



# 2021 Schedule M2MT, Alternative Minimum Tax for Estates and Trusts

Name of Estate or Trust

Federal ID Number

Minnesota ID Number

☐ Check if you are using this schedule to determine Minnesota AMT for Schedule M2SB, *Income Tax Computation for S Portion of ESBT* (see instructions)

	A Total amount (round amounts to the nearest whole dollar)	B Amount allocated to Minnesota
<b>1</b> Federal alternative minimum taxable income (from line 27 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 71, column E, of Form M2 (see instructions) . . . . . <b>3</b> ■	_____	■ _____
<b>4</b> Foreign-derived intangible income (FDII) deduction not included in federal AMTI . . <b>4</b> ■	_____	■ _____
<b>5</b> Add line 1 through 4 . . . . . <b>5</b> ■	_____	■ _____
<b>6</b> Portion of subtractions from line 71, column E of Form M2 (see instructions) . . . . <b>6</b> ■	_____	■ _____
<b>7</b> Subtract line 6 from line 5 . . . . . <b>7</b> ■	_____	■ _____
If line 7, column A is \$39,840 or less, <b>stop here.</b> Skip the rest of this schedule, but include with Form M2.		
<b>8</b> Divide line 7, column B by line 7, column A (round the result to five decimal places) <b>8</b> ■	_____	
<b>9</b> Maximum exemption . . . . . <b>9</b>	\$39,840	
<b>10</b> Phaseout amount exemption . . . . . <b>10</b>	\$75,000	
<b>11</b> Subtract line 10 from line 7, column A (if result is zero or less, leave blank) . . . . <b>11</b> ■	_____	
<b>12</b> Multiply line 11 by 25% (.25) . . . . . <b>12</b> ■	_____	
<b>13</b> Subtract line 12 from line 9 (if result is zero or less, leave blank) . . . . . <b>13</b> ■	_____	
<b>14</b> Multiply line 13 by line 8 . . . . . <b>14</b> ■	_____	
<b>15</b> Subtract line 14 from line 7, column B . . . . . <b>15</b> ■	_____	
<b>16</b> Multiply line 15 by 6.75% (.0675) . . . . . <b>16</b> ■	_____	
<b>17</b> Tax from line 10 of Form M2 . . . . . <b>17</b> ■	_____	
<b>18</b> Subtract line 17 from line 16 (if result is zero or less, leave blank). Also enter the result on line 12 of Form M2 and check the box for M2MT . . . . . <b>18</b> ■	_____	

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

# 2021 Schedule M2MT Instructions

## 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 \$39,840, you must complete Schedule M2MT and include it when you file your Minnesota Form M2, *Income Tax Return for Estates and Trusts*.

## Line Instructions

For lines 1 through 6, column A, enter the total amounts apportioned to the fiduciary. In column B, enter the income amounts from Minnesota sources.

### Line 1

Under column A, enter the amount from line 27 of federal Schedule I. Under column B, enter the amount assignable to Minnesota.

### Line 2

Allocate direct expenses to the income to which they are associated. Allocate indirect expenses to each class of income in the proportion that each class of income bears to the total income. Add back on line 2 **only** the expenses that relate to the non-Minnesota income.

**Deductions not allowed by Minnesota.** You must add to your income interest and other expenses deducted on your federal return that relate to income or gains from non-Minnesota sources.

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
- 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 38 and 41 through 45 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 4

Include on line 4 the amount of foreign-derived intangible income (FDII) deducted under section 250 of the Internal Revenue Code to the extent the amount is not included in federal alternative minimum taxable income.

### Line 6

Of the total amount of subtractions allocated to the fiduciary (line 6 of Form M2), determine the portion that is from lines 54 through 63 of Form M2. Enter the result in column A. Enter the amount assignable to Minnesota in column B.

### Line 8

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

### Line 9

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

### Line 10

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 and 15 through 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 6

Enter the total of lines 28 through 37 of Schedule M2SB. Enter the result in column A. Enter the amount assignable to Minnesota in column B.

### Line 17

Enter the total tax from line 9 of Schedule M2SB.

### Line 18

Subtract line 17 from line 16 (if result is zero or less, leave blank). Also enter the result on line 10 of Schedule M2SB.