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Complex trusts. If the second tier distributions exceed the DNI allocable to the second tier, the trust may have an accumulation distribution. See the line 11 instructions below.

Line 11—Total Distributions

If line 11 is more than line 8, and you are filing for a complex trust that has previously accumulated income, see the instructions on page 30 to see if you must complete Schedule J (Form 1041).

Line 12—Adjustment for Tax-Exempt Income

In figuring the income distribution deduction, the estate or trust is not allowed a deduction for any item of the DNI that is not included in the gross income of the estate or trust. Thus, for purposes of figuring the allowable income distribution deduction, the DNI (line 7) is figured without regard to any tax-exempt interest.

If tax-exempt interest is the only tax-exempt income included in the total distributions (line 11), and the DNI (line 7) is less than or equal to line 11, then enter on line 12 the amount from line 2.

If tax-exempt interest is the only tax-exempt income included in the total distributions (line 11), and the DNI is more than line 11 (that is, the estate or trust made a distribution that is less than the DNI), then figure the adjustment by multiplying line 2 by a fraction, the numerator of which is the total distributions (line 11), and the

denominator of which is the DNI (line 7). Enter the result on line 12.

If line 11 includes tax-exempt income other than tax-exempt interest, figure line 12 by subtracting the total of the following from tax-exempt income included on line 11:

1. The charitable contribution deduction allocable to such tax-exempt income, and
2. Expenses allocable to tax-exempt income.

Expenses that are directly allocable to tax-exempt income are allocated only to tax-exempt income. A reasonable proportion of expenses indirectly allocable to both tax-exempt income and other income must be allocated to each class of income.

Schedule G—Tax Computation

Line 1a

2009 tax rate schedule. For tax years beginning in 2009, figure the tax using the Tax Rate Schedule below and enter the tax on line 1a. However, see the **Instructions for Schedule D (Form 1041)** and the *Qualified Dividends Tax Worksheet* below.

Over—	But not over—	Its tax is:	Of the amount over—
\$0	\$2,300	15%	\$0
2,300	5,350	\$345.00 + 25%	2,300
5,350	8,200	1,107.50 + 28%	5,350
8,200	11,150	1,905.50 + 33%	8,200
11,150	----	2,879.00 + 35%	11,150

Schedule D (Form 1041) and Schedule D Tax Worksheet. Use Part V of Schedule D (Form 1041) or the Schedule D Tax Worksheet, whichever is applicable, to figure the estate's or trust's tax if the estate or trust files Schedule D (Form 1041) and has:

- A net capital gain and any taxable income, or
- Qualified dividends on line 2b(2) of Form 1041 and any taxable income.


Qualified Dividends Tax Worksheet.

If you do not have to complete Part I or Part II of Schedule D and the estate or trust has an amount entered on line 2b(2) of Form 1041 and any taxable income (line 22), then figure the estate's or trust's tax using the worksheet below and enter the tax on line 1a.

Note. You must reduce the amount you enter on line 2b(2) of Form 1041 by the portion of the section 691(c) deduction claimed on line 19 of Form 1041 if the estate or trust received qualified dividends that were IRD.

Qualified Dividends Tax Worksheet—Schedule G, line 1a

Keep for Your Records

Caution: Do not use this worksheet if the estate or trust must complete Schedule D (Form 1041). 

1. Enter the amount from Form 1041, line 22	1. _____
2. Enter the amount from Form 1041, line 2b(2)	2. _____
3. If you are claiming investment interest expense on Form 4952, enter the amount from line 4g; otherwise enter -0-	3. _____
4. Subtract line 3 from line 2. If zero or less, enter -0-	4. _____
5. Subtract line 4 from line 1. If zero or less, enter -0-	5. _____
6. Enter the smaller of the amount on line 1 or \$2,300	6. _____
7. Is the amount on line 5 equal to or more than the amount on line 6? <input type="checkbox"/> Yes. Skip lines 7 and 8; go to line 9 and check the "No" box. <input type="checkbox"/> No. Enter the amount from line 5	7. _____
8. Subtract line 7 from line 6	8. _____
9. Are the amounts on lines 4 and 8 the same? <input type="checkbox"/> Yes. Skip lines 9 through 12; go to line 13. <input type="checkbox"/> No. Enter the smaller of line 1 or line 4	9. _____
10. Enter the amount from line 8 (if line 8 is blank, enter -0-)	10. _____
11. Subtract line 10 from line 9	11. _____
12. Multiply line 11 by 15% (.15)	12. _____
13. Figure the tax on the amount on line 5. Use the 2009 Tax Rate Schedule	13. _____
14. Add lines 12 and 13	14. _____
15. Figure the tax on the amount on line 1. Use the 2009 Tax Rate Schedule	15. _____
16. Tax on all taxable income. Enter the smaller of line 14 or line 15 here and on Sch. G, line 1a	16. _____