

**Who must pay estimated tax?**

A fiduciary for an estate or trust must pay estimated North Dakota income tax for the 2017 tax year if all four of the following conditions apply:

1. The fiduciary is required to pay estimated federal income tax for the 2017 tax year. This condition applies whether or not the fiduciary actually makes the required payment(s) of estimated tax to the Internal Revenue Service.
2. The fiduciary's net tax liability for the 2016 tax year was equal to or more than \$1,000.

*Note: If the fiduciary was not required to file a North Dakota income tax return for the 2016 tax year, the fiduciary's net tax liability is zero for purposes of this condition.*

3. The fiduciary expects to owe (after subtracting any estimated North Dakota income tax withholding) an amount equal to or more than \$1,000 for the 2017 tax year.
4. The fiduciary expects North Dakota income tax withholding for the 2017 tax year to be less than the smaller of:
  - a. 90% of the net tax liability for the 2017 tax year.

*Note: Substitute 66 2/3% if a qualified farmer. See "Farmer" under "Payment amounts and due dates" later in these instructions.*

- b. 100% of the net tax liability for the 2016 tax year.

*Note: If the estate or trust was not in existence for the entire 2016 tax year, part b does not apply; the 90% threshold in part a must be applied.*

**How to determine the estimated tax**

Complete the worksheet on page 2. For line 1 of the worksheet, estimate the federal taxable income using the 2017 Form 1041-ES, the federal estimated tax form for estates and trusts. For lines 2, 4, and 7 of the worksheet, see the instructions to the 2016 Form 38.

**Payment amounts and due dates**

In general, one-fourth (25%) of the total estimated tax required to be paid (from line 14 of the worksheet) for the 2017 tax year must be paid by each of the following due dates:

- 1st installment April 15, 2017
- 2nd installment June 15, 2017
- 3rd installment September 15, 2017
- 4th installment January 15, 2018

The above due dates apply if the fiduciary's tax year is a calendar year—January 1 through December 31, 2017. However, if the tax year is a fiscal year, the installments are due on the 15th day of the 4th, 6th, and 9th months of the current tax year, and the 15th day of the 1st month of the following tax year. If any installment due date falls on a Saturday, Sunday, or legal holiday, the installment is not due until the next business day.

**Farmer**—If the fiduciary qualifies as a farmer for federal estimated income tax purposes for the 2017 tax year, the fiduciary may pay the estimated tax according to the general rules explained above, or the fiduciary may pay the full amount of the estimated tax due by January 15, 2018.

*Note: Regardless of the option chosen, the fiduciary has until the regular due date to file the 2017 North Dakota fiduciary income tax return.*

**Part-year requirement**—If a fiduciary for a nonresident estate or trust, or an estate or trust that was created during the tax year, does not receive income from North Dakota sources until after the first installment due date, the fiduciary must pay the required estimated tax in equal payments over the remaining installment due dates following the receipt of income from North Dakota sources.

**How and where to pay**

**Electronic payment.** An estimated income tax payment may be made electronically in one of the following ways. *If paying electronically, do not use the vouchers attached to this form.*

- **Online.** A payment may be made using a debit or credit card or electronic check. North Dakota contracts with a national electronic payment service to provide this option. A fee is charged for this service, none of which goes to the State of North Dakota. The amount of the fee will be provided during the transaction with an option to continue or cancel the transaction.

- **Electronic funds transfer.** A payment may be made by means of an Automated Clearing House (ACH) credit transaction that the taxpayer initiates through its banking institution.

For more information and to make an electronic payment, go to our website at [www.nd.gov/tax](http://www.nd.gov/tax).

**Payment by check or money order.** If paying by check or money order, make it payable to "ND State Tax Commissioner." To ensure proper credit to the account, write the last four digits of the federal employer identification number (FEIN) and "2017 38-ES" on the check or money order. Detach and complete the applicable installment's payment voucher. Mail the payment and voucher to:

Office of State Tax Commissioner  
600 E. Boulevard Ave., Dept. 127  
Bismarck, ND 58505-0599

A check must be drawn on a U.S. or Canadian bank, be in U.S. dollars, and use a standard 9-digit routing number. A check drawn on a foreign bank (except one in Canada) cannot be accepted.

**Underpayment or late payment interest**

Interest may be charged if not enough estimated tax is paid, or if the payment is not made on time or in the required amount. This applies even if there is a refund on the North Dakota fiduciary income tax return for the 2017 tax year. Interest is calculated at the rate of 12% per year from the installment due date to the earlier of the date the estimated tax is paid or the regular due date of the return.

**Need help?**

If you have questions or need forms, see page 3 of this form for how to contact us.

**Privacy Act Notification.** In compliance with the Privacy Act of 1974, disclosure of a social security number or Federal Employer Identification Number (FEIN) on this form is required under N.D.C.C. §§ 57-01-15 and 57-38-62, and will be used for tax reporting, identification, and administration of North Dakota tax laws. Disclosure is mandatory. Failure to provide the social security number or FEIN may delay or prevent the processing of this form.

**2017 Estimated Income Tax Worksheet—Estate or Trust**

1. Estimated federal taxable income for the 2017 tax year ( <i>from worksheet in 2017 Federal Form 1041-ES</i> ) .....	1	_____
2. Addition adjustments—see the instructions to the 2016 Form 38, Tax Computation Schedule, line 2, for addition adjustments .....	2	_____
3. Balance ( <i>Add lines 1 and 2</i> ) .....	3	_____
4. Subtraction adjustments—see the instructions to the 2016 Form 38, Tax Computation Schedule, line 4, for subtraction adjustments .....	4	_____
5. North Dakota taxable income ( <i>Subtract line 4 from line 3</i> ) .....	5	_____
6. North Dakota income tax—calculate the tax for the amount on line 5 as follows .....	6	_____
<ul style="list-style-type: none"> <li>• If a resident estate or trust, calculate the tax using the 2017 Tax Rate Schedule below.</li> <li>• If a nonresident estate or trust, complete lines 15 through 19 below.</li> </ul>		
7. Credits—see the instructions to the 2016 Form 38, page 1, line 3, for allowable credits .....	7	_____
8. Net tax liability ( <i>Subtract line 7 from line 6</i> ) .....	8	_____
9. Estimated North Dakota income tax withholding for the 2017 tax year .....	9	_____
10. Balance due ( <i>Subtract line 9 from line 8</i> ) If the amount on this line is less than \$1,000, stop here; no estimated tax is due .....	10	_____
11. Multiply line 8 by 90% (.90) [or 66 2/3% (.6667) if a qualified farmer] .....	11	_____
12. Net tax liability from 2016 Form 38, page 1, line 4. If no return was required for 2016, enter 0. If the amount on this line is less than \$1,000, stop here; no estimated tax is due .....	12	_____
13. Enter the smaller of line 11 or line 12. However, if the estate or trust was not in existence for the entire 2016 tax year, enter the amount from line 11. If line 9 is equal to or greater than the amount on this line, stop here; no estimated tax is due .....	13	_____
14. Minimum annual payment. ( <i>Subtract line 9 from line 13</i> ) Divide this amount by four to determine the amount to pay on each installment due date. See “Payment amounts and due dates” in the instructions on page 1 for the due dates and for exceptions to paying in four installments .....	14	_____

**Nonresident estate or trust tax calculation only (lines 15 through 19)**

15. Calculate the tax for the amount on line 5 using the 2017 Tax Rate Schedule below .....	15	_____
16. Income from North Dakota sources. Enter the portion of the fiduciary's income that is reportable to North Dakota (except U.S. obligation interest) .....	16	_____
17. Estimated total income of fiduciary (reduced by U.S. obligation interest) .....	17	_____
18. North Dakota income ratio ( <i>Divide line 16 by line 17. Round to nearest two decimal places. If line 16 is more than line 17, enter 1.00</i> ) .....	18	_____
19. Multiply line 15 by line 18. Enter this amount on line 6 above .....	19	_____

**2017 Tax Rate Schedule****Estate or Trust****If North Dakota taxable income is:****Your tax is equal to:**

Over But not over

\$ 0	\$ 2,550	.....	1.10% of North Dakota taxable income	
2,550	6,000	...	\$ 28.05 + 2.04% of amount over	\$ 2,550
6,000	9,150	...	98.43 + 2.27% of amount over	6,000
9,150	12,500	...	169.94 + 2.64% of amount over	9,150
12,500		.....	258.38 + 2.90% of amount over	12,500

**Call**

Questions: (701) 328-1247

Forms: (701) 328-1243

If speech or hearing impaired, call us through  
Relay North Dakota at 1-800-366-6888.

**E-mail**

Request forms, ask questions, or send messages to  
us via e-mail at—

**individualtax@nd.gov****Web site**

Our Web site address is—

**www.nd.gov/tax****Write**

Office of State Tax Commissioner  
600 E. Boulevard Ave., Dept. 127  
Bismarck, ND 58505-0599

**Walk-in assistance**

Stop in to see us in person at our main office in Bismarck. You  
will find us in the—

Individual Income Tax Section  
State Capitol, 16th Floor  
Monday through Friday (except holidays)  
8:00 a.m. to 5:00 p.m.

**Record of estimated tax payments for 2017 tax year**

<i>Installment number</i>	<i>Payment due date <sup>1</sup></i>	<i>Date paid</i>	<i>Check or money order number</i>	<i>Amount paid</i>	<i>Amount, if any, applied from 2016 return <sup>2</sup></i>	<i>Total amount paid</i>
1	April 15, 2017					
2	June 15, 2017					
3	Sept. 15, 2017					
4	Jan. 15, 2018					
Total estimated tax paid for 2017 .....						

<sup>1</sup> In the case of (1) a fiscal year filer, (2) a farmer, or (3) a fiduciary whose estimated tax requirement does not begin until after April 15, 2017, see instructions for applicable due dates.

<sup>2</sup> If a statement was attached to the 2016 North Dakota return electing to apply part or all of the 2016 overpayment to a quarter other than the first quarter of 2017, enter the overpayment on the applicable quarter's line.

**38-ES****Form 38-ES Estimated Tax Payment Voucher - Estate or Trust**

North Dakota Office of State Tax Commissioner  
28723



☐ Calendar year: 2017 (Jan. 1 - Dec. 31, 2017)

☐ Fiscal year: Begins \_\_\_\_\_, 2017, and ends \_\_\_\_\_, \_\_\_\_\_

**Do not use this voucher  
if paying electronically**

Name of estate or trust	Federal employer identification number
Name and title of fiduciary	Telephone number
Mailing address	<b>Amount of payment</b>
City, state and ZIP code	

- Make check or money order payable to "ND State Tax Commissioner."
- Write last four digits of FEIN and "2017 38-ES" on check or money order.
- Mail to: Office of State Tax Commissioner, 600 E. Boulevard Ave., Dept. 127, Bismarck, ND 58505-0599

For Tax  
Department  
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