

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.