

TLS, have you transmitted all R text files for this cycle update?

I.R.S. SPECIFICATIONS TO BE REMOVED BEFORE PRINTING
INSTRUCTIONS TO PRINTERS
FORM 1041, PAGE 1 of 4
MARGINS: TOP 13mm (1/2"), CENTER SIDES. PRINTS: HEAD TO FOOT INK: BLACK
PAPER: WHITE WRITING, SUB. 20. PERFORATE: ON FOLD
FLAT SIZE: 216 mm (8 1/2") x 559mm (22"), FOLD TO 216 mm (8 1/2") x 279 mm (11")

Table with 3 columns: Action, Date, Signature. Rows: O.K. to print, Revised proofs requested.

APPROVED AS CORRECTED JC 11/10/2007

Cumulative Changes Copy/ OMB Copy
Deletions are marked with small yellow boxes with a red D; Additions are in blue boxes. Year changes from 2006 to 2007 & page number changes are highlighted in yellow.

Deleted line about: Pooled mortgage account (see page 15 of the instructions)

Form 1041 U.S. Income Tax Return for Estates and Trusts 2007. Includes fields for Type of entity, Employer identification number, Date entity created, and various checkboxes for return types and elections.

Main table with 29 rows for Income, Deductions, and Tax and Payments. Includes sub-rows for dividends, business income, interest, taxes, and total tax due.

Sign Here section with signature line, date, and EIN of fiduciary. Includes a box for 'May the IRS discuss this return with the preparer shown below?'.

Paid Preparer's Use Only section with fields for preparer's signature, date, firm's name, EIN, and phone number.

Schedule A Charitable Deduction. Do not complete for a simple trust or a pooled income fund.

1	Amounts paid or permanently set aside for charitable purposes from gross income (see page 23)	1	
2	Tax-exempt income allocable to charitable contributions (see page 24 of the instructions)	2	
3	Subtract line 2 from line 1	3	
4	Capital gains for the tax year allocated to corpus and paid or permanently set aside for charitable purposes	4	
5	Add lines 3 and 4	5	
6	Section 1202 exclusion allocable to capital gains paid or permanently set aside for charitable purposes (see page 24 of the instructions)	6	
7	Charitable deduction. Subtract line 6 from line 5. Enter here and on page 1, line 13	7	

Schedule B Income Distribution Deduction

1	Adjusted total income (see page 24 of the instructions)	1	
2	Adjusted tax-exempt interest	2	
3	Total net gain from Schedule D (Form 1041), line 15, column (1) (see page 24 of the instructions)	3	
4	Enter amount from Schedule A, line 4 (minus any allocable section 1202 exclusion)	4	25
5	Capital gains for the tax year included on Schedule A, line 1 (see page 24 of the instructions)	5	
6	Enter any gain from page 1, line 4, as a negative number. If page 1, line 4, is a loss, enter the loss as a positive number	6	
7	Distributable net income. Combine lines 1 through 6. If zero or less, enter -0-	7	
8	If a complex trust, enter accounting income for the tax year as determined under the governing instrument and applicable local law	8	
9	Income required to be distributed currently	9	
10	Other amounts paid, credited, or otherwise required to be distributed	10	25
11	Total distributions. Add lines 9 and 10. If greater than line 8, see page 26 of the instructions	11	
12	Enter the amount of tax-exempt income included on line 11	12	
13	Tentative income distribution deduction. Subtract line 12 from line 11	13	
14	Tentative income distribution deduction. Subtract line 2 from line 7. If zero or less, enter -0-	14	
15	Income distribution deduction. Enter the smaller of line 13 or line 14 here and on page 1, line 18	15	

Schedule G Tax Computation (see page 26 of the instructions)

1	Tax: a Tax on taxable income (see page 26 of the instructions)	1a	25	
	b Tax on lump-sum distributions. Attach Form 4972	1b		
	c Alternative minimum tax (from Schedule I, line 56)	1c		
	d Total. Add lines 1a through 1c	1d		
2a	Foreign tax credit. Attach Form 1116	2a		
	b Other nonbusiness credits (attach schedule)	2b		
	c General business credit. Enter here and check which forms are attached: <input type="checkbox"/> Form 3800 <input type="checkbox"/> Forms (specify) ▶	2c		
	d Credit for prior year minimum tax. Attach Form 8801	2d		
3	Total credits. Add lines 2a through 2d	3		
4	Subtract line 3 from line 1d. If zero or less, enter -0-.	4		
5	Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611	5		
6	Household employment taxes. Attach Schedule H (Form 1040)	6		
7	Total tax. Add lines 4 through 6. Enter here and on page 1, line 23	7		

Other Information

	Yes	No
1		
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3		
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DO NOT PRINT — DO NOT PRINT — DO NOT PRINT — DO NOT PRINT

Schedule I Alternative Minimum Tax (AMT) (see pages 28 through 35 of the instructions)

Part I—Estate's or Trust's Share of Alternative Minimum Taxable Income

1	Adjusted total income or (loss) (from page 1, line 17)		1
2	Interest		2
3	Taxes		3
4	Miscellaneous itemized deductions (from page 1, line 15b)		4
5	Refund of taxes	()	5
6	Depletion (difference between regular tax and AMT)		6
7	Net operating loss deduction. Enter as a positive amount		7
8	Interest from specified private activity bonds exempt from the regular tax		8
9	Qualified small business stock (see page 30 of the instructions)		9
10	Exercise of incentive stock options (excess of AMT income over regular tax income)		10
11	Other estates and trusts (amount from Schedule K-1 (Form 1041), box 12, code A)		11
12	Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box 6)		12
13	Disposition of property (difference between AMT and regular tax gain or loss)		13
14	Depreciation on assets placed in service after 1986 (difference between regular tax and AMT)		14
15	Passive activities (difference between AMT and regular tax income or loss)		15
16	Loss limitations (difference between AMT and regular tax income or loss)		16
17	Circulation costs (difference between regular tax and AMT)		17
18	Long-term contracts (difference between AMT and regular tax income)		18
19	Mining costs (difference between regular tax and AMT)		19
20	Research and experimental costs (difference between regular tax and AMT)		20
21	Income from certain installment sales before January 1, 1987	()	21
22	Intangible drilling costs preference		22
23	Other adjustments, including income-based related adjustments		23
24	Alternative tax net operating loss deduction (See the instructions for the limitation that applies.)	()	24
25	Adjusted alternative minimum taxable income. Combine lines 1 through 24		25
26	Income distribution deduction from Part II, line 44	26	
27	Estate tax deduction (from page 1, line 19)	27	
28	Add lines 26 and 27		28
29	Estate's or trust's share of alternative minimum taxable income. Subtract line 28 from line 25		29

If line 29 is:

- \$22,500 or less, stop here and enter -0- on Schedule G, line 1c. The estate or trust is not liable for the alternative minimum tax.
- Over \$22,500, but less than \$165,000, go to line 45.
- \$165,000 or more, enter the amount from line 29 on line 51 and go to line 52.

Part II—Income Distribution Deduction on a Minimum Tax Basis

30	Adjusted alternative minimum taxable income (see page 34 of the instructions)		30
31	Adjusted tax-exempt interest (other than amounts included on line 8)		31
32	Total net gain from Schedule D (Form 1041), line 15, column (1). If a loss, enter -0-		32
33	Capital gains for the tax year allocated to corpus and paid or permanently set aside for charitable purposes (from Schedule A, line 4)		33
34	Capital gains paid or permanently set aside for charitable purposes from gross income (see page 34 of the instructions)		34
35	Capital gains computed on a minimum tax basis included on line 25	()	35
36	Capital losses computed on a minimum tax basis included on line 25. Enter as a positive amount		36
37	Distributable net alternative minimum taxable income (DNAMTI). Combine lines 30 through 36. If zero or less, enter -0-		37
38	Income required to be distributed currently (from Schedule B, line 9)		38
39	Other amounts paid, credited, or otherwise required to be distributed (from Schedule B, line 10)		39
40	Total distributions. Add lines 38 and 39		40
41	Tax-exempt income included on line 40 (other than amounts included on line 8)		41
42	Tentative income distribution deduction on a minimum tax basis. Subtract line 41 from line 40		42
43	Tentative income distribution deduction on a minimum tax basis. Subtract line 31 from line 37. If zero or less, enter -0-		43
44	Income distribution deduction on a minimum tax basis. Enter the smaller of line 42 or line 43. Enter here and on line 26		44

Part III—Alternative Minimum Tax

45	Exemption amount			45	\$22,500	00
46	Enter the amount from line 29	46				
47	Phase-out of exemption amount	47	\$75,000	00		
48	Subtract line 47 from line 46. If zero or less, enter -0-	48				
49	Multiply line 48 by 25% (.25)	49				
50	Subtract line 49 from line 45. If zero or less, enter -0-	50				
51	Subtract line 50 from line 46	51				
52	Go to Part IV of Schedule I to figure line 52 if the estate or trust has qualified dividends or has a gain on lines 14a and 15 of column (2) of Schedule D (Form 1041) (as refigured for the AMT, if necessary). Otherwise, if line 51 is— • \$175,000 or less, multiply line 51 by 26% (.26). • Over \$175,000, multiply line 51 by 28% (.28) and subtract \$3,500 from the result	52				
53	Alternative minimum foreign tax credit (see page 34 of the instructions)	53				
54	Tentative minimum tax. Subtract line 53 from line 52	54				
55	Enter the tax from Schedule G, line 1a (minus any foreign tax credit from Schedule G, line 2a)	55				
56	Alternative minimum tax. Subtract line 55 from line 54. If zero or less, enter -0-. Enter here and on Schedule G, line 1c	56				

Part IV—Line 52 Computation Using Maximum Capital Gains Rates

Caution: If you did not complete Part V of Schedule D (Form 1041), the Schedule D Tax Worksheet, or the Qualified Dividends Tax Worksheet, see page 35 of the instructions before completing this part.

57	Enter the amount from line 51	57			
58	Enter the amount from Schedule D (Form 1041), line 22, line 13 of the Schedule D Tax Worksheet, or line 4 of the Qualified Dividends Tax Worksheet, whichever applies (as refigured for the AMT, if necessary)	58			
59	Enter the amount from Schedule D (Form 1041), line 14b, column (2) (as refigured for the AMT, if necessary). If you did not complete Schedule D for the regular tax or the AMT, enter -0-	59			
60	If you did not complete a Schedule D Tax Worksheet for the regular tax or the AMT, enter the amount from line 58. Otherwise, add lines 58 and 59 and enter the smaller of that result or the amount from line 10 of the Schedule D Tax Worksheet (as refigured for the AMT, if necessary)	60			
61	Enter the smaller of line 57 or line 60	61			
62	Subtract line 61 from line 57	62			
63	If line 62 is \$175,000 or less, multiply line 62 by 26% (.26). Otherwise, multiply line 62 by 28% (.28) and subtract \$3,500 from the result	63			
64	Maximum amount subject to the 5% rate	64	\$2,150	00	
65	Enter the amount from line 23 of Schedule D (Form 1041), line 14 of the Schedule D Tax Worksheet, or line 5 of the Qualified Dividends Tax Worksheet, whichever applies (as figured for the regular tax). If you did not complete Schedule D or either worksheet for the regular tax, enter -0-	65			
66	Subtract line 65 from line 64. If zero or less, enter -0-	66			
67	Enter the smaller of line 57 or line 58	67			
68	Enter the smaller of line 66 or line 67	68			
69	Multiply line 68 by 5% (.05)	69			
70	Subtract line 68 from line 67	70			
71	Multiply line 70 by 15% (.15)	71			
72	If line 59 is zero or blank, skip lines 72 and 73 and go to line 74. Otherwise, go to line 72. Subtract line 67 from line 61	72			
73	Multiply line 72 by 25% (.25)	73			
74	Add lines 63, 69, 71, and 73	74			
75	If line 57 is \$175,000 or less, multiply line 57 by 26% (.26). Otherwise, multiply line 57 by 28% (.28) and subtract \$3,500 from the result	75			
76	Enter the smaller of line 74 or line 75 here and on line 52	76			