

## **Schedule M-1 Instructions**

### **Federal Reconciliation**

Schedule M-1 reports the taxpayer's current year net income and expenses as they are or would be shown on U.S. Form 1120, lines 1 through 28, in calculating gross income under the provisions of the U.S. IRC and the deductions allowable in calculating net income under the code. Corporations reporting their income on Form 355U as part of a combined group file Schedule U-M with that combined report are not required to file schedule M-1.

Corporations filing in Massachusetts and participating in a U.S. consolidated return must complete Schedule M-1 on a separate company basis.

Schedule M-1 must be filed by all S Corporations required to complete Schedule E.

S corporations with receipts of less than \$6 million on an annualized basis also are not required to file schedule M-1.

Corporations reporting their income on Form 355U as part of a combined group file Schedule U-M with that combined report are not required to file schedule M-1.

S corporations, if required to file Schedule M-1, must complete and file Schedule M-1 as if they were a C corporation.