



2013 Schedule KF, Beneficiary's Share of Minnesota Taxable Income

Fiduciary: Complete and provide Schedule KF to each nonresident beneficiary with Minnesota source income and any Minnesota beneficiary who has adjustments to income.

Filing Information

Tax year beginning _____, 2013 and ending _____

 Amended KF: ☐

Beneficiary's Social Security number

Estate's or trust's federal ID number

Minnesota tax ID number

Beneficiary's name

Estate's or trust's name

JOBZ ID number (if any)

Address of beneficiary

Address of fiduciary

City

State

Zip code

City

State

Zip code

Calculate lines 1–20 the same for all resident and nonresident beneficiaries. Calculate lines 21–27 for nonresident beneficiaries only. Round amounts to the nearest whole dollar.

Additions to income

Beneficiary: Include on:

- | | | | |
|--|----------|----------------------|---------------------------|
| 1 State and municipal bond interest from outside Minnesota | 1 | | Line 4, Schedule M1M |
| 2 State income tax | 2 | | Line 8, Schedule M1M |
| 3 Expenses deducted that are attributable to income not taxed by Minnesota (other than interest or mutual fund dividends from U.S. bonds) | 3 | | Line 10, Schedule M1M |
| 4 80 percent of the suspended loss from 2001–2005 or 2008–2012 that was generated by bonus depreciation. | 4 | | See inst for line 12, M1M |
| 5 80 percent of federal bonus depreciation addition | 5 | | Line 6, Schedule M1M |
| 6 Fines, fees and penalties deducted federally as a trade or business expense | 6 | | Line 11, Schedule M1M |
| 7 Addition(s) due to federal changes not adopted by Minnesota
(See instructions) | | | |
| | Code: | <input type="text"/> | 7a |
| | Code: | <input type="text"/> | 7b |
| | Code: | <input type="text"/> | 7c |
| 8 Net operating loss (NOL) carryover adjustment | 8 | | Line 14, Schedule M1M |
| 9 Domestic production activities deduction. | 9 | | Line 9, Schedule M1M |

Subtractions from income

- | | | | |
|--|-----------|----------------------|-----------------------|
| 10 Interest on U.S. government bond obligations, minus any expenses deducted on the federal return that are attributable to this income | 10 | | Line 17, Schedule M1M |
| 11 State income tax refund | 11 | | Line 5, Form M1 |
| 12 Federal bonus depreciation subtraction | 12 | | Line 20, Schedule M1M |
| 13 Subtraction for prior addback of reacquisition of business indebtedness income included in federal taxable income | 13 | | Line 35, Schedule M1M |
| 14 Subtraction for Railroad maintenance expenses not allowed as federal deductions. | 14 | | Line 36, Schedule M1M |
| 15 Job Opportunity Building Zone (JOBZ) business and investment income exemptions | 15 | | Line 31, Schedule M1M |
| 16 Subtraction(s) due to federal changes not adopted by Minnesota
(See instructions) | | | |
| | Code: | <input type="text"/> | 16a |
| | Code: | <input type="text"/> | 16b |
| 17 Net operating loss (NOL) carryover adjustment | 17 | | Line 34, Schedule M1M |

(continued)

All Beneficiaries



All Beneficiaries
(cont.)

Credits (you must enclose this schedule with your Form M1 if claiming a credit) Include on:

- | | | | | |
|-----------|--|-----------|--|----------------------|
| 18 | Any Minnesota income tax withholding credit received by the fiduciary . . . | 18 | | Line 7, Schedule M1W |
| 19 | JOBZ jobs credit | 19 | | Line 3, Form M1B |
| 20 | Credit for historic structure rehabilitation (enclose certificate) | 20 | | |
| | National Park Service (NPS) project number: _____ | | | |

Nonresident
Beneficiaries Only

Nonresident beneficiaries

Minnesota portion of amounts from federal Schedule K-1 (1041)

**Include on Schedule
M1NR, column B on:**

- | | | | | |
|--|---|-----------|-------|------------------------------|
| 21 | Capital gain or loss on Minnesota real property | 21 | | Line 4 |
| 22 a | Business income or loss | a | _____ | |
| b | Income from Minnesota rents, royalties, part-
nerships, S corporations, estates and trusts . . | b | _____ | |
| c | Farm income or loss | c | _____ | |
| | Total (add lines 22a, 22b and 22c) | 22 | | Line 6 |
| 23 | Interest and dividend income derived from a trade or business
(S corporations and partnerships) that is assignable to Minnesota | 23 | | Line 2 |
| 24 | Other income | 24 | | Line 8 |
| 25 | Minnesota source gross income from this fiduciary | 25 | | information only (see inst.) |
| Composite income tax for electing nonresident beneficiaries | | | | |
| 26 | Minnesota source distributive income from this fiduciary | 26 | | information only |
| 27 | Minnesota composite income tax paid by fiduciary.
If the beneficiary elected composite income tax, check this box <input type="checkbox"/> | 27 | | composite income tax |

Fiduciary: Enclose this schedule and copies of all Schedules KF and federal Schedules K-1 with your Form M2.
Beneficiary: See instructions. Include this schedule when you file your Form M1.



2013 Schedule KF instructions

Beneficiary's use of information provided on Schedule KF

Purpose of Schedule KF

Schedule KF is a supplemental schedule provided by the fiduciary to the beneficiaries. The beneficiaries need this information to complete a *Minnesota Individual Income Tax Return*, Form M1.

A beneficiary who is a Minnesota resident will be taxed by Minnesota on all of his or her income from the trust or estate. A nonresident beneficiary will be taxed on the Minnesota income which is assignable to Minnesota.

These instructions are intended to help you report your share of the fiduciary's income, credits and modifications on your Minnesota return.

If you received an amended Schedule KF from the fiduciary and your income or deductions have changed, you must file an amended Minnesota return. To amend your return, use Form M1X, *Amended Minnesota Income Tax Return*.

Line instructions

Include amounts on the appropriate lines as shown on Schedule KF. Be sure to read the following line instructions for additional information.

Nonresident beneficiaries

Lines 21–27

Lines 21-27 apply to nonresident beneficiaries. All income of a Minnesota resident is assigned to Minnesota, regardless of the source. If certain items are not entirely included in your federal adjusted gross income because of passive activity loss limitations, capital loss limitations, section 179 limitations or for other reasons, include only the amounts that you included in your federal adjusted gross income.

Lines 21-24. Include lines 21-24 on the corresponding lines in column B of Schedule M1NR.

Line 25. Minnesota source gross income is used to determine if a nonresident individual is required to file a Minnesota income tax return. Gross income is income before business or rental deductions and does not include losses.

If your total 2013 Minnesota source gross income is \$10,000 or more and you did not elect composite filing, you are required to file Form M1 and Schedule M1NR, *Nonresidents and Part-Year Residents*. You must include all Minnesota source gross income passed through to you from all fiduciaries, partnerships and S corporations when determining if you are required to file a Minnesota return.

If your 2013 Minnesota source gross income is less than \$10,000 and you are allowed a Minnesota income tax withholding credit, file Form M1 and Schedule M1NR to receive a refund.

Although Minnesota source gross income determines whether you must file a Minnesota return, your Minnesota source distributive income is ultimately taxed.

Lines 26 and 27 were used to determine your share of the fiduciary's Minnesota taxable income. You may need to refer to these amounts when you file your home state's income tax return.

If you elected for the fiduciary to pay composite tax, you are not required to file Form M1.

Line 26. This is your Minnesota source distributive income from this fiduciary.

Line 27. If you elected, the composite tax the fiduciary paid on your behalf equals 9.85 percent of your Minnesota taxable income on line 27, minus your share of any credits on lines 18–20. You are not required to file Form M1.

Questions?

Call the department at **651-556-3075**.

TTY users, call Minnesota Relay at 711.

Information is available in other formats upon request for persons with disabilities.

Need forms?

You may download forms and other tax-related information from our website at **www.revenue.state.mn.us**.