


**2026 Schedule M1AR, Accelerated Recognition of
Installment Sale Gains**

Your First Name and Middle Initial

Last Name

Your Social Security Number

Mailing Address

City

State

ZIP

Final Year of Installment Agreement

Name of S Corporation or Partnership

FEIN

Minnesota Tax ID Number

Complete this schedule if you are filing Form M1, Individual Income Tax Return and you are reporting installment sale gains from a sale executed after December 31, 2016, of any interest in, or assets of, an S corporation or partnership. These amounts are reported on federal Form 6252 or Minnesota Schedule KF, KPI, or KS. Do not complete this schedule if you are a full-year Minnesota resident.

- ☐ I elect to defer installment sale gains under Minnesota Statute 290.0137, paragraph (b), and agree to:
- File Form M1, *Individual Income Tax Return*, for all subsequent years when gains are recognized from an installment sale executed after December 31, 2016.
 - Allocate gains to Minnesota as though the gains were realized in the year of sale.
 - Include all relevant federal tax documents reporting the installment sale with subsequent Minnesota tax returns.

If you elect to defer, **STOP HERE**. Submit this form by the extended due date of your return to make your election. If you do not elect to defer installment sale gains, complete the rest of this schedule.

- 1 Gross profit from Minnesota Schedule KF line 6a, KPI line 7a, and KS line 7a, or federal Form 6252 line 16 in the year of the sale **1** ■ _____
- 2 Installment sale income received in prior years (*see instructions*) **2** ■ _____
- 3 Installment sale income from Minnesota Schedule KF line 6b, KPI line 7b, and KS line 7b, or federal Form 6252 line 24 in the current year **3** ■ _____
- 4 Add lines 2 and 3 **4** ■ _____
- 5 Subtract line 4 from line 1. Enter the amount here and include on line 6 of Schedule M1MB **5** _____
Residents at the time of sale: Also include this amount on line 13 of Column B of Schedule M1NR. **STOP HERE.**

Nonresidents at the Time of Sale

- 6 Enter the S corporation's or partnership's apportionment percentage for the year of sale **6** ■ _____
- 7 Allocation percentage of nonbusiness income (*see instructions*) **7** ■ _____
- 8 Enter the amount from line 5 that is nonbusiness income (*see instructions*) **8** ■ _____
- 9 Subtract line 8 from line 5 **9** _____
- 10 Multiply line 7 by line 8 **10** _____
- 11 Multiply line 6 by line 9 **11** _____
- 12 Add lines 10 and 11. Enter the result here and include on line 13, Column B, of Schedule M1NR . . . **12** ■ _____