

For the calendar year 2019 or fiscal year beginning MM|DD|2019 and ending MM|DD|YYYY.

Name of Estate or Trust	Estate or Trust EIN (If this is a Grantor Trust, see instructions)
Beneficiary's Name	Fiduciary's Name
Beneficiary's I.D. Number	Fiduciary's Address - number and street, or rural route
Beneficiary's Address - number and street, or rural route	Fiduciary's City, Town or Post Office State ZIP Code
Beneficiary's City, Town or Post Office State ZIP Code	Fiduciary's Phone Number – include area code
Beneficiary's Daytime Phone Number – include area code	

Part 1 Arizona Nonresident Beneficiary's Share of Federal Distributable Income From Arizona Sources

1 Federal distributable net income from Arizona sources: Enter the amount from Form 141AZ, Schedule D, line D9, column (c).....	1		00
2 Beneficiary's share of the amount entered on line 1: Nonresident individual beneficiaries, also enter this amount on Form 140NR, page 1, line 21, "ARIZONA" column	2		00

Part 2 Arizona Nonresident Beneficiary's Share of Fiduciary Adjustment Related to Arizona Source Income

3 Net fiduciary adjustment to be allocated: Enter the amount from Form 141AZ, Schedule C, line C14	3		00
4 Amount on line 3 related to Arizona source income allocated to all nonresident beneficiaries.....	4		00
5 Beneficiary's share of the amount entered on line 4	5		00

- If the amount on line 5 is a positive number, enter this amount as an *Other Addition* to income on Arizona Form 140NR, page 1, line 31.
- If the amount on line 5 is a negative number, enter this amount as an *Other Subtraction* from income on Arizona Form 140NR, page 2, line 45.

Continued on page 2 →

Name of Estate or Trust (as shown on page 1)	EIN (If this is a Grantor Trust, see instructions)
--	--

Part 3 Net Long-Term Capital Gain Subtraction – Information Schedule

INSTRUCTIONS FOR THE FIDUCIARY:

Arizona requires individual taxpayers to make certain adjustments to their federal adjusted gross income in order to compute their Arizona taxable income.

- **Lines 6 and 7:** If the beneficiary’s federal 1041 K-1 includes a **distributed share** of the entity’s net short-term capital gain or net long-term capital gain, complete line 6, columns (b) and (c); and line 7, columns (b) through (e).
- **Lines 8 and 9:** If this is the final return for the estate or trust and a capital loss carryover amount was distributed to the beneficiary, complete line 8, columns (b) and (c); and line 9, columns (b) through (e).
- **Lines 10 and 11:** If any of the amounts reported on line 7, columns (d) and (e) include a net long-term gain or (loss) from (1) **an investment in an Arizona Qualified Small Business**; or (2) the **exchange of one kind of legal tender for another kind of legal tender**, complete lines 10 and 11, columns (b) through (e). *In column (b), enter only the net capital gain or (loss) from all short-term and long-term investments in the Arizona qualified small business and the exchange of legal tender.*

(a) Item	(b) Amount reported on federal Schedule K-1	(c) Amount included in column (b) from Arizona sources	(d) Net long-term capital gain or (loss) included in column (c) from assets acquired <i>before</i> January 1, 2012	(e) Net long-term capital gain or (loss) included in column (c) from assets acquired <i>after</i> December 31, 2011
6 Total net short-term capital gain or (loss) from Form 141AZ, page 1, line 15b distributed to the beneficiary..... 6				
7 Total net long-term capital gain or (loss) from Form 141AZ, page 1, line 15c distributed to beneficiary..... 7				
8 Short-term capital loss carryover(s) distributed to the beneficiary upon termination of the estate or trust..... 8				
9 Long-term capital loss carryover(s) distributed to the beneficiary upon termination of the estate or trust..... 9				

(a) Item	(b) Net Capital Gain or (loss)	(c) Amount included in column (b) from Arizona sources	(d) Net long-term capital gain or (loss) included in column (c) from assets acquired <i>before</i> January 1, 2012	(e) Net long-term capital gain or (loss) included in column (c) from assets acquired <i>after</i> December 31, 2011
10 Net capital gain or (loss) from investment in an Arizona qualified small business..... 10				
11 Net capital gain or (loss) from the exchange of one kind of legal tender for another kind of legal tender..... 11				

INSTRUCTIONS FOR AN INDIVIDUAL BENEFICIARY:

The beneficiary **must** complete the worksheet, *Worksheet for Net Long-Term Capital Gain Subtraction for Assets Acquired After December 31, 2011*, to determine the allowable subtraction. The worksheet is included in the instructions for the nonresident income tax return [Arizona Form 140(NR)].

Nonresidents: The amounts entered in column (e) on lines 7, 10, and 11, are used to compute the allowable subtraction on the net long-term capital gain worksheet. For more information, see the worksheet instructions for Form 140(NR).

- For an amount entered on line 10, column (b); see the instructions for line 38 on Form 140(NR).
- For an amount entered on line 11, column (b); see the instructions for lines 30 and 39 on Form 140(NR).

INSTRUCTIONS FOR THE FIDUCIARY BENEFICIARY:

If the net long-term capital gain (loss) on Part 3, line 7, above, is taxed at the estate or trust level, use the information above to complete the *Worksheet for Net Long-Term Capital Gain Subtraction for Assets Acquired After December 31, 2011*, included in the instructions of Form 141AZ for the estate or trust.

Name of Estate or Trust (as shown on page 1)	EIN (If this is a Grantor Trust, see instructions)
--	--

If the net long-term capital gain (loss) on Part 3, line 7, above, is distributed to the beneficiary, use the information above to complete the *Worksheet for Net Long-Term Capital Gain Subtraction for Assets Acquired After December 31, 2011*, included in the instructions of Form 141AZ. The worksheet will assist the estate or trust in completing the *Net Long-Term Capital Gain Subtraction – Information Schedule* on Form 141AZ, Schedule K-1 or Schedule K-1(NR), for each beneficiary.

The amounts entered in column (d) on lines 7, 10, and 11, are used to compute the allowable subtraction on the net long-term capital gain worksheet. For more information, see the worksheet instructions for Form 141AZ.

- For an amount entered on line 10, column (b); see the instructions for line 14a, Form 141AZ.
- For an amount entered on line 11, column (b); see the instructions for lines 12b and 14b, Form 141AZ.

INSTRUCTIONS FOR THE PARTNERSHIP OR S CORPORATION BENEFICIARY:

The information in Part 3, above, should be used to complete the *Worksheet for Net Long-Term Capital Gain Subtraction for Assets Acquired After December 31, 2011*, included in the instructions of Arizona Form 165 or Arizona Form 120S. The worksheet will assist the partnership or S corporation in completing the *Net Long-Term Capital Gain Subtraction – Information Schedule* on Arizona Form 165, Schedule K-1 or Schedule K-1(NR), for each partner; or Arizona Form 120S, Schedule K-1 or Schedule K-1(NR), for each shareholder.

INSTRUCTIONS FOR THE C CORPORATION OR EXEMPT ORGANIZATION BENEFICIARY:

A subtraction is not allowed for a C corporation or an exempt organization. The information in Part 3, above, is informational only, and not required to be reported by the C corporation or exempt organization.

2019 Nonresident Beneficiary's Share of Income and Share of Fiduciary Adjustment

Arizona Schedule 141AZ K-1 (NR)

For information or help, call one of the numbers listed:

Phoenix (602) 255-3381
From area codes 520 and 928, toll-free (800) 352-4090

Tax forms, instructions, and other tax information

If you need tax forms, instructions, and other tax information, go to the department's website at www.azdor.gov.

Income Tax Procedures and Rulings

These instructions may refer to the department's income tax procedures and rulings for more information. To view or print these, go to our website and click on *Reports and Legal Research* then click on *Legal Research* and select a *document* and *category* type from the drop down menus.

Publications

To view or print the department's publications, go to our website and click on *Reports and Legal Research* then click on *Publications*.

General Instructions for Fiduciary

Complete a Form 141AZ Schedule K-1(NR), for each nonresident beneficiary.

File one copy of each Schedule K-1(NR) with the fiduciary's Form 141AZ.

Provide all nonresident beneficiaries with a copy of their Schedule K-1(NR). Keep a copy for your records.

Foreign Addresses

If a beneficiary or the fiduciary has a foreign address, enter the information in the following order: city, province or state, and country. Follow the country's practice for entering the postal code. Do not abbreviate the country's name.

Line-by-Line Instructions

Part 1 - Beneficiary's Share of Federal Distributable Net Income From Arizona Sources

Instructions for Fiduciary

Line 1 -

Enter the federal distributable net income from Arizona sources. Enter the amount from Form 141AZ, Schedule D, line D9, column (c).

Line 2 -

Enter the beneficiary's share of federal distributable net income from Arizona sources.

Part 2 - Beneficiary's Share of Fiduciary Adjustment Related to Arizona Source Income

Line 3 -

Enter the net fiduciary adjustment to be allocated to the beneficiaries from Form 141AZ, Schedule C, line C14. If this is a negative amount, enter the amount in brackets.

Line 4 -

Enter the amount of line 3 related to Arizona source income that is allocated to **all** nonresident beneficiaries.

Line 5 -

Enter the amount of line 4 allocated to the beneficiary. If the result is a negative number, enter the number in brackets.

This is the beneficiary's share of the fiduciary adjustment.

Instructions for Nonresident Beneficiary

The fiduciary uses Form 141AZ Schedule K-1(NR), to report to you your share of the federal distributable income from Arizona sources and your share of fiduciary adjustment from the estate or trust.

Do not file this Schedule K-1(NR) with your return. Keep this Schedule K-1(NR) with your records. The fiduciary filed a copy of this form with the department.

Nonresident individual beneficiaries should enter the amount from Form 141AZ Schedule K-1(NR), line 2, on Arizona Form 140NR, line 21, in the ARIZONA column.

Line 5 shows your share of the fiduciary adjustment from the estate or trust. If the amount on line 5 is a positive number, you must report this amount as an *addition to income* on your Arizona return. If you are a nonresident individual, report this amount as an *Other Addition* to income on your Arizona Form 140NR, line 31.

If the amount on line 5 is a negative number, you must report this amount as a *subtraction from income* on your Arizona return. If you are a nonresident individual, report this amount as an *Other Subtraction* from income on your Arizona Form 140NR, line 45.

Part 3 - Net Long-Term Capital Gain Subtraction (Information Schedule)

Arizona allows a subtraction from Arizona gross income for a percentage of any net long-term capital gain from assets acquired after December 31, 2011, and included in the individual's Arizona gross income or the estate or trust's Arizona gross income.

Instructions for Fiduciary

Lines 6 through 11 -

If the **individual** beneficiary's federal Schedule K-1 (Form 1041) includes an amount for any net long-term capital gain or (loss) from Arizona sources, complete lines 6 through 11 as instructed on pages 2 and 3 of Form 141AZ Schedule K-1(NR).

Instructions for Beneficiaries

Follow the instructions on pages 2 and 3 of Form 141AZ Schedule K-1 (NR).