DEPARTMENT OF REVENUE

NEAR FINAL DRAFT — 11/13/26

* 2 4 2 1 0 1 *

2024 Schedule M2NM, Non-Minnesota Source Income and Related Expenses

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

		A Total Amount	B Minnesota Portion	C Non-Minnesota Portion
		(round amounts to the nearest whole dollar)		
1	Interest income	a1	b1	c1 ■
2	Dividend income	a2	b2	c2 ■
3	Business income or loss	a3	b3	c3 ■
4	Capital gain or loss *(see instructions)*	a4	b4	c4 ■
5	Income from rents, royalties, partnerships, other estates and trusts, etc.	a5	b5	c5 ■
6	Farm income or loss	a6	b6	c6 ■
7	Ordinary gain or loss *(see instructions)*	a7	b7	c7 ■
8	Other income	a8	b8	c8 ■
9	Total of lines 1 through 8	a9	b9	c9
10	State taxes deducted addition	a10	b10	c10 ■
11	Bonus depreciation addition	a11	b11	c11 ■
12	Section 199A qualified business income addition	a12	b12	c12 ■
13	Addition due to federal changes not adopted by Minnesota	a13	b13	c13 ■
14	Net operating loss (NOL) carryover adjustment	a14	b14	c14 ■
15	Other required additions *(see instructions)*	a15	b15	c15 ■
16	Add lines 9 through 15 for each column	a16	b16	c16
17	Interest deduction	a17	b17	c17 ■
18	Taxes deduction	a18	b18	c18 ■
19	Fiduciary fees deduction	a19	b19	c19 ■
20	Charitable deduction	a20	b20	c20 ■
21	Attorney, accountant, and return preparer fees deduction	a21	b21	c21 ■

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Name of Estate or Trust	Federal ID Number	Minnesota ID Number

22	Other deductions	**a22**		**b22**		**c22** ■	
23	Estate tax deduction	**a23**		**b23**		**c23** ■	
24	Qualified business income deduction	**a24**		**b24**		**c24** ■	
25	Exemption	**a25**		**b25**		**c25** ■	
26	State income tax refund subtraction	**a26**		**b26**		**c26** ■	
27	Bonus depreciation subtraction	**a27**		**b27**		**c27** ■	
28	Subtraction due to federal changes not adopted by Minnesota	**a28**		**b28**		**c28** ■	
29	Net operating loss carryover adjustment	**a29**		**b29**		**c29** ■	
30	Delayed business interest	**a30**		**b30**		**c30** ■	
31	Delayed net operating loss deduction	**a31**		**b31**		**c31** ■	
32	Other required subtractions *(see instructions)*	**a32**		**b32**		**c32** ■	
33	Add lines 17 through 32 for each column	**a33**		**b33**		**c33**	

34 Subtract line c33 from line c16, and enter on line 34 . . . . . **34**

If the result is a positive, enter it on Form M2, line 7.

If the result is a negative, enter it as a positive number on Form M2, line 2.

You must include this schedule when you file your Form M2.

2024 Schedule M2NM Instructions

Purpose of Schedule M2NM

File Schedule M2NM with Form M2 if your estate or trust had income or related expenses from non-Minnesota sources. Schedule M2NM must be completed to include amounts on the following form lines:

- Lines 2 and 7 of Form M2
- Lines 2 and 7 of Form M2X
- Lines 2 and 6 of Form M2SB

Income and Gains from Non-Minnesota Sources

Minnesota fiduciary income tax is based on income from Minnesota sources only. Non-Minnesota income and gains must be subtracted from federal taxable income.

Intangible income earned by a resident estate or trust is assigned to Minnesota. Intangible income is income from intangible personal property, such as stocks or bonds.

Non-Minnesota source income and gains include:

- gains from the sale or other disposition of real or tangible property outside Minnesota,
- income or gains from the operation of a farm outside Minnesota,
- profit from a trade or business outside Minnesota,
- income from partnerships, S corporations and other fiduciaries from sources outside Minnesota,
- rents and royalties from land, buildings, machinery or other tangible property outside Minnesota, and
- interest, dividends, income and gains from stocks, bonds and other securities for nonresident estates and trusts, unless the income was generated by a trade or business (S corporations and partnerships) and was apportioned to Minnesota.

Expenses and Losses from Non-Minnesota Sources

Expenses. Interest and other expenses deducted on your federal return which relate to income or gains from non-Minnesota sources, such as expenses incurred in connection with a probate proceeding in another state, must be added to your taxable income. [M.S. 290.17, subd. 1(b)]. Only those expenses that relate to the non-Minnesota income are considered to be from non-Minnesota sources.

Direct expenses should be allocated to the income to which it is associated.

Indirect expenses should be allocated to each class of income in the proportion that each class of income bears to the total income. To determine this proportion, divide line 9 Column C by line 9 Column A. Multiply the result by the indirect expenses to determine the amount from non-Minnesota sources.

Losses. Non-Minnesota source losses must be added back to the extent the losses are deducted in determining your federal taxable income or loss.

Non-Minnesota source losses include:

- losses deducted on the sale or other disposition of real or tangible property outside Minnesota,
- casualty losses deducted on property outside Minnesota,
- losses deducted on the operation of a farm outside Minnesota,
- losses from partnerships, S corporations and other fiduciaries from sources outside Minnesota,
- losses deducted on the operation of a trade or business from sources outside Minnesota, and
- losses deducted on the sale or other disposition of stocks, bonds, securities and other intangible property by nonresident estates and trusts.

Column Instructions

The sum of Column B and Column C must equal Column A.

Column A – Total Amount

Include the appropriate amount from your 2024 federal and Minnesota income tax returns. See the line instructions for Column A below.

Column B – Minnesota Portion

Allocate income and expenses to Minnesota according to Minn. Stat. sections 290.17, 290.191, and 290.20. If the estate or trust is a partner, shareholder, or beneficiary, include the amounts from Schedules KPI, KS, or KF.

Column C – Non-Minnesota Portion

Use the instructions above to determine amounts to be included in Column C.

2024 Schedule M2NM Instructions (continued)

Line Instructions

Enter the total income, gains, losses, and deductions to the extent the amounts are included in your federal taxable income. Include only the portion that is retained by the estate or trust. Do not include any amounts that are being distributed to the beneficiary.

In column A, enter the total amounts from your federal or Minnesota income tax return. In column B, include the Minnesota source portion of column A. In column C, include the portion of column A that is from sources outside of Minnesota.

Round amounts to the nearest whole dollar.

Line 1

Include the portion of line 1 of federal Form 1041 that is retained by the estate or trust.

Line 2

Include the portion of line 2a of federal Form 1041 that is retained by the estate or trust.

Line 3

Include the portion of line 3 of federal Form 1041 that is retained by the estate or trust.

Line 4

Include the portion of line 4 of federal Form 1041 that is retained by the estate or trust. Include in Column A the amount of the capital gain or loss reported on line 4 of the federal Form 1041. Include in Column B the amount of the capital gain that is sourced to Minnesota based upon the instructions on page 1. Include in Column C the result of Column A minus Column B.

For example, if Minnesota property was sold for a capital gain of $50,000 but your federal return has a total capital loss from all sources of $30,000 (limited to negative $3,000), report Line 4 as follows:

Column A = ($3,000) Column B = $50,000 Column C = ($53,000)

Line 5

Include the portion of line 5 of federal Form 1041 that is retained by the estate or trust.

Line 6

Include the portion of line 6 of federal Form 1041 that is retained by the estate or trust.

Line 7

Include the portion of line 7 of federal Form 1041 that is retained by the estate or trust. See the line 4 instructions above for additional guidance on how to report line 7.

Line 8

Include the portion of line 8 of federal Form 1041 that is retained by the estate or trust.

Line 10

Include the portion of line 44 of Minnesota Form M2 that is retained by the estate or trust.

Line 11

Include the portion of line 47 of Minnesota Form M2 that is retained by the estate or trust.

Line 12

Include the portion of line 48 of Minnesota Form M2 that is retained by the estate or trust.

Line 13

Include the portion of line 49 of Minnesota form M2 that is retained by the estate or trust.

Line 14

Include the portion of line 50 of Minnesota Form M2 that is retained by the estate or trust.

Line 15

Include the portion of lines 43, 45, 46, 51, and 52 of Minnesota Form M2 that is retained by the estate or trust.

Line 17

Include the portion of line 10 of federal Form 1041 that is retained by the estate or trust.

Line 18

Include the portion of line 11 of federal Form 1041 that is retained by the estate or trust.

Line 19

Include the portion of line 12 of federal Form 1041 that is retained by the estate or trust.

Line 20

Include the portion of line 13 of federal Form 1041 that is retained by the estate or trust.

Line 21

Include the portion of line 14 of federal Form 1041 that is retained by the estate or trust.

Line 22

Include the portion of line 15a of federal Form 1041 that is retained by the estate or trust.

Line 23

Include the portion of line 19 of federal Form 1041 that is retained by the estate or trust.

2024 Schedule M2NM Instructions (continued)

Line 24
Include the portion of line 20 of federal Form 1041 that is retained by the estate or trust.

Line 25
Include the portion of line 21 of federal Form 1041 that is retained by the estate or trust.

Line 26
Include the portion of line 59 of Minnesota Form M2 that is retained by the estate or trust.

Line 27
Include the portion of line 60 of Minnesota Form M2 that is retained by the estate or trust.

Line 28
Include the portion of line 61 of Minnesota form M2 that is retained by the estate or trust.

Line 29
Include the portion of line 63 of Minnesota Form M2 that is retained by the estate or trust.

Line 30
Include the portion of line 66 of Minnesota Form M2 that is retained by the estate or trust.

Line 31
Include the portion of line 67 of Minnesota Form M2 that is retained by the estate or trust.

Line 32
Include the portion of lines 58, 62, 64, 65, and 68 of Minnesota Form M2 that is retained by the estate or trust. If you included a subtraction for the Employee Retention Credit on line 32, then include the amount in Column B passed to you from the pass-through entity using the apportionment percentage used to allocate the income of the pass-through entity.

Line 34
If the result on line 34 is a positive, enter it on line 7 of Form M2. If the result on line 34 is a negative, enter it as a positive number on line 2 of Form M2.