North Dakota Office of State Tax Commissioner

North Dakota Schedule K-1 (Form 38) 2013

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 2013** (Jan. 1 - Dec. 31, 2013)

○ **Fiscal year:** Beginning _____, 2013

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

a For projects approved ***before August 1, 2013*** _____

b For projects approved ***after July 31, 2013*** _____

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 tax credit _____

8 Seed capital investment tax credit _____

Part 3 continued . . .

9 Agricultural commodity processing facility investment tax credit _____

10 Supplier biodiesel/green diesel fuel tax credit _____

11 Seller biodiesel/green diesel fuel tax 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 tax credit purchased from another taxpayer _____

16 Angel fund investment tax credit _____

17 Endowment fund contribution tax credit _____

18 Workforce recruitment tax credit _____

19 Tax credit for wages paid to mobilized employee _____

20 Housing incentive fund credit _____

21 Automation tax credit _____

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

22 Interest income _____

23 Ordinary dividends _____

24 Net short-term capital gain _____

25 Net long-term capital gain _____

26 Other portfolio and nonbusiness income _____

27 Ordinary business income _____

28 Net rental real estate income _____

29 Other rental income _____

30 Directly apportioned deductions _____

31 Final year deductions _____

32 Other _____

Part 5 Nonresident individual beneficiary only

33 North Dakota distributive share of income (loss) _____

34 North Dakota income tax withheld _____

35 North Dakota composite income tax _____

2013
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 to Parts 3, 4, and 5 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 2013 tax year. Therefore, report the amount from the 2013 North Dakota Schedule K-1 on your 2013 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 2014, report the amounts on your 2014 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 1–21

Form ND-1 filer:

Include the amount from this schedule:	On:
Lines 1–2	Not applicable
Line 3	Form ND-1, line 7
Line 4a	Sch. RZ, Part 1, line 19a
Line 4b	Sch. RZ, Part 1, line 19b
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 16	Sch. ND-1TC, line 11a
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
Line 21	Sch. ND-1TC, line 20

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 4a	Sch. RZ, Part 1, line 19a
Line 4b	Sch. RZ, Part 1, line 19b
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 8–21	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 4a	Sch. RZ, Part 1, line 19a
Line 4b	Sch. RZ, Part 1, line 19b
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 16	Sch. TC, line 19
Line 17	Sch. TC, line 16
Line 18	Sch. TC, line 21
Line 19	Sch. TC, line 22
Line 20	Sch. TC, line 23
Line 21	Sch. TC, line 24

Forms 58 and 60: Include the amounts from lines 1–21 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 22 through 32 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 22-23	Line 2
Lines 24-25	Line 4
Lines 26–30	Line 6
Line 31	Line 4 *(if capital loss)* or line 8 *(if net operating loss)*
Line 32	Line 8

Form 38 filer (nonresident only):

Include the amount from this schedule:	On Page 2, Part 2, Column B:
Line 22	Line 1
Line 23	Line 2
Lines 24–25	Line 4
Lines 26–30	Line 5
Line 31	Line 4 *(if capital loss)* or line 8 *(if net operating loss)*
Line 32	Line 8

Part 5
Nonresident individual beneficiary only

Lines 33 through 35 only apply to a nonresident individual beneficiary.

Line 33

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 34

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 35

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.*