DEPARTMENT OF REVENUE

NEAR FINAL DRAFT — 11/13/26

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2024 Schedule M2SBNC, 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 Trust | 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 M2SB, line 18.
If the amount is negative, enter it as a positive number on Form M2SB, line 31 . . . . . **17**

You must include this schedule when you file Form M2SB.

Schedule M2SBNC Instructions

Purpose of This Schedule

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.

Who Must File Schedule M2SBNC?

If any of the retroactive Minnesota modifications enacted during the 2026 Minnesota tax bill impact your return, you must make an adjustment to income on this schedule.

Use the Schedule M2SBNC 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) KSNC for your pro rata share in an S corporation.

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.

Save your entire 2024 Minnesota Form M2SB, Schedule M2SBNC, 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

This line is intentionally left blank.

Continued

Schedule M2SBNC Instructions Continued

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

Line 12 through 15
These lines are intentionally left blank.

Line 16
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Line 17 — Total of lines 1 through 16
Add lines 1 through 16. If the result is positive, enter it on Form M2SB, line 18. If the result is negative, enter it as a positive number on Form M2, line 31.