

## MINNESOTA • REVENUE

**2011 Schedule M2MT, Alternative Minimum**

## for Estates and Trusts

Name of estate or trust

Federal ID number

Minnesota ID number

☐ Place an X if you are using this schedule to determine Minnesota AMT for Schedule M2SB (see instructions)

	<b>A</b>	<b>B</b>
	Total amount (round amounts)	Amount allocated to Minnesota (round amounts)
<b>1</b> Federal alternative minimum taxable income (from line 29 of federal Schedule I) .....	<b>1</b>	
<b>2</b> Fiduciary's deductions and losses not allowed by Minnesota (see instructions) .....	<b>2</b>	
<b>3</b> Portion of additions from line 43, column E, of Form M2 (see instructions) .....	<b>3</b>	
<b>4</b> Add line 1 through 3 .....	<b>4</b>	
<b>5</b> Portion of subtractions from line 43, column E, of Form M2 (see instructions) .....	<b>5</b>	
<b>6</b> Subtract line 5 from line 4. If line 6, column A is \$33,800 or less, <b>stop here.</b> Skip the rest of this schedule, but include it with Form M2 .....	<b>6</b>	
<b>7</b> Divide line 6, column B by line 6, column A (round the result to five decimal places) .....	<b>7</b>	
<b>8</b> Maximum exemption .....	<b>8</b> \$33,800	
<b>9</b> Phaseout amount exemption .....	<b>9</b> \$75,000	
<b>10</b> Subtract line 9 from line 6, column A (if result is zero or less, enter 0) ..	<b>10</b>	
<b>11</b> Multiply line 10 by 25% (.25) .....	<b>11</b>	
<b>12</b> Subtract line 11 from line 8 (if result is zero or less, enter 0) .....	<b>12</b>	
<b>13</b> Multiply line 12 by line 7 .....	<b>13</b>	
<b>14</b> Subtract line 13 from line 6, column B .....	<b>14</b>	
<b>15</b> Multiply line 14 by 6.4% (.064) .....	<b>15</b>	
<b>16</b> Tax from line 10 of Form M2 .....	<b>16</b>	
<b>17</b> Subtract line 16 from line 15 (if result is zero or less, enter 0). Also enter the result on line 12 of Form M2, and be sure to check the box for M2MT .....	<b>17</b>	

**You must include this schedule and a copy of federal Schedule I when you file your Form M2.**

# Schedule M2MT Instructions 2011

## Who Must File Schedule M2MT

If you were required to complete federal Schedule I, *Alternative Minimum Tax*, or if the income shown on line 5, column A of this schedule is more than \$33,800, you must complete Schedule M2MT and include it when you file your Minnesota Form M2, *Income Tax Return for Estates and Trusts*.

## Line Instructions

Round amounts to the nearest whole dollar.

For lines 1 through 5, column A, enter the total amounts that are apportioned to the fiduciary. Under column B, enter the income amounts that are from Minnesota sources.

### Line 1

Under column A, enter the amount from line 29 of federal Schedule I. Under column B, enter the amount assignable to Minnesota.

### Line 2

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. Only those expenses that relate to the non-Minnesota income should be added back on line 2 of Form M2MT.

### Deductions not allowed by Minnesota.

Interest and other expenses deducted on your federal return which relate to income or gains from non-Minnesota sources must be added to your taxable income.

Include administration fees and expenses, interest, taxes, depletion and other deductions (including the charitable deduction) that are connected with or allowed against income or gains not taxed by Minnesota. An example of this would be expenses incurred in connection with a probate proceeding in another state. [M.S. 290.17, subd. 1(b)].

**Losses not allowed by Minnesota.** Include your total losses from non-Minnesota sources to the extent the losses are deducted in determining your federal taxable income or loss.

Common examples of losses to include on line 2 are:

- 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,
- out-of-state losses from partnerships, S corporations and other fiduciaries,
- 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.

### Line 3

Of the total amount of additions allocated to the fiduciary (line 4 of Form M2), determine the portion that is from lines 25, 28, 29, 31 and 32 of Form M2.

Subtract any private activity bond interest shown as a tax preference item on federal Schedule I, but only to the extent the interest was from non-Minnesota source bonds.

Enter the result of these additions under column A. Enter the amount assignable to Minnesota in column B.

### Line 5

Of the total amount of subtractions allocated to the fiduciary (line 6 of Form M2), determine the portion that is from lines 35-40 of Form M2.

Enter the result in column A. Enter the amount assignable to Minnesota in column B.

### Line 7

This ratio gives you the percentage of all sources of alternative minimum taxable income that is assigned to Minnesota.

### Line 8

This is the statutory maximum exclusion that is allowed for estates and trusts.

### Line 9

This is the statutory base income amount that is allowed for estates and trusts to limit or reduce the exclusion.

## Electing Small Business Trust (ESBT) Alternate Instructions (using Schedule M2SB)

If you are completing Schedule M2MT for the S Portion of an Electing Small Business Trust (ESBT), check the box at the top of Schedule M2MT and use these alternate instructions for the referenced lines:

### Line 1

Under column A, enter the Federal alternative minimum taxable income determined for the S Portion of the ESBT. include the federal computation when you file Form M2 and Schedules M2SB and M2MT. Under column B, enter the amount assignable to Minnesota.

### Line 3

Enter the total of lines 12, 15, 16, 18, and 19 of Schedule M2SB. Subtract any private activity bond interest used in the determination of the S Portion's federal alternative minimum taxable income, but only to the extent the interest was from non-Minnesota source bonds. Enter the result of these additions under column A. Enter the amount assignable to Minnesota in column B.

### Line 5

Enter the total of lines 22-27 of Schedule M2SB. Enter the result in column A. Enter the amount assignable to Minnesota in column B.

### Line 16

Enter the total tax from line 9 of Schedule M2SB.

### Line 17

Subtract line 16 from line 15 (if result is zero or less, enter 0). Also enter the result on line 10 of Schedule M2SB.