

Utah 2013

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Fiduciary Income Tax TC-41 Forms & Instructions

Utah State Tax Commission • 210 North 1950 West • Salt Lake City, Ut 84134

tax.utah.gov

General Instructions

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 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.

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

IRC: Internal Revenue Code available at law.cornell.edu/uscode/26

If you need an accommodation under the Americans with Disabilities Act, email taxada@utah.gov, or call 801-297-3811 or TDD at 801-297-2020. Please allow three working days for a response.

What's New

- **Pass-through Entity Withholding Required.** Beginning Jan. 1, 2013, some Utah estates and trusts will be treated as pass-through entities and will be required to withhold Utah income tax on distributions to beneficiaries. For more information, see page 8 of these instructions and Pub 68, *Pass-through Entity Withholding*, available at tax.utah.gov/forms.

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 15, 2014, if you file on a 2013 calendar year basis (tax year ends Dec. 31, 2012); 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. 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. 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 2013 Utah Fiduciary Return for calendar year 2013 and fiscal years beginning in 2012 and ending in 2014. 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 calendar year returns must be filed by October 15, 2014.

Prepayment Requirements for Filing Extension

You must prepay by the original due date:

- 90% of the 2013 Utah income tax due (TC-41 line 28);
- 100% of the 2012 Utah income tax liability as indicated on the 2012 *Utah Fiduciary Income Tax Return* (TC-41 line 28); or
- 90% of the 2013 Utah income tax due if you did not have a Utah tax liability in 2012 or this is your first year filing.

The pass-through withholding tax **must** be paid to the Tax Commission by the original due date of the return, without regard to extensions. You may pay online at taxexpress.utah.gov or use form TC-549, *Fiduciary Income Tax Return Payment Coupon*. Prepayments are not required for the pass-through withholding tax.

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. 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-41N, TC-41S, TC-41W, and TC-250).
- **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* (see page 32), and your check or money order along with the return.

Withholding Forms: Withholding tax information must be entered on TC-41W which is attached to your return.

Do not send forms W-2, 1099-R, 1099-MISC, Utah Schedule K-1 received from an upper-tier pass-through entity (see page 30 for definition of upper-tier pass-through entity), etc., or form TC-675R (showing mineral withholding tax) with your return. 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. You may have to provide this information later to verify entries on your return.

Record-keeping 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 Dollars

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 with additional penalties, are at tax.utah.gov/billing/penalties-interest and in Pub 58, *Utah Interest and Penalties* online

at tax.utah.gov/forms. You can calculate penalties by using the online Penalty and Interest Calculator at 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 2014 is **2%**. Use the online Penalty and Interest Calculator at taxexpress.utah.gov or follow the instructions in Pub 58, *Utah Interest and Penalties* available at tax.utah.gov/forms.

Fiduciary and Estate Defined

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

(UC §59-10-136)

1. An individual is considered to have a domicile in Utah if:
 - A. The individual (or spouse) has claimed a dependent on their federal tax return and the dependent is enrolled in a public kindergarten, public elementary or public secondary school in Utah, with an exception for a dependent of the noncustodial parent who is divorced from the custodial parent; or
 - B. The individual (or spouse) is enrolled as a resident student in a Utah state institution of higher education.
2. There is a rebuttable presumption that an individual or a spouse is domiciled in Utah if:
 - A. They claim a residential exemption for a primary residence under UC §59-2, Property Tax Act;
 - B. They are registered to vote in Utah; or
 - C. They assert residency in Utah for purposes of filing their income tax return.
3. If an individual or a spouse does not qualify under the above requirements to be considered domiciled in Utah, the domicile would be considered to be in Utah if:
 - A. Either the individual or spouse has a permanent home in Utah to which the individual or spouse returns after being absent, and
 - B. The individual or spouse has voluntarily fixed their habitation in Utah, not for a special or temporary purpose, but with the intent of making a permanent home.

The determination of whether an individual is considered to have domicile in Utah under paragraph 3 above shall be based on a preponderance of the evidence, taking into consideration the totality of the following facts and circumstances:

- The individual or spouse has a driver's license in Utah;

- The individual or spouse claims an exemption for a dependent who is enrolled as a resident student in a Utah state institution of higher education;
 - The nature and quality of the living accommodations of the individual or spouse in Utah compared to another state;
 - The presence in Utah of a spouse or dependent for whom a federal tax exemption is claimed;
 - The physical location in which the individual or spouse earns income;
 - The state of registration of a vehicle owned or leased by the individual or spouse;
 - Whether the individual or spouse has a membership in a church, club or similar organization in Utah;
 - Whether the individual or spouse lists a Utah address on mail, a telephone listing, a listing in an official government publication, other correspondence, or similar item;
 - Whether the individual or spouse lists a Utah address on a federal or state tax return;
 - Whether the individual or spouse asserts Utah residency on a document filed with or provided to a court or other governmental entity;
 - The individual or spouse fails to obtain a permit or license normally required of a resident in the state where they assert to have domicile; and
 - The individual or spouse has a dependent child who is in the custody of a former spouse and who is enrolled in a Utah public kindergarten, public elementary or public secondary school in Utah.
4. An individual is **not** considered to have a Utah domicile if the individual is absent from Utah for at least 761 consecutive days and during this time the individual or spouse:
- A. Does not return to Utah for more than 30 days in a calendar year;
 - B. Does not claim an exemption on their federal tax return for a dependent who is enrolled in a public kindergarten, public elementary or public secondary school in Utah (unless the individual is the noncustodial parent);
 - C. Is not enrolled in a Utah state institution of higher education as a resident student;
 - D. Does not claim the residential exemption for property tax on their primary residence in Utah; or
 - E. Does not assert that Utah is their tax home for federal tax purposes.

For purposes of this paragraph 4, an absence from the state begins on the later of the date the individual or spouse leaves the state and ends on the day the individual or spouse returns to and remains in the state for more than 30 days in a calendar year.

An individual who is not considered to have a Utah domicile under this paragraph 4 may elect to be considered to have a Utah domicile by filing a Utah resident income tax return.

If an individual is considered to have domicile in Utah, the spouse is also considered to have domicile in Utah. This

rule does not apply if the couple are legally separated or divorced, or they file their federal returns as married filing separately.

An individual shall file a Utah income tax return (or amended return) and pay any applicable penalty and interest if they did not file a Utah return based on their belief that they did not meet the domicile criteria.

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.

Part-year Resident Estate or Trust Defined

A part-year resident estate or trust is a resident estate or trust for part of the year and a nonresident estate or trust for part of the year. All income received during the period of Utah residency is taxable in Utah, regardless of where that income is earned, unless specifically exempted. Income from Utah sources is taxable in Utah during the period of nonresidency.

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 must 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.

A Utah nonresident beneficiary whose only Utah source income is from a partnership, S corporation, estate or trust (or other pass-through entity) and who had Utah income tax withheld by the partnership, S corporation, estate or trust, or other pass-through entity on the Utah income, and does not seek to claim a Utah tax credit, is not required to file a Utah return.

Portfolio Income

For purposes of pass-through entities, generally, portfolio income includes all gross income, other than income derived in the ordinary course of a trade or business and Utah nonbusiness income taxable on the Utah return of a pass-through entity taxpayer.

Portfolio income may include:

- interest;
- dividends;
- royalties;
- income from the disposition of property that produces income of a type defined as portfolio income;
- income from the disposition of property held for investment; and
- income from a real estate investment trust, a regulated investment company, a real estate mortgage investment conduit, a common trust fund, a controlled foreign corporation, a qualified electing fund, or a cooperative.

Interest, dividends, royalties, etc., earned in the ordinary course of the trade or business of a pass-through entity are not portfolio income.

Example: Interest and dividends may be considered portfolio income if the pass-through entity had funds that were not used to further the trade or business and were invested and generated interest or dividends. Interest and dividends are not considered portfolio income if the entity's primary business activity is investing funds, such as with a brokerage firm.

Portfolio income is attributable to the beneficiary's resident state.

Pass-through Entity

A pass-through entity is an entity whose income, gains, losses, deductions and/or credits flow through to its partners (partnerships), members (limited liability companies), and shareholders (S corporations) or beneficiaries (estates and trusts) for federal tax purposes.

An estate or trust is also considered a pass-through entity if it is required to divide among and pass through to one or more beneficiaries its income, gains, losses, deductions, and/or credits. A pass-through entity is required to withhold Utah income tax on the income from Utah sources passed through to its beneficiaries. The calculation of the withholding tax requirement for an estate or trust is made on the TC-41N. (See TC-41N instructions on page 26.)

Pass-through Entity Taxpayer

A pass-through entity taxpayer is any entity which has income, gains, losses, deductions and/or credits passed to it from a pass-through entity (e.g., an individual who is a beneficiary in a trust is a pass-through entity taxpayer). Utah withholding tax paid for or on behalf of the beneficiary by the pass-through entity is reported on the TC-41, Schedule K-1, and is claimed as a refundable credit on the income tax return filed by the beneficiary.

Pass-through Entity Withholding Requirements

Estates and trusts are considered pass-through entities (see UC §59-10-1402(10)) and, for tax years beginning on or after Jan. 1, 2013, are required to withhold Utah income tax on all nonresident individual beneficiaries, and on all resident business and nonresident business beneficiaries. These beneficiaries are collectively referred to as pass-through entity taxpayers (see UC §59-10-1402(11)). A pass-through entity is not required to withhold on a beneficiary that is exempt from tax under UC §59-7-102(1)(a) or §59-10-104.1, or if the pass-through entity is a plan under IRC Sections 401, 408 or 457 and is not required to file a return under UC Chapter 7, or is a publicly traded partnership as defined under UC §59-10-1403.2(1)(b)(iii).

Utah imposes a 5 percent withholding tax on all Utah business and nonbusiness income derived from or connected with Utah sources and attributable to pass-through entity taxpayers. The estate or trust may reduce this withholding by any mineral production withholding tax and previous pass-through entity withholding tax allocated to the beneficiary. This withholding tax must be paid to the Tax Commission by the original due date of the return, without regard to extensions.

The calculation of the required Utah withholding tax is done on Schedule N. See the instructions for Schedule N on page 26 for more details.

The estate or trust must provide a Utah Schedule K-1 to each partner showing the amount of Utah withholding paid on behalf of the beneficiary. This withholding tax is then claimed as a credit by the beneficiary on the beneficiary's personal return.

If this estate or trust has an interest in another pass-through entity, that other entity is required to withhold Utah income tax on Utah income allocated to this estate or trust. The other pass-through entity must provide a Utah Schedule K-1 showing the amount of Utah withholding tax paid on behalf of this estate or trust. This withholding tax must be reported on TC-250 and then allocated to the beneficiaries of this estate or trust to be claimed on their personal returns. Enter this previous pass-through entity withholding tax for each beneficiary on Schedules K and K-1.

The estate or trust may request a waiver of withholding tax and any associated penalty and interest for all or selected beneficiaries who filed and paid tax on the Utah income from this estate or trust. The tax must be paid on or before the estate or trust's return due date, including extensions (see UC §59-10-1403.2(6)).

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.

Filing Period

File using the 2013 return for calendar year 2013 and fiscal or short years beginning in 2013. If the return is for a fiscal year or a short tax year (less than 12 months), fill in the tax year end date at the top of the form using the format mm/yy.

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.

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 by 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 2013 Utah Fiduciary Tax Return

A. At the top center 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 code 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 2013 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 35 of the 2013 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 right side 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 20 on how to compute the Utah tax on the TC-41C.

Federal Form 1041-QFT See the general instructions on page 31 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 estate or 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

An estate or 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

An estate or 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

An estate or 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 42 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 20).

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 11 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 subtraction from income beginning on page 10 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 estate or trust's allowable deductions. See line instructions below the worksheet.

WORKSHEET FOR ALLOWABLE DEDUCTIONS

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 20.

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 of 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
- Gold and Silver Coin Sale Credit

See instructions for TC-41A, Part 3, and an explanation of each addition to income beginning on page 11 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 19.

27. Nonapportionable Nonrefundable Credits

The following nonapportionable nonrefundable credits are entered on TC-41A, Part 4. Enter the sum of 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 Tax Paid to Another State
- Renewable Residential Energy Systems Credit
- Combat Related Death Credit
- Veteran Employment Tax Credit

See instructions for TC-41A, Part 4, and an explanation of each nonapportionable nonrefundable credit beginning on page 14 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

Use tax is a tax on goods and taxable services purchased for use, storage or other consumption in Utah during the taxable year and applies only if sales tax was not paid at the time of purchase. If you purchased an item from an out-of-state seller, including Internet, catalog, radio and TV purchases, and the seller did not collect sales tax on that purchase, you must pay the use tax directly to the Tax Commission. If you have a Utah sales tax license/account, include the use tax on your sales tax return. If you do not have a Utah sales tax license/account, report the use tax on line 30 of TC-41.

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 for more information.

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)
<i>If less than zero, enter "0"</i> | \$ _____ |

31. Total Pass-through Withholding Tax

Enter the total pass-through withholding tax from Schedule N, column J.

This pass-through withholding tax must be paid to the Tax Commission by the original due date of the return, without regard to extensions. Pay online at taxexpress.utah.gov or use form TC-549, *Fiduciary Income Tax Return Payment Coupon*. Prepayments are not required for pass-through withholding tax.

Use Tax Rate Chart (Effective Dec. 31, 2013)

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

Do not include on this line any pass-through withholding tax credit received from an upper-tier pass-through entity as reported on a Utah Schedule K-1 you received. These pass-through withholding tax credits received from other pass-through entities are entered on TC-250, Part 2 and carried to the Utah Schedule A, Part 5. These credits are allocated to each beneficiary on the Utah Schedule K-1 and are also used in the calculation of the withholding tax for the beneficiary on Schedule N, column I.

Do not include on this line any mineral production withholding tax credit received from an upper-tier pass-through entity as reported on a Utah Schedule K-1 you received. These mineral production withholding tax credits received from other pass-through entities are entered on TC-250, Part 3 and carried to the Utah Schedule A, Part 5. These credits are allocated to each beneficiary on the Utah Schedule K-1 and are also used in the calculation of the withholding tax for each beneficiary on Schedule N, column H.

32. Total Tax, Additions and Use Tax

Add lines 28 through 31.

33. Utah Income Tax Withheld

You **MUST** enter your **UTAH TAX WITHHELD** on this line.

Complete TC-41W, Part 1 listing each W-2 and 1099 with Utah withholding tax. The total Utah withholding tax on the TC-41W, Part 1 must equal the amount entered on line 33. If you have more than four withholding forms, use additional TC-41Ws. See detailed instructions and examples on page 28.

Keep withholding forms with your records. Do not attach them to your Utah return. Processing may be delayed or the withholding tax credit disallowed if you do not complete the TC-41W, Part 1 with all required information.

34. Credit for Utah Fiduciary Tax Pre-paid

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.

35. 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.

36. Refundable Credits

The following refundable credits are entered on TC-41A, Part 5. Enter the sum of all refundable credits on line 36 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 17 of these instructions.

37. Total Withholding and Refundable Credits

Add lines 33 through 36.

38. Tax Due

If line 32 is more than line 37, subtract line 37 from line 32. This is the tax you owe.

39. 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 or by following the instructions in Pub 58, *Utah Interest and Penalties* at 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 were 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 and in Pub 58, *Utah Interest and Penalties* at tax.utah.gov/forms. Include these penalties on line 39, 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 39, 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 to the date paid. The 2014 rate is **2%**. Include this interest on line 39, if applicable.

40. Total Due - Pay this Amount

Add any penalty and interest you owe on line 39 to the tax on line 38. 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.

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 "2013 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 and click on "Request Pay Plan or e-reminder." 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 can be accessed at 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, request a pay plan and provide an email address to receive a pay plan reminder email address to receive a pay plan email.

Pay plan requests will be considered after your return is processed. If your plan request is accepted, you will receive an email 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.

41. Refund

If line 37 is more than line 32, subtract line 32 from line 37. This is your refund.

42. Refund Applied To 2014 Taxes

You may apply all or part of your refund as a prepayment for your 2014 Utah fiduciary tax liability. Enter the amount of refund you want applied to your 2014 tax on this line. Any part not applied to your 2014 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

See the instructions on what to attach to your Utah return on page 2.

Tax Due

If you owe tax on your return, submit form TC-549 and your check or money order along with the return.

Paid Preparer Information

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 2013 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. The authorization automatically ends on the due date for filing the entity's 2014 tax return (without regard to extensions).

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. 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 estate or 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 your 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.

(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.

(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 estate or trust level. You must apportion the subtractions from income between the amount taxed at the estate or 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 an estate or trust, attach a schedule to your return showing the calculation of income. Include the name, residency and federal identification number of the estate or 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
- 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.

Codes for Apportionable Nonrefundable Credits, TC-41A Part 3

- 04 Capital Gain Transactions Credit
- 20 Utah Educational Savings Plan (UESP) 529 Plan Credit
- 24 Qualifying Solar Project Credit
- 26 Gold and Silver Coin Sale Credit

(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:

- a. The transaction occurs during the taxable year;
- b. 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
- c. 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 for more information.

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

Calculation of Capital Gain Transactions Tax Credit

1. Eligible short-term or long-term capital gain \$ _____
2. 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 must not have been deducted on your federal return. The credit is 5 percent of contributions made (up to \$1,840 per qualified beneficiary) during the tax year, with a maximum credit of \$92 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 box 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.

Calculation of UESP Tax Credit

1. Enter the qualified contribution amount from line 1 of form TC-675H. \$ _____
2. 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 per year. 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

1. Amount paid for solar unit(s) \$ _____
2. Multiply line 1 by 25% (.25) \$ _____
3. Enter the lesser of line 2 or \$2,000. 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 or in excess of \$2,000 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.

For more information, contact your city or electrical utility provider.

(26) Gold and Silver Coin Sale Credit

(UC §59-10-1028)

Capital gains recognized on the sale or exchange of gold and silver coins issued by the United States government and reported on a fiduciary federal income tax return are eligible for an apportionable non-refundable credit against Utah tax.

You may also include any gold or silver coin or bullion, other than that issued by the United States, if a court of competent jurisdiction issues a final, unappealable judgment or order determining that Utah may recognize the gold or silver coin or bullion as legal tender in the state, or congress enacts legislation expressly providing that such coin or bullion is legal tender.

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

1. The capital gain transaction must be for the sale or exchange of gold or silver coin issued by the federal government for another form of legal tender;
2. The capital gain transaction must result in a short-term or long-term capital gain (defined in IRC §1222) that is reported on Schedule D of your federal fiduciary return;

3. Any eligible capital gain must first be offset by any capital loss recognized for the year for federal purposes from the sale of gold and/or silver coin; and
4. The transaction must be made during the taxable year.

For more information, see UC Title 59, Chapter 1, Part 15, Specie Legal Tender Act.

Calculation of Gold and Silver Coin Sale Credit

1. Capital gains on all sales and exchanges of gold and silver coins \$ _____
2. Capital losses on all sales and exchanges of gold and silver coins \$ _____
3. Subtract line 2 from line 1 (if a loss, STOP, there is no credit) \$ _____
4. Amount from form 1041, Schedule D, line 15 (if a loss, STOP, there is no credit) \$ _____
5. Enter the lesser of line 3 or line 4 \$ _____
6. Credit percentage - 5% .05
7. Credit - multiply line 5 by line 6 \$ _____

Enter this amount on TC-41A, Part 3, using code 26.

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

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

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 Tax Paid to Another State
- 21 Renewable Residential Energy Systems Credit
- 25 Combat Related Death Credit
- 27 Veteran Employment Tax Credit

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

Cash contributions made during the taxable year 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.

For more information, contact:

Division of Services for People with Disabilities
195 N 1950 W
Salt Lake City, UT 84116
801-538-4200
dspd.utah.gov

(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.

For more information, contact:

Division of Air Quality
195 N 1950 W
PO Box 144820
Salt Lake City, UT 84114-4820
801-536-4000
cleanfuels.utah.gov/taxcredits/taxcreditsintro.htm

(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.

For more information, contact:

State Historic Preservation Office
300 S Rio Grande St.,
Salt Lake City, UT 84101
801-533-3500
[history.utah.gov/historic_buildings/
financial_assistance](http://history.utah.gov/historic_buildings/financial_assistance)

(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 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.

For more information, contact:

Governor's Office of Economic Development
60 E South Temple, 3rd Floor
PO Box 146950
Salt Lake City, UT 84114-6950
801-538-8804
incometax.utah.gov/credits/enterprise-zones or
business.utah.gov/incentives/enterprise_zones

(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*.

For more information, contact:

Utah Housing Corporation
2479 S Lake Park Blvd
West Valley City, UT 84120
801-902-8200
utahhousingcorp.org

(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 credit is available for qualified machinery and equipment purchased and for other qualified expenditures made by 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.

For more information, contact:

Governor's Office of Economic Development
60 E South Temple, 3rd Floor
PO Box 146950
Salt Lake City, UT 84114-6950
801-538-8804
goed.utah.gov/incentives/recycling_zones

(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. 7.5% of your qualified research expenses in a taxable year beginning on or after Jan. 1, 2012.

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 2013, enter that carryover amount on TC-41A, Part 4, using code 13.

(17) Credit for Income Tax 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.

For more information, contact:

Utah Office of Energy Development (OED)
PO Box 144845
Salt Lake City, UT 84114-4845
801-538-8718
energy.utah.gov

(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 for the year the service member died.

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.

(27) Veteran Employment Tax Credit
(UC §59-10-1031)

A non-refundable credit is available to taxpayers who hire a qualified recently deployed veteran in a taxable year that begins on or after January 1, 2012.

A qualified recently deployed veteran is an individual who was mobilized to active federal military service in an active or reserve component of the United States Armed Forces, and received an honorable or general discharge within the two-year period before the employment begins.

To qualify for the credit, the qualified veteran must meet all of the following conditions:

1. Have received an honorable or general discharge within the two-year period before the employment begins;
2. Was collecting or was eligible to collect unemployment benefits, or has exhausted their unemployment benefits within the last two years, under Title 35A, Chapter 4, Part 4, *Benefits and Eligibility*;
3. Work for the taxpayer for at least 35 hours per week for not less than 45 of the next 52 weeks following the veteran's employment start date.

The credit is claimed beginning in the year the 45 consecutive weeks in paragraph 3 above are met.

The credit is calculated as follows:

First Year Credit (count all months in the year the 45 week requirement is met):

- | | |
|--|----------|
| 1. Number of months or partial months veteran employed in first year | _____ |
| 2. Monthly credit allowable in first year | 200 |
| 3. First year credit – line 1 times line 2 (maximum \$2,400) | \$ _____ |

Second Year Credit:

- | | |
|--|----------|
| 4. Number of months or partial months veteran employed in 2nd year | _____ |
| 5. Monthly credit allowable in second year | 400 |
| 6. Second year credit – line 4 times line 5 (maximum \$4,800) | \$ _____ |

Any credit in excess of tax due will not be refunded, but may be carried forward to offset tax for up to five years.

The following documentation for the qualified recently deployed veteran must be retained by the taxpayer to support the credit claimed, and made available to the Tax Commission upon request:

1. Veteran's name, last known address, and taxpayer identification or social security number;
2. Start date of employment;
3. Documentation establishing that the veteran was employed 45 out of the next 52 weeks after the state of employment;
4. Documentation provided by the recently deployed veteran's military service unit establishing that the veteran is a recently deployed veteran; and
5. A signed statement from the Department of Workforce Services that the recently deployed veteran was collecting, was eligible to collect, or exhausted their unemployment benefits within the last two years.

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 36 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.

For more information, contact:

Utah Office of Energy Development (OED)
PO Box 144845
Salt Lake City, UT 84114-4845
801-538-8718
energy.utah.gov

(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.

For more information, contact:

Governor's Office of Economic Development
60 E South Temple, 3rd Floor
PO Box 146950
Salt Lake City, UT 84114-6950
801-538-8804
goed.utah.gov/incentives/enterprise_zones

(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, S corporation or trust) and received an income distribution from them, you may have had Utah income tax withheld from your distribution.

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.

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.

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. Processing may be delayed or the withholding tax credit disallowed if you do not complete TC-41W, Part 3 with all required information.

(46) 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 46.

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-675R(s) and Utah Schedule K-1(s) with your records. **Do not attach them to your Utah return.** 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 non-highway 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.

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

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 the format mm/dd/yy.

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.

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 must 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 number. (If the amount in column A or column B is zero, enter 0.0000 on line 19.)
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 42 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 must 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 2012 federal form 1040, enter the amount reported on your 2013 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 (Loss)

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

9. Utah Tax

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

A bankrupt estate exemption is \$2,925.

11. Standard or Itemized Deductions

Enter \$6,100 (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 2013 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. Initial Credit before Phase-out

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 \$13,363.

17. Phase-out Income

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

18. Phase-out Amount

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 the format mm/dd/yy.

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 resident, 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.

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

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.

Enter on line 52 the total subtractions from income shown on TC-40, Schedule A, Part 2.

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 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 must equal the amount must 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, and do not enter a negative number. (If the amount in column A or column B is zero, enter 0.0000 on line 55.)

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).

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

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. Portfolio income is attributable to the beneficiary's resident state.

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 1a – U.S. Government Interest Income

Enter in the federal column the total U.S. government 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 1b – Municipal Bond Interest Income

Enter in the federal column the total municipal bond interest income reported on all federal Schedules K-1. Enter in the Utah column the total Utah taxable portion reported on Utah Schedules K-1. (See definition of what municipal bond interest income to report on page 10 of these instructions.)

Line 1c – Other Interest Income

Enter in the federal column the total other interest income (other than interest income shown on lines 1a and 1b above) 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).

Line 15 – Total Utah Withholding Tax to be Paid by This Fiduciary

Enter in the Utah column the total amount of Utah withholding tax paid or withheld on behalf of all the beneficiaries who are pass-through entity taxpayers by the estate or trust, and for whom the waiver from withholding was not requested or who is not a dependent beneficiary (see Schedule N instructions on page 26). This amount must match the total pass-through withholding tax on Schedule N, column J.

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
- Line H – Enter an "X" if the beneficiary is a dependent beneficiary. See definition of a dependent beneficiary on page 26.

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 estate or trust is reported only on the Utah Schedule K-1 for Utah resident beneficiaries.

Line 1a – Utah U.S. Government Interest Income

Enter the Utah portion of the beneficiary's distributive share of U.S. government interest income included in the 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 1b – Utah Municipal Bond Interest Income

Enter the Utah portion of the beneficiary's distributive share of Utah taxable municipal bond interest income included in the 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." (See definition of taxable municipal bond interest income on page 10 of these instructions.)

Line 1c – Utah Other Interest Income

Enter the Utah portion of the beneficiary's distributive share of other interest income (other than interest income shown on lines 1a and 1b above) included in the 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 federal 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).

Line 15 – Utah Tax Withheld on Behalf of Beneficiary

Enter the amount of Utah withholding tax withheld by this estate or trust on behalf of this beneficiary if treated as a pass-through entity taxpayer and calculated on Schedule N, and for whom the waiver from withholding was not requested or who is not a dependent beneficiary (see Schedule N instructions on page 26). This amount will be claimed on the beneficiary's individual Utah return.

Enter an "X" if the estate or trust entered a "1" in the Withholding Waiver Request field at the top of Schedule N to not withhold Utah tax on all pass-through entity taxpayers, or if the estate or trust entered a "2" in the Withholding Waiver Request field at the top of Schedule N and entered an "X" on line B of Schedule N for this specific beneficiary.

Provide each beneficiary a copy of their Utah Schedule K-1.

Schedule N – Pass-through Entity Withholding Tax Instructions

The estate or trust, as a pass-through entity, must pay or withhold tax on behalf of each nonresident individual beneficiary and each resident or nonresident business beneficiary (collectively referred to as pass-through entity taxpayers) unless a withholding waiver request is made (see below). The estate or trust is not required to withhold Utah tax on a beneficiary if:

- the beneficiary is exempt from taxation under UC §59-7-102(1)(a) or §59-10-104.1,
- this estate or trust is a plan under IRC Sections 401, 408 or 457 and is not required to file a return under UC Chapter 7, or
- this estate or trust is a publicly traded partnership as defined under UC §59-1403.2(1)(b).

Beneficiaries may take a credit for the amount of tax paid by the estate or trust on their behalf. To claim the credit, the beneficiary must file a Utah income tax return for the taxable year. A beneficiary subject to withholding by the estate or trust and who has no other Utah source income may elect to forego the credit and not file a Utah income tax return. However, a beneficiary with income or loss from other Utah sources must file a Utah income tax return. A beneficiary who is eligible for Utah tax credits, in addition to the Utah pass-through tax withheld, must file a Utah income tax return to claim those credits.

If the beneficiary is a pass-through entity, it must file a Utah return to report its income/loss and withholding allocations to its partners/members/shareholders/beneficiaries.

Estates or trusts having beneficiaries for whom withholding is required must complete Schedule N showing the amount of Utah income attributable to the beneficiaries, the amount of Utah tax on such income (5%), any Utah mineral production withholding tax and upper-tier Utah pass-through entity withholding tax credited to the beneficiaries, and the net amount of withholding tax this estate or trust must pay on behalf of such beneficiaries. Use additional forms TC-41, Schedule N, if needed.

Withholding Waiver Request

(UC §59-10-1403.2(5))

You may request a waiver from the requirement to withhold Utah income tax on pass-through entity taxpayers by entering a "1" in the field if the waiver is for all beneficiaries, or a "2" if the waiver is for only certain beneficiaries. Also enter an "X" on line B and a "0" in column F for each beneficiary for whom the waiver is requested.

Requesting the waiver for all or specific beneficiaries does not relieve the estate or trust from the responsibility for the payment of Utah tax on the income allocated to beneficiaries if the beneficiaries do not pay. If the beneficiary or beneficiaries for whom you requested a waiver fail to file a return and make the required payment in a timely manner, you will be liable for the withholding on those amounts, plus any associated penalties and interest.

Dependent Beneficiary Definition

A "dependent beneficiary" is not subject to the withholding requirement.

A dependent beneficiary is an individual who is a beneficiary of the estate or trust and is claimed as a dependent on the federal income tax return of another person,

A dependent beneficiary is not subject to the pass-through withholding requirements if the person who is claiming the beneficiary's dependent exemption on their federal income tax return provides the estate or trust with a signed Statement of Dependent Beneficiary Income attesting that they expect the dependent beneficiary to have adjusted gross income for the taxable year that will not exceed the basic federal standard deduction as calculated under IRC Section 63 for that taxable year.

The statement must be retained by the trustee and made available to the Tax Commission upon request (UC §59-10-1403.2(6)).

Line Instructions

Line A – Name of Beneficiary (Pass-through Entity Taxpayer)

Enter the name of each nonresident individual beneficiary, or resident or nonresident business beneficiary (referred to as a pass-through entity taxpayer).

Line B – Withholding Waiver for this Beneficiary

If you entered either a "1" or a "2" on the Withholding Waiver Request line at the top of the Schedule N, enter an "X" on line B if this beneficiary is included in the waiver request.

If you check this field, enter a "0" on line F for the beneficiary.

Line C – Dependent Beneficiary

Enter an "X" on line C if the beneficiary is a dependent beneficiary (see definition above). Entering an "X" on this line will be treated as a request for waiver of the withholding requirements for this beneficiary.

Line D – SSN/EIN of Beneficiary

Enter the social security number (SSN) of each nonresident individual beneficiary, or the federal employer identification number (EIN) of each resident or nonresident business beneficiary.

Line E – Beneficiary's Percent of Income

Enter the percent of the estate or trust the pass-through entity taxpayer receives, to four decimal places.

Line F – Income (Loss) Attributable to Utah

Enter the income (loss) attributable to Utah and taxable to the pass-through entity taxpayer.

Calculate this income for a pass-through entity taxpayer by adding the income amounts shown on their Utah Schedule K-1, lines 1a through 8, then subtracting the deductions on their Utah Schedule K-1, lines 9 through 11.

Line G – 5% of Income

Multiply the amount of income attributable to Utah for each pass-through entity taxpayer (line E) by 5%. If the amount on line E is a loss, enter "0." Also enter "0" if the waiver request has been requested for this beneficiary (line B checked).

Line H – Mineral Production Withholding Credit

Enter the amount of any mineral production withholding tax allocated by the estate or trust to the pass-through entity taxpayer. The credit for mineral production withholding tax reduces the amount of Utah withholding tax that is calculated for this beneficiary on Schedule N. The credit should equal the amount reported on line 14 of Schedule K-1 for mineral production withholding tax credit for this beneficiary.

Line I – Upper-tier Pass-through Withholding Tax

Enter the amount of any pass-through entity withholding tax paid by an upper-tier (previous) pass-through entity, attributable to this estate or trust, and allocated to the pass-through entity taxpayer of this estate or trust. The credit for upper-tier pass-through entity withholding tax reduces the amount of Utah withholding tax calculated for this beneficiary on Schedule N. The credit should equal the amount reported on line 14 of Schedule K-1 for upper-tier pass-through withholding tax for this beneficiary.

Line J – Withholding Tax to be Paid by This Fiduciary

Subtract the total of the credits on lines H and I from the tax calculated on line G for each pass-through entity taxpayer. Do not enter an amount less than zero.

The withholding tax shown in column J is the withholding tax this estate or trust must withhold or pay on behalf of the pass-through entity taxpayer. This withholding tax is to be reported on line 15 of Utah Schedule K-1 given to the beneficiary.

This withholding tax is to be paid to the Tax Commission by the original due date of the return. If the return is being filed on extension, this withholding tax must be prepaid by the original due date.

Total Utah Withholding Tax to be Paid by This Fiduciary

Add the pass-through withholding in column J for all beneficiaries. Enter this total at the bottom of the Schedule N and carry it over to TC-41, page 2, line 31 and to Schedule K, line 15.

TC-41W - Utah Withholding Tax Schedule Instructions

Utah withholding tax credits must be claimed by completing form TC-41W and attaching it to your Utah return.

Do not send copies of your W-2s, 1099s, TC-675Rs, and Utah Schedules K-1 with your Utah return. Keep all these forms with your tax records.

Processing may be delayed or your withholding tax credits may be disallowed if you do not complete TC-41W as explained below and submit it with your 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. 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 13, 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 33.

W-2 Example

22222		a Employee's social security number 567-89-0123		OMB No. 1545-0048	
b Employer identification number (EIN) 87-1234567		1 Wages, tips, other compensation	2	32,519.85	
c Employer's name, address, and ZIP code ABC ENTERPRISES INC 9876 MAIN ST SALT LAKE CITY UT 84101		3 Social security wages	4	32,519.85	
		5 Medicare wages and tips	6	32,519.85	
		7 Social security tips	8		
d Control number		9 Advance EIC payment	10		
e Employee's first name and initial Last name WILLIAM J SMITH 456 TIMBER DR MURRAY UT 84150		11 Nonqualified plans	12a		
		13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>	12b		
		14 Other	12c		
f Employee's address and ZIP code		12d			
15 State UT	Employer's state I.D. no. 12345678002WTH	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 **2013**

TC-41W Example

41312		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. 12345678002WTH	◀14 characters, no hyphens	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).
- Line 2 - Enter the mineral producer's name (TC-675R box 1).
- Line 3 - Enter the mineral 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. 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 6) 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.

Do not send the TC-675R(s) or Utah Schedule K-1(s) 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-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. 7/12
1. Producer's name, address, city, state and ZIP code ABC MINING COMPANY PO BOX 4941 PRICE UT 84501			For tax year: 20 1 3
2. Producer's federal EIN 84-1909732	3. Producer's Utah account number 12345678002WMP	4. Recipient's federal EIN (or SSN if an individual) 545-18-6791	
5. Utah mineral production gross payment to recipient 24,615.18	6. Utah tax withheld on mineral production 1,230.76	7. Utah mineral production gross payment not subject to withholding .00	
8. Recipient's name, address, city, state, ZIP code ROBERT R. WINTER 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

41313 Part 2 - Utah Mineral Production Withholding (TC-675R)		TC-41W Rev. 12/13
Name of estate or trust WINTER		EIN 545-18-6791
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 2 Producer's name from box "1" of TC-675R 3 Producer's Utah withholding number from box "3" of TC-675R (14 characters, ending in "WMP", no hyphens)		4 Pass-through entity EIN if credit from partnership or S corporation, from Utah Schedule K-1 5 Utah mineral withholding tax from box "6" of TC-675R or Utah Schedule K-1
First TC-675R or Schedule K-1 1 84-1909732 2 ABC MINING COMPANY 3 12345678002WMP ◀14 characters, no hyphens 4 5 1,231 .00		Second TC-675R or Schedule K-1 1 2 3 4 5 .00

TC-250 – Credits Received from Upper-tier Pass-through Entities and Mineral Production Withholding Tax Credit on TC-675R Instructions

TC-250 is used to report Utah nonrefundable and refundable tax credits allocated on a Utah Schedule K-1 to this estate or trust by an upper-tier pass-through entity in which this estate or trust owns an interest, as well as mineral production withholding tax credits received on a form TC-675R.

TC-250 must be attached to your fiduciary return if the estate or trust received an allocation of nonrefundable and/or refundable credits from an upper-tier pass-through entity on a Utah Schedule K-1.

Upper-tier Pass-through Entity. An upper-tier pass-through entity is a pass-through entity in which this estate or trust has an ownership interest and from whom this estate or trust receives an allocation of income, gain, loss, deduction, or credit on a Utah Schedule K-1.

If additional lines are needed to report any category, you may use additional forms TC-250.

Part 1 – Utah Nonrefundable Credits Received from Other Pass-through Entities

Utah nonrefundable tax credits allocated to this estate or trust by an upper-tier pass-through entity and shown on the Utah Schedule K-1 received from the upper-tier pass-through entity must be reported in Part 1. These credits are found on the Utah Schedule K-1 under nonrefundable credits with a credit code. Do not include the Utah Schedule K-1 the estate or trust received showing these credits when filing this estate or trust's return.

First Column

Enter in the first column the federal EIN shown in box "A" of the Utah Schedule K-1 received by this estate or trust from the upper-tier pass-through entity.

Second Column

Enter in the second column the name shown in box "B" of the Utah Schedule K-1 received by this estate or trust from the upper-tier pass-through entity.

Third Column

Enter in the third column the nonrefundable credit code shown on the Utah Schedule K-1 received by this estate or trust from the upper-tier pass-through entity.

Fourth Column

Enter in the fourth column the amount of the distributed Utah nonrefundable credit shown on the Utah Schedule K-1 received by this estate or trust from the upper-tier pass-through entity.

Carry the nonrefundable credits over to the Utah Schedule A, Part 3 or Part 4, as applicable. If you have multiple credits for the same credit code, combine the credit amounts before entering on the Schedule A. Allocate the credit to the beneficiaries on their individual Schedule K-1 based on their ownership percentage.

Part 2 – Utah Refundable Credits Received from Other Pass-through Entities

Utah refundable tax credits allocated to this estate or trust by an upper-tier pass-through entity and shown

on the Utah Schedule K-1 received from the upper-tier pass-through entity must be reported in Part 2. These credits are found on the Utah Schedule K-1 under refundable credits with a credit code. Do not include the Utah Schedule K-1 the estate or trust received showing these credits when filing this estate or trust's return.

First Column

Enter in the first column the federal EIN shown in box "A" of the Utah Schedule K-1 received by this estate or trust from the upper-tier pass-through entity.

Second Column

Enter in the second column the name shown in box "B" of the Utah Schedule K-1 received by this estate or trust from the upper-tier pass-through entity.

Third Column

Enter in the third column the refundable credit code shown on the Utah Schedule K-1 received by this estate or trust from the upper-tier pass-through entity.

Fourth Column

Enter in the fourth column the amount of the allocated Utah refundable credit shown on the Utah Schedule K-1 received by this estate or trust from the upper-tier pass-through entity.

Carry the refundable credits over to the Utah Schedule A, Part 5. If you have multiple credits for the same credit code, combine the credit amounts before entering on the Schedule A. Allocate the credit to the beneficiaries on their individual Schedule K-1 based on their ownership percentage.

Part 3 – Utah Mineral Production Withholding Tax Credit Received on TC-675R

Utah mineral production tax withheld on production income received by this estate or trust from the producer shown on form TC-675R must be reported in Part 3. Do not include the TC-675R with your estate or trust return.

First Column

Enter in the first column the federal EIN shown in box "2" of the form TC-675R received by this estate or trust.

Second Column

Enter in the second column the producer's name shown in box "1" of the form TC-675R received by this estate or trust.

Third Column

Enter in the third column the amount of the mineral production withholding tax shown in box "6" of the form TC-675R received by this estate or trust.

Total the mineral production withholding amounts shown in the third column. Carry this total to the Utah Schedule A, Part 5 using code "46." Allocate the credit to the beneficiaries on their individual Schedule K-1 based on their ownership percentage.

Qualified Funeral Trust Information and Instructions

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.

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.

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