NEAR FINAL DRAFT 11/13/26

DEPARTMENT OF REVENUE

* 2 4 7 2 1 1 *

2024 KPI, Partner's Share of Income, Credits and Modifications

Partnership: *Complete and provide Schedule KPI to each nonresident individual, estate or trust partner and any Minnesota individual, estate or trust partner who has adjustments to income or credits, or all partners if the partnership is electing PTE tax. For corporate and partnership partners, use Schedule KPC instead.*

Tax year beginning (MM/DD/YYYY) MM / DD / YYYY **and ending (MM/DD/YYYY)** MM / DD / YYYY **Amended KPI:** X

1234567890	0123456789	0123456789
Partner's Federal ID or Social Security Number	**Partnership's Federal ID Number**	**Partnership's Minnesota ID**
PARTNER'S NAMEXXXXXXXXXXXXXXXXXX	PARTNERSHIP NAME	
Partner's Name	**Partnership's Name**	
MAILING ADDRESSXXXXXXXXXXXXXXXXX	MAILING ADDRESSXXXXXXXXXXXXX	
Mailing Address	**Mailing Address**	
CITYXXXXXXXX MN XXXXX	CITYXXXXXXXXX MN 12345	
City **State** **ZIP Code**	**City** **State** **ZIP Code**	

Entity of Partner ***(check one box):*** X **Individual** X **Trust** X **Estate** XXXXXXXXXX **%**
Partner's Distributive Share

Calculate lines 1-38 the same for all resident and nonresident partners. Calculate lines 39-55 for estate, trust, and nonresident individual partners only. Round amounts to the nearest whole dollar.

Individual, Estate and Trust Partners

			Form M1 filers, include on:
1	Interest income from non-Minnesota state and municipal bonds	0123456789	M1M, line 1
2	State taxes deducted in arriving at partnership's net income	0123456789	M1MB, line 2
3	Expenses deducted attributable to income not taxed by Minnesota (other than interest or mutual fund dividends from U.S. bonds)	0123456789	M1M, line 3
4	100% of partner's distributive share of federal bonus depreciation	0123456789	M1MB, see line 1 inst
5	Foreign-derived intangible income (FDII) deduction	0123456789	M1MB, line 3
6	Addition due to federal changes not adopted by Minnesota *(Schedule KPINC, line 17)*	0123456789	
7a	Partner's Pro rata gross profit from installment sales of pass-through businesses *(see instructions)*	0123456789	M1AR, line 1
7b	Partner's pro rata installment sale income from pass-through businesses *(see instructions)*	0123456789	M1AR, line 3
8	This line intentionally left blank		
9	This line intentionally left blank		
10	This line intentionally left blank		
11	This line intentionally left blank		
12	This line intentionally left blank		
13	This line intentionally left blank		
14	Interest from U.S. government bond obligations, minus any expenses deducted on the federal return that are attributable to this income	0123456789	M1M, line 14

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PARTNER'S NAMEXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
Partner's Name

0123456789
Partner's Federal ID Number or SSN

PARTNERSHIP NAMEXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
Partnership's Name

0123456789
Partnership's Federal ID Number

15 Deferred foreign income/Employee Retention Credit	**15**	0123456789	M1MB, line 17
16 Disallowed section 280E expenses of a licensed cannabis or hemp business	**16**	0123456789	M1MB, line 16
17 Delayed business interest	**17**	0123456789	(see KPI Inst.)
18 State income tax refund included in income	**18**	0123456789	M1, line 6
19 Subtraction due to federal changes not adopted by Minnesota *(Schedule KPINC, line 17, as a positive number)*	**19**	0123456789	
20 This line intentionally left blank	**20**		
21 Partner's pro rata share of a net gain relating to dispositions of Class 2a property	**21**	0123456789	NIIT, line 2
22 Partner's pro rata share of deductions and modifications relating to line 21	**22**	0123456789	NIIT, line 7
23 State Housing Tax Credit	**23**	0123456789	M1C, line 15

Enter the credit certificate number: SHTC - 0123 - 4567890000

24 Short Line Railroad Infrastructure Modernization Credit	**24**	0123456789	M1C, line 14
25 Credit for Sales of Manufactured Home Parks to Cooperatives	**25**	0123456789	M1C, line 13
26 Credit for increasing research activities	**26**	0123456789	M1C, line 16
27 Film Production Tax Credit	**27**	0123456789	M1C, line 11

Enter the credit certificate number: TAXC - 0123456789

28 Tax Credit for Owners of Agricultural Assets	**28**	0123456789	M1C, line 12

Enter the certificate number from the certificate received from the Rural Finance Authority:

AO 0123 4567890000

29 Credit for Sustainable Aviation Fuel	**29**	0123456789	M1REF, line 12

Enter certificate number from the Department of Agriculture: 0123456789

30 Credit for historic structure rehabilitation	**30**	0123456789	M1REF, line 7

Enter National Park Service (NPS) number: 0123456789

31 Employer Transit Pass Credit	**31**	0123456789	M1C, line 5
32 Enterprise Zone Credit	**32**	0123456789	M1REF, line 8
33 Pass-through Entity Credit. If the pass-through entity tax satisfies the partner's filing requirement, check this box [X]	**33**	0123456789	*(see inst.)*

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PARTNER'S NAMEXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
Partner's Name

0123456789
Partner's Federal ID Number or SSN

PARTNERSHIP NAMEXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
Partnership's Name

0123456789
Partnership's Federal ID Number

34 Minnesota backup withholding	**34**	0123456789	M1W, line 7, col C
Relating to Alternative Minimum Tax			
35 Intangible drilling costs	**35**	0123456789	*Use lines 35-38 to compute M1MT, lines 6 and 7. See M1MT instructions for details.*
36 Gross income from oil, gas and geothermal properties	**36**	0123456789	
37 Deductions allocable to oil, gas and geothermal properties	**37**	0123456789	
38 Depletion	**38**	0123456789	
Minnesota Portion of Amounts From Federal Schedule K-1 (1065)			
39 Minnesota source gross income	**39**	0123456789	info only (see inst.)
40 Ordinary Minnesota source income (loss) from trade or business activities	**40**	0123456789	M1NR, line 6, col B
41 Income (loss) from Minnesota rental real estate	**41**	0123456789	M1NR, line 6, col B
42 Other net income (loss) from Minnesota rental activities	**42**	0123456789	M1NR, line 6, col B
43 Guaranteed payments	**43**	0123456789	M1NR, line 6, col B
44 Interest income	**44**	0123456789	M1NR, line 2, col B
45 Ordinary dividends	**45**	0123456789	M1NR, line 2, col B
46 Royalties	**46**	0123456789	M1NR, line 6, col B
47 Net Minnesota short-term capital gain (loss)	**47**	0123456789	M1NR, line 4, col B
48 Net Minnesota long-term capital gain (loss)	**48**	0123456789	M1NR, line 4, col B
49 Section 1231 Minnesota net gain (loss)	**49**	0123456789	M1NR, line 4 or 8, col B
50 Other Minnesota income (loss). *(Describe type of income or include separate sheet:* XXXXXXXXXXXXXXX*)*	**50**	0123456789	M1NR, line 8, col B
51 Section 179 expense deduction apportionable to Minnesota	**51**	0123456789	M1NR inst, line 6, col B
52 Partnership's Minnesota apportionment factor *(line 5, column C of M3A)*	**52**	0123456789	information only
Nonresident Individual Partners Only: Composite Income Tax or Nonresident Withholding			
53 Minnesota source distributive income *(see instructions)*	**53**	0123456789	See Schedule KPI Inst.

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PARTNER'S NAMEXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
Partner's Name

0123456789
Partner's Federal ID Number or SSN

PARTNERSHIP NAMEXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
Partnership's Name

0123456789
Partnership's Federal ID Number

54 Minnesota composite income tax paid by partnership.
If the partner elected composite income tax, check this box: [X] ..... **54** ■ 0123456789 composite income tax

55 Minnesota income tax withheld for nonresident individual partner not electing to file composite income tax. If the partner completed and signed a Form AWC, check this box: [X] ..... **55** ■ 0123456789 M1W, line 7, col C

Partnership: Include this schedule and copies of federal Schedules K and K-1 with your Form M3.
Partner: Include this schedule with your Form M1 (individuals) or Form M2 (estates and trusts).

2024 Schedule KPI Instructions

Individual, estate and trust partner's use of information provided on Schedule KPI

Purpose of Schedule KPI

Schedule KPI is a supplemental schedule provided by the partnership to its individual, estate or trust partners.

The partners will need this information to complete a Minnesota Form M1, *Individual Income Tax Return*, or Form M2, *Income Tax Return for Estates and Trusts*.

An individual partner who is a Minnesota resident will be taxed by Minnesota on all of his or her distributive income from the partnership even if the income is apportioned between Minnesota and other states. An estate, trust, and individual nonresident partner will be taxed on the Minnesota distributive income from the partnership.

These instructions are intended to help you report your share of the partnership's income, credits and modifications on your Minnesota return.

You must include Schedule KPI when you file your Form M1 and Form M2. If you do not include the schedule with your return as required, the department will disallow any credits and assess the tax or reduce your refund.

If you received an amended Schedule KPI from the partnership and your income or deductions have changed, you must file an amended Minnesota return. To amend your return, use Form M1X, *Amended Minnesota Income Tax Return*, or Form M2X, *Amended Income Tax Return for Estates and Trusts*.

Line Instructions

Include amounts on the appropriate lines as shown on Schedule KPI.

Line 1 – Non-Minnesota State and Municipal Bond Interest

Individuals: Include on line 1 of Schedule M1M.

Estates and Trusts: Include on line 43 of Form M2.

Line 2 – State Taxes Deducted

Individuals: Include on line 2 of Schedule M1MB.

Estates and Trusts: Include on line 44 of Form M2.

Line 3 – Expenses Deducted Attributed to Income Not Taxed by Minnesota

Individuals: Include on line 3 of Schedule M1M.

Estates and Trusts: Include on line 45 of Form M2.

Line 4 –Federal Bonus Depreciation

Individuals: See Schedule M1MB, worksheet for line 1 instructions, to determine how to report this amount.

Estates and Trusts: Include this amount on step 2 for the worksheet to determine Line 47 of the Form M2.

Line 5 – Foreign Derived Intangible Income (FDII) Deduction

Individuals: Include on line 3 of Schedule M1MB.

Estates and Trusts: Include on line 51 of Form M2.

Line 6 – Addition Due to Federal Changes Not Adopted by Minnesota

Individuals: Not applicable.

Estates and Trusts: Not applicable.

Lines 7a, and 7b – Accelerated Installment Sale Gains

Nonresident Individuals: If any information is reported to you on line 7a of Schedule KPI, file Form M1AR, Accelerated Recognition of Installment Sale Gains, with your Minnesota individual income tax return.

Resident Individuals: If any information is reported to you on line 7 of Schedule KPI, retain a copy of this schedule for your records for the entire period that you or an entity, you have an interest in, is receiving installment sale payments. If you become a nonresident in a future year while payments are being made, you are required to file Form M1AR, Accelerated Recognition of Installment Sale Gains, with your final resident tax return.

Estates and Trusts: Pass through pro rata to your beneficiaries.

Lines 8 through 13

These lines are intentionally left blank.

Continued

2024 Schedule KPI Instructions (Continued)

Line 14 – Interest on U.S. Government Bond Obligations
Individuals: Include on line 14 of Schedule M1M.

Estates and Trusts: Include on line 58 of Form M2.

Line 15 – Deferred Foreign Income/Employee Retention Credit
Individuals: Include on line 17 of Schedule M1MB.

Estates and Trusts: Include on line 64 of Form M2.

Line 16 – Disallowed Section 280E Expenses of a Licensed Cannabis or Hemp Business
Individuals: Include on line 16 of Schedule M1MB.

Estates and Trusts: Include on line 65 of Form M2.

Line 17 – Delayed Business Interest
Individuals: This line does not apply.

Estates and Trusts: This line does not apply.

Line 18 – State income tax refund included in income
Individuals: Include on line 6 of Form M1.

Estates and Trusts: Include on line 59 of Form M2.

Line 19 – Subtraction Due to Federal Changes Not Adopted by Minnesota
Individuals: Not applicable.

Estates and Trusts: Not applicable.

Line 20
This line is intentionally left blank.

Lines 21 and 22 – Adjustments to Net Investment Income
Individuals, estates and trusts with investment income in excess of $1 million may need to pay a Minnesota net investment income tax. The net gain on the sale of Class 2a property and related expenses are excluded from the calculation of Minnesota net investment income subject to the Minnesota net investment income tax. Use Schedule NIIT, Net Investment Income Tax, to determine if you are required to pay the tax.

Line 23 – State Housing Tax Credit
Individuals: Include on line 15 of Schedule M1C and enter the certificate number in the space provided. To claim this credit, you must include this schedule with Form M1.

Estates and Trusts: Include on line 19 of Form M2 and enter the certificate number in the space provided. To claim this credit, you must include this schedule with Form M2.

Line 24 – Short Line Railroad Infrastructure Modernization Credit
Individuals: Include on line 14 of Schedule M1C. To claim this credit, you must include this schedule with Form M1.

Estates and Trusts: Include on line 20 of Form M2. To claim this credit, you must include this schedule with Form M2.

Line 25 – Credit for Sales of Manufactured Home Parks to Cooperatives
Individuals: Include on line 13 of Schedule M1C. To claim this credit, you must include this schedule with Form M1.

Estates and Trusts: Include on line 21 of Form M2. To claim this credit, you must include this schedule with Form M2.

Line 26 – Credit for Increasing Research Activities
Individuals: Include on line 16 of Schedule M1C. To claim this credit, you must include this schedule with Form M1.

Estates and Trusts: Include on line 22 of Form M2. To claim this credit, you must include this schedule with Form M2.

Line 27 – Film Production Tax Credit
Individuals: Include on line 11 of Schedule M1C and enter the certificate number in the space provided. To claim this credit, you must include this schedule with Form M1.

Estates and Trusts: Include on line 17 of Form M2 and enter the certificate number in the space provided. To claim this credit, you must include this schedule with Form M2.

Continued

2024 Schedule KPI Instructions (Continued)

Line 28 – Tax Credit for Owners of Agricultural Assets

Individuals: Include on line 12 of Schedule M1C and enter the certificate number in the space provided. To claim this credit, you must include this schedule with Form M1.

Estates and Trusts: Include on line 18 of Form M2 and enter the certificate number in the space provided. To claim this credit, you must include this schedule with Form M2.

Line 29 - Credit for Sustainable Aviation Fuel

Individuals: Include on line 12 of Schedule M1REF and enter the certificate number in the space provided. To claim this credit, you must include this schedule with Form M1.

Estates and Trusts: Include on line 31 of Schedule M2 and enter the certificate number in the space provided. To claim this credit, you must include this schedule with Form M2.

Line 30 – Credit for Historic Structure Rehabilitation

Individuals: Include on line 7 of Schedule M1REF and enter the NPS project number in the space provided. To claim this credit, you must include this schedule with Form M1.

Estates and Trusts: Include on line 30 of Form M2 and enter the NPS project number in the space provided. To claim this credit, you must include this schedule with Form M2.

Line 31 – Employer Transit Pass Credit

Of the credit amount from Schedule ETP, any amount not claimed on line 6 of Form M3 may be passed through to partners based on their distributive share.

Individuals: Include on line 5 of Schedule M1C. To claim this credit, you must include this schedule with Form M1.

Estates and Trusts: Include on line 23 of Form M2. To claim this credit, you must include this schedule with Form M2.

Line 32 – Enterprise Zone Credit

Individuals: Include on line 8 of Form M1REF. To claim this credit, you must include this schedule with Form M1.

Estates and Trusts: Include on line 32 of Form M2. To claim this credit, you must include this schedule with Form M2.

Line 33 – Pass-Through Entity Tax Credit

Individuals: Include on line 10 of Schedule M1REF. To claim this credit, you must include this schedule with Form M1.

Estates and Trusts: Include on line 27 of Form M2. To claim this credit, you must include this schedule with Form M2.

Nonresidents: If your only Minnesota source income is from entities making a PTE tax election, or entities in which you elected composite income tax, you do not need to file Form M1 or M2.

Line 34 – Minnesota Backup Withholding

Individuals: Include on line 7, column C of Schedule M1W. To claim this credit, you must include this schedule with Form M1.

Estates and Trusts: Pass through pro rata to your beneficiaries. You must include this schedule with Form M1.

Lines 35 – 38 Items Relating to Alternative Minimum Tax

Individuals: Use the information on lines 35 through 38 to complete Schedule M1MT.

Estates and Trusts: Use the information on lines 35 through 38 to complete Schedule M2MT.

Lines 39 – 52 Minnesota Portion of Federal Amounts

Lines 39-52 apply to estate, trust, and nonresident individual shareholders.

If certain items are not entirely included in your federal income because of passive activity loss limitation, capital loss limitations, section 179 limitations or for other reasons, include only the amounts that you included in your federal adjusted gross income.

Individuals: Use the information on lines 39 through 52 to complete Schedule M1NR.

Minnesota source gross income is used to determine if a nonresident is required to file a Minnesota individual income tax return. Gross income is income before business or rental deductions and does not include losses.

If your 2024 Minnesota source gross income is $14,575 or more and you did not elect composite tax filing or elected to have the PTE tax filing to fulfill your filing requirement, you are required to file Form M1 and Schedule M1NR, Nonresident/Part-Year Residents.

If your 2024 Minnesota source gross income is less than $14,575 and you had Minnesota tax withheld (see line 34 and line 55 of Schedule KPI), file Form M1 to receive a refund.

Estates and Trusts: Use the information on lines 39 through 50 to complete Schedule M2NM.

Continued

2024 Schedule KPI Instructions (Continued)

Line 53 – Minnesota Source Distributive Income

Although Minnesota source gross income (line 39 of Schedule KPI) determines whether you must file a Minnesota return, your Minnesota source distributive income is ultimately taxed.

Line 54 – Minnesota Composite Income Tax

Individuals: If you elected composite income tax, the amount paid on your behalf equals 9.85% of your Minnesota source distributive income on line 53, minus your share of any credits on lines 23-25, 27-32, and 34. You are not required to file Form M1.

Estates and Trusts: This line does not apply.

Line 55 – Minnesota Nonresident withholding

Individuals: Include the amount from line 55 on Schedule M1W, line 7, column C. Also include the amount from line 53 on Schedule M1W, line 7, column B.

Estates and Trusts: This line does not apply.

Sale of a Partnership Interest

If you sell any portion of your interest in a partnership, some or all of the gain may be taxable. Or you can use any loss on the sale to offset other Minnesota income to the extent the losses are deducted on your federal return.

To determine the ratio of gain or loss that is assigned to Minnesota at the time of the sale, divide the original cost of the partnership's tangible property *in Minnesota* by the original cost of all tangible property of the partnership. (Tangible property includes real estate, inventory and equipment.) If you don't have these numbers, contact the partnership.

If more than 50 percent of the value of the partnership's assets are intangibles, the gain/loss is allocated to Minnesota using the partnership's prior year sales factor. Include the result on Schedule M1NR, line 4, column B.