National Association of Tax Professionals

Addendum: Introduction to Estates and Form 1041

Revision 1:

Correct the description of Form 1041, Box D, “Date entity created.”

Page 21

The description of Box D incorrectly states that the date the estate entity was created is the day after the decedent’s death. For a decedent’s estate, Box D reports the date of the decedent’s death.

Box D is the date the estate entity was created.

Date of revision: 08-26-2026

Revision 2:

Correct the date entered in Form 1041, Box D, on the later completed returns.

Pages 75 and 145

Elaine Clemmons died July 31, 2025. On the completed Forms 1041 on Pages 75 and 145, change Box D, “Date entity created,” from 07/31/2022 to 07/31/2025.

The fiscal tax year shown on each return remains 08/01/2025 through 07/31/2026.

Department of the Treasury—Internal Revenue Service

Form 1041 **U.S. Income Tax Return for Estates and Trusts** — **2025** — OMB No. 1545-0092

Go to *www.irs.gov/Form1041* for instructions and the latest information.

A Check all that apply: [X] Decedent's estate; [ ] Simple trust; [ ] Complex trust; [ ] Qualified disability trust; [ ] ESBT (S portion only); [ ] Grantor type trust; [ ] Bankruptcy estate–Ch. 7; [ ] Bankruptcy estate–Ch. 11; [ ] Pooled income fund

For calendar year 2025 or fiscal year beginning 08/01/25, 2025, and ending 07/31/26

Name of estate or trust (If a grantor type trust, see the instructions.): Estate of Elaine Clemmons

Name and title of fiduciary: James Tenden, Representative

Number and street (If a P.O. box, see the instructions.): 1500 North Tombstone Way

Room or suite no.:

City or town: Anytown

State or province: WI

Country:

ZIP or foreign postal code: 54911

C Employer identification number: **-***9999

D Date entity created: 07/31/2025

E Nonexempt charitable and split-interest trusts, check applicable box(es). See instructions.

[ ] Described in sec. 4947(a)(1). Check here if not a private foundation [ ]

[ ] Described in sec. 4947(a)(2)

B Number of Schedules K-1 attached (see instructions): 2

F Check applicable boxes: [X] Initial return [ ] Final return [ ] Amended return [ ] Net operating loss carryback [ ] Change in trust's name [ ] Change in fiduciary [ ] Change in fiduciary's name [ ] Change in fiduciary's address

G (1) Check here if the estate or filing trust made a section 645 election [ ] G(2) Trust TIN

Income	1	Interest income	1	500
	2a	Total ordinary dividends	2a	1,000
	b	Qualified dividends allocable to (1) Beneficiaries 1,000 (2) Estate or trust		
	3	Business income or (loss). Attach Schedule C (Form 1040)	3	
	4	Capital gain or (loss). Attach Schedule D (Form 1041)	4	12,000
	5	Rents, royalties, partnerships, other estates and trusts, etc. Attach Schedule E (Form 1040)	5	8,379
	6	Farm income or (loss). Attach Schedule F (Form 1040)	6	
	7	Ordinary gain or (loss). Attach Form 4797	7	
	8	Other income. List type and amount See Statement 1	8	132,258
	9	**Total income.** Combine lines 1, 2a, and 3 through 8	9	154,137
Deductions	10	Interest. Check if Form 4952 is attached [ ]	10	
	11	Taxes	11	9,000
	12	Fiduciary fees. If only a portion is deductible under section 67(e), see instructions	12	
	13	Charitable deduction (from Schedule A, line 7)	13	
	14	Attorney, accountant, and return preparer fees. If only a portion is deductible under section 67(e), see instructions	14	4,935
	15a	Other deductions (attach schedule). See instructions for deductions allowable under section 67(e)	15a	
	b	Net operating loss deduction. See instructions	15b	
	16	Add lines 10 through 15b	16	13,935
	17	Adjusted total income or (loss). Subtract line 16 from line 9 — 17: 140,202		
	18	Income distribution deduction (from Sch. B, line 15). Attach Schedules K-1 (Form 1041) See Statement 2	18	128,202
	19	Estate tax deduction including certain generation-skipping taxes (attach computation)	19	
	20	Qualified business income deduction. Attach Form 8995 or 8995-A	20	
	21	Exemption	21	600
	22	Add lines 18 through 21	22	128,802
Tax and Payments	23	Taxable income. Subtract line 22 from line 17. If a loss, see instructions	23	11,400
	24	**Total tax** (from Schedule G, Part I, line 9)	24	1,404
	25a	Current year net 965 tax liability paid from Form 965-A, Part II, column (k) (see instructions)	25a	
	b	First installment of section 1062 applicable net tax liability. Enter amount from Form 1062, line 15	25b	
	26	**Total payments** (from Schedule G, Part II, line 19)	26	
	27	Estimated tax penalty. See instructions	27	
	28	**Tax due.** If line 26 is smaller than the total of lines 24, 25a, 25b, and 27, enter amount owed	28	1,404
	29	**Overpayment.** If line 26 is larger than the total of lines 24, 25a, 25b, and 27, enter amount overpaid	29	
	30	Amount of line 29 to be: **a Credited to 2026** ; **b Refunded**	30b	
		If completing line 30b, also complete lines 30c, 30d, and 30e.		
	c	Routing number _____ d Type: [ ] Checking [ ] Savings		
	e	Account number _____		

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of fiduciary or officer representing fiduciary — Date — EIN of fiduciary if a financial institution

May the IRS discuss this return with the preparer shown below? See instructions. [X] Yes [ ] No

Paid Preparer Use Only

Preparer's name	Preparer's signature	Date	Check [ ] if self-employed	PTIN
		08/24/26		

Firm's name: Natl Assn Of Tax Prof — Firm's EIN:

Firm's address: PO Box 8002, Appleton, WI 54912 — Phone no. 920-749-1040

For Paperwork Reduction Act Notice, see the separate instructions. Form **1041** (2025)

DAA

Date of revision: 08-26-2026

Revision 3:

Correct the deductible attorney fee and the resulting Form 1041 and Schedule B amounts.

Pages 75, 145 and 146

The case study allocates $65 of the $5,000 attorney fee to tax-exempt income, leaving $4,935 deductible. The completed return incorrectly uses $4,936.

Because of this change, other lines on the form are affected. See the updated pages of Form 1041:

Department of the Treasury—Internal Revenue Service

Form 1041 **U.S. Income Tax Return for Estates and Trusts**

Go to *www.irs.gov/Form1041* for instructions and the latest information.

2025 OMB No. 1545-0092

A Check all that apply: [X] Decedent's estate; [ ] Simple trust; [ ] Complex trust; [ ] Qualified disability trust; [ ] ESBT (S portion only); [ ] Grantor type trust; [ ] Bankruptcy estate–Ch. 7; [ ] Bankruptcy estate–Ch. 11; [ ] Pooled income fund

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Name and title of fiduciary: James Tenden, Representative

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Room or suite no.:

City or town: Anytown

State or province: WI

Country:

ZIP or foreign postal code: 54911

C Employer identification number: **-***9999

D Date entity created: 07/31/2025

E Nonexempt charitable and split-interest trusts, check applicable box(es). See instructions.

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	30	Amount of line 29 to be: **a Credited to 2026** ; **b Refunded** If completing line 30b, also complete lines 30c, 30d, and 30e.	30b	
	c	Routing number _____ d Type: [ ] Checking [ ] Savings		
	e	Account number _____		

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of fiduciary or officer representing fiduciary | Date | EIN of fiduciary if a financial institution

May the IRS discuss this return with the preparer shown below? See instructions. [X] Yes [ ] No

Paid Preparer Use Only

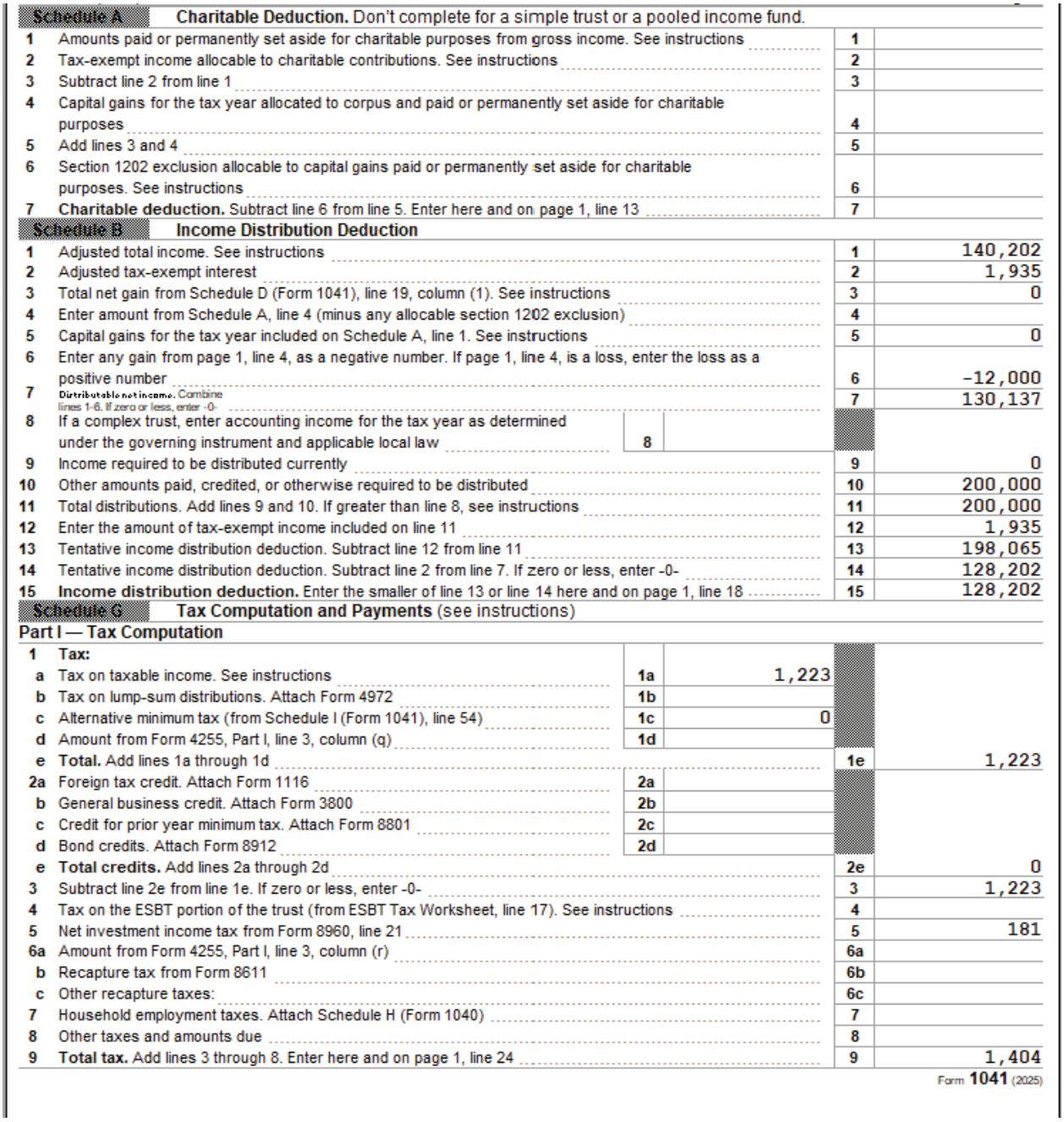
Preparer's name | Preparer's signature | Date 08/24/26 | Check [ ] if self-employed | PTIN

Firm's name: Natl Assn Of Tax Prof | Firm's EIN

Firm's address: PO Box 8002, Appleton, WI 54912 | Phone no. 920-749-1040

For Paperwork Reduction Act Notice, see the separate instructions. Form **1041** (2025)

DAA



Schedule A **Charitable Deduction.** Don't complete for a simple trust or a pooled income fund.

1	Amounts paid or permanently set aside for charitable purposes from gross income. See instructions	1	
2	Tax-exempt income allocable to charitable contributions. See instructions	2	
3	Subtract line 2 from line 1	3	
4	Capital gains for the tax year allocated to corpus and paid or permanently set aside for charitable purposes	4	
5	Add lines 3 and 4	5	
6	Section 1202 exclusion allocable to capital gains paid or permanently set aside for charitable purposes. See instructions	6	
7	**Charitable deduction.** Subtract line 6 from line 5. Enter here and on page 1, line 13	7	

Schedule B **Income Distribution Deduction**

1	Adjusted total income. See instructions	1	140,202
2	Adjusted tax-exempt interest	2	1,935
3	Total net gain from Schedule D (Form 1041), line 19, column (1). See instructions	3	0
4	Enter amount from Schedule A, line 4 (minus any allocable section 1202 exclusion)	4	
5	Capital gains for the tax year included on Schedule A, line 1. See instructions	5	0
6	Enter any gain from page 1, line 4, as a negative number. If page 1, line 4, is a loss, enter the loss as a positive number	6	-12,000
7	**Distributable net income.** Combine lines 1-6. If zero or less, enter -0-	7	130,137
8	If a complex trust, enter accounting income for the tax year as determined under the governing instrument and applicable local law — 8		
9	Income required to be distributed currently	9	0
10	Other amounts paid, credited, or otherwise required to be distributed	10	200,000
11	Total distributions. Add lines 9 and 10. If greater than line 8, see instructions	11	200,000
12	Enter the amount of tax-exempt income included on line 11	12	1,935
13	Tentative income distribution deduction. Subtract line 12 from line 11	13	198,065
14	Tentative income distribution deduction. Subtract line 2 from line 7. If zero or less, enter -0-	14	128,202
15	**Income distribution deduction.** Enter the smaller of line 13 or line 14 here and on page 1, line 18	15	128,202

Schedule G **Tax Computation and Payments** (see instructions)

Part I — Tax Computation

1	**Tax:**				
a	Tax on taxable income. See instructions	1a	1,223		
b	Tax on lump-sum distributions. Attach Form 4972	1b			
c	Alternative minimum tax (from Schedule I (Form 1041), line 54)	1c	0		
d	Amount from Form 4255, Part I, line 3, column (q)	1d			
e	**Total.** Add lines 1a through 1d			1e	1,223
2a	Foreign tax credit. Attach Form 1116	2a			
b	General business credit. Attach Form 3800	2b			
c	Credit for prior year minimum tax. Attach Form 8801	2c			
d	Bond credits. Attach Form 8912	2d			
e	**Total credits.** Add lines 2a through 2d			2e	0
3	Subtract line 2e from line 1e. If zero or less, enter -0-			3	1,223
4	Tax on the ESBT portion of the trust (from ESBT Tax Worksheet, line 17). See instructions			4	
5	Net investment income tax from Form 8960, line 21			5	181
6a	Amount from Form 4255, Part I, line 3, column (r)			6a	
b	Recapture tax from Form 8611			6b	
c	Other recapture taxes:			6c	
7	Household employment taxes. Attach Schedule H (Form 1040)			7	
8	Other taxes and amounts due			8	
9	**Total tax.** Add lines 3 through 8. Enter here and on page 1, line 24			9	1,404

Form **1041** (2025)

Date of revision: 08-26-2026

Revision 4:

Depreciation was omitted from William Clemmon's K-1 on page 117, while it was included on page 165. The federal statements on page 166, however, did not include the depreciation information.

Depreciation was omitted from Max Power's K-1 as well as the supporting federal statements.

Page 117: On William Clemmons's Schedule K-1, $4,356 in Box 9, Code A, for directly apportioned depreciation was added.

Beneficiary 1
Schedule K-1
(Form 1041)
Department of the Treasury
Internal Revenue Service

2025
For calendar year 2025, or tax year

beginning 08/01/2025 ending 07/31/2026

Beneficiary's Share of Income, Deductions, Credits, etc.
See back of form and instructions.

☐ Final K-1 ☐ Amended K-1 661117 OMB No. 1545-0092

Part I Information About the Estate or Trust

A Estate's or trust's employer identification number
-*9999

B Estate's or trust's name
Estate of Elaine Clemmons

C Fiduciary's name, address, city, state, and ZIP code
James Tenden
Representative
1500 North Tombstone Way
Anytown WI 54911

D ☐ Check if Form 1041-T was filed and enter the date it was filed

E ☐ Check if this is the final Form 1041 for the estate or trust

Part II Information About the Beneficiary

F Beneficiary's identifying number
***-**-9999

G Beneficiary's name, address, city, state, and ZIP code
William Clemmons
125 Apple Way
Anytown WI 54911

H ☒ Domestic beneficiary ☐ Foreign beneficiary

Part III Beneficiary's Share of Current Year Income, Deductions, Credits, and Other Items

1	Interest income	227	11	Final year deductions
2a	Ordinary dividends	454		
2b	Qualified dividends	454		
3	Net short-term capital gain			
4a	Net long-term capital gain			
4b	28% rate gain		12	Alternative minimum tax adjustment
			A	4,500
4c	Unrecaptured section 1250 gain		B	32
5	Other portfolio and nonbusiness income	60,057	J	4,500
6	Ordinary business income			
7	Net rental real estate income			
	*	3,364STMT	13	Credits and credit recapture
8	Other rental income			
9	Directly apportioned deductions			
	A *	4,356STMT		
			14	Other information
			A	968
10	Estate tax deduction		E *	681STMT
			H *	-60,057STMT
			I *	4,190STMT

*See attached statement for additional information.

Note: A statement must be attached showing the beneficiary's share of income and directly apportioned deductions from each business, rental real estate, and other rental activity.

For IRS Use Only

Page 166: The supporting statement for William's Box 9, Code A depreciation of $4,356 was added to the Federal Statements.

ESTATEELCL Estate of Elaine Clemmons
-*9999
FYE: 7/31/2026

8/26/2026 5:36 PM

Federal Statements
William Clemmons
***-**-9999

Schedule K-1, Box 7 - Rental Real Estate Income

Description	Amount
6200 West Terror St (Passive Activity)	$ 4,190
Less Allocated Expenses	-826
Total	$ 3,364

Schedule K-1, Box 9 - Directly Apportioned Deductions

Description	Amount
Depreciation	$ 4,356

Schedule K-1, Box 14, Code E - Net Investment Income Information

Description	Amount
Interest Income	$ 227
Dividend Income	454
	$ 681

Schedule K-1, Box 14, Code H - Section 1411 Adjustment

Description	Amount
Net Investment Income:	
Interest Income	454
Qualified Dividends	908
Rental Real Estate	6,727
Long-Term Gains	12,000
Total Net Investment Income	$ 20,089
Beneficiary Portion of Investment Income	4,045
Income Reported on Schedule K-1	64,102
Section 1411 Adjustment	$ -60,057

Page 169: On Max Power's Schedule K-1, Box 9, Code A depreciation was missing. Added $4,356 to his K-1. Added his supporting statement on Page 169.

Federal Statements

Max Power
***-**-3333

Schedule K-1, Box 7 - Rental Real Estate Income

Description	Amount
6200 West Terror St (Passive Activity)	$ 4,189
Less Allocated Expenses	-826
Total	$ 3,363

Schedule K-1, Box 9 - Directly Apportioned Deductions

Description	Amount
Depreciation	$ 4,356

Schedule K-1, Box 14, Code E - Net Investment Income Information

Description	Amount
Interest Income	$ 227
Dividend Income	454
	$ 681

Schedule K-1, Box 14, Code H - Section 1411 Adjustment

Description	Amount
Net Investment Income:	
Interest Income	454
Qualified Dividends	908
Rental Real Estate	6,727
Long-Term Gains	12,000
Total Net Investment Income	$ 20,089
Beneficiary Portion of Investment Income	4,044
Income Reported on Schedule K-1	64,100
Section 1411 Adjustment	$ -60,056

Date of revision: 08-26-2026