



# 2021 Schedule KPCNC, Federal Adjustments

Minnesota has not adopted certain federal law changes enacted after December 31, 2018 that affect federal taxable income for tax year 2021. This schedule allows for any necessary adjustments required to file a state tax return.

Read the instructions before completing this schedule.

Tax year beginning \_\_\_\_\_, 2021, ending \_\_\_\_\_

Partner's Name \_\_\_\_\_

Partner's Federal ID Number \_\_\_\_\_

Partnership's Name \_\_\_\_\_

Partnership's Federal ID Number \_\_\_\_\_

Partnership's Minnesota ID Number \_\_\_\_\_

Enter as a positive or negative. Round amounts to the nearest whole dollar.

## Adjustments to federal taxable income (FTI)

- 1 Exclusion for certain employer payments of student loans (CARES Act Sec. 2206) . . . . . 1 ■ \_\_\_\_\_
- 2 Employee Retention Credit (CARES Act Sec. 2301) . . . . . 2 ■ \_\_\_\_\_
- 3 IRC Section 461 nonbusiness income . . . . . 3 ■ \_\_\_\_\_
- 4 IRC Section 461 nonbusiness loss . . . . . 4 ■ \_\_\_\_\_
- 5 Modification for business interest limitation (CARES Act Sec. 2306) . . . . . 5 ■ \_\_\_\_\_
- 6 Qualified improvement property technical fix (CARES Act Sec. 2307) . . . . . 6 ■ \_\_\_\_\_
- 7 Employer credit for paid medical leave and Employer payroll credit for required paid family leave (FFCRA Sec. 7001, 7003) . . . . . 7 ■ \_\_\_\_\_
- 8 TCDTR and TCDTR20 basis and depreciation provisions (*see inst. for TCDTR and TCDTR20 Secs.*) . 8 ■ \_\_\_\_\_
- 9 TCDTR and TCDTR20 credit provisions impacting basis and depreciation (*see inst. for TCDTR and TCDTR20 Secs.*) . . . . . 9 ■ \_\_\_\_\_
- 10 TCDTR credit provisions impacting business expenses (TCDTR Sec. 111, 113) . . . . . 10 ■ \_\_\_\_\_
- 11 Look-through rule for related controlled foreign corporations (TCDTR Sec. 145) . . . . . 11 ■ \_\_\_\_\_
- 12 Employee retention credit for employers affected by qualified disasters (TCDTR Sec. 203) . . . . . 12 ■ \_\_\_\_\_
- 13 TCDTR20 basis and depreciation provisions (TCDTR20 Sec. 201, 202, 203, and 204) . . . . . 13 ■ \_\_\_\_\_
- 14 Restaurant revitalization grants (ARPA Sec. 9673) . . . . . 14 ■ \_\_\_\_\_
- 15 Temporary allowance of full deduction for business meal . . . . . 15 ■ \_\_\_\_\_
- 16 This line intentionally left blank. . . . . 16 ■ \_\_\_\_\_
- 17 This line intentionally left blank. . . . . 17 ■ \_\_\_\_\_
- 18 This line intentionally left blank. . . . . 18 ■ \_\_\_\_\_
- 19 This line intentionally left blank. . . . . 19 ■ \_\_\_\_\_
- 20 This line intentionally left blank. . . . . 20 ■ \_\_\_\_\_





Partner's Name \_\_\_\_\_

Partner's Federal ID Number \_\_\_\_\_

Partnership's Name \_\_\_\_\_

Partnership's Federal ID Number \_\_\_\_\_

Partnership's Minnesota ID Number \_\_\_\_\_

- 21 This line intentionally left blank. . . . . 21 ■ \_\_\_\_\_
- 22 This line intentionally left blank. . . . . 22 ■ \_\_\_\_\_
- 23 This line intentionally left blank. . . . . 23 ■ \_\_\_\_\_
- 24 This line intentionally left blank. . . . . 24 ■ \_\_\_\_\_
- 25 This line intentionally left blank. . . . . 25 ■ \_\_\_\_\_
- 26 This line intentionally left blank. . . . . 26 ■ \_\_\_\_\_
- 27 This line intentionally left blank. . . . . 27 ■ \_\_\_\_\_
- 28 This line intentionally left blank. . . . . 28 ■ \_\_\_\_\_
- 29 This line intentionally left blank. . . . . 29 ■ \_\_\_\_\_
- 30 This line intentionally left blank. . . . . 30 ■ \_\_\_\_\_
- 31 Other adjustments to federal taxable Income . . . . . 31 ■ \_\_\_\_\_
- 32 Total lines 1-31. . . . . 32 ■ \_\_\_\_\_

**You must include this schedule when you file Schedule KPC.**



# 2021 Schedule KPCNC Instructions

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Corporate or partnership partner's use of information provided on Schedule KPCNC

## Purpose of Schedule KPCNC

Schedule KPCNC is a supplemental schedule provided by the partnership to its corporate or partnership partners. The partners need this information to complete one of the following:

- *Minnesota Schedule M4NC* if you are a C corporation partner
- *Minnesota Schedule KSNC* if you are an S corporation partner flowing income to shareholders
- *Minnesota Schedule KPINC* or *Schedule KPCNC* if you are a partnership partner flowing income to partners

These instructions are intended to help you report your share of the partnership's nonconformity adjustments on your Minnesota return.

**You must include Schedule KPCNC when you file your Minnesota return.** If you do not include the schedule with your return as required, your return processing will be delayed.

**If you receive an amended Schedule KPCNC** from the partnership and your nonconformity adjustments have changed, you must file an amended Minnesota return.

To amend your return, use one of the following:

- *Form M4X, Amended Franchise Tax Return*, if you are a corporate partner
- *Form M8X, Amended S Corporation Return*, if you are an S corporation partner
- *Form M3X, Amended Partnership Return*, if you are a partnership partner

## Line Instructions

### **Line 1 – Exclusion for Certain Employer Payments of Student Loans (CARES Act Sec. 2206; TCDTR20 Sec. 120; ARPA Sec. 9675)**

*C Corporations:* Include this amount on Schedule M4NC, line 3.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 1.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 1 or Schedule KPCNC, line 1.

### **Line 2 – Employee Retention Credit (CARES Act Sec. 2301; TCDTR20 Sec. 206 and 207; ARPA Sec. 9651)**

*C Corporations:* Include this amount on Schedule M4NC, line 4.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 2.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 2 or Schedule KPCNC, line 2.

### **Line 3 – IRC Section 461 Nonbusiness Income**

*C Corporations:* Does not apply.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 3.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 3 or Schedule KPCNC, line 3.

### **Line 4 - IRC Section 461 Net Nonbusiness Loss**

*C Corporations:* Does not apply.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 4.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 4 or Schedule KPCNC, line 4.

### **Line 5 – Modification of Business Interest Limitation (CARES Act Sec. 2306)**

*C Corporations:* Include this amount in the calculation of Schedule M4NC, line 5 or Form M4I, line 1b.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 5.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 5 or Schedule KPCNC, line 5.

### **Line 6 – Qualified Improvement Property Technical Fix (CARES Act Sec. 2307)**

*C Corporations:* Include this amount on Schedule M4NC, line 6.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 6.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 6 or Schedule KPCNC, line 6.

### **Line 7 – Employer Credit for Paid Medical Leave and Employer Payroll Credit for Required Paid Family Leave (FFCRA Sec. 7001, 7003; ARPA Sec. 9641)**

*C Corporations:* Include this amount on Schedule M4NC, line 7.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 7.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 7 or Schedule KPCNC, line 7.

## 2021 Schedule KPCNC Instructions (continued)

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### **Line 8 – TCDTR and TCDTR20 Basis and Depreciation Provisions (TCDTR Sec. 114, 115, 118; TCDTR20 Sec. 102, 115, 116, 138)**

*C Corporations:* Include this amount on Schedule M4NC, line 8.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 8.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 8 or Schedule KPCNC, line 8.

### **Line 9 – TCDTR and TCDTR2 Credit Provisions Impacting Basis and Depreciation (TCDTR Sec. 112, 122, 124, 125, 126, 129, TCDTR20 Sec. 106, 140, 142, 143, 144, 146)**

*C Corporations:* Include this amount on Schedule M4NC, line 9.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 9.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 9 or Schedule KPCNC, line 9.

### **Line 10 – TCDTR Credit Provisions Impacting Business Expenses (TCDTR Sec. 111, 113)**

*C Corporations:* Include this amount on Schedule M4NC, line 10.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 10.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 10 or Schedule KPCNC, line 10.

### **Line 11 – Look-Through Rule for Related Controlled Foreign Corporations (TCDTR Sec. 145)**

*C Corporations:* Include this amount on Schedule M4NC, line 11.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 11.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 11 or Schedule KPCNC, line 11.

### **Line 12 – Employee Retention Credit for Employers Affected by Qualified Disasters (TCDTR Sec. 203; TCDTR20 Sec. 303)**

*C Corporations:* Include this amount on Schedule M4NC, line 12.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 12.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 12 or Schedule KPCNC, line 12.

### **Line 13 - TCDTR20 Basis and Depreciation Provisions (TCDTR20 Sec. 201, 202, 203, and 204)**

*C Corporations:* Include this amount on Schedule M4NC, line 14.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 13.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 13, or Schedule KPCNC, line 13.

### **Line 14 - Restaurant Revitalization Grants (ARPA Sec. 9673)**

*C Corporations:* Include this amount on Schedule M4NC, line 15.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 14.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 14, or Schedule KPCNC, line 14.

### **Line 15 - Temporary Allowance of Full Deduction for Business Meals (TCDTR20 Sec. 210)**

*C Corporations:* Include this amount on Schedule M4NC, line 16.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 15.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 15, or Schedule KPCNC, line 15.

### **Lines 16 Through 30**

These lines are intentionally left blank.

### **Line 31 – Other Adjustments to Federal Taxable Income**

*C Corporations:* Include this amount on Schedule M4NC, line 32.

*S Corporations:* Pass this information through, pro rata, to shareholders on Schedule KSNC, line 31.

*Partnerships:* Pass this information through, pro rata, to partners on Schedule KPINC, line 31 or Schedule KPCNC, line 31.

### **Line 32 – Total**

Enter the total of lines 1 through 31.