

Nebraska Schedule K-1N —
Beneficiary's Share of Income, Deductions, Modifications, and Credits

Estate's or Trust's Name and Mailing Address		Beneficiary's Name and Mailing Address					
Name Doing Business As (dba)		Name					
Legal Name							
Street or Other Mailing Address		Street or Other Mailing Address					
City	State	ZIP Code	City	State	ZIP Code		
Nebraska ID Number		Federal ID Number		Nebraska ID Number		Federal ID Number	
Taxable Year of Organization Beginning _____, 20____ and Ending _____, 20____				Social Security Number		Spouse's Social Security Number	
If applicable, check the appropriate box: ☐ Final ☐ Amended				Check One: ☐ Resident Individual ☐ Nonresident Individual ☐ Estate or Trust ☐ Other (describe) _____			

Is the taxpayer a foreign adversarial company (FAC) or claiming credits from a business that is, or is owned in whole or part, by an FAC? ☐ Yes ☐ No (See instructions)
Do not include credits received from an FAC or distribute credits if you are an FAC on lines 14 through 18, except for Code Q on line 16.
Credits on lines 19 through 24, and Code Q reported on line 16 may be received from an FAC and an FAC may distribute the credits.

Part A - Beneficiary's Share of Income and Deductions

1	Ordinary business income (loss)	1	
2	Net rental real estate income (loss)	2	
3	Other rental income (loss)	3	
4	Interest income	4	
5	Ordinary dividends	5	
6	Net short-term capital gain (loss)	6	
7	Net long-term capital gain (loss)	7	
8	Other income (loss)	8	
9	Estate tax deduction	9	
10	Other deductions	10	
11	NE state and local income, sales and use taxes deducted under section 164 of the IRC (from Schedules K-1N)	11	

Part B - Beneficiary's Share of Modifications

12	Qualified U.S. government interest deduction	12	
13	State and local bond interest and dividend income	13	

Part C - Beneficiary's Share of Credits

14	Community Development Assistance Act credit	14													
15	Creating High Impact Economic Futures (CHIEF) credit	15													
16	Form 3800N credits (see Form 1041N Schedule K-1N instructions)														
	<table><thead><tr><th>Code for 3800N and Certified Credits</th><th>Certificate Number</th><th>Amount of 3800N credit or Certified Credit</th></tr></thead><tbody><tr><td></td><td></td><td>\$</td></tr><tr><td></td><td></td><td>\$</td></tr><tr><td colspan="2">Total of 3800N and certified credits (Enter total here and on line 16)</td><td>\$</td></tr></tbody></table>	Code for 3800N and Certified Credits	Certificate Number	Amount of 3800N credit or Certified Credit			\$			\$	Total of 3800N and certified credits (Enter total here and on line 16)		\$	16	
Code for 3800N and Certified Credits	Certificate Number	Amount of 3800N credit or Certified Credit													
		\$													
		\$													
Total of 3800N and certified credits (Enter total here and on line 16)		\$													
17	Employer's credit for expenses incurred for TANF (ADC) recipients (see instructions)	17													
18	NE employer tax credit for employing convicted felons. Enter certificate number from Form ETC-A _____	18													
19	Nebraska income tax withholding (see instructions)	19													
20	Total PTET credit (see instructions) a 2018 \$ _____ b 2019 \$ _____ c 2020 \$ _____ d 2021 \$ _____ e 2022 \$ _____ f 2025 \$ _____	20													
21	Child Care Tax Credit for contributors. Enter certificate number from CCTC-A _____	21													
22	Opportunity Scholarships Act credit for contributors	22													
23	School Readiness Tax Credit for Providers. Enter certificate number _____	23													
24	Nebraska Pregnancy Help Act Credit for contributors	24													

Instructions

Purpose. The Nebraska Schedule K-1N is used by the estate or trust to report each beneficiary's share of the entity's Nebraska income, deductions, modifications, and credits. The Nebraska Schedule K-1N is also used by each beneficiary to complete their Nebraska tax return.

The estate or trust must provide a Nebraska Schedule K-1N to each beneficiary to whom the estate or trust is required to issue a Federal Schedule K-1. A copy of every Nebraska Schedule K-1N must be submitted with the [Form 1041N](#).

Enter the beneficiary's share of the distributed [Form 3800N](#) credits. When estates or trusts issue Nebraska Schedules K-1N to beneficiaries, they must also: complete distribution schedules such as [Forms 775N, 312N, 1107N, 544N](#), and report the distributed credit amount to the beneficiaries on line 16 of the Schedule K-1N. Include on the Schedule K-1N, line 16, the distributed credits that have been certified prior to claiming on a Nebraska income tax return. The certificate number of the approved credit must be entered for the following: Individuals with Intellectual and Developmental Disabilities Support Act - Employer credit (IIDDSE); Nebraska Shortline Rail Modernization Act (NSR); Renewable Chemical Production (RCP); Nebraska Higher Blend Tax Credit (HBTC); Nebraska Biodiesel Tax Credit (BDTC); and Cast and Crew Nebraska Act (CCNA). Use line 23 on the Schedule K-1N to distribute the School Readiness Tax Credit for Providers.

Foreign Adversarial Company. Indicate whether or not the taxpayer is a foreign adversarial company (FAC) or claiming credits from a business that is, or is owned in whole or part, by an FAC, as defined by [Neb. Rev. Stat. § 77-3,114](#). An FAC is ineligible to receive incentive benefits. Credits distributed from an FAC are ineligible for tax credit benefits.

If the answer is No, continue with the remainder of the form. If the answer is Yes because the taxpayer is an FAC, do not distribute credits on lines 14 through 18, except for Code Q on line 16.

If the answer is Yes because the taxpayer is claiming credits from a business that is, or is owned in whole or in part, by an FAC, you may not claim any credits distributed from the FAC on lines 14 through 18, except for Code Q on line 16. Only enter credits distributed from entities that are not an FAC on lines 14 through 18. Failing to answer will result in denial or delay in processing the credits claimed.

Foreign adversarial company means a company that:

- Is organized under the laws of a foreign adversary;
- Has its principal place of business within a foreign adversary;
- Is owned in whole or in part, operated, or controlled by the government of a foreign adversary; or
- Is a subsidiary or parent of any company that meets any of the above criteria.

Foreign adversaries as defined under 15 C.F.R. 791.4, as such regulation existed on April 1, 2025 are:

- The People's Republic of China, including the Hong Kong Special Administrative Region and the Macau Special Administrative Region (China);
- Republic of Cuba (Cuba);
- Islamic Republic of Iran (Iran);
- Democratic People's Republic of Korea (North Korea);
- Russian Federation (Russia); and
- Venezuelan politician Nicolás Maduro (Maduro Regime).

Note: The FAC prohibition does not apply to the Nebraska income tax withheld, contractor tax withholding, or the PTET credit. The withholding and the PTET credits are not impacted by a relationship with an FAC and may be claimed if applicable as they represent payments made by the shareholder named on the Schedule K-1N. Additional information can be found at [Foreign Adversarial Company Notice](#).

Complete the Estate or Trust and Beneficiary Information

Nebraska ID Number. Enter the Nebraska ID number assigned to the estate or trust by DOR. If the estate or trust has not been assigned a Nebraska ID number, leave this field blank. A Nebraska ID number will be assigned when the return is received. DOR will mail notification of the assigned Nebraska ID number to the address shown on the return.

Federal ID Number. Enter the federal ID numbers assigned by the IRS to both the estate or trust and the beneficiary. If the beneficiary is an individual, enter the individual's Social Security number.

Taxable Year of Organization. Estates and trusts filing on a fiscal year basis or filing a short period return must enter the date the tax year began and the date the tax year ended. Calendar-year filers may leave this blank.

Part A – Beneficiary’s Share of Income and Deductions

Complete Part A, lines 1-11, to report the beneficiary’s share of the estate or trust’s income (loss) and deductions from Nebraska sources.

Resident Individuals. The share of the income and deductions for a beneficiary who is a resident individual of Nebraska comes directly from the Federal Schedule K-1. A beneficiary who is a Nebraska resident will be taxed by Nebraska on all of his or her income from the estate or trust.

Nonresident Individuals. The share of income and deductions from Nebraska sources for a beneficiary who is a nonresident individual is determined under [Neb. Rev. Stat. § 77-2733](#). Income from Nebraska sources for a nonresident individual beneficiary includes, but is not limited to:

1. Income from the ownership or disposition of real or tangible personal property in Nebraska;
2. Income earned from a business carried on in Nebraska;
3. Income from intangible personal property including annuities, dividends, interest, and gains from the disposition of intangible personal property to the extent that the income is from a business carried on in Nebraska; and
4. Deductions for capital losses, net long term capital gains, and net operating losses that are based solely on income and deductions derived from Nebraska sources.

Part B – Beneficiary’s Share of Modifications

Purpose. Complete Part B to report the beneficiary’s share of the income distributed by the estate or trust that modifies the federal adjusted gross income or federal taxable income of the beneficiary.

Line 11. Enter the beneficiary’s share of the Nebraska and local income, sales, and use taxes deducted under section 164 of the Internal Revenue Code (IRC) on the K-1Ns received from an electing partnership or S corporation.

Line 12. Qualified U.S. Government Interest Deduction. Enter the beneficiary’s share of all interest and dividend income from U.S. government obligations exempt from state taxation. The [Taxability of Interest and Dividend Income From State, Local, and U.S. Government Obligations Information Guide](#) lists U.S. interest and dividend income that can be included on line 12, Nebraska Schedule K-1N. Interest income from repurchase agreements involving U.S. government obligations is **not** exempt U.S. government interest. Gains or losses from the sale or other disposition of federal securities are taxable for state income tax purposes and should not be included on line 12.

Line 13. State and Local Bond Interest and Dividend Income. Enter the beneficiary’s share of all state and local bond interest or dividends that are exempt from federal income tax and not issued by Nebraska state and local government subdivisions.

Part C – Beneficiary’s Share of Credits

Complete Part C to report the credits that were earned by the estate or trust and distributed to the beneficiaries. Do not include credits received from an FAC or distribute credits if you are an FAC on lines 14 through 18, except for Code Q on line 16. Credits on lines 19 through 24, and Code Q (Food Bank, Food Pantry, Food Rescue Donation Tax Credit) reported on line 16 may be received from an FAC and an FAC may distribute the credits. See FAC instruction section.

Line 14. Community Development Assistance Act (CDAA) Credit. Enter the beneficiary’s share of the distributed CDAA credit reported on the Nebraska Community Development Assistance Act Credit Computation, [Form CDN](#), Part C.

Line 15. Creating High Impact Economic Futures (CHIEF) credit. Enter the beneficiary’s share of the distributed CHIEF credit reported on the Creating High Impact Economic Futures form received from the Nebraska Department of Economic Development.

More detailed information on this credit can be obtained by contacting:

Nebraska Department of Economic Development

245 Fallbrook Blvd, Suite 002

Lincoln, NE 68521

opportunity.nebraska.gov

DRAFT AS OF 11/13/2025 DO NOT FILE

Line 16. Form 3800N and Certified Credit. From the following codes (Codes A through Q), enter the code and amount of the beneficiary's share of the distributed Form 3800N and certified credits. When estates or trusts issue Nebraska Schedules K-1N to beneficiaries, they must also: complete distribution schedules such as the Forms 775N, 312N, 1107N, 544N, and report the distributed credit amount to the beneficiary on line 16 of the Schedule K-1N. The certified credits listed below with an asterisk do not require a distribution schedule to be completed but require the certificate number to be entered. Do not enter the distributed School Readiness Tax Credit - for Providers on line 16, see line 23 instructions. An amount entered for the Nebraska Historic Tax Credit does not entitle the beneficiary to claim the credit. Rather, the beneficiary must be issued a NHTC certificate by DOR before any credit will be allowed. For additional information, see our website.

Code A	Employment and Investment Growth Act
Code B	Nebraska Advantage Act
Code C	Nebraska Advantage Rural Development Act
Code D	Nebraska Advantage Research and Development Act
Code E	New Markets Tax Credit
Code F	Nebraska Historic Tax Credit
Code G	ImagiNE Nebraska Act
Code H	Urban Redevelopment Act
Code I	Renewable Chemical Production Tax Credit Act
*Code J	Nebraska Higher Blend Tax Credit Act
Code K	Affordable Housing Tax Credit
*Code L	Biodiesel Tax Credit
*Code M	Individuals with Intellectual and Developmental Disabilities Support Act
*Code N	Nebraska Shortline Rail Modernization Act
*Code O	Nebraska Relocation Incentive
*Code P	Cast and Crew Nebraska Act
*Code Q	Food Bank, Food Pantry, Food Rescue Donation Tax Credit

Line 17. Employer's Credit for Expenses Incurred for TANF (ADC) Recipients. Enter the beneficiary's share of the distributed credit.

Line 18. Nebraska employer tax credit for employing convicted felons. Enter the beneficiary's share of the distributed certified credit amount and certificate number from the Nebraska Employer Tax Credit Application for Employing Convicted Felons, Form ETC-A. If approved for more than one certificate number, you must attach a schedule listing each certificate number and the distributed amount.

Line 19. Nebraska Income Tax Withholding. Enter the amount from column (G), [Schedule II, Form 1041N](#), that reflects the income tax withholding remitted by the entity on behalf of the beneficiary. For an amended Schedule K-1N, enter the larger of the amount calculated on either the original or the amended column (G), Schedule II, Form 1041N.

Line 20. PTET credit. Enter the beneficiary's share of the distributed credit for the PTET credit received from an electing partnership or S corporation and indicate the year.

Line 21. Child Care Tax Credit for contributors. Enter the beneficiary's share of the distributed certified credit amount and certificate number from the Child Care Tax Credit, Form CCTC-A. If approved for more than one certificate number, you must attach a schedule listing each certificate number and the distributed amount.

Line 22. Opportunity Scholarships Act credit for contributors. Enter the beneficiary's share of the distributed amount of the credit.

Line 23. School Readiness Tax Credit for Providers. Enter the beneficiary's share of the distributed amount of the tax credit and the certificate number.

Line 24. Nebraska Pregnancy Help Act Credit for contributors. Enter the beneficiary's share of distributed amount of the credit.