

The logo for Utah 2011 features the word "Utah" in a blue, stylized font with horizontal stripes, and "2011" in a red, stylized font with horizontal stripes. Both are outlined in white. The background of the entire page is a scenic photograph of a winding road through a desert canyon with red rock walls and sparse green vegetation under a blue sky with light clouds.

**Utah**  
**2011**

# Fiduciary Income Tax

## **Form TC-41** **Tax Return & Instructions**

Utah State Tax Commission • 210 North 1950 West • Salt Lake City, UT 84134  
[tax.utah.gov](http://tax.utah.gov)

### **Utah Taxpayer Advocate Service**

The Taxpayer Advocate Service assists taxpayers who have made multiple unsuccessful attempts to resolve concerns with the Tax Commission. This service helps resolve problems when normal departmental processes break down, identifies why the problem occurred and suggests remedies to stop the problem from recurring. See specific details at [tax.utah.gov/contact](https://tax.utah.gov/contact) or contact us to find out if you qualify for this assistance at 801-297-7562, toll free at 800-662-4335, ext. 7562, or by email at [taxpayeradvocate@utah.gov](mailto:taxpayeradvocate@utah.gov).

The Taxpayer Advocate service should not be used to bypass normal methods for resolving disputes or issues.

### **References**

UC: Utah Code, available at [le.utah.gov](https://le.utah.gov)

IRC: Internal Revenue Code, available at [law.cornell.edu/uscode/26](https://www.law.cornell.edu/uscode/26)

## General Instructions

### What's New

- **Recycling Market Development Zone Credit.** The Legislature has reinstated this credit for the period July 1, 2010 through December 31, 2011. See page 13.
- **Credit for Machinery and Equipment Used to Conduct Research.** This credit expired December 31, 2010. However, there is a carryover provision for excess credits from prior years. See page 13.
- **Combat Related Death Credit.** This new credit applies to service members killed in or as a result of serving in a combat zone. See page 13.

### Who Must File

A fiduciary of a resident estate or trust, or a fiduciary of a nonresident estate or trust with income derived from Utah sources, if required to file a federal Fiduciary Income Tax Return, must file a *Utah Fiduciary Income Tax Return*, form TC-41.

### When to File and Pay

You must file your return and pay any income tax due:

1. By April 17, 2012, if you file on a 2011 calendar year basis (tax year ends December 31, 2011); or
2. By the 15th day of the fourth month after the fiscal year ends, if you file on a fiscal year basis. If the due date falls on Saturday, Sunday or legal holiday, the due date is the next business day.

All Utah income taxes for the year must be paid by the due date. Make check or money order payable to the Utah State Tax Commission. If your return is not filed on time or all income tax due is not paid by the due date you may be subject to penalties and interest. (See *Penalties* and *Interest* instructions on page 2.)

Utah does not require quarterly estimated tax payments. You can prepay at any time by sending your payment with form TC-548, *Fiduciary Income Tax Prepayment Coupon*, or by paying online at [taxexpress.utah.gov](http://taxexpress.utah.gov). See additional instructions below.

### Tax Period and Accounting Method

The first return filed by an administrator or executor of an estate must cover the period from the date of the decedent's death to the end of the first tax year selected by the fiduciary. The first return filed by a fiduciary of a trust must cover the period beginning with the creation of the trust to the end of the first tax year selected by the fiduciary. Returns must be filed for each subsequent year the estate or trust exists. The taxable year cannot be longer than 12 months and must coincide with the tax year selected for filing the federal return. You must use the same accounting method used for federal fiduciary income tax purposes for Utah fiduciary income tax purposes.

### Return for Period Covered

File the 2011 Utah Fiduciary Return for calendar year 2011 and fiscal years beginning in 2011 and ending in 2012. If the return is for a fiscal year or a short tax year (less than 12 months), fill in the tax year space at the top of the form.

### Extension of Time to File

There is NO extension of time to pay your taxes – only to file your tax return.

You automatically get an extension of up to six months to file your return. No extension form is required to be filed. However, penalties will be assessed if you have not met the prepayment requirements by the original due date (see next paragraph). See *Penalties* and *Interest* instructions on page 2. All extension returns must be filed by October 15, 2012.

### Prepayment Requirements for Filing Extension

All prepayments are due by the original due date if an extension return is being filed.

You must prepay:

- 90% of the 2011 tax due;
- 100% of the 2010 Utah tax liability as indicated on the 2010 Utah Fiduciary Income Tax Return; or
- 90% of the 2011 tax due if you did not have a tax liability in 2010 or this is your first year filing.

You may prepay through withholding (W-2, TC-675R, etc.), payments applied from a previous year refund, tax credits and credit carryovers, or payment made by the tax due date using form TC-548, *Fiduciary Income Tax Prepayment Coupon* or online at [taxexpress.utah.gov](http://taxexpress.utah.gov). Interest is assessed on unpaid tax from the filing due date until the tax is paid in full. Penalties may also apply.

### Where to File

Mail your return and any payment (with TC-549 *Fiduciary Income Tax Return Payment Coupon*) to:

Utah State Tax Commission  
210 N 1950 W  
SLC, UT 84134-0250

### What to Attach and What to Keep

Include the following with your TC-41 and also keep a copy with your tax records.

- **Utah Schedules:** Attach all applicable schedules (TC-41A, TC-41B, TC-41C, TC-41K, TC-41K-1 for each beneficiary, TC-41S, and TC-41W).
- **Other Adjustments:** Attach an explanation for any equitable or fiduciary adjustment entered on TC-41A, Part 1 code 62 or code 69, or Part 2 code 79 or code 87.
- **Other Utah Forms:** Attach a copy of Utah TC-40LIS if you are a building project owner of a low-income housing unit.
- **Tax Due:** If you have an amount due on the return, submit form TC-549, *Fiduciary Income Tax Return Payment Coupon*, and your check or money order along with the return.

**Withholding Forms:** Enter withholding tax information on TC-41W and submit with your return. Do not attach forms W-2, 1099-R, 1099-MISC, etc., Utah Schedules K-1, or form TC-675R (showing mineral withholding tax). Keep all withholding forms with your tax records for future reference. If you do not complete the TC-41W

with all required information, processing your return may be delayed and your withholding credit may be disallowed.

Do not send a copy of your federal return, credit schedules (other than Utah Schedules TC-41A, TC-41S, and/or TC-41W, if applicable), worksheets, or other documentation with your Utah return. Keep these, along with any receipts, to support entries reported on your return.

### Recordkeeping and Documentation

Keep copies of any receipts, state forms, worksheets, credit authorization forms, and other documentation to support any income, deduction, exemption, and credit you have reported. You may be asked to provide this information later to verify entries on your Utah return.

### Rounding Off to Whole Dollar Amounts

Round off cents to the nearest whole dollar. Round down if under 50 cents; round up if 50 cents and above. **Do not enter cents anywhere on the return.**

### Penalties

Utah law (UC §59-1-401) provides penalties for not filing tax returns by the due date, not paying tax due on time, not making sufficient prepayment on extension returns, and not filing information returns or supporting schedules. Details of these penalties, along additional penalties, are at [tax.utah.gov/billing/penalties-interest](http://tax.utah.gov/billing/penalties-interest) and in Pub 58, *Utah Interest and Penalties* online at [tax.utah.gov/forms](http://tax.utah.gov/forms). You may calculate penalties by using the online Penalty and Interest Calculator at [taxexpress.utah.gov](http://taxexpress.utah.gov).

### Interest (In addition to any penalties due)

Interest is assessed on underpayments from the due date until the liability is paid in full. The interest rate for the 2012 is **2%**. Use the online Penalty and Interest Calculator at [taxexpress.utah.gov](http://taxexpress.utah.gov) or follow the instructions in Pub 58, *Utah Interest and Penalties* available at [tax.utah.gov/forms](http://tax.utah.gov/forms).

### Fiduciary and Estate Defined

The term fiduciary means a guardian, trustee, executor, administrator, receiver, conservator, or any person acting in a fiduciary capacity for any individual or entity. The term estate refers only to the estate of a deceased person and does not include a trust maintained for minors, for a person adjudicated incompetent, or for any person who is suffering from another legal disability.

**Note:** Throughout these instructions, any reference to “you” means the fiduciary of the estate or trust.

### Domicile Defined

Domicile is the place where an individual has a permanent home and where he or she intends to return after being absent. It is the place where an individual has voluntarily fixed his habitation, not for a special or temporary purpose, but with the intent of making a permanent home. A domicile, once established, is not lost until all of the following three conditions are met:

1. A specific intent to abandon the former domicile;
2. The actual physical presence in a new domicile; and
3. The intent to remain in the new domicile permanently.

See Tax Commission rule R865-91-2 at [tax.utah.gov/commission/rules](http://tax.utah.gov/commission/rules) for more information.

### Resident Estate or Trust Defined

Resident estate or resident trust means:

1. An estate of a decedent who, at death, was domiciled in Utah;
2. A trust, or a portion of a trust, consisting of property transferred by will of a decedent who at death was domiciled in Utah; or
3. A trust administered in Utah. A trust is administered in Utah if:
  - a. The place where the fiduciary transacts a major portion of its administration of the trust is in Utah; or
  - b. The fiduciary's usual place of business is in Utah.

### Nonresident Estate or Trust Defined

The terms nonresident estate or nonresident trust are defined as estates or trusts that are not resident estates or trusts.

### Exempt Trusts

A trust exempt from federal income tax is exempt from Utah income tax unless there is unrelated business income in Utah.

### Amounts Reportable as Utah Income by the Beneficiaries

Utah resident beneficiaries will report the income from the estate or trust included in the beneficiary's federal adjusted gross income to Utah as though the beneficiary received the income directly. The estate or trust residence does not affect the source of income for computing the beneficiary's Utah individual income tax. Utah nonresident beneficiaries must file Utah income tax returns and report the distribution from Utah sources (see instructions for TC-41K-1).

## TC-41 Line-by-Line Instructions

### Heading

Print the information requested in the spaces provided. Enter the full name of the estate or trust.

Enter the estate or trust's federal employer identification number (EIN). If the estate or trust is filed with a social security number (SSN) instead of an EIN, check the space below this number.

**Zip Code** – Enter your zip code with the “plus four” at the end, without the hyphen.

**Foreign Address** – If your address is in a foreign country, enter the mailing address where indicated. Enter the foreign city, state/province and postal code in the city field. Abbreviate if necessary. Leave the State and Zip Code fields blank. Enter only the foreign country name in the “Foreign Country” field. This is a Postal Service requirement.

### Amended Return

To amend a previously filed return, use the tax forms and instructions for the year you are amending. You can get prior year forms and instructions at [tax.utah.gov/forms](http://tax.utah.gov/forms).

Amend your return if you discover an error on your Utah or federal return after it is filed; or your federal return is audited or adjusted by the IRS and the audit or adjustment affects your Utah return. You must amend your Utah return within 90 days of the IRS's final determination. Contact the Tax Commission if you are unsure whether or not your Utah taxes are affected by an audit or adjustment.

To qualify for a refund or a credit, you must file an amended return within the later of three years after the original return was due or two years from the date the tax was paid. (A return filed before the due date is considered filed on the due date.)

### How to Amend a 2011 Utah Fiduciary Tax Return

- A. On the top right side of page 1 of TC-41 in the “Amended Return” box, enter the code number that best corresponds to your **Reason for Amending**. See codes below.

#### Reason-for-Amending Codes (enter on return)

- 1 You filed an amended return with the IRS. Attach a copy of your amended federal return. (If amending for a net operating loss, do not use code 1, use code 4 - see below.)
- 2 You made an error on your Utah return. Attach an explanation of the error.
- 3 Your federal return was changed by an IRS audit or adjustment and it affects your Utah return. Attach a copy of the IRS adjustment.
- 4 You had a net operating loss. Utah treats net operating losses the same as the federal return. If any portion of your amended return is from a net operating loss carryback, use reason 4 and complete a fiduciary tax return for each year you are amending. Attach a copy of your amended federal return.
- 5 Other. Attach explanation to your return.

- B. Enter the corrected figures on the return and/or schedules.
- C. Enter all other amounts shown on your original return. If you received a refund on your original return, enter the amount of the previous refund on line 29 of the 2011 amended return. If you paid with the original return or made subsequent tax payments before the amended return is filed, enter the total previous payments on line 34 of the 2011 amended return.
- D. Submit the amended return with all schedules, including copies of those schedules that did not change from the original filing.
- E. **Do not submit a copy of your original return with your amended return.**

### Federal Form 8886

If you filed federal form 8886, *Reportable Transaction Disclosure Statement*, with the IRS, enter an “X” at the top of your TC-41, where indicated.

### 1. Type of Return

Enter the code that describes the entity filing the return. The type of return must match the type of entity indicated in part A of federal Form 1041. For pooled income funds, enter H (charitable trust).

**Bankruptcy Estate** See instructions beginning on page 17 on how to compute the Utah tax on the TC-41C.

**Federal Form 1041-QFT** See the general instructions on page 25 to file a Utah return.

**Electing Small Business Trust (ESBT)** Report federal taxable income on line 4 and the separate small business trust portion of the taxable income on TC-41A, Part 1, code 58.

### 2. Status Code of Estate or Trust

Enter the code “R” for a resident estate or trust, “N” for a nonresident estate or trust, or “P” for a part-year resident estate or trust. See the General Instructions to determine if the estate or trust is a resident or nonresident entity.

### 3. Nonresident Beneficiaries

If any beneficiary of the trust is not a Utah resident, enter an “X” in the box. If all beneficiaries are residents of Utah, leave the box blank.

#### Resident Defined

A trust beneficiary is a Utah resident if:

1. Domiciled in Utah for the entire year, even if temporarily outside of Utah for an extended period of time;
2. Domiciled in Utah for any period of time during the taxable year, but only for the duration of that period; or
3. Even though domiciled outside Utah, maintains a place of abode in Utah and spends a total of 183 or more days of the taxable year in Utah. In determining whether an individual spends 183 or more days in Utah, a “day” means a day in which the individual spends more time in Utah than in any other state.

**Part-year Resident Defined**

A trust beneficiary is a part-year Utah resident if domiciled in Utah for part of the taxable year and outside of Utah for part of the taxable year. For purposes of this line only, enter an "X" in the box if any beneficiary is a part-year resident.

**Nonresident Defined**

A trust beneficiary is a Utah nonresident if that beneficiary is not domiciled in Utah, or was in Utah for a temporary or transitory purpose for less than 183 days during the taxable year. In determining whether an individual spends 183 or more days in Utah, a "day" means a day in which the individual spends more time in Utah than in any other state.

**4. Federal Total Income**

Enter the federal total income from federal form 1041, line 9 or form 1041-QFT, line 5.

**Bankruptcy Estates.** Trustees of an individual bankruptcy estate (chapter 7 or chapter 11) must complete TC-41C, *Bankruptcy Estate Tax Calculation*, to determine the taxable income and tax liability of the estate. Follow these instructions for TC-41:

- Leave lines 4 through 21 blank.
- Line 22, Utah income tax – enter the amount from TC-41C, line 20.
- For a resident bankrupt estate, complete lines 23 through 41 according to the regular fiduciary instructions.
- For a non or part-year resident bankrupt estate, complete lines 23 through 25 according to the regular fiduciary instructions, then follow the instructions for TC-41C, page 2 (see page 18).

**5. Additions to Income**

The following additions to income are entered on TC-41A, Part 1. Enter the sum of all additions to income on line 5 of TC-41.

- Lump Sum Distribution
- Utah Educational Savings Plan (UESP) 529 Plan Addback
- Municipal Bond Interest
- ESBT S Corporation Income
- Fiduciary Adjustments
- Equitable Adjustments

See instructions for TC-41A, Part 1, and an explanation of each addition to income beginning on page 9 of these instructions.

**6. Total Adjusted Income**

Add line 4 and line 5.

**7. Fiduciary Fees for Administering Estate or Trust**

Enter any fiduciary fees deducted on your federal form 1041, line 12.

**8. Income Distribution Deduction**

Enter any income distribution deduction reported on your federal form 1041, line 18.

**9. Estate Tax Deduction**

Enter the amount of any estate tax deduction, including certain generation-skipping taxes, deducted on your federal form 1041, line 19.

**10. Exemption**

Enter the exemption deduction taken on your federal form 1041, line 20.

**11. State Tax Refund Included in Federal Income**

(UC §59-10-202(2)(d))

Enter the amount of any state tax refund you included in income on the federal form 1041 for the same year.

**12. Subtractions from Income**

The following subtractions from income are entered on TC-41A, Part 2. Enter the sum of all subtractions from income on line 12 of TC-41.

- Interest from U. S. Government Obligations
- Native American Income
- Railroad Retirement Income
- Equitable Adjustments
- Nontaxable Income from Irrevocable Resident Trust
- Nongrantor Charitable Lead Trust Charitable Contribution
- Fiduciary Adjustments

See instructions for TC-41A, Part 2, and an explanation of each addition to income beginning on page 9 of these instructions.

**13. Total Deductions**

Add lines 7 through 12.

**14. Utah Taxable Income (Loss)**

Subtract line 13 from line 6. This amount is used to calculate the tax on line 15.

**15. Utah Tax**

Multiply the Utah taxable income on line 14 by 5% (.05) and enter the result on line 15. If the result is zero or less, enter "0."

**Estate or Trust Tax Credit (lines 16 - 21)**

(UC §59-10-1020)

Estates and trusts are allowed a credit against Utah tax based on the total of the interest expense, taxes paid, charitable contributions, attorney/accountant/tax preparer fees, and certain miscellaneous deductions. The credit phases out for income over a specified amount.

**16. Allowable Deductions for Credit**

Use the following worksheet to calculate the trust's allowable deductions. See line instructions below the worksheet.

<b>WORKSHEET FOR ALLOWABLE DEDUCTIONS</b>	
1. Interest	\$ _____
2. Taxes	\$ _____
3. Charitable contributions	\$ _____
4. Attorney/accountant/return preparer fees	\$ _____
5. Miscellaneous deductions	\$ _____
6. Total deductions (add lines 1 through 5)	\$ _____
Enter the amount from line 6 on line 16 of your TC-41.	

**Worksheet Line Instructions:**

- **Line 1** – Interest. Enter the total interest paid or accrued, and deducted on the federal return (IRC section 163).
- **Line 2** – Taxes. Enter the total taxes paid or accrued, and deducted on the federal return (IRC section 164). Do not include any amounts paid or accrued for state or local income taxes for the taxable year.
- **Line 3** – Charitable Contributions. Enter the total charitable contributions deducted on the estate or trust federal return. Do not include any amounts a qualified nongrantor charitable lead trust deducts under IRC section 642(c).
- **Line 4** – Certain Fees. Enter the total deducted on the federal return for attorney, accountant, or return preparer fees.
- **Line 5** – Miscellaneous Deductions. Enter the total miscellaneous and other deductions deducted on the federal return.

**Note:** These deductions are used in the calculation of the Estate or Trust Tax Credit even though they may also have been used in the calculation of income items reported on the Schedules K-1.

**17. Initial Credit before Phase-out**

Multiply the amount on line 16 by 6% (.06).

**18. Base Phase-out Amount**

The base phase-out amount for an estate or trust is \$12,000.

**19. Income Subject to Phase-out**

Subtract line 18 (the base phase-out amount) from line 14 (Utah taxable income). If the result is zero or less, enter "0."

**20. Phase-out Amount**

Multiply line 19 by 1.3% (.013). This is the credit phase-out amount.

**21. Estate or Trust Tax Credit**

Subtract the phase-out amount on line 20 from the initial credit on line 17. If the result is zero or less, enter "0."

**22. Utah Income Tax**

Subtract the estate or trust tax credit on line 21 from the tax calculated on line 15. If the result is zero or less, enter "0."

**Bankruptcy Estates.** Enter the tax calculated on TC-41C, line 20. See bankruptcy estate instructions on page 17.

**23. Enter Tax from Line 22**

Enter the tax from page 1, line 22.

**24. Apportionable Nonrefundable Credits**

The following apportionable nonrefundable credits are entered on TC-41A, Part 3. Enter the sum all apportionable nonrefundable credits on line 24 of TC-41.

- Capital Gain Transactions Credit
- Utah Educational Savings Plan (UESP) 529 Plan Credit
- Qualifying Solar Project Credit

See instructions for TC-41A, Part 3, and an explanation of each addition to income beginning on page 10 of these instructions.

**25. Subtract line 24 from line 23**

Apportionable nonrefundable credits cannot exceed the tax liability on the return. If the total of the credits shown on line 24 is more than or equal to the tax on line 23, enter "0."

**FULL-YEAR RESIDENT** – Enter the tax from line 25 on line 26, then complete the rest of the return.

**NON OR PART-YEAR RESIDENT ESTATE OR TRUST**

– Enter the tax from line 25 on TC-41B, *Non or Part-year Resident Estate or Trust Schedule*, line 20. Complete TC-41B, enter the tax from TC-41B, line 21 on TC-41, page 2, line 26, then complete the rest of the return.

**26. Enter Applicable Tax**

**Full-year resident estate or trust:** Enter the tax from line 25.

**Non or part-year resident estate or trust:** Enter the tax from line 21 of TC-41B.

See detailed instructions for the TC-41B on page 16.

**27. Nonapportionable Nonrefundable Credits**

The following nonapportionable nonrefundable credits are entered on TC-41A, Part 4. Enter the sum all nonapportionable nonrefundable credits on line 27 of TC-41.

- Qualified Sheltered Workshop Cash Contribution Credit
- Clean Fuel Vehicle Credit
- Historic Preservation Credit
- Enterprise Zone Credit
- Low-Income Housing Credit
- Recycling Market Development Zone Credit
- Credit for Increasing Research Activities in Utah
- Carryover Credit for Machinery/Equipment Used to Conduct Research
- Credit for Taxes Paid to Another State
- Renewable Residential Energy Systems Credit
- Combat Related Death Credit

See instructions for TC-41A, Part 4, and an explanation of each nonapportionable nonrefundable credit beginning on page 11 of these instructions.

**28. Subtract Line 27 from Line 26**

Nonapportionable nonrefundable credits cannot exceed your tax liability. If the total credits on line 27 is more than or equal to the tax on line 26, enter "0".

**29. Amended Return Only Previous Refund**

This line is **only** for an amended return. Enter the total of all refunds, credits, or offsets of state income tax received for the tax year being amended. Do not include refund interest.

### 30. Utah Use Tax

You must pay use tax on all taxable items bought for storage, use or consumption in Utah during the filing year, if sales and use tax was not paid to the seller at the time of purchase. This includes Internet or catalog purchases.

You may take a credit for sales or use tax paid to another state (but not a foreign country). If the other state's tax rate is lower than Utah's, you must pay the difference. If the other state's tax rate is more than Utah's, no credit or refund is given. If sales tax was paid to more than one state, complete the worksheet (below) for each state. Add lines 8 on all worksheets and enter the total on line 30.

Sales and use tax rates vary throughout Utah. Use the chart on this page to get the rate for the location where the merchandise was delivered, stored, used or consumed. Use the county rate if the city is not listed.

Grocery food bought through the Internet or catalog is taxed at 3%. The grocery food must be sold for ingestion or chewing by humans and consumed for the substance's taste or nutritional value. The reduced rate does not apply to alcoholic beverages or tobacco. See Tax Commission Publication 25 at [tax.utah.gov/forms](http://tax.utah.gov/forms) for more information.

Enter use tax of \$400 or less. If the amount is over \$400, you must get a sales and use tax license and pay the use tax on a sales and use tax return.

#### Worksheet for Computing Utah Use Tax on Line 30

1. Amount of purchases (except grocery food) subject to use tax \$ \_\_\_\_\_
2. Use tax rate (decimal from chart) x . - - - -
3. Multiply line 1 by line 2 \$ \_\_\_\_\_
4. Amount of grocery food purchases subject to use tax \$ \_\_\_\_\_
5. Multiply line 4 by 3% (.03) \$ \_\_\_\_\_
6. Add line 3 and line 5 \$ \_\_\_\_\_
7. Credit for sales tax paid to another state on use tax purchases \$ \_\_\_\_\_
8. Use tax due (subtract line 7 from line 6)  
*If less than zero, enter "0"* \$ \_\_\_\_\_

### 31. Total Tax, Additions and Use Tax

Add lines 28, 29 and 30.

### 32. Utah Income Tax Withheld

You **MUST** enter your **UTAHTAXWITHHELD** on this line.

Complete TC-41W listing each W-2 and 1099 with Utah withholding tax. The total Utah withholding tax on the TC-41W must equal the amount entered on line 32. If you have more than four withholding forms, use additional TC-41Ws. See instructions for TC-41W on page 23.

Keep withholding forms with your records. Processing may be delayed or the withholding tax credit disallowed if you do not complete the TC-41W with all required information.

**Note:** If there is no Utah employer identification number on forms W-2 box 15, 1099-R box 11, 1099-MISC box 17, or any other 1099 form, your refund may be reduced or the tax due increased. Contact the employer or payer of the income to get the Utah employer ID number.

#### Use Tax Rate Chart (Effective Dec. 31, 2011)

.0595	<b>Beaver County</b>		.0595	<b>Millard County</b>
.0695	Beaver City		.0595	<b>Morgan County</b>
.0595	<b>Box Elder County</b>		.0595	<b>Piute County</b>
.0650	Brigham City, Perry,		.0595	<b>Rich County</b>
	Willard		.0755	Garden City
.0695	Snowville		.0685	<b>Salt Lake County</b>
.0630	<b>Cache County</b>		.0705	South Salt Lake
.0655	Cache Valley Transit,		.0835	Alta
	Hyde Park, Lewiston,		.0595	<b>San Juan County</b>
	Millville		.0635	Blanding, Monticello
.0660	Hyrum, Logan, Nibley,		.0595	<b>Sanpete County</b>
	N. Logan, Providence,		.0625	Ephraim, Fairview,
	Richmond, River			Gunnison, Mt. Pleasant
	Heights, Smithfield		.0595	<b>Sevier County</b>
.0595	<b>Carbon County</b>		.0605	Aurora, Redmond
.0625	Wellington		.0635	Richfield, Salina
.0635	Price		.0605	<b>Summit County</b>
.0695	<b>Daggett County</b>		.0635	Snyderville Basin Transit
.0650	<b>Davis County</b>		.0745	Park City
.0660	Bountiful, Centerville,		.0595	<b>Tooele County</b>
	Hill Air Force Base		.0625	Erda, Grantsville,
	City, N. Salt Lake,			Lakepoint, Lincoln,
	W. Bountiful, Woods			Stansbury Park
	Cross		.0635	Tooele City
.0595	<b>Duchesne County</b>		.0605	<b>Uintah County</b>
.0605	Duchesne City		.0635	Naples, Vernal
.0635	Roosevelt		.0675	<b>Utah County</b>
.0595	<b>Emery County</b>		.0685	Cedar Hills, Orem
.0775	Green River		.0595	<b>Wasatch County</b>
.0695	<b>Garfield County</b>		.0625	Heber
.0795	Boulder, Panguitch,		.0705	Independence
	Tropic		.0735	Midway, Park City East
.0805	Bryce Canyon		.0595	<b>Washington County</b>
.0595	<b>Grand County</b>		.0625	Hurricane, Ivins, La
.0785	Moab			Verkin, St. George,
.0595	<b>Iron County</b>			Santa Clara,
.0605	Cedar City			Washington City
.0785	Brian Head		.0755	Springdale
.0595	<b>Juab County</b>		.0595	<b>Wayne County</b>
.0620	Santaquin South		.0685	<b>Weber County</b>
.0625	Nephi		.0705	Hill Air Force Base
.0695	<b>Kane County</b>			Riverdale, Riverdale
.0795	Kanab, Orderville			

### 33. Credit for Utah Fiduciary Tax Prepaid

Prepayments include payments made with form TC-548, *Fiduciary Income Tax Prepayment Coupon*, and any amount of the previous year's refund applied to your current tax liability.

### 34. Amended Return Only Previous Payments

Use this line **only** for an amended return. Enter the total tax paid with the original return plus any later tax payments for the tax year being amended. Do not include on this line any penalty, interest or fees paid on the previous return.

### 35. Refundable Credits

The following refundable credits are entered on TC-41A, Part 5. Enter the sum of all refundable credits on line 35 of TC-41.

- Renewable Commercial Energy Systems Tax Credit
- Targeted Business Tax Credit
- Pass-through Entity Withholding Tax Credit
- Mineral Production Withholding Tax Credit
- Agricultural Off-highway Gas/Undyed Diesel Credit
- Farm Operation Hand Tools Credit

See instructions for TC-41A, Part 5, and an explanation of each refundable credit beginning on page 14 of these instructions.

### 36. Total Withholding and Refundable Credits

Add lines 32 through 35.

### 37. Tax Due

If line 31 is more than line 36, subtract line 36 from line 31. This is the tax you owe.

### 38. Penalty and Interest

If you are filing your return or paying any tax late, you may owe penalties and interest. Calculate your penalty and interest by using the Penalty and Interest Calculator at [taxexpress.utah.gov](http://taxexpress.utah.gov) or by following the instructions in Pub 58, *Utah Interest and Penalties* at [tax.utah.gov/forms](http://tax.utah.gov/forms). The Tax Commission will send you a bill if you do not pay the penalties and interest with your return or the penalty and/or interest was calculated incorrectly.

**PENALTIES:** You may receive a penalty for not filing your return on time and for not paying any tax due on time. The penalties are a percentage of the unpaid tax, based on the number of days late. Instructions to calculate these penalties are found at [tax.utah.gov/billing/penalties-interest](http://tax.utah.gov/billing/penalties-interest) and in Pub 58, *Utah Interest and Penalties* at [tax.utah.gov/forms](http://tax.utah.gov/forms). Include these penalties on line 38, if applicable.

A penalty for underpaying an extension prepayment is 2% of the unpaid tax per month of the extension period. If the return is not filed by the extension due date, failure to file and pay penalties will apply, as if the extension had not been granted. Also, include this penalty on line 38, if applicable.

There is no late filing penalty (including on an amended return) if you have no tax due on the return.

**INTEREST:** Calculate interest from the due date (April 15, 2012) to the date paid. The 2012 rate is **2%**. Include this interest on line 38, if applicable.

### 39. Pay this Amount

Add any penalty and interest you owe on line 38 to the tax on line 37. Pay this amount with your return. Include a TC-549 coupon with your payment.

#### PAYMENT OPTIONS

You may pay your tax online with your credit card or with an electronic check (ACH debit). Online payments may include a service fee. Follow the instructions at [taxexpress.utah.gov](http://taxexpress.utah.gov).

You may also mail your check or money order payable to the Utah State Tax Commission with your return. Write your daytime phone number, and "2011 TC-41" on your check. **DO NOT STAPLE** check to return. Remove any check stub before sending. **DO NOT MAIL CASH** with your return. The Tax Commission is not liable for cash lost in the mail. Include the TC-549 coupon with your payment.

Mail your payment, coupon and Utah return to Utah State Tax Commission, 210 N 1950 W, Salt Lake City, UT 84134-0250.

**ALLOW AT LEAST 90 DAYS FOR YOUR RETURN TO BE PROCESSED.**

#### PAYMENT AGREEMENT REQUEST

A payment agreement cannot be set up until your return is processed.

If you cannot pay the full amount you owe, register using Taxpayer Access Point (TAP) at [taxexpress.utah.gov](http://taxexpress.utah.gov) and click on "Request Pay Plan or Waiver." Or, you may contact the Tax Commission at 801-297-7703, or outside the Salt Lake area at 1-800-662-4335 ext. 7703.

TAP is a feature of [taxexpress.utah.gov](http://taxexpress.utah.gov). It allows many free services, including e-file and e-pay, as well as allowing you to monitor your own income tax account and request a pay plan.

Pay plan requests will be considered after your return is processed. If accepted, you will receive a letter stating the terms and conditions of the agreement. A pay plan does not stop penalty and interest from accruing and we may still file a tax lien to secure the debt.

You may make payments prior to approval of the pay plan or prior to receiving a billing notice.

### 40. Refund

If line 36 is more than line 31, subtract line 31 from line 36. This is your refund.

### 41. Refund Applied To 2012 Taxes

You may apply all or part of your refund as a prepayment for your 2012 Utah fiduciary tax liability. Enter the amount of refund you want applied to your 2012 tax on this line. Any part not applied to your 2012 tax liability will be refunded to you (unless you have other outstanding government obligations).

## Completing the Return

#### Signature

The fiduciary or an officer representing the estate or trust must sign the return. Failing to sign the return will delay your refund.

#### Attachments to Return

Attach **ONLY** the following with your TC-41:

- All applicable Utah schedules (TC-41A, TC-41B, TC-41C, TC-41K, TC-41K-1s for each beneficiary, TC-41S, and/or TC-41W);
- An explanation of any other adjustment entered on TC-41A, Part 1, using code 62 or 69, or Part 2, using code 79 or 87.
- A copy of Utah TC-40LIS if you are a building project owner of a low-income housing unit.
- **Tax Due:** If you owe tax on your return, submit form TC-549 and your check or money order along with the return.

Do not send a copy of your federal return, credit schedules, worksheets, or other documents. Also, do not send copies of your W-2, 1099-R, 1099-MISC, Utah Schedule K-1 received, or TC-675R forms. These are listed on the TC-41W. Keep all these with your tax records.

#### Paid Preparer Requirements

The paid preparer must enter his or her name, address and PTIN in the section below the fiduciary's signature.

**Paid Preparer Authorization**

If you want to allow the Tax Commission to discuss your 2011 Utah return with the paid preparer who signed it, enter an "X" in the box on the right side of the signature area of the return where indicated. This authorization applies only to the individual whose signature appears in the Paid Preparer Section of the return. It does not apply to the firm, if any, shown in that section.

If you enter an "X" in the box, you authorize the Tax Commission to call the paid preparer with questions that may arise while processing the return. You also authorize the preparer to:

- Give the Tax Commission any missing information from the return,
- Call the Tax Commission for information about the processing of the return or the status of any refund or payment(s), and
- Respond to certain Tax Commission notices about math errors, offsets, and return preparation.

You are not authorizing the preparer to receive any refund, bind you to anything (including any additional tax liability), or otherwise represent you before the Tax Commission. If you want to change the preparer's authorization, complete and submit form TC-737, *Power of Attorney and Declaration of Representative*. Form TC-737 is available at [tax.utah.gov/forms](http://tax.utah.gov/forms).

The authorization automatically ends on the due date for filing the entity's 2012 tax return (without regard to extensions). If you want to revoke the authorization before it ends, submit your request in writing to the Utah State Tax Commission, attention Taxpayer Services, 210 N 1950 W, SLC, UT 84134.

**Preparer Penalties**

(UC §59-1-401(11))

The person who prepares, presents, procures, advises, aids, assists or counsels another on a return, affidavit, claim or similar document administered by the Tax Commission, and who knows or has reason to believe it may understate a tax, fee or charge is subject to both a civil penalty (\$500 per document) and criminal penalty (second degree felony with a fine from \$1,500 to \$25,000).

## TC-41A – Fiduciary Supplemental Schedule Instructions

TC-41A is used to enter five categories of items affecting the fiduciary return:

- Part 1 - Additions to Income (added to federal income);
- Part 2 - Subtractions from Income (subtracted from federal income);
- Part 3- Apportionable Nonrefundable Credits (apportioned for non or part-year residents);
- Part 4 - Nonapportionable Nonrefundable Credits; and
- Part 5- Refundable Credits.

### Part 1 - Additions to Income

Enter the following additions to income that apply on TC-41A, Part 1 and attach it to your Utah return. On TC-41A, write the **code and amount** of each addition to income. Enter the sum of all additions to income on line 5 of your Utah TC-41. Each addition to income is explained below.

**NOTE:** Only include amounts that will not be passed through to the beneficiaries. You must apportion the additions to income between the income taxed at the trust level and the amounts distributed to the beneficiaries. Calculate the apportioned amount that must be added on this line as follows:

1. Divide the amount distributed to beneficiaries by distributable net income,
2. Multiply the amount in step 1 by the total amount of the addition that must be apportioned, and
3. Subtract the amount in step 2 from the total amount of the addition that must be apportioned.

#### Codes for Additions to Income, TC-41 Part 1

51	Lump Sum Distribution
54	Utah Educational Savings Plan (UESP) 529 Plan Addback
57	Municipal Bond Interest
58	ESBT S Corporation Income
62	Fiduciary Adjustments
69	Equitable Adjustments

#### (51) Lump Sum Distribution

(UC §59-10-202(1)(a))

This addition to income only applies if you filed form 4972 with your federal return. If you received a lump sum distribution and filed federal form 4972, enter the total of the amounts shown on Part II, line 6 and on Part III, line 10. Keep a copy of form 4972 and any 1099-R forms showing the distribution with your records.

**Shared Distributions:** If you shared a lump sum distribution with others, enter the amount calculated by multiplying the amount on line 10 of form 4972 by the distribution percentage shown in box 9a on your form 1099-R, then adding the amount shown on form 4972, Part II, line 6.

#### (54) Utah Educational Savings Plan (UESP) 529 Plan Addback (UC §59-10-202(1)(d))

If you withdrew an amount from a Utah Educational Savings Plan (UESP) 529 account but did not use it for qualified higher education expenses and the withdrawal

did not meet an exception under IRC §529(c) or §530(d), enter that amount to the extent the amount was deducted or used in calculating the UESP credit on the current or a previously filed Utah tax return. If you are a UESP account owner, you will receive form TC-675H, *Utah Educational Savings Plan Tax Statement for Contributions, Withdrawals, and Transfers*, from UESP. Keep this form with your records. If you have any questions about UESP accounts, call UESP at 801-321-7188 or 1-800-418-2551 or visit [uesp.org](http://uesp.org).

#### (57) Municipal Bond Interest

(UC §59-10-202(1)(b))

Enter interest from certain bonds, notes and other evidences of indebtedness issued by non-federal government entities outside Utah (commonly known as municipal bonds) if acquired on or after January 1, 2003. Do not enter interest earned on non-Utah municipal bonds if the issuing state (or political subdivision) does not impose an income tax on bonds issued by Utah or the issuing state does not impose an income tax. See details at [incometax.utah.gov/additions/municipal-bond-interest](http://incometax.utah.gov/additions/municipal-bond-interest).

#### (58) ESBT S Corporation Income

(UC §59-10-202(1)(c))

Electing Small Business Trusts (ESBTs) must report the separate S portion of the taxable income, as calculated on the attachment to federal form 1041.

#### (62) Fiduciary Adjustments

(UC §59-10-210)

Enter any qualified fiduciary adjustment and attach an explanation of the adjustment.

#### (69) Equitable Adjustments

(UC §59-10-209.1)

Enter any qualified equitable adjustment needed to prevent receiving a double tax benefit. Attach an explanation of any equitable adjustment reported.

### Part 2 - Subtractions from Income

Enter the following subtractions from income that apply on TC-41A, Part 2 and attach it to your Utah fiduciary return. On TC-41A, write the **code and amount** of each subtraction from income. Enter the sum of all subtractions from income on line 12 of your Utah TC-41. Each subtraction from income is explained below.

**NOTE:** Only include amounts that apply to income taxed at the trust level. You must apportion the subtractions from income between the amount taxed at the trust level and the amounts distributed to the beneficiaries. Calculate the apportioned amount that may be deducted on this line as follows:

1. Divide the amount distributed to beneficiaries by distributable net income,
2. Multiply the amount in step 1 by the total amount of the subtraction that must be apportioned, and
3. Subtract the amount in step 2 from the total amount of the subtraction that must be apportioned.

**Codes for Subtractions from Income, TC-41A Part 2**

- 71 Interest from U. S. Government Obligations
- 77 Native American Income
- 78 Railroad Retirement Income
- 79 Equitable Adjustments
- 84 Nontaxable Income from Irrevocable Resident Trust
- 86 Nongrantor Charitable Lead Trust Charitable Contribution
- 87 Fiduciary Adjustments

**(71) Interest from U.S. Government Obligations**

(UC §59-10-202(2)(a))

See Pub 33 for detailed instructions of Interest from U. S. Government Obligations. Interest earned on U. S. Government obligations issued by an agency or instrumentality of the United States is **exempt** from state income tax. These obligations include:

- Treasury bills,
- Treasury notes, and
- E, EE, H, HH, and I bonds

The following income is **NOT** exempt from Utah income tax:

- Interest or dividends from Federal National Mortgage Association (FNMA) and Government National Mortgage Association (GNMA); and
- Interest on IRS or other federal agency refunds.

The following conditions determine if the instrument qualifies as a U. S. Government obligation (see U. S. Supreme Court decision in *Smith vs Davis*, 323 U.S. 111 (1944)). The instrument must: (1) be a written document, (2) bear interest, (3) contain a binding promise by the U. S. Government to pay a specific sum on a specific date, and (4) have congressional authorization to pledge the full faith and credit of the United States in support of the promise to pay.

Only interest or dividend income from U. S. Government obligations included in your federal total income should be deducted from Utah income. Before entering an amount, subtract any related interest expense on money borrowed to purchase the obligation or security.

If the interest income is from a trust, attach a schedule to your return showing the calculation of income. Include the name, residency and federal identification number of the trust making the distribution.

Keep all records, forms and worksheets to support this deduction.

**(77) Native American Income**

(UC §59-10-202(2)(c) and (f))

A member of a Native American tribe in Utah who lives and works on the reservation where he/she is an enrolled member is exempt from Utah income tax on the reservation income. An enrolled member of the Ute tribe who works on the Uintah and Ouray Reservation and lives on land removed from that reservation under *Hagen vs Utah* (510 U.S. 399 (1994)) is exempt from Utah income tax on income earned on the reservation.

Enter the exempt income included in your federal total income on TC-41A, Part 2, using code 77. Enter your enrollment/census number and your Native/Tribe Code from the list on this page.

**Nation/Tribe Code**

- 1 Confederated Tribes of the Goshute Reservation
- 2 Navajo Nation Reservation
- 3 Paiute Indian Tribe of Utah Reservation
- 4 Skull Valley Band of Goshute Indians
- 5 Ute Indian Tribe
- 6 Other tribe

**(78) Railroad Retirement Income**

(UC §59-10-202(2)(e))

Federal law does not permit states to tax railroad retirement, disability income, unemployment income, and sickness benefits received from the Railroad Retirement Board and reported on form RRB-1099.

Railroad retirement pensions are deductible only for the amount taxed on the federal return. If you received pension payments, disability income or unemployment payments under the Railroad Retirement Act and must report all or part of the amount received as income on your federal return, you may deduct that amount from Utah income.

**(79) Equitable Adjustments**

(UC §59-10-209.1)

Enter any qualified equitable adjustment needed to prevent paying double tax. Attach an explanation of any equitable adjustment claimed.

**(84) Nontaxable Income from Irrevocable Resident Trust** (UC §59-10-202(2)(b))

Income of an irrevocable resident trust is subtracted from federal total income if:

1. The trust became a resident trust on or after January 1, 2004;
2. No assets were held at any time after January 1, 2003 in another resident irrevocable trust created by the same settlor or the settlor's spouse;
3. The trustee is a trust company as defined in UC §7-5-1(1)(d); and
4. The amount subtracted is reduced to the extent the settlor or any other person is treated as an owner of any portion of the trust, and by any interest on indebtedness incurred or continued to buy or carry the assets generating the income, and by any expense incurred in the production of income to the extent those expenses, including amortizable bond premiums, are deductible in determining federal taxable income.

**(86) Nongrantor Charitable Lead Trust Charitable Contribution** (UC §59-10-202(2)(g))

Enter the amount a qualified nongrantor lead trust deducted on the federal return as a charitable contribution under IRC Section 642(c).

**(87) Fiduciary Adjustments**

(UC §59-10-210)

Enter any qualified fiduciary adjustment and attach an explanation of the adjustment.

**Part 3 - Apportionable Nonrefundable Credits**

Apportionable nonrefundable credits can reduce your income tax to zero, but cannot result in a refund.

Claim the following apportionable nonrefundable credits (credits that must be apportioned for nonresidents and

part-year residents) that apply on TC-41A, Part 3 and attach it to your Utah return.

On TC-41A, write the **code and amount** of each apportionable nonrefundable credit you are claiming. Total these credits, then subtract any apportionable nonrefundable credits being distributed to beneficiaries on the Utah Schedule K-1. Enter the net amount of the credits being claimed on the fiduciary return and carry this amount on line 24 of your TC-41. Each apportionable nonrefundable credit is explained below.

Keep all related documents with your records. You may have to provide this information later to verify a credit claimed on your return.

<p><b>Codes for Apportionable Nonrefundable Credits, TC-41A Part 3</b></p> <p>04 Capital Gain Transactions Credit                  20 Utah Educational Savings Plan (UESP) 529 Plan Credit                  24 Qualifying Solar Project Credit</p>
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**(04) Capital Gain Transactions Credit**  
(UC §59-10-1022)

You may claim a credit for the short-term and long-term capital gain on a transaction if:

- The transaction occurs on or after January 1, 2008;
- At least 70% of the gross proceeds of the transaction are used to buy stock in a qualified Utah small business corporation within 12 months from when the capital gain transaction occurred; and
- You did not have an ownership interest in the qualified Utah small business corporation at the time of investment.

See [incometax.utah.gov/credits/capital-gains](http://incometax.utah.gov/credits/capital-gains) for more information.

There is no form for this credit. Keep all related documents with your records.

**Calculation of Capital Gain Transactions Tax Credit**

- Eligible short-term or long-term capital gain \$ \_\_\_\_\_
- Multiply line 1 by 5% (.05). This is your credit. \$ \_\_\_\_\_

Enter this amount on TC-41A, Part 3, using code 04.

**Note:** Any credit that is more than the tax liability may not be carried back or forward.

**(20) Utah Educational Savings Plan (UESP) 529 Plan Credit**

(UC §59-10-1017)

If a qualified contribution was made to your Utah Educational Savings Plan (UESP) 529 account, you may claim a nonrefundable credit. To qualify, the contribution must be made during the taxable year and not deducted on your federal return. The credit is 5% of contributions made (up to \$1,740 per qualified beneficiary) during the tax year, with a maximum credit of \$87 per qualified beneficiary.

If you are a UESP account owner, you will receive form TC-675-H, *Utah Educational Savings Plan Tax Statement for Contributions, Withdrawals, and Transfers*, from UESP. Use the qualified amount from line 1 of form TC-675H to calculate the credit.

Keep form TC-675H with your records. If you have any questions about UESP accounts, call UESP at 801-321-7188 or 1-800-418-2551, or visit [uesp.org](http://uesp.org).

**Calculation of UESP Tax Credit**

- Enter the qualified contribution amount from line 1 of form TC-675H \$ \_\_\_\_\_
- Multiply line 1 by 5% (.05). This is your UESP tax credit. \$ \_\_\_\_\_

Enter this amount on TC-41A, Part 3, using code 20.

**Note:** Any credit that is more than the tax liability may not be carried back or forward.

**(24) Qualifying Solar Project Credit**  
(UC §59-10-1024)

You may claim a credit of 25% of the amount paid to buy one or more solar units from a qualifying political subdivision, up to a maximum credit of \$2,000. This is in addition to any other energy credit you claim.

A qualifying solar unit is a portion of the electrical output of an active solar project constructed, controlled or owned by a qualifying political subdivision, which generates electricity furnished to and for the benefit of one or more residential units, and is sold to the taxpayer in exchange for credit on the taxpayer's electric bill.

**Calculation of Qualifying Solar Project Credit**

- Amount paid for solar unit(s) \$ \_\_\_\_\_
- Multiply line 1 by 25% (.25) \$ \_\_\_\_\_
- Maximum allowable credit 2,000
- Enter lesser of line 2 or line 3. This is your credit. \$ \_\_\_\_\_

Enter this amount on TC-41A, Part 3, using code 24.

**Note:** Any credit that is more than the tax liability may be carried forward as a credit for the next four years.

There is no form for this credit. Keep all related documents with your records.

Contact your city or electrical utility provider for more information.

**Part 4 - Nonapportionable Nonrefundable Credits**

Nonapportionable nonrefundable credits can reduce your income tax to zero, but cannot result in a refund.

Claim the following nonapportionable nonrefundable credits that apply on TC-41A, Part 4 and attach it to your Utah return.

On TC-41A, write the **code and amount** of each nonapportionable nonrefundable credit you are claiming. Total these credits, then subtract nonapportionable nonrefundable credits being distributed to beneficiaries on the Utah Schedule K-1.

Enter the net amount of the credits being claimed on the fiduciary return and carry this amount to line 27 of your Utah TC-41. Each nonapportionable nonrefundable credit is explained below.

Keep all related documents, including credit forms, with your records. You may have to provide this information later to verify a credit claimed on your return.

**Codes for Nonapportionable Nonrefundable Credits, TC-41A Part 4**

- 02 Qualified Sheltered Workshop Cash Contribution Credit
- 05 Clean Fuel Vehicle Credit
- 06 Historic Preservation Credit
- 07 Enterprise Zone Credit
- 08 Low-Income Housing Credit
- 10 Recycling Market Development Zone Credit
- 12 Credit for Increasing Research Activities in Utah
- 13 Carryover Credit for Machinery/Equipment Used to Conduct Research
- 17 Credit for Income Taxes Paid to Another State
- 21 Renewable Residential Energy Systems Credit
- 25 Combat Related Death Credit

**(02) Qualified Sheltered Workshop Cash Contribution Credit (UC §59-10-1004)**

Cash contributions made in 2011 to a qualified Utah nonprofit rehabilitation sheltered workshop facility for persons with disabilities are eligible for the credit. Check with the workshop to make sure they have a current Day Training Provider License or Day Support Provider Certificate issued by the Department of Human Services. The credit is the lesser of \$200 or 50% of the total cash contributions.

There is no form for this credit. Keep all related documents with your records. **The name of the qualified workshop must be written on TC-41A, Part 4 to claim the credit.**

Contributions claimed as a tax credit under this section may not also be claimed as a charitable deduction in determining net taxable income.

**Note:** Any credit that is more than the tax liability may not be carried back or forward.

Contact the Contract Administrator, Division of Services for People with Disabilities, 195 N 1950 W, SLC, UT 84116, 801-538-4200; or go to [dspd.utah.gov](http://dspd.utah.gov) for more information.

**(05) Clean Fuel Vehicle Credit (UC §59-10-1009)**

This credit is available if: (1) you buy a new vehicle that meets air quality and fuel economy standards; (2) you buy a qualified vehicle fueled by compressed natural gas; (3) you buy equipment to convert a vehicle to run on propane, natural gas, electricity, or other approved fuel; and/or (4) you buy equipment to convert a special mobile equipment engine to operate on propane, natural gas, electricity, or other approved fuel. The credit may only be claimed once per vehicle. See instructions on form TC-40V for more information.

Complete form TC-40V, *Clean Fuel Vehicle Tax Credit*, with the Division of Air Quality approval stamp, verifying the credit is approved. Do not send form TC-40V with your return. Keep the form and all related documents with your records.

**Note:** Any credit that is more than the tax liability may be carried forward for the next five years.

Contact the Division of Air Quality, 195 N 1950 W, PO Box 144820, SLC, UT 84114-4820, 801-536-4000, or go to [cleanfuels.utah.gov/taxcredits/taxcreditsintro.htm](http://cleanfuels.utah.gov/taxcredits/taxcreditsintro.htm) for more information.

**(06) Historic Preservation Credit**

(UC §59-10-1006)

The credit is for costs to restore any residential certified historic building.

Complete form TC-40H, *Historic Preservation Tax Credit*, with the State Historic Preservation Office certification, verifying the credit is approved. Do not send form TC-40H with your return. Keep the form and all related documents with your records.

**Note:** Any credit that is more than the tax liability may be carried forward for next five years.

Contact the State Historic Preservation Office, 300 S Rio Grande St., SLC, UT 84101, 801-533-3500, or go to [history.utah.gov/historic\\_buildings/financial\\_assistance](http://history.utah.gov/historic_buildings/financial_assistance) for form TC-40H, certification, and more information.

**(07) Enterprise Zone Credit**

(UC §63M-1-413)

**Note:** You may not claim this credit or carry it into the same year you claim the recycling market development zone credit (nonapportionable nonrefundable credit, code 10) or the targeted business tax credit (refundable credit, code 40).

The Enterprise Zone Credit is for certain businesses that hire new full-time employees, restore buildings or meet certain other requirements in a designated zone. Indian tribes may apply for enterprise zone designation within an Indian reservation.

If you are allocated enterprise zone credit from your ownership in a partnership or S corporation, your credit must be based on your ownership percentage.

**Note:** Any credit that is more than the tax liability may be carried forward for the next three years.

There is no form for this credit. Keep all related documents with your records.

Contact the Governor's Office of Economic Development, 324 S State St., Suite 500, SLC, UT 84111, 801-538-8804; or go to [incometax.utah.gov/credits/enterprise-zones](http://incometax.utah.gov/credits/enterprise-zones) or [goed.utah.gov/incentives/enterprise\\_zones](http://goed.utah.gov/incentives/enterprise_zones) for more information.

**(08) Low-Income Housing Credit**

(UC §59-10-1010)

This credit is determined by the Utah Housing Corporation for owners of a low-income housing project who also received part of the federal low-income housing tax credit. When this credit applies, the project owner will provide you form TC-40TCAC (issued by the Utah Housing Corporation).

If you share in this credit, get form TC-40TCAC, *Utah Low-Income Housing Tax Credit Allocation Certification*, and complete form TC-40LI, *Summary of Utah Low-Income Housing Tax Credit*. Do not send these forms with your return. Keep the forms and all related documents with your records.

The building project owner must also complete and attach to the return form TC-40LIS, *Credit Share Summary of Low-Income Housing Project*.

**Note:** Any credit that is more than the tax liability may be carried back three years or forward for the next five years. If you are carrying this credit back or forward, also complete form TC-40LIC, *Utah Low-Income Housing Tax Credit Carryback and/or Carryforward*.

Contact Utah Housing Corporation, 2479 S Lake Park Blvd, West Valley City, UT 84120, 801-902-8200, or go to [utahhousingcorp.org](http://utahhousingcorp.org) for more information.

**(10) Recycling Market Development Zone Credit**  
(UC §59-10-1007)

**Note:** You may not claim this credit or carry it into the same year you claim the enterprise zone credit (nonapportionable nonrefundable credit, code 07) or the targeted business tax credit (refundable credit, code 40).

**The Recycling Market Development Zone Credit was reinstated by the Legislature for qualified machinery or equipment purchased or for other qualified expenditures made from July 1, 2010 through December 31, 2011.**

The credit is for individuals and businesses operating in a designated recycling market development zone.

Complete form TC-40R, *Recycling Market Development Zone Tax Credit*, with the Governor's Office of Economic Development certification, verifying the credit is approved. Do not send form TC-40R with your return. Keep the form and all related documents with your records.

**Note:** Any credit that is more than the tax liability may be carried forward for the next three years.

Contact the Governor's Office of Economic Development, 324 S State St, Suite 500, SLC, UT 84111, 801-538-8804; or go to [good.utah.gov/incentives/incentives-recycling\\_zones](http://good.utah.gov/incentives/incentives-recycling_zones) for more information.

**(12) Credit for Increasing Research Activities in Utah** (UC §59-10-1012)

The credit is:

1. 5% of your qualified expenses for increasing research activities in Utah above a base amount,
2. 5% of certain payments made to a qualified organization increasing basic research in Utah above a base amount, and
3. 9.2% of your qualified research expenses for taxable years beginning on or after Jan. 1, 2010.

**Note:** Any credit for 1 or 2 above that is more than the tax liability may be carried forward for the next 14 taxable years. Any credit for 3 above may not be carried forward.

There is no form for this credit. Keep all related documents with your records.

**(13) Carryover of Credit for Machinery and Equipment Used to Conduct Research** (UC §59-10-1013)

This credit expired for taxable years beginning after 2010.

If you claimed a credit on your return for machinery and/or equipment used to conduct research for a year after 1997 and prior to 2011 and the credit was more than the tax liability for the year, you may carry over the excess credit to the next 14 years and use it to offset tax until used up. If you are using any remaining credit in 2011, enter that carryover amount on TC-41A, Part 4, using code 13.

**(17) Credit for Income Taxes Paid to Another State**  
(UC §59-10-1003)

If you are a Utah estate or trust with income that is taxed by Utah and another state(s), the District of Columbia, or a possession of the United States, you may be entitled to a credit for the tax paid to the other state(s). Nonresident estates and trusts do not qualify for this credit.

You may only claim credit on the portion of income:

1. Taxable in Utah,
2. Taxed also by the other state(s), and
3. Included in "Column A - Utah" income on form TC-41B.

Complete and attach form TC-41S, *Credit for Fiduciary Income Tax Paid to Another State*. If there are two or more states, use separate calculations for each state. Carry the sum of the credits from TC-41S, line 7 to TC-41A, Part 4, using code 17.

Do not use the state income tax withheld from form W-2 as the tax paid to the other state. You must complete and file the other state's return to determine the tax amount paid. You may have to provide additional information later to verify this credit.

**Note:** Any credit that is more than the tax liability may not be carried back or forward.

Keep a signed copy of the other state's return and all related documents with your records.

**(21) Renewable Residential Energy Systems Tax Credit** (UC §59-10-1014)

This credit is for reasonable costs, including installation, of a residential energy system that supplies energy to a Utah residential unit. Additional residential energy systems or parts may be claimed in following years as long as the total amount claimed does not exceed \$2,000 per residential unit. If the residence is sold to a non-business entity before claiming the tax credit, you may irrevocably transfer the right to the tax credit to the new owner. The principal portion of system's lease payments may qualify for the credit if the lessor irrevocably transfers the right to the tax credit to the new owner.

Get form TC-40E, *Renewable Residential and Commercial Energy Systems Tax Credits* from the Utah Office of Energy Development with their certification stamp, verifying the credit is approved and showing the amount of the approved credit. Do not send form TC-40E with your return. Keep the form and all related documents with your records.

**Note:** Any credit that is more than the tax liability may be carried forward for the next four years.

Contact the Office of Energy Development (OED), 195 N 1950 W, 2nd Floor, Box 144845, SLC, UT 84114-4845, 801-536-4235, or go to [energy.utah.gov](http://energy.utah.gov) for more information.

**(25) Combat Related Death Tax Credit**  
(UC §59-10-1027)

If the fiduciary return is being filed on behalf of a military service member who died as a result of military service in a combat zone, the fiduciary may claim a nonrefundable tax credit equal to the amount of the tax liability on the return attributable to the deceased service member.

To qualify for the credit, all of the following conditions must be met:

1. The military service member must have been in an active component or reserve component of the United States Army, Navy, Air Force, Marine Corps, or Coast Guard;
2. The combat related death must have occurred on or after January 1, 2010;
3. The death must have occurred while the military service member was serving in a combat zone, or be the result of a wound, disease, or injury incurred while serving in a combat zone; and
4. The service must have been on or after the date declared by the President of the United States by Executive Order as a combat zone, and on or before such designation is terminated by the President.

If the return is being filed for only the deceased service member, the credit is equal to the tax liability shown on line 22. Enter this amount on TC-41A, Part 4, using code 25.

If the return is being filed for more than just the deceased service member, see instructions at [incometax.utah.gov/credits/combat](http://incometax.utah.gov/credits/combat).

## Part 5 - Refundable Credits

Claim the following refundable credits that apply on TC-41A, Part 5 and attach it to your Utah return. On TC-41A, write the **code and amount** of each refundable credit you are claiming. Total these credits, then subtract any refundable credits being distributed to beneficiaries on the Utah Schedule K-1. Enter the net amount of the credits being claimed on the fiduciary return and carry this amount to line 35 of your Utah TC-41. Each refundable credit is explained below.

Keep all related documents, including credit forms, with your records. You may have to provide this information later to verify a credit claimed on your return.

Codes for Refundable Credits - TC-41A Part 5	
39	Renewable Commercial Energy Systems Tax Credit
40	Targeted Business Tax Credit
43	Pass-through Entity Withholding Tax Credit
46	Mineral Production Withholding
47	Agricultural Off-highway Gas/Undyed Diesel Credit
48	Farm Operation Hand Tools Credit

### (39) Renewable Commercial Energy Systems Tax Credit (UC §59-10-1106)

This credit is for reasonable costs, including installation, of a commercial energy system that is an active solar system, a direct-use geothermal system, a geothermal heat-pump system, a hydro-energy system, or a passive solar system. Credit is also allowed for a commercial system that uses wind, geothermal electricity, or biomass equipment.

Get form TC-40E, *Renewable Residential and Commercial Energy Systems Tax Credits*, from the Office of Energy Development with their certification stamp, verifying the credit is approved and showing the amount of the approved credit. Do not send this form with your return. Keep the form and all related documents with your records.

Contact the Office of Energy Development (OED), 195 N 1950 W, 2nd Floor, Box 144845, SLC, UT 84114-4845, 801-536-4235, or go to [energy.utah.gov](http://energy.utah.gov) for more information.

### (40) Targeted Business Tax Credit

(UC §63M-1-504)

**Note:** You may not claim this credit the same year you claim the enterprise zone credit (nonapportionable nonrefundable credit, code 07) or the recycling market development zone tax credit (nonapportionable nonrefundable credit, code 10).

A credit is available to businesses providing a community investment project as defined in UC §63M-1-501 through §63M-1-503. Get a certified copy of form TC-40TB, *Targeted Business Tax Credit*. Keep this form and all related documents with your records.

Contact the Governor's Office of Economic Development, 324 S State St., Suite 500, SLC, UT 84111, 801-538-8804, or go to [goed.utah.gov/incentives/enterprise\\_zones](http://goed.utah.gov/incentives/enterprise_zones) for more information.

### (43) Pass-through Entity Taxpayer's Withholding Tax Credit

(UC §59-10-1103)

If you have an interest in a pass-through entity (partnership, LLP, LLC or S corporation) and received an income distribution from them, you may have had Utah income tax withheld from your distribution.

If you distributed the income you received from the pass-through entity to your beneficiaries, the Utah income tax withheld must also be distributed to your beneficiaries. Complete TC-41A, page 2, using code 43 to report the withholding, then subtract on the schedule the withholding distributed to the beneficiaries.

Utah income tax withheld by a pass-through entity that is attributable to income you received but did not distribute to your beneficiaries may be claimed as a credit on the fiduciary return. Enter such withholding tax on TC-41W, Part 3 and bring the total over to TC-41A, page 2, using code 43.

Keep Utah Schedule K-1s issued by the pass-through entity and all other related documents with your records. Do not attach them to your Utah return.

### 35. Mineral Production Withholding Tax Credit

(UC §59-6-102(3))

List any Utah mineral production withholding tax from TC-675R or Utah Schedule K-1 on TC-41W, Part 2. Total your entries on TC-41W, Part 2 and enter this total on your TC-41A, Part 5, using code 43.

The mineral production company must provide the following information to you:

- The company's federal employer identification number (EIN),
- The company's Utah mineral production withholding account number, and
- Your share of the mineral production withholding tax.

Keep all TC-675Rs and Utah Schedule K-1(s) with your records. Processing may be delayed or the withholding tax credit disallowed if you do not complete the TC-41W, Part 2 with all required information.

**(47) Agricultural Off-Highway Gas/Undyed Diesel Credit** (UC §59-13-202)

You may claim a credit of 24.5 cents per gallon for motor fuel and undyed diesel fuel bought in Utah to operate stationary farm engines and self-propelled farm machinery used solely for commercial nonhighway agricultural use if the fuel was taxed at the time it was bought. This does not include (but is not limited to) the following: golf courses, horse racing, boat operations, highway seeding, vehicles registered for highway use, hobbies, personal farming, etc.

**Credit calculation:**

Gallons \_\_\_\_\_ x .245 = Credit \_\_\_\_\_

There is no form for this credit. Keep all related documents with your records.

**(48) Farm Operation Hand Tools Credit** (UC §59-10-1105)

This credit is for sales and use tax paid on hand tools purchased and used or consumed primarily and directly in a farming operation in Utah. The credit only applies if the purchase price of a tool is more than \$250.

There is no form for this credit. Keep all related documents with your records.

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## TC-41B – Non or Part-year Resident Estate or Trust Schedule Instructions

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**Note:** Bankruptcy estates do not use TC-41B. See instructions for TC-41C.

### Residency Status

- If a nonresident, enter the two-character home state postal abbreviation. If you are a resident of a foreign country (a foreign national or citizen), enter "NA" in the home state abbreviation field.
- If a part-year resident, enter the date you established residency in Utah and the date such residency ended. Enter dates in mm/dd/yy format.

Follow these steps to calculate your Utah tax.

1. Complete form TC-41 through line 25.
2. Complete form TC-41B, *Non or Part-Year Resident Estate or Trust Schedule*.

### Column A - Utah Income and Deductions

Enter on lines 1 through 8 all income (loss) earned or received from Utah sources while not a Utah resident, plus all income (loss) earned or received from all sources while a Utah resident (even if not from a Utah source), and which is included in income on the federal return.

Enter on line 9 the Utah portion only of the additions to income shown on TC-41A, Part 1. In the case of an addition to income attributable to a Utah Educational Savings Plan addback, only include the addition in the Utah column to the extent it was previously subtracted from Utah taxable income. Include in the Utah column an equitable adjustment shown on TC-41A, Part 1, only to the extent the equitable adjustment relates to additions to income from Utah sources.

Enter on line 10 the total of lines 1 through 9.

Enter on lines 11 through 14 deductions applicable to Utah income.

Enter on line 15 a subtraction for a state tax refund included in federal income only to the extent the refund is related to Utah tax.

Enter on line 16 only the subtractions from income shown on TC-41A, Part 2. Include in the Utah column an equitable adjustment shown on TC-41A, Part 2, only to the extent the equitable adjustment relates to subtractions from income from Utah sources.

Enter on line 17 the total of lines 11 through 16.

### Column B - Total Income and Deductions

Enter on lines 1 through 8 the total income (loss) from all sources as reported on your federal return, as noted on the TC-41B. Enter on line 9 the total additions to income shown on TC-41, Schedule A, Part 1.

Enter on line 10 the total of lines 1 through 9.

Enter on lines 11 through 14 deductions claimed on your federal return, as noted on the TC-41B. Enter on line 15 the state tax refund included in federal income, and enter on line 16 the total subtractions from income shown on TC-41, Schedule A, Part 2.

Enter on line 17 the total of lines 11 through 16.

3. Subtract line 17 from line 10 for both columns A and B and enter the result on line 18.

**Note:** The amount on line 18 in column B should equal the amount shown on TC-41, line 14.

4. Divide the total on line 18 column A by the total on line 18 column B and enter the result on line 19. Round your result to four decimal places. Do not enter a decimal greater than 1.0000 and do not enter a negative decimal.
5. Enter the tax from your TC-41, page 2, line 25, on line 20.
6. Multiply the tax on line 20 by the decimal on line 19 and enter the result on line 21. This is your Utah tax.
7. Transfer your Utah tax from line 21 to page 2 of your TC-41, line 26.
8. Complete page 2 of your TC-41.

Attach form TC-41B to your Utah return. Do not attach a copy of your federal return. Keep a copy of form TC-41B and your federal return with your records.

## TC-41C – Bankruptcy Estate Schedule Instructions

The filing of a bankruptcy petition for an individual debtor under chapter 7 or chapter 11 of the bankruptcy code creates a separate taxable entity known as a bankruptcy estate. The trustee (for chapter 7 cases) or the debtor-in-possession (for chapter 11 cases) must prepare and file the estate's tax returns and pay its taxes. The debtor remains responsible for filing returns and paying taxes on any income that does not belong to the estate.

**Amended Return.** If a bankruptcy case begins, but is later dismissed by the bankruptcy court, the estate is not treated as a separate taxable entity. If tax returns have been filed for the estate, amended returns must be filed to move income and deductions from the estate's returns to the debtor's returns. If no returns have been filed, report all income and deductions on the debtor's returns.

**Utah Instructions.** For purposes of the TC-41C, references made to federal form 1040 refer to the federal form 1040 that is attached as a schedule to federal form 1041 that the trustee or debtor-in-possession files on behalf of the bankruptcy estate with the Internal Revenue Service.

A trustee or debtor-in-possession of a bankruptcy estate (chapter 7 or chapter 11) must file form TC-41, *Utah Fiduciary Income Tax Return*, and attach a completed TC-41C, *Bankruptcy Estate Schedule*. Leave lines 4 through 21 of the TC-41 blank. Line 22 of the TC-41 is the tax calculated on the TC-41C, line 20.

- **Resident Bankruptcy Estate** – Complete lines 23 through 41 of the TC-41 according to the regular fiduciary instructions. Complete and attach only page 1 of TC-41C to your return; do not complete or attach TC-41C, page 2.
- **Nonresident or Part-year Resident Bankruptcy Estate** – Complete lines 23 through 25 of form TC-41 according to the regular fiduciary instructions. Then complete TC-41C, page 2 to calculate the Utah tax. Enter the apportioned tax from TC-41C, line 57 on TC-41, line 26. Attach both pages 1 and 2 of TC-41C to your return.

The estate's tax liability is determined by completing the TC-41C with information and calculations similar to the Utah TC-40, *Individual Income Tax Return*.

These special bankruptcy estate line number reference instructions override those for TC-41 and TC-41B, where there is a conflict.

### 1. Federal Total Income

Enter the amount from line 22 of the bankruptcy estate's federal return, form 1040, attached to the federal fiduciary return, 1041.

### 2. Federal Adjustments to Income

Enter the amount from line 36 of the bankruptcy estate's federal return, form 1040, attached to the federal fiduciary return, form 1041.

### 3. Federal Adjusted Gross Income

Subtract line 2 from line 1. (This amount should equal the federal adjusted gross income shown on line 37 of the bankruptcy estate's federal return, form 1040, attached to the federal fiduciary return, form 1041.)

### 4. Additions to Income

Enter the code and amount of each addition to income. Codes and explanations for these additions to income are in the TC-40 tax return instruction booklet.

### 5. Add lines 3 and 4

Enter the total of line 3 and line 4.

### 6. State Tax Refund Included on Federal Form 1040, Line 10

If you itemized your deductions on your 2010 federal form 1040, enter the amount reported on your 2011 federal form 1040, line 10. Otherwise leave this line blank.

### 7. Subtractions from Income

Enter the code and amount of each subtraction from income. Codes and explanations for these subtractions from income are in the TC-40 tax return instruction booklet.

### 8. Utah Taxable Income

Subtract the sum of lines 6 and 7 from line 5.

### 9. Tax Calculation

Multiply the Utah Taxable Income on line 8 by 5% (.05). Do not enter an amount less than "0."

### Taxpayer Tax Credit (lines 10 - 19)

(UC §59-10-1018)

### 10. Personal Exemption Deduction

A bankrupt estate exemption is \$2,775.

### 11. Standard or Itemized Deductions

Enter \$5,800 (standard deduction) or the bankruptcy estate's federal itemized deductions from federal form 1040, Schedule A (if greater) attached to the federal fiduciary return, form 1041.

### 12. Add Lines 10 and 11

Add the amounts on line 10 and line 11.

### 13. State Income Tax Itemized on 2011 Federal Schedule A

Enter the amount, if any, of state income tax deducted on the bankruptcy estate's federal Schedule A, line 5 attached to the federal fiduciary return, form 1041. If you did not itemize your deductions on federal Schedule A, leave this line blank.

### 14. Subtract Line 13 from Line 12

Subtract the amount on line 13 from line 12.

**15. Multiply Line 14 by 6%**

Multiply the amount on line 14 by 6% (.06). This is your initial taxpayer tax credit before phase-out.

**16. Base Phase-out Amount**

The base phase-out amount for a bankrupt estate is \$12,720.

**17. Subtract Line 16 from Line 8**

Subtract the base phase-out amount on line 16 from the Utah taxable income on line 8.

**18. Multiply Line 17 by 1.3%**

Multiply the amount on line 17 by 1.3% (.013). This is the credit phase-out amount.

**19. Taxpayer Tax Credit**

Subtract the phase-out amount on line 18 from the initial credit on line 15. If the result is less than zero, enter "0."

**20. Utah Income Tax**

Subtract the taxpayer tax credit on line 19 from the tax calculated on line 9. If the result is less than zero, enter "0."

**FULL-YEAR UTAH RESIDENT BANKRUPTCY ESTATE**

Enter the tax from line 20 on TC-41, line 22 and then complete the rest of the TC-41 fiduciary return. Attach the TC-41C, page 1 to your fiduciary return. (Do not complete or attach TC-41C, page 2 to your return.)

**NON OR PART-YEAR RESIDENT BANKRUPTCY ESTATE**

Enter the tax from line 20 on TC-41, line 22. Complete lines 23 through 25 on the TC-41. Then complete TC-41C, page 2 to determine your apportioned Utah tax. Enter the tax from line 57 on TC-41C, page 2 on your TC-41, line 26 and then complete the rest of the TC-41 fiduciary return.

**Non or Part-year Resident (lines 21 - 57)**

If filing for a nonresident or part-year resident bankruptcy estate, complete form TC-41C, page 2 and attach it to the TC-41 return.

**Residency Status**

- If a nonresident, enter the two-character home state postal abbreviation. If you are a resident of a foreign country (a foreign national of citizen), enter "NA" in the home state abbreviation field.
- If a part-year resident, enter the date you established residency in Utah and the date such residency ended. Enter dates in mm/dd/yy format.

**Follow these steps to calculate your Utah tax.**

1. Complete form TC-41C, page 1, through line 20.
2. Enter the tax from line 20 of TC-41C on line 22 of form TC-41.
3. Complete form TC-41, lines 23 through 25.
4. Complete form TC-41C, page 2.

**Column A – Utah Income and Adjustments:**

Enter on lines 21 through 35 all income (loss) earned or received from Utah sources while not a Utah resi-

dent, plus all income (loss) earned or received from all sources while a Utah resident (even if not from a Utah source).

Enter on line 36 only the additions to income attributable to Utah and shown on TC-40A, Part 1. In the case of an addition to income attributable to a Medical Savings Account addback, a Utah Educational Savings Plan addback, or Reimbursed Adoption Expenses, only include the addition in the Utah column to the extent it was previously subtracted from Utah taxable income. Include in the Utah column an equitable adjustment shown on TC-40A, Part 1, only to the extent the equitable adjustment relates to additions to income from Utah sources.

Enter on line 37 the total of lines 21 through 36.

Enter on lines 38 through 50 adjustments applicable to Utah income.

Enter on line 51 a subtraction for a state tax refund included on line 10 of federal form 1040, only to the extent the refund subtracted is related to Utah tax.

Enter on line 52 only the subtractions from income attributable to Utah and shown on TC-40A, Part 2. Include in the Utah column an equitable adjustment shown on TC-40A, Part 2, only to the extent the equitable adjustment relates to subtractions from income from Utah sources.

Enter on line 53 the total of lines 38 through 52.

If you have federal adjustments written in on line 36 of federal form 1040, enter the description and amount of the Utah portion of these adjustments on TC-41C on the line beneath line 52, and include the amount in the total on line 53.

**Column B – Total Income and Adjustments:** Enter on lines 21 through 35 the total income (loss) from all sources you reported on your federal return, as noted on the TC-41C. Enter on line 36 the total additions to income shown on TC-40, Schedule A, Part 1. Total lines 21 through 36 on line 37.

Enter on lines 38 through 50 adjustments claimed on your federal return, as noted on the TC-41C. Enter on line 51 the state tax refund included on line 10 of federal form 1040, and enter on line 52 the total subtractions from income shown on TC-40, Schedule A, Part 2. Total lines 38 through 52 on line 53.

If you have federal adjustments written in on line 36 of federal form 1040, enter the description and amount of these adjustments on TC-41C on the line beneath line 52, and include the amount in the total on line 53.

5. Calculate line 54 by subtracting line 53 from line 37 for both columns A and B.

**Note:** The amount on line 54 in column B should equal the amount shown on TC-41C, page 1, line 8.

6. Divide the total on line 54 Column A by the total on line 54 Column B, and enter the result on line 55. Round your result to four decimal places. Do not enter a decimal greater than 1.0000 (or a negative decimal).

7. Enter on line 56 the tax amount from form TC-41, page 2, line 25.
8. Multiply the tax on line 56 by the decimal on line 55. This is your Utah tax. Enter this tax on line 57 of TC-41C and on form TC-41, line 26. Then complete the balance of form TC-41.

**Reminder:** Be sure to indicate on the TC-41 in box 1 that this is a Chapter 7 Bankruptcy Estate (code A) or a chapter 11 Bankruptcy Estate (code B).

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## TC-41K – Beneficiaries’ Share of Income, Deductions, and Credits Instructions

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Attach TC-41, Schedule K to show the fiduciary’s income, gains, losses, deductions, and Utah credits that are being distributed to the beneficiaries.

Enter in the federal column the total of the amounts reported on the federal form 1041, Schedule K-1 for all beneficiaries. Enter in the Utah column the total of the amounts on the Utah TC-41, Schedule K-1 for all beneficiaries.

### **Number of Schedules K-1 Attached to this Return**

Enter the number of Schedules K-1 that are attached to this return and issued to beneficiaries.

### **Line 1 – Interest Income**

Enter in the federal column the total federal interest income reported on all federal Schedules K-1. Enter in the Utah column the total Utah portion reported on Utah Schedules K-1.

### **Line 2 – Ordinary Dividends**

Enter in the federal column the total ordinary dividends reported on all federal Schedules K-1. Enter in the Utah column the total Utah portion reported on all Utah Schedules K-1.

### **Line 3 – Net Short-term Capital Gains**

Enter in the federal column the total net short-term capital gains reported on all federal Schedules K-1. Enter in the Utah column the total Utah portion reported on all Utah Schedules K-1.

### **Line 4 – Net Long-term Capital Gains**

Enter in the federal column the total net long-term capital gains reported on all federal Schedules K-1. Enter in the Utah column the total Utah portion reported on all Utah Schedules K-1.

### **Line 5 – Other Portfolio and Nonbusiness Income**

Enter in the federal column the total other portfolio and nonbusiness income reported on all federal Schedules K-1. Enter in the Utah column the total Utah portion reported on all Utah Schedules K-1.

### **Line 6 – Ordinary Business Income**

Enter in the federal column the total ordinary business income reported on all federal Schedules K-1. Enter in the Utah column the total Utah portion reported on all Utah Schedules K-1.

### **Line 7 – Net Rental Real Estate Income**

Enter in the federal column the total net rental real estate income reported on all federal Schedules K-1. Enter in the Utah column the total Utah portion reported on all Utah Schedules K-1.

### **Line 8 – Other Rental Income**

Enter in the federal column the total other rental income reported on all federal Schedules K-1. Enter in the Utah column the total Utah portion reported on all Utah Schedules K-1.

### **Line 9 – Directly Apportioned Deductions**

Enter in the federal column the total directly apportioned deductions reported on all federal Schedules K-1. Enter in the Utah column the total Utah portion reported on all Utah Schedules K-1.

### **Line 10 – Estate Tax Deduction**

Enter in the federal column the total estate tax deduction reported on all federal Schedules K-1. Enter in the Utah column the total Utah portion reported on all Utah Schedules K-1.

### **Line 11 – Final Year Deductions**

Enter in the federal column the total final year deductions reported on all federal Schedules K-1. Enter in the Utah column the total Utah portion reported on all Utah Schedules K-1.

### **Line 12 – Other Information**

Enter in the federal column the total other information reported on all federal Schedules K-1. Enter in the Utah column the total Utah portion reported on all Utah Schedules K-1.

### **Line 13 – Utah Nonrefundable Credits**

Enter in the Utah column the Utah nonrefundable credits being distributed to the beneficiaries. Describe the non-refundable credit in the space provided (abbreviate as necessary), enter the Utah credit code and amount of the credit (see explanations of credits and codes under the instructions for TC-41, lines 24 and 27).

### **Line 14 – Utah Refundable Credits**

Enter in the Utah column the Utah refundable credits being distributed to the beneficiaries. Describe the refundable credit in the space provided (abbreviate as necessary), enter the Utah credit code and amount of the credit (see explanations of credits and code under the instructions for TC-41, line 35).

## TC-41K-1 – Beneficiary’s Share of Utah Income, Deductions, and Credits Instructions

Complete a TC-41, Schedule K-1 for each beneficiary, showing the share of income, gains, losses, deductions, and Utah credits that are distributed to the beneficiary.

### Estate or Trust Information

- Line A – Enter the estate or trust’s federal identification number
- Line B – Enter the complete name of the estate or trust

### Fiduciary Information

- Line C – Enter the fiduciary’s complete name and address

### Beneficiary Information

- Line D – Enter the beneficiary’s social security or federal employer identification number
- Line E – Enter the beneficiary’s complete name and address
- Line F – Enter the beneficiary’s telephone number
- Line G – Enter the percent of Utah income being distributed to the beneficiary

### Other Information

Enter any additional information or explanation of entries needed by the beneficiary in order to complete their individual Utah return.

**Note:** Portfolio income and non-Utah nonbusiness income from a Utah estate or trust should not be reported on the Utah Scheduled K-1 for a Utah nonresident beneficiary. Portfolio income from a Utah trust is reported only on the Utah Schedule K-1 for Utah resident beneficiaries.

### Line 1 – Utah Interest Income

Enter the Utah portion of the beneficiary’s distributive share of federal interest income reported on their federal Schedule K-1, line 1. If this income is portfolio or non-Utah nonbusiness income and the beneficiary is a nonresident, enter “0.”

### Line 2 – Utah Ordinary Dividends

Enter the Utah portion of the beneficiary’s distributive share of federal ordinary dividends reported on their federal Schedule K-1, line 2a. If this income is portfolio or non-Utah nonbusiness income and the beneficiary is a nonresident, enter “0.”

### Line 3 – Utah Net Short-term Capital Gains

Enter the Utah portion of the beneficiary’s distributive share of federal net short-term capital gains reported on their federal Schedule K-1, line 3. If this income is portfolio or non-Utah nonbusiness income and the beneficiary is a nonresident, enter “0.”

### Line 4 – Utah Net Long-term Capital Gains

Enter the Utah portion of the beneficiary’s distributive share of federal net long-term capital gains reported on their Utah Schedule K-1, line 4a. If this income is portfolio or non-Utah nonbusiness income and the beneficiary is a nonresident, enter “0.”

### Line 5 – Other Utah Portfolio and Nonbusiness Income

Enter the Utah portion of the beneficiary’s distributive share of other federal portfolio and nonbusiness income reported on their federal Schedule K-1, line 5. If the beneficiary is a nonresident, enter “0.”

### Line 6 – Utah Ordinary Business Income

Enter the Utah portion of the beneficiary’s distributive share of federal ordinary business income reported on their federal Schedule K-1, line 6.

### Line 7 – Utah Net Rental Real Estate Income

Enter the Utah portion of the beneficiary’s distributive share of federal net rental real estate income reported on their federal Schedule K-1, line 7. If this income is portfolio or non-Utah nonbusiness income and the beneficiary is a nonresident, enter “0.”

### Line 8 – Utah Other Rental Income

Enter the Utah portion of the beneficiary’s distributive share of federal other rental income reported on their federal Schedule K-1, line 8. If this income is portfolio or non-Utah nonbusiness income and the beneficiary is a nonresident, enter “0.”

### Line 9 – Utah Directly Apportioned Deductions

Enter the Utah portion of the beneficiary’s distributive share of federal directly apportioned deductions reported on their federal Schedule K-1, line 9. Enter the description as shown on the Schedule K in the space provided. For a nonresident beneficiary, do **not** include deductions attributable to portfolio income or non-Utah nonbusiness income which is **not** reported on the beneficiary’s Utah Schedule K-1.

### Line 10 – Estate Tax Deduction

Enter the Utah portion of the beneficiary’s distributive share of the federal estate tax deduction reported on their federal Schedule K-1, line 10.

### Line 11 – Final Year Utah Deductions

Enter the Utah portion of the beneficiary’s distributive share of the final year federal deductions reported on their federal Schedule K-1, line 11. Enter the description as shown on the Schedule K in the space provided. For a nonresident beneficiary, do **not** include deductions attributable to portfolio income or non-Utah nonbusiness income which is **not** reported on the beneficiary’s Utah Schedule K-1.

### Line 12 – Other Utah Information

Enter the Utah portion of the beneficiary’s distributive share of federal other information reported on their federal Schedule K-1, line 14.

### Line 13 – Utah Nonrefundable Credits Distributed to Beneficiary

Enter the beneficiary’s distributive share of Utah nonrefundable credits as reported on the Utah Schedule K, line 13. Also enter the description and the Utah nonrefundable credit code as shown on the Schedule K (abbreviate as necessary).

**Line 14 – Utah Refundable Credits Distributed to Beneficiary**

Enter the beneficiary's distributive share of Utah refundable credits as reported on the Utah Schedule K, line 14. Also enter the description and the Utah refundable credit code as shown on the Schedule K (abbreviate as necessary).

# TC-41W - Utah Withholding Tax Schedule Instructions

## Purpose of Form TC-41W

Form TC-41W is used to gather data from employers and payers who must report Utah income and withholding tax belonging to a taxpayer.

In order to match this information, withholding from forms W-2 and 1099 must be reported on TC-41W, page 1, and data concerning mineral production withholding tax and pass-through entity withholding must be reported on TC-41W, page 2. The data is then "captured" through a high-speed scanner, and then matched against what an employer or payer has reported.

**Note:** Employees and payees report this information on TC-41W and should not send copies of their W-2s, 1099s, TC-675Rs, and Utah Schedules K-1 with their Utah return.

## TC-41W, Part 1 Instructions

You must report Utah withholding tax from the following forms on TC-41W, page 1:

- Federal form W-2, Wage and Tax Statement.
- Federal form 1099 (with Utah withholding), including 1099-R, 1099-MISC, 1099-G, etc.

Do not send W-2s or 1099s with your Utah return. Keep them in your files.

Processing may be delayed or the withholding tax credit disallowed if you do not complete the TC-41W with all required information.

To claim credit for Utah withholding tax, complete TC-41W, page 1. Enter the following information from form W-2 or 1099.

- Line 1 – Enter the employer/payer federal EIN (W-2 box "b," or 1099).
- Line 2 – Enter the employer/payer Utah withholding account number (W-2 box "15," or 1099).

*The Utah withholding account number is a 14-character number, the first eleven characters are numeric and the last three are "WTH." Do not enter hyphens in the number. Example: 12345678901WTH.*

*If the form W-2 or 1099 does not reflect this number, contact the employer or payer to obtain the correct number to enter on TC-41W, Part 1. Failure to include this number on the TC-41W may cause your withholding to be disallowed and delay any refund.*

- Line 3 – Enter the employer/payer name and address (W-2 box "c," or 1099).
- Line 4 – Enter an "X" if the income and withholding tax are from a form 1099.
- Line 5 – Enter the taxpayer's social security number or EIN (W-2 box "a," or 1099).
- Line 6 – Enter the Utah wages or income being reported (W-2 box 16, or 1099).
- Line 7 – Enter the Utah withholding tax (W-2 box 17, or 1099).

**Note:** If there is no Utah employer identification number on a form W-2 box 15, 1099-R box 11, 1099-MISC box 17, or any other 1099 form, your refund may be reduced or your tax due increased.

Contact the employer or payer of the income to get the Utah withholding account number.

Add the amounts of Utah withholding tax from all lines 7 and enter the total at the bottom of TC-41W, page 1, and on form TC-41, page 1, line 32.

## W-2 Example

22222	a Employee's social security number 567-89-0123	OMB No. 1545-0008
b Employer identification number (EIN) 87-1234567	1 Wages, tips, other compensation 32,519.85	2
c Employer's name, address, and ZIP code ABC ENTERPRISES INC 9876 MAIN ST SALT LAKE CITY UT 84101	3 Social security wages 32,519.85	4
	5 Medicare wages and tips 32,519.85	6
	7 Social security tips	8
d Control number	9 Advance EIC payment	10
e Employee's first name and initial WILLIAM J SMITH	11 Nonqualified plans	12a
Last name SMITH	13 Statutory employee <input type="checkbox"/>	12b
456 TIMBER DR	Retirement plan <input type="checkbox"/>	12c
MURRAY UT 84150	Third-party sick pay <input type="checkbox"/>	12d
f Employee's address and ZIP code	14 Other	
15 State Employer's state I.D. no. UT   W12345	16 State wages, tips, etc. 32,519.85	17 State income tax 767.99
	18 Locality name	19 Local wages

Form **W-2** Wage and Tax Statement **2011**

## TC-41W Example

41111 Part 1 - Utah Withholding Tax Schedule  
Name of estate or trust

Line explanations:  
 1 Employer/payer ID number (from W-2 box "b" or 1099)  
 2 Utah withholding ID number (from W-2 box "15" or 1099)  
 (14-characters, ending in WTH, no hyphens)  
 3 Employer/payer name and address (from W-2 box "c" or 1099)  
 4 Enter "X" if reporting Utah withholding from form 1099  
 5 Employee's Social Security number (from W-2 box "a" or 1099)  
 6 Utah wages/income (from W-2 box "16" or 1099)  
 7 Utah withholding tax (from W-2 box "17" or 1099)

First W-2 or 1099	Second W-2 or 1099
1. 87-1234567	1.
2. W12345	2.
3. ABC ENTERPRISES INC 9876 MAIN ST SALT LAKE CITY UT 84101	3.
4.	4.
5. 567-89-0123	5.
6. 32,520.00	6.
7. 768.00	7.

### TC-41W, Part 2 Instructions

To claim credit for Utah mineral production withholding tax, enter the following information. If from form TC-675R, enter lines 1, 2, 3 and 5; if from Utah Schedule K-1, enter lines 4 and 5.

- Line 1 - Enter the mineral producer's federal EIN (TC-675R box 2, or from Utah Schedule K-1).
- Line 2 - Enter the mineral producer's name (TC-675R box 1).
- Line 3 - Enter the producer's Utah withholding account number (TC-675R box 3).

*The Utah mineral withholding account number is a 14-character number, the first eleven characters are numeric and the last three are "WMP." Do not enter hyphens in the number. Example: 12345678901WMP.*

*If the TC-675R does not reflect this number, contact the payer to obtain the correct number to enter on TC-41W, Part 2. Failure to include this number on the TC-41W may cause your withholding tax credit to be disallowed and delay any refund.*

- Line 4 - If the mineral withholding tax distribution was received from a pass-through entity (partnership, LLC, LLP or S corporation), enter the pass-through entity's federal EIN. If you receive a TC-675R directly from the mineral producer, leave this line blank.

- Line 5 - Mineral production withholding tax (TC-675R box 5) or your share of mineral production withholding tax reported on the Utah Schedule K-1 by a pass-through entity.

Add the amounts of mineral production withholding tax from all lines 5 and enter the total on form TC-41A, Part 5, using code 46.

### TC-41W, Part 3 Instructions

To claim credit for Utah withholding tax paid on your behalf by a pass-through entity (partnership, LLP, LLC or S corporation), enter the following information from Utah Schedule K-1 on TC-41W, Part 3:

- Line 1 - Enter the pass-through entity's federal EIN.
- Line 2 - Enter the pass-through entity's name.
- Line 3 - Enter the Utah withholding tax withheld or paid on your behalf by the pass-through entity.

Add the amounts of pass-through entity Utah withholding tax from all lines 3 and enter the total on TC-41A, page 2, using code 43.

Do not send the Utah Schedule(s) K-1 with your Utah return. Keep them in your files.

Processing may be delayed or the withholding tax credit disallowed if you do not complete the TC-41W with all required information.

## TC-675R Example

Statement of Utah Tax Withheld on Mineral Production			TC-675R Rev. 9/11
1. Producer's name, address, city, state and ZIP code <b>ABC MINING COMPANY</b> PO BOX 4941 PRICE UT 84501			For tax year: <b>20 1 1</b>
2. Producer's federal EIN <b>84-1909732</b>	3. Producer's Utah account number <b>12345678002WMP</b>	4. Recipient's federal EIN (or SSN if an individual) <b>545-18-6791</b>	
5. Utah mineral production gross payment to recipient <b>24,615.18</b>	6. Utah tax withheld on mineral production <b>1,230.76</b>	7. Utah mineral production gross payment not subject to withholding <b>.00</b>	
8. Recipient's name, address, city, state, ZIP code <b>ROBERT R. WINTER</b> 2414 S 8200 W MAGNA, UT 84044		9. Recipient entity type (check one) <input type="checkbox"/> C - Corporation <input type="checkbox"/> L - Limited Liability Company <input type="checkbox"/> S - S Corporation <input type="checkbox"/> O - Limited Liability Partnership <input checked="" type="checkbox"/> I - Individual <input type="checkbox"/> T - Trust, Estate or Fiduciary <input type="checkbox"/> P - Partnership	

Part 2 - Utah Mineral Production Withholding (TC-675R)		TC-41W Rev. 12/11
Name of estate or trust <b>WINTER</b>		EIN <b>545-18-6791</b>
Do not send TC-675Rs or Utah Schedules K-1 with return. Enter TC-675R or Schedule K-1 information below. Use additional TC-41Ws if needed.		
1 Producer's EIN from box "2" of TC-675R		4 Pass-through entity EIN if credit from partnership or S corporation, from Utah Schedule K-1
2 Producer's name from box "1" of TC-675R		5 Utah mineral withholding tax from box "5" of TC-675R or Utah Schedule K-1
3 Producer's Utah withholding number from box "3" of TC-675R (14 characters, ending in WMP, no hyphens)		
First TC-675R or Schedule K-1	Second TC-675R or Schedule K-1	
1 <b>84-1909732</b>	1 _____	
2 <b>ABC MINING COMPANY</b>	2 _____	
3 <b>12345678002WMP</b>	3 _____	
4 _____	4 _____	
5 <b>1,231 .00</b>	5 <b>.00</b>	

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## Qualified Funeral Trust Information and Instructions

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### Who Must File

The trustee of a trust that has elected to be taxed as a qualified funeral trust (QFT) files federal Form 1041-QFT to report the income, deductions, gains, losses, etc., and income tax liability of the QFT. The trustee can use Utah form TC-41 to file for a single QFT, or for multiple QFTs having the same trustee following the instructions under Composite Return on this page.

Pre-need funeral trusts that do not qualify as QFTs should use the regular instructions for Utah Form TC-41, *Utah Fiduciary Income Tax Return*.

### Qualified Funeral Trust (QFT)

A QFT is a domestic trust that meets all of the following requirements:

- It arose from a contract with a person who provides funeral or burial services or property necessary to provide such services.
- The sole purpose of the trust is to hold, invest and reinvest funds in the trust and to use those funds solely to pay for funeral or burial services or property to provide such services for the benefit of the beneficiaries of the trust.
- The only beneficiaries are individuals for whom such services or property is to be provided at their death under the contracts described above.
- The trustee elects or previously elected to treat the trust as a QFT, and not as a grantor trust.
- If the QFT election had not been made, the trust would have been treated as owned by the contracts' purchasers under the IRC grantor trust provisions. However, a trust that is not owned by the purchaser solely because of the death of an individual shall be treated as meeting this requirement during the 60-day period beginning the day of that individual's death.

If a QFT has multiple beneficiaries, each beneficiary's separate interest under a contract is treated as a separate QFT for the purpose of figuring the tax and filing this return. Each beneficiary's share of the trust's income is determined in accordance with the beneficiary's interest in the trust.

Whenever these instructions refer to a trust or QFT, it includes such separate interests that are treated as separate QFTs.

### Making the Election

The trustee elects to treat a trust as a QFT by filing federal Form 1041-QFT by the due date (including extensions).

### Composite Return

A trustee may file a single, composite Utah Form TC-41 for all QFTs for which he or she is the trustee, including QFTs that had a short tax year. Prepare a schedule that includes the following information for each QFT (or separate interest treated as a QFT).

- The number of QFTs in the composite return.
- The owner or beneficiary's name. If the trust has more than one beneficiary, separate the trust into shares held by the separate beneficiaries. The same information used on the federal Form 1041-QFT can be used to compute Utah tax.
- The type and gross amount of income earned by the QFT. For capital gains, identify the net short-term capital gain, net long-term capital gain, 28% rate gain, and unrecaptured section 1250 gain.
- The type and amount of each deduction and credit allocable to the QFT.
- The Utah tax calculation for each QFT. You must complete form TC-41, page 1, lines 15 through 22 separately for each QFT.
- The Utah tax payments made for each QFT.
- If the QFT terminated during the year, the termination date.

You can use the same information and schedules from the federal Form 1041-QFT to compute Utah tax. Figure the taxable income separately for each QFT using each QFT's share of the amounts.

Attach the composite return schedules to your TC-41.

### Tax Computation

Follow the line-by-line instructions except for computing the tax. Use a separate schedule to calculate the Utah tax for each QFT using the 5% tax rate for each QFT. Enter the sum of the tax for all QFTs (after subtracting any estate or trust tax credit) on line 22.

Utah State Tax Commission

**Fiduciary Income Tax Return Payment Coupon**

**TC-549**  
Rev. 12/11

**USE OF PAYMENT COUPON**

If you have a tax due balance on your Utah fiduciary income tax return and you have previously filed your return without a payment, include the payment coupon below with your check or money order to insure proper credit to your account. Do not mail another copy of your fiduciary income tax return with this payment. Sending a duplicate of your return may delay posting of the payment.

If you are sending a payment with your paper Utah fiduciary income tax return, include the payment coupon below with your check or money order, to insure proper credit to your account.

*Do not use this return payment coupon to prepay future fiduciary taxes. Use form TC-548.*

**ELECTRONIC PAYMENT**

You may pay your tax online at [taxexpress.utah.gov](http://taxexpress.utah.gov).

**HOW TO PREPARE THE PAYMENT**

Make your check or money order payable to the Utah State Tax Commission. Do not send cash. The Tax Commission does not assume liability for loss of cash placed in the mail.

Print the name of the estate or trust, address, daytime telephone number and the year the payment is for on your check or money order.

**SENDING PAYMENT COUPON**

If sending this payment coupon separate from your fiduciary income tax return, do **NOT** mail another copy of your return with this payment.

Complete and detach the payment coupon below.

Do not attach (staple, paper clip, etc.) the check or money order to the payment coupon.

Send the payment coupon and payment to:

**Utah State Tax Commission**  
**210 N 1950 W**  
**Salt Lake City, UT 84134-0250**

**SEPARATE AND RETURN ONLY THE BOTTOM COUPON WITH PAYMENT. KEEP TOP PORTION FOR YOUR RECORDS.**

**Fiduciary Income Tax  
Return Payment Coupon**

Mail to: Utah State Tax Commission, 210 N 1950 W, SLC UT 84134-0250

**TC-549**  
Rev. 12/11

Tax year ending

USTC Use Only

Name of estate or trust EIN or SSN of estate or trust

Address

City State Zip code

Payment amount enclosed \$ 00

Make check or money order payable to the Utah State Tax Commission. Do not send cash. Do not staple check to coupon. Detach check stub.

**FID008**