

**FIDUCIARY INCOME
TAX RETURN
(FOR ESTATES AND TRUSTS)**

INCOME TAX INSTRUCTIONS

2018



**INDIVIDUAL INCOME TAX BUREAU
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WWW.DOR.MS.GOV

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GENERAL INFORMATION

REMINDERS

Important tips to help expedite processing of your return:

- ✓ Use black ink when preparing the return.
- ✓ Make sure the estate or trust federal identification number and the decedent or debtor social security number is entered correctly on all returns, schedules and attachments.
- ✓ Sign and date the tax return.
- ✓ Attach a copy of the federal return behind the state return including returns filed electronically. Any additional schedules and attachments should be stapled to the back of the return.
- ✓ Copies or reproductions of the official tax forms are not acceptable.
- ✓ Do not place a staple in the barcode area of the form.

Visit our website at www.dor.ms.gov to download forms by tax year and tax type.

TAXPAYER ACCESS POINT (TAP)

TAP is easy to use, convenient and free.

With TAP, you have the option to Go Paperless. This means that you pay your taxes on-line and receive certain correspondence electronically.

TAP e-mail lets you know that you have new correspondence to view on-line. You then logon to TAP to read the letter or message and take appropriate action on your account. Only you, or persons you authorize, can see your correspondence.

When making payments or updating profile information, you should always log directly into TAP using your User ID and password. TAP does not provide links containing your transaction or personal information to any external web site.

Remember, you can pay your bill on-line through TAP without registering for a TAP account. For more information on TAP, view the Electronic Filing Section of this booklet.



TAXATION OF ESTATES AND TRUSTS

The income tax imposed upon individuals shall be applicable to the income of estates or of any kind of property held in trust as well as the net income received during the taxable year by deceased individuals who, at the time of death, were residents and who have died during the taxable year or subsequent thereto without having made a return, and the net income of resident insolvent or incompetent individuals where the fiduciary has complete charge of such income. The rate of tax, the statutory provisions respecting gross income, and with certain exceptions, the deductions, exemptions and credits allowed to individuals apply also to estates and trusts.

DEFINITIONS

A **resident estate** is the estate of a person who was a Mississippi 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 Mississippi. A trust being administered outside of Mississippi shall not be considered a resident trust merely because the governing instrument or a law requires that the laws of Mississippi be followed with respect to interpretation or administration of the trust. All other trusts are non-resident trusts.

A **bankruptcy estate** is the estate of an individual involved in chapter 7 or chapter 11 bankruptcy proceedings under Title 11 of the United States Code and the estate has gross income for the tax year of \$10,000 or more. The bankruptcy estate is administered by a trustee or a debtor-in-possession.

TYPE OF ENTITY

Decedent's Estate:

An estate of a deceased person is a taxable entity separate from the decedent. It generally continues to exist until the final distribution of the assets of the estate is made to the heirs and other beneficiaries. The income earned from the property of the estate during the period of administration or settlement must be accounted for and reported by the estate.

Simple Trust:

A trust may qualify as a simple trust if:

1. The trust instrument requires that all income must be distributed currently;
2. The trust instrument does not provide that any amounts are to be paid, permanently set aside, or used for charitable purposes; and
3. The trust does not distribute amounts allocated to the corpus of the trust.

Complex Trust:

A complex trust is any trust that does not qualify as a simple trust as explained above.

Grantor Type Trust:

A grantor type trust is a legal trust under applicable state law that is not recognized as a separate taxable entity for income tax purposes because the grantor or other substantial owners have not relinquished complete dominion and control over the trust.

Generally, for transfers made in trust after March 1, 1986, the grantor is treated as the owner of any portion of a trust in which he or she has a reversionary interest in either the income or corpus therefrom, if, as of the inception of that portion of the trust, the value of the reversionary interest is more than 5% of the value of that portion. Also, the grantor is treated as holding any power or interest that was held by either the grantor's spouse at the time that the power or interest was created or who became the grantor's spouse after the creation of that power or interest.

Qualified Disability Trust:

A qualified disability trust is any nongrantor trust:

1. Described in 42 U.S.C. 1396p(c) (2)(B)(iv) and established solely for the benefit of an individual under 65 years of age who is disabled, and
2. All the beneficiaries of which are determined by the Commissioner of Social Security to have been disabled for some part of the tax year within the meaning of 42 U.S.C. 1382c(a)(3).

A trust will not fail to meet item 2 above just because the trust's corpus may revert to a person who is not disabled after the trust ceases to have any disabled beneficiaries.

ESBT (S Portion Only):

The S portion of an ESBT is the portion of the trust that consists of S corporation stock and that is not treated as owned by the grantor or another person.

Pooled Income Fund:

A pooled income fund is a split-interest trust with a remainder interest for a public charity and a life income interest retained by the donor or for another person. The property is held in a pool with other pooled income fund property and does not include any tax-exempt securities. The income for a retained life interest is figured using the yearly rate of return earned by the trust. See section 642(c) and the related regulations for more information.

Bankruptcy Estate:

A chapter 7 or 11 bankruptcy estate is a separate and distinct taxable entity from the individual debtor for income tax purposes.

WHO MUST FILE?

Every fiduciary is required to file a Mississippi Fiduciary Income Tax Return, Form 81-110, for any resident individual, trust or estate for which he acts, or for any nonresident individual, trust or estate for which he acts that has taxable income or gain derived from Mississippi sources.

Income from Mississippi sources includes income or gain from:

- a. Real or tangible personal property located in Mississippi;
- b. A business, profession or occupation carried on within Mississippi; or
- c. Services performed within Mississippi.

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

BANKRUPTCY ESTATE

The filing of a bankruptcy petition for an individual debtor creates a separate taxable entity known as a bankruptcy estate. Every trustee (or debtor-in-possession) that files a Federal Income Tax Return for an individual's bankruptcy estate that has gross income of \$10,000 or more under chapter 7 or chapter 11 of the United States Bankruptcy Code must file a Mississippi Fiduciary Income Tax Return and pay any taxes due. The debtor will remain responsible for filing returns and paying taxes on any income that does not belong to the estate.

Every bankruptcy estate of an individual required to file a return must have its own EIN. The SSN of the individual debtor cannot be used as the EIN for the bankruptcy estate.

The filing of a bankruptcy petition for a partnership or a corporation debtor under chapter 7 or chapter 11 of the United States Bankruptcy Code does not create a separate legal entity for tax purposes.

ELECTRONIC FILING

Users of TAP are able to:

- make electronic payments
- view recent account activity and history
- view tax correspondence
- make address changes

Third Party Access for Tax Practitioners: Tax practitioners can have TAP access to account information for each of your clients-- from one login. First, create your own TAP account (only one per FEIN). Once you are registered in TAP, select "Add Access to Existing Account." Your client (taxpayer) must provide you the Letter ID and Account ID in order for you to have access to their accounts. All accounts you set up for third party access are found under the "Other Taxpayers' Accounts" tab in TAP. For more information on TAP, visit our website at www.dor.ms.gov.

WHEN AND WHERE SHOULD I FILE?

Calendar year returns must be filed no later than April 15th annually. Fiscal year returns must be filed no later than the 15th day of the 4th month following the end of the fiscal year. A fiduciary's taxable year and its method of accounting are required to be the same for Mississippi income tax purposes as determined for federal income tax purposes.

Need more time to file your return?

If you will receive a refund or will not owe any additional tax, Mississippi will allow you the same time to file your return as allowed by federal. However, if you owe additional taxes, you must remit the tax due with Form 80-106, on or before the due date of the return.

The authorized extension of time to file does not extend the time for payment of tax due. Interest and penalty will apply on any underpayment of tax. See the Interest and Penalty Provisions Section of this booklet for more information.

The return should be mailed to:

Additional Tax Due or

No Tax Due:

Department of Revenue
P.O. Box 23050
Jackson, MS 39225-3050

Refund Request:

Department of Revenue
P.O. Box 23058
Jackson, MS 39225-3058

TAX PAYMENTS

The total tax due on the return must be paid in full no later than the 15th day of the 4th month after the end of the tax year. Payment options are as followed:

- **Online Payments:** To pay online, go to www.dor.ms.gov, click on Taxpayer Access Point (TAP) and follow the instructions. Without a MARS account or a TAP login, users are able to make estimate payments online.

LINE ITEM INSTRUCTIONS

FORM 81-110 (FIDUCIARY RETURN)

Form 81-110, Mississippi Fiduciary Income Tax Return for Estates and Trusts, is a reconciliation type return which uses the income from the U. S. Income Tax Return for Estates and Trusts, Form 1041, as a starting point. Accordingly, a complete copy of the federal return must be attached to this return, as well as a copy of all Mississippi Schedule K-1's.

Generally, federal rules and regulations relating to estates and trusts will be followed for state purposes to the extent they are not deemed contrary to the context and intent of Mississippi law.

If you had income not directly included on your federal income tax return, such as income as a Qualified Subchapter "S" Trust

- **Check or Money Order Payments:** To pay by check or money order, complete the payment voucher (Form 80-106), make the check or money order payable to the Department of Revenue and mail both to P.O. Box 23075, Jackson, MS 39225-3075. Write your identification number on the check or money order. DO NOT send cash through the mail.
- **Credit Card or Electronic Check Payments:** To pay by credit card or electronic check go to www.officialpayments.com. There is a 2 1/2% convenience fee for using the credit card service or a \$3.00 transaction fee to process electronic check payments. Visa, Master Card, Discover and American Express cards are accepted. The Jurisdiction code for Mississippi is 3400.

INTEREST AND PENALTY PROVISIONS

- **Late Payment:** Interest and penalty are charged on taxes paid late even if an extension of time to file is granted. The interest is at the rate 1/2% per month from the due date until paid. The penalty imposed for failure to pay the tax when due is 1/2% per month not to exceed 25% in the aggregate. Late payment interest and penalty apply to any unpaid tax after April 15.
- **Failure to File:** The penalty for failure to file a return is imposed after September 30th. The penalty is 5% per month not to exceed 25% in the aggregate. The penalty imposed for failure to file is based on the amount of net tax (balance due) on the return. Such failure to file a return penalty shall not be less than \$100.

(QSST), include such amounts on page 2, lines 17f, 17g, 17h and 17i as needed along with supporting details.

Bankruptcy Estates

If bankruptcy estate is checked, enter the bankruptcy debtor's SSN in the "Decedent / Debtor SSN" field. If there is a joint debtor, a separate Fiduciary Income Tax Return must be filed using the instructions (Form 80-100) and tax table for a married person filing separately. The estate of the joint debtor is a separate taxable entity unless the court has substantively consolidated the estates of the debtor and joint debtor. A copy of the U. S. Income Tax Return for Estates and Trusts, Form 1041, filed for the bankruptcy estate must be attached to the state return.

- **Amended Return:** If a bankruptcy case begins and is later dismissed by the bankruptcy court, the estate is not treated

as a separate taxable entity. If Mississippi Fiduciary Income Tax Returns have been filed for the estate, amended returns must be filed to move income and deductions from the estate returns to the debtor Mississippi Individual Income Tax Returns. If no Fiduciary Income Tax Returns have been filed, all income and deductions must be reported on the debtor returns.

- **Final Return:** When the bankruptcy has ended, a final Mississippi Fiduciary Income Tax Return must be filed. The date of the bankruptcy confirmation and the estate closure date must be provided.

MISSISSIPPI INCOME TAX

Please provide the information of the estate or trust. Enter the county code corresponding to the estate or trust (see Appendix for a list of the codes). For an estate, enter the date of decedent's death and for a trust, enter the date the trust was established. Enter the number of Mississippi Schedule K-1(s) included with the return and attach a copy of the K-1(s) to the return.

Line 1: Taxable Income or Loss for Mississippi Purposes

Enter the amount of Mississippi Taxable Income or Loss from page 2, line 25.

Line 2: Total Income Tax Due

Use the tax computation schedule, as provided in the Appendix, to determine the total amount of income tax due and enter the results on this line.

Line 3: Credit for Tax Paid to Another State

Individual resident, trust or estate that has taxable income or gain derived from Mississippi sources and is required to pay an income tax to another state, is allowed to take a credit against its Mississippi tax due in the same year for the amount of total income tax due to the other state (subject to certain limitations). **Non-residents are not allowed this credit.**

In order to be allowed this credit, you **MUST** file a return with the other state, **and** attach a copy of this return to your Mississippi return. The withholding amounts shown on your W-2 forms are **NOT** the same as actual tax paid to the other state.

Form 80-160 must be attached. Copies of withholding statements are not sufficient to establish the credit.

Miss. Code Ann. §27-7-77 provides for three limitations which are:

- 1) The credit may not exceed the amount of income tax due the State of Mississippi, indicated on line 2;
- 2) The credit may not exceed the amount of income tax actually paid to the other state; and

3) The credit may not exceed an amount computed by applying the highest applicable Mississippi rates to the net taxable income reported to the other state. Highest rates are meant to mean the highest rates at which the net taxable income reported to the other state is taxable by the State of Mississippi.

Line 4: Other Credits

The estate or trust share of allowable credit(s) should be combined and the total entered on this line. For each type of credit taken, enter the applicable two digit code on Form 80-401 as provided in the Appendix. **Form 80-401 must be attached.**

Line 5: Net Income Tax Due

Subtract line 3 and line 4 from line 2 and enter the result here.

PAYMENTS

Line 6: Mississippi Income Tax Withheld

Add the amounts shown as "MS Income Tax" withheld on Federal Forms 1099 and/or 1099-R. Enter the total amount withheld on line 23. You must complete Form 80-107, Income/Withholding Tax Schedule.

Include **readable** copies of your Form 1099 with your return. Copies of your Form 1099 are available only from your employer. The withholding credit may be disallowed if 1099s are not attached to the return. These items should be listed on Form 80-107, Income/Withholding Tax Schedule, which must be attached to your return.

Line 7: Estimated Tax Payments, Overpayment from Prior Year and Amount Paid with Extension

Enter the total estimated tax payments the estate or trust made before filing the 2018 Mississippi tax return plus any amount credited from the 2017 tax return. Any amount paid with a request for extension of time to file should also be included in this amount.

Line 8: Refund Received and/or Amount Carried Forward From Original Return

Enter the amount of refund received and/or carried forward from the original return. This line only applies to amended return.

REFUND OR BALANCE DUE**Line 10: Overpayment**

If line 9 is larger than line 5, subtract line 5, from line 9 and enter the overpayment of tax on line 10.

Line 11: Amount of Overpayment to be Applied to Next Year Tax Account

Enter on this line the amount of your overpayment from line 10 you wish to be credited to your 2018 estimated tax account.

Line 12: Amount of Overpayment to be Refunded

Subtract line 11 from line 10 and enter the amount to be refunded on this line.

Line 13: Balance Due

If line 5 is larger than line 9, subtract line 9 from line 5 and enter the balance due on this line.

Line 14: Interest and Penalty

- **Late Payment Interest and Penalty:** An extension of time only extends the time for filing a return, not payment of the tax. If the income tax is not paid by the original due date of the return, then interest is due at the rate of 1/2% per month.

The penalty imposed for failure to pay the tax when due is 1/2% per month not to exceed 25% in the aggregate. **The penalty is based on the balance due (line 5 minus line 9). Interest and penalty for late payment is not charged on late file penalty.**

- **Late Filing Penalty:** The penalty imposed for failure to file a return is 5% per month not to exceed 25% in the aggregate. The failure to file penalty is based on the amount of net tax (balance due, page 1, line 13). **Such failure to file penalty shall not be less than \$100 and will be applied to all returns filed after the due date as well as any extensions.**

Line 15: Total Due

Add lines 13 and 14 and enter the amount on this line. The amount due must be paid in full when you file your return (or before the due date). Payments can be made by check or money order payable to the Department of Revenue. Do not send cash by mail. **BE SURE TO ENCLOSE PAYMENT VOUCHER, FORM 80-106, WITH YOUR PAYMENT.** You may pay your tax in person at any of the Department of Revenue District Service Offices or through Taxpayer Access Point (TAP) on our website. Balances due of less than \$1.00 need not be paid.

COMPUTATION OF TAXABLE INCOME**Line 16: Federal Adjusted Total Income or (Loss)**

Enter the amount of federal adjusted total income or (loss) from federal Form 1041, page 1, line 17.

ADDITIONS**Line 17a: State Income Tax Adjustment**

Taxes based on income are not deductible. Enter the amount of state, local and foreign government income taxes claimed as a deduction on Form 1041.

Line 17b: Depletion Adjustment

No deduction is allowed for depletion in excess of the cost basis of the depletable asset. Enter the amount of depletion claimed on Form 1041 in excess of the cost basis of the asset on which the depletion is claimed.

Line 17c: Interest Adjustment

Interest on obligations of states and political subdivisions thereof **outside** Mississippi is taxable for Mississippi purposes. Enter the amount of interest on obligations of states and political subdivisions thereof (other than from Mississippi) received by the fiduciary.

Line 17d: Expenses of Earning Exempt Income

Interest received on U. S. Government obligations is not taxable for Mississippi purposes, and expenses incurred in earning the tax exempt income are not deductible. Enter the amount of expenses directly applicable to earning interest on U. S. Government obligations claimed on federal Form 1041.

Line 17e: Itemized Deductions Adjustment

If you elect to claim the standard deduction on the Mississippi Fiduciary Income Tax Return (Form 81-110, page 2, line 20e), enter the amount of itemized deductions claimed on the fiduciary return in arriving at the amount shown on line 17 of federal Form 1041. Attach a schedule of the deductions added back.

Line 17f – 17i: Other Additions

Add back any other item which is treated differently for Mississippi income tax purposes than was treated for federal income tax purposes. Itemize here and attach a schedule if needed. Include any income not included as a part of Federal Form 1041, line 17.

Line 18: Total Additions

Add lines 17a through 17i.

Line 19: Total Income

Enter the total of lines 16 and 18.

DEDUCTIONS

Line 20a: Exempt Interest

Interest received on U. S. Government obligations is not taxable to Mississippi. Enter the amount of such interest reported as income on federal Form 1041.

Line 20b: Wages Adjustment

Federal income tax laws allow certain tax credits based on wages paid to employees, and a portion of the wages on which the credit was based is not allowed as a deduction. Mississippi does not allow these credits. Enter the amount by which wages on the Form 1041 were reduced by employment tax credits (such as the Targeted Jobs Credit).

Line 20c: Capital Gains Adjustment

Enter the amount of capital gains on the sale of authorized shares in financial institutions domiciled in Mississippi and domestic corporations, or partnership interests in domestic limited partnerships and domestic limited liability companies exempt from Mississippi tax by Miss. Code Ann. § 27-7-9(f)(10).

Line 20d: Expenses of Earning Interest Income

Enter the amount of expenses directly applicable to earning the interest income shown on Form 81-110, page 2, line 17c. Such expenses would not have been deductible on Form 1041 since they relate to tax-exempt income.

Line 20e: Standard Deduction

A standard deduction of \$2,300 is allowed to fiduciaries in lieu of itemized fiduciary expenses. If the standard deduction is claimed, see Form 81-110, page 2, line 17e.

Line 20f: Non-resident Fiduciary Returns Only

Enter the amount of income from Non-Mississippi sources, net of expenses and attach a schedule. This adjustment is necessary to determine taxable income or loss for Mississippi purposes.

Line 20g – 20i: Other Deductions

Deduct any other item which is treated differently for Mississippi income tax purposes than was treated for federal income tax purposes. Itemize here and attach schedule if needed.

Line 21: Total Deductions

Enter the total of lines 20a through 20i.

TAXABLE INCOME

Line 22: Adjusted Net Income or (Loss) For Mississippi Purposes

Subtract line 21 from line 19.

Line 23: Amount Distributed to Beneficiaries

Complete Schedule K, Form 81-131, and deduct any income of the estate or trust for its taxable year which is distributable currently by the fiduciary to a beneficiary, whether or not such income is actually distributed OR any income of the estate or trust for its taxable year which is properly paid or credited during such year to a beneficiary if there was vested in the fiduciary a discretion either to distribute or to accumulate such income. Income distributed to non-residents of this state from investments in intangibles (dividends, interest, etc.) having a situs in Mississippi may be excluded from the non-resident's Mississippi taxable income. Income from other sources distributed or distributable to nonresidents shall be included in gross income and reflected in the return filed by such non-resident with this state.

Line 24: Exemption

Estates and trusts are allowed the same exemptions that are allowed for federal purposes.

Estates.....	\$600
Trusts required to distribute all income currently.....	\$300
Trusts permitted to accumulate income	\$100

Line 25: Taxable Income or Loss for Mississippi Purposes

Subtract line 23 and line 24 from line 22 and enter the result here and on page 1, line 1 of this form.

FORM 81-131 (BENEFICIARIES SHARES OF INCOME)

Column A: Enter the name, complete current address and Employer Identification Number (FEIN) or Social Security Number (SSN) of each beneficiary having a beneficial interest in the estate or trust.

Column B: Enter the percentage of beneficial interest owned by each beneficiary. You must account for 100% of the ownership. Also, enter the state of residency of each beneficiary.

Column C: Enter the total amount distributed to each beneficiary based on their respective percentage of beneficial interest in the estate or trust. **Column C** is used to report, to both resident and non-resident beneficiaries, the distributions which are taxable to Mississippi.

Column D: For resident beneficiaries, the amount of distribution includes income from all sources. For non-resident beneficiaries, the amount of distribution includes only Mississippi sourced

income. **Column D** is used to report to the non-resident beneficiary the amount of the distribution from non-Mississippi sourced income (not taxable to the Non-resident beneficiary on a Mississippi return).

Amount Allocated to Beneficiaries (bottom of page 1) Enter the combined totals of Columns C and D. This represents the deduction allowed to the estate or trust for distributions to beneficiaries. The total should be transferred to Form 81-110, page 2, line 23.

If additional space is needed, use another Form 81-131.

FORM 81-132 (MISSISSIPPI SCHEDULE K-1)

Form 81-132, Mississippi Schedule K-1, is used to report the beneficiary's share of income, deductions, and credits from a trust or a decedent's estate. The fiduciary (or one of the joint fiduciaries) must prepare Schedule K-1 for each beneficiary having a beneficial interest in the trust or estate at any time during the taxable year. **Copies of the Schedule K-1 are required to be filed with Form 81-110.**

Mississippi law conforms to the Internal Revenue Code with respect to passive activity and rental real estate activity limitations. The amounts shown on the Schedule K-1 reflect Mississippi income or loss and related expenses.

Mississippi will also follow federal rules relating to character of income and allocation of deductions as shown in the instructions for preparing Schedules K-1 which are included in the federal Form 1041 instructions. Each Schedule K-1 (Form 81-132) must be completed to show the beneficiary's SSN or FEIN; the trust or estate's FEIN; the name of the trust or decedent's estate; the name and address of the beneficiary; the name and address of the fiduciary; and the beneficiary's percentage of interest in the entity for the tax year.

Box 1: Interest Income

Enter the beneficiary's share of the taxable interest income minus allocable deductions.

Box 2a: Ordinary Dividends

Enter the beneficiary's share of Mississippi ordinary dividend income minus allocable deductions.

Box 2b: Qualified Dividends

Enter the beneficiary's share of Mississippi qualified dividend income minus allocable deductions.

Box 3: Net Short-Term Capital Gain

Enter the beneficiary's share of net short-term capital gain minus allocable deductions. Do not enter a loss on this line.

Box 4a: Net Long-Term Capital Gain

Enter the beneficiary's share of net long-term capital gain minus allocable deductions. Do not enter a loss on this line.

Box 4b: 28% Rate Gain

A collectible gain (loss) is any long-term gain or deductible long-term loss from the sale or exchange of a collectible that is a capital loss. Mississippi Law does not conform to federal with respect to the tax treatment of capital gains; therefore, the gain is taxed as ordinary income.

Box 4c: Unrecaptured Section 1250 Gain

Enter the beneficiary's share of Mississippi Section 1250 Gain.

Box 5: Other Portfolio and Nonbusiness Income

Enter the beneficiary's share of annuities, royalties, or any other income, minus allocable deductions (other than directly apportionable deductions).

Box 6: Ordinary Business Income

Enter the beneficiary's share of ordinary business income minus allocable deductions (other than directly apportionable deductions).

Box 7: Net Rental Real Estate Income

Enter the beneficiary's share of rental real estate income minus allocable deductions (other than directly apportionable deductions).

Box 8: Other Rental Income

Enter the beneficiary's share of other rental income minus allocable deductions (other than directly apportionable deductions).

Box 9: Directly Apportioned Deductions

Depreciation: Enter the beneficiary's share of the depreciation deductions attributable to each activity reported in Boxes 5 through 8. Follow federal instructions for apportioning depreciation deductions between the beneficiaries and the trust or estate.

Depletion: Enter the beneficiary's share of the depletion deduction under IRC Section 611 attributable to each activity reported in Boxes 5 through 8. Follow federal instructions for apportioning depletion deductions between the beneficiaries and the trust or estate.

Amortization: Itemize the beneficiary's share of the amortization deductions attributable to each activity reported in Boxes 5 through 8. Apportion the amortization deductions between the trust or

estate and the beneficiaries in the same way the depreciation and depletion deductions are divided.

Box 10: Final Year Deductions

Excess Deduction on Termination: Mississippi will follow the federal treatment as it relates to excess deductions on termination (see Federal Schedule K-1 instructions).

Short-Term Capital Loss Carryover and Long-Term Capital Loss Carryover: Upon termination of the trust or decedent's estate, the beneficiary succeeding to the property is allowed to deduct any unused capital loss carryover under IRC section 1212.

Net Operating Loss (NOL) Carryover: Upon termination of a trust or decedent's estate, a beneficiary succeeding to its property is allowed to deduct any unused NOL carryover if the carryover would be allowable to the estate or trust in a later tax year but for the termination.

Box 11: Alternative Minimum Tax Adjustment

This box is not applicable to the state; therefore, it will be reported on this form as an item of information.

Box 12: Credits and Credit Recapture

This box is not applicable to the state; therefore, it will be reported on this form as an item of information.

Box 13: Other Information

Report any other information as required by federal (see federal Schedule K-1 for details).

Part IV: Mississippi Tax Credits

On the appropriate lines, enter the beneficiary's share of Ad Valorem Tax Credit or other credits earned by the trust or estate. Enter the code number, type of credit and credit amount as reflected on Form 80-401.

APPENDIX

COUNTY CODES

COUNTY	CODE	COUNTY	CODE	COUNTY	CODE
Adams	01	Itawamba	29	Pike	57
Alcorn	02	Jackson	30	Pontotoc	58
Amite	03	Jasper	31	Prentiss	59
Attala	04	Jefferson	32	Quitman	60
Benton	05	Jefferson-Davis	33	Rankin	61
Bolivar	06	Jones	34	Scott	62
Calhoun	07	Kemper	35	Sharkey	63
Carroll	08	Lafayette	36	Simpson	64
Chickasaw	09	Lamar	37	Smith	65
Choctaw	10	Lauderdale	38	Stone	66
Claiborne	11	Lawrence	39	Sunflower	67
Clarke	12	Leake	40	Tallahatchie	68
Clay	13	Lee	41	Tate	69
Coahoma	14	Leflore	42	Tippah	70
Copiah	15	Lincoln	43	Tishomingo	71
Covington	16	Lowndes	44	Tunica	72
Desoto	17	Madison	45	Union	73
Forrest	18	Marion	46	Walthall	74
Franklin	19	Marshall	47	Warren	75
George	20	Monroe	48	Washington	76
Greene	21	Montgomery	49	Wayne	77
Grenada	22	Neshoba	50	Webster	78
Hancock	23	Newton	51	Wilkinson	79
Harrison	24	Noxubee	52	Winston	80
Hinds	25	Oktibbeha	53	Yalobusha	81
Holmes	26	Panola	54	Yazoo	82
Humphreys	27	Pearl River	55	Non-Resident	83
Issaquena	28	Perry	56	Resident Living Out of State	90

SCHEDULE OF TAX COMPUTATION

TAX RATE(S)	TAXABLE INCOME	TAX RATE	INCOME TAX
a. First \$1,000		x 0% =	
b. Next \$4,000 or part		x 3% =	
c. Next \$5,000 or part		x 4% =	
d. Remaining balance		x 5% =	
Total Income Tax – Add lines “a” through “d”. Enter on page 1, line 2.			