DEPARTMENT OF REVENUE

NEAR FINAL DRAFT — 8/3/26

262311

2026 Schedule M2SB, Income Tax Computation for S Portion of ESBT

Name of Trust | **Federal ID Number** | **Minnesota ID Number**

Name of S-Corporation S Portion of ESBT Holds Stock In | **Federal ID Number of S-Corporation**

Additional S-Corporation S Portion of ESBT Holds Stock In | **Federal ID Number of Additional S-Corporation**

1 Federal taxable income of S portion *(enclose federal computation)* . . . . . 1 ■

2 Fiduciary's deductions and losses not allowed by Minnesota *(enclose Schedule M2NM)* . . . . . 2 ■

3 Additions *(from line 27 on page 2 of this schedule)* . . . . . 3 ■

4 Add lines 1 through 3 . . . . . 4 ■

5 Subtractions *(from line 44 on page 3 of this schedule)* . . . . . 5 ■

6 Fiduciary's income from non-Minnesota sources *(enclose Schedule M2NM)* . . . . . 6 ■

7 Add lines 5 and 6 . . . . . 7 ■

8 Minnesota taxable net income. Subtract line 7 from line 4 . . . . . 8 ■

9 Tax from table in Form M2 instructions . . . . . 9 ■

10 Total of tax from Schedule M2MT *(enclose Schedule M2MT)* . . . . . 10 ■

11 Total of 2026 tax for S portion. Add lines 9 and 10 and include amount on line 11 of Form M2 . . . . . 11 ■

You must include this schedule and a copy of federal computations for the S portion of the ESBT when you file Form M2.

262321

Additions to Income

12	State and municipal bond interest from outside Minnesota	12 ■	
13	State taxes deducted in arriving at net income	13 ■	
14	Expenses deducted on your federal return that are attributable to income not taxed by Minnesota (other than interest or mutual fund dividends from U.S. bonds)	14 ■	
15	80 percent of the suspended loss from 2001–2005 or 2008–2025 on your federal return that was generated by bonus depreciation *(see Form M2 instructions)*	15 ■	
16	80 percent of federal bonus depreciation	16 ■	
17	Section 199A qualified business income	17 ■	
18	This line intentionally left blank	18 ■	
19	Net operating loss carryover adjustment	19 ■	
20	Foreign derived intangible income (FDII) deduction	20 ■	
21	Interest received on loans secured by rural and agricultural real property	21 ■	
22	Certain business meals and entertainment *(see instructions)*	22 ■	
23	Certain subpart F income *(see instructions)*	23 ■	
24	This line intentionally left blank	24 ■	
25	This line intentionally left blank	25 ■	
26	This line intentionally left blank	26 ■	
27	Add lines 12 through 26. Enter the result here and on line 3	27 ■	

Subtractions from Income

28	Interest on U.S. government bond obligations, minus any expenses deducted on your federal return that are attributable to this income	28 ■	
29	State income tax refund included on federal return	29 ■	
30	Federal bonus depreciation subtraction *(see Form M2 instructions)*	30 ■	
31	This line intentionally left blank	31 ■	
32	Subtraction for railroad maintenance expenses	32 ■	
33	Net operating loss carryover adjustment	33 ■	
34	Deferred foreign income (section 965)	34 ■	
35	Disallowed section 280E expenses of a licensed cannabis or hemp business	35 ■	
36	Delayed business interest	36 ■	

* 2 6 2 3 3 1 *

37	Delayed net operating loss deduction	37 ■	
38	Employee Retention Credit subtraction	38 ■	
39	QBAI deduction against net CFC tested Income *(see instructions)*	39 ■	
40	This line intentionally left blank	40 ■	
41	This line intentionally left blank	41 ■	
42	This line intentionally left blank	42 ■	
43	This line intentionally left blank	43 ■	
44	Add lines 28 through 43. Enter the result here and on line 5	44 ■	