

Schedule CT-1041B

Fiduciary Adjustment Allocation

2024

Read the **Form CT-1041 Instructions** before completing this schedule. Complete this schedule in blue or black ink only. Please note that each form is year specific. To prevent any delay in processing your return, the correct year's form **must** be submitted to the Department of Revenue Services (DRS).

| | |
|-------------------------|---|
| Name of trust or estate | Federal Employer Identification Number (FEIN) ____-____-____ |
|-------------------------|---|

If you have a Connecticut fiduciary adjustment, complete Schedule CT-1041B, Part 1, to calculate the trust or estate's and each beneficiary's share of the Connecticut fiduciary adjustment. Schedule CT-1041B, Part 2, should only be completed by full-year or part-year resident inter vivos trusts with one or more nonresident, noncontingent beneficiaries to calculate the resident, noncontingent beneficiary percentage. Attach Schedule CT-1041B to the back of **Form CT-1041**, *Connecticut Income Tax Return for Trust and Estates*. Do not use staples.

Part 1 – Shares of Connecticut Fiduciary Adjustment of a Resident or a Nonresident Estate or a Resident Trust, Part-Year Resident Trust, or Nonresident Trust

| (1) Name and Address of Each Beneficiary Check box below if beneficiary is a nonresident of Connecticut. | (2) Identifying Number of Each Beneficiary (SSN or FEIN) | Shares of Federal Distributable Net Income: See instructions. | | (5) Shares of Connecticut Fiduciary Adjustment |
|---|---|--|----------------|--|
| | | (3) Amount | (4) Percent | |
| a) <input type="checkbox"/> | | 00 | | 00 |
| b) <input type="checkbox"/> | | 00 | | 00 |
| c) <input type="checkbox"/> | | 00 | | 00 |
| d) <input type="checkbox"/> | | 00 | | 00 |
| e) Trust or estate Resident estate or full-year resident trust Carry the amount from Column 5 to Schedule CT-1041C, Line 5; or Nonresident estate or trust or a part-year resident trust Carry the amount from Column 5 to Schedule CT-1041FA, Part 1, Line 2. | | 00 | | 00 |
| f) Total The amount entered on Schedule CT-1041B, Part 1, Line f, Column 5, should be the same as the amount entered on Form CT-1041, Part 1, <i>Schedule A</i> , Line 13. See instructions. | | 00 | | 00 |

The fiduciary must provide each beneficiary with Schedule CT-1041 K-1, *Beneficiary's Share of Certain Connecticut Items*, for inclusion on the applicable income tax return.

Part 2 – Percentage of Resident Noncontingent Beneficiaries: See instructions.

| | | |
|--|----|---|
| 1. Enter the number, if any, of resident , noncontingent beneficiaries. | 1. | |
| 2. Enter the number of nonresident , noncontingent beneficiaries. | 2. | |
| 3. Add Line 1 and Line 2. | 3. | |
| 4. Divide Line 1 by Line 3 and enter as a decimal. Round to four decimal places. | 4. | . |

If a full-year resident inter vivos trust, enter the percentage from Line 4 above on Schedule CT-1041C, Line 11.
If a part-year resident inter vivos trust, enter the percentage from Line 4 above on Schedule CT-1041FA, Part 1, Line 5.

Schedule CT-1041B Instructions

For additional information on the Connecticut Income Tax for Trusts and Estates, visit portal.ct.gov/DRS/Taxes/Trust-and-Estates/Tax-Information.

Part 1 - Shares of Connecticut Fiduciary Adjustment

Part 1 shows the distribution of the Connecticut fiduciary adjustment among the beneficiaries and the trust or estate. The shares of the beneficiaries and of the trust or estate in Part 1, *Schedule A, Connecticut Fiduciary Adjustment*, Line 13, of **Form CT-1041, Connecticut Income Tax Return for Trusts and Estates**, are in proportion to their respective shares of federal distributable net income of the trust or estate.

Report on Part 1 the names and addresses of all beneficiaries, both resident and nonresident, to whom income is distributable whether or not the income is taxable to the nonresident beneficiaries. **Complete this section even if there is no distribution to the beneficiaries.**

Columns 1 and 2

Enter the name, address, and identifying number (SSN or FEIN) of each beneficiary of the trust or estate. If the mailing address differs from the home address, give both. If a beneficiary is a nonresident, check the box to the right of the beneficiary's name. If there are more than four beneficiaries, attach a schedule identical to Part 1 for the additional beneficiaries.

Column 3

Enter the respective share of federal distributable net income of each beneficiary and of the trust or estate on the appropriate lines. Entries must be made for all resident and nonresident beneficiaries.

If the distributable net income of a trust or estate for the taxable year is zero or less than zero, each beneficiary's share in the Connecticut fiduciary adjustment is in proportion to that beneficiary's share of the income of the trust or estate for the taxable year and any other amounts properly paid or credited or required to be distributed during the taxable year. Any balance of the fiduciary adjustment not allocable to any beneficiary is allocated to the trust or estate.

Column 4

Determine the percentage interest of each beneficiary and of the trust or estate in federal distributable net income of the trust or estate based upon amounts in Column 3. Enter that percentage on the appropriate line of Column 4.

Column 5

Enter the amount of the Connecticut fiduciary adjustment from Form CT-1041, Part 1, *Schedule A*, Line 13, as the total on Line f, Column 5. The share of each beneficiary and of the trust or estate in the total amount is determined by multiplying the total fiduciary adjustment by the Column 4 percentage.

If the trust or estate has no federal distributable net income, each beneficiary's share in the fiduciary adjustment must be in proportion to his or her share of the trust or estate income for the taxable year under local law or the governing instrument, which is required to be distributed currently, and any amounts of the income distributed during the year. Any balance of the fiduciary adjustment not allocable to beneficiaries must be allocated to the trust or estate. If the shares in the Connecticut fiduciary adjustment are apportioned in accordance with this paragraph, show the apportionment in a schedule attached to the return.

The fiduciary must provide each beneficiary with a **Schedule CT-1041 K-1, Beneficiary's Share of Certain Connecticut Items**, with the fiduciary adjustment to be included in *Schedule I* of **Form CT-1040, Connecticut Resident Income Tax Return**, or **Form CT-1040NR/PY, Connecticut Nonresident and Part-Year Resident Income Tax Return**.

Part 2 - Percentage of Resident, Noncontingent Beneficiaries

Complete Part 2 to calculate the resident, noncontingent beneficiary percentage of a full-year resident or part-year resident inter vivos trust with nonresident, noncontingent beneficiaries. These trusts are taxed on income derived from or connected with sources within Connecticut and all other income earned during the period of residency multiplied by the resident, noncontingent beneficiary percentage. The percentage is a fraction. The numerator is the total number of resident, noncontingent beneficiaries and the denominator is the sum of both resident, noncontingent and nonresident, noncontingent beneficiaries. An example follows the line instructions. For more information, visit portal.ct.gov/DRS/Taxes/Trust-and-Estates/Tax-Information.

Line 1

Enter the number of resident, noncontingent beneficiaries if any.

Line 2

Enter the number of nonresident, noncontingent beneficiaries.

Line 3

Add Line 1 and Line 2.

Line 4

Divide Line 1 by Line 3 and enter the result as a decimal. Round to four decimal places.

If the trust is a full-year resident inter vivos trust, enter this decimal on **Schedule CT-1041C, Connecticut Taxable Income Calculation**, Line 11.

If the trust is a part-year resident inter vivos trust, enter this decimal on **Schedule CT-1041FA, Fiduciary Allocation**, Part 1, Line 5.

Example: Mr. Jones, a Connecticut resident, established an irrevocable trust in 2002 for the benefit of his three grandchildren, Beneficiaries A, B, and C. Since the trust consists of property transferred from a Connecticut resident, the trust is considered a resident trust. Because the trust was not created by the will of the decedent, the trust is an inter vivos trust. The trust agreement permits the trustee to distribute income or corpus, or both, to all three beneficiaries during the year. This makes all three beneficiaries noncontingent beneficiaries. Beneficiaries A and B are Connecticut residents, but Beneficiary C is a Vermont resident. Since there are one or more nonresident, noncontingent beneficiaries, the fiduciary of this trust must complete Schedule CT-1041B, Part 2, as follows:

| | | |
|----|--|--------|
| 1. | Indicate the number of resident noncontingent beneficiaries, if any. | 2 |
| 2. | Indicate the number of nonresident noncontingent beneficiaries. | 1 |
| 3. | Add Lines 1 and 2. | 3 |
| 4. | Divide Line 1 by Line 3 and enter decimal to four places. | 0.6667 |

The decimal on Line 4, rounded to four decimal places, is entered on Schedule CT-1041C, Line 11.

If the trust in the example is a part-year resident trust, the amount on Line 4 is entered on Schedule CT-1041FA, Part 1, Line 5.