



Form 2G

Grantor's or Other Owner's Share of Income, Deductions, Credits, Etc. of a Grantor-type Trust

1999
Massachusetts
Department of
Revenue

To be reported on Massachusetts Individual Income Tax Return.

Name of entity		<input type="checkbox"/> Grantor-type trust	
Grantor's/Beneficiary's Identification number	Entity's Employer Identification number	<input type="checkbox"/> Pooled Income Fund	
Legal Domicile		<input type="checkbox"/> Charitable Remainder Annuity Trust	
		<input type="checkbox"/> Charitable Remainder Unitrust	
		<input type="checkbox"/> Other _____	
Grantor's/Beneficiary's Name	Address	State	Zip
► 1 Fiduciary's name	Address	State	Zip

a. Allocable share item	b. Amount	c. Include* on Massachusetts Form 1 (or Form 1-NR/PY) the column b amounts as indicated below
2 Dividends	2	
3 Interest: (a) Corporate bonds, notes	3a	} Massachusetts Schedule B, line 1 and/or 3
(b) Non-Massachusetts municipal bonds	3b	
(c) Other interest (including Massachusetts bank interest — see line 13 below)	3c	
(d) Total interest	3d	
4 Exempt U.S. interest	4	Massachusetts Schedule B, line 6
5 Short-term capital gains	5	Massachusetts Schedule B, line 8
6 Short-term capital (losses)	6 ()	Massachusetts Schedule B, line 14
7 Gain on the sale, exchange or involuntary conversion of property used in a trade or business and held for one year or less	7	Massachusetts Schedule B, line 10
8 (Loss) on the sale, exchange or involuntary conversion of property used in a trade or business and held for one year or less	8 ()	Massachusetts Schedule B, line 15
9 Long-term gain or (loss)**	9	Massachusetts Schedule D
10 Massachusetts long-term capital gain or (loss) included in U.S. Form 4797, Part II (not included in line 9)**	10	Massachusetts Schedule D, line 6
11 Long-term gains on collectibles and pre-1996 installment sales**	11	Massachusetts Sch. D, line 11 and Sch. B, line 9
12 Capital gain or (loss) differences: a) Short-term	12a	} Massachusetts Schedule B
b) Long-term**	12b	
13 Massachusetts bank interest	13	} Massachusetts Schedule D, line 9 Form 1, line 5a (or Form 1-NR/PY, line 7a) and Massachusetts Schedule B, line 5
14 Net rental and royalty income or (loss)	14	
15 Profit or (loss) from business/farm (attach Massachusetts and U.S. Schedule C or U.S. Schedule F)	15	Massachusetts Schedule E, Part III
16 Partnership or S corporation income or (loss)	16	} Massachusetts Schedule B, line 16
17 Other income _____	17	
18 Short-term carryover (losses)	18 ()	} Form 1, line 31 or 1-NR/PY, line 36. Enter trust's ID number to the left of line 31 or 36
19 Other adjustments _____	19	
20 1999 Massachusetts estimated tax paid by trustee***	20	

*Some amounts are included automatically on the Massachusetts return as a result of being carried over by you from your U.S. Form 1040. Do not report any dividends or interest on Mass. Schedule E. Also, see Form 1 or Form 1-NR/PY instructions.

**The trustee may provide each grantor or beneficiary with a breakdown of long-term capital gains and (losses) by the applicable holding period(s). If the trustee does not do so, all long-term capital gains and (losses) are to be reported as being held for more than one year but not more than two years, and excluding long-term gains on collectibles taxed at 5%.

***Estimated tax payments are required from resident grantors or other owners of a grantor-type trust. Nonresidents see the back of this form.

Grantor/Beneficiary: Enclose this form with your Massachusetts Individual Income Tax Return.

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 is based on all information of which he/she has any knowledge.

Fiduciary's signature	Date	Paid preparer's signature and SSN or PTIN	Date
Firm name (or yours, if self-employed) and address	Employer Identification number	<input type="checkbox"/> Check if self-employed	

Warning: Willful tax evasion — including underreporting income, overstating deductions or exemptions, or failing to file and otherwise evade taxes — is a felony. Conviction can result in a jail term of up to five years and/or a fine of up to \$100,000.

Form 2G Instructions

Massachusetts has adopted the Internal Revenue Code (IRC) grantor-type trust rules as contained in IRC Sections 671 through 678, Massachusetts General Laws (MGL), Ch. 62, sec.10, as amended by 1976 Acts, c. 510. The trustee of a grantor-type trust is required to file Form 2G and send a copy of it to the grantor/owner who is required to report the income, deductions and credits on his/her Massachusetts individual income tax return. A resident grantor or other owner must include grantor-type trust income in calculating his/her estimated tax.

Generally, a grantor-type trust exists when one of the following is present:

- the trust income is distributable to/or accumulated for the benefit of the grantor or the grantor's spouse;
- the grantor holds a reversionary interest in the trust which is not postponed beyond a 10-year period;
- the grantor has the power to revoke the trust in his/her favor;
- the grantor has the power to control the beneficial enjoyment of the trust corpus or income;
- the grantor has retained certain administrative powers with respect to the trust; and
- a person, other than the grantor, has the power to obtain the trust corpus or income.

Fiduciary expenses and compensation are not deductible.

All supporting details, i.e., Schedule D, if you have long-term capital gains or (losses), must be attached. Massachusetts has not adopted IRC Regulation 1.671-4(b) regarding consolidated filing of grantor-type trusts.

Long-term Capital Gains

The trustee may provide each grantor or beneficiary with a breakdown of long-term capital gains and (losses) by the applicable holding period(s). If the trustee does not do so, all long-term capital gains and (losses) are to be reported as being held for more than one year but not more than two years, and excluding long-term gains on collectibles taxed at 5%.

Nonresident Withholding

A trustee is required to deduct and withhold from any income subject to taxation (Massachusetts source income — MGL, Ch. 62, sec. 5A) at the applicable rates when the grantor or other owner is a nonresident. Form 2-ES, Estimated Income Tax Payment Vouchers, and the quarterly payment system is used for this provision. The trustee enters the amount of payments in line 20, and the nonresident grantor or other owner claims such amount paid over by the trustee on his/her return.

Pooled Income Fund/Charitable Remainder Annuity or Unitrust Withholding

A Massachusetts trustee of a pooled income fund (IRC Sec. 642(c)(5)), charitable remainder annuity trust or a charitable remainder unitrust (IRC Sec. 664(d)), who makes payment to a Massachusetts beneficiary of taxable income is required to deduct and withhold tax on that income at the applicable rates. Form 2-ES, Estimated Income Tax Payment Vouchers, and the quarterly payment system is used for this provision. The trustee enters the amount of payments in line 20, and the beneficiary claims such amount paid over by the trustee on his/her return.

Extension of Time to File

To receive an extension of time to file, you must file an Application for Extension of Time to File Fiduciary, Partnership or Corporate Trust Return, Form M-8736, and pay the amount of any applicable tax you expect to owe on or before the due date for filing Form 2G.

Check the box for "Other" in the "Type of return filed" section on Form M-8736, and insert "2G" on the line provided. The filing and approval of this form will extend the due date for six months. No extension will be granted in excess of six months for taxpayers within the United States.

Consolidated 2G Filing

If you are required to file more than one Form 2G, you can file on a "consolidated" basis. Use Form 2 as the cover for the return and complete line 1, Filing Status, in full — **making sure to check the "Consolidated Form 2G" box**. The signature section must also be completed and signed. Each Form 2G, or pre-approved substitute, can then be attached to the "consolidated" Form 2 without the requirement of each Form 2G being signed. Should you wish to complete lines 2–32 on the Consolidated Form 2G, as a summary or reconciliation, you may do so. You may also enter the total amount of estimated tax payments in line 46 to reconcile with each Form 2G, line 20. Mail the Consolidated Form 2G to the same address as for a Form 2G.

Due Date of Return

Form 2G is generally due on or before April 18, 2000. If filing on a fiscal year basis, the return is due on or before the 15th day of the fourth month after the close of the fiscal year.

Mail Form 2G to:

**Massachusetts Department of Revenue
PO Box 7017
Boston, MA 02204**

Direct fiduciary inquiries, **not returns**, to:

**Massachusetts Department of Revenue
Customer Service Bureau
PO Box 7010
Boston, MA 02204
Telephone: (617) 887-MDOR**