Note: A federal Schedule K-1 for each shareholder is not required to be enclosed but must be made available for inspection upon request by the department. If you have any questions, contact the department at (317) 232-0129.

Instructions for Schedule IN K-1
Enclose each shareholder's IN K-1 with Form IT-20S. Also, provide a completed copy of Schedule IN K-1 to each shareholder.

Note: Contact the department for alternative filing options for Schedule IN K-1 at (317) 232-0129. For information on the acceptable electronic data file format, visit the department's website at www.in.gov/dor/3772.htm.

Part 1 — Shareholder's Identification Section
Complete Schedule IN K-1 to identify each shareholder.
Line 1. Enter the name of the shareholder if an individual or another entity name if the shareholder is another entity.

Line 2. Enter the shareholder's Social Security number if an individual or the shareholder's federal identification number if the shareholder is another entity.

Line 3. Enter the applicable pro rata percentage of the shareholder's interest in the S corporation. The percentage should be adjusted to an annual rate if necessary.

Line 4. Enter the shareholder's state of residence or commercial domicile.

Line 5. Enter the name of the entity that remitted actual payment of the withholding.

Line 6. Enter the FID of the paying entity.

Line 7. Enter the amount of distribution. This amount should include all IN addbacks and deductions.

Line 8. Enter the amount of Indiana state tax withheld. This amount should only include payments made into the corporate account and withholding amounts passed through by another entity.

Line 9. Enter the amount of Indiana county tax withheld.

Part 2 — Pro Rata Share of Indiana Pass-through Tax Credits from S Corporation
If the S corporation has available any eligible Indiana credits flowing through to the shareholders, enter the following:

- Enter the federal ID number from the entity that the credit was awarded to. If the credit is passed through from another entity enter the FID from the IN K-1;
- The credit's certification year;
- For credit codes 820, 839, 849, 857, 858, 860, 1820, 1849, 1858, and 1860 enter the credit's certification or project number (including a PIN if provided by the granting organization);
- The credit's 3- or 4-digit credit code; and
- The pro rata amount of credits allotted to each shareholder.

You must also enclose a completed IN-OCC credit schedule with Form IT-20S to support the credit distribution for certified credits.

See the descriptive list of pass-through tax credits that may be available to a pass-through entity on page 18. Each credit is assigned a 3- or 4-digit code number. This should be used for identification purposes when reporting and claiming these credits. For more information, get Income Tax Information Bulletin #59 at www.in.gov/dor/3650.htm.

NOTE: The 3-digit codes utilized on behalf of each shareholder on the IN-OCC towards composite tax should be reflected as a 4-digit codes on Part 2 of the IN K-1. Any pro rata portion of the shareholder's credit above the 4-digit amount previously utilized towards composite tax should be reported on Part 2 of the IN K-1 as a 3-digit code and the remaining amount reflected in the amount claimed column.

Example: Company A used $400 of the shareholder/partner's $700 total Hoosier Business Investment Credit to offset his tax liability on the composite filing. The shareholder/partner has $300 remaining credit. The IN K-1 will breakdown the credit as follows:

<table>
<thead>
<tr>
<th>Credit Name</th>
<th>3- or 4-Digit Code</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hoosier Business Investment Credit – Composite</td>
<td>1820</td>
<td>$400</td>
</tr>
<tr>
<td>Hoosier Business Investment Credit</td>
<td>820</td>
<td>$300</td>
</tr>
</tbody>
</table>

If the shareholder/partner has other taxable Indiana-source income, he will file the IT-40PNR, reporting all Indiana-source income (including the income taxed on the composite return). When completing the IN-OCC, he will be able to use up to $700 of his HBI credit, using the amount associated with the 4-digit number first. For example, if his total state tax liability is $500, he will list the “HBI 1820 $400” on Schedule IN-OCC, and then report the remaining amount needed as “HBI 820 $100”. He will have a 3-digit code 820 in the amount of $200 remaining available to carryforward.

Credits reported on Part 2 of the IN K-1 that are used to offset tax liabilities will be reported on the following lines:

- Any credits not requiring an IN-EDGE, IN-EDGE-R, or IN-OCC schedule will be reported on line 18
- EDGE credit code 839 will be reported on line 19
- EDGE-R credit code 857 will be reported on line 20
- IN-OCC credit codes 820, 849, 858, 860, 1820, 1849, 1858, 1860 will be reported on line 21.

Part 3 — Distributive Share Amount
Complete lines 1 through 13 for the shareholder. Also provide the shareholder with a statement showing his distributive share of income, credits, and modifications.

Line 1 through Line 13b. For full-year Indiana resident shareholders, complete these lines as shown on the federal Schedule K-1, Form 1120S.
For most nonresident shareholders, the federal Schedule K-1 amounts should be multiplied by the Indiana apportionment percentage. This is calculated on the Schedule E (see the instructions beginning on page 15). The apportioned amounts should be entered on lines 1 through 13b. If any entries on lines 2 – 11 represent nonbusiness income to the S corporation, these amounts are allocated to the appropriate state.

Line 4, “Guaranteed payments” is for those filing an IT-65. Leave this line blank.


On line 13a or 13b, include investment interest expenses attributed to royalty income and all other federal deductions. (This excludes those treated as itemized deductions.) Do not report any other type of investment interest expense, itemized deduction, or carryover loss on this line.

Note: If the corporation has received any distributions from other entities having income previously apportioned to Indiana, use the following method to report distributive share income for Schedule IN K-1.

Alternative Completion of Schedule IN K-1 Information for Part 3 – You must use an alternative application of Schedule IN K-1 if:
- A shareholder is a nonresident individual, fiduciary, or trust; and
- The corporation had income from outside Indiana.

Use the following method for completing Schedule IN K-1 when the corporation had any apportioned income from outside Indiana or is otherwise required to complete the Indiana apportionment schedule.

Modify each required Schedule IN K-1 line entry by recalculating the pro rata share of total S corporation income with required Indiana modifications to adjusted gross income reported on line 1 of Form IT-20S. Use the pro rata amount from line 13A, Worksheet for S Corporation Distributive Share Income, Deductions, and Credits (worksheet), by applying these steps:

Step 1. Deduct from the above pro rata share the respective pro rata amount of line 13B and line 14B of the worksheet.

Step 2. Multiply the result by the Indiana apportionment percent reported on line 4 of Form IT-20S, from Schedule E, line 8, if present. This amount should reflect the shareholder’s proportionate share of this S corporation’s activity in Indiana.

Step 3. Add to the previous amount the pro rata share of any other (entity) source income received by the corporation that was previously apportioned or allocated as distributive share income derived from Indiana (line 15C of the worksheet). The result is the modified Indiana S corporation income from Indiana sources to be reported on the appropriate lines of Schedule IN K-1 of nonresident individuals, trusts, and estates.

Part 4 — State Modifications
Lines 15 - 23. Enter the Indiana modifications from Form IT-20S, lines 2a - 2e (and any additional sheets), as percentage applied, or apportioned in the case of nonresident individuals. List the pro rata share amount of each modification on the appropriate line. (Use a minus sign to denote negative amounts.)

Line 24. Enter the total distributive share of modifications. Add lines 15 through 26. Use a minus sign to denote negative amounts. Carry this total to column B of Schedule Composite.

Pass-through Tax Credits
Each shareholder is allowed a pro rata share of the income tax credits available to the S corporation. If the pass-through entity does not have a state AGI tax liability (Schedule B tax computation) against which the tax credit must be applied, the shareholders of the pass-through entity are entitled to a pro rata share of the computed credit.

Note: Enterprise zone credits, along with most other tax liability credits, may not be applied against the S corporation’s withholding, composite, or use tax liabilities on Form IT-205S.

Each shareholder’s share of an available credit is reported on Schedule IN K-1, –Part 2. It also must be supported by enclosing the proper, completed tax credit form with the corporation’s return. The shareholders can claim their allowable portion of Indiana credits on their respective annual income tax returns: Form IT-40, IT-40PNR, or IT-41.

Caution: Within a certain group of credits, a taxpayer may not be granted more than one credit for the same project. The credits included for this group are as follows:
- Community revitalization enhancement district credit;
- Enterprise zone investment cost credit;
- Hoosier business investment credit;
- Industrial recovery credit; and
- Venture capital investment credit.

Apply this restriction first when figuring your allowable credits. See Commissioner’s Directive #29 at www.in.gov/dor/3617.htm for more information.

If you are claiming more than one credit, first use the credits that cannot be carried over and applied against your state AGI in another year. These credits include
- College Credit;
- Indiana College Choice 529 Savings Plan Credit;
- School Scholarship Credit; and
- Twenty-First Century Scholars Credit.

Next, use the credits that can be carried over for a limited number of years and applied against your state AGI. These credits include
- Alternative Fuel Vehicle Manufacturer Credit;
- Blended Biodiesel Credit;
- Enterprise Zone Loan Interest Credit;
- Headquarters Relocation Credit;
- Historic Building Rehabilitation Credit;
- Hoosier Business Rehabilitation Credit;
Finally, use the credits that can be carried over and applied against your state AGI in another year. These credits include:

- Indiana’s Research Expense Credit;
- Residential Historic Rehabilitation Credit;
- Venture Capital Investment Credit

For more information about Indiana tax credits, get Information Bulletin #59 at www.in.gov/dor/3650.htm.

The following credits have each been assigned a 3-digit code number for identification purposes. Use the code numbers when reporting and claiming any of these credits. See Information Bulletin #59 at www.in.gov/dor/3650.htm for more information about Indiana tax credits.

**Airport Development Zone Employment Expense Credit 800**
This credit has been repealed. However, any previously approved yet unused credit is available to be claimed.

**Airport Development Zone Investment Cost Credit 801**
This credit has been repealed. However, any previously approved yet unused credit is available to be claimed.

**Airport Development Zone Loan Interest Credit 802**
This credit has been repealed. However, any previously approved yet unused credit is available to be claimed.

**Blended Biodiesel Tax Credits 803**
This credit has been repealed. However, any previously approved yet unused credit is available to be claimed.

**Coal Gasification Technology Investment Tax Credit 806**
A credit is available for a qualified investment in an integrated coal gasification power plant or a fluidized bed combustion technology that serves Indiana gas utility and electric utility consumers. This can include an investment in a facility located in Indiana that converts coal into synthesis gas that can be used as a substitute for natural gas.

You must file an application for certification with the IEDC. If the credit is assigned, it must be approved by the utility regulatory commission and taken in 10 annual installments. The amount of credit for a coal gasification power plant is 10% of the first $500 million invested and 5% for any amount over that. The amount of credit for a fluidized bed combustion technology is 7% of the first $500 million invested and 3% for any amount over that.

For more information, contact the Indiana Economic Development Corporation at One North Capitol, Suite 700, Indianapolis, IN 46204 or visit their website at iedc.in.gov. You can also get Information Bulletin #99 at www.in.gov/dor/3650.htm.

**Community Revitalization Enhancement District Credit 808**
A state and local income tax liability credit is available for a qualified investment for the redevelopment or rehabilitation of property within a community revitalization enhancement district. To be eligible for the credit, the intended expenditure plan must be approved by the IEDC before the expenditure is made. The credit is equal to 25 percent of the IEDC-approved qualified investment made by the taxpayer during the tax year. The department has the authority to disallow any credit if the taxpayer:

- Ceases existing operations within the district or elsewhere in Indiana;
- Substantially reduces its operations within the district or elsewhere in Indiana; or
- Reduces other Indiana operations to relocate them into the district.

The taxpayer can assign the credit to a lessee who remains subject to the same requirements. The assignment must be in writing. Any consideration may not exceed the value of the part of the credit assigned. Both parties must report the assignment on their state income tax returns for the year of assignment.

Contact the Indiana Economic Development Corporation at One North Capitol, Suite 700, Indianapolis, IN, 46204, or visit their website at iedc.in.gov for more information about this credit.

**Economic Development for a Growing Economy (EDGE)**
This credit is for businesses that conduct certain activities designed to foster job creation in Indiana. It is a refundable tax liability credit. **Note:** You must complete Schedule IN-EDGE and enclose it with your return. Otherwise, the credit will not be allowed. You also must obtain a PIN from the IEDC.

Claim this credit on line 19 of the return.

Contact the Indiana Economic Development Corporation at One North Capitol, Suite 700, Indianapolis, IN 46204, for eligibility requirements. You can also visit iedc.in.gov for additional information.

**EDGE-R**
This credit is for businesses that conduct certain activities designed to foster job retention in Indiana. It is a refundable tax liability credit. The aggregate amount of credits awarded for projects to retain existing jobs in Indiana is capped at $10 million per year. **Note:** You must complete Schedule IN-EDGE-R and enclose it with your return. Otherwise, the credit will not be allowed. You also must obtain a PIN from the IEDC.

Claim this credit on line 20 of the return.
Instructions for Schedule IN K-1

Enclose a copy of each partner's IN K-1 with Form IT-65. Also provide a completed copy of Schedule IN K-1 to each partner.

Note: Contact the department for alternative filing options for Schedule IN K-1 at (317) 232-0129. For information on the acceptable electronic data file format, visit the department's website at www.in.gov/dor/3772.htm.

Part 1 – Partner's Identification Section

Complete a separate Schedule IN K-1 to identify each partner. Check the box if filing an amended return.

Line 1. Enter the partner's name if an individual or another entity name if the partner is another entity.

Line 2. Enter the partner's Social Security number if an individual or the partner's federal identification number if the partner is another entity.

Line 3. Enter the applicable pro rata percentage of the partner's interest in the partnership. The percentage should be adjusted to an annual rate if necessary.

Line 4. Enter the partner's state of residence or commercial domicile.

Line 5. Enter the name of the entity that remitted actual payment of the withholding.

Line 6. Enter the FID of the paying entity.

Line 7. Enter the amount of distributions. This amount should include all Indiana add-backs and deductions.

Line 8. Enter the amount of Indiana state tax withheld. This amount should only include payments made into the corporate account and withholding amounts passed through by another entity.

Line 9. Enter the amount of Indiana county tax withheld.

Part 2 – Pro Rata Share of Indiana Pass-through Tax Credits from Partnership

If the partnership has available any eligible Indiana credits flowing through to the partners, enter the following:

- Enter the federal ID number from the entity that the credit was awarded to. If the credit is passed through from another entity enter the FID from the IN K-1;
- The credit's certification year;
- For credit codes 820, 839, 849, 857, 858, 860, 1820, 1849, 1858, and 1860 enter the credit's certification or project number (including a PIN if provided by the granting organization);
- The credit's 3- or 4-digit code; and
- The pro rata amount of credits allotted to each partner.

You must also enclose a completed IN OCC credit schedule with Form IT-65 to support this credit distribution for certified credits.

See the descriptive list of pass-through tax credits that may be available to a pass-through entity on page 19. Each credit is assigned a 3- or 4-digit code number. This should be used for identification purposes when reporting and claiming these credits. For more information, get Income Tax Information Bulletin #59 at www.in.gov/dor/3650.htm.

NOTE: The 3-digit codes utilized on behalf of each shareholder on the IN OCC towards composite tax should be reflected as a 4-digit codes on Part 2 of the IN K-1. Any pro rata portion of the shareholder's credit above the 4-digit amount previously utilized towards composite tax should be reported on Part 2 of the IN K-1 as a 3-digit code and the remaining amount reflected in the amount claimed column.

Example: Company A used $400 of the shareholder/partner's $700 total Hoosier Business Investment Credit to offset his tax liability on the composite filing. The shareholder/partner has $300 remaining credit. The IN K-1 will breakdown the credit as follows:

<table>
<thead>
<tr>
<th>Credit Name</th>
<th>3- or 4-Digit Code</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hoosier Business Investment Credit – Composite</td>
<td>1820</td>
<td>$400</td>
</tr>
<tr>
<td>Hoosier Business Investment Credit</td>
<td>820</td>
<td>$300</td>
</tr>
</tbody>
</table>

If the shareholder/partner has other taxable Indiana-source income, he will file the Form IT-40PNR, reporting all Indiana-source income (including the income taxed on the composite return). When completing the IN-OCC, he will be able to use up to $700 of his HBI credit, using the amount associated with the 4-digit number first.

For example, if his total state tax liability is $500, he will list the “HBI 1820 $400” on Schedule IN-OCC, and then report the remaining amount needed as “HBI 820 $100.” He will have a 3 digit code 820 in the amount of $200 remaining available to carryforward.

Credits reported on Part 2 of the IN K-1 that are used to offset tax liabilities will be reported on the following lines on Form IT-65:

- Any credits not requiring an IN EDGE, IN EDGE-R, or IN OCC schedule will be reported on line 10
- EDGE credit code 839 will be reported on line 11
- EDGE-R credit code 857 will be reported on line 12
- IN OCC credit codes 820, 849, 858, 860, 1820, 1849, 1858, 1860 will be reported on line 13.

Part 3 – Distributive Share Amount

Complete lines 1 through 14 for the partner. Also provide the partner with an IN K-1 showing her share of income, credits, and modifications. If filing federal Form 1065-B, convert taxable income distributions to federal Form 1065 Schedule K-1 format.

Line 1 through Line 13b. For full-year Indiana resident partners, complete these lines as shown on the federal Schedule K-1, Form 1065 or Form 8865.
For most corporate partners and all nonresident individual partners, the federal Schedule K-1 amounts should be multiplied by the apportionment percentage calculated on Schedule E. See the instructions beginning on page 17. You should enter the apportioned amounts on lines 1 through 13b. If any entries on lines 2 – 10 represent nonbusiness income to the partnership, these amounts are allocated to the appropriate state.

Line 6, Ordinary dividends, corresponds to line 6a on the federal K-1. Line 9, Net long-term capital gain (loss), corresponds to line 9a on the federal K-1.

On line 13a or 13b, include investment interest expenses attributed to royalty income. Also include all other federal deductions. However, do not include those deductions treated as itemized deductions. Do not report any other type of investment interest expense, itemized deduction, or carryover loss on this line.

Note: If the partnership has received any distributions from other entities having income previously apportioned to Indiana, use the following methodology to report distributive share income for Schedule IN K-1.

**Alternative Completion of Schedule IN K-1**

**Information for Part 3**

An alternative application of Schedule IN K-1 must be used for the following:

- Members who are nonresident individuals;
- Corporate partners; and
- Other partnerships if they had income from outside Indiana.

Use the following method to complete Schedule IN K-1 when the partnership had any apportioned income from outside Indiana or is otherwise required to complete the Indiana apportionment schedule.

Modify each required Schedule IN K-1 line by recalculating the pro rata share of total partnership income reported on line 1 of Form IT-65. Be sure to include all required Indiana modifications to AGI. Use the pro rata amount from line 14A on the Worksheet for Partnership Distributive Share Income, Deductions, and Credits by following these steps:

**Step 1.** Deduct from the above pro rata share the respective pro rata amount of line 14B and line 15B of the worksheet.

**Step 2.** Multiply the result by the Indiana apportionment percent reported on line 4 of Form IT-65. This can also be found on line 9 of Schedule E. This amount should reflect the partner’s proportionate share of this partnership's activity in Indiana.

**Step 3.** Add to the above amount the pro rata share of any other (entity) source income this partnership received that was previously apportioned or allocated as distributive share income derived from Indiana. This can be found on line 16C of the worksheet. The result is the modified Indiana partnership income from Indiana sources. It should be reported on the appropriate lines of Schedule IN K-1 of nonresident individuals, corporations, and partnerships for AGI purposes.

Also use the Worksheet for Attributing Partnership Income to Unitary Corporate Partners to compile additional information for reporting distributive share income. Certain corporate partners require these additional income figures from the partnership to properly report their own distributive share incomes and to compute their Indiana state income tax liabilities as a result of the partnership’s activity in Indiana.

**Part 4 – State Modifications**

Lines 15 – 23. Enter the Indiana modifications from the front of Form IT-65, lines 2a - 2e (and any additional sheets) as percentage applied. In the case of nonresident individuals, enter them as apportioned. List the pro rata share amount of each modification on the appropriate line. (Use a negative sign to denote negative amounts.)

**Line 24.** Enter the total distributive share of modifications. Add lines 15 through 23. Use a negative sign to denote negative amounts. Carry this total to column B of Schedule Composite.

**Instructions for Schedule E,**

**Apportionment of Income for Indiana**

Complete the apportionment of income schedule whenever the corporation:

- Has income derived from sources both within and outside Indiana; and
- Has any nonresident shareholders.

The apportionment percentage determines the Indiana net income of the nonresident individual partners, trusts, and estates that pass through as a result of the partnership’s activities everywhere.

*Note: Interstate transportation companies should consult Schedule E-7 for details concerning apportionment of income. You can get this schedule at www.in.gov/dor/4879.htm.*

**Part I – Apportionment of Adjusted Gross Income**

**Sales/Receipts:** The sales factor is a fraction. The numerator is the total receipts of the taxpayer in Indiana during the tax year. The denominator is the total receipts of the taxpayer everywhere during the tax year.

The numerator of the receipts factor must include the following:

- All sales made in Indiana;
- All sales made from Indiana to the U.S. government; and
- All sales made from Indiana to a state not having jurisdiction to tax the activities of the seller.

Destination sales to locations outside Indiana by an Indiana seller that has activities in the state of destination, other than mere solicitation, are not included in the numerator of the sales factor regardless of whether the destination state levies a tax. The numerator contains intangible income attributed to Indiana, including interest from consumer and commercial loans, installment sales contracts, and credit and debit cards as prescribed under IC 6-3-2-2.2.
Enclose a copy of each beneficiary’s Schedule IN K-1 with Form IT-41. Also provide a completed copy of Schedule IT-41 IN K-1 to each beneficiary.

Complete the tax year beginning and ending dates.

Enter the name of the trust or estate and the federal identification number.

Please check the appropriate box to indicate if this is an amended K-1, final K-1, or if for a nonresident beneficiary.

Part 1 – Identification and Distribution Information
Complete a separate Schedule IN K-1 for each beneficiary.

Line 1. Enter the name of the beneficiary.

Line 2. Enter the beneficiary’s Social Security number (individual) or federal identification number (other entity).

Line 3. Enter the beneficiary’s address.

Line 4. Enter the beneficiary’s city of residence.

Line 5. Enter the beneficiary’s state of residence.

Line 6. Enter the beneficiary’s ZIP Code.

Line 7. Enter the applicable pro rata percentage of the beneficiary’s interest in the trust or estate.

Line 8. Enter the name of the entity that remitted the actual withholding payment on behalf of the beneficiary.

Line 9. Enter the federal identification number of the paying entity.

Line 10. Enter the amount of distribution.

Line 11. Enter the amount of Indiana state tax withheld. This amount should only include withholding or composite payments actually made on behalf of the beneficiary.

Line 12. Enter the amount of Indiana county tax withheld, if applicable.

Part 2 – Pro Rata Share of Indiana Pass-through Tax Credits from Trust or Estate
If the trust or estate has available any eligible Indiana credits flowing through to the beneficiary, complete this section.

Refer to Information Bulletin #59 at www.in.gov/dor/3650.htm for credit codes and additional information.

Column A. Enter the federal identification number of the entity awarded the credit.

Column B. Enter the credit certification year.

Column C. Enter the credit’s certification or project number (including PIN if provided by granting organization) for credit codes 820, 839, 849, 857, 858, 860, 1820, 1849, 1858, and 1860.

Column D. Enter the 3-digit or 4-digit credit code.

Column E. Enter the credit amount claimed and allowable for the beneficiary.

Part 3 – Distributive Share Amount
Complete lines 1 through 17 for the beneficiary. Enter the beneficiary’s share of income, credits, and modifications taken directly from the Federal Schedule K-1 (Form 1041).

Line 1. Enter the beneficiary’s share of interest income from federal Schedule K-1 (Form 1041) line 1.

Line 2. Enter the beneficiary’s share of ordinary dividends from federal Schedule K-1 (Form 1041) line 2a.

Line 3. Enter the beneficiary’s share of qualified dividends from federal Schedule K-1 (Form 1041) line 2b.

Line 4. Enter the beneficiary’s share of net short-term capital gains from federal Schedule K-1 (Form 1041) line 3.

Line 5. Enter the beneficiary’s share of net long-term capital gains from federal Schedule K-1 (Form 1041) line 4a.

Line 6. Enter the beneficiary’s share of 28% rate gain from federal Schedule K-1 (Form 1041) line 4b.

Line 7. Enter the beneficiary’s share of unrecaptured section 1250 gain from federal Schedule K-1 (Form 1041) line 4c.

Line 8. Enter the beneficiary’s share of other portfolio and nonbusiness income from federal Schedule K-1 (Form 1041) line 5.

Line 9. Enter the beneficiary’s share of ordinary business income from federal Schedule K-1 (Form 1041) line 6.

Line 10. Enter the beneficiary’s share of net rental real estate income from federal Schedule K-1 (Form 1041) line 7.

Line 11. Enter the beneficiary’s share of other rental income from federal Schedule K-1 (Form 1041) line 8.

Line 12. Enter the beneficiary’s share of directly apportioned deductions from federal Schedule K-1 (Form 1041) line 9.

Line 13. Enter the beneficiary’s share of estate tax deduction from federal Schedule K-1 (Form 1041) line 10.

Line 14. Enter the beneficiary’s share of final year deduction from federal Schedule K-1 (Form 1041) line 11.

Line 15. Enter the beneficiary’s share of alternative minimum tax adjustment from federal Schedule K-1 (Form 1041) line 12.

Line 16. Enter the beneficiary’s share of credits and credit recapture from federal Schedule K-1 (Form 1041) line 13.
Line 17. Enter the beneficiary's share of other income from federal Schedule K-1 (Form 1041) line 14.

Line 18. Total pro rata distributions (add lines 1 through 11; subtract lines 12 through 17 when applicable). Carry total to Column A on Schedule Composite.

Part 4 – State Modifications

Enter the distributive share amount of each modification for Indiana adjusted gross income from line 2 on the front of form IT-41. For nonresidents, apply apportioned figures. (Use a minus sign to denote negative amounts.)

Add or subtract these items as applicable.

Line 19. Enter the beneficiary's share of state income taxes deducted.

Line 20. Enter the beneficiary's share of net bonus depreciation allowance.

Line 21. Enter the beneficiary's share of excess IRC Section 179 deduction.

Line 22. Enter the beneficiary's share of interest on U.S. obligations.

Lines 23 through 25. Enter the beneficiary’s share of add backs/ deductions.

Line 26. Total distributive share of modifications (add lines 19 through 25). Carry total to Column B on Schedule Composite.