



**2017 Schedule M1CR, Credit for Income Tax Paid to Another State**

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

State or Canadian Province or Territory That Taxed Income Also Taxed By Minnesota \_\_\_\_\_

*You must complete a separate Schedule M1CR for each state or province to which you paid tax. Use Schedule M1RCR, Credit for Taxes Paid to Wisconsin, to report tax paid to Wisconsin.*

*To be eligible for this credit, you must have been a Minnesota resident or part-year resident in 2017 and have paid 2017 state income tax on the same income to Minnesota and also to another state or Canadian province. Use Schedule M1RCR to report tax paid to Wisconsin.*

**Round amounts to the nearest whole dollar.**

**Full-Year Residents and Part-Year Residents**

- 1 Amount of federal adjusted gross income you received while a Minnesota resident that was taxed by the other state (see instructions) ..... **1** \_\_\_\_\_
- 2 Your federal adjusted gross income adjusted by U.S. bond interest and/or bonds of another state (determine from instructions).  
**Part-year residents: See instructions** ..... **2** \_\_\_\_\_
- 3 Divide line 1 by line 2. Enter the result as a decimal (carry to five decimal places; if line 1 is more than line 2, enter 1.00000) ..... **3** \_\_\_\_\_
- 4 Complete the lines below to determine your Minnesota tax after credits.
  - a Tax from line 12 of Form M1. .... **4a** \_\_\_\_\_
  - b Add line 16 of Form M1 and lines 1, 2, 4, 6, 7, 8, and 9 of Schedule M1C ..... **4b** \_\_\_\_\_
- Subtract line 4b from line 4a (if result is zero or less, enter 0) ..... **4** \_\_\_\_\_
- 5 Multiply line 4 by line 3 ..... **5** \_\_\_\_\_
- 6 From the income tax return of the other state, enter the tax amount before you subtract any tax withheld or estimated tax payments (see instructions).  
 If you paid taxes to a Canadian province or territory, see instructions ..... **6** ■ \_\_\_\_\_

**Full-Year Residents**

- 7 Amount from line 5 or line 6, whichever is less. Enter here and on line 17 of Form M1 ..... **7** \_\_\_\_\_

**Part-Year Residents**

- 8 From the income tax return of the other state, enter the amount of income taxed by that state before itemized or standard deductions are subtracted ..... **8** \_\_\_\_\_
- 9 Divide line 1 by line 8. Enter the result as a decimal (carry to five decimal places; if line 1 is more than line 8, enter 1.00000) ..... **9** \_\_\_\_\_
- 10 Multiply line 6 by line 9 ..... **10** \_\_\_\_\_
- 11 Amount from line 5 or line 10, whichever is less.  
 Enter the amount here and on line 17 of Form M1 ..... **11** \_\_\_\_\_

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

# 2017 Schedule M1CR Instructions

## Am I eligible?

You may be eligible for the credit for income tax paid to another state if both of the following are true:

- You were domiciled in Minnesota for all or part of 2017
- You paid 2017 income tax to Minnesota and to another state on the same income. A Canadian province or territory and the District of Columbia are considered a state for purposes of this credit

**Include:** Any income taxes paid to another state by an S corporation or a partnership that you included on line 7 of Schedule M1M.

**Do not include** tax paid to any of the following:

- a local unit of government (such as a city, county, or school district)
- a national government, including a possession of the United States or the national government of Canada
- a Canadian province or territory if the taxes were used to claim a federal foreign tax credit. See the line 6 instructions for details.

## Part-Year Residents

To be eligible, you must have been a Minnesota resident when you received the income that was taxed by both states. Also, you must file a return with the other state.

**Exception:** If you were a permanent resident of another state but are required to file a Minnesota income tax return as a resident (because of the 183-day rule), you may be eligible for this credit if you paid 2017 state tax on the same income to both Minnesota and the state of which you were a resident. However, you must get a statement from the other state's tax department stating you are not eligible to receive a credit on that state's return for income tax paid to Minnesota. Include the statement and Schedule M1CR with your Form M1.

## Minnesota Residents Paying Income Tax to Wisconsin

Do not use Schedule M1CR to claim a credit for taxes paid to Wisconsin. Use Schedule M1RCR to determine the credit. You may be eligible for a refundable credit.

## Minnesota Residents Working in Michigan or North Dakota

If you had 2017 state income tax withheld by Michigan or North Dakota from personal service income—such as wages, salaries, tips, commissions, bonuses—you received from working in one of those states, do not use Schedule M1CR. You can get a refund of the tax withheld for the period you were

a Minnesota resident by filing that state's income tax return with that state.

However, if you paid 2017 income tax to one of those states on income other than from personal service income—such as income from rental property—you may be eligible for this credit. Complete Schedule M1CR.

## What if I paid income taxes to more than one other state?

- 1 Complete a separate Schedule M1CR for each state.
- 2 Add the amounts from line 7 or line 11, whichever applies, from each Schedule M1CR and Schedule M1RCR.
- 3 Enter the result from step 2 on line 17 of Form M1.

## Line Instructions

Round amounts to the nearest whole dollar.

## Full-Year and Part-Year Residents of Minnesota

### Line 1

Your federal adjusted gross income is line 37 of Form 1040, line 21 of Form 1040A, line 4 of Form 1040EZ, line 36 of Forms 1040NR, or line 10 of Form 1040NR-EZ.

Determine the amount of federal adjusted gross income you received in 2017 while a Minnesota resident. Of that amount, determine the income that was taxed by the other state, and enter that amount on line 1. Also include any non-Minnesota municipal bonds taxed by the other state.

Do not include any income you received from a lump-sum distribution from a qualified retirement plan that is listed as income on your Schedule M1LS, *Tax on Lump-Sum Distribution*.

## Line 2

**Full-Year Residents:** Complete the worksheet at the bottom of this page.

**Part-Year Residents:** From Schedule M1NR, add line 19 column B, line 21 column B, and line 23. From that total, subtract the amount on line 10 column B. Enter the result on line 2 of Schedule M1CR.

## Line 6

Enter the tax amount from the other state's tax return. The amount of tax must be before you subtract any income tax withheld by that state or any estimated tax you paid to that state. Do not include any tax you paid to any local unit of government (such as a city, county, or school district).

If you filed Schedule M1LS, do not include any tax you paid on income from a lump-sum distribution from a qualified retirement plan.

**Note:** If you paid taxes to a Canadian province or territory, complete the worksheet for line 6 below.

### Worksheet for Line 2 (for Full-Year Residents Only)

- |   |       |
|---|-------|
| 1 Add lines 3 and 4 of Schedule M1M .....   | _____ |
| 2 Federal adjusted gross income (see line 1 instructions) .....                       | _____ |
| 3 Add step 1 and step 2 .....   | _____ |
| 4 Net interest you received from U.S. bonds from line 18 of Schedule M1M .....        | _____ |
| 5 Subtract step 4 from step 3. Enter result here and on line 2 of Schedule M1CR ..... | _____ |

### Worksheet for Line 6 (If You Paid Canadian Taxes)

- |  |       |
|--|-------|
| 1 Total foreign taxes paid from line 9 of the federal Form(s) 1116 you completed for the Canadian taxes you paid ..... | _____ |
| 2 Total federal foreign tax credit from line 22 of the Form(s) 1116 for your Canadian taxes paid .....                 | _____ |
| 3 Subtract step 2 from step 1 .....  | _____ |
| 4 Tax paid to a Canadian province or territory on income you received while a Minnesota resident .....                 | _____ |
| 5 Amount from step 3 or step 4, whichever is less. Enter the result here and on line 6 of Schedule M1CR .....          | _____ |