

2013 Resident or Part-Year Resident Beneficiary's Share of Fiduciary Adjustment

Arizona Schedule 141AZ K-1

Phone Numbers

For information or help, call one of the numbers listed:

Phoenix (602) 255-3381
From area codes 520 and 928, toll-free (800) 352-4090

Tax forms, instructions, and other tax information

If you need tax forms, instructions, and other tax information, go to the department's Internet home page at www.azdor.gov.

Income Tax Procedures and Rulings

These instructions may refer to the department's income tax procedures and rulings for more information. To view or print these, go to our home page and click on *Legal Research* then click on *Procedures* or *Rulings* and select a tax type from the drop down menu.

Publications and Brochures

To view or print the department's publications and brochures, go to our home page and click on *Publications*.

General Instructions for Fiduciary

Complete an Arizona Form 141AZ, Schedule K-1, for each resident or part-year resident beneficiary.

File one copy of each Schedule K-1 with Form 141AZ.

Provide all beneficiaries with a copy of their Schedule K-1. Keep a copy for your records.

Foreign Addresses

If a beneficiary or the fiduciary has a foreign address, enter the information in the following order: city, province or state, and country. Follow the country's practice for entering the postal code. Do not abbreviate the country's name.

Line-by-Line Instructions

Part I - Beneficiary's Share of Fiduciary Adjustment

Instructions for Fiduciary

Line 1 -

Enter the net fiduciary adjustment to be allocated to beneficiaries from Arizona Form 141AZ, Schedule C, line C14. If this is a negative amount, enter the amount in brackets.

Line 2 -

Enter the percentage of the beneficiary's share of federal distributable net income from Arizona Form 141AZ, Schedule C.

Line 3 -

Multiply line 1 by the percentage on line 2. Enter the result. If the result is a negative number, enter the number in brackets. This is the beneficiary's share of the fiduciary adjustment.

Instructions for Beneficiary

The fiduciary uses Arizona Form 141AZ, Schedule K-1, to report to you your share of the fiduciary adjustment from the estate or trust.

Do not file this Schedule K-1 with your return. Keep this Schedule K-1 with your records. The fiduciary filed a copy of this form with the department.

Resident Beneficiary

Line 3 shows your share of the fiduciary adjustment from the estate or trust. If the amount on line 3 is a positive number, you must report this amount as an *addition to income* on your Arizona return. If you are an individual, report this amount as an *other addition to income* on your Arizona Form 140, page 2, line B11.

If the amount on line 3 is a negative number, you must report this amount as a *subtraction from income* on your Arizona return. If you are an individual, report this amount as an *other subtraction from income* on your Arizona Form 140, page 2, line C29.

Part-Year Resident Beneficiary

If you are a part-year resident individual, report estate or trust income received while you were an Arizona resident. Also, report estate or trust income received from Arizona sources while you were a nonresident. Report this income on Arizona Form 140PY, page 2, line B14 (ARIZONA column). The amount that you should report on your Arizona Form 140PY, page 2, line B14 (FEDERAL column) is the amount from your federal income tax return.

If the amount on line 3 is a positive number, enter that portion of line 3 that is allocable to estate or trust income taxable by Arizona on Form 140PY, page 2, line C23.

If the amount on line 3 is a negative number, enter that portion of line 3 that is allocable to estate or trust income taxable by Arizona on Form 140PY, page 2, line D35.

Part II - Net Long-Term Capital Gain Subtraction (Information Schedule)

Beginning 2013, Arizona allows a subtraction from Arizona gross income for a percentage of any net long-term capital gain from assets acquired after December 31, 2011, and included in the individual taxpayer's federal adjusted gross income or the estate's or trust's federal taxable income.

Instructions for Fiduciary

Lines 4 through 7

If the **individual** beneficiary's federal Schedule K-1 (Form 1041) includes an amount for any net capital gain or (loss), complete lines 4 through 7 as instructed on Arizona Form 141AZ, Schedule K-1.

Instructions for Beneficiaries

Follow the instructions on Arizona Form 141AZ, Schedule K-1.