

 **Illinois Department of Revenue**
Schedule K-1-T(2) Beneficiary's Instructions

General Information

What is the purpose of Schedule K-1-T?

The trust or estate listed on the front of Schedule K-1-T has completed and provided you with the schedule that reflects your share of the trust's or estate's income and modifications. Use this completed schedule and these instructions to help you report the items shown on Schedule K-1-T on your Illinois Income Tax return. **Please keep this schedule for your records.** See the instructions of the Illinois return you are filing to determine if you **must** attach a copy of this schedule.

What if I believe the trust or estate has made an error on my Schedule K-1-T?

If you believe the trust or estate has made an error on your Schedule K-1-T, notify the trust or estate and ask for a corrected Schedule K-1-T. Do not change any items on your copy.

What does Column A represent?

Column A represents your specific share of the trust's or the estate's income and modifications. The trust or estate is required to complete this column if any part of the trust's or estate's income was paid, credited, or distributed, or deemed to have been paid, credited, or distributed by the trust or estate to you. If you were a resident of Illinois on the last day of the trust's or estate's taxable year, only Column A should have been completed and all amounts in Column A must be included as income and modifications allocated to Illinois. If you were not a resident of Illinois on the last day of the trust's or estate's taxable year, Column B will also be completed. See "What does Column B represent?"

What does Column B represent?

Column B represents the portion of Column A that is allocated or apportioned to Illinois. The trust or estate is required to complete this column if you were not a resident of Illinois on the last day of the trust's or estate's tax year. Make sure the amounts reported in Column B are included in the amounts reported on your

- Form IL-1040, Schedule NR, Nonresident and Part-Year Resident Computation of Illinois Tax, Column B;
- Form IL-1041, Schedule NR, Nonresident Computation of Fiduciary Income, Columns 2, 3, and 4; or

- Form IL-1065, Form IL-1120, or Form IL-1120-ST, Part III, Base Income (loss) allocable to Illinois.

Step-by-Step Instructions

These instructions are intended to help you report your share of the trust's or estate's income and modifications on your Illinois income tax return.

Steps 3 and 4 - Your share of nonbusiness and business income —

Column A - Beneficiary's share —

Lines 9 through 29 - Make sure the amounts reported on these lines match your federal Schedule K-1.

Column B - Nonresident beneficiary's share —

Step 3 represents your share of the trust's or estate's nonbusiness income allocated to Illinois. Step 4 represents your share of the trust's or estate's business income apportioned to Illinois. To determine the amount to include on specific lines of your Form IL-1065, IL-1120, or IL-1120-ST, or (Form IL-1040 or IL-1041) Schedule NR, follow the instructions below.

► *For individuals filing Form IL-1040, Schedule NR —*

Note → Use the following instructions in order to include the income reported in Steps 3 and 4 of Schedule K-1-T, on your Form IL-1040, Schedule NR, Step 3, Lines 7 through 21.

Interest income - Nonbusiness interest is not taxed by Illinois. Step 3, Line 9, Column B, should be "0." Include the amount from Step 4, Line 19, Column B, on your Schedule NR, Step 3, Line 8, Column B.

Dividend income - Nonbusiness dividends are not taxed by Illinois. Step 3, Line 10, Column B, should be "0." Include the amount from Step 4, Line 20, Column B, on your Schedule NR, Step 3, Line 9, Column B.

Rents, royalties, partnerships, S corporations, trusts, and estates -

Add Step 3, Column B,
 Line 11 _____
 Line 12 _____
 Line 13 _____
 Line 14 _____
 and
 Step 4, Column B,
 Line 25 _____
 Line 28 _____

Total _____

Include this total amount on your Schedule NR, Step 3, Line 17, Column B.

Capital gain or loss - Add Step 3, Lines 15, 16, and 17, Column B, and Step 4, Lines 21 and 22, Column B. Include this total amount on your Schedule NR, Step 3, Line 13, Column B.

Other income - The trust or estate is required to identify or send you a breakdown of the items reported on Step 3, Line 18, and Step 4, Line 29. This identification or breakdown will determine on what lines of your federal return you need to report the income in Column A. The amounts reported in Column B need to be reported on the corresponding lines of your Schedule NR, Column B.

► *For trusts or estates filing Form IL-1041, Schedule NR —*

Interest income - Nonbusiness interest is not taxed by Illinois. Include the amount of business interest from Step 4, Line 19, Column B, on your Schedule NR, Part I, Line 1, Column 3.

Dividend income - Nonbusiness dividends are not taxed by Illinois. Include the amount of business dividends from Step 4, Line 20, Column B, on your Schedule NR, Part I, Line 2, Column 3.

Income or loss from trusts and estates -

Add Step 3, Column B,
 Line 11 _____
 Line 12 _____
 Line 13 _____
 Line 14 _____
 and
 Step 4, Column B,
 Line 25 _____
 Line 28 _____

Total _____

Include this total amount on your Schedule NR, Part I, Line 5c, Column 3.

Nonbusiness gain or loss - Add Step 3, Lines 15, 16, and 17, Column B. Include this total amount on your Schedule NR, Part I, Line 4, Column 3.

Business gain or loss - Add Step 4, Lines 21 and 22, Column B. Include this total amount on your Schedule NR, Part I, Line 7, Column 3.

Other income - The trust or estate is required to identify or send you a breakdown of the items reported on Step 3, Line 18, and Step 4, Line 29. This identification or breakdown will determine on what lines of your federal return you need to report the income in Column A. The amounts reported in Column B need to be reported on the corresponding lines of your Schedule NR, Column 3.

► *For partnerships filing Form IL-1065, corporations filing Form IL-1120, or S corporations filing Form IL-1120-ST* —

Include the amounts in Step 3, Column B, in the total amount you report on your Form IL-1065, Form IL-1120, or Form IL-1120-ST, Part III, Line 7. Include the amounts in Step 4, Column B, in the total amount you report on your Form IL-1065, Form IL-1120, or Form IL-1120-ST, Part III, Line 8.

Step 5 - Your share of Illinois additions and subtractions —

Column A - Beneficiary's share —

Lines 30 through 37f - Make sure the amounts reported on these lines are reported in your Illinois base income by including them on your

- Form IL-1040, Lines 2 through 9;
- Form IL-1041, Part I, Lines 2a through 4g;
- Form IL-1065, Part I, Lines 2a through 5g;
- Form IL-1120, Part I, Lines 2a through 5f; or
- Form IL-1120-ST, Part I, Lines 2a through 5e.

Column B - Nonresident beneficiary's share —

► *For individuals filing Form IL-1040, Schedule NR* —

Note Use the following instructions in order to include the Illinois additions and subtractions reported in Step 5 of Schedule K-1-T, on your Form IL-1040, Schedule NR, Step 4, Lines 40 through 47.

Line 30 - Include the amount on this line on your Schedule NR, Step 4, Line 40, Column B.

Lines 31 and 32 - Add Lines 31 and 32, Column B. Include this total amount on your Schedule NR, Step 4, Line 41, Column B.

Lines 33a and 33b - Add Lines 33a and 33b, Column B. Include this total amount on your Schedule NR, Step 4, Line 46, Column B.

Lines 34 and 35 - Add Lines 34 and 35, Column B. Include this amount on your Schedule NR, Step 4, Line 43, Column B.

Lines 36a through 37f - Add Lines 36a through 37f, Column B. Include this amount on your Schedule NR, Step 4, Line 47, Column B.

► *For trusts or estates filing Form IL-1041, Schedule NR* —

Line 30 - Include this amount as an addition on your Schedule NR, Part I, Line 1, Column 4.

Line 31 - Include this amount as an addition on your Schedule NR, Part I, Line 11, Column 4.

Line 32 - Include this amount as an addition on your Schedule NR, Part I, Line 5c, Column 4.

Lines 33a and 33b - Add Lines 33a and 33b, Column B. Include this total amount as a subtraction on your Schedule NR, Part I, Line 1, Column 4.

Lines 34 through 36b - Include these amounts as subtractions on your Schedule NR, Part I, Column 4. Refer to Lines 1 through 8, Column 3, to determine on what lines in Column 4 these subtractions should be included.

Line 37a - Include this amount as a subtraction on your Schedule NR, Part I, Column 4. Refer to Lines 1 through 8, Column 3, to determine on what line in Column 4 this subtraction should be included.

Line 37b - Include the subtraction amount from partnerships and S corporations on your Schedule NR, Part I, Line 5b, Column 4, and the subtraction amount from trusts and estates on Line 5c, Column 4.

Line 37c - Include this amount as a subtraction on your Schedule NR, Part I, Column 4. Refer to Lines 1 through 8, Column 3, to determine on what line in Column 4 this subtraction should be included.

Line 37d - Include this amount as a subtraction on your Schedule NR, Part I, Line 8, Column 4.

Line 37e - Include this amount as a subtraction on your Schedule NR, Part I, Column 4. Refer to Lines 1 through 8, Column 3, to determine on what line in Column 4 this subtraction should be included.

Line 37f - Include this amount as a subtraction on your Schedule NR, Part I, Column 4. Refer to Lines 1 through 8, Column 3, to determine on what line in Column 4 this subtraction should be included.

► *For partnerships filing Form IL-1065, corporations filing Form IL-1120, or S corporations filing Form IL-1120-ST* —

Lines 30 through 32 - Add Lines 30 through 32, Column B. Include this total amount on your Form IL-1065, Form IL-1120, or Form IL-1120-ST, Part III, Line 8.

Lines 33a and 34 through 37f - Add Lines 33a, and 34 through 37f, Column B. Include this total amount on your Form IL-1065, Form IL-1120, or Form IL-1120-ST, Part III, Line 8.

Line 33b - Include this amount on your Form IL-1065, Form IL-1120, or Form IL-1120-ST, Part III, Line 7.

Step 6 - Your share of the Illinois August 1, 1969, appreciation amounts —

Column A - Beneficiary's share —

► *For individuals filing Form IL-1040, Schedule F* —

Line 38 - Include this amount on your Schedule F, Step 2, Line 6, Column H.

Line 39 - Include this amount on your Schedule F, Step 2, Line 6, Column I.

Line 40 - Include this amount on your Schedule F, Step 1, Line 2.

► *For trusts or estates filing Form IL-1041, Schedule F* —

Line 38 - Include this amount on your Schedule F, Line 2, Column K.

Line 39 - Include this amount on your Schedule F, Line 2, Column L.

Line 40 - Include this amount on your Schedule F, Line 2, Column M.

► *For partnerships filing Form IL-1065, Schedule F, or S corporations filing Form IL-1120-ST, Schedule F* —

Use the information in Column A when completing Step 6 of the Schedule K-1-P for your partners or shareholders.

Column B - Nonresident beneficiary's share —

► *For individuals filing Form IL-1040, Schedule NR* —

Lines 38 through 40 - Add Lines 38 through 40, Column B. Include this total amount as a subtraction on your Schedule NR, Step 4, Line 47.

► *For trusts or estates filing Form IL-1041, Schedule NR* —

Lines 38 through 40 - Include these amounts as subtractions on your Schedule NR, Part I, Line 4, Column 4, or Line 7, Column 4, whichever line is applicable.

► *For partnerships filing Form IL-1065, Schedule F, or S corporations filing Form IL-1120-ST, Schedule F* —

Line 38 - Include this amount on your Schedule F, Line 2, Column K.

Line 39 - Include this amount on your Schedule F, Line 2, Column L.

Line 40 - Include this amount on your Schedule F, Line 2, Column M.

