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DOR Revises Instructions for Form 741

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(March 29, 2019) The Department of Revenue (DOR) has revised the **Form 741 Kentucky Fiduciary Income Tax Return Instructions** (/Forms/741%20Instructions.pdf) to clarify that the following expenses are not deductible on the estate or trust return.

- Real estate, local, and property taxes deducted on federal Form 1041
- Investment interest deducted on federal Form 1041
- Fiduciary fees deducted on federal Form 1041 other than those described in IRC §67(e)
- Attorney, accountant, and preparer fees deducted on federal Form 1041 other than those described in IRC §67(e)
- Qualified Business Income (QBI) deduction listed on federal Form 1041

DOR has also issued a Technical Advice Memorandum, **KY-TAM-19-01 (/TaxProfessionals/PublishingImages/Pages/Guidance/KY-TAM-19-01%20%20Deductibility%20of%20IRC%20Section%2067(e)%20Fiduciary%20Expenses%20TAM%20FINAL%203-28-19.pdf)**, to provide more information on the deductions that are still allowable as described in IRC §67(e).

For additional information regarding this and other DOR policies, please visit our Tax Professionals page (/TaxProfessionals/Pages/default.aspx).

The Kentucky Department of Revenue conducts work
under the authority of the [Finance and Administration Cabinet](http://finance.ky.gov/). (<http://finance.ky.gov/>)

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