DEPARTMENT OF REVENUE

NEAR FINAL DRAFT —11/13/26

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2024 Schedule M2NC, Federal Adjustments

Minnesota has generally adopted the Internal Revenue Code as amended through May 1, 2026. This schedule allows for any remaining necessary adjustments required to file a state tax return.

Tax year beginning _____, 2024, ending _____

Name of Estate or Fiduciary	Federal ID Number	Minnesota ID Number

Before you complete this schedule, ***read the instructions which are on a separate sheet****.*

Enter amounts as a positive or negative.
Round amounts to the nearest whole dollar.

Adjustments to federal taxable income (FTI)

1	a	This line intentionally left blank	1a	
	b	This line intentionally left blank	1b	
2	a	This line intentionally left blank	2a	
	b	This line intentionally left blank	2b	
	c	This line intentionally left blank	2c	
3	a	This line intentionally left blank	3a	
	b	This line intentionally left blank	3b	
4		This line intentionally left blank	4	
5		This line intentionally left blank	5	
6		This line intentionally left blank	6	
7		This line intentionally left blank	7	
8	a	This line intentionally left blank	8a	
	b	This line intentionally left blank	8b	
9		Exclusion of Interest on Loans Secured by Rural or Agricultural Real Property (H.R. 1 Sec. 70435)	9	
10	a	This line intentionally left blank	10a	
	b	This line intentionally left blank	10b	
11		This line intentionally left blank	11	
12		This line intentionally left blank	12	
13		This line intentionally left blank	13	
14		This line intentionally left blank	14	

15 This line intentionally left blank **15**

16 This line intentionally left blank **16**

17 Total lines 1-16. If the result is positive, enter it on Form M2, line 49.
If the amount is negative, enter it as a positive number on Form M2, line 61 . . . . . **17**

You must include this schedule when you file Form M2.

Schedule M2NC Instructions

Purpose of This Schedule

Under current law, definitions used in determining Minnesota taxable income are based on the Internal Revenue Code, as amended through May 1, 2023. Since that date, Congress has enacted the 2025 Federal Tax Budget and Reconciliation Bill (H.R. 1). Adjustments must be made to correctly determine your Minnesota taxable income because Minnesota has not adopted these federal changes. Use the following instructions to calculate nonconformity adjustments relating to this Act

Who Must File Schedule M2NC?

During the 2026 Minnesota legislative session, Minnesota law was updated to recognize the Internal Revenue Code as amended through May 1, 2026. However, some adjustments still apply due to retroactive Minnesota modifications enacted in the tax bill.

Use the Schedule M2NC and these instructions to complete your Minnesota return. The adjustment for each line should reflect the change to your Minnesota return as a result of the retroactive Minnesota modifications. Each line will also include the net adjustments received from Schedule(s) KFNC, KPINC, and KSNC for your pro rata share in another business, estate, or trust.

If the change results in a reduction of your FTI, enter the adjustment as a negative number. If the change results in an increase of your FTI, enter the adjustment as a positive number. For purposes of calculating the adjustment, any federal regulations or rulings applicable to 2023 IRC apply.

Save your entire 2024 Minnesota Form M2, Schedule M2NC, and all worksheets you use in determining the adjustments

Line Instructions

Line 1a

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Line 1b

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Line 2a

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Line 2b

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Line 2c

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Line 3a

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Line 3b

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Line 4

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Line 5

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Line 6

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Line 7

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Line 8a

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Line 8b

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Line 9 – Exclusion of Interest on Loans Secured by Rural or Agricultural Real Property (H.R. 1 Sec. 70435)

If you excluded interest income relating to loans secured by rural or agricultural real property as provided under IRC section 139L for taxable years ending after July 4, 2025, include the excluded interest income as a positive number on line 9.

Line 10a

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Continued

Schedule M2NC Instructions, continued

Line 10b
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Line 11
This line is intentionally left blank.

Lines 12 through 15 – These lines are intentionally left blank.

Line 16
This line is intentionally left blank.

Line 17 – Total of lines 1 through 16
Add lines 1 through 16. If the result is positive, enter it on Form M2, line 49. If the result is negative, enter it as a positive number on Form M2, line 61.