# 2026 Summary of Annual Forms Changes

**Disclaimer:** Information in this document is based on the laws in effect when it was written. It does not replace or change any provision of Minnesota laws, administrative rules, court cases, or Revenue Notices. It does not provide tax advice.

This document summarizes changes made to 2026 Minnesota business income, fiduciary income, estate, individual income, and property tax forms. Any forms not listed have been updated with annual updates only.

## General Updates

### Nonconformity Schedules

These nonconformity schedules have been discontinued:

- Schedule M2NC, Federal Adjustments
- Schedule M2SBNC, Federal Adjustments
- Schedule M4NC, Federal Adjustments
- Schedule KFNC, Federal Adjustments
- Schedule KPCNC, Federal Adjustments
- Schedule KPINC, Federal Adjustments
- Schedule KSNC, Federal Adjustments

### Refund Claims – Statute of Limitations

Taxpayers can claim a refund within either:

- 3 ½ years of the return's due date or extended due date
- 2 years of paying tax, penalties, or interest

These changes apply to any claim for refund filed on or after May 28, 2026.

# Business Income Tax Form Changes

## Corporate Franchise Tax Forms

### Form M4, Corporate Franchise Tax Return

- Annual updates only

### Form M4I, Income Calculation

- Updated Line 2h to read, “This line intentionally left blank”
- Updated Line 2i to read, “Interest received on loans secured by rural and agricultural real property”
- Updated Line 2j to read, “Certain business meals and entertainment (see instructions)”
- Updated Line 2k to read, “Certain subpart F income (see instructions)”
- Added Line 2l, Addition for domestic research and experimental expenditures
- Added Line 2m, Addition for unamortized domestic research and experimental expenditures
- Added Line 2n, This line intentionally left blank
- Added Line 2o, This line intentionally left blank
- Updated Line 4j to read, “QBAI deduction against net CFC tested income (see instructions)”
- Updated Line 4o to read, “This line intentionally left blank”
- Updated Line 4p to read, “Subtraction for domestic research and experimental expenditures”
- Updated Line 4q to read, “Subtraction for unamortized domestic research and experimental expenditures”
- Added Line 4s to read, “This line intentionally left blank”

### Form M4A, Apportionment and Minimum Fee

- Updated Minimum Fee Table

### Schedule RD, Credit for Increasing Research Activities

- Updated Line 37 to read, “Refundable credit amount (Multiply Line 36 by 25% [.25]). Include here and on M4, line 7. If you are electing a refundable portion of this credit, check this box.”

### Form M4X, Amended Corporate Franchise Tax Return

- Updated Line 2h to read, “This line intentionally left blank”
- Updated Line 2i to read, “Interest received on loans secured by rural and agricultural real property”
- Updated Line 2j to read, “Certain business meals and entertainment (see instructions)”
- Updated Line 2k to read, “Certain subpart F income (see instructions)”
- Added Line 2l, Addition for domestic research and experimental expenditures
- Added Line 2m, Addition for unamortized domestic research and experimental expenditures
- Added Line 2n, This line intentionally left blank

- Added Line 2o, This line intentionally left blank
- Updated Line 4j to read, “QBAI deduction against net CFC tested income (see instructions)”
- Updated Line 4o to read, “This line intentionally left blank”
- Updated Line 4p to read, “Subtraction for domestic research and experiment expenditures”
- Updated Line 4q to read, “Subtraction for unamortized domestic research and experiment expenditures”
- Added Line 4s, This line intentionally left blank

## Partnership Tax Forms

### Form M3, Partnership Return

- Annual updates only

### Form M3A, Apportionment and Minimum Fee

- Updated Minimum Fee Table

### Schedule KPI, Partner’s Share of Income, Credits and Modifications

- Updated Line 6 to read, “This line intentionally left blank”
- Updated Line 8 to read, “Interest received on loans secured by rural and agricultural real property”
- Updated Line 9 to read, “Certain business meals and entertainment (see M3 instructions)”
- Updated Line 10 to read, “Certain subpart F income (see M3 instructions)”
- Updated Line 19 to read, “This line intentionally left blank”
- Added Line 21, QBAI deduction against net CFC tested income (see M3 instructions)

### Schedule KPC, Partner’s Share of Income, Credits and Modifications

- Updated Line 11 to read, “Interest received on loans secured by rural and agricultural real property”
- Updated Line 12 to read, “Certain business meals and entertainment (see M3 instructions)”
- Updated Line 13 to read, “Certain subpart F income (see M3 instructions)”
- Updated Line 14 to read, “Addition for domestic research and experimental expenditures”
- Updated Line 15 to read, “Addition for unamortized domestic research and experimental expenditures”
- Added Line 16, This line intentionally left blank
- Added Line 17, This line intentionally left blank
- Added Line 23, QBAI deduction against net CFC tested income (see M3 instructions)

## S Corporation Tax Forms

### Form M8, S Corporation Return

- Annual updates only

### Form M8A, Apportionment and Minimum Fee

- Updated Minimum Fee Table

### Schedule KS, Shareholder's Share of Income, Credits and Modifications

- Updated Line 6 to read, "This line intentionally left blank"
- Updated Line 8 to read, "Interest received on loans secured by rural and agricultural real property"
- Updated Line 9 to read, "Certain business meals and entertainment (see M8 instructions)"
- Updated Line 10 to read, "Certain subpart F Income (see M8 instructions)"
- Updated Line 19 to read, "This line intentionally left blank"
- Added Line 21, QBAI deduction against CFC tested income (see M8 instructions)

## Fiduciary Income Tax Form Changes

### Form M2, Income Tax Return for Estates and Trusts

- Updated Line 50 to read, "This line intentionally left blank"
- Updated Line 54 to read, "Interest received on loans secured by rural and agricultural real property"
- Updated Line 55 to read, "Certain business meals and entertainment (see instructions)"
- Updated Line 56 to read, "Certain subpart F income (see instructions)"
- Added Line 58, This line intentionally left blank
- Updated Line 63 to read, "This line intentionally left blank"
- Removed Line 71
- Updated Line 72 to read, "QBAI deduction against net CFC tested income (see instructions)"

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

- Updated Line 7 to read, "This line intentionally left blank"
- Updated Line 11 to read, "Interest received on loans secured by rural and agricultural real property"
- Updated Line 12 to read, "Certain business meals and entertainment (see instructions)"
- Updated Line 13 to read, "Certain subpart F income (see instructions)"
- Updated Line 20 to read, "This line intentionally left blank"
- Updated Line 27 to read, "QBAI deduction against net CFC tested income (see instructions)"

### Schedule M2MT, Alternative Minimum Tax

- Updated Line 3 instructions calculation changes
- Updated Line 6 instructions calculation changes
- Updated Line 7 to read, "If line 7, column A is $48,740 or less, stop here"
- Updated Line 9 to read, "Hard Coded Value = $48,740"

### Schedule M2NM, Non-Minnesota Source Income and Related Expenses

- Updated Line 13 to read, “This line intentionally left blank”
- Added Line 16, This line intentionally left blank
- Updated Line 29 to read, “This line intentionally left blank”
- Added Line 34, This line intentionally left blank

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

- Updated Line 18 to read, “This line intentionally left blank”
- Updated Line 21 to read, “Interest received on loans secured by rural and agricultural real property”
- Updated Line 22 to read, “Certain business meals and entertainment (see instructions)”
- Updated Line 23 to read, “Certain subpart F income (see instructions)”
- Updated Line 31 to read, “This line intentionally left blank”
- Updated Line 39 to read, “QBAI deduction against net CFC tested income (see instructions)”

### Form M2X, Amended Income Tax Return for Estates and Trusts

- Updated Line 51 to read, “This line intentionally left blank”
- Updated Line 55 to read, “Interest received on loans secured by rural and agricultural real property”
- Updated Line 56 to read, “Certain business meals and entertainment (see instructions)”
- Updated Line 57 to read, “Certain subpart F income (see instructions)”
- Added Line 59, This line intentionally left blank
- Updated Line 64 to read, “This line intentionally left blank”
- Removed Line 72
- Updated Line 73 to read, “QBAI deduction against net CFC tested income (see instructions)”

## Shared Schedule Changes

### Schedule PTE, Pass-through Entity Tax

- Updated Line 3 to read, “This line intentionally left blank”
- Added Line 5, Addition for interest received on loans secured by rural and agricultural real property
- Added Line 6, Addition for certain business meals and entertainment (see instructions)
- Added Line 7, Addition for certain subpart F income (see instructions)
- Added Line 8, This line intentionally left blank
- Added Line 17, Subtraction for QBAI deduction against net CFC tested income (see instructions)
- Updated Line 18 to read, “This line intentionally left blank”
- Added Line 19, This line intentionally left blank
- Updated Table in Part 2, deleting rows 8 to 10

### Schedule PTE-RP, Pass-through Entity Tax for Resident Partners

- Updated Line 3 to read, “This line intentionally left blank”
- Added Line 4, This line intentionally left blank
- Added Line 5, Addition for interest received on loans secured by rural and agricultural real property
- Added Line 6, Addition for certain business meals and entertainment (see instructions)
- Added Line 7, Addition for certain subpart F income (see instructions)
- Added Line 15, Subtraction for QBAI deduction against net CFC tested income (see instructions)
- Updated Line 16 to read, “This line intentionally left blank”
- Added Line 17, This line intentionally left blank

## Estate Tax Form Changes

- Annual updates only

## Individual Income Tax Form Changes

### Form M1, Individual Income Tax Return

- Changed Code 18 political party in the top section

### Form M1X, Amended Minesota Income Tax

- Updated Line 11, clarifying that its line 14a and 14b of Form M1

### Schedule M1AR, Accelerated Recognition of Installment Sale Gains

- Updated top section to read, “Form M1, Individual Income Tax Return”

### Schedule M1C, Other Nonrefundable Credits

- Updated Line 10, removing the Tax Year from the certificate number
- Updated Line 12, removing the Tax Year from the certificate number

### Schedule M1CD, Child and Dependent Care Credit

- Added lines 7a, 7b, and 7c
    - Added “Multiply line 6 by line 4” to Line 7a
- Updated Line 23 to read, “Enter $7,500 ($3,750 if Married Filing Separately and you were required to enter your spouse’s earned income on line 21). Do not enter more than the maximum amount allowed under your dependent care plan. (see instructions)”

## Schedule M1CWFC, Minnesota Child and Working Family Credits

- Added new checkbox, Repay advance payment, to top of the schedule
- Added new checkbox, Opt into text messages, to top of the schedule
- Added clarifying language to Line B

## Schedule M1DQC, Dependents and Qualifying Children

- Added Row 7, Check this box if you are the non-custodial parent and the dependent exemption claim was released to you using Federal Form 8332

## Schedule M1ED, K-12 Education Credit

- Removed row, Child's social security number
- Combined previous Line 2 and Line 3 into new Line 2 and added information lines

## Schedule M1HOME, First-time Homebuyer Savings Account

- Updated Line 8 to clarify that Line 14a is where the M1HOME checkbox is on Form M1

## Schedule M1M, Income Additions and Subtractions

- Updated Line 6 to read, "Distributions from higher education savings accounts used for certain expenses"
- Added Line 7, Disallowed educational assistance payments (see instructions)
- Added Line 8, Armed services performed in the Sinai Peninsula and other areas (see instructions)
- Added Line 9, Certain qualified transportation fringe benefits (see instructions)
- Added Line 10, This line intentionally left blank
- Added Line 11, This line intentionally left blank
- Added Line 12, Total additions
- Added Line 13, Charitable contribution subtraction (see instructions)
- Added "income subtraction" to Line 23 for clarification
- Added "Active Duty" to Line 24
- Added "See instructions" to Line 26
- Added Line 35, Critical access dental clinic student loan assistance exceeding $5,250 (see instructions)
- Added Line 40, Nursing Facility Workforce Wage Supplement Program Subtraction (see instructions)
- Added Line 41, This line intentionally left blank
- Added Line 42, This line intentionally left blank
- Added Line 43, New total subtractions line

## Schedule M1MA, Marriage Credit

- Updated Line 21 to read, “If line 6 is less than $125,000, multiply line 8 by line 20. Otherwise, multiply line 19 by line 20. Enter the Result here and on line 1 of Schedule M1C.”
- Updated table for Line 8 to smaller increments for more accurate credit

## Schedule M1MB, Business Income Additions and Subtractions

- Added Line 7, Interest received on loans secured by rural and agricultural real property (see instructions)
- Added Line 8, Certain business meals and entertainment (see instructions)
- Added Line 9, Certain subpart F income (see instructions)
- Added Line 10, Intentionally left blank
- Added Line 11, Intentionally left blank
- Added Line 12, Total additions from M1MB line
- Updated Line 14 to read, “Gain from the sale of farm property if you were insolvent at the time of sale (see instructions)”
- Added Line 22, QBAI deduction against net CFC tested income (see instructions)
- Added Line 24, Intentionally left blank
- Added Line 25, Intentionally left blank
- Added Line 26, Total subtractions from M1MB line

## Schedule M1MT, Alternative Minimum Tax

- Updated Line 3 to read, “This line intentionally left blank”
- Updated Line 4 to read,” Other additions from Schedules M1M and M1MB (see instructions)”
- New lines flow into Line 4 from Schedules M1MB and M1M
- New lines flow into Line 18 from Schedules M1MB and M1M

## Schedule M1NR, Nonresidents/Part-Year Residents

- Reworded Residency section, top of the form, to clarify state residency lines
- Updated Line 14 to read, “This line intentionally left blank”
- Updated Line 26 to read, “Subtraction for income from prior year Partnership or S Corp sale (line 17 of Schedule M1MB)”

## Schedule M1QPEN, Qualified Public Pension Subtraction

- Added information lines for taxpayer’s occupation and first year of service to top section
- Added information lines for taxpayer’s spouse to top section that includes pension administrator, payer TIN, occupation, and first year of service
- Added new column for spouse to the Membership Type section

### Schedule M1REF, Refundable Credits

- Updated Line 9 to read, “Line intentionally left blank”

### Schedule M1RENT, Renter’s Credit

- Added “See instructions” to Section 1
- Reworded Line 13 for clarification: “…enter the result here. Continue to line 14 if you had an amount on line A of your CRP.”

### Schedule M1SA, Itemized Deductions

- Updated Line 1 to read, “Adjusted gross income (see instructions)”
- Rearranged lines 2 through 4
- Changed Line 18 to reference Line 16
- Added lines 19 through 21
- Updated line references on Line 27
- Added Line 29, New total line for itemized deductions that flow to Form M1

### Schedule M1UE, Unreimbursed Employee Business Expenses

- Added Line 12a and 12b
- Added Line 13a and 13b
- Updated Line 14 to read, “Divide total of line 13a by total of 12a and 12b”
- Updated Line 16 to read, “Commuting miles included on lines 12a and 12b”
- Updated Line 17 to read, “Add lines 13a, 13b, and 16 from the total of lines 12a and 12b”
- Added lines 20a through 20c

### 2027 Form M99, Credit for Military Service in a Combat Zone

- Added Line 1, Enter the date range you served in a combat zone or hazardous duty area in 2027
- Added Line 2, If you had a second deployment in 2027 to a combat zone or hazardous duty area, enter the date range

## Property Tax Refund Form Changes

### Form M1PR, Homestead Credit Refund (for Homeowners)

- Added Code 18 political party to top of the form