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**2023 Schedule M2SB, Income Tax Computation for S Portion of ESBT**

ESTATE TRUST NAME \_\_\_\_\_  
Name of Trust \_\_\_\_\_  
SCORPORATIONS SPORTION OF ESBT HOLDS ST \_\_\_\_\_  
Name of S-Corporation S Portion of ESBT Holds Stock In \_\_\_\_\_  
ADDITIONAL SCORPORATIONS SPORTION OF ESB \_\_\_\_\_  
Additional S-Corporation S Portion of ESBT Holds Stock In \_\_\_\_\_

123456789 \_\_\_\_\_  
Federal ID Number \_\_\_\_\_  
123456789 \_\_\_\_\_  
Minnesota ID Number \_\_\_\_\_  
123456789 \_\_\_\_\_  
Federal ID Number of S-Corporation \_\_\_\_\_  
123456789 \_\_\_\_\_  
Federal ID Number of Additional S-Corporation \_\_\_\_\_

1	Federal taxable income of S portion ( <i>enclose federal computation</i> ) .....	1 ■	12345678
2	Fiduciary's deductions and losses not allowed by Minnesota ( <i>enclose Schedule M2NM</i> ) .....	2 ■	12345678
3	Additions ( <i>from line 27, on page 2 of this schedule</i> ) .....	3 ■	12345678
4	Add lines 1 through 3 .....	4 ■	12345678
5	Subtractions ( <i>from line 43, on page 3 of this schedule</i> ) .....	5 ■	12345678
6	Fiduciary's income from non-Minnesota sources ( <i>enclose Schedule M2NM</i> ) .....	6 ■	12345678
7	Add lines 5 and 6 .....	7 ■	12345678
8	Minnesota taxable net income. Subtract line 7 from line 4 .....	8 ■	12345678
9	Tax from table in Form M2 instructions .....	9 ■	12345678
10	Total of tax from Schedule M2MT ( <i>enclose Schedule M2MT</i> ) .....	10 ■	12345678
11	Total of 2023 tax for S portion. Add lines 9 and 10 and include amount on line 11 of Form M2 .....	11 ■	12345678

You must include this schedule and a copy of federal computations for the S portion of the ESBT when you file Form M2.

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**Additions to Income**

9	12	State and municipal bond interest from outside Minnesota .....	12	■	12345678	9
10	13	State taxes deducted in arriving at net income .....	13	■	12345678	10
11	14	Expenses deducted on your federal return that are attributable to income not taxed by Minnesota (other than interest or mutual fund dividends from U.S. bonds) .....	14	■	12345678	11
12	15	80 percent of the suspended loss from 2001–2005 or 2008–2022 on your federal return that was generated by bonus depreciation ( <i>see Form M2 instructions</i> ) .....	15	■	12345678	12
13	16	80 percent of federal bonus depreciation .....	16	■	12345678	13
14	17	Section 199A qualified business income .....	17	■	12345678	14
15	18	This line intentionally left blank .....	18	■		15
16	19	Net operating loss carryover adjustment .....	19	■	12345678	16
17	20	Foreign derived intangible income (FDII) deduction .....	20	■	12345678	17
18	21	This line intentionally left blank .....	21	■		18
19	22	This line intentionally left blank .....	22	■		19
20	23	This line intentionally left blank .....	23	■		20
21	24	This line intentionally left blank .....	24	■		21
22	25	This line intentionally left blank .....	25	■		22
23	26	This line intentionally left blank .....	26	■		23
24	27	Add lines 12 through 26. Enter the result here and on line 3 .....	27	■	12345678	24
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**Subtractions from Income**

43	28	Interest on U.S. government bond obligations, minus any expenses deducted on your federal return that are attributable to this income .....	28	■	12345678	43
44	29	State income tax refund included on federal return .....	29	■	12345678	44
45	30	Federal bonus depreciation subtraction ( <i>see Form M2 instructions</i> ) .....	30	■	12345678	45
46	31	This line intentionally left blank .....	31	■		46
47	32	Subtraction for railroad maintenance expenses .....	32	■	12345678	47
48	33	Net operating loss carryover adjustment .....	33	■	12345678	48
49	34	Deferred foreign income (section 965) .....	34	■	12345678	49
50	35	Disallowable section 280E expenses of a licensed cannabis business .....	35	■	12345678	50
51	36	Delayed business interest .....	36	■	12345678	51
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3    5    6    7    8    9    10    11    12    13    14    15    16    17    18    19    20    21    22    23    24    25    26    27    28    29    30    31    32    33    34    35    36    37    38    39    40    41    42    43    44    45    46    47    48    49    50    51    52    53    54    55    56    57    58    59    60    61    62    63    64    65

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- 10    37    Delayed net operating loss deduction .....    37        12345678  
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12    38    This line intentionally left blank .....    38      
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14    39    This line intentionally left blank .....    39      
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16    40    This line intentionally left blank .....    40      
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18    41    This line intentionally left blank .....    41      
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20    42    This line intentionally left blank .....    42      
21  
22    43    Add lines 28 through 42. Enter the result here and on line 5 .....    43        12345678  
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# 2023 Schedule M2SB Instructions

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## Who Must File Schedule M2SB

If a trust is 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.

Report all the income from the S Portion of an ESBT on Schedule M2SB and include a copy of Schedule KS. Enter the name and federal tax ID of each S-Corporation on the Form M2SB. If you have to enter more than two entities and need additional spaces, include them on an attached statement.

Apportion all income, deductions and modifications based upon the S-corporation's Minnesota apportionment factor reported on Schedule KS, line 47. Include an attachment detailing the calculation.

## Line Instructions

*Round amounts to the nearest whole dollar.*

### Line 1

Enter the federal taxable income of the S Portion that you calculated on your federal schedule. Be sure to include a copy of the federal schedule when you file Form M2 and Schedule M2SB.

### Line 2

Use Schedule M2NM, *Non-Minnesota Source Income and Related Expenses*, to determine the amount to include on line 2.

### Line 6

Use Schedule M2NM to determine the amount to include on line 6.

### Line 10

Complete a separate Schedule M2MT for the S Portion of the trust. See the instructions for Schedule M2MT for details on completing this schedule for the S Portion of the ESBT.

### Lines 12 - 43

To complete lines 12 through 43, see instructions for Form M2 lines 41 through 72.