

EXAMPLE 2 - COMPLETE - NO DISTRIBUTION

A Check all that apply:

Decedent's estate
 Simple trust
 Complex trust
 Qualified disability trust
 ESBT (S portion only)
 Grantor type trust
 Bankruptcy estate-Ch. 7
 Bankruptcy estate-Ch. 11
 Pooled income fund

B Number of Schedules K-1 attached (see instructions) **3**

C Employer identification number **11-2222222**

D Date entity created **01/01/2017**

E Nonexempt charitable and split-interest trusts, check applicable box(es), see instructions.
 Described in sec. 4947(a)(1). Check here if not a private foundation
 Described in sec. 4947(a)(2)
 Net operating loss carryback
 Change in fiduciary's address

F Check applicable boxes:
 Initial return Final return Amended return
 Change in trust's name Change in fiduciary Change in fiduciary's name Change in fiduciary's address

G Check here if the estate or filing trust made a section 645 election Trust TIN

Income	1	Interest income	1	
	2a	Total ordinary dividends	2a	20,000
	b	Qualified dividends allocable to: (1) Beneficiaries (2) Estate or trust 20,000		
	3	Business income or (loss). Attach Schedule C or C-EZ (Form 1040)	3	
	4	Capital gain or (loss). Attach Schedule D (Form 1041)	4	10,000
	5	Rents, royalties, partnerships, other estates and trusts, etc. Attach Schedule E (Form 1040)	5	25,000
	6	Farm income or (loss). Attach Schedule F (Form 1040)	6	
	7	Ordinary gain or (loss). Attach Form 4797	7	
	8	Other income. List type and amount	8	
9	Total income. Combine lines 1, 2a, and 3 through 8	9	55,000	
Deductions	10	Interest. Check if Form 4952 is attached <input type="checkbox"/>	10	
	11	Taxes	11	
	12	Fiduciary fees. If only a portion is deductible under section 67(e), see instructions	12	2,000
	13	Charitable deduction (from Schedule A, line 7)	13	
	14	Attorney, accountant, and return preparer fees. If only a portion is deductible under section 67(e), see instructions	14	
	15a	Other deductions (attach schedule). See instructions for deductions allowable under section 67(e)	15a	
	b	Net operating loss deduction. See instructions	15b	
	16	Add lines 10 through 15b	16	2,000
	17	Adjusted total income or (loss). Subtract line 16 from line 9	17	53,000
	18	Income distribution deduction (from Schedule B, line 15). Attach Schedules K-1 (Form 1041)	18	0
	19	Estate tax deduction including certain generation-skipping taxes (attach computation)	19	
20	Exemption	20	100	
21	Add lines 18 through 20	21	100	
Tax and Payments	22	Taxable income. Subtract line 21 from line 17. If a loss, see instructions	22	52,900
	23	Total tax (from Schedule G, line 7)	23	14,395
	24	2018 net 965 tax liability paid from Form 965-A, Part II, column (k), line 2	24	
	25a	Payments: a 2018 estimated tax payments and amount applied from 2017 return	25a	
	b	Estimated tax payments allocated to beneficiaries (from Form 1041-T)	25b	
	c	Subtract line 25b from line 25a	25c	
	d	Tax paid with Form 7004. See instructions	25d	
	e	Federal income tax withheld. If any is from Form(s) 1099, check <input type="checkbox"/>	25e	
	f	2018 net 965 tax liability from Form 965-A, Part I, column (f), line 2	25f	
	25i	Other payments: g Form 2439; h Form 4136; Total	25i	
26	Total payments. Add lines 25c through 25f, and 25i	26		
27	Estimated tax penalty. See instructions	27	467	
28	Tax due. If line 26 is smaller than the total of lines 23, 24, and 27, enter amount owed	28	14,862	
29	Overpayment. If line 26 is larger than the total of lines 23, 24, and 27, enter amount overpaid	29		
30	Amount of line 29 to be: a Credited to 2019; b Refunded	30		

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of fiduciary or officer representing fiduciary: _____ Date: **04/15/2019** EIN of fiduciary if a financial institution: _____

May the IRS discuss this return with the preparer shown below (see instr.)? Yes No

Paid Preparer Use Only

Print/Type preparer's name: _____ Preparer's signature: _____ Date: _____ Check if self-employed PTIN: _____

Firm's name: **Self-Prepared** Firm's EIN: _____

Firm's address: _____ Phone no.: _____

Schedule A Charitable Deduction. Don't complete for a simple trust or a pooled income fund.

1	Amounts paid or permanently set aside for charitable purposes from gross income. See instructions	1	
2	Tax-exempt income allocable to charitable contributions. See instructions	2	
3	Subtract line 2 from line 1	3	
4	Capital gains for the tax year allocated to corpus and paid or permanently set aside for charitable purposes	4	
5	Add lines 3 and 4	5	
6	Section 1202 exclusion allocable to capital gains paid or permanently set aside for charitable purposes. See instructions	6	
7	Charitable deduction. Subtract line 6 from line 5. Enter here and on page 1, line 13	7	

Schedule B Income Distribution Deduction

1	Adjusted total income. See instructions	1	53,000
2	Adjusted tax-exempt interest	2	
3	Total net gain from Schedule D (Form 1041), line 19, column (1). See instructions	3	0
4	Enter amount from Schedule A, line 4 (minus any allocable section 1202 exclusion)	4	
5	Capital gains for the tax year included on Schedule A, line 1. See instructions	5	
6	Enter any gain from page 1, line 4, as a negative number. If page 1, line 4, is a loss, enter the loss as a positive number	6	-10,000
7	Distributable net income. Combine lines 1 through 6. If zero or less, enter -0-	7	43,000
8	If a complex trust, enter accounting income for the tax year as determined under the governing instrument and applicable local law	8	44,000
9	Income required to be distributed currently	9	
10	Other amounts paid, credited, or otherwise required to be distributed	10	
11	Total distributions. Add lines 9 and 10. If greater than line 8, see instructions	11	
12	Enter the amount of tax-exempt income included on line 11	12	
13	Tentative income distribution deduction. Subtract line 12 from line 11	13	
14	Tentative income distribution deduction. Subtract line 2 from line 7. If zero or less, enter -0-	14	43,000
15	Income distribution deduction. Enter the smaller of line 13 or line 14 here and on page 1, line 18	15	0

Schedule G Tax Computation (see instructions)

1	Tax: a Tax on taxable income. See instructions	1a	12,860	
	b Tax on lump-sum distributions. Attach Form 4972	1b		
	c Alternative minimum tax (from Schedule I (Form 1041), line 56)	1c	0	
	d Total. Add lines 1a through 1c	1d	12,860	
2a	Foreign tax credit. Attach Form 1116	2a		
b	General business credit. Attach Form 3800	2b		
c	Credit for prior year minimum tax. Attach Form 8801	2c		
d	Bond credits. Attach Form 8912	2d		
e	Total credits. Add lines 2a through 2d	2e		
3	Subtract line 2e from line 1d. If zero or less, enter -0-	3	12,860	
4	Net investment income tax from Form 8960, line 21	4	1,535	
5	Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611	5		
6	Household employment taxes. Attach Schedule H (Form 1040)	6		
7	Total tax. Add lines 3 through 6. Enter here and on page 1, line 23	7	14,395	

Other Information

	Yes	No
1 Did the estate or trust receive tax-exempt income? If "Yes," attach a computation of the allocation of expenses. Enter the amount of tax-exempt interest income and exempt-interest dividends ▶ \$		X
2 Did the estate or trust receive all or any part of the earnings (salary, wages, and other compensation) of any individual by reason of a contract assignment or similar arrangement?		X
3 At any time during calendar year 2018, did the estate or trust have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ▶		X
4 During the tax year, did the estate or trust receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the estate or trust may have to file Form 3520. See instructions		X
5 Did the estate or trust receive, or pay, any qualified residence interest on seller-provided financing? If "Yes," see the instructions for required attachment		X
6 If this is an estate or a complex trust making the section 663(b) election, check here. See instructions ▶ <input type="checkbox"/>		
7 To make a section 643(e)(3) election, attach Schedule D (Form 1041), and check here. See instructions ▶ <input type="checkbox"/>		
8 If the decedent's estate has been open for more than 2 years, attach an explanation for the delay in closing the estate, and check here ▶ <input type="checkbox"/>		
9 Are any present or future trust beneficiaries skip persons? See instructions		X
10 Was the trust a specified domestic entity required to file Form 8938 for the tax year (see the Instructions for Form 8938)?		X

**SCHEDULE E
(Form 1040)**

Supplemental Income and Loss
(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

OMB No. 1545-0074

2018

Attachment
Sequence No. **13**

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040, 1040NR, or Form 1041.
▶ Go to www.irs.gov/ScheduleE for instructions and the latest information.

Name(s) shown on return

Your social security number

Plain Vanilla Complex Trust #1

11-222222

Part I Income or Loss From Rental Real Estate and Royalties Note: If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

A Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions) Yes No
B If "Yes," did you or will you file required Forms 1099? Yes No

1a	Physical address of each property (street, city, state, ZIP code)				
A	456 Downtown Street Whatever FL 33311				
B					
C					
1b	Type of Property (from list below)	2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	Fair Rental Days	Personal Use Days	QJV
A	8		A 365	0	<input type="checkbox"/>
B			B		<input type="checkbox"/>
C			C		<input type="checkbox"/>

Type of Property:

- 1 Single Family Residence
- 2 Multi-Family Residence
- 3 Vacation/Short-Term Rental
- 4 Commercial
- 5 Land
- 6 Royalties
- 7 Self-Rental
- 8 Other (describe)

Income:		Properties:		
		A	B	C
3	Rents received	3	30,000.	
4	Royalties received	4		
Expenses:				
5	Advertising	5		
6	Auto and travel (see instructions)	6		
7	Cleaning and maintenance	7		
8	Commissions	8		
9	Insurance	9		
10	Legal and other professional fees	10		
11	Management fees	11		
12	Mortgage interest paid to banks, etc. (see instructions)	12		
13	Other interest	13		
14	Repairs	14	5,000.	
15	Supplies	15		
16	Taxes	16		
17	Utilities	17		
18	Depreciation expense or depletion	18		
19	Other (list) ▶	19		
20	Total expenses. Add lines 5 through 19	20	5,000.	
21	Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21	25,000.	
22	Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	() () ()	
23a	Total of all amounts reported on line 3 for all rental properties	23a	30,000.	
b	Total of all amounts reported on line 4 for all royalty properties	23b		
c	Total of all amounts reported on line 12 for all properties	23c		
d	Total of all amounts reported on line 18 for all properties	23d		
e	Total of all amounts reported on line 20 for all properties	23e	5,000.	
24	Income. Add positive amounts shown on line 21. Do not include any losses	24		25,000.
25	Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here	25	() () ()	
26	Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Schedule 1 (Form 1040), line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2.	26		25,000.

EXAMPLE 2 - SIMPLE - DISTRIBUTION OF ALL INCOME

A Check all that apply:

Decedent's estate
 Simple trust
 Complex trust
 Qualified disability trust
 ESBT (S portion only)
 Grantor type trust
 Bankruptcy estate—Ch. 7
 Bankruptcy estate—Ch. 11
 Pooled income fund

For calendar year 2018 or fiscal year beginning _____, 2018, and ending _____, 20

Name of estate or trust (if a grantor type trust, see the instructions.) **C Employer identification number**
Plain Vanilla Trust #1 **11-2222222**

Name and title of fiduciary **D Date entity created**
Lester Law Trustee **01/01/2017**

Number, street, and room or suite no. (If a P.O. box, see the instructions.) **E Nonexempt charitable and split-interest trusts, check applicable box(es), see instructions.**
123 Elm Street Described in sec. 4947(a)(1). Check here if not a private foundation

City or town, state or province, country, and ZIP or foreign postal code Described in sec. 4947(a)(2)
Wherever FL 33333

B Number of Schedules K-1 attached (see instructions) **3**

F Check applicable boxes:
 Initial return Final return Amended return Net operating loss carryback
 Change in trust's name Change in fiduciary Change in fiduciary's name Change in fiduciary's address

G Check here if the estate or filing trust made a section 645 election. Trust TIN

Income	1 Interest income	1	
	2a Total ordinary dividends	2a	20,000
	b Qualified dividends allocable to: (1) Beneficiaries 20,000 (2) Estate or trust 0		
	3 Business income or (loss). Attach Schedule C or C-EZ (Form 1040)	3	
	4 Capital gain or (loss). Attach Schedule D (Form 1041)	4	10,000
	5 Rents, royalties, partnerships, other estates and trusts, etc. Attach Schedule E (Form 1040)	5	25,000
	6 Farm income or (loss). Attach Schedule F (Form 1040)	6	
	7 Ordinary gain or (loss). Attach Form 4797	7	
	8 Other income. List type and amount	8	
9 Total income. Combine lines 1, 2a, and 3 through 8	9	55,000	
Deductions	10 Interest. Check if Form 4952 is attached <input type="checkbox"/>	10	
	11 Taxes	11	
	12 Fiduciary fees. If only a portion is deductible under section 67(e), see instructions	12	2,000
	13 Charitable deduction (from Schedule A, line 7)	13	
	14 Attorney, accountant, and return preparer fees. If only a portion is deductible under section 67(e), see instructions	14	
	15a Other deductions (attach schedule). See instructions for deductions allowable under section 67(e)	15a	
	b Net operating loss deduction. See instructions	15b	
	16 Add lines 10 through 15b	16	2,000
	17 Adjusted total income or (loss). Subtract line 16 from line 9	17	53,000
	18 Income distribution deduction (from Schedule B, line 15). Attach Schedules K-1 (Form 1041)	18	43,000
	19 Estate tax deduction including certain generation-skipping taxes (attach computation)	19	
20 Exemption	20	300	
21 Add lines 18 through 20	21	43,300	
Tax and Payments	22 Taxable income. Subtract line 21 from line 17. If a loss, see instructions	22	9,700
	23 Total tax (from Schedule G, line 7)	23	1,065
	24 2018 net 965 tax liability paid from Form 965-A, Part II, column (k), line 2	24	
	25 Payments: a 2018 estimated tax payments and amount applied from 2017 return	25a	
	b Estimated tax payments allocated to beneficiaries (from Form 1041-T)	25b	
	c Subtract line 25b from line 25a	25c	
	d Tax paid with Form 7004. See instructions	25d	
	e Federal income tax withheld. If any is from Form(s) 1099, check <input type="checkbox"/>	25e	
	f 2018 net 965 tax liability from Form 965-A, Part I, column (f), line 2	25f	
	Other payments: g Form 2439 ; h Form 4136 ; Total	25i	
26 Total payments. Add lines 25c through 25f, and 25i	26		
27 Estimated tax penalty. See instructions	27	35	
28 Tax due. If line 26 is smaller than the total of lines 23, 24, and 27, enter amount owed	28	1,100	
29 Overpayment. If line 26 is larger than the total of lines 23, 24, and 27, enter amount overpaid	29		
30 Amount of line 29 to be: a Credited to 2019 ; b Refunded	30		

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of fiduciary or officer representing fiduciary **04/15/2019** Date EIN of fiduciary if a financial institution Yes No

Paid Preparer Use Only

Print/Type preparer's name Preparer's signature Date Check if self-employed PTIN

Firm's name **Self-Prepared** Firm's EIN

Firm's address Phone no.

Schedule A Charitable Deduction. Don't complete for a simple trust or a pooled income fund.			
1	Amounts paid or permanently set aside for charitable purposes from gross income. See instructions	1	
2	Tax-exempt income allocable to charitable contributions. See instructions	2	
3	Subtract line 2 from line 1	3	
4	Capital gains for the tax year allocated to corpus and paid or permanently set aside for charitable purposes	4	
5	Add lines 3 and 4	5	
6	Section 1202 exclusion allocable to capital gains paid or permanently set aside for charitable purposes. See instructions	6	
7	Charitable deduction. Subtract line 6 from line 5. Enter here and on page 1, line 13	7	

Schedule B Income Distribution Deduction			
1	Adjusted total income. See instructions	1	53,000
2	Adjusted tax-exempt interest	2	
3	Total net gain from Schedule D (Form 1041), line 19, column (1). See instructions	3	0
4	Enter amount from Schedule A, line 4 (minus any allocable section 1202 exclusion)	4	
5	Capital gains for the tax year included on Schedule A, line 1. See instructions	5	
6	Enter any gain from page 1, line 4, as a negative number. If page 1, line 4, is a loss, enter the loss as a positive number	6	-10,000
7	Distributable net income. Combine lines 1 through 6. If zero or less, enter -0-	7	43,000
8	If a complex trust, enter accounting income for the tax year as determined under the governing instrument and applicable local law	8	
9	Income required to be distributed currently	9	44,000
10	Other amounts paid, credited, or otherwise required to be distributed	10	
11	Total distributions. Add lines 9 and 10. If greater than line 8, see instructions	11	44,000
12	Enter the amount of tax-exempt income included on line 11	12	
13	Tentative income distribution deduction. Subtract line 12 from line 11	13	44,000
14	Tentative income distribution deduction. Subtract line 2 from line 7. If zero or less, enter -0-	14	43,000
15	Income distribution deduction. Enter the smaller of line 13 or line 14 here and on page 1, line 18	15	43,000

Schedule G Tax Computation (see instructions)			
1	Tax: a Tax on taxable income. See instructions	1a	1,065
	b Tax on lump-sum distributions. Attach Form 4972	1b	
	c Alternative minimum tax (from Schedule I (Form 1041), line 56)	1c	0
	d Total. Add lines 1a through 1c	1d	1,065
2a	Foreign tax credit. Attach Form 1116	2a	
b	General business credit. Attach Form 3800	2b	
c	Credit for prior year minimum tax. Attach Form 8801	2c	
d	Bond credits. Attach Form 8912	2d	
e	Total credits. Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1d. If zero or less, enter -0-	3	1,065
4	Net investment income tax from Form 8960, line 21	4	0
5	Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611	5	
6	Household employment taxes. Attach Schedule H (Form 1040)	6	
7	Total tax. Add lines 3 through 6. Enter here and on page 1, line 23	7	1,065

Other Information		Yes	No
1	Did the estate or trust receive tax-exempt income? If "Yes," attach a computation of the allocation of expenses. Enter the amount of tax-exempt interest income and exempt-interest dividends ▶ \$		X
2	Did the estate or trust receive all or any part of the earnings (salary, wages, and other compensation) of any individual by reason of a contract assignment or similar arrangement?		X
3	At any time during calendar year 2018, did the estate or trust have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ▶		X
4	During the tax year, did the estate or trust receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the estate or trust may have to file Form 3520. See instructions		X
5	Did the estate or trust receive, or pay, any qualified residence interest on seller-provided financing? If "Yes," see the instructions for required attachment		X
6	If this is an estate or a complex trust making the section 663(b) election, check here. See instructions ▶ <input type="checkbox"/>		
7	To make a section 643(e)(3) election, attach Schedule D (Form 1041), and check here. See instructions ▶ <input type="checkbox"/>		
8	If the decedent's estate has been open for more than 2 years, attach an explanation for the delay in closing the estate, and check here ▶ <input type="checkbox"/>		
9	Are any present or future trust beneficiaries skip persons? See instructions		X
10	Was the trust a specified domestic entity required to file Form 8938 for the tax year (see the Instructions for Form 8938)?		X

Schedule K-1 (Form 1041)

2018

Department of the Treasury Internal Revenue Service

For calendar year 2018, or tax year

Final K-1 Amended K-1 OMB No. 1545-0092

beginning / / 2018 ending / /

Beneficiary's Share of Income, Deductions, Credits, etc.

See back of form and instructions.

Part I Information About the Estate or Trust

Form I: Estate's or trust's employer identification number (11-222222), Estate's or trust's name (Plain Vanilla Trust #1), Fiduciary's name, address, city, state, and ZIP code (Lester Law, Trustee, 123 Elm Street, Whereever FL 33333), and checkboxes for Form 1041-T and final Form 1041.

Part II Information About the Beneficiary

Form II: Beneficiary's identifying number (123-12-1234) and Beneficiary's name, address, city, state, and ZIP code (X, 123 Elm Street, Whatever FL 33311).

Form H: Domestic beneficiary (checked) and Foreign beneficiary (unchecked).

Part III Beneficiary's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 14 rows: 1 Interest income, 2a Ordinary dividends (6,667), 2b Qualified dividends (6,667), 3 Net short-term capital gain, 4a Net long-term capital gain, 4b 28% rate gain, 4c Unrecaptured section 1250 gain, 5 Other portfolio and nonbusiness income, 6 Ordinary business income, 7 Net rental real estate income (7,667), 8 Other rental income, 9 Directly apportioned deductions, 10 Estate tax deduction, 11 Final year deductions, 12 Alternative minimum tax adjustment (A, 0), 13 Credits and credit recapture, 14 Other information (E, 6,667), I * STMT.

*See attached statement for additional information. Note: A statement must be attached showing the beneficiary's share of income and directly apportioned deductions from each business, rental real estate, and other rental activity.

For IRS Use Only

Schedule K-1
(Form 1041)

Department of the Treasury
Internal Revenue Service

2018

For calendar year 2018, or tax year

beginning / / 2018 ending / /

Beneficiary's Share of Income, Deductions, Credits, etc.

▶ See back of form and instructions.

Final K-1 Amended K-1 OMB No. 1545-0092

Part I Information About the Estate or Trust

A Estate's or trust's employer identification number
11-222222

B Estate's or trust's name
Plain Vanilla Trust #1

C Fiduciary's name, address, city, state, and ZIP code
Lester Law, Trustee
123 Elm Street
Whereever FL 33333

D Check if Form 1041-T was filed and enter the date it was filed

E Check if this is the final Form 1041 for the estate or trust

Part II Information About the Beneficiary

F Beneficiary's identifying number
321-32-4321

G Beneficiary's name, address, city, state, and ZIP code
Y
321 Elm Street
Whoever FL 33331

H Domestic beneficiary Foreign beneficiary

Part III Beneficiary's Share of Current Year Income, Deductions, Credits, and Other Items

1 Interest income	11 Final year deductions
2a Ordinary dividends 6,667.	
2b Qualified dividends 6,667.	
3 Net short-term capital gain	
4a Net long-term capital gain	
4b 28% rate gain	12 Alternative minimum tax adjustment A 0.
4c Unrecaptured section 1250 gain	
5 Other portfolio and nonbusiness income	
6 Ordinary business income	
7 Net rental real estate income 7,667.	13 Credits and credit recapture
8 Other rental income	
9 Directly apportioned deductions	14 Other information E 6,667.
10 Estate tax deduction	I * STMT

*See attached statement for additional information.
Note: A statement must be attached showing the beneficiary's share of income and directly apportioned deductions from each business, rental real estate, and other rental activity.

For IRS Use Only

Schedule K-1 (Form 1041)

2018

Department of the Treasury Internal Revenue Service

For calendar year 2018, or tax year

Final K-1 Amended K-1 OMB No. 1545-0092

beginning / / 2018 ending / /

Beneficiary's Share of Income, Deductions, Credits, etc.

See back of form and instructions.

Part I Information About the Estate or Trust

Form I: Information About the Estate or Trust. Includes fields for employer ID number (11-2222222), estate name (Plain Vanilla Trust #1), fiduciary name (Lester Law, Trustee), and checkboxes for Form 1041-T filing and final Form 1041 status.

Part II Information About the Beneficiary

Form II: Information About the Beneficiary. Includes fields for beneficiary identifying number (234-23-2345), beneficiary name (Z, 234 Elm Street, Whoever FL 31111), and checkboxes for domestic (checked) and foreign beneficiary status.

Part III Beneficiary's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 14 rows detailing income and deductions. Rows include Interest income, Dividends (6,666), Capital gains, 28% rate gain, Unrecaptured section 1250 gain, Other portfolio income, Ordinary business income, Net rental real estate income (7,666), Other rental income, Directly apportioned deductions, Estate tax deduction, and Alternative minimum tax adjustment (0).

*See attached statement for additional information. Note: A statement must be attached showing the beneficiary's share of income and directly apportioned deductions from each business, rental real estate, and other rental activity.

For IRS Use Only

EXAMPLE 3- COMPUTER ALLOCATES

A Check all that apply:

- Decedent's estate
- Simple trust
- Complex trust
- Qualified disability trust
- ESBT (S portion only)
- Grantor type trust
- Bankruptcy estate-Ch. 7
- Bankruptcy estate-Ch. 11
- Pooled income fund

B Number of Schedules K-1 attached (see instructions) **1**

C Employer identification number **12-3456789**

D Date entity created **01/01/2017**

E Nonexempt charitable and split-interest trusts, check applicable box(es), see instructions.

- Described in sec. 4947(a)(1). Check here if not a private foundation . . . ▶
- Described in sec. 4947(a)(2)
- Net operating loss carryback
- Change in fiduciary's address

F Check applicable boxes:

- Initial return
- Final return
- Amended return
- Change in trust's name
- Change in fiduciary
- Change in fiduciary's name
- Change in fiduciary's address

G Check here if the estate or filing trust made a section 645 election . . . ▶ Trust TIN ▶

Income	1 Interest income	1	20,000
	2a Total ordinary dividends	2a	20,000
	b Qualified dividends allocable to: (1) Beneficiaries <u>20,000</u> (2) Estate or trust <u>0</u>		
	3 Business income or (loss). Attach Schedule C or C-EZ (Form 1040)	3	
	4 Capital gain or (loss). Attach Schedule D (Form 1041)	4	50,000
	5 Rents, royalties, partnerships, other estates and trusts, etc. Attach Schedule E (Form 1040)	5	30,000
	6 Farm income or (loss). Attach Schedule F (Form 1040)	6	
	7 Ordinary gain or (loss). Attach Form 4797	7	
	8 Other income. List type and amount	8	
9 Total income. Combine lines 1, 2a, and 3 through 8 ▶	9	120,000	
Deductions	10 Interest. Check if Form 4952 is attached ▶ <input type="checkbox"/>	10	
	11 Taxes	11	
	12 Fiduciary fees. If only a portion is deductible under section 67(e), see instructions	12	16,000
	13 Charitable deduction (from Schedule A, line 7)	13	
	14 Attorney, accountant, and return preparer fees. If only a portion is deductible under section 67(e), see instructions	14	
	15a Other deductions (attach schedule). See instructions for deductions allowable under section 67(e)	15a	
	b Net operating loss deduction. See instructions	15b	
	16 Add lines 10 through 15b ▶	16	16,000
	17 Adjusted total income or (loss). Subtract line 16 from line 9	17	104,000
	18 Income distribution deduction (from Schedule B, line 15). Attach Schedules K-1 (Form 1041)	18	54,000
	19 Estate tax deduction including certain generation-skipping taxes (attach computation)	19	
20 Exemption	20	300	
21 Add lines 18 through 20 ▶	21	54,300	
Tax and Payments	22 Taxable income. Subtract line 21 from line 17. If a loss, see instructions	22	49,700
	23 Total tax (from Schedule G, line 7)	23	10,329
	24 2018 net 965 tax liability paid from Form 965-A, Part II, column (k), line 2	24	
	25 Payments: a 2018 estimated tax payments and amount applied from 2017 return	25a	
	b Estimated tax payments allocated to beneficiaries (from Form 1041-T)	25b	
	c Subtract line 25b from line 25a	25c	
	d Tax paid with Form 7004. See instructions	25d	
	e Federal income tax withheld. If any is from Form(s) 1099, check ▶ <input type="checkbox"/>	25e	
	f 2018 net 965 tax liability from Form 965-A, Part I, column (f), line 2	25f	
	Other payments: g Form 2439 ; h Form 4136 ; Total ▶	25i	
26 Total payments. Add lines 25c through 25f, and 25i ▶	26		
27 Estimated tax penalty. See instructions	27	335	
28 Tax due. If line 26 is smaller than the total of lines 23, 24, and 27, enter amount owed	28	10,664	
29 Overpayment. If line 26 is larger than the total of lines 23, 24, and 27, enter amount overpaid	29		
30 Amount of line 29 to be: a Credited to 2019 ▶ ; b Refunded ▶	30		

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of fiduciary or officer representing fiduciary: _____ Date: 04/15/2019 ▶ EIN of fiduciary if a financial institution: _____

May the IRS discuss this return with the preparer shown below (see instr.)? Yes No

Paid Preparer Use Only

Print/Type preparer's name: _____ Preparer's signature: _____ Date: _____ Check if self-employed PTIN: _____

Firm's name ▶ Self-Prepared Firm's EIN ▶ _____

Firm's address ▶ _____ Phone no. _____

Schedule A Charitable Deduction. Don't complete for a simple trust or a pooled income fund.			
1	Amounts paid or permanently set aside for charitable purposes from gross income. See instructions	1	
2	Tax-exempt income allocable to charitable contributions. See instructions	2	
3	Subtract line 2 from line 1	3	
4	Capital gains for the tax year allocated to corpus and paid or permanently set aside for charitable purposes	4	
5	Add lines 3 and 4	5	
6	Section 1202 exclusion allocable to capital gains paid or permanently set aside for charitable purposes. See instructions	6	
7	Charitable deduction. Subtract line 6 from line 5. Enter here and on page 1, line 13	7	

Schedule B Income Distribution Deduction			
1	Adjusted total income. See instructions	1	104,000
2	Adjusted tax-exempt interest	2	16,000
3	Total net gain from Schedule D (Form 1041), line 19, column (1). See instructions	3	
4	Enter amount from Schedule A, line 4 (minus any allocable section 1202 exclusion)	4	
5	Capital gains for the tax year included on Schedule A, line 1. See instructions	5	
6	Enter any gain from page 1, line 4, as a negative number. If page 1, line 4, is a loss, enter the loss as a positive number	6	-50,000
7	Distributable net income. Combine lines 1 through 6. If zero or less, enter -0-	7	70,000
8	If a complex trust, enter accounting income for the tax year as determined under the governing instrument and applicable local law	8	
9	Income required to be distributed currently	9	70,000
10	Other amounts paid, credited, or otherwise required to be distributed	10	
11	Total distributions. Add lines 9 and 10. If greater than line 8, see instructions	11	70,000
12	Enter the amount of tax-exempt income included on line 11	12	16,000
13	Tentative income distribution deduction. Subtract line 12 from line 11	13	54,000
14	Tentative income distribution deduction. Subtract line 2 from line 7. If zero or less, enter -0-	14	54,000
15	Income distribution deduction. Enter the smaller of line 13 or line 14 here and on page 1, line 18	15	54,000

Schedule G Tax Computation (see instructions)			
1	Tax: a Tax on taxable income. See instructions	1a	8,915
	b Tax on lump-sum distributions. Attach Form 4972	1b	
	c Alternative minimum tax (from Schedule I (Form 1041), line 56)	1c	0
	d Total. Add lines 1a through 1c	1d	8,915
2a	Foreign tax credit. Attach Form 1116	2a	
	b General business credit. Attach Form 3800	2b	
	c Credit for prior year minimum tax. Attach Form 8801	2c	
	d Bond credits. Attach Form 8912	2d	
	e Total credits. Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1d. If zero or less, enter -0-	3	8,915
4	Net investment income tax from Form 8960, line 21	4	1,414
5	Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611	5	
6	Household employment taxes. Attach Schedule H (Form 1040)	6	
7	Total tax. Add lines 3 through 6. Enter here and on page 1, line 23	7	10,329

Other Information		Yes	No
1	Did the estate or trust receive tax-exempt income? If "Yes," attach a computation of the allocation of expenses. Enter the amount of tax-exempt interest income and exempt-interest dividends ▶ \$ 20,000	X	
2	Did the estate or trust receive all or any part of the earnings (salary, wages, and other compensation) of any individual by reason of a contract assignment or similar arrangement?		X
3	At any time during calendar year 2018, did the estate or trust have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ▶		X
4	During the tax year, did the estate or trust receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the estate or trust may have to file Form 3520. See instructions		X
5	Did the estate or trust receive, or pay, any qualified residence interest on seller-provided financing? If "Yes," see the instructions for required attachment		X
6	If this is an estate or a complex trust making the section 663(b) election, check here. See instructions ▶ <input type="checkbox"/>		
7	To make a section 643(e)(3) election, attach Schedule D (Form 1041), and check here. See instructions ▶ <input type="checkbox"/>		
8	If the decedent's estate has been open for more than 2 years, attach an explanation for the delay in closing the estate, and check here ▶ <input type="checkbox"/>		
9	Are any present or future trust beneficiaries skip persons? See instructions		X
10	Was the trust a specified domestic entity required to file Form 8938 for the tax year (see the instructions for Form 8938)?		X

**SCHEDULE E
(Form 1040)**

Supplemental Income and Loss

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

OMB No. 1545-0074

2018
Attachment
Sequence No. 13

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040, 1040NR, or Form 1041.

▶ Go to www.irs.gov/ScheduleE for instructions and the latest information.

Name(s) shown on return

Your social security number

Example 3

12-3456789

Part I **Income or Loss From Rental Real Estate and Royalties** Note: If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

A Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions) Yes No
B If "Yes," did you or will you file required Forms 1099? Yes No

1a Physical address of each property (street, city, state, ZIP code)

A	123 Main Naples FL 34108
B	
C	

1b	Type of Property (from list below)	2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	Fair Rental Days	Personal Use Days	QJV
A	8		365	0	<input type="checkbox"/>
B					<input type="checkbox"/>
C					<input type="checkbox"/>

Type of Property:
1 Single Family Residence **3** Vacation/Short-Term Rental **5** Land **7** Self-Rental
2 Multi-Family Residence **4** Commercial **6** Royalties **8** Other (describe)

Income:	Properties:	A	B	C
3 Rents received	3	40,000.		
4 Royalties received	4			
Expenses:				
5 Advertising	5			
6 Auto and travel (see instructions)	6			
7 Cleaning and maintenance	7			
8 Commissions.	8			
9 Insurance	9			
10 Legal and other professional fees	10			
11 Management fees	11			
12 Mortgage interest paid to banks, etc. (see instructions)	12			
13 Other interest.	13			
14 Repairs.	14	10,000.		
15 Supplies	15			
16 Taxes	16			
17 Utilities	17			
18 Depreciation expense or depletion	18	0.		
19 Other (list) ▶	19			
20 Total expenses. Add lines 5 through 19	20	10,000.		
21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21	30,000.		
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	()	()	()
23a Total of all amounts reported on line 3 for all rental properties	23a	40,000.		
b Total of all amounts reported on line 4 for all royalty properties	23b			
c Total of all amounts reported on line 12 for all properties	23c			
d Total of all amounts reported on line 18 for all properties	23d	0.		
e Total of all amounts reported on line 20 for all properties	23e	10,000.		
24 Income. Add positive amounts shown on line 21. Do not include any losses	24			30,000.
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here	25	()	()	()
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Schedule 1 (Form 1040), line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2.	26			30,000.

Schedule K-1 (Form 1041)

2018

Department of the Treasury Internal Revenue Service

For calendar year 2018, or tax year

Final K-1 Amended K-1 OMB No. 1545-0082

beginning / / 2018 ending / /

Beneficiary's Share of Income, Deductions, Credits, etc.

See back of form and instructions.

Part I Information About the Estate or Trust

A Estate's or trust's employer identification number 12-3456789

B Estate's or trust's name Example 3

C Fiduciary's name, address, city, state, and ZIP code Lester Law, Trustee 123 Elm Street Naples FL 34108

D Check if Form 1041-T was filed and enter the date it was filed
E Check if this is the final Form 1041 for the estate or trust

Part II Information About the Beneficiary

F Beneficiary's identifying number 111-11-1111

G Beneficiary's name, address, city, state, and ZIP code A 123 Mickey Lane Naples FL 34102

See Statement

H Domestic beneficiary Foreign beneficiary

Part III Beneficiary's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 2 columns: Item description and Amount. Rows include Interest Income (13,600), Ordinary dividends (20,000), Qualified dividends (20,000), Net short-term capital gain, Net long-term capital gain, 28% rate gain, Unrecaptured section 1250 gain, Other portfolio and nonbusiness income, Ordinary business income, Net rental real estate income (20,400), Other rental income, Directly apportioned deductions (10,000), Estate tax deduction, and Final year deductions (33,600).

*See attached statement for additional information. Note: A statement must be attached showing the beneficiary's share of income and directly apportioned deductions from each business, rental real estate, and other rental activity.

For IRS Use Only

This list identifies the codes used on Schedule K-1 for beneficiaries and provides summarized reporting information for beneficiaries who file Form 1040. For detailed reporting and filing information, see the instructions for Schedule K-1 (Form 1041) for a Beneficiary Filing Form 1040 and the instructions for your income tax return.

	Report on		Report on
1. Interest income	Form 1040, line 2b	13. Credits and credit recapture	
2a. Ordinary dividends	Form 1040, line 3b	Code	Form 1040, Schedule 5, line 66
2b. Qualified dividends	Form 1040, line 3a	A Credit for estimated taxes	Form 1040, line 16
3. Net short-term capital gain	Schedule D, line 5	B Credit for backup withholding	
4a. Net long-term capital gain	Schedule D, line 12	C Low-income housing credit	
4b. 28% rate gain	28% Rate Gain Worksheet, line 4 (Schedule D instructions)	D Rehabilitation credit and energy credit	
4c. Unrecaptured section 1250 gain	Unrecaptured Section 1250 Gain Worksheet, line 11 (Schedule D instructions)	E Other qualifying investment credit	
5. Other portfolio and nonbusiness income	Schedule E, line 33, column (f)	F Work opportunity credit	
6. Ordinary business income	Schedule E, line 33, column (d) or (f)	G Credit for small employer health insurance premiums	
7. Net rental real estate income	Schedule E, line 33, column (d) or (f)	H Biofuel producer credit	
8. Other rental income	Schedule E, line 33, column (d) or (f)	I Credit for increasing research activities	
9. Directly apportioned deductions		J Renewable electricity, refined coal, and Indian coal production credit	
Code		K Empowerment zone employment credit	See the beneficiary's instructions
A Depreciation	Form 8582 or Schedule E, line 33, column (c) or (e)	L Indian employment credit	
B Depletion	Form 8582 or Schedule E, line 33, column (c) or (e)	M Orphan drug credit	
C Amortization	Form 8582 or Schedule E, line 33, column (c) or (e)	N Credit for employer-provided child care and facilities	
10. Estate tax deduction	Schedule A, line 16	O Biodiesel and renewable diesel fuels credit	
11. Final year deductions		P Credit to holders of tax credit bonds	
A Excess deductions	See the beneficiary's instructions	Q Credit for employer differential wage payments	
B Short-term capital loss carryover	Schedule D, line 5	R Recapture of credits	
C Long-term capital loss carryover	Schedule D, line 12; line 5 of the wsht. for Sch. D, line 18; and line 16 of the wsht. for Sch. D, line 19	Z Other credits	
D Net operating loss carryover — regular tax	Form 1040, Schedule 1, line 21	14. Other information	
E Net operating loss carryover — minimum tax	Form 6251, line 2f	A Tax-exempt interest	Form 1040, line 2a
12. Alternative minimum tax (AMT) items		B Foreign taxes	Form 1040, Schedule 3, line 48 or Sch. A, line 6
A Adjustment for minimum tax purposes	Form 6251, line 2j	C Reserved	
B AMT adjustment attributable to qualified dividends		D Reserved	
C AMT adjustment attributable to net short-term capital gain		E Net investment income	Form 4952, line 4a
D AMT adjustment attributable to net long-term capital gain		F Gross farm and fishing income	Schedule E, line 42
E AMT adjustment attributable to unrecaptured section 1250 gain	See the beneficiary's instructions and the instructions for Form 6251	G Foreign trading gross receipts (IRC 942(a))	See the instructions for Form 8873
F AMT adjustment attributable to 28% rate gain		H Adjustment for section 1411 not investment income or deductions	Form 8960, line 7 (also see the beneficiary's instructions)
G Accelerated depreciation		I Qualified business income, section 199A	See the beneficiary's instructions
H Depletion		Z Other information	See the beneficiary's instructions
I Amortization			
J Exclusion items	2019 Form 8801		

Note: If you are a beneficiary who does not file a Form 1040, see instructions for the type of income tax return you are filing.

Additional information from your Schedule K-1 (Form 1041): Beneficiary's Share of Income, Deductions, Credits, etc.**Schedule K-1 (Form 1041): Beneficiary's Share of Income, Deductions, Credits, etc.****Schedule K-1: Supplemental Information****Continuation Statement**

Description	Amount
Box 9, Code A - Depreciation:	
Apportioned to Box 7	10,000.
Total	10,000.

Allocation of Deductions for Tax-Exempt Income

2018

Name Example 3	Employer Identification Number 12-3456789
--------------------------	---

1041 Line #	Type of Income	(a) Total	(b) Tax-exempt Income	(c) Taxable Income
1	Interest income	40,000.	20,000.	20,000.
2	Dividends	20,000.		20,000.
3	Gross income from Schedule C			
4	Total net gain from Schedule D, line 19, col. (1)			
5 a	Gross rents/royalties from Schedule E	40,000.		40,000.
5 b	Income/loss Sch E, pg 2, lines 32, 37 and 39			
6	Gross income from Schedule F			
7	Ordinary gain or loss			
8	Other income			
	Direct Entry From K-1s			
	Totals	100,000.	20,000.	80,000.
		100.0000 %	20.0000 %	80.0000 %

1041 Line #	Type of Deduction	(a) Amounts totally allocable to taxable income	(b) Amounts totally allocable to tax exempt income	(c) Amts to be allocated between exempt and taxable income	(d) Amounts allocable to taxable income col (c) x 0.8000	(e) Deductible amounts (a + d)
10	Interest					
10 a	Investment interest Form 4952					
11	Taxes					
12	Fiduciary fees			20,000.	16,000.	16,000.
14	Attorney, accountant, return preparation fees					
15 a	Other deductions					
	Totals			20,000.	16,000.	16,000.

Total allocated amounts from column (c) not deductible 4,000.

Distributable Income for Schedule(s) K-1

2018

Name Example 3	Employer Identification No. 12-3456789
--------------------------	--

Part I – Summary of Income Items

1	Interest (Form 1041, page 1, line 1)	1	20,000.
2	Dividends (Form 1041, page 1, line 2a)	2	20,000.
3	Net short-term capital gain (Schedule D, line 17a, column (1))	3	
4	Net long-term capital gain (Schedule D, line 18a, column (1))	4	
5	Non-passive income:		
	a Schedule C, page 1, line 31.	5 a	
	b Schedule E, page 2, line 29, column (h) and (j)	b	
	c Schedule E, page 2, line 34, column (e) and (f)	c	
	d Schedule E, page 2, line 39.	d	
	e Schedule E, page 1, line 21 (royalties only).	e	
	f Schedule E, p1, lns 21 and 22 (rental real estate only)	f	
	g Schedule E Farm Wks, line 32 and 34c	g	
	h Schedule F, page 1, line 34.	h	
	i Other non-passive income	i	
	Total non-passive income	5	
6	Passive income:		
	a Schedule C, page 1, line 31:	6 a	
	1 Trade or business only.		
	2 Other rental only		
	b Schedule E, p 1, lns 21 and 22 (rental real estate only)	b	30,000.
	c Schedule E, page 2, line 29, column (f) and (g):	c	
	1 Trade or business only.		
	2 Rental real estate only		
	3 Other rental only		
	d Schedule E, page 2, line 34, column (c) and (d):	d	
	1 Trade or business		
	2 Rental real estate.		
	3 Other rental only		
	e Schedule E Farm Wks, line 32 and 34c	e	
	f Schedule F, page 1, line 34.	f	
	g Other passive income	g	
	Total passive income	6	30,000.

Part II – Allocation of Deductions to Income

	(a) Interest	(b) Non-Qualified Dividends	(c) Qualified Dividends	(d) Total Capital Gains	(e) Non- passive Income	(f) Passive Income
1 Income	20,000.		20,000.			30,000.
Less						
Deductions:						
2 Interest						
3 Form 4952						
interest						
Taxes						
5 Fiduciary						
fees	6,400.					9,600.
Charitable						
deduction						
7 Professional						
fees						
8 Line 15a deds						
8a Line 15b deds						
9 Total						
deductions	6,400.					9,600.
10 Subtotal	13,600.		20,000.			20,400.
11 Reclassify						
excess						
deductions						
12 Allocate						
excess						
deductions						
13 Total						
distributable	13,600.		20,000.			20,400.
14 Amount						
distributed to						
beneficiary	13,600.	0.	20,000.			20,400.

*COMPUTED
ALLOCATED*

Smart Worksheets from your 2018 Federal Fiduciary Tax Return

SMART WORKSHEET FOR: Form 1041: U.S. Income Tax Return for Estates and Trusts

Deduction Allocation Smart Worksheet				
	(a) Amounts totally allocable to taxable income	(b) Amounts totally allocable to tax-exempt income	(c) Amounts to be allocated between tax-exempt and taxable income	Total
10 Interest				
a Form 4952				
11 a State and local income taxes				
b State income taxes fr K-1s				
c Real and personal property taxes				
d Total taxes subj . . . to limitation				
e Other taxes				
f Subtotal				
g Oth taxes fr K-1s				
12 Fiduciary fees			20,000.	20,000.
14 Attorney, accoun- tant, return pre- parer fees				
15 a Other deductions				

SMART WORKSHEET FOR: Form 1041: U.S. Income Tax Return for Estates and Trusts

Trust Accounting Income Smart Worksheet and Depreciation and Amortization Allocation	
Allocation of Trust Accounting Income Between Beneficiaries and Estate/Trust	
A	Tentative trust accounting income ▶ <u>70,000.</u>
Adjustments to Trust Accounting Income	

B	Total adjustments to trust accounting income ▶ _____
C	Final trust accounting income (A + B) ▶ <u>70,000.</u>
	Beneficiaries' percent of trust accounting income ▶ <u>100.00000</u>
	Estate's or trust's percent of trust accounting income ▶ <u>0.00000</u>

SMART WORKSHEET FOR: Schedule E: Supplemental Income and Loss

General Information Smart Worksheet	
A	Description for this copy of Schedule E, page 1 <u>Schedule E, Copy 1</u>
B	QuickZoom here to another copy of Schedule E, page 1 ➡ _____
C	QuickZoom here to Schedule E, page 2 ➡ _____
D	QuickZoom to 199A Worksheet by Activity ➡ _____

EXAMPLE 3 - ATTORNEY ALLOCATES

A Check all that apply:

Decedent's estate
 Simple trust
 Complex trust
 Qualified disability trust
 ESBT (S portion only)
 Grantor type trust
 Bankruptcy estate-Ch. 7
 Bankruptcy estate-Ch. 11
 Pooled income fund

B Number of Schedules K-1 attached (see instructions) **1**

C Employer identification number: 12-3456789

D Date entity created: 01/01/2017

E Nonexempt charitable and split-interest trusts, check applicable box(es), see instructions.
 Described in sec. 4947(a)(1). Check here if not a private foundation
 Described in sec. 4947(a)(2)
 Net operating loss carryback
 Change in fiduciary's address

F Check applicable boxes:
 Initial return Final return Amended return
 Change in trust's name Change in fiduciary Change in fiduciary's name Change in fiduciary's address

G Check here if the estate or filing trust made a section 645 election. Trust TIN

Income	1	Interest income	1	20,000
	2a	Total ordinary dividends	2a	20,000
	b	Qualified dividends allocable to: (1) Beneficiaries 20,000 (2) Estate or trust 0		
	3	Business income or (loss). Attach Schedule C or C-EZ (Form 1040)	3	
	4	Capital gain or (loss). Attach Schedule D (Form 1041)	4	50,000
	5	Rents, royalties, partnerships, other estates and trusts, etc. Attach Schedule E (Form 1040)	5	30,000
	6	Farm income or (loss). Attach Schedule F (Form 1040)	6	
	7	Ordinary gain or (loss). Attach Form 4797	7	
	8	Other income. List type and amount	8	
9	Total income. Combine lines 1, 2a, and 3 through 8	9	120,000	
Deductions	10	Interest. Check if Form 4952 is attached <input type="checkbox"/>	10	
	11	Taxes	11	
	12	Fiduciary fees. If only a portion is deductible under section 67(e), see instructions	12	16,000
	13	Charitable deduction (from Schedule A, line 7)	13	
	14	Attorney, accountant, and return preparer fees. If only a portion is deductible under section 67(e), see instructions	14	
	15a	Other deductions (attach schedule). See instructions for deductions allowable under section 67(e)	15a	
	b	Net operating loss deduction. See instructions	15b	
	16	Add lines 10 through 15b	16	16,000
	17	Adjusted total income or (loss). Subtract line 16 from line 9	17	104,000
	18	Income distribution deduction (from Schedule B, line 15). Attach Schedules K-1 (Form 1041)	18	54,000
	19	Estate tax deduction including certain generation-skipping taxes (attach computation)	19	
20	Exemption	20	300	
21	Add lines 18 through 20	21	54,300	
Tax and Payments	22	Taxable income. Subtract line 21 from line 17. If a loss, see instructions	22	49,700
	23	Total tax (from Schedule G, line 7)	23	10,329
	24	2018 net 965 tax liability paid from Form 965-A, Part II, column (k), line 2	24	
	25	Payments: a 2018 estimated tax payments and amount applied from 2017 return	25a	
	b	Estimated tax payments allocated to beneficiaries (from Form 1041-T)	25b	
	c	Subtract line 25b from line 25a	25c	
	d	Tax paid with Form 7004. See instructions	25d	
	e	Federal income tax withheld. If any is from Form(s) 1099, check <input type="checkbox"/>	25e	
	f	2018 net 965 tax liability from Form 965-A, Part I, column (f), line 2	25f	
	g	Other payments: g Form 2439; h Form 4136; Total	25i	
26	Total payments. Add lines 25c through 25f, and 25i	26		
27	Estimated tax penalty. See instructions	27	335	
28	Tax due. If line 26 is smaller than the total of lines 23, 24, and 27, enter amount owed	28	10,664	
29	Overpayment. If line 26 is larger than the total of lines 23, 24, and 27, enter amount overpaid	29		
30	Amount of line 29 to be: a Credited to 2019; b Refunded	30		

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of fiduciary or officer representing fiduciary: _____ Date: 04/15/2019 EIn of fiduciary if a financial institution: _____

May the IRS discuss this return with the preparer shown below (see instr.)? Yes No

Paid Preparer Use Only

Print/Type preparer's name: _____ Preparer's signature: _____ Date: _____ Check if self-employed PTIN: _____

Firm's name: Self-Prepared Firm's EIN: _____

Firm's address: _____ Phone no.: _____

Schedule A Charitable Deduction. Don't complete for a simple trust or a pooled income fund.			
1	Amounts paid or permanently set aside for charitable purposes from gross income. See instructions	1	
2	Tax-exempt income allocable to charitable contributions. See instructions	2	
3	Subtract line 2 from line 1	3	
4	Capital gains for the tax year allocated to corpus and paid or permanently set aside for charitable purposes	4	
5	Add lines 3 and 4	5	
6	Section 1202 exclusion allocable to capital gains paid or permanently set aside for charitable purposes. See instructions	6	
7	Charitable deduction. Subtract line 6 from line 5. Enter here and on page 1, line 13	7	

Schedule B Income Distribution Deduction			
1	Adjusted total income. See instructions	1	104,000
2	Adjusted tax-exempt interest	2	16,000
3	Total net gain from Schedule D (Form 1041), line 19, column (1). See instructions	3	
4	Enter amount from Schedule A, line 4 (minus any allocable section 1202 exclusion)	4	
5	Capital gains for the tax year included on Schedule A, line 1. See instructions	5	
6	Enter any gain from page 1, line 4, as a negative number. If page 1, line 4, is a loss, enter the loss as a positive number	6	-50,000
7	Distributable net income. Combine lines 1 through 6. If zero or less, enter -0-	7	70,000
8	If a complex trust, enter accounting income for the tax year as determined under the governing instrument and applicable local law	8	
9	Income required to be distributed currently	9	70,000
10	Other amounts paid, credited, or otherwise required to be distributed	10	
11	Total distributions. Add lines 9 and 10. If greater than line 8, see instructions	11	70,000
12	Enter the amount of tax-exempt income included on line 11	12	16,000
13	Tentative income distribution deduction. Subtract line 12 from line 11	13	54,000
14	Tentative income distribution deduction. Subtract line 2 from line 7. If zero or less, enter -0-	14	54,000
15	Income distribution deduction. Enter the smaller of line 13 or line 14 here and on page 1, line 18	15	54,000

Schedule G Tax Computation (see instructions)			
1	Tax: a Tax on taxable income. See instructions	1a	8,915
	b Tax on lump-sum distributions. Attach Form 4972	1b	
	c Alternative minimum tax (from Schedule I (Form 1041), line 56)	1c	0
	d Total. Add lines 1a through 1c	1d	8,915
2a	Foreign tax credit. Attach Form 1116	2a	
b	General business credit. Attach Form 3800	2b	
c	Credit for prior year minimum tax. Attach Form 8801	2c	
d	Bond credits. Attach Form 8912	2d	
e	Total credits. Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1d. If zero or less, enter -0-	3	8,915
4	Net investment income tax from Form 8960, line 21	4	1,414
5	Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611	5	
6	Household employment taxes. Attach Schedule H (Form 1040)	6	
7	Total tax. Add lines 3 through 6. Enter here and on page 1, line 23	7	10,329

Other Information		Yes	No
1	Did the estate or trust receive tax-exempt income? If "Yes," attach a computation of the allocation of expenses. Enter the amount of tax-exempt interest income and exempt-interest dividends ▶ \$ 20,000	x	
2	Did the estate or trust receive all or any part of the earnings (salary, wages, and other compensation) of any individual by reason of a contract assignment or similar arrangement?		x
3	At any time during calendar year 2018, did the estate or trust have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ▶		x
4	During the tax year, did the estate or trust receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the estate or trust may have to file Form 3520. See instructions		x
5	Did the estate or trust receive, or pay, any qualified residence interest on seller-provided financing? If "Yes," see the instructions for required attachment		x
6	If this is an estate or a complex trust making the section 663(b) election, check here. See instructions ▶ <input type="checkbox"/>		
7	To make a section 643(e)(3) election, attach Schedule D (Form 1041), and check here. See instructions ▶ <input type="checkbox"/>		
8	If the decedent's estate has been open for more than 2 years, attach an explanation for the delay in closing the estate, and check here ▶ <input type="checkbox"/>		
9	Are any present or future trust beneficiaries skip persons? See instructions		x
10	Was the trust a specified domestic entity required to file Form 8938 for the tax year (see the Instructions for Form 8938)?		x

**Schedule K-1
(Form 1041)**

Department of the Treasury
Internal Revenue Service

2018

For calendar year 2018, or tax year

Final K-1 Amended K-1 OMB No. 1545-0092

beginning ending

Beneficiary's Share of Income, Deductions, Credits, etc.

▶ See back of form and instructions.

Part I Information About the Estate or Trust

A Estate's or trust's employer identification number
12-3456789

B Estate's or trust's name
Example 3

C Fiduciary's name, address, city, state, and ZIP code
Lester Law, Trustee
123 Elm Street
Naples FL 34108

D Check if Form 1041-T was filed and enter the date it was filed

E Check if this is the final Form 1041 for the estate or trust

Part II Information About the Beneficiary

F Beneficiary's identifying number
111-11-1111

G Beneficiary's name, address, city, state, and ZIP code
A
123 Mickey Lane
Naples FL 34102

See Statement

H Domestic beneficiary Foreign beneficiary

Part III Beneficiary's Share of Current Year Income, Deductions, Credits, and Other Items

1 Interest income 4,000.	11 Final year deductions
2a Ordinary dividends 20,000.	
2b Qualified dividends 20,000.	
3 Net short-term capital gain	12 Alternative minimum tax adjustment A 0.
4a Net long-term capital gain	
4b 28% rate gain	
4c Unrecaptured section 1250 gain	
5 Other portfolio and nonbusiness income	13 Credits and credit recapture
6 Ordinary business income	
7 Net rental real estate income 30,000.	
8 Other rental income	14 Other information A 16,000.
9 Directly apportioned deductions A * 10,000.	
10 Estate tax deduction	E 24,000.
	I * STMT

*See attached statement for additional information.
Note: A statement must be attached showing the beneficiary's share of income and directly apportioned deductions from each business, rental real estate, and other rental activity.

For IRS Use Only

This list identifies the codes used on Schedule K-1 for beneficiaries and provides summarized reporting information for beneficiaries who file Form 1040. For detailed reporting and filing information, see the instructions for Schedule K-1 (Form 1041) for a Beneficiary Filing Form 1040 and the instructions for your income tax return.

		<i>Report on</i>		
1. Interest income		Form 1040, line 2b	13. Credits and credit recapture	
2a. Ordinary dividends		Form 1040, line 3b	<i>Code</i>	<i>Report on</i>
2b. Qualified dividends		Form 1040, line 3a	A Credit for estimated taxes	Form 1040, Schedule 5, line 66
3. Net short-term capital gain		Schedule D, line 5	B Credit for backup withholding	Form 1040, line 16
4a. Net long-term capital gain		Schedule D, line 12	C Low-income housing credit	} See the beneficiary's instructions
4b. 28% rate gain		28% Rate Gain Worksheet, line 4 (Schedule D Instructions)	D Rehabilitation credit and energy credit	
4c. Unrecaptured section 1250 gain		Unrecaptured Section 1250 Gain Worksheet, line 11 (Schedule D Instructions)	E Other qualifying investment credit	
5. Other portfolio and nonbusiness income		Schedule E, line 33, column (f)	F Work opportunity credit	
6. Ordinary business income		Schedule E, line 33, column (d) or (f)	G Credit for small employer health insurance premiums	
7. Net rental real estate income		Schedule E, line 33, column (d) or (f)	H Biofuel producer credit	
8. Other rental income		Schedule E, line 33, column (d) or (f)	I Credit for increasing research activities	
9. Directly apportioned deductions			J Renewable electricity, refined coal, and Indian coal production credit	
<i>Code</i>			K Empowerment zone employment credit	
A Depreciation		Form 8582 or Schedule E, line 33, column (c) or (e)	L Indian employment credit	
B Depletion		Form 8582 or Schedule E, line 33, column (c) or (e)	M Orphan drug credit	
C Amortization		Form 8582 or Schedule E, line 33, column (c) or (e)	N Credit for employer-provided child care and facilities	
10. Estate tax deduction		Schedule A, line 16	O Biodiesel and renewable diesel fuels credit	
11. Final year deductions			P Credit to holders of tax credit bonds	
A Excess deductions		See the beneficiary's instructions	Q Credit for employer differential wage payments	
B Short-term capital loss carryover		Schedule D, line 5	R Recapture of credits	
C Long-term capital loss carryover		Schedule D, line 12; line 5 of the wksht. for Sch. D, line 18; and line 16 of the wksht. for Sch. D, line 19	Z Other credits	
D Net operating loss carryover — regular tax		Form 1040, Schedule 1, line 21	14. Other information	
E Net operating loss carryover — minimum tax		Form 6251, line 2f	A Tax-exempt interest	
12. Alternative minimum tax (AMT) items			B Foreign taxes	
A Adjustment for minimum tax purposes		Form 6251, line 2j	C Reserved	
B AMT adjustment attributable to qualified dividends	} See the beneficiary's instructions and the Instructions for Form 6251		D Reserved	
C AMT adjustment attributable to net short-term capital gain			E Net investment income	
D AMT adjustment attributable to net long-term capital gain			F Gross farm and fishing income	
E AMT adjustment attributable to unrecaptured section 1250 gain			G Foreign trading gross receipts (IRC 942(a))	
F AMT adjustment attributable to 28% rate gain			H Adjustment for section 1411 net investment income or deductions	
G Accelerated depreciation			I Qualified business income, section 199A	
H Depletion			Z Other information	
I Amortization				
J Exclusion items			2019 Form 8801	

Note: If you are a beneficiary who does not file a Form 1040, see instructions for the type of income tax return you are filing.

Additional information from your Schedule K-1 (Form 1041): Beneficiary's Share of Income, Deductions, Credits, etc.**Schedule K-1 (Form 1041): Beneficiary's Share of Income, Deductions, Credits, etc.****Schedule K-1: Supplemental Information****Continuation Statement**

Description	Amount
Box 9, Code A - Depreciation:	
Apportioned to Box 7	10,000.
Total	10,000.

Distributable Income for Schedule(s) K-1

2018

Name Example 3	Employer Identification No. 12-3456789
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Part I – Summary of Income Items

1	Interest (Form 1041, page 1, line 1)	1	20,000.
2	Dividends (Form 1041, page 1, line 2a)	2	20,000.
3	Net short-term capital gain (Schedule D, line 17a, column (1))	3	
4	Net long-term capital gain (Schedule D, line 18a, column (1))	4	
5	Non-passive income:		
	a Schedule C, page 1, line 31	5 a	
	b Schedule E, page 2, line 29, column (h) and (j)	b	
	c Schedule E, page 2, line 34, column (e) and (f)	c	
	d Schedule E, page 2, line 39	d	
	e Schedule E, page 1, line 21 (royalties only)	e	
	f Schedule E, p1, lns 21 and 22 (rental real estate only)	f	
	g Schedule E Farm Wks, line 32 and 34c	g	
	h Schedule F, page 1, line 34	h	
	i Other non-passive income	i	
	Total non-passive income	5	
6	Passive income:		
	a Schedule C, page 1, line 31:	6 a	
	1 Trade or business only		
	2 Other rental only		
	b Schedule E, p 1, lns 21 and 22 (rental real estate only)	b	30,000.
	c Schedule E, page 2, line 29, column (f) and (g):	c	
	1 Trade or business only		
	2 Rental real estate only		
	3 Other rental only		
	d Schedule E, page 2, line 34, column (c) and (d):	d	
	1 Trade or business		
	2 Rental real estate		
	3 Other rental only		
	e Schedule E Farm Wks, line 32 and 34c	e	
	f Schedule F, page 1, line 34	f	
	g Other passive income	g	
	Total passive income	6	30,000.

Part II – Allocation of Deductions to Income

	(a) Interest	(b) Non-Qualified Dividends	(c) Qualified Dividends	(d) Total Capital Gains	(e) Non- passive Income	(f) Passive Income
1 Income	20,000.		20,000.			30,000.
Less						
Deductions:						
2 Interest						
3 Form 4952						
interest						
4 Taxes						
5 Fiduciary						
fees	16,000.					0.
6 Charitable						
deduction						
7 Professional						
fees						
8 Line 15a deds						
8a Line 15b deds						
9 Total	16,000.					0.
deductions						
10 Subtotal	4,000.		20,000.			30,000.
11 Reclassify						
excess						
deductions						
12 Allocate						
excess						
deductions						
13 Total	4,000.		20,000.			30,000.
distributable						
14 Amount	4,000.	0.	20,000.			30,000.
distributed to						
beneficiary						

Smart Worksheets from your 2018 Federal Fiduciary Tax Return

SMART WORKSHEET FOR: Form 1041: U.S. Income Tax Return for Estates and Trusts

Deduction Allocation Smart Worksheet				
	(a) Amounts totally allocable to taxable income	(b) Amounts totally allocable to tax-exempt income	(c) Amounts to be allocated between tax-exempt and taxable income	Total
10 Interest				
a Form 4952				
11 a State and local income taxes				
b State income taxes fr K-1s				
c Real and personal property taxes				
d Total taxes subj to limitation				
e Other taxes				
f Subtotal				
g Oth taxes fr K-1s				
12 Fiduciary fees			20,000.	20,000.
14 Attorney, accoun- tant, return pre- parer fees				
15 a Other deductions				

SMART WORKSHEET FOR: Form 1041: U.S. Income Tax Return for Estates and Trusts

**Trust Accounting Income Smart Worksheet
and
Depreciation and Amortization Allocation**

Allocation of Trust Accounting Income Between Beneficiaries and Estate/Trust

A	Tentative trust accounting income	▶ <u>70,000.</u>
Adjustments to Trust Accounting Income		
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____
B	Total adjustments to trust accounting income	▶ _____
C	Final trust accounting income (A + B)	▶ <u>70,000.</u>
	Beneficiaries' percent of trust accounting income	▶ <u>100.00000</u>
	Estate's or trust's percent of trust accounting income	▶ <u>0.00000</u>

SMART WORKSHEET FOR: Schedule K-1 (Form 1041): Beneficiary's Share of Income, Deductions, Credits, etc.

Recipient Letter Address Smart Worksheet

City, State, Zip Naples, FL 34102

SMART WORKSHEET FOR: Schedule K-1 (Form 1041): Beneficiary's Share of Income, Deductions, Credits, etc.

Beneficiary's Allocation Smart Worksheet

A Enter this beneficiary's dollar amount of:	
1	Income required to be distributed currently (first tier) ▶ _____
2	Other amounts paid, credited, or otherwise required to be distributed (second tier) ▶ _____
B Or, enter this beneficiary's percentage of:	
1	Income distribution deduction for regular tax purposes ▶ <u>100.000000</u>
2	Income distribution deduction for alternative minimum tax purposes ▶ <u>100.000000</u>
C	QuickZoom here to go to another copy of Schedule K-1. ➡ _____
D	QuickZoom to Section 199A Worksheet ➡ _____