



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 _____, 20_____, 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

SFN 28739 (12-2025), Page 2

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:

On:	
Lines 1–2	Not applicable
Line 3	Form ND-1, line 5
Line 4	Sch. RZ, Part 1, line 18
Line 5	Sch. ND-1SA, line 5
Line 6	Form ND-1, line 12
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

2025 Schedule K-1 Instructions for Beneficiary

SFN 28739 (12-2025), Page 3

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

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:

On Schedule
ND-1NR,
Column B:

Lines 25-26	Line 2
Lines 27-28	Line 4
Lines 29-33	Line 6
Line 34	Line 4 or line 8
Line 35	Line 8

Form 38 filer:

Include the amount from this schedule:

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

Form 40 filer:

Include the amount from this schedule:

On:
Sch. SA, line 4
Sch. SA, line 3
Sch. SA, line 10
Sch. RZ, Part 1, line 18
Form 40, page 1, line 9
Not applicable
Sch. RZ, Part 4, line 7
Sch. RZ, Part 5, line 4
Sch. RZ, Part 6, line 6
Sch. TC, line 11
Sch. TC, line 14

Form 38 filer (nonresident only):

Include the amount from this schedule:

On Page
2, Part 2,
Column B:
Line 25
Line 26
Lines 27-28
Lines 29-33
Line 34
Line 35

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.