

# Part-Year Residents

## Income Tax Fact Sheet 2

This fact sheet explains who is considered a part-year resident of Minnesota, their filing requirements, and how they file and pay Minnesota income tax.

For more information on residency, see [Income Tax Fact Sheet 1, Residency](#), and [Income Tax Fact Sheet 3, Nonresidents](#).

If you are a member of the military, see [Income Tax Fact Sheet 5, Military Personnel - Residency](#).

If you are a resident or nonresident alien, see [Income Tax Fact Sheet 16, Aliens](#).

### Are you a part-year resident?

You're considered a part-year resident of Minnesota if either of these apply:

- **Domicile:** You moved to or from Minnesota during the tax year and established residency.
- **The 183-day rule:** You spent at least 183 days in Minnesota and you rent, own, maintain, or occupy an abode (a residence in Minnesota suitable for year-round use and equipped with its own cooking and bathing facilities). In this case, you are considered a Minnesota resident for income tax purposes for the length of time you maintained an abode in Minnesota, even if your permanent residence was in another state for the full year.

### The 183-day rule does not apply in these situations:

- Members of the military (or their spouses) who are stationed in Minnesota but are permanent residents of other states
- Residents of Michigan and North Dakota (these states have tax reciprocity agreements with Minnesota)

### Filing Requirements

You are required to file a Minnesota income tax return if your Minnesota gross income meets the minimum filing requirement (\$12,900 for 2022). File electronically, or use [Form M1, Individual Income Tax](#), and [Schedule M1NR, Nonresidents/Part-Year Residents](#), to file your return. For more information, see [Fact Sheet 12, Filing Past Due Returns](#).

If your Minnesota gross income is less than the requirement, you should file a Minnesota return to claim a refund if any of these apply:

- You had Minnesota tax withheld
- You made estimated tax payments to Minnesota
- You qualify for refundable credits

Follow the steps below to determine your Minnesota gross income:

#### Step 1:

Calculate the total income received while you were a Minnesota resident. Include income from all sources, as well as income received outside of Minnesota.

#### Step 2:

Calculate the total Minnesota income you received while you were a nonresident. This includes:

- Wages, salaries, fees, commissions, tips, and bonuses for work done in Minnesota
- Gross winnings from gambling in Minnesota
- Gross rents and royalties from Minnesota property
- Gains from the sale of land or other tangible property in Minnesota
- Gains from the sale of a partnership interest that had property or sales in Minnesota

- Gains on the sale of goodwill or income from a non-compete agreement connected with a business operating in Minnesota
- Minnesota gross income from a business or profession conducted partly or entirely in Minnesota

**Note:** For 2022, a partnership will find this amount on line 36 of Schedule KPI and an S corporation will find the amount on line 36 of Schedule KS.

### **Step 3:**

Combine the totals from steps 1 and 2. If this amount meets the minimum filing requirement for the year (\$12,900 for 2022), you must file a Minnesota return using Form M1 and Schedule M1NR.

### **How Your Income is Taxed**

For the portion of the year you are a Minnesota resident, you are taxed on income you receive inside and outside of Minnesota. When you live in Minnesota but work in another state, Minnesota taxes your out-of-state income.

If another state taxes the same income that Minnesota taxes, you may qualify for a credit on taxes paid to the other state. For details on this credit, see [Taxes Paid to Another State Credit](#). If you are a Minnesota resident who paid Wisconsin tax on the same income that Minnesota taxed, see [Schedule M1RCR, Credit for Tax Paid to Wisconsin](#). For the portion of the year you were a nonresident, you must pay tax on income derived from Minnesota sources, including wages earned for work performed in Minnesota.

### **Filing Status**

Your Minnesota filing status must be the same as your federal filing status. If you are filing a joint return and only one spouse has income that is taxable to Minnesota, you must file a joint [Form M1](#) and [Schedule M1NR](#).

Enter your joint taxable income from the federal return on line 1 of your Form M1; do not modify the amount. Your income will be apportioned when you complete Schedule M1NR.

### **Eligibility for Minnesota Credits**

Part-year residents may qualify for Minnesota credits. For general information on available credits, see the [instructions for Form M1](#). Some credits may be adjusted based on your percentage of income taxable to Minnesota. To find out if a credit needs to be adjusted, see the instructions for each credit.

### **Estimated Tax**

If you did not have Minnesota tax withheld from your income and you expect to owe more than \$500 of Minnesota tax, you may be required to pay quarterly estimated tax.

For details, see [Estimated Tax](#).

### **Minnesota Homestead Credit Refund (for Homeowners) and Renter's Property Tax Refund**

As a part-year resident, you may be eligible for a homeowner's or renter's refund if you meet the requirements. For details, see the instructions for [Form M1PR, Homestead Credit Refund \(for Homeowners\) and Renter's Property Tax Refund](#).

**Homeowners:** File using your household income for the entire year, including the income you received before moving to Minnesota.

**Renters:** File using your household income for the period you lived in Minnesota. If you were married, include your spouse's income for the period you lived in Minnesota. Enclose a note explaining how income was determined

### **Information And Assistance**

Additional forms and information, including fact sheets and frequently asked questions, are available on our website.

**Website:** [www.revenue.state.mn.us](http://www.revenue.state.mn.us)

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**Phone:** 651-296-3781 or 1-800-652-9094