ABC does not and cannot teach its members tax law or tax filing principles, and therefore we must recommend you to your tax lawyer or accountant for more detailed and specific advice on the actual conditions and status of your trust properties and business activities.

States do not usually levy any special taxes against trusts, but trusts are liable for real estate and personal property taxes in most locales. Reference should be made to state law in each situation to determine the actual liabilities for these taxes.

Few states require annual reports and those states that do, only apply this law to certain kinds of trusts. Normally, ABC does not recommend trusts in these particular categories and would, therefore, advise you that your trust would usually not file any annual returns or reports with your state. The Internal Revenue Code, however, requires that trusts file an income tax report if they earn $100 or more in any fiscal year. This would be filed on Form 1041. Many attorneys recommend that every organization or person file a return every year, regardless of the amount of income that is earned by that person or organization; that is, even if your trust were to earn less than $100 in any year, it is