



North Dakota Schedule K-1 (Form 38)

2008

Final Amended

Estate's or trust's tax year: Calendar year 2008 (Jan. 1 - Dec. 31, 2008) Fiscal year: Beginning, 2008 Ending, 20

Beneficiary's Share of North Dakota Income (Loss), Deductions, Adjustments, Credits, and Other Items

See separate instructions

Part 1 Estate or trust information

A Estate's or trust's federal EIN B Name of estate or trust C Fiduciary's name, address, city, state, and ZIP code

Part 2 Beneficiary information

D Beneficiary's SSN or FEIN (from Federal Schedule K-1) E Beneficiary's name, address, city, state, and ZIP code (from Federal Schedule K-1)

F What type of entity is this beneficiary?

G If beneficiary is an individual, estate, or trust, beneficiary is a:

- Full-year resident of North Dakota Part-year resident of North Dakota Full-year nonresident of North Dakota

H If beneficiary is a full-year nonresident individual, is beneficiary included in a composite return? Yes No

Part 3 All beneficiaries - North Dakota adjustments and tax credits

- 1 Federally-exempt income from non-ND state and local bonds and foreign securities 2 State and local income taxes deducted in calculating ordinary income (loss) 3 Interest from U.S. obligations 4 Renaissance zone income exemption 5 New or expanding business exemption 6 a Beginning farmer gain deduction b Beginning farmer interest deduction c Beginning farmer rent deduction 7 Beginning entrepreneur rent deduction 8 Gain from eminent domain sale 9 College SAVE contribution deduction

Part 3 continued . . .

- 10 Renaissance zone: Historic property preservation/renovation tax credit 11 Renaissance zone: Renaissance fund organization investment tax credit 12 Seed capital investment tax credit 13 Agricultural commodity processing facility investment tax credit 14 Supplier biodiesel fuel tax credit 15 Seller biodiesel fuel tax credit 16 Biomass, geothermal, solar, or wind energy device tax credit 17 Certified North Dakota nonprofit development corporation investment tax credit 18 Employer internship program tax credit 19 Microbusiness tax credit 20 Research expense tax credit 21 Angel fund investment tax credit 22 Endowment fund tax credit 23 Workforce recruitment credit

Part 4 Nonresident individual, estate or trust beneficiary only - North Dakota income (loss)

- 24 Interest income 25 Ordinary dividends 26 Net short-term capital gain 27 Net long-term capital gain 28 Other portfolio and nonbusiness income 29 Ordinary business income 30 Net rental real estate income 31 Other rental income 32 Directly apportioned deductions 33 Final year deductions 34 Other

Part 5 Nonresident individual beneficiary only

- 35 North Dakota distributive share of income (loss) 36 North Dakota income tax withheld 37 North Dakota composite income tax

2008

Beneficiary's Instructions for North Dakota Schedule K-1 (Form 38)

Purpose of schedule

North Dakota Schedule K-1 (Form 38) is provided to you by the fiduciary for the estate or trust to show your share of the income, gains, losses, deductions, and other items from the estate or trust that you need to complete your North Dakota income tax return. These instructions will assist you in transferring the amounts from the schedule to your North Dakota income tax return.

Partnership or corporation beneficiary.

If you are a corporation, partnership, or a limited liability company treated like a corporation or partnership, you have received North Dakota Schedule K-1 only to show your share of the estate's or trust's North Dakota statutory adjustments or tax credits that may affect the preparation of your North Dakota income tax return.

Resident individual, estate, or trust beneficiary.

If you are a North Dakota resident individual, estate, or trust, you must report to North Dakota your entire share of the estate's or trust's income, gains, losses, and deductions included in your federal taxable income. You have received North Dakota Schedule K-1 only to show your share of the estate's or trust's North Dakota statutory adjustments or tax credits that may affect the preparation of your North Dakota income tax return.

Nonresident individual, estate, or trust beneficiary.

If you are a nonresident individual, estate, or trust, you must report to North Dakota your share of the estate's or trust's income, gains, losses, and deductions having their source in North Dakota. These items are shown in Part 4 of North Dakota Schedule K-1. Unless you are a nonresident individual who elected to include your share of these items in a composite return filed on your behalf by the fiduciary for the estate or trust, you must file a North Dakota income tax return to report and pay the required income tax on them.

Composite return election. If you are a nonresident individual who elected to include your share of the estate's or trust's North Dakota income, gains, losses, and deductions in a composite return filed by the fiduciary for the estate or trust, you are not required to file a North Dakota individual income tax return. If this applies to you, you received North Dakota Schedule K-1 only to show your share of these items and the composite income tax paid on them. If you later choose to file

your own North Dakota individual income tax return, follow the instructions below to transfer the amounts from North Dakota Schedule K-1 to your return.

Amended Schedule K-1 (Form 38). If you received an amended North Dakota Schedule K-1 (Form 38) from the fiduciary for the estate or trust, and you previously filed a North Dakota income tax return to report your share of income, etc., from the estate or trust, you must file an amended North Dakota income tax return to report the changes in income, gains, losses, and deductions. You also must attach a copy of the amended North Dakota Schedule K-1 (Form 38) to your amended North Dakota income tax return.

Any reference to another North Dakota form and line number contained in these instructions is a reference to the form to be used for the 2008 tax year. Therefore, report the amount from the 2008 North Dakota Schedule K-1 on your 2008 North Dakota return. However, if you and the estate or trust do not have the same tax year, enter the amounts on the North Dakota return that you file for the tax year in which the estate's or trust's tax year ends, which is shown on the North Dakota Schedule K-1. **Example: If you file on a calendar year basis, and the estate or trust tax year ends in February 2009, report the amounts on your 2009 return.**

Part 3 All beneficiaries—North Dakota adjustments and tax credits

Note: Wherever you see "Not applicable" in the right-hand column of the following lists, it means that the item does not apply to the return being completed; do not enter the item on the return.

Lines 1–23

Form ND-1 filer:

Include the amount from this schedule: On:

Lines 1–2	Not applicable
Line 3	Form ND-1, line 6
Line 4	Sch. RZ, Part 1, line 14
Line 5	Sch. ND-1SA, line 2
Lines 6–8	Not applicable
Line 9	Form ND-1, line 13
Line 10	Sch. RZ, Part 4, line 7
Line 11	Sch. RZ, Part 5, line 4

Line 12	Sch. ND-1TC, line 4
Line 13	Sch. ND-1TC, line 3
Line 14	Sch. ND-1TC, line 6
Line 15	Form ND-1TC, line 7
Lines 16–17	Not applicable
Line 18	Sch. ND-1TC, line 8a
Line 19	Sch. ND-1TC, line 9a
Line 20	Sch. ND-1TC, line 10a
Line 21	Sch. ND-1TC, line 11
Line 22	Sch. ND-1TC, line 12
Line 23	Sch. ND-1TC, line 13

Form ND-2 (Schedule 2 filer only):

Include the amount from this schedule: On:

Line 1	Sch. 2, line 2
Line 2	Sch. 2, line 3
Line 3	Sch. 2, line 7
Line 4	Sch. RZ, Part 1, line 14
Line 5	Sch. 2, line 19
Line 6a	Sch. 2, line 14
Line 6b	Sch. 2, line 12
Line 6c	Sch. 2, line 13
Line 7	Sch. 2, line 16
Line 8	Sch. 2, line 19
Line 9	Sch. 2, line 19
Line 10	Sch. RZ, Part 4, line 7
Line 11	Sch. RZ, Part 5, line 4
Lines 12-23	Page 1, line 4

Form ND-2 (Schedule 3 filer only):

Include the amount from this schedule: On:

Line 1	Sch. 3, Part 1, line 12
Line 2	Sch. 3, Part 1, line 17
Line 3	Not applicable
Line 4	Sch. RZ, Part 1, line 14
Line 5	Sch. 3, Part 1, line 5
Line 6a	Sch. 3, Part 1, line 4
Line 6b	Sch. 3, Part 1, line 2
Line 6c	Sch. 3, Part 1, line 3
Line 7–9	Sch. 3, Part 1, line 5
Line 10	Sch. RZ, Part 4, line 7
Line 11	Sch. RZ, Part 5, line 4
Lines 12-23	Page 1, line 4

Form 38 (Schedule 1 filer only):

Include the amount from this schedule: On:

Lines 1–2	Not applicable
Line 3	Sch. 1, line 4a
Line 4	Sch. RZ, Part 1, line 14
Line 5	Sch. 1, Part 1, line 4c
Lines 6–8	Not applicable
Line 9	Sch. 1, Part 1, line 4c
Line 10	Sch. RZ, Part 4, line 7
Line 11	Sch. RZ, Part 5, line 4
Lines 12–15	Form 38, page 1, line 3
Lines 16–17	Not applicable
Lines 18-23	Form 38, page 1, line 3

Form 38 (Schedule 2 filer only):

Include the amount

from this schedule:	On:
Lines 1–2	Sch. 2, Part 1, line 2
Line 3	Sch. 2, Part 1, line 4a
Line 4	Sch. RZ, Part 1, line 14
Lines 5–9	Sch. 2, Part 1, line 4a
Line 10	Sch. RZ, Part 4, line 7
Line 11	Sch. RZ, Part 5, line 4
Lines 12–23	Form 38, page 1, line 3

Form 40 filer:

Include the amount

from this schedule:	On:
Line 1	Sch. SA, line 5
Line 2	Sch. SA, line 3
Line 3	Sch. SA, line 11
Line 4	Sch. RZ, Part 1, line 14
Line 5	Page 1, line 9
Lines 6–7	Not applicable
Line 8	Sch. SA, line 27
Line 9	Not applicable
Line 10	Sch. RZ, Part 4, line 7
Line 11	Sch. RZ, Part 5, line 4
Line 12	Sch. TC, line 12
Line 13	Sch. TC, line 15
Line 14	Sch. TC, line 13
Line 15	Sch. TC, line 14
Line 16	Sch. TC, line 3
Line 17	Sch. TC, line 9
Line 18	Sch. TC, line 18
Line 19	Sch. TC, line 17
Line 20	Sch. TC, line 6
Line 21	Sch. TC, line 19
Line 22	Sch. TC, line 16
Line 23	Sch. TC, line 20

Form 35 filer:

Include the amount

from this schedule:	On:
Line 1	Sch. SA, line 4
Line 2	Sch. SA, line 3
Line 3	Not applicable
Line 4	Sch. RZ, Part 1, line 14
Lines 5–9	Not applicable
Line 10	Sch. RZ, Part 4, line 7
Line 11	Sch. RZ, Part 5, line 4
Lines 12–23	Not applicable

Forms 58 and 60: Include the amounts from lines 1–23 of this schedule on the applicable lines of Schedule K of Form 58 or Form 60.

**Part 4
Nonresident individual,
estate, or trust beneficiaries
only—North Dakota income
(loss)**

If you are a nonresident individual, estate, or trust, lines 24 through 34 of Part 4 show your share of the estate’s or trust’s North Dakota income, gains, losses, and deductions that you must report on your North Dakota income tax return. Transfer these amounts to your North Dakota income tax return as instructed below based on the type of return you are filing.

If the full amount of any item is not included in your adjusted gross income on your federal income tax return because of limitations on the deductibility of a passive activity loss, capital loss, section 179 deduction, or for any other reason, enter on your North Dakota return only that portion of the item included in your federal adjusted gross income.

Attach a statement to your North Dakota income tax return explaining any difference between an amount shown on North Dakota Schedule K-1 (Form 38) and the amount reported on your North Dakota income tax return.

Form ND-1 filer (nonresident only):

Include the amount	On Schedule ND-1NR,
from this schedule:	Column B:
Lines 24–25	Line 2
Lines 26–27	Line 4
Lines 28–32	Line 6
Line 33	Line 4 (if capital loss) or line 8 (if net operating loss)
Line 34	Line 8

Form ND-2 filer (nonresident only):

Include the amount	On Schedule 3, Part 2,
from this schedule:	Column B:
Lines 24–25	Line 2
Lines 26–27	Line 4
Lines 28–32	Line 6
Line 33	Line 4 (if capital loss) or line 8 (if net operating loss)
Line 34	Line 8

Form 38, Schedule 1 filer (nonresident only)

Include the amount	On Schedule 1, Part 2,
from this schedule:	Column B:
Line 24	Line 1
Line 25	Line 2
Lines 26–27	Line 4
Lines 28–32	Line 5

Line 33	Line 4 (if capital loss) or line 8 (if net operating loss)
Line 34	Line 8

Form 38, Schedule 2 filer (nonresident only)

Include the amount	On Schedule 2, Part 2,
from this schedule:	Column B:
Line 24	Line 1
Line 25	Line 2
Lines 26–27	Line 4
Lines 28–32	Line 5
Line 33	Line 4 (if capital loss) or line 8 (if net operating loss)
Line 34	Line 8

**Part 5
Nonresident individual
beneficiary only**

Lines 35 through 37 apply only to a nonresident individual beneficiary.

Line 35

This is the net amount of your North Dakota distributive share of income (loss) from the estate or trust. Do not enter the amount from this line anywhere on your return. ***It is for your information only.***

Line 36

The amount shown on this line is the amount of North Dakota income tax withheld by the fiduciary for the estate or trust from your North Dakota distributive share of income. Include this amount on Form ND-1, line 26, or Form ND-2, page 1, line 8. ***Attach a copy of North Dakota Schedule K-1 (Form 38) to your return.***

Line 37

If you elected to include your North Dakota distributive share of income (loss) in a composite return, the amount shown on this line is the amount of North Dakota composite income tax paid on your behalf by the fiduciary for the estate or trust. If you made this election, you are not required to file your own North Dakota individual income tax return. ***This is for your information only.***

Note: If you later choose to file your own North Dakota individual income tax return, you may claim this amount as a tax payment on your return. Attach a copy of the North Dakota Schedule K-1 (Form 38) to your return to support the amount claimed.