

New Jersey
Income Tax Fiduciary Return
Electing Small Business Trust

5-F

For Tax Year January 1, 2025 – December 31, 2025
Or Other Tax Year Beginning _____, 2025, Ending _____, 20_____

Check this box <input type="checkbox"/> 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"/> Nonresident Trust	Name and Title of Fiduciary	
	Address of Fiduciary (Number and Street or Rural Route)	
	City, Town, Post Office	State ZIP Code

Digital Assets
Did the trust receive (as a reward, award, or payment for property or services); or sell, exchange, or otherwise dispose of a digital asset in 2025 (or a financial interest in a digital asset)? (See instructions.) Yes ☐ No ☐

Part I – S Corporation Income

1. Net pro rata share of S corporation income (Attach Schedule(s) NJ-K-1). (If loss enter zero).....	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 zero).....	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 59)	7.		
8. Balance of tax due on S corporation portion of income (Subtract line 7 from line 6)	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 45).....	11.		
12. Net gains or income from disposition of property (From Part II, Schedule B, line 49).....	12.		
13. Net gains or income from rents, royalties, patents, and copyrights (From Part II, Schedule C, line 52)	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.		

Federal Employer Identification Number	Name of Trust	Name and Title of Fiduciary						
18. Gross Income (From line 17).....		18. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
19. Distributions (From Part II, Schedule D line 54A).....		19. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
20. Total Income (Subtract line 19 from line 18).....		20. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
20a. Nonresidents: NJ Income from Part II, Schedule G, line 11		20a. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
21. Income Commissions		21. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
22. Exemption – Enter \$1,000 (Part-year taxpayers, see instructions)		22. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
23. Health Enterprise Zone Deduction		23. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
24. Total deductions and exemption (Add lines 21, 22, and 23).....		24. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
25. Taxable Income (Subtract line 24 from line 20)		25. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
NONRESIDENTS ONLY:								
26. Tax on amount on line 25 (From Tax Rate Schedule)		26. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
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. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
29. Credit for income taxes paid on non S corporation income (From Part II, Schedule E line 59)		29. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
30. Balance of tax due on non S corporation portion of income (Subtract line 29 from line 28)		30. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
31. Total tax due on S corporation and non S corporation income (Add line 8 and line 30).....		31. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
32. Estimated payments/prior year credits and tax credits.....		32. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
33. Tax paid by partnerships (Attach Schedule(s) NJK-1).....		33. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
34. Tax paid by partnerships and distributed (From Part II, Schedule D, line 54C)		34. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
35. Balance of tax paid by partnerships (Subtract line 34 from line 33)		35. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
36. Pass-Through Business Alternative Income Tax Credit (Attach Schedule(s) PTE-K-1, NJK-1, and NJ-K-1)		36. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
37. Pass-Through Business Alternative Income Tax Credit Distributed (From Part II, Schedule D, line 54D)		37. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
38. Balance of Pass-Through Business Alternative Income Tax Credit (Subtract line 37 from line 36)		38. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
39. Total payments and credits (Add lines 32, 35, and 38).....		39. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
40. Balance of tax due (If line 39 is less than line 31, subtract line 39 from line 31)		40. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
41. Overpayment (If line 39 is more than line 31, subtract line 31 from line 39)		41. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
42. Credit to 2026 tax		42. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
43. Refund (Subtract line 42 from line 41).....		43. <table border="1" style="width: 100%;"><tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td></tr></table>						
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 2025.							
	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.							
	<div style="display: flex; justify-content: space-between;"> <div>Signature of Fiduciary or Officer Representing Fiduciary</div> <div>Date</div> </div>							
	<div style="display: flex; justify-content: space-between;"> <div>Signature of Preparer Other than Fiduciary</div> <div>Address</div> <div>Date</div> <div>Fed. ID No.</div> </div>							
		Pay amount on line 40 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 You can also make a payment on our website: nj.gov/taxation						

Federal Employer Identification Number	Name of Trust	Name and Title of Fiduciary
Part II Schedule A	Net Profits From Business	List 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
44.		
45.	Total (Enter here and on page 1, line 11) (If loss, enter zero)	

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 as reported on 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 minus e)
46.		
47.	Capital Gains Distributions	
48.	Other Net Gains	
49.	Net Gains (Add lines 46, 47, and 48) (Enter here and on page 1, line 12) (If loss, enter zero)	

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
50.		
51.	Totals	
52.	Net Income (Combine columns b, c, d, and e) (Enter here and on page 1, line 13) (If loss, enter zero)	

Part II Schedule D	Beneficiaries' Shares of Income	Enclose New Jersey Schedules NJK-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
		Column D Pass-Through Business Alternative Income Tax Credit
53.		
54.	Total (Enter amount from line 54A on Part II, line 19) (Enter amount from line 54B on Part II, Sched G, line 10) (Enter amount from line 54C on page 2, line 34) (Enter amount from line 54D on page 2, line 37)	54A. 54B. 54C. 54D.

Federal Employer Identification Number	Name of Trust	Name and Title of Fiduciary
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Part I Schedule E	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
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55.	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 55 cannot exceed amount on line 56.	55.		
56.	S Corporation Income Subject to Tax by New Jersey. (From page 1, line 5)	56.		
57.	Maximum Allowable Credit (55) _____ x _____ = (Divide line 55 by line 56) (56) (NJ Tax on S Corporation Income, page 1 line 6)	57.		
58.	Income tax paid to other jurisdiction on S corporation income	58.		
59.	Credit Allowed. (Enter lesser of line 57 or line 58 here and on page 1, line 7)	59.		

Part II Schedule E	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.
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55.	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 55 cannot exceed amount on line 56.	55.		
56.	Non S Corporation Income Subject to Tax by New Jersey. (From page 2, line 20)	56.		
57.	Maximum Allowable Credit (55) _____ x _____ = (Divide line 55 by line 56) (56) (NJ Tax on non S Corporation Income, page 2, line 28)	57.		
58.	Income tax paid to other jurisdiction on non S corporation income	58.		
59.	Credit Allowed. (Enter lesser of line 57 or line 58 here and on page 2, line 29)	59.		

Federal Employer Identification Number	Name of Trust	Name and Title of Fiduciary
Part II Schedule F <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> Allocation of Business Income To New Jersey </div> <div> See instructions if other than Formula Basis of allocation is used. Enclose Form NJ-NR-A with Form NJ-1041SB. </div> </div>		
Allocation Factor (From Form NJ-NR-A) Enter below, the line number and amount of each item of business income reported on Form NJ-1041SB that is required to be allocated and multiply by allocation factor to determine amount of income from New Jersey sources.		
From Line No. _____ \$ _____ x _____ = \$ _____		
From Line No. _____ \$ _____ x _____ = \$ _____		
Part II Schedule G <div style="text-align: right; margin-top: 5px;"> New Jersey Non S Corporation Income of Nonresident Trust </div>		
Non S Corporation Income From New Jersey Sources:	New Jersey Income	
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.		
1. Interest.....	1. <div style="border: 1px solid black; width: 150px; height: 20px;"></div>	
2. Dividends.....	2. <div style="border: 1px solid black; width: 150px; height: 20px;"></div>	
3. Net profits from business.....	3. <div style="border: 1px solid black; width: 150px; height: 20px;"></div>	
4. Net gains or income from disposition of property	4. <div style="border: 1px solid black; width: 150px; height: 20px;"></div>	
5. Net gains or income from rents, royalties, patents, and copyrights.....	5. <div style="border: 1px solid black; width: 150px; height: 20px;"></div>	
6. Distributive share of partnership income	6. <div style="border: 1px solid black; width: 150px; height: 20px;"></div>	
7. Net pro rata share of S corporation income.....	7. <div style="background-color: black; width: 150px; height: 20px;"></div>	
8. Other Income – State Nature _____	8. <div style="border: 1px solid black; width: 150px; height: 20px;"></div>	
9. Total Income From New Jersey Sources (Add lines 1 through 8)	9. <div style="border: 1px solid black; width: 150px; height: 20px;"></div>	
10. New Jersey source income distributed to beneficiaries (From Part II, Schedule D line 54B)	10. <div style="border: 1px solid black; width: 150px; height: 20px;"></div>	
11. New Jersey income (Subtract line 10 from line 9). (Enter here and on Part II, line 20a)...	11. <div style="border: 1px solid black; width: 150px; height: 20px;"></div>	

2025 New Jersey Tax Rate Schedule for Form NJ-1041SB

Tax Rate for S Corporation Source Income **.1075**

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	\$ 1,000,000	_____	x .0897 = _____	\$ 15,126.25 = _____	
\$1,000,000	and over	_____	x .1075 = _____	\$ 32,926.25 = _____	

For Calendar Year 2025 or Fiscal Year Beginning _____, 2025 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	Pass-Through Business Alternative Income Tax Credit Distributed
Net Income From Trust				

New Jersey Gross Income Tax
Business Allocation Schedule
For Tax Years Beginning On and After January 1, 2023

Use this schedule if business activities are carried on both inside and outside New Jersey or if business activities are carried on 100% outside New Jersey.
For tax years beginning on and after January 1, 2023, services are sourced based on market sourcing, not cost of performance.

This form must be enclosed and filed with your New Jersey Income Tax return.

Enter name, address, and Social Security/federal employer identification number as shown on Form NJ-1040NR, NJ-1041, or NJ-1065.		
Legal name of taxpayer	Social Security Number/Federal EIN	
Trade name of business if different from legal name above	For the Tax Year Ending (Month, Day, Year)	
Address (number and street or rural route)		
City or Post Office	State	ZIP Code

Allocation Factor

Receipts:	Amounts (omit cents)	
1. From sales of tangible personal property shipped to points within New Jersey	1.	
2. From services, if the benefit of the service is received in New Jersey.....	2.	
3. From rentals of property situated in New Jersey.....	3.	
4. From royalties for the use in New Jersey of patents, copyrights, and trademarks.....	4.	
5. All other business receipts earned in New Jersey.....	5.	
6. Total New Jersey receipts (Total of lines 1 through 5).	6.	
7. Total receipts from all sales, services, rentals, royalties, and other business transactions everywhere.....	7.	
8. Allocation Factor (Divide line 6 by line 7) Carry the fraction to 6 decimal places.	8.	

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 Income Tax Fiduciary Return, Form NJ-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 the Alternative Business Calculation Adjustment 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. The Alternative Business Calculation Adjustment is not available for an ESBT.

Federal S corporation that elects to file as New Jersey C corporation (hybrid corporation). If the trust has S corporation income earned outside New Jersey from a hybrid corporation, 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 [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 that 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 [GIT-3B, Credit For Taxes Paid to Other Jurisdictions \(Business/Nonwage Income\)](#).

Part I 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 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 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 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 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 [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 .1075.

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 E.

Part I, Schedule E. A separate credit calculation must be made for each jurisdiction for which 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 allocated to New Jersey based on the corporation's New Jersey allocation factor.

In calculating the credit, the income in the numerator, line 55, must be included in the denominator, line 56. 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 57 is limited to the New Jersey tax reported on Part I, line 6.

Total the credit(s) allowed from line 59 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. For line-by-line instructions, see the instructions for the Fiduciary Income Tax Return, Form NJ-1041.

Line 19 – Distributions

Enter total distributions of non S corporation income from Part II, Schedule D, line 54A. Do not include distributions of S corporation income reported in Part I.

Line 21 – Income Commissions

Enter income commissions paid or accrued and that are specifically related to the non S corporation gross income reported on Part II, line 18. 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 E.

Part II, Schedule E. A separate credit calculation must be made for each jurisdiction for which 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 55, must be included in the denominator, line 56. 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 57 is limited to the New Jersey tax reported on Part II, line 28.

Total the credit(s) allowed from line(s) 59 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 54C.

Line 35 – Balance of tax paid by partnerships

Subtract line 34 from line 33.

Line 36 – Pass-Through Business Alternative Income Tax Credit

Enter the trust's share of tax from the Schedule PTE-K-1 received from a pass-through entity, and the tax distributed to the trust from the NJK-1 received from an estate or trust, the NJK-1 received from a partnership, and the NJ-K-1 received from an S corporation. Copies of Schedules PTE-K-1, NJK-1, and NJ-K-1 must be included with the return.

Line 37 – Pass-Through Business Alternative Income Tax Credit Distributed

Enter the amount from Part II, Schedule D, line 54D.

Line 38 – Balance of Pass-Through Business Alternative Income Tax Credit

Subtract line 37 from line 36.

Line 39 – Total payments and credits

Enter the total of lines 32, 35, and 38.

Lines 40 and 41

If line 39 is less than line 31, subtract line 39 from line 31 and enter the balance due on line 40. If line 39 is more than line 31, subtract line 31 from line 39 and enter the overpayment on line 41.

For information and instructions for calculating late penalties and interest and estimated tax payments, see the instructions for the Fiduciary Income Tax Return, Form NJ-1041.

Line 40 – Balance of tax due

Enclose 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 42 – Credit to 2026 tax

Enter amount of overpayment from line 41 you want to credit to 2026.

Line 43 – Refund

Subtract line 42 from line 41.

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.

Schedules

See the instructions for the corresponding schedules in the instructions for the Fiduciary Income Tax Return, Form NJ-1041.

Instructions for Schedule NJK-1 (Form NJ-1041SB)

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

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