Kansas

2015

Fiduciary Income Tax

File your fiduciary return electronically!

See back cover for details.

webtax.org

GENERAL INFORMATION

If any due date falls on a Saturday, Sunday, or legal holiday, substitute the next regular workday.

Who Must File a Return

Resident Estate or Trust. The fiduciary of a resident estate or trust must file a Kansas Fiduciary Income Tax return (K-41) if the estate or trust had any taxable income or there is withholding tax due for the nonresident beneficiaries. A resident *estate* is the estate of a person who was a Kansas resident at the time of death. All other estates are nonresident estates. A resident *trust* is any trust which is administered by the trustee in Kansas. A trust being administered outside of Kansas shall not be considered a resident trust merely because the governing instrument or a law requires that the laws of Kansas be followed with respect to interpretation or administration of the trust. All other trusts are nonresident trusts.

Nonresident Estate or Trust. The fiduciary of a nonresident estate or trust must file a Kansas Fiduciary Income Tax Return if the estate or trust had taxable income or gain derived from Kansas sources. This includes income or gain from: 1) real or tangible personal property located within Kansas; 2) a business, profession or occupation carried on within Kansas; or, 3) services performed within Kansas.

For a nonresident estate or trust, income from the following is not considered to be derived from Kansas sources: annuities, interest, dividends, or gains from the sale or exchange of intangible personal property, unless part of the income from a business, trade, profession, or occupation carried on within Kansas.

When and Where to File

You should complete your Kansas fiduciary return after the federal fiduciary return is complete. It is due no later than the 15th day of the fourth month after the close of the taxable year (April 15th for those operating on a calendar year basis). Mail your Fiduciary Income Tax return to the address shown on Form K-41.

For a quick and easy filing solution, submit your return electronically. See back cover for details.

Extension of Time to File

*An extension of time to file is **not** an extension to pay.*

If you are unable to complete your Kansas fiduciary return by the filing deadline, you may request an extension of time to file. If you filed Form 7004 with the Internal Revenue Service for an extension of time, enclose a copy of that form with your completed K-41. (Kansas does not have a separate extension request form but will accept an approved federal Extension of Time To File form.) If you do not pay the tax amount due (may be estimated) by the original due date, you will owe interest and may also be charged a penalty on any balance due.

Accounting Period

The accounting period for which the Kansas fiduciary return is filed and the method of accounting used must be the same as that used for federal tax purposes. If, for federal purposes, the taxable year for the estate or trust changes or the method of accounting is changed, the changes also apply to the Kansas return.

Withholding Tax Payments

Kansas law requires the fiduciary of a resident estate or trust to submit the payment of withholding tax for its nonresident beneficiaries, if it is $5 or more, with the filing of Form K-41. Complete Part IV, and enter the total from Column E on line 6 of Form K-41.

Estimated Tax

Estates and trusts are required to make federal estimated tax payments; however, Kansas statutes exempt estates and trusts from making estimated tax payments for Kansas fiduciary purposes.

Fiduciary Reporting to Beneficiaries

Fiduciaries must provide each beneficiary with the amount of the fiduciary modification to be used in the preparation of the beneficiary's Kansas individual income tax return. See page 2, Part II, Column D.

In addition, fiduciaries must provide each nonresident beneficiary with the amount of their share of income and credits from page 3, Part IV of Form K-41, and when Kansas tax is withheld, supply Form K-18 to the nonresident beneficiary. Fiduciary modifications, beneficiaries' shares of fiduciary modifications, and beneficiaries' shares of income and credits are computed on pages 2 and 3 of Form K-41 in Parts I, II, III and IV.

Federal Return

Enclose with Form K-41 a copy of your Federal Form 1041, including all schedules as filed with the Internal Revenue Service. The processing of your Kansas fiduciary return may be delayed if your *federal* fiduciary return is not included.

Confidential Information

Income tax information disclosed to the Kansas Department of Revenue, either on returns or through department investigation, is held in strict confidence by law. The Kansas Department of Revenue and the Internal Revenue Service have an agreement under which income tax information is exchanged. This is to verify the accuracy and consistency of information reported on federal and Kansas fiduciary returns.

Amended Returns

You must file an amended K-41 when: 1) an error was made on your Kansas return, 2) there is a change (error or adjustment) on another state's return, or 3) there is a change (error or adjustment) on your federal return. To amend your original return, use Form K-41 and mark the *amended return* checkbox. Pay the full amount of tax and interest due and no late pay penalty will be assessed. See our website for interest rates.

If you are filing an amended federal return for the same taxable year as this amended return, enclose a copy of the amended federal return and an explanation of all changes made on your amended Kansas return. If your amended federal return is adjusted or disallowed, provide the Kansas Department of Revenue with a copy of the adjustment or denial letter.

If you have not yet filed a Kansas K-41 but you filed your original federal return *and* the federal return has been amended or adjusted, use the information on the amended/adjusted federal return to complete your original Kansas return. A copy of both the original and amended federal returns should be enclosed with the Kansas return along with an explanation of the changes.

LINE INSTRUCTIONS FOR FORM K-41, PAGE 1

HEADING. Type or print your name and address in the spaces provided. If your name or address changed since you last filed, mark an "X" in the box below the heading. If filing an amended return, mark an "X" in the box below your name and address.

TELEPHONE NUMBER. If a problem should arise in processing your return, it is helpful for the Kansas Department of Revenue to have a telephone number where you can be reached during office hours. The number you provide will be kept confidential.

FILING STATUS. The filing status shown on Form K-41 will reflect the nature of the entity for which the return is being filed.

RESIDENCY STATUS. Residents: If you are filing for a resident estate or trust, check the box for residents. If all income is taxable to the fiduciary and no distributions are made or required to be made, only Part I must be completed. If there are only resident beneficiaries, or if no amounts are distributable to nonresident beneficiaries, then it is necessary to complete only Parts I and II. If there are nonresident beneficiaries, then it is generally necessary to complete all parts. However, if amounts distributed to nonresidents are nontaxable, then Part IV may be omitted. Nonresidents: If you are filing for a nonresident estate or trust, check the box for nonresidents. If there are resident and/or nonresident beneficiaries, then all parts must be completed. However, if all income is taxable to the fiduciary, then only Parts I and II must be completed.

DATE ESTABLISHED. Enter date of death or date trust was established.

LINE 1—FEDERAL TAXABLE INCOME. Residents: Enter on line 1 the federal taxable income shown on page 1 of the Federal Fiduciary Return, Form 1041. Nonresidents: Enter on line 1 the amount reported in Part III, line 48, column D of Form K-41.

LINE 2—KANSAS FIDUCIARY MODIFICATION. Residents: If there has been no distribution to beneficiaries, enter the fiduciary modification from page 2, line 26. If there has been a distribution to beneficiaries, enter the fiduciary's portion of the modification from page 2, line (j). Nonresidents: No modification is to be made on this line by a nonresident estate or trust.

LINE 3—KANSAS TAXABLE INCOME. If line 2 is a positive amount, add line 2 to line 1 and enter result on line 3. If line 2 is a negative amount, subtract line 2 from line 1 and enter result. If you made no entry on line 2, your Kansas taxable income is the same as your federal taxable income so enter that amount on line 3.

LINE 4—TAX. To compute the fiduciary income tax, refer to the tax computation schedule on the last page of Form K-41. Enter the tax amount on line 4.

LINE 5—TAX ON LUMP SUM DISTRIBUTIONS. If a resident estate or trust received income from a lump sum distribution and a federal tax was imposed on this income in accordance with federal Internal Revenue Code, Section 402(e), then the resident estate or trust is also subject to Kansas tax on the lump sum distribution.

Enter on line 5 an amount equal to 13 percent of the federal tax on the ordinary income portion of the lump sum distribution determined on federal Form 4972.

LINE 6—NONRESIDENT BENEFICIARY TAX. Enter the amount of nonresident beneficiary tax reported on page 3, Part IV of Form K-41. This amount is the total of column E.

LINE 7—TOTAL KANSAS TAX. Add lines 4, 5 and 6.

LINE 8—CREDIT FOR TAXES PAID TO OTHER STATES (FOR RESIDENTS ONLY). If you paid income tax to another state, and the income derived from the other state is included in your Kansas adjusted gross income (KAGI), you may be eligible for a credit against your Kansas tax liability. If you had income from a state that has no state income tax, make no entry on line 8 and go to line 9. A copy of the return filed with the other state(s), or a copy of Federal Form 1116 (if applicable) for claiming a foreign tax credit, must be enclosed with Kansas Form K-41.

Foreign Tax Credit: As used in this section "state" means any state of the United States, District of Columbia, Puerto Rico, any territory or possession of the United States, and any foreign country or political subdivision of a foreign country. The Kansas credit for foreign taxes is first limited to the difference between the actual tax paid to the foreign country and the foreign tax credit allowed on the federal return. If you claimed the foreign tax paid as an itemized deduction on your federal return, no credit is allowed in this section.

Foreign Tax Worksheet

A. 2015 tax paid to the foreign country ..... $ _____

B. LESS: Federal foreign tax credit allowed ..... $ _____

C. EQUALS: Kansas foreign tax limitation. Enter this amount on line 1 of the following worksheet. ..... $ _____

If you are a **Kansas resident,** use the following worksheet to determine your credit for tax paid to another state(s). **Nonresidents may not claim this credit** against Kansas tax.

Other State Tax Credit Worksheet

1) Income tax paid to another state(s) and included in your 2015 Kansas Adjusted Gross Income ..... $ _____

2) Kansas tax liability ..... $ _____

3) Other state's taxable income ..... $ _____

4) Kansas taxable income ..... $ _____

5) Percentage limitation (divide line 3 by line 4) ..... _____%

6) Limitation amount (multiply line 2 by line 5) ..... $ _____

7) Allowable credit (amount from line 1 or line 6, whichever is less) ..... $ _____

LINE 9—UNIVERSITY DEFERRED MAINTENANCE CREDIT (for carry forward use only). If you made contributions for deferred maintenance to a designated Kansas university, enter the carry forward amount of the **approved** credit on line 9.

LINE 10—OTHER NONREFUNDABLE CREDITS. Enter the total of all tax credits for which you are eligible. In claiming credits, you must complete and enclose with your Form K-41 the required schedule(s).

Agritourism Liability Insurance (for carry forward use only)	K-33
Business and Job Development (for carry forward use only)	K-34
Community Service Contribution	K-60
Declared Disaster Capital Investment (for carry forward use only) ..	K-87
Disabled Access	K-37
Film Production (for carry forward use only)	K-86
High Performance Incentive Program	K-59
Individual Development Account	K-68
Research and Development (for carry forward use only)	K-53
Venture and Local Seed Capital (for carry forward use only)	K-55

LINE 11—TOTAL CREDITS. Add lines 8, 9 and 10 and enter the result on line 11.

LINE 12—BALANCE. Subtract line 11 from line 7 and enter result (cannot be less than zero).

LINE 13—KANSAS INCOME TAX WITHHELD. Enter any amount of Kansas withholding. KDOR does not require that copies of W-2 or 1099 forms be enclosed with your return; however, the Kansas Department of Revenue reserves the right to ask for this information at a later date.

LINE 14—AMOUNT PAID WITH KANSAS EXTENSION. Enter any amount paid with an extension of time request.

LINE 15—REFUNDABLE PORTION OF TAX CREDITS. Enter the refundable portion of your tax credits. Enclose a copy of the schedule(s) with your return.

LINE 16—PAYMENTS REMITTED WITH ORIGINAL RETURN. If you are **filing an amended K-41** for the 2015 tax year, enter the amount of money you remitted to the Kansas Department of Revenue with your original 2015 return.

LINE 17—OVERPAYMENT FROM ORIGINAL RETURN. If you are **filing an amended K-41** for the 2015 tax year, enter the amount of overpayment shown on your original return. Since you were refunded this amount, it is a subtraction entry.

LINE 18—TOTAL REFUNDABLE CREDITS. Add lines 13 through 16 and subtract line 17. Enter the total on line 18.

LINE 19—UNDERPAYMENT. If your tax balance on line 12 is greater than your total refundable credits on line 18, enter the difference on line 19. **Note:** If the amount on line 19 is not paid by the due date, or if a balance due return is filed after the due date, penalty and interest will be added according to the rules outlined in lines 20 and 21.

Extension of Time: Interest is due on any delinquent tax balance, even if you were granted an extension of time to file. If **90%** of your tax liability is paid on or before the original due date of your return, an automatic extension is applied and no penalty is assessed.

LINE 20—INTEREST. Using the amount on line 19, compute interest at .333% for each month (or portion thereof) from the due date of the return.

LINE 21—PENALTY. Compute penalty at 1% per month (or portion thereof) from the due date of the return on the amount on line 19. The maximum penalty is 24 percent.

LINE 22—BALANCE DUE. Add lines 19, 20 and 21 and enter the result on line 22. Write your federal Employer Identification Number (EIN) on your check or money order, made payable to Kansas Fiduciary Tax and send it with your return. Do not send cash. A balance due of less than $5.00 need not be paid.

LINE 23—REFUND. If line 18 is greater than line 12, subtract line 12 from line 18 and enter the amount of the refund on line 23. Amounts less than $5.00 will not be refunded.

Normal processing time to issue a refund for a paper-filed return is six to eight weeks. Errors on your return, photocopied forms, and incomplete returns or missing documentation will cause delays in processing refunds. **Note:** If there is any other liability owed the State of Kansas, the fiduciary income tax refund will be applied to that liability.

SIGNATURES. The fiduciary MUST sign Form K-41. If prepared by someone other than the fiduciary, the preparer should also sign. No refund can be made unless the return is properly signed.

Preparer Authorization Box: It may be necessary for the Kansas Department of Revenue to contact you about your tax return. If you wish to have the Director of Taxation or his/her designee contact your tax preparer instead, please give permission to do so by checking this box.

LINE INSTRUCTIONS FOR FORM K-41, PAGES 2 AND 3

PART I — MODIFICATIONS TO FEDERAL TAXABLE INCOME

LINE 24a—STATE AND MUNICIPAL INTEREST. Enter interest income received, credited, or earned from any state or municipal obligations during the taxable year, less any related expenses (management fees, trustee fees, interest, etc.) directly incurred in the purchase of state or political subdivision obligations. **Do not** include those specifically exempt from income tax by Kansas law, such as: Kansas turnpike authority bonds, Board of Regents bonds for Kansas colleges and universities, electrical generation revenue bonds, urban renewal bonds, industrial revenue bonds, or Kansas highway bonds.

Interest income on obligations of Kansas or any political subdivision thereof, issued after December 31, 1987, shall be excluded from computation of Kansas taxable income.

LINE 24b—STATE INCOME TAX OR LOCAL TAXES. Enter any state, county, or city income or earnings taxes which are included in your federal deductions.

LINE 24c—ADMINISTRATIVE EXPENSES. Enter the amount of administrative expenses claimed on both the Kansas estate tax return and on the federal fiduciary tax return.

LINE 24d—OTHER ADDITIONS TO FEDERAL TAXABLE INCOME. Enter the total of these additions to federal taxable income:

- **Federal Income Tax Refund.** Generally, there will be no entry here unless an amended federal return has been filed for a prior year due to an investment credit carry back or a net operating loss carry back which resulted in a federal income tax refund in 2015 for that prior year.
- **Partnership, S Corporation, or Fiduciary Adjustments.** If income was received from a partnership, S corporation, joint venture, syndicate, estate or trust, enter your proportionate share of any required addition adjustments. The partnership, S corporation, or trustee will provide you the necessary information to determine these amounts.
- **Federal Net Operating Loss Carry Forward.** Enter the federal net operating loss carry forward claimed on the 2015 federal income tax return.
- **Community Service Contribution Credit.** Enter amount of any charitable contribution claimed on the federal return used to compute this credit on Schedule K-60.
- **Learning Quest Education Savings Program.** Enter amount of any "nonqualified withdrawal" from the Learning Quest Education Savings Program.
- **Kansas Expensing Recapture.** If you have a Kansas expensing deduction recapture amount from Schedule K-120EX, enter the amount of your deduction on line 24d and enclose a copy of your completed K-120EX and federal Form 4562.

LINE 24e—TOTAL ADDITIONS. Add lines 24a through 24d.

LINE 25a—INTEREST ON U.S. GOVERNMENT OBLIGATIONS. Enter any interest or dividend income received on obligations or securities of any authority, commission, or instrumentality of the United

States and its possessions, less any related expenses (management fees, trustee fees, interest, etc.) directly incurred in the purchase of such obligations or securities, to the extent they are included in federal taxable income if they are exempt from state income taxes under the laws of the United States. Such income paid to shareholders through a mutual fund is also exempt from Kansas tax. If the mutual fund invests in both exempt and non-exempt federal obligations, the modification allowed will be that portion of the distribution received from the mutual fund attributable to direct obligations of the U.S. government, as determined by the mutual fund. These obligations include: U.S. Savings Bonds, U.S. Treasury Bills, Federal Land Bank, etc. Enclose a schedule indicating the name of each U.S. Government obligation claimed.

LINE 25b—STATE INCOME TAX REFUNDS. Enter any state or local income tax refunds which are included in line 1 of Form K-41.

LINE 25c—RETIREMENT BENEFITS. Enter total amount of benefits received from the following plans that are included in your federal adjusted gross income.

- Federal Civil Service Retirement or Disability Fund payments and any other amounts received as retirement benefits from employment by the federal government or for service in the United States Armed Forces
- Retirement plans administered by the U.S. Railroad Retirement Board, including U.S. Railroad Retirement Benefits, tier I, tier II, dual vested benefits, and supplemental annuities
- Kansas Public Employees' Retirement (KPERS) annuities
- Kansas Police and Firemen's Retirement System pensions
- Distributions from Police and Fire Department retirement plans for the city of Overland Park, Kansas
- Kansas Teachers' Retirement annuities
- Kansas Highway Patrol pensions
- Kansas Justices and Judges Retirement System annuities
- Board of Public Utilities pensions
- Income from retirement annuity contracts purchased for faculty and others employed by the State Board of Regents or by educational institutions under its management with either their direct contributions or through salary reduction plans
- Amounts received by retired employees of Washburn University as retirement and pension benefits under the university's retirement plan
- Certain pensions received from Kansas first class cities that are not covered by KPERS

LINE 25d—OTHER SUBTRACTIONS FROM FEDERAL TAXABLE INCOME. Enter on line 25d the total of these other subtractions from federal taxable income. **Note:** You may not subtract the amount of income reported to another state.

- **Social Security Benefits (for taxpayers with federal adjusted gross income of $75,000 or less).** Enter the amount received as benefits under the Social Security Act (including SSI) in 2015, to the extent it is included in federal adjusted gross income.
- **KPERS Lump Sum Roll Over.** Enter the amounts withdrawn from a qualified retirement account and include any earnings thereon to the extent that the amounts withdrawn were originally received as a KPERS lump sum payment at retirement that you rolled over into a qualified retirement account and the amount entered is included in federal adjusted gross income. **Do not make an entry** if the amount withdrawn consists of income that was originally received from retirement annuity contracts purchased for faculty and others employed by the State Board of Regents or by educational institutions under its management with either their direct contributions or through salary reduction plans or, a pension received from any Kansas first class city that is not covered by the Kansas Public Employee's Retirement System.
- **KPERS Lump Sum Distribution.** Employees who terminated KPERS employment after July 1, 1984, and elect to receive their contributions in a lump sum distribution will report their taxable contributions on their federal return. Subtract the amount of the withdrawn accumulated contributions or partial lump-sum payment(s) to the extent either is included in federal adjusted gross income. See NOTICE 05-04 for additional information.
- **Sale of Kansas Turnpike Bonds.** Enter the gain from the sale of Kansas Turnpike Bonds if the gain was included in the federal taxable income.
- **Partnership, S Corporation or Fiduciary Adjustments.** If income was received from a partnership, S corporation, joint venture, syndicate, trust or estate, enter the proportionate share of any required subtraction adjustments. The partnership, S corporation, or beneficiary will provide you with the necessary information to determine this amount.
- **Jobs Tax Credit.** Enter amount of the federal targeted jobs tax credit disallowance claimed on the federal income tax return.
- **Kansas Venture Capital, Inc. Dividends.** Enter amount of dividend income received from Kansas Venture Capital, Inc.
- **S Corporation Privilege Adjustment.** If you are a shareholder in a bank, savings and loan, or other financial institution that is organized as an S corporation, enter the portion of any income received that was not distributed as a dividend. This income has already been taxed on the privilege tax return filed by the S corporation financial institution.
- **Electrical Generation Revenue Bonds.** Enter the amount included in federal taxable income.
- **Learning Quest Education Savings Program.** Enter contributions deposited in the Learning Quest Education Savings Program, or a qualified 529 tuition program established by another state, up to a maximum of $3,000 per student (beneficiary).
- **Armed Forces Recruitment, Sign-Up or Retention Bonus.** Members of the armed forces of the United States (including Kansas army and air national guard): enter amounts received as a recruitment, sign up or retention bonus you received as an incentive to join, enlist or remain in the armed forces of the United States, to the extent included in federal adjusted gross income. Also include amounts you received for repayment of educational or student loans incurred by you or for which you are obligated, and received as a result of your service in the armed forces of the United States, to the extent included in federal adjusted gross income.
- **Organ Donor Expenses.** Unreimbursed travel, lodging, and medical expenditures incurred by you or your dependent, while living, for the donation of human organ(s) to another person for transplant; to the extent that the expenditures are included in your federal adjusted gross income. This subtraction modification cannot exceed $5,000. See NOTICE 14-03 for more information.

LINE 25e—TOTAL SUBTRACTIONS. Add lines 25a through 25d and enter the total on line 25e.

LINE 26—NET MODIFICATION TO FEDERAL TAXABLE INCOME. Subtract line 25e from line 24e. Enter the total on line 26 and on line 2, page 1, Form K-41. If there are beneficiaries, refer to Part II.

PART II – COMPUTATION OF SHARES OF THE MODIFICATION TO FEDERAL TAXABLE INCOME

Part II is used to determine the allocation of the shares of the Kansas fiduciary modification. The Kansas fiduciary modification is divided among the beneficiaries and the fiduciary in proportion to their share of the federal distributable net income plus the amount contributed or required to be contributed from current income to charitable beneficiaries.

If there is no federal distributable net income, each beneficiary's share of the Kansas fiduciary modification shall be in proportion to each share of the estate or trust income distributed. Any balance of the Kansas fiduciary modification not allocated to the beneficiaries is allocable to the fiduciary.

When the allocation of the Kansas fiduciary modification, as provided by law, would result in an amount that is substantially inequitable, the fiduciary may, with the permission of the Director of Taxation, use such other methods of allocation that will produce a fair and equitable result to both the fiduciary and the beneficiary. Kansas law does not permit the fiduciary to elect to pay the tax on income properly applicable to a beneficiary by including such income in its share of the modification. The estate or trust must advise each beneficiary of their share of the Kansas fiduciary modification. The amount reported in Column D is the amount which the fiduciary is required to submit to each beneficiary.

Column A. Enter on lines (a), (b), (c) and (d) the names and addresses of Kansas resident beneficiaries. Nonresident beneficiaries should be listed on lines (e), (f), (g) and (h).

Column B. Enter the Social Security numbers of the beneficiaries.

Column C. Enter the percentage of the estate or trust to be distributed to each beneficiary in accordance with the documents or the laws controlling distribution of the estate or trust. The percentage allocated to charitable beneficiaries and to the fiduciary itself should be shown on the appropriate lines. Total allocation must equal 100%.

Column D. Enter on lines (a) through (i) each beneficiary's share of the Kansas fiduciary modification. Enter on line (j) the resident fiduciary's share of the modification. To determine each individual's and the fiduciary's share of the Kansas fiduciary modification, multiply the amount on line 26, Part I, by the percentage in Column C.

PART III – COMPUTATION OF FEDERAL TAXABLE INCOME OF THE ESTATE OR TRUST FROM KANSAS SOURCES

Important — You need not complete Parts III and IV if you are filing a resident estate or trust where all beneficiaries are Kansas residents. If there are any nonresident beneficiaries, you must complete Parts III and IV.

Part III is used to compute the federal taxable income of the estate or trust from Kansas sources. It is to be completed by all resident estates and trusts which have nonresident beneficiaries and by all nonresident estates and trusts with income or gain from Kansas sources. Nonresident estates or trusts should report to Kansas only that part of their federal taxable income derived from Kansas sources. The income to be reported, and the modifications to that income, are determined in this part.

Column A. Column A lists the items of income and modifications that correspond to those shown on the federal fiduciary tax return.

Column B. Enter total income or deductions reported or claimed on the federal fiduciary tax return for each item listed in Column A.

Column C. Enter that part of each item of income reported in Column B that is derived from Kansas sources. Use direct accounting whenever possible. Intangible income is not considered to be from Kansas sources except where it is part of a business, trade, or occupation carried on in Kansas. Income from other estates, trusts, or partnerships should be modified, if necessary, before the item is entered in Column C. **Note:** Items entered in Column C should reflect the amount that remains after all modifications have been performed. For example, do not include in Column C any state or local income taxes deducted on the federal return; or any state income tax refunds reported as income on the federal return.

Do not carry over any administration expenses from Column B to Column C if these expenses were claimed on both the Kansas Estate Tax Return and the federal fiduciary tax return.

Capital gains from Kansas sources should be entered in Column C only if the gain is distributed to the beneficiaries.

Depreciation, depletion, and federal estate tax not included on Federal Form 1041 and passed directly to the beneficiaries should be entered on the appropriate lines of Column C (e.g., line 41a).

Enter on line 41a other deductions not provided for on lines 36 through 40. These deductions should be directly allocated where possible. If they cannot be directly allocated to the income from Kansas sources, they should be apportioned by multiplying the deductions by the ratio of total Kansas income (line 35, Column C) divided by total federal income (line 35, Column B).

Enter on line 48, Column C, net income of the estate or trust from Kansas sources, after all modifications.

Enter on line 49, Column C, the total percentages of all "nonresident" beneficiaries. These percentages are determined by the documents or laws controlling distribution of the estate or trust.

Enter on line 50, Column C, the total income from Kansas sources of all nonresident beneficiaries. This amount is computed by multiplying line 48, Column C, by the percentage entered on line 49, Column C.

Column D. Column D is to be **completed by nonresident fiduciaries only.** Enter in Column D that part of Column C applicable to the fiduciary. The amount to be entered in Column D is computed by multiplying each entry in Column C by the fiduciary's percentage of the Kansas fiduciary adjustment as shown in Part II.

A capital gain from Kansas sources that is not distributed to the beneficiaries should be entered on line 30, Column D.

NONRESIDENT FIDUCIARY EXEMPTION. Enter on line 46, Part III, Column D, the amount of the nonresident fiduciary exemption determined by the following formula:

1)	Exemption on federal Form 1041	$ _____
2)	Kansas income of nonresident estate or trust (Part III, line 43, Column D)	$ _____
3)	Federal income (Part III, line 43, Column B)	$ _____
4)	Ratio (Divide line 2 by line 3)	_____ %
5)	Nonresident fiduciary exemption (multiply line 1 by line 4)	$ _____

Line 48, Column D, is the net income of the nonresident estate or trust from Kansas sources applicable to the fiduciary which should be entered on line 1 of Form K-41.

PART IV – NONRESIDENT BENEFICIARIES' SHARE OF INCOME AND TAX TO BE WITHHELD

Part IV is used to compute the nonresident beneficiaries' shares of income and to compute the amount of tax to be withheld by the fiduciary of a resident estate or trust from the amount distributed or distributable to the nonresident beneficiaries. Fiduciaries must provide to each nonresident beneficiary the amount of the nonresident beneficiary's share of income. In addition, Kansas law requires the fiduciary of a resident estate or trust to withhold tax from a nonresident beneficiary and to pay the amount of this tax with the Form K-41.

Column A. Enter on lines (a) through (d) the names and addresses of the nonresident beneficiaries.

Column B. Enter the Social Security numbers of the nonresident beneficiaries.

Column C. Enter on lines (a) through (d) the percentage of the estate or trust to be distributed to each beneficiary in accordance with the documents or laws controlling distribution of the estate or trust. **Note:** Since neither the resident beneficiaries' nor the fiduciary's percentages are shown here, it is unlikely this column will total 100 percent.

Column D. Enter on lines (a) through (d) each beneficiary's portion of the total taxable income from Kansas sources by multiplying Column C by the amount on line 48, Column C, Part III.

Column E. Compute the amount of tax to be withheld from each nonresident beneficiary by multiplying each beneficiary's income in column D by 2.5 percent. Enter these amounts on lines (a) through (d). The tax reported in this column is to be withheld and paid by the fiduciary for the beneficiary. Enter the total amount from Column E on page 1, line 6, Form K-41. Column E need not be calculated to completion if the nonresident share has already been withheld.

If any tax is required to be withheld, complete a Form K-18 for each nonresident beneficiary. The Form K-18 and instructions are on the last page of Form K-41.

State of Kansas
Department of Revenue
Docking State Office Building, 915 SW Harrison St.
Topeka, KS 66612-1588

PRESORT STD
U.S. POSTAGE
PAID
PERMIT #460
TOPEKA, KS

Taxpayer Assistance

ksrevenue.org

Filing. For assistance in completing your Kansas Fiduciary Income Tax return, contact our Taxpayer Assistance Center.

Tax Assistance Center
Docking State Office Building - 1st floor
915 SW Harrison Street
Topeka, KS 66612-1588

PHONE: 785-368-8222
FAX: 785-291-3614

HOURS: 8 a.m. to 4:45 p.m. (M-F)

Forms. If you choose to file paper, **FILE the ORIGINAL** form, not a copy; or a form from an *approved* software package. Visit our website for a list of *approved* software vendors. To obtain a Kansas Department of Revenue printed tax form, contact the Taxpayer Assistance Center.

Electronic Filing

webtax.org

Your 2015 Form K-41 can be filed electronically through **IRS e-File**. With IRS e-File your return is electronically submitted to the Internal Revenue Service and the Kansas Department of Revenue using an authorized provider.

Visit our website for a list of authorized IRS e-File providers and software products. Electronic filing is quick and easy and within 48 hours of transmission you will receive confirmation that the Kansas Department of Revenue has received your return.