North Dakota Office of State Tax Commissioner

North Dakota Schedule K-1 (Form 38) 2011

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

▶ **See separate instructions**

◯ Final ◯ Amended

Estate's or trust's tax year: ◯ **Calendar year 2011** (Jan. 1 - Dec. 31, 2011)

◯ **Fiscal year:** Beginning _____, 2011

Ending _____, 20 ____

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 College SAVE contribution deduction _____

7 a Renaissance zone: Historic property preservation/renovation tax credit _____

b Renaissance zone: Renaissance fund organization investment tax credit _____

c Renaissance zone: Nonparticipating property owner credit _____

8 Seed capital investment tax credit _____

9 Agricultural commodity processing facility investment tax credit _____

Part 3 continued . . .

10 Supplier biodiesel/green diesel fuel credit _____

11 Seller biodiesel/green diesel fuel credit _____

12 Geothermal energy device tax credit _____

13 Employer internship program tax credit _____

14 Microbusiness tax credit _____

15 a Research expense tax credit _____

b Research credit purchased from another taxpayer in 2011 _____

16 a Angel fund investment tax credit _____

b Angel fund credit purchased from another taxpayer _____

17 Endowment fund tax credit _____

18 Workforce recruitment credit _____

19 Credit for wages paid to mobilized employee _____

20 Housing incentive fund credit _____

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

21 Interest income _____

22 Ordinary dividends _____

23 Net short-term capital gain _____

24 Net long-term capital gain _____

25 Other portfolio and nonbusiness income _____

26 Ordinary business income _____

27 Net rental real estate income _____

28 Other rental income _____

29 Directly apportioned deductions _____

30 Final year deductions _____

31 Other _____

Part 5 Nonresident individual beneficiary only

32 North Dakota distributive share of income (loss) _____

33 North Dakota income tax withheld _____

34 North Dakota composite income tax _____

2011
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 partnership, corporation, or a limited liability company treated like a partnership or corporation, 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 individual 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 receive an amended North Dakota Schedule K-1 (Form 38) from the fiduciary for the estate or trust, and you already filed your North Dakota income tax return, you must file an amended North Dakota income tax return to report the corrected amounts on the amended North Dakota Schedule K-1. 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 2011 tax year. Therefore, report the amount from the 2011 North Dakota Schedule K-1 on your 2011 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 2012, report the amounts on your 2012 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 1–20

Form ND-1 filer:

Include the amount from this schedule:	On:
Lines 1–2	Not applicable
Line 3	Form ND-1, line 7
Line 4	Sch. RZ, Part 1, line 14
Line 5	Sch. ND-1SA, line 2
Line 6	Form ND-1, line 14
Line 7a	Sch. RZ, Part 4, line 7
Line 7b	Sch. RZ, Part 5, line 4
Line 7c	Sch. RZ, Part 6, line 6
Line 8	Sch. ND-1TC, line 4
Line 9	Sch. ND-1TC, line 3
Line 10	Sch. ND-1TC, line 6
Line 11	Sch. ND-1TC, line 7
Line 12	Sch. ND-1TC, line 14b
Line 13	Sch. ND-1TC, line 8a
Line 14	Sch. ND-1TC, line 9a
Line 15a	Sch. ND-1TC, line 10a
Line 15b	Sch. ND-1TC, line 10b
Line 16a	Sch. ND-1TC, line 11a
Line 16b	Sch. ND-1TC, line 11b
Line 17	Sch. ND-1TC, line 12
Line 18	Sch. ND-1TC, line 13a
Line 19	Sch. ND-1TC, line 15
Line 20	Sch. ND-1TC, line 19

Form 38 filer:

Include the amount from this schedule:	On:
Lines 1–2	Not applicable
Line 3	Form 38, page 2, Part 1, line 4a
Line 4	Sch. RZ, Part 1, line 14
Lines 5-6	Form 38, page 2, Part 1, line 4d
Line 7a	Sch. RZ, Part 4, line 7
Line 7b	Sch. RZ, Part 5, line 4
Line 7c	Sch. RZ, Part 6, line 6
Lines 8–20	Form 38, page 1, line 3

Form 40 filer:

Include the amount from this schedule:	On:
Line 1	Sch. SA, line 4
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
Line 6	Not applicable
Line 7a	Sch. RZ, Part 4, line 7
Line 7b	Sch. RZ, Part 5, line 4
Line 7c	Sch. RZ, Part 6, line 6
Line 8	Sch. TC, line 12
Line 9	Sch. TC, line 15
Line 10	Sch. TC, line 13
Line 11	Sch. TC, line 14
Line 12	Sch. TC, line 3
Line 13	Sch. TC, line 18
Line 14	Sch. TC, line 17
Line 15a	Sch. TC, line 5
Line 15b	Sch. TC, line 6
Line 16a	Sch. TC, line 19
Line 16b	Sch. TC, line 20
Line 17	Sch. TC, line 16
Line 18	Sch. TC, line 21
Line 19	Sch. TC, line 22
Line 20	Sch. TC, line 23

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 5–6	Not applicable
Line 7a	Sch. RZ, Part 4, line 7
Line 7b	Sch. RZ, Part 5, line 4
Line 7c	Sch. RZ, Part 6, line 6
Lines 8–20	Not applicable

Forms 58 and 60: Include the amounts from lines 1–20 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 21 through 31 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 the 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 from this schedule:	On Schedule ND-1NR, Column B:
Lines 21-22	Line 2
Lines 23-24	Line 4
Lines 25–29	Line 6
Line 30	Line 4 *(if capital loss)* or line 8 *(if net operating loss)*
Line 31	Line 8

Form 38 filer (nonresident only):

Include the amount from this schedule:	On Page 2, Part 2, Column B:
Line 21	Line 1
Line 22	Line 2
Lines 23–24	Line 4
Lines 25–29	Line 5
Line 30	Line 4 *(if capital loss)* or line 8 *(if net operating loss)*
Line 31	Line 8

Part 5
Nonresident individual beneficiary only

Lines 32 through 34 only apply to a nonresident individual beneficiary.

Line 32

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 33

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 28. **Attach a copy of North Dakota Schedule K-1 (Form 38) to your return.**

Line 34

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.*