



Schedule K-1 (Form 38)

2018

Final Amended

Estate's or trust's tax year:

Calendar year 2018 (Jan. 1 - Dec. 31, 2018)
Fiscal year: Beginning, 2018
Ending, 20

Beneficiary's Share of North Dakota Income (Loss), Deductions, Adjustments, Credits, and Other Items

See separate instructions

Part 1 Estate or trust information

A Estate's or trust's federal EIN

B Name of estate or trust

C Fiduciary's name, address, city, state, and ZIP code

Part 2 Beneficiary information

D Beneficiary's SSN or FEIN (from Federal Schedule K-1)

E Beneficiary's name, address, city, state, and ZIP code (from Federal Schedule K-1)

F What type of entity is this beneficiary?

G If beneficiary is an individual, estate, or trust, beneficiary is a:

- Full-year resident of North Dakota
Part-year resident of North Dakota
Full-year nonresident of North Dakota

H Is this an eligible nonresident beneficiary who elected to be included in a composite filing? Yes No

Part 3 All beneficiaries: North Dakota adjustments and tax credits

- 1 Income from non-ND bonds and securities
2 State and local income taxes deducted
3 Interest from U.S. obligations
4 Renaissance zone income exemption
5 New or expanding business income exemption
6 College SAVE contribution deduction
7 Renaissance zone:
8 Seed capital investment credit
9 Agricultural commodity processing facility investment credit
10 Biodiesel/green diesel fuel blending credit

Part 3 continued . . .

- 11 Biodiesel/green diesel fuel sales equipment credit
12 Geothermal energy device credit
13 Employer internship program credit
14 a Research expense credit
b Purchased research credit
15 a Endowment fund credit (Schedule QEC)
b Contribution amount (Schedule QEC)
c Endowment fund credit (ND Schedule K-1)
d Contribution amount (ND Schedule K-1)
16 Workforce recruitment credit
17 Wages paid to mobilized employee credit
18 Nonprofit private primary school credit
19 Nonprofit private high school credit
20 Nonprofit private college credit

Part 4 Nonresident individual, estate, or trust beneficiary: North Dakota income (loss)

- 21 Interest income
22 Ordinary dividends
23 Net short-term capital gain
24 Net long-term capital gain
25 Other portfolio and nonbusiness income
26 Ordinary business income
27 Net rental real estate income
28 Other rental income
29 Directly apportioned deductions
30 Final year deductions
31 Other

Part 5 Nonresident beneficiary: North Dakota income tax withheld or composite tax paid

- 32 North Dakota distributive share of income (loss)
33 North Dakota income tax withheld
34 North Dakota composite income tax

# 2018

## Beneficiary's Instructions for North Dakota Schedule K-1 (Form 38)

### Purpose of form

North Dakota Schedule K-1 (Form 38) is a supplemental schedule provided by a fiduciary of an estate or trust to its beneficiaries. It provides information the beneficiaries may need to complete their North Dakota income tax returns. For this purpose, "beneficiary" includes an owner of a grantor trust.

### Resident individual, estate, or trust beneficiary.

If you are a North Dakota resident individual, estate, or trust, your entire distributive share of income from the estate or trust is subject to North Dakota income tax. North Dakota Schedule K-1 was issued to you only to show your distributive share of the estate's or trust's North Dakota statutory adjustments and tax credits that may affect your North Dakota income tax return. See Part 3 of the schedule.

### Nonresident individual, estate, or trust beneficiary.

If you are a nonresident individual, estate, or trust, only the portion of your distributive share of income from the estate or trust that is derived from North Dakota sources is subject to North Dakota income tax. North Dakota Schedule K-1 was issued to you to show your distributive share of the following items:

- North Dakota income, gains, losses, and deductions. See Part 4 of the schedule.
- North Dakota statutory adjustments and tax credits. See Part 3 of the schedule.
- North Dakota income tax withheld from your distributive share of North Dakota income. See Part 5 of the schedule.
- North Dakota income tax paid on your distributive share of North Dakota income in a composite filing. See "Composite filing election" under "General instructions" and Part 5 of the schedule.

### Partnership or corporation beneficiary.

If you are a partnership, C corporation, S corporation, or a limited liability company treated like a partnership or corporation, North Dakota Schedule K-1 was issued to you only to show your distributive share of North Dakota statutory adjustments and tax credits. See Part 3 of the schedule.

If you are a partnership, S corporation, or a limited liability company treated like a partnership or S corporation, and if your commercial domicile is located outside North Dakota, the schedule may also show your distributive share of the following items:

- North Dakota income subject to North Dakota income tax withholding. See Part 5 of the schedule.
- North Dakota income tax withheld from your distributive share of North Dakota income. See Part 5 of the schedule.
- North Dakota income tax paid on your distributive share of North Dakota income in a composite filing. See "Composite filing election" under "General instructions" and Part 5 of the schedule.

### General instructions

These instructions explain where to report the information from Schedule K-1 (Form 38) on the North Dakota income tax return.

**Tax year.** References to a North Dakota form and line number contained in these instructions are references to the form in use for the 2018 calendar year. However, if you file your return on a calendar year basis, but the estate or trust files its return on a fiscal year basis, report the amounts on your return for the year in which the estate's or trust's fiscal year ends. For example, if the estate or trust has a fiscal year ending in February 2019, report the amounts from the 2018 Schedule K-1 (Form 38) on your 2019 tax return. The estate's or trust's tax year is shown at the top of the schedule.

**Composite filing election.** If Item H in Part 2 of Schedule K-1 (Form 38) is checked "Yes," you elected to include your distributive share of North Dakota income in a composite filing by the fiduciary. Ignore any amounts shown in Parts 3 through 5 of Schedule K-1 (Form 38); they are not applicable if you elected to be included in a composite filing. The income tax paid on your behalf by the fiduciary under the composite filing method satisfies your North Dakota income tax filing and payment obligations with respect to your North Dakota distributive share of income from the estate or trust. The North Dakota distributive share of income and composite income tax paid, as shown in Part 5 of Schedule K-1 (Form 38), are provided only for your information. If you later choose to revoke your composite filing election and file your own North Dakota income tax return, follow the instructions to Parts 3 through 5 to transfer the amounts from Schedule K-1 (Form 38) to your return.

**Amended Schedule K-1 (Form 38).** If you receive an amended North Dakota Schedule K-1 (Form 38) from the fiduciary for the estate or trust, you generally must file

an amended North Dakota income tax return to report the revised information, in which case a copy of the amended Schedule K-1 (Form 38) must be attached to your amended North Dakota income tax return. If you previously elected to include your distributive share of North Dakota income in a composite filing, and you are not changing that election, you generally do not have to take any action and should retain the amended Schedule K-1 (Form 38) for your tax records.

### Specific Instructions

#### Part 3

#### All beneficiaries—North Dakota adjustments and tax credits

Except for a nonresident beneficiary who elected to be included in a composite filing, the information in Part 3 of Schedule K-1 (Form 38) applies to all beneficiaries.

The following lists show where to enter an amount from Part 3 of Schedule K-1 (Form 38) on the North Dakota income tax return. Use the list that applies to your return. "Not applicable" in the right-hand column means that the item does not apply and should not be entered on the return.

#### Lines 1–20

##### Form ND-1 filer:

Include the amount from this schedule: On:

Lines 1–2	Not applicable
Line 3	Form ND-1, line 7
Line 4a	Sch. RZ, Part 1, line 19a
Line 4b	Sch. RZ, Part 1, line 19b
Line 5	Sch. ND-1SA, line 2
Line 6	Form ND-1, line 14
Line 7a	Sch. RZ, Part 4, line 7
Line 7b	Sch. RZ, Part 5, line 4
Line 7c	Sch. RZ, Part 6, line 6
Line 8	Sch. ND-1TC, line 4
Line 9	Sch. ND-1TC, line 3
Line 10	Sch. ND-1TC, line 6
Line 11	Sch. ND-1TC, line 7
Line 12	Sch. ND-1TC, line 12b
Line 13	Sch. ND-1TC, line 8a
Line 14a	Sch. ND-1TC, line 9a
Line 14b	Sch. ND-1TC, line 9b
Line 15a	Sch. ND-1TC, line 15b
Line 15b	See instructions to Form ND-1, line 4a
Line 15c	Sch. ND-1TC, line 15b
Line 15d	See instructions to Form ND-1, line 4a
Line 16	Sch. ND-1TC, line 11a

Line 17 Sch. ND-ITC, line 13  
 Line 18 Sch. ND-ITC, line 18  
 Line 19 Sch. ND-ITC, line 19  
 Line 20 Sch. ND-ITC, line 20

**Form 38 filer:**

Include the amount from this schedule:

Lines 1–2	On:	Not applicable
Line 3		Form 38, page 2, Part 1, line 4a
Line 4a		Sch. RZ, Part 1, line 19a
Line 4b		Sch. RZ, Part 1, line 19b
Lines 5–6		Form 38, page 2, Part 1, line 4d
Line 7a		Sch. RZ, Part 4, line 7
Line 7b		Sch. RZ, Part 5, line 4
Line 7c		Sch. RZ, Part 6, line 6
Line 8		Sch. 38-TC, line 3
Line 9		Sch. 38-TC, line 2
Line 10		Sch. 38-TC, line 4
Line 11		Sch. 38-TC, line 5
Line 12		Sch. 38-TC, line 10b
Line 13		Sch. 38-TC, line 6a
Line 14a		Sch. 38-TC, line 7a
Line 14b		Sch. 38-TC, line 7b
Line 15a		Sch. 38-TC, line 12c
Line 15b		Form 38, page 2, Part 1, line 2
Line 15c		Sch. 38-TC, line 12c
Line 15d		Form 38, page 2, Part 1, line 2
Line 16		Sch. 38-TC, line 9a
Line 17		Sch. 38-TC, line 11
Line 18		Sch. 38-TC, line 15
Line 19		Sch. 38-TC, line 16
Line 20		Sch. 38-TC, line 17

**Form 40 filer:**

Include the amount from this schedule:

Line 1	On:	Form 40, Sch. SA, line 4
Line 2		Form 40, Sch. SA, line 3
Line 3		Form 40, Sch. SA, line 11
Line 4a		Sch. RZ, Part 1, line 19a
Line 4b		Sch. RZ, Part 1, line 19b
Line 5		Form 40, Page 1, line 9
Line 6		Not applicable
Line 7a		Sch. RZ, Part 4, line 7
Line 7b		Sch. RZ, Part 5, line 4
Line 7c		Sch. RZ, Part 6, line 6
Line 8		Form 40, Sch. TC, line 12
Line 9		Form 40, Sch. TC, line 15
Line 10		Form 40, Sch. TC, line 13
Line 11		Form 40, Sch. TC, line 14
Line 12		Form 40, Sch. TC, line 4

Line 13	Form 40, Sch. TC, line 17
Line 14a	Form 40, Sch. TC, line 7
Line 14b	Form 40, Sch. TC, line 8
Line 15a	Form 40, Sch. TC, line 16
Line 15b	Form 40, Sch. SA, line 5
Line 15c	Form 40, Sch. TC, line 16
Line 15d	Form 40, Sch. SA, line 5
Line 16	Form 40, Sch. TC, line 20
Line 17	Form 40, Sch. TC, line 21
Line 18	Form 40, Sch. TC, line 3
Line 19	Form 40, Sch. TC, line 2
Line 20	Form 40, Sch. TC, line 1

**Forms 58 and 60:** Include the amounts from lines 1–20 of this schedule on the applicable lines of Schedule K of Form 58 or Form 60.

**Part 4  
 Nonresident individual, estate,  
 or trust beneficiary only—North  
 Dakota income (loss)**

If you are a nonresident individual, estate, or trust, lines 21 through 31 of Part 4 show your share of the estate’s or trust’s North Dakota income, gains, losses, and deductions that you must report on your North Dakota income tax return. Transfer these amounts to your North Dakota income tax return as instructed below based on the type of return you are filing.

If the full amount of any item is not included in your adjusted gross income on your federal income tax return because of limitations on the deductibility of a passive activity loss, capital loss, section 179 deduction, or for any other reason, enter on your North Dakota return only that portion of the item included in your federal adjusted gross income.

**Attach a statement to your North  
 Dakota income tax return explaining any  
 difference between the amount shown on  
 North Dakota Schedule K-1 (Form 38) and  
 the amount reported on your North Dakota  
 income tax return.**

**Form ND-1 filer (nonresident only):**

Include the amount from this schedule:	On Schedule ND-1NR, Column B:
Lines 21–22	Line 2
Lines 23–24	Line 4
Lines 25–29	Line 6
Line 30	Line 4 (if capital loss) or line 8 (if net operating loss)
Line 31	Line 8

**Form 38 filer (nonresident only):**

Include the amount from this schedule:	On Page 2, Part 2, Column B:
Line 21	Line 1
Line 22	Line 2
Lines 23–24	Line 4
Lines 25–29	Line 5
Line 30	Line 4 (if capital loss) or line 8 (if net operating loss)
Line 31	Line 8

**Part 5  
 Nonresident beneficiary only**

Lines 32 through 34 only apply if you are (1) an individual not domiciled in North Dakota, (2) a trust, including a grantor trust, not organized under North Dakota law, or (3) a passthrough entity, such as a partnership, with a commercial domicile outside North Dakota.

**Line 32**

This is the net amount of your North Dakota distributive share of income (loss) from the estate or trust. Do not enter the amount from this line anywhere on your return. **It is for your information only.**

**Line 33**

This is the amount of North Dakota income tax withheld by the fiduciary from your North Dakota distributive share of income. Enter this amount on your return as follows:

- If an individual, enter on Form ND-1, line 26.
- If an estate or trust, enter on Form 38, page 1, line 8.
- If a partnership, enter on Form 58, page 1, line 4.
- If an S corporation, enter on Form 60, page 1, line 5.

**Attach a copy of North Dakota  
 Schedule K-1 (Form 38) to your return.**

**Line 34**

If you elected to include your North Dakota distributive share of income (loss) in a composite filing, this is the amount of North Dakota composite income tax paid on your behalf by the fiduciary. For more information, see “Composite filing election” on page 1 of these instructions.

**Note:** If you later choose to file your own North Dakota income tax return, you may claim this amount as a tax payment on your return. Attach a copy of the North Dakota Schedule K-1 (Form 38) to your return to support the amount claimed.