



STATE OF SOUTH CAROLINA DEPARTMENT OF REVENUE BENEFICIARY'S SHARE OF SOUTH CAROLINA INCOME, DEDUCTIONS, CREDITS, ETC.

For calendar year \_\_\_\_\_ or tax year beginning \_\_\_\_\_ and ending \_\_\_\_\_

Beneficiary's identifying number Estate or trust's FEIN Beneficiary's name, address, and ZIP Estate or trust's name, fiduciary's name, address, and ZIP

Check if applicable: [ ] Final K-1 [ ] Amended K-1 [ ] Nonresident

Check if the beneficiary is exempt from nonresident withholding because they filed an I-41 affidavit with the trust or estate [ ]

Table with 4 main columns: Beneficiary's Share of Current Year Income, Deductions, Credits, etc.; A Federal K-1 Amounts; B Plus or Minus SC Adjustments; C Amounts Not Allocated or Apportioned to SC; D Amounts Allocated or Apportioned to SC. Rows include Interest income, Dividends, Net short-term capital gain, Net long-term capital gain, Other portfolio and nonbusiness income, Ordinary business income, Net rental real estate income, Other rental income, Directly apportioned deductions, Estate Tax deduction, Final year deductions, Withholding Tax for nonresident beneficiary, and South Carolina tax credits.

## INSTRUCTIONS

**General purpose:** The estate or trust prepares the SC1041 K-1 to show each beneficiary's share of the entity's income. Each item of income is adjusted as required by South Carolina law and allocated or apportioned to South Carolina or to states other than South Carolina.

**Column A, line 1 through line 11:** Enter amounts from the federal Schedule K-1.

**Column B, line 1 through line 11:** Enter the beneficiary's share of South Carolina adjustments to federal taxable income (loss). Show additions as a positive number and subtractions in brackets as a negative number. See the SC1041 instructions at [dor.sc.gov/forms](http://dor.sc.gov/forms).

**Column C, line 1 through line 11:** Enter the beneficiary's share of income (loss) or deductions allocated or apportioned to states other than South Carolina. See the SC1041 instructions at [dor.sc.gov/forms](http://dor.sc.gov/forms).

**Column D, line 1 through line 11:** Enter the beneficiary's share of income (loss) or deductions allocated or apportioned to South Carolina.

**Line 12:** Estates or trusts are required to withhold 7% of the South Carolina taxable income of nonresident beneficiaries. Prepare an SC41 Fiduciary Report of Nonresident Beneficiary Tax Withheld for each nonresident beneficiary with an amount withheld. The SC41 is located in the SC1041 instructions. Find the SC1041 at [dor.sc.gov/forms](http://dor.sc.gov/forms). Enter the Withholding Tax amount for each nonresident beneficiary on line 12 of their SC1041 K-1. Provide a copy of the SC41 and the SC1041 K-1 to each nonresident beneficiary so they may attach them to their South Carolina Income Tax returns.

**Line 13 through line 16:** List the beneficiary's share of South Carolina credits.

**Instructions for Estate or Trust:** Include all SC1041 K-1s with your SC1041 Fiduciary Income Tax Return. Provide an SC1041 K-1 to each beneficiary.

**Instructions for Beneficiary:** If filing a paper return, attach to your Income Tax Return. If filing electronically, keep with your records.

### Social Security Privacy Act Disclosure

It is mandatory that you provide your Social Security Number on this tax form if you are an individual taxpayer. 42 U.S.C. 405(c)(2)(C)(i) permits a state to use an individual's Social Security Number as means of identification in administration of any tax. SC Regulation 117-201 mandates that any person required to make a return to the SCDOR must provide identifying numbers, as prescribed, for securing proper identification. Your Social Security Number is used for identification purposes.

### The Family Privacy Protection Act

Under the Family Privacy Protection Act, the collection of personal information from citizens by the SCDOR is limited to the information necessary for the SCDOR to fulfill its statutory duties. In most instances, once this information is collected by the SCDOR, it is protected by law from public disclosure. In those situations where public disclosure is not prohibited, the Family Privacy Protection Act prevents such information from being used by third parties for commercial solicitation purposes.