

# Form CT-1041 Schedule I

# 2011

## Connecticut Alternative Minimum Tax Computation of Trusts or Estates

Any trust or estate subject to and required to pay federal alternative minimum tax must complete and attach this schedule to Form CT-1041. Complete this form in blue or black ink only. Read the complete instructions before completing this form.

|                         |   |
|-------------------------|---|
| Name of trust or estate | Federal Employer Identification Number (FEIN)<br>____ : _____ |
|-------------------------|---|

### Part I - Computation of Connecticut Alternative Minimum Tax for Trusts and Estates

|  |   |  |    |
|--|---|--|----|
| 1. Trust or estate's share of federal alternative minimum taxable income from federal Form 1041 Schedule I, Line 29. See instructions.           | 1 |  | 00 |
| 2. Enter the Connecticut modifications attributable to the trust or estate. See instructions.  | 2 |  | 00 |
| 3. Combine Line 1 and Line 2.  | 3 |  | 00 |
| 4. Enter the sum of the trust or estate's share of Connecticut income tax and tax-exempt interest from private activity bonds. See instructions. | 4 |  | 00 |
| 5. Tentative adjusted federal alternative minimum taxable income: Subtract Line 4 from Line 3.   | 5 |  | 00 |

**Complete Lines 5a through 5d if you are a full-year resident or part-year resident inter vivos trust with one or more nonresident, noncontingent beneficiaries. All others, go to Line 5e and enter the amount from Line 5 above.**

|  |    |          |    |
|--|----|----------|----|
| 5a. Enter the amount of Connecticut-sourced income included in Line 5. See instructions.   | 5a |          | 00 |
| 5b. Enter the amount from non-Connecticut sources. See instructions.   | 5b |          | 00 |
| 5c. Percentage of nonresident, noncontingent beneficiaries: Divide the number on <b>Schedule CT-1041B</b> , Part 2, Line 2, by the number on Schedule CT-1041B, Part 2, Line 3. Enter the decimal here. Round to 4 decimal places.   | 5c | •        |    |
| 5d. Multiply Line 5b by Line 5c.   | 5d |          | 00 |
| 5e. Adjusted federal alternative minimum taxable income: See instructions.   | 5e |          | 00 |
| 6. Exemption amount  | 6  | \$22,500 | 00 |
| 7. Phaseout of exemption amount  | 7  | \$75,000 | 00 |
| 8. Subtract Line 7 from Line 5e. If zero or less, enter "0."   | 8  |          | 00 |
| 9. Multiply Line 8 by 25% (.25).   | 9  |          | 00 |
| 10. Exemption: Subtract Line 9 from Line 6. If zero or less, enter "0."  | 10 |          | 00 |
| 11. Subtract Line 10 from Line 5e. If zero or less, enter "0" here and on Line 23 and skip Lines 12 through 22.  | 11 |          | 00 |
| 12. If you completed Part IV of federal Form 1041 Schedule I, complete Part II of this schedule and enter the amount from Line 42 here. However, if Lines 2 and 4 are zero <b>and</b> you did not complete Lines 5A through 5d, enter the amount from federal Form 1041 Schedule I, Line 75, here and skip Form CT-1041 Schedule I, Part II.<br><br>All others: If Line 11 is \$175,000 or less, multiply Line 11 by 26% (.26). Otherwise, multiply Line 11 by 28% (.28) and subtract \$3,500 from the result. | 12 |          | 00 |
| 13. Alternative minimum tax foreign tax credit from federal Form 1041 Schedule I, Line 53.   | 13 |          | 00 |
| 14. Adjusted federal tentative minimum tax: Subtract Line 13 from Line 12.   | 14 |          | 00 |
| 15. Multiply Line 14 by 19% (.19).   | 15 |          | 00 |
| 16. Multiply Line 5e by 5.5% (.055).   | 16 |          | 00 |
| 17. Connecticut minimum tax: Enter the lesser of Line 15 or Line 16.   | 17 |          | 00 |
| 18. Apportionment factor: Connecticut residents, enter 1.0000; nonresidents and part-year residents, see instructions.   | 18 | •        |    |
| 19. Apportioned Connecticut minimum tax: Multiply Line 17 by Line 18.  | 19 |          | 00 |
| 20. Connecticut income tax from Form CT-1041, Line 2 or Line 3   | 20 |          | 00 |
| 21. Net Connecticut minimum tax: Subtract Line 20 from Line 19. If zero or less, enter "0."  | 21 |          | 00 |
| 22. Credit for alternative minimum tax paid to qualifying jurisdictions for <b>full-year and part-year Connecticut residents only</b> from Part III, Line 51, on the back of this schedule.  | 22 |          | 00 |
| 23. Connecticut alternative minimum tax: Subtract Line 22 from Line 21. If zero or less, enter "0." Enter the amount here and on Form CT-1041, Line 6.   | 23 |          | 00 |

**Part II**

|  |    |         |    |                |    |
|--|----|---------|----|----------------|----|
| 24. Enter the amount from Line 11.   |    |         | 24 |                | 00 |
| 25. Enter the amount from federal Form 1041 Schedule I, Line 58. See instructions.   | 25 |         | 00 | [Hatched Area] |    |
| 26. Enter the amount from federal Form 1041 Schedule I, Line 59. See instructions.   | 26 |         | 00 |                |    |
| 27. Enter the amount from federal Form 1041 Schedule I, Line 60. See instructions.   | 27 |         | 00 |                |    |
| 28. Enter the smaller of Line 24 or Line 27.   |    |         | 28 |                | 00 |
| 29. Subtract Line 28 from Line 24.   |    |         | 29 |                | 00 |
| 30. If Line 29 is \$175,000 or less, multiply Line 29 by 26% (.26). Otherwise, multiply Line 29 by 28% (.28) and subtract \$3,500 from the result. |    |         | 30 |                | 00 |
| 31. Maximum amount subject to the 0% (.00) rate is \$2,300.  | 31 | \$2,300 | 00 | [Hatched Area] |    |
| 32. Enter the amount from federal Form 1041 Schedule I, Line 65. See instructions.   | 32 |         | 00 |                |    |
| 33. Subtract Line 32 from Line 31. If zero or less, enter "0."   | 33 |         | 00 |                |    |
| 34. Enter the smaller of Line 24 or Line 25.   | 34 |         | 00 |                |    |
| 35. Enter the smaller of Line 33 or Line 34.   | 35 |         | 00 |                |    |
| 36. Subtract Line 35 from Line 34.   | 36 |         | 00 |                |    |
| 37. Multiply Line 36 by 15% (.15).   |    |         | 37 |                | 00 |
| <b>If Line 26 is zero or blank, skip Lines 38 and 39 and go to Line 40. Otherwise, go to Line 38.</b>  |    |         |    |                |    |
| 38. Subtract Line 34 from Line 28.   | 38 |         | 00 | [Hatched Area] |    |
| 39. Multiply Line 38 by 25% (.25).   |    |         | 39 |                |    |
| 40. Add Lines 30, 37, and 39.  |    |         | 40 |                | 00 |
| 41. If Line 24 is \$175,000 or less, multiply Line 24 by 26% (.26). Otherwise, multiply Line 24 by 28% (.28) and subtract \$3,500 from the result. |    |         | 41 |                | 00 |
| 42. Enter the smaller of Line 40 or Line 41 here and on Line 12.   |    |         | 42 |                | 00 |

**Part III - Credit for Alternative Minimum Tax Paid to Qualifying Jurisdictions**

You must attach a copy of your return filed with the qualifying jurisdiction(s) or your credit will be disallowed.

|   |    |  |    |
|---|----|--|----|
| 43. Modified adjusted federal alternative minimum taxable income: See instructions. | 43 |  | 00 |
|---|----|--|----|

|  |    | Column A |      | Column B |      |
|--|----|----------|------|----------|------|
|  |    | Name     | Code | Name     | Code |
| <b>For each column, enter the following:</b>   |    |          |      |          |      |
| 44. Enter qualifying jurisdiction's name and two-letter code. See below.   | 44 |          |      |          |      |
| 45. Enter the non-Connecticut adjusted federal alternative minimum taxable income included on Line 43 which is subject to a qualifying jurisdiction's alternative minimum tax. | 45 |          | 00   |          | 00   |
| 46. Divide Line 45 by Line 43. Round to four decimal places.   | 46 | .        |      | .        |      |
| 47. Enter the net Connecticut minimum tax from Line 21 on the front of this schedule. Part-year residents, see instructions.   | 47 |          | 00   |          | 00   |
| 48. Multiply Line 46 by Line 47.   | 48 |          | 00   |          | 00   |
| 49. Alternative minimum tax paid to a qualifying jurisdiction: See instructions.   | 49 |          | 00   |          | 00   |
| 50. Enter the lesser of Line 48 or Line 49.  | 50 |          | 00   |          | 00   |
| 51. <b>Total credit:</b> Add Line 50, all columns. Enter amount here and on Line 22 on the front of this schedule.   | 51 |          |      |          | 00   |

If you claim credit for alternative minimum tax paid to another state of the United States, a political subdivision within another state, or the District of Columbia, enter the appropriate two-letter code. See Page 28 of the instruction booklet for **2011 Form CT-1040** for a list of the standard two-letter codes.

## Instructions for Form CT-1041 Schedule I

**Purpose:** Trusts or estates subject to and required to pay the federal alternative minimum tax are subject to the Connecticut alternative minimum tax. Use this schedule to calculate the trust or estate's Connecticut alternative minimum tax liability and attach it to **Form CT-1041, Connecticut Income Tax Return for Trusts and Estates**. Complete the schedule in blue or black ink only.

Where the calculation of any individual federal item is subject to limitations, such as an alternative tax net operating loss deduction, that item may have to be recalculated if Connecticut modifications apply.

### Part I

#### Line 1 - Trust or Estate's Share of Federal Alternative Minimum Taxable Income

Enter the trust or estate's share of federal alternative minimum taxable income from federal Form 1041 Schedule I, Line 29. The fiduciary of a part-year resident trust must also include or exclude any tax preference items and adjustments attributable to a future year which accrued up to the time of a change in residence. If the amount on Line 1 is \$22,500 or less, **do not** complete this schedule. The trust or estate is not liable for either federal or Connecticut alternative minimum tax.

#### Line 2 - Connecticut Modifications Attributable to the Trust or Estate

Enter the Connecticut modifications attributable to the trust or estate. Generally, this figure may be obtained from **Schedule CT-1041B, Fiduciary Adjustment Allocation**, Part I, Line e, Column 5. This amount can be a positive or negative number. **Do not** include amounts already included on Line 1.

**Do not** include the trust or estate's share of any amount that relates to interest or dividend income on obligations or securities of any authority, commission, or instrumentality of the United States which federal law exempts from federal income tax, but does not exempt from state income taxes, that was included on Form CT-1041, *Schedule A*, Line 5.

#### Line 4

Enter the trust or estate's share of the amount of federally tax-exempt interest or exempt-interest dividends, as defined in the Internal Revenue Code (IRC) §852(b)(f), from private activity bonds issued after August 7, 1986, and included on federal Form 1041 Schedule I, Part I, Line 8.

#### Line 5 - Tentative Adjusted Federal Alternative Minimum Taxable Income.

Subtract Line 4 from Line 3 and enter the result.

**Lines 5a through 5d should be completed by full-year or part-year resident inter vivos trusts with one or more nonresident, noncontingent beneficiaries. All others, go to Line 5e and enter the amount from Line 5.**

**5a.** Enter the amount from Line 5 that is from Connecticut sources.

**Full-Year Resident Trusts:** Enter the amount from **Schedule CT-1041C, Connecticut Taxable Income Calculation**, Line 9, **plus** any Connecticut-sourced exclusions and deferral items from federal Form 1041 Schedule I, Part I.

**Part-Year Resident Trusts:** Enter the amount from **Schedule CT-1041FA, Fiduciary Allocation**, Line 4, **plus** any Connecticut-sourced exclusions and deferral items from federal Form 1041 Schedule I, Part I, during the residency portion of the taxable year.

**5b. Full-Year Resident Trusts:** Subtract Line 5a from Line 5. This equals the non-Connecticut-sourced income for full-year resident trusts.

**Part-Year Resident Trusts:** Enter the amount from Line 5 above from non-Connecticut sources during the residency portion of the taxable year.

Generally, this would include the amount from Schedule CT-1041FA, Part I, Line 6, **plus** any deferral items and exclusion items from non-Connecticut sources during the residency portion of the taxable year included on federal Form 1041 Schedule I, Part I. In addition, include any of the appropriate modifications to Connecticut income in determining the tentative adjusted federal alternative minimum taxable income, such as private activity bonds.

#### 5c. Percentage of Nonresident Noncontingent Beneficiaries

|  |   |
|--|---|
| a. Enter the amount from Schedule CT-1041B, Part 2, Line 2.  |   |
| b. Enter the amount from Schedule CT-1041B, Part 2, Line 3.  |   |
| c. Divide Line a by Line b and enter as a decimal on Form CT-1041 Schedule I, Line 5c. Round to four places. | . |

#### 5e. Adjusted Federal Alternative Minimum Taxable Income

Resident and part-year resident inter vivos trusts with one or more nonresident, noncontingent beneficiaries subtract Line 5d from Line 5 and enter the result. **All others enter the amount from Line 5.**

#### Line 18 - Apportionment Factor

**Nonresident Trusts and Estates and Part-Year Resident Trusts:** Determine the amount of Line 5e derived from or connected with Connecticut sources. Then divide the Connecticut-sourced portion of Line 5e by the **total** on Line 5e and enter the result. Round to four decimal places.

### Part II

If you completed Part IV of federal Form 1041 Schedule I, complete this part and enter on Line 12 the amount from Form CT-1041 Schedule I, Line 42.

#### Lines 25, 26, 27, and 32

When entering an amount on Lines 25, 26, 27, and 32, include the Form CT-1041, *Schedule A*, modification for the gain or loss on the sale of Connecticut state and local government bonds from Form CT-1041, *Schedule A*, Line 3 or Line 9, **and** exclude any amount included on Line 5d of Form CT-1041 Schedule I.

### Part III

Form CT-1041 Schedule I, Part III, may be used by Connecticut resident trusts and estates and part-year resident trusts only.

**Resident Trusts and Estates:** Use Form CT-1041 Schedule I, Part III, to claim a credit against the net Connecticut minimum tax liability for alternative minimum tax paid during the taxable year to a qualifying jurisdiction.

**Part-Year Resident Trusts:** Use Form CT-1041 Schedule I, Part III, to claim a credit against the net Connecticut minimum tax liability for alternative minimum tax paid to a qualifying jurisdiction for the residency portion of the taxable year on items of income, gain, loss, or deduction attributable to that jurisdiction during the period of Connecticut residency.

A **qualifying jurisdiction** includes another state of the United States, a local government within another state, or the District of Columbia. A qualifying jurisdiction does not include the State of Connecticut, the United States, or a foreign country or its provinces (for example, Canada and Canadian Provinces).

No credit is allowed for **any** of the following:

- Alternative minimum tax paid to a jurisdiction that is not a qualifying jurisdiction;
- Alternative minimum tax paid to a qualifying jurisdiction if you claimed credit for alternative minimum tax paid to Connecticut on that qualifying jurisdiction's alternative minimum tax return or income tax return; **or**
- Payments of alternative minimum tax made to a qualifying jurisdiction on income not subject to the Connecticut alternative minimum tax.

The allowed credit must be computed separately for each qualifying jurisdiction. Use separate columns for each qualifying jurisdiction for which you are claiming a credit. You **must** attach a copy of all alternative minimum tax returns filed with qualifying jurisdictions directly following Form CT-1041 Schedule I.

Form CT-1041 Schedule I, Part III, provides two columns, A and B, to compute the credit for two qualifying jurisdictions. If you need more than two columns, create a worksheet identical to Part III and attach it to the back of the Form CT-1041 Schedule I.

If you are claiming credit for alternative minimum tax paid to a qualifying jurisdiction **and** to one of its political subdivisions, follow these rules to determine the credit:

- A. If the **same amount** of adjusted alternative minimum taxable income is taxed by both the city and the state:
  1. Use only **one** column of Form CT-1041 Schedule I, Part III, to calculate your credit;
  2. Enter the same amount of adjusted alternative minimum taxable income taxed by both the city and the state in that column on Form CT-1041 Schedule I, Part III; **and**
  3. Combine the amounts of alternative minimum tax paid to the city and the state and enter the total on Line 49 of that column.
- B. If the **amounts** of adjusted alternative minimum taxable income taxed by both the city and the state **are not the same**:
  1. Use **two** columns on Form CT-1041 Schedule I, Part III;
  2. Include only the same amount of adjusted alternative minimum taxable income taxed by both jurisdictions in the first column; **and**
  3. Include the excess amount of adjusted alternative minimum taxable income taxed by only one of the jurisdictions in the next column.

#### **Line 43 - Modified Adjusted Federal Alternative Minimum Taxable Income**

**Resident Trusts and Estates:** Enter the amount of adjusted federal alternative minimum taxable income from Form CT-1041 Schedule I, Part I, Line 5e. However, if this amount includes a net loss derived from or connected with sources in more than one qualifying jurisdiction, the taxpayer must add the net loss to the amount of adjusted federal alternative minimum taxable income from Line 5e and enter the result.

**Part-Year Resident Trusts:** Enter the amount of adjusted federal alternative minimum taxable income from Form CT-1041 Schedule I, Part I, Line 5e, attributable to the residency portion of the taxable year. However, if a part-year resident trust's adjusted federal alternative minimum taxable income includes a net loss derived from or connected with sources in more than one qualifying jurisdiction, the taxpayer must add the net loss to the amount of adjusted federal alternative minimum taxable income from Line 5e attributable to the residency portion of the taxable year and enter the result.

#### **Line 44 - Qualifying Jurisdiction(s)**

Enter the name and two-letter code of each qualifying jurisdiction to which you paid alternative minimum tax for which you are claiming credit. These codes are found on Page 28 of the instruction booklet for 2011 Form CT-1040.

#### **Line 45 - Non-Connecticut Adjusted Federal Alternative Minimum Taxable Income**

Enter the amount of the non-Connecticut adjusted federal alternative minimum taxable income included on Line 43 subject to a qualifying jurisdiction's alternative minimum tax.

#### **Line 46**

Divide the amount on Line 45 by the amount on Line 43. The result may not exceed 1.0000. Round to four decimal places.

#### **Line 47 - Net Connecticut Minimum Tax**

**Resident Trusts and Estates:** Enter the amount from Form CT-1041 Schedule I, Line 21.

**Part-Year Resident Trusts:** Enter the portion of the 2011 net Connecticut minimum tax liability attributable to the residency portion of the taxable year.

#### **Line 49 - Alternative Minimum Tax Paid to Qualifying Jurisdiction**

**Resident Trusts and Estates:** Enter the total amount of **alternative minimum tax paid** to a qualifying jurisdiction.

**Part-Year Resident Trusts:** Enter the amount of alternative minimum tax paid to a qualifying jurisdiction on items of income, gain, loss, or deduction derived from or connected with sources in that jurisdiction during the residency portion of the taxable year.

If the alternative minimum tax paid to that jurisdiction was also based on income earned during the nonresidency portion of the taxable year, you must prorate the amount of tax for which you are claiming credit. The proration is based upon the relationship that the income earned in that jurisdiction during the period of Connecticut residency bears to the total amount of income that the trust earned in that jurisdiction in the taxable year.

**Alternative minimum tax paid** means the lesser of the tax liability to that jurisdiction or the tax paid to that jurisdiction, excluding penalties and interest.

#### **Line 51 - Total Credit**

Add the amounts from Line 50A, Line 50B, and Line 50 of any additional worksheets. The amount on Line 51 cannot exceed Line 48. Enter the total on Line 51 and Line 22.

Attach a copy of the alternative minimum tax return filed with each qualifying jurisdiction to the back of Form CT-1041 Schedule I.