FORM
IT-41
State Form 11458
(R8 / 8-12)

INDIANA DEPARTMENT OF REVENUE

FIDUCIARY INCOME TAX RETURN

CE CF CG

For the calendar year ending 9999 or fiscal year beginning 99999999 and ending 99999999

Name of Estate or Trust CH
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Address K
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Name and Title of Fiduciary CI
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

City M State N Zip Code O
XXXXXXXXXXXXXXX XX 999999999

Federal Identification Number CJ
999999999

Please round entries

INCOME AND INDIANA ADDITIONS	1. Taxable Income of Fiduciary from Federal Form 1041or Unrelated Business Taxable Income from Federal Form 990T	1	99999999999.00
	2. Indiana Additions or Add-backs, see Line 2 instructions	2	99999999999.00
	3. Lump Sum Distribution from Federal Form 4972	3	99999999999.00
	4. Net Operating Loss Deduction from Federal Return	4	99999999999.00
	5. Total Income (Add Lines 1 through 4)	5	99999999999.00
INDIANA DEDUCTIONS	6. Interest on U.S. Obligations Reported on Federal Return	6	99999999999.00
	7. Non-Indiana Fiduciary Income	7	99999999999.00
	8. Indiana Portion of Net Operating Loss Deduction (Attach Schedule IT-40NOL, see instructions)	8	99999999999.00
	9. State Taxable Income (Line 5 minus Lines 6 through 8)	9	99999999999.00
TAX COMPUTATIONS	10. State Adjusted Gross Income Tax (3.4% of Line 9)	10	99999999999.00
	11. Additional Tax, see Line 11 instructions	11	99999999999.00
	12. Total Tax (Add Lines 10 and 11)	12	99999999999.00
CREDITS	13. Fiduciary Estimated Tax Paid	13	99999999999.00
	14. Other Credits (You MUST attach verification), see Line 14 instructions	14	99999999999.00
	15. Total Credits (Add Lines 13 and 14)	15	99999999999.00
	16. Balance of Tax Due (If Line 12 is greater than Line 15, enter the difference)	16	99999999999.00
	17. Penalty, see Line 17 instructions	17	99999999999.00
	18. Interest, see Line 18 instructions	18	99999999999.00
	19. Total Amount Due (Add Lines 16 through 18) **PAYMENT DUE**	19	99999999999.00
	20. Refund Due (If Line 15 is greater than Line 12, enter the difference) **REFUND**	20	99999999999.00

UU

Turn over to the back for signatures

24212111694

Name of Estate or Trust | Federal Identification Number

CH | CJ

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | 999999999

Check Applicable Boxes

First Return	Final Return	Amended Return	Fiduciary Name Change	Address Change
CK X	CL X	CM X	CN X	CP X

Check Applicable Boxes

Retirement Plan	Estate	Simple Trust	Complex Trust	Bankruptcy Estate	ESBT Trust	Grantor Trust	Other (Please Specify)
CQ X	CR X	CS X	CT X	CU X	CV X	CW X	XXXXXXXXXX CX

Additional Information - Please answer the following questions or provide the requested information

1. Is there a non-resident beneficiary? **Yes** X **No** X 2. How many Schedule K-1s are enclosed with this return? 999

3. If this is an estate return, enter the date of the decedent's death and Social Security number

Decedent's date of death 99999999 Decedent's Social Security Number 999999999

4. If this is a trust return, enter date the entity was created 99999999 5. Was a final individual return filed for decedent? **Yes** X **No** X

6. If this is a grantor trust return, enter the grantor's Social Security number 999999999

I authorize the Department to discuss my return with my personal representative.

Yes X **No** X AG **If yes, complete the information below.**

Personal Representative's Name (please print) AH

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Telephone Number 9999999999 AI

Address AJ

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

City AK

XXXXXXXXXXXXXXXXXXXXXX

State AL XX Zip Code AM 999999999

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. If prepared by a person other than the taxpayer, this declaration is based upon all information of which the preparer has any knowledge.

Signature of Fiduciary or Officer CY Telephone Number CZ 9999999999 Date DA 99999999

Signature of Preparer DB Telephone Number DC 9999999999 Date DD 99999999

Preparer's Address AR Preparer's Identification Number DE

XXXXXXXXXXXXXXXXXXXXXXXXX 999999999

City AS State AT Zip Code AU

XXXXXXXXXXXXXXXXXXXXXX XX 999999999

Mail completed return with payment to:
Indiana
Department of
Revenue
Fiduciary Section
P.O. Box 6192
Indianapolis, IN 46206-6192

Mail all other returns to:
Indiana
Department of Revenue
Fiduciary Section
P.O. Box 6079
Indianapolis, IN 46206-6079

24212121694

IT-41 FIDUCIARY INCOME TAX RETURN INSTRUCTIONS

PURPOSE OF FORM AND GENERAL INFORMATION

This tax return is used by the fiduciary representative to report the income, deductions, gains, losses, etc. of the estate or trust; the income that is either accumulated or held for distribution to beneficiaries; or the income tax liability of the estate or trust.

A **fiduciary** is any person in a position of confidence acting on behalf of any other person. A fiduciary assumes the powers, rights, duties, and privileges of the person or entity on whose behalf he is acting.

Examples of fiduciaries include administrators, conservators, designees, executors, guardians, receivers, trustees of a trust, trustees in bankruptcy, personal representatives, persons in possession of property of a decedent's estate, and debtors-in-possession of assets in any bankruptcy proceeding by order of the court.

A decedent's estate or a trust (except for a grantor type trust) is a separate legal entity for federal and state tax purposes. A **decedent's estate** comes into existence at the time of death of an individual. A **trust** may be created during an individual's life (inter vivos) or at the time of the individual's death under a will (testamentary). If the trust instrument contains certain provisions, then the person creating the trust (the grantor) is treated as the owner of the trust's assets.

A decedent's estate or trust figures its gross income in much the same manner as an individual does. Many deductions and credits that are allowed for individuals are also allowed for estates and trusts. An estate or trust may be allowed an income distribution deduction for distributions to **beneficiaries** (heirs). This deduction is calculated at the federal level and determines the amount of any distributions taxed to the beneficiaries. For this reason, an estate or a trust is sometimes referred to as a "pass-through" entity. The beneficiary, and not the estate or trust, pays income tax on the individual's distributive share of income. Federal Schedule K-1 is used to notify the beneficiaries of the amounts to be included on their individual income tax returns.

Most estates and trusts file Form 1041 at the federal level and file Form IT-41 at the Indiana level. Some estates and trusts have additional or different requirements (see "Entity Types").

Many of the necessary determinations are done at the federal level by the Internal Revenue Service (IRS). Therefore, you must complete federal Form 1041, U.S. Income Tax Return for Estates and Trusts, before you begin filling out Indiana's Form IT-41. If you need to contact the IRS, you can access its website at www.irs.gov to download forms and instructions. You can also order federal forms and publications by calling 1-800-TAX-FORM (1-800-829-3676).

Effective Jan. 1, 2013, Indiana Code 6-3-4-1 provides that trusts and estates are not required to file a fiduciary tax return if the gross income of the entity is less than $600. This corresponds to the federal filing requirements for trusts and estates contained in Section 6012(a) of the Internal Revenue Code.

For purposes of filing the Indiana Fiduciary Income Tax Return, estates and trusts are classified as either resident or nonresident. **For Indiana purposes, the residence of an estate or a trust is determined by the location where it is administered.** Therefore, you must determine where the trustee or personal representative is located and where the records are kept for the trust or estate.

Resident estates or trusts are taxable on all gross income of $600 or more from all sources regardless of where it is earned.

Nonresident estates and trusts are taxable in Indiana on all gross income of $600 or more derived from Indiana sources. Income derived from sources within and without Indiana shall be determined under IC 6-3-2-2 (see "Nonresidents"). Nonresident estates and trusts may adjust federal taxable income (or loss) reported on Line 1 to reflect taxable income allocable to Indiana.

If the IRS instructs you to complete Form 706, U.S. Estate Tax Return, the Indiana-equivalent form is Form IH-6, Indiana Inheritance Tax Return. This and other forms are available on our website at www.in.gov/dor/3509.htm, or you can call (317) 232-2154 for additional information.

ADDBACKS AND ADDITIONS

The IT-41 Indiana Fiduciary Return begins on Line 1 with federal taxable income. Items may be included in that income amount that are taxed at the Indiana level (even though they aren't at the federal taxable level). Therefore, you may have to add back some income amounts on Line 2 of the IT-41 to arrive at the proper taxable amount of Indiana income.

Bonus Depreciation

Add back an amount attributable to bonus depreciation in excess of any regular depreciation that would be allowed if an election under IRC Section 168(k) had not been made as applied to property in the year that it was placed into service. Taxpayers who own property for which additional first-year special depreciation for qualified property was allowed in the current taxable year or in an earlier taxable year must add or subtract an amount necessary to make their federal taxable income equal to the amount computed without applying any bonus depreciation. This includes 50% bonus depreciation. The subsequent depreciation allowance is calculated on the state's stepped-up basis until the property is disposed. Enclose a statement explaining any adjustment. Commissioner's Directive #19 (www.in.gov/dor/3617.htm) explains this initial required modification on the allowance of depreciation for state tax purposes.

Deferral of Business Indebtedness Discharge and Reacquisition

Enter an amount equal to the amount claimed as a deferral of income arising from business indebtedness discharged in connection with the reacquisition after Dec. 31, 2008, and before Jan. 1, 2011, of an applicable debt instrument (as provided in Section 108(i) of the IRC) for federal income tax purposes.

Discharge of Debt of a Principal Residence

You may have to add back some or all of the amount of debt not reported on your federal tax return due to the discharge of indebtedness of your principal residence (mortgage forgiveness). The amount of discharge of indebtedness of your principal residence to be added back can be found on:

- Form 1099-C (or its equivalent), Box 2, and/or
- Federal Form 982, Reduction of Tax Attributes Due to Discharge of Indebtedness (and Section 1082 Basis Adjustment). If Part 1 Line 1e is checked on Form 982, the amount on Part 1 Line 2 from the discharge of qualified principal residence indebtedness must be added back if you were an Indiana resident on the date the debt was discharged (1099C, Box 1). **Note:** No addback is required if the discharge of indebtedness of your principal residence was included in a bankruptcy. Maintain with your records both federal Form 1099C and Form 982 because the Department might require you to provide this information at a later date.

Domestic Production Activities

If you claimed a domestic production activities deduction on your federal return, enter that amount here.

Motorsports Entertainment Complex

If you excluded income because of any motorsports entertainment complex (as provided in Section 168(e)(3)(C)(ii) of the IRC) placed into service in the taxable year, add the amount claimed as a deduction.

Qualified Advanced Mine Safety

If you claimed a deduction for the expense of qualified advanced mine safety equipment under Section 179 of the IRC, enter an amount equal to the amount claimed as a deduction.

Qualified Disaster Assistance Property

Add or subtract an amount equal to the amount claimed as a deduction for the special allowance for qualified disaster assistance property under Section 168(n) of the IRC for federal income tax purposes.

Qualified Environmental Remediation Costs

If you claimed a deduction for qualified environmental remediation costs under Section 198 of the IRC, enter an amount equal to the amount claimed as a deduction.

Qualified Film or Television Production

Enter an amount equal to the amount claimed as a deduction for expense costs for qualified film or television production under Section 181 of the IRC for federal income tax purposes.

Qualified Leasehold Improvement Property

If you excluded income because of qualified leasehold improvement property (as provided in Section 168(e)(3)(E)(iv) of the IRC) placed into service in the taxable year, add the amount claimed as a deduction.

Qualified Preferred Stock

Enter an amount equal to the amount claimed as a deduction for a loss from the sale or exchange of preferred stock that was treated as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year. The stock must be preferred stock in one of the following:

- The Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.) or
- The Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.)

Qualified Refinery Property

Enter an amount equal to the amount claimed as a deduction for expense costs for qualified refinery property under Section 179C of the IRC for federal income tax purposes.

Qualified Restaurant Property

Enter an amount equal to the amount claimed as a deduction for federal income tax purposes for qualified restaurant property. The property must have been placed into service during the taxable year and have been classified as 15-year property under Section 168(e)(3)(E)(v) of the IRC.

Qualified Retail Improvement Property

Enter an amount equal to the amount claimed as a deduction for federal income tax purposes for qualified retail improvement property. The property must have been placed into service during the taxable year and have been classified as 15-year property under Section 168(e)(3)(E)(ix) of the IRC.

Section 179 Expense Excess

Enter any IRC Section 179 adjustment claimed for federal tax purposes that exceeds the amount recognized for state tax purposes. Indiana adopted the former expensing limit provided by The Jobs Creation and Workers Assistance Act of 2002 and has since specified an expensing cap of $25,000. This modification affects the basis of the property if a higher Section 179 limit was applied. Enclose a statement to explain your adjustment.

Start-up Expenditures

If you claimed a deduction for interest start-up expenditures under Section 195 of the IRC, add the amount, if any, by which the deduction you claimed exceeds the amount you would have been entitled to deduct prior to the enactment of the Small Business Jobs Act of 2010 (P.L. 111-240).

Trade or Business Deductions Based on Employment of an Unauthorized Alien

For taxable years beginning after June 30, 2011, add back the amount allowed under the IRC for wages, reimbursements, or other payments made for services provided in Indiana by a financial institution if the person was prohibited from being hired as an employee because the person was an unauthorized alien. This addback requirement does not apply to payments made for services provided to a business that was enrolled and participated in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year.

U.S. Government Obligations Expenses

Deductions allocable to tax-exempt income must be used only against tax-exempt income. Therefore, if interest in U.S. government obligations is excludable on the Indiana Fiduciary Return, expenses related to such tax-exempt income must be added back to taxable income for Indiana purposes.

AMENDED RETURN

An amended return must be filed to report changes to an originally filed IT-41. Use Form IT-41 and check the Amended Return box on the front of the return. Please enclose a complete copy of the amended federal return, if applicable, and a brief statement of the reason for the amendment.

If the amendment results in a refund, you must put any previous payments made with the originally filed return on Line 14, Other Credits, and claim the refund of the overpayment amount on Line 20, Refund Due. If you received a refund from your original return, you may enter the amount as a negative figure (using a dash, as in -$1000 for example) on this line to make the amended calculations accurate.

ENCLOSURES

It is very important that you provide supporting documentation for income, deductions, and credits claimed on Form IT-41. If you are claiming a refund, please enclose a complete copy of the federal 1041 Form. If you are not claiming a refund, you may enclose (at least) the first 2 pages of the federal 1041 Form, along with any pertinent schedules such as the federal Schedule K-1 or verification of deductions or credits claimed on the Indiana return.

Indiana does not have its own Indiana IT-41 Schedule K-1. If there are beneficiaries, please provide copies of the federal 1041 Schedule K-1s so the Department can verify income, deductions, and credits.

If you are claiming credit for Indiana taxes withheld, you must enclose a withholding statement (W-2, 1099R, or WH-18) so we can verify that payments have been made for the trust or estate in an Indiana withholding account.

COMPOSITE RETURN FOR NONRESIDENT BENEFICIARIES

Composite filing is an **option**, not a requirement, at the fiduciary level. If there are nonresident beneficiaries whose only Indiana-source income is from the trust or estate, you may choose to file a composite fiduciary income tax return. The individual nonresident beneficiaries will be relieved of the obligation to file the IT-40 Part-year or Nonresident Individual Income Tax Return.

If composite filing is not chosen, then the beneficiary should report the income, calculate the tax, and claim credit for any tax withheld from a WH-18 Withholding Statement on her IT-40PNR Part-year or Nonresident Individual Income Tax Return. The withholding requirements would still apply to the fiduciary as the withholding agent.

Any beneficiary that is a fiduciary (trust or estate) or a resident individual must be excluded from the composite schedule. All beneficiaries must be subject to the same tax treatment.

Although composite filing is optional for trusts or estates, the limitations, conditions, and procedures are basically the same as those outlined in Information Bulletin #72, "S Corporation and Partnership Mandate to File a Composite Return on Behalf of Nonresident Shareholders and Partners."

Basic Composite Filing Procedures

1. **Composite Schedule** – Prepare a basic schedule for each nonresident beneficiary. Indicate the name, address, Social Security number, distributive share amount of income derived from sources within Indiana, and calculated tax attributable for each nonresident beneficiary. Enclose this schedule with Form IT-41.

2. **Tax Liability** – On Form IT-41, Line 11, enter the combined total tax liability from the composite schedule of those nonresidents included in the composite return.

3. **Withholding Requirements** – Based on the provisions in Indiana Code 6-3-4-15, withholding is required when a trust or estate (fiduciary) distributes Indiana income (except income attributable to interest or dividends) to a non-Indiana resident beneficiary. The withholding agent must report the net income and tax withheld from this income on **Form WH-18, Indiana Miscellaneous Withholding Tax Statement for Nonresidents**. A copy of each WH-18 statement must be enclosed with the composite return.

   Recent legislation has resulted in some changes for withholding agents and their forms and procedures, including the use of INtax for online filing. The various withholding forms used are

   - **Form BT-1 Business Tax Application** – This is used to register as an Indiana withholding agent and to get an assigned Indiana taxpayer identification number (TID). The BT-1 form can be completed online at https://secure.in.gov/apps/dor/bt1/.
   - **Form WH-1 Indiana Withholding Tax Voucher** – This is used to make a payment through the INtax program.
   - **Form WH-3 Annual Withholding Tax Form** – This is the annual reconciliation form and summarizes the yearly activity.

- **Form WH-18 Miscellaneous Withholding Tax Statement for Nonresidents** – This is the form you enclose with the tax return where the actual withholding credit is being claimed on behalf of the taxpayer.

For additional assistance, please contact:

Withholding – Tax Administration	(317) 233-4016
INtax Hotline	(317) 232-2337

4. **Claiming Credit for Tax Withheld** – On Form IT-41, Line 14, enter the total tax actually paid into an Indiana withholding account on behalf of the nonresident beneficiaries. Make sure to enclose a copy of each WH-18 form (copy C) to verify the credit claimed on the IT-41.

CONTACT US

If you need additional information, you can contact us:

- On the Internet at www.in.gov/dor
- By email at webmaster@dor.IN.gov
- By telephone at (317) 232-2067 Monday through Friday from 8:00 a.m. to 4:30 p.m.
- By fax at (317) 615-2697, available 24 hours a day, 7 days a week
- In person at any of our district offices. Our offices are open Monday through Friday from 8:00 a.m. to 4:30 p.m. To find the nearest district office, go to www.in.gov/dor/3390.htm.

ELECTRONIC FILING

We currently do not have the capability to accept elec-tronically filed fiduciary income tax returns. Forms IT-41 and IT-41ES must be filed using paper returns. Fillable forms are available on our website at http://www.in.gov/dor/3514.htm.

ENTITY TYPES

The entity type is determined by the IRS. The entity type on he Indiana form must agree with the entity type designated on the federal Form 1041. Please check the appropriate box on the form.

Bankruptcy Estate

A bankruptcy estate of an individual must file Form IT-41 with an enclosed copy of the individual's income tax return. The fiduciary return will report only the amount of tax computed on the individual income tax return. If tax is due, report the tax on Line 11 of Form IT-41. The payment should be submitted with the IT-41 return.

Common Trust Fund

Common trust funds file Form IT-65, Indiana Partnership Return (not the IT-41), and should enclose with the return a list showing each participant's name, address, and Social Security number, along with the amount of taxable income or loss (exclusive of gains or losses from sales or exchanges of capital assets) and the participant's share of gains or losses from sales or exchanges of capital assets. For additional information, please contact Corporate Income Tax at (317) 232-0129.

Electing Small Businesstrust

Special rules apply when figuring the tax on the S portion of an electing small business trust (ESBT). The S portion of an ESBT is the portion of the trust that consists of stock in one or more S corporations and is not treated as a grantor type trust. Following the federal guidelines, the tax on the S portion must be figured separately from the tax on the remainder of the ESBT (if any) and enclosed with the return. Report the tax due on the Indiana portion of income from an ESBT on Line 11 of the IT-41 return. You must enclose a separate statement showing the income and tax computation using the 3.4% Indiana state tax rate.

Estate

An estate of a deceased person is a taxable entity separate from the decedent. It generally continues to exist until the final distribution of the assets of the estate is made to the heirs and other beneficiaries. The income earned from the property of the estate during the period of administration or settlement must be accounted for and reported by the estate.

Effective Jan. 1, 2013, Indiana Code 6-3-4-1 provides that estates are not required to file a fiduciary tax return if the gross income of the entity is less than $600. This corresponds with the federal filing requirements for estates contained in Section 6012(a) of the Internal Revenue Code.

For purposes of filing the Indiana Fiduciary Income Tax Return, estates are classified as either resident or nonresident. **For Indiana purposes, the residence of an estate is determined by the location where it is administered.** Therefore, you must determine where the executor or personal representative is located and where the records are kept for the estate.

Resident estates are taxable on all gross income of $600 or more from all sources regardless of where it is earned.

Nonresident estates are taxable in Indiana on all gross income of $600 or more derived from Indiana sources. Income derived from sources within and without Indiana shall be determined under IC 6-3-2-2 (see "Nonresidents"). Nonresident estates may adjust federal taxable income (or loss) reported on Line 1 to reflect taxable income allocable to Indiana.

Grantor Trust

In the case of a grantor trust, the income is taxed at the individual level; therefore, if the IT-41 is filed, it is considered an informational return only identifying the trust and the grantor. Please enclose a statement (or a copy of the federal return) that discloses income and deductions attributable to the grantor. No financial information should be entered on the IT-41.

Guardian of a Ward's Estate

A resident guardianship having gross income exceeding its exemptions for the taxable year must report its income on Form IT-40, Indiana Individual Income Tax Return. A nonresident guardianship with Indiana income must file

Form IT-40PNR, Indiana Part-year or Nonresident Individual Income Tax Return.

Private Foundation
Every private foundation having income from sources within the state of Indiana that is taxed as a trust filing federal Form 990PF must file using Form IT-41. Please enclose a copy of Form 990PF with the IT-41 when filing. Also, note that the due date for filing the IT-41 is the 15th day of the 5th month following the close of the taxable year.

Retirement Plan
Every retirement plan having income from sources within the state of Indiana that is taxed as a trust filing federal Form 990T must file using Form IT-41. Please enclose a copy of Form 990T with the IT-41 when filing. Also, note that the due date for filing the IT-41 is the 15th day of the 5th month following the close of the taxable year.

Trusts
Effective Jan. 1, 2013, Indiana Code 6-3-4-1 provides that trusts are not required to file a fiduciary tax return if the gross income of the entity is less than $600. This corresponds with the federal filing requirements for trusts contained in Section 6012(a) of the Internal Revenue Code.

For purposes of filing the Indiana Fiduciary Income Tax Return, trusts are classified as either resident or nonresident. **For Indiana purposes, the residence of a trust is determined by the location where it is administered.** Therefore, you must determine where the trustee or personal representative is located and where the records are kept for the trust.

Resident trusts are taxable on all gross income of $600 or more from all sources regardless of where it is earned.

Nonresident trusts are taxable in Indiana on all gross income of $600 or more derived from Indiana sources. Income derived from sources within and without Indiana shall be determined under IC 6-3-2-2 (see "Nonresidents"). Nonresident trusts may adjust federal taxable income (or loss) reported on Line 1 to reflect taxable income allocable to Indiana.

A trust may qualify as a **simple** trust if the trust instrument requires that all income be distributed currently; the trust instrument does not provide that any amounts are to be paid, permanently set aside, or used for charitable purposes; and the trust does not distribute amounts allocated to the corpus of the trust. A **complex** trust is any trust that does not qualify as a simple trust. These determinations are made by the IRS.

ESTIMATED PAYMENTS
Indiana does not require trusts and estates to make fiduciary estimated payments. Fiduciaries electing to make estimated payments must use Form IT-41ES, Fiduciary Estimated Tax and Extension Payment Voucher.

There are no carryover provisions for estimated payments. Therefore, overpayments are not applied to the estimated account for the following year. Any overpayments will be refunded. Please do not request that estimated payments be transferred between individual and fiduciary accounts. These requests will be denied.

Because no requirement to make estimated payments exists, there are no penalties for the underpayment of estimated tax currently on this return.

EXTENSIONS
If an extension of time to file is needed, the fiduciary may request an extension of time to file. If no tax liability is anticipated, the Department accepts the federal extension of time application (Form 7004, Application for Automatic Extension Time to File Certain Business Income Tax, Information, and Other Returns). You do not need to contact the Department prior to filing the annual IT-41 fiduciary return. A copy of the federal extension of time must be enclosed with the return when you file it.

If a fiduciary does not need a federal extension of time but needs one for filing its state return, you should submit to the Department a letter requesting such an extension prior to the due date of the annual return. The request should be sent to Indiana Department of Revenue, Fiduciary Section, PO Box 6079, Indianapolis, IN 46206-6079.

If you anticipate owing tax on the return, keep in mind that the extension is for time to file, not time to pay. To obtain an extension, the fiduciary must enclose with Form IT-41 a copy of the approved request for extension of filing the federal fiduciary return and make payment of at least 90% of its estimated Indiana tax liability. The extension payment should be sent by the original due date of the return with Form IT-41ES, available from the Department's website (www.in.gov/dor). If no tax liability is anticipated, just enclose a copy of the approved federal extension request with the IT-41 return when filing.

FEDERAL IDENTIFICATION NUMBER
Every estate or trust that is required to file Form IT-41 must have a federal identification number (sometimes called an employer identification number [EIN]). If you have not already gotten this number from the IRS, you can apply for your number in one of the following ways:

- Online by clicking the EIN link at www.irs.gov/business/small. The EIN is issued immediately after the application information is validated.
- By telephone at 1-800-829-4933 from 7:00 a.m. to 10:00 p.m. in the fiduciary's local time zone.
- By mailing or faxing Form SS-4 Application for Employer Identification Number.

Important: If you have not received the federal identification number (federal ID or EIN) and you are ready to file your return, please leave the spaces blank for the ID number. **Do NOT** enter the decedent's Social Security number in the spaces for the EIN.

FINAL RETURNS
When an estate or a trust is to be terminated or is required to distribute current income during the taxable year and distributable net income exists, the distributable net income is allocated to the beneficiaries. The beneficiaries must report their respective shares on their IT-40 or IT-40 PNR returns.

If a final distribution of assets has been made during the year, all income of the estate or trust must be reported to the beneficiaries. Please check the box on the front of the IT-41 if filing a final return.

FORMS
The Indiana **IT-41, Fiduciary Income Tax Return,** is available in a fillable format on our website at www.in.gov/dor/files/IT-41.pdf. The Indiana **IT-41ES, Fiduciary Estimated Tax and Extension Payment Voucher,** is available at www.in.gov/dor/files/it-41es.pdf. If you do not have access to a computer, you can call the Forms Order Request Line at (317) 615-2581 to have forms mailed to you. You will need to leave the following information on the voice mail system:

- Name of form or form number needed
- Number of copies needed
- Contact person's name
- Daytime phone number
- A complete mailing address including city, state, and ZIP Code

Tax forms are also available at all of our district offices throughout the state of Indiana. These offices are open Monday through Friday from 8:00 a.m. to 4:30 p.m. To find the nearest district office, go to www.in.gov/dor/3390.htm.

INTEREST
If a return is filed and payment is made after the original due date, interest must be included with the payment. Interest is calculated from the original due date until the date the payment is made. Interest rates are listed in Departmental Notice #3 (available on our website at www.in.gov/dor/3618.htm), or you can contact the Department to get the current interest rate.

LOSSES OR NEGATIVE ENTRIES
Use a negative sign or dash rather than parentheses before any losses or negative entries. **For example:** If you have a loss of $100.00, you would enter the figure like this: -$100

NAME AND ADDRESS
Carefully enter the name of the estate or trust, the name and title of the fiduciary, and the complete address (as they appear on the federal Form 1041).

NONBUSINESS INCOME
Income received from Indiana sources is considered Indiana income to nonresidents, except certain types of Indiana source income that are subject to tax only by the taxpayer's state of legal residence. Interest, dividends, royalties, and gains from the sale of capital assets are subject to tax only by the taxpayer's state of legal residence unless such income results from the conduct of a trade or business in Indiana. If a trade or business is conducted in Indiana, the income should be reported as Indiana income.

Income from a qualified pension, annuity, or profit-sharing plan is subject to tax by the taxpayer's state of legal residence. Lump sum distributions from qualified plans are subject to tax by the state that, at the time of distribution, is the taxpayer's state of legal residence. Deferred compensation other than from a qualified retirement plan, accumulated vacation, bonus, severance, sick pay, and income from a stock option plan are directly attributable to services performed and are taxable by the state where the services were performed.

NONRESIDENT BENEFICIARIES
Based on the provisions in Indiana Code 6-3-4-15, withholding is required when a trust or an estate (fiduciary) distributes Indiana income (except income attributable to interest or dividends) to a non-Indiana resident beneficiary. The withholding agent must report the net income and tax withheld from this income on Form WH-18, Indiana Miscellaneous Withholding Tax Statement for Nonresidents. The nonresident beneficiary should file Form IT-40PNR to report any Indiana taxable income and claim a credit for the amount of Indiana tax withheld on their behalf by enclosing a copy of the WH-18 with their IT-40PNR return.

The fiduciary representative can choose to file a composite return for nonresident beneficiaries. This choice is optional and not mandatory for fiduciary returns. See "Composite Return for Nonresident Beneficiaries" for additional information.

PREPARER INFORMATION
The preparer information section in the signature area is for the paid preparer's information. The preparer's identification number is the preparer's taxpayer identification number (PTIN).

PENALTY
If you are filing this return after the original due date and you have a balance of tax due, you probably owe a penalty. There are two different types of penalties to consider. The first is for late payment; the second is for late filing. If you owe a penalty, enter the penalty amount on Line 17.

Late Payment Penalty – If your return has **an amount due** on Line 16 and you file after the original due date, the penalty is 10% of the balance of tax due on Line 16 or $5.00, whichever is greater.

Note: An extension of time to file does not extend the time to pay any tax due. Tax due must be paid by the original due date. Interest and penalty are calculated on late payments from the due date of the payment.

The penalty for paying late is not due if **all three** of the following conditions are met:

1. A valid extension of time to file exists;
2. At least 90% of the tax liability was paid by the original due date; and
3. The remaining tax is paid by the extended due date.

Late Filing Penalty – If the return has **no tax liability** on Line 16 and is filed late, the penalty for failure to file by the due date is $10.00 per day that the return is past due, up to a maximum of $250.00.

PRIOR-YEAR RETURNS

When filing a return for a previous year, be sure to indicate the appropriate year beginning and ending dates on the IT-41. There are no separate prior-year returns for filing for a previous year.

RESIDENCY DETERMINATIONS

For purposes of filing the Indiana Fiduciary Income Tax Return, estates and trusts are classified as either resident or nonresident. **For Indiana purposes, the residence of an estate or trust is determined by the location where it is administered.** Therefore, you must determine where the trustee or personal representative is located and where the records are kept for the trust or estate.

Resident estates or trusts are taxable on all income from all sources regardless of where it is earned. Therefore, resident fiduciaries must report all income wherever derived.

Nonresident estates and trusts are taxable in Indiana on all income derived from Indiana sources. Income derived from sources within and without Indiana shall be determined under IC 6-3-2-2. Nonresident estates and trusts must adjust federal taxable income (or loss) to reflect taxable income allocable to Indiana.

RETURN INDICATOR BOXES

Please check the appropriate box to indicate whether this is the first return, final return, or amended return. Also, check the box to indicate whether there is a change in the fiduciary name or address.

ROUNDING TO THE NEAREST WHOLE DOLLAR

When making your mathematical calculations on the return, please round your numbers to the nearest whole dollar. To do so, drop any cents less than 50 cents and increase amounts from 50 cents to 99 cents to the nearest whole dollar. For example: $100.32 would be $100, whereas $100.65 would be $101.

SIGNATURE

The IT-41 Form must be signed by the fiduciary (trustee, executor, personal representative, etc.) to be considered a valid return.

TAXABLE YEAR

The taxable year is the calendar or fiscal taxable year of the taxpayer as shown on Form 1041, U.S. Income Tax Return for Estates and Trusts.

WHEN TO FILE

This return must be filed by the 15th day of the 4th month following the close of the taxable year.

For retirement plans filing Federal Form 990T, the return must be filed by the 15th day of the 5th month following the close of the taxable year.

WHERE TO FILE

Returns with Payment:

Indiana Department of Revenue
Fiduciary Section
PO Box 6192
Indianapolis, IN 46206-6192

All Other Returns:

Indiana Department of Revenue
Fiduciary Section
PO Box 6079
Indianapolis, IN 46206-6079

WHO MUST FILE

A **fiduciary** is a trustee of a trust or an executor, an executrix, an administrator, an administratrix, a personal representative, or a person in possession of property of a decedent's estate. The fiduciary is responsible for filing this return.

WITHHOLDING REQUIREMENTS

Based on the provisions in Indiana Code 6-3-4-15, withholding is required when a trust or an estate (fiduciary) distributes Indiana income (except income attributable to interest or dividends) to a non-Indiana resident beneficiary. The withholding agent must report the net income and tax withheld from this income on Form WH-18, Indiana Miscellaneous Withholding Tax Statement for Nonresidents.

Recent legislation has resulted in some changes for withholding agents and their forms and procedures, including the use of INtax for online filing. The various withholding forms used are as follows:

- **Form BT-1 Business Tax Application** – This is used to register as an Indiana withholding agent and to be assigned an Indiana taxpayer identification number (TID). The BT-1 form can be completed online at https://secure.in.gov/apps/dor/bt1/.
- **Form WH-1 Indiana Withholding Tax Voucher** – This is used to make a payment through the INtax program.
- **Form WH-3 Annual Withholding Tax Form** – This is the annual reconciliation form and summarizes the yearly activity.

- **Form WH-18 Miscellaneous Withholding Tax Statement for Nonresidents** – This is the form you must enclose with the tax return where the actual withholding credit is being claimed on behalf of the taxpayer.

For additional assistance, please contact:

Withholding – Tax Administration	(317) 233-4016
INtax Hotline	(317) 232-2337

FORM IT-41 LINE-BY-LINE INSTRUCTIONS

LINE 1, TAXABLE INCOME
Enter federal taxable income (after exemptions) from federal Form 1041. If there is no federal taxable income to report because distributions were made to beneficiaries, enter zero. If your federal taxable income is a loss, please indicate that with a dash and not with brackets. A loss of $100.00 would be shown as -100.00.

If you are filing as a retirement plan and are taxable as a trust filing federal Form 990T, enter the amount of unrelated business taxable income.

LINE 2, INDIANA ADDITIONS OR ADDBACKS
Enter any modifications or adjustments to the federal taxable income reported on Line 1. See the section "Addbacks and Additions" for more information.

LINE 3, LUMP SUM DISTRIBUTION
Enter the amount of lump sum distribution (net of allocable federal estate tax) reported on Federal Form 4972.

LINE 4, NET OPERATING LOSS DEDUCTION
Add back the net operating loss deduction claimed on your federal return. The Indiana portion of the net operating loss deduction may be claimed on Line 8. You must enclose a copy of the federal Form 1045 and the Indiana Schedule IT-40NOL, Individual Income Tax Net Operating Loss Computation.

LINE 5, TOTAL INCOME
Add Lines 1 through 4 and enter the result.

LINE 6, U.S. GOVERNMENT OBLIGATION INTEREST
Enter the amount of interest on U.S. government obligations that is nontaxable by Indiana only to the extent that such income was reported on Line 1.

LINE 7, NON-INDIANA FIDUCIARY INCOME
Nonresidents can enter the portion of federal fiduciary taxable income not apportioned or allocated to Indiana. A separate statement (or other state's tax return) must be enclosed indicating to which state the income is attributable.

LINE 8, INDIANA PORTION OF NET OPERATING LOSS
Enter the Indiana portion of net operating loss deduction and enclose Indiana Schedule IT-40NOL. Please review the IT-40NOL and its instructions before entering an amount on this line.

LINE 9, STATE TAXABLE INCOME
Subtract Lines 6, 7, and 8 from Line 5. This is your Indiana taxable income.

LINE 10, STATE ADJUSTED GROSS INCOME TAX
Multiply the amount on Line 9 by 3.4% (.034).

LINE 11, ADDITIONAL TAX

- **Bankruptcy Estates** – Enter the amount of tax due from the Indiana Individual Income Tax Return. Enclose a copy of the individual return showing your calculations.
- **Composite Filers** – Enter the total tax liability from the composite filing schedule.
- **ESBTs** – Report the tax due on the Indiana portion of income from an electing small business trust. You must enclose a statement showing the income and tax computation using the 3.4% Indiana state tax rate.
- **Sales or Use Tax** – The purchase of all tangible personal property to be used by the fiduciary is subject to either the sales or the use tax. If the sales tax is not paid at the time of purchase, the buyer is liable for payment of the use tax at the rate of 7% of the total purchase price.

LINE 12, TOTAL TAX
Add Lines 10 and 11 and enter the result.

LINE 13, FIDUCIARY ESTIMATED TAX PAID
Enter the total amount of fiduciary estimated payments made during the taxable year by the fiduciary. These payments should have been made using the federal identification number and the IT-41ES, Fiduciary Estimated Tax and Extension Payment Voucher. If you made an extension payment, include the amount of your extension payment combined with the amount of the estimated payments.

LINE 14, OTHER CREDITS

NOTE: Please remember to enclose verification for credits claimed. If the Department disallows the credits due to insufficient information, you may receive a bill for additional tax on your tax return.

- **Withholding Credit** – If you are claiming withholding credit from a WH-18, Miscellaneous Withholding Tax Statement for Nonresidents, you must enclose a copy of the WH-18. If you have withholding credit from a 1099R Form, Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, etc., enter the amount of Indiana state tax withheld on this line and enclose a copy of the 1099R.
- **Amended Return** – If you are filing an amended return and made a payment with your original return, include the amount of the original payment on this line. If you received a refund from your original

return, you may enter the amount as a negative figure (using the dash, as in -$1000) on this line to make the amended calculations accurate.

- **Other Credits** –Many credits are available at the fiduciary level, similar to credits available to an individual. Be sure to remember that, when entering an amount as Other Credits, you must enclose the required verification with Form IT-41. The credits are subject to the limitations detailed in Information Bulletin #59 available online at http://www.in.gov/dor/3650.htm). The bulletin also lists the specific verification needed for each of the available credits.

LINE 15, TOTAL CREDITS
Add Lines 13 and 14 and enter the result.

LINE 16, BALANCE OF TAX DUE
Subtract Line 15 from Line 1 and enter the result.

LINE 17, PENALTY
If you are filing this return after the original due date and have a balance of tax due, you probably owe a penalty. See the section "Penalty" for additional information. If you owe a penalty, enter the penalty amount on Line 17.

LINE 18, INTEREST
If a return is filed and payment is made after the original due date, interest must be included with the payment. Interest is calculated from the original due date until the date the payment is made. Interest rates are listed in Departmental Notice #3 (available online at www.in.gov/dor/3618.htm), or you can contact the Department to get the current interest rate.

LINE 19, TOTAL AMOUNT DUE
Add Lines 16, 17, and 18 and enter the result. This is the amount of total tax owed to the Department. Please make your check or money order payable to "Indiana Department of Revenue" and send your payment with your return.

If you are unable to mail your payment when you file the return, you may receive a bill that includes additional interest and/or penalties due on the return.

If you owe with your return, please send your check or money order in the same envelope with your IT-41 tax return for more efficient processing. If you are sending several returns in the same envelope, please send a separate check for each return that has an amount due.

LINE 20, REFUND DUE
If Line 15 is greater than Line 12, enter the difference. This is the amount of overpayment and the amount that will be refunded in the name of the trust or estate.

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