Form
38-ES

North Dakota Office of State Tax Commissioner

Estimated income tax—estates and trusts

2014

Who must pay estimated tax?

A fiduciary for an estate or trust must pay estimated North Dakota income tax for the 2014 tax year if all four of the following conditions apply:

1. The fiduciary is required to pay estimated federal income tax for the 2014 tax year. This condition applies whether or not the fiduciary actually makes the required payment(s) of estimated tax to the Internal Revenue Service.
2. The fiduciary's net tax liability for the 2013 tax year was equal to or more than $1,000.

   Note: *If the fiduciary was not required to file a North Dakota income tax return for the 2013 tax year, the fiduciary's net tax liability is zero for purposes of this condition.*
3. The fiduciary expects to owe (after subtracting any estimated North Dakota income tax withholding) an amount equal to or more than $1,000 for the 2014 tax year.
4. The fiduciary expects North Dakota income tax withholding for the 2014 tax year to be less than the smaller of:
   a. 90% of the net tax liability for the 2014 tax year.

      Note: *Substitute 66 2/3% if a qualified farmer. See "Farmer" under "Payment amounts and due dates" later in these instructions.*

   b. 100% of the net tax liability for the 2013 tax year.

      Note: *If the estate or trust was not in existence for the entire 2013 tax year, part b does not apply; the 90% threshold in part a must be applied.*

How to determine the estimated tax

Complete the worksheet on page 2. For line 1 of the worksheet, estimate the federal taxable income using the 2014 Form 1041-ES, the federal estimated tax form for estates and trusts. See the instructions to Schedule 1 of the 2013 Form 38 for information on the adjustments on lines 2 and 4, and the credits on line 7, of the worksheet.

Payment amounts and due dates

In general, one-fourth (25%) of the total estimated tax required to be paid (from line 14 of the worksheet) for the 2014 tax year must be paid by each of the following due dates:

• 1st installment	April 15, 2014
• 2nd installment	June 15, 2014
• 3rd installment	September 15, 2014
4th installment	January 15, 2015

The above due dates apply if the fiduciary's tax year is a calendar year—January 1 through December 31, 2014. However, if the tax year is a fiscal year, the installments are due on the 15th day of the 4th, 6th, and 9th months of the current tax year, and the 15th day of the 1st month of the following tax year. If any installment due date falls on a Saturday, Sunday, or legal holiday, the installment is not due until the next business day.

Farmer—If the fiduciary qualifies as a farmer for federal estimated income tax purposes for the 2014 tax year, the fiduciary may pay the estimated tax according to the general rules explained above, or the fiduciary may pay the full amount of the estimated tax due by January 15, 2015.

Note: Regardless of the option chosen, the fiduciary has until the regular due date to file the 2014 North Dakota fiduciary income tax return.

Part-year requirement—If a fiduciary for a nonresident estate or trust, or an estate or trust that was created during the tax year, does not receive income from North Dakota sources until after the first installment due date, the fiduciary must pay the required estimated tax in equal payments over the remaining installment due dates following the receipt of income from North Dakota sources.

How and where to pay

If paying by paper check or money order, make the check or money order payable to "ND State Tax Commissioner." Detach and complete the applicable installment's payment voucher. To ensure proper credit, write the federal employer identification number (FEIN) and "2014 Form 38-ES" on the check or money order. Mail the payment and voucher to:

Office of State Tax Commissioner
600 E. Boulevard Ave., Dept. 127
Bismarck, ND 58505-0599

Electronic payment option. Instead of submitting a paper check or money order with this payment voucher, the balance due may be paid electronically through an Automated Clearing House (ACH) credit transaction or online through Link2Gov Corporation, a national electronic payment service. ***If paying electronically, do not use the paper vouchers attached to this form.***

To pay by means of an ACH transaction, go to **www.nd.gov/tax** and click on "Fiduciary" on the left-hand side of the page. Then click on "Electronic Payment."

To pay online through Link2Gov Corporation, go to **www.ndtaxpayment.com**. Link2Gov charges a fee for its service, none of which goes to the State of North Dakota. The amount of the fee will be provided during the transaction with an option to continue or cancel the transaction.

Underpayment or late payment interest

Interest may be charged if not enough estimated tax is paid, or if the payment is not made on time or in the required amount. This applies even if there is a refund on the North Dakota fiduciary income tax return for the 2014 tax year. Interest is calculated at the rate of 12% per year from the installment due date to the earlier of the date the estimated tax is paid or the regular due date of the return.

Need help?

If you have questions or need forms, see page 3 of this form for how to contact us.

Privacy Act information—In compliance with the Federal Privacy Act of 1974 (Public Law 93-579), the disclosure of the federal employer identification number on this form is mandatory and is required under subsections 1 and 7 of North Dakota Century Code § 57-38-31. A federal employer identification number is used as an identification number by the North Dakota Office of State Tax Commissioner for file control and recordkeeping purposes, and for cross-checking the fiduciary's files with those of the Internal Revenue Service.

2014 estimated income tax worksheet—estate or trust

1. Estimated federal taxable income for the 2014 tax year (*from worksheet in 2014 Federal Form 1041-ES*) ..... 1 _____
2. Addition adjustments—see the instructions to the 2013 Form 38, Tax Computation Schedule, line 2, for required adjustments ..... 2 _____
3. Balance (*Add lines 1 and 2*) ..... 3 _____
4. Subtraction adjustments—see the instructions to the 2013 Form 38, Tax Computation Schedule, line 4, for allowable adjustments ..... 4 _____
5. North Dakota taxable income (*Subtract line 4 from line 3*) ..... 5 _____
6. North Dakota income tax—calculate the tax for the amount on line 5 as follows ..... 6 _____
   - If a resident estate or trust, calculate the tax using the 2014 Tax Rate Schedule below.
   - If a nonresident estate or trust, complete lines 15 through 19 below.
7. Credits—see the instructions to the 2013 Form 38, page 1, line 3, for allowable credits ..... 7 _____
8. Net tax liability (*Subtract line 7 from line 6*) ..... 8 _____
9. Estimated North Dakota income tax withholding for the 2014 tax year ..... 9 _____
10. Balance due (*Subtract line 9 from line 8*) If the amount on this line is less than $1,000, stop here; no estimated tax is due ..... 10 _____
11. Multiply line 8 by 90% (.90) [or 66 2/3% (.6667) if a qualified farmer] ..... 11 _____
12. Net tax liability from 2013 Form 38, page 1, line 4. If no return was required for 2013, enter 0. If the amount on this line is less than $1,000, stop here; no estimated tax is due ..... 12 _____
13. Enter the smaller of line 11 or line 12. However, if the estate or trust was not in existence for the entire 2013 tax year, enter the amount from line 11. If line 9 is equal to or greater than the amount on this line, stop here; no estimated tax is due ..... 13 _____
14. Minimum annual payment. (*Subtract line 9 from line 13*) Divide this amount by four to determine the amount to pay on each installment due date. See **Payment amounts and due dates** in the instructions on page 1 for the due dates and for exceptions to paying in four installments ..... 14 _____

Nonresident estate or trust tax calculation only (lines 15 through 19)

15. Calculate the tax for the amount on line 5 using the 2014 Tax Rate Schedule below ..... 15 _____
16. Income from North Dakota sources. Enter the portion of the fiduciary's income that is reportable to North Dakota (except U.S. obligation interest) ..... 16 _____
17. Estimated total income of fiduciary (reduced by U.S. obligation interest) ..... 17 _____
18. North Dakota income ratio (*Divide line 16 by line 17. Round to nearest two decimal places.*) ..... 18 _____
19. Multiply line 15 by line 18. Enter this amount on line 6 above ..... 19 _____

2014 Tax Rate Schedule

Estate or Trust

If North Dakota taxable income is: Over	But not over	Your tax is equal to:
$ 0	$ 2,500	1.22% of North Dakota taxable income
2,500	5,800	$ 30.50 + 2.27% of amount over $ 2,500
5,800	8,900	105.41 + 2.52% of amount over 5,800
8,900	12,150	183.53 + 2.93% of amount over 8,900
12,150		278.76 + 3.22% of amount over 12,150

Call

Questions: (701) 328-1247
Forms: (701) 328-1243

If speech or hearing impaired, call us through Relay North Dakota at 1-800-366-6888.

E-mail

Request forms, ask questions, or send messages to us via e-mail at—
individualtax@nd.gov

Web site

Our Web site address is—
www.nd.gov/tax

Write

Office of State Tax Commissioner
600 E. Boulevard Ave., Dept. 127
Bismarck, ND 58505-0599

Walk-in assistance

Stop in to see us in person at our main office in Bismarck. You will find us in the—

Individual Income Tax Section
State Capitol, 16th Floor
Monday through Friday (except holidays)
8:00 a.m. to 5:00 p.m.

Record of estimated tax payments for 2014 tax year

Installment number	*Payment due date* [1]	*Date paid*	*Check or money order number*	*Amount paid*	*Amount, if any, applied from 2013 return* [2]	*Total amount paid*
1	April 15, 2014					
2	June 15, 2014					
3	Sept. 15, 2014					
4	Jan. 15, 2015					
Total estimated tax paid for 2014						

[1] In the case of (1) a fiscal year filer, (2) a farmer, or (3) a fiduciary whose estimated tax requirement does not begin until after April 15, 2014 , see instructions for applicable due dates.
[2] If a statement was attached to the 2013 North Dakota return electing to apply part or all of the 2013 overpayment to a quarter other than the first quarter of 2014, enter the overpayment on the applicable quarter's line.

38-ES

Form 38-ES Estimated Tax Payment Voucher - Estate or Trust

North Dakota Office of State Tax Commissioner
28723

○ Calendar year: 2014 (Jan. 1 - Dec. 31, 2014)
○ Fiscal year: Begins _____, 2014, and ends _____, _____

Do not use this voucher if paying electronically

Name of Estate or Trust	Federal Employer Identification Number
Name and Title of Fiduciary	Telephone Number
Mailing Address	**Amount of Payment**
City, State and ZIP Code	

- Make check or money order payable to "ND State Tax Commissioner."
- Write FEIN and "2014 Form 38-ES" on check or money order.
- Mail to: Office of State Tax Commissioner, 600 E. Boulevard Ave., Dept. 127, Bismarck, ND 58505-0599

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