

Not a Private Foundation

Check this box if the charitable trust is not treated as a private foundation under section 509. For more information, see Regulations section 53.4947-1.

If a nonexempt charitable trust is not treated as though it were a private foundation, the fiduciary must file Form 990 (or Form 990-EZ), Return of Organization Exempt From Income Tax, and Schedule A (Form 990), Organization Exempt Under Section 501(c)(3), in addition to Form 1041 if the trust's gross receipts are normally more than \$25,000.

If a nonexempt charitable trust is not treated as though it were a private foundation, and it has no taxable income under Subtitle A, it can file either Form 990 or Form 990-EZ instead of Form 1041 to meet its section 6012 filing requirement.

Section 4947(a)(2) Trust

Check this box if the trust is a split-interest trust described in section 4947(a)(2). A split-interest trust is a trust that is not exempt from tax under section 501(a); has some unexpired interests that are devoted to purposes other than religious, charitable, or similar purposes described in section 170(c)(2)(B); and has amounts transferred in trust after May 26, 1969, for which a deduction was allowed under section 170 (for individual taxpayers) or similar Code section for personal holding companies, foreign personal holding companies, or estates or trusts (including a deduction for estate or gift tax purposes).

The fiduciary of a split-interest trust must also file Form 5227 (for amounts transferred in trust after May 26, 1969); and Form 1041-A if the trust's governing instrument does not require that all of the trust's income be distributed currently.

If a split-interest trust has any unrelated business taxable income, however, it must file Form 1041 to report all of its income and to pay any tax due.

Nonexempt Charitable Trust Treated as a Private Foundation

If a nonexempt charitable trust is treated as though it were a private foundation under section 509, then the fiduciary must file Form 990-PF, Return of Private Foundation, in addition to Form 1041.

If a nonexempt charitable trust is subject to any of the private foundation excise taxes, then it must also file Form 4720, Return of Certain Excise Taxes on Charities and Other Persons Under Chapters 41 and 42 of the Internal Revenue Code. Any private foundation taxes paid by the trust cannot be taken as a deduction on Form 1041.

If a nonexempt charitable trust is treated as though it were a private foundation, and it has no taxable income under Subtitle A, it may file Form 990-PF

instead of Form 1041 to meet its section 6012 filing requirement.

F. Initial Return, Amended Return, Final Return; or Change in Fiduciary's Name or Address

Amended Return

If you are filing an amended Form 1041, check the "Amended return" box. Complete the entire return, correct the appropriate lines with the new information, and refigure the estate's or trust's tax liability. If the total tax on line 23 is larger on the amended return than on the original return, you generally should pay the difference with the amended return. However, you should adjust this amount if there is any increase or decrease in the total payments shown on line 25. On an attached sheet explain the reason for the amendments and identify the lines and amounts being changed on the amended return.

If the amended return results in a change to income, or a change in distribution of any income or other information provided to a beneficiary, an amended Schedule K-1 (Form 1041) must also be filed with the amended Form 1041 and given to each beneficiary. Check the "Amended K-1" box at the top of the amended Schedule K-1.

Final Return

Check this box if this is a final return because the estate or trust has terminated. Also, check the "Final K-1" box at the top of Schedule K-1.

If, on the final return, there are excess deductions, an unused capital loss carryover, or a net operating loss carryover, see the discussion in the Schedule K-1 instructions on page 27. Figure the deductions on an attached sheet.

G. Pooled Mortgage Account

If you bought a pooled mortgage account during the year, and still have that pool at the end of the tax year, check the "Bought" box and enter the date of purchase. If you sold a pooled mortgage account that was purchased during this, or a previous, tax year, check the "Sold" box and enter the date of sale. If you neither bought nor sold a pooled mortgage account, skip this item.

Income

Special Rule for Blind Trust

If you are reporting income from a qualified blind trust (under the Ethics in Government Act of 1978), do not identify the payer of any income to the trust but complete the rest of the return as provided in the instructions. Also write "Blind Trust" at the top of page 1.

Line 1—Interest Income

Report the estate's or trust's share of all taxable interest income that was received during the tax year. Examples of taxable interest include interest from:

- Accounts (including certificates of deposit and money market accounts) with banks, credit unions, and thrifts.
- Notes, loans, and mortgages.
- U.S. Treasury bills, notes, and bonds.
- U.S. savings bonds.
- Original issue discount.
- Income received as a regular interest holder of a real estate mortgage investment conduit (REMIC).

For taxable bonds acquired after 1987, amortizable bond premium is treated as an offset to the interest income instead of as a separate interest deduction. See Pub. 550.

For the year of the decedent's death, Forms 1099-INT issued in the decedent's name may include interest income earned after the date of death that should be reported on the income tax return of the decedent's estate. When preparing the decedent's final income tax return, report on line 1 of Schedule B (Form 1040) or Schedule 1 (Form 1040A) the total interest shown on Form 1099-INT. Under the last entry on line 1, subtotal all the interest reported on line 1. Below the subtotal, write "Form 1041" and the name and address shown on Form 1041 for the decedent's estate. Also, show the part of the interest reported on Form 1041 and subtract it from the subtotal.

Line 2—Dividends

Report the estate's or trust's share of all ordinary dividends received during the tax year.

For the year of the decedent's death, Forms 1099-DIV issued in the decedent's name may include dividends earned after the date of death that should be reported on the income tax return of the decedent's estate. When preparing the decedent's final income tax return, report on line 5 of Schedule B (Form 1040) or Schedule 1 (Form 1040A) the total dividends shown on Form 1099-DIV. Under the last entry on line 5, subtotal all the dividends reported on line 5. Below the subtotal, write "Form 1041" and the name and address shown on Form 1041 for the decedent's estate. Also, show the part of the dividends reported on Form 1041 and subtract it from the subtotal.

Note: Report capital gain distributions on Schedule D (Form 1041), line 10.

Line 3—Business Income or (Loss)

If the estate or trust operated a business, report the income and expenses on Schedule C (Form 1040), Profit or Loss From Business (or Schedule C-EZ (Form 1040), Net Profit From Business). Enter the net profit or (loss) from Schedule C (or Schedule C-EZ) on line 3.