

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

Beneficiary's Share of Income, Deductions, Credits, Etc.—1990

OMB No. 1545-0092

Department of the Treasury
Internal Revenue Service

for the calendar year 1990, or fiscal year
beginning 1990, ending, 19

1990

Complete a separate Schedule K-1 for each beneficiary.

Name of estate or trust

Amended K-1
 Final K-1

Beneficiary's identifying number ▶	Estate's or trust's employer identification number ▶
Beneficiary's name, address, and ZIP code	Fiduciary's name, address, and ZIP code

Reminder: If you received a short year 1987 Schedule K-1 that was from a trust required to adopt a calendar year, be sure to include one-fourth of those amounts reported as income, in addition to the items reported on this Schedule K-1, on the appropriate lines of your 1990 Form 1040 and related schedules.

(a) Allocable share item	(b) Amount	(c) Calendar year 1990 Form 1040 filers enter the amounts in column (b) on:
1 Interest		Schedule B, Part I, line 1
2 Dividends		Schedule B, Part II, line 5
3a Net short-term capital gain		Schedule D, line 5, column (g)
b Net long-term capital gain		Schedule D, line 12, column (g)
4a Other taxable income: (itemize)		Schedule E, Part III
(1) Rental, rental real estate, and business income from activities acquired before 10/23/86		
(2) Rental, rental real estate, and business income from activities acquired after 10/22/86		
(3) Other passive income		
b Depreciation, including cost recovery (itemize):		
(1) Attributable to line 4a(1)		
(2) Attributable to line 4a(2)		
(3) Attributable to line 4a(3)		
c Depletion (itemize):		
(1) Attributable to line 4a(1)		
(2) Attributable to line 4a(2)		
(3) Attributable to line 4a(3)		
d Amortization (itemize):		
(1) Attributable to line 4a(1)		
(2) Attributable to line 4a(2)		
(3) Attributable to line 4a(3)		
5 Income for minimum tax purposes		
6 Income for regular tax purposes (add lines 1 through 4a)		
7 Adjustment for minimum tax purposes (subtract line 6 from line 5)		Form 6251, line 4t
8 Estate tax deduction (including certain generation-skipping transfer taxes) (attach computation)		Schedule A, line 26
9 Excess deductions on termination (attach computation)		Schedule A, line 21
10 Foreign taxes (list on a separate sheet)		Form 1116 or Schedule A (Form 1040), line 7
11 Tax preference items (itemize):		
a Accelerated depreciation		
b Depletion		
c Amortization		(Include on the applicable) line of Form 6251
12 Other (itemize):		
a Trust payments of estimated taxes credited to you		
b Tax-exempt interest		
c Short-term capital loss carryover		
d Long-term capital loss carryover		
e		
f		
g		(Include on the applicable line) of appropriate tax form

Instructions for Beneficiary Filing Form 1040

General Instructions

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

Name, Address, and Identifying Number.—Your name, address, and identifying number, the estate's or trust's identifying number, and the fiduciary's name and address should have been entered on the Schedule K-1 you received.

Tax Shelters.—If you receive a copy of Form 8271, Investor Reporting of Tax Shelter Registration Number, and other tax shelter information from the estate or trust, see the instructions for Form 8271 to determine your reporting requirements.

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

Specific Instructions

Reminder: Be sure to report as a separate entry on the appropriate lines of your 1990 Form 1040 and related schedules one-fourth of any short-year distribution reported on your 1987 Schedule K-1 from a trust that was required to adopt the calendar year. Use the notation "PYA" to indicate the prior-year amount.

Line 1. Interest.—Report the amount from line 1 (Schedule K-1) on your Schedule B (Form 1040), Part I, line 1.

Line 2. Dividends.—Report the amount from line 2 (Schedule K-1) on your Schedule B (Form 1040), Part II, line 5.

Lines 3a and 3b. Capital Gains.—Report the amount from line 3a (Schedule K-1) on your Schedule D (Form 1040), line 5, column (g). Report the amount from line 3b (Schedule K-1) on your Schedule D (Form 1040), line 12, column (g). If there is an attachment to this Schedule K-1 that reports a disposition of a rental, rental real estate, or passive business activity, see the instructions to Form 8582, Passive Activity Loss Limitations, for information on the treatment of dispositions of interests in a passive activity.

Lines 4a–4d.—Caution: The limitations on passive activity losses and credits under section 469 apply to estates and trusts. At the time these instructions went to print, the rules for treating a beneficiary's income and directly allocable deductions from an estate or trust, and other rules for applying the passive loss and credit limitations to beneficiaries, had not been finalized. These rules will be provided in future regulations.

Code section 469 provides rules that limit deductions from passive activities to the income from passive activities and credits from passive activities to the tax imposed on any net income from passive activities.

Line 12a.—For purposes of computing any underpayment and penalty on Form 2210, Underpayment of Estimated Tax by Individuals and Fiduciaries, you should treat the amount entered on line 12a as an estimated tax payment made on January 15, 1991.

Line 12b.—If any tax-exempt interest is entered on this line by the estate or trust, report it on Form 1040, line 8b.

Lines 12c and 12d.—Report any capital loss carryovers from the final year of the estate or trust on line 6 or 15, column (f), of your Schedule D (Form 1040).

Lines 12e–12g.—The amount of gross farming and fishing income is included in "Other taxable income" on line 4. This income is also separately stated on line 12 to help you determine if you are subject to a penalty for underpayment of estimated tax.

- **Individual Beneficiaries.**—Report the amount of gross farming and fishing income on Schedule E (Form 1040), line 41.

- **Beneficiaries That Are Estates or Trusts.**—Beneficiaries that are estates or trusts must pass through the amount of gross farming and fishing income included on line 12 of their Schedules K-1 to line 12 of their beneficiaries' Schedules K-1 on a pro rata basis.

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