STATE OF ARKANSAS
Fiduciary Income Tax Return Instructions AR1002F and AR1002NR

2017

WHO MUST FILE

The fiduciary return is used to report the income of an estate or trust. Every fiduciary, or at least one of the joint fiduciaries, must file a return for the estate or trust for which they act, provided **any** of the following apply:

1. Any **income** is currently distributable;
2. The **tax** is payable by the beneficiaries or by the grantor;
3. The net income is **$3,000** or over **and/or**
4. Any beneficiary is a **nonresident**.

WHEN TO FILE

The due date is April 15th for calendar year filers. Fiscal year filers must file on or before the fifteenth (15th) day of the fourth (4th) month following the close of the fiscal year.

If you request an extension of time to file your federal fiduciary tax return (with federal Form 7004) you can receive the same extension on your state return. If you do not file a federal extension, you can request a 180 day Arkansas extension using Form **AR1055-FE** before the filing date of April 15th (for calendar year filers). Send Form **AR1055-FE** to:

Individual Income Tax Section
ATTN: Extension
P.O. Box 3628
Little Rock, AR 72203-3628

Note: To receive credit for your federal or state extension, when you file your Arkansas return you must check the box on the face of the return indicating you filed an extension.

INTEREST AND PENALTIES

Interest will be charged on taxes not paid by their due date even if an extension of time to file is granted. The law also provides a late filing penalty and a failure to pay penalty.

UNDERPAYMENT OF ESTIMATED TAX (FORM AR2210)

You may have to pay a penalty if your net tax, Line 25, is more than $1,000 and you did not file a Declaration of Estimated Tax required by Arkansas tax code **or** you did not pay adequate installments on your estimated tax. See instructions for Line 37A and B for more information.

NOTE: Act 580 of 2015 adopted IRC Section 179 as in effect on January 1, 2009, thus allowing greater dollar limits and phase out thresholds. The maximum deduction allowed for property placed in service during the tax year is $25,000. The deduction is decreased "dollar for dollar" for property over $200,000, and no deduction is allowed for property over $225,000.

INSTRUCTIONS

If you file a **fiscal year return**, fill in the fiscal year at the top of the form. The moment of death determines the end of the decedent's tax year and the beginning of the estate's tax year.

The **Federal Employer Identification Number** must be entered in the space provided on the top right side of the form. A separate Federal Employer Identification Number is required for each estate or trust.

Note: Social Security Number can not be used.

Fill in the exact **name** of the estate or trust, name and title of fiduciary or trustee, the **address**, and the **date the trust was created**. Check the appropriate box for "**Type of Entity**." Indicate whether you are filing an **Original Return**, an **Amended Return**, or a **Final Return**.

Note: The name of the estate or trust must be used and not that of a person.

INCOME

Line 1. Enter total taxable interest income received or credited to the account of the estate or trust. Attach Form **AR4-FID** showing all interest income and identify any nontaxable interest.

Line 2. Enter total of all taxable dividends. Attach Form **AR4-FID.**

Line 3. Enter net profit (or loss) from a trade or business. Attach federal schedule.

Line 4. If you have gains or losses from the sale of real estate, stocks, bonds, or gains or losses from capital assets from partnerships, S corporations or fiduciaries, complete worksheet on back of Form **AR1002F/AR1002NR** and enter total here.

Complete this worksheet if you have a **NET CAPITAL GAIN OR LOSS** reported on federal Schedule D, federal Form 1041. **The amount of capital loss that can be deducted after offsetting capital gains is limited to $3,000**.

Arkansas did not adopt the federal "bonus depreciation" provision from previous years. Therefore, there may be a difference in federal and Arkansas amounts of depreciation allowed. Adjust your gains and losses for differences in depreciation, **if any**, in the federal and Arkansas amounts using Lines 2, 5 and 10 from schedule A.

Line 5. Enter net rent and royalty income, the estate's or trust's share of profits from a partnership, and income from another estate or trust (whether received or not). **Attach schedule**.

Line 6. Enter net profit (or loss) from farming. **Attach federal schedule**.

Line 7. Enter taxable income not reported elsewhere. **Attach statement** identifying the source.

Line 8. Add Lines 1 through 7 and enter total.

DEDUCTIONS

Line 9. Enter any taxes paid during the tax year that are not deducted elsewhere. DO NOT include assessments for local benefit of a kind tending to increase the value of the property assessed. DO NOT include federal or Arkansas taxes, nor taxes imposed upon the estate or trust on its corporation which are paid by the estate or trust. **Attach schedule** detailing all taxes.

Line 10. Enter any interest paid that is not deducted elsewhere. DO NOT include interest on capital invested in or advanced to the business by the estate or trust.

Line 11. Enter amount paid or permanently set aside during year for charitable organizations.

Line 12. Enter deductible attorney, accountant, return preparer, or fiduciary fees paid or incurred by the fiduciary for administering the estate or trust during the year.

Line 13. Enter any other authorized deductions allowed by Arkansas law. Include on this line: bad debts, casualty losses, and involuntary conversion of property not used in a trade or business. **Attach schedule** listing and explaining all deductions.

Line 14. Add Lines 9 through 13 and enter total.

Line 15. Subtract Line 14 from Line 8 and enter difference.

Line 16. Enter total amount of income or loss to be distributed to all beneficiaries during the year.

Line 17. Subtract Line 16 from Line 15 and enter difference.

Line 18. Do not adjust this amount.

Line 19. Subtract Line 18 from Line 17 (column B for **AR1002F**, column A for **AR1002NR**) and enter the difference.

Line 20. Compute tax on the amount on Line 19B if you are using Form **AR1002F**. Compute tax on the amount on Line 19A if you are using Form **AR1002NR**. Use the enclosed "Regular Tax Table" and enter amount here.

Line 21. Do not adjust this amount.

Line 22. Enter total amount of state income tax liability to other state(s). This credit is allowable only to resident estate(s) or trust(s) when the income was reported and taxable on the other state(s) tax return(s) and on the Arkansas Fiduciary Return. **Attach a copy** of the tax return(s) filed with the other state(s).

Line 23. Enter total allowable credits from **AR1000TC**. **Attach AR1000TC and supporting documents.**

Line 24. Add Lines 21 through 23 and enter total.

Line 25. Subtract Line 24 from Line 20 and enter difference.

If using Form AR1002F, skip this section and go to the instructions for Line 26.

The instructions for Lines 25A through 25D are for use with Form AR1002NR only.

TAX APPORTIONMENT (AR1002NR ONLY)

Line 25A. Enter amount from Line 17 Column B.

Line 25B. Enter amount from Line 17 Column A.

Line 25C. Divide amount on Line 25A by amount on Line 25B to arrive at the Arkansas percentage. **Round to six decimal places and do not exceed 100%.**

Line 25D. Multiply amount on Line 25 by percentage on Line 25C and enter total.

TAX AND PAYMENTS

Line 26. Enter Arkansas tax withheld. **Attach Form(s) AR1099PT and/or 1099R.**

Line 27. Enter estimated tax paid.

Line 28. Enter amount paid with extension.

Line 29. Enter payments made with or after the filing of original return.

Line 30. Add Lines 26, 27, 28, and 29 and enter total.

Line 31. Enter total of all overpayments/refunds received from previously filed returns.

Line 32. Subtract Line 31 from Line 30 and enter total.

Line 33. If Line 32 is larger than Line 25 of **AR1002F** or Line 25D of **AR1002NR**, enter difference.

Line 34. Enter amount of your refund you want carried forward. The overpayment from your 2017 **AR1002F** or **AR1002NR** will be applied to your 2018 estimated account.

Line 35. Subtract Line 34 from Line 33. This is the amount to be refunded to you.

Line 36. If Line 25 of **AR1002F** or Line 25D of **AR1002NR** is larger than Line 32, enter difference. This is the amount of tax due.

Line 37A and 37B. Enter the exception number from Part 1 of Form **AR2210**, or the computed penalty from Line 18 of **AR2210** in the appropriate box. If you completed Form **AR2210A**, enter "6" in box 37A. Enter amount from Line 46 of **AR2210A** in box 37B. Attach Form **AR2210** or **AR2210A**.

Line 37C. Add Lines 36 and 37B. Enter total on this line.

SCHEDULE B: INCOME DISTRIBUTION

Beneficiaries' share of income must be listed in this section. Include all information requested. If additional space is needed attach a separate schedule. Any income properly paid, credited, and/or distributable to a beneficiary is taxable to the beneficiary.

Resident beneficiaries must include distributions from any estate or trust in their total Arkansas income to determine if an **AR1000F** should be filed.

Nonresident beneficiaries who have distributions from an Arkansas estate or trust must file an Arkansas Individual Income Tax Return (**AR1000NR**) that reports total income received from Arkansas sources regardless of the amount of distribution.

PAYMENT INFORMATION

Attach check or money order with completed Form **AR1002V** and mail with return. Write your Federal Identification Number on the check or money order, and make your check payable in U.S. Dollars to the Department of Finance and Administration. Mail on or before the return due date. If the payment is for an amended return, mark the box yes on Form **AR1002V** for "Is Payment for an Amended Return".

Arkansas Taxpayer Access Point (ATAP) allows taxpayers or their representatives to log on to a secure site and manage all of their tax accounts online. ATAP allows taxpayers to make name and address changes, view letters on their accounts, make payments and check refund status. (Registration with ATAP is not required to make payments or check refund status.) Go to **www.atap.arkansas.gov** for more information.

Taxpayers may pay their tax due by credit card. Credit card payments may be made by calling **1-800-2PAY-TAX**SM *(1-800-272-9829)*, or by visiting **www.officialpayments.com** and clicking on the "Payment Center" link.

Both options will be processed by Official Payments Corporation, a private credit card payment services provider. A convenience fee will be charged to your credit card for the use of this service. **The State of Arkansas does not receive this fee.** You will be informed of the exact amount of the fee before you complete your transaction. After you complete your transaction you will be given a confirmation number to keep with your records.

INCOME TAX INFORMATION

Taxpayer Services Branch.............................. (501) 682-1100

or (800) 882-9275