Fiduciary Income Tax

This publication is a guide, not a complete statement, of Oregon Revised Statutes (ORS) or Oregon Department of Revenue Administrative Rules (OAR). Go to www.oregon.gov/dor/law_resources.shtml for ORS and OAR cites.

Reminders

Extension of time to file. Oregon accepts the same automatic extension of time to file allowed by the Internal Revenue Service (IRS). For tax returns due on or after January 1, 2009, the automatic extension of time to file is five months. If you timely applied to the IRS for the **five-month** automatic extension to file, check the "Extension to file" box on your 2010 Form 41.

Payment. Mail completed 41-V, Oregon Fiduciary Tax Payment Voucher and check or money order to:

Oregon Department of Revenue
PO Box 14110
Salem OR 97309-0910

Estates and trusts are not required to make estimated tax payments to Oregon. Your full payment is due on the original due date of the tax return; do not include your five-month extension period.

Federal election. Oregon accepts the federal election made by the executor of an estate and the trustee of a qualified revocable trust to treat the trust as part of the estate. Internal Revenue Code (IRC) section 645.

If you made this election for your federal return, check the "A Trust Filing as an Estate" box on Form 41, row A, and fill in the date of death. Attach a copy of the required federal Form 8855, *Election to Treat a Qualified Revocable Trust as Part of an Estate."*

Confirmation of mailing. We cannot respond to requests for receipt of returns, extensions, or payments. If you want verification that your envelope reached the Department of Revenue, send it by certified mail.

Change of name or address. It is important, if you change the name or address of your trust or estate, to check the appropriate box(es) on Form 41, page 1.

Deferral of gain. Did you file federal Form 8824 because you are deferring gain on exchanged property? If so, check the box on the front of Form 41, "Form 24 is attached." Then complete and attach Oregon Form 24 to the return.

In the year that the gain is finally recognized for federal purposes, you will need to file a return and report the portion of the gain that is subject to Oregon taxation.

Capital gain on liquidated farm assets. A reduced tax rate is available if you sold or exchanged capital assets used in farming activities. The sale or exchange must represent a substantially complete termination of a farming business you own. The sale cannot be to a family member. See instructions for line 25 (ORS 316.045).

Filing requirements

A fiduciary return must be filed for:

- Resident estates or trusts required to file a federal Form 1041 or 990-T.
- All estates and trusts upon termination to report the final distribution to beneficiaries.
- Ancillary Oregon estates with federal gross income of $600 or more for the tax year.
- Nonresident estates with federal gross income of $600 or more from Oregon sources for the tax year.
- All estates that want to establish a fiscal tax year, even if the estate had less than $600 of federal gross income for the tax year.
- Part-year resident trusts with federal gross income of $600 or more from Oregon sources for the tax year.
- Nonresident trusts with federal gross income of $600 or more from Oregon sources for the tax year.

Residency definitions

- **Estates.** An estate is an Oregon resident if the personal representative is appointed by an Oregon court, or if the estate administration is in Oregon. All other estates are nonresidents. An estate cannot be a part-year resident.
- **Trusts.** A **trust** is a resident if the trustee is an Oregon resident or if the trust administration is in Oregon. If there are several trustees and one is an Oregon resident, the trust is an Oregon resident trust. A trust can be a part-year resident if a trustee moves in or out of Oregon during the tax year. See part-year resident instructions.
- If a trustee is a corporate fiduciary engaged in interstate trust administration, the trust is an Oregon resident only

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if the trustee conducts the major part of the trust's administration in Oregon.

- **Funeral trust.** A resident funeral trust is a qualified funeral trust (QFT) that has the meaning given in IRC section 685. A resident funeral trust is required to be established under the law of this state, or is established by contract, for the funeral home or cemetery to provide services or merchandise in Oregon.

Name of fiduciary. Enter the name and address of the executor or trustee in the space marked "Name of Fiduciary." If there are co-fiduciaries, enter the name and address of the one who signs the return.

Other returns required of fiduciaries. File the final applicable Oregon Individual Income Tax return (Form 40, 40S, 40N, or 40P) for a deceased taxpayer's last tax year, the year of death. If a federal Form 1040NR is required for a nonresident beneficiary, an Oregon nonresident return (Form 40N) may be required. If a federal return is required for a minor, incompetent person, missing person, or conservatee, an Oregon return must be filed. If a person who is incompetent or is now deceased failed to file a prior year individual income tax return as required, the trustee is required to file the return.

If Form 5227 or Form 1041-A is required for federal income tax, file a copy of that form with the Oregon Department of Revenue. Do not attach a Form 41. Mark the copy "Oregon Information Copy." Usually no Oregon report or copy is required if the only federal returns are Form 990 (exempt organizations), Form 990-PF (private foundations), or Form 4720 (certain charities).

If a federal Form 990-T is filed, also file Oregon Form 41 for your trust. If you file Form 990-T and you're a corporation, file Oregon Form 20. Don't complete Form 41, lines 1, 2, 5, 5a, and 6. From Form 990-T, enter any unrelated business taxable income on Form 41, line 23, and the fiduciary adjustment on line 5b. Also complete Form 41, Schedule 1, column B.

Is your original due date for Form 990-T the 15th day of the 5th month after the end of your tax year? Example: Your organization year end is December 31, 2010. Your original due date for Form 990-T is May 15, 2011. At the top of Form 41 write, "Original due date May 15, 2011."

Bankruptcy estates. Your return will consist of Oregon forms 41 and 40, and copies of your federal forms 1041 and 1040. Oregon Form 41 is used only as a transmittal for Form 40. If you request a prompt determination (aka: rapid audit), attach your written request to the bottom half of Form 41, page 1.

Period covered by the return. The return must be for the same tax year used for filing the federal return. Trusts are required to file on a calendar year.

When and where to file the return. All trust returns and estate returns filing on a calendar year are due on or before April 15. When the 15th falls on a Saturday, Sunday, or legal holiday, the due date is the next business day. Estate returns for other tax periods, fiscal year or short period, are due on or before the 15th day of the fourth month following the close of the estate's year. **Example:** Your estate is on a fiscal year starting October 1, 2009, and ending September 30, 2010. Form 41 is due by January 15, 2011. Mail the return to:

Oregon Department of Revenue
PO Box 14110
Salem OR 97309-0910

Signature. The fiduciary or officer representing the fiduciary must sign the return and provide the fiduciary's telephone number.

Accounting period. The accounting period must be the same as for federal income tax purposes. Show the same accounting period on your Form 41-V and your Form 41.

Accounting method. The accounting method must be the same as for federal income tax purposes. If the method is changed, adjustments must be made to avoid duplication or omission of income and deductions.

Amended return. If you need to amend your tax return, use the Form 41 for the specific tax year. Attach a complete narrative explanation with your reason for amending, a complete copy of the amended federal Form 1041, and all supporting documents.

Unused loss carryovers. IRC sections 172 and 1212 apply to an estate or trust and the beneficiaries. Attach a copy of the federal loss carryover schedule to Form 41.

Income taxable to the grantor or substantial owner. Any part of trust income taxable to the grantor or another person under IRC sections 671 through 678 isn't taxed on a fiduciary return. However, the income information must be shown on a statement attached to Form 1041. Attach a statement to Form 41 showing Oregon additions and subtractions to federal taxable income. If the grantor trust is exempt from filing Form 1041 under IRC regulation 1.671-4, it's also exempt from filing Form 41 (OAR 150-316.382).

Returns for estates and complex trusts. On Oregon Form 41, lines 1 through 7, allocate the income and Oregon modifications between the estate or trust and the beneficiary if an authorized distribution was made or required during the tax year. The fiduciary must provide the beneficiary with income distribution and Oregon fiduciary adjustment information on federal Form 1041, Schedule K-1. Attach a copy of each K-1 to Form 41. See instructions for line 6.

Transferee. The money and property of a taxpayer who has died passes to a person, estate or trust, called the transferee. The transferee may be liable for the obligations and liabilities of the deceased person. The liability includes tax, interest, and penalty. The transferee's liability is limited to the value of the property acquired from the decedent (ORS 314.310).

Extension of time for filing

For tax returns due on or after January 1, 2009, the extension of time to file a fiduciary tax return is five months.

If you need more time to file, send your payment and Form 41-V *(Oregon Fiduciary Tax Payment Voucher)* to: Oregon Department of Revenue, PO Box 14110, Salem OR 97309-0910.

When you make a payment, consider the 41-V payment voucher as your extension request. If you are not making

an Oregon payment, complete and file the federal extension Form 7004 with the IRS. Keep a copy of your complete federal extension form. Check the **"Extension to file"** box on Form 41, page 1. If we need a copy of your extension, we'll ask you to provide one.

An extension of time to file your return is not an extension of time to pay your tax. All tax due must be paid by the original due date of the return.

When you file your return

- If applicable, check the box on the front of Form 41 indicating **"Extension to file."**
- Include the amount you paid with Form 41-V, *Oregon Fiduciary Tax Payment Voucher*, on line 14.

Form 41 instructions

Simple trusts without capital gains or losses, or estates terminating in this tax year, must complete Form 41, lines 2, 5a, and 6 on the front, and lines 22–42 on the back.

If there are no distributions to the beneficiary, begin on line 4.

Line 5a. Enter the fiduciary adjustment allocable to the beneficiary (ORS 316.287 and OAR 150-316.287). If the adjustment is a **subtraction,** the beneficiary's share is limited to an amount equal to the distribution of income taxable on the beneficiary's individual return. A fiduciary adjustment **addition** increases the beneficiary's income. The beneficiary's share of the addition is limited as follows: Subtract the taxable portion of the distribution from the total amount of the distribution. The balance is the beneficiary's share, unless the amount of the addition is smaller.

Any amount of a fiduciary adjustment not allocable to a beneficiary is an adjustment to the fiduciary's taxable income.

Line 6. A copy of federal Form 1041, Schedule K-1 or an acceptable substitute, for each beneficiary, must be filed with Form 41. The total of the income and Oregon fiduciary adjustment reported on all Schedules K-1 must equal the amount entered on line 6. Each beneficiary's share of the fiduciary adjustment must either be shown at the bottom of their K-1 on a blank line or on a separate sheet attached to the K-1. Mark it "Oregon fiduciary addition (or subtraction)" and write in the amount the beneficiary is to report. Do not break the fiduciary adjustment down into separate components.

Example: An Oregon fiduciary adjustment includes a $3,300 federal tax subtraction, a $600 U.S. government interest subtraction, and a $1,300 Oregon tax addition. The amount reported to the beneficiary is an Oregon fiduciary adjustment of <$2,600>.

If you have a capital gain, which is not distributed to the beneficiaries, line 2 plus line 5a will not equal line 6. Attach a statement to your return and explain there is an undistributed capital gain on Form 1041, Schedule B, line 6.

Line 8. Tax. Use the 2010 rate schedule on Form 41, page 2, to figure the tax.

Line 9a. Enter the amount of Net Long-Term Capital Gains (NLTCG) from Schedule 1, column B, line 25.

Line 9b. Multiply line 9a by 5 percent to figure the reduced tax on the liquidated farm assets.

Line 11. Tax credits. Identify the credit claimed in the space provided. The amount claimed cannot be greater than the tax on line 10. **Do not include payments or claim of right credit on line 11; see line 14.**

Credit for income taxes paid to other states

Resident estates and trusts. Generally, you can claim this credit if the estate or trust has income that is taxed by both Oregon and another state. An Oregon resident trust that has income taxed by Arizona, California, Indiana, or Virginia may not claim the credit on the Oregon return. The credit should be claimed on the nonresident return for that state. If the trust is a resident of Oregon and also a resident of another state, the credit may be claimed on the Oregon return. Attach a copy of the return you filed with the other state and proof of payment of the tax. No credit is allowed if the tax has been claimed as a deduction. If a deduction for the other state's tax was claimed on Form 1041, it must be added to income on Oregon Form 41, Schedule 2, line 40. See the 2010 individual return instructions for Oregon Form 40, line 38, for how to figure the credit.

Nonresident estates and trusts. Oregon will allow a credit for taxes paid to another state if all of the following conditions are met:

- The estate or trust is a nonresident of Oregon.
- The estate or trust is a resident of Arizona, California, Indiana, or Virginia.
- The estate or trust has income that is taxed by both Oregon and the resident state.

Other credits. You may be entitled to a tax credit for business energy, dependent care assistance, political contributions, pollution control facilities, or reclaimed plastic. If you have questions about credits not listed above, send an e-mail with your question to: estate.help.dor@state.or.us.

Line 13. Oregon withholding. Fill in any Oregon withholding supported by Form W-2 and/or Form 1099 and/or Form OR-19. Match the federal employer identification number (FEIN) on the Form W-2, Form 1099, or Form OR-19 with the FEIN reported on Form 41. Also, match the recipient's name on the Form W-2, Form 1099, or Form OR-19 to the name of the trust or estate on Form 41. Attach any Form W-2 and/or Form 1099 and/or Form OR-19 showing Oregon withholding to Form 41, page 1.

If you claim credit for Oregon withholding and don't attach Form W-2, 1099, or Oregon Form OR-19 we will not give you credit for the withholding and will:

- Send you a bill, or
- Reduce your refund, or
- Deny your full refund.

Line 14. Payments and claim of right credit. Fill in any payments you made for tax year 2010. Include any payments made with an extension. Also include any claim of right

credit allowed. A claim of right exists when you are taxed on income in one year and in a future year find you have no right to that income and must repay it. Oregon allows a claim of right credit if your federal tax liability is computed under IRC 1341(a). Attach a statement showing the computation of your claim of right credit.

Line 18. Penalty. Include a penalty payment if you:

- Mail any tax due after the due date (even if you have an extension to file).
- File your return showing tax due after the due date (including any extended due date).

Penalty is 5 percent of the unpaid balance of your tax. If you get an extension, the penalty won't be charged if you:

- Pay at least 90 percent of the tax due on or before the original due date of the return; **and**
- Pay the balance of tax and interest when you file within the extension period; **and**
- Pay any interest due either when the return is filed or within 30 days of billing by the department.

If you file more than three months after the due date, including extensions, add an additional penalty of 20 percent.

Line 19. Interest. If you don't pay the tax by the original due date, interest will be charged on any unpaid tax.

For periods beginning	Annual	Monthly	Daily
January 1, 2011	5%	0.4167%	0.0137%
January 1, 2010	5%	0.4167%	0.0137%
January 1, 2009	6%	0.5000%	0.0164%

Interest rate may change once a calendar year.

Interest periods generally begin on the 16th day of the month the return is due. Returns are due on the 15th unless the 15th falls on a Saturday, Sunday, or holiday.

Interest is figured daily for periods of less than a month. A month, for example, is May 16 to June 15. Here's how to figure daily interest:

Tax × Daily interest rate × Number of days

Interest continues to accrue on any unpaid tax during an extension of time to file.

Example: Your return and tax payment was due on April 15, 2011. You filed your return timely and submitted payment of $3,200 on June 2, 2011. Your interest is figured starting on April 16, 2011, through June 2, 2011, as follows:

$3,200 x 0.4167 % monthly rate x 1 month (April 16 through May 15) = $13.32

$3,200 x 0.0137% daily rate x 18 days (May 16 through June 2) = $7.92

Your total interest is $21.24; include this interest with your tax payment.

Additional interest on deficiencies and delinquencies. Interest will increase by one-third of 1 percent per month (4 percent annually) on deficiencies or delinquencies if the following occur:

- You file a return showing taxes owing, **or** the Department of Revenue has assessed an existing deficiency, **and**
- The tax assessed is not paid within 60 days after the return is filed or the notice of assessment is issued, **and**
- You have not filed a timely appeal.

Line 20. Total Due. Enclose a check or money order with your return and payment voucher (Form 41-V) payable to **"Oregon Department of Revenue."** Write your daytime phone number, Oregon BIN or FEIN, and your accounting period on your check. Do not send cash or postdated checks.

Line 21. Refund. We cannot apply your fiduciary income tax refund as a payment to your next tax year. Do not write in any instructions for refund application on line 21.

Schedule 1—Oregon changes

Line 24. Changes in depreciation. Enter your depreciation difference between Oregon and federal. You will need the *Oregon Depreciation Schedule* if your federal and state depreciation are different.

Line 25. Other changes. Changes include differences between the federal return and the Oregon return in gains or losses from the sale of property. Also use this line to report differences in capital gains from the sale of farm use and forest use lands acquired from a decedent who died before 1987. Enter the amount in column B. Also enter the amount in column A if an authorized distribution was made, and the gains qualify for inclusion in distributable net income.

Electing small business trust. Amounts not included in federal distributable net income of an electing small business trust under IRC Section 641(c) must be included in column B, line 25.

Net long-term capital gain. Enter the net long-term capital gain (NLTCG) from farm assets that was not distributed as a negative number in Schedule 1, column B, line 25. The subtraction cannot exceed the amount of income that is reported for the fiduciary from federal Form 1041, line 22.

Line 29. Oregon changes distributed. Enter Oregon changes from column A, line 26, that were distributed to the beneficiaries. Enter zero if the amount on Form 1041, Schedule B, line 8 or line 11, is less than the amount on Schedule B, line 7.

The total of this line, plus the amounts from Form 1041, Schedule B, lines 12 and 15, can't exceed the amount on Schedule B, line 8 or 11.

Schedule 2—Fiduciary adjustment

This schedule is for figuring net Oregon modifications to federal taxable income.

Line 31. Federal income tax subtraction. This subtraction can't exceed $5,850 for 2010. To figure the subtraction, deduct the amount on federal Form 1041, Schedule G, lines 5 and 6, from the amount on federal Form 1041, line 23. For addi-

tional federal tax paid for years before 2010, see instructions for line 34.

Line 32. Interest on U.S. obligations. Enter the amount of interest from U.S. government obligations included in federal income and not otherwise deducted. U.S. government interest received from another fiduciary should be subtracted on line 34. Don't subtract that income a second time on this line. The total of interest or dividends from U.S. obligations included on federal Form 1041 must be reduced by the deductions allocable to such income (see Form 1041 instructions, *Allocation of Deductions for Tax Exempt Income*). Use the same formula to allocate deductions to U.S. government interest.

Line 34. Other subtractions. Enter other subtractions required by ORS 316.680 and ORS 316.695 that do not have a specific line. Attach a schedule that details the amount and nature of each subtraction included on this line. Enter the fiduciary's share of the fiduciary adjustment from another estate or trust that is a subtraction on this line. Also, enter any additional federal income tax paid during the tax year for prior years and not deducted on any prior year return. To determine the amount deductible, refer to the 2010 individual return instructions for Form 40, line 18.

Line 37. Interest on obligations of other states. Enter interest income from bonds of a state or political subdivision other than Oregon. (This type of income from another fiduciary is included in that fiduciary's adjustment and should not be duplicated on this line.)

Line 38. Depletion. If natural resource depletion entered on Form 1041 is in excess of the adjusted basis of the property, enter the excess on this line.

Line 39. Estate tax paid on "income in respect of a decedent" (IRD). To figure the amount of the federal estate tax deduction that must be added to taxable income on the Oregon return, use this formula:

A = IRD included in federal taxable income
B = IRD not taxable by Oregon
C = estate tax deducted on Form 1041

$$\frac{B}{A} \times C = \$_____ \text{ amount of the addition}$$

Enter amount on line 39.

Example:

A: $21,000 IRD included in federal taxable income.
B: $10,000 IRD not taxable by Oregon.
C: $1,170 federal estate tax deducted on Form 1041.

($10,000 / $21,000) x $1,170 = $562—amount of your Oregon addition on line 39.

Line 40. Other additions. Enter other additions required by ORS 316.680 and 316.695 that do not have a specific line. Attach a schedule that details the amount and nature of each addition included on this line. Enter this fiduciary's share of the fiduciary adjustment from another estate or trust that is an addition on this line. Also enter federal tax refunds received during the tax year from prior years, if the federal tax subtraction reduced the Oregon tax in prior years.

Deductions allowed under IRC sections 2053 or 2054 may be claimed on either Form IT-1, *Oregon Inheritance Tax Return;* or Form 41, *Oregon Fiduciary Income Tax Return;* but not both. The personal representative of an estate may make different elections for federal and Oregon returns. If the deductions are claimed on Form 41, attach a statement that the deductions are not being claimed on Form IT-1. For federal purposes, those deductions may be taken on either Form 706, federal *Estate Tax Return*; or Form 1041, federal *Income Tax Return for Estates and Trusts,* under IRC 642(g). See OAR 150-118.010(2).

Part-year resident and nonresident fiduciaries

Part-year resident trusts—use Schedule P to figure the Oregon tax. File Schedule P with Form 41.

Oregon taxes gross income from **all sources** for the portion of the tax year the trust was an Oregon **resident** and gross income from **Oregon sources only** while the trust was a **nonresident.**

All federal deductions are allowed for the portion of the year the trust was an Oregon resident. But only deductions directly related to Oregon sources are allowed while the trust was a nonresident.

A part-year resident trust required to file Form 41 must attach a copy of federal Form 1041 as filed. See "Filing requirements" instructions. To determine your total Oregon taxable income for the year, you may choose to complete a second "pro forma, mock" federal Form 1041, using only Oregon source income and deductions, or you may develop a schedule of the amounts of income, gain, loss, and deductions for Oregon. The full federal exemption amount is allowed. If you choose to complete a "pro forma, mock" federal Form 1041, write "Oregon Source Income" at the top of the form to distinguish it from the actual federal Form 1041 you filed for federal tax purposes.

Use the figures from the Oregon source Form 1041 (or Oregon source schedule) you prepared, to complete Form 41. Complete lines 1 through 7 and Form 41, Schedules 1 and 2 as though the Oregon source amounts were the only income and deductions for the tax year. The full federal tax subtraction is allowed on line 31 based on the federal liability from Form 1041 and subject to the $5,850 limit.

Then complete Schedule P, using the figures from Form 1041, to figure Oregon tax. Write this amount on Oregon Form 41, line 8.

Nonresident estates and trusts—A nonresident estate or trust required to file Form 41 must attach a copy of federal Form 1041 as filed. See "Filing requirements" on page 1. Oregon taxes only Oregon-source income received by the estate or trust. Deductions are allowed if they are directly related to Oregon-source income. The only exception is the federal tax subtraction, which must be apportioned as shown below.

To determine your total Oregon taxable income for the year, you may choose to complete a second federal Form 1041 using only Oregon-source income and deductions (a "pro forma, mock" return), or you may develop a schedule of the amounts of income, gain, loss, and deductions for Oregon. The full federal exemption amount is allowed. If you choose to complete a "pro forma, mock" federal Form 1041, write "Oregon-Source Income" at the top of the form to distinguish it from the actual federal Form 1041 you filed for federal tax purposes.

Federal tax subtraction for nonresidents—The federal tax subtraction must be apportioned to determine the amount related to Oregon sources. Use this formula:

A = Form 41, line 30, (Oregon-source items only)

B = Form 41, line 30, (all source items)

C = Federal tax (lesser of actual liability or $5,850)

$$\frac{A}{B} \times C = \$_____ \text{ amount of the subtraction}$$

Enter on Form 41, Schedule 2, line 31.

Oregon source income

Oregon is permanently tied to the federal definition of gross income as found in the Internal Revenue Code. This tie is retroactive to December 31, 2002.

Examples of Oregon source income are: wages or other compensation for services performed in Oregon; income or loss from business activities in Oregon, including rents, S corporations, and partnerships; gain or loss from the sales of real or tangible personal property located in Oregon; income from intangible personal property if the property has acquired Oregon business situs.

For more information, see OAR 150-316.127 and the 2010 Oregon Nonresident and Part-Year Resident income tax booklet.

How to assemble the return

Assemble your Oregon fiduciary return in the following order:

1. Form 41, pages 1 and 2. Attach Form W-2, 1099, or OR-19 to the left margin on the front, if they show Oregon withholding Attach the following to the bottom half of page 1:
   1a. Bankruptcy estates. Written request for a prompt audit.
   1b. Election for Final Tax Determination for Income Taxes and Application for Discharge from Personal Liability for Tax of a Decedent's Estate, 150-101-151. You may also file this separately after you file Form 41.
2. Schedule P (if part-year resident trust).
3. "Pro forma, mock" Form 1041 or a schedule of Oregon-source income and deductions, if the return is from a part-year resident trust or nonresident estate or trust.
4. Form 24, *Like-Kind Exchanges/Involuntary Conversions.*
5. A copy of federal Form 1041 and all schedules, including Schedule K-1.
6. A copy of federal Form 8855, *Election to Treat a Qualified Revocable Trust as Part of an Estate,* if it applies.
7. Credit for income tax paid to another state. Attach the other state's tax return and proof of income tax payment.

Staple the pages together at the top left corner.

Authorize your preparer. To authorize your preparer to discuss your return with us, check the box located between the signature lines for the fiduciary and the preparer. To authorize a person other than the preparer, please attach a signed *Tax Information Authorization and Power of Attorney for Representation*.

Taxpayer assistance

www.oregon.gov/DOR

- Forms: www.oregon.gov/dor/business/forms-fiduciary.shtml
- E-mail: **estate.help.dor@state.or.us**

This e-mail address is not secure and confidentiality cannot be ensured. General tax and policy questions only.

Telephone

Salem 503-378-4988
Toll-free from Oregon prefix 1-800-356-4222

Monday through Friday ..... 7:30 a.m.–5:00 p.m.
Closed Thursdays from 9:00 a.m.–11:00 a.m. Closed on holidays.

Extended hours during tax season. Wait times may vary.

Asistencia en español:
Salem 503-378-4988
Gratis de prefijo de Oregon 1-800-356-4222

TTY (hearing or speech impaired; machine only):
Salem 503-945-8617
Toll-free from Oregon prefix 1-800-886-7204

Americans with Disabilities Act (ADA): Call one of the help numbers for information in alternative formats.

Correspondence

Include your Oregon business identification number (BIN) or federal employer identification number (FEIN) and a daytime telephone number for faster service. **Write to:** Oregon Department of Revenue, 955 Center St NE, Salem OR 97301-2555.

Clear Form

Form **41** (101, 102)

OREGON FIDUCIARY INCOME TAX RETURN

2010

or **Fiscal Year Beginning:** Mo Day Year ● **Ending:** Mo Day Year

For office use only		
Date received ●		
Payment ●		
Penalty date ●		
1 ●	2 ●	3 ●

Name of trust or estate (first name, middle initial, last name)— PRINT CLEARLY OR TYPE ☐ **Check if new name**

Name of fiduciary (first name, last name) and title (TTEE or PR) ☐ **Check if new name**

Street address or P.O. box ☐ **Check if new address**

City | State | ZIP code

Oregon business identification number (BIN) ●

Federal employer identification number (FEIN)

☐ Extension to file
☐ Form 24 is attached
☐ Amended return

●A. Check one box: ☐ (101) An Estate: date of death _____ ☐ (102) A Bankruptcy Estate
☐ (102) A Funeral Trust ☐ (102) A Trust ☐ (101) A Trust Filing as an Estate. Attach IRS Form 8855. Date of death: _____

B. This is: ☐ A First Return ☐ A Final Return

C. Check one box: ☐ An Oregon Resident ☐ A Nonresident ☐ A Part-Year Trust (use Schedule P to compute the tax)

D. If exempt organization, check federal form filed: ☐ 990-T ☐ Other: Specify _____

ATTACH A COPY OF FEDERAL FORM 1041, SCHEDULE K-1s, AND APPLICABLE SCHEDULES

Round all amounts to the nearest whole dollar

Attach W-2s and 1099 here

		Beneficiary	Fiduciary
1.	Revised distributable net income **from Form 41, Schedule 1, line 27**	1	
2.	Distribution deduction **from federal Form 1041, Schedule B, line 15, plus Form 41, Schedule 1, line 29**	2	
	a. Tax-exempt income deducted in computing distribution deduction **from federal Form 1041, Schedule B, line 12**	2a	
	b. Add lines 2 and 2a	2b	
3.	Percentage Line 2b $ / Line 1 $ =	3 %	
4.	Revised taxable income of fiduciary **from Form 41, Schedule 1, line 30**	4	
5.	Fiduciary adjustment **from Form 41, Schedule 2, line 42** Show as an ☐ addition or ☐ subtraction	5	
	a. Beneficiary's share (line 5 × % on line 3—see instructions)	5a	
	b. Fiduciary's share (line 5 minus line 5a)	5b	
6.	Income to be reported by beneficiaries (**Form 1041, Schedule K-1 attached**—see instructions) Line 2 plus line 5a	6	
7.	Oregon taxable income of fiduciary (total or net of lines 4 and 5b)	7	
8.	Tax **using rate schedule on page 2, or from Schedule P, line 11**	8	
9.	NLTCG from Schedule 1, line 25, column B: 9a _____ × 0.05	9b	
10.	Total tax (add lines 8 and 9b)	10	
11.	Tax credits. (Enter payments on line 14.) (See instructions.) **Identify credit** _____	11	
12.	Balance of tax (line 10 minus line 11)	●12	
13.	Oregon income tax withheld (attach form W-2 or 1099 to front of return)	● 13	
14.	Payments and claim of right credit (see instructions)	14	
15.	Total payments (line 13 plus line 14)	15	
16.	**Tax due.** Is line 12 more than line 15? If so, line 12 minus line 15	**Tax Due** 16	
17.	**Overpayment.** Is line 15 more than line 12? If so, line 15 minus line 12	**Overpayment** 17	
18.	Penalty for filing or paying late (see instructions)	18	
19.	Interest due with this return (see instructions)	19	
20.	**Total Due** (line 16 plus lines 18 and 19)	**Total Due** 20	
21.	**Refund** (line 17 minus lines 18 and 19) (see instructions)	**Refund** 21	

Mail this return on or before the 15th day of the fourth month after the end of the taxable year.

Mail to: Oregon Department of Revenue, PO Box 14110, Salem OR 97309-0910

Name of estate or trust	Federal employer identification number (FEIN)

SCHEDULE 1—OREGON CHANGES TO DISTRIBUTABLE NET INCOME (DNI) AND TAXABLE INCOME OF FIDUCIARY (TIF)

(refer to specific instructions)

		(Column A) DNI		(Column B) TIF
22. Distributable net income **(from federal Form 1041, Schedule B, line 7)**	22			
23. Taxable income of fiduciary **(from federal Form 1041, line 22)**			23	
24. Difference in depreciation for Oregon (see instructions)	24		24	
25. Other changes. Identify _____	25		25	
26. Line 24 plus line 25	26		26	
27. Revised distributable net income (Column A, line 22 plus line 26) Enter here and on page 1, line 1	27			
28. Total taxable income (Column B, line 23 plus line 26)			28	
29. Changes included on Column A, line 26, **that were distributed**			29	
30. Revised taxable income of fiduciary (total or net of lines 28 and 29) Enter here and on page 1, line 4			30	

SCHEDULE 2—FIDUCIARY ADJUSTMENT

(refer to specific instructions)

		Subtractions
31. 2010 federal income tax subtraction—limited to $5,850	31	
32. Interest on U.S. obligations included in income on federal Form 1041 $ _____, less allocation of administration and miscellaneous expenses $ _____	32	
33. Oregon income tax refund included as income on federal Form 1041	33	
34. Other subtractions (attach explanation)	34	
35. Add lines 31 through 34	35	
		Additions
36. Oregon income tax deducted on 2010 federal Form 1041	36	
37. Interest on obligations of other states or their political subdivisions	37	
38. Depletion in excess of adjusted basis	38	
39. Estate taxes on income in respect of a decedent not taxable by Oregon	39	
40. Other additions (attach explanation)	40	
41. Add lines 36 through 40	41	
42. Fiduciary adjustment (difference between lines 35 and 41)	42	

This adjustment is an ☐ addition or ☐ subtraction on page 1, line 5.

2010 RATE SCHEDULE—Compute the Tax Using the Following Rates. See instructions.

If your taxable income is:	Your tax is:
Not over $3,050	5% of taxable income
Over $3,050 but not over $7,650	$153 plus 7% of the excess over $3,050
Over $7,650 but not over $125,000 (see instructions)	$475 plus 9% of the excess over $7,650
Over $125,000 but not over $250,000 (see instructions)	$11,036 plus 10.8% of the excess over $125,000
Over $250,000 (see instructions)	$24,536 plus 11% of the excess over $250,000

Under penalty of false swearing, I declare that the information in this return and any attachments is true, correct, and complete.

Signature of fiduciary	Print name	Date
X		

Title (if applicable)	Daytime telephone number
	( )

☐ **Check the box to authorize the preparer to receive and provide any confidential tax information relating to this return.**

Signature of preparer other than fiduciary	Print name and title	Date
X		

Mailing address of preparer	Daytime telephone number
	( )