

<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;"> Form SS-4 <small>(Rev.)</small> <small>Department of the Treasury Internal Revenue Service</small> </div> <div> Application for Employer Identification Number <small>(For use by employers, corporations, partnerships, trusts, estates, churches, government agencies, Indian tribal entities, certain individuals, and others.)</small> <small>► Go to www.irs.gov/FormSS4 for instructions and the latest information.</small> <small>► See separate instructions for each line. ► Keep a copy for your records.</small> </div> <div style="margin-left: 20px; text-align: right;"> <small>OMB No. 1545-0003</small> EIN </div> </div>					
1	Legal name of entity (or individual) for whom the EIN is being requested SMITH FAMILY IRREVOCABLE TRUST DATED MARCH 1, 2020				
2	Trade name of business (if different from name on line 1)				
3	Executor, administrator, trustee, "care of" name JOSEPH SMITH				
4a	Mailing address (room, apt., suite no. and street, or P.O. box) 1 MAIN ST.				
5a	Street address (if different) (Do not enter a P.O. box.) 2 MAIN ST.				
4b	City, state, and ZIP code (if foreign, see instructions) ALBANY, NY 12201				
5b	City, state, and ZIP code (if foreign, see instructions) ALBANY, NY 12201				
6	County and state where principal business is located ALBANY, NY				
7a	Name of responsible party JOHN SMITH				
7b	SSN, ITIN, or EIN 123-45-6789				
8a	Is this application for a limited liability company (LLC) (or a foreign equivalent)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
8b	If 8a is "Yes," enter the number of LLC members..... <input type="checkbox"/> Yes <input type="checkbox"/> No				
8c	If 8a is "Yes," was the LLC organized in the United States? <input type="checkbox"/> Yes <input type="checkbox"/> No				
9a	Type of entity (check only one box). Caution. If 8a is "Yes," see the instructions for the correct box to check. <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <input type="checkbox"/> Sole proprietor (SSN) _____ <input type="checkbox"/> Partnership _____ <input type="checkbox"/> Corporation (enter form number to be filed) ► _____ <input type="checkbox"/> Personal service corporation _____ <input type="checkbox"/> Church or church-controlled organization _____ <input type="checkbox"/> Other nonprofit organization (specify) ► _____ <input type="checkbox"/> Other (specify) ► _____ </div> <div style="width: 48%;"> <input type="checkbox"/> Estate (SSN of decedent) _____ <input type="checkbox"/> Plan administrator (TIN) _____ <input checked="" type="checkbox"/> Trust (TIN of grantor) 123-45-6789 <input type="checkbox"/> Military/National Guard <input type="checkbox"/> State/local government <input type="checkbox"/> Farmers' cooperative <input type="checkbox"/> Federal government <input type="checkbox"/> REMIC <input type="checkbox"/> Indian tribal governments/enterprises Group Exemption Number (GEN) if any ► _____ </div> </div>				
9b	If a corporation, name the state or foreign country (if applicable) where incorporated <div style="display: flex; justify-content: space-between;"> <div style="width: 40%;">State</div> <div style="width: 60%;">Foreign country</div> </div>				
10	Reason for applying (check only one box) <input type="checkbox"/> Started new business (specify type) ► _____ <input type="checkbox"/> Banking purpose (specify purpose) ► _____ <input type="checkbox"/> Changed type of organization (specify new type) ► _____ <input type="checkbox"/> Purchased going business _____ <input type="checkbox"/> Hired employees (Check the box and see line 13.) <input checked="" type="checkbox"/> Created a trust (specify type) ► IRR. <input type="checkbox"/> Compliance with IRS withholding regulations <input type="checkbox"/> Created a pension plan (specify type) ► _____ <input type="checkbox"/> Other (specify) ► _____				
11	Date business started or acquired (month, day, year). See instructions. 09/01/2019				
12	Closing month of accounting year DEC.				
13	Highest number of employees expected in the next 12 months (enter -0- if none). If no employees expected, skip line 14. <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 33%; text-align: center;">Agricultural -0-</td> <td style="width: 33%; text-align: center;">Household -0-</td> <td style="width: 33%; text-align: center;">Other -0-</td> </tr> </table>	Agricultural -0-	Household -0-	Other -0-	
Agricultural -0-	Household -0-	Other -0-			
14	If you expect your employment tax liability to be \$1,000 or less in a full calendar year and want to file Form 944 annually instead of Forms 941 quarterly, check here. (Your employment tax liability generally will be \$1,000 or less if you expect to pay \$4,000 or less in total wages.) If you do not check this box, you must file Form 941 for every quarter. <input type="checkbox"/>				
15	First date wages or annuities were paid (month, day, year). Note: If applicant is a withholding agent, enter date income will first be paid to nonresidential (month, day, year) N/A				
16	Check one box that best describes the principal activity of your business. <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 48%;"> <input type="checkbox"/> Construction <input type="checkbox"/> Rental & leasing <input type="checkbox"/> Transportation & warehousing Real estate Manufacturing Finance & insurance </div> <div style="width: 48%;"> <input type="checkbox"/> Health care & social assistance <input type="checkbox"/> Wholesale-agent/broker <input type="checkbox"/> Accommodation & food service <input type="checkbox"/> Wholesale-other Retail <input checked="" type="checkbox"/> Other (specify) ► _____ </div> </div>				
17	Indicate principal line of merchandise sold, specific construction work done, products produced, or services provided. N/A				
18	Has the applicant entity shown on line 1 ever applied for and received an EIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," write previous EIN here ► _____				
Third Party Designee	Complete this section only if you want to authorize the named individual to receive the entity's EIN and answer questions about the completion of this form. <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 60%;">Designee's name LOUIS W. PIERRO, ESQ.; PIERRO, CONNOR & STRAUSS, LLC</td> <td style="width: 40%;">Designee's telephone number (include area code) 518-459-2100</td> </tr> <tr> <td>Address and ZIP code 43 BRITISH AMERICAN BLVD., LATHAM, NY 12110</td> <td>Designee's fax number (include area code) 518-459-2200</td> </tr> </table>	Designee's name LOUIS W. PIERRO, ESQ.; PIERRO, CONNOR & STRAUSS, LLC	Designee's telephone number (include area code) 518-459-2100	Address and ZIP code 43 BRITISH AMERICAN BLVD., LATHAM, NY 12110	Designee's fax number (include area code) 518-459-2200
Designee's name LOUIS W. PIERRO, ESQ.; PIERRO, CONNOR & STRAUSS, LLC	Designee's telephone number (include area code) 518-459-2100				
Address and ZIP code 43 BRITISH AMERICAN BLVD., LATHAM, NY 12110	Designee's fax number (include area code) 518-459-2200				
Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete.					
Name and title (type or print clearly) ►	JOSEPH SMITH, TRUSTEE				
Signature ►	Date ► 09/01/2019				
Applicant's telephone number (include area code) 518-555-1212					
Applicant's fax number (include area code)					

Do I Need an EIN?

File Form SS-4 if the applicant entity does not already have an EIN but is required to show an EIN on any return, statement, or other document.¹ See also the separate instructions for each line on Form SS-4.

IF the applicant...	AND...	THEN...
Started a new business	Does not currently have (nor expect to have) employees	Complete lines 1, 2, 4a–8a, 8b–c (if applicable), 9a, 9b (if applicable), and 10–14 and 16–18.
Hired (or will hire) employees, including household employees	Does not already have an EIN	Complete lines 1, 2, 4a–6, 7a–b (if applicable), 8a, 8b–c (if applicable), 9a, 9b (if applicable), 10–18.
Opened a bank account	Needs an EIN for banking purposes only	Complete lines 1–5b, 7a–b (if applicable), 8a, 8b–c (if applicable), 9a, 9b (if applicable), 10, and 18.
Changed type of organization	Either the legal character of the organization or its ownership changed (for example, you incorporate a sole proprietorship or form a partnership) ²	Complete lines 1–18 (as applicable).
Purchased a going business ³	Does not already have an EIN	Complete lines 1–18 (as applicable).
Created a trust	The trust is other than a grantor trust or an IRA trust ⁴	Complete lines 1–18 (as applicable).
Created a pension plan as a plan administrator ⁵	Needs an EIN for reporting purposes	Complete lines 1, 3, 4a–5b, 9a, 10, and 18.
Is a foreign person needing an EIN to comply with IRS withholding regulations	Needs an EIN to complete a Form W-8 (other than Form W-8ECI), avoid withholding on portfolio assets, or claim tax treaty benefits ⁶	Complete lines 1–5b, 7a–b (SSN or ITIN optional), 8a, 8b–c (if applicable), 9a, 9b (if applicable), 10, and 18.
Is administering an estate	Needs an EIN to report estate income on Form 1041	Complete lines 1–6, 9a, 10–12, 13–17 (if applicable), and 18.
Is a withholding agent for taxes on non-wage income paid to an alien (i.e., individual, corporation, or partnership, etc.)	Is an agent, broker, fiduciary, manager, tenant, or spouse who is required to file Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons	Complete lines 1, 2, 3 (if applicable), 4a–5b, 7a–b (if applicable), 8a, 8b–c (if applicable), 9a, 9b (if applicable), 10, and 18.
Is a state or local agency	Serves as a tax reporting agent for public assistance recipients under Rev. Proc. 80-4, 1980-1 C.B. 581 ⁷	Complete lines 1, 2, 4a–5b, 9a, 10, and 18.
Is a single-member LLC (or similar single-member entity)	Needs an EIN to file Form 8832, Classification Election, for filing employment tax returns and excise tax returns, or for state reporting purposes ⁸ , or is a foreign-owned U.S. disregarded entity and needs an EIN to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business (Under Sections 6038A and 6038C of the Internal Revenue Code)	Complete lines 1–18 (as applicable).
Is an S corporation	Needs an EIN to file Form 2553, Election by a Small Business Corporation ⁹	Complete lines 1–18 (as applicable).

¹ For example, a sole proprietorship or self-employed farmer who establishes a qualified retirement plan, or is required to file excise, employment, alcohol, tobacco, or firearms returns, must have an EIN. A partnership, corporation, REMIC (real estate mortgage investment conduit), nonprofit organization (church, club, etc.), or farmers' cooperative must use an EIN for any tax-related purpose even if the entity does not have employees.

² However, do not apply for a new EIN if the existing entity only (a) changed its business name, (b) elected on Form 8832 to change the way it is taxed (or is covered by the default rules), or (c) terminated its partnership status because at least 50% of the total interests in partnership capital and profits were sold or exchanged within a 12-month period. The EIN of the terminated partnership should continue to be used. See Regulations section 301.6109-1(d)(2)(iii).

³ Do not use the EIN of the prior business unless you became the "owner" of a corporation by acquiring its stock.

⁴ However, grantor trusts that do not file using Optional Method 1 and IRA trusts that are required to file Form 990-T, Exempt Organization Business Income Tax Return, must have an EIN. For more information on grantor trusts, see the Instructions for Form 1041.

⁵ A plan administrator is the person or group of persons specified as the administrator by the instrument under which the plan is operated.

⁶ Entities applying to be a Qualified Intermediary (QI) need a QI-EIN even if they already have an EIN. See Rev. Proc. 2000-12.

⁷ See also *Household employer* on page 4 of the instructions. **Note:** State or local agencies may need an EIN for other reasons, for example, hired employees.

⁸ See *Disregarded entities* on page 4 of the instructions for details on completing Form SS-4 for an LLC.

⁹ An existing corporation that is electing or revoking S corporation status should use its previously-assigned EIN.

Smith Family Irrevocable Trust

Information for Tax Professionals

General Information

The Smith Family Irrevocable Trust is a joint trust, wherein the grantors each contributed 1/2 of the trust assets. The trustee may distribute income to the grantors, but is not required to do so. Undistributed income is accumulated with principal. No principal may be distributed to the grantors, but may be distributed to others during the grantors' lifetimes (the "lifetime beneficiaries").

The grantors have retained a testamentary limited power of appointment, so have the power to change the remainder beneficiaries of the trust.

Gift Taxes

In general, with limited exceptions, a gift tax return needs to be filed in years in which a donor makes any transfer by gift.¹ However, gifts can be either complete or incomplete, and the gift tax only applies to completed gifts.²

Because the grantors retained a testamentary limited power of appointment and are discretionary beneficiaries of trust income, then no part of the transfers to the trust are completed gifts, and no gift tax return needs to be filed by virtue of those transfers.³ However, if the grantors made other gifts during the calendar year, then a gift tax return is required for those other gifts, and the transfers to the trust should be reported on that return with adequate disclosure of why the gifts are incomplete.⁴

On the other hand, there does not appear to be anything in the tax code or regulations that would prevent reporting the transfers to the trust as completed gifts on a gift tax return, even if they are incomplete gifts. Put differently, nothing in the code or regulations seems to require a donor to contend that a gift is incomplete, it merely requires the donor to provide evidence showing all relevant facts *if* the donor makes the contention:

"If a donor contends that his retained power over property renders the gift incomplete . . . , the transaction should be disclosed in the return . . . and evidence showing all relevant facts . . . shall

¹ IRC 6019. IRC=Internal Revenue Code (Title 26 of the United States Code).

² See, e.g., IRC 2702(a)(3)(B); TR 25.2511-1(c)(1), 25.2511-2(f). TR=Treasury Regulations (Title 26 of the Code of Federal Regulations).

³ TR 25.2511-2(b).

⁴ TR 25.6019-3(a).

Disclaimer: This tax information relates only to the identified trust and may not be applicable to other trusts. Further, it merely reflects the opinion of the author as of September 1, 2019. You should do your own research and reach your own conclusions.

be submitted with the return.”⁵ Arguably, this language is permissive—it doesn’t require the donor to make the contention that the gift is incomplete.

It could be advantageous to report the transfers to the trust as completed gifts, especially if the trustee anticipates making distributions in subsequent years that exceed the annual gift tax exclusion amount, as those distributions would otherwise complete the gift, giving rise to the requirement to file a return in each of those years.⁶ Note that the trust is not making the gift—the gift tax does not apply to trusts—rather the distribution from the trust completes the gift from the grantors to the beneficiary.⁷

And even if the trustee anticipates that distributions in subsequent years will be limited to the annual exclusion amount, ongoing administration of the trust is complicated by the requirement to analyze distributions from the trust each year to determine if they qualify for the annual exclusion.

Therefore, filing a gift tax return for the initial transfers and claiming them as completed gifts (or, more accurately, *not* contending that they are incomplete gifts) eliminates the need for annual analysis of the trust distributions for gift tax purposes. Note that reporting transfers as completed gifts on a gift tax return does not foreclose inclusion of the assets in the transferor’s estate and claiming an adjusted basis at death. See *Basis Adjustment at Death*, below.

Finally, it’s worth noting that the transfers to the trust don’t qualify for the annual gift tax exclusion because they are gifts of a future interest in property.⁸

Income Taxes, Generally

In general, the grantor trust rules determine whether the grantors are treated as the owners of the trust (or portion of the trust) for income tax purposes.⁹ And if so, then the grantors are taxed on the income, regardless of who receives it or whether it stays in the trust.¹⁰

Grantor trust status can be caused by provisions of the trust regardless of circumstances, or by provisions of the trust in combination with circumstances, such as the relationship of the trustee to the grantors.

The Smith Family Irrevocable Trust is intentionally designed as a grantor trust by giving the grantors the power to direct the trustee to transfer any property of the trust to either of the grantors in exchange for property of equivalent value, creating a power of administration.¹¹

⁵ TR 25.6019-3(a); see also TR 301.6501(c)-1(f)(5), which seems to permit reporting incomplete gifts as completed gifts: “For example, if an incomplete gift is reported as a completed gift on the gift tax return and is adequately disclosed, the period for assessment of the gift tax will begin to run when the return is filed, as determined under section 6501(b).”

⁶ TR 25.2511-1(g)(1).

⁷ TR 25.6019-1(e), 25.2511-1(g)(1).

⁸ IRC 2503(b)(1).

⁹ IRC 671–679.

¹⁰ IRC 671.

¹¹ IRC 675(4)(C).

Therefore, the grantors are treated as the owner of the trust for income tax purposes. While either of the grantors' social security numbers could be used for tax reporting if they file a joint tax return, many practitioners prefer to obtain a separate EIN for the trust, annually filing a Form 1041 showing the dollar amounts on an attachment and providing the attachment to the grantors (a Schedule K-1 is not used in these cases).¹² For additional information, see the *Instructions for Form 1041* published by the IRS.

In addition, although the above causes grantor trust status as to both ordinary income and capital gains, it's worth mentioning that even without those provisions, other provisions of the trust could cause grantor trust status. For example, because the Smith Family Irrevocable Trust allows the trustee to distribute income to the grantors, the trust might be a grantor trust as to that income, depending on whether the trustee is an adverse or nonadverse party.¹³ If the trustee is an adverse party, then the income interest does not cause grantor trust status; but if the trustee is either of the grantors or a nonadverse party, then you have grantor trust status. However, these provisions would only give us grantor trust status as to "income" that "may be distributed to the grantor."¹⁴

Because the Smith Family Irrevocable Trust relies on state law for capital gains allocation, if state law allows the trustee to allocate capital gains to income, these provisions would give us grantor trust status as to both ordinary income and capital gains if the trustee is either of the grantors or a nonadverse party.

In addition, the grantors' retained testamentary limited power of appointment could cause grantor trust status.¹⁵ However, if the power is exercisable only by will, then grantor trust status is not implicated unless income can be accumulated with principal, and then you would have grantor trust status over income.¹⁶ Note that if capital gains are allocated to principal, the retained testamentary power of appointment, even if exercisable only by will, causes grantor trust status as to capital gains, even if ordinary income is not accumulated with principal.¹⁷

Finally, because each grantor contributed 1/2 of the trust assets, after the first grantor dies, the trust becomes a nongrantor trust as to 1/2 and remains a grantor trust as to the other 1/2. At that time, the trust will need to annually file a Form 1041, reporting 1/2 of the income and taking a deduction for income distributed to the lifetime beneficiaries, providing each of the lifetime beneficiaries with a Schedule K-1. The other 1/2 of the income will be reported on an attachment to Form 1041, and the attachment will be provided to the survivor for reporting on his or her personal income tax return.

¹² TR 1.671-4(b)(2)(i), (b)(8).

¹³ IRC 677(a).

¹⁴ IRC 677(a)(1).

¹⁵ IRC 674(a).

¹⁶ IRC 674(b)(3).

¹⁷ TR 1.674(b)-1(b)(3).

Disclaimer: This tax information relates only to the identified trust and may not be applicable to other trusts. Further, it merely reflects the opinion of the author as of September 1, 2019. You should do your own research and reach your own conclusions.

Exclusion of Gain from Sale of Principal Residence

Under the tax code, \$250,000 of gain from the sale of real property is excluded from gross income if the property was owned and used by the taxpayer as the taxpayer's principal residence for 2 or more of the preceding 5 years.¹⁸ This is also true if a grantor trust owns the property and the taxpayer is treated as the owner of the trust under the grantor trust rules.¹⁹

As discussed above, the Smith Family Irrevocable Trust is a grantor trust; therefore, the exclusion of gain remains available to the grantors. And because each grantor contributed 1/2 of the trust assets, they can each take advantage of the exclusion of gain as to their 1/2 of the real property, resulting in a total of \$500,000 of gain that can be excluded if the home is sold while both grantors are living, even if filing a joint return.²⁰ In addition, after the death of the first grantor, if certain requirements are met, the survivor can claim \$500,000 of exclusion, rather than \$250,000.²¹

Basis Adjustment at Death

In general, if property is included in a decedent's gross estate, then its basis is adjusted to the date of death value.²² Note that reporting the initial transfers to the trust as completed gifts (see the discussion under *Gift Taxes*, above) does not foreclose estate inclusion.

For example, in CCM 201208026, the grantor retained a testamentary limited power of appointment, which causes estate inclusion.²³ Yet the service concluded that the initial transfers to the trust were completed gifts. So in that case, you have both a completed gift and estate inclusion of the transferred assets. Further, the tax code makes it clear that a lifetime transfer could be both a completed gift and included in the transferor's estate at death.²⁴

Because the grantors of the Smith Family Irrevocable Trust each retained a testamentary limited power of appointment over the 1/2 of the trust assets that they each contributed to the trust, then upon each grantor's death, 1/2 of the trust assets are included in that grantor's estate.²⁵ Therefore, 1/2 of the trust assets will get a basis adjustment at that time.²⁶

f:\law\lrc\smith-eldercounsel webinar example docs\info for tax professionals.doc

¹⁸ IRC 121(a), (b)(1).

¹⁹ TR 1.121-1(c)(3)(i).

²⁰ IRC 121(b)(2)(A).

²¹ IRC 121(b)(4).

²² IRC 1014(a)(1), (b)(9).

²³ IRC 2038(a)(1).

²⁴ See, e.g., IRC 2012(a): "If a tax on a gift has been paid under chapter 12 . . . and thereafter on the death of the donor any amount in respect of such gift is required to be included in the value of the gross estate of the decedent for purposes of this chapter, then there shall be credited against the tax imposed by section 2001 the amount of the tax paid on a gift under chapter 12 "

²⁵ IRC 2038(a)(1).

²⁶ IRC 1014(b)(9).

A Check all that apply:

- ☐ Decedent's estate
☒ Simple trust
☐ Complex trust
☐ Qualified disability trust
☐ ESBT (S portion only)
☐ Grantor type trust
☐ Bankruptcy estate-Ch. 7
☐ Bankruptcy estate-Ch. 11
☐ Pooled income fund

For calendar year 2020 or fiscal year beginning , 2020, and ending

Name of estate or trust (if a grantor type trust, see the instructions.)

PIERRO NON-GRANTOR TRUST

Name and title of fiduciary

TRUSTEE

Number, street, and room or suite no. (if a P.O. box, see the instructions.)

43 BRITISH AMERICAN BLVD.

City or town, state or province, country, and ZIP or foreign postal code

LATHAM, NY 12110

C Employer identification number

12 3456789

D Date entity created

E Nonexempt charitable and split-interest trusts, check applicable box(es). See instructions.

☐ Described in sec. 4947(a)(1).Check here if not a private foundation ☐☐ Described in sec. 4947(a)(2)

B Number of Schedules K-1

attached **1**

F Check applicable boxes:

☐ Initial return☐ Final return☐ Amended return☐ Net operating loss carryback☐ Change in trust's name☐ Change in fiduciary☐ Change in fiduciary's name☐ Change in fiduciary's addressG Check here if the estate or filing trust made a section 645 election ☐Trust TIN ☐

Income	1	Interest income	1	750.
	2a	Total ordinary dividends	2a	32,750.
	b	Qualified dividends allocable to: (1) Beneficiaries 32,750. (2) Estate or trust 0.		
	3	Business income or (loss). Attach Schedule C (Form 1040)	3	
	4	Capital gain or (loss). Attach Schedule D (Form 1041)	4	
	5	Rents, royalties, partnerships, other estates and trusts, etc. Attach Schedule E (Form 1040)	5	
	6	Farm income or (loss). Attach Schedule F (Form 1040)	6	
	7	Ordinary gain or (loss). Attach Form 4797	7	
	8	Other income. List type and amount	8	
9	Total income. Combine lines 1, 2a, and 3 through 8	9	33,500.	
Deductions	10	Interest. Check if Form 4952 is attached <input type="checkbox"/>	10	4,500.
	11	Taxes	11	7,500.
	12	Fiduciary fees. If only a portion is deductible under section 67(e), see instructions	12	
	13	Charitable deduction (from Schedule A, line 7)	13	
	14	Attorney, accountant, and return preparer fees. If only a portion is deductible under section 67(e), see instructions	14	
	15a	Other deductions (attach schedule). See instructions for deductions allowable under section 67(e)	15a	
	b	Net operating loss deduction. See instructions	15b	
	16	Add lines 10 through 15b	16	12,000.
	17	Adjusted total income or (loss). Subtract line 16 from line 9	17	21,500.
	18	Income distribution deduction (from Schedule B, line 15). Attach Schedules K-1 (Form 1041)	18	21,500.
	19	Estate tax deduction including certain generation-skipping taxes (attach computation)	19	
	20	Qualified business income deduction. Attach Form 8995 or 8995-A	20	
21	Exemption	21	300.	
22	Add lines 18 through 21	22	21,800.	
Tax and Payments	23	Taxable income. Subtract line 22 from line 17. If a loss, see instructions	23	-300.
	24	Total tax (from Schedule G, Part I, line 9)	24	0.
	25	2020 net 965 tax liability paid from Form 965-A, Part II, column (k), line 4	25	
	26	Total payments (from Schedule G, Part II, line 19)	26	
	27	Estimated tax penalty. See instructions	27	
	28	Tax due. If line 26 is smaller than the total of lines 24, 25, and 27, enter amount owed	28	
	29	Overpayment. If line 26 is larger than the total of lines 24, 25, and 27, enter amount overpaid	29	
	30	Amount of line 29 to be: a Credited to 2021 <input type="checkbox"/> b Refunded <input type="checkbox"/>	30	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of fiduciary or officer representing fiduciary

Date

EIN of fiduciary if a financial institution

May the IRS discuss this return with the preparer shown below (see instr.?)

☐ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name

Firm's EIN

Firm's address

Phone no.

GRANTOR LETTER
GRANTOR
43 BRITISH AMERICAN BLVD.
LATHAM, NY 12110

Tax Year Ending: 12/31/20

Grantor Name & Address GRANTOR 7 SUNNY LANE LATHAM, NY 12110 Social Security Number: 123-45-6789	Name of Trust PIERRO GRANTOR TRUST Employer ID Number: 12-3456789
--	---

THE FOLLOWING INCOME, DEDUCTIONS AND CREDITS ARE TO BE REPORTED ON THE INCOME TAX RETURNS FOR THE ABOVE NAMED GRANTOR, IF REQUIRED.

FEDERAL INFORMATION	
INCOME	
INTEREST INCOME..... (ENTER ON FORM 1040, SCHEDULE B, PART I, LINE 1)	750.
TOTAL ORDINARY DIVIDEND INCOME..... (ENTER ON FORM 1040, SCHEDULE B, PART II, LINE 5)	2,750.
QUALIFIED DIVIDEND INCOME INCLUDED ABOVE..... (USE FOR SCHEDULE D TAX CALCULATION)	2,750.
DEDUCTIONS	
INTEREST EXPENSE..... (ENTER ON FORM 1040, SCHEDULE A, LINE 8)	4,500.
REAL ESTATE PROPERTY TAX..... (ENTER ON FORM 1040, SCHEDULE A, LINE 5B)	7,500.

Form 11

1

661117

Schedule K-1 (Form 1041)

Department of the Treasury
Internal Revenue Service

2020

For calendar year 2020, or tax year

☐ Final K-1

☐ Amended K-1

OMB No. 1545-0092

beginning _____

ending _____

Beneficiary's Share of Income, Deductions, Credits, etc. ▶ See page 2 and instructions.

Part I Information About the Estate or Trust

A Estate's or trust's employer identification number
12-3456789

B Estate's or trust's name
PIERRO NON-GRANTOR TRUST

C Fiduciary's name, address, city, state, and ZIP code
**TRUSTEE
43 BRITISH AMERICAN BLVD.
LATHAM, NY 12110**

D ☐ Check if Form 1041-T was filed and enter the date it was filed

E ☐ Check if this is the final Form 1041 for the estate or trust

Part II Information About the Beneficiary

F Beneficiary's identifying number

G Beneficiary's name, address, city, state, and ZIP code
**BENEFICIARY
7 SUNNY LANE
LATHAM, NY 12110**

H ☒ Domestic beneficiary

☐ Foreign beneficiary

Part III Beneficiary's Share of Current Year Income, Deductions, Credits, and Other Items

1	Interest income	11	Final year deductions
2a	Ordinary dividends 21,500.		
2b	Qualified dividends 21,500.		
3	Net short-term capital gain		
4a	Net long-term capital gain		
4b	28% rate gain	12	Alternative min tax adjustment
4c	Unrecaptured section 1250 gain		
5	Other portfolio and nonbusiness income		
6	Ordinary business income		
7	Net rental real estate income		
8	Other rental income	13	Credits and credit recapture
9	Directly apportioned deductions		
		14	Other information
		E*	21,500.
10	Estate tax deduction		

*See attached statement for additional information.

Note: A statement must be attached showing the beneficiary's share of income and directly apportioned deductions from each business, rental real estate, and other rental activity.

For IRS Use Only