

**Schedule M2SB, Income Tax Computation for S Portion of ESBT 2016**

<b>Print or Type</b>	Name of Trust	Federal ID Number	Minnesota ID Number
	Name of S-Corporation S Portion of ESBT Holds Stock In	Federal ID Number of S-Corporation	
	Additional S-Corporation S Portion of ESBT Holds Stock In	Federal ID Number of Additional S-Corporation	

<b>Income</b>	<b>1</b> Federal taxable income of S portion ( <i>enclose federal computation</i> ) . . . . .	<b>1</b> █	_____
	<b>2</b> Fiduciary's deductions and losses not allowed by Minnesota ( <i>see Form M2 instructions, page 4</i> ) . . . . .	<b>2</b> █	_____
	<b>3</b> Additions ( <i>from line 21, on page 2 of this form</i> ) . . . . .	<b>3</b> █	_____
	<b>4</b> Add lines 1 through 3 . . . . .	<b>4</b> █	_____
	<b>5</b> Subtractions ( <i>from line 29, on page 2 of this form</i> ) . . . . .	<b>5</b> █	_____
	<b>6</b> Fiduciary's income from non-Minnesota sources ( <i>see Form M2 instructions, page 4</i> ) . . . . .	<b>6</b> █	_____
	<b>7</b> Add lines 5 and 6 . . . . .	<b>7</b> █	_____
<b>Tax and Payments</b>	<b>8</b> Minnesota taxable net income. Subtract line 7 from line 4 . . . . .	<b>8</b> █	_____
	<b>9</b> Tax from table on pages 10 through 13 of the M2 instructions using the income amount shown on line 8 . . . . .	<b>9</b> █	_____
	<b>10</b> Total of tax from Schedule M2MT ( <i>enclose Schedule M2MT</i> ). . . . .	<b>10</b> █	_____
	<b>11</b> Total of 2016 tax for S portion. Add lines 9 and 10 and include amount on line 11 of Form M2 . . . . .	<b>11</b> █	_____

**You must include this schedule and a copy of federal computations for the S portion of the ESBT when you file Form M2.**



**Adjustments to Income**

Additions

- 12 State and municipal bond interest from outside Minnesota ..... 12 █ \_\_\_\_\_
- 13 State income tax deducted on federal return ..... 13 █ \_\_\_\_\_
- 14 Expenses deducted on your federal return that are attributable to income not taxed  
by Minnesota (other than interest or mutual fund dividends from U.S. bonds) ..... 14 █ \_\_\_\_\_
- 15 80 percent of the suspended loss from 2001–2005 or 2008–2015 on your  
federal return that was generated by bonus depreciation (see Form M2 instructions, page 7) ..... 15 █ \_\_\_\_\_
- 16 80 percent of federal bonus depreciation ..... 16 █ \_\_\_\_\_
- 17 Fines, fees and penalties deducted federally as a trade or business expense ..... 17 █ \_\_\_\_\_
- 18 This line intentionally left blank. ....  18a █ \_\_\_\_\_  
 18b █ \_\_\_\_\_
- 19 Net operating loss carryover adjustment ..... 19 █ \_\_\_\_\_
- 20 Domestic production activities deduction ..... 20 █ \_\_\_\_\_
- 21 Add lines 12 through 20. Enter the result here and on line 3. .... 21 █ \_\_\_\_\_
- 22 Interest on U.S. government bond obligations, minus any expenses  
deducted on your federal return that are attributable to this income ..... 22 █ \_\_\_\_\_

Subtractions

- 23 State income tax refund included on federal return ..... 23 █ \_\_\_\_\_
- 24 Federal bonus depreciation subtraction (see Form M2 instructions, page 7) ..... 24 █ \_\_\_\_\_
- 25 This line intentionally left blank .....  25a █ \_\_\_\_\_  
 25b █ \_\_\_\_\_
- 26 Subtraction for prior addback of reacquisition of business indebtedness income ..... 26 █ \_\_\_\_\_
- 27 Subtraction for railroad maintenance expenses ..... 27 █ \_\_\_\_\_
- 28 Net operating loss carryover adjustment ..... 28 █ \_\_\_\_\_
- 29 Add lines 22 through 28. Enter the result here and on line 5 ..... 29 █ \_\_\_\_\_



# 2016 Schedule M2SB Instructions

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## Who Must File Schedule M2SB

If a trust is filing as an Electing Small Business Trust (ESBT), you must file Schedule M2SB to report all items relating to the S Portion of the trust.

Report all the income from the S Portion of an ESBT on the Schedule M2SB. Enter the name and federal tax ID of each S-Corporation on the Form M2SB, if you have to enter more than two and need additional spaces include them on an attached statement.

## Line Instructions

*Round amounts to the nearest whole dollar.*

### Line 1

Enter the Federal taxable income of the S Portion that you calculated on your federal schedule. Be sure to include a copy of the federal schedule when you file Form M2 and Schedule M2SB.

### Line 10

Complete a separate Schedule M2MT for the S Portion of the trust. See the instructions for Schedule M2MT for details on completing this form for the S Portion of the ESBT.

### Lines 12 - 29

To complete lines 12 through 29, please see instructions for M2 lines 25 through 41 on pages 6 through 9 of the M2 instructions.

**Note:** For lines 18 and 25 see page 9 of the M2 instructions.