

# 2021 Resident or Part-Year Resident Beneficiary's Share of Fiduciary Adjustment

## Arizona Schedule 141AZ K-1

### For information or help, call one of the numbers listed:

Phoenix (602) 255-3381  
From area codes 520 and 928, toll-free (800) 352-4090

### Tax forms, instructions, and other tax information

If you need tax forms, instructions, and other tax information, go to the department's website at [www.azdor.gov](http://www.azdor.gov).

### Income Tax Procedures and Rulings

These instructions may refer to the department's income tax procedures and rulings for more information. To view or print these, go to our website select *Reports, Statistics and Legal Research* from the main menu then click on *Legal Research* and select a *Document Type* and *Category* from the drop down menus.

### Publications

To view or print the department's publications, go to our website and click on *Reports and Legal Research* from the main menu then click on *Publications* in the left side column

## General Instructions for Fiduciary

Complete Form 141AZ Schedule K-1, for each resident or part-year resident beneficiary.

### File one copy of each Schedule K-1 with Form 141AZ.

Provide all beneficiaries with a copy of their Schedule K-1. Keep a copy for your records.

**NOTE:** For a Grantor Trust, enter the Social Security Number of the grantor, if not deceased

### Foreign Addresses

If a beneficiary or the fiduciary has a foreign address, enter the information in the following order: city, province or state, and country. Follow the country's practice for entering the postal code. Do not abbreviate the country name.

## Line-by-Line Instructions

### Part 1 - Beneficiary's Share of Fiduciary Adjustment

#### Instructions for Fiduciary

##### Line 1

Enter the net fiduciary adjustment to be allocated to beneficiaries from Form 141AZ Schedule C, line C14. If this is a negative amount, enter the amount in brackets.

##### Line 2

Enter the percentage of the beneficiary's share of federal distributable net income from Form 141AZ Schedule C.

##### Line 3

Multiply line 1 by the percentage on line 2. Enter the result. If the result is a negative number, enter the number in brackets. This is the beneficiary's share of the fiduciary adjustment.

#### Instructions for Beneficiary

The fiduciary uses Form 141AZ Schedule K-1, to report to you your share of the fiduciary adjustment from the estate or trust. Do not file this Schedule K-1 with your return. Keep this Schedule K-1 with your records. The fiduciary filed a copy of this form with the department.

#### Resident Beneficiary

Line 3 shows your share of the fiduciary adjustment from the estate or trust. If the amount on line 3 is a positive number, you must report this amount as an *addition to income* on your Arizona return. If you are an individual, include this amount on your Arizona Form 140, line 18, *Other Additions to Income* or Form 140-SBI, line 11. If the amount on line 3 is a negative number, you must report this amount as a *subtraction from income* on your Arizona return. If you are an individual, include this amount on your Arizona Form 140, line 36, *Other Subtractions from Income* or Form 140-SBI, line 32.

#### Part-Year Resident Beneficiary

If you are a part-year resident individual, report estate or trust income received while you were an Arizona resident. Also, report estate or trust income received from Arizona sources while you were a nonresident. Report this income on Arizona Form 140PY, page 1, line 21 (ARIZONA column). The amount that you should report on your Form 140PY, line 21 (FEDERAL column) is the amount from your federal income tax return.

If the amount on line 3 is a positive number include that portion of line 3 that is allocable to estate or trust income taxable by Arizona on Form 140PY, line 30, *Other Additions to Income* or Form 140PY-SBI, line 11.

If the amount on line 3 is a negative number, include that portion of line 3 that is allocable to estate or trust income taxable by Arizona on Form 140PY, line 44, *Other Subtractions from Income* or Form 140PY-SBI, line 32.

#### Part 2 - Net Long-Term Capital Gain Subtraction (Information Schedule)

Arizona allows a subtraction from Arizona gross income for a percentage of any net long-term capital gain from assets acquired after December 31, 2011, and included in the individual taxpayer's federal adjusted gross income or the estate or trust's federal taxable income.

#### Instructions for Fiduciary

##### Lines 4 through 9

If the **individual** beneficiary's Form 1041 Schedule K-1 includes an amount for any net capital gain or (loss), complete lines 4 through 9 as instructed on page 2 of Form 141AZ Schedule K-1.

#### Instructions for Beneficiaries

Follow the instructions on page 2 of Form 141AZ Schedule K-1.