

November 9, 2016

Tax Year 2016  
1041 MeF ATS Scenario 3  
Magenta Trust  
00-4012343

Forms Included in Scenario 3

Form 1041  
Schedule I (Form 1041)  
Schedule C (Form 1040)  
Schedule D (Form 1041)  
Form 4797  
Form 8960  
Form 8453-FE  
Schedule K-1 (4)

Taxpayer Name, Address, and TIN

Magenta Trust  
1st Test Street  
Lanham, MD 20706  
00-4012343

Signature Information

Practitioner Signature PIN Method

K1 Data

- Interest Income must be distributed equally to the beneficiaries
- Ordinary Dividends must be distributed equally to the beneficiaries
- Schedule C Income must be distributed equally to the beneficiaries

Tax Exempt Expense Allocation Statement

Expense	Total Expenses	Amount Allocated to Tax Exempt Income	Amount Allocated to Taxable Income	Explanation
Expense 2	1000	400	600	Test scenario data only
Expense 2	1000	100	900	Test scenario data only

Form

**1041**

Department of the Treasury—Internal Revenue Service

**U.S. Income Tax Return for Estates and Trusts**

**2016**

OMB No. 1545-0092

► **Information about Form 1041 and its separate instructions is at [www.irs.gov/form1041](http://www.irs.gov/form1041).**

<b>A</b> Check all that apply:		For calendar year 2016 or fiscal year beginning , 2016, and ending , 20 16	
<input type="checkbox"/> Decedent's estate		Name of estate or trust (If a grantor type trust, see the instructions.)	
<input checked="" type="checkbox"/> Simple trust		Magenta Trust	
<input type="checkbox"/> Complex trust		Name and title of fiduciary	
<input type="checkbox"/> Qualified disability trust		Cyan Magenta, CPA	
<input type="checkbox"/> ESBT (S portion only)		Number, street, and room or suite no. (If a P.O. box, see the instructions.)	
<input type="checkbox"/> Grantor type trust		1st Test Street	
<input type="checkbox"/> Bankruptcy estate—Ch. 7		City or town, state or province, country, and ZIP or foreign postal code	
<input type="checkbox"/> Bankruptcy estate—Ch. 11		Lanham, MD 20706	
<input type="checkbox"/> Pooled income fund		<b>C</b> Employer identification number	
		00-4012343	
		<b>D</b> Date entity created	
		January 2, 2015	
		<b>E</b> Nonexempt charitable and split-interest trusts, check applicable box(es), see instructions.	
		<input type="checkbox"/> Described in sec. 4947(a)(1). Check here if not a private foundation . . . ► <input type="checkbox"/>	
		<input type="checkbox"/> Described in sec. 4947(a)(2)	
<b>B</b> Number of Schedules K-1 attached (see instructions) ►		<b>F</b> Check applicable boxes:	
		<input type="checkbox"/> Initial return	<input type="checkbox"/> Final return
		<input type="checkbox"/> Amended return	<input type="checkbox"/> Change in fiduciary
		<input type="checkbox"/> Change in trust's name	<input checked="" type="checkbox"/> Change in fiduciary's name
		<input type="checkbox"/> Change in fiduciary's address	
<b>G</b> Check here if the estate or filing trust made a section 645 election . . . . .		<input type="checkbox"/> Trust TIN ►	

<b>Income</b>	<b>1</b> Interest income . . . . .	<b>1</b>	72,500
	<b>2a</b> Total ordinary dividends . . . . .	<b>2a</b>	40,000
	<b>b</b> Qualified dividends allocable to: (1) Beneficiaries (2) Estate or trust		
	<b>3</b> Business income or (loss). Attach Schedule C or C-EZ (Form 1040)	<b>3</b>	65,000
	<b>4</b> Capital gain or (loss). Attach Schedule D (Form 1041)	<b>4</b>	94,000
	<b>5</b> Rents, royalties, partnerships, other estates and trusts, etc. Attach Schedule E (Form 1040)	<b>5</b>	
	<b>6</b> Farm income or (loss). Attach Schedule F (Form 1040)	<b>6</b>	
	<b>7</b> Ordinary gain or (loss). Attach Form 4797	<b>7</b>	
	<b>8</b> Other income. List type and amount	<b>8</b>	
<b>9</b> <b>Total income.</b> Combine lines 1, 2a, and 3 through 8	<b>9</b>		
<b>Deductions</b>	<b>10</b> Interest. Check if Form 4952 is attached ► <input type="checkbox"/>	<b>10</b>	0
	<b>11</b> Taxes . . . . .	<b>11</b>	0
	<b>12</b> Fiduciary fees . . . . .	<b>12</b>	750
	<b>13</b> Charitable deduction (from Schedule A, line 7)	<b>13</b>	0
	<b>14</b> Attorney, accountant, and return preparer fees	<b>14</b>	930
	<b>15a</b> Other deductions <b>not</b> subject to the 2% floor (attach schedule)	<b>15a</b>	0
	<b>b</b> Net operating loss deduction. See instructions	<b>15b</b>	0
	<b>c</b> Allowable miscellaneous itemized deductions subject to the 2% floor	<b>15c</b>	0
	<b>16</b> Add lines 10 through 15c	<b>16</b>	1,680
	<b>17</b> Adjusted total income or (loss). Subtract line 16 from line 9	<b>17</b>	269,820
	<b>18</b> Income distribution deduction (from Schedule B, line 15). Attach Schedules K-1 (Form 1041)	<b>18</b>	175,820
<b>19</b> Estate tax deduction including certain generation-skipping taxes (attach computation)	<b>19</b>		
<b>20</b> Exemption . . . . .	<b>20</b>	300	
<b>21</b> Add lines 18 through 20	<b>21</b>		
<b>Tax and Payments</b>	<b>22</b> Taxable income. Subtract line 21 from line 17. If a loss, see instructions	<b>22</b>	93,700
	<b>23</b> <b>Total tax</b> (from Schedule G, line 7)	<b>23</b>	20,827
	<b>24</b> <b>Payments:</b> a 2016 estimated tax payments and amount applied from 2015 return	<b>24a</b>	67,000
	<b>b</b> Estimated tax payments allocated to beneficiaries (from Form 1041-T)	<b>24b</b>	
	<b>c</b> Subtract line 24b from line 24a	<b>24c</b>	67,000
	<b>d</b> Tax paid with Form 7004. See instructions	<b>24d</b>	
	<b>e</b> Federal income tax withheld. If any is from Form(s) 1099, check ► <input type="checkbox"/>	<b>24e</b>	
	Other payments: f Form 2439 ; g Form 4136 ; Total ►	<b>24h</b>	
	<b>25</b> <b>Total payments.</b> Add lines 24c through 24e, and 24h	<b>25</b>	67,000
<b>26</b> Estimated tax penalty. See instructions	<b>26</b>		
<b>27</b> <b>Tax due.</b> If line 25 is smaller than the total of lines 23 and 26, enter amount owed	<b>27</b>		
<b>28</b> <b>Overpayment.</b> If line 25 is larger than the total of lines 23 and 26, enter amount overpaid	<b>28</b>		
<b>29</b> Amount of line 28 to be: <b>a Credited to 2017 estimated tax</b> ; <b>b Refunded</b>	<b>29</b>		

<b>Sign Here</b>	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	EIN of fiduciary if a financial institution
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date
	Firm's name	Firm's EIN	Check <input type="checkbox"/> if self-employed
	Firm's address	Phone no.	PTIN

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

<b>1</b>	Amounts paid or permanently set aside for charitable purposes from gross income. See instructions	<b>1</b>		
<b>2</b>	Tax-exempt income allocable to charitable contributions. See instructions	<b>2</b>	0	
<b>3</b>	Subtract line 2 from line 1	<b>3</b>	0	
<b>4</b>	Capital gains for the tax year allocated to corpus and paid or permanently set aside for charitable purposes	<b>4</b>		
<b>5</b>	Add lines 3 and 4	<b>5</b>	0	
<b>6</b>	Section 1202 exclusion allocable to capital gains paid or permanently set aside for charitable purposes. See instructions	<b>6</b>		
<b>7</b>	<b>Charitable deduction.</b> Subtract line 6 from line 5. Enter here and on page 1, line 13	<b>7</b>	0	

**Schedule B Income Distribution Deduction**

<b>1</b>	Adjusted total income. See instructions	<b>1</b>	269,820	
<b>2</b>	Adjusted tax-exempt interest	<b>2</b>	500	
<b>3</b>	Total net gain from Schedule D (Form 1041), line 19, column (1). See instructions	<b>3</b>	0	
<b>4</b>	Enter amount from Schedule A, line 4 (minus any allocable section 1202 exclusion)	<b>4</b>		
<b>5</b>	Capital gains for the tax year included on Schedule A, line 1. See instructions	<b>5</b>		
<b>6</b>	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	<b>6</b>	-94,000	
<b>7</b>	<b>Distributable net income.</b> Combine lines 1 through 6. If zero or less, enter -0-	<b>7</b>	176,320	
<b>8</b>	If a complex trust, enter accounting income for the tax year as determined under the governing instrument and applicable local law	<b>8</b>		
<b>9</b>	Income required to be distributed currently	<b>9</b>	176,320	
<b>10</b>	Other amounts paid, credited, or otherwise required to be distributed	<b>10</b>		
<b>11</b>	Total distributions. Add lines 9 and 10. If greater than line 8, see instructions	<b>11</b>	176,320	
<b>12</b>	Enter the amount of tax-exempt income included on line 11	<b>12</b>	500	
<b>13</b>	Tentative income distribution deduction. Subtract line 12 from line 11	<b>13</b>	175,820	
<b>14</b>	Tentative income distribution deduction. Subtract line 2 from line 7. If zero or less, enter -0-	<b>14</b>	175,820	
<b>15</b>	<b>Income distribution deduction.</b> Enter the smaller of line 13 or line 14 here and on page 1, line 18	<b>15</b>		

**Schedule G Tax Computation** (see instructions)

<b>1</b>	<b>Tax: a</b> Tax on taxable income. See instructions	<b>1a</b>	17,738	
	<b>b</b> Tax on lump-sum distributions. Attach Form 4972	<b>1b</b>		
	<b>c</b> Alternative minimum tax (from Schedule I (Form 1041), line 56)	<b>1c</b>	0	
	<b>d Total.</b> Add lines 1a through 1c	<b>1d</b>		
<b>2a</b>	Foreign tax credit. Attach Form 1116	<b>2a</b>		
<b>b</b>	General business credit. Attach Form 3800	<b>2b</b>		
<b>c</b>	Credit for prior year minimum tax. Attach Form 8801	<b>2c</b>		
<b>d</b>	Bond credits. Attach Form 8912	<b>2d</b>		
<b>e</b>	<b>Total credits.</b> Add lines 2a through 2d	<b>2e</b>		
<b>3</b>	Subtract line 2e from line 1d. If zero or less, enter -0-	<b>3</b>		
<b>4</b>	Net investment income tax from Form 8960, line 21	<b>4</b>	3,089	
<b>5</b>	Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611	<b>5</b>		
<b>6</b>	Household employment taxes. Attach Schedule H (Form 1040)	<b>6</b>		
<b>7</b>	<b>Total tax.</b> Add lines 3 through 6. Enter here and on page 1, line 23	<b>7</b>		

**Other Information**

		<b>Yes</b>	<b>No</b>
<b>1</b>	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 ► \$	✓	
<b>2</b>	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?		✓
<b>3</b>	At any time during calendar year 2016, 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 ►		✓
<b>4</b>	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		✓
<b>5</b>	Did the estate or trust receive, or pay, any qualified residence interest on seller-provided financing? If "Yes," see the instructions for required attachment		✓
<b>6</b>	If this is an estate or a complex trust making the section 663(b) election, check here. See instructions ► <input type="checkbox"/>		
<b>7</b>	To make a section 643(e)(3) election, attach Schedule D (Form 1041), and check here. See instructions ► <input type="checkbox"/>		
<b>8</b>	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"/>		
<b>9</b>	Are any present or future trust beneficiaries skip persons? See instructions		✓
<b>10</b>	Was the trust a specified domestic entity required to file Form 8938 for the tax year (see the Instructions for Form 8938)?		✓

**SCHEDULE I  
(Form 1041)****Alternative Minimum Tax—Estates and Trusts**

OMB No. 1545-0092

Department of the Treasury  
Internal Revenue Service

► Attach to Form 1041.

► Information about Schedule I (Form 1041) and its separate instructions is at [www.irs.gov/form1041](http://www.irs.gov/form1041).**2016**

Name of estate or trust

Employer identification number

Estate's or Trust's Share of Alternative Minimum Taxable Income

00-4012343

**Part I Estate's or Trust's Share of Alternative Minimum Taxable Income**

1	Adjusted total income or (loss) (from Form 1041, line 17)	1	269,820
2	Interest	2	
3	Taxes	3	
4	Miscellaneous itemized deductions (from Form 1041, line 15c)	4	
5	Refund of taxes	5	( )
6	Depletion (difference between regular tax and AMT)	6	
7	Net operating loss deduction. Enter as a positive amount	7	
8	Interest from specified private activity bonds exempt from the regular tax	8	
9	Qualified small business stock (see instructions)	9	
10	Exercise of incentive stock options (excess of AMT income over regular tax income)	10	
11	Other estates and trusts (amount from Schedule K-1 (Form 1041), box 12, code A)	11	
12	Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box 6)	12	
13	Disposition of property (difference between AMT and regular tax gain or loss)	13	
14	Depreciation on assets placed in service after 1986 (difference between regular tax and AMT)	14	
15	Passive activities (difference between AMT and regular tax income or loss)	15	
16	Loss limitations (difference between AMT and regular tax income or loss)	16	
17	Circulation costs (difference between regular tax and AMT)	17	
18	Long-term contracts (difference between AMT and regular tax income)	18	
19	Mining costs (difference between regular tax and AMT)	19	
20	Research and experimental costs (difference between regular tax and AMT)	20	
21	Income from certain installment sales before January 1, 1987	21	( )
22	Intangible drilling costs preference	22	
23	Other adjustments, including income-based related adjustments	23	
24	Alternative tax net operating loss deduction (See the instructions for the limitation that applies.)	24	( )
25	Adjusted alternative minimum taxable income. Combine lines 1 through 24	25	
26	Income distribution deduction from Part II, line 44	26	175,820
27	Estate tax deduction (from Form 1041, line 19)	27	
28	Add lines 26 and 27	28	
29	Estate's or trust's share of alternative minimum taxable income. Subtract line 28 from line 25	29	

**Note:** Complete Part II below before going to line 26.

If line 29 is:

- \$23,900 or less, stop here and enter -0- on Form 1041, Schedule G, line 1c. The estate or trust isn't liable for the alternative minimum tax.
- Over \$23,900, but less than \$175,450, go to line 45.
- \$175,450 or more, enter the amount from line 29 on line 51 and go to line 52.

**Part II Income Distribution Deduction on a Minimum Tax Basis**

30	Adjusted alternative minimum taxable income (see instructions)	30	269,820
31	Adjusted tax-exempt interest (other than amounts included on line 8)	31	500
32	Total net gain from Schedule D (Form 1041), line 19, column (1). If a loss, enter -0-	32	
33	Capital gains for the tax year allocated to corpus and paid or permanently set aside for charitable purposes (from Form 1041, Schedule A, line 4)	33	
34	Capital gains paid or permanently set aside for charitable purposes from gross income (see instructions)	34	
35	Capital gains computed on a minimum tax basis included on line 25	35	( 94,000 )
36	Capital losses computed on a minimum tax basis included on line 25. Enter as a positive amount	36	
37	Distributable net alternative minimum taxable income (DNAMTI). Combine lines 30 through 36. If zero or less, enter -0-	37	176,320
38	Income required to be distributed currently (from Form 1041, Schedule B, line 9)	38	176,320
39	Other amounts paid, credited, or otherwise required to be distributed (from Form 1041, Schedule B, line 10)	39	
40	Total distributions. Add lines 38 and 39	40	176,320
41	Tax-exempt income included on line 40 (other than amounts included on line 8)	41	500
42	Tentative income distribution deduction on a minimum tax basis. Subtract line 41 from line 40	42	

**Part II** **Income Distribution Deduction on a Minimum Tax Basis** (continued)

<b>43</b>	Tentative income distribution deduction on a minimum tax basis. Subtract line 31 from line 37. If zero or less, enter -0-	<b>43</b>	175,820	
<b>44</b>	<b>Income distribution deduction on a minimum tax basis.</b> Enter the smaller of line 42 or line 43. Enter here and on line 26	<b>44</b>	175,820	

**Part III** **Alternative Minimum Tax**

<b>45</b>	Exemption amount	<b>45</b>	\$23,900	00
<b>46</b>	Enter the amount from line 29	<b>46</b>	94,000	
<b>47</b>	Phase-out of exemption amount	<b>47</b>	\$79,850	00
<b>48</b>	Subtract line 47 from line 46. If zero or less, enter -0-	<b>48</b>	14,150	
<b>49</b>	Multiply line 48 by 25% (0.25)	<b>49</b>	3,538	
<b>50</b>	Subtract line 49 from line 45. If zero or less, enter -0-	<b>50</b>	20,362	
<b>51</b>	Subtract line 50 from line 46	<b>51</b>	73,638	
<b>52</b>	Go to Part IV of Schedule I to figure line 52 if the estate or trust has qualified dividends or has a gain on lines 18a and 19 of column (2) of Schedule D (Form 1041) (as refigured for the AMT, if necessary). Otherwise, if line 51 is— • \$186,300 or less, multiply line 51 by 26% (0.26). • Over \$186,300, multiply line 51 by 28% (0.28) and subtract \$3,726 from the result	<b>52</b>	19,146	
<b>53</b>	Alternative minimum foreign tax credit (see instructions)	<b>53</b>		
<b>54</b>	Tentative minimum tax. Subtract line 53 from line 52	<b>54</b>	19,146	
<b>55</b>	Enter the tax from Form 1041, Schedule G, line 1a (minus any foreign tax credit from Schedule G, line 2a)	<b>55</b>	17,738	
<b>56</b>	<b>Alternative minimum tax.</b> Subtract line 55 from line 54. If zero or less, enter -0-. Enter here and on Form 1041, Schedule G, line 1c	<b>56</b>		

**Part IV** **Line 52 Computation Using Maximum Capital Gains Rates**

**Caution:** If you didn't complete Part V of Schedule D (Form 1041), the Schedule D Tax Worksheet, or the Qualified Dividends Tax Worksheet in the Instructions for Form 1041, see the instructions before completing this part.

<b>57</b>	Enter the amount from line 51	<b>57</b>		
<b>58</b>	Enter the amount from Schedule D (Form 1041), line 26, line 13 of the Schedule D Tax Worksheet, or line 4 of the Qualified Dividends Tax Worksheet in the Instructions for Form 1041, whichever applies (as refigured for the AMT, if necessary)	<b>58</b>	94,000	
<b>59</b>	Enter the amount from Schedule D (Form 1041), line 18b, column (2) (as refigured for the AMT, if necessary). If you didn't complete Schedule D for the regular tax or the AMT, enter -0-	<b>59</b>	0	
<b>60</b>	If you didn't complete a Schedule D Tax Worksheet for the regular tax or the AMT, enter the amount from line 58. Otherwise, add lines 58 and 59 and enter the <b>smaller</b> of that result or the amount from line 10 of the Schedule D Tax Worksheet (as refigured for the AMT, if necessary)	<b>60</b>	94,000	
<b>61</b>	Enter the <b>smaller</b> of line 57 or line 60	<b>61</b>		
<b>62</b>	Subtract line 61 from line 57	<b>62</b>		
<b>63</b>	If line 62 is \$186,300 or less, multiply line 62 by 26% (0.26). Otherwise, multiply line 62 by 28% (0.28) and subtract \$3,726 from the result	<b>63</b>		
<b>64</b>	Maximum amount subject to the 0% rate	<b>64</b>	\$2,550	00
<b>65</b>	Enter the amount from line 27 of Schedule D (Form 1041), line 14 of the Schedule D Tax Worksheet, or line 5 of the Qualified Dividends Tax Worksheet in the Instructions for Form 1041, whichever applies (as figured for the regular tax). If you didn't complete Schedule D or either worksheet for the regular tax, enter the amount from Form 1041, line 22; if zero or less, enter -0-	<b>65</b>	0	
<b>66</b>	Subtract line 65 from line 64. If zero or less, enter -0-	<b>66</b>	2,550	
<b>67</b>	Enter the <b>smaller</b> of line 57 or line 58	<b>67</b>	73,638	
<b>68</b>	Enter the <b>smaller</b> of line 66 or line 67. This amount is taxed at 0%	<b>68</b>	2,550	
<b>69</b>	Subtract line 68 from line 67	<b>69</b>	71,088	

**Part IV** Line 52 Computation Using Maximum Capital Gains Rates *(continued)*

<b>70</b>	Maximum amount subject to rates below 20% . . . . .	<b>70</b>	\$ 12,400	00		
<b>71</b>	Enter the amount from line 66 . . . . .	<b>71</b>	2,550			
<b>72</b>	Enter the amount from line 27 of Schedule D (Form 1041), line 18 of the Schedule D Tax Worksheet, or line 5 of the Qualified Dividends Tax Worksheet, whichever applies (as figured for the regular tax). If you didn't complete Schedule D or either worksheet for the regular tax, enter the amount from Form 1041, line 22; if zero or less, enter -0- . ▶	<b>72</b>	0			
<b>73</b>	Add line 71 and line 72 . . . . .	<b>73</b>	2,550			
<b>74</b>	Subtract line 73 from line 70. If zero or less, enter -0- . . . . .	<b>74</b>	9,850			
<b>75</b>	Enter the <b>smaller</b> of line 69 or 74 . . . . .	<b>75</b>	9,850			
<b>76</b>	Multiply line 75 by 15% (0.15) . . . . . ▶	<b>76</b>				
<b>77</b>	Add lines 68 and 75 . . . . .	<b>77</b>	12,400			
<b>If lines 77 and 57 are the same, skip lines 78 through 82 and go to line 83. Otherwise, go to line 78.</b>						
<b>78</b>	Subtract line 77 from line 67 . . . . .	<b>78</b>	61,238			
<b>79</b>	Multiply line 78 by 20% (0.20) . . . . . ▶	<b>79</b>				
<b>If line 59 is zero or blank, skip lines 80 through 82 and go to line 83. Otherwise, go to line 80.</b>						
<b>80</b>	Add lines 62, 77, and 78 . . . . .	<b>80</b>				
<b>81</b>	Subtract line 80 from line 57 . . . . .	<b>81</b>				
<b>82</b>	Multiply line 81 by 25% (0.25) . . . . . ▶	<b>82</b>				
<b>83</b>	Add lines 63, 76, 79, and 82 . . . . .	<b>83</b>				
<b>84</b>	If line 57 is \$186,300 or less, multiply line 57 by 26% (0.26). Otherwise, multiply line 57 by 28% (0.28) and subtract \$3,726 from the result . . . . .	<b>84</b>				
<b>85</b>	Enter the <b>smaller</b> of line 83 or line 84 here and on line 52 . . . . .	<b>85</b>				

Schedule I (Form 1041) (2016)

INTERNAL USE ONLY

DRAFT AS OF  
March 31, 2016



**SCHEDULE C  
(Form 1040)**

Department of the Treasury  
Internal Revenue Service (99)

**Profit or Loss From Business**  
(Sole Proprietorship)

► **Information about Schedule C and its separate instructions is at [www.irs.gov/schedulec](http://www.irs.gov/schedulec).**  
► **Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.**

OMB No. 1545-0074

**2016**  
Attachment  
Sequence No. **09**

Name of proprietor

Magenta Trust

Social security number (SSN)

**A** Principal business or profession, including product or service (see instructions)

Goods and Service

**B** Enter code from instructions

5 6 1 6 0 0

**C** Business name. If no separate business name, leave blank.

Magenta Convenience Store

**D** Employer ID number (EIN), (see instr.)

0 0 4 0 1 2 3 4 3

**E** Business address (including suite or room no.) ►

City, town or post office, state, and ZIP code

**F** Accounting method: (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (specify) ►

**G** Did you "materially participate" in the operation of this business during 2016? If "No," see instructions for limit on losses ☒ Yes ☐ No

**H** If you started or acquired this business during 2016, check here ☒

**I** Did you make any payments in 2016 that would require you to file Form(s) 1099? (see instructions) ☐ Yes ☒ No

**J** If "Yes," did you or will you file required Forms 1099? ☐ Yes ☒ No

**Part I Income**

<b>1</b>	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked. <input type="checkbox"/>	<b>1</b>	185,000
<b>2</b>	Returns and allowances	<b>2</b>	10,000
<b>3</b>	Subtract line 2 from line 1	<b>3</b>	175,000
<b>4</b>	Cost of goods sold (from line 42)	<b>4</b>	48,500
<b>5</b>	<b>Gross profit.</b> Subtract line 4 from line 3	<b>5</b>	
<b>6</b>	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	<b>6</b>	
<b>7</b>	<b>Gross income.</b> Add lines 5 and 6	<b>7</b>	

**Part II Expenses.** Enter expenses for business use of your home **only** on line 30.

<b>8</b>	Advertising	<b>8</b>	5,000	<b>18</b>	Office expense (see instructions)	<b>18</b>	500
<b>9</b>	Car and truck expenses (see instructions)	<b>9</b>	7,000	<b>19</b>	Pension and profit-sharing plans	<b>19</b>	
<b>10</b>	Commissions and fees	<b>10</b>		<b>20</b>	Rent or lease (see instructions):		
<b>11</b>	Contract labor (see instructions)	<b>11</b>		<b>a</b>	Vehicles, machinery, and equipment	<b>20a</b>	
<b>12</b>	Depletion	<b>12</b>		<b>b</b>	Other business property	<b>20b</b>	20,000
<b>13</b>	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	<b>13</b>		<b>21</b>	Repairs and maintenance	<b>21</b>	5,000
<b>14</b>	Employee benefit programs (other than on line 19)	<b>14</b>		<b>22</b>	Supplies (not included in Part III)	<b>22</b>	
<b>15</b>	Insurance (other than health)	<b>15</b>	8,000	<b>23</b>	Taxes and licenses	<b>23</b>	
<b>16</b>	Interest:			<b>24</b>	Travel, meals, and entertainment:		
<b>a</b>	Mortgage (paid to banks, etc.)	<b>16a</b>		<b>a</b>	Travel	<b>24a</b>	
<b>b</b>	Other	<b>16b</b>		<b>b</b>	Deductible meals and entertainment (see instructions)	<b>24b</b>	
<b>17</b>	Legal and professional services	<b>17</b>	10,000	<b>25</b>	Utilities	<b>25</b>	6,000
<b>18</b>				<b>26</b>	Wages (less employment credits)	<b>26</b>	
<b>19</b>				<b>27a</b>	Other expenses (from line 48)	<b>27a</b>	
<b>20</b>				<b>b</b>	<b>Reserved for future use</b>	<b>27b</b>	

**28** **Total expenses** before expenses for business use of home. Add lines 8 through 27a

**29** Tentative profit or (loss). Subtract line 28 from line 7

**30** Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions).

**Simplified method filers only:** enter the total square footage of: (a) your home: \_\_\_\_\_

and (b) the part of your home used for business: \_\_\_\_\_. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30

**31** **Net profit or (loss).** Subtract line 30 from line 29.

• If a profit, enter on both **Form 1040, line 12** (or **Form 1040NR, line 13**) and on **Schedule SE, line 2**. (If you checked the box on line 1, see instructions). Estates and trusts, enter on **Form 1041, line 3**.

• If a loss, you **must** go to line 32.

**32** If you have a loss, check the box that describes your investment in this activity (see instructions).

• If you checked 32a, enter the loss on both **Form 1040, line 12**, (or **Form 1040NR, line 13**) and on **Schedule SE, line 2**. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on **Form 1041, line 3**.

• If you checked 32b, you **must** attach **Form 6198**. Your loss may be limited.

**32a** ☐ All investment is at risk.

**32b** ☐ Some investment is not at risk.

33 Method(s) used to value closing inventory:    **a** ☒ Cost    **b** ☐ Lower of cost or market    **c** ☐ Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory?  
If "Yes," attach explanation ☐ Yes ☒ No

35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation . . . . .	35	55,000	
36	Purchases less cost of items withdrawn for personal use . . . . .	36	30,000	
37	Cost of labor. Do not include any amounts paid to yourself . . . . .	37		
38	Materials and supplies . . . . .	38		
39	Other costs . . . . .	39		
40	Add lines 35 through 39 . . . . .	40		
41	Inventory at end of year . . . . .	41	36,500	
42	<b>Cost of goods sold.</b> Subtract line 41 from line 40. Enter the result here and on line 4 . . . . .	42		

**43** When did you place your vehicle in service for business purposes? (month, day, year) ► 01 / 01 / 2016

**44** Of the total number of miles you drove your vehicle during 2016, enter the number of miles you used your vehicle for:

<b>a</b> Business	6,000	<b>b</b> Commuting (see instructions)	10,000	<b>c</b> Other
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45 Was your vehicle available for personal use during off-duty hours? . . . . . ☒ Yes ☐ No

46 Do you (or your spouse) have another vehicle available for personal use? . . . . . ☒ Yes ☐ No

**47a** Do you have evidence to support your deduction? . . . . . ☒ Yes ☐ No

**b** If "Yes," is the evidence written? ☒ Yes ☐ No

[illegible]

<b>48</b>	<b>Total other expenses.</b> Enter here and on line 27a . . . . .	<b>48</b>	
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SCHEDULE D  
(Form 1041)

Capital Gains and Losses

OMB No. 1545-0092

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 1041, Form 5227, or Form 990-T.

▶ Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9 and 10.

▶ Information about Schedule D and its separate instructions is at [www.irs.gov/form1041](http://www.irs.gov/form1041).

2016

Name of estate or trust

Magenta Trust

Employer identification number

00-4012343

Note: Form 5227 filers need to complete **only** Parts I and II.

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
1a Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b .				
1b Totals for all transactions reported on Form(s) 8949 with <b>Box A</b> checked . . . . .				
2 Totals for all transactions reported on Form(s) 8949 with <b>Box B</b> checked . . . . .				
3 Totals for all transactions reported on Form(s) 8949 with <b>Box C</b> checked . . . . .				
4 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824 . . . . .				4
5 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts . . . . .				5
6 Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2015 Capital Loss Carryover Worksheet . . . . .				6 ( )
7 <b>Net short-term capital gain or (loss).</b> Combine lines 1a through 6 in column (h). Enter here and on line 17, column (3) on the back . . . . . ▶				7

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
8a Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b .				
8b Totals for all transactions reported on Form(s) 8949 with <b>Box D</b> checked . . . . .				
9 Totals for all transactions reported on Form(s) 8949 with <b>Box E</b> checked . . . . .				
10 Totals for all transactions reported on Form(s) 8949 with <b>Box F</b> checked . . . . .				
11 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824 . . . . .				11
12 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts . . . . .				12
13 Capital gain distributions . . . . .				13
14 Gain from Form 4797, Part I . . . . .				14 94,000
15 Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2015 Capital Loss Carryover Worksheet . . . . .				15 ( )
16 <b>Net long-term capital gain or (loss).</b> Combine lines 8a through 15 in column (h). Enter here and on line 18a, column (3) on the back . . . . . ▶				16

**Part III Summary of Parts I and II****Caution:** Read the instructions **before** completing this part.

		(1) Beneficiaries' (see instr.)	(2) Estate's or trust's	(3) Total
<b>17</b>	<b>Net short-term gain or (loss)</b> . . . . .	<b>17</b>		
<b>18</b>	<b>Net long-term gain or (loss):</b>			
<b>a</b>	Total for year . . . . .	<b>18a</b>	94,000	94,000
<b>b</b>	Unrecaptured section 1250 gain (see line 18 of the wrksh.) . . . . .	<b>18b</b>	0	0
<b>c</b>	28% rate gain . . . . .	<b>18c</b>	0	0
<b>19</b>	<b>Total net gain or (loss).</b> Combine lines 17 and 18a . . . . . ▶	<b>19</b>	94,000	94,000

**Note:** If line 19, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 18a and 19, column (2), are net gains, go to Part V, and **don't** complete Part IV. If line 19, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary.

**Part IV Capital Loss Limitation**

<b>20</b>	Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the <b>smaller</b> of:	<b>20</b>	( 0 )
<b>a</b>	The loss on line 19, column (3) <b>or b</b> \$3,000 . . . . .		

**Note:** If the loss on line 19, column (3), is more than \$3,000, **or** if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** in the instructions to figure your capital loss carryover.

**Part V Tax Computation Using Maximum Capital Gains Rates**

**Form 1041 filers.** Complete this part **only** if both lines 18a and 19 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), **and** Form 1041, line 22, is more than zero.

**Caution:** Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if:

- Either line 18b, col. (2) or line 18c, col. (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.

**Form 990-T trusts.** Complete this part **only** if both lines 18a and 19 are gains, or qualified dividends are included in income in Part I of Form 990-T, **and** Form 990-T, line 34, is more than zero. Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if either line 18b, col. (2) or line 18c, col. (2) is more than zero.

<b>21</b>	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34) . . . . .	<b>21</b>	93,700		
<b>22</b>	Enter the <b>smaller</b> of line 18a or 19 in column (2) but not less than zero . . . . .	<b>22</b>	94,000		
<b>23</b>	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T) . . . . .	<b>23</b>			
<b>24</b>	Add lines 22 and 23 . . . . .	<b>24</b>	94,000		
<b>25</b>	If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0- . . . . . ▶	<b>25</b>			
<b>26</b>	Subtract line 25 from line 24. If zero or less, enter -0- . . . . .	<b>26</b>	94,000		
<b>27</b>	Subtract line 26 from line 21. If zero or less, enter -0- . . . . .	<b>27</b>	0		
<b>28</b>	Enter the <b>smaller</b> of the amount on line 21 or \$2,550 . . . . .	<b>28</b>	2,550		
<b>29</b>	Enter the <b>smaller</b> of the amount on line 27 or line 28 . . . . .	<b>29</b>	0		
<b>30</b>	Subtract line 29 from line 28. If zero or less, enter -0-. This amount is taxed at 0% . . . . . ▶	<b>30</b>			
<b>31</b>	Enter the <b>smaller</b> of line 21 or line 26 . . . . .	<b>31</b>	93,700		
<b>32</b>	Subtract line 30 from line 26 . . . . .	<b>32</b>	91,450		
<b>33</b>	Enter the <b>smaller</b> of line 21 or \$12,400 . . . . .	<b>33</b>	12,400		
<b>34</b>	Add lines 27 and 30 . . . . .	<b>34</b>	2,550		
<b>35</b>	Subtract line 34 from line 33. If zero or less, enter -0- . . . . .	<b>35</b>	9,850		
<b>36</b>	Enter the <b>smaller</b> of line 32 or line 35 . . . . .	<b>36</b>	9,850		
<b>37</b>	Multiply line 36 by 15% (0.15) . . . . . ▶	<b>37</b>			
<b>38</b>	Enter the amount from line 31 . . . . .	<b>38</b>	93,700		
<b>39</b>	Add lines 30 and 36 . . . . .	<b>39</b>	12,400		
<b>40</b>	Subtract line 39 from line 38. If zero or less, enter -0- . . . . .	<b>40</b>	81,300		
<b>41</b>	Multiply line 40 by 20% (0.20) . . . . . ▶	<b>41</b>			
<b>42</b>	Figure the tax on the amount on line 27. Use the 2016 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041) . . . . .	<b>42</b>	0		
<b>43</b>	Add lines 37, 41, and 42 . . . . .	<b>43</b>	17,738		
<b>44</b>	Figure the tax on the amount on line 21. Use the 2016 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041) . . . . .	<b>44</b>	35,401		
<b>45</b>	<b>Tax on all taxable income.</b> Enter the <b>smaller</b> of line 43 or line 44 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36) . . . . . ▶	<b>45</b>			

**Sales of Business Property**  
(Also Involuntary Conversions and Recapture Amounts  
Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return.

▶ Information about Form 4797 and its separate instructions is at [www.irs.gov/form4797](http://www.irs.gov/form4797).

OMB No. 1545-0184

**2016**Attachment  
Sequence No. **27**

Name(s) shown on return

Magenta Trust

Identifying number

00-4012343

- 1** Enter the gross proceeds from sales or exchanges reported to you for 2016 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20. See instructions . . . . . **1** 181,000

**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year** (see instructions)

2	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
	Building	09/27/2012	09/07/2016	181,000	10,000	97,000	
<b>3</b>	Gain, if any, from Form 4684, line 39 . . . . .						<b>3</b>
<b>4</b>	Section 1231 gain from installment sales from Form 6252, line 26 or 37 . . . . .						<b>4</b>
<b>5</b>	Section 1231 gain or (loss) from like-kind exchanges from Form 8824 . . . . .						<b>5</b>
<b>6</b>	Gain, if any, from line 32, from other than casualty or theft . . . . .						<b>6</b>
<b>7</b>	Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: . . . . .						<b>7</b>
	<b>Partnerships (except electing large partnerships) and S corporations.</b> Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. <b>Individuals, partners, S corporation shareholders, and all others.</b> If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you didn't have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.						
<b>8</b>	Nonrecaptured net section 1231 losses from prior years. See instructions . . . . .						<b>8</b>
<b>9</b>	Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return. See instructions . . . . .						<b>9</b>

**Part II Ordinary Gains and Losses** (see instructions)

- 10**
- Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

<b>11</b>	Loss, if any, from line 7 . . . . .					<b>11</b> ( )
<b>12</b>	Gain, if any, from line 7 or amount from line 8, if applicable . . . . .					<b>12</b>
<b>13</b>	Gain, if any, from line 31 . . . . .					<b>13</b>
<b>14</b>	Net gain or (loss) from Form 4684, lines 31 and 38a . . . . .					<b>14</b>
<b>15</b>	Ordinary gain from installment sales from Form 6252, line 25 or 36 . . . . .					<b>15</b>
<b>16</b>	Ordinary gain or (loss) from like-kind exchanges from Form 8824. . . . .					<b>16</b>
<b>17</b>	Combine lines 10 through 16 . . . . .					<b>17</b>
<b>18</b>	For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:					
	<b>a</b> If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions . . . . .					
	<b>18a</b>					
	<b>b</b> Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14					
	<b>18b</b>					

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 130861

Form **4797** (2016)

**Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255**  
(see instructions)

19	(a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A			
B			
C			
D			

  

These columns relate to the properties on lines 19A through 19D. ▶		Property A	Property B	Property C	Property D
20	Gross sales price ( <b>Note:</b> See line 1 before completing.) . . . . .	20			
21	Cost or other basis plus expense of sale . . . . .	21			
22	Depreciation (or depletion) allowed or allowable . . . . .	22			
23	Adjusted basis. Subtract line 22 from line 21. . . . .	23	0	0	0
24	Total gain. Subtract line 23 from line 20 . . . . .	24	0	0	0
25	<b>If section 1245 property:</b>				
a	Depreciation allowed or allowable from line 22 . . . . .	25a			
b	Enter the <b>smaller</b> of line 24 or 25a . . . . .	25b			
26	<b>If section 1250 property:</b> If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.				
a	Additional depreciation after 1975. See instructions . . . . .	26a			
b	Applicable percentage multiplied by the <b>smaller</b> of line 24 or line 26a. See instructions . . . . .	26b			
c	Subtract line 26a from line 24. If residential rental property or line 24 isn't more than line 26a, skip lines 26d and 26e . . . . .	26c			
d	Additional depreciation after 1969 and before 1976. . . . .	26d			
e	Enter the <b>smaller</b> of line 26c or 26d . . . . .	26e			
f	Section 291 amount (corporations only) . . . . .	26f			
g	Add lines 26b, 26e, and 26f. . . . .	26g			
27	<b>If section 1252 property:</b> Skip this section if you didn't dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).				
a	Soil, water, and land clearing expenses . . . . .	27a			
b	Line 27a multiplied by applicable percentage. See instructions . . . . .	27b			
c	Enter the <b>smaller</b> of line 24 or 27b . . . . .	27c			
28	<b>If section 1254 property:</b>				
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion. See instructions . . . . .	28a			
b	Enter the <b>smaller</b> of line 24 or 28a . . . . .	28b			
29	<b>If section 1255 property:</b>				
a	Applicable percentage of payments excluded from income under section 126. See instructions . . . . .	29a			
b	Enter the <b>smaller</b> of line 24 or 29a. See instructions . . . . .	29b			

**Summary of Part III Gains.** Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24 . . . . .	30	0
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13 . . . . .	31	
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6 . . . . .	32	0

**Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less**  
(see instructions)

	(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years. . . . .	33	
34 Recomputed depreciation. See instructions . . . . .	34	
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report . . . . .	35	

Form **8960****Net Investment Income Tax—  
Individuals, Estates, and Trusts**

OMB No. 1545-2227

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to your tax return.

▶ Information about Form 8960 and its separate instructions is at [www.irs.gov/form8960](http://www.irs.gov/form8960).**2016**  
Attachment  
Sequence No. **72**

Name(s) shown on your tax return

Magenta Trust

Your social security number or EIN

00-4012343

**Part I Investment Income**

- ☐ Section 6013(g) election (see instructions)  
☐ Section 6013(h) election (see instructions)  
☐ Regulations section 1.1411-10(g) election (see instructions)

<b>1</b>	Taxable interest (see instructions)		<b>1</b>	72,500
<b>2</b>	Ordinary dividends (see instructions)		<b>2</b>	40,000
<b>3</b>	Annuities (see instructions)		<b>3</b>	
<b>4a</b>	Rental real estate, royalties, partnerships, S corporations, trusts, etc. (see instructions)	<b>4a</b>		
<b>b</b>	Adjustment for net income or loss derived in the ordinary course of a non-section 1411 trade or business (see instructions)	<b>4b</b>		
<b>c</b>	Combine lines 4a and 4b		<b>4c</b>	
<b>5a</b>	Net gain or loss from disposition of property (see instructions)	<b>5a</b>	94,000	
<b>b</b>	Net gain or loss from disposition of property that is not subject to net investment income tax (see instructions)	<b>5b</b>	94,000	
<b>c</b>	Adjustment from disposition of partnership interest or S corporation stock (see instructions)	<b>5c</b>		
<b>d</b>	Combine lines 5a through 5c		<b>5d</b>	
<b>6</b>	Adjustments to investment income for certain CFCs and PFICs (see instructions)		<b>6</b>	
<b>7</b>	Other modifications to investment income (see instructions)		<b>7</b>	
<b>8</b>	Total investment income. Combine lines 1, 2, 3, 4c, 5d, 6, and 7		<b>8</b>	

**Part II Investment Expenses Allocable to Investment Income and Modifications**

<b>9a</b>	Investment interest expenses (see instructions)	<b>9a</b>	0
<b>b</b>	State, local, and foreign income tax (see instructions)	<b>9b</b>	0
<b>c</b>	Miscellaneous investment expenses (see instructions)	<b>9c</b>	0
<b>d</b>	Add lines 9a, 9b, and 9c		<b>9d</b>
<b>10</b>	Additional modifications (see instructions)		<b>10</b>
<b>11</b>	Total deductions and modifications. Add lines 9d and 10		<b>11</b>

**Part III Tax Computation**

<b>12</b>	Net investment income. Subtract Part II, line 11 from Part I, line 8. Individuals complete lines 13–17. Estates and trusts complete lines 18a–21. If zero or less, enter -0-	<b>12</b>	112,500
<b>13</b>	Modified adjusted gross income (see instructions)	<b>13</b>	
<b>14</b>	Threshold based on filing status (see instructions)	<b>14</b>	
<b>15</b>	Subtract line 14 from line 13. If zero or less, enter -0-	<b>15</b>	
<b>16</b>	Enter the smaller of line 12 or line 15	<b>16</b>	
<b>17</b>	Net investment income tax for individuals. Multiply line 16 by 3.8% (.038). <b>Enter here and include on your tax return</b> (see instructions)	<b>17</b>	
<b>18a</b>	Net investment income (line 12 above)	<b>18a</b>	112,500
<b>b</b>	Deductions for distributions of net investment income and deductions under section 642(c) (see instructions)	<b>18b</b>	19,000
<b>c</b>	Undistributed net investment income. Subtract line 18b from 18a (see instructions). If zero or less, enter -0-	<b>18c</b>	93,500
<b>19a</b>	Adjusted gross income (see instructions)	<b>19a</b>	93,700
<b>b</b>	Highest tax bracket for estates and trusts for the year (see instructions)	<b>19b</b>	12,400
<b>c</b>	Subtract line 19b from line 19a. If zero or less, enter -0-	<b>19c</b>	81,300
<b>20</b>	Enter the smaller of line 18c or line 19c	<b>20</b>	81,300
<b>21</b>	Net investment income tax for estates and trusts. Multiply line 20 by 3.8% (.038). <b>Enter here and include on your tax return</b> (see instructions)	<b>21</b>	

For Paperwork Reduction Act Notice, see your tax return instructions.

Cat. No. 59474M

Form **8960** (2016)



Form **8453-FE****U.S. Estate or Trust Declaration  
for an IRS e-file Return**

OMB No. 1545-0967

Department of the Treasury  
Internal Revenue ServiceFor calendar year 2016, or fiscal year beginning 01/01, 2016, and ending 12/31, 20 16**2016**▶ **File electronically with the estate's or trust's return. Do not file paper copies.**  
▶ **Information about Form 8453-FE and its instructions is at [www.irs.gov/form8453fe](http://www.irs.gov/form8453fe).**

Name of estate or trust

Magenta Trust

Employer identification number

00-4012343

Name and title of fiduciary

Cyan Magenta, CPA**Part I Tax Return Information**

1	Total income (Form 1041, line 9)	1
2	Income distribution deduction (Form 1041, line 18)	2
3	Taxable income (Form 1041, line 22)	3
4	Total tax (Form 1041, line 23)	4
5	Tax due or overpayment (Form 1041, line 27 or 28)	5

**Part II Declaration of Fiduciary**

- 6 ☐ I authorize the U.S. Treasury and its designated Financial Agent to initiate an ACH electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the estate's or trust's taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at **1-888-353-4537** no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

Under penalties of perjury, I declare that the above amounts (or the amounts on the attached listing) agree with the amounts shown on the corresponding lines of the electronic portion of the 2016 U.S. Income Tax Return(s) for Estates and Trusts. I have also examined a copy of the return(s) being filed electronically with the IRS, and all accompanying schedules and statements. To the best of my knowledge and belief, they are true, correct, and complete. If I am not the transmitter, I consent that the return(s), including this declaration and accompanying schedules and statements, be sent to the IRS by the return transmitter. I also consent to the IRS's sending the ERO and/or transmitter an acknowledgement of receipt of transmission and an indication of whether or not the return(s) is accepted, and, if rejected, the reason(s) for the rejection.

**Sign  
Here**

Signature of fiduciary or officer representing fiduciary

Date

**Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer (see instructions)**

I declare that I have reviewed the above estate or trust return(s) and that the entries on Form 8453-FE are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return(s), and only declare that this form accurately reflects the data on the return(s). The fiduciary or an officer representing the fiduciary will have signed this form before I submit the return(s). I will give the fiduciary or officer representing the fiduciary a copy of all forms and information to be filed with the IRS, and have followed all other requirements described in Pub. 4164, Modernized e-File (MeF) Guide for Software Developers and Transmitters. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above estate or trust return(s) and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer is based on all information of which the preparer has any knowledge.

<b>ERO's Use Only</b>	ERO's signature	Date	Check if also paid preparer <input type="checkbox"/>	Check if self-employed <input type="checkbox"/>	ERO's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code	<u>Attorney at Law</u> <u>Carnegie Office Park, Suite 290, Carnegie, PA 15106</u>		EIN	<u>25-7654321</u>
				Phone no.	<u>412-279-5506</u>

Under penalties of perjury, I declare that I have examined the above estate or trust return(s) and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer is based on all information of which the preparer has any knowledge.

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name	<u>Red White and Blue</u>		Firm's EIN	<u>00-4044321</u>
	Firm's address	<u>1234 2nd Test Street, Baltimore, MD 21201</u>		Phone no.	<u>410-111-2345</u>

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Cat. No. 65092M

Form **8453-FE** (2016)



661113

OMB No. 1545-0092

☐ Final K-1☐ Amended K-1**Schedule K-1  
(Form 1041)**Department of the Treasury  
Internal Revenue Service**2016**For calendar year 2016,  
or tax year beginning January 1, 2016,  
and ending December 31, 20 16**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

00-4012343

**B** Estate's or trust's name

Magenta Trust

**C** Fiduciary's name, address, city, state, and ZIP codeCyan Magenta, CPA  
1st Test Street  
Lanham, MD 20706**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

213-08-8712

**G** Beneficiary's name, address, city, state, and ZIP codeRudyRedGrape  
6th Test Street  
Lanham, MD 20706**H** ☒ Domestic beneficiary☐ Foreign beneficiary**Part III****Beneficiary's Share of Current Year Income,  
Deductions, Credits, and Other Items**

<b>1</b>	Interest income		<b>11</b>	Final year deductions
		18,125		
<b>2a</b>	Ordinary dividends			
		10,000		
<b>2b</b>	Qualified dividends			
<b>3</b>	Net short-term capital gain			
<b>4a</b>	Net long-term capital gain			
<b>4b</b>	28% rate gain		<b>12</b>	Alternative minimum tax adjustment
<b>4c</b>	Unrecaptured section 1250 gain			
<b>5</b>	Other portfolio and nonbusiness income			
<b>6</b>	Ordinary business income			
		16,250		
<b>7</b>	Net rental real estate income			
<b>8</b>	Other rental income		<b>13</b>	Credits and credit recapture
<b>9</b>	Directly apportioned deductions			
			<b>14</b>	Other information
<b>10</b>	Estate tax deduction		<b>A</b>	125
			<b>H</b>	-39,205

\*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

661113

OMB No. 1545-0092

☐ Final K-1☐ Amended K-1**Schedule K-1  
(Form 1041)**Department of the Treasury  
Internal Revenue Service**2016**For calendar year 2016,  
or tax year beginning January 1, 2016,  
and ending December 31, 20 16**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

00-4012343

**B** Estate's or trust's name

Magenta Trust

**C** Fiduciary's name, address, city, state, and ZIP codeCyan Magenta, CPA  
1st Test Street  
Lanham, MD 20706**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

213-08-8713

**G** Beneficiary's name, address, city, state, and ZIP codeFushia Red Lime  
6th Test Street  
Lanham, MD 20706**H** ☒ Domestic beneficiary☐ Foreign beneficiary**Part III Beneficiary's Share of Current Year Income,  
Deductions, Credits, and Other Items**

<b>1</b>	Interest income		<b>11</b>	Final year deductions
		18,125		
<b>2a</b>	Ordinary dividends			
		10,000		
<b>2b</b>	Qualified dividends			
<b>3</b>	Net short-term capital gain			
<b>4a</b>	Net long-term capital gain			
<b>4b</b>	28% rate gain		<b>12</b>	Alternative minimum tax adjustment
<b>4c</b>	Unrecaptured section 1250 gain			
<b>5</b>	Other portfolio and nonbusiness income			
<b>6</b>	Ordinary business income			
		16,250		
<b>7</b>	Net rental real estate income			
<b>8</b>	Other rental income		<b>13</b>	Credits and credit recapture
<b>9</b>	Directly apportioned deductions			
			<b>14</b>	Other information
<b>10</b>	Estate tax deduction		<b>A</b>	125
			<b>H</b>	-39,205

\*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

661113

OMB No. 1545-0092

☐ Final K-1☐ Amended K-1**Schedule K-1  
(Form 1041)**Department of the Treasury  
Internal Revenue Service**2016**For calendar year 2016,  
or tax year beginning January 1, 2016,  
and ending December 31, 20 16**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

00-4012343

**B** Estate's or trust's name

Magenta Trust

**C** Fiduciary's name, address, city, state, and ZIP codeCyan Magenta, CPA  
1st Test Street  
Lanham, MD 20706**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

213-08-8714

**G** Beneficiary's name, address, city, state, and ZIP codeBlue Red Coconut  
6th Test Street  
Lanham, MD 20706**H** ☒ Domestic beneficiary☐ Foreign beneficiary**Part III Beneficiary's Share of Current Year Income,  
Deductions, Credits, and Other Items**

<b>1</b>	Interest income		<b>11</b>	Final year deductions
	18,125			
<b>2a</b>	Ordinary dividends			
	10,000			
<b>2b</b>	Qualified dividends			
<b>3</b>	Net short-term capital gain			
<b>4a</b>	Net long-term capital gain			
<b>4b</b>	28% rate gain		<b>12</b>	Alternative minimum tax adjustment
<b>4c</b>	Unrecaptured section 1250 gain			
<b>5</b>	Other portfolio and nonbusiness income			
<b>6</b>	Ordinary business income			
	16,250			
<b>7</b>	Net rental real estate income			
<b>8</b>	Other rental income		<b>13</b>	Credits and credit recapture
<b>9</b>	Directly apportioned deductions			
			<b>14</b>	Other information
<b>10</b>	Estate tax deduction		<b>A</b>	125
			<b>H</b>	-39,205

\*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

661113

OMB No. 1545-0092

☐ Final K-1☐ Amended K-1**Schedule K-1  
(Form 1041)**Department of the Treasury  
Internal Revenue Service

2016

For calendar year 2016,  
or tax year beginning January 1, 2016,  
and ending December 31, 20 16**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

00-4012343

**B** Estate's or trust's name

Magenta Trust

**C** Fiduciary's name, address, city, state, and ZIP codeCyan Magenta, CPA  
1st Test Street  
Lanham, MD 20706**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

213-08-8715

**G** Beneficiary's name, address, city, state, and ZIP codeGreenRedKiwi  
6th Test Street  
Lanham, MD 20706**H** ☒ Domestic beneficiary☐ Foreign beneficiary**Part III Beneficiary's Share of Current Year Income,  
Deductions, Credits, and Other Items**

<b>1</b>	Interest income		<b>11</b>	Final year deductions
		18,125		
<b>2a</b>	Ordinary dividends			
		10,000		
<b>2b</b>	Qualified dividends			
<b>3</b>	Net short-term capital gain			
<b>4a</b>	Net long-term capital gain			
<b>4b</b>	28% rate gain		<b>12</b>	Alternative minimum tax adjustment
<b>4c</b>	Unrecaptured section 1250 gain			
<b>5</b>	Other portfolio and nonbusiness income			
<b>6</b>	Ordinary business income			
		16,250		
<b>7</b>	Net rental real estate income			
<b>8</b>	Other rental income		<b>13</b>	Credits and credit recapture
<b>9</b>	Directly apportioned deductions			
			<b>14</b>	Other information
<b>10</b>	Estate tax deduction		<b>A</b>	125
			<b>H</b>	-39,205

\*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