MISSISSIPPI

INSTRUCTIONS FOR COMPLETING FORM 81-110, FIDUCIARY INCOME TAX RETURN
FOR ESTATES AND TRUSTS

Generally, Federal rules and regulations relating to Estates and Trusts will be followed for State purposes to the extent they are not
deemed contrary to the context and intent of Mississippi law.

Taxation of Estates and Trusts
The income tax imposed upon individuals shall be applicable to the income of estates or of any kind of property held in trust as well as the net
income received during the taxable year by deceased individuals who, at the time of death, were residents and who have died during the taxable
year or subsequent thereto without having made a return, and the net income of resident insolvent or incompetent individuals where the
fiduciary has complete charge of such income. The rate of tax, the statutory provisions respecting gross income, and with certain exceptions,
the deductions, exemptions and credits allowed to individuals apply also to estates and trusts.

Resident Estate or Trust
The fiduciary of a resident estate or trust must file a Mississippi Fiduciary Return (Form 81-110) if the estate or trust had any taxable income.

Non-resident Estate or Trust
The fiduciary of a non-resident estate or trust must file a Mississippi Fiduciary Return (Form 81-110) if the estate or trust had taxable income
or gain derived from Mississippi sources.

Definitions
A resident estate is the estate of a person who was a Mississippi resident at the time of death. All other estates are nonresident estates.

A resident trust is any trust which is administered by the trustee in Mississippi. A trust being administered outside of Mississippi shall not be
considered a resident trust merely because the governing instrument or a law requires that the laws of Mississippi be followed with respect to
interpretation or administration of the trust. All other trusts are non-resident trusts.

Income from Mississippi sources includes income or gain from:

a. Real or tangible personal property located in Mississippi;

b. A business, profession or occupation carried on within Mississippi; or

c. Services performed within Mississippi.

For a nonresident estate or trust, income from the following is not considered to be derived from Mississippi sources: annuities, interest,
dividends, or gains from the sale or exchange of intangible personal property, unless it is part of the income from a business, trade, profession,
or occupation that is carried on within Mississippi.

Form 81-110, Mississippi Fiduciary Income Tax Return for Estates and Trusts
is a reconciliation type return which uses the income from the U. S. Income Tax Return for Estates and Trusts, Form 1041, as a starting point. Accordingly, a complete copy of the Federal return
must be attached to this return. Note: If you had income not directly included on your federal income tax return, such as income as a
Qualified Subchapter "S" Trust (QSST), include such amounts on Page 2, lines 2f, 2g, 2h and 2i as needed along with supporting
detail.

WHO MUST FILE
Every fiduciary (or one of the joint fiduciaries) is required to file a Mississippi Fiduciary Income Tax Return, Form 80-110, for any resident
individual, trust or estate for which he acts, or for any nonresident individual, trust or estate for which he acts that has taxable income or gain
derived from Mississippi sources.

WHEN TO FILE
Calendar year estates and trusts must file a fiduciary income tax return on or before April 15th. Fiscal year estates and trusts must file a
fiduciary income tax return on or before the 15th day of the fourth month following the close of the tax period. A fiduciary's taxable year and
its method of accounting are required to be the same for Mississippi income tax purposes as determined for Federal income tax purposes.

EXTENSION OF TIME TO FILE RETURN
An extension of time to file a Mississippi Fiduciary Income Tax Return may be requested. The authorized extension of time to file does not
extend the time for payment of income tax due. Interest and penalty shall apply on any underpayment of tax. Taxpayers having a tax
liability who request an extension of time must remit the tax due with their Mississippi application for extension. Fiduciaries may submit
Form 80-106 on or before the due date of their return, including remittance for any remaining tax liability, and receive an automatic extension
of time to file. An extension of time to file a Federal Fiduciary Return will be accepted if no additional Mississippi tax is due.
WHERE TO FILE
Balance due returns (or returns with no tax due) and refund returns are to be mailed to different addresses. The completed returns should be mailed as follows:

**Additional Tax Due (or No Tax Due):**
DEPARTMENT OF REVENUE
Post Office Box 23050
Jackson, MS 39225-3050

**Refund Requested:**
DEPARTMENT OF REVENUE
Post Office Box 23058
Jackson, MS 39225-3058

You can visit our Web page to answer many of the questions you may have and to obtain information regarding tax laws. Our address is www.dor.ms.gov.

Line by Line Instructions: Page 1

**Lines 1 - 2.** Check the applicable blocks as instructed.

**Line 3a.** A copy of the Mississippi Schedule K-1 issued to each beneficiary must be attached to the fiduciary tax return. Enter the number of Mississippi Schedule K-1’s attached to the return.

**Line 3b.** For an Estate, enter the date of Decedent's Death; for a Trust, enter the date the trust was established.

**Line 4. Total Income Tax Due** - Using the tax computation schedule below, calculate the total amount of income tax due and enter result.

**Schedule of Tax Computation** – Use Taxable Income from Page 2, Line 12 to complete schedule below:

<table>
<thead>
<tr>
<th>Tax Rate(s)</th>
<th>Taxable Income</th>
<th>Tax Rates</th>
<th>Income Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. First $5,000 or Part</td>
<td>x 3% =</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Next $5,000 or Part</td>
<td>x 4% =</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Remaining Balance</td>
<td>x 5% =</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Income Tax</strong></td>
<td>- Add lines “a” through “c”. Enter on Page 1, Line 4.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Line 5. Other Credits** - Enter the total amount of other credits from Form 80-401, Line 1. Enter the trust’s or estate’s share of credits here.


**Line 7. Overpayment From Prior Year, Estimated Tax Payments and Amount Paid With Extension** - Enter the total of the amount credited from prior year overpayment, estimated payments, and amount paid with extension Form 80-106.

**Line 8. Overpayment** - If Line 7 is greater than Line 6, enter the amount of Overpayment here.

**Line 9. Amount of Overpayment To Be Applied to Next Year Tax Account** - Enter the amount of Line 8 to be credited to 2013.

**Line 10. Amount of Overpayment to be Refunded** - Subtract Line 9 from Line 8. Enter the balance to be refunded.

**Line 11. Balance Due** - If Line 6 is greater than Line 8, enter the balance of tax due.

**Line 12. Interest and Penalty** – Compute late payment interest at 1% per month or part of a month on tax unpaid after the original due date. Include penalty at 1/2 of 1% per month or part of a month to a maximum of 25% of the tax unpaid after the original due date. A late filing penalty is added if the return is not filed on time (including extensions). The penalty is 5% of the amount due for each month or a part of a month your return is late, not to exceed 25% total penalty. The minimum late filing penalty is $100.

**Line 13. Total Due** - Enter the sum of Lines 11 and 12. Payments options for the Total Amount due are as follows:

- **Pay Online** - Go to www.dor.ms.gov, click on Taxpayer Access Point (TAP) and sign up for Online Access to your Individual Tax Account. Your SSN/ITIN, Mississippi Adjusted Gross Income (AGI) from your latest return filed, and your email address will be needed to sign up for access to your account online. Once you have accessed your account, follow the payment instructions.

- **Pay By Check/Money Order** - Make your check or money order payable to the Department of Revenue with a payment coupon and mail both the check/money order and coupon to P.O. Box 23075, Jackson, MS 39225-3075. Write your identification number on the check or money order. DO NOT send cash through the mail.

- **Pay By Credit Card of Electronic Check** – Call 1-800-272-9829, or go to www.officialpayments.com. For Credit Cards, Visa, Master Card, Discover and American Express cards are accepted. The Jurisdiction code for Mississippi is 3400. There is a 2 ½ % fee for credit cards. For Electronic Checks, you will need to have your bank routing number and your checking account number to use this service. There will be a $3.00 fee for E-checks charged by Official Payments.

Line by Line Instructions: Page 2 - Computation of Taxable Income

**Line 1.** Enter the amount of Federal Adjusted Total Income or (Loss) from Federal Form 1041, page 1, Line 17.

**Line 2a. State Income Tax Adjustment** - Taxes based on income are not deductible. Enter the amount of state, local and foreign government income taxes claimed as a deduction on Form 1041.

**Line 2b. Depletion Adjustment** - No deduction is allowed for depletion in excess of the cost basis of the depletable asset. Enter the amount of depletion claimed on Form 1041 in excess of the cost basis of the asset on which the depletion is claimed.
Income from other sources distributed or distributable to nonresidents shall be included in gross income and reflected in the return filed by Federal Form 1041. Attach a schedule of the deductions added back.

The net value of all the items included in the estate that represent income in respect of the decedent less adjustment for distribution of this tax year an amount of income in respect to a decedent. The estate tax deduction is computed based on the Mississippi estate tax attributable to such non-resident with this state.

If the standard deduction is claimed, see Line 2e above. Mississippi does not allow these credits. Enter the amount by which wages on the Form 1041 were reduced by employment tax credits (such as the Targeted Jobs Credit).

Lines 5f. NONRESIDENT FIDUCIARY RETURNS ONLY - Enter the amount of income from Non-Mississippi sources, net of expenses.

Lines 2f – 2i. Other Additions - Add back any other item which is treated differently for Mississippi income tax purposes than was treated for Federal income tax purposes. Itemize here. Attach schedule if needed. Include any income not included as a part of Federal Form 1041, Line 17.

Line 3. Total Additions - Add Lines 2a through 2i.

Line 4. Total Income - Enter the total of Lines 1 and 3.

Line 5a. Exempt Interest - Interest received on U. S. Government obligations is not taxable to Mississippi. Enter the amount of such interest reported as income on Federal Form 1041.

Line 5b. Wages Adjustment - Federal income tax laws allow certain tax credits based on wages paid to employees, and a portion of the wages on which the credit was based is not allowed as a deduction. Mississippi does not allow these credits. Enter the amount by which wages on the Form 1041 were reduced by employment tax credits (such as the Targeted Jobs Credit).

Line 5c. Capital Gains Adjustment - Enter the amount of capital gains on the sale of authorized shares in financial institutions domiciled in Mississippi and domestic corporations, or partnership interests in domestic limited partnerships and domestic limited liability companies exempt from Mississippi tax by Miss Code Ann. § 27-7-9(f)(10).

Line 5d. Expenses of Earning Exempt Income - Enter the amount of expenses directly applicable to earning the interest income shown on Line 2c above. Such expenses would not have been deductible on Form 1041 since they related to tax-exempt income.

Line 5e. Standard Deduction - A standard deduction of $1,700 is allowed to fiduciaries in lieu of itemized fiduciary expenses.

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Enter the percentage of beneficial interest owned by each beneficiary. You must account for 100% of the ownership. Also, enter the State of Residency of each beneficiary.

Line 9. Estate Tax Deduction - An estate may be entitled to claim the estate tax deduction if the estate must include in gross income for any tax year an amount of income in respect to a decedent. The estate tax deduction is computed based on the Mississippi estate tax attributable to the net value of all the items included in the estate that represent income in respect of the decedent less adjustment for distribution of this income to beneficiaries. Attach a schedule showing computation of deduction.

Line 10. Subtotal - Enter the total of Line 8 plus Line 9.

Line 11. Exemption - Estates and trusts are allowed the same exemptions that are allowed for Federal purposes:

- Estates $600
- Simple Trust $300
- Complex Trust $100

Line 12. Taxable Income or Loss for Mississippi Purposes - Subtract (Line 7 minus Line 10 and Line 11) and enter the result here and on Page 1, Line 4, of this form. **Note:** If the amount on this line is a loss, enter a 0 on Page 1, Line 4, of this form.

**Instructions for Schedule K - Beneficiaries Shares of Income (Form 81-131)**

**Column A** - Enter the name, complete current address and SSN/FEIN (Social Security Number or Employer Identification Number) of each beneficiary having a beneficial interest in the Estate or Trust.

**Column B** - Enter the percentage of beneficial interest owned by each beneficiary. You must account for 100% of the ownership. Also, enter the State of Residency of each beneficiary.

**Columns C and D** - **Distributions to Beneficiaries** - Enter the total amount distributed to each beneficiary based on their respective percentage of beneficial interest in the Estate or Trust. **Column C** is used to report to both resident and non-resident beneficiaries the distributions which are taxable to Mississippi. For resident beneficiaries, the amount of distribution includes income from all sources. For non-resident beneficiaries, the amount of distribution includes only Mississippi sourced income. **Column D** is used to report to the non-resident beneficiary the amount of the distribution from non-Mississippi sourced income (not taxable to the Non-resident beneficiary on a
Instructions for Mississippi Fiduciary Schedule K-1 (Form 81-132)

Schedule K-1, (Form 81-132) is used to report the beneficiary's share of income, deductions, and credits from a trust or a decedent's estate. The fiduciary (or one of the joint fiduciaries) must prepare Schedule K-1 for each beneficiary having a beneficial interest in the trust or estate at any time during the taxable year. Copies of Schedule K-1 are required to be filed with Form 81-110 filed with the State. Mississippi will follow Federal rules relating to character of income and allocation of deductions as shown in the instructions for preparing Schedules K-1 which are included in the instructions for Federal Form 1041.

Each Schedule K-1 (Form 81-132) must be completed to show the beneficiary's SSN or FEIN; the trust or estate's FEIN; the name of the trust or decedent's estate; the name and address of the beneficiary; the name and address of the fiduciary; and the beneficiary's percentage of interest in the entity for the tax year.

Specific Line Instructions:

Line 1. Interest - Enter the beneficiary's share of the taxable interest income minus allocable deductions.

Line 2. Dividends - Enter the beneficiary's share of dividend income minus allocable deductions.

Line 3a. Net Short-Term Capital Gain - Enter the beneficiary's share of net short-term capital gain minus allocable deductions. Do not enter a loss on Line 3a.

Line 3b. Net Long-Term Capital Gain - Enter the beneficiary's share of net long-term capital gain minus allocable deductions. Do not enter a loss on Line 3b.

Line 4a. Annuities, Royalties, and Other Non-passive Income - Enter the beneficiary's share of annuities, royalties, or any other income, minus allocable deductions (other than directly apportionable deductions).

Lines 4b. and 5b. Depreciation - Enter the beneficiary's share of the depreciation deductions attributable to each activity reported on Lines 4a and 5a. Follow Federal instructions for apportioning depreciation deductions between the beneficiaries and the trust or estate.

Lines 4c. and 5c. Depletion - Enter the beneficiary's share of the depletion deduction under IRC section 611 attributable to each activity reported on Lines 4a and 5a. Follow Federal instructions for apportioning depletion deductions between the beneficiaries and the trust or estate.

Lines 4d. and 5d. Amortization - Itemize the beneficiary's share of the amortization deductions attributable to each activity reported on Lines 4a and 5a. Apportion the amortization deductions between the trust or estate and the beneficiaries in the same way the depreciation and depletion deductions are divided.

Line 5a. Trade or business, rental real estate, and other rental income - Enter the beneficiary's share or trade or business, rental real estate, and other rental income, minus allocable deductions (other than directly apportionable deductions).

Line 6. Estate Tax Deduction - If the distribution deduction consists of any income in respect of a decedent, and the estate or trust was allowed a deduction under IRC section 691(c) for the estate tax paid attributable to such income, the beneficiary is allowed an estate tax deduction in proportion to his or her share of the distribution that consists of such income.

Line 7. Deductions in the final year of trust or decedent's estate

a. Excess deductions on termination - Follow Federal Schedule K-1 instructions.

b. Short-term capital loss carryover, and

c. Long-term capital loss carryover - Upon termination of the trust or decedent's estate, the beneficiary succeeding to the property is allowed as a deduction any unused capital loss carryover under IRC section 1212.

d. Net Operating Loss (NOL) carryover - Upon termination of a trust or decedent's estate, a beneficiary succeeding to its property is allowed to deduct any unused NOL carryover if the carryover would be allowable to the estate or trust in a later tax year but for the termination.

Line 8. Other - Itemize here, or on a separate sheet if more space is needed, the beneficiary's tax information not entered elsewhere on Schedule K-1.

a. Payment of estimated tax to be credited to the beneficiary

b. Tax exempt Interest - Tax exempt interest income received or accrued by the trust or estate (including exempt-interest dividends from a mutual fund or other regulated investment company). For non-resident beneficiaries, indicate the amount distributed from investments in intangibles (dividends, interest, etc.) having a situs in Mississippi which may be excluded from the non-resident's Mississippi taxable income.

Line 9. Credits - On the appropriate lines, enter the beneficiary's share of Ad Valorem Tax Credit (Line 9a) or Other Credits (Line 9b) earned by the trust or estate. Enter the type of credit and code number as reflected on Form 80-401.

Line 10. Mississippi Income - Add Lines 1 through 3b, 4a, and 5a.