

2014 Nonresident Beneficiary's Share of Income and Share of Fiduciary Adjustment

Arizona Schedule 141AZ K-1 (NR)

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 website 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 website 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 website and click on *Publications*.

General Instructions for 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.

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 1 - Beneficiary's Share of Federal Distributable Net Income From Arizona Sources

Instructions for Fiduciary

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 2 - Beneficiary's Share of Fiduciary Adjustment Related to Arizona Source Income

Line 3 -

Enter the net fiduciary adjustment to be allocated to the beneficiaries from Form 141AZ, Schedule C, line C14. 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 allocated to **all** 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 for 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(NR) with your return. Keep this Schedule K-1(NR) 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 Arizona Form 140NR, page 1, line 21, 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 1, line 29.

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 46.

Part 3 - Net Long-Term Capital Gain Subtraction (Information Schedule)

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's Arizona gross income or the estate's or trust's Arizona gross income.

Instructions for Fiduciary

Lines 6 through 9 -

If the **individual** beneficiary's federal Schedule K-1 (Form 1041) includes an amount for any net long-term capital gain or (loss) from Arizona sources, complete lines 6 through 9 as instructed on page 2 of Form 141AZ, Schedule K-1(NR).

Instructions for Beneficiaries

Follow the instructions on page 2 of Form 141AZ, Schedule K-1 (NR).