

For the calendar year 2025 or fiscal year beginning MM/DD/2025 and ending MM/DD/YY.

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 EIN or SSN	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
Contact's Daytime Phone Number – include area code Check one: <input type="checkbox"/> Beneficiary <input type="checkbox"/> Power of Attorney <input type="checkbox"/> Other _____			

Part 1 Beneficiary's Share of Fiduciary Adjustment

1 Net fiduciary adjustment to be allocated: Enter the amount from Form 141AZ, Schedule C, line C14	1	00
2 Percent of beneficiary's share of federal distributable income from Form 141AZ, Schedule C	2	%
3 Multiply the amount on line 1 by the percent on line 2, and enter the result	3	00

Full-year Resident Individual Beneficiaries:

- If you **did not elect to file a Small Business Income tax return and the amount on line 3 is a positive number**, include this amount on Arizona Form 140, page 1, line 18, *Other Additions to Income*.
If you **elected to file a Small Business Income tax return**, enter the amount on Form 140-SBI, line 11.
- If you **did not elect to file a Small Business Income tax return and the amount on line 3 is a negative number**, include this amount on Arizona Form 140, page 2, line 36, *Other Subtractions from Income*.
If you **elected to file a Small Business Income tax return**, enter the amount on Form 140-SBI, line 34.

Part-year Resident Individual Beneficiaries:

- If you **did not elect to file a Small Business Income tax return and the amount on line 3 is a positive number**, include that portion of line 3 allocable to estate or trust income taxable by Arizona on Arizona Form 140PY, page 1, line 31, *Other Additions to Income*.
If you **elected to file a Small Business Income tax return**, enter the amount on Form 140PY-SBI, line 11.
- If you **did not elect to file a Small Business Income tax return and the amount on line 3 is a negative number**, include that portion of line 3 allocable to estate or trust income taxable by Arizona on Arizona Form 140PY, page 2, line 44, *Other Subtractions from Income*.
If you **elected to file a Small Business Income tax return**, enter the amount on Form 140PY-SBI, line 34.

Continued on page 2 ➔

Part 2 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 4 and 5:** 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 4, column (b); and line 5, columns (b) through (d).
- **Lines 6 and 7:** If this is the final return for the estate or trust and a capital loss carryover amount was distributed to the beneficiary, complete line 6, column (b); and line 7, columns (b) through (d).
- **Lines 8 and 9:** If any of the amounts reported on line 5, columns (c) and (d) 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 8 and 9, columns (b) through (d). *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) Net long-term capital gain or (loss) included in column (b) from assets acquired <i>before</i> January 1, 2012	(d) Net long-term capital gain or (loss) included in column (b) from assets acquired <i>after</i> December 31, 2011
4	Total net short-term capital gain or (loss) from Form 141AZ, page 1, line 15b distributed to the beneficiary.....	4 00		
5	Total net long-term capital gain or (loss) from Form 141AZ, page 1, line 15c distributed to the beneficiary.....	5 00		00
6	Short-term capital loss carryover(s) distributed to the beneficiary upon termination of the estate or trust.....	6 00		
7	Long-term capital loss carryover(s) distributed to the beneficiary upon termination of the estate or trust.....	7 00		00

	(a) Item	(b) Net Capital Gain or (loss)	(c) Net long-term capital gain or (loss) included in column (b) from assets acquired <i>before</i> January 1, 2012	(d) Net long-term capital gain or (loss) included in column (b) from assets acquired <i>after</i> December 31, 2011
8	Net capital gain or (loss) from investment in an Arizona qualified small business.....	8 00		00
9	Net capital gain or (loss) from the exchange of one kind of legal tender for another kind of legal tender.....	9 00		00

INSTRUCTIONS FOR THE INDIVIDUAL BENEFICIARY:

The beneficiary **must** complete the *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 resident and part-year resident income tax return (Arizona Forms 140 and 140PY).

Full-year residents: The amounts entered in column (d) on lines 5, 8, and 9 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.

- For an amount entered on line 8, column (b); see the instructions for line 25 on Form 140.
- For an amount entered on line 9, column (b); see the instructions for lines 18 and 36 on Form 140 or Lines 15 and 36 on Form 140-SBI.

Part-year residents: The amounts entered in column (d) on lines 5, 8, and 9 that are included in your Arizona gross income are used to compute the allowable subtraction on the net long-term capital gain worksheet. For more information, see the worksheet instructions for Form 140PY.

- For an amount entered on line 8, column (b); see the instructions for line 38 on Form 140PY.
- For an amount entered on line 9, column (b); see the instructions for lines 31 and 44 on Form 140PY.

INSTRUCTIONS FOR THE FIDUCIARY BENEFICIARY:

If the net long-term capital gain or (loss) on line 5, 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.

The amounts entered in column (d) on lines 5, 8, and 9 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 8, column (b); see the instructions for line 14a on Form 141AZ.
- For an amount entered on line 9, column (b); see the instructions for lines 12b and 14b on Form 141AZ.

Part 3 Individual Beneficiary's Pro-Rata Share of the Distributed Virtual Currency and Non-Fungible Tokens

10 Fiduciary: Enter the value of virtual currency and non-fundible tokens received at the time of airdrop distributed to the beneficiary 10 00

Beneficiary: Include this amount on Form 140, page 6, item "S", or Form 140PY, page 6, item "X(a)", as an "Other Subtraction from Arizona Gross Income".

Part 4 Individual Beneficiary's Pro-Rata Share of the Distributed Gas Fees or Non-Fungible Token Basis

11 Fiduciary: Enter the amount allowed as a subtraction for gas fees or non-fundible token basis distributed to the beneficiary 11 00

Beneficiary: Include this amount on Form 140, page 6, item "T", or Form 140PY, page 6, item "X(b)", as an "Other Subtraction from Arizona Gross Income".

Part 5 Individual Beneficiary's Pro-Rata Share of the distributed PTE Tax Credit from the Pass-through Entity

12 Amount of Entity-Level Income Tax Credit distributed to the individual beneficiary 12 00

13 Individual Beneficiary's pro-rata share of the Arizona PTE Taxes **paid in 2025** for taxable years 2025 and/or 2024 13 00

INSTRUCTIONS FOR THE FIDUCIARY:

Line 12 - Enter the pro-rata amount of the Entity-Level Income Tax credit distributed to the estate or trust's individual beneficiary.

Line 13 - Enter the amount of the individual beneficiary's pro-rata share of the Arizona pass-through entity **taxes paid in 2025** for taxable years 2025 and/or 2024.

For example: If the pass-through entity K-1 provided to the trust showed a total tax addback of \$20,000 and the trust keeps 10% and distributes 45% to each beneficiary, then the amount added back on the trust return would be \$2,000 ($\$20,000 \times 10\%$) and the amount reported to each individual beneficiary on the 141 K-1 would be \$9,000 ($\$20,000 \times 45\%$) to each individual beneficiary.

INSTRUCTIONS FOR THE INDIVIDUAL BENEFICIARY:

Line 12- Enter the amount of your distributed share of the Entity-Level Income Tax Credit on Form 355, line 3.

Full Year Residents:

Line 13 - Enter the amount of your pro-rata share of Arizona taxes paid in 2025 for taxable year 2025 (add-back) on Form 140, page 5, item "P" or Form 140-SBI, line 25.

Part-Year Residents:

Line 13 - Enter the amount of your pro-rata share of Arizona taxes paid in 2025 for taxable year 2025 (add-back) on Form 140PY, page 5, item "N" or Form 140PY-SBI, line 25.