

# Fiduciary Income Tax Returns, Filing Years 2003 and 2004

by Lisa Schreiber

In 2003, nearly 3.7 million fiduciary income tax returns were filed, primarily for income earned in 2002, also referred to as Tax Year 2002. In that year, estates and trusts reported aggregate gross income worth \$71.3 billion, aggregate total deductions worth \$53.6 billion, and total tax liability worth \$7.9 billion (see Data Sources and Limitations for information regarding tax liability). Approximately 3.7 million estates and trusts filed income tax returns in 2004, primarily for income earned in 2003, also referred to as Tax Year 2003. In that year, estates and trusts reported aggregate gross income worth \$85.2 billion, aggregate total deductions worth \$59.0 billion, and total tax liability worth \$9.4 billion. In 2004, capital gains (less loss) were reported as \$35.2 billion. Capital gains (less loss) were the largest source of income in both years. The \$35.7-billion deduction taken for income distributed to beneficiaries on returns filed in 2004 made up 60.6 percent of aggregate deductions taken by estates and trusts.

## Introduction

The *United States Income Tax Return for Estates and Trusts* (Form 1041) is filed by decedent estates, bankruptcy estates, and domestic trusts. Often called the fiduciary tax return, Form 1041 is used to report income and deductions. Additionally, details of distributions to beneficiaries and the tax liability of the entity are reported on the return [1].

A fiduciary is charged with holding, investing, and distributing the assets of an estate or trust. Fiduciaries of trusts are often referred to as “trustees,” while fiduciaries of estates are generally referred to as “executors” or “administrators.” A fiduciary may be an individual, a group of individuals, or an entity, such as a bank. Each has a legal responsibility to both manage the property of the estate or trust and to ensure that all transactions, including distributions, conform to estate or trust documents as well as applicable laws. Fiduciaries must also coordinate the preparation, verification, and submission of all required state and Federal tax forms and legal documents. They must also ensure that any fiduciary income tax liability is paid from the assets of the

estate or trust. In exchange for their services, fiduciaries often receive a fee.

A decedent’s estate is created at the time of death, and the decedent’s will generally acts as the fiduciary instrument that assigns an executor and designates beneficiaries. The estate contains all of the decedent’s property at the time of death, and it typically exists for a short time because the sole purpose of the estate is to allocate all of the assets. Once the executor of a decedent’s estate resolves all debts, including taxes owed, and distributes any remaining assets to designated beneficiaries, the estate is terminated.

Bankruptcy estates are created when an individual files a bankruptcy petition with the United States Bankruptcy Court under Title 11 of the United States Code, otherwise known as the Bankruptcy Code. There are two types of bankruptcy proceedings available to individuals under Title 11 to create a bankruptcy estate, Chapter 7 and Chapter 11. The proceedings differ in the method of debt resolution. Frequently, individuals file for bankruptcy under Chapter 7, which resolves debt by appointing a trustee to sell the debtors’ possessions and distribute any proceeds to creditors. Individual debtors may also file under Chapter 11, which allows for a reorganization of assets as well as a temporary reprieve from creditors. During the reorganization, debtors must work to decrease their debt-to-asset ratios. Bankruptcy estates contain all of the debtors’ property at the time of filing and remain in existence until all debt is paid for Chapter 7 filers, or until Chapter 11 filers can resume responsibility for their debts.

A domestic trust is an arrangement in which a trustee assumes control of property, also known as the trust corpus, in order to safeguard it for designated beneficiaries. The grantor of the trust is the individual who owns and then transfers the assets that make up the trust corpus. A trust can be created by a will or trust document. In either case, a trust instrument usually specifies the term of the trust, designates the trustee as well as the beneficiaries, outlines trustee responsibilities, and provides parameters for managing assets and distributing income to the beneficiaries. The contents of a trust are usually outlined by the trust instrument, which specifies the assets to be transferred to the trust. However, assets may also be contributed to the trust at a later

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## Fiduciary Income Tax Returns, Filing Years 2003 and 2004

date, which commonly occurs when an existing trust is funded by a will.

There are numerous types of trusts that are required to file Form 1041. The types of trusts are differentiated by the distribution requirements delineated in the trust instrument, as well as by the degree of control retained by the grantor. Simple trusts are required to distribute all income, but are not permitted to distribute from corpus, or make charitable contributions. If a trust fails to meet one or more of the conditions to be a simple trust, it is deemed a complex trust. Qualified disability trusts distribute incomes for the benefit of disabled individuals. Split-interest trusts and pooled income funds are trust entities that distribute to both charitable and noncharitable beneficiaries. A qualified funeral trust is a method of securing payment for funeral and burial services. Grantor trusts are fundamentally different than other types of trusts. The trust is not a separate taxable entity because the grantor retains substantial control over some portion of the trust. Trusts that are a combination of grantor trusts and complex or simple trusts are classified as grantor trusts for the purposes of this article. The fiduciary income tax exemption is based on the type of trust.

### Tax Law

Domestic estates with gross incomes of \$600 or more must file Form 1041 for the tax year in which the income was earned. Domestic trusts with any taxable income or with gross income equal to or exceeding \$600 must file a fiduciary income tax return. Additionally, all trusts and decedent estates with a nonresident alien as a beneficiary are required to file Form 1041 [2]. Bankruptcy estates of individuals must file a return when the gross income equals or exceeds the sum of the Federal individual income tax exemption and the standard deduction for a married person filing separately for that tax year. This threshold was \$6,925 for Tax Year 2002 and \$7,800 for 2003 [3]. Estates and nontaxable trusts have the option of utilizing either a calendar or a fiscal tax year, while taxable trusts must file using a tax year based on the calendar year.

### Income

The fiduciary income tax return is divided into three main parts: income, deductions, and tax and payments. Reported income is divided into eight

classifications: interest income; ordinary dividends; business income; capital gains; income from rents, royalties, partnerships, other estates, and trusts; farm income; ordinary gain; and other. Income from financial investments is principally divided between interest income, ordinary dividends, and capital gains. Other income includes income in respect of a decedent (IRD) and distributions from pensions, annuities, and retirement plans as claimed on Form 1099-R [4]. Total income from all sources is referred to as “gross income” for the purposes of this article. Fiduciary accounting income is a portion of gross income and is defined by guidelines included in the governing instrument as well as local and Federal laws [5]. Generally, fiduciary accounting income does not include capital gains, which are considered to be apportioned to corpus by many trust instruments as well as State laws.

### Deductions

Estates and trusts may deduct certain expenses from gross income for the purpose of determining taxable income. Interest payable on debts incurred by an estate or trust is deductible, as are amounts paid for State and local taxes, and taxes paid on generation-skipping transfers. Fees paid to fiduciaries, as well as those paid to attorneys, accountants, and return preparers, are also deductible. A deduction is allowed for donations made to qualified charities. The value of estate or trust income that was previously included in a decedent’s estate and taxed under the estate tax is also permitted as a deduction. Expenses related to the production or collection of income, for example, investment advisory fees, are deductible as allowable miscellaneous deductions [6]. Other allowable deductions include bond premiums, losses due to casualty and theft, net operating losses, and the entity’s share of amortization, depreciation, and depletion not claimed elsewhere. There is also a standard fiduciary exemption that may be claimed by certain types of estates and trusts. The value of the fiduciary income tax exemption is adjusted for inflation annually and ranged from zero to \$3,000 for Tax Year 2002 or \$3,050 for 2003.

### Distributions

Estates and trusts also receive a deduction for distributions or payments made or payable to beneficiaries. The distributions required by trust documents

## Fiduciary Income Tax Returns, Filing Years 2003 and 2004

play an integral role in defining the entity as well as determining factors such as exemption amounts. Distributable net income (DNI) acts as a limit to the deduction that fiduciaries can take for amounts distributed to beneficiaries. DNI is calculated by modifying the value of taxable income of the estate or trust. Generally, this modification includes adding the values of the distribution deduction, fiduciary income tax exemption, and tax-exempt interest and subtracting net capital gains [7]. The characteristics of the income of estates or trusts are retained after transfer to the beneficiary. For example, tax-exempt income distributed by a trust maintains its tax-exempt status once it is transferred to the beneficiary [8]. Distributions of taxable income must be included in the gross income amount on a beneficiary's *U.S. Individual Income Tax Return* (Form 1040) for that tax year. Schedule K-1, *Beneficiary's Share of Income, Deductions, Credits, Etc.* details the amounts and types of distributions made to a beneficiary and will be attached to the Form 1041 when the estate or trust claims an income distribution deduction.

### Taxation

The taxable income of an entity that files a Form 1041 is generally equal to the value of the gross income less total deductions. Schedule G of the return is used to calculate the income tax by applying the appropriate tax rate to the taxable income. For Tax Year 2002, the tax rates range from 15.0 percent for entities with taxable income less than \$1,851, to 38.6 percent for entities with taxable income greater than \$9,200. The tax rates for Tax Year 2003 range from 15.0 percent for entities with taxable income less than \$1,901, to 35.0 percent for entities with taxable income greater than \$9,350. The threshold for the highest tax bracket is far lower for fiduciaries than for individuals in Tax Years 2002 and 2003. The calculated amount is then added to any additional taxes, including alternative minimum, recapture, and household employment taxes, to determine the preliminary tax liability. The preliminary tax liability may then be reduced by the value of applicable credits, resulting in the final total tax liability of the estate or trust [9].

### Overview of Filers

The number of fiduciary tax returns filed has gradually increased during the last 20 years (Figure A)

[10]. In 1983, slightly more than 2.0 million trusts and estates filed Form 1041. The population of filers increased to approximately 3.7 million in 2004. This article will primarily focus on the trends in fiduciary income taxation for Filing Years 2003 and 2004 [11, 12].

The number of fiduciary tax returns filed decreased slightly, by 18,350 or 0.5 percent, from 2003 to 2004. The filing frequency of entity types changed little between the two years. Grantor trusts were the most common entity in both years; these trusts made up 35.5 percent of the population in 2004, slightly more than in 2003 (Figure B). Complex and simple trusts were also relatively common filers. Complex trusts comprised 33.1 percent of the population in 2004, while simple trusts comprised 20.3 percent. Only 890 pooled income funds filed Form 1041 in 2004, compared to 1,099 pooled income filers in 2003, making it the least common entity type in both years.

Overall, the gross income reported on Forms 1041 increased from \$71.3 billion in 2003 to \$85.2 billion in 2004. In 2004, estates and trusts claimed \$59.0 billion in deductions, an increase of 10.0 percent from 2003. Similarly, reported tax liability increased considerably between 2003 and 2004. Total tax liability reported in 2004 was \$9.4 billion, compared to \$7.9 billion in 2003. Complex trust filers reported the greatest share of aggregate gross income, total deductions, and total tax liability in 2004 (Figure C). Notably, complex trusts contributed nearly half of gross income and incurred nearly 70.0 percent of reported tax liability for both 2003 and 2004.

Capital gain (less loss) was the largest component of income reported by Form 1041 filers; approximately \$35.2 billion were reported in 2004 (Figure D). Ordinary dividends were the second largest share of gross income, contributing 23.0 percent of the aggregate reported gross income. Approximately \$21.5 million in farm income were reported in 2004, while a net loss of \$246.7 million was reported as ordinary gain (loss) in the same year. Deductions for income distributions to beneficiaries accounted for 60.6 percent of deductions claimed in 2004 (Figure

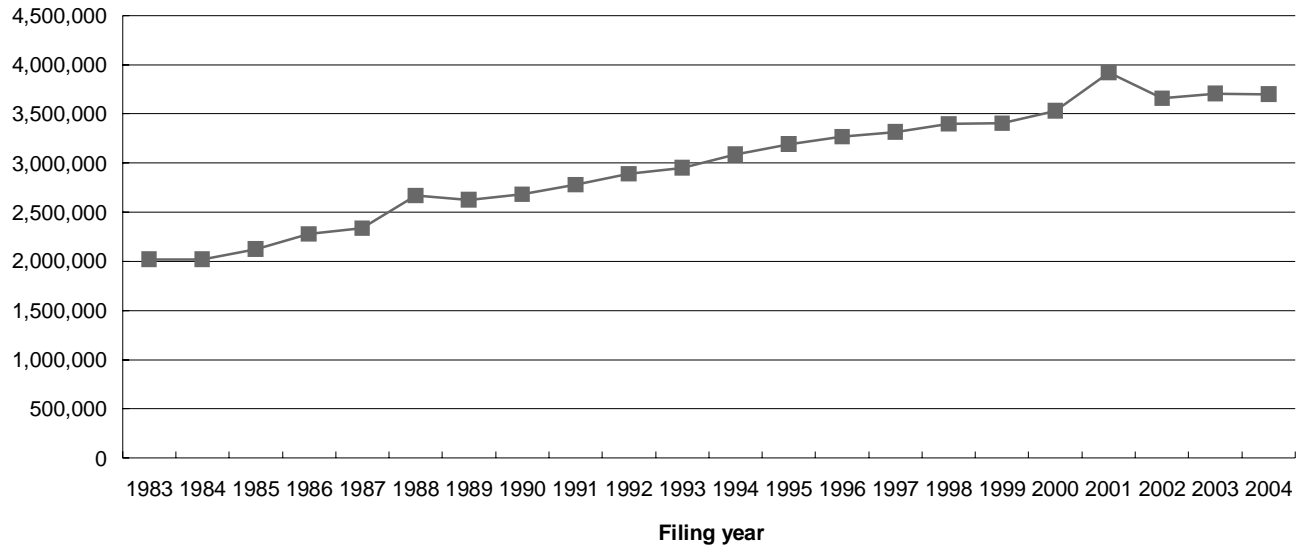
The number of fiduciary tax returns filed decreased slightly, by 18,350 or 0.5 percent, from 2003 to 2004.

# Fiduciary Income Tax Returns, Filing Years 2003 and 2004

**Figure A**

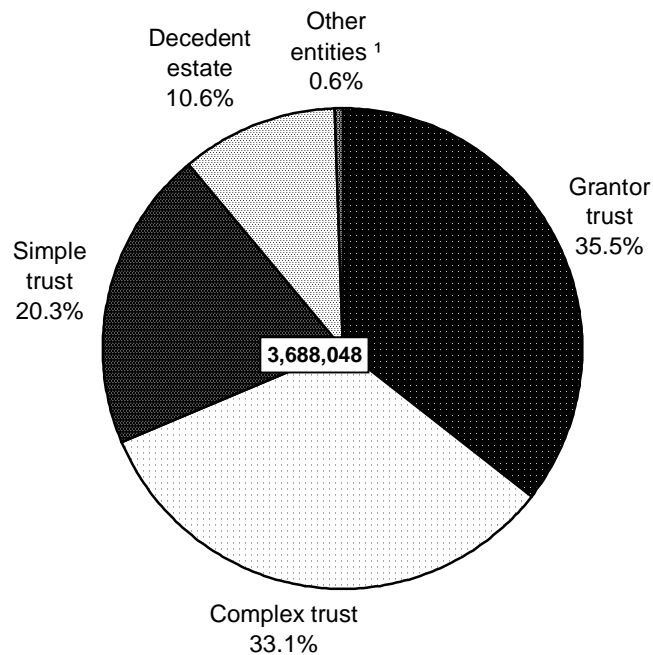
## Fiduciary Income Tax Returns, Filing Years 1983-2004

Number of returns filed



**Figure B**

## Distribution of Fiduciary Income Tax Returns, by Entity Type, Filing Year 2004



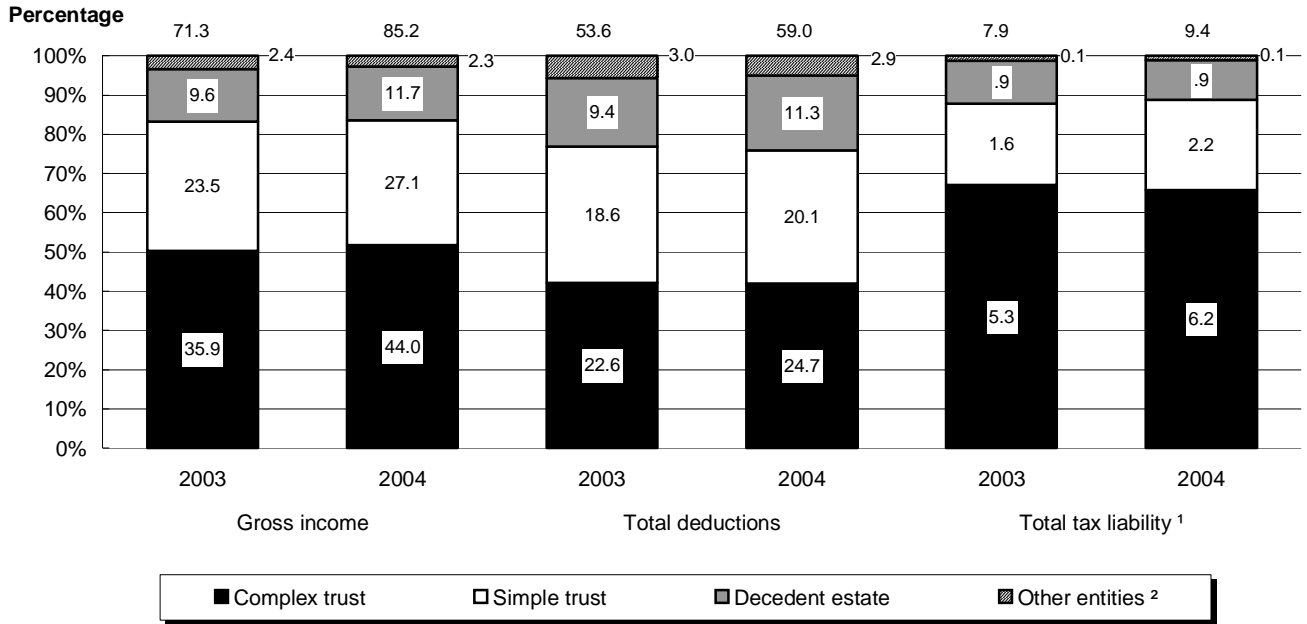
<sup>1</sup> Includes bankruptcy estates, split-interest trusts, qualified funeral trusts, qualified disability trusts, and pooled income funds.  
NOTE: Detail does not add to 100 percent due to rounding.

# Fiduciary Income Tax Returns, Filing Years 2003 and 2004

**Figure C**

## Distribution of Gross Income, Total Deductions, and Total Tax Liability, by Entity Type, Filing Years 2003 and 2004

[Money amounts are in billions of dollars]



<sup>1</sup> Tax liability amounts noted in this article are "settlement amounts," which include any changes made during processing or audit procedures. Therefore, these amounts may differ from the tax liability reported by the taxpayer on Form 1041.

<sup>2</sup> Includes grantor trusts, bankruptcy estates, split-interest trusts, qualified funeral trusts, qualified disability trusts, and pooled income funds.

E). The estate tax deduction made up the smallest share of deductions claimed; only \$189.5 million were claimed in Filing Year 2004 [13].

### Decedent Estates

The estate of a deceased person is a taxable entity until such time as the estate is resolved. The period of administration is defined as the time required for all assets to be distributed and all debts to be paid. Any income, including capital gains, earned by assets included in the estate during the period of administration is taxed to the estate and reported on Form 1041. A decedent estate is allowed an income deduction for the amount of the executor's discretionary distributions, required distributions, and property distributed in kind. A \$600 fiduciary income tax exemption was allowed for an estate during Tax Years 2002 and 2003. Property transferred to beneficiaries from an estate is assessed a value as of the date of the

decedent's death and is not taxable to the beneficiary [14]. Any increase in value accruing from that date, up to the date the asset is distributed, is reported on Form 1041.

Decedent estates made up a considerable portion of Form 1041 filers. More than 389,000 fiduciary tax returns were filed for estates in 2004, making up more than 10.9 percent of the filing population (Table 4). In 2004, reported tax liability increased to \$940.4 million from \$860.0 million in 2003 (Figure F). Decedent estates made up more than 13.7 percent of gross income reported by fiduciaries and more than 19.1 percent of total deductions claimed in 2004.

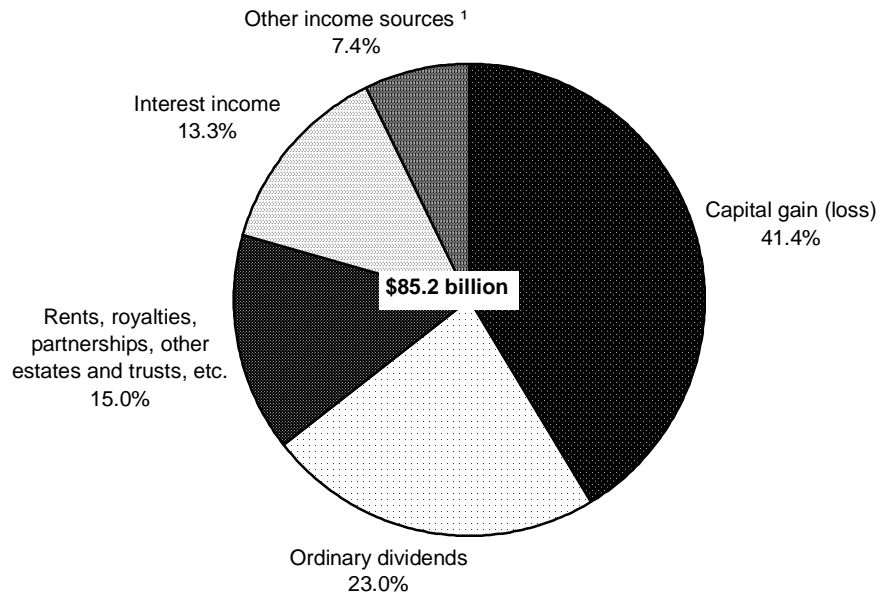
### Bankruptcy Estates

A bankruptcy estate is created when an individual debtor files for bankruptcy under Chapter 7 or Chapter 11 of the Bankruptcy Code [15]. Once bankruptcy is declared, property belonging to the

# Fiduciary Income Tax Returns, Filing Years 2003 and 2004

## Figure D

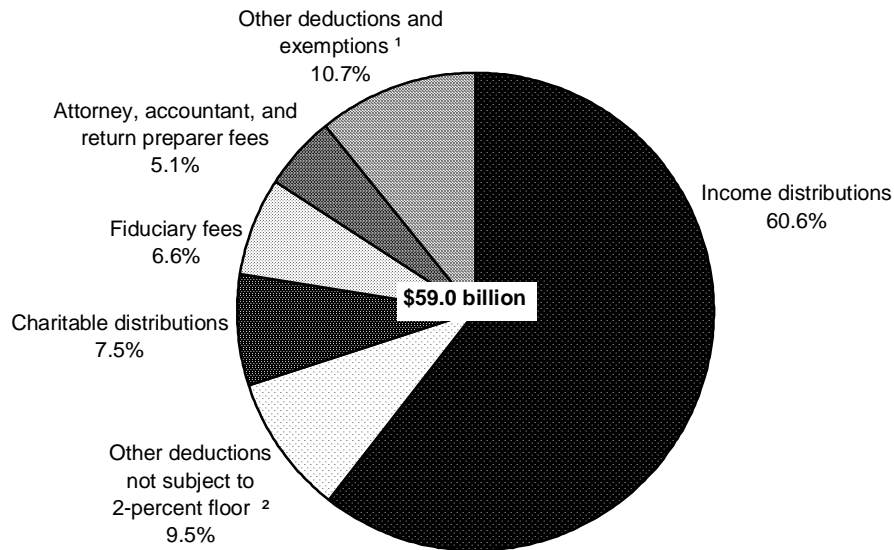
### Distribution of Gross Income, by Source of Income, Filing Year 2004



<sup>1</sup> Includes business income (loss), farm income (loss), ordinary gain (loss), and other income.  
 NOTE: Detail does not add to 100 percent due to rounding.

## Figure E

### Distribution of Total Deductions, by Type of Deductions, Filing Year 2004



<sup>1</sup> Includes interest paid, taxes paid, estate tax, standard exemptions, and allowable miscellaneous deductions.

<sup>2</sup> Includes amounts claimed under "Other deductions" (Form 1041, Line 15a), which may include bond premiums, casualty and theft losses, clean-fuel vehicle deductions, and net operating losses.

# Fiduciary Income Tax Returns, Filing Years 2003 and 2004

## Figure F

### Decedent Estates, Selected Items, Filing Years 2003 and 2004

[Money amounts are in thousands of dollars]

Item	2003			2004		
	Number	Amount	Percent <sup>1</sup>	Number	Amount	Percent <sup>1</sup>
	(1)	(2)	(3)	(4)	(5)	(6)
Gross income.....	373,567	9,557,402	13.4	357,935	11,701,830	13.7
Total deductions.....	386,378	9,437,678	17.6	373,691	11,288,082	19.1
Income distribution deduction.....	119,684	4,837,288	15.2	111,949	5,717,082	16.0
Taxable income <sup>2</sup> .....	88,626	2,916,800	10.4	87,602	3,896,873	10.1
Total tax liability <sup>3</sup> .....	87,253	860,017	10.9	87,095	940,446	10.0

<sup>1</sup> Percentage of the collective amount reported for this item on all Form 1041 returns.

<sup>2</sup> Only values greater than zero were recorded for taxable income.

<sup>3</sup> Tax liability amounts noted in this article are "settlement amounts," which include any changes made during processing or audit procedures. Therefore, these amounts may differ from tax liability amounts reported by the taxpayer on Form 1041.

debtor prior to filing is transferred to the bankruptcy estate [16]. A bankruptcy estate is taxed in the same manner as an individual and receives a standard deduction equal to the standard individual income tax deduction for married persons filing separately. In addition to Form 1041 filed by the estate trustee, debtors are required to file Form 1040.

In 2004, some 7,853 fiduciary tax returns were filed for bankruptcy estates as compared to 7,211 that were filed during 2003 (Table 2). Overall bankruptcies contributed a small amount to gross income and total deductions. The total tax liability for bankruptcies in 2004 was \$14.7 million, a 3.9-percent decrease from 2003 (Figure G).

### Simple Trusts

Simple trusts are defined by three main conditions. First, income from a simple trust may not be distributed to charitable beneficiaries. Second, distributions may not be made from the corpus of a simple trust. Finally, in order to be a simple trust, the trust instrument must require the trustee to distribute all of the trust's fiduciary accounting income to beneficiaries. However, the income distribution requirement does not mean that current income must actually be distributed to beneficiaries during the current tax year [17]. For example, a trust instrument may require distributions of income every 2 years, so that income may not be distributed currently for a given year.

## Figure G

### Bankruptcy Estates, Selected Items, Filing Years 2003 and 2004

[Money amounts are in thousands of dollars]

Item	2003			2004		
	Number	Amount	Percent <sup>1</sup>	Number	Amount	Percent <sup>1</sup>
	(1)	(2)	(3)	(4)	(5)	(6)
Gross income.....	331	-6,560	( <sup>2</sup> )	343	-19,721	( <sup>2</sup> )
Total deductions.....	154	21,781	( <sup>2</sup> )	114	13,585	( <sup>2</sup> )
Income distribution deduction.....	23	6,687	( <sup>2</sup> )	12	1,141	( <sup>2</sup> )
Taxable income <sup>3</sup> .....	162	4,200	( <sup>2</sup> )	203	2,242	( <sup>2</sup> )
Total tax liability <sup>4</sup> .....	1,341	15,277	0.2	1,660	14,688	0.2

<sup>1</sup> Percentage of the collective amount reported for this item on all Form 1041 returns.

<sup>2</sup> Represents less than 0.05 percent.

<sup>3</sup> Only values greater than zero were recorded for taxable income.

<sup>4</sup> Tax liability amounts noted in this article are "settlement amounts," which include any changes made during processing or audit procedures. Therefore, these amounts may differ from tax liability amounts reported by the taxpayer on Form 1041.

# Fiduciary Income Tax Returns, Filing Years 2003 and 2004

**Figure H**

## Simple Trusts, Selected Items, Filing Years 2003 and 2004

[Money amounts are in thousands of dollars]

Item	2003			2004		
	Number (1)	Amount (2)	Percent <sup>1</sup> (3)	Number (4)	Amount (5)	Percent <sup>1</sup> (6)
Gross income.....	717,860	23,497,647	32.9	716,003	27,121,295	31.8
Total deductions.....	735,691	18,579,516	34.6	735,761	20,051,762	34.0
Income distribution deduction.....	596,616	14,623,232	46.0	594,634	15,451,441	43.2
Taxable income <sup>2</sup> .....	150,323	6,990,353	24.9	161,824	10,060,566	26.1
Total tax liability <sup>3</sup> .....	148,812	1,631,684	20.7	161,459	2,160,003	23.1

<sup>1</sup> Percentage of the collective amount reported for this item on all Form 1041 returns.

<sup>2</sup> Only values greater than zero were recorded for taxable income.

<sup>3</sup> Tax liability amounts noted in this article are "settlement amounts," which include any changes made during processing or audit procedures. Therefore, these amounts may differ from tax liability amounts reported by the taxpayer on Form 1041.

However, the trust would qualify as a simple trust. These conditions are evaluated on a yearly basis. If a trust fails to meet any one of the three conditions, it is considered to be a complex trust for that tax year. It is possible for a trust to be considered a simple trust in one tax year and a complex trust the next tax year. For example, in years of partial liquidation or termination, a trust cannot be considered simple because corpus must be distributed. A simple trust may deduct all income required to be distributed currently to beneficiaries, up to the amount of distributable net income. The beneficiaries of a simple trust must include the value of their shares of the required distributions in their gross incomes for Federal income tax purposes for that tax year, regardless of whether or not the distributions were actually made. Additionally, a simple trust is allowed to claim a fiduciary income tax exemption of \$300.

Nearly 748,000 Forms 1041 were filed by simple trusts in 2004, a slight increase from the approximately 747,000 filed in 2003. Simple trusts accounted for 20.3 percent of fiduciary income tax returns filed in 2004. Figure H illustrates that simple trusts made considerable contributions to gross income, deductions, and total tax liability reported by 1041 filers for both years, contributing approximately one third of gross income and total deductions. In 2004, simple trusts claimed nearly half, 43.2 percent or \$15.5 billion, of the income distribution deduction, a slight decrease from the 46.0 percent claimed in 2003. The relatively large share of the annual aggregate income distribution deduction attributable to simple

trusts is due to the requirement that simple trusts distribute all of their fiduciary accounting income. The value of tax liability reported by simple trusts increased from \$1.6 billion in 2003 to \$2.2 billion in 2004.

### Complex Trusts

A complex trust is defined as any trust that does not meet the definition of a simple trust. Therefore, a complex trust must distribute to charitable purposes, distribute amounts from the corpus, or retain some current income by directive of the trust instrument. A complex trust receives a deduction for all amounts distributed in the current tax year as well as the trustee's discretionary distributions, the amount of annuities not paid from current-year income, and property distributed in kind by the trust during the tax year, as long as such distributions are allowed by the trust instrument and State law. The value of the deduction is limited to the distributable net income. Similar to a simple trust, distributions do not have to actually be made available to the beneficiary during the tax year in order for the trust to claim the distribution deduction. Any income that is not distributed by a complex trust will be taxable to the trust. Beneficiaries must include the value of their shares of the required distributions in their gross incomes on *U.S. Individual Income Tax Return* (Form 1040) for the appropriate tax year, regardless of whether or not the required distribution was made. A complex trust is entitled to a fiduciary income tax exemption of \$300 if the trust instrument or local law requires all



## Fiduciary Income Tax Returns, Filing Years 2003 and 2004

income to be distributed currently, even if the full distribution to the beneficiaries does not occur during that tax year. If the trust is not required to distribute all of its income currently, it is entitled to a \$100 fiduciary income tax exemption. A generation-skipping trust, defined by having beneficiaries that are two or more generations below the grantor's generation, is typically a type of complex trust.

Approximately 1.2 million fiduciary income tax returns were filed for complex trusts in Filing Year 2004, slightly more than were filed in 2003. Complex trusts were the dominant contributor to gross income, total deductions, and total tax liability. From 2003 to 2004, the gross income of complex trusts increased by \$8.1 billion to \$44.0 billion, more than half of the total value of income reported on all Forms 1041 in 2004 (Figure I). Complex trusts were second only to simple trusts in the aggregate value of income distribution deductions. Complex trusts that filed in 2004 claimed income distribution deductions of \$13.1, an increase from the \$11.1 billion claimed in 2003. Complex trusts generated 65.7 percent of total tax liability reported on all Forms 1041 filed in 2004.

### Grantor Trusts

A grantor trust differs from other types of trusts in that the grantor retains control over a portion of the trust corpus, income, or both [18]. As such, the grantor is treated as the owner of that portion of the trust and is therefore taxed directly on the income of the portion under his or her control. The grantor must report any income earned from the trust assets

on his or her Federal individual income tax return. A grantor is said to have control over the trust corpus or income if he, she, or a nonadverse party, has a reversionary interest exceeding 5 percent, certain administrative powers including the ability to borrow from the trust funds, power to revoke the trust or revest the corpus, or power to distribute income for the benefit of the grantor or the grantor's spouse [19]. Only the entity information portion of Form 1041 is completed for grantor trusts; dollar amounts are reported on attachments. A grantor trust is not taxable and therefore not entitled to a fiduciary income tax exemption [20]. A trust that is a combined grantor and complex or simple trust is taxable and entitled to claim an exemption of \$300 or \$100. A \$300 exemption is allowed if the trustee is required by the trust instrument to distribute all of the trust's fiduciary accounting income. If there is no such requirement, a \$100 exemption is allowed.

Grantor trusts were the most common entity type among Forms 1041 filed for 2003 and 2004. The 1.3-million grantor trust returns filed for 2004 made up 35.5 percent of the population of fiduciary income tax returns [21]. However, Figure J illustrates that grantor trusts did not account for a large proportion of the gross income, total deductions, or total tax liability reported in 2003 or 2004. Only 1.9 percent of grantor trusts reported tax liability in Filing Year 2004.

### Split-Interest Trusts

There are three types of split-interest trusts for the purposes of Form 1041: charitable remainder

**Figure I**

### Complex Trusts, Selected Items, Filing Years 2003 and 2004

[Money amounts are in thousands of dollars]

Item	2003			2004		
	Number (1)	Amount (2)	Percent <sup>1</sup> (3)	Number (4)	Amount (5)	Percent <sup>1</sup> (6)
Gross income.....	1,148,965	35,897,783	50.3	1,156,883	44,036,120	51.7
Total deductions.....	1,191,298	22,600,280	42.1	1,204,393	24,730,936	41.9
Income distribution deduction.....	442,820	11,136,502	35.0	442,630	13,126,371	36.7
Taxable income <sup>2</sup> .....	480,889	17,842,169	63.6	489,867	24,155,795	62.8
Total tax liability <sup>3</sup> .....	473,627	5,295,565	67.2	479,896	6,151,144	65.7

<sup>1</sup> Percentage of the collective amount reported for this item on all Form 1041 returns.

<sup>2</sup> Only values greater than zero were recorded for taxable income.

<sup>3</sup> Tax liability amounts noted in this article are "settlement amounts," which include any changes made during processing or audit procedures. Therefore, these amounts may differ from tax liability amounts reported by the taxpayer on Form 1041.

# Fiduciary Income Tax Returns, Filing Years 2003 and 2004

**Figure J**

## Grantor Trusts, Selected Items, Filing Years 2003 and 2004

[Money amounts are in thousands of dollars]

Item	2003			2004		
	Number (1)	Amount (2)	Percent <sup>1</sup> (3)	Number (4)	Amount (5)	Percent <sup>1</sup> (6)
Gross income.....	27,187	1,443,812	2.0	23,331	1,291,181	1.5
Total deductions.....	25,351	1,511,724	2.8	21,561	1,625,424	2.8
Income distribution deduction.....	15,682	1,041,269	3.3	12,870	1,281,130	3.6
Taxable income <sup>2</sup> .....	6,289	62,862	0.2	6,417	88,543	0.2
Total tax liability <sup>3</sup> .....	5,760	35,031	0.4	5,226	50,255	0.5

<sup>1</sup> Percentage of the collective amount reported for this item on all Form 1041 returns.

<sup>2</sup> Only values greater than zero were recorded for taxable income.

<sup>3</sup> Tax liability amounts noted in this article are "settlement amounts," which include any changes made during processing or audit procedures. Therefore, these amounts may differ from tax liability amounts reported by the taxpayer on Form 1041.

unitrusts (CRUT's), charitable remainder annuity trusts (CRAT's), and charitable lead trusts (CLT's) [22]. Charitable remainder unitrusts and charitable remainder annuity trusts both distribute specified amounts to noncharitable beneficiaries on an annual basis for a fixed period, after which the remaining value of the trust is disbursed to a charitable beneficiary [23]. The annual distribution amount for CRUT's is a fixed percentage of the fair market value of the trust assets for that tax year. CRAT's distribute a fixed amount annually, which is calculated as a percentage of the fair market value of the trust on its creation date. Both types of remainder annuity trusts are exempt from income taxation and are not required to file Form 1041, unless they were created prior to July 31, 1969, or have unrelated business income [24].

A charitable lead trust distributes fiduciary accounting income to a charitable beneficiary for a predetermined period of years. At the end of the period, the trust terminates and a designated non-charitable beneficiary receives the remainder interest of the trust. Generally, a CLT must file Form 1041 and is usually treated similar to a grantor trust for tax computation purposes [25]. When the trust is created, the grantor is entitled to an income tax deduction equal to the present value of the charitable contribution. However, the grantor must include any annual income from the trust assets in the gross income reported on his or her Federal individual income tax return. The trust receives an annual fiduciary income tax deduction equal to the value of

the charitable distribution. A charitable lead trust that has been classified as a grantor trust is not entitled to an exemption. A nongrantor CLT is entitled to a \$300 fiduciary income tax exemption if the trust instrument requires all fiduciary accounting income to be distributed currently; otherwise, the exemption is limited to \$100.

The number of Forms 1041 filed for split-interest trusts increased from 4,980 in 2003 to 6,194 in 2004. Despite the 24.3-percent increase in the number of filers, the contribution to aggregate gross income, total deductions, and total tax liability by these filers declined slightly over the period. In 2004, split-interest trusts reported gross income of \$856.4 million, total deductions of \$1.2 billion, and total tax liability of \$32.8 million (Figure K).

### Qualified Funeral Trusts

Qualified Funeral Trust (QFT) status was first made available through the Taxpayer Relief Act of 1997, which created Form 1041-QFT [26]. Form 1041-QFT is a specialized version of the fiduciary return that can only be filed by a qualified funeral trust. A qualified funeral trust, often called a "preneed funeral trust," is created to hold and invest funds that will ultimately be used to pay for funeral or burial services for the trust beneficiary. The trust acts as a contract between the beneficiary and the providers of the services, including funeral homes and crematories. A qualified funeral trust is treated as a separate taxable entity. A QFT must pay taxes on all income and capital gains on assets included in the trust.

# Fiduciary Income Tax Returns, Filing Years 2003 and 2004

## Figure K

### Split-Interest Trusts, Selected Items, Filing Years 2003 and 2004

[Money amounts are in thousands of dollars]

Item	2003			2004		
	Number	Amount	Percent <sup>1</sup>	Number	Amount	Percent <sup>1</sup>
	(1)	(2)	(3)	(4)	(5)	(6)
Gross income.....	4,676	774,846	1.1	5,789	856,365	1.0
Total deductions.....	4,806	1,375,686	2.6	5,869	1,174,943	2.0
Income distribution deduction.....	2,144	112,328	0.4	2,450	101,394	0.3
Taxable income <sup>2</sup> .....	733	126,482	0.5	1,101	176,199	0.5
Total tax liability <sup>3</sup> .....	740	32,565	0.4	1,088	32,802	0.4

<sup>1</sup> Percentage of the collective amount reported for this item on all Form 1041 returns.

<sup>2</sup> Only values greater than zero were recorded for taxable income.

<sup>3</sup> Tax liability amounts noted in this article are "settlement amounts," which include any changes made during processing or audit procedures. Therefore, these amounts may differ from tax liability amounts reported by the taxpayer on Form 1041.

Annual contributions to the trust must be made by, or for the benefit of the beneficiaries, and could not exceed \$7,700 for Tax Year 2002 or \$7,800 for Tax Year 2003. No fiduciary income tax exemption is allowed for preneed funeral trusts. The trustee may file an aggregate Form 1041-QFT for all qualified funeral trusts under his or her control [27].

In 2004, there were 3,548 Forms 1041-QFT filed, a slight increase from the 3,376 that were filed in 2003. Approximately 3.0 million preneed funeral trusts were reported on Forms 1041-QFT in 2004, a considerable reduction from the 3.8 million in 2003. Qualified funeral trusts reported \$97.8 million in taxable income in Filing Year 2003 and \$105.4 million in 2004 (Figure L). In both tax years, QFT's were

liable for approximately 0.1 percent of total tax liability owed by estates and trusts.

#### Qualified Disability Trusts

A qualified disability trust (QDT's) is a trust created to benefit individuals who are disabled and under the age of 65. A QDT is generally considered a type of complex trust. When the trust is created, all beneficiaries must have been disabled, as determined by the Commissioner of Social Security, during some part of the tax year. This type of trust is typically designed to distribute income to beneficiaries in a manner that does not negate the beneficiaries' eligibility for medical disability benefits under the Social Security Act. A trust may remain a qualified disability trust

## Figure L

### Qualified Funeral Trusts, Selected Items, Filing Years 2003 and 2004

[Money amounts are in thousands of dollars]

Item	2003			2004		
	Number	Amount	Percent <sup>1</sup>	Number	Amount	Percent <sup>1</sup>
	(1)	(2)	(3)	(4)	(5)	(6)
Gross income.....	3,257	97,818	0.1	3,407	105,353	0.1
Total deductions.....	2,860	32,203	0.1	2,951	30,753	0.1
Income distribution deduction.....	58	26	( <sup>2</sup> )	66	11	( <sup>2</sup> )
Taxable income <sup>3</sup> .....	2,733	81,242	0.3	2,741	103,992	0.3
Total tax liability <sup>4</sup> .....	2,407	9,245	0.1	2,643	8,370	0.1

<sup>1</sup> Percentage of the collective amount reported for this item on all Form 1041 returns.

<sup>2</sup> Represents less than 0.05 percent.

<sup>3</sup> Only values greater than zero were recorded for taxable income.

<sup>4</sup> Tax liability amounts noted in this article are "settlement amounts," which include any changes made during processing or audit procedures. Therefore, these amounts may differ from tax liability amounts reported by the taxpayer on Form 1041.

## Fiduciary Income Tax Returns, Filing Years 2003 and 2004

even if the corpus may eventually revert to a person without a disability after the trust ceases to have disabled beneficiaries. A fiduciary income tax exemption of up to \$3,000 for Tax Year 2002 and \$3,050 for Tax Year 2003 is allowed for a QDT [28]. The beneficiaries are required to report the value of distributions they receive from the trust on their Forms 1040 as part of their gross incomes. The trust is taxed on any undistributed fiduciary accounting income, which is reported on Form 1041.

Qualified disability trusts make up a small but growing proportion of fiduciary returns. From 2003 to 2004, the number of QDT filings increased from 1,905 to 3,230, an increase of 69.6 percent. In Filing Year 2004, qualified disability trusts reported \$41.3 million in gross income and claimed \$45.2 million in total deductions (Figure M).

### Pooled Income Fund

A pooled income fund is a type of split-interest trust into which grantors to a charitable organization contribute their assets to a pool of donated assets and receive income payments for the remainder of the grantors' lifetimes [29]. The pooled assets are invested by the recipient, or donee, which is often a large educational institution or charity [30]. Each year, grantors receive an income stream based on the ratio of their contribution to the value of the investment pool and the return of the fund for that year. After the donor's death, the charity receives the grantor's prorated share of the value of the pooled income

fund. A grantor receives a tax deduction on his or her Federal individual income tax return at the time of his or her irrevocable donation equal to the estimated value of the final charitable contribution. The annual distribution that a grantor receives from the pooled income fund is reported as gross income on his or her Form 1040. Pooled income funds are allowed a fiduciary income tax exemption of \$100. The exemption value increases to \$300 if the fund is required by its trust instrument to distribute all of its income currently.

Pooled income funds are the least common entity type of all Form 1041 filers. The number of filers decreased from 1,099 in 2003 to 890 in 2004. PIF's contributed less than 0.1 percent to gross income, total deductions, and total tax liability for Filing Years 2003 and 2004 (Figure N).

### Summary

In 2004, approximately 3.7 million estates and trusts filed income tax returns. The number of Forms 1041 filed decreased by 0.5 percent from the number of returns filed in 2003. Grantor trusts were the most common type of trust for which a Form 1041 was filed in 2003 and 2004. Complex trusts, however, made up the greatest share of aggregate gross income, total deductions, and total tax liability in 2003 and 2004. Capital gains made up the largest share of income reported in both years, while income distributions to beneficiaries accounted for the largest portion of deductions claimed.

**Figure M**

### Qualified Disability Trusts, Selected Items, Filing Years 2003 and 2004

[Money amounts are in thousands of dollars]

Item	2003			2004		
	Number	Amount	Percent <sup>1</sup>	Number	Amount	Percent <sup>1</sup>
	(1)	(2)	(3)	(4)	(5)	(6)
Gross income.....	1,761	31,186	( <sup>2</sup> )	3,033	41,280	( <sup>2</sup> )
Total deductions.....	1,740	22,108	( <sup>2</sup> )	3,046	45,198	0.1
Income distribution deduction.....	351	13,039	( <sup>2</sup> )	569	25,622	0.1
Taxable income <sup>3</sup> .....	394	13,619	( <sup>2</sup> )	639	7,678	( <sup>2</sup> )
Total tax liability <sup>4</sup> .....	358	4,985	0.1	631	2,217	( <sup>2</sup> )

<sup>1</sup> Percentage of the collective amount reported for this item on all Form 1041 returns.

<sup>2</sup> Represents less than 0.05 percent.

<sup>3</sup> Only values greater than zero were recorded for taxable income.

<sup>4</sup> Tax liability amounts noted in this article are "settlement amounts," which include any changes made during processing or audit procedures. Therefore, these amounts may differ from tax liability amounts reported by the taxpayer on Form 1041.

# Fiduciary Income Tax Returns, Filing Years 2003 and 2004

**Figure N**

## Pooled Income Funds, Selected Items, Filing Years 2003 and 2004

[Money amounts are in thousands of dollars]

Item	2003			2004		
	Number	Amount	Percent <sup>1</sup>	Number	Amount	Percent <sup>1</sup>
	(1)	(2)	(3)	(4)	(5)	(6)
Gross income.....	920	36,846	0.1	766	35,569	( <sup>2</sup> )
Total deductions.....	928	41,535	0.1	767	36,619	0.1
Income distribution deduction.....	840	29,254	0.1	702	28,204	0.1
Taxable income <sup>3</sup> .....	30	979	( <sup>2</sup> )	107	553	( <sup>2</sup> )
Total tax liability <sup>4</sup> .....	82	128	( <sup>2</sup> )	104	95	( <sup>2</sup> )

<sup>1</sup> Percentage of the collective amount reported for this item on all Form 1041 returns.

<sup>2</sup> Represents less than 0.05 percent.

<sup>3</sup> Only values greater than zero were recorded for taxable income.

<sup>4</sup> Tax liability amounts noted in this article are "settlement amounts," which include any changes made during processing or audit procedures. Therefore, these amounts may differ from tax liability amounts reported by the taxpayer on Form 1041.

### Data Sources and Limitations

The data presented in this article were collected from returns processed for administrative purposes in Filing Years 2003 and 2004. A filing year includes returns submitted to the IRS for processing between January 1 and December 31 of that year. A filing year is primarily comprised of returns for the tax year immediately prior. However, a filing year may include returns from numerous other tax years. For example, Filing Year 2003 includes more than 3.5 million returns for Tax Year 2002, or 94.7 percent of the population for that year. About 3.6 percent of the Filing Year 2004 population is for Tax Year 2003. The remaining returns range from Tax Year 1965 to 2001. Returns filed for Tax Year 2003 make up 94.4 percent of Filing Year 2004 population. Tax Year 2004 filings make up 3.5 percent of the Filing Year 2004 population.

Filers of Form 1041 do not represent the universe of all trusts, particularly grantor trusts. Optional filing methods allow grantor trusts with a single grantor to report trust income through the U.S. *Individual Income Tax Return* (Form 1040) of the grantor.

All amounts were recorded prior to any audit or taxpayer correction subsequent to the original filed return, with the exception of tax liability. Tax liability amounts noted in this article are "settlement amounts," which include any changes made during processing or audit procedures. Therefore, these amounts may differ from the tax liability reported by the taxpayer on Form 1041.

The data were extracted from the Internal Revenue Service (IRS) Returns Transaction File (RTF). A total of 3,762,867 and 3,766,123 Form 1041 returns were recorded on the RTF for Filing Years 2003 and 2004, respectively. Of those, 32,606 returns from 2003 and 39,441 returns from 2004 were found to be amended returns filed for the prior tax year and were removed from the populations for the purposes of this study. The data presented in this article have been tabulated using these adjusted populations of Form 1041.

Fiduciary income tax returns are processed according to the guidelines presented in the *Internal Revenue Manual for Returns and Documents Analysis for Income Tax Returns for Estate and Trusts*. The resulting data are recorded on the RTF. Tests were run on the data to check for and correct nonsampling errors. Common types of errors found in the processing data included keying errors and incorrect mathematical calculations.

### Explanation of Selected Terms

*Adverse party.*--An adverse party is any person who has substantial interest in the trust such that any exercise or nonexercise of the grantor's power would have an adverse effect. Beneficiaries are often classified as adverse parties in that the grantor's actions will affect the amount of the distribution the beneficiaries will receive. The specific conditions required of an adverse party are discussed in Internal Revenue Code section 672(a).

## Fiduciary Income Tax Returns, Filing Years 2003 and 2004

*Adjusted gross income.*--Adjusted gross income is calculated by subtracting interest, taxes, fiduciary fees, charitable deductions, preparer fees, other deductions, and allowable miscellaneous deductions from the gross income.

*Allowable miscellaneous deductions.*--Allowable miscellaneous deductions are expenses for the production or collection of income, including investment advisory fees and subscriptions to investment advisory publications. In addition, bond premiums, certain losses and costs, and an estate or trust's share of amortization, depreciation, and depletion not claimed elsewhere are included.

*Corpus.*--The corpus of a trust consists of the original assets transferred into the trust. Often referred to as the body of the trust, the corpus may generate income streams.

*Distributable net income (DNI).*--Distributable net income is the amount of income available for distributions by the estate or trusts. DNI is calculated by modifying the value of taxable income of the estate or trust. Generally, this modification includes adding the values of the distribution deduction, fiduciary income tax exemption, and tax-exempt interest and subtracting net capital gains. For a more detailed definition, see Internal Revenue Code section 643(a).

*Electing Small Business Trust (ESBT).*--An ESBT is a trust in which beneficiaries are considered shareholders of a subchapter S corporation.

*Fiduciary Accounting Income (FAI).*--Fiduciary accounting income is defined under Internal Revenue Code Section 643(b) as "the amount of income of the estate or trust for the taxable year determined under the terms of the governing instrument and applicable local law." Fiduciary accounting income generally does not include capital gains (less losses), which are considered to be apportioned to the corpus by many trust instruments as well as State laws.

*Grantor.*--A grantor is the individual who previously owned and subsequently transferred the assets comprising the corpus into the trust.

*Gross income (loss).*--Gross income (loss) is the aggregate sum of all income from an estate or trust including: interest, ordinary dividends, business income (loss); capital gain (loss); rents, royalties, partnership income (loss), and income from other estates and trusts; farm income; ordinary gains (loss); and other income. Gross income is labeled total income on Form 1041.

*Other payments.*--Other payments include credits for taxes paid on undistributed capital gains and credits for Federal taxes on fuels.

*Taxable estate or trust.*--A taxable estate or trust is one that incurs a tax liability after tax credits.

*Taxable income.*--Taxable income is the amount that remains after total deductions are subtracted from gross income (only recorded for values greater than zero).

*Total deductions.*--Total deductions are the aggregate sum of all reported deductions, which includes amounts for interest paid, taxes paid, and fees, charitable contributions, allowable miscellaneous items, income distribution to beneficiaries, and the standard exemption.

*Total income.*--See "Gross Income" above.

*Total tax liability.*--Total tax liability is the calculated tax obligation incurred by the estate or trust based on taxable income, less tax credits, plus recapture, alternative minimum, and household employment taxes.

### Notes and References

- [1] Form 1041 also collects information not directly related to tax calculations, including the formal name of the trust or estate as well as the fiduciary's and the preparer's names and contact information. The employer identification number (or the taxpayer identification number) is a permanent nine-digit number that identifies the entity for reporting purposes.
- [2] A nonresident alien is an individual who is neither a resident nor a citizen of the United States.
- [3] The filing threshold is calculated by adding the Federal individual income tax standard deduction and the exemption for a married individual filing separately. Any bankruptcy estate with a gross income above that threshold is required to file a fiduciary income tax return.
- [4] Income in respect of a decedent or IRD is income earned but not received by the decedent as of the date of death, and therefore not included on the decedent's final individual income tax return. The decedent's right to receive the income is subject to estate tax, and the income, when received, is taxable to the estate or other recipient. A deduction for the

## Fiduciary Income Tax Returns, Filing Years 2003 and 2004

estate tax attributable to the item is allowed on Form 1041. For more information, see Treasury Regulation 1.691(a) or Bittker, Clark, and McCouch, *Federal Estate and Gift Taxation*, (2005), St. Paul, Minnesota, Thomson/West, p. 188.

- [5] For additional information on fiduciary accounting income, see Internal Revenue Code Section 643(b) or the “Explanation of Selected Terms” portion of this article.
- [6] The aggregate of miscellaneous itemized deductions is only deductible to the extent that the aggregate amount of the deduction exceeds 2 percent of the adjusted gross income of the estate or trust.
- [7] For more detailed information regarding the calculation of DNI, see Internal Revenue Code section 643(a).
- [8] For further detail regarding the transfer of assets to beneficiaries, see Treasury Regulation 1.652(b)-1.
- [9] However, some types of trusts do not calculate tax liability on Form 1041. For example, bankruptcy estates use Form 1040 to calculate liability, while electing small business trusts (ESBT’s) utilize a specialized tax calculation worksheet.
- [10] These numbers were obtained from the “Selected Returns and Forms Filed or To Be Filed by Type During Specified Calendar Years” table included in the historical section of the *Statistics of Income Bulletin*. For Calendar Years 1986 to 1988, the total number of returns filed includes the number of Forms 1041-S (U.S. Fiduciary Income Tax Return for Non-taxable Simple Trusts) filed in addition to the number of Forms 1041.
- [11] A filing year contains all returns submitted to IRS processing between January 1 and December 31 of that year. A filing year primarily includes returns filed for the tax year immediately prior to the filing year; however, returns filed for other tax years are also included.
- [12] This is the first time in 5 years that Statistics of Income (SOI) has published data regarding

Form 1041. See Mikow, Jacob (2000), “Fiduciary Income Tax Returns, 1997,” *Statistics of Income Bulletin*, Winter 2000-2001, Volume 20, Number 3.

- [13] The estate tax deduction is equal to the value of tax paid on the *Federal Estate Tax Return* (Form 706) for estate or trust income that was previously included in a decedent’s gross income.
- [14] For more information on estates and the *Federal Estate Tax Return* (Form 706), see Eller, Martha, “Which Estates Are Affected by the Federal Estate Tax? An Examination of the Filing Population for Year-of-Death 2001,” *Statistics of Income Bulletin*, Summer 2005, Volume 25, Number 2.
- [15] For more information on bankruptcy estates, see Internal Revenue Code section 1398.
- [16] At the time of filing for bankruptcy, the debtor may own some types of property that will not be included in a bankruptcy estate. For detailed information regarding these types of property, see U.S. Code Title 11, Chapter 5, Subchapter III, section 541.
- [17] A trust document may require that the trustee distribute current income periodically but not yearly. There are instances when the trustee is only required to distribute current income when convenient or after income has accumulated beyond a specific dollar amount. For further detail regarding trust distributions, see Internal Revenue Code section 651.
- [18] A Form 1041 does not need to be filed for a grantor trusts if the trustee chooses an optional filing method. Optional Method 1 can be selected for trusts that are owned by only one grantor (a husband and wife who will file a joint income tax return for that tax year are considered to be a single grantor). Under this optional method, trust income, deductions, and credits are taken into account when figuring the grantor personal taxable income on his or her *U.S. Individual Income Tax Return* (Form 1040).
- [19] For further detail regarding grantor trust qualities, refer to Internal Revenue Code sections 673 through 676.

## Fiduciary Income Tax Returns, Filing Years 2003 and 2004

- [20] Grantor trusts are classified as taxable trusts under IRS guidelines if any income or deductions are claimed on Form 1041 even if the trust incurs no tax liability.
- [21] Of the 1.3 million grantor trusts filed in 2004, approximately 25,000 were classified as taxable grantor trusts.
- [22] Pooled income funds, generally considered to be a type of split-interest trust, are considered to be a separate entity for Form 1041 filing purposes.
- [23] Charitable remainder trusts are further discussed in Treasury Regulations 1.664-1, 1.664-2, and 1.664-3, as well as Internal Revenue Code section 651(a).
- [24] Annuity trusts that are not required to file Form 1041 must file Form 1041-A, *U.S. Information Return Trust Accumulation of Charitable Amounts*, as well as Form 5227, *Split-interest Trust Information Return*.
- [25] As a type of grantor trust, charitable lead trusts may not be required to file Form 1041 under

Optional Method 1, which allows grantor trusts with a single grantor or owner to report trust income on his or her *U.S. Individual Tax Return* (Form 1040).

- [26] Qualified funeral trusts may file Form 1041-QFT only if they have applied for and received QFT status. Otherwise, they complete Form 1041 as a grantor trust. For more information on QFT's, see Internal Revenue Code section 685.
- [27] The number of qualified funeral trusts included on a single return is entered on line 4 of Part I of Form 1041-QFT.
- [28] Qualified disability trusts are entitled to a fiduciary income tax exemption equal to the Federal individual income tax exemption for a single taxpayer for the relevant tax year.
- [29] Pooled income funds are discussed in detail in Internal Revenue Code section 642(c)(5)(a).
- [30] Pooled income funds are restricted in their investments in that they may not invest in tax-exempt securities.

SOURCE: IRS, Statistics of Income Bulletin, Fall 2005, Publication 1136. (Rev. 12-05.)



# Fiduciary Income Tax Returns, Filing Years 2003 and 2004

**Table 1.--Fiduciary Income Tax Returns, Income, Deductions, and Tax Liability, by Tax Status and Size of Gross Income, Filing Year 2003**

[Money amounts are in thousands of dollars]

Tax status, size of gross income	Gross income		Income					
			Interest income		Ordinary dividends		Business income (less loss)	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All returns, total.....</b>	<b>3,669,698</b>	<b>71,330,780</b>	<b>1,653,198</b>	<b>12,276,053</b>	<b>1,660,880</b>	<b>16,698,888</b>	<b>19,006</b>	<b>150,058</b>
Less than zero.....	332,768	-1,859,392	187,710	223,940	250,284	273,423	3,974	-139,343
Zero income.....	1,391,174	--	801	2,967	736	913	32	-511
\$1 under \$1,000.....	447,753	159,049	300,701	104,005	250,239	173,013	1,326	120
\$1,000 under \$10,000.....	786,973	3,402,902	585,478	1,290,593	597,465	1,950,739	4,566	4,360
\$10,000 under \$100,000.....	611,744	18,248,506	494,481	4,278,694	483,645	5,805,004	6,795	72,733
\$100,000 under \$1,000,000.....	92,058	22,926,990	77,542	2,914,763	72,400	4,298,766	2,088	131,746
\$1,000,000 or more.....	7,228	28,452,726	6,485	3,461,092	6,111	4,197,029	235	80,953
<b>Taxable returns, total.....</b>	<b>720,380</b>	<b>42,896,669</b>	<b>534,127</b>	<b>4,905,950</b>	<b>559,272</b>	<b>8,107,540</b>	<b>5,787</b>	<b>98,121</b>
Less than zero.....	545	-24,046	363	12,354	429	2,338	11	-16,402
Zero income.....	2,386	--	--	--	--	--	--	--
\$1 under \$1,000.....	130,777	61,019	82,074	27,470	77,354	35,758	349	58
\$1,000 under \$10,000.....	275,951	1,172,364	198,070	363,913	213,100	553,866	1,586	2,732
\$10,000 under \$100,000.....	252,080	8,198,029	203,722	1,487,390	217,305	2,471,054	2,537	23,177
\$100,000 under \$1,000,000.....	53,628	13,875,903	45,362	1,426,674	46,559	2,510,793	1,153	54,054
\$1,000,000 or more.....	5,013	19,613,401	4,536	1,588,149	4,525	2,533,730	151	34,502
<b>Nontaxable returns, total.....</b>	<b>2,949,318</b>	<b>28,434,111</b>	<b>1,119,071</b>	<b>7,370,103</b>	<b>1,101,608</b>	<b>8,591,349</b>	<b>13,219</b>	<b>51,937</b>
Less than zero.....	332,223	-1,835,346	187,347	211,586	249,855	271,085	3,963	-122,941
Zero income.....	1,388,788	--	801	2,967	736	913	32	-511
\$1 under \$1,000.....	316,976	98,030	218,627	76,536	172,885	137,255	977	61
\$1,000 under \$10,000.....	511,022	2,230,538	387,408	926,680	384,365	1,396,873	2,970	1,628
\$10,000 under \$100,000.....	359,664	10,050,478	290,759	2,791,303	266,340	3,333,950	4,258	49,556
\$100,000 under \$1,000,000.....	38,430	9,051,087	32,180	1,488,088	25,841	1,787,973	935	77,692
\$1,000,000 or more.....	2,215	8,839,325	1,949	1,872,943	1,586	1,663,300	84	46,452

Tax status, size of gross income	Income--Continued							
	Capital gain (less loss)		Rents, royalties, partnerships, other estates and trusts, etc.		Farm income (less loss)		Ordinary gain (less loss)	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>All returns, total.....</b>	<b>1,474,954</b>	<b>25,266,739</b>	<b>411,159</b>	<b>11,351,176</b>	<b>19,469</b>	<b>3,346</b>	<b>40,951</b>	<b>-87,692</b>
Less than zero.....	311,770	-772,272	40,774	-993,968	4,337	-93,404	8,463	-229,445
Zero income.....	1,044	3,106	374	-8,760	39	34	80	-302
\$1 under \$1,000.....	140,638	-121,005	22,656	-4,094	1,080	-1,284	1,586	-1,252
\$1,000 under \$10,000.....	484,991	-302,747	119,623	293,988	5,718	7,792	8,175	-5,378
\$10,000 under \$100,000.....	454,635	3,382,025	181,438	3,207,288	7,045	66,588	15,233	2,320
\$100,000 under \$1,000,000.....	75,495	8,912,800	42,084	4,690,781	1,116	34,647	6,345	6,946
\$1,000,000 or more.....	6,381	14,164,832	4,210	4,165,940	134	-11,027	1,069	139,419
<b>Taxable returns, total.....</b>	<b>476,043</b>	<b>21,470,036</b>	<b>135,666</b>	<b>5,784,269</b>	<b>4,594</b>	<b>18,817</b>	<b>13,714</b>	<b>-10,982</b>
Less than zero.....	504	1,205	99	-18,773	16	-815	26	-3,356
Zero income.....	--	--	--	--	--	--	--	--
\$1 under \$1,000.....	37,210	-3,749	5,215	369	181	-203	271	-63
\$1,000 under \$10,000.....	169,446	117,509	39,940	81,415	1,582	1,480	2,566	-797
\$10,000 under \$100,000.....	215,113	2,813,787	64,867	896,066	2,158	13,235	6,435	3,904
\$100,000 under \$1,000,000.....	49,059	7,030,752	22,634	2,075,022	567	13,037	3,675	3,826
\$1,000,000 or more.....	4,711	11,510,532	2,911	2,750,170	90	-7,917	741	-14,495
<b>Nontaxable returns, total.....</b>	<b>998,911</b>	<b>3,796,703</b>	<b>275,493</b>	<b>5,566,907</b>	<b>14,875</b>	<b>-15,471</b>	<b>27,237</b>	<b>-76,711</b>
Less than zero.....	311,266	-773,478	40,675	-975,194	4,321	-92,589	8,437	-226,089
Zero income.....	1,044	3,106	374	-8,760	39	34	80	-302
\$1 under \$1,000.....	103,428	-117,255	17,441	-4,462	899	-1,081	1,315	-1,189
\$1,000 under \$10,000.....	315,545	-420,256	79,683	212,573	4,136	6,312	5,609	-4,581
\$10,000 under \$100,000.....	239,522	568,239	116,571	2,311,221	4,887	53,353	8,798	-1,583
\$100,000 under \$1,000,000.....	26,436	1,882,047	19,450	2,615,759	549	21,610	2,670	3,120
\$1,000,000 or more.....	1,670	2,654,300	1,299	1,415,770	44	-3,110	328	153,914

Footnotes at end of table.

# Fiduciary Income Tax Returns, Filing Years 2003 and 2004

**Table 1.--Fiduciary Income Tax Returns, Income, Deductions, and Tax Liability, by Tax Status and Size of Gross Income, Filing Year 2003--Continued**

[Money amounts are in thousands of dollars]

Tax status, size of gross income	Income--Continued		Total deductions		Deductions			
	Other income				Interest paid		Taxes paid	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
<b>All returns, total.....</b>	<b>368,765</b>	<b>5,672,214</b>	<b>2,349,206</b>	<b>53,622,511</b>	<b>106,025</b>	<b>1,795,191</b>	<b>692,706</b>	<b>2,082,860</b>
Less than zero.....	36,620	-128,322	322,543	1,826,831	14,435	50,235	71,008	80,307
Zero income.....	205	2,553	87,225	312,651	721	3,380	4,936	14,830
\$1 under \$1,000.....	28,634	9,545	443,328	791,268	7,205	11,026	82,542	99,633
\$1,000 under \$10,000.....	123,810	163,555	785,640	4,437,176	27,016	65,666	249,658	249,053
\$10,000 under \$100,000.....	145,876	1,433,854	611,235	15,496,758	39,025	204,612	235,085	517,335
\$100,000 under \$1,000,000.....	30,813	1,936,542	92,009	14,864,557	15,118	457,679	45,404	564,088
\$1,000,000 or more.....	2,807	2,254,488	7,226	15,893,268	2,505	1,002,591	4,073	557,613
<b>Taxable returns, total.....</b>	<b>143,827</b>	<b>2,522,919</b>	<b>715,215</b>	<b>15,081,210</b>	<b>39,585</b>	<b>883,079</b>	<b>311,113</b>	<b>1,212,685</b>
Less than zero.....	132	-596	517	28,757	52	2,506	186	2,047
Zero income.....	--	--	622	411	10	55	30	82
\$1 under \$1,000.....	5,787	1,379	129,245	26,648	875	148	25,262	1,695
\$1,000 under \$10,000.....	45,314	52,245	274,655	467,049	8,211	6,158	112,690	42,293
\$10,000 under \$100,000.....	71,426	489,416	251,585	3,752,445	18,442	68,271	136,462	262,294
\$100,000 under \$1,000,000.....	19,062	761,744	53,580	4,955,332	10,028	237,043	33,178	444,638
\$1,000,000 or more.....	2,106	1,218,731	5,011	5,850,568	1,967	568,897	3,305	459,636
<b>Nontaxable returns, total.....</b>	<b>224,938</b>	<b>3,149,295</b>	<b>1,633,991</b>	<b>38,541,302</b>	<b>66,440</b>	<b>912,112</b>	<b>381,593</b>	<b>870,175</b>
Less than zero.....	36,488	-127,726	322,026	1,798,075	14,383	47,729	70,822	78,260
Zero income.....	205	2,553	86,603	312,240	711	3,324	4,906	14,749
\$1 under \$1,000.....	22,847	8,165	314,083	764,620	6,330	10,877	57,280	97,939
\$1,000 under \$10,000.....	78,496	111,310	510,985	3,970,128	18,805	59,508	136,968	206,760
\$10,000 under \$100,000.....	74,450	944,438	359,650	11,744,313	20,583	136,342	98,623	255,041
\$100,000 under \$1,000,000.....	11,751	1,174,798	38,429	9,909,225	5,090	220,637	12,226	119,450
\$1,000,000 or more.....	701	1,035,757	2,215	10,042,700	538	433,694	768	97,977

Tax status, size of gross income	Deductions--Continued							
	Fiduciary fees		Charitable distributions deduction		Attorney, accountant, and return preparer fees		Other deductions <sup>1</sup>	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
<b>All returns, total.....</b>	<b>770,443</b>	<b>3,747,440</b>	<b>83,278</b>	<b>4,322,931</b>	<b>1,167,310</b>	<b>2,516,837</b>	<b>404,307</b>	<b>5,505,836</b>
Less than zero.....	97,628	172,709	6,877	97,665	161,858	273,563	58,973	902,168
Zero income.....	3,605	27,110	363	4,523	16,880	38,299	7,777	188,785
\$1 under \$1,000.....	129,183	119,971	6,589	20,652	156,424	190,742	46,891	153,272
\$1,000 under \$10,000.....	255,850	661,124	22,980	128,178	422,428	635,819	130,360	442,741
\$10,000 under \$100,000.....	240,462	1,508,073	31,753	526,176	352,236	809,000	129,369	946,888
\$100,000 under \$1,000,000.....	40,393	861,001	12,695	963,328	53,230	383,357	27,880	804,473
\$1,000,000 or more.....	3,322	397,451	2,021	2,582,407	4,254	186,056	3,057	2,067,510
<b>Taxable returns, total.....</b>	<b>247,717</b>	<b>1,419,327</b>	<b>27,323</b>	<b>602,918</b>	<b>340,304</b>	<b>541,796</b>	<b>105,546</b>	<b>1,416,651</b>
Less than zero.....	168	1,523	27	162	215	1,531	106	19,574
Zero income.....	12	85	6	5	32	51	10	28
\$1 under \$1,000.....	32,234	2,878	658	57	25,478	4,043	3,854	498
\$1,000 under \$10,000.....	69,593	90,273	6,130	3,568	130,419	64,850	31,217	19,377
\$10,000 under \$100,000.....	116,084	600,503	12,143	43,300	149,149	211,723	51,810	136,400
\$100,000 under \$1,000,000.....	27,134	476,333	6,962	164,935	31,995	160,226	16,388	243,073
\$1,000,000 or more.....	2,492	247,731	1,397	390,890	3,016	99,373	2,161	997,700
<b>Nontaxable returns, total.....</b>	<b>522,726</b>	<b>2,328,113</b>	<b>55,955</b>	<b>3,720,013</b>	<b>827,006</b>	<b>1,975,041</b>	<b>298,761</b>	<b>4,089,185</b>
Less than zero.....	97,460	171,187	6,850	97,503	161,643	272,032	58,867	882,594
Zero income.....	3,593	27,024	357	4,518	16,848	38,247	7,767	188,757
\$1 under \$1,000.....	96,949	117,092	5,931	20,595	130,946	186,699	43,037	152,774
\$1,000 under \$10,000.....	186,257	570,851	16,850	124,610	292,009	570,970	99,143	423,363
\$10,000 under \$100,000.....	124,378	907,570	19,610	482,877	203,087	597,278	77,559	810,488
\$100,000 under \$1,000,000.....	13,259	384,668	5,733	798,393	21,235	223,131	11,492	561,400
\$1,000,000 or more.....	830	149,720	624	2,191,517	1,238	86,683	896	1,069,809

Footnotes at end of table.

# Fiduciary Income Tax Returns, Filing Years 2003 and 2004

**Table 1.--Fiduciary Income Tax Returns, Income, Deductions, and Tax Liability, by Tax Status and Size of Gross Income, Filing Year 2003--Continued**

[Money amounts are in thousands of dollars]

Tax status, size of gross income	Deductions--Continued							
	Allowable miscellaneous deductions		Income distribution deduction		Estate tax deduction		Exemption	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
<b>All returns, total.....</b>	<b>214,144</b>	<b>1,142,241</b>	<b>1,178,218</b>	<b>31,799,625</b>	<b>9,369</b>	<b>192,489</b>	<b>2,133,137</b>	<b>517,064</b>
Less than zero.....	39,186	75,674	77,376	108,069	392	1,131	290,672	65,309
Zero income.....	1,570	2,818	518	14,387	96	296	78,093	18,224
\$1 under \$1,000.....	23,773	24,309	106,953	91,767	708	589	389,295	79,307
\$1,000 under \$10,000.....	69,893	141,335	444,189	1,927,735	1,972	4,325	713,207	181,201
\$10,000 under \$100,000.....	65,390	296,103	475,241	10,505,204	4,417	34,352	568,418	149,014
\$100,000 under \$1,000,000.....	12,956	295,154	69,155	10,424,529	1,669	88,571	86,580	22,376
\$1,000,000 or more.....	1,376	306,848	4,786	8,727,934	115	63,225	6,872	1,633
<b>Taxable returns, total.....</b>	<b>54,339</b>	<b>481,365</b>	<b>250,436</b>	<b>8,238,986</b>	<b>5,290</b>	<b>136,264</b>	<b>709,527</b>	<b>148,140</b>
Less than zero.....	126	1,192	**2,299	**733	**78	**11	447	79
Zero income.....	3	8	**	**	**	**	620	96
\$1 under \$1,000.....	3,562	383	**	**	**	**	127,809	16,344
\$1,000 under \$10,000.....	18,472	16,193	62,695	165,021	743	732	272,868	58,583
\$10,000 under \$100,000.....	24,240	108,585	148,342	2,244,016	3,000	17,850	249,662	59,504
\$100,000 under \$1,000,000.....	7,064	187,235	34,158	2,961,025	1,367	68,388	53,147	12,437
\$1,000,000 or more.....	872	167,769	2,942	2,868,191	102	49,284	4,974	1,097
<b>Nontaxable returns, total.....</b>	<b>159,805</b>	<b>660,876</b>	<b>927,782</b>	<b>23,560,639</b>	<b>4,079</b>	<b>56,224</b>	<b>1,423,610</b>	<b>368,925</b>
Less than zero.....	39,060	74,481	**182,548	**213,490	**1,118	**2,005	290,225	65,230
Zero income.....	1,567	2,810	**	**	**	**	77,473	18,128
\$1 under \$1,000.....	20,211	23,927	**	**	**	**	261,486	62,962
\$1,000 under \$10,000.....	51,421	125,142	381,494	1,762,714	1,229	3,592	440,339	122,618
\$10,000 under \$100,000.....	41,150	187,518	326,899	8,261,187	1,417	16,502	318,756	89,510
\$100,000 under \$1,000,000.....	5,892	107,919	34,997	7,463,505	302	20,183	33,433	9,939
\$1,000,000 or more.....	504	139,079	1,844	5,859,743	13	13,941	1,898	536

Tax status, size of gross income	Taxable income <sup>2</sup>		Total tax liability <sup>3</sup>		Estimated and applied payments		Estimated tax payments allocated to beneficiaries	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
<b>All returns, total.....</b>	<b>730,234</b>	<b>28,038,219</b>	<b>720,380</b>	<b>7,884,497</b>	<b>509,907</b>	<b>5,891,395</b>	<b>4,228</b>	<b>68,203</b>
Less than zero.....	--	--	545	31,671	41,863	100,314	300	757
Zero income.....	--	--	2,386	117,746	3,283	115,620	69	3,004
\$1 under \$1,000.....	139,460	37,094	130,777	66,159	41,693	85,339	336	376
\$1,000 under \$10,000.....	279,922	714,061	275,951	284,515	181,616	404,260	1,301	2,033
\$10,000 under \$100,000.....	252,975	4,493,844	252,080	1,305,552	195,902	1,180,894	1,629	10,083
\$100,000 under \$1,000,000.....	52,975	9,016,152	53,628	2,581,618	41,487	1,839,187	537	26,137
\$1,000,000 or more.....	4,902	13,777,069	5,013	3,497,236	4,063	2,165,781	56	25,813
<b>Taxable returns, total.....</b>	<b>712,296</b>	<b>28,016,301</b>	<b>720,380</b>	<b>7,884,497</b>	<b>315,267</b>	<b>5,233,908</b>	<b>452</b>	<b>13,695</b>
Less than zero.....	--	--	545	31,671	304	26,443	--	--
Zero income.....	--	--	2,386	117,746	754	97,839	--	--
\$1 under \$1,000.....	129,210	35,951	130,777	66,159	16,386	61,103	**109	**157
\$1,000 under \$10,000.....	275,068	710,747	275,951	284,515	112,215	286,378	**	**
\$10,000 under \$100,000.....	250,412	4,485,301	252,080	1,305,552	145,809	957,952	234	1,460
\$100,000 under \$1,000,000.....	52,717	9,008,483	53,628	2,581,618	36,105	1,707,773	96	5,272
\$1,000,000 or more.....	4,889	13,775,819	5,013	3,497,236	3,694	2,096,420	13	6,806
<b>Nontaxable returns, total.....</b>	<b>17,938</b>	<b>21,918</b>	<b>--</b>	<b>--</b>	<b>194,640</b>	<b>657,487</b>	<b>3,776</b>	<b>54,508</b>
Less than zero.....	--	--	--	--	41,559	73,871	300	757
Zero income.....	--	--	--	--	2,529	17,781	69	3,004
\$1 under \$1,000.....	10,250	1,143	--	--	25,307	24,236	**1,528	**2,252
\$1,000 under \$10,000.....	4,854	3,314	--	--	69,401	117,882	**	**
\$10,000 under \$100,000.....	2,563	8,542	--	--	50,093	222,942	1,395	8,623
\$100,000 under \$1,000,000.....	258	7,669	--	--	5,382	131,414	441	20,865
\$1,000,000 or more.....	13	1,250	--	--	369	69,361	43	19,008

Footnotes at end of table.

# Fiduciary Income Tax Returns, Filing Years 2003 and 2004

**Table 1.--Fiduciary Income Tax Returns, Income, Deductions, and Tax Liability, by Tax Status and Size of Gross Income, Filing Year 2003--Continued**

[Money amounts are in thousands of dollars]

Tax status, size of gross income	Tax paid with extension		Federal income tax withheld		Other payments		Total prior payments	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)
<b>All returns, total.....</b>	<b>41,160</b>	<b>1,877,511</b>	<b>41,523</b>	<b>129,224</b>	<b>2,260</b>	<b>9,169</b>	<b>565,034</b>	<b>7,839,096</b>
Less than zero.....	1,011	12,319	3,080	3,320	277	187	45,188	115,382
Zero income.....	607	26,154	446	10,602	50	501	4,087	149,873
\$1 under \$1,000.....	3,264	18,932	5,614	2,026	181	42	49,315	105,963
\$1,000 under \$10,000.....	11,052	46,420	13,608	8,894	484	221	200,187	457,762
\$10,000 under \$100,000.....	16,030	162,396	14,915	40,303	797	1,724	215,345	1,375,234
\$100,000 under \$1,000,000.....	7,582	470,609	3,426	46,622	418	5,083	46,358	2,335,365
\$1,000,000 or more.....	1,614	1,140,682	434	17,456	53	1,411	4,554	3,299,517
<b>Taxable returns, total.....</b>	<b>36,342</b>	<b>1,849,816</b>	<b>20,164</b>	<b>71,880</b>	<b>1,467</b>	<b>8,194</b>	<b>350,091</b>	<b>7,150,103</b>
Less than zero.....	95	9,324	14	87	23	4	368	35,858
Zero income.....	276	22,069	52	1,117	21	15	917	121,040
\$1 under \$1,000.....	**12,211	**61,026	2,252	543	90	8	20,532	79,732
\$1,000 under \$10,000.....	**	**	7,060	4,626	318	153	124,663	333,948
\$10,000 under \$100,000.....	14,830	155,202	8,151	23,167	593	1,553	159,323	1,136,413
\$100,000 under \$1,000,000.....	7,330	463,727	2,244	28,637	376	5,055	40,109	2,199,920
\$1,000,000 or more.....	1,600	1,138,469	391	13,703	46	1,406	4,179	3,243,192
<b>Nontaxable returns, total.....</b>	<b>4,818</b>	<b>27,695</b>	<b>21,359</b>	<b>57,344</b>	<b>793</b>	<b>975</b>	<b>214,943</b>	<b>688,993</b>
Less than zero.....	916	2,995	3,066	3,233	254	183	44,820	79,524
Zero income.....	331	4,085	394	9,485	29	486	3,170	28,833
\$1 under \$1,000.....	**2,105	**4,326	3,362	1,483	91	34	28,783	26,230
\$1,000 under \$10,000.....	**	**	6,548	4,268	166	68	75,524	123,814
\$10,000 under \$100,000.....	1,200	7,194	6,764	17,136	204	172	56,022	238,821
\$100,000 under \$1,000,000.....	252	6,882	1,182	17,986	42	29	6,249	135,445
\$1,000,000 or more.....	14	2,214	43	3,754	7	5	375	56,325

\*\* Data combined to prevent disclosure of individual taxpayer data.

<sup>1</sup> Other deductions not subject to the 2 percent floor, including bond premiums, casualty and theft losses, clean-fuel vehicle deductions, and net operating losses.

<sup>2</sup> Only values greater than zero were recorded for taxable income.

<sup>3</sup> Tax liability amounts noted in this article are "settlement amounts," which include any changes made during processing or audit procedures. Therefore, these amounts may differ

NOTE: Detail may not add to totals because of rounding.

# Fiduciary Income Tax Returns, Filing Years 2003 and 2004

**Table 2.--Fiduciary Income Tax Returns, Income, Deductions, and Tax Liability, by Type of Entity, Filing Year 2003**

[Money amounts are in thousands of dollars]

Type of entity	Number of returns	Gross income		Income					
				Interest income		Ordinary dividends		Business income (less loss)	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
<b>All returns.....</b>	<b>3,669,698</b>	<b>2,278,524</b>	<b>71,330,780</b>	<b>1,653,198</b>	<b>12,276,053</b>	<b>1,660,880</b>	<b>16,698,888</b>	<b>19,006</b>	<b>150,058</b>
Grantor trust <sup>1</sup> .....	1,298,191	27,187	1,443,812	19,421	942,990	11,981	102,449	410	5,089
Complex trust.....	1,205,374	1,148,965	35,897,783	801,027	5,294,913	890,828	8,058,797	8,544	35,185
Simple trust.....	746,970	717,860	23,497,647	517,241	3,679,744	559,800	6,892,489	4,889	88,771
Decedent's estate.....	400,592	373,567	9,557,402	306,426	2,135,942	191,025	1,388,528	5,113	27,562
Bankruptcy estate.....	7,211	331	-6,560	239	1,216	17	77	21	-193
Split-interest trust.....	4,980	4,676	774,846	3,691	128,465	4,195	207,820	21	-6,387
Qualified funeral trust.....	3,376	3,257	97,818	2,987	60,987	1,374	29,792	--	--
Qualified disability trust.....	1,905	1,761	31,186	1,398	13,491	972	3,092	3	-2
Pooled income fund.....	1,099	920	36,846	768	18,307	688	15,845	5	32

Type of entity	Income--Continued							
	Capital gain (less loss)		Rents, royalties, partnerships, other estates and trusts, etc.		Farm income (less loss)		Ordinary gain (less loss)	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
<b>All returns.....</b>	<b>1,474,954</b>	<b>25,266,739</b>	<b>411,159</b>	<b>11,351,176</b>	<b>19,469</b>	<b>3,346</b>	<b>40,951</b>	<b>-87,692</b>
Grantor trust <sup>1</sup> .....	9,067	117,329	4,562	174,444	356	208	222	5,578
Complex trust.....	763,859	14,721,311	186,921	5,413,707	6,263	527	20,654	-37,803
Simple trust.....	497,344	7,784,704	145,491	4,190,061	6,863	26,751	11,813	-53,493
Decedent's estate.....	197,838	2,342,387	73,425	1,521,578	5,976	-24,159	8,153	-92,303
Bankruptcy estate.....	71	2,965	21	438	3	32	6	-2,622
Split-interest trust.....	3,931	303,084	610	39,550	5	-50	91	92,983
Qualified funeral trust.....	1,528	-8,774	--	--	--	--	--	--
Qualified disability trust.....	631	1,174	114	11,247	**	**	**	**
Pooled income fund.....	685	2,559	15	150	**	**	**	**

Footnotes at end of table.

# Fiduciary Income Tax Returns, Filing Years 2003 and 2004

**Table 2.--Fiduciary Income Tax Returns, Income, Deductions, and Tax Liability, by Type of Entity, Filing Year 2003--Continued**

[Money amounts are in thousands of dollars]

Type of entity	Income--Continued		Total deductions		Deductions			
	Other income				Interest paid		Taxes paid	
	Number (18)	Amount (19)	Number (20)	Amount (21)	Number (22)	Amount (23)	Number (24)	Amount (25)
<b>All returns.....</b>	<b>368,765</b>	<b>5,672,214</b>	<b>2,349,206</b>	<b>53,622,511</b>	<b>106,025</b>	<b>1,795,191</b>	<b>692,706</b>	<b>2,082,860</b>
Grantor trust <sup>1</sup> .....	1,769	95,724	25,351	1,511,724	625	141,701	2,603	5,618
Complex trust.....	183,415	2,411,147	1,191,298	22,600,280	60,557	1,092,158	378,363	1,175,334
Simple trust.....	105,405	888,621	735,691	18,579,516	24,468	296,001	190,046	514,168
Decedent's estate.....	76,293	2,257,867	386,378	9,437,678	20,010	226,543	119,506	378,966
Bankruptcy estate.....	127	-8,473	154	21,781	8	76	24	203
Split-interest trust.....	771	9,382	4,806	1,375,686	328	38,649	939	6,946
Qualified funeral trust.....	677	15,812	2,860	32,203	--	--	832	1,321
Qualified disability trust.....	150	2,174	1,740	22,108	26	59	312	215
Pooled income fund.....	158	-40	928	41,535	3	3	81	90

Type of entity	Deductions--Continued							
	Fiduciary fees		Charitable distributions deduction		Attorney, accountant, and return preparer fees		Other deductions <sup>2</sup>	
	Number (26)	Amount (27)	Number (28)	Amount (29)	Number (30)	Amount (31)	Number (32)	Amount (33)
<b>All returns.....</b>	<b>770,443</b>	<b>3,747,440</b>	<b>83,278</b>	<b>4,322,931</b>	<b>1,167,310</b>	<b>2,516,837</b>	<b>404,307</b>	<b>5,505,836</b>
Grantor trust <sup>1</sup> .....	3,329	48,103	621	12,616	7,570	21,714	1,723	234,680
Complex trust.....	428,429	1,778,221	60,294	2,231,109	563,823	811,078	174,975	3,478,744
Simple trust.....	260,971	1,323,036	--	--	362,109	399,432	99,026	940,132
Decedent's estate.....	**	**	**	**	228,662	1,267,075	126,416	808,690
Bankruptcy estate.....	**	**	**	**	62	3,861	89	9,913
Split-interest trust.....	2,275	37,077	3,109	1,098,295	2,259	7,001	1,468	23,458
Qualified funeral trust.....	1,652	20,655	--	--	1,866	4,902	276	3,846
Qualified disability trust.....	354	1,128	38	241	672	1,472	203	710
Pooled income fund.....	367	999	426	4,229	287	300	131	5,662

Footnotes at end of table.

# Fiduciary Income Tax Returns, Filing Years 2003 and 2004

**Table 2.--Fiduciary Income Tax Returns, Income, Deductions, and Tax Liability, by Type of Entity, Filing Year 2003--Continued**

[Money amounts are in thousands of dollars]

Type of entity	Deductions--Continued							
	Allowable miscellaneous deductions		Income distribution deduction		Estate tax deduction		Exemption	
	Number (34)	Amount (35)	Number (36)	Amount (37)	Number (38)	Amount (39)	Number (40)	Amount (41)
<b>All returns.....</b>	<b>214,144</b>	<b>1,142,241</b>	<b>1,178,218</b>	<b>31,799,625</b>	<b>9,369</b>	<b>192,489</b>	<b>2,133,137</b>	<b>517,064</b>
Grantor trust <sup>1</sup> .....	556	2,457	15,682	1,041,269	224	2,389	8,224	1,178
Complex trust.....	121,952	719,106	442,820	11,136,502	2,826	49,462	1,133,371	128,566
Simple trust.....	59,104	255,126	596,616	14,623,232	1,346	22,912	691,091	205,479
Decedent's estate.....	31,496	112,530	119,684	4,837,288	4,953	116,857	293,376	176,026
Bankruptcy estate.....	7	81	23	6,687	--	--	--	--
Split-interest trust.....	516	50,440	2,144	112,328	11	726	4,632	766
Qualified funeral trust.....	352	1,452	58	26	--	--	--	--
Qualified disability trust.....	91	279	351	13,039	**	**	**	**
Pooled income fund.....	70	770	840	29,254	**	**	**	**

Type of entity	Taxable income <sup>3</sup>		Total tax liability <sup>4</sup>		Estimated and applied payments		Estimated tax payments allocated to beneficiaries	
	Number (42)	Amount (43)	Number (44)	Amount (45)	Number (46)	Amount (47)	Number (48)	Amount (49)
	<b>All returns.....</b>	<b>730,234</b>	<b>28,038,219</b>	<b>720,380</b>	<b>7,884,497</b>	<b>509,907</b>	<b>5,891,395</b>	<b>4,228</b>
Grantor trust <sup>1</sup> .....	6,289	62,862	5,760	35,031	1,865	38,312	46	1,412
Complex trust.....	480,889	17,842,169	473,627	5,295,565	351,002	4,428,988	2,880	47,080
Simple trust.....	150,323	6,990,353	148,812	1,631,684	141,046	1,116,271	704	7,753
Decedent's estate.....	88,626	2,916,800	87,253	860,017	14,842	268,990	590	11,823
Bankruptcy estate.....	162	4,200	1,341	15,277	107	5,542	--	--
Split-interest trust.....	733	126,482	740	32,565	**	**	**	**
Qualified funeral trust.....	2,733	81,242	2,407	9,245	**	**	**	**
Qualified disability trust.....	394	13,619	358	4,985	**	**	**	**
Pooled income fund.....	85	492	82	128	43	42	--	--

Footnotes at end of table.

# Fiduciary Income Tax Returns, Filing Years 2003 and 2004

**Table 2.--Fiduciary Income Tax Returns, Income, Deductions, and Tax Liability, by Type of Entity, Filing Year 2003--Continued**

[Money amounts are in thousands of dollars]

Type of entity	Tax paid with extension		Federal income tax withheld		Other payments		Total prior payments	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)
<b>All returns.....</b>	<b>41,160</b>	<b>1,877,511</b>	<b>41,523</b>	<b>129,224</b>	<b>2,260</b>	<b>9,169</b>	<b>565,034</b>	<b>7,839,096</b>
Grantor trust <sup>1</sup> .....	296	4,874	808	7,251	23	34	2,813	49,060
Complex trust.....	27,887	1,343,143	15,420	32,912	899	1,521	372,003	5,759,484
Simple trust.....	4,880	265,439	6,372	22,794	361	190	149,199	1,396,941
Decedent's estate.....	7,961	251,484	18,758	65,866	242	752	38,908	575,269
Bankruptcy estate.....	35	1,352	50	234	6	2	192	7,131
Split-interest trust.....	70	10,239	67	113	4	6	868	38,549
Qualified funeral trust.....	--	--	--	--	725	6,665	752	6,665
Qualified disability trust.....	**	**	**	**	--	--	252	5,954
Pooled income fund.....	**	**	**	**	--	--	47	44

\*\* Data suppressed to prevent disclosure of individual taxpayer data. However, data are included in the appropriate totals.

<sup>1</sup> The values for both taxable and non-taxable grantor trusts are included in this category.

<sup>2</sup> Other deductions not subject to the 2 percent floor, including bond premiums, casualty and theft losses, clean-fuel vehicle deductions, and net operating losses.

<sup>3</sup> Only values greater than zero were recorded for taxable income.

<sup>4</sup> Tax liability amounts noted in this article are "settlement amounts," which include any changes made during processing or audit procedures. Therefore, these amounts may differ from the tax liability reported by the taxpayer on Form 1041.

NOTE: Detail may not add to totals because of rounding.



# Fiduciary Income Tax Returns, Filing Years 2003 and 2004

**Table 3.--Fiduciary Income Tax Returns, Income, Deductions, and Tax Liability, by Tax Status and Size of Gross Income, Filing Year 2004**

[Money amounts are in thousands of dollars]

Tax status, size of gross income	Gross income		Income					
			Interest income		Ordinary dividends		Business income (less loss)	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All returns, total.....</b>	<b>3,688,048</b>	<b>85,169,273</b>	<b>1,576,725</b>	<b>11,336,180</b>	<b>1,659,906</b>	<b>19,594,041</b>	<b>23,388</b>	<b>401,093</b>
Less than zero.....	353,679	-2,004,850	181,637	189,506	264,551	296,818	4,300	-154,149
Zero income.....	1,420,558	--	478	1,759	448	794	46	-672
\$1 under \$1,000.....	435,104	152,924	286,871	94,786	242,907	176,821	1,798	-310
\$1,000 under \$10,000.....	751,410	3,248,419	534,517	1,098,089	576,192	1,925,267	5,985	4,061
\$10,000 under \$100,000.....	614,214	18,735,955	479,598	3,671,577	486,334	5,732,680	8,325	91,592
\$100,000 under \$1,000,000.....	104,167	26,325,008	85,707	2,746,360	81,969	4,783,090	2,595	188,927
\$1,000,000 or more.....	8,916	38,711,816	7,917	3,534,103	7,505	6,678,571	339	271,643
<b>Taxable returns, total.....</b>	<b>739,802</b>	<b>54,608,542</b>	<b>533,325</b>	<b>4,775,821</b>	<b>582,566</b>	<b>11,014,499</b>	<b>7,536</b>	<b>267,297</b>
Less than zero.....	1,835	-27,939	1,058	7,973	1,323	6,071	40	-410
Zero income.....	3,491	--	16	127	3	1	--	--
\$1 under \$1,000.....	122,262	56,727	76,206	24,695	71,490	34,839	541	107
\$1,000 under \$10,000.....	269,214	1,161,442	184,413	313,444	211,464	560,472	2,061	2,325
\$10,000 under \$100,000.....	272,493	9,079,280	212,788	1,360,194	236,594	2,641,450	3,328	38,266
\$100,000 under \$1,000,000.....	64,194	16,760,171	53,116	1,394,320	55,983	3,038,425	1,349	89,474
\$1,000,000 or more.....	6,313	27,578,860	5,728	1,675,068	5,709	4,733,242	217	137,535
<b>Nontaxable returns, total.....</b>	<b>2,948,246</b>	<b>30,560,731</b>	<b>1,043,400</b>	<b>6,560,359</b>	<b>1,077,340</b>	<b>8,579,541</b>	<b>15,852</b>	<b>133,795</b>
Less than zero.....	351,844	-1,976,911	180,579	181,533	263,228	290,747	4,260	-153,739
Zero income.....	1,417,067	--	462	1,632	445	793	46	-672
\$1 under \$1,000.....	312,842	96,196	210,665	70,091	171,417	141,982	1,257	-417
\$1,000 under \$10,000.....	482,196	2,086,977	350,104	784,645	364,728	1,364,795	3,924	1,736
\$10,000 under \$100,000.....	341,721	9,656,675	266,810	2,311,384	249,740	3,091,230	4,997	53,326
\$100,000 under \$1,000,000.....	39,973	9,564,837	32,591	1,352,039	25,986	1,744,664	1,246	99,453
\$1,000,000 or more.....	2,603	11,132,956	2,189	1,859,035	1,796	1,945,329	122	134,108

Tax status, size of gross income	Income--Continued							
	Capital gain (less loss)		Rents, royalties, partnerships, other estates and trusts, etc.		Farm income (less loss)		Ordinary gain (less loss)	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>All returns, total.....</b>	<b>1,492,436</b>	<b>35,235,797</b>	<b>415,624</b>	<b>12,742,106</b>	<b>19,201</b>	<b>21,516</b>	<b>44,908</b>	<b>-246,722</b>
Less than zero.....	332,701	-876,505	40,716	-910,387	3,938	-105,221	8,469	-258,871
Zero income.....	755	5,857	437	-6,745	42	-63	80	-592
\$1 under \$1,000.....	131,932	-118,914	21,630	-4,655	996	-1,105	1,719	-1,024
\$1,000 under \$10,000.....	470,956	-231,824	115,824	304,975	5,510	8,485	8,700	-5,049
\$10,000 under \$100,000.....	461,752	4,419,306	184,397	3,298,916	7,240	75,090	17,123	2,363
\$100,000 under \$1,000,000.....	86,557	11,541,685	47,323	5,027,142	1,326	31,998	7,410	19,374
\$1,000,000 or more.....	7,783	20,496,192	5,297	5,032,858	149	12,331	1,407	-2,924
<b>Taxable returns, total.....</b>	<b>505,977</b>	<b>29,899,673</b>	<b>144,688</b>	<b>6,617,524</b>	<b>4,674</b>	<b>22,242</b>	<b>16,744</b>	<b>18,982</b>
Less than zero.....	1,707	-17,850	344	-20,688	17	-379	**53	** -2,268
Zero income.....	21	23	7	-121	--	--	**	**
\$1 under \$1,000.....	33,420	-3,855	4,998	37	163	-36	311	-78
\$1,000 under \$10,000.....	169,697	151,706	39,659	86,395	1,517	1,328	2,758	-1,186
\$10,000 under \$100,000.....	235,917	3,574,679	69,119	936,263	2,200	15,228	7,923	3,976
\$100,000 under \$1,000,000.....	59,293	9,134,098	26,701	2,276,363	688	7,142	4,604	11,823
\$1,000,000 or more.....	5,922	17,060,872	3,860	3,339,275	89	-1,041	1,095	6,714
<b>Nontaxable returns, total.....</b>	<b>986,459</b>	<b>5,336,123</b>	<b>270,936</b>	<b>6,124,582</b>	<b>14,527</b>	<b>-726</b>	<b>28,164</b>	<b>-265,703</b>
Less than zero.....	330,994	-858,655	40,372	-889,698	3,921	-104,842	**8,496	** -257,195
Zero income.....	734	5,834	430	-6,624	42	-63	**	**
\$1 under \$1,000.....	98,512	-115,059	16,632	-4,692	833	-1,069	1,408	-946
\$1,000 under \$10,000.....	301,259	-383,530	76,165	218,580	3,993	7,157	5,942	-3,862
\$10,000 under \$100,000.....	225,835	844,626	115,278	2,362,653	5,040	59,862	9,200	-1,613
\$100,000 under \$1,000,000.....	27,264	2,407,587	20,622	2,750,780	638	24,856	2,806	7,551
\$1,000,000 or more.....	1,861	3,435,320	1,437	1,693,583	60	13,373	312	-9,638

Footnotes at end of table.

# Fiduciary Income Tax Returns, Filing Years 2003 and 2004

**Table 3.--Fiduciary Income Tax Returns, Income, Deductions, and Tax Liability, by Tax Status and Size of Gross Income, Filing Year 2004--Continued**

[Money amounts are in thousands of dollars]

Tax status, size of gross income	Income--Continued		Total deductions		Deductions			
	Other income				Interest paid		Taxes paid	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
<b>All returns, total.....</b>	<b>337,909</b>	<b>6,085,263</b>	<b>2,348,153</b>	<b>58,997,302</b>	<b>104,934</b>	<b>1,690,005</b>	<b>624,126</b>	<b>2,700,884</b>
Less than zero.....	32,113	-186,040	343,716	1,932,971	12,396	43,577	62,429	84,331
Zero income.....	197	-339	96,673	306,169	809	29,804	5,393	10,920
\$1 under \$1,000.....	25,651	7,325	431,019	820,731	6,788	18,382	71,952	58,288
\$1,000 under \$10,000.....	105,814	144,415	750,046	4,364,331	25,158	61,821	210,737	215,047
\$10,000 under \$100,000.....	137,141	1,444,430	613,701	15,537,048	39,880	196,228	218,571	492,442
\$100,000 under \$1,000,000.....	33,471	1,986,431	104,084	17,287,002	16,722	450,979	50,160	1,226,465
\$1,000,000 or more.....	3,522	2,689,040	8,914	18,749,051	3,181	889,215	4,884	613,390
<b>Taxable returns, total.....</b>	<b>144,267</b>	<b>1,992,502</b>	<b>733,905</b>	<b>16,458,904</b>	<b>44,261</b>	<b>904,444</b>	<b>304,375</b>	<b>1,224,138</b>
Less than zero.....	**241	**417	1,748	14,282	118	912	389	824
Zero income.....	**	**	1,176	1,935	8	49	65	164
\$1 under \$1,000.....	5,176	1,019	120,690	31,162	870	1,257	21,885	1,827
\$1,000 under \$10,000.....	41,546	46,957	267,886	513,536	8,320	5,446	101,424	39,586
\$10,000 under \$100,000.....	72,380	509,224	271,982	3,934,274	20,553	68,863	137,998	240,590
\$100,000 under \$1,000,000.....	22,118	808,525	64,112	5,664,949	11,801	253,268	38,491	432,888
\$1,000,000 or more.....	2,806	627,194	6,311	6,298,766	2,591	574,649	4,123	508,260
<b>Nontaxable returns, total.....</b>	<b>193,642</b>	<b>4,092,760</b>	<b>1,614,248</b>	<b>42,538,398</b>	<b>60,673</b>	<b>785,561</b>	<b>319,751</b>	<b>1,476,745</b>
Less than zero.....	**32,069	**185,962	341,968	1,918,689	12,278	42,665	62,040	83,508
Zero income.....	**	**	95,497	304,234	801	29,755	5,328	10,756
\$1 under \$1,000.....	20,475	6,306	310,329	789,568	5,918	17,125	50,067	56,461
\$1,000 under \$10,000.....	64,268	97,457	482,160	3,850,796	16,838	56,375	109,313	175,462
\$10,000 under \$100,000.....	64,761	935,206	341,719	11,602,774	19,327	127,365	80,573	251,852
\$100,000 under \$1,000,000.....	11,353	1,177,906	39,972	11,622,053	4,921	197,710	11,669	793,577
\$1,000,000 or more.....	716	2,061,846	2,603	12,450,285	590	314,566	761	105,130

Tax status, size of gross income	Deductions--Continued							
	Fiduciary fees		Charitable distributions deduction		Attorney, accountant, and return preparer fees		Other deductions <sup>1</sup>	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
<b>All returns, total.....</b>	<b>756,827</b>	<b>3,913,641</b>	<b>84,897</b>	<b>4,431,082</b>	<b>1,174,675</b>	<b>2,995,959</b>	<b>400,826</b>	<b>5,600,190</b>
Less than zero.....	108,985	225,508	7,782	79,301	173,855	333,377	60,795	888,480
Zero income.....	4,012	20,746	466	3,624	18,413	64,550	8,613	121,590
\$1 under \$1,000.....	124,640	137,541	6,803	23,896	156,126	210,206	47,823	171,062
\$1,000 under \$10,000.....	236,487	638,473	21,615	139,504	404,223	635,808	120,922	438,404
\$10,000 under \$100,000.....	233,372	1,452,656	31,748	548,388	356,251	883,375	127,704	919,219
\$100,000 under \$1,000,000.....	45,289	921,727	14,024	1,136,386	60,640	536,303	31,253	1,034,305
\$1,000,000 or more.....	4,042	516,990	2,459	2,499,982	5,167	332,340	3,716	2,027,131
<b>Taxable returns, total.....</b>	<b>257,339</b>	<b>1,578,538</b>	<b>30,233</b>	<b>623,152</b>	<b>355,422</b>	<b>624,978</b>	<b>112,294</b>	<b>909,896</b>
Less than zero.....	509	4,206	75	183	859	1,390	320	4,289
Zero income.....	36	90	8	388	352	225	49	809
\$1 under \$1,000.....	30,016	3,326	702	101	23,207	4,848	4,126	2,055
\$1,000 under \$10,000.....	66,181	89,138	6,079	5,499	126,610	67,595	29,779	21,649
\$10,000 under \$100,000.....	124,706	622,616	13,394	47,492	162,018	232,878	55,589	157,865
\$100,000 under \$1,000,000.....	32,679	545,025	8,169	201,756	38,554	188,423	19,659	243,336
\$1,000,000 or more.....	3,212	314,137	1,806	367,734	3,822	129,619	2,772	479,893
<b>Nontaxable returns, total.....</b>	<b>499,488</b>	<b>2,335,103</b>	<b>54,664</b>	<b>3,807,930</b>	<b>819,253</b>	<b>2,370,981</b>	<b>288,532</b>	<b>4,690,294</b>
Less than zero.....	108,476	221,302	7,707	79,118	172,996	331,987	60,475	884,190
Zero income.....	3,976	20,656	458	3,237	18,061	64,325	8,564	120,781
\$1 under \$1,000.....	94,624	134,215	6,101	23,796	132,919	205,358	43,697	169,007
\$1,000 under \$10,000.....	170,306	549,336	15,536	134,006	277,613	568,213	91,143	416,755
\$10,000 under \$100,000.....	108,666	830,040	18,354	500,896	194,233	650,497	72,115	761,354
\$100,000 under \$1,000,000.....	12,610	376,702	5,855	934,630	22,086	347,880	11,594	790,970
\$1,000,000 or more.....	830	202,854	653	2,132,249	1,345	202,721	944	1,547,238

Footnotes at end of table.

# Fiduciary Income Tax Returns, Filing Years 2003 and 2004

**Table 3.--Fiduciary Income Tax Returns, Income, Deductions, and Tax Liability, by Tax Status and Size of Gross Income, Filing Year 2004--Continued**

[Money amounts are in thousands of dollars]

Tax status, size of gross income	Deductions--Continued							
	Allowable miscellaneous deductions		Income distribution deduction		Estate tax deduction		Exemption	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
<b>All returns, total.....</b>	<b>226,964</b>	<b>1,226,284</b>	<b>1,165,882</b>	<b>35,732,396</b>	<b>8,996</b>	<b>189,457</b>	<b>2,134,782</b>	<b>517,402</b>
Less than zero.....	41,202	68,606	83,899	140,139	411	1,168	308,677	68,484
Zero income.....	1,775	4,928	649	28,899	111	214	86,820	20,895
\$1 under \$1,000.....	24,375	27,583	103,709	93,901	820	988	377,301	78,882
\$1,000 under \$10,000.....	71,664	155,710	422,772	1,901,888	2,032	4,585	683,830	173,089
\$10,000 under \$100,000.....	70,506	331,853	470,987	10,530,852	3,820	33,132	571,614	148,902
\$100,000 under \$1,000,000.....	15,638	327,091	77,870	11,536,553	1,646	92,029	98,083	25,164
\$1,000,000 or more.....	1,804	310,513	5,996	11,500,164	156	57,340	8,457	1,987
<b>Taxable returns, total.....</b>	<b>64,042</b>	<b>578,997</b>	<b>271,226</b>	<b>9,736,909</b>	<b>5,156</b>	<b>125,171</b>	<b>726,501</b>	<b>152,681</b>
Less than zero.....	261	1,595	330	595	**6	**4	**2,371	**457
Zero income.....	11	16	7	22	**	**	**	**
\$1 under \$1,000.....	3,380	705	2,849	1,349	189	38	118,834	15,656
\$1,000 under \$10,000.....	20,413	19,746	62,787	207,686	847	760	265,591	56,432
\$10,000 under \$100,000.....	29,421	131,403	160,128	2,352,894	2,595	15,805	269,748	63,868
\$100,000 under \$1,000,000.....	9,309	204,050	41,353	3,515,856	1,381	65,428	63,689	14,918
\$1,000,000 or more.....	1,247	221,483	3,772	3,658,507	138	43,136	6,268	1,350
<b>Nontaxable returns, total.....</b>	<b>162,922</b>	<b>647,287</b>	<b>894,656</b>	<b>25,995,487</b>	<b>3,840</b>	<b>64,286</b>	<b>1,408,281</b>	<b>364,721</b>
Less than zero.....	40,941	67,011	83,569	139,544	**516	**1,379	**393,126	**88,922
Zero income.....	1,764	4,912	642	28,877	**	**	**	**
\$1 under \$1,000.....	20,995	26,878	100,860	92,552	631	950	258,467	63,227
\$1,000 under \$10,000.....	51,251	135,964	359,985	1,694,202	1,185	3,825	418,239	116,657
\$10,000 under \$100,000.....	41,085	200,450	310,859	8,177,958	1,225	17,327	301,866	85,034
\$100,000 under \$1,000,000.....	6,329	123,041	36,517	8,020,697	265	26,601	34,394	10,245
\$1,000,000 or more.....	557	89,030	2,224	7,841,657	18	14,204	2,189	637

Tax status, size of gross income	Taxable income <sup>2</sup>		Total tax liability <sup>3</sup>		Estimated and applied payments		Estimated tax payments allocated to beneficiaries	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
<b>All returns, total.....</b>	<b>750,501</b>	<b>38,492,443</b>	<b>739,802</b>	<b>9,360,018</b>	<b>409,186</b>	<b>5,350,868</b>	<b>3,379</b>	<b>61,678</b>
Less than zero.....	--	--	1,835	260,062	27,081	66,463	219	454
Zero income.....	--	--	3,491	101,138	3,570	101,645	77	11,191
\$1 under \$1,000.....	132,131	35,268	122,262	72,667	30,061	90,399	237	319
\$1,000 under \$10,000.....	274,947	721,736	269,214	309,878	131,365	304,163	911	1,216
\$10,000 under \$100,000.....	273,531	5,211,697	272,493	1,194,774	168,388	857,304	1,409	7,556
\$100,000 under \$1,000,000.....	63,680	11,159,495	64,194	2,645,692	43,939	1,560,012	456	16,355
\$1,000,000 or more.....	6,212	21,364,247	6,313	4,775,808	4,782	2,370,883	70	24,587
<b>Taxable returns, total.....</b>	<b>722,041</b>	<b>38,471,142</b>	<b>739,802</b>	<b>9,360,018</b>	<b>292,973</b>	<b>5,004,369</b>	<b>427</b>	<b>10,350</b>
Less than zero.....	--	--	1,835	260,062	403	29,058	**11	**6
Zero income.....	--	--	3,491	101,138	897	77,589	**	**
\$1 under \$1,000.....	117,704	33,286	122,262	72,667	13,887	75,648	**	**
\$1,000 under \$10,000.....	265,616	714,148	269,214	309,878	93,108	247,067	73	76
\$10,000 under \$100,000.....	269,335	5,204,625	272,493	1,194,774	140,010	757,274	219	1,354
\$100,000 under \$1,000,000.....	63,192	11,154,857	64,194	2,645,692	40,151	1,494,517	102	4,071
\$1,000,000 or more.....	6,194	21,364,225	6,313	4,775,808	4,517	2,323,216	22	4,843
<b>Nontaxable returns, total.....</b>	<b>28,460</b>	<b>21,301</b>	<b>--</b>	<b>--</b>	<b>116,213</b>	<b>346,499</b>	<b>2,952</b>	<b>51,329</b>
Less than zero.....	--	--	--	--	26,678	37,405	**522	**11,957
Zero income.....	--	--	--	--	2,673	24,056	**	**
\$1 under \$1,000.....	14,427	1,981	--	--	16,174	14,751	**	**
\$1,000 under \$10,000.....	9,331	7,587	--	--	38,257	57,096	838	1,140
\$10,000 under \$100,000.....	4,196	7,072	--	--	28,378	100,029	1,190	6,202
\$100,000 under \$1,000,000.....	488	4,638	--	--	3,788	65,495	354	12,285
\$1,000,000 or more.....	18	22	--	--	265	47,667	48	19,744

Footnotes at end of table.

# Fiduciary Income Tax Returns, Filing Years 2003 and 2004

**Table 3.--Fiduciary Income Tax Returns, Income, Deductions, and Tax Liability, by Tax Status and Size of Gross Income, Filing Year 2004--Continued**

[Money amounts are in thousands of dollars]

Tax status, size of gross income	Tax paid with extension		Federal income tax withheld		Other payments		Total prior payments	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)
<b>All returns, total.....</b>	<b>49,495</b>	<b>3,253,704</b>	<b>38,337</b>	<b>134,440</b>	<b>1,922</b>	<b>8,911</b>	<b>466,245</b>	<b>8,686,243</b>
Less than zero.....	1,117	9,831	2,498	2,259	227	356	29,990	78,455
Zero income.....	678	27,923	397	6,047	33	20	4,306	124,443
\$1 under \$1,000.....	3,410	12,235	4,673	2,413	132	63	36,947	104,791
\$1,000 under \$10,000.....	11,901	107,880	11,893	7,130	421	198	149,521	418,154
\$10,000 under \$100,000.....	19,247	168,567	14,434	38,683	705	1,935	189,750	1,058,932
\$100,000 under \$1,000,000.....	10,672	600,799	3,816	49,451	343	4,251	50,193	2,198,157
\$1,000,000 or more.....	2,470	2,326,470	626	28,456	61	2,089	5,538	4,703,310
<b>Taxable returns, total.....</b>	<b>44,291</b>	<b>3,223,512</b>	<b>19,607</b>	<b>76,972</b>	<b>1,292</b>	<b>8,072</b>	<b>331,012</b>	<b>8,302,574</b>
Less than zero.....	**3,113	**41,646	34	78	44	41	507	34,857
Zero income.....	**	**	71	1,092	--	--	1,063	103,356
\$1 under \$1,000.....	**	**	1,820	1,459	60	16	17,660	88,409
\$1,000 under \$10,000.....	10,378	104,806	6,308	3,962	301	156	105,549	355,915
\$10,000 under \$100,000.....	17,983	160,853	8,207	23,104	535	1,608	155,598	941,485
\$100,000 under \$1,000,000.....	10,365	594,562	2,614	32,350	295	4,163	45,398	2,121,521
\$1,000,000 or more.....	2,452	2,321,646	553	14,925	57	2,088	5,237	4,657,032
<b>Nontaxable returns, total.....</b>	<b>5,204</b>	<b>30,192</b>	<b>18,730</b>	<b>57,468</b>	<b>630</b>	<b>840</b>	<b>135,233</b>	<b>383,669</b>
Less than zero.....	**2,092	**8,343	2,464	2,181	183	316	29,483	43,598
Zero income.....	**	**	326	4,955	33	20	3,243	21,088
\$1 under \$1,000.....	**	**	2,853	954	72	46	19,287	16,382
\$1,000 under \$10,000.....	1,523	3,074	5,585	3,168	120	41	43,972	62,239
\$10,000 under \$100,000.....	1,264	7,714	6,227	15,579	170	327	34,152	117,447
\$100,000 under \$1,000,000.....	307	6,236	1,202	17,101	48	88	4,795	76,636
\$1,000,000 or more.....	18	4,824	73	13,530	4	1	301	46,278

\*\* Data combined to prevent disclosure of individual taxpayer data.

<sup>1</sup> Other deductions not subject to the 2 percent floor, including bond premiums, casualty and theft losses, clean-fuel vehicle deductions, and net operating losses.

<sup>2</sup> Only values greater than zero were recorded for taxable income.

<sup>3</sup> Tax liability amounts noted in this article are "settlement amounts," which include any changes made during processing or audit procedures. Therefore, these amounts may differ from the tax liability reported by the taxpayer on Form 1041.

NOTE: Detail may not add to totals because of rounding.

# Fiduciary Income Tax Returns, Filing Years 2003 and 2004

**Table 4.--Fiduciary Income Tax Returns, Income, Deductions, and Tax Liability, by Type of Entity, Filing Year 2004**

[Money amounts are in thousands of dollars]

Type of entity	Number of returns	Gross income		Income					
				Interest income		Ordinary dividends		Business income (less loss)	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>All returns.....</b>	<b>3,688,048</b>	<b>2,267,490</b>	<b>85,169,273</b>	<b>1,576,725</b>	<b>11,336,180</b>	<b>1,659,906</b>	<b>19,594,041</b>	<b>23,388</b>	<b>401,093</b>
Grantor trust <sup>1</sup> .....	1,310,010	23,331	1,291,181	15,909	862,105	10,896	116,656	480	794
Complex trust.....	1,219,269	1,156,883	44,036,120	771,338	4,912,314	901,105	9,607,953	9,777	164,671
Simple trust.....	747,938	716,003	27,121,295	494,310	3,378,148	557,202	8,053,201	6,093	170,764
Decedent's estate.....	389,116	357,935	11,701,830	284,540	1,975,822	181,726	1,535,239	6,968	64,191
Bankruptcy estate.....	7,853	343	-19,721	264	323	18	54	16	-737
Split-interest trust.....	6,194	5,789	856,365	4,364	119,018	5,195	225,753	31	1,367
Qualified funeral trust.....	3,548	3,407	105,353	3,159	71,161	1,337	41,196	--	--
Qualified disability trust.....	3,230	3,033	41,280	2,249	5,925	1,796	6,040	19	50
Pooled income fund.....	890	766	35,569	592	11,364	631	7,950	4	-7

Type of entity	Income--Continued							
	Capital gain (less loss)		Rents, royalties, partnerships, other estates and trusts, etc.		Farm income (less loss)		Ordinary gain (less loss)	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
<b>All returns.....</b>	<b>1,492,436</b>	<b>35,235,797</b>	<b>415,624</b>	<b>12,742,106</b>	<b>19,201</b>	<b>21,516</b>	<b>44,908</b>	<b>-246,722</b>
Grantor trust <sup>1</sup> .....	7,784	120,559	4,374	108,503	378	1,435	190	-1,476
Complex trust.....	783,065	20,640,091	191,499	6,340,344	6,196	-1,913	23,051	-68,787
Simple trust.....	499,533	9,900,374	147,270	4,623,356	6,760	47,809	13,544	-56,050
Decedent's estate.....	193,658	4,099,197	71,472	1,618,875	5,851	-25,754	7,963	-119,415
Bankruptcy estate.....	42	772	14	1,999	3	-85	11	-265
Split-interest trust.....	4,944	458,786	799	45,224	8	33	135	-694
Qualified funeral trust.....	1,325	-23,199	--	--	--	--	--	--
Qualified disability trust.....	1,481	23,587	180	3,285	**	**	**	**
Pooled income fund.....	604	15,630	16	519	**	**	**	**

Footnotes at end of table.

# Fiduciary Income Tax Returns, Filing Years 2003 and 2004

**Table 4.--Fiduciary Income Tax Returns, Income, Deductions, and Tax Liability, by Type of Entity, Filing Year 2004--Continued**

[Money amounts are in thousands of dollars]

Type of entity	Income--Continued		Total deductions		Deductions			
	Other income				Interest paid		Taxes paid	
	Number (18)	Amount (19)	Number (20)	Amount (21)	Number (22)	Amount (23)	Number (24)	Amount (25)
<b>All returns.....</b>	<b>337,909</b>	<b>6,085,263</b>	<b>2,348,153</b>	<b>58,997,302</b>	<b>104,934</b>	<b>1,690,005</b>	<b>624,126</b>	<b>2,700,884</b>
Grantor trust <sup>1</sup> .....	1,647	82,606	21,561	1,625,424	596	161,099	2,290	6,138
Complex trust.....	167,519	2,441,448	1,204,393	24,730,936	60,044	1,066,538	344,398	1,107,589
Simple trust.....	91,065	1,003,693	735,761	20,051,762	24,440	228,270	162,420	1,131,840
Decedent's estate.....	75,884	2,553,674	373,691	11,288,082	19,395	219,599	112,651	441,603
Bankruptcy estate.....	96	-21,782	114	13,585	3	10	16	83
Split-interest trust.....	818	6,878	5,869	1,174,943	406	14,372	1,064	9,573
Qualified funeral trust.....	476	16,195	2,951	30,753	--	--	665	1,962
Qualified disability trust.....	288	2,436	3,046	45,198	47	117	591	2,067
Pooled income fund.....	116	116	767	36,619	3	(2)	31	29

Type of entity	Deductions--Continued							
	Fiduciary fees		Charitable distributions deduction		Attorney, accountant, and return preparer fees		Other deductions <sup>3</sup>	
	Number (26)	Amount (27)	Number (28)	Amount (29)	Number (30)	Amount (31)	Number (32)	Amount (33)
<b>All returns.....</b>	<b>756,827</b>	<b>3,913,641</b>	<b>84,897</b>	<b>4,431,082</b>	<b>1,174,675</b>	<b>2,995,959</b>	<b>400,826</b>	<b>5,600,190</b>
Grantor trust <sup>1</sup> .....	2,582	44,749	517	12,536	5,554	16,849	1,573	92,892
Complex trust.....	425,535	1,823,463	61,749	2,155,995	576,508	892,522	176,133	3,590,721
Simple trust.....	250,724	1,306,583	--	--	365,518	448,915	98,181	962,865
Decedent's estate.....	71,167	688,279	17,955	1,289,667	221,904	1,617,677	122,243	907,392
Bankruptcy estate.....	21	680	5	1,502	51	4,981	66	5,155
Split-interest trust.....	2,756	27,416	4,237	964,317	2,826	9,907	1,828	32,128
Qualified funeral trust.....	2,777	18,452	--	--	696	2,945	324	6,435
Qualified disability trust.....	920	2,918	64	586	1,347	1,892	427	2,272
Pooled income fund.....	345	1,100	370	6,478	271	270	51	331

Footnotes at end of table.

# Fiduciary Income Tax Returns, Filing Years 2003 and 2004

**Table 4.--Fiduciary Income Tax Returns, Income, Deductions, and Tax Liability, by Type of Entity, Filing Year 2004--Continued**

[Money amounts are in thousands of dollars]

Type of entity	Deductions--Continued							
	Allowable miscellaneous deductions		Income distribution deduction		Estate tax deduction		Exemption	
	Number (34)	Amount (35)	Number (36)	Amount (37)	Number (38)	Amount (39)	Number (40)	Amount (41)
<b>All returns.....</b>	<b>226,964</b>	<b>1,226,284</b>	<b>1,165,882</b>	<b>35,732,396</b>	<b>8,996</b>	<b>189,457</b>	<b>2,134,782</b>	<b>517,402</b>
Grantor trust <sup>1</sup> .....	545	3,758	12,870	1,281,130	202	5,134	7,732	1,140
Complex trust.....	130,545	786,532	442,630	13,126,371	3,037	52,106	1,139,932	129,097
Simple trust.....	62,580	288,905	594,634	15,451,441	1,586	27,075	691,953	205,867
Decedent's estate.....	32,108	130,340	111,949	5,717,082	4,142	104,907	285,891	171,535
Bankruptcy estate.....	6	29	12	1,141	**	**	**	**
Split-interest trust.....	687	14,737	2,450	101,394	**	**	**	**
Qualified funeral trust.....	235	949	66	11	--	--	--	--
Qualified disability trust.....	196	1,013	569	25,622	14	39	2,972	8,671
Pooled income fund.....	62	20	702	28,204	--	--	662	186

Type of entity	Taxable income <sup>4</sup>		Total tax liability <sup>5</sup>		Estimated and applied payments		Estimated tax payments allocated to beneficiaries	
	Number (42)	Amount (43)	Number (44)	Amount (45)	Number (46)	Amount (47)	Number (48)	Amount (49)
<b>All returns.....</b>	<b>750,501</b>	<b>38,492,443</b>	<b>739,802</b>	<b>9,360,018</b>	<b>409,186</b>	<b>5,350,868</b>	<b>3,379</b>	<b>61,678</b>
Grantor trust <sup>1</sup> .....	6,417	88,543	5,226	50,255	1,668	42,590	41	1,376
Complex trust.....	489,867	24,155,795	479,896	6,151,144	291,784	3,996,673	2,349	47,750
Simple trust.....	161,824	10,060,566	161,459	2,160,003	100,985	1,028,167	497	5,647
Decedent's estate.....	87,602	3,896,873	87,095	940,446	**	**	**	**
Bankruptcy estate.....	203	2,242	1,660	14,688	**	**	**	**
Split-interest trust.....	1,101	176,199	1,088	32,802	**	**	**	**
Qualified funeral trust.....	2,741	103,992	2,643	8,370	--	--	--	--
Qualified disability trust.....	639	7,678	631	2,217	335	1,591	--	--
Pooled income fund.....	107	553	104	95	12	115	--	--

Footnotes at end of table.

# Fiduciary Income Tax Returns, Filing Years 2003 and 2004

**Table 4.--Fiduciary Income Tax Returns, Income, Deductions, and Tax Liability, by Type of Entity, Filing Year 2004--Continued**

[Money amounts are in thousands of dollars]

Type of entity	Tax paid with extension		Federal income tax withheld		Other payments		Total prior payments	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)
<b>All returns.....</b>	<b>49,495</b>	<b>3,253,704</b>	<b>38,337</b>	<b>134,440</b>	<b>1,922</b>	<b>8,911</b>	<b>466,245</b>	<b>8,686,243</b>
Grantor trust <sup>1</sup> .....	309	14,173	475	4,786	23	169	2,323	60,342
Complex trust.....	34,358	2,494,249	14,272	38,995	675	422	315,297	6,482,588
Simple trust.....	6,785	374,914	5,815	28,775	288	939	109,866	1,427,147
Decedent's estate.....	7,815	360,222	17,586	60,699	187	502	36,461	665,504
Bankruptcy estate.....	60	1,307	50	784	4	4	216	8,465
Split-interest trust.....	136	8,689	84	111	3	5	903	33,180
Qualified funeral trust.....	--	--	--	--	742	6,871	758	6,871
Qualified disability trust.....	**	**	**	**	--	--	408	2,031
Pooled income fund.....	**	**	**	**	--	--	13	115

\*\* Data suppressed to prevent disclosure of individual taxpayer data.

<sup>1</sup> The values for both taxable and non-taxable grantor trusts are included in this category.

<sup>2</sup> Less than \$500.

<sup>3</sup> Other deductions not subject to the 2 percent floor, including bond premiums, casualty and theft losses, clean-fuel vehicle deductions, and net operating losses.

<sup>4</sup> Only values greater than zero were recorded for taxable income.

<sup>5</sup> Tax liability amounts noted in this article are "settlement amounts," which include any changes made during processing or audit procedures. Therefore, these amounts may differ from the tax liability reported by the taxpayer on Form 1041.

NOTE: Detail may not add to totals because of rounding.