Line 35. Enter on this line the total amount of net gains or income less net losses from disposition of property not included on Lines 33 and 34 above.

Line 36. Enter on this line the total of Lines 33, 34 and 35. Also enter this amount on Page 1, Line 9. If this amount is a loss, enter “0.”

SCHEDULE C - Net Gains or Income from Rents, Royalties, Patents and Copyrights
Line 37. Enter in the spaces provided the kind of property and the net gains or net income less net losses derived from or in the form of rents, royalties, patents and copyrights as reported on the Federal income tax return of the fiduciary for the taxable period. The Gross Income Tax Act has no provision, however, which allows the Division to distinguish between active and passive losses. Nor is there a provision authorizing carryback or carryforward of such losses. Thus, you may deduct Federal passive losses in full in the year incurred, provided that there is a gain within the same category of income. If the spaces provided are not sufficient, attach a rider to the return. Attach a copy of Federal Schedule K-1.

Line 38. Enter on this line the individual total of Columns (b), (c), (d) and (e).

Line 39. Enter on this line the combined totals of Columns (b), (c), (d) and (e). Also enter this amount on Page 1, Line 10. If this amount is a loss, enter “0.”

SCHEDULE D - Beneficiaries’ Shares of Income
Line 40. Enter in the spaces provided the name and address, state of residence, and social security number of each beneficiary to whom estate or trust income was distributed or distributable during the taxable year. In Column A enter the actual amount of income distributed or required to be distributed to the beneficiaries. For New Jersey nonresident beneficiaries, also enter in Column B the New Jersey source income distributed or required to be distributed. Do not include distributions of New Jersey tax exempt income or corpus distributions. If the spaces provided are not sufficient, attach a rider to the return. Attach a copy of Federal Schedule K-1.

Line 41A. Enter on this line the total of the income distributed or distributable. Also enter this amount on Page 1, Line 15.

Line 41B. Enter on this line the total of New Jersey source income distributed or distributable. Also enter this amount on Schedule G, Line 10.

Do not enter an amount on this line for a nonresident beneficiary if the income being distributed to the nonresident beneficiary was received from a business entity (i.e., sole proprietorship, partnership, LLP or LLC) located in New Jersey and the business entity’s only activity is the purchase, holding or sale of intangible personal property, such as commodities or securities, and such intangible personal property is not held for sale to customers. You must however, include such income in Column A.

SCHEDULE E - Credit for Income or Wage Taxes Paid by New Jersey Estates or Trusts to Other Jurisdictions
A resident estate or trust may be entitled to a tax credit against its New Jersey tax if its income is from sources outside New Jersey and is subject to both New Jersey Income Tax and the income tax or wage tax imposed by another state of the United States or political subdivision of such state or by the District of Columbia. The fiduciary must complete this schedule to be allowed the credit. Copies of other state(s) or political subdivision(s) tax return(s) must be attached to Form NJ-1041.

Line 42. Enter on this line the amount of income earned during the taxable year, after the deduction of the actual amount of income distributed or required to be distributed, which was subject to tax by another jurisdiction and also reported on the New Jersey return and included in Schedule E, Line 43. Do not combine the same income subject to tax by more than one jurisdiction. Income subject to tax by foreign countries CANNOT be included in Line 42.

Line 43. Enter on this line the amount of income taxed by New Jersey from Page 1, Line 16 (Total Income).

Line 44. To compute the amount to be entered on this line divide the income taxed by New Jersey (Schedule E, Line 43) into income taxed by other jurisdictions (Schedule E, Line 42) and multiply the result by the New Jersey Tax (Page 1, Line 23). This is the amount of maximum allowable credit.

Line 45. Enter on this line the total amount of income or wage tax paid to other jurisdictions on the amount of income indicated at Schedule E, Line 42.

Line 46. Enter on this line the lesser of Schedule E, Line 44 (maximum allowable credit) or Schedule E, Line 45 (income or wage tax paid to other jurisdictions). Also enter this amount on Page 1, Line 25.

SCHEDULE F - Allocation of Business Income to New Jersey
Schedule F must be used by nonresident taxpayers who are required to complete and attach a Gross Income Tax Business Allocation Schedule (Form NJ-NR-A). This schedule is completed only by nonresidents carrying on business both inside and outside New Jersey. See the instructions for Form NJ-NR-A on the next page.

SCHEDULE G - New Jersey Income of Nonresident Estates and Trusts
The New Jersey income tax liability of a nonresident estate or trust is based on the percentage of its total income which comes from New Jersey sources. Tax is computed on income from all sources, and then prorated according to the ratio that New Jersey income bears to income from both inside and outside New Jersey.

Nonresident estates must report their income from all sources (both inside and outside New Jersey) on Lines 6–13 of Form NJ-1041 and their income from New Jersey sources on Lines 1–8 of Schedule G. These figures cannot be copied from figures reported on the Federal return.

Complete Schedule G before completing Line 16a of Form NJ-1041. If you complete Schedule G, be sure to attach it to your completed Form NJ-1041.

Lines 1–8. For each of the various categories of income, enter the portion of the estate’s or trust’s income received during the taxable year that comes from New Jersey sources.

Important: For every entry on Lines 6–13 of Form NJ-1041, there should be an entry on the corresponding line on Schedule G. If none of the income in a particular category is from New Jersey sources, enter “0” on the appropriate line on Schedule G.

Income or losses which a nonresident estate or trust receives from a business entity (i.e., sole proprietorship, partnership, LLP or LLC)
located in New Jersey will not be deemed to be derived from New Jersey sources if the business entity’s sole activity is the purchase, holding or sale of intangible personal property, such as commodities or securities, and such intangible personal property is not held for sale to customers. You must however, include such income on the appropriate line of Form NJ-1041.

A nonresident estate or trust which carries on business both inside and outside New Jersey must allocate business income to determine the amount of income from New Jersey sources. Complete and attach a separate Business Allocation Schedule (Form NJ-NR-A) for each business required to allocate. Also complete Schedule F on Page 2 of Form NJ-1041.

Line 9. Enter on Line 9 the total of Lines 1–8.

Line 10. Enter on Line 10 the amount from Schedule D, Line 41B - total New Jersey source income distributed to beneficiaries.

Line 11. Subtract Line 10 from Line 9. Enter the result here and on Page 1, Line 16a

---

Form NJ-NR-A

If business activities are carried on both inside and outside New Jersey, business income may be allocated to determine the amount of income from New Jersey sources. Carrying on business activities outside New Jersey means maintaining, operating or occupying a regular place of business outside New Jersey, such as an office, shop, store, warehouse, factory, agency or other place where the business’s affairs are systematically and regularly conducted.

The business may not allocate income if it has only an occasional or isolated business transaction outside the State. Likewise, if the business has no regular place of business outside New Jersey, it may not allocate income, even though its representatives travel outside the State for the purposes of performing duties connected with the trade or business, and make sales or perform services for persons or corporations located outside the State.

Be sure that Form NJ-NR-A is firmly attached to Form NJ-1040NR, NJ-1041, or NJ-1065, and that the name and address on the Business Allocation Schedule agree exactly with the name and address on the return to which it is attached.

Section 1 – Business Locations

Use Section 1 to list the locations where the business activities are conducted. In Columns (a) and (b) list the exact locations at which the business carries on activities both inside and outside the State. List all business locations. In Column (c) describe the places listed in Columns (a) and (b) (i.e., branch office, agency, factory, warehouse, etc.). In Column (d) indicate whether the business rents or owns each location listed. Attach additional sheets if necessary.

Section 2 - Average Values

Use Section 2 to determine the average values of your business assets. The average value of property owned is determined by adding (1) the book value of the property at the beginning of the taxable year and (2) the book value of the property at the end of the taxable year and dividing the sum by two.

The average value of property rented or leased is valued at eight times the annual rent. Rent includes any amounts paid in addition to, or accrued in lieu of rent for the period covered by the return (such as interest, taxes, insurance and repairs).

---

Line 1 - Real Property Owned

COLUMN A
Enter on Line 1, Column A, the average value of the real property listed in Section 1 that was owned for the period covered by the return. Include property located both inside and outside New Jersey.

COLUMN B
Enter on Line 1, Column B, the average value of the real property listed in Section 1 that was owned in the State. Include only property located in New Jersey.

Line 2 - Real and Tangible Property Rented

COLUMN A
Enter on Line 2, Column A, the average value of the property, both real and tangible, that was rented for the period covered by the return. Include property located both inside and outside New Jersey.

COLUMN B
Enter on Line 2, Column B, the average value of the property, both real and tangible, that was rented in the State. Include only property located in New Jersey.

Line 3 - Tangible Personal Property Owned

COLUMN A
Enter on Line 3, Column A, the average value of the tangible personal property that was owned and used in the business for the period covered by the return. Include property located both inside and outside New Jersey.

COLUMN B
Enter on Line 3, Column B, the average value of the tangible personal property that was owned and used in the business in the State. Include only property located in New Jersey.

Line 4 - Totals

COLUMN A
Add Lines 1–3 of Column A and enter the total on Line 4, Column A.

COLUMN B
Add Lines 1–3 of Column B and enter the total on Line 4, Column B.