

NJ-1041SB
2013

State of New Jersey
GROSS INCOME TAX
FIDUCIARY RETURN
ELECTING SMALL BUSINESS TRUST

For Taxable Year January 1, 2013 - December 31, 2013

5-F

Or Other Taxable Year Beginning _____ 2013, Ending _____, 20____

Check this block ☐ if application for Federal extension is attached or enter confirmation number _____

Federal Employer Identification Number	Name of Trust		
Residency Status <input type="checkbox"/> Resident Trust <input type="checkbox"/> Non Resident Trust	Name and Title of Fiduciary		
	Address of Fiduciary (Number and Street or Rural Route)		
	City, Town, Post Office	State	Zip Code

PART I - S CORPORATION INCOME

1. Net pro rata share of S corporation income (attach Schedule(s) NJ-K-1), (If loss enter "0")	1.		
2. Net gain or loss from disposition of S corporation's assets	2.		
3. Net gain or loss from disposition of S corporation stock	3.		
4. Net gain from disposition of property (Combine line 2 and line 3), (If loss enter "0")	4.		
5. Taxable S corporation portion of income (Add Line 1 and line 4)	5.		
6. Tax due on S corporation portion of income	6.		
7. Credit for income taxes paid to other jurisdictions on S corporation portion of income (From Part I Schedule E, Line 56)	7.		
8. Balance of tax due on S corporation portion of income (Line 6 minus Line 7)	8.		

PART II ESBT NON S CORPORATION INCOME

Resident Trust: Complete PART II only if the ESBT has non-S corporation income

Nonresident Trust: Complete PART II only if the ESBT has non-S corporation income from New Jersey sources

In case of a net loss in any category, enter "0" for that category

9. Interest	Tax-Exempt Interest	9.		
10. Dividends	Tax-Exempt Dividends	10.		
11. Net profits from business (From Part II Schedule A, Line 42)		11.		
12. Net gains or income from disposition of property (From Part II Schedule B, Line 46)		12.		
13. Net gains or income from rents, royalties, patents, and copyrights (From Part II Schedule C, Line 49)		13.		
14. Distributive Share of Partnership Income (Enclose Schedule NJK-1)		14.		
15. Net pro rata share of S Corporation Income (Enclose Schedule NJ-K-1)		15.		
16. Other Income - State Nature		16.		
17. Gross Income (Add Lines 9 through 16) If \$10,000 or less, see NJ-1041 instructions		17.		

SIGN HERE

Election Statement: I declare that this trust is a federal Electing Small Business Trust and consents to be taxed as a New Jersey Electing Small Business Trust for tax year 2013.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. If prepared by a person other than taxpayer, this declaration is based on all information of which the preparer has any knowledge.

Signature of Fiduciary or Officer Representing Fiduciary

Date

Signature of Preparer Other than Fiduciary

Address

Date

Fed. ID. No.

Pay amount on Line 37 in full.
Write Federal ID number
on check or money order
and make payable to:

STATE OF NEW JERSEY-TGI
Division of Taxation
Revenue Processing Center
PO Box 648
Trenton, NJ 08646-0648

Federal Employer Identification Number	Name of Trust	Name and Title of Fiduciary
18. Gross Income (From Page 1, Line 17)	18.	
19. Distributions (From Part II Schedule D Line 51A)	19.	
20. Total Income (Line 18 minus Line 19)	20.	
20a. NONRESIDENTS: NJ Income from Part II Schedule G, Line 11 ..	20a.	
21. Income Commissions	21.	
22. Exemption - Enter \$1,000 (Part-year taxpayers - see instructions) ...	22.	
23. Health Enterprise Zone Deduction	23.	
24. Total deductions and exemption (Add Lines 21, 22, and 23)	24.	
25. Taxable Income (Line 20 less Line 24)	25.	
NONRESIDENTS ONLY:		
26. Tax on amount on Line 25 (From Tax Rate Schedule)	26.	
27. Income Percentage $\frac{\text{(Line 20a)}}{\text{(Line 20)}} = \text{_____} \%$		
28. TAX: Residents (From Tax Rate Schedule)		
Nonresidents (Multiply amount from Line 26 _____ x _____ % from Line 27) ..	28.	
29. Credit for income taxes paid on non S corporation income (From Part II Schedule E Line 56)	29.	
30. Balance of tax due on non S corporation portion of income (Line 28 minus Line 29)	30.	
31. Total tax due on S corporation and non S corporation income (Add line 8 and Line 30)	31.	
32. Estimated payments/prior year credits and tax credits	32.	
33. Tax paid by partnerships (Attach Schedule(s) NJK-1)	33.	
34. Tax paid by partnerships and distributed	34.	
35. Balance of tax paid by partnerships (Line 33 minus Line 34)	35.	
36. Total payments and credits (Add Line 32 and Line 35)	36.	
37. Balance of tax due (Line 31 minus Line 36)	37.	
38. Overpayment	38.	
39. Credit to 2014 tax	39.	
40. Refund	40.	

Federal Employer Identification Number	Name of Trust	Name and Title of Fiduciary
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**PART II
SCHEDULE A**
**NET PROFITS
FROM BUSINESS**

List below the type of business, address, and net profit (loss) from each business carried on individually by the taxpayer. Enclose Federal Schedule C or F.

	TYPE OF BUSINESS	ADDRESS	NET PROFIT (LOSS)
41.			
42.	TOTAL (Enter here and on Page 1, Line 11) (If loss enter ZERO)		42.

**PART II
SCHEDULE B**
**NET GAINS OR INCOME FROM
DISPOSITION OF PROPERTY**

List the net gains or income, less net loss, derived from the sale, exchange, or other disposition of property including real or personal whether tangible or intangible. Enclose Federal Schedule D.

	(a) Kind of property and description	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Gross sales price	(e) Cost or other basis as adjusted (see instructions) and expense of sale	(f) Gain or (loss) (d less e)
43.						
44.	Capital Gains Distributions					44.
45.	Other Net Gains					45.
46.	Net Gains (Add Lines 43, 44, and 45) (Enter here and on Page 1, Line 12) (If loss enter ZERO)					46.

**PART II
SCHEDULE C**
**NET GAINS OR INCOME FROM
RENTS, ROYALTIES, PATENTS,
AND COPYRIGHTS**

List the net gains or net income, less net loss, derived from or in the form of rents, royalties, patents, and copyrights as reported on your Federal Income Tax Return. If you have passive losses for Federal purposes, see instructions. Enclose Federal Schedule E.

	(a) Kind of Property	(b) Net Rental Income (loss)	(c) Net Income From Royalties	(d) Net Income From Patents	(e) Net Income From Copyrights
47.					
48.	TOTALS	(b)	(c)	(d)	(e)
49.	Net Income (Combine Columns b, c, d, and e) (Enter here and on Page 1, Line 13) (If loss enter ZERO)				49.

**PART II
SCHEDULE D**
BENEFICIARIES' SHARES OF INCOME

Enclose New Jersey Schedule K-1

	Name and Address of Each Beneficiary	Indicate Residency Status	Social Security Number			DISTRIBUTIONS					
						Column A Total Income		Column B NJ Source Income		Column C Tax Paid by Partnerships	
50.											
51.	TOTAL (Enter amount from Line 51A on PART II, Line 19) (Enter amount from Line 51B on PART II Schedule G, Line 10) (Enter amount from Line 51C on Page 2, Line 34)					51A.		51B.		51C.	

Federal Employer Identification Number	Name of Trust	Name and Title of Fiduciary
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PART I SCHEDULE E
Form NJ-1041SB

**CREDIT FOR INCOME TAXES PAID TO OTHER
JURISDICTION ON S CORPORATION INCOME**

A copy of other state or political subdivision
tax return must be retained with your records.

52.	S Corporation income actually taxed by other jurisdiction during tax year (indicate name _____) (Do not combine the same income taxed by more than one jurisdiction.) Amount on Line 52 cannot exceed amount on Line 53	52.		
53.	S Corporation Income Subject to Tax by New Jersey. (From Page 1, Line 5)	53.		
54.	Maximum Allowable Credit (52) _____ x _____ = (Divide Line 53 into Line 52) (53) (NJ Tax on S Corporation Income, Page 1, Line 6)	54.		
55.	Income tax paid to other jurisdiction on S Corporation Income	55.		
56.	Credit Allowed. (Enter lesser of Line 54 or Line 55 here and on Page 1, Line 7)	56.		

PART II SCHEDULE E
Form NJ-1041SB

**CREDIT FOR INCOME TAXES PAID TO OTHER
JURISDICTION ON NON S CORPORATION INCOME**

A copy of other state or political subdivision
tax return must be retained with your records.

52.	Non S Corporation income actually taxed by other jurisdiction during tax year (indicate name _____) (Do not combine the same income taxed by more than one jurisdiction.) Amount on Line 52 cannot exceed amount on Line 53	52.		
53.	Non S Corporation Income Subject to Tax by New Jersey. (From Page 2, Line 20)	53.		
54.	Maximum Allowable Credit (52) _____ x _____ = ... (Divide Line 53 into Line 52) (53) (NJ Tax on non S Corporation Income, Page 2, Line 28)	54.		
55.	Income tax paid to other jurisdiction on non S corporation income	55.		
56.	Credit Allowed. (Enter lesser of Line 54 or Line 55 here and on Page 2, Line 29)	56.		

Federal Employer Identification Number	Name of Trust	Name and Title of Fiduciary
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PART II SCHEDULE F ALLOCATION OF BUSINESS INCOME TO NEW JERSEY

See instructions if other than Formula Basis of allocation is used.
Enclose Form NJ-NR-A to Form NJ-1041SB.

BUSINESS ALLOCATION PERCENTAGE (From Form NJ-NR-A)

Enter below, the line number and amount of each item of business income reported on Form NJ-1041SB which is required to be allocated and multiply by allocation percentage to determine amount of income from New Jersey sources.

From Line No. _____ \$ _____ x _____ % = \$ _____

From Line No. _____ \$ _____ x _____ % = \$ _____

PART II SCHEDULE G (Form NJ-1041SB) NEW JERSEY NON S CORPORATION INCOME OF NONRESIDENT TRUST

NON S CORPORATION INCOME FROM NEW JERSEY SOURCES:	Net losses in one category cannot be applied against income in another. In case of a net loss in any category, enter "zero" for that category.	New Jersey Income
1. Interest	1.	
2. Dividends	2.	
3. Net profits from business	3.	
4. Net gains or income from disposition of property	4.	
5. Net gains or income from rents, royalties, patents, and copyrights	5.	
6. Distributive share of partnership income	6.	
7. Net pro rata share of S corporation income	7.	
8. Other Income - State Nature _____	8.	
9. TOTAL INCOME FROM NEW JERSEY SOURCES (Add Lines 1 through 8)	9.	
10. New Jersey source income distributed to beneficiaries (From Part II Schedule D Line 51B)	10.	
11. New Jersey income (Line 9 less Line 10). (Enter here and on Part II Line 20a)	11.	

2013 New Jersey Tax Rate Schedule for Form NJ-1041SB

Tax Rate for S Corporation Source Income .0897

Tax Rates for Non S Corporation Source Income:

If Taxable Income (Part II Line 25) is:		step 1 Enter Part II Line 25	step 2 Multiply Part II Line 25 by:	step 3 Subtract	Your Tax
Over	But not over				
\$ 0	\$ 20,000	_____	x .014 = _____	– \$ 0 = _____	
\$ 20,000	\$ 35,000	_____	x .0175 = _____	– \$ 70.00 = _____	
\$ 35,000	\$ 40,000	_____	x .035 = _____	– \$ 682.50 = _____	
\$ 40,000	\$ 75,000	_____	x .05525 = _____	– \$ 1,492.50 = _____	
\$ 75,000	\$ 500,000	_____	x .0637 = _____	– \$ 2,126.25 = _____	
\$ 500,000	\$ and over	_____	x .0897 = _____	– \$15,126.25 = _____	

SCHEDULE
NJK-1
(Form NJ-1041SB)
2013

STATE OF NEW JERSEY
Division of Taxation
Beneficiary's Share of Income

For Calendar Year 2013, or Fiscal Year Beginning _____, 2013 and ending _____, 20____

PART I General Information											
Beneficiary Information		Trust Information									
Federal Identification Number		Federal Identification Number									
Name		Name of Trust									
Street Address		Name of Fiduciary									
		Street Address									
City	State	Zip Code	City	State	Zip Code						
Check Applicable Box		Check Applicable Box									
Resident		NonResident		Resident		NonResident					
Individual		<input type="checkbox"/>		<input type="checkbox"/>		Trust		<input type="checkbox"/>		<input type="checkbox"/>	
<input type="checkbox"/> Final NJK-1											
<input type="checkbox"/> Amended NJK-1											

PART II Beneficiary's Share of Income			
	Total Distribution	New Jersey Source Income Distributed	Tax Paid by Partnerships and Distributed
Net Income From Trust			

NJ-1041SB INSTRUCTIONS

The New Jersey Electing Small Business Trust (ESBT) election

A federal Electing Small Business Trust makes an election to be taxed as a New Jersey Electing Small Business Trust by filing a New Jersey Gross Income Tax Fiduciary Return, Form 1041SB and signing the election statement at the bottom of the return.

S corporation portion of income: For the S corporation portion of income, the ESBT waives its right to claim a minimum taxable income threshold, an exemption, deductions for distributions and for income commissions, and consents to have all of the trust's income taxed at the maximum tax rate in effect.

Non S corporation portion of income: For the non S corporation portion of income, the ESBT can claim a minimum taxable income threshold if total income from the non S corporation portion, after distributions but before exemptions or deductions, is less than the filing threshold. In addition, non S corporation income can be reduced by an exemption and deductions can be taken for the distributions and income commissions sourced to the non S corporation portion income.

Federal S corporation which did not make the New Jersey S election: If the trust has S corporation income earned outside of New Jersey from federal S corporations which did not make the New Jersey S election or if the trust did not receive NJ-K-1(s), a Reconciliation Worksheet B or Worksheet B Liquidated must be completed to determine the trust's reportable income for New Jersey income tax purposes. Reconciliation Worksheet B and Worksheet B Liquidated are contained in Tax Topic Bulletin GIT-9S, *Income from S corporations*.

Credit for taxes paid to other jurisdictions: A resident trust may be eligible for a credit for taxes paid to other jurisdictions if S corporation income and the gain on disposition of the S corporation assets, and/or the non S corporation income were taxed by both New Jersey and another jurisdiction. A credit is not allowed for any tax imposed by another jurisdiction on S corporation source income which is allocated to New Jersey based on the corporation's New Jersey allocation factor.

Separate credit calculations must be made for the S corporation portion of income, using Part I, Schedule E, and for the non S corporation portion of income, using Part II, Schedule E, and for each jurisdiction. Information on calculating the credit can be found in Tax Topic Bulletin GIT-3B, *Credit For Taxes Paid to Other Jurisdictions (Business/Nonwage Income)*.

PART I - Line by Line Instructions

Line 1 – Net pro rata share of S corporation income – In case of a net loss, enter "0" on Line 1.

For gross income tax purposes, interest paid on indebtedness incurred to purchase S corporation stock is not deductible by a shareholder.

Resident trust – Enter the total of pro rata share of S corporation income reported on the NJ-K-1(s) received from New Jersey electing S corporation(s) or from the Reconciliation Worksheet B or Worksheet B Liquidated prepared for the trust.

Nonresident trust – Enter the trust's S corporation income allocated to New Jersey reported on the NJ-K-1(s) received from New Jersey electing S corporation(s) or from the Reconciliation Worksheet B or Worksheet B Liquidated prepared for the trust.

Line 2 – Net gain or loss from disposition of S corporation's assets

Resident trust - Enter the total gain/loss from disposition of S corporation's assets reported on the NJ-K-1(s) received from New Jersey electing S corporation(s) or from the Reconciliation Worksheet B Liquidated prepared for the trust.

Nonresident trust – Enter the trust's net gain from disposition of S corporation's assets allocated to New Jersey reported on the NJ-K-1(s) received from New Jersey electing S corporation(s) or from the Reconciliation Worksheet B Liquidated prepared for the trust. In case of a net loss, enter "0" on Line 2.

Line 3 – Net gain or loss from disposition of S corporation stock

Resident trust - Enter the net gain or loss from the disposition of S corporation stock and distributions in excess of the adjusted basis of the S corporation stock. The gain or loss and taxable excess distribution must be determined using the New Jersey adjusted basis of the stock. Information on calculating the New Jersey adjusted basis and the New Jersey gain or loss on disposition of S corporation shares can be found in Tax Topic Bulletin GIT-9S, *Income from S Corporations*.

Nonresident trust – Make no entry on Line 3.

Line 4 – Net gain from disposition of property

Combine Line 2 and Line 3 and enter the net gain. In case of a net loss, enter "0" on line 4.

Line 5 – Taxable S corporation portion of income

Add Line 1 and Line 4.

Line 6 - Tax due on S corporation portion of income

Multiply Line 5 by .0897.

Line 7 – Credit for income taxes paid to other jurisdictions on S corporation portion of income - Resident Trust Only

To determine the credit(s) allowed for income taxes paid to other jurisdictions on S corporation portion of income complete Part I, Schedule(s) E.

Instructions for Part I, Schedule E – Credit for income taxes paid to other jurisdictions on S corporation income:

A separate credit calculation must be made for each jurisdiction that the resident trust is claiming a credit for taxes paid on S corporation income and/or a gain from disposition of the S corporation's assets.

A credit is not allowed for any tax imposed by another jurisdiction on S corporation income or on gain from disposition of the S corporation's assets, which is allocated to New Jersey based on the corporation's New Jersey allocation factor.

In calculating the credit, the income in the numerator, Line 52, must be included in the denominator, Line 53. The tax paid to the other jurisdiction is limited to the tax actually paid to the other jurisdiction on the amount of income reported in the numerator. The New Jersey tax amount used in the calculation, on Line 54, is limited to the New Jersey tax reported on Part I, Line 6.

Total the credit(s) allowed from Line 56 and enter the result on Line 7. Include all credit calculations with the return.

Line 8 – Balance of tax due on S corporation portion of income

Subtract Line 7 from Line 6.

PART II – Instructions - Non S Corporation Income

Part II Lines 9-30 are for the reporting of non S corporation income, deductions and credits.

A **Resident Trust** must complete Part II if it has non S corporation income.

A **Nonresident Trust** must complete Part II, and Part II, Schedule G, if it has non S corporation income from New Jersey sources, whether or not distributed.

Complete applicable Part II Schedules and include with return. Line by Line instructions can be found in the NJ Fiduciary Income Tax Return Form NJ-1041.

Line 19 - Distributions – Enter total distributions of non S corporation income from Part II, Schedule D, line 51A. Do not include distributions of S corporation income reported in Part I.

Line 21 - Income Commissions - Enter income commissions paid or accrued and which are specifically related to the non S corporation gross income reported on Line 18, Part II. Do not include any income commissions paid or accrued on S corporation income reported in Part I.

Line 29- Credit for income taxes paid to other jurisdictions on non S corporation income - Resident Trust Only

To determine the credit(s) for income taxes paid to other jurisdictions on non S corporation portion of income complete Part II, Schedule(s) E.

Instructions for Part II, Schedule E – Credit for income taxes paid to other jurisdictions on non S corporation income:

A separate credit calculation must be made for each jurisdiction that the resident trust is claiming a credit for taxes paid on non S corporation income.

In calculating the credit, the income in the numerator, Line 52, must be included in the denominator, Line 53. The tax paid to the other jurisdiction is limited to the tax actually paid to the other jurisdiction on the amount of income reported in the numerator. The New Jersey tax amount used in the calculation, on Line 54, is limited to the New Jersey tax reported on Part II, Line 28.

Total the credit(s) allowed from Line(s) 56 and enter the result on Part II, Line 29. Include all credit calculations with the return.

Line 30 – Balance of tax due on non S corporation portion of income

Subtract Line 29 from Line 28.

Line 31 – Total tax due on S corporation and non S corporation income

Add Line 8 and Line 30.

Line 32 – Estimated payments/prior year credits and tax credits

Enter the total of estimated tax payments, prior year credits and the Sheltered Workshop Tax Credit from Partnership or LLC and include NJK-1 with return.

Line 33 - Tax paid by partnerships

Enter the tax paid by partnerships on behalf of a nonresident trust and tax distributed to a nonresident trust from a nonresident estate or trust. Copies of the trust's partnership NJK-1(s) (Form NJ-1065) and beneficiary NJK-1(s) (Form NJ-1041) must be included with the return.

Line 34 – Tax paid by partnerships and distributed - Nonresident Trust Only

Enter the amount from Part II, Schedule D, Line 51C - tax paid by partnerships and distributed to nonresident beneficiaries.

Line 35 – Balance of tax paid by partnerships

Subtract Line 34 from Line 33.

Line 36 – Total payments and credits

Enter the total of lines 32 and 35.

Lines 37 and 38 – If Line 36 is less than Line 31 enter the balance due on Line 37. If Line 36 is more than Line 31 enter the overpayment on Line 38.

Information and instructions for calculating late penalties and interest, and estimated tax payments are included in the Fiduciary Income Tax Return booklet, Form NJ-1041.

Line 37 - Balance of tax due

Attach payment by check or money order, payable to "State of New Jersey – TGI" and a completed payment voucher (Form NJ-1041-V) and mail to: State of New Jersey-TGI, Division of Taxation, Revenue Processing Center, PO Box 648, Trenton, NJ 08646-0648.

Line 39 – Credit to 2014 tax

Enter amount of overpayment from Line 38 you wish to credit to 2014.

Line 40 – Refund

Subtract Line 39 from Line 38.

Signature and Date

The return must be signed and dated by the individual fiduciary or by the authorized officer of the organization receiving, having custody or control and management of the income of the trust and having the authority to make the election.

INSTRUCTIONS FOR SCHEDULE NJK-1 (Form NJ-1041SB)

A resident beneficiary is subject to New Jersey gross income tax on the ESBT's net non S corporation income actually distributed or required to be distributed during the taxable year.

A nonresident beneficiary is subject to New Jersey gross income tax on the ESBT's net non S corporation sourced to New Jersey which was actually distributed or required to be distributed during the taxable year.

Prepare a Schedule NJK-1 for each beneficiary using the information listed on Part II Schedule D, Form NJ-1041SB. Include the NJK-1(s) with Form NJ-1041SB.