

# Form 4970 and Form 1041 Schedule J Accumulation Tax: Reporting Distributions From Foreign Trusts

THURSDAY, JANUARY 11, 2018, 1:00-2:50 pm Eastern

## IMPORTANT INFORMATION FOR THE LIVE PROGRAM

This program is approved for 2 CPE credit hours. To earn credit you must:

- **Participate in the program on your own computer connection (no sharing)** - if you need to register additional people, please call customer service at 1-800-926-7926 ext.1 (or 404-881-1141 ext. 1). Strafford accepts American Express, Visa, MasterCard, Discover.
- Listen on-line via your computer speakers.
- Respond to five prompts during the program plus a single verification code.
- To earn full credit, you must remain connected for the entire program.

## WHO TO CONTACT DURING THE LIVE EVENT

For Additional Registrations:

-Call Strafford Customer Service 1-800-926-7926 x1 (or 404-881-1141 x1)

For Assistance During the Live Program:

-On the web, use the chat box at the bottom left of the screen

If you get disconnected during the program, you can simply log in using your original instructions and PIN.

**ALM Trust**  
**Distributable Net Income**  
**For Tax Year 2017**

	<b>Adj. Gross Income (AGI)</b>	<b>2% of AGI</b>	<b>Per Books</b>	<b>Total DNI</b>	<b>Stephanie</b>
<b>Income:</b>					
Interest			9,680	-	-
Dividends-Qualified			37,925	-	-
Dividends-Non Qualified				-	-
Other Income				-	-
Gross Ordinary Income			47,605	-	-
<b>Capital Gains:</b>					
Net Short-term Gains/(Losses)			-	-	-
Net Long-term Gains			-	-	-
Net Capital Gain			-	-	-
<b>Total Gross Income</b>	47,605		47,605	-	-
<b>Expenses:</b>					
Legal Fees					
Professional Fees	7,320		7,320		
Investment Interest	-		-		
Foreign Taxes	-		-		
Administration Fees	10,578		10,578		
Trustees Fees	5,956		5,956		
Other Expenses (misc. itemized deductions)	31,682	475	31,682		
Misc. Itemized Deduction Limitation Adjustment			(475)		
<b>Total Expenses</b>			55,061		
<b>Distributable Net Income (DNI)</b>				-	
<b>Capital Distributions</b>			<b>Amount</b>		
2017 Distributions			108,604		
<b>Total Capital Distributions</b>			<b>108,604</b>		

**EKG Trust**  
**Distributable Net Income**  
**For Tax Year 2017**

Income:	Adj. Gross Income (AGI)	2% of AGI	Per Books	Total DNI	Stephanie	US Trust
Interest	531,905		531,905	407,053	353,959	53,094
Dividends-Qualified	767,657		767,657	587,468	510,842	76,626
Dividends-Non Qualified	-		-	-	-	-
Forex Gain	-		-	-	-	-
Other Income	-		-	-	-	-
Gross Ordinary Income	1,299,562		1,299,562	994,521	864,801	129,720
<b>Capital Gains:</b>						
Net Short-term Gains	-		-	-	-	-
Net Long-term Gains	503,714		503,714	385,479	335,199	50,280
Net Capital Gain	503,714		503,714	385,479	335,199	50,280
Total Gross Income	1,803,276		1,803,276	1,380,000	1,200,000	180,000
<b>Expenses:</b>						
Legal Fees	30,541		30,541			
Accounting Fees	40,657		40,657			
Investment Interest	126		126			
Trust Administration Fees	104,907		104,907			
Foreign Taxes Withheld	-		-			
Other Expenses (misc. itemized deductions)	268,265	32,541	268,265			
Misc. Itemized Deduction Limitation Adjustment			(32,541)			
Total Expenses			411,955			
Distributable Net Income (DNI)			1,391,321			
Distributable Net Income (DNI) Actually Distributed in 2016			600,000			
2016 remaining DNI available to be distributed (65 day election)			791,321			

**Total Distributions Made (65 day election)**

	Ratio	Amount
<b>US Resident:</b>		
US Trust	100%	180,000
Total US Person distributions		180,000
<b>US Resident:</b>		
Stephanie - Distributions made under 65-day election Total US Person distributions	100%	600,000
Total Distributions Made (65 day election)		780,000
Total Distributions		1,380,000
UNI		11,321

**Foreign Tax Credit Allocation**

	Ratio	Amount
Stephanie	86.25%	140,888
US Trust	12.94%	21,137
UNI	0.81%	1,323
Total Foreign Tax Credit Allocation	100.00%	163,348

**Notes:**

1. DNI for each beneficiary is computed above if there is more than one beneficiary.
2. Each beneficiary is treated as having equal shares unless certain requirements under U.S. tax law are met.

**Residence Trust  
Distributable Net Income  
For Tax Year 2017**

	Adj. Gross Income (AGI)	2% of AGI	Per Books	Total DNI	Stephanie
<u>Income:</u>					
Interest	495,000		495,000	495,000	12,069
Dividends-Qualified	372,389		372,389	372,389	9,079
Dividends-Non Qualified	-		-	-	0
Forex Gain	107,173		107,173	107,173	2,613
Other Income	58,069		58,069	58,069	1,416
Gross Ordinary Income	1,032,631		1,032,631	1,032,631	25,177
<u>Capital Gains:</u>					
Net Short-term Gains	0		0	0	0
Net Long-term Gains	402,885		402,885	402,885	9,823
Net Capital Gain	402,885		402,885	402,885	9,823
Total Gross Income	1,435,516		1,435,516	1,435,516	35,000
<u>Expenses:</u>					
Legal Fees	-		0		
Accounting Fees	-		0		
Investment Interest	-		0		
Trust Administration Fees	-		0		
Foreign Taxes Withheld	-		0		
Other Expenses (misc. itemized deductions)	6,034	28,710	6,034		
Misc. Itemized Deduction Limitation Adjustment			(6,034)		
Total Expenses			0		
Distributable Net Income (DNI)			1,435,516		
<u>Total Distributions Made</u>		<u>Ratio</u>	<u>Amount</u>		
Stephanie - deemed rental value distribution		100%	35,000	35,000	
Total US Person Distributions				35,000	
Total Distribution Received				35,000	
<b>2017 remaining DNI available to be distributed (65-day election)</b>				<b>1,400,516</b>	
<b>UNI</b>				<b>1,400,516</b>	