



SCHEDULE K-1 (FORM 38)
OFFICE OF STATE TAX COMMISSIONER
SFN 28739 (12-2025)

2025

Estate's or trust's tax year:

- ☐ **Calendar year 2025** (Jan. 1 - Dec. 31, 2025)
☐ **Fiscal year:** Beginning _____, 2025, Ending _____, 20____

☐ Final ☐ Amended

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:
a. Historic property preservation credit _____
b. Renaissance fund organization credit _____
c. Nonparticipating property owner credit _____
- 8.** Seed capital investment credit _____
- 9.** Agricultural commodity processing facility investment credit _____
- 10.** Biodiesel/green diesel fuel blending credit _____
- 11.** Biodiesel/green diesel fuel sales equipment credit _____
- 12.** Employer internship program credit _____

- 13. a.** Research expense credit _____
b. Purchased research credit _____
- 14. 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) _____
- 15.** Workforce recruitment credit _____
- 16.** Wages paid to mobilized employee credit _____
- 17.** Nonprofit private primary school credit _____
- 18.** Nonprofit private high school credit _____
- 19.** Nonprofit private college credit _____
- 20.** Automation credit _____
- 21.** Developmentally disabled/mentally ill employee credit _____
- 22.** Maternity home, child placing agency, or pregnancy help center credit _____
- 23.** Apprentice tax credit _____
- 24.** Employer child care tax credit _____

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

- 25.** Interest income _____
- 26.** Ordinary dividends _____
- 27.** Net short-term capital gain _____
- 28.** Net long term capital gain _____
- 29.** Other portfolio and nonbusiness income _____
- 30.** Ordinary business income _____
- 31.** Net rental real estate income _____
- 32.** Other rental income _____
- 33.** Directly apportioned deductions _____
- 34.** Final year deductions _____
- 35.** Other _____

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

- 36.** ND distributive share of income (loss) _____
- 37.** North Dakota income tax withheld _____
- 38.** North Dakota composite income tax _____

2025 Schedule K-1 Instructions for Beneficiary

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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 2025 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 2026, report the amounts from the 2025 Schedule K-1 (Form 38) on your 2026 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 1–23

Form ND-1 filer:

Include the amount from this schedule:

Lines 1–2
Line 3
Line 4
Line 5
Line 6
Line 7a
Line 7b
Line 7c
Line 8
Line 9

On:

Not applicable
Form ND-1, line 5
Sch. RZ, Part 1, line 18
Sch. ND-1SA, line 5
Form ND-1, line 12
Sch. RZ, Part 4, line 7
Sch. RZ, Part 5, line 4
Sch. RZ, Part 6, line 6
Sch. ND-1TC, line 4
Sch. ND-1TC, line 3

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Line 10	Sch. ND-1TC, line 6
Line 11	Sch. ND-1TC, line 7
Line 12	Sch. ND-1TC, line 8a
Line 13a	Sch. ND-1TC, line 9a
Line 13b	Sch. ND-1TC, line 9b
Line 14a	Sch. ND-1TC, line 15b
Line 14b	See instructions to Form ND-1, line 2
Line 14c	Sch. ND-1TC, line 15b
Line 14d	See instructions to Form ND-1, line 2
Line 15	Sch. ND-1TC, line 11a
Line 16	Sch. ND-1TC, line 13
Line 17	Sch. ND-1PSC, line 4
Line 18	Sch. ND-1PSC, line 13
Line 19	Sch. ND-1PSC, line 22
Line 20	Sch. ND-1TC, line 17a
Line 21	Sch. ND-1TC, line 22
Line 22	Sch. MCP, line 3
Line 23	Sch. ND-1TC, line 25a
Line 24	Sch. ND-1TC, line 10

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 4	Sch. RZ, Part 1, line 18	
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 6a	
Line 13a	Sch. 38-TC, line 7a	
Line 13b	Sch. 38-TC, line 7b	
Line 14a	Sch. 38-TC, line 12c	
Line 14b	Form 38, page 2, Part 1, line 2	
Line 14c	Sch. 38-TC, line 12c	
Line 14d	Form 38, page 2, Part 1, line 2	
Line 15	Sch. 38-TC, line 9a	
Line 16	Sch. 38-TC, line 11	
Line 17	Sch. 38-TC, line 15	
Line 18	Sch. 38-TC, line 16	
Line 19	Sch. 38-TC, line 17	
Line 20	Sch. 38-TC, line 14a	
Line 21	Sch. 38-TC, line 18	
Line 22	Sch. 38-TC, line 19	
Line 23	Sch. 38-TC, line 20a	
Line 24	Sch. 38-TC, line 8	

Form 40 filer:

Include the amount from this schedule:

Line 1	On:	Sch. SA, line 4
Line 2	Sch. SA, line 3	
Line 3	Sch. SA, line 10	
Line 4	Sch. RZ, Part 1, line 18	
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	Sch. TC, line 11	
Line 9	Sch. TC, line 14	

Line 10	Sch. TC, line 12
Line 11	Sch. TC, line 13
Line 12	Sch. TC, line 16
Line 13a	Sch. TC, line 6
Line 13b	Sch. TC, line 7
Line 14a	Sch. TC, line 15
Line 14b	Sch. SA, line 5
Line 14c	Sch. TC, line 15
Line 14d	Sch. SA, line 5
Line 15	Sch. TC, line 18
Line 16	Sch. TC, line 19
Line 17	Sch. TC, line 3
Line 18	Sch. TC, line 2
Line 19	Sch. TC, line 1
Line 20	Sch. TC, line 22
Line 21	Sch. TC, line 5
Line 22	Sch. TC, line 21
Line 23	Sch. TC, line 24
Line 24	Sch. TC, line 17

Forms 58 and 60:

Include the amounts from lines 1–24 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 25 through 35 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:

Lines 25–26
Lines 27–28
Lines 29–33
Line 34
Line 35

On Schedule ND-1NR, Column B:

Line 2
Line 4
Line 6
Line 4 or line 8
Line 8

Form 38 filer (nonresident only):

Include the amount from this schedule:

Line 25
Line 26
Lines 27–28
Lines 29–33
Line 34
Line 35

On Page 2, Part 2, Column B:

Line 1
Line 2
Line 4
Line 5
Line 4 or line 8
Line 8

Part 5

Nonresident beneficiary only

Lines 36 through 38 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 36

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 37

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 38

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 2 of these instructions.

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