North Dakota Office of State Tax Commissioner

North Dakota Schedule K-1 (Form 60) 2012

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

▶ **See separate instructions**

◯ Final ◯ Amended

Corporation's tax year: ◯ **Calendar year 2012** (Jan. 1 - Dec. 31, 2012)

◯ **Fiscal year:** Beginning _____, 2012

Ending _____, 20 ____

Part 1 Corporation information

A Corporation's federal EIN

B Corporation's name, address, city, state, and ZIP code

Part 2 Shareholder information

C Shareholder's SSN or FEIN (from Federal Schedule K-1)

D Shareholder's name, address, city, state, and ZIP code (from Federal Schedule K-1)

E What type of entity is this shareholder? _____

F If shareholder is an individual, estate, or trust, shareholder is a:

◯ **Full-year resident** of North Dakota ◯ **Part-year resident** of North Dakota

◯ **Full-year nonresident** of North Dakota

G Is shareholder included in a composite return? ◯ Yes ◯ No

H Shareholder's stock ownership percentage: _____%

Part 3 All shareholders - North Dakota adjustments and tax credits

1 Interest from U.S. obligations _____

2 Renaissance zone income exemption _____

3 New or expanding business exemption _____

4 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 _____

5 Seed capital investment tax credit _____

6 Agricultural commodity processing facility investment tax credit _____

7 Supplier biodiesel or green diesel fuel tax credit _____

8 Seller biodiesel or green diesel fuel tax credit _____

Part 3 continued . . .

9 Geothermal credit - after 12/31/08 _____

10 Employer internship program tax credit _____

11 Microbusiness tax credit _____

12 Research expense tax credit _____

13 a Endowment fund tax credit _____

b Endowment fund contribution adjustment _____

14 Workforce recruitment credit _____

15 Credit for wages paid to mobilized employee _____

16 a Angel fund investment credit _____

b Angel fund investment credit purchased _____

17 Housing incentive fund credit _____

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

18 Corporation's apportionment factor _____

19 Ordinary income (loss) _____

20 Net rental real estate income (loss) _____

21 Other net rental income (loss) _____

22 Interest income _____

23 Ordinary dividends _____

24 Royalties _____

25 Net short-term capital gain (loss) _____

26 Net long-term capital gain (loss) _____

27 Net section 1231 gain (loss) _____

28 Other income (loss) _____

29 Section 179 deduction _____

30 Other deductions _____

31 I.R.C. Section 179 property disposition gain (loss) _____

Part 5 Nonresident individual shareholder only

32 North Dakota distributive share of income (loss) _____

33 North Dakota income tax withheld _____

34 North Dakota composite income tax _____

2012
Shareholder's Instructions for North Dakota Schedule K-1 (Form 60)

Purpose of schedule

North Dakota Schedule K-1 (Form 60) is provided to you by the corporation to show your share of the income, gains, losses, deductions, and other items from the corporation 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.

Resident individual, estate, or trust shareholder. If you are a North Dakota resident individual, estate, or trust, you must report to North Dakota your entire share of the corporation'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 corporation's North Dakota statutory adjustments or tax credits that may affect the preparation of your North Dakota income tax return. See the instructions to Part 3.

Nonresident individual, estate, or trust shareholder. If you are a nonresident individual, estate, or trust, you must report to North Dakota your share of the corporation's income, gains, losses, and deductions that are apportioned and allocated to North Dakota based on the corporation's activity 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 corporation, 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 corporation's North Dakota income, gains, losses, and deductions in a composite return filed by the corporation, 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 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 60). If you received an amended North Dakota Schedule K-1 (Form 60) from the corporation, and you previously filed a North Dakota income tax return to report your share of income, etc., from the corporation, 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 60) to your amended North Dakota income tax return.

Note: 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 2012 tax year. Therefore, report the amounts from the 2012 North Dakota Schedule K-1 on your 2012 North Dakota return. However, if you and the S corporation 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 S corporation's tax year ends. For example, if you file on a calendar year basis, and the S corporation's year ends in February 2013, report the amounts on your 2013 return.

Part 3
All shareholders–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 1–17

Form ND-1 filer:

Include the amount from this schedule:	On:
Line 1	Form ND-1, line 7
Line 2	Sch. RZ, Part 1, line 14
Line 3	Form ND-1SA, line 2
Line 4a	Sch. RZ, Part 4, line 7
Line 4b	Sch. RZ, Part 5, line 4
Line 4c	Sch. RZ, Part 6, line 6
Line 5	Sch. ND-1TC, line 4
Line 6	Sch. ND-1TC, line 3
Line 7	Sch. ND-1TC, line 6
Line 8	Sch. ND-1TC, line 7
Line 9	Sch. ND-1TC, line 14b
Line 10	Sch. ND-1TC, line 8a
Line 11	Sch. ND-1TC, line 9a
Line 12	Sch. ND-1TC, line 10a
Line 13a	Sch. ND-1TC, line 12
Line 13b	See instructions to ND-1, line 4a
Line 14	Sch. ND-1TC, line 13a
Line 15	Sch. ND-1TC, line 15
Line 16a	Sch. ND-1TC, line 11a
Line 16b	Sch. ND-1TC, line 11b
Line 17	Sch. ND-1TC, line 19

Form 38 filer:

Include the amount from this schedule:	On:
Line 1	Form 38, page 2, Part 1, line 4a
Line 2	Sch. RZ, Part 1, line 14
Line 3	Form 38, page 2, Part 1, line 4d
Line 4a	Sch. RZ, Part 4, line 7
Line 4b	Sch. RZ, Part 5, line 4
Line 4c	Sch. RZ, Part 6, line 6
Lines 5-8	Form 38, page 1, line 3
Line 9	Not applicable
Lines 10-12	Form 38, page 1, line 3
Line 13a	Form 38, page 1, line 3
Line 13b	See instructions to Form 38, Part 1, line 2
Lines 14-15	Form 38, page 1, line 3
Line 16a	Form 38, page 1, line 3
Line 16b	Form 38, page 1, line 3
Line 17	Form 38, page 1, line 3

Part 4
Nonresident individual, estate, or trust shareholders only– North Dakota income (loss)

Line 18

Enter the corporation's apportionment factor from Schedule FACT, line 14.

Lines 19-31

If you are a nonresident individual, estate, or trust, lines 19 through 31 of Part 4 show your share of the corporation'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 60) 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 19-21	Line 6
Lines 22-23	Line 2
Line 24	Line 6
Lines 25-27	Line 4
Line 28	Line 8
Lines 29-30	Line 6
Line 31	Line 4

Form 38 filer (nonresident only):

Include the amount from this schedule:	On Tax Computation Schedule, Part 2, Column B:
Lines 19-21	Line 5
Line 22	Line 1
Line 23	Line 2
Line 24	Line 5
Lines 25-26	Line 4
Line 27	Line 4 or 7
Line 28	Line 8
Lines 29-30	Line 5
Line 31	Line 4 or 7

Part 5

Nonresident individual shareholders only

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

Line 32

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

If you have a North Dakota distributive share of income of $1,000 or more, the corporation was required to withhold North Dakota income tax from it at the rate of 3.99% unless you elected to include it in a composite return filed by the corporation.

Line 33

The amount shown on this line is the amount of North Dakota income tax withheld by the corporation 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 60) 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 corporation. 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 Form ND-1, line 28. Attach a copy of the North Dakota Schedule K-1 (Form 60) to your return to support the amount claimed.*