DEPARTMENT OF REVENUE

NEAR FINAL DRAFT 11/13/26

2023 Minnesota Income Tax for Estates and Trusts (Fiduciary) Form M2 Instructions

Contents

What's New 1
Filing Requirements . . . 1–2
General Information . . . 2-3
Filing Reminders 3
Form M2 Instructions 4–12
Allocation of Adjustments 12
Schedule KF 12–15
Tax Tables 16–19

Questions?

You can find forms and information, including answers to frequently asked questions and options for filing and paying electronically, on our website at:
www.revenue.state.mn.us

Send us an e-mail at:
businessincome.tax@state.mn.us

Call us at **651-556-3075**
This information is available in alternate formats.

Before You File

Complete a Federal Return

Before you complete Form M2, complete federal Form 1041, *U.S. Income Tax Return for Estates and Trusts*, and supporting schedules. You will need to reference them.

Minnesota Tax ID Number

Your Minnesota tax ID is the seven-digit number you're assigned when you register with the department. It's important to include your Minnesota tax ID on your return so that any payments you make are properly credited to your account.

If you don't have a Minnesota tax ID, you must apply for one. Go to **www.revenue.state.mn.us** and type **Business Registration** in the search box or call 651-282-5225 or 1-800-657-3605.

What's New for 2023

Federal Conformity

During the 2026 Minnesota legislative session, Minnesota law was updated to recognize the Internal Revenue Code as amended through May 1, 2026. The 2022 Minnesota income tax forms incorporate federal law through this IRC date.

Delayed Business Interest Deduction Subtraction

The new delayed business interest deduction allows a subtraction for 1/5th of the amount of the nonconformity adjustment additions required as a result of the CARES Act Section 2306. For more details, see page 11.

Delayed Net Operating Loss (NOL) Deduction Subtraction

The new delayed NOL deduction allows a subtraction for the nonconformity adjustment additions required as a result of the CARES Act Section 2303. For more details, see page 11.

Housing Tax Credit

The new Housing Tax Credit is a nonrefundable credit for qualifying contributions to a state fund. To be eligible for the credit, you must apply to the Minnesota Housing Finance Agency (MHFA) and receive a credit certificate. For more details, visit the MHFA website at www.mnhousing.gov.

Short Line Railroad Infrastructure Modernization Credit

The new Short Line Railroad Infrastructure Modernization Tax Credit is a nonrefundable credit for railroad reconstruction or replacement expenditures of a Class II or Class III railroad. For more details, see Schedule RAIL.

Credit for Sales of Manufactured Home Parks to Cooperatives

The new Credit for Sales of Manufactured Home Parks to Cooperatives is a nonrefundable credit for 5% of the amount of the sale. For more details, see Schedule MHP.

Global Intangible Low-Taxed Income (GILTI)

Minnesota generally conforms to the federal treatment of GILTI (but not the federal section 250 deduction) and repeals the relating income tax subtraction modifications. GILTI will be treated as dividend income for the purposes of the corporate dividends received deduction and the sales factor.

Filing Requirements

An estate or trust, regardless of whether it is considered a resident, must file Minnesota Form M2, *Income Tax Return for Estates and Trusts (Fiduciaries)* when it has $600 or more of gross income allocable to Minnesota or a nonresident alien as a beneficiary. *[M.S. 289A.08.subd. 2]* When required, the trustee of a trust or the personal representative of an estate must file Form M2 and pay the tax.

Bankruptcy Estates

If the fiduciary of a bankruptcy estate of a Minnesota resident filed a federal return, a Minnesota return must also be filed. Use Form M1, *Individual Income Tax Return*, to determine the Minnesota tax and attach it to Form M2. File it in the same way you file federal returns.

Resident Estates

A resident estate is an estate of a deceased person where:
(1) The decedent was domiciled in Minnesota at the date of death, or
(2) The personal representative or fiduciary was appointed by a Minnesota court in a proceeding other than an ancillary proceeding, or
(3) The administration of the estate is carried on in Minnesota in a proceeding other than an ancillary proceeding.
[M.S. 290.01, subd. 7a]

Resident trusts

The definition of a resident trust differs depending on the date—before or after December 31, 1995—the trust becomes irrevocable or is first administered in Minnesota.

For trusts that became irrevocable or were first administered in Minnesota after December 31, 1995, a resident trust means a trust, except a grantor type trust, which meets one of the following criteria:
1. The trust was created by a will of a decedent who at their death was a Minnesota resident
2. The trust is irrevocable, and at the time it became irrevocable, the grantor was a Minnesota resident. A trust is considered irrevocable if the grantor is not treated as the owner as defined in sections 671 to 678 of the IRC.

For trusts that became irrevocable or were first administered in Minnesota before January 1, 1996, a resident trust, except a grantor type trust, means any trust administered in Minnesota.

To be considered a resident trust administered in Minnesota, you must meet two of these three criteria:
1. A majority of the discretionary investment decisions are made in Minnesota
2. The majority of discretionary distribution decisions are made in Minnesota
3. The trust's official books and records are kept in Minnesota *[M.S. 290.01, subd. 7b]*

Continued

Relevant Minimum Connection of Resident Trusts. The Minnesota Supreme Court ruled in *Fielding v. Commissioner of Revenue*, 916 N.W.2d 323 (Minn. 2018) that a trust may be taxed as a resident if there is "(1) some 'minimum connection' between the state and the entity subject to tax, and (2) a 'rational relationship' between the income the state seeks to tax and the protections and benefits conferred by the state."

The court set out "relevant connections" to be considered, which include Minnesota's connections to:

- the trustee
- the trust's assets
- the administration of the trust
- the trust in the tax year at issue

The resident trust statute is presumed to be constitutional. Complete and enclose Schedule M2RT with your return if you meet the statutory definition of a resident trust, but believe you may not have sufficient minimum connections to Minnesota to be taxed as a resident trust. Complete Form M2 as a nonresident and use Schedule M2NM to determine your non-Minnesota income (loss) to include on lines 2 and 7 of Form M2.

General Information

Due Date for Filing and Paying

The regular due date for filing Form M2 and paying the tax due is April 15, 2024. If the due date lands on a weekend or legal holiday, returns and payments electronically made or postmarked the next business day are considered timely. If you file your return according to a fiscal year, your return and payment are due the 15th day of the fourth month following the end of the tax year. Short-year returns are due by the 15th day of the fourth month following the month in which the short year ends. Example: If the fiscal year end is May 31, the due date is September 15.

Extension of Time to File

All estates and trusts are granted an automatic six-month extension to file Form M2, if the tax is paid in full by the regular due date. **If the tax is not paid by the regular due date, the extension of time to file is invalid.**

If the IRS grants an extension to file your federal return, your state filing due date is extended to the federal due date. This is a filing extension only. To avoid penalties, you must make an extension tax payment by the regular due date. See **Extension Payment** below for details.

Payments

There are four types of fiduciary income tax payments—extension payments, estimated tax payments, tax return payments, and amended return payments. **Note**: If you are currently paying electronically using the ACH credit method, continue to call your bank as usual. If you want to make payments using the ACH credit method, instructions are available at www.revenue.state.mn.us.

Extension Payment

Your tax is due by the regular due date, even if you're filing under an extension. Any tax not paid by the regular due date is subject to penalties and interest (see lines 33 and 34 instructions on page 8).

If you're filing after the regular due date, you can avoid penalty and interest by making an extension payment for the full amount of the tax owed by the regular due date. For information about payment options see **Payment Options** on page 3. If you administer 100 or more trusts or are required to make other payments electronically, you are required to pay all fiduciary income taxes electronically. *[M.S. 289A.20, subd. 1c]*

Estimated Payments

A trust must make quarterly estimated tax payments if it has:

- an estimated tax of $500 or more
- any nonresident beneficiary's share of estimated composite income tax of $500 or more

Payments are due by the 15th day of the fourth, sixth, and ninth months of the tax year and the first month following the end of the tax year. Installments for a short tax year are due in equal payments on the 15th day of the fourth, sixth, ninth and final months of the tax year depending on the number of months in the short tax year. No installments are required for a short tax year of fewer than four months.

The required annual payment is the lesser of:

- 90 percent of your current year's tax liability, or
- 100 percent of the prior year's tax liability. However, if the trust has more than $150,000 of Minnesota assignable adjusted gross income, you must use 110 percent, rather than 100 percent, of the prior year's tax liability.

The required annual payment must be paid in four equal installments unless certain exceptions apply (see the instructions for Schedule EST, *Additional Charge for Underpayment of Estimated Tax*).

If estimated tax is required for both the estimated tax and the composite income tax, include both on the same quarterly payment. *[M.S. 289A.25]*

To make an estimated tax payment, see **Payment Options** on page 3. If paying by check, send a completed payment voucher with your payment.

Tax Return Payment

If there is an amount due on line 36 of Form M2, you must make a tax return payment. If you're paying by check, send a completed payment voucher with your payment.

Penalties and Interest

Late payment. A late payment penalty is assessed on any tax not paid by the regular due date. The penalty is 6% of the unpaid tax. If you file your return after the regular due date with a balance due, and you do not pay that balance, an additional 5% penalty will be assessed on the unpaid tax.

Late filing. There is also a penalty if you file after the extended due date and owe tax. The late filing penalty is 5% of any tax not paid by the extended due date.

Interest. You must also pay interest on the penalty and tax you are sending in late. The interest rate for 2024 is X%.

Other penalties. There are also civil and criminal penalties for intentionally failing to file a Minnesota return, evading tax and for filing a false, fraudulent or frivolous return.

Payment Options

If you administer 100 or more trusts, you are required to pay all the fiduciary income taxes electronically. We will assess a penalty of 5% of the payment if you fail to do so when required.

Pay with your Bank Account

Go to **www.revenue.state.mn.us** and click **Log in to e-Services**

If you're using the system for the first time and need a temporary password, call 651-282-5225 or 1-800-657-3605.

To be timely, you must complete your transaction and receive a confirmation number on or before the due date for that payment.

Pay by Credit or Debit Card

We use a third-party vendor to process credit and debit card payments. A fee is charged for this service.

- Go to **www.revenue.state.mn.us** and click **Make a Payment**
- Click **By Credit or Debit Card** and follow the prompts to complete the payment

Pay by Check

- Go to our website at **www.revenue.state.mn.us** and click **Make a Payment**
- Click **By Check or Money Order** to create a payment voucher
- Mail with your check to the address on the voucher

Your check authorizes us to make a one-time electronic fund transfer from your account. You may not receive your cancelled check.

Reporting Federal Changes

If the Internal Revenue Service (IRS) changes or audits your federal return and it affects your Minnesota return or distributions to beneficiaries, you must file a Form M2X, *Amended Income Tax Return for Estates and Trusts,* with the department within 180 days after you were notified by the IRS. Enclose a copy of the IRS report or your amended federal return with your amended Minnesota return.

If the changes do not affect your Minnesota return or Schedules K-1, you have 180 days to send a letter of explanation to the department. Send your letter and a complete copy of your amended federal return or the correction notice to: Minnesota Fiduciary Income Tax, Mail Station 5140, 600 N. Robert St., St. Paul, MN 55146-5140

If you fail to report as required, a 10 percent penalty will be assessed on any additional tax. *[M.S. 289A.60, subd. 24]*

Conformity 2023. If you are amending solely due to the January 2023 Minnesota tax bill, write "Conformity" in red at the top of the Minnesota Form M2X. For more details, see Schedule M2NC or Schedule M2SBNC.

Conformity 2026. If you are amending solely due to the 2026 Minnesota tax bill, write "Conformity" in red at the top of the Minnesota Form M2X and the amended Schedules KF you issue to beneficiaries.

Filing Reminders

Composite Income Tax

Minnesota allows estates and trusts to file composite Minnesota income tax on behalf of their beneficiaries who are nonresident individuals and elect to be included. As a result, the electing beneficiary is not required to file Minnesota Form M1, *Minnesota Individual Income Tax Return*.

The electing individuals must not have any Minnesota source income other than the income from this trust or estate and other entities for which they are electing composite tax or are a part of a PTE tax return.

Beneficiaries receiving distributions from an estate or trust reporting installment sale gains on line 6 of Schedule KF are not eligible for inclusion in a composite return.

If you are paying composite income tax for your electing beneficiaries, check the box for composite income tax on the front of Form M2 and see the line 13 instructions on page 5.

Request for Early Audit

You may request an early audit of a decedent's income tax return, property tax refund claim, the return of an estate, or of a terminating trust by filing Minnesota Form M22, *Request for Early Audit of Minnesota Income Tax Return*. The request reduces the time the department has to assess additional taxes from 3 1/2 years from the later of the date the return was due, or when it was filed, to 18 months after the request was received.

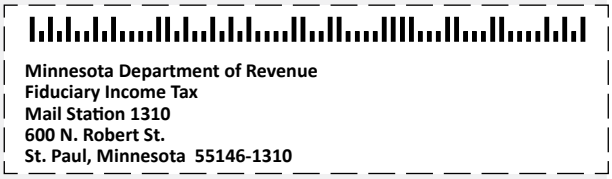
Use of Information

Your Minnesota tax ID number is public information. All other information on this form is private, and cannot be given to others except as provided by state law. The identity and income information of the beneficiaries are required under state law so the department can determine the beneficiary's correct Minnesota taxable income and verify if the beneficiary has filed a return and paid the tax. The Social Security numbers of the beneficiaries are required under M.S. 289A.12, subd. 13.

When Filing a Paper Return

How to Assemble

Arrange your Minnesota schedules in the order they were completed and place them behind your Form M2. Schedules KF should be grouped together and sorted with the largest share of Minnesota source income first. Then place your federal return and its schedules behind the Minnesota material. Do not staple or tape any enclosures to your return.



Where to Send

Mail your Minnesota and federal forms and schedules, using the mailing label below. Cut on the dotted line and tape to your envelope.

Or mail to: Minnesota Department of Revenue, Fiduciary Income Tax, Mail Station 1310, 600 N. Robert St., St. Paul, MN 55146-1310

Form M2 Instructions

Before you complete Form M2, you must first complete federal Form 1041 and supporting schedules.

If you are a	Completed federal Form
Charitable remainder (enter zero on Form M2, lines 1 and 9)	1041A
Designated or qualified settlement fund (under IRC section 468B)	1120-SF
Qualified funeral trust	1041-QFT
Electing small business trust (ESBT)	1041

Tax Year

If you are filing on a fiscal year basis, enter the beginning and ending dates. Without the dates, your filing and payments may not be considered timely.

Minnesota Tax ID Number

Enter your Minnesota tax ID number on Form M2. Without it, processing of the return is delayed, and your estimated tax and extension prepayments cannot be verified and credited properly.

Check Boxes

Place an X in all boxes that apply.

Bankruptcy estate. A separate and distinct taxable entity created when an individual debtor files for bankruptcy under Chapter 7 or 11 of Title 11 of the United States Code. Enter the bankruptcy debtor's SSN in the bankruptcy debtor SSN box and, if filing jointly, enter the second debtor's SSN in the corresponding box.

Composite income tax. If you are paying composite income tax for your electing nonresident beneficiaries. See the line 13 instructions on page 5.

Due Process Nonresident. A trust or estate that meets the definition of a statutory resident (check the statutory resident checkbox), but you believe may not have sufficient minimum connections to Minnesota to be taxed as a resident trust or estate. If you check this box and are a trust, you must also complete and enclose Schedule M2RT with your return. See the instructions on pages 1- 2 and Schedule M2RT for more details.

ESBT (Electing Small Business Trust). An ESBT is a non-grantor trust that has income from one or more S corporations. The portion of an ESBT that consists of stock of one or more S corporations is treated as a separate trust.

Initial return. If this is the fiduciary's first return filed in Minnesota.

Final return. If this is the fiduciary's final return. For income tax purposes, Minnesota follows federal law on termination of estates and trusts. All income, deductions and credits are passed through to the beneficiaries.

Form M706 Filed. If the decedent's estate or trust had a M706 estate tax return filed. Enter the gross value of the estate on the line provided.

Grantor Trust. A trust is a grantor trust if the grantor retains certain powers or ownership benefits.

Installment Sale of Pass-through Assets or Interests. If the trust or estate:

- executed an installment sale, after December 31, 2016, of S corporation stock or partnership interests being reported on federal Form 6252,
- executed an installment sale, after December 31, 2016, of the assets of an S corporation or partnership being reported on federal Form 6252, or
- owns an interest in an S corporation, partnership, trust, or estate reporting installment sale gains on line 7 of Schedule KPI or KS, line 6 of Schedule KF, or line 10 of Schedule KPC.

If you are required to check the box and the gain from the sale was distributed, complete line 6 of all applicable Schedules KF to report installment sale information to your beneficiaries. Instructions are provided with Schedule KF. Beneficiaries who are receiving Schedules KF with positive values on line 6 may not be included in a composite return.

Irrevocable Trust. A trust is considered irrevocable if the grantor no longer has control over the trust assets and administration. Enter the date the trust became irrevocable.

Owns or Operates Business. If the estate or trust owns or operates a business through the estate or trust. Provide the Federal Identification Number(FEIN) of the business in the box provided. If the estate or trust owns or operates more than one business, provide a list of all FEINs of the businesses in an attachment.

QSST. If the trust is filing as a Qualified Subchapter S Trust.

Section 645 Election. The IRC section 645 election allows a qualified revocable trust to be treated and taxed as part of the related estate during the election period. If the election is made for federal income tax purposes, it also applies for Minnesota. Enclose a copy of federal Form 8855 or letter making the election.

Statutory Nonresident. A trust or estate that does not meet the definition of a statutory resident under Minnesota Statute section 290.01, subdivisions 7a and 7b and therefore is considered a statutory nonresident. See instructions on pages 1- 2 for more details.

Statutory Resident. A trust or estate that meets the definition of a statutory resident under Minnesota Statute section 290.01, subdivisions 7a and 7b. See instructions on pages 1- 2 for more details.

Tax Position Disclosure. If you filed Form TPD to disclose items or positions that are not otherwise adequately disclosed on your return. See Form TPD for more details.

Continued

Form M2 Instructions (continued)

Line Instructions

Round amounts to whole dollars. Drop amounts less than 50 cents and increase amounts 50 cents or more to the next higher dollar.

Line 2 — Deductions and Losses not Allowed

Use Schedule M2NM to determine the amount to include on Line 2.

Line 3 — Capital Gain of Lump Sum Distribution

If you received a qualifying lump-sum distribution in 2023 and chose the capital gain election on federal Form 4972, enter the capital gain from line 6 of federal Form 4972. Include a copy of federal Form 4972 when you file Form M2.

Lines 4 and 6 —Additions and Subtractions

Include the amount from line 70, column E of Form M2. See the instructions for *Allocation of Adjustments* on page 12 for more details.

Line 7— Income from Non-Minnesota Sources

Use Schedule M2NM to determine the amount to include on Line 7.

Line 10 — Minnesota Tax

Use the table starting on page 16 to determine the amount to enter on line 10.

Line 11 — Tax from S portion of an Electing Small Business Trust

If you are filing as an Electing Small Business Trust (ESBT), you must file Schedule M2SB to report all items relating to the S portion of the trust. Enter the tax calculated on the M2SB on line 11 of Form M2. Include Schedule M2SB when you file Form M2.

Line 12 — Additional Tax

Schedule M1LS—Tax on a Lump-Sum Distribution. If you received a lump-sum distribution from a qualified pension plan, profit sharing plan or stock bonus plan and the 10-year averaging method on federal Form 4972 was used, you must complete Minnesota Schedule M1LS, *Tax on Lump-Sum Distribution*.

Include the amount from line 11 of Schedule M1LS on line 12 of Form M2. Check the box for Schedule M1LS and include a copy of the schedule when you file your return.

Schedule M2MT—Alternative Minimum Tax. If you had to complete federal Schedule I, *Alternative Minimum Tax*, you must complete Minnesota Schedule M2MT, *Alternative Minimum Tax for Estates and Trusts*.

Include the amount from line 18 of Schedule M2MT on line 12 of Form M2. Check the box for Schedule M2MT and include a copy of the schedule with your return.

Line 13 — Composite Income Tax

Add the composite income tax attributed to all electing beneficiaries (the total of line 44 from all Schedules KF), and enter the result on line 13 of Form M2.

Line 15 — Credit for Taxes Paid to Another State

You may claim a nonrefundable credit on line 15 for taxes paid to another state if all of the following are true:

- You are filing as a Minnesota resident estate or trust.
- You paid 2023 income tax to Minnesota.
- You paid 2023 income tax to another state on the same income as Minnesota. For purposes of this credit, a Canadian province or territory and the District of Columbia are considered a state.

The credit is limited to the sum of the taxes shown on lines 10 and 11 of Form M2, or the liability for tax, whichever is less.

Use Schedule M1CR, *Credit for Income Tax Paid to Another State*, as a worksheet to determine the credit and enter the result on line 15.

You may not carry forward any unused credit.

Line 16 – Film Production Credit

If you received a credit certificate from the Department of Employment and Economic Development (DEED) for eligible production costs, enter the credit amount on line 16 and the certificate number in the space provided.

You may carry any unused credit forward for up to 5 years.

For more details regarding this tax credit, go to the DEED website at mn.gov/deed.

Line 17 – Tax Credit for Owners of Agricultural Assets

If you received a credit certificate from the Minnesota Rural Finance Authority for selling or leasing agricultural assets to a beginning farmer, enter the credit amount on line 17 and certificate number in the space provided.

If you have multiple credits, enter the certificate number the estate or trust received directly from the Rural Finance Authority within the certificate number box. If you have multiple credits and received all credits from other pass-through entities, enter the certificate number relating to the largest credit amount within the certificate number box. Include a statement showing the certificate numbers and corresponding credit amounts for all credits you included on line 17. Subtotal all credit amounts on line 17.

You may carry any unused credit forward for up to 15 years.

Continued

Form M2 Instructions (continued)

Line 18 — Unused Credits for Owners of Agricultural Assets from a Prior Year

If you have a carryforward of one or more prior year Owners of Agricultural Assets Credits, enter the credit amount you are claiming for the current year and the relating certificate number from prior year(s).

If you can claim multiple carryforward credits in the current year, include a statement summarizing the credit amounts and relating certificate numbers from prior years. Enter the total carryforward amount for all credits you are claiming in the current year on line 18.

Include a breakdown schedule showing the amount of credits earned, used, and remaining in each taxable year.

Line 19 — Housing Tax Credit

If you received a certificate from the Minnesota Housing Finance Agency (MHFA) for qualifying contributions to a state fund, enter the credit amount on line 19 and the certificate number in the space provided.

You may carry any unused credit forward for up to 10 years.

For more details regarding this tax credit, go to the MHFA (I can't read the rest of the sticky note)

Line 22 — Credit for Increasing Research Activities

An estate or trust may receive a Minnesota Credit for Increasing Research Activities as a partner of a partnership or shareholder of an S corporation that paid qualified research and development expenses in Minnesota.

Include on line 19 the credit amount you received on the:

• 2023 Schedule KS, line 23

• 2023 Schedule KPI, line 24

• 2023 Schedule KF, line 31

You may carry any unused credit forward for up to 15 years.

Line 23 — Other Nonrefundable Credits

If you are claiming a nonrefundable credit other than the credits listed on lines 15 through 22, include the credit on line 23.

Include on line 23 any credits eligible outright by an estate or trust or received on Schedules KPI, KS, or KF as a partner, shareholder, or beneficiary of another entity.

Include on line 23 only the portion of the credit(s) being retained by the estate or trust. Any portion of the credit(s) being distributed to beneficiaries should be reported on the beneficiaries' Schedules KF.

If you are including an amount on line 23, include a statement indicating which credit(s) the estate or trust is claiming. Include with your return filing any required forms, schedules, credit certificates, or documentation.

Employer Transit Pass Credit

You may be eligible for the nonrefundable Employer Transit Pass Credit if the estate or trust operated a business that purchases transit passes to sell or give to employees. The credit is equal to 30 percent of the difference between the price you paid for the pass and the price charged employees.

If you qualify, complete Schedule ETP, *Employer Transit Pass Credit.* Enter the credit amount on line 23.

You may not carry forward any unused credit.

SEED Capital Investment Credit

You may be eligible for the SEED Capital Investment Credit if:

- The estate or trust invested in a qualified business in Breckenridge, Dilworth, East Grand Forks, Moorhead, or Ortonville.
- The business has been certified by the Minnesota Department of Employment and Economic Development (DEED) as qualifying for the SEED Capital Investment Program.

Enter the credit amount from the credit certificate you received from the DEED on line 23.

You may carry any unused credit forward for up to four years.

Alternative Minimum Tax Credit

You may be eligible for the Alternative Minimum Tax Credit if the estate or trust paid Minnesota alternative minimum tax in one or more taxable years from 1989 through 2022. If the estate or trust did not pay Minnesota alternative minimum tax, you do not qualify for the credit.

Use the Schedule M1MTC, *Alternative Minimum Tax Credit*, as a worksheet to determine if you qualify or have a credit carry over from a prior year of any unused portion of your minimum tax credit. Enter the credit calculated from Schedule M1MTC on line 23.

Line 26 — Pass-Through Entity Tax Credit

An estate or trust may receive a tax credit as a qualifying owner of an electing pass-through entity.

Include on line 26 the credit amount you received on the:

- 2023 Schedule KS, line 29
- 2023 Schedule KPI, line 30
- 2023 Schedule KF, line 39

Continued

Form M2 Instructions (continued)

Line 27 — Minnesota Income Tax Withheld

Enter the total of any 2023 Minnesota tax withheld, including:

- Minnesota income tax withheld in error (and not repaid) by an employer on wages and salaries of a decedent that was received by the decedent's estate (enclose a copy of federal Form W-2, Wage and Tax Statement), and
- The fiduciary's share of any Minnesota income tax withholding from Schedule KS or KPI not passed through to the beneficiaries.

Minnesota requires backup withholding to be made when the payee is subject to federal backup withholding on reportable payments made to a trust for personal services. *(IRC section 3406)*. The Minnesota backup withholding is equal to the payment multiplied by the highest Minnesota tax rate for trusts. The Minnesota backup withholding must be passed through to the trust's beneficiary(s) based upon the income distributed to the beneficiary(s). Report each beneficiary's portion of the backup withholding on line 40 of Schedule KF.

If you are including withholding on line 27, include a copy of the federal Form 1099, Schedule KPI, Schedule KS or other documentation showing the amount withheld. If the documentation is not included with your Form M2, the department will disallow the amount and assess the tax or reduce your refund.

Line 28 — Total Estimated Tax Payments and Any Extension Payments

Enter your total estimated tax and extension payments paid for the tax year, including:

- your total 2023 estimated tax payments made in 2023 and 2024, either paid electronically or by check,
- the portion of your 2022 refund applied to your 2023 estimated tax, and
- any 2023 extension payment, paid electronically or by check, that was made by the due date when filing under an extension.

Line 29 — Historic Structure Rehabilitation Tax Credit

You may be eligible for the refundable Minnesota Historic Structure Rehabilitation Credit if all of the following apply:

- You made qualified improvements to a certified historic structure in Minnesota.
- The improvements qualify for the federal Historic Rehabilitation Credit under Internal Revenue Code, section 47.
- You applied for certification to the Minnesota State Historic Preservation Office (SHPO) before starting the project.
- SHPO issued a credit certificate upon the project's completion.

For estates and trusts who receive a credit certificate from Minnesota SHPO, enter the National Park Service (NPS) project number from the credit certificate you received in the space provided, and include on line 29:

- The credit amount shown on the credit certificate if the initial application for allocation certificate was submitted to SHPO on or before December 31, 2017.
- One-fifth of the credit amount shown on the credit certificate if the initial application for allocation certificate was submitted to SHPO after December 31, 2017.

For details about the Minnesota and federal credits, go to the SHPO website at mn.gov/admin/shpo.

Line 30 — Other Refundable Credits

If you are claiming a refundable credit other than the Historic Structure Rehabilitation Tax Credit or Pass-Through Entity Tax Credit, include the credit on line 30.

Include on line 30 any credits eligible outright by an estate or trust or received on Schedules KPI, KS, or KF as a partner, shareholder, or beneficiary of another entity.

Include on line 30 only the portion of the credit(s) being retained by the estate or trust. Any portion of the credit(s) being distributed to beneficiaries should be reported on the beneficiaries' Schedules KF.

If you are including an amount on line 30, include a statement indicating which credit(s) the estate or trust is claiming. Include with your return filing any required forms, schedules, credit certificates, or documentation.

Enterprise Zone Credit

You may be eligible for the refundable Enterprise Zone Credit if the estate or trust operated a business that has been approved by the Minnesota Department of Employment and Economic Development (DEED) as employment property in an enterprise zone.

If you received are approval from DEED for the Enterprise Zone Credit, enter the credit amount on line 30. Attach the certification document received from the DEED.

For more details about the zones, go to the DEED website at mn.gov/deed.

Angel Investment Tax Credit

You may be eligible for the refundable Angel Investment Tax Credit if you made investment in certain Minnesota businesses. The Minnesota Department of Employment and Economic Development (DEED) certifies investors, investment funds, and businesses as being eligible to participate in this credit program.

If you received the Angel Investment Tax Credit Certificate issued by DEED, enter the credit amount on line 30.

For more information about credit eligibility, go to the DEED website at mn.gov/deed.

Continued

Form M2 Instructions (continued)

Line 33 — Penalty

Penalties are collected as part of the tax and are in addition to any charge for underpaying estimated tax. If you are paying your tax after the regular due date, include the appropriate penalties on line 33. Include a statement showing how you arrived at the penalty amount.

Late Payment. If the tax is not paid by the original due date, a penalty is due of 6 percent of the unpaid tax on line 32.

Balance Not Paid. If you file your return after the regular due date with a balance due, an additional 5 percent penalty will be assessed on the unpaid tax.

Late Filing. If you are filing your return after the extended due date, you must pay a late filing penalty. The late filing penalty is 5 percent of the unpaid tax on line 32.

Payment Method. If you are required to pay electronically and do not, an additional 5 percent penalty applies to payments not made electronically, even if your paper check is sent on time.

If, during the 12 months ending June 30 of the tax year, you paid $10,000 or more in estimated tax payments, you are required to make all future estimated tax payments electronically beginning January 1 of the following tax year. Once you meet the electronic payment threshold, you are required to pay electronically for all future periods.

You must also pay electronically if you're required to pay any Minnesota business tax electronically.

Line 34 — Interest

You must pay interest on the unpaid tax and penalty from the regular due date until the total is paid. The interest rate for calendar year 2024 is X percent. To figure how much interest you owe, use the following formula with the appropriate interest rate:
Interest = (tax + penalty) x # of days late x interest rate ÷ 365

Line 35 — Trusts Only - Additional Charge

Skip this line if you are an estate.

Trusts: If you did not pay the correct amount of estimated tax by the due dates, you may have to pay an additional charge for underpaying or not paying estimated tax.

You may also owe an additional charge if the sum of the following is more than $500:

- Line 14
- Less the sum of any credits on lines 15 - 23.

Complete Schedule EST, *Additional Charge for Underpayment of Estimated Tax (for Trusts, Partnerships and S Corporations),* to determine the additional charge for underpaying estimated tax, if any, to enter on line 35. Include Schedule EST with your return.

Line 36 — Amount Due

Add lines 32 through 36. This is the total amount you owe.

Check the appropriate box on line 36 to indicate your method of payment. See **Payment Options** on page 3.

Line 37 — Overpayment

If you have an overpayment, you may choose to have it directly deposited into your bank account, apply all or a portion of your overpayment toward your 2023 estimated tax account, or receive a check.

Line 38 — 2024 Estimated Tax

Skip this line if you owe additional tax or you will be electing to have your entire refund directly deposited (see line 40).

If you are paying 2024 estimated tax, you may apply all or a portion of your refund to your 2024 estimated tax.
Enter the portion of line 37 you want to apply toward your 2024 estimated tax.

Line 39 — Minnesota Income Tax Refund

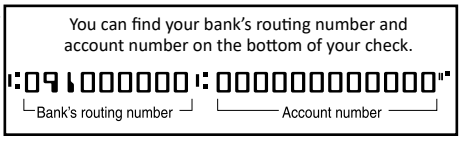
Subtract line 38 from line 37. The result is the amount of your 2023 Minnesota income tax refund that will be refunded to you.

If you want to request your refund to be direct deposited into your bank account, complete line 40. Your bank statement will indicate when your refund was deposited to your account. Otherwise, skip line 40 and your refund will be sent to you in the mail.

Line 40 — To Request Direct Deposit of Refund

If you want your refund to be directly deposited into your checking or savings account, enter the routing and account numbers.
The **routing number** must have nine digits.The **account number** may contain up to 17 digits (both numbers and letters). Enter the number and leave out any hyphens, spaces and symbols.

If the routing or account number is incorrect or is not accepted by your financial institution, your refund will be sent to you in the form of a paper check.



By completing line 40, you are authorizing the department and your financial institution to initiate electronic credit entries, and if necessary, debit entries and adjustments for any credits made in error.

Continued **8**

Form M2 Instructions (continued)

Signature

The return must be signed by the fiduciary or authorized officer of the organization receiving, controlling or managing the income of the estate or trust. The person must also include his or her ID number.

If someone other than the fiduciary prepared the return, the preparer must also sign and provide their Preparer Tax Identification Number (PTIN) and phone number.

Check the box to authorize the department to discuss this return with the preparer. This authority allows us to discuss with your preparer these items from this return: line item details; tax due on original and adjustments made during processing; penalty or interest due; documents received or sent like a tax order or bill; and dates and amounts of payments, credits, or refunds. The authority also allows your preparer to cancel direct deposit or debit payments and submit an abatement request.

The authority granted by a marked return checkbox is valid for one year after the due date for current original returns, or one year from the date the form was submitted for amended and noncurrent original returns.

Checking the box does not give your preparer the authority to sign any tax documents on your behalf, represent you at any audit or appeals conference, or discuss abatement progress. For these types of authorities, you must file Form REV184b, *Business Power of Attorney*, with the department.

E-mail Address

If the department has questions regarding your return and you want to receive correspondence electronically, indicate the e-mail address below your signature. Check a box to indicate if the e-mail address belongs to the fiduciary or paid preparer.

By providing an e-mail address, you are authorizing the department to correspond with you or the designated person via email and you understand that the entity's nonpublic tax data may be transmitted over the Internet.

You also accept the risk that the data may be accessed by someone other than the intended recipient. The department is not liable for any damages that the fiduciary may incur as a result of an interception.

Line 41 — State and Municipal Bond Interest

Enter the amount of interest or dividends received from bonds or a bond mutual fund which invests in non-Minnesota state or municipal securities.

For dividends received from a bond mutual fund, determine the amount to include using the following instructions:

- If 95 percent or more of the federally tax-exempt dividends from a mutual fund came from bonds issued by Minnesota, only the portion of the dividend generated by non-Minnesota bonds must be included.
- If less than 95 percent of all federally tax-exempt interest dividends from a mutual fund came from bonds issued by Minnesota, all of the federally tax-exempt interest dividend from that fund must be included.

Nonresident estates and trusts: Non-Minnesota interest or dividends received from bonds or a bond mutual fund do not have to be added back to Minnesota income. *[M.S. 290.0131, subd. 2]*

Line 42 — State Taxes Deducted in Arriving at Net Income

Enter the amount of state income tax, sales and use tax, motor vehicle sales tax, excise tax, or tax based on net income paid or accrued within the taxable year and deducted on the federal return. For the purposes of this addition, "state" means any state or any province or territory of Canada to the extent the tax is deducted under IRC section 63(d). *[M.S. 290.0131, subd. 3]* State income tax deductions are not allowed on the Minnesota return.

Line 43 — Expenses Related to Income Not Taxed by Minnesota, Other Than From U.S. Bond Obligations

Enter the amount of expenses deducted on your federal return that relate to income not taxed by Minnesota. *[M.S. 290.0131, subd. 6].* If you had expenses attributable to interest or mutual fund dividends from U.S. bonds, see the instructions for line 57 on page 10.

Line 44 — Suspended Loss of Bonus Depreciation

If you're claiming a suspended loss from 2001-2005 or 2008-2022 on your federal return that was generated by bonus depreciation, and you did not add back 80 percent of the bonus depreciation in those years, complete the following steps:

1 Bonus depreciation from 2001–2005 or 2008-2022 not added back on Form M2	_____
2 Total suspended loss from activity remaining after 2023	_____
3 Subtract step 2 from step 1 (if a negative amount, enter zero)	_____
4 Multiply step 3 by 80 percent (.80)	_____
5 Total of the 80 percent bonus depreciation addition passed through to you as a beneficiary of another estate or trust (from line 4 of Schedule KF)	_____
6 Add steps 4 and 5. Enter here and on line 44	_____

Continued

Form M2 Instructions (continued)

Line 45 — Bonus Depreciation Addition

If you claimed federal bonus depreciation, you must add back 80 percent of the bonus depreciation to Minnesota. Follow the steps below to determine line 45.

1 Add line 14 and line 25 of your federal Form 4562* . . . . . _____
2 Total of bonus depreciation passed through to you as a shareholder of an S corporation (from line 4 of Schedule KS), or as a partner of a partnership (from line 4 of Schedule KPI) . . . . . _____
3 Add steps 1 and 2 . . . . . _____
4 Multiply step 3 by 80% (.80) . . . . . _____
5 Total of any 80% federal bonus depreciation addition you received as a beneficiary of another estate or trust (from line 5 of Schedule KF) . . . . . _____
6 Add steps 4 and 5. Enter here and on line 45 . . . . . _____

* If bonus depreciation included in step 1 or 2 generated a loss in an activity that cannot be deducted in 2023 (e.g., a passive activity loss, a loss in excess of basis, or an excess business loss), you may reduce step 1 or 2 by the amount of loss not allowed from the activity for 2023, up to the bonus depreciation claimed by the activity.

In a future year, you must include the bonus depreciation as an addition when the 2023 suspended loss is allowed. The bonus depreciation is treated as the last suspended loss allowed.

Line 46 — Section 199A Qualified Business Income (QBI)

Enter the amount of QBI you deducted from net income under Internal Revenue Code (IRC) section 199A for the taxable year. Include on line 46 only the portion of the QBI deduction being retained by the estate or trust. Allocate 100% of line 46 to the fiduciary on line 74 of Form M2. *[M.S. 290.0131, subd. 16]*

Line 47

This line is intentionally left blank.

Line 48 — Net Operating Loss (NOL) Carryover Adjustment

If you claimed a federal net operating loss deduction on line 15b of federal Form 1041 in this tax year, add that amount to line 48 as a positive number.

Line 49 — Foreign-Derived Intangible Income (FDII) Deduction

Enter the amount of foreign-derived intangible income (FDII) you deducted from net income under IRC section 250 for the taxable year. *[M.S. 290.0131, subd. 17]*

Line 50 — Special Deduction under IRC Section 965

Enter the amount of any special deduction you deducted from net income under IRC section 965(c) for the taxable year. *[M.S. 290.0131, subd. 18]*

Line 51 — Other Additions

Include the amount on line 51 if the estate or trust is required to make any of the following Minnesota additions:

- First-time home buyer savings account addition *[M.S. 290.0131, subd. 14]*
- 529 plan addition *[M.S. 290.0131, subd. 15]*

Lines 52 through 55

These lines are intentionally left blank.

Line 57 — Net Interest from U.S. Bonds

Interest earned on certain direct federal obligations is taxable on the federal return, but is not taxable on the state return. You may reduce your taxable income if you reported interest on your federal return that is exempt from state income tax.

Include the interest you received from certain U.S. bonds, bills, notes and other debt instruments, reduced by any related investment interest and other expenses you deducted on your federal return that relate to this income.

You may also include the portion of dividends from mutual funds that are attributable to such bonds, bill or notes, reduced by any related expenses you deducted on your federal return.

Enclose a statement from the fund indicating the proportionate interest earned on the above securities. *[M.S. 290.0132, subd. 2]*

Line 58 — State Income Tax Refunds

Income tax refunded by Minnesota or any other taxing jurisdiction that was included as income on the federal return is not taxed by Minnesota. *[M.S. 290.0132, subd. 3]*

Line 59 — Federal Bonus Depreciation Subtraction

You may be able to reduce your taxable income if you:

- deducted bonus depreciation on your 2018 through 2022 federal return, and
- reported 80 percent of the federal bonus depreciation as an addition to income on your 2018 through 2022 Form M2, or
- received a federal bonus depreciation subtraction in 2023 from another estate or trust.

To determine the amount, see *Worksheet for Line 59*.

Continued

Form M2 Instructions (continued)

Worksheet for Line 59

If you claimed bonus depreciation as an addition on your 2018 Form M2:

1	Portion of lines 28 and 29 of your 2018 Form M2 allocated to fiduciary	1
2	Net operating loss generated for tax year 2018 (line 25, Schedule A of 2018 federal Form 1045). Enter as a positive number	2
3	Subtract step 2 from step 1	3
4	Multiply step 3 by 20% (.20)	4

If you claimed bonus depreciation as an addition on your 2019 Form M2:

5	Portion of lines 28 and 29 of your 2019 Form M2 allocated to fiduciary	5
6	Net operating loss generated for tax year 2019 (line 25, Schedule A of 2019 federal Form 1045). Enter as a positive number	6
7	Subtract step 6 from step 5	7
8	Multiply step 7 by 20% (.20)	8

If you claimed bonus depreciation as an addition on your 2020 Form M2:

9	Portion of lines 28 and 29 of your 2020 Form M2 allocated to fiduciary	9
10	Net operating loss generated for tax year 2020 (line 24, Schedule A of 2020 federal Form 1045). Enter as a positive number	10
11	Subtract step 10 from step 9	11
12	Multiply step 11 by 20% (.20)	12

If you claimed bonus depreciation as an addition on your 2021 Form M2:

13	Portion of lines 38 and 39 of your 2021 Form M2 allocated to fiduciary	13
14	Net operating loss generated for tax year 2021 (line 24, Schedule A of 2021 federal Form 1045). Enter as a positive number	14
15	Subtract step 14 from step 13 (if zero or less, enter 0)	15
16	Multiply step 15 by 20% (.20)	16

If you claimed bonus depreciation as an addition on your 2022 Form M2:

17	Portion of lines 41 and 42 of your 2022 Form M2 allocated to fiduciary	17
18	Net operating loss generated for tax year 2022 (line 24, Schedule A of 2022 federal Form 1045). Enter as a positive number	18
19	Subtract step 18 from step 17 (if zero or less, enter 0)	19
20	Multiply step 19 by 20% (.20)	20

If you received a subtraction in 2023 from an estate or trust:

21	Total of any bonus depreciation subtraction amounts you received as a beneficiary of an estate or trust (from line 18 of Schedule KF)	21

Total subtraction

22	Add steps 4, 8, 12, 16, 20, and 21. Enter here and on line 59 of Form M2	22

Line 60

This line is intentionally left blank.

Line 61 — Subtraction for Railroad Maintenance Expenses

Enter the amount of any qualified railroad track maintenance expenditures that are not allowed to be deducted on your federal return due to claiming the federal credit under IRC section 45G(a). This includes the amount of depreciation expenses you were not allowed for federal income tax purposes due to making a basis adjustment as a result of (I CAN'T READ THE REST OF THE POST IT NOTE)

Line 62 — Net Operating Loss (NOL) Carryover Adjustment

Enter the amount of your Minnesota net operating loss allowed in this year. *[M.S. 290.095, subd. 11]*

Line 63 — Deferred Foreign Income (IRC Section 965)

Enter the amount of deferred foreign income included in net income under IRC section 965 for the taxable year. *[M.S. 290.0132, subd. 27]*

Line 64 — Disallowed IRC Section 280E Expenses of a Licensed Cannabis Business

If you are a licensed cannabis business with the Office of Cannabis Management, you may subtract expenses that were not allowed for federal tax purposes under IRC section 280Ee. Enter the disallowed IRC section 280E expenses on line 62. *[M.S. 290.0132, subd. 29]*

Lines 65 — Delayed Business Interest

You may be able to reduce your taxable income if you:

- Reported a nonconformity adjustment in tax years 2019 through 2022 for business interest expense deducted under the special rule (CARES Act Section 2306) in section 163(j)(1)(A) and (B) of the Internal Revenue Code.
- Have an unused Minnesota-only excess business interest expense carried forward from your 2019 through 2022 Minnesota returns

To determine the amount of your subtraction, sum the amounts reported on the following nonconformity adjustment lines:

- 2019 Form M2, line 36, or 2019 Form M2SB, line 23
- 2020 Schedule M2NC, line 6, or 2020 Schedule M2SBNC, line 6
- 2021 Schedule M2NC, line 5, or 2021 Schedule M2SBNC, line 5
- 2022 Schedule M2NC, line 5, or 2022 Schedule M2SBNC, line 5

Multiply the total of the above lines by 20 percent. This is the amount of your subtraction in tax year 2023. The remaining 4/5th of the total can be taken as a 20 percent subtraction in each of the tax years 2024 through 2027.

Lines 66 — Delayed Net Operating Loss Deduction

You may be able to reduce your taxable income if you:

- Reported a nonconformity adjustment in tax years 2017 through 2022 for net operating loss deducted as a result of the CARES Act Section 2303.
- Have an unused Minnesota-only net operating loss deduction carried forward from your 2017 through 2022 Minnesota returns.

To determine the amount of your subtraction, sum the amounts reported on the following nonconformity adjustment lines:

- 2017 Form M2, line 31b with Code 19, or 2017 Form M2SB, line 18b with Code 19
- 2018 Schedule M2NC, line 26, or 2018 Schedule M2SBNC, line 27
- 2019 Form M2, line 35, or 2019 Form M2SB, line 22
- 2020 Schedule M2NC, line 4, or 2020 Schedule M2SBNC, line 4
- 2021 Schedule M2NC, line 3, or 2021 Schedule M2SBNC, line 3
- 2022 Schedule M2NC, line 3, or 2022 Schedule M2SBNC, line 3

Use the worksheet below to determine your Minnesota subtraction.

Worksheet for Line 66

1	Enter the amount from your prior year nonconformity adjustments totaled above	
2	Enter the amount of federal taxable income from line 23 of federal Form 1041. If less than zero, enter 0.	
3	Multiply step 2 by 80% (.80)	
4	Enter the lesser of step 1 or step 3. Include this amount on line 66	
5	Subtract step 4 from step 1. This is your Minnesota NOL carried into 2024. Retain this amount for your records	

Line 67 — Other Subtractions

Include an amount on line 67 if the estate or trust is required to make any of the following Minnesota subtractions:

- Gain on forced sale of farm property subtraction *[M.S. 290.0132, subd. 6]*
- National Guard and reserve compensation subtraction *[M.S. 290.0132, subd. 11]*
- Armed forces (I CAN'T READ THE REST OF THE STICKY NOTE)

Lines 68 through 71

These lines are intentionally left blank.

Allocation of Adjustments (Lines 73-75)

The beneficiary(s) of a trust or an estate must file an individual or fiduciary income tax return to report their portion of the income distributed. A resident individual beneficiary must report all income from the trust or estate. A nonresident individual beneficiary who receives $13,825 or more of Minnesota gross income must report income assignable to Minnesota.

The purpose of this section is to allocate any adjustments noted on lines 41-55 and 57-71 between the beneficiary(s) and fiduciary. If all the income is retained by the trust or estate, then any adjustment is allocated entirely to the fiduciary. If all of the income is distributed, then any adjustment is passed through to the beneficiary(s) in proportion to their share of distributable net income. If part of the income is retained and part distributed, then part of the adjustment is allocated to the fiduciary and part to the beneficiary(s).

The share of adjustments in column E is the same percentage share as the fiduciary's and each beneficiary's share of federal distributable net income to the total distributable net income (the amount on Form 1041, Schedule B, line 7). Divide each share by the total distributable net income to determine the percentage.

Certain adjustments must be assigned entirely to the fiduciary or the beneficiary. See the instructions for line 27 on pages 6 and 7 for the allocation instructions for Minnesota backup withholding. See the instructions for line 46 on page 10 for the allocation instructions for the Section 199A QBI addition.

Where the adjustment is an addition, that portion of the adjustment allocated to each beneficiary and to the fiduciary must be shown as an addition.

Where the adjustment is a subtraction, that part of the adjustment allocated to each beneficiary and to the fiduciary must be shown as a subtraction.

Column C

Enter the federal distributable net income assigned to each beneficiary and the fiduciary as determined for federal purposes. Add the amounts and enter the total on line 75, column C.

Column D

To obtain the proper percentage, divide each figure from column C on lines 73 and 74 by the total of column C on line 75. Enter this percentage in column D to correspond with each beneficiary and the fiduciary. The total of column D must equal 100%.

Column E

To obtain the proper share for each beneficiary and the fiduciary, multiply the adjustment on line 71, column E, under additions and subtractions by the percentage in column D. Enter the result for each beneficiary and the fiduciary in column E, under additions or subtractions.

Complete a Schedule KF for each beneficiary who is assigned adjustments. Complete and provide Schedule KF to each nonresident beneficiary with Minnesota source income and any Minnesota beneficiary who has adjustments to income.

Completing Schedule KF

Complete and provide Schedule KF to each nonresident beneficiary and any Minnesota resident beneficiary who has adjustments to income.

Enter the information associated with this estate or trust and beneficiary.

Purpose

An estate or trust must provide each nonresident beneficiary, and any Minnesota beneficiary with adjustments to income, with enough information for them to complete a Minnesota income tax return and determine their correct Minnesota tax.

Schedule KF provides beneficiaries the information they need to file a Minnesota income tax return. The schedule shows each beneficiary their specific share of the fiduciary's income, credits and modifications. Provide the beneficiary a copy of both the front and back of the completed Schedule KF and instructions.

If there are no modifications or credits and the beneficiary is a full-year Minnesota resident, you do not have to provide Schedule KF.

You must enclose with your Form M2 copies of the Schedules KF and attachments issued to your beneficiaries and copies of your federal Schedules K-1.

Line Instructions

Enter the name, address and social security number of the beneficiary.

Calculate lines 1-40 the same for all resident and nonresident beneficiaries. Calculate lines 41-45 for estate, trust, and nonresident individual beneficiaries only. Calculate lines 46-47 for nonresident beneficiaries only. Round amounts to the nearest whole dollar.

All Beneficiaries, Lines 1-40

KF, lines 1-5 and 7-29

If all or part of the fiduciary's income is distributed, then any adjustment shown on lines 41-55 and 57-71 of Form M2 is passed through to the beneficiary(s) in proportion to their share of distributable net income. Certain adjustments must be assigned entirely to the fiduciary or the beneficiary. See the **Allocation of Adjustments** instructions on page 12 for more details. From line 73 of Form M2, enter the adjustments to income allocated to each beneficiary.

KF, line 6

If you checked the box for Installment Sale of Pass-through Assets or Interests and the gain from the sale was distributed, then complete line 6 for all applicable Schedules KF to report installment sale information to your beneficiaries.

Line 6a. Enter each beneficiary's share of the gross profit from any installment sale of S corporation stock or assets, or partnership interests or assets executed after December 31, 2016.

If the sale was completed by the fiduciary, then the total gross profit is found on federal Form 6252, line 16. If the sale was executed by an entity owned by the fiduciary, or another entity in a multi-tiered structure, then this information is reported on:

- Schedules KS and KPI, line 7a
- Schedule KPC, line 10a
- Schedule KF, line 6a

This amount is allocable amongst the beneficiaries in proportion to their share of distributable net income.

If installment sale information is reported to the fiduciary on informational schedules from other entities, then the amount reported to the beneficiaries should equal the total amount reported on all Schedules KF, KPI, KS, and KPC.

If the fiduciary receives installment payments from multiple sales executed after December 31, 2016, attach a schedule to Form M2 detailing the different sales and distributive allocations.

Line 6b. Enter each beneficiary's share of installment sale income from the sale of S corporation stock, or partnership interests, and any installment sale income from the sale of the assets of any S corporation or partnership. If the sale was completed by the fiduciary completing this schedule, then the total installment sale income is found on Form 6252, line 24. If the sale was executed by an entity owned by the fiduciary, or another entity in a multi-tiered structure, then this information is reported on:

- Schedules KS and KPI, line 7b
- Schedule KPC, line 10a
- Schedule KF, line 6b

This amount is allocable amongst the beneficiaries in proportion to their share of distributable net income.

If installment sale information is reported to the fiduciary on informational schedules from other entities, then the amount reported to the beneficiaries should equal the total amount reported on all Schedules KF, KPI, KS, and KPC.

Line 6c. Enter the S corporation's or partnership's apportionment percentage in the year of the installment sale. This information is reported on:

- Schedule KS, line 46, for shareholders of a S corporation
- Schedule KPI, line 49, for partners of a partnership
- Schedule KF, line 6c, for beneficiaries of a trust or estate. Enter the amount as a positive number carried to five decimal places.

Note: If you are reporting a gain from an entity in a multi-tiered pass-through structure, you may need to gather information from the tax preparer of the company that executed the sale.

Completing Schedule KF (continued)

KF, line 7
This line is intentionally left blank.

KF, line 8
For individual beneficiaries, include only the portion of the NOL adjustment relating to the WHBA of 2009. *[M.S. 290.095, subd. 11(c)]*

KF, lines 11 through 14
These lines are intentionally left blank.

KF, line 20
This line is intentionally left blank.

KF, line 21
For individual beneficiaries, include only the portion of the NOL adjustment relating to the WHBA of 2009. *[M.S. 290.095, subd. 11(c)]*

KF, lines 26 through 29
These lines are intentionally left blank.

KF, line 30
If you received a Minnesota income tax withholding credit, enter the beneficiary's distributive share of any credit that is passed through to the beneficiary. Do not include amounts reported on line 24 of Form M2.

KF, line 31
If you are a partner of a partnership or a shareholder of an S corporation that conducted qualified research and development in Minnesota, enter the beneficiary's distributive share of the credit from line 24 of Schedule KPI and line 23 of Schedule KS. Attach the appropriate schedule when you file your return.

KF, line 33
If you received a credit certificate from the Minnesota Rural Finance Authority for selling or leasing agricultural assets to a beginning farmer, enter the certificate number in the space provided and the beneficiary's distributive share of the credit on line 33.

If you have multiple credits, enter the certificate number your fiduciary received directly from the Rural Finance Authority within the certificate number box. If you have multiple credits and received all credits from other pass-through entities, enter the certificate number relating to the largest credit amount within the certificate number box. Subtotal all credit amounts on line 33.

KF, line 34
The estate or trust must distribute unused credits for owners of agricultural assets from a prior year to beneficiaries based upon the percentage of income distributed to the beneficiary. Include the beneficiary's share of the unused credit carryover on line 34. Also include the certificate number and remaining carryover years of the unused credit in the spaces provided.

The carryover years include the current tax year and must be a number between 1 and 15. For example, the estate or trust received the credit in tax year 2022 and retained all income. Then the estate or trust is distributing some or all income in tax year 2023. The estate or trust should include the number "15" on the Remaining Carryover Years line on the 2023 Schedule KF.

KF, line 35
If you received a credit certificate from the Minnes

KF, line 38
If you are a partner of a partnership or a shareholder of an S corporation that qualified for the historic structure rehabilitation tax credit, enter the beneficiary's distributive share of the credit from line 27 of Schedule KPI and line 26 of Schedule KS. Attach the appropriate certificate when
you file your return and enter the NPS project number in the space provided.

KF, line 36
If the estate or trust is a qualifying owner of an electing pass-through entity, enter the beneficiary's distributive share of the credit that is passed through to the beneficiary. Do not include amounts reported on line 23 of Form M2.

KF, line 37
If you remitted Minnesota backup withholding on a reportable payment made for personal services, include the beneficiary(s) portion of the backup withholding on line 37. The Minnesota backup withholding must be passed through to the trust's beneficiary(s) based upon the income distributed to the beneficiary(s). See the instructions for line 24 of Form M2 for more details.

Estate, Trust, and Nonresident Individual Beneficiaries, Lines 38-42
Lines 38-42 apply to estate, trust, and nonresident individual beneficiaries. This beneficiary will be taxed on the income that is allocable to Minnesota.

KF, lines 38-41
From the beneficiary's federal Schedule K-1 (1041), enter the Minnesota portion of amounts on lines 38–41.

Completing Schedule KF (continued)

Interest or dividend income derived from a trade or business (S corporations and partnerships) that is apportioned to Minnesota should be included on line 40.

Include only other income allocable to Minnesota on line 41. For example, include other income from services performed in Minnesota, but do not include interest, dividends or distribution from a pension plan or an annuity.

KF, line 45

Minnesota source gross income is used to determine if a nonresident individual is required to file a Minnesota individual income tax return (Form M1). Gross income is income before business or rental deductions and does not include losses.

Enter the beneficiary's distributive share of the fiduciary's Minnesota source gross income.

Worksheet for Line 43

1	80 percent of bonus depreciation from line 5 of the beneficiary's Schedule KF	
2	Combine lines 7, 9, and 15* of the beneficiary's Schedule KF	
3	Combine lines 38–41 of the beneficiary's Schedule KF	
4	Add steps 1, 2 and 3	
5	To the extent allowed by law, enter one-fifth of the beneficiary's share of the federal bonus depreciation that was added back in a year the beneficiary elected to be included in composite income tax	
6	Combine lines 20, 22, and 23 of the beneficiary's Schedule KF	
7	Add steps 5 and 6	
8	Subtract step 7 from step 4	

Enter the result from step 8 on line 43 of the beneficiary's Schedule KF. The result in step 8 is the beneficiary's adjusted Minnesota source distributive income from this fiduciary.

* Only include an amount from line 15 of Schedule KF if the beneficiary is an estate or trust.

Nonresident Beneficiaries, Lines 43-44
Composite Income Tax
KF, line 43

Use the Worksheet for Line 43 to determine line 43.

KF, line 44

Nonresident beneficiaries must pay tax if their Minnesota gross income is more than the minimum filing requirement for the year ($12,900 for 2023).

Skip this line if the nonresident beneficiary did not elect the fiduciary to pay composite income tax on his or her behalf.

To determine the amount of composite income tax to pay on behalf of each electing beneficiary, follow the steps on the Worksheet for Line 44.

Check the box next to line 44 indicating the beneficiary's election for composite income tax filing.

If the beneficiary elects to be included in composite income tax but has zero tax due, enter zero on line 44 and still check the box to indicate

Worksheet for Line 44

1	Multiply line 43 of Schedule KF by 9.85% (.0985).	
2	Add the credits and backup withholding from lines 30 and 32 through 37 of Schedule KF	
3	Subtract step 2 from step 1. If the result is less than zero, enter zero	

The result in step 3 is the amount you are required to pay on behalf of the electing beneficiary.
Enter this amount on line 44 of the beneficiary's Schedule KF and check the box to indicate the beneficiary's election to be included.

2023 Tax Table

If line 9 of Form M2 is:		
at least	but less than	your tax is
0	20	0
20	100	3
100	200	8
200	300	13
300	400	19
400	500	24
500	600	29
600	700	35
700	800	40
800	900	45
900	1,000	51
1,000	1,100	56
1,100	1,200	62
1,200	1,300	67
1,300	1,400	72
1,400	1,500	78
1,500	1,600	83
1,600	1,700	88
1,700	1,800	94
1,800	1,900	99
1,900	2,000	104
2,000	2,100	110
2,100	2,200	115
2,200	2,300	120
2,300	2,400	126
2,400	2,500	131
2,500	2,600	136
2,600	2,700	142
2,700	2,800	147
2,800	2,900	152
2,900	3,000	158
3,000	3,100	163
3,100	3,200	169
3,200	3,300	174
3,300	3,400	179
3,400	3,500	185
3,500	3,600	190
3,600	3,700	195
3,700	3,800	201
3,800	3,900	206
3,900	4,000	211
4,000	4,100	217
4,100	4,200	222
4,200	4,300	227
4,300	4,400	233
4,400	4,500	238
4,500	4,600	243
4,600	4,700	249
4,700	4,800	254
4,800	4,900	259
4,900	5,000	265
5,000	5,100	270
5,100	5,200	276
5,200	5,300	281
5,300	5,400	286
5,400	5,500	292
5,500	5,600	297
5,600	5,700	302
5,700	5,800	308
5,800	5,900	313
5,900	6,000	318
6,000	6,100	324
6,100	6,200	329

If line 9 of Form M2 is:		
at least	but less than	your tax is
6,200	6,300	334
6,300	6,400	340
6,400	6,500	345
6,500	6,600	350
6,600	6,700	356
6,700	6,800	361
6,800	6,900	366
6,900	7,000	372
7,000	7,100	377
7,100	7,200	383
7,200	7,300	388
7,300	7,400	393
7,400	7,500	399
7,500	7,600	404
7,600	7,700	409
7,700	7,800	415
7,800	7,900	420
7,900	8,000	425
8,000	8,100	431
8,100	8,200	436
8,200	8,300	441
8,300	8,400	447
8,400	8,500	452
8,500	8,600	457
8,600	8,700	463
8,700	8,800	468
8,800	8,900	473
8,900	9,000	479
9,000	9,100	484
9,100	9,200	490
9,200	9,300	495
9,300	9,400	500
9,400	9,500	506
9,500	9,600	511
9,600	9,700	516
9,700	9,800	522
9,800	9,900	527
9,900	10,000	532
10,000	10,100	538
10,100	10,200	543
10,200	10,300	548
10,300	10,400	554
10,400	10,500	559
10,500	10,600	564
10,600	10,700	570
10,700	10,800	575
10,800	10,900	580
10,900	11,000	586
11,000	11,100	591
11,100	11,200	597
11,200	11,300	602
11,300	11,400	607
11,400	11,500	613
11,500	11,600	618
11,600	11,700	623
11,700	11,800	629
11,800	11,900	634
11,900	12,000	639
12,000	12,100	645
12,100	12,200	650
12,200	12,300	655
12,300	12,400	661
12,400	12,500	666

If line 9 of Form M2 is:		
at least	but less than	your tax is
12,500	12,600	671
12,600	12,700	677
12,700	12,800	682
12,800	12,900	687
12,900	13,000	693
13,000	13,100	698
13,100	13,200	704
13,200	13,300	709
13,300	13,400	714
13,400	13,500	720
13,500	13,600	725
13,600	13,700	730
13,700	13,800	736
13,800	13,900	741
13,900	14,000	746
14,000	14,100	752
14,100	14,200	757
14,200	14,300	762
14,300	14,400	768
14,400	14,500	773
14,500	14,600	778
14,600	14,700	784
14,700	14,800	789
14,800	14,900	794
14,900	15,000	800
15,000	15,100	805
15,100	15,200	811
15,200	15,300	816
15,300	15,400	821
15,400	15,500	827
15,500	15,600	832
15,600	15,700	837
15,700	15,800	843
15,800	15,900	848
15,900	16,000	853
16,000	16,100	859
16,100	16,200	864
16,200	16,300	869
16,300	16,400	875
16,400	16,500	880
16,500	16,600	885
16,600	16,700	891
16,700	16,800	896
16,800	16,900	901
16,900	17,000	907
17,000	17,100	912
17,100	17,200	918
17,200	17,300	923
17,300	17,400	928
17,400	17,500	934
17,500	17,600	939
17,600	17,700	944
17,700	17,800	950
17,800	17,900	955
17,900	18,000	960
18,000	18,100	966
18,100	18,200	971
18,200	18,300	976
18,300	18,400	982
18,400	18,500	987
18,500	18,600	992
18,600	18,700	998
18,700	18,800	1,003

If line 9 of Form M2 is:		
at least	but less than	your tax is
18,800	18,900	1,008
18,900	19,000	1,014
19,000	19,100	1,019
19,100	19,200	1,025
19,200	19,300	1,030
19,300	19,400	1,035
19,400	19,500	1,041
19,500	19,600	1,046
19,600	19,700	1,051
19,700	19,800	1,057
19,800	19,900	1,062
19,900	20,000	1,067
20,000	20,100	1,073
20,100	20,200	1,078
20,200	20,300	1,083
20,300	20,400	1,089
20,400	20,500	1,094
20,500	20,600	1,100
20,600	20,700	1,107
20,700	20,800	1,113
20,800	20,900	1,120
20,900	21,000	1,127
21,000	21,100	1,134
21,100	21,200	1,141
21,200	21,300	1,147
21,300	21,400	1,154
21,400	21,500	1,161
21,500	21,600	1,168
21,600	21,700	1,175
21,700	21,800	1,181
21,800	21,900	1,188
21,900	22,000	1,195
22,000	22,100	1,202
22,100	22,200	1,209
22,200	22,300	1,215
22,300	22,400	1,222
22,400	22,500	1,229
22,500	22,600	1,236
22,600	22,700	1,243
22,700	22,800	1,249
22,800	22,900	1,256
22,900	23,000	1,263
23,000	23,100	1,270
23,100	23,200	1,277
23,200	23,300	1,283
23,300	23,400	1,290
23,400	23,500	1,297
23,500	23,600	1,304
23,600	23,700	1,311
23,700	23,800	1,317
23,800	23,900	1,324
23,900	24,000	1,331
24,000	24,100	1,338
24,100	24,200	1,345
24,200	24,300	1,351
24,300	24,400	1,358
24,400	24,500	1,365
24,500	24,600	1,372
24,600	24,700	1,379
24,700	24,800	1,385
24,800	24,900	1,392
24,900	25,000	1,399
25,000	25,100	1,406

Continued

2023 Tax Table (continued)

If line 9 of Form M2 is:		
at least	but less than	your tax is
25,100	25,200	1,413
25,200	25,300	1,419
25,300	25,400	1,426
25,400	25,500	1,433
25,500	25,600	1,440
25,600	25,700	1,447
25,700	25,800	1,453
25,800	25,900	1,460
25,900	26,000	1,467
26,000	26,100	1,474
26,100	26,200	1,481
26,200	26,300	1,487
26,300	26,400	1,494
26,400	26,500	1,501
26,500	26,600	1,508
26,600	26,700	1,515
26,700	26,800	1,521
26,800	26,900	1,528
26,900	27,000	1,535
27,000	27,100	1,542
27,100	27,200	1,549
27,200	27,300	1,555
27,300	27,400	1,562
27,400	27,500	1,569
27,500	27,600	1,576
27,600	27,700	1,583
27,700	27,800	1,589
27,800	27,900	1,596
27,900	28,000	1,603
28,000	28,100	1,610
28,100	28,200	1,617
28,200	28,300	1,623
28,300	28,400	1,630
28,400	28,500	1,637
28,500	28,600	1,644
28,600	28,700	1,651
28,700	28,800	1,657
28,800	28,900	1,664
28,900	29,000	1,671
29,000	29,100	1,678
29,100	29,200	1,685
29,200	29,300	1,691
29,300	29,400	1,698
29,400	29,500	1,705
29,500	29,600	1,712
29,600	29,700	1,719
29,700	29,800	1,725
29,800	29,900	1,732
29,900	30,000	1,739
30,000	30,100	1,746
30,100	30,200	1,753
30,200	30,300	1,759
30,300	30,400	1,766
30,400	30,500	1,773
30,500	30,600	1,780
30,600	30,700	1,787
30,700	30,800	1,793
30,800	30,900	1,800
30,900	31,000	1,807
31,000	31,100	1,814
31,100	31,200	1,821
31,200	31,300	1,827
31,300	31,400	1,834

If line 9 of Form M2 is:		
at least	but less than	your tax is
31,400	31,500	1,841
31,500	31,600	1,848
31,600	31,700	1,855
31,700	31,800	1,861
31,800	31,900	1,868
31,900	32,000	1,875
32,000	32,100	1,882
32,100	32,200	1,889
32,200	32,300	1,895
32,300	32,400	1,902
32,400	32,500	1,909
32,500	32,600	1,916
32,600	32,700	1,923
32,700	32,800	1,929
32,800	32,900	1,936
32,900	33,000	1,943
33,000	33,100	1,950
33,100	33,200	1,957
33,200	33,300	1,963
33,300	33,400	1,970
33,400	33,500	1,977
33,500	33,600	1,984
33,600	33,700	1,991
33,700	33,800	1,997
33,800	33,900	2,004
33,900	34,000	2,011
34,000	34,100	2,018
34,100	34,200	2,025
34,200	34,300	2,031
34,300	34,400	2,038
34,400	34,500	2,045
34,500	34,600	2,052
34,600	34,700	2,059
34,700	34,800	2,065
34,800	34,900	2,072
34,900	35,000	2,079
35,000	35,100	2,086
35,100	35,200	2,093
35,200	35,300	2,099
35,300	35,400	2,106
35,400	35,500	2,113
35,500	35,600	2,120
35,600	35,700	2,127
35,700	35,800	2,133
35,800	35,900	2,140
35,900	36,000	2,147
36,000	36,100	2,154
36,100	36,200	2,161
36,200	36,300	2,167
36,300	36,400	2,174
36,400	36,500	2,181
36,500	36,600	2,188
36,600	36,700	2,195
36,700	36,800	2,201
36,800	36,900	2,208
36,900	37,000	2,215
37,000	37,100	2,222
37,100	37,200	2,229
37,200	37,300	2,235
37,300	37,400	2,242
37,400	37,500	2,249
37,500	37,600	2,256
37,600	37,700	2,263

If line 9 of Form M2 is:		
at least	but less than	your tax is
37,700	37,800	2,269
37,800	37,900	2,276
37,900	38,000	2,283
38,000	38,100	2,290
38,100	38,200	2,297
38,200	38,300	2,303
38,300	38,400	2,310
38,400	38,500	2,317
38,500	38,600	2,324
38,600	38,700	2,331
38,700	38,800	2,337
38,800	38,900	2,344
38,900	39,000	2,351
39,000	39,100	2,358
39,100	39,200	2,365
39,200	39,300	2,371
39,300	39,400	2,378
39,400	39,500	2,385
39,500	39,600	2,392
39,600	39,700	2,399
39,700	39,800	2,405
39,800	39,900	2,412
39,900	40,000	2,419
40,000	40,100	2,426
40,100	40,200	2,433
40,200	40,300	2,439
40,300	40,400	2,446
40,400	40,500	2,453
40,500	40,600	2,460
40,600	40,700	2,467
40,700	40,800	2,473
40,800	40,900	2,480
40,900	41,000	2,487
41,000	41,100	2,494
41,100	41,200	2,501
41,200	41,300	2,507
41,300	41,400	2,514
41,400	41,500	2,521
41,500	41,600	2,528
41,600	41,700	2,535
41,700	41,800	2,541
41,800	41,900	2,548
41,900	42,000	2,555
42,000	42,100	2,562
42,100	42,200	2,569
42,200	42,300	2,575
42,300	42,400	2,582
42,400	42,500	2,589
42,500	42,600	2,596
42,600	42,700	2,603
42,700	42,800	2,609
42,800	42,900	2,616
42,900	43,000	2,623
43,000	43,100	2,630
43,100	43,200	2,637
43,200	43,300	2,643
43,300	43,400	2,650
43,400	43,500	2,657
43,500	43,600	2,664
43,600	43,700	2,671
43,700	43,800	2,677
43,800	43,900	2,684
43,900	44,000	2,691

If line 9 of Form M2 is:		
at least	but less than	your tax is
44,000	44,100	2,698
44,100	44,200	2,705
44,200	44,300	2,711
44,300	44,400	2,718
44,400	44,500	2,725
44,500	44,600	2,732
44,600	44,700	2,739
44,700	44,800	2,745
44,800	44,900	2,752
44,900	45,000	2,759
45,000	45,100	2,766
45,100	45,200	2,773
45,200	45,300	2,779
45,300	45,400	2,786
45,400	45,500	2,793
45,500	45,600	2,800
45,600	45,700	2,807
45,700	45,800	2,813
45,800	45,900	2,820
45,900	46,000	2,827
46,000	46,100	2,834
46,100	46,200	2,841
46,200	46,300	2,847
46,300	46,400	2,854
46,400	46,500	2,861
46,500	46,600	2,868
46,600	46,700	2,875
46,700	46,800	2,881
46,800	46,900	2,888
46,900	47,000	2,895
47,000	47,100	2,902
47,100	47,200	2,909
47,200	47,300	2,915
47,300	47,400	2,922
47,400	47,500	2,929
47,500	47,600	2,936
47,600	47,700	2,943
47,700	47,800	2,949
47,800	47,900	2,956
47,900	48,000	2,963
48,000	48,100	2,970
48,100	48,200	2,977
48,200	48,300	2,983
48,300	48,400	2,990
48,400	48,500	2,997
48,500	48,600	3,004
48,600	48,700	3,011
48,700	48,800	3,017
48,800	48,900	3,024
48,900	49,000	3,031
49,000	49,100	3,038
49,100	49,200	3,045
49,200	49,300	3,051
49,300	49,400	3,058
49,400	49,500	3,065
49,500	49,600	3,072
49,600	49,700	3,079
49,700	49,800	3,085
49,800	49,900	3,092
49,900	50,000	3,099
50,000	50,100	3,106
50,100	50,200	3,113
50,200	50,300	3,119

Continued

2023 Tax Table (continued)

If line 9 of Form M2 is:		
at least	but less than	your tax is
50,300	50,400	3,126
50,400	50,500	3,133
50,500	50,600	3,140
50,600	50,700	3,147
50,700	50,800	3,153
50,800	50,900	3,160
50,900	51,000	3,167
51,000	51,100	3,174
51,100	51,200	3,181
51,200	51,300	3,187
51,300	51,400	3,194
51,400	51,500	3,201
51,500	51,600	3,208
51,600	51,700	3,215
51,700	51,800	3,221
51,800	51,900	3,228
51,900	52,000	3,235
52,000	52,100	3,242
52,100	52,200	3,249
52,200	52,300	3,255
52,300	52,400	3,262
52,400	52,500	3,269
52,500	52,600	3,276
52,600	52,700	3,283
52,700	52,800	3,289
52,800	52,900	3,296
52,900	53,000	3,303
53,000	53,100	3,310
53,100	53,200	3,317
53,200	53,300	3,323
53,300	53,400	3,330
53,400	53,500	3,337
53,500	53,600	3,344
53,600	53,700	3,351
53,700	53,800	3,357
53,800	53,900	3,364
53,900	54,000	3,371
54,000	54,100	3,378
54,100	54,200	3,385
54,200	54,300	3,391
54,300	54,400	3,398
54,400	54,500	3,405
54,500	54,600	3,412
54,600	54,700	3,419
54,700	54,800	3,425
54,800	54,900	3,432
54,900	55,000	3,439
55,000	55,100	3,446
55,100	55,200	3,453
55,200	55,300	3,459
55,300	55,400	3,466
55,400	55,500	3,473
55,500	55,600	3,480
55,600	55,700	3,487
55,700	55,800	3,493
55,800	55,900	3,500
55,900	56,000	3,507
56,000	56,100	3,514
56,100	56,200	3,521
56,200	56,300	3,527
56,300	56,400	3,534
56,400	56,500	3,541
56,500	56,600	3,548
56,600	56,700	3,555

If line 9 of Form M2 is:		
at least	but less than	your tax is
56,700	56,800	3,561
56,800	56,900	3,568
56,900	57,000	3,575
57,000	57,100	3,582
57,100	57,200	3,589
57,200	57,300	3,595
57,300	57,400	3,602
57,400	57,500	3,609
57,500	57,600	3,616
57,600	57,700	3,623
57,700	57,800	3,629
57,800	57,900	3,636
57,900	58,000	3,643
58,000	58,100	3,650
58,100	58,200	3,657
58,200	58,300	3,663
58,300	58,400	3,670
58,400	58,500	3,677
58,500	58,600	3,684
58,600	58,700	3,691
58,700	58,800	3,697
58,800	58,900	3,704
58,900	59,000	3,711
59,000	59,100	3,718
59,100	59,200	3,725
59,200	59,300	3,731
59,300	59,400	3,738
59,400	59,500	3,745
59,500	59,600	3,752
59,600	59,700	3,759
59,700	59,800	3,765
59,800	59,900	3,772
59,900	60,000	3,779
60,000	60,100	3,786
60,100	60,200	3,793
60,200	60,300	3,799
60,300	60,400	3,806
60,400	60,500	3,813
60,500	60,600	3,820
60,600	60,700	3,827
60,700	60,800	3,833
60,800	60,900	3,840
60,900	61,000	3,847
61,000	61,100	3,854
61,100	61,200	3,861
61,200	61,300	3,867
61,300	61,400	3,874
61,400	61,500	3,881
61,500	61,600	3,888
61,600	61,700	3,895
61,700	61,800	3,901
61,800	61,900	3,908
61,900	62,000	3,915
62,000	62,100	3,922
62,100	62,200	3,929
62,200	62,300	3,935
62,300	62,400	3,942
62,400	62,500	3,949
62,500	62,600	3,956
62,600	62,700	3,963
62,700	62,800	3,969
62,800	62,900	3,976
62,900	63,000	3,983
63,000	63,100	3,990

If line 9 of Form M2 is:		
at least	but less than	your tax is
63,100	63,200	3,997
63,200	63,300	4,003
63,300	63,400	4,010
63,400	63,500	4,017
63,500	63,600	4,024
63,600	63,700	4,031
63,700	63,800	4,037
63,800	63,900	4,044
63,900	64,000	4,051
64,000	64,100	4,058
64,100	64,200	4,065
64,200	64,300	4,071
64,300	64,400	4,078
64,400	64,500	4,085
64,500	64,600	4,092
64,600	64,700	4,099
64,700	64,800	4,105
64,800	64,900	4,112
64,900	65,000	4,119
65,000	65,100	4,126
65,100	65,200	4,133
65,200	65,300	4,139
65,300	65,400	4,146
65,400	65,500	4,153
65,500	65,600	4,160
65,600	65,700	4,167
65,700	65,800	4,173
65,800	65,900	4,180
65,900	66,000	4,187
66,000	66,100	4,194
66,100	66,200	4,201
66,200	66,300	4,207
66,300	66,400	4,214
66,400	66,500	4,221
66,500	66,600	4,228
66,600	66,700	4,235
66,700	66,800	4,241
66,800	66,900	4,248
66,900	67,000	4,255
67,000	67,100	4,262
67,100	67,200	4,269
67,200	67,300	4,275
67,300	67,400	4,282
67,400	67,500	4,289
67,500	67,600	4,296
67,600	67,700	4,303
67,700	67,800	4,309
67,800	67,900	4,316
67,900	68,000	4,323
68,000	68,100	4,330
68,100	68,200	4,337
68,200	68,300	4,343
68,300	68,400	4,350
68,400	68,500	4,357
68,500	68,600	4,364
68,600	68,700	4,371
68,700	68,800	4,377
68,800	68,900	4,384
68,900	69,000	4,391
69,000	69,100	4,398
69,100	69,200	4,405
69,200	69,300	4,411
69,300	69,400	4,418
69,400	69,500	4,425

If line 9 of Form M2 is:		
at least	but less than	your tax is
69,500	69,600	4,432
69,600	69,700	4,439
69,700	69,800	4,445
69,800	69,900	4,452
69,900	70,000	4,459
70,000	70,100	4,466
70,100	70,200	4,473
70,200	70,300	4,479
70,300	70,400	4,486
70,400	70,500	4,493
70,500	70,600	4,500
70,600	70,700	4,507
70,700	70,800	4,513
70,800	70,900	4,520
70,900	71,000	4,527
71,000	71,100	4,534
71,100	71,200	4,541
71,200	71,300	4,547
71,300	71,400	4,554
71,400	71,500	4,561
71,500	71,600	4,568
71,600	71,700	4,575
71,700	71,800	4,581
71,800	71,900	4,588
71,900	72,000	4,595
72,000	72,100	4,602
72,100	72,200	4,609
72,200	72,300	4,615
72,300	72,400	4,622
72,400	72,500	4,629
72,500	72,600	4,636
72,600	72,700	4,643
72,700	72,800	4,649
72,800	72,900	4,656
72,900	73,000	4,663
73,000	73,100	4,670
73,100	73,200	4,677
73,200	73,300	4,683
73,300	73,400	4,690
73,400	73,500	4,697
73,500	73,600	4,704
73,600	73,700	4,711
73,700	73,800	4,717
73,800	73,900	4,724
73,900	74,000	4,731
74,000	74,100	4,738
74,100	74,200	4,745
74,200	74,300	4,751
74,300	74,400	4,758
74,400	74,500	4,765
74,500	74,600	4,772
74,600	74,700	4,779
74,700	74,800	4,785
74,800	74,900	4,792
74,900	75,000	4,799
75,000	75,100	4,806
75,100	75,200	4,813
75,200	75,300	4,819
75,300	75,400	4,826
75,400	75,500	4,833
75,500	75,600	4,840
75,600	75,700	4,847
75,700	75,800	4,853
75,800	75,900	4,860

Continued

2023 Tax Table (continued)

If line 9 of Form M2 is:		
at least	but less than	your tax is
75,900	76,000	4,867
76,000	76,100	4,874
76,100	76,200	4,881
76,200	76,300	4,887
76,300	76,400	4,894
76,400	76,500	4,901
76,500	76,600	4,908
76,600	76,700	4,915
76,700	76,800	4,921
76,800	76,900	4,928
76,900	77,000	4,935
77,000	77,100	4,942
77,100	77,200	4,949
77,200	77,300	4,955
77,300	77,400	4,962
77,400	77,500	4,969
77,500	77,600	4,976
77,600	77,700	4,983
77,700	77,800	4,989
77,800	77,900	4,996
77,900	78,000	5,003
78,000	78,100	5,010
78,100	78,200	5,017
78,200	78,300	5,023
78,300	78,400	5,030
78,400	78,500	5,037
78,500	78,600	5,044
78,600	78,700	5,051
78,700	78,800	5,057
78,800	78,900	5,064
78,900	79,000	5,071
79,000	79,100	5,078
79,100	79,200	5,085
79,200	79,300	5,091
79,300	79,400	5,098
79,400	79,500	5,105
79,500	79,600	5,112
79,600	79,700	5,119
79,700	79,800	5,125

If line 9 of Form M2 is:		
at least	but less than	your tax is
79,800	79,900	5,132
79,900	80,000	5,139
80,000	80,100	5,146
80,100	80,200	5,153
80,200	80,300	5,159
80,300	80,400	5,166
80,400	80,500	5,173
80,500	80,600	5,180
80,600	80,700	5,187
80,700	80,800	5,193
80,800	80,900	5,200
80,900	81,000	5,207
81,000	81,100	5,214
81,100	81,200	5,221
81,200	81,300	5,227
81,300	81,400	5,234
81,400	81,500	5,241
81,500	81,600	5,248
81,600	81,700	5,256
81,700	81,800	5,264
81,800	81,900	5,272
81,900	82,000	5,279
82,000	82,100	5,287
82,100	82,200	5,295
82,200	82,300	5,303
82,300	82,400	5,311
82,400	82,500	5,319
82,500	82,600	5,327
82,600	82,700	5,334
82,700	82,800	5,342
82,800	82,900	5,350

If line 9 of Form M2 is:		
at least	but less than	your tax is
82,900	83,000	5,358
83,000	83,100	5,366
83,100	83,200	5,374
83,200	83,300	5,381
83,300	83,400	5,389
83,400	83,500	5,397
83,500	83,600	5,405
83,600	83,700	5,413
83,700	83,800	5,421
83,800	83,900	5,429
83,900	84,000	5,436
84,000	84,100	5,444
84,100	84,200	5,452
84,200	84,300	5,460
84,300	84,400	5,468
84,400	84,500	5,476
84,500	84,600	5,484
84,600	84,700	5,491
84,700	84,800	5,499
84,800	84,900	5,507
84,900	85,000	5,515
85,000	85,100	5,523
85,100	85,200	5,531
85,200	85,300	5,538
85,300	85,400	5,546
85,400	85,500	5,554
85,500	85,600	5,562
85,600	85,700	5,570
85,700	85,800	5,578
85,800	85,900	5,586
85,900	86,000	5,593

If line 9 of Form M2 is:		
at least	but less than	your tax is
86,000	86,100	5,601
86,100	86,200	5,609
86,200	86,300	5,617
86,300	86,400	5,625
86,400	86,500	5,633
86,500	86,600	5,641
86,600	86,700	5,648
86,700	86,800	5,656
86,800	86,900	5,664
86,900	87,000	5,672
87,000	87,100	5,680
87,100	87,200	5,688
87,200	87,300	5,695
87,300	87,400	5,703
87,400	87,500	5,711
87,500	87,600	5,719
87,600	87,700	5,727
87,700	87,800	5,735
87,800	87,900	5,743
87,900	88,000	5,750
88,000	88,100	5,758
88,100	88,200	5,766
88,200	88,300	5,774
88,300	88,400	5,782
88,400	88,500	5,790
88,500	88,600	5,798
88,600	88,700	5,805
88,700	88,800	5,813
88,800	88,900	5,821
88,900	89,000	5,829
89,000	89,100	5,837
89,100	89,200	5,845
89,200	89,300	5,852
89,300	89,400	5,860
89,400	89,500	5,868
89,500	89,600	5,876
89,600	89,700	5,884
89,700	89,800	5,892
89,800	89,900	5,900
89,900	90,000	5,907

90,000 & over

If line 9 of Form M2 is: over—	but not over—	Enter on line 10 of your Form M2:		of the amount over—
$0	$20,525	$0.00	5.35%	$0
$20,525	$81,530	$1,098.09 +	6.80%	$20,525
$81,530	$142,405	$5,246.43 +	7.85%	$81,530
$142,405		$10,025.12 +	9.85%	$142,405

Common Problems Using Software Packages

If you use tax preparation software, be careful to buy packages acceptable to the Department of Revenue. Forms produced by the software must meet requirements and be approved before being sold or provided to consumers.

If you are considering any company's tax preparation software, ask to see the vendor's approval letter for the forms you will be using. Keep in mind that we usually won't know if they are approved until late January. It is also important to test the software before filing forms prepared with it. We do not, however, approve the operation or accuracy of any software.

Below are common problems found on fiduciary returns submitted using software packages:

- **Verify that the program uses updated tax tables.** Tax tables are required to be updated every year for inflation. Be sure that the amount on line 10 of your Form M2 is the same amount shown in the tax tables.
  - — Fiscal year filers must use the table based on the beginning year of the return.
  - — If you are an Electing Small Business Trust (ESBT), verify that the software package uses the tax table when determining the tax. The ESBT is taxed at the highest tax rate only for federal purposes.
- **Look for a payment voucher if you have tax due on line 33 of Form M2.** If you owe tax, your software package is required to include a payment voucher when you print out a copy of your return. If you are paying your tax by check, you must complete and send this payment voucher with your check to ensure your payment is credited properly.
- **Verify that estimated tax payments were made.** Some software programs may insert the amount of estimated tax payments that should have been paid, not the amount of tax actually paid.