



# 2019 Schedule M1NR, Nonresidents/Part-Year Residents

Before you complete this schedule, read the instructions and complete lines 1 through 11 of Form M1.

Your First Name and Initial \_\_\_\_\_ Last Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

Spouse's First Name and Initial \_\_\_\_\_ Last Name \_\_\_\_\_ Spouse's Social Security Number \_\_\_\_\_

**Minnesota Residency** (Place an X in one box and enter other state of residency)

You:  Full-year Nonresident  Part-Year Resident from \_\_\_\_\_ to \_\_\_\_\_ Other State of Residency: \_\_\_\_\_

Your Spouse:  Full-year Nonresident  Part-Year Resident from \_\_\_\_\_ to \_\_\_\_\_ Other State of Residency: \_\_\_\_\_

	A. Total Amount	B. Minnesota Portion
1 Wages, salaries, tips, etc. (from line 1 of federal Form 1040 or 1040-SR) . . . . .	1 _____	_____
2 Taxable interest and ordinary dividend income (lines 2b and 3b of Form 1040 or 1040-SR) . . . . .	2 _____	_____
3 Business income or loss (from line 3 of federal Schedule 1) . . . . .	3 _____	_____
4 Capital gain or loss (from line 6 of Form 1040 or 1040-SR) . . . . .	4 _____	_____
5 IRA distributions, pensions, and annuities (from lines 4b and 4d of Form 1040 or 1040-SR) . . . . .	5 _____	_____
6 Net income from rents, royalties, partnerships, S corporations, estates, and trusts (from line 5 of federal Schedule 1) . . . . .	6 _____	_____
7 Farm income or loss (from line 6 of federal Schedule 1) . . . . .	7 _____	_____
8 Other income (add lines 5b of Form 1040 or 1040-SR and lines 1, 2a, 4, 7, and 8 of federal Schedule 1) . . . . .	8 _____	_____
9 Interest and dividends from non-Minnesota state or municipal bonds (add lines 1 and 2 of Schedule M1M) . . . . .	9 _____	_____
10 Other required additions (add lines 3, 4, 6-8, 10, and 12 of Schedule M1M and lines 3, 7, and 8 of Schedule M1NC) . . . . .	10 ■ _____	■ _____
11 Add lines 1 through 10 for each column . . . . .	11 ■ _____	■ _____
<b>If your Minnesota gross income is below \$12,200, see instructions.</b>		
12 Educator expenses, certain business expenses, and Armed Forces moving expenses (add lines 10, 11, and 13 of federal Schedule 1) . . . . .	12 _____	_____
13 Self-employed SEP, SIMPLE, and qualified plans and IRA deduction (add lines 15 and 19 of federal Schedule 1) . . . . .	13 _____	_____
14 Health savings account and Archer MSA deductions (add line 12 and Archer MSA amount included on line 22 of federal Schedule 1) . . . . .	14 _____	_____
15 One-half of self-employment tax and self-employed health insurance (add lines 14 and 16 of federal Schedule 1) . . . . .	15 _____	_____
16 Deductions for alimony paid and student loan interest (see instructions for line 16, column B) . . . . .	16 _____	_____
17 Penalty on early withdrawal of savings (from line 17 of federal Schedule 1) . . . . .	17 _____	_____
18 Other required subtractions (add lines 21, 35, 36, 39, and 41 of Schedule M1M) . . . . .	18 ■ _____	■ _____
19 Net U.S. bond interest and active military pay received while a nonresident (add lines 18 and 29 of Schedule M1M) . . . . .	19 _____	_____
20 Subtraction for federal section 179 expensing (from line 22 of Schedule M1M) . . . . .	20 _____	_____
21 Add lines 12 through 20 for each column . . . . .	21 _____	_____
22 Subtract line 21, column B, from line 11, column B. Enter here and on line 13a of Form M1. If your Minnesota gross income is below \$12,200 or the result is zero or less, enter 0 . . . . .	22 _____	_____
23 Subtract line 21, column A, from line 11, column A. Enter the result here and on line 13b of Form M1 . . . . .	23 _____	_____
24 Divide line 22 by line 23, and enter the result as a decimal (carry to five decimal places). If line 22 is more than line 23, enter 1.0. If line 22 is zero, enter 0 . . . . .	24 _____	_____
25 Amount from line 12 of Form M1 . . . . .	25 _____	_____
26 Multiply line 24 by line 25. Enter the result here and on line 13 of Form M1 . . . . .	26 _____	_____

You must include this schedule with Form M1. Enter the amounts from lines 22 and 23 of this schedule on Form M1, lines 13a and 13b.

# 2019 Schedule M1NR Instructions

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## Should I file this schedule?

File this schedule with your Form M1 if you meet the minimum filing requirement and in 2019 you were either a:

- Full-year nonresident of Minnesota
- Part-year resident of Minnesota

See Income Tax Fact Sheets 1, *Residency*; 2, *Part-Year Residents*; and 3, *Nonresidents*, to determine your residency status for Minnesota tax purposes.

If you are married and file a joint federal return, you must file a joint Minnesota return even if only one spouse is a Minnesota resident or has Minnesota income. You must include Schedule M1NR when you file your return.

## What is the minimum filing requirement?

If your gross income assignable to Minnesota is \$12,200 or more, you must file Form M1 and Schedule M1NR.

## What is gross income assignable to Minnesota?

Gross income assignable to Minnesota includes all income you received while a Minnesota resident and income from Minnesota sources while a nonresident, such as income passed through to you from:

- Partnerships (line 26 of Schedule KPI)
- S corporations (line 26 of Schedule KS)
- Estates or trusts (line 31 of Schedule KF)

Gross income is income before any deductions or expenses. Gross income does not include any military pay a Minnesota resident received for military services outside Minnesota.

**If your Minnesota gross income is below the minimum filing requirement**, and you had tax withheld or paid estimated tax, follow the steps below to complete your Schedule M1NR:

1. Complete lines 1-11 of Schedule M1NR.
2. Skip lines 12-20.
3. Enter a 0 on line 22.
4. Enter the amount from line 11, column A, on line 23.
5. Complete lines 24-26.

Enter the appropriate amounts from Schedule M1NR on lines 13, 13a, and 13b of Form M1 and include the schedule when you file your return.

**If your Minnesota gross income is below the minimum filing requirement**, and you are completing Schedule M1NR only to determine your refundable credits:

1. Complete lines 1-21 of Schedule M1NR.
2. Complete line 23 of Schedule M1NR.
3. Use this information to complete the worksheet provided in the instructions for the credits you claim.

**If you were a resident of Michigan or North Dakota for all of 2019**, do not complete this schedule if your only Minnesota source income is exempt due to reciprocity (see Fact Sheet 4, *Reciprocity*, for more information). Complete Schedule M1NR only if you received income from sources in Minnesota that does not qualify under reciprocity. (Income that is not excluded under reciprocity includes Minnesota source gambling winnings, capital gains, rental income, etc.)

## Line Instructions

*Round amounts to the nearest whole dollar.*

**Column A** — Enter the appropriate amount from your 2019 federal or Minnesota income tax return. See the instructions for each line.

**Column B** — Assign income or expenses to Minnesota according to the instructions. If you are a partner, shareholder, or beneficiary, include the amounts from Schedule KPI, KS, or KF and follow the instructions with that schedule.

### Line 1, Column B — Wages, Salaries, Tips, etc.

Include wages, salaries, tips, commissions, bonuses, and any amounts received for work performed:

- While a Minnesota resident
- In Minnesota while a nonresident
- In Minnesota in a prior year but received in 2019
- In prior years while a Minnesota resident but deferred to 2019

Do not include on line 1, column B:

- Minnesota wages earned while a resident of Michigan or North Dakota that are covered under a reciprocity agreement
- Military pay received while a nonresident (from line 29 of Schedule M1M, *Income Additions and Subtractions*)
- Wages received as a nonresident military spouse, if you meet certain requirements (see Form M1 instructions)

*Continued*

**Line 2, Column B — Interest and Ordinary Dividend Income**

Include the interest and dividends you received (or had credited to your account) while you were a Minnesota resident. Do not include any interest or mutual fund dividends you received from U.S. bonds.

**Line 3, Column B — Business Income (loss)**

Include:

- Net Business income (or loss incurred) while a Minnesota resident
- From Minnesota sources earned while a nonresident

**Line 4, Column B — Capital Gain (loss)**

Include net capital gain (or loss) received:

- While a Minnesota resident
- From Minnesota sources while a nonresident

**Line 5, Column B — IRA Distributions and Pensions and Annuities**

Include IRA distributions and pension and annuity payments received while a Minnesota resident.

**Line 6, Column B — Net Income from Rents, Royalties, Partnerships, S Corporations, Estates, and Trusts**

Include income (or loss):

- Reported on federal Schedule E from rents, royalties, partnerships, S corporations, and estates recognized while a Minnesota resident
- From Minnesota sources recognized while a nonresident

**Line 7, Column B — Farm Income (loss)**

Include net farm income (or loss incurred):

- While a Minnesota resident
- From a Minnesota farm while a nonresident

**Line 8, Column B — Other Income**

Include other income you received:

- While a Minnesota resident
- From Minnesota sources, while a nonresident, included on lines 4 and 8 of federal Schedule 1

**Line 9, Column B — Interest and Dividends from Non-Minnesota State or Municipal Bonds**

Include the interest and dividends you received from non-Minnesota state or municipal bonds while a Minnesota resident.

**Line 10, Column B — Other required additions**

Include the additions from lines 3, 4, 6, 7, 8, 10, and 12 of your Schedule M1M that are attributable to income earned while a Minnesota resident or from Minnesota sources earned while a nonresident. Also, include the amount reported on line 5 or 12 of your Schedule M1AR, *Accelerated Recognition of Installment Sale Gains*.

If you had to make an adjustment on **lines 3 and 8** of Schedule M1NC, include the full amount of **lines 3 and 8** in Column A. Include the amount attributable to income earned while a Minnesota resident or from Minnesota sources while a nonresident in Column B.

If you have an amount on **line 7** of Schedule M1NC, include the following amounts in column B:

- the full amount for the time you were a Minnesota resident
- the assignable amount from Minnesota sources while a nonresident

**Line 12, Column B — Certain Business Expenses**

Include any business expenses paid:

- While a Minnesota resident
- From income earned as a performing artist or fee-basis government official that you earned in Minnesota while a nonresident
- While teaching as a Minnesota resident or for teaching in Minnesota

If you are a member of the Reserves or National Guard, include any travel expenses paid while a resident and for meetings attended in Minnesota while a nonresident.

**Armed Forces Moving Expenses**

Of the amount on line 13 federal Schedule 1, include moving expenses paid while a Minnesota resident or attributable to a move into Minnesota.

**Line 13, Column B — Pension Plans**

To determine your:

- **Minnesota qualified plan contribution deduction:** Multiply your federal qualified plan contribution deduction by the percentage you determined in step 3 of the Worksheet for Line 15, Column B.
- **Minnesota IRA, SEP or SIMPLE plan deduction:** Multiply your deduction by the percentage of your total earned income that is allocable to Minnesota (without lowering your wages for self-employment losses).

For the purpose of this deduction only, earned income includes wages, self-employment income, and alimony received. Subtract your self-employment tax deduction (federal Schedule SE) from that total.

If your spouse also worked, determine your spouse's deduction in the same way. Use only your spouse's earned income plus your spouse's federal IRA, SEP, or SIMPLE plan deduction.

**Line 14, Column B — Health Savings Account and Archer Medical Savings Account (MSA) Deductions**

To determine your deduction amount:

1. Add lines 12 and Archer MSA amount included on line 22 of federal Schedule 1.
2. Divide your Minnesota earned income by your federal earned income. For the purpose of this deduction only, earned income includes wages, self-employment income, and alimony received.
3. Multiply the results of step 1 and step 2. Enter this amount on line 14, column B.

**Line 15, Column B — Self-Employment Tax and Self-Employed Health Insurance**

<b>Worksheet for Line 15, Column B</b>	
1	Enter the amount from line 3 of your federal Schedule SE . . . . .
2	Enter the amount from step 1 allocable to Minnesota . . . . .
3	Divide step 2 by step 1 . . . . .
4	Amount from line 14 of federal Schedule 1. . . . .
5	Multiply step 3 by step 4. The result is your Minnesota Self-Employed Tax Deduction. . . . .
6	Line 2 of the worksheet for line 16 of federal Schedule 1 or line 13 of the Self Employment Health Insurance worksheet in IRS Publication 535 . . . . .
7	Enter the amount from step 6 allocable to Minnesota . . . . .
8	Divide step 7 by step 6. . . . .
9	Amount from line 16 of federal Schedule 1. . . . .
10	Multiply step 8 by step 9. The result is your Minnesota Self-Employed Health Insurance Deduction. . . . .
11	Add steps 5 and 10. Enter here and on line 15, column B. . . . .

**Line 16, Column B — Deductions for Alimony Paid and Student Loan Interest**

**Part-year residents:** Add the following items and enter the same total on line 16, columns A and B:

- Alimony paid while a Minnesota resident included on line 18a of federal Schedule 1
- The portion of your student loan interest deduction (from line 20 of federal Schedule 1) that represents interest paid while a Minnesota resident

**Nonresidents:** Enter zero on line 16, columns A and B.

**Line 17, Column B — Penalty on Early Withdrawal of Savings**

Enter the penalty on early withdrawal you paid while a Minnesota resident.

**Line 18, Column B — Other Required Subtractions**

Include the depreciation subtraction apportioned to Minnesota from line 21 of Schedule M1M. The subtraction is based on the Minnesota apportionment ratio of the business in 2019.

Also include the full amounts from line 35, 36, 39, and 41 of Schedule M1M.

**Line 19, Column B — Net U.S. Bond Interest and Active Duty Military Pay Received by a Nonresident**

The net amount of U.S. bond interest and active duty military pay you received as a nonresident is not included in column B of lines 1 or 2. Do not subtract these amounts on line 21, column B.

**Line 20 — Section 179 Subtraction**

Multiply the amount from line 22 of Schedule M1M by the Minnesota apportionment ratio of the business in 2019.

**Line 24**

The result on line 24 is the percentage of Minnesota income to federal income.