1996

Massachusetts Department of Revenue

Form 2G
Grantor's or Other Owner's Share of Income, Deductions, Credits, Etc. of a Grantor-type Trust

To be reported on Massachusetts Individual Income Tax Return.

Name of entity

Grantor's/Beneficiary's Identification Number | Entity's Employer Identification Number

Legal Domicile

☐ Grantor-type trust
☐ Pooled Income Fund
☐ Charitable Remainder Annuity Trust
☐ Charitable Remainder Unitrust
☐ Other ____________________

Grantor's/Beneficiary's Name | Address | Zip code

► **1** Fiduciary's Name | Address | Zip code

	(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**		Mass. Schedule B, line 1 and/or 3
	(b) Non-Mass. Municipal Bonds	**3b**		
	(c) Other Interest (including Mass. Bank Interest— see line 13 below)	**3c**		
	(d) Total Interest	**3d**		
4	Exempt U.S. Interest	**4**		Mass. Sch. B, line 7
5	Short-term capital gains	**5**		Mass. Sch. B, line 9
6	Short-term capital (losses)	**6**		Mass. Sch. B, line 15
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**		Mass. Sch. B, line 11
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**		Mass. Sch. B, line 16
9	Long-term gain or (loss)	**9**		Mass. Sch. D, line 1
10	(Loss) on the sale, exchange or involuntary conversion of property used in a trade or business and held for more than one year	**10**		Mass. Sch. D, line 2
11	Long-term gains on collectibles	**11**		Mass Sch. D, line 5 and Sch. B, line 10
12	Capital Gain or (Loss) Differences: a) Short-term	**12a**		Mass. Sch. B
	b) Long-term	**12b**		Mass. Sch. D, line 4
13	Mass. Bank Interest	**13**		Form 1, line 5 (or Form 1-NR/PY, line 7) and Mass. Sch. B, line 6
14	Net Rental and Royalty Income or (Loss)	**14**		Mass. Sch. E, Part III
15	Profit or (Loss) from Business/Farm (attach Mass. and U.S. Sch. C or U.S. Sch. F)	**15**		
16	Partnership or S Corporation Income or (Loss)	**16**		
17	Other ____________________	**17**		
18	Short-term carryover (Losses)	**18**		Mass. Sch. B, line 22
19	Other ____________________	**19**		
20	1996 Mass. Estimated Tax Paid by Trustee**	**20**		Form 1, line 31 or 1-NR/PY, line 36. Enter Trust's ID No. to the right of line 31 or 36

*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 instructions.

**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 & social security number | Date

Firm name (or yours, if self-employed) and address | Employer identification number | ☐ 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.

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 1-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 1-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 Automatic Six-Month Extension of Time to File Massachusetts Income Tax Return, Form M-4868, and pay the amount of any applicable tax you expect to owe on or before the due date for filing Form 2G.

Fill in the oval for "Other" in the "Type of return filed" section on Form M-4868, 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 2–38 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 50 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 15, 1997. 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
P.O. Box 7017
Boston, MA 02204

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

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