

**§5176. Share of a nonresident estate, trust or beneficiary in income from sources in this State**

**1. General rule.** The share of a nonresident estate or trust in items of income, gain, loss and deduction derived from or connected with sources in this State that are included in the distributable net income of the nonresident estate or trust and the share for purposes of section 5142 of a nonresident beneficiary of an estate or trust in items of income, gain, loss and deduction of that estate or trust must be determined pursuant to this subsection. A modification may not be made under this section that has the effect of duplicating an item already included in the distributable net income of the estate or trust.

A. To the extent the modifications relate to items of income, gain, loss and deduction derived from or connected with sources in this State that are included in the distributable net income of a nonresident estate or trust, the modifications provided under section 5122 must be added to or subtracted from the amount of those items. [PL 2009, c. 434, §73 (RPR).]

B. The amount determined under paragraph A must be allocated among the nonresident estate or trust and its beneficiaries, including, solely for the purpose of this allocation, resident beneficiaries, in proportion to their respective shares in the distributable net income of the estate or trust. The amounts so allocated have the same character as for federal income tax purposes. An item that is not characterized for federal income tax purposes is deemed to have been realized directly from the source from which it was realized by the estate or trust or incurred in the same manner as it was incurred by the estate or trust. [PL 2009, c. 434, §73 (RPR).]

C. If the estate or trust has no distributable net income for the taxable year, the share of each beneficiary in the net amount determined under paragraph A must be in proportion to the beneficiary's share of the estate or trust income for the taxable year that is required to be distributed currently and any other income that is actually distributed in that taxable year. The balance of the net amount must be allocated to the estate or trust. [PL 2009, c. 434, §73 (RPR).]

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**2. Alternate methods.** The State Tax Assessor may authorize, upon the taxpayer's written request, the use of another method of determining the respective shares of the beneficiaries and of the estate or trust in its income derived from sources in this State, and in the modifications related to that income, that the assessor determines to be appropriate and equitable.

[PL 2009, c. 434, §73 (RPR).]

**SECTION HISTORY**

P&SL 1969, c. 154, §F1 (NEW). PL 1995, c. 639, §19 (AMD). PL 2009, c. 434, §73 (RPR).

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