

2010 Nonresident Beneficiary's Share of Income and Share of Fiduciary Adjustment

Arizona Schedule 141AZ K-1 (NR)

Instructions to Fiduciary

Complete a Form 141AZ, Schedule K-1(NR), for each nonresident beneficiary.

File one copy of each Schedule K-1(NR) with the fiduciary's Form 141AZ.

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

Part I - Beneficiary's Share of Federal Distributable Net Income from Arizona Sources

Line 1 -

Enter the federal distributable net income from Arizona sources. Enter the amount from Form 141AZ, Schedule D, line D9, column (c).

Line 2 -

Enter the beneficiary's share of federal distributable net income from Arizona sources.

Part II - Beneficiary's Share of Fiduciary Adjustment

Line 3 -

Enter the net fiduciary adjustment to be allocated to beneficiaries from Form 141AZ, Schedule C, line C16. If this is a negative amount, enter the amount in brackets.

Line 4 -

Enter the amount of line 3 related to Arizona source income that is allocable to nonresident beneficiaries.

Line 5 -

Enter the amount of line 4 allocated to the beneficiary. If the result is a negative number, enter the number in brackets. This is the beneficiary's share of the fiduciary adjustment.

Instructions to Beneficiary

The fiduciary uses Form 141AZ, Schedule K-1(NR), to report to you your share of the federal distributable income from Arizona sources and your share of 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.

Nonresident individual beneficiaries should enter the amount from Form 141AZ, Schedule K-1(NR), line 2, on Form 140NR, page 2, line B11, in the Arizona column.

Line 5 shows your share of the fiduciary adjustment from the estate or trust.

If the amount on line 5 is a positive number, you must report this amount as an addition to income on your Arizona return. If you are a nonresident individual, report this amount as an other addition to income on your Arizona Form 140NR, page 2, line C20.

If the amount on line 5 is a negative number, you must report this amount as a subtraction from income on your Arizona return. If you are a nonresident individual, report this amount as an other subtraction from income on your Arizona Form 140NR, page 2, line D31.