

## Fiduciary Income Tax

## Grantor's Statement of Income, Deductions, and Other Items

**Instructions for Grantor Trusts**

Grantor trusts, as described in 26 U.S.C. §671, have an Alabama return filing requirement specified by §§40-18-25 (g) and 40-18-29. Those returns will be prepared as follows: 1. The upper part of page 1 of the Alabama Form 41 will be completed, providing the information requested concerning the grantor trust. Page 1 of the Alabama Form 41 must indicate the trust is a grantor trust. 2. 1. Enter zeroes on Page 1, lines 1-7; Page 2, Schedule A, lines 1-15; Schedule B, lines 1-5; and Page 3, lines 1-19. 3. Alabama Schedule G (Grantor's Statement of Income, Deductions, and Other Items) must be completed.

Schedule G is divided into three columns. Column A shows Alabama Total Income. Column A will be completed by resident and nonresident grantors. Column B shows adjustments made to report the Non-Alabama sourced income. The adjustments in Column B will include adjustments to arrive at the proper amount of Alabama sourced income. Column B should be completed for nonresidents grantors only. Column C shows amounts that are reportable to Alabama for both residents and nonresidents. These amounts will be reported on the Alabama Form 40 or 40NR. Column C will be completed for resident and nonresident grantors.

**Heading Information.** Enter the tax year information if other than for a calendar year. Also, on the upper right area of the form indicate if the Schedule G is final or amended.

**Information about the Grantor.**

Enter the grantor's name, mailing address (street address, city, state and zip code), and social security number. State whether the beneficiary or owner: I-Individual; C – Corporation; F – Estate or Trust; P –Partnership; DE – Disregarded Entity; E – Exempt Organization; IRA – Individual Retirement Arrangement; or FGOV – Foreign Government. Check the appropriate box to indicate if the grantor is a resident of Alabama or a nonresident.

**Information about the Trust**

Enter the trust's name, mailing address (street address, city, state and zip code), and Federal Employer Identification Number.

**Line Item Instructions**

**Line 3.** Enter the total amount from Schedule D, line 9 in Column A, Alabama Total Income.

**Line 5.** Enter the total amount from Schedule E, Part II, line 25 in Column A, Alabama Total Income.

**Line 6.** Enter the total amount from Schedule E, Part III, line 26 in Column A, Alabama Total Income.

**Grantor's Share of Income, Deductions, and Additional information.**

Column C, Alabama Income should be reported on the following schedules of the Alabama Form 40 or Form 40 NR:

**Line 1.** Enter grantor's share of interest income on Schedule B of Alabama Form 40 or Form 40NR.

**Line 2.** Enter grantor's share of dividend income on Schedule B of Alabama Form 40 or Form 40NR.

**Line 3.** Enter grantor's share of capital gain or (loss) on Schedule D of Alabama Form 40 or Form 40NR. Schedule D must be attached to Form 41.

**Line 4.** Enter grantor's share of business income (loss) on Schedule C of Alabama Form 40 or Form 40NR.

**Line 5.** Enter grantor's share of rents, royalties, partnerships and S Corporations on Schedule E of Alabama Form 40 or Form 40NR. Schedule E must be attached to Form 41.

**Line 6.** Enter grantor's share of estates and trusts on Schedule E of Alabama Form 40 or Form 40NR. Schedule E must be attached to Form 41.

**Line 7.** Enter grantor's share of farm income (loss) on Alabama Form 40 or Form 40NR.

**Line 8.** Enter grantor's share of ordinary gain or (loss) from Form 4797 Alabama Form 40 or Form 40NR.

**Line 9.** Enter grantor's share of other income on of Alabama Form 40 or Form 40NR.

**Line 10.** Enter total income from lines 1 through 9.

**Line 11.** Enter grantor's share of interest on Schedule A of Alabama Form 40 or Form 40NR.

**Line 12.** Enter grantor's share of taxes on Schedule A of Alabama Form 40 or Form 40NR.

**Line 13.** Enter grantor's share of fiduciary fees on Schedule A of Alabama Form 40 or Form 40NR.

**Line 14.** Enter grantor's share of charitable deductions on Schedule A of Alabama Form 40 or Form 40NR.

**Line 15.** Enter grantor's share of attorney, accountant and return preparer fees on Schedule A of Alabama Form 40 or Form 40NR.

**Line 16.** Enter grantor's share of other deductions not subject to the 2% floor (attach explanation) on Schedule A of Alabama Form 40 or Form 40NR.

**Line 17.** Enter grantor's share of allowable miscellaneous itemized deductions subject to the 2% floor (attach explanation) on Schedule A of Alabama Form 40 or Form 40NR.

**Line 18.** Enter total ordinary deductions from lines 11 through 17.

**Line 19.** Enter grantor's share of depreciation on Alabama Form 40 or Form 40NR reported on this line. Please provide a detailed explanation and computation for the amount reported in this line.

**Line 20.** Enter grantor's share of depletion of Alabama Form 40 or Form 40NR. Please provide a detailed explanation and computation for the amount reported in this line.

**Line 21.** Enter grantor's share of amortization on Alabama Form 40 or Form 40NR. Please provide a detailed explanation and computation for the amount reported in this line.

**Line 22.** Enter nonresident grantor's composite/Electing Pass-Through Entity payments on Alabama Form 40 or Form 40NR.

**Line 23.** Enter grantor's share of tax exempt income. Grantors are encouraged to disclose the amount of Alabama exempt income on the Alabama Form 40 or Form 40NR.

**Lines 24a-24c.** Enter the grantor's pro rata share of the credit. Credits shall be identified by the following codes and claimed in the order below:

B: Full Employment Act of 2011 Credit

C: Alabama New Markets Development Credit

D: Veteran's Employment Act-Employer Credit

E: Veteran's Employment Act-Business Start-Up Expense Credit

F: Qualified Irrigation System/Reservoir System Tax Credit

G: 2013 Alabama Historic Rehabilitation Tax Credit

H: Credit for Taxes Paid to a Foreign Country

I: Career-Technical Dual Enrollment Credit

J: Investment Credit (Alabama Jobs Act)

K: Alabama Accountability Act Credit

L: Port Credit

M: Growing Alabama Credit

N: Apprenticeship Tax Credit

Q: Income Tax Capital Credit