



## 2017 Schedule M1C, Other Nonrefundable Credits

Complete this schedule to determine line 18 of Form M1. Include this schedule when filing your return.

Your First Name and Initial	Last Name	Your Social Security Number
1	Credit for long-term care insurance premiums paid ( <i>enclose Schedule M1LTI</i> ) . . . . .	1 ■ _____
2	Credit for past military service ( <i>see instructions</i> ) . . . . .	2 ■ _____
3	Credit for increasing research activities ( <i>enclose Schedule KPI, KS, or KF</i> ) . . . . .	3 ■ _____
4	Employer Transit Pass Credit ( <i>enclose Schedule ETP</i> ) . . . . .	4 ■ _____
5	Alternative Minimum Tax Credit ( <i>enclose Schedule M1MTC</i> ) . . . . .	5 ■ _____
6	SEED Capital Investment Credit ( <i>see instructions; enclose certification</i> ) . . . . .	6 ■ _____
7	Education Savings Account Contribution Credit ( <i>enclose Schedule M1529</i> ) . . . . .	7 ■ _____
8	Credit for Attaining Master's Degree in Teacher's Licensure Field ( <i>enclose Schedule M1CMD</i> ) . . . . .	8 ■ _____
9	Student Loan Credit ( <i>enclose Schedule M1SLC</i> ) . . . . .	9 ■ _____
10	Add lines 1 through 9. Enter total here and on line 18 of Form M1. . . . .	10 _____

**You must include this schedule with your Form M1.**



# 2017 Schedule M1C Instructions

## What's New?

Recent legislation enacted three new nonrefundable credits available this year:

- Education Savings Account Contribution Credit
- Credit for Attaining Master's Degree in Teacher's Licensure Field
- Student Loan Credit

All of these credits require the completion of an additional schedule. Refer to the line instructions for more information.

## Should I file this schedule?

Complete Schedule M1C if any of the following apply to you (and/or your spouse if filing a joint return):

- paid premiums in 2017 for a qualified long-term care insurance policy for which you did not receive a full federal tax benefit
- are a veteran separated from service and served in the military for at least 20 years, has a 100 percent service related disability, or was honorably discharged and receive a military pension or other retirement pay for your service in the military and did not claim the subtraction for military pension or other military retirement pay on Schedule M1M
- purchased transit passes to resell or give to your employees
- paid Minnesota alternative minimum tax in prior years and are not required to pay it in 2017
- invested in a qualified business in East Grand Forks, Breckenridge, Dilworth, Moorhead, or Ortonville, and the business has been certified as qualified for the SEED Capital Investment Program
- contributed to a qualified education savings account in 2017 and did not claim the education savings account subtraction
- were a licensed teacher that completed a qualifying master's degree program that you began after June 30, 2017
- were a full-year or part-year resident and made eligible loan payments on your own qualified student loans

Report the total of all credits from Schedule M1C on line 18 of Form M1. Include any schedules you completed when filing your return.

## Line 1

### Credit for Long-Term Care Insurance Premiums Paid (Schedule M1LTI)

You may be able to claim a credit against tax based on premiums you paid in 2017 for a qualified long-term care insurance policy for which you did not receive a full federal tax benefit.

To qualify, your long-term care insurance policy must do both of the following:

- qualify as a federal deduction (see federal Schedule A of Form 1040), disregarding the income test
- have a lifetime long-term care benefit limit of \$100,000 or more

The maximum Credit for Long-Term Care Insurance Premiums Paid is \$100 per person.

Part-year residents and nonresidents may also be eligible for the credit based on the percentage of income taxable to Minnesota.

If you qualify, complete Schedule M1LTI, Long-Term Care Insurance Credit. Enter the credit on line 1 of Schedule M1C, and include both schedules with your Form M1.

## Line 2

### Credit for Past Military Service

You qualify for a credit if you (and/or your spouse if filing a joint return) have separated from service, your federal adjusted gross income (from line 37 of Form 1040, line 21 of Form 1040A, or line 4 of Form 1040EZ) is less than \$37,500, you did not claim a subtraction for military pension or other military retirement pay on Schedule M1M, line 32, and one of the following are true:

- You were honorably discharged and receive a military pension or other retirement pay for your service in the military
- You had served in the military for at least 20 years
- You have a service-related disability rated by the U.S. Department of Veterans' Affairs as being 100 percent total and permanent

If your federal adjusted gross income is:

- \$30,000 or less, enter \$750 on line 2 of Schedule M1C. (If you and your spouse both qualify for the credit and you are filing a joint return, enter \$1,500.)
- between \$30,000 and \$37,500, use the worksheet for line 2 to determine your credit amount.
- more than \$37,500, you do not qualify for this credit.

You may not claim this credit if you claimed the subtraction for military retirement pay on Schedule M1M.

Part-year residents and nonresidents may also be eligible for the credit based on the percentage of income taxable to Minnesota.

## Line 3

### Credit for Increasing Research Activities

Include the total amounts reported to you on:

- Schedule KS, line 11;
- Schedule KPI, line 11; and
- Schedule KF, line 19.

*Continued*

## Worksheet for Line 2

If your federal adjusted gross income is between \$30,000 and \$37,500, follow the steps below:

1	The maximum credit is \$750 .....	750
2	Federal adjusted gross income from line 37 of federal Form 1040, line 21 of Form 1040A, or line 4 of Form 1040EZ .....	
3	Income limit .....	30,000
4	Subtract step 3 from step 2 .....	
5	Multiply step 4 by 10% (.10) .....	
6	Subtract step 5 from step 1 .....	

**Full-year residents:** Enter the result here and on line 2 of Schedule M1C.

### Part-year residents and nonresidents:

7	Enter the percentage from line 25 of Schedule MINR .....	
8	Multiply step 6 by step 7. Enter the result here and on line 2 of Schedule M1C .....	

**If you and your spouse both qualify for the credit**, you are filing a joint return, and your federal adjusted gross income is between \$30,000 and \$37,500, multiply the result on step 6 (or step 8 if you are a part-year resident or nonresident) by 2.

Complete the worksheet below if:

- the total of these lines is more than the amount on Form M1, line 9, reduced by certain other nonrefundable credits; or
- you have a credit carryforward from a prior year.

Attach the appropriate schedule when you file your return.

The unused credit may be carried forward for up to 15 years.

**Line 4  
Employer Transit Pass Credit  
(Schedule ETP)**

If you purchase transit passes to give or resell to your employees, you may be eligible for this credit.

To qualify:

1. The transit pass must be a pass, token, farecard, voucher, or similar item entitling a person to transportation at regular or reduced prices.
2. The transportation must be provided by either:
  - a public or privately-owned mass transit facility; or
  - a person in the business of transporting people for compensation or hire. The vehicle must have seating capacity for at least six adults, not including the driver.
3. The passes must be used in Minnesota.

The credit is equal to 30 percent of the difference between the price you pay for the passes and the price you charge employees.

If you qualify, complete Schedule ETP, Employer Transit Pass Credit. Enter the credit amount of Schedule M1C, and include both schedules when you file Form M1.

Also include any credits you may have received as a partner of a partnership, a shareholder of an S corporation, or a beneficiary of a trust. The amounts will be reported on any Schedule KPI, KS, or KF you received from the entity.

**Line 5  
Alternative Minimum Tax Credit (Schedule M1MTC)**

If you have never paid Minnesota alternative minimum tax, you do not qualify for this credit.

If you paid Minnesota alternative minimum tax in one or more years from 1989 through 2016, but not for 2017, complete Schedules M1MT and M1MTC, *Alternative Minimum Tax Credit*, to determine if you qualify or have a credit carry over from a prior year of any unused portion of your minimum tax credit. Enter the credit from Schedule M1MTC on line 5 of Schedule M1C.

**Line 6  
SEED Capital Investment Credit**

If you invest in a qualified business in Breckenridge, Dilworth, East Grand Forks, Moorhead, or Ortonville, and the business has been certified by the Minnesota Department of Employment and Economic Development (DEED) as qualifying for the SEED Capital Investment Program, you may qualify for this credit.

The credit is equal to 45 percent of the amount invested in a qualified business, up to \$112,500 per year. The credit may be carried forward for up to four years.

Enter the amount from the credit certification you received from DEED.

**Include the credit certificate and this schedule when you file Form M1.**

**Line 7  
Education Savings Account Contribution Credit**

If you contributed to a qualified education savings account in 2017, you may be eligible for a nonrefundable credit. Complete Schedule M1529, and enter the credit on line 7 of Schedule M1C.

You are not eligible for this credit if you claimed the education savings account subtraction. Include both schedules with your return.

**Line 8  
Credit for Attaining Master's Degree in Teacher's Licensure Field**

If you were a licensed teacher that completed a master's degree program in a core content area that you began after June 30, 2017, you may be eligible for a nonrefundable credit. Complete Schedule M1CMD, and enter the credit on line 8 of Schedule M1C. Include both schedules with your return.

**Line 9  
Student Loan Credit**

If you were a full-year or part-year resident of Minnesota in 2017 and you made eligible loan payments on your own qualified student loans in 2017, you may be eligible for a credit against tax if you had taxable earned income. Complete Schedule M1SLC and enter your credit from the schedule on line 9 of Schedule M1C. Include both schedules with your return.

**Worksheet for Line 3**

1	Regular Tax .....	_____
	<b>Residents:</b> Enter the amount from Form M1 line 9	
	<b>Part-year residents and nonresidents:</b> Multiply the amount from Form M1 line 9 by line 25 of Schedule M1NR	
2	Credits from Form M1 lines 16 and 17 and Schedule M1C lines 1, 2, 4, 6, 7, 8, and 9 .....	_____
3	Subtract step 2 from step 1 .....	_____
4	Sum of credits for increasing research activities reported to you on Schedule KS, KPI, and KF .....	_____
5	Amount carried forward from your research credit in 2016, if any (from step 8 of the Worksheet for Line 3 on your 2016 Schedule M1C) . . . .	_____
6	Add step 4 and step 5. ....	_____
7	Enter the smaller of step 3 or 6 here and on line 3 of Schedule M1C. ....	_____
8	Subtract step 7 from step 6. This is your credit for increasing research activities that can be carried forward to 2018. If step 7 is greater than step 6, enter 0 here. ....	_____