■		
7a	Shareholder's pro rata gross profit from installment sales of pass-through businesses *(see instructions)*. . . . . 7a ■		M1AR, line 1
7b	Shareholder's pro rata installment sale income from pass-through businesses *(see instructions)*. . . . . 7b ■		M1AR, line 3
8	Interest received on loans secured by rural and agricultural real property . . . . . 8 ■		M1MB, line 7
9	Certain business meals and entertainment *(see M8 instructions)*. . . . . 9 ■		M1MB, line 8
10	Certain subpart F Income *(see M8 instructions)* . . . . . 10 ■		M1MB, line 9
11	This line intentionally left blank . . . . . 11 ■		
12	This line intentionally left blank . . . . . 12 ■		
13	Employee Retention Credit subtraction. . . . . 13 ■		M1MB, line 23
14	Interest from U.S. government bond obligations, minus any expenses deducted on the federal return that are attributable to this income . . . . . 14 ■		M1M, line 16
15	Deferred foreign income (section 965) . . . . . 15 ■		M1MB, line 19

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Shareholder's Name

Shareholder's Federal ID or Social Security Number

S Corporation's Name

S Corporation's Federal ID Number

S Corporation's Minnesota ID Number

16	Disallowed section 280E expenses of a licensed cannabis or hemp business . . . . . . .16 ■		M1MB, line 18
17	Delayed business interest . . . . .17 ■		see schedule KS inst.
18	State income tax refund included in income (see instructions). . . . . .18 ■		M1, line 6
19	This line intentionally left blank . . . . .19 ■		
20	This line intentionally left blank . . . . .20 ■		
21	QBAI deduction against net CFC tested income *(see M8 instructions)* . . . . .21 ■		M1MB, line 22
22	Shareholder's pro rata share of a net gain relating to dispositions of Class 2a property . . . . .22 ■		Schedule NIIT, line 2
23	Shareholder's pro rata share of deductions and modifications relating to line 22. . . . . .23 ■		Schedule NIIT, line 7
24	State Housing Tax Credit . . . . .24 ■		M1C, line 15
	Enter the credit certificate number from Minnesota Housing: SHTC ______ – ____________		
25	Short Line Railroad Infrastructure Modernization Credit . . . . .25 ■ Enter certificate number from the certificate you received from the Minnesota Department of Transportation: MN-SLR ______ – ____________		M1C, line 14
26	Credit for Sales of Manufactured Home Parks to Cooperatives. . . . . .26 ■		M1C, line 13
27	Credit for increasing research activities . . . . .27 ■		M1C, see line 16 inst.
28	Film Production Tax Credit . . . . .28 ■		M1C, line 11
	Enter the credit certificate number: TAXC – ____________		
29	Tax Credit for Owners of Agricultural Assets . . . . .29 ■ Enter the certificate number from the certificate received from the Rural Finance Authority: AO ______ ____________		M1C, line 12
30	Credit for Sustainable Aviation Fuel . . . . .30 ■		M1REF, line 12
	Enter certificate number from the Department of Agriculture: ____________		
31	Credit for historic structure rehabilitation. . . . . .31 ■		M1REF, line 7
	Enter National Park Service (NPS) number: ____________		
32	Employer Transit Pass Credit . . . . .32 ■		M1C, line 5

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Shareholder's Name ______ Shareholder's Federal ID or Social Security Number ______

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

33	Enterprise Zone Credit	33 ■		M1REF, line 8
34	Pass-Through Entity Tax Credit. If the pass-through entity tax satisfies the shareholder's filing requirement, check this box ☐	34 ■		see instructions
35	Minnesota backup withholding	35 ■		M1W, line 3, col C
	Relating to Alternative Minimum Tax			
36	Intangible drilling costs	36 ■		Lines 36-39 are used to compute M1MT, lines 6 and 7. See M1MT instructions for details.
37	Gross income from oil, gas and geothermal properties	37 ■		
38	Deductions allocable to oil, gas and geothermal properties	38 ■		
39	Depletion	39 ■		
	Minnesota Portion of Amounts From Federal Schedule K-1 (1120S)			
40	Minnesota source gross income	40 ■		info only *(see inst.)*
41	Ordinary Minnesota source income (loss) from trade or business activities	41 ■		M1NR, line 6, col B
42	Income (loss) from Minnesota rental real estate and other Minnesota rental activities	42 ■		M1NR, line 6, col B
43	Interest income	43 ■		M1NR, line 2, col B
44	Ordinary dividends	44 ■		M1NR, line 2, col B
45	Royalties	45 ■		M1NR, line 6, col B
46	Net Minnesota short-term capital gain (loss)	46 ■		M1NR, line 4, col B
47	Net Minnesota long-term capital gain (loss)	47 ■		M1NR, line 4, col B
48	Section 1231 Minnesota net gain (loss)	48 ■		M1NR, line 4 or 8, col B
49	Other Minnesota income (loss). *(Describe type of income or include separate sheet: ______)*	49 ■		M1NR, line 8, col B
50	Section 179 expense deduction apportionable to Minnesota	50 ■		M1NR inst., line 6, col B
51	S corporation's Minnesota apportionment factor *(line 5, column C of M8A)*	51 ■		*information only*
	Composite Income Tax or Nonresident Withholding			
52	Minnesota source distributive income *(see instructions)*	52 ■		see schedule KS inst.
53	Minnesota composite income tax paid by S corporation. If the shareholder elected composite income tax, mark an X in this box: ☐	53 ■		composite income tax
54	Minnesota income tax withheld for nonresident shareholder not electing to file composite income tax. If the shareholder completed and signed a Form AWC, mark an X in this box: ☐	54 ■		M1W, line 3, col C

S corporations: Include this schedule and copies of federal Schedules K and K-1 when you file your Form M8.
Shareholders: Include this schedule when you file your Form M1 (individuals) or Form M2 (estates and trusts).