OMB No. 1545-0092

Schedule K-1
(Form 1041)

Department of the Treasury
Internal Revenue Service

2008

or tax year beginning _____ , 2008,
and ending _____ , 20

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

Part I Information About the Estate or Trust

A Estate's or trust's employer identification number

B Estate's or trust's name

C Fiduciary's name, address, city, state, and ZIP code

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

G Beneficiary's name, address, city, state, and ZIP code

H Domestic beneficiary Foreign beneficiary

Part III

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 Beneficiary Filing Form 1040 and the instructions for your income tax return.

	Report on
1. Interest income	Form 1040, line 8a
2a. Ordinary dividends	Form 1040, line 9a
2b. Qualified dividends	Form 1040, line 9b
3. Net short-term capital gain	Schedule D, line 5
4a. Net long-term capital gain	Schedule D, line 12
4b. 28% rate gain	Line 4 of the worksheet for Schedule D, line 18
4c. Unrecaptured section 1250 gain	Line 11 of the worksheet for Schedule D, line 19
5. Other portfolio and nonbusiness income	Schedule E, line 33, column (f)
6. Ordinary business income	Schedule E, line 33, column (d) or (f)
7. Net rental real estate income	Schedule E, line 33, column (d) or (f)
8. Other rental income	Schedule E, line 33, column (d) or (f)
9. Directly apportioned deductions	
Code	
A Depreciation	Form 8582 or Schedule E, line 33, column (c) or (e)
B Depletion	Form 8582 or Schedule E, line 33, column (c) or (e)
C Amortization	Form 8582 or Schedule E, line 33, column (c) or (e)
10. Estate tax deduction	Schedule A, line 28
11. Final year deductions	
A Excess deductions	Schedule A, line 23
B Short-term capital loss carryover	Schedule D, line 5
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
D Net operating loss carryover — regular tax	Form 1040, line 21
E Net operating loss carryover — minimum tax	Form 6251, line 28

12. Alternative minimum tax (AMT) items	
Code	*Report on*
A Adjustment for minimum tax purposes	Form 6251, line 15
B AMT adjustment attributable to qualified dividends	See the beneficiary's instructions and the Instructions for Form 6251
C AMT adjustment attributable to net short-term capital gain	
D AMT adjustment attributable to net long-term capital gain	
E AMT adjustment attributable to unrecaptured section 1250 gain	
F AMT adjustment attributable to 28% rate gain	
G Accelerated depreciation	
H Depletion	
I Amortization	
J Exclusion items	2009 Form 8801
13. Credits and credit recapture	
A Credit for estimated taxes	Form 1040, line 63
B Credit for backup withholding	Form 1040, line 62
C Low-income housing credit	Form 8586 (also see the beneficiary's instructions)
D Qualified rehabilitation expenditures	See the beneficiary's instructions
E Basis of other investment credit property	See the beneficiary's instructions
F Work opportunity credit	Form 5884, line 3
G Welfare-to-work credit	Form 3800, line 1b
H Alcohol and cellulosic biofuels fuel credit	Form 6478, line 9 (also see the beneficiary's instructions)
I Credit for increasing research activities	Form 3800, line 1c
J Renewable electricity, refined coal, and Indian coal production credit	See the beneficiary's instructions
K Empowerment zone and renewal community employment credit	Form 8844, line 3
L Indian employment credit	Form 3800, line 1g
M Orphan drug credit	Form 3800, line 1h
N Credit for employer-provided child care and facilities	Form 3800, line 1k
O Biodiesel and renewable diesel fuels credit	Form 8864, line 11 (also see the beneficiary's instructions)
P Nonconventional source fuel credit	Form 3800, line 1o
Q Credit to holders of tax credit bonds	Form 8912, line 8
R Agricultural chemicals security credit	Form 3800, line 1v
S Energy efficient appliance credit	Form 3800, line 1q
T Credit for employer differential wage payments	Form 3800, line 1w
U Recapture of credits	See the beneficiary's instructions
14. Other information	
A Tax-exempt interest	Form 1040, line 8b
B Foreign taxes	Form 1040, line 47 or Sch. A, line 8
C Qualified production activities income	Form 8903, line 7
D Form W-2 wages	Form 8903, line 15
E Net investment income	Form 4952, line 4a
F Gross farm and fishing income	Schedule E, line 42
G Foreign trading gross receipts (IRC 942(a))	See the Instructions for Form 8873
H Other information	See the beneficiary's instructions

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.

Instructions for Beneficiary Filing Form 1040

Note. *The fiduciary's instructions for completing Schedule K-1 are in the Instructions for Form 1041.*

General Instructions

Purpose of Form

Use Schedule K-1 to report your share of the estate's or trust's income, credits, deductions, etc. Keep it for your records. Do not file it with your tax return. A copy has been filed with the IRS.

Inconsistent Treatment of Items

Generally, you must report items shown on your Schedule K-1 (and any attached schedules) the same way that the estate or trust treated the items on its return.

If the treatment on your original or amended return is inconsistent with the estate's or trust's treatment, or if the estate or trust was required to but has not filed a return, you must file Form 8082, Notice of Inconsistent Treatment or Administrative Adjustment Request (AAR), with your original or amended return to identify and explain any inconsistency (or to note that an estate or trust return has not been filed).

If you are required to file Form 8082 but fail to do so, you may be subject to the accuracy-related penalty. This penalty is in addition to any tax that results from making your amount or treatment of the item consistent with that shown on the estate's or trust's return. Any deficiency that results from making the amounts consistent may be assessed immediately.

Errors

If you believe the fiduciary has made an error on your Schedule K-1, notify the fiduciary and ask for an amended or a corrected Schedule K-1. Do **not** change any items on your copy. Be sure that the fiduciary sends a copy of the amended Schedule K-1 to the IRS. If you are unable to reach an agreement with the fiduciary regarding the inconsistency, you must file Form 8082.

Beneficiaries of Generation-Skipping Trusts

If you received Form 706-GS(D-1), Notification of Distribution From a Generation-Skipping Trust, and paid a generation-skipping transfer (GST) tax on Form 706-GS(D), Generation-Skipping Transfer Tax Return for Distributions, you can deduct the GST tax paid on income distributions on Schedule A (Form 1040), line 8. To figure the deduction, see the Instructions for Form 706-GS(D).

Specific Instructions

Part I—Information About the Estate or Trust

Item E

If the item E box is checked, this is the final year of the estate or trust.

Note. If the "Final K-1" box at the top of Schedule K-1 is checked, this is the final return for the beneficiary.

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

The amounts shown in boxes 1 through 14 reflect your share of income, loss, deductions, credits, etc., from an estate or trust. For Form 1040 filers, page 2 of Schedule K-1 provides summarized reporting information. The summarized reporting information reflects references to forms in use for calendar year 2008.

If you are not an individual, report the amounts in each box as instructed on your tax return.

Codes. In box 9 and boxes 11 through 14, the fiduciary will identify each item by entering a code in the column to the left of the dollar amount entry space. These codes are identified on page 2 of Schedule K-1.

Attached statements. The fiduciary will enter an asterisk (*) after the code, if any, in the column to the left of the dollar amount entry space for each item for which it has attached a statement providing additional information. For those informational items that cannot be reported as a single dollar amount, the estate or trust will enter an asterisk in the left column and write "STMT" in the dollar amount entry space to indicate the information is provided on an attached statement.

Boxes 3 and 4a—Net Short-Term and Net Long-Term Capital Gain

If there is an attachment to this Schedule K-1 reporting a disposition of a passive activity, see the Instructions for Form 8582, Passive Activity Loss Limitations, for information on the treatment of dispositions of interests in a passive activity.

Box 5—Other Portfolio and Nonbusiness Income

The amount reported in this box is your distributive share of royalties, annuities, and other income that is not subject to the passive activity rules. It also includes income in respect of a decedent (IRD), which is not included in boxes 1, 2a, 3, 4a, 6, 7, or 8.

Boxes 6 through 8—Ordinary Business Income, Net Rental Real Estate Income, and Other Rental Income

The deductions in boxes 6 through 8 may be subject to the passive loss limitations of Internal Revenue Code section 469, which generally limits deductions from passive activities to the income from those activities. The fiduciary will provide you with a separate schedule showing your distributive share of income from each trade or business, net rental real estate, or other rental activity. The rules for applying these limitations to beneficiaries have not yet been issued. For more details, see Pub. 925, Passive Activity and At-Risk Rules.

Box 9—Directly Apportioned Deductions

The fiduciary must attach a statement showing depreciation, depletion, and amortization directly apportioned to you, if any, for each activity reported in boxes 5 through 8.

Box 12—Alternative Minimum Tax Items

The information reported in box 12, codes A through I is used to prepare your Form 6251, Alternative Minimum Tax—Individuals. Code A, Adjustment for minimum tax purposes, is the total amount reported on Form 6251, line 15. Codes B through F represent the portion, if any, of the amount included in code A.

Codes B through F. If you have an amount in box 12 with code B, C, D, E, or F, see the instructions for lines 38, 39, and 40 of Form 6251.

Codes G through I. Include the amount with any of these codes on the applicable line of Form 6251.

Code J. Exclusion items. If you pay alternative minimum tax in 2008, the amount in box 12, code J will help you figure any minimum tax credit for 2009. See the 2009 Form 8801, Credit for Prior Year Minimum Tax—Individuals, Estates, and Trusts, for more information.

Box 13—Credits and Credit Recapture

Codes A through T list all the credits that may be allocated to you as a beneficiary. The corresponding line shows you what form to use when reporting the amount.

Code A. Credit for estimated taxes. The beneficiary treats this amount as a payment of estimated tax. To figure any underpayment and penalty on Form 2210, Underpayment of Estimated Tax by Individuals, Estates, and Trusts, treat the amount entered on box 13, code A, as an estimated tax payment made on January 15, 2009.

Note. Form 1041-T, Allocation of Estimated Tax Payments to Beneficiaries, must be timely filed by the fiduciary for the beneficiary to get the credit for an estimated tax payment.

Code C. Low-income housing credit. The fiduciary will provide you with a statement showing the amount to report on line 4 and 11 of Form 8586, Low-Income Housing Credit. If you only have an amount to report on line 4 of Form 8586 and your only source for the credit is a pass-through entity, such as an estate or trust, then you can report the amount on line 1d of Form 3800, General Business Credit, and you do not have to complete Form 8586.

Code D. Qualified rehabilitation expenditures. The fiduciary must provide you with a statement that shows the amount of any qualified rehabilitation expenditures and which line on Form 3468, Investment Credit, to report those expenditures.

Code E. Basis of other investment credit property. This code is used to report the basis of property for figuring the energy credit, the qualifying advanced coal project credit, and the qualifying gasification project credit. The fiduciary must provide you with a statement that shows the amount of basis and where to report it on Form 3468. If your statement includes an amount to be reported on line 5c, 5f, 5i, 11c, 11f, or 11i, then the statement must also provide additional information to report on the subsequent line of Form 3468.

Code H. Alcohol and cellulosic biofuel fuels credit. If this credit includes the small ethanol producer credit, the fiduciary will provide additional information on an attached statement. If a statement is attached, see the instructions for line 16 of Form 6478, Alcohol and Cellulosic Biofuel Fuels Credit.

If no statement is attached, report this amount on Form 6478, line 9.

Code J. Renewable electricity, refined coal, and Indian coal production credit. Complete Form 8835, Renewable Electricity, Refined Coal, and Indian Coal Production Credit, to figure the amount of your credit. The fiduciary must provide a statement showing the amount of credit to report on line 9 in Part I, and how much to report on line 29 in Part II of Form 8835.

Code O. Biodiesel and renewable diesel fuels credit. If this credit includes the small agri-biodiesel producer credit, the fiduciary will provide additional information on an attached statement. If no statement is attached, report this amount on line 11 of Form 8864, Biodiesel and Renewable Diesel Fuels Credit. If a statement is attached, see the instructions for Form 8864, line 11.

Code U. Recapture of credits. If you are required to recapture any credits, the fiduciary will provide a statement with the information you need to figure your credit recapture.

Box 14—Other Information

Code F. Gross farming and fishing income. The amount of farming and fishing income is included in box 6. This income is separately stated to help you determine if you are subject to a penalty for underpayment of estimated tax. Report the amount of gross farming and fishing income on Schedule E (Form 1040), line 42.

Code H. Other income. If this code is used, the fiduciary will provide you with any additional information you may need to file your return that is not shown elsewhere on this Schedule K-1.