

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

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

OMB No. 1545-0092

Department of the Treasury
Internal Revenue Service

for the calendar year 2001, or fiscal year
beginning , 2001, ending , 20
▶ **Complete a separate Schedule K-1 for each beneficiary.**

2001

Name of trust or decedent's estate

Amended K-1
 Final K-1

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

(a) Allocable share item	(b) Amount	(c) Calendar year 2001 Form 1040 filers enter the amounts in column (b) on:
1 Interest	1	Schedule B, Part I, line 1
2 Ordinary dividends	2	Schedule B, Part II, line 5
3 Net short-term capital gain	3	Schedule D, line 5
4 Net long-term capital gain: a Total for year	4a	Schedule D, line 12, column (f)
b 28% rate gain	4b	Schedule D, line 12, column (g)
c Qualified 5-year gain	4c	Line 4 of the worksheet for Schedule D, line 29
d Unrecaptured section 1250 gain	4d	Line 11 of the worksheet for Schedule D, line 19
5a Annuities, royalties, and other nonpassive income before directly apportioned deductions	5a	Schedule E, Part III, column (f)
b Depreciation	5b	} Include on the applicable line of the appropriate tax form
c Depletion	5c	
d Amortization	5d	
6a Trade or business, rental real estate, and other rental income before directly apportioned deductions (see instructions)	6a	
b Depreciation	6b	} Include on the applicable line of the appropriate tax form
c Depletion	6c	
d Amortization	6d	
7 Income for minimum tax purposes	7	
8 Income for regular tax purposes (add lines 1, 2, 3, 4a, 5a, and 6a)	8	
9 Adjustment for minimum tax purposes (subtract line 8 from line 7)	9	Form 6251, line 12
10 Estate tax deduction (including certain generation-skipping transfer taxes)	10	Schedule A, line 27
11 Foreign taxes	11	Form 1040, line 43 or Schedule A, line 8
12 Adjustments and tax preference items (itemize):		
a Accelerated depreciation	12a	} Include on the applicable line of Form 6251
b Depletion	12b	
c Amortization	12c	
d Exclusion items	12d	
13 Deductions in the final year of trust or decedent's estate:		
a Excess deductions on termination (see instructions)	13a	Schedule A, line 22
b Short-term capital loss carryover	13b ()	Schedule D, line 5
c Long-term capital loss carryover	13c ()	Schedule D, line 12, columns (f) and (g)
d Net operating loss (NOL) carryover for regular tax purposes	13d ()	Form 1040, line 21
e NOL carryover for minimum tax purposes	13e	See the instructions for Form 6251, line 20
f	13f	} Include on the applicable line of the appropriate tax form
g	13g	
14 Other (itemize):		
a Payments of estimated taxes credited to you	14a	Form 1040, line 60
b Tax-exempt interest	14b	Form 1040, line 8b
c	14c	} Include on the applicable line of the appropriate tax form
d	14d	
e	14e	
f	14f	
g	14g	
h	14h	

Instructions for Beneficiary Filing Form 1040

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

General Instructions

Purpose of Form

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

Inconsistent Treatment of Items

Generally, you must report items shown on your Schedule K-1 (and any attached schedules) the same way that the estate or trust treated the items on its return.

If the treatment on your original or amended return is inconsistent with the estate's or trust's treatment, or if the estate or trust was required to but has not filed a return, you must file **Form 8082**, Notice of Inconsistent Treatment or Administrative Adjustment Request (AAR), with your original or amended return to identify and explain any inconsistency (or to note that an estate or trust return has not been filed).

If you are required to file Form 8082 but fail to do so, you may be subject to the accuracy-related penalty. This penalty is in addition to any tax that results from making your amount or treatment of the item consistent with that shown on the estate's or trust's return. Any deficiency that results from making the amounts consistent may be assessed immediately.

Errors

If you believe the fiduciary has made an error on your Schedule K-1, notify the fiduciary and ask for an amended or a corrected Schedule K-1. **Do not** change any items on your copy. Be sure that the fiduciary sends a copy of the amended Schedule K-1 to the IRS. **If you are unable to reach an agreement with the fiduciary regarding the inconsistency, you must file Form 8082.**

Tax Shelters

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

Beneficiaries of Generation-Skipping Trusts

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

Specific Instructions

Lines 3 and 4

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

Lines 6b through 6d

The deductions on lines 6b through 6d may be subject to the passive loss limitations of Internal Revenue Code section 469, which generally limits deductions from passive activities to the income from those activities. The rules for applying these limitations to beneficiaries have not yet been issued. For more details, see **Pub. 925**, Passive Activity and At-Risk Rules.

Line 12d

If you pay alternative minimum tax in 2001, the amount on line 12d will help you figure any minimum tax credit for 2002. See the 2002 **Form 8801**, Credit for Prior Year Minimum Tax—Individuals, Estates, and Trusts, for more information.

Line 14a

To figure any underpayment and penalty on **Form 2210**, Underpayment of Estimated Tax by Individuals, Estates, and Trusts, treat the amount entered on line 14a as an estimated tax payment made on January 15, 2002.

Lines 14c through 14h

The amount of gross farming and fishing income is included on line 6a. This income is also separately stated on line 14 to help you determine if you are subject to a penalty for underpayment of estimated tax. Report the amount of gross farming and fishing income on Schedule E (Form 1040), line 41.

