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SCHEDULE K-1   (Form 1041)		Beneficiary's Share of Income, Deductions, Credits, etc.			OMB No. 1545-0092	
Department of the Treasury Internal Revenue Service		for the calendar year 2004, or fiscal year beginning, 2004, ending, 20, 20 ▶ Complete a separate Schedule K-1 for each beneficiary.				2004
Nam	e of trust or dece	dent's estate				Amended K-1
Beneficiary's identifying number ► Beneficiary's name, address, and ZIP code			Estate's or trust's EIN ►       Fiduciary's name, address, and ZIP code			
(a) Allocable share item			<b>(b)</b> Amount	(c) Calendar year 2004 Form 1040 filers enter the amounts in column (b) on:		
b 3 4a b	Qualified divide Total ordinary Net short-term Net long-term Unrecaptured		2b 3 4a 4b		Form 1040, line 8a Form 1040, line 9b Form 1040, line 9a Schedule D, line 5, col Schedule D, line 12, co Line 11 of the worksheet for Line 4 of the worksheet for	blumn (f) br Schedule D, line 19
5a b c	Annuities, royabefore directly Depreciation Depletion	alties, and other nonpassive income apportioned deductions	5a 5b 5c 5d		Schedule E, Part III, column (f) Include on the applicable line of the appropriate tax form	
6a b c	Trade or busines before directly ap Depreciation Depletion	s, rental real estate, and other rental income portioned deductions (see instructions)	6a 6b 6c		Schedule E, Part III Include on the appl appropriate tax forr	
7 8 9	Income for mir Income for regu 5a, and 6a).	imum tax purposes	7 8 9		Form 6251, line 14	
10 11	skipping transt	duction (including certain generation- er taxes)	10 11		Schedule A, line 27 Form 1040, line 46 or So	chedule A, line 8
b	Adjustments an Accelerated de Depletion . Amortization Exclusion item	nd tax preference items (itemize):         epreciation         .	12a 12b 12c 12d		Include on the applicable line of Form 6251 2005 Form 8801	
	Excess deduct Short-term cap	e final year of trust or decedent's estate: ions on termination (see instructions) ital loss carryover	13a 13b	()	Schedule A, line 22 Schedule D, line 5, colu Sch. D, line 12, col. (f); line 5 (	of the wksht. for Sch. D,
c d e f g	Net operating los NOL carryover	ital loss carryover	13c 13d 13e 13f 13g	() ()	line 18; and line 16 of the wks Form 1040, line 21 See the instructions for Include on the appl of the appropriate to	Form 6251, line 27 icable line
14 a b c d e f g h	Tax-exempt in	stimated taxes credited to you	14a 14b 14c 14d 14d 14e 14f 14g 14h		Form 1040, line 64 Form 1040, line 8b Include on the appl of the appropriate t	icable line

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Cat. No. 11380D

Schedule K-1 (Form 1041) 2004

# **Instructions for Beneficiary Filing Form 1040**

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

# **General Instructions**

## **Purpose of Form**

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

## **Inconsistent Treatment of Items**

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

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

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

## **Errors**

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

## **Tax Shelters**

If you receive a copy of Form 8271, Investor Reporting of Tax Shelter Registration Number, see the Instructions for Form 8271 to determine your reporting requirements.

## **Beneficiaries of Generation-Skipping Trusts**

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

# **Specific Instructions**

### Lines 3 and 4a

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

### Lines 6b through 6d

The deductions on lines 6b through 6d may be subject to the passive loss limitations of Internal Revenue Code section 469, which generally limits deductions from passive activities to the income from those activities. The rules for applying these limitations to beneficiaries have not yet been issued. For more details, see Pub. 925, Passive Activity and At-Risk Rules.

#### Line 12d

If you pay alternative minimum tax in 2004, the amount on line 12d will help you figure any minimum tax credit for 2005. See the 2005 Form 8801, Credit for Prior Year Minimum Tax—Individuals, Estates, and Trusts, for more information.

#### Line 14a

To figure any underpayment and penalty on Form 2210, Underpayment of Estimated Tax by Individuals, Estates, and Trusts, treat the amount entered on line 14a as an estimated tax payment made on January 15, 2005.

#### Lines 14c through 14h

The amount of gross farming and fishing income is included on line 6a. This income is also separately stated on line 14 to help you determine if you are subject to a penalty for underpayment of estimated tax. Report the amount of gross farming and fishing income on Schedule E (Form 1040), line 42.