

## **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