



(Rev. 11/06)

ALABAMA DEPARTMENT OF REVENUE  
**Fiduciary Income Tax Return**

For the calendar year 2006 or fiscal year beginning

\_\_\_\_\_, 2006, and ending \_\_\_\_\_, \_\_\_\_\_

Type of entity (see instructions): <input type="checkbox"/> Decedent's estate <input type="checkbox"/> Simple trust <input type="checkbox"/> Complex trust <input type="checkbox"/> Qualified disability trust <input type="checkbox"/> ESBT (S portion only) <input type="checkbox"/> Grantor type trust <input type="checkbox"/> Bankruptcy estate – Ch. 7 <input type="checkbox"/> Bankruptcy estate – Ch. 11 <input type="checkbox"/> Pooled income fund	Employer Identification Number _____ Name of Estate or Trust _____ Name and Title of Fiduciary _____ Address of Fiduciary (number and street) _____ City, State, and Zip Code _____	▶ FN  <input type="checkbox"/> Initial Return <input type="checkbox"/> Amended Return <input type="checkbox"/> Final Return
<input type="checkbox"/> Address change <input type="checkbox"/> Entity has income from more than one state <input type="checkbox"/> Fiduciary or name change		

Date entity created \_\_\_\_\_ Number of K-1s attached \_\_\_\_\_

Return is Filed on Cash Basis   
 Nonresident estate or trust   
 Trust has a nonresident beneficiary

**A complete copy of the Federal Form 1041 must be attached for this return to be considered complete.**

COMPUTATION OF ALABAMA TAXABLE INCOME AND NET TAX DUE										
1	Alabama Adjusted Total Income or (Loss) (Schedule C, Line 18c) .....									
<b>Special Deductions Available to Trusts:</b>										
2	Alabama Income Distribution Deduction (Schedule B, Line 16) .....	2								
3	Exemption (Allowed the Estate or Trust by 40-18-19, <b>Code of Alabama 1975</b> ) .....	3								
4	Total of Special Trust Deductions (Total of Lines 2 and 3) .....	4								
5	<b>Alabama Taxable Income</b> (Line 1 less Line 4) .....	5								
6a	\$ _____ at 2 percent (On first \$500, or fraction thereof, of AL Taxable Income) ...	6a								
6b	\$ _____ at 4 percent (On next \$2,500, or fraction thereof, of AL Taxable Income) .	6b								
6c	\$ _____ at 5 percent (On all over \$3,000 of AL Taxable Income) .....	6c								
7	<b>TOTAL INCOME TAX DUE</b> (See instructions) .....	7								
8	Credits: a Income tax paid to other states (See instructions for limitations) .....	8a								
	b Capital Credit (See instructions for limitations) .....	8b								
	c Amount paid with Form 4868A .....	8c								
	d Composite payments. Paid by _____ TIN _____	8d								
9	Total Credits (Total of Lines 8a through 8d) .....	9								
10	<b>NET TAX DUE</b> (Subtract Line 9 from Line 7) <b>PAY THIS AMOUNT IN FULL WITH RETURN</b> .....	10								
11	<b>NET REFUND</b> (If Line 9 is larger than Line 7, enter overpayment here) .....	11								

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Returns with payments must be filed with the Alabama Department of Revenue, Individual and Corporate Tax Division, P.O. Box 327444, Montgomery, AL 36132-7444. Returns without payments must be filed with the Alabama Department of Revenue, Individual and Corporate Tax Division, P.O. Box 327440, Montgomery, AL 36132-7440, on or before April 16, 2007. (Fiscal Year Returns must be filed on or before the 15th day of the fourth month following the close of the fiscal year.)

I authorize a representative of the Department of Revenue to discuss my return and attachments with my preparer.

**Under penalties of perjury**, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

<b>Please Sign Here</b>	Signature of fiduciary or officer representing fiduciary _____	Date _____	Daytime Telephone No. _____	Social Security Number _____
<b>Paid Preparer's Use Only</b>	Preparer's signature _____	Date _____	Check if self-employed <input type="checkbox"/>	Preparer's Social Security Number _____
	Firm's name (or yours, if self-employed) and address _____	Tel. ( ) _____	E.I. No. ▶ _____	ZIP Code ▶ _____



Name of estate or trust	Employer identification number
Name and title of fiduciary	

**SCHEDULE A – ALABAMA 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 . . . . .	1		
2 Alabama tax-exempt income allocable to charitable contributions . . . . .	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 <b>Alabama Charitable Deduction.</b> Add Line 3 and Line 4. Enter total here and on Page 3, Schedule C, Line 13, Column C . . . . .	5		

**SCHEDULE B – COMPUTATION OF ALABAMA INCOME DISTRIBUTION DEDUCTION**

1 Alabama Adjusted Total Income (Page 1, Lne 1) . . . . .	1		
2 The amount of gain from the sale of capital assets, but only if the gain was allocated to corpus and <u>not</u> paid, credited, or required to be distributed to any beneficiary during the taxable year or <u>not</u> included in Line 4, Schedule A ( <i>see instructions</i> ). . . . .	2		
3 Subtract the amount entered on Line 2 from the amount entered on Line 1, and enter in Line 3 . . . . .	3		
4 The amount of loss from the sale of capital assets – entered as a positive number, only if the loss was not considered in the determination of the amount to be paid, credited, or required to be distributed to any beneficiary during taxable year. . . . .	4		
5 Amount of tax exempt interest income excluded in computing Alabama taxable income . . . . .	5		
6 Other adjustments – see instructions . . . . .	6		
7 <b>Alabama Distributable Net Income</b> ( <i>Sum of Lines 3 through 6</i> ) . . . . .	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		
11 Total distributions. add Lines 9 and 10 . . . . .	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 5 from Line 7. If zero or less, enter -0- . . . . .	14		
15 Special Alabama Income Distribution Deduction ( <i>see instructions for applicability of the special limitation</i> ). . . . .	15		
16 <b>Alabama Income Distribution Deduction.</b> Enter the smallest of Line 13, Line 14, or, if applicable, Line 15, on this line and on Page 1, Line 2. (Do not enter less than zero.) . . . . .	16		

**CHANGE IN ALABAMA TAX LAW  
CONCERNING ESTATES AND TRUSTS**

The Alabama Legislature passed the Subchapter J and Business Trust Conformity Act (Act Number 2006-114) during the 2006 session. The law was retroactively effective for tax years beginning after December 31, 2004.

At the time the 2006 Form 41 was being developed, the promulgation process had begun for the regulations to implement the Act. Up-to-date information concerning the law and regulations is available on the Alabama Department of Revenue’s Web site ([www.revenue.alabama.gov](http://www.revenue.alabama.gov)).



Name of estate or trust	Employer identification number
Name and title of fiduciary	

SCHEDULE C – COMPUTATION OF ALABAMA ADJUSTED TOTAL INCOME						
		Column A AS REPORTED ON FEDERAL FORM 1041	Column B ALABAMA ADJUSTMENTS	Column C ALABAMA AMOUNT		
1 Interest income .....	1					
2 Ordinary dividends .....	2					
3 Business income or (loss) .....	3					
4 Capital gain or loss (see instructions) .....	4					
5 Rents, royalties, partnerships, and other estates and trusts .....	5					
6 Farm income or (loss) .....	6					
7 Ordinary gain or (loss) from Form 4797 .....	7					
8 Other income .....	8					
<b>9 Total Income</b> (Sum of Lines 1 through 8) .....	<b>9</b>					
<b>Ordinary Deductions:</b>						
10 Interest .....	10					
11 Taxes (include federal estate and income taxes) .....	11					
12 Fiduciary fees .....	12					
13 Charitable deduction .....	13					
14 Attorney, accountant, and return preparer fees .....	14					
15 Other deductions not subject to the 2% floor .....	15					
16 Allowable miscellaneous itemized deductions subject to the 2% floor ..	16					
17 <b>Total Ordinary Deductions</b> (Sum of Lines 10 through 16) .....	<b>17</b>					
<b>18a Federal Adjusted Total Income</b> (Line 9 less Line 17 – the amount entered on this line in Column A must equal the amount entered on Page 1, Line 17, Form 1041) .....	<b>18a</b>					
<b>18b</b> Net Alabama Adjustments (Column B, Line 9 less Line 17) .....			<b>18b</b>			
<b>18c</b> Alabama Adjusted Total Income (Column C, Line 9 less Line 17). Enter here and on Page 1, Line 1 .....				<b>18c</b>		
<b>19 Alabama Tax Exempt Income</b> .....	<b>19</b>					

Attach a complete explanation, showing all computations, for each item of income or deduction included in Column B (Alabama Adjustments), include also a complete explanation and computation for the items of exempt income. See instructions.



Name of estate or trust	Employer identification number
Name and title of fiduciary	

**SCHEDULE K – SUMMARY OF K-1 INFORMATION**

	<b>TOTAL ALABAMA AMOUNT</b>	
1 Interest income .....	1	
2 Total dividends .....	2	
3 Business income or (loss) .....	3	
4 Net Alabama capital gain or loss (see instructions) .....	4	
5 Rents, royalties, partnerships, and other estates and trusts .....	5	
6 Farm income or (loss) .....	6	
7 Ordinary gain or (loss) from Form 4797 .....	7	
8 Other income .....	8	
9 Alabama Tax Exempt Income .....	9	
10a Grantor Trust Income (Resident Beneficiaries Only) .....	10a	
10b Grantor trust Deductions (Resident Beneficiaries Only) .....	10b	
10c Net Grantor Trust Income (Resident Beneficiaries Only) .....	10c	
11 Nonresident Beneficiary – Alabama Source Income .....	11	
12 Nonresident Beneficiary – Non-Alabama Source Income .....	12	
<b>Directly apportioned deductions:</b>		
13a Depreciation .....	13a	
13b Depletion .....	13b	
13c Amortization .....	13c	

Schedule K is a summary of the information reported on the K-1s prepared with the returns.

**Character of Income** – In accordance with §40-18-25(b), *Code of Alabama 1975*, the character of the income that is reported by the beneficiary or owner of an estate or trust must reflect the same character the income possessed when the income was originally received by the estate or trust.

**Allocation of the Alabama Income Distribution Deduction** – The amount entered in Page 1, Line 2 (Alabama Income Distribution Deduction) must be allocated to resident beneficiaries and owners, so that the income reported by the beneficiaries or owners will retain its character . Generally the allocation is completed in accordance with Internal Revenue Code §§652 and 662. No amount may be included in the Alabama Income Distribution Deduction which is not included in the gross income of the estate or trust. See the instructions for more guidance concerning the allocation of income to the beneficiaries and owners.