Nebraska Department of
REVENUE

2012
Nebraska
Fiduciary
Income Tax Booklet

Included in this Booklet are:

Form 1041N;
Schedules I, II, and III; and
Use Tax information.

Questions?
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800-742-7474 (NE or IA) or 402-471-5729

8-305-2012

2012 Nebraska Fiduciary Income Tax Return
INSTRUCTIONS

What's New

Electronic Filing. At this time, the start up for this program has not been determined. Check the Department's website for updates.

New Markets Job Growth Investment Act. Estates and trusts are eligible for a nonrefundable, nontransferable credit for an investment in a qualified community development entity. The credit may be used against income tax, the premium tax imposed on insurance companies, or the franchise tax imposed on financial institutions.

Distribution of Form 3800N Credits. If the estate or trust is distributing Form 3800N credits this year, the new Box 5 must be checked indicating this distribution.

Important Information for All Filers

Purpose. The instructions in this booklet provide guidance in completing the most common Nebraska fiduciary income tax forms and schedules. This booklet is intended to be useful to the greatest number of taxpayers. Nothing in these instructions supersedes, alters, or otherwise changes any provisions of the Nebraska tax code, regulations, rulings, or court decisions.

We encourage the preparer of any Fiduciary Income Tax Return, Form 1041N, to review applicable Nebraska law regarding any issue that may have a material effect on this return. Nebraska law and other useful information may be found at **www.revenue.ne.gov.**

Enter All Amounts as Whole Dollars. Do not include cents on the return or schedules. Do not change the pre-printed zeros in the cents column of the Form 1041N or schedules. Round any amount from 50 cents to 99 cents to the next higher dollar. Round any amount less than 50 cents to the next lower dollar.

Penalties and Interest. Either or both may be imposed under the following conditions:

- Failure to file a return and pay the tax due on or before the due date;
- Failure to pay the tax due on or before the due date;
- Failure to file an amended Nebraska income tax return to report changes made to your federal return;
- Preparing or filing a fraudulent income tax return; or
- Understatement of income on an income tax return.

Filing a false or fraudulent Nebraska return is subject to penalty, even if the amounts reported are taken from your federal return. Unpaid tax is subject to interest at the current statutory rate of 3% from the original due date to the date the tax is paid. See Revenue Ruling 99-12-1 for applicable interest rates.

Reporting Changes or Corrections. If information on a Nebraska fiduciary income tax return previously filed is incorrect, a Form 1041N with the "Amended Return" box checked must be filed. When filing an amended return, remember:

- Changes made by the Internal Revenue Service (IRS) or another state must be reported to the Nebraska Department of Revenue (Department) within 60 days;
- Form 1041N is year-specific. Please be sure to use the correct form for the tax year you are amending;
- You must attach a copy of the related federal or other state amended return, and all related schedules or other documentation to explain the changes shown on the amended Nebraska return; and
- Show only the corrected figures on the amended return.

When an amended return reflects a reduction in tax due because Nebraska source income for its nonresident individual beneficiaries is reduced, the estate or trust will not receive a refund. Individual beneficiaries may file a claim for refund resulting from the reduced Nebraska source income.

Nebraska Extension of Time. An extension of time to file may only be obtained by:

- Attaching a copy of a timely-filed Application for Automatic Extension of Time to File Certain Business Income Tax, Information, and Other Returns, Federal Form 7004, to the Nebraska return when filed;
- Attaching a schedule to the Nebraska return listing the federal confirmation number and providing an explanation that the electronic request for automatic federal extension was not denied; or
- Filing a Nebraska Application for Extension of Time to File Nebraska Corporation, Fiduciary, or Partnership Return, Form 7004N, on or before the due date of the return, when you need to make a tentative Nebraska payment or when a federal extension is not being requested.

Failure to attach the applicable extension document may result in a late filing penalty. An extension of time only extends the date to file the return. It does not extend the due date to pay the tax. Any tax not paid by the original due date is subject to interest.

NOTE: The IRS provides automatic extensions to estates and trusts for either a five or six-month period dependent upon the type of federal return to be filed [Form 1041 – five months (except bankruptcy estates); Form 1041 (bankruptcy estates only); Form 1041-N; and Form 1041-QFT – six months]. Nebraska follows the IRS regarding the number of months an automatic extension will be granted. **No additional extension of time to file the Nebraska fiduciary income tax return will be provided.**

Accounting Methods. The accounting method used for federal income tax purposes must be used for Nebraska income tax purposes. A taxpayer may not change the accounting method used to report income in prior years unless the change is approved by the IRS. A copy of this approval must accompany the first return which shows the change in the method of accounting.

Federal Return. A copy of the federal return and supporting schedules, as filed with the IRS, must be attached to this return. If there are more than 50 Federal Schedules K-1, please submit them and any supporting schedules on CD-R media rather than on paper. The preferred format for the Federal Schedules K-1 and supporting schedules is PDF. However, a Word or Excel electronic document is also acceptable.

Estimated Tax Payments. Nebraska does not require an estate or trust to make estimated tax payments. Any estate or trust making a voluntary estimated payment should use the Nebraska Fiduciary Estimated Income Tax Payment Voucher, Form 1041N-ES. Report the estimated tax payment on line 19.

NONRESIDENT BENEFICIARIES

Estates and trusts must withhold and remit Nebraska income tax for each nonresident individual beneficiary who does not complete a Nebraska Nonresident Income Tax Agreement, Form 12N. For the purposes of Form 12N and the withholding requirements, an individual includes a nonresident grantor of a grantor trust.

Nonresident beneficiaries who sign the Form 12N agree to file a Nebraska income tax return and pay all taxes due directly to the Department. This relieves the estate or trust from withholding and remitting the tax on the beneficiary's behalf. All completed Forms 12N must be attached to the Form 1041N.

If a Form 12N is not completed for a nonresident individual beneficiary, the amount to be paid is 6.84% of the nonresident beneficiary's share of estate or trust income from Nebraska sources.

The estate or trust reports the amount withheld from each nonresident beneficiary on the Nebraska Beneficiary's Share of Nebraska Income, Deductions, Modifications, and Credits – Schedule K-1N. Attach each Nebraska Schedule K-1N to the fiduciary return. Do not withhold for corporations, estates, or trusts (except grantor trusts) that are beneficiaries. Nebraska law does not allow payment of tax by an estate or trust on behalf of these entities. Instead, these entities are required to file a Nebraska return.

The nonresident individual beneficiary may claim the amount withheld and remitted by the estate or trust as a credit against his or her Nebraska income tax liability by attaching a copy of the Nebraska Schedule K-1N to the Form 1040N.

Nonresident individual beneficiaries do not have to file a Nebraska individual income tax return if:

- Their only connection with the state is the conduct of the business activities of the estate or trust; and
- The estate or trust has withheld and remitted tax from all the Nebraska income attributable to the nonresident's share of the estate's or trust's income.

The full amount of the withholding, at the nonresident beneficiary's option, is retained in lieu of filing an individual income tax return. Any nonresident may still file a Form 1040N, however, and claim a refund if one is due.

Nonresident Beneficiary – No Withholding Requirement. The estate or trust is not required to withhold and remit tax for any nonresident individual beneficiary who completes and submits a Form 12N to the estate or trust, before the original filing of the Form 1041N. For purposes of the Form 12N, an individual includes a nonresident grantor of a grantor trust. A complete Form 12N must:

- Include all the requested information; and
- Be signed and dated by the beneficiary or the beneficiary's authorized representative (attach copy of Power of Attorney, Form 33).

Any nonresident beneficiary who files Form 12N to avoid withholding, must file a Form 1040N. Failure to file the required Form 1040N may result in:

- The issuance of an assessment to the nonresident individual beneficiary based on the information available to the Department; or
- The loss of use, by the nonresident individual beneficiary, of the current year Nebraska net operating or capital loss distributed from the estate or trust. A Nebraska net operating or capital loss carryforward will not be allowed to offset Nebraska income until the Nebraska return for the loss year has been filed.

Beneficiary's Return. A resident beneficiary must include his or her entire share of the estate or trust income in adjusted gross income. Income should be computed under the applicable provisions of the Internal Revenue Code (IRC). Nonresident beneficiaries are subject to the Nebraska income tax on their share of the estate or trust income derived from sources within Nebraska.

Reporting Nebraska Source Income to Beneficiaries. An estate or trust must provide all beneficiaries with a Nebraska Schedule K-1N. See the Nebraska Schedule K-1N instructions for additional information.

The amounts reported on the Nebraska Schedule K-1N must be calculated in the same manner as income is distributed.

Accumulation Distribution. If the accumulation distribution is included in the beneficiary's federal adjusted gross income, it should be included in the beneficiary's Nebraska taxable income.

CREDITS DISTRIBUTABLE TO BENEFICIARIES

Nebraska Community Development Assistance Act (CDAA) Credit. A fiduciary for an estate which operates a business is allowed a credit for a contribution made to approved projects of community betterment organizations recognized by the Nebraska Department of Economic Development (DED). Attach the 2012 Nebraska Community Development Assistance Act Credit Computation, Form CDN, to the Form 1041N. The estate or trust does not need to attach a copy of the Form 1099NTC. The Department will receive the Form 1099NTC information directly from DED.

For more details regarding this credit, contact:

Nebraska Department of Economic Development
Community and Rural Development Division
PO Box 94666
Lincoln, Nebraska 68509-4666
402-471-3775; or 800-426-6505
www.neded.org

Financial Institution Tax Credit. An estate or trust may take a nonrefundable credit against its tax liability for the Nebraska financial institution tax. The credit is limited to the estate or trust's share of the Nebraska financial institution tax paid by a financial institution electing to be taxed under the IRC as an S corporation. This credit is claimed on line 14 of Form 1041N.

The amount of financial institution tax credit taken by the estate or trust is an adjustment increasing federal taxable income. The amount of this credit claimed on line 14, Form 1041N, is included in the amounts reported on line 4, Form 1041N, and on line 34 of Nebraska Schedule I, Form 1041N.

Form 3800N Credits. Nebraska provides several tax incentive credits that may be earned by entities conducting business in this state.

An estate or trust must file tax incentive credit distribution forms including Forms 775N and 312N before credit can be allowed to a beneficiary. Attach a distribution schedule for Form 775N, Schedule II or for Form 312N, Schedule II (that lists each beneficiary, the beneficiary's tax ID number, the income percentage, and each beneficiary's distributed credits). The total amount distributed by the estate or trust must be distributed in the same manner as ordinary income.

Beginning Farmer Credit. This credit is available to owners of agricultural assets which are rented to qualifying beginning farmers or livestock producers.

For more details regarding this credit, contact:

Nebraska Department of Agriculture
PO Box 94947
Lincoln, Nebraska 68509-4947
402-471-6890; or 800-446-4071
www.agr.ne.gov

USE TAX

An estate or trust may be subject to use tax. An estate or trust owes use tax when the proper sales tax has not been paid on purchases delivered into Nebraska. This often occurs when purchases are made from out-of-state, mail order, or Internet sellers. Use tax is also due when items purchased for resale are withdrawn from inventory for business or personal use.

EXAMPLE 1.
The estate or trust purchased a computer from a seller in South Dakota over the Internet for $1,570 plus $30 shipping and handling charges. Both charges are taxable. The computer is shipped to the estate or trust in Scottsbluff, Nebraska and no tax is charged or collected by the seller. The state tax is $88 ($1,600 X 5.5%) and the local tax is $24 ($1,600 X 1.5%). The total use tax owed is $112 ($88 + $24 = $112).

EXAMPLE 2.
A repair shop in Scottsbluff, Nebraska provides motor vehicle repair service. The repair shop also owns a tow truck used for towing customer motor vehicles needing repair. The shop purchases oil and oil filters, tax exempt, for resale using the Nebraska Resale or Exempt Sale Certificate, Form 13. When oil and oil filters are removed from sales tax exempt inventory and used to change the oil in the business-owned tow truck, state and local use tax is due on the cost of the oil and oil filters.

For additional information, see the Nebraska Consumer's Use Tax Information Guide.

PURPOSE OF FORM

The Nebraska Fiduciary Income Tax Return is not simply an informational return. The Form 1041N and schedules are necessary to:

- Calculate tax on income retained by the estate or trust;
- Calculate taxable income and credits that will be passed through to the beneficiaries; and
- Calculate and pay tax on behalf of nonresident individual beneficiaries.

Who Must File?

The Nebraska Fiduciary Income Tax Return, Form 1041N, must be filed by the fiduciary of every resident estate or trust that is required to file a federal income tax return, except for trusts that meet all of the following conditions:

- The trust is classified as a simple trust;
- All of the trust's beneficiaries are residents of Nebraska;
- All of the trust's income is derived from Nebraska sources;
- The trust has no federal tax liability; and
- The trust is not an electing small business trust.

The Nebraska Fiduciary Income Tax Return, Form 1041N, must also be filed by the fiduciary of a nonresident estate or trust: if the estate or trust is required to file a federal income tax return for the taxable year; and the estate or trust had income derived from Nebraska sources. The fiduciary is responsible for filing the return for the estate or trust, whether the income is taxable to the estate or trust, or to the beneficiaries.

Electing Small Business Trust (ESBT). An ESBT which reports and pays federal income tax pursuant to IRC § 641(c) on income from an S corporation doing business in Nebraska, must report and pay Nebraska income tax on the income. See line 8 instructions for further information.

Bankruptcy Estate for an Individual. The bankruptcy trustee or debtor in possession must file Form 1041N for the estate of an individual involved in bankruptcy proceedings under Chapter 7 or 11 of Title 11 of the United States Code where a fiduciary income tax return is required under the provisions of the IRC. Calculate the tax for the bankruptcy estate on Form 1040N using the tax rate schedule for married, filing separately filing status, and subtract one personal exemption credit. Enter the tax on line 27 of the Form 1040N, and on line 8 of Form 1041N. Complete the remaining lines of Form 1041N. Attach Form 1040N to Form 1041N. In a jointly administered case, if two separate federal tax returns are required, then two separate Nebraska tax returns must be filed.

Bankruptcy Estate for Corporations and Partnerships. Unlike the situation for an individual in bankruptcy, the commencement of bankruptcy proceedings for a corporation or partnership does not create a separate taxable entity. Therefore, there is no federal filing requirement for the bankruptcy trustee, and no Nebraska filing requirement.

Exempt Trusts. A trust, which by reason of its purposes and activities is exempt from federal income tax, is also exempt from Nebraska income tax. However, exempt trusts filing an Exempt Organization Business Income Tax Return, Federal Form 990-T, to report unrelated business income must file a Nebraska return and pay tax to Nebraska.

If the federal tax was computed at the corporate rates, the fiduciary must file a Form 1120N. If the federal tax was computed at the fiduciary rates, the fiduciary must file a Form 1041N.

When and Where to File?

This return must be filed on or before the 15th day of the fourth month following the close of the taxable year. If this return is being filed by an exempt organization which has unrelated business income, the due date is the 15th day of the fifth month following the close of the taxable year of the exempt organization.

Mail the Form 1041N to:
Nebraska Department of Revenue
PO Box 94818
Lincoln, Nebraska 68509-4818

www.revenue.ne.gov
800-742-7474 (NE and IA)
402-471-5729

Tax Period. A 2012 Form 1041N must be used to file for the calendar year 2012, or a fiscal year beginning in 2012. Space is provided at the top of the return to enter the beginning and ending dates for short-period or fiscal-year filers. The taxable year for Nebraska must be the same as the taxable year used for the federal income tax return.

If the estate or trust changes its federal taxable year, it must also change its Nebraska taxable year. A copy of the approval from the IRS to change accounting periods must accompany the first return that shows the change.

Nebraska ID Number. Enter the Nebraska ID number assigned to the estate or trust by the Department. If the estate or trust has not been assigned a Nebraska ID number, leave this field blank. A Nebraska ID number will be assigned when the return is received. The Department will mail notification of the assigned Nebraska ID number to the address shown on the return.

Federal ID Number. Enter the federal ID number assigned to the estate or trust by the IRS.

Residence of Estates and Trusts. The residence of an estate or trust is the same as either the domicile of the deceased at the time of death; or the domicile of the creator of the trust at the time the trust, or a portion of the trust, became irrevocable. The residence of a trust is not changed by a change in the domicile of the creator or a change in location of the property of the trust. The residence of the fiduciary does not affect the residence of the estate or trust.

Grantor Type Trust. If all income, deductions, and credits are reported by the grantor, his or her spouse, or other person under IRC §§ 671-678, and this person is not the trustee, lines 1 through 27 of the Form 1041N need not be completed. A copy of the federal return need not be attached. Write "Schedule Attached" on line 1, and attach a separate statement showing the items of income, deduction, and credit. The name, address, and identifying number of the grantor, spouse, or other person to whom the income is taxed must be included in the separate statement.

If the fiduciary is not required to file a federal return, do not file a Form 1041N.

Final Return. Check the "Final Return" box at the top of the return if the estate or trust ceased to exist during the 2012 tax year.

Distributed Form 3800N Credit. Check the "Distributed Form 3800N Credit" box if the fiduciary is distributing tax credits in this tax year. Include a distribution schedule in addition to recording the amount of the distributed credit on the Schedule K-1N.

LINE 1

Total Federal Income. Enter the total federal income as shown on the federal return. (Federal Form 1041, 1041-QFT, or 1041-N).

LINE 2

Federal Taxable Income. Enter the federal taxable income as shown on the federal return.

LINE 3

Undistributed Income from U.S. Government Bonds or Other U.S. Obligations. Enter the amount of interest and dividend income from U.S. government obligations exempt from state taxation. Fiduciary Income Tax Regulation 23-004, Taxation of Resident and Nonresident Estates and Trusts, lists U.S. interest and dividend income which can be included on line 3. Interest income from repurchase agreements involving U.S. government obligations **is not** deductible as U.S. government interest.

Gains or losses from the sale or other disposition of federal securities are taxable for state income tax purposes and should not be included on line 3.

LINE 4

Undistributed Income from Non-Nebraska State and Local Interest and Other Nebraska Adjustments Increasing Federal Taxable Income. Enter the total adjustments increasing federal taxable income that was not distributed to the beneficiaries. This income includes, but is not limited to:

- Non-Nebraska state or local obligations exempt from federal taxation;
- Any loss from an S corporation or LLC which was not from Nebraska sources; and
- Federal net operating or capital losses deducted in computing federal taxable income.

LINE 5

Special Capital Gains/Extraordinary Dividend Deduction. See the Special Capital Gains/Extraordinary Dividend Election and Computation, Form 4797N instructions.

LINE 6

Nebraska Adjustments Decreasing Federal Taxable Income. Enter the total adjustments decreasing federal taxable income, except those already deducted above. These deductions include, but are not limited to:

- Income from an S corporation or LLC which was not from Nebraska sources;
- Any Nebraska net operating or capital loss; and
- Any amount included in federal taxable income, but not in federal distributable net income by a **nonresident** estate or trust [for example, gains on capital assets that are allocated to the corpus of the estate or trust and are not – (A) paid or credited, or (B) required to be distributed to a beneficiary during the taxable year, paid, permanently set aside, or to be used for the purposes specified in IRC § 642(C)]. The nonresident estate or trust must attach Schedule B, Federal Form 1041, to its Nebraska Form 1041N and include an explanation of the deduction.

Nebraska resident estates and trusts cannot deduct income earned or derived from outside Nebraska, except for non-Nebraska S corporation or LLC income. Instead, the resident estate or trust may be entitled to a credit for income tax paid to another state. See the instructions for Credit for Tax Paid to Another State for Resident Estate or Trust Only, Nebraska Schedule III.

NOTE: Federal and state income taxes paid or refunded cannot be deducted as an adjustment decreasing federal taxable income for state purposes.

LINE 7

Nebraska Taxable Income. Enter the result of line 2 plus line 4 minus lines 3, 5, and 6.

LINE 8

Nebraska Income Tax. Resident estates and trusts compute their tax using the tax schedule below, and enter the result on line 8.

Nonresident estates and trusts do not make an entry on line 8. Instead, nonresident estates and trusts use the tax rate schedule to complete line 29 of Nebraska Schedule I.

2012 NEBRASKA TAX RATE SCHEDULE FOR FIDUCIARY INCOME TAX RETURN

If taxable income is: over —	but not over	The Nebraska tax is:
$ 0	$ 500	2.56% of the income
500	4,700	$ 12.80 + 3.57% of the excess over $500
4,700	15,150	$162.74 + 5.12% of the excess over $4,700
15,150	—	$697.78 + 6.84% of the excess over $15,150

LINE 9

Nebraska Minimum or Other Tax. The Nebraska minimum or other tax is calculated by adding: (1) federal alternative minimum tax; and (2) federal tax on lump-sum distributions of pensions, and multiplying the result by 29.6%. Resident estates and trusts use the worksheet below to compute their line 9 entry.

Unless a nonresident estate or trust receives income from an ESBT, it will not make an entry on line 9. Instead, nonresident estates and trusts use the worksheet below to compute line 30 of Nebraska Schedule I.

NEBRASKA MINIMUM OR OTHER TAX WORKSHEET
(Use to compute line 9, Form 1041N. Keep for your records.)

1. Alternative minimum tax, amount on Federal Form 1041, Schedule I, recalculated for Nebraska in accordance with Nebraska Revenue Ruling 23-12-1 ..... _____
2. Tax on lump-sum distributions of pensions (enter amount from Federal Form 4972) ..... _____
3. **SUBTOTAL** (Add lines 1 and 2) ..... _____
   x .2960
4. **TOTAL** (Subtotal multiplied by .2960)..... _____

Resident estates and trusts, enter this total on line 9, Form 1041N.
Nonresident estates and trusts, enter this total on line 30, Form 1041N.
Attach a copy of your Federal Form 4972 and/or recomputed Federal Form 1041, Schedule I, to your return.

A credit for prior year minimum tax is available. The federal credit is recalculated for Nebraska in accordance with Revenue Ruling 23-12-2. A resident estate or trust must enter the credit on line 13, Form 1041N. A nonresident estate or trust must enter the credit as a negative on line 30, Form 1041N.

ESBT. An ESBT must compute Nebraska income tax on income received from S corporations doing business in Nebraska which is taxed federally under IRC § 641(C). Under federal law, an ESBT is required to calculate its tax liability as a separate trust. Nebraska also requires an ESBT to calculate its Nebraska tax liability as a separate trust. An estate or trust with ESBT income should complete the Electing Small Business Trust Tax Calculation Worksheet, Form 1041N, or a similar schedule to calculate the Nebraska tax liability on its ESBT income. In completing the worksheet, the ESBT adjusts its federal taxable income in the same manner as an estate or trust which is not an ESBT. This includes, but is not limited to, an adjustment to federal taxable income for non-Nebraska S corporation income or loss. In addition, a nonresident ESBT will compute its Nebraska source income and tax liability on the ESBT income in the same manner as a nonresident estate or trust which is not an ESBT.

The tax computed on the ESBT income is based on the Nebraska tax rate schedule found in the line 8 instructions. Add this amount to any tax computed on the Nebraska Minimum or Other Tax worksheet and enter the total on line 9.

LINE 10

Total Nebraska Tax. Resident estates and trusts enter the total of lines 8 and 9. Nonresident estates and trusts enter the amount from line 36 of Nebraska Schedule I.

LINE 11

Nebraska Income Tax Withholding for Nonresident Individual Beneficiaries. Enter the total amount of tax withheld from column (G) of Nebraska Schedule II.

LINE 12

Total Nebraska Income Tax Liability. Enter the result of line 10 plus line 11.

Credits. Enter the allowable credits only if the estate or trust did not distribute its income for the 2012 tax year. If the estate or trust distributed its 2012 income, any credits are also distributed to the beneficiaries in the same manner as income.

LINE 13

Credit for Tax Paid by Resident Estate or Trust to Other States. Enter the amount from line 5 of Nebraska Schedule III. Attach a copy of the income tax return filed with the other state. If the estate or trust is claiming credit for income tax paid to a political subdivision of another state in which no annual income tax return is required, then attach a Federal Form W-2 statement to support the claimed credit. Prepare a separate Nebraska Schedule III for each state in which income tax was paid. However, if some income is subject to income tax in both another state and a city within that state, complete only one Nebraska Schedule III and combine the city and state taxes paid.

LINE 14

CDAA Credit. The Nebraska Commuity Development Assistance Act credit is allowable for contributions to approved projects of community betterment organizations recognized by the Nebraska Department of Economic Development (DED). Attach the 2012 Nebraska Community Development Assistance Act Credit Computation, Form CDN, to the Form 1041N. Do not attach a copy of the Form 1099NTC. The Department will receive the Form 1099NTC information directly from DED.

For more details regarding this credit, contact:

Nebraska Department of Economic Development
Community and Rural Development Division
PO Box 94666
Lincoln, Nebraska 68509-4666
402-471-3775; or 800-426-6505
www.neded.org

Financial Institution Tax Credit. Enter the amount of the tax credit available to you from the 2012 Statement of Nebraska Financial Institution Tax Credit, Form NFC, supplied by the financial institution in which you are a shareholder.

LINE 15

Form 3800N Nonrefundable Credit. Enter any nonrefundable credits reported on the Nebraska Incentives and Credit Computation, Form 3800N. Attach a copy of the Form 3800N and any supporting schedules.

LINE 16 — **Total Nonrefundable Credits.** Add lines 13, 14, and 15.

LINE 17 — **Nebraska Tax After Nonrefundable Credits.** Subtract line 16 from line 12 and enter the result on line 17. If line 16 is more than line 12, enter zero (-0-).

LINE 18 — **Form 3800N Refundable Credit.** Enter the total refundable credits reported on Form 3800N. Attach a copy of the Form 3800N and any supporting schedules.

LINE 19 — **Tax Deposited with Form 7004N and 2012 Estimated Tax Payments.** Add the total amount paid in estimated tax payments and any amount paid with the Nebraska extension request, Form 7004N. Enter the total on line 19.

LINE 20 — **Beginning Farmer Credit.** Enter the Beginning Farmer credit reported on a Statement of Nebraska Tax Credit, Form 1099 BFC. Attach a copy of Form 1099 BFC to support the amount claimed.

LINE 21 — **Angel Investment Tax Credit**. Enter the amount of the trust's tax credit reported on the Tax Credit certificate issued by the Nebraska Department of Economic Development. Attach a copy of the Tax Credit certificate to the return.

LINE 22 — **Other Credits.** Enter Nebraska income tax withheld on salary or wage payments included in the income of the estate. Enter any Nebraska withholding shown on Federal Forms 1099-R or W-2G if the related income is included in the income of the estate or trust. Attach a copy of Federal Forms W-2, 1099-R, or W-2G to support the amount claimed.

LINE 23 — **Total Payments.** Enter the total of lines 18, 19, 20, 21, and 22.

LINE 24 — **Tax Due.** If line 23 is greater than line 17, subtract line 17 from line 23 and enter the result on line 24**.**

Check or Money Order. Include a check or money order payable to the Nebraska Department of Revenue with your return. Checks written to the Department may be presented for payment electronically.

The Department is planning to provide an electronic payment option in the near future. Check for updates on the Department's website.

LINE 25 — **Overpayment.** If line 23 is greater than line 17, enter the result of line 23 minus line 17.

Note: An estate or trust filing an amended return will not receive a refund of any amount withheld on its original return for nonresident beneficiaries when the Nebraska source income for its nonresident individual beneficiaries is reduced. Instead, the beneficiaries may file a claim for refund resulting from the reduced Nebraska source income.

LINE 26 — **Amount Credited to 2013 Estimated Tax.** Enter the amount of overpayment shown on line 25 that you want credited as a tax year 2013 estimated payment for the estate or trust.

LINE 27 — **Overpayment to be Refunded.** Enter the amount of overpayment shown on line 25 that you want refunded. The overpayment to be refunded is calculated by subtracting line 26 from line 25.

SIGNATURE — **Sign and Date the Tax Return.** This return must be signed by the fiduciary or officer of the organization receiving, having custody of, or controlling and managing the income of the estate or trust. Include a daytime phone number and email address in case the Department needs to contact you about your account. By including your email address, you are agreeing that the Department may use it to transmit confidential information through a secure website.

If the fiduciary authorizes another person to sign this return, there must be a Power of Attorney, Form 33, on file with the Department, or attached to the return.

Paid Preparer's Use Only. Any person who is paid for preparing a taxpayer's return must sign the return as preparer. Additionally, the preparer must enter their Preparer Tax ID Number (PTIN), their firm's name, and Federal Employer ID Number (EIN).

Nebraska Schedule I Instructions

Computation of Nebraska Tax for Nonresident Estate or Trust

Purpose. The Nebraska Schedule I is used by nonresident estates and trusts to determine the Nebraska tax (Form 1041N, line 10, Total Nebraska Tax) on income derived from or connected with Nebraska sources. To complete this schedule, tax is computed on federal taxable income as modified by specific Nebraska adjustments. The Nebraska tax liability of the nonresident estate or trust is determined by multiplying the tax computed on line 31 by a ratio of Nebraska source income over **total federal income,** as modified by specific Nebraska adjustments.

LINE 28

Nebraska Taxable Income. Enter the amount from Form 1041N, line 7.

LINE 29

Nebraska Income Tax on Line 28 Amount. Nonresident estates and trusts compute their tax using the tax rate schedule shown for line 8 on page 8 of the instructions, and enter the result on line 29.

LINE 30

Nebraska Minimum or Other Tax. The Nebraska minimum or other tax is calculated by adding: (1) federal alternative minimum tax; and (2) federal tax on lump-sum distributions of pensions, and multiplying the result by 29.6%. Nonresident estates and trusts use the worksheet included as part of the Form 1041N, line 8 instructions to compute their line 30 entry.

LINE 31

Total Nebraska Tax. Add lines 29 and 30, and enter the result on line 31.

LINE 32

Income Derived from Nebraska Sources, Except Capital and Ordinary Gain (Loss). Enter the total amount of taxable income derived from Nebraska sources. Include the Nebraska portion of taxable income reported on lines 1, 2a, 3, 5, 6, and 8 of the U.S. Income Tax Return for Estates and Trusts, Form 1041. Attach a schedule listing the income amounts.

If there was business activity in more than one state, and any of this activity had income from Nebraska sources, only a portion of the fiduciary's income is included on line 32. The portion included will be based on the same ratio that income from Nebraska bears to total income for that business activity. A separate calculation is required for each separate business activity.

Attach a copy of any Nebraska Schedule K-1N, reporting Nebraska source income distributed to the fiduciary by a partnership, LLC, or S corporation.

LINE 33

Nebraska Capital and Ordinary Gain (Loss). Enter the taxable amount of Nebraska capital and ordinary gain or loss reported on lines 4 and 7 of Federal Form 1041. Also attach a schedule identifying each asset sold and the amount of Nebraska gain or loss received from the sale. The reportable gains (losses) may include those from the sale of the following properties located in Nebraska: real property; trade or business property; depreciable and amortizable property; oil, gas, geothermal, or other mineral properties; IRC § 126 property; and tangible personal property located in Nebraska at the time of sale.

LINE 34

Adjustments, if any, Applied to Nebraska Income. The adjustments must relate to the Nebraska income amounts reported on lines 32 and 33. Include a schedule specifically identifying the adjustments claimed.

LINE 35

Nebraska Adjusted Gross Income. Enter the result of line 32 plus or minus lines 33 and 34.

LINE 36

Nebraska Share of Line 31. Use the mathematical formula provided on line 36 of Nebraska Schedule I to calculate the Nebraska tax. Enter the result on line 36, and on Form 1041N, line 10.

Nebraska Schedule II Instructions

Nonresident Beneficiary's Share of Nebraska Income, Deductions, and Credits

Purpose. The Schedule II is completed to identify the nonresident beneficiaries and to calculate withholding tax for the nonresident individual beneficiaries. The withholding is calculated on the distributable net income from Nebraska sources. No tax is withheld when the nonresident individual beneficiary has completed a Form 12N. This schedule must be completed **unless**:

- All the beneficiaries are residents of Nebraska; or
- The Form 1041N is filed for a simple trust with nonresident beneficiaries and the trust only received portfolio income. Generally, portfolio income includes all gross income (other than income derived in the ordinary course of a trade or business) that is attributable to interest, dividends, and royalties. These simple trusts must check the box under the Schedule II heading.

Name and Address. Enter the name and address for each nonresident beneficiary. If additional space is needed, attach a schedule using the same format as Nebraska Schedule II.

Column (A). Enter the Social Security number or Nebraska ID number for each nonresident individual beneficiary.

Column (B). Enter the nonresident individual beneficiary's share of the distributable net income which was derived from or attributable to Nebraska sources. Include only current earnings distributions, not accumulation distributions. Portfolio income (see above) is not included in Nebraska income.

Column (C). Enter the nonresident individual beneficiary's share of the deductions related to the income included in column (B).

Column (D). Place a check mark in this column if a properly completed and signed 2012 Nebraska Nonresident Income Tax Agreement, Form 12N, is attached. Do not complete columns (E) and (G) when this box is checked.

Column (E). Enter the nonresident individual beneficiary's share of Nebraska income subject to withholding. Subtract the amount in column (C) from the amount in column (B), and enter the difference or zero (-0-), whichever is greater.

Column (G). Multiply the amount in column (E) by .0684 and enter the result in column (G). This is the amount of Nebraska income tax to be withheld for each nonresident individual beneficiary who did not complete a Form 12N. Report the amount withheld from each nonresident individual beneficiary on a Beneficiary's Share of Income, Deductions, Modifications, and Credits – Nebraska Schedule K-1N. The total of column (G) must equal the amount entered on line 11, Form 1041N.

Nebraska Schedule III Instructions

Credit for Tax Paid to Another State for Resident Estate or Trust Only

Purpose. The Nebraska Schedule III is used to calculate the credit for tax paid by a resident estate or trust to another state, political subdivision of another state, or the District of Columbia.

LINE 1

Nebraska Tax. Enter the amount from line 10, Form 1041N.

LINE 2

Taxable Income from Another State. Refer to the Conversion Chart. Enter the amount shown on the return filed with the other state as referenced on the Conversion Chart. Do not include any income from S corporations or LLCs that is not from Nebraska sources.

LINE 3

Computed Tax Credit. Use the mathematical formula provided on line 3 of Nebraska Schedule III to calculate the amount entered on this line.

LINE 4

Tax Due and Paid to Another State. Refer to the Conversion Chart and enter the amount shown on the return filed with the other state as tax paid to that state. Attach a copy of the income tax return filed with the other state, or a copy of a letter or statement from the other state or city identifying the amounts of income and tax paid. If the estate or trust is claiming credit for income tax paid

to a political subdivision of another state in which no annual income tax return is required, then attach a Federal Form W-2 statement to support the credit claimed.

Prepare a separate Nebraska Schedule III for each state in which income tax was paid. However, if some income is subject to income tax in both another state and a city within that state, complete only one Nebraska Schedule III and combine the city and state taxes paid.

LINE 5

Maximum Tax Credit. Enter the smallest of the amounts reported on lines 1, 3, or 4 on line 5, and on line 13, Form 1041N.

Nebraska Schedule K-1N Instructions

Beneficiary's Share of Income, Deductions, Modifications, and Credits

Purpose. The Nebraska Schedule K-1N is used by the estate or trust to report each beneficiary's share of the entity's Nebraska income, deductions, modifications, and credits. The Nebraska Schedule K-1N is also used by each beneficiary to complete their Nebraska tax return.

The estate or trust must provide a Nebraska Schedule K-1N to each beneficiary to whom the estate or trust is required to issue a Federal Schedule K-1. A copy of every Nebraska Schedule K-1N must be submitted with the Form 1041N. If there are more than 50 Nebraska Schedules K-1N, please submit them and any supporting schedules on CD-R media rather than on paper. The preferred format for the Nebraska Schedules K-1N and supporting schedules is PDF. However, a Microsoft Word or Excel electronic document is also acceptable.

Enter the benefiiciary's share of the distributed Form 3800N credits. When estates or trusts issue Nebraska Schedules K-1N to beneficiaries, they must also complete distribution schedules such as Forms 775N and 312N, and report the distributed credit amount to the beneficiaries on line 19 of the Schedule K-1N.

Estate or Trust and Beneficiary Information

Nebraska ID Number. Enter the Nebraska ID number assigned to the estate or trust by the Department. If the estate or trust has not been assigned a Nebraska ID number, leave this field blank. A Nebraska ID number will be assigned when the return is received. The Department will mail notification of the assigned Nebraska ID number to the address shown on the return.

Federal ID Number. Enter the federal ID numbers assigned by the IRS to both the estate or trust and the beneficiary. If the beneficiary is an individual, enter the individual's Social Security number.

Taxable Year of Organization. Estates and trusts filing on a fiscal year basis or filing a short period return must enter the date the tax year began and the date the tax year ended. Calendar-year filers may leave this blank.

Part A – Beneficiary's Share of Income and Deductions

Purpose. Complete Part A to report the beneficiary's share of the estate or trust's income (loss) and deductions from Nebraska sources.

LINES 1-10

Resident Individuals. The share of the income and deductions for a beneficiary who is a resident individual of Nebraska comes directly from the Federal Schedule K-1. A beneficiary who is a Nebraska resident will be taxed by Nebraska on all of his or her income from the estate or trust.

Nonresident Individuals. The share of income and deductions from Nebraska sources for a beneficiary who is a nonresident individual is determined under Neb. Rev. Stat. § 77-2733. Income from Nebraska sources for a nonresident individual beneficiary includes, but is not limited to:

1. Income from the ownership or disposition of real or tangible personal property in Nebraska;
2. Income earned from a business carried on in Nebraska;
3. Income from intangible personal property including annuities, dividends, interest, and gains from the disposition of intangible personal property to the extent that the income is from a business carried on in Nebraska; and
4. Deductions for capital losses, net long term capital gains, and net operating losses that are based solely on income and deductions derived from or connected with Nebraska.

Part B – Beneficiary's Share of Modifications

Purpose. Complete Part B to report the beneficiary's share of the income distributed by the estate or trust that modifies the federal adjusted gross income or federal taxable income of the beneficiary.

LINE 11

Qualified U.S. Government Interest Deduction. Enter the beneficiary's share of all interest and dividend income from U.S. government obligations exempt from state taxation. Individual Income Tax Regulation 22-002, Computing the Nebraska Individual Income Tax, lists U.S. interest and dividend income which can be included on line 11, Nebraska Schedule K-1N. Interest income from repurchase agreements involving U.S. government obligations **is not** exempt U.S. government interest. Gains or losses from the sale or other disposition of federal securities are taxable for state income tax purposes and should not be included on line 11.

LINE 12

State and Local Bond Interest and Dividend Income. Enter the beneficiary's share of all state and local bond interest or dividends which are exempt from federal income tax and not issued by Nebraska state and local government subdivisions.

Part C – Beneficiary's Share of Credits

Purpose. Complete Part C to report the credits that were earned by the estate or trust and distributed to the beneficiaries.

LINE 13

CDAA Credit. Enter the beneficiary's share of the Community Development Assistance Act, (CDAA) credit reported on the Nebraska Community Development Assistance Act Credit Computation, Form CDN, Part C.

LINE 14

Form 3800N Credit. Enter the beneficiary's share of the distributed Form 3800N credits. When estates or trusts issue Nebraska Schedule K-1Ns to beneficiaries, they must also complete distribution schedules such as the Forms 775N and 312N and report the distributed credit amount to the beneficiary on line 14 of the Schedule K-1N.

LINE 15

Angel Investment Tax Credit. Enter the beneficiary's share of the credit.

LINE 16

Nebraska Income Tax Withheld. Enter the amount from Form 1041N, Schedule II, column (G) that reflects the income tax withheld from and remitted by the entity on behalf of the beneficiary. For an amended Schedule K-1N, enter the larger of the amount calculated on either the original or the amended Form 1041N, Schedule II, column (G).

Nebraska Department of REVENUE

Nebraska Fiduciary Income Tax Return

for the taxable year January 1, 2012 through December 31, 2012 or other taxable year
beginning , 2012 and ending , 20

FORM 1041N
2012

Please Type or Print

Name of Estate or Trust

Name and Title of Fiduciary

Street or Other Mailing Address of Fiduciary

City State Zip Code

PLEASE DO NOT WRITE IN THIS SPACE

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Nebraska ID Number 23—

Federal ID Number

Type of Trust (If Grantor Type, See Instructions)
☐ Testamentary ☐ Inter Vivos ☐ Grantor Type

Status of Estate or Trust
(1) ☐ Resident (2) ☐ Nonresident

Type of Return
☐ Estate ☐ Simple Trust ☐ Complex Trust ☐ ESBT ☐ Bankruptcy Estate ☐ Amended Return

Check applicable boxes:
(1) ☐ Initial Nebraska Return (2) ☐ Final Return (3) ☐ Change in Address (4) ☐ 7004 Attached (5) ☐ Distributed Form 3800N Credit

Does the estate or trust have nonresident individual beneficiaries?
☐ YES (Complete Schedule II) ☐ NO

Is the trust a pooled income fund?
☐ YES ☐ NO

1	Total federal income			1		00
2	Federal taxable income			2		00
3	Undistributed income from U.S. government bonds or other U.S. obligations			3		00
4	Undistributed income from non-Nebraska state and local bond interest and other Nebraska adjustments increasing federal taxable income (attach a schedule) (see instructions)			4		00
5	Special Capital Gains/Extraordinary Dividend Deduction			5		00
6	Nebraska adjustments decreasing federal taxable income (attach a schedule) (see instructions)			6		00
7	Nebraska taxable income (line 2 plus line 4) minus (lines 3, 5, and 6)			7		00

NONRESIDENT ESTATES AND TRUSTS, EXCEPT THOSE RECEIVING ESBT INCOME, SHOULD NOT MAKE ENTRIES ON LINES 8 AND 9. INSTEAD, NONRESIDENT ESTATES AND TRUSTS MUST COMPLETE NEBRASKA SCHEDULE I TO DETERMINE THE LINE 10 ENTRY.

8	Nebraska income tax (use the tax rate schedule on page 8 of instructions)			8		00
9	Nebraska minimum or other tax (Federal Form 1041, Schedule I; and Federal Form 4972) (see instructions)			9		00
10	Total Nebraska tax (total of lines 8 and 9)			10		00
11	Nebraska income tax withholding for nonresident individual beneficiaries [total of column (G), Schedule II]			11		00
12	Total Nebraska income tax liability (line 10 plus line 11)			12		00
13	Credit for tax paid by resident estate or trust to other states (Schedule III)	13	00			
14	CDAA credit and Financial Institution Tax credit	14	00			
15	Form 3800N nonrefundable credit (attach Form 3800N)	15	00			
16	Total nonrefundable credits (total of lines 13, 14, and 15)			16		00
17	Subtract line 16 from line 12 (if line 16 is greater than line 12, enter zero -0-)			17		00
18	Form 3800N refundable credit (attach Form 3800N)	18	00			
19	Tax deposited with Form 7004N and 2012 estimated tax payments	19	00			
20	Beginning Farmer credit (attach certificate)	20	00			
21	Angel Investment Tax credit	21	00			
22	Other credits (attach Nebraska copy of Federal Forms W-2, 1099-R, or W-2G)	22	00			
23	Total payments (total of lines 18, 19, 20, 21, and 22)			23		00
24	**TAX DUE (if line 17 is greater than line 23, subtract line 23 from line 17)**			24		00
25	OVERPAYMENT (if line 23 is greater than line 17, subtract line 17 from line 23)			25		00
26	**Overpayment on line 25 you want credited to 2013 estimated tax**			26		00
27	Overpayment to be REFUNDED (line 25 minus line 26)			27		00

Under penalties of perjury, I declare that as taxpayer or preparer, I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is correct and complete.

sign here

Signature of Fiduciary or Officer Representing Fiduciary | Date | Email Address

Title | Phone Number

paid preparer's use only

Preparer's Signature | Date | Preparer's PTIN

Firm's Name (or yours if self-employed), Address and Zip Code | EIN | Daytime Phone

A COPY OF THE FEDERAL RETURN AND SCHEDULES MUST BE ATTACHED TO THIS RETURN.

Mail this return and payment to: **NEBRASKA DEPARTMENT OF REVENUE, PO BOX 94818, LINCOLN, NE 68509-4818.**

Nebraska Department of REVENUE

NEBRASKA SCHEDULE I — Computation of Nebraska Tax
NEBRASKA SCHEDULE II — Nonresident Beneficiary's Share of Nebraska Income, Deductions, and Credits
NEBRASKA SCHEDULE III — Credit for Tax Paid to Another State

FORM 1041N Schedules I, II, and III 2012

Name on Form 1041N

Nebraska ID Number 23—

Nebraska Schedule I — Computation of Nebraska Tax for Nonresident Estate or Trust

28	Nebraska taxable income (line 7, Form 1041N)	28		00
29	Nebraska income tax on line 28 amount **(see line 8 instructions)**	29		00
30	Nebraska minimum or other tax **(see line 9 instructions)**	30		00
31	Total Nebraska tax (line 29 plus line 30)	31		00
32	Income derived from Nebraska sources, except capital and ordinary gain (loss) (attach schedule) (see instructions)	32		00
33	Nebraska capital and ordinary gain (loss) (attach schedule) (see instructions)	33		00
34	Adjustments, if any, applied to Nebraska income (see instructions) List:	34		00
35	Nebraska adjusted gross income (line 32 plus or minus lines 33 and 34)	35		00
36	Nebraska share of line 31. Compute below, and enter result here and on line 10, Form 1041N. Calculate the ratio to five decimal places and round to four Line 35 / (Line 1 + Line 4) - (Lines 3, 5, and 6) = .☐☐☐☐ (Ratio) x (Line 31) =	36		00

Nebraska Schedule II — Nonresident Beneficiary's Share of Nebraska Income, Deductions, and Credits

Note: If simple trust with out-of-state beneficiaries and only portfolio income, do not complete Schedule II. Instead check this box. ☐

NAME AND ADDRESS OF EACH NONRESIDENT BENEFICIARY

	Name	Street or Other Mailing Address	City	State	Zip Code
1					
2					
3					
4					

	(A) Social Security Number or Nebraska ID Number of Nonresident Beneficiary	(B) Nebraska Income (see instructions)		(C) Nebraska Deductions		(D) Check if Form 12N Attached	COMPUTATION OF NEBRASKA TAX WITHHELD (E) Nebraska Income Subject to Withholding [Column (B) minus Column (C)]		(F) Rate	(G) Tax Withheld Column (E) x Column (F) (Enter on Nebr. Sch. K-1N)	
1			00		00	☐		00	.0684		00
2			00		00	☐		00	.0684		00
3			00		00	☐		00	.0684		00
4			00		00	☐		00	.0684		00
5	TOTALS [enter total of column (G) on line 11, Form 1041N]		00		00			00			00

Nebraska Schedule III — Credit for Tax Paid to Another State for Resident Estate or Trust Only

A copy of the return filed with another state must be attached. If the other state return is not attached, this credit will not be allowed.

1	Nebraska tax (line 10, Form 1041N)	1		00
2	Taxable income from another state	2		00
3	Computed tax credit: Line 2, Schedule III / Line 7, Form 1041N x Line 1, Schedule III	3		00
4	Tax due and paid to another state (attachment required) (see instructions)	4		00
5	Maximum tax credit (line 1, 3, or 4, whichever is **least**). Enter amount here and on line 13, Form 1041N	5		00

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Nebraska Department of REVENUE

NEBRASKA SCHEDULE K-1N —
Beneficiary's Share of Income, Deductions, Modifications, and Credits

Form 1041N
Schedule K-1N
2012

ESTATE'S OR TRUST'S NAME AND MAILING ADDRESS			BENEFICIARY'S NAME AND MAILING ADDRESS		
Name Doing Business As (dba)			Name		
Legal Name					
Street or Other Mailing Address			Street or Other Mailing Address		
City	State	Zip Code	City	State	Zip Code
Nebraska ID Number	Federal ID Number		Nebraska ID Number	Federal ID Number	
Taxable Year of Organization Beginning _____ , 2012 and Ending _____ , 20 _____			Social Security Number	Spouse's Social Security Number	
If applicable, check the appropriate box: ☐ Final ☐ Amended			Check One: ☐ Resident Individual ☐ Nonresident Individual ☐ Estate or Trust ☐ Other (describe) _____		

PART A
Beneficiary's Share of Income and Deductions

1	Ordinary business income (loss)	1	
2	Net income (loss) from rental real estate activities	2	
3	Net income (loss) from other rental activities	3	
4	Interest income	4	
5	Dividend income	5	
6	Net short-term capital gain (loss)	6	
7	Net long-term capital gain (loss)	7	
8	Other income	8	
9	Estate tax	9	
10	Other deductions and losses	10	

PART B
Beneficiary's Share of Modifications

11	Qualified U.S. government interest deduction	11	
12	State and local bond interest and dividend income	12	

PART C
Beneficiary's Share of Credits

13	CDAA credit	13	
14	Form 3800N credit	14	
15	Angel investment tax credit	15	
16	Nebraska income tax withheld (see instructions)	16	

Nebraska Department of REVENUE

Application for Automatic Extension of Time

to File Nebraska Corporation, Fiduciary, or Partnership Return

Taxable year beginning , and ending ,

FORM **7004N**

Name Doing Business As (dba)

Legal Name

Street or Other Mailing Address

City | State | Zip Code | Federal ID Number | Nebraska ID Number

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AUTOMATIC 5-MONTH EXTENSION

• Check one of the boxes below if filing Federal Forms 1041 (except bankruptcy estates) or 1065.

☐ Nebraska Fiduciary Income Tax Return, Form 1041N ☐ Nebraska Return of Partnership Income, Form 1065N

AUTOMATIC 6-MONTH EXTENSION

• Check one of the boxes below if filing Federal Forms 1041 (bankruptcy estate only), 1041-QFT, 1041-N, or 1065-B.

☐ Nebraska Fiduciary Income Tax Return, Form 1041N ☐ Nebraska Return of Partnership Income, Form 1065N

AUTOMATIC 7-MONTH EXTENSION

• Check all appropriate boxes if filing Nebraska Form 1120N or 1120-SN.

☐ Automatic seven-month filing extension from the original due date.

☐ Extension in addition to the federal extension up to a maximum of seven months from the original due date. Attach a copy of the Federal Form 7004, filed with the Internal Revenue Service.

Is the corporation organized as an exempt organization? ☐ YES ☐ NO

Is the corporation a cooperative? ☐ YES ☐ NO

If Yes, enter the original due date of the cooperative's federal return _____.

TENTATIVE TAX PAYMENT CALCULATION

• Entities filing a fiduciary or partnership return need not complete lines 1 through 10 below. A fiduciary or partnership must complete line 11.

1	Tentative income tax liability for taxable period before any applicable credits	1	
2	Premium tax credit	2	
3	Community Development Assistance Act credit	3	
4	Form 3800N nonrefundable credits	4	
5	Total nonrefundable credits (total of lines 2 through 4)	5	
6	Subtract line 5 from line 1 (if the line 5 amount is more than the line 1 amount, enter -0-)	6	
7	Form 3800N refundable credits	7	
8	Estimated tax payments	8	
9	Other payments or credits, including any Beginning Farmer credit	9	
10	Total prior payments and credits (total of lines 7 through 9)	10	
11	Tentative tax payment (line 6 minus line 10)	11	

Check this box if your payment is being made by electronic funds transfer (EFT). ☐

If the corporation is a member of a unitary group of corporations filing a combined return, complete the following section.

Name and Address of Each Member of the Unitary Group	ID NUMBERS	
	Nebraska	Federal

Under penalties of perjury, I declare that I have been authorized to make this application, and that to the best of my knowledge and belief, the statements made above are correct and complete.

sign here ▶ Authorized Signature | Date | Email Address

Title | ( ) Daytime Phone Number

Mail this application and remit payment (EFT, if required) to:

NEBRASKA DEPARTMENT OF REVENUE, PO BOX 94818, LINCOLN, NE 68509-4818

www.revenue.ne.gov, 800-742-7474 (NE and IA), 402-471-5729

8-021-1968 Rev. 9-2012
Supersedes 8-021-1968 Rev. 12-2011

INSTRUCTIONS

WHO MAY FILE. A corporation (C corporation and subchapter S corporation), fiduciary, partnership, or limited liability company making a tentative tax payment, and/or wanting more time to file a Nebraska tax return, must file a Nebraska Application for Extension of Time, Form 7004N. The 7004N must be filed even if a tentative tax payment is made by electronic funds transfer (EFT).

If you have filed for a federal extension and are not making a tentative payment to Nebraska, you do not need to complete this application. When your Nebraska income tax return is filed, you must attach a copy of the Federal Form 7004 filed with the Internal Revenue Service (IRS), or a copy of the approved federal extension. If a federal extension of time has been granted, the filing date for Forms 1120N, 1120-SN, 1041N, and 1065N is automatically extended for the same period.

CORPORATIONS. When a federal extension of time has been granted and additional time is necessary to file a Nebraska corporate income tax return, file Form 7004N on or before the date the federal extension expires. Attach a copy of the Federal Form 7004 filed with the IRS, or a copy of the approved federal extension. A maximum of a seven-month extension beyond the original due date of the corporate income tax return is allowed for Nebraska.

PARTNERSHIPS, ESTATES, AND TRUSTS. Nebraska will only allow extensions of time up to the maximum number of months provided by the IRS. No additional Nebraska extension will be granted.

WHEN TO FILE. Form 7004N must be filed on or before the due date of the original return. Corporations may also file Form 7004N on or before the date that a federal extension expires.

WHERE TO FILE. Mail Form 7004N with remittance, to the Nebraska Department of Revenue, PO Box 94818, Lincoln, Nebraska 68509-4818.

AMOUNT OF PAYMENT. Payment of the amount shown on line 11 must be remitted with this form. Payment can be made by EFT or by credit card. Payment may also be made by check or money order.

For some corporations, EFT is mandatory for all corporate payments. If your corporation has an EFT mandate from the Nebraska Department of Revenue (Department), your corporate payments **must** be made electronically. Any portion of the tax liability not paid by the original due date of the return will accrue interest at the statutory rate from the original due date of the return to the date of full payment of the liability. Interest due on the underpayment of the liability must be paid when the return is filed.

CORPORATE UNITARY GROUP. Members of a unitary group filing a single return using the combined income approach should only request one extension for the entire group. The name, address, Federal ID number, and Nebraska ID number of each corporation included in the combined return must be listed on Form 7004N.

TERMINATION OF EXTENSION. The Department may, at any time, terminate a C corporation's extension of time by mailing the taxpayer a notice of this termination, allowing ten days from the date of the termination notice to file the Nebraska corporate return.

TAXPAYER NOTIFICATION. The Department will notify the applicant if this request for extension is denied. The notice will be sent to the address entered on Form 7004N. **No notice will be sent with respect to approved applications for an extension of time to file a return.**

SIGNATURES. This application must be signed by a corporate officer, fiduciary, partner, member, a person currently enrolled to practice before the IRS, or an attorney or certified public accountant qualified to practice before the IRS. If the taxpayer authorizes any other person to sign this application, there must be a power of attorney on file with the Department.