

Tax Forms related to Estates and Trusts (in Maine)

Form SS-4:

Application for Employer Identification Number. An estate, trust, or corporate entity may need its own EIN. In order to apply for one, the responsible party (the Personal Representative, the Trustee, the Member/Manager/Shareholder needs to supply their own identifying information — including full name, address, phone, and social security number. Read our popular [article on EINs](#) if you have additional questions, then speak to your tax preparer.

Forms 1099 and W-2:

These forms report wages (W-2) and various other types of income (1099s). The 1099 forms come in many varieties - about twenty one of them, last we counted. The general concept is that earnings must be reported to the IRS, so institutions have a standardized requirement to report out on 1099s, which are then used to complete the tax returns (1040 or 1041). An [incomplete] list of 1099s that you might encounter include:

- * 1099-INT interest on savings
- * 1099-DIV dividends from investment holdings
- * 1099-B capital gains/losses on stocks
- * 1099-Q payments from education programs, like 529 plans
- * 1099-R distributions from retirement accounts
- * 1099-S profits from a real estate transaction

Schedule K-1:

We like to think of K-1s as a type of 1099. They report the income passed through an entity to the final beneficiary. They are issued from estates, trusts, partnerships, and some corporations. Individuals generally pay taxes at a lower rate than entities, so passing through income is generally in the best interest of the stakeholder, but it can be an unexpected tax surprise the first time it is received. Please note that K-1s are frequently issued later than 1099s because they are actually a byproduct of the entity's tax return. If you are the recipient of a K-1, you should expect to receive this

in early-to-mid March.

Form 1040:

US Income Tax Return for individuals. Typically filed by April 15th; can go on extension but penalties and interest begin accruing as of 4/15.

Form 1040ME:

Maine Income Tax Return for individuals. Typically filed by April 15th; can go on extension but penalties and interest begin accruing as of 4/15.

Form 1041:

US Income Tax Return for estates and trusts. Typically filed by April 15th if the close of the tax year was 12/31 (in other words, due by the fifteenth day of the fourth month after the close of the trust's or estate's tax year).

Form 1041ME:

Maine Income Tax Return for estates and trusts. Typically filed by April 15th if the close of the tax year was 12/31 (in other words, due by the fifteenth day of the fourth month after the close of the trust's or estate's tax year).

Form 56:

Notice Concerning Fiduciary Relationships. This is normally an additional form submitted with a 1041, the filing for entities, to document for the IRS that the person signing the return is attesting that they have the legal capacity to do so.

Form 2848:

Power of Attorney & Declaration of Representative. This form is signed if someone needs to contact the IRS to discuss an issue. The power is usually delegated to the accountant. The IRS will not speak to anyone other than the taxpayer without this form.

Form 712:

Life Insurance Statement. If a life insurance policy is cashed in upon death, the transaction is reportable to the IRS, even if no tax is owed. This form reports the total amount paid out. The policy is considered part of a decedent's augmented estate, as in it is part of the total picture of assets that the decedent owned at death, but it may not be considered part of the probate estate.

Form 706:

US Estate and Generation-Skipping Transfer Tax Return. If *estate* tax is owed (different from income tax), or if there's a generation-skipping transfer that incurs taxation, the estate has to file the Form 706 within 9 months after the date of death. Under current tax exemption amounts, an estate is taxable if it exceeds \$13.61 million in 2024.

Form 709:

US Gift Tax Return. The Form 709 reports transfers of assets that may be subject to federal gift tax or are generation-skipping transfers. A person is able to gift \$18,000 (the annual exclusion in 2024) to anyone without needing to file this form. Anything above that amount is reported on the Form 709 and will be considered when you die for how much you have given away. You can give a total of \$13.61 million (the lifetime exclusion amount as of 2024); whatever is reported on a Form 709 is deducted from that amount.

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