

**SCHEDULE K-1  
(Form 1041)**

Department of the Treasury  
Internal Revenue Service

**Beneficiary's Share of Income, Deductions, Credits, etc.**

for the calendar year 1996, or fiscal year

beginning \_\_\_\_\_, 1996, ending \_\_\_\_\_, 19 \_\_\_\_\_

▶ **Complete a separate Schedule K-1 for each beneficiary.**

OMB No. 1545-0092

**1996**

Name of trust or decedent's estate

Amended K-1  
 Final K-1

<b>Beneficiary's identifying number ▶</b>	<b>Estate's or trust's EIN ▶</b>
Beneficiary's name, address, and ZIP code	Fiduciary's name, address, and ZIP code

(a) Allocable share item		(b) Amount	(c) Calendar year 1996 Form 1040 filers enter the amounts in column (b) on:
<b>1</b> Interest . . . . .	<b>1</b>		Schedule B, Part I, line 1
<b>2</b> Dividends . . . . .	<b>2</b>		Schedule B, Part II, line 5
<b>3a</b> Net short-term capital gain . . . . .	<b>3a</b>		Schedule D, line 5, column (g)
<b>b</b> Net long-term capital gain . . . . .	<b>3b</b>		Schedule D, line 13, column (g)
<b>4a</b> Annuities, royalties, and other nonpassive income before directly apportioned deductions . . . . .	<b>4a</b>		Schedule E, Part III, column (f)
<b>b</b> Depreciation . . . . .	<b>4b</b>		} Include on the applicable line of the appropriate tax form
<b>c</b> Depletion . . . . .	<b>4c</b>		
<b>d</b> Amortization . . . . .	<b>4d</b>		
<b>5a</b> Trade or business, rental real estate, and other rental income before directly apportioned deductions (see instructions) . . . . .	<b>5a</b>		
<b>b</b> Depreciation . . . . .	<b>5b</b>		} Include on the applicable line of the appropriate tax form
<b>c</b> Depletion . . . . .	<b>5c</b>		
<b>d</b> Amortization . . . . .	<b>5d</b>		
<b>6</b> Income for minimum tax purposes . . . . .	<b>6</b>		
<b>7</b> Income for regular tax purposes (add lines 1 through 3b, 4a, and 5a) . . . . .	<b>7</b>		
<b>8</b> Adjustment for minimum tax purposes (subtract line 7 from line 6) . . . . .	<b>8</b>		Form 6251, line 12
<b>9</b> Estate tax deduction (including certain generation-skipping transfer taxes) . . . . .	<b>9</b>		Schedule A, line 27
<b>10</b> Foreign taxes . . . . .	<b>10</b>		Form 1116 or Schedule A (Form 1040), line 8
<b>11</b> Adjustments and tax preference items (itemize):			
<b>a</b> Accelerated depreciation . . . . .	<b>11a</b>		} Include on the applicable line of Form 6251
<b>b</b> Depletion . . . . .	<b>11b</b>		
<b>c</b> Amortization . . . . .	<b>11c</b>		
<b>d</b> Exclusion items . . . . .	<b>11d</b>		
<b>12</b> Deductions in the final year of trust or decedent's estate:			
<b>a</b> Excess deductions on termination (see instructions) . . . . .	<b>12a</b>		Schedule A, line 22
<b>b</b> Short-term capital loss carryover . . . . .	<b>12b</b>		Schedule D, line 5, column (f)
<b>c</b> Long-term capital loss carryover . . . . .	<b>12c</b>		Schedule D, line 13, column (f)
<b>d</b> Net operating loss (NOL) carryover for regular tax purposes . . . . .	<b>12d</b>		Form 1040, line 21
<b>e</b> NOL carryover for minimum tax purposes . . . . .	<b>12e</b>		See the instructions for Form 6251, line 20
<b>f</b> . . . . .	<b>12f</b>		} Include on the applicable line of the appropriate tax form
<b>g</b> . . . . .	<b>12g</b>		
<b>13</b> Other (itemize):			
<b>a</b> Payments of estimated taxes credited to you . . . . .	<b>13a</b>		Form 1040, line 53
<b>b</b> Tax-exempt interest . . . . .	<b>13b</b>		Form 1040, line 8b
<b>c</b> . . . . .	<b>13c</b>		} Include on the applicable line of the appropriate tax form
<b>d</b> . . . . .	<b>13d</b>		
<b>e</b> . . . . .	<b>13e</b>		
<b>f</b> . . . . .	<b>13f</b>		
<b>g</b> . . . . .	<b>13g</b>		
<b>h</b> . . . . .	<b>13h</b>		

## Instructions for Beneficiary Filing Form 1040

**Note:** *The fiduciary's instructions for completing Schedule K-1 are in the Instructions for Form 1041.*

### General Instructions

#### Purpose of Form

The fiduciary of a trust or decedent's estate uses Schedule K-1 to report your share of the trust's or estate's income, credits, deductions, etc. **Keep it for your records. Do not file it with your tax return.** A copy has been filed with the IRS.

#### Tax Shelters

If you receive a copy of **Form 8271**, Investor Reporting of Tax Shelter Registration Number, see the instructions for Form 8271 to determine your reporting requirements.

#### Errors

If you think the fiduciary has made an error on your Schedule K-1, notify the fiduciary and ask for an amended or a corrected Schedule K-1. Do not change any items on your copy. Be sure that the fiduciary sends a copy of the amended Schedule K-1 to the IRS.

#### Beneficiaries of Generation-Skipping Trusts

If you received **Form 706-GS(D-1)**, Notification of Distribution From a Generation-Skipping Trust, and paid a generation-skipping transfer (GST) tax on **Form 706-GS(D)**, Generation-Skipping Transfer Tax Return for Distributions, you can deduct the GST tax paid on income distributions on Schedule A (Form 1040), line 8. To figure the deduction, see the instructions for Form 706-GS(D).

### Specific Instructions

#### Lines 3a and 3b

If there is an attachment to this Schedule K-1 reporting a disposition of a passive activity, see the instructions for **Form 8582**, Passive Activity Loss Limitations, for information on the treatment of dispositions of interests in a passive activity.

#### Lines 5b through 5d

The deductions on lines 5b through 5d may be subject to the passive loss limitations of Internal Revenue Code section 469, which generally limits deductions from passive activities to the income from those activities. The rules for applying these limitations to beneficiaries have not yet been issued. For more details, see **Pub. 925**, Passive Activity and At-Risk Rules.

#### Line 11d

If you pay alternative minimum tax in 1996, the amount on line 11d will help you figure any minimum tax credit for 1997. See the 1997 **Form 8801**, Credit for Prior Year Minimum Tax—Individuals, Estates, and Trusts, for more information.

#### Line 13a

To figure any underpayment and penalty on **Form 2210**, Underpayment of Estimated Tax by Individuals, Estates, and Trusts, treat the amount entered on line 13a as an estimated tax payment made on January 15, 1997.

#### Lines 13c through 13h

The amount of gross farming and fishing income is included on line 5a. This income is also separately stated on line 13 to help you determine if you are subject to a penalty for underpayment of estimated tax. Report the amount of gross farming and fishing income on Schedule E (Form 1040), line 41.

