Attention!

Although we are releasing this 1999 Tax Package 1040 in electronic format, please note that changes to tax legislation are being considered. Please continue to check the IRS Digital Daily website at www.irs.gov for any revision updates.

We thank you in advance for your patience and apologize for any inconvenience that this may cause.

IRS

Department of the Treasury
Internal Revenue Service

www.irs.gov

1999 1040

Forms and Instructions

TaxpayerNews

See page 6 for details.

Need Help?

Quick and easy access to tax help and forms.

See page 7.

Explore

IRS e-file

CLICK.ZIP.FAST ROUND TRIP

The *Fastest, Most Accurate* Way To File Your Taxes

Increased Tax Benefits!

Larger Child Tax Credits!

You may be able to claim credits of up to $500 for each child under 17.

See page 13.

More Student Loan Interest Deductible!

You may be able to deduct up to $1,500.

See page 13.

Self-Employed Health Insurance Deduction Goes Up!

You may be able to deduct up to 60% of your health insurance.

See page 28.

Tax Return Page Reference

Questions about what to put on a line? Help is on the page number in the circle.

Form **1040** Department of the Treasury—Internal Revenue Service **U.S. Individual Income Tax Return** **1999**

IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 1999, or other tax year beginning ,1999, ending , OMB No. 1545-0074

Label (18)

(See instructions on page 18.)

Use the IRS label. Otherwise, please print or type.

LABEL HERE

Your first name and initial | Last name | **Your social security number** (18)

If a joint return, spouse's first name and initial | Last name | **Spouse's social security number** (18)

FOR REFERENCE ONLY—DO NOT FILE

Home address (number and street). If you have a P.O. box, see page 18. | Apt. no.

City, town or post office, state, and ZIP code. If you have a foreign address, see page 18.

IMPORTANT! You **must** enter your SSN(s) above.

Presidential Election Campaign (See page 18.) (18)

	Yes	No
Do you want $3 to go to this fund?		
If a joint return, does your spouse want $3 to go to this fund?		

Note. Checking "Yes" will not change your tax or reduce your refund.

Filing Status (18)

Check only one box.

1 ☐ Single

2 ☐ Married filing joint return (even if only one had income)

3 ☐ Married filing separate return. Enter spouse's social security no. above and full name here. ▶

4 ☐ Head of household (with qualifying person). (See page 18.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶

5 ☐ Qualifying widow(er) with dependent child (year spouse died ▶ 19). (See page 18.)

Exemptions (18)

6a ☐ **Yourself.** If your parent (or someone else) can claim you as a dependent on his or her tax return, **do not** check box 6a

b ☐ **Spouse**

c **Dependents:**

(1) First name Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ✓ if qualifying child for child tax credit (see page 19)
	(19)		☐ (19)
			☐
			☐
			☐
			☐
			☐

If more than six dependents, see page 19. (19)

No. of boxes checked on 6a and 6b

No. of your children on 6c who:

- **lived with you**
- **did not live with you due to divorce or separation (see page 19)** (19)

Dependents on 6c not entered above

Add numbers entered on lines above ▶

d Total number of exemptions claimed

Income (50)

Attach Copy B of your Forms W-2 and W-2G here. Also attach Form(s) 1099-R if tax was withheld.

If you did not get a W-2, see page 20. (20)

Enclose, but do not staple, any payment. Also, please use **Form 1040-V.** (49)

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	(20)
8a	**Taxable** interest. Attach Schedule B if required	8a	(20)
b	**Tax-exempt** interest. DO NOT include on line 8a — 8b (20)		
9	Ordinary dividends. Attach Schedule B if required (B-1)	9	(20)
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 21)	10	(21)
11	Alimony received	11	(21)
12	Business income or (loss). Attach Schedule C or C-EZ (NEW)	12	(21)
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ ☐	13	(22)
14	Other gains or (losses). Attach Form 4797	14	(22)
15a	Total IRA distributions — 15a (22) — b Taxable amount (see page 22)	15b	(22)
16a	Total pensions and annuities — 16a (22) — b Taxable amount (see page 22)	16b	(22)
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
18	Farm income or (loss). Attach Schedule F.	18	
19	Unemployment compensation	19	(24)
20a	Social security benefits — 20a (24) — b Taxable amount (see page 24)	20b	(24)
21	Other income. List type and amount (see page 24) (24)	21	
22	Add the amounts in the far right column for lines 7 through 21. This is your **total income** ▶	22	

Adjusted Gross Income

23	IRA deduction (see page 26)	23	(26)
24	Student loan interest deduction (see page 26)	24	(26)
25	Medical savings account deduction. Attach Form 8853	25	(28)
26	Moving expenses. Attach Form 3903	26	(28)
27	One-half of self-employment tax. Attach Schedule SE	27	(28)
28	Self-employed health insurance deduction (see page 28)	28	(28)
29	Keogh and self-employed SEP and SIMPLE plans	29	(29)
30	Penalty on early withdrawal of savings	30	(29)
31a	Alimony paid b Recipient's SSN ▶	31a	(29)
32	Add lines 23 through 31a	32	(29)
33	Subtract line 32 from line 22. This is your **adjusted gross income** ▶	33	(29)

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see page 54. Cat. No. 11320B Form **1040** (1999)

Tax Return Page Reference

Questions about what to put on a line? Help is on the page number in the circle.

Tax and Credits

34	Amount from line 33 (adjusted gross income)		34	
35a	Check if: ☐ **You** were 65 or older, ☐ Blind; ☐ **Spouse** was 65 or older, ☐ Blind. Add the number of boxes checked above and enter the total here ▶ 35a			
b	If you are married filing separately and your spouse itemizes deductions or you were a dual-status alien, see page 30 and check here ▶ 35b ☐			
36	Enter your **itemized deductions** from Schedule A, line 28, **OR standard deduction** shown on the left. **But** see page 30 to find your standard deduction if you checked any box on line 35a or 35b **or** if someone can claim you as a dependent		36	
37	Subtract line 36 from line 34		37	
38	If line 34 is $94,975 or less, multiply $2,750 by the total number of exemptions claimed on line 6d. If line 34 is over $94,975, see the worksheet on page 31 for the amount to enter		38	
39	**Taxable income.** Subtract line 38 from line 37. If line 38 is more than line 37, enter -0-		39	
40	**Tax** (see page 31). Check if any tax is from **a** ☐ Form(s) 8814 **b** ☐ Form 4972 ▶		40	
41	Credit for child and dependent care expenses. Attach Form 2441	41		
42	Credit for the elderly or the disabled. Attach Schedule R	42		
43	Child tax credit (see page 33)	43		
44	Education credits. Attach Form 8863	44		
45	Adoption credit. Attach Form 8839	45		
46	Foreign tax credit. Attach Form 1116 if required	46		
47	Other. Check if from **a** ☐ Form 3800 **b** ☐ Form 8396 **c** ☐ Form 8801 **d** ☐ Form (specify) _____	47		
48	Add lines 41 through 47. These are your **total credits**		48	
49	Subtract line 48 from line 40. If line 48 is more than line 40, enter -0- ▶		49	

Standard Deduction for Most People

Single: $4,300

Head of household: $6,350

Married filing jointly or Qualifying widow(er): $7,200

Married filing separately: $3,600

Other Taxes

50	Self-employment tax. Attach Schedule SE	50	
51	Alternative minimum tax. Attach Form 6251	51	
52	Social security and Medicare tax on tip income not reported to employer. Attach Form 4137	52	
53	Tax on IRAs, other retirement plans, and MSAs. Attach Form 5329 if required	53	
54	Advance earned income credit payments from Form(s) W-2	54	
55	Household employment taxes. Attach Schedule H	55	
56	Add lines 49 through 55. This is your **total tax** ▶	56	

Payments

57	Federal income tax withheld from Forms W-2 and 1099	57		
58	1999 estimated tax payments and amount applied from 1998 return	58		
59a	**Earned income credit.** Attach Sch. EIC if you have a qualifying child	59a		
b	Nontaxable earned income: amount ▶ and type ▶			
60	Additional child tax credit. Attach Form 8812	60		
61	Amount paid with request for extension to file (see page 48)	61		
62	Excess social security and RRTA tax withheld (see page 48)	62		
63	Other payments. Check if from **a** ☐ Form 2439 **b** ☐ Form 4136	63		
64	Add lines 57, 58, 59a, and 60 through 63. These are your **total payments** ▶		64	

Refund

Have it directly deposited! See page 48 and fill in 66b, 66c, and 66d.

65	If line 64 is more than line 56, subtract line 56 from line 64. This is the amount you **OVERPAID**		65	
66a	Amount of line 65 you want **REFUNDED TO YOU** ▶		66a	
▶ b	Routing number ▶ c Type: ☐ Checking ☐ Savings			
▶ d	Account number			
67	Amount of line 65 you want **APPLIED TO YOUR 2000 ESTIMATED TAX** ▶	67		

Amount You Owe

68	If line 56 is more than line 64, subtract line 64 from line 56. This is the **AMOUNT YOU OWE**. For details on how to pay, see page 49 ▶		68	
69	Estimated tax penalty. Also include on line 68	69		

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Joint return? See page 18. Keep a copy for your records.

Your signature	Date	Your occupation	Daytime telephone number (optional) ( )
Spouse's signature. If a joint return, BOTH must sign.	Date	Spouse's occupation	

Paid Preparer's Use Only

Preparer's signature ▶	Date	Check if self-employed ☐	Preparer's SSN or PTIN
Firm's name (or yours if self-employed) and address ▶			EIN
			ZIP code

A Message From the Commissioner

Dear Taxpayer,

As we begin the year 2000 tax filing season, the IRS continues to work to put service first for America's taxpayers. We want to build on the strong foundation we established last year and give you more support and help than ever before. Our goal is to provide the easiest and most efficient ways for you to get the information, service, and assistance you need not only during the tax filing season, but throughout the year.

Last year, we expanded our toll-free telephone hours to times that met your needs and busy schedules. More than 250 IRS offices across the nation also offered Saturday service on 13 weekends at times and locations convenient to you. We are also working to ensure that you receive complete and accurate service as well as correct information on your tax law questions and your account.

We now have a vigorous electronic tax filing program in place. On-line filing last year ran 161 percent ahead of the previous year's pace as more taxpayers discovered the advantages of electronically filing their returns. It is not only fast, safe, and virtually error free, but taxpayers filing by our *e-file* program receive refunds in half the time of paper returns—even faster with direct deposit.

If you used your personal computer to file last year, you may also have the opportunity for totally paperless filing. In addition, Form 1040 e-filers with a balance due can once again pay their taxes with a credit card.

We are also making it easier for taxpayers to get forms and information, whether it is by mail, toll-free telephone, our web site (www.irs.gov), fax machine, or CD-ROMs. In addition, we hope to be able to add even more services as we bring new technology online, and just as importantly, measure your satisfaction with our services.

As we enter the new millennium, the IRS is engaged in its most fundamental reorganization in almost a half century that will require change in almost every aspect of the agency. The modernized IRS will be built around serving taxpayer groups with specific needs such as yours. Through these changes we can succeed in producing an IRS that better serves America's taxpayers—both individually and collectively—but there are no quick fixes. This process will take years to accomplish, but we are convinced of the necessity and value to you of reaching this higher level of performance.

Thank you.

Sincerely,

Charles O. Rossotti

Charles O. Rossotti

The IRS Mission

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all.

IRS Customer Service Standards

At the IRS our goal is to continually improve the quality of our services. To achieve that goal, we have developed customer service standards in the following areas:

- **Easier filing and payment options**
- **Access to information**
- **Accuracy**
- **Prompt refunds**
- **Initial contact resolution**
- **Canceling penalties**
- **Resolving problems**
- **Simpler forms**

If you would like information about the IRS standards and a report of our accomplishments, see **Pub. 2183.**

Help With Unresolved Tax Issues

Office of the Taxpayer Advocate

Contacting Your Taxpayer Advocate

If you have attempted to deal with an IRS problem unsuccessfully, you should contact your Taxpayer Advocate.

The Taxpayer Advocate independently represents your interests and concerns within the IRS by protecting your rights and resolving problems that have not been fixed through normal channels.

While Taxpayer Advocates cannot change the tax law or make a technical tax decision, they can clear up problems that resulted from previous contacts and ensure that your case is given a complete and impartial review.

Handling Your Tax Problems

Your assigned personal advocate will listen to your point of view and will work with you to address your concerns. You can expect the advocate to provide you with:

- A "fresh look" at your problem
- Timely acknowledgment
- The name and phone number of the individual assigned to your case
- Updates on progress
- Timeframes for action
- Speedy resolution
- Courteous service

Information You Should Be Prepared To Provide

- Your name, address, and social security number (or employer identification number)
- Your telephone number and hours you can be reached
- The type of tax return and year(s) involved
- A detailed description of your problem
- Your previous attempts to solve the problem and the office you contacted, and
- Description of the hardship you are facing (if applicable)

How To Contact Your Taxpayer Advocate

- Call the Taxpayer Advocate's toll-free number: **1-877-777-4778**
- Call the general IRS toll-free number (1-800-829-1040) and ask for Taxpayer Advocate assistance
- Call, write, or fax the Taxpayer Advocate office in your area (see **Pub. 1546** for addresses and phone numbers)
- TTY/TDD help is available by calling 1-800-829-4059

Filing Your Taxes Was Never Easier!

Click into the 21st Century with

CLICK.ZIP.FAST ROUND TRIP

Take advantage of the benefits of IRS *e-file!*

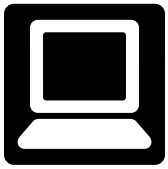
- Get your refund in half the time, even faster with Direct Deposit
- File now and pay later — you can pay your balance due with a credit card or Direct Debit up until April 17, 2000
- Reduce your chance of receiving an error notice from the IRS — IRS *e-file* is more accurate than a paper return
- File your Federal and state tax returns together
- Get proof within 48 hours that your return has been accepted
- Use free or low-cost alternatives — on the IRS Web Site click on "Electronic Services" and then on "IRS *e-file* Partners"
- Privacy and security are assured

The *Fastest, Most Accurate* Way To File Your Taxes

Get all the details on page 52 or check out the IRS Web Site at www.irs.gov.

Quick and Easy Access to Tax Help and Forms

Note. If you live outside the United States, see **Pub. 54** to find out how to get help and forms.



PERSONAL COMPUTER

You can access the IRS's Internet Web Site 24 hours a day, 7 days a week, at **www.irs.gov** to:

- Download Forms, Instructions, and Publications
- See Answers to Frequently Asked Tax Questions
- Search Publications On-Line by Topic or Keyword
- Figure Your Withholding Allowances Using our W-4 Calculator
- Send Us Comments or Request Help by E-Mail
- Sign up to Receive Local and National Tax News by E-Mail

You can also reach us using File Transfer Protocol at ftp.irs.gov

FAX

You can get over 100 of the most requested forms and instructions 24 hours a day, 7 days a week, by fax. Just call **703-368-9694** from the telephone connected to the fax machine. See pages 8 and 9 for a list of the items available.

MAIL

You can order forms, instructions, and publications by completing the order blank on page 55. You should receive your order within 10 days after we receive your request.

PHONE

You can get forms, publications, and automated information 24 hours a day, 7 days a week, by phone.

Forms and Publications

Call **1-800-TAX-FORM** (1-800-829-3676) to order current and prior year forms, instructions, and publications. You should receive your order within 10 days.

TeleTax Topics

Call **1-800-829-4477** to listen to pre-recorded messages covering about 150 tax topics. See pages 10 and 11 for a list of the topics.

Refund Information

You can check the status of your 1999 refund using TeleTax's Refund Information service. See page 10.

WALK-IN

You can pick up some of the most requested forms, instructions, and publications at many IRS offices, post offices, and libraries. Some IRS offices and libraries have an extensive collection of products available to photocopy or print from a CD-ROM.

CD-ROM

Order **Pub. 1796,** Federal Tax Products on CD-ROM, and get:

- Current Year Forms, Instructions, and Publications
- Prior Year Forms, Instructions, and Publications
- Popular Tax Forms That May Be Filled in Electronically, Printed out for Submission, and Saved for Recordkeeping
- The Internal Revenue Bulletin

Buy the CD-ROM on the Internet at **www.irs.gov/cdorders** from the National Technical Information Service (NTIS) for $16 (plus a $5 handling fee), and save 30% or call **1-877-CDFORMS** (1-877-233-6767) toll free to buy the CD-ROM for $23 (plus a $5 handling fee).

You can also get help in other ways—See page 52 for information.

Forms by Fax

The following forms and instructions are available through our **Tax Fax** service 24 hours a day, 7 days a week. Just call **703-368-9694** from the telephone connected to the fax machine. When you call, you will hear instructions on how to use the service. Select the option for getting forms. Then, enter the **Catalog No.** (Cat. No.) shown below for each item you want. When you hang up the phone, the fax will begin.

Name of Form or Instructions	Title of Form or Instructions	Cat. No.	No. of Pages
Form SS-4	Application for Employer Identification Number	16055	4
Form SS-8	Determination of Employee Work Status for Purposes of Federal Employment Taxes and Income Tax Withholding	16106	4
Form W-2c	Corrected Wage and Tax Statement	61437	8
Form W-3c	Transmittal of Corrected Wage and Tax Statements	10164	2
Instr. W-2c and W-3c		25978	4
Form W-4	Employee's Withholding Allowance Certificate	10220	2
Form W-4P	Withholding Certificate for Pension or Annuity Payments	10225	4
Form W-5	Earned Income Credit Advance Payment Certificate	10227	3
Form W-7	Application for IRS Individual Taxpayer Identification Number	10229	3
Form W-7A	Application for Taxpayer Identification Number for Pending U.S. Adoptions	24309	2
Form W-7P	Application for Preparer Tax Identification Number	26781	1
Form W-9	Request for Taxpayer Identification Number and Certification	10231	2
Instr. W-9		20479	2
Form W-9S	Request for Student's or Borrower's Taxpayer Identification Number and Certification	25240	2
Form W-10	Dependent Care Provider's Identification and Certification	10437	1
Form 709	U.S. Gift (and Generation-Skipping Transfer) Tax Return	16783	4
Instr. 709		16784	8
Form 709A	U.S. Short Form Gift Tax Return	10171	2
Form 843	Claim for Refund and Request for Abatement	10180	1
Instr. 843		11200	2
Form 940	Employer's Annual Federal Unemployment (FUTA) Tax Return	11234	2
Instr. 940		13660	6
Form 940-EZ	Employer's Annual Federal Unemployment (FUTA) Tax Return	10983	2
Instr. 940-EZ		25947	4
Form 941	Employer's Quarterly Federal Tax Return	17001	3
Instr. 941		14625	4
Form 941c	Supporting Statement To Correct Information	11242	4
Form 990	Return of Organization Exempt From Income Tax	11282	6
Instr. 990 & 990-EZ	General Instructions for Forms 990 and 990-EZ	22386	14
Instr. 990	Specific Instructions for Form 990	50002	16
Schedule A (Form 990)	Organization Exempt Under Section 501(c)(3)	11285	6
Instr. Sch. A (Form 990)		11294	8
Form 990-EZ	Short Form Return of Organization Exempt From Income Tax	10642	2
Instr. 990-EZ	Specific Instructions for Form 990-EZ	50003	9
Form 1040	U.S. Individual Income Tax Return	11320	2
Instr. 1040	Line Instructions for Form 1040	11325	33
Instr. 1040	General Information for Form 1040	24811	26
Tax Table and Tax Rate Sch.	Tax Table and Tax Rate Schedules (Form 1040)	24327	13
Schedules A&B (Form 1040)	Itemized Deductions & Interest and Ordinary Dividends	11330	2
Instr. Sch. A&B		24328	8
Schedule C (Form 1040)	Profit or Loss From Business (Sole Proprietorship)	11334	2
Instr. Sch. C		24329	9
Schedule C-EZ (Form 1040)	Net Profit From Business (Sole Proprietorship)	14374	2
Schedule D (Form 1040)	Capital Gains and Losses	11338	2
Instr. Sch. D		24331	7
Schedule D-1 (Form 1040)	Continuation Sheet for Schedule D	10424	2
Schedule E (Form 1040)	Supplemental Income and Loss	11344	2
Instr. Sch. E		24332	6
Schedule EIC (Form 1040A or 1040)	Earned Income Credit	13339	2
Schedule F (Form 1040)	Profit or Loss From Farming	11346	2
Instr. Sch. F		24333	7
Schedule H (Form 1040)	Household Employment Taxes	12187	2
Instr. Sch. H		21451	8
Schedule J (Form 1040)	Farm Income Averaging	25513	2
Instr. Sch. J		25514	4
Schedule R (Form 1040)	Credit for the Elderly or the Disabled	11359	2
Instr. Sch. R		11357	4
Schedule SE (Form 1040)	Self-Employment Tax	11358	2
Instr. Sch. SE		24334	4
Form 1040A	U.S. Individual Income Tax Return	11327	2
Schedule 1 (Form 1040A)	Interest and Ordinary Dividends for Form 1040A Filers	12075	1
Schedule 2 (Form 1040A)	Child and Dependent Care Expenses for Form 1040A Filers	10749	2
Schedule 3 (Form 1040A)	Credit for the Elderly or the Disabled for Form 1040A Filers	12064	2
Instr. Sch. 3		12059	4
Form 1040-ES	Estimated Tax for Individuals	11340	7
Form 1040EZ	Income Tax Return for Single and Joint Filers With No Dependents	11329	2

Name of Form or Instructions	Title of Form or Instructions	Cat. No.	No. of Pages
Form 1040NR	U.S. Nonresident Alien Income Tax Return	11364	5
Instr. 1040NR		11368	32
Form 1040NR-EZ	U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents	21534	2
Instr. 1040NR-EZ		21718	12
Form 1040X	Amended U.S. Individual Income Tax Return	11360	2
Instr. 1040X		11362	6
Form 1116	Foreign Tax Credit	11440	2
Instr. 1116		11441	12
Form 1310	Statement of Person Claiming Refund Due a Deceased Taxpayer	11566	2
Form 2106	Employee Business Expenses	11700	2
Instr. 2106		64188	4
Form 2106-EZ	Unreimbursed Employee Business Expenses	20604	2
Form 2120	Multiple Support Declaration	11712	1
Form 2210	Underpayment of Estimated Tax by Individuals, Estates, and Trusts	11744	3
Instr. 2210		63610	5
Form 2290	Heavy Highway Vehicle Use Tax Return	11250	3
Instr. 2290		27231	8
Form 2441	Child and Dependent Care Expenses	11862	2
Instr. 2441		10842	3
Form 2553	Election by a Small Business Corporation	18629	2
Instr. 2553		49978	2
Form 2555	Foreign Earned Income	11900	3
Instr. 2555		11901	4
Form 2555-EZ	Foreign Earned Income Exclusion	13272	2
Instr. 2555-EZ		14623	3
Form 2688	Application for Additional Extension of Time To File U.S. Individual Income Tax Return	11958	2
Form 2848	Power of Attorney and Declaration of Representative	11980	2
Instr. 2848		11981	3
Form 3903	Moving Expenses	12490	2
Form 4136	Credit for Federal Tax Paid on Fuels	12625	4
Form 4137	Social Security and Medicare Tax on Unreported Tip Income	12626	2
Form 4506	Request for Copy or Transcript of Tax Form	41721	2
Form 4562	Depreciation and Amortization	12906	2
Instr. 4562		12907	11
Form 4684	Casualties and Thefts	12997	2
Instr. 4684		12998	4
Form 4797	Sales of Business Property	13086	2
Instr. 4797		13087	4
Form 4835	Farm Rental Income and Expenses	13117	2
Form 4868	Application for Automatic Extension of Time To File U.S. Individual Income Tax Return	13141	4
Form 4952	Investment Interest Expense Deduction	13177	2
Form 4972	Tax on Lump-Sum Distributions	13187	2
Instr. 4972		13188	4
Form 5329	Additional Taxes Attributable to IRAs, Other Qualified Retirement Plans, Annuities, Modified Endowment Contracts, and MSAs	13329	2
Instr. 5329		13330	4
Form 6198	At-Risk Limitations	50012	1
Instr. 6198		50013	7
Form 6251	Alternative Minimum Tax—Individuals	13600	2
Instr. 6251		64277	8
Form 6252	Installment Sale Income	13601	2
Instr. 6252		64262	2
Form 6781	Gains and Losses From Section 1256 Contracts and Straddles	13715	3
Form 8271	Investor Reporting of Tax Shelter Registration Number	61924	2
Form 8283	Noncash Charitable Contributions	62299	2
Instr. 8283		62730	4
Form 8300	Report of Cash Payments Over $10,000 Received in a Trade or Business	62133	4
Form 8332	Release of Claim to Exemption for Child of Divorced or Separated Parents	13910	1
Form 8379	Injured Spouse Claim and Allocation	62474	2
Form 8582	Passive Activity Loss Limitations	63704	3
Instr. 8582		64294	11
Form 8586	Low-Income Housing Credit	63987	2
Form 8606	Nondeductible IRAs	63966	2
Instr. 8606		25399	6
Form 8615	Tax for Children Under Age 14 Who Have Investment Income of More Than $1,400	64113	2
Form 8718	User Fee for Exempt Organization Determination Letter Request	64728	1
Form 8801	Credit for Prior Year Minimum Tax—Individuals, Estates, and Trusts	10002	4
Form 8809	Request for Extension of Time To File Information Returns	10322	2
Form 8812	Additional Child Tax Credit	10644	2
Form 8814	Parents' Election To Report Child's Interest and Dividends	10750	2
Form 8815	Exclusion of Interest From Series EE and I U.S. Savings Bonds Issued After 1989	10822	2
Form 8822	Change of Address	12081	2
Form 8824	Like-Kind Exchanges	12311	4
Form 8829	Expenses for Business Use of Your Home	13232	1
Instr. 8829		15683	4
Form 8839	Qualified Adoption Expenses	22843	2
Instr. 8839		23077	4
Form 8850	Pre-Screening Notice and Certification Request for the Work Opportunity and Welfare-to-Work Credits	22851	2
Instr. 8850		24833	2
Form 8853	Medical Savings Accounts and Long-Term Care Insurance Contracts	24091	2
Instr. 8853		24188	8
Form 8857	Request for Innocent Spouse Relief	24647	4
Form 8859	District of Columbia First-Time Homebuyer Credit	24779	2
Form 8862	Information To Claim Earned Income Credit After Disallowance	25145	2
Instr. 8862		25343	2
Form 8863	Education Credits	25379	3
Form 9465	Installment Agreement Request	14842	2

What Is TeleTax?

Call TeleTax at **1-800-829-4477** for:

Refund Information. Check the status of your **1999** refund.

Recorded Tax Information. There are about 150 topics that answer many Federal tax questions. You can listen to up to three topics on each call you make.

How Do You Use Tele-Tax?

Refund Information

Refund information is not available until at least 4 weeks after you file your return (3 weeks if you file electronically), and sometimes is not available for up to 6 weeks. Please wait at least 4 weeks from the date you filed before calling to check the status of your refund. Do not send in a copy of your return unless asked to do so.

Be sure to have a copy of your 1999 tax return available because you will need to know the first social security number shown on your return, the filing status, and the **exact** whole-dollar amount of your refund. Then, call **1-800-829-4477** and follow the recorded instructions.

The IRS updates refund information every 7 days, over the weekend. Refunds are sent out weekly, on Fridays. If you call to check the status of your refund and are not given the date it will be issued, please wait until the next week before calling back.

Recorded Tax Information

Recorded tax information is available 24 hours a day, 7 days a week. Select the number of the topic you want to hear. Then, call **1-800-829-4477.** Have paper and pencil handy to take notes.

Topics by Personal Computer

TeleTax topics are also available using a personal computer and modem (connect to **www.irs.gov**).

TeleTax Topics—All topics are available in Spanish

Topic No.	Subject
	IRS Help Available
101	IRS services—Volunteer tax assistance, toll-free telephone, walk-in assistance, and outreach programs
102	Tax assistance for individuals with disabilities and the hearing impaired
103	Small Business Tax Education Program (STEP)—Tax help for small businesses
104	Taxpayer Advocate Service—Help for problem situations
105	Public libraries—Tax information tapes and reproducible tax forms
	IRS Procedures
151	Your appeal rights
152	Refunds—How long they should take
153	What to do if you haven't filed your tax return (Nonfilers)
154	Form W-2—What to do if not received
155	Forms and Publications—How to order
156	Copy of your tax return—How to get one
157	Change of address—How to notify IRS
158	Ensuring proper credit of payments
	Collection
201	The collection process
202	What to do if you can't pay your tax
203	Failure to pay child support and other Federal obligations
204	Offers in compromise
205	Innocent spouse relief
	Alternative Filing Methods
251	Form 1040PC tax return
252	Electronic filing
253	Substitute tax forms
254	How to choose a tax preparer
255	TeleFile
	General Information
301	When, where, and how to file
302	Highlights of tax changes
303	Checklist of common errors when preparing your tax return
304	Extensions of time to file your tax return
305	Recordkeeping
306	Penalty for underpayment of estimated tax
307	Backup withholding
308	Amended returns
309	Roth IRA contributions
310	Education IRA contributions
311	Power of attorney information
	Filing Requirements, Filing Status, and Exemptions
351	Who must file?
352	Which form—1040, 1040A, or 1040EZ?
353	What is your filing status?
354	Dependents
355	Estimated tax
356	Decedents
	Types of Income
401	Wages and salaries
402	Tips
403	Interest received
404	Dividends
405	Refunds of state and local taxes
406	Alimony received
407	Business income
408	Sole proprietorship
409	Capital gains and losses
410	Pensions and annuities
411	Pensions—The general rule and the simplified method
412	Lump-sum distributions
413	Rollovers from retirement plans
414	Rental income and expenses
415	Renting vacation property and renting to relatives
416	Farming and fishing income
417	Earnings for clergy
418	Unemployment compensation
419	Gambling income and expenses
420	Bartering income

TeleTax Topics

(Continued)

Topic No.	Subject
421	Scholarship and fellowship grants
422	Nontaxable income
423	Social security and equivalent railroad retirement benefits
424	401(k) plans
425	Passive activities—Losses and credits
426	Other income
427	Stock options
428	Roth IRA distributions
	Adjustments to Income
451	Individual retirement arrangements (IRAs)
452	Alimony paid
453	Bad debt deduction
454	Tax shelters
455	Moving expenses
456	Student loan interest deduction
	Itemized Deductions
501	Should I itemize?
502	Medical and dental expenses
503	Deductible taxes
504	Home mortgage points
505	Interest expense
506	Contributions
507	Casualty losses
508	Miscellaneous expenses
509	Business use of home
510	Business use of car
511	Business travel expenses
512	Business entertainment expenses
513	Educational expenses
514	Employee business expenses
515	Disaster area losses
	Tax Computation
551	Standard deduction
552	Tax and credits figured by the IRS
553	Tax on a child's investment income
554	Self-employment tax
555	Five- or ten-year tax options for lump-sum distributions
556	Alternative minimum tax
557	Tax on early distributions from traditional and Roth IRAs
558	Tax on early distributions from retirement plans

Topic No.	Subject
	Tax Credits
601	Earned income credit (EIC)
602	Child and dependent care credit
603	Credit for the elderly or the disabled
604	Advance earned income credit
605	Education credits
606	Child tax credits
607	Adoption credit
608	Excess social security and RRTA tax withheld
	IRS Notices
651	Notices—What to do
652	Notice of underreported income—CP 2000
653	IRS notices and bills, penalty and interest charges
	Basis of Assets, Depreciation, and Sale of Assets
701	Sale of your home after May 6, 1997
702	Sale of your home before May 7, 1997
703	Basis of assets
704	Depreciation
705	Installment sales
	Employer Tax Information
751	Social security and Medicare withholding rates
752	Form W-2—Where, when, and how to file
753	Form W-4—Employee's Withholding Allowance Certificate
754	Form W-5—Advance earned income credit
755	Employer identification number (EIN)—How to apply
756	Employment taxes for household employees
757	Form 941—Deposit requirements
758	Form 941—Employer's Quarterly Federal Tax Return
759	Form 940 and 940-EZ—Deposit requirements
760	Form 940 and Form 940-EZ—Employer's Annual Federal Unemployment Tax Return
761	Tips—Withholding and reporting
762	Independent contractor vs. employee

Topic No.	Subject
	Magnetic Media Filers—1099 Series and Related Information Returns
801	Who must file magnetically
802	Applications, forms, and information
803	Waivers and extensions
804	Test files and combined Federal and State filing
805	Electronic filing of information returns
	Tax Information for Aliens and U.S. Citizens Living Abroad
851	Resident and nonresident aliens
852	Dual-status alien
853	Foreign earned income exclusion—General
854	Foreign earned income exclusion—Who qualifies?
855	Foreign earned income exclusion—What qualifies?
856	Foreign tax credit
857	Individual Taxpayer Identification Number—Form W-7
858	Alien tax clearance
	Tax Information for Puerto Rico Residents (in Spanish only)
901	Who must file a U.S. income tax return in Puerto Rico
902	Deductions and credits for Puerto Rico filers
903	Federal employment taxes in Puerto Rico
904	Tax assistance for Puerto Rico residents

Topic numbers are effective January 1, 2000.

Calling the IRS

If you cannot answer your question by using one of the methods listed on page 7, please call us for assistance at **1-800-829-1040.** You will not be charged for the call unless your phone company charges you for local calls. This service is available 24 hours a day, 7 days a week, from January 3, 2000, through April 17, 2000. Beginning April 18, 2000, this service is available Monday through Saturday from 7:00 a.m. until 11:00 p.m. local time. Holiday hours may vary.

TIP If you want to check the status of your **1999 refund,** call **TeleTax** at **1-800-829-4477** (see page 10 for instructions).

Before You Call

IRS representatives care about the quality of the service we provide to you, our customer. You can help us provide accurate, complete answers to your questions by having the following information available.

- The tax form, schedule, or notice to which your question relates.
- The facts about your particular situation. The answer to the same question often varies from one taxpayer to another because of differences in their age, income, whether they can be claimed as a dependent, etc.
- The name of any IRS publication or other source of information that you used to look for the answer.

To maintain your account security, you may be asked for the following information, which you should also have available.

- Your social security number.
- The amount of refund and filing status shown on your tax return.
- The "Caller ID Number" shown at the top of any notice you received.
- Your personal identification number (PIN) if you have one.
- Your date of birth.
- The numbers in your street address.
- Your ZIP code.

If you are asking for an installment agreement to pay your tax, you will be asked for the highest amount you can pay each month and the date on which you can pay it.

Evaluation of Services Provided. The IRS uses several methods to evaluate the quality of this telephone service. One method is for a second IRS representative to sometimes listen in on or record telephone calls. Another is to ask some callers to complete a short survey at the end of the call.

Making the Call

Call **1-800-829-1040** (for TTY/TDD help, call 1-800-829-4059). If you have a pulse or rotary dial phone, stay on the line and one of our assisters will answer.

If you have a touch-tone phone, press **1** to enter our automated system. You can press the number for your topic as soon as you hear it. The system will direct you to the appropriate assistance. You may not need to speak to a representative to get your answer. You can do the following within the system.

- Order tax forms and publications.
- Find out the status of your refund or what you owe.
- Determine if we have adjusted your account or received payments you made.
- Request a transcript of your account.
- Find out where to send your tax return or payment.
- Request more time to pay or set up a monthly installment agreement.

Before You Hang Up

If you do not fully understand the answer you receive, or you feel our representative may not fully understand your question, our representative needs to know this. He or she will be happy to take additional time to be sure your question is answered fully.

By law, you are responsible for paying your share of Federal income tax. If we should make an error in answering your question, you are still responsible for the payment of the correct tax. Should this occur, however, you will not be charged any penalty.

Before You Fill In Form 1040

See **How To Avoid Common Mistakes** on page 50.

If you were in the Balkans or the Persian Gulf area (for example, you participated in Operation Joint Forge or Operation Allied Force), see **Pub. 3.**

For details on these and other changes, see **Pub. 553** or see **What's Hot** at www.irs.gov.

What's New for 1999?

Capital Gain Distributions—No Schedule D for Many People!

You may not have to file Schedule D just to report your capital gain distributions. See the instructions for line 13 on page 22. If you do not have to file Schedule D, be sure you check the box on line 13.

Child Tax Credits

If you have a child who was under age 17 at the end of 1999, you may be able to claim either or both of these credits:

- The Child Tax Credit.
- The Additional Child Tax Credit.

The total of these credits can be as much as $500 for each qualifying child. To find out if you have a qualifying child, see the instructions for line 6c, column (4), on page 19. Figure the **child tax credit** first. See the instructions for line 43 on page 33.

If you have three or more qualifying children and you are not able to claim the full $500 child tax credit for each child, you may be able to claim the **additional child tax credit.** See the instructions for line 60 on page 48. The additional child tax credit is refundable; that is, it may give you a refund even if you do not owe any tax. Use **Form 8812** to figure this credit.

Student Loan Interest Deduction

If you paid interest on a qualified student loan, you may be able to deduct up to $1,500 of the interest on line 24. See the instructions for line 24 on page 26.

Self-Employed Health Insurance Deduction

You may be able to deduct up to 60% of your health insurance. See the instructions for line 28 on page 28.

Did You Convert Part or All of an IRA to a Roth IRA in 1998?

If you did and you chose to report the taxable amount over 4 years, you must report the amount that is taxable in 1999 on line 15b. See **1998 Roth IRA Conversions** on page 22.

IRA Deduction Allowed to More People Covered by Retirement Plans

You may be able to take an IRA deduction if you were covered by a retirement plan and your modified adjusted gross income is less than the amount shown below that applies to you.

- Single, head of household, or married filing separately and you lived apart from your spouse for all of 1999—$41,000.
- Married filing jointly or qualifying widow(er)—$61,000.

See the instructions for line 23 on page 26.

Tax From Recapture of Education Credits

You may owe this tax if you claimed an education credit on your 1998 tax return and, in 1999, you, your spouse if filing jointly, or your dependent received:

- A refund of qualified tuition and related expenses, or
- Tax-free educational assistance.

See **Form 8863** for details.

Business Standard Mileage Rate

The rate for business use of a vehicle before April 1, 1999, is 32½ cents a mile. The rate for business use of a vehicle after March 31, 1999, is 31 cents a mile.

Earned Income Credit (EIC)

You may be able to take this credit if you earned less than $30,580 (less than $10,200 if you do not have any qualifying children). See the instructions for lines 59a and 59b that begin on page 38.

New Look for Child Tax Credit and EIC Instructions

You may notice that those instructions look different from the others in this booklet. We are trying this new approach as a way of simplifying our instructions to serve you better. To help us evaluate the effectiveness of the new instructions, we are interested in hearing your comments. See page 54 for details on how to send us your comments.

Photographs of Missing Children

The IRS is a proud partner with the National Center for Missing and Exploited Children. Photographs of missing children selected by the Center may appear in this booklet on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling **1-800-THE-LOST** (1-800-843-5678) if you recognize a child.

What To Look for in 2000

Student Loan Interest Deduction

You may be able to deduct up to $2,000 of the interest you pay on a qualified student loan.

IRA Deduction Allowed to More People Covered by Retirement Plans

You may be able to take an IRA deduction if you are covered by a retirement plan and your 2000 modified adjusted gross income is less than the amount shown below that applies to you.

- Single, head of household, or married filing separately and you lived apart from your spouse for all of 2000—$42,000.
- Married filing jointly or qualifying widow(er)—$62,000.

Filing Requirements

These rules apply to all U.S. citizens, regardless of where they live, and resident aliens.

Do You Have To File?

Use **Chart A, B,** or **C** to see if you must file a return. U.S. citizens who lived in or had income from a U.S. possession should see **Pub. 570.** Residents of Puerto Rico can use TeleTax topic 901 (see page 10) to see if they must file.

TIP Even if you do not otherwise have to file a return, you should file one to get a refund of any Federal income tax withheld. You should also file if you are eligible for the earned income credit or the additional child tax credit.

Exception for Children Under Age 14

If you are planning to file a return for your child who was under age 14 on January 1, 2000, and certain other conditions apply, you may elect to report your child's income on your return. But you must use **Form 8814** to do so. If you make this election, your child does not have to file a return. For details, use TeleTax topic 553 (see page 10) or see Form 8814.

Nonresident Aliens and Dual-Status Aliens

These rules also apply to nonresident aliens and dual-status aliens who were married to U.S. citizens or residents at the end of 1999 and who have elected to be taxed as resident aliens. Other nonresident aliens and dual-status aliens have different filing requirements. They may have to file **Form 1040NR** or **Form 1040NR-EZ.** Specific rules apply to determine if you are a resident or nonresident alien. See **Pub. 519** for details, including the rules for students and scholars who are aliens.

When Should You File?

Not later than **April 17, 2000.** If you file after this date, you may have to pay penalties and interest. See page 53.

What if You Cannot File on Time?

You can get an automatic 4-month extension if, by April 17, 2000 you **either** file **Form 4868** or pay part or all of the tax you expect to owe for 1999 by phone using your credit card (American Express® Card, MasterCard®, or Discover® Card). For details on how to get an extension with your credit card, see Form 4868.

CAUTION Filing Form 4868 or paying by credit card does not extend the time to pay your income tax. See Form 4868.

If you are a U.S. citizen or resident, you may qualify for an automatic extension of time to file without filing Form 4868 or paying by credit card, if, on the due date of your return, you meet one of the following conditions:

- You live outside the United States and Puerto Rico, AND your main place of business or post of duty is outside the United States and Puerto Rico.
- You are in military or naval service on duty outside the United States and Puerto Rico.

This extension gives you an extra 2 months to file and pay the tax, but interest will be charged from the original due date of the return on any unpaid tax. You must attach a statement to your return showing that you meet the requirements.

Where Do You File?

See the back cover of this booklet for filing instructions and addresses. For details on using a private delivery service to mail your return or payment, see page 17.

Chart A—For Most People

IF your filing status is . . .	AND at the end of 1999 you were* . . .	THEN file a return if your gross income** was at least . . .
Single	under 65 65 or older	$7,050 8,100
Married filing jointly***	under 65 (both spouses) 65 or older (one spouse) 65 or older (both spouses)	$12,700 13,550 14,400
Married filing separately	any age	$2,750
Head of household (see page 18)	under 65 65 or older	$9,100 10,150
Qualifying widow(er) with dependent child (see page 18)	under 65 65 or older	$9,950 10,800

* *If you turned 65 on January 1, 2000, you are considered to be age 65 at the end of 1999.*

** ***Gross income*** *means all income you received in the form of money, goods, property, and services that is not exempt from tax including any income from sources outside the United States (even if you may exclude part or all of it).* ***Do not*** *include social security benefits unless you are married filing a separate return and you lived with your spouse at any time in 1999.*

*** *If you did not live with your spouse at the end of 1999 (or on the date your spouse died) and your gross income was at least $2,750, you must file a return regardless of your age.*

Chart B—For Children and Other Dependents (See the instructions for line 6c on page 19 to find out if someone can claim you as a dependent.)

If your parent (or someone else) can claim you as a dependent, use this chart to see if you must file a return.

In this chart, **unearned income** includes taxable interest, ordinary dividends, and capital gain distributions. **Earned income** includes wages, tips, and taxable scholarship and fellowship grants. **Gross income** is the total of your unearned and earned income.

If your gross income was $2,750 or more, you usually cannot be claimed as a dependent unless you were under age 19 **or** a student under age 24. For details, see **Pub. 501.**

Single dependents. Were you **either** age 65 or older **or** blind?

☐ **No.** You must file a return if **any** of the following apply.
- Your **unearned income** was over $700.
- Your **earned income** was over $4,300.
- Your **gross income** was more than the **larger** of—
  - $700, **or**
  - Your earned income (up to $4,050) plus $250.

☐ **Yes.** You must file a return if **any** of the following apply.
- Your unearned income was over $1,750 ($2,800 if 65 or older **and** blind).
- Your earned income was over $5,350 ($6,400 if 65 or older **and** blind).
- Your gross income was more than—

The larger of:	PLUS	This amount:
• $700, **or** • Your earned income (up to $4,050) plus $250	}	$1,050 ($2,100 if 65 or older **and** blind)

Married dependents. Were you **either** age 65 or older **or** blind?

☐ **No.** You must file a return if **any** of the following apply.
- Your unearned income was over $700.
- Your earned income was over $3,600.
- Your gross income was at least $5 and your spouse files a separate return and itemizes deductions.
- Your gross income was more than the **larger** of—
  - $700, **or**
  - Your earned income (up to $3,350) plus $250.

☐ **Yes.** You must file a return if **any** of the following apply.
- Your unearned income was over $1,550 ($2,400 if 65 or older **and** blind).
- Your earned income was over $4,450 ($5,300 if 65 or older **and** blind).
- Your gross income was at least $5 and your spouse files a separate return and itemizes deductions.
- Your gross income was more than—

The larger of:	PLUS	This amount:
• $700, **or** • Your earned income (up to $3,350) plus $250	}	$850 ($1,700 if 65 or older **and** blind)

Chart C—Other Situations When You Must File

You must file a return if any of the four conditions below apply for 1999.

1. You owe any special taxes, such as:
- Social security and Medicare tax on tips you did not report to your employer,
- Uncollected social security and Medicare or RRTA tax on tips you reported to your employer or on group-term life insurance,
- Alternative minimum tax,
- Recapture taxes (see the instructions for line 40 on page 31 and line 56 on page 37), or
- Tax on an individual retirement arrangement (IRA), other retirement plan, or on a medical savings account (MSA). But if you are filing a return only because you owe this tax, you can file **Form 5329** by itself.

2. You received any advance earned income credit (EIC) payments from your employer. These payments are shown in box 9 of your W-2 form.

3. You had net earnings from self-employment of at least $400.

4. You earned wages of $108.28 or more from a church or qualified church-controlled organization that is exempt from employer social security and Medicare taxes.

Where To Report Certain Items From 1999 Forms W-2, 1098, and 1099

Report on Form 1040, line 57, any amounts shown on these forms as **Federal income tax withheld.** If you itemize your deductions, report on Schedule A, line 5, any amounts shown on these forms as **state or local income tax withheld.**

Form	Item and Box in Which it Should Appear	Where To Report if Filing Form 1040
W-2	Wages, salaries, tips, etc. (box 1)	Form 1040, line 7
	Allocated tips (box 8)	See **Tip income** on page 20
	Advance EIC payments (box 9)	Form 1040, line 54
	Dependent care benefits (box 10)	Form 2441, line 10
	Adoption benefits (box 13, code **T**)	Form 8839, line 22
	Employer contributions to an MSA (box 13, code **R**)	Form 8853, line 3b
W-2G	Gambling winnings (box 1)	Form 1040, line 21 (Schedule C or C-EZ for professional gamblers)
1098	Mortgage interest (box 1) Points (box 2)	Schedule A, line 10*
	Refund of overpaid interest (box 3)	Form 1040, line 21, but first see the instructions on Form 1098*
1098-E	Student loan interest (box 1)	See the instructions for Form 1040, line 24, on page 26*
1099-A	Acquisition or abandonment of secured property	See Pub. 544
1099-B	Stocks, bonds, etc. (box 2)	Schedule D
	Bartering (box 3)	See Pub. 525
	Futures contracts (box 9)	Form 6781
1099-C	Canceled debt (box 2)	Form 1040, line 21, but first see the instructions on Form 1099-C*
1099-DIV	Ordinary dividends (box 1)	Form 1040, line 9
	Total capital gain distributions (box 2a)	Form 1040, line 13, or, if required, Schedule D, line 13, column (f)
	28% rate gain (box 2b)	Schedule D, line 13, column (g)
	Unrecaptured section 1250 gain (box 2c)	See the worksheet for Schedule D, line 25, on page D-7
	Section 1202 gain (box 2d)	See the instructions for Schedule D
	Nontaxable distributions (box 3)	See the instructions for Form 1040, line 9, on page 20
	Investment expenses (box 5)	Schedule A, line 22
	Foreign tax paid (box 6)	Form 1040, line 46, or Schedule A, line 8
1099-G	Unemployment compensation (box 1)	Form 1040, line 19. But if you repaid any unemployment compensation in 1999, see the instructions for line 19 on page 24
	State or local income tax refund (box 2)	See the instructions for Form 1040, line 10, on page 21*
	Qualified state tuition program earnings (box 5)	Form 1040, line 21
	Taxable grants (box 6)	Form 1040, line 21*
	Agriculture payments (box 7)	See the Schedule F instructions or Pub. 225

** If the item relates to an activity for which you are required to file Schedule C, C-EZ, E, or F, or Form 4835, report the taxable or deductible amount allocable to the activity on that schedule or form instead.*

(continued)

Form	Item and Box in Which it Should Appear	Where To Report if Filing Form 1040
1099-INT	Interest income (box 1)	Form 1040, line 8a
	Early withdrawal penalty (box 2)	Form 1040, line 30
	Interest on U.S. savings bonds and Treasury obligations (box 3)	See the instructions for Form 1040, line 8a, on page 20
	Investment expenses (box 5)	Schedule A, line 22
	Foreign tax paid (box 6)	Form 1040, line 46, or Schedule A, line 8
1099-LTC	Long-term care and accelerated death benefits	See the instructions for Form 8853
1099-MISC	Rents (box 1)	See the instructions for Schedule E
	Royalties (box 2)	Schedule E, line 4 (timber, coal, iron ore royalties, see Pub. 544)
	Other income (box 3)	Form 1040, line 21*
	Nonemployee compensation (box 7)	Schedule C, C-EZ, or F (Form 1040, line 7, if you were not self-employed)
	Other (boxes 5, 6, 8, 9, and 10)	See the instructions on Form 1099-MISC
1099-MSA	Distributions from medical savings accounts	Form 8853
1099-OID	Original issue discount (box 1)	See the instructions on Form 1099-OID
	Other periodic interest (box 2)	
	Early withdrawal penalty (box 3)	Form 1040, line 30
1099-PATR	Patronage dividends and other distributions from a cooperative (boxes 1, 2, 3, and 5)	Schedule C, C-EZ, or F, or Form 4835, but first see the instructions on Form 1099-PATR
	Credits (boxes 7 and 8)	Form 3468 or Form 5884
	Patron's AMT adjustment (box 9)	Form 6251, line 14j
1099-R	Distributions from IRAs**	See the instructions for Form 1040, lines 15a and 15b, on page 22
	Distributions from pensions, annuities, etc.	See the instructions for Form 1040, lines 16a and 16b, on page 22
	Capital gain (box 3)	See the instructions on Form 1099-R
1099-S	Gross proceeds from real estate transactions (box 2)	Form 4797, Form 6252, or Schedule D. But if the property was your home, see the instructions for Schedule D to find out if you must report the sale or exchange.
	Buyer's part of real estate tax (box 5)	See the instructions for Schedule A, line 6, on page A-2*

* *If the item relates to an activity for which you are required to file Schedule C, C-EZ, E, or F, or Form 4835, report the taxable or deductible amount allocable to the activity on that schedule or form instead.*

** *This includes distributions from Roth, SEP, SIMPLE, and education IRAs.*

Private Delivery Services

You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. The most recent list of designated private delivery services was published by the IRS in August 1999. The list includes only the following:

- Airborne Express (Airborne): Overnight Air Express Service, Next Afternoon Service, and Second Day Service.
- DHL Worldwide Express (DHL): DHL "Same Day" Service, and DHL USA Overnight.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, and FedEx 2Day.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, and UPS 2nd Day Air A.M.

The private delivery service can tell you how to get written proof of the mailing date.

Private delivery services cannot deliver items to P.O. boxes. You must use the U.S. Postal Service to mail any item to an IRS P.O. box address.

Line Instructions for Form 1040

Name and Address

Use the Peel-Off Label

Using your peel-off name and address label in this booklet will speed the processing of your return. It also prevents common errors that can delay refunds or result in unnecessary notices. Put the label on your return **after** you have finished it. Cross out any errors and print the correct information. Add any missing items, such as your apartment number.

Address Change

If the address on your peel-off label is not your current address, cross out your old address and print your new address. If you plan to move after filing your return, see page 51.

Name Change

If you changed your name, be sure to report the change to your local Social Security Administration office **before** filing your return. This prevents delays in processing your return and issuing refunds. It also safeguards your future social security benefits. If you received a peel-off label, cross out your former name and print your new name.

What If You Do Not Have a Label?

Print or type the information in the spaces provided. If you are married filing a separate return, enter your husband's or wife's name on line 3 instead of below your name.

TIP If you filed a joint return for 1998 and you are filing a joint return for 1999 with the same spouse, be sure to enter your names and SSNs in the same order as on your 1998 return.

P.O. Box

Enter your box number instead of your street address **only** if your post office does not deliver mail to your home.

Foreign Address

Enter the information in the following order: city, province or state, and country. Follow the country's practice for entering the postal code. Please **do not** abbreviate the country name.

Death of a Taxpayer

See page 51.

Social Security Number (SSN)

An incorrect or missing SSN may increase your tax or reduce your refund. **To apply for an SSN,** get **Form SS-5** from your local Social Security Administration (SSA) office or call the SSA at 1-800-772-1213. Fill in Form SS-5 and return it to the SSA. It usually takes about 2 weeks to get an SSN.

Check that your SSN is correct on your Forms W-2 and 1099. See page 51 for more details.

IRS Individual Taxpayer Identification Numbers (ITINs) for Aliens

The IRS will issue you an ITIN if you are a nonresident or resident alien and you do not have and are not eligible to get an SSN. **To apply for an ITIN,** file **Form W-7** with the IRS. It usually takes about 30 days to get an ITIN. **Enter your ITIN wherever your SSN is requested on your tax return.**

Note. An ITIN is for tax use only. It does not entitle you to social security benefits or change your employment or immigration status under U.S. law.

Nonresident Alien Spouse

If your spouse is a nonresident alien and you file a joint or separate return, your spouse must have either an SSN or an ITIN.

Presidential Election Campaign Fund

This fund helps pay for Presidential election campaigns. The fund reduces candidates' dependence on large contributions from individuals and groups and places candidates on an equal financial footing in the general election. If you want $3 to go to this fund, check the "Yes" box. If you are filing a joint return, your spouse may also have $3 go to the fund. If you check "Yes," your tax or refund will not change.

Filing Status

Check **only** the filing status that applies to you. The ones that will usually give you the lowest tax are listed last.

- Married filing separately.
- Single.
- **Head of household.** This status is for unmarried people who paid over half the cost of keeping up a home for a qualifying person, such as a child or parent. Certain married people who lived apart from their spouse for the last 6 months of 1999 may also be able to use this status.
- Married filing jointly or Qualifying widow(er) with dependent child. The **Qualifying widow(er)** status is for certain people whose spouse died in 1997 or 1998 and who had a child living with them whom they can claim as a dependent.

Joint and Several Tax Liability. If you file a joint return, both you and your spouse are generally responsible for the tax and any interest or penalties due on the return. This means that if one spouse does not pay the tax due, the other may have to. However, see **Innocent Spouse Relief** on page 51.

TIP More than one filing status may apply to you. Choose the one that will give you the lowest tax. If you are not sure about your filing status, use TeleTax topic 353 (see page 10) or see **Pub. 501.**

Exemptions

You usually can deduct $2,750 on line 38 for each exemption you can take.

Line 6b

Spouse

Check the box on line 6b if you file either **(1)** a joint return, or **(2)** a separate return and your spouse had no income and is not filing a return. However, **do not** check the

box if your spouse can be claimed as a dependent on another person's return.

Line 6c

Dependents

You can take an exemption for each of your dependents. The following is a brief description of the five tests that must be met for a person to qualify as your dependent. If you have **more than six** dependents, attach a statement to your return with the required information.

Relationship Test. The person must be either your relative or have lived in your home as a family member all year. If the person is not your relative, the relationship must not violate local law.

Joint Return Test. If the person is married, he or she cannot file a joint return. But the person can file a joint return if the return is filed only as a claim for refund **and** no tax liability would exist for either spouse if they had filed separate returns.

Citizen or Resident Test. The person must be a U.S. citizen or resident alien, or a resident of Canada or Mexico. There is an exception for certain adopted children. To find out who is a **resident alien,** use TeleTax topic 851 (see page 10) or see **Pub. 519.**

Income Test. The person's gross income must be less than $2,750. But your child's gross income can be $2,750 or more if he or she was either **under age 19** at the end of 1999 or **under age 24** at the end of 1999 and was a **student.**

Support Test. You must have provided over half of the person's total support in 1999. But there are two exceptions to this test: one for children of divorced or separated parents and one for persons supported by two or more taxpayers.

TIP For more details about the tests, including any exceptions that apply, see **Pub. 501.**

Line 6c, Column (2)

You must enter each dependent's social security number (SSN). If you do not enter the correct SSN, at the time we process your return, we may disallow the exemption claimed for the dependent and reduce or disallow any other tax benefits (such as the child tax credit and the earned income credit) based on the dependent.

TIP For details on how your dependent can get an SSN, see page 18. If your dependent will not have a number by April 17, 2000, see **What if You Cannot File on Time?** on page 14.

If your dependent child was born and died in 1999 and you do not have an SSN for the child, you may attach a copy of the child's birth certificate instead and enter "DIED" in column (2).

Adoption Taxpayer Identification Numbers (ATINs). If you have a dependent who was placed with you by an authorized placement agency and you do not know his or her SSN, you must get an ATIN for the dependent from the IRS. See **Form W-7A** for details.

Line 6c, Column (4)

Check the box in this column if your dependent is a qualifying child for the child tax credit (defined below). If you have at least one qualifying child, you may be able to take the child tax credit on line 43.

Qualifying Child for Child Tax Credit. A qualifying child for purposes of the child tax credit is a child who:

- Is claimed as your dependent on line 6c, **and**
- Was **under age 17** at the end of 1999, **and**
- Is your son, daughter, adopted child, grandchild, stepchild, or foster child, **and**
- Is a United States citizen or resident alien.

Note. The above requirements are not the same as the requirements to be a qualifying child for the earned income credit.

A child placed with you by an authorized placement agency for legal adoption is an **adopted child** even if the adoption is not final.

A **grandchild** is any descendant of your son, daughter, or adopted child and includes your great-grandchild, great-great-grandchild, etc.

A **foster child** is any child you cared for as your own child and who lived with you for all of 1999. A child who was born or died in 1999 is considered to have lived with you for all of 1999 if your home was the child's home for the entire time he or she was alive during 1999.

Children Who Did Not Live With You Due to Divorce or Separation

If you are claiming a child who did not live with you under the rules in **Pub. 501** for children of divorced or separated parents, attach **Form 8332** or similar statement to your return. But see **Exception** below. If your divorce decree or separation agreement went into effect after 1984 and it states you can claim the child as your dependent without regard to any condition, such as payment of support, you may attach a copy of the following pages from the decree or agreement instead.

1. Cover page (put the other parent's SSN on that page),

2. The page that states you can claim the child as your dependent, and

3. Signature page with the other parent's signature and date of agreement.

Note. You must attach the required information even if you filed it in an earlier year.

Exception. You do not have to attach Form 8332 or similar statement if your divorce decree or written separation agreement went into effect before 1985 and it states that you can claim the child as your dependent.

Other Dependent Children

Include the total number of children who did not live with you for reasons other than divorce or separation on the line labeled "Dependents on 6c not entered above." Include dependent children who lived in Canada or Mexico during 1999.

Income

Foreign-Source Income

You must report unearned income, such as interest, dividends, and pensions, from sources outside the United States unless exempt by law or a tax treaty. You must also report earned income, such as wages and tips, from sources outside the United States.

If you worked abroad, you may be able to exclude part or all of your earned income. For details, see **Pub. 54** and **Form 2555** or **2555-EZ.**

Community Property States

Community property states are Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin. If you and your spouse lived in a community property state, you must usually

Need more information or forms? See page 7.

follow state law to determine what is community income and what is separate income. For details, see **Pub. 555.**

Rounding Off to Whole Dollars

To round off cents to the nearest whole dollar on your forms and schedules, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. If you do round off, do so for all amounts. But if you have to add two or more amounts to figure the amount to enter on a line, include cents when adding and only round off the total.

Line 7

Wages, Salaries, Tips, etc.

Enter the total of your wages, salaries, tips, etc. If a joint return, also include your spouse's income. For most people, the amount to enter on this line should be shown in box 1 of their **Form(s) W-2.** But the following types of income must also be included in the total on line 7.

- Wages received as a **household employee** for which you did not receive a W-2 form because your employer paid you less than $1,100 in 1999. Also, enter "HSH" and the amount not reported on a W-2 form on the dotted line next to line 7.
- **Tip income** you did not report to your employer. Also include **allocated tips** shown on your W-2 form(s) unless you can prove that you received less. Allocated tips should be shown in box 8 of your W-2 form(s). They are not included as income in box 1. See **Pub. 531** for more details.

CAUTION You may owe social security and Medicare tax on unreported or allocated tips. See the instructions for line 52 on page 36.

- **Dependent care benefits,** which should be shown in box 10 of your W-2 form(s). But first complete **Form 2441** to see if you may exclude part or all of the benefits.
- **Employer-provided adoption benefits,** which should be shown in box 13 of your W-2 form(s) with code **T.** But first complete **Form 8839** to see if you may exclude part or all of the benefits.
- **Scholarship and fellowship grants** not reported on a W-2 form. Also, enter "SCH" and the amount on the dotted line next to line 7. **Exception.** If you were a degree candidate, include on line 7 **only** the amounts you used for expenses other than tuition and course-related expenses. For example, amounts used for room, board, and travel must be reported on line 7.
- **Excess salary deferrals.** The amount deferred should be shown in box 13 of your W-2 form and the "Deferred compensation" box in box 15 should be checked. If the total amount you (or your spouse if filing jointly) deferred for 1999 under **all** plans was more than $10,000, include the excess on line 7. But a different limit may apply if amounts were deferred under a tax-sheltered annuity plan or an eligible plan of a state or local government or tax-exempt organization. See **Pub. 575** for details.

CAUTION You may **not** deduct the amount deferred. It is not included as income in box 1 of your W-2 form.

- **Disability pensions** shown on **Form 1099-R** if you have not reached the minimum retirement age set by your employer. Disability pensions received after you reach that age and other pensions shown on Form 1099-R (other than payments from an IRA*) are reported on lines 16a and 16b. Payments from an IRA are reported on lines 15a and 15b.
- **Corrective distributions** shown on **Form 1099-R** of **(1)** excess salary deferrals plus earnings and **(2)** excess contributions plus earnings to a retirement plan. But do not include distributions from an IRA* on line 7. Instead, report them on lines 15a and 15b.

**This includes a Roth, SEP, SIMPLE, or education IRA.*

Were You a Statutory Employee?

If you were, the "Statutory employee" box in box 15 of your W-2 form should be checked. Statutory employees include full-time life insurance salespeople, certain agent or commission drivers and traveling salespeople, and certain homeworkers. If you have related business expenses to deduct, report the amount shown in box 1 of your W-2 form on **Schedule C** or **C-EZ** along with your expenses.

Missing or Incorrect Form W-2?

If you do not get a W-2 form from your employer by January 31, 2000, use TeleTax topic 154 (see page 10) to find out what to do. Even if you do not get a Form W-2, you must still report your earnings on line 7. If you lose your Form W-2 or it is incorrect, ask your employer for a new one.

Line 8a

Taxable Interest

Each payer should send you a **Form 1099-INT** or **Form 1099-OID.** Report **all** of your taxable interest income on line 8a. But you must fill in and attach **Schedule B** if the total is over $400 or any of the other conditions listed at the beginning of the Schedule B instructions (see page B-1) apply to you.

Interest credited in 1999 on deposits that you could not withdraw because of the bankruptcy or insolvency of the financial institution may not have to be included in your 1999 income. For details, see **Pub. 550.**

TIP If you get a 1999 Form 1099-INT for U.S. savings bond interest that includes amounts you reported before 1999, see Pub. 550.

Line 8b

Tax-Exempt Interest

If you received any tax-exempt interest, such as from municipal bonds, report it on line 8b. Include any exempt-interest dividends from a mutual fund or other regulated investment company. **Do not** include interest earned on your IRA.

Line 9

Ordinary Dividends

Each payer should send you a **Form 1099-DIV.** Report your total ordinary dividends on line 9. But you must fill in and attach **Schedule B** if your total ordinary dividends are over $400 or you received, as a nominee, dividends that actually belong to someone else.

Capital Gain Distributions

If you received any capital gain distributions, see the instructions for line 13 on page 22.

Nontaxable Distributions

Some distributions are nontaxable because they are a return of your cost. They will not be taxed until you recover your cost. You must reduce your cost (or other basis) by these distributions. After you get back all of your cost (or other basis), you must report these distributions as capital gains on **Schedule D.** For details, see **Pub. 550.**

TIP Dividends on insurance policies are a partial return of the premiums you paid. **Do not** report them as dividends. Include them in income only if they exceed the total of all net premiums you paid for the contract.

Line 10

Taxable Refunds, Credits, or Offsets of State and Local Income Taxes

TIP None of your refund is taxable if, in the year you paid the tax, you **did not** itemize deductions.

If you received a refund, credit, or offset of state or local income taxes in 1999, you may receive a **Form 1099-G.** If you chose to apply part or all of the refund to your 1999 estimated state or local income tax, the amount applied is treated as received in 1999. If the refund was for a tax you paid in 1998 and you itemized deductions for 1998, use the worksheet below to see if any of your refund is taxable.

Exceptions. See **Recoveries** in **Pub. 525** instead of using the worksheet below if **any** of the following apply.

- You received a refund in 1999 that is for a tax year other than 1998.
- You received a refund other than an income tax refund, such as a real property tax refund, in 1999 of an amount deducted or credit claimed in an earlier year.
- Your 1998 taxable income was less than zero.
- You made your last payment of 1998 estimated state or local income tax in 1999.
- You owed alternative minimum tax in 1998.
- You could not deduct the full amount of credits you were entitled to in 1998 because the total credits exceeded the tax shown on your 1998 Form 1040, line 40.
- You could be claimed as a dependent by someone else in 1998.

Also, see **Tax Benefit Rule** in Pub. 525 instead of using the worksheet below if **all three** of the following apply.

1. You had to use the Itemized Deductions Worksheet in the 1998 Schedule A instructions because your 1998 adjusted gross income was over: $124,500 if single, married filing jointly, head of household, or qualifying widow(er); $62,250 if married filing separately.

2. You could not deduct all of the amount on line 1 of the 1998 Itemized Deductions Worksheet.

3. The amount on line 8 of that 1998 worksheet would be more than the amount on line 4 of that worksheet if the amount on line 4 were reduced by 80% of the refund you received in 1999.

Line 11

Alimony Received

Enter amounts received as alimony or separate maintenance. You must let the person who made the payments know your social security number. If you do not, you may have to pay a $50 penalty. For more details, use TeleTax topic 406 (see page 10) or see **Pub. 504.**

Line 12

Business Income or (Loss)

If you operated a business or practiced your profession as a sole proprietor, report your income and expenses on **Schedule C** or **C-EZ.**

State and Local Income Tax Refund Worksheet—Line 10

Keep for Your Records

1. Enter the income tax refund from **Form(s) 1099-G** (or similar statement). But **do not** enter more than the amount on your 1998 Schedule A (Form 1040), line 5 . . . . . **1.** _____

2. Enter your total allowable itemized deductions from your 1998 Schedule A (Form 1040), line 28 . . . . . **2.** _____

Note. If the filing status on your 1998 Form 1040 was married filing separately and your spouse itemized deductions in 1998, skip lines 3, 4, and 5, and enter the amount from line 2 on line 6.

3. Enter the amount shown below for the filing status claimed on your **1998** Form 1040.

- Single—$4,250
- Married filing jointly or qualifying widow(er)—$7,100
- Married filing separately—$3,550
- Head of household—$6,250

. . . **3.** _____

4. Did you fill in line 35a on your 1998 Form 1040?

☐ **No.** Enter -0-.

☐ **Yes.** Multiply the number on line 35a of your 1998 Form 1040 by: $850 if your 1998 filing status was married filing jointly or separately or qualifying widow(er); $1,050 if your 1998 filing status was single or head of household **4.** _____

5. Add lines 3 and 4 . . . . . **5.** _____

6. Subtract line 5 from line 2. If zero or less, enter -0- . . . . . **6.** _____

7. Taxable part of your refund. Enter the **smaller** of line 1 or line 6 here and on Form 1040, line 10 . . . . . **7.** _____

Need more information or forms? See page 7.

Line 13

Capital Gain or (Loss)

If you had a capital gain or loss, including any **capital gain distributions** from a mutual fund, you **must** complete and attach **Schedule D.**

Exception. You do not have to file Schedule D if **all three** of the following apply.

1. The only amounts you have to report on Schedule D are capital gain distributions from box 2a of **Forms 1099-DIV** or substitute statements.

2. None of the Forms 1099-DIV or substitute statements have an amount in box 2b (28% rate gain), box 2c (unrecaptured section 1250 gain), or box 2d (section 1202 gain).

3. If you are filing **Form 4952** (relating to investment interest expense deduction), the amount on line 4e of that form is not more than zero.

If all three of the above apply, enter your capital gain distributions on line 13 and check the box on that line. Also, be sure you use the **Capital Gain Tax Worksheet** on page 32 to figure your tax.

Line 14

Other Gains or (Losses)

If you sold or exchanged assets used in a trade or business, see the Instructions for **Form 4797.**

Lines 15a and 15b

IRA Distributions

Note. If you converted part or all of an IRA to a Roth IRA in 1998 and you chose to report the taxable amount over 4 years, see **1998 Roth IRA Conversions** on this page.

You should receive a **Form 1099-R** showing the amount of the distribution from your individual retirement arrangement (IRA). Unless otherwise noted in the line 15a and 15b instructions, an IRA includes a traditional IRA, Roth IRA, education (Ed) IRA, simplified employee pension (SEP) IRA, and a savings incentive match plan for employees (SIMPLE) IRA. Leave line 15a blank and enter the total distribution on line 15b.

Exception. Do not enter your total IRA distribution on line 15b if **any** of the following apply.

1. You made nondeductible contributions to any of your traditional or SEP IRAs for 1999 or an earlier year. Instead, use **Form 8606** to figure the amount to enter on line 15b; enter the total distribution on line 15a. If you made nondeductible contributions to these IRAs for 1999, also see **Pub. 590.**

2. You converted part or all of a traditional, SEP, or SIMPLE IRA to a Roth IRA in 1999. Instead, use Form 8606 to figure the amount to enter on line 15b; enter the total distribution on line 15a.

3. You made an excess contribution in 1999 to your IRA and withdrew it during the period of January 1, 2000, through April 17, 2000. Enter the total distribution on line 15a and the taxable part (the earnings) on line 15b.

4. You received a distribution from an Ed or Roth IRA and the total distribution was not rolled over into another IRA of the same type. Instead, use Form 8606 to figure the amount to enter on line 15b; enter the total distribution on line 15a.

5. You rolled your IRA distribution over into another IRA of the same type (for example, from one traditional IRA to another traditional IRA). Enter the total distribution on line 15a and put "Rollover" next to line 15b. If the total on line 15a was rolled over, enter zero on line 15b. If the total was not rolled over, enter the part not rolled over on line 15b. But if item **1** above also applies, use Form 8606 to figure the taxable part.

If you rolled over the distribution **(a)** in 2000 or **(b)** from a conduit IRA into a qualified plan, attach a statement explaining what you did.

CAUTION You may have to pay an additional tax if **(1)** you received an early distribution from your IRA and the total distribution was not rolled over, or **(2)** you were born before July 1, 1928, and received less than the minimum required distribution. See the instructions for line 53 that begin on page 36 for details.

1998 Roth IRA Conversions. If you converted an IRA to a Roth IRA in 1998 and you chose to report the taxable amount over 4 years, leave line 15a blank and enter on line 15b the amount from your **1998 Form 8606,** line 17. **But** you may have to enter a different amount on line 15b if **either** of the following applies.

- You received a distribution from a Roth IRA in 1998 **or** the owner of the Roth IRA died in 1999. See **Pub. 590** to figure the amount to enter on line 15b.
- You received a distribution from a Roth IRA in 1999. Use Form 8606 to figure the amount to enter on line 15b.

Note. If you received a distribution from another type of IRA, figure the taxable amount of the distribution and enter the total of the taxable amounts on line 15b.

Lines 16a and 16b

Pensions and Annuities

You should receive a **Form 1099-R** showing the amount of your pension and annuity payments. See page 24 for details on rollovers and lump-sum distributions. **Do not** include the following payments on lines 16a and 16b. Instead, report them on line 7.

- Disability pensions received before you reach the minimum retirement age set by your employer.
- Corrective distributions of excess salary deferrals or excess contributions to retirement plans.

TIP Attach Form(s) 1099-R to Form 1040 if any Federal income tax was withheld.

Fully Taxable Pensions and Annuities

If your pension or annuity is fully taxable, enter it on line 16b; **do not** make an entry on line 16a. Your payments are fully taxable if **either** of the following applies:

- You did not contribute to the cost (see page 24) of your pension or annuity, or
- You got your entire cost back tax free before 1999.

Fully taxable pensions and annuities also include military retirement pay shown on Form 1099-R. For details on military disability pensions, see **Pub. 525.** If you received a **Form RRB-1099-R,** see **Pub. 575** to find out how to report your benefits.

Partially Taxable Pensions and Annuities

If your pension or annuity is partially taxable and your Form 1099-R does not show the taxable part, you must use the General Rule to figure the taxable part. The General Rule is explained in **Pub. 939.** However, if your annuity starting date (defined on page 23) was **after** July 1, 1986, you may be able to use the Simplified Method explained on page 23. But if your annuity starting date was **after** November 18, 1996, and items **1, 2,** and **3** under **Simplified Method** apply,

you **must** use the Simplified Method to figure the taxable part.

You can ask the IRS to figure the taxable part for you for an $80 fee. For details, see Pub. 939.

If your Form 1099-R shows a taxable amount, you may report that amount on line 16b. But you may be able to report a lower taxable amount by using the General Rule or the Simplified Method.

Once you have figured the taxable part of your pension or annuity, enter that amount on line 16b and the total on line 16a.

Annuity Starting Date

Your annuity starting date is the later of the first day of the first period for which you received a payment, or the date the plan's obligations became fixed.

Simplified Method

If your annuity starting date (defined earlier) was **after** July 1, 1986, and **all three** of the following apply, you can use this simpler method. But if your annuity starting date was **after** November 18, 1996, and **all three** of the following apply, you **must** use the Simplified Method.

1. The payments are for **(a)** your life or **(b)** your life and that of your beneficiary.

2. The payments are from a qualified employee plan, a qualified employee annuity, or a tax-sheltered annuity.

3. At the time the pension or annuity payments began, either you were under age 75 or the number of years of guaranteed payments was fewer than 5. See Pub. 575 for the definition of guaranteed payments.

If all three apply, use the worksheet below to figure the taxable part of your pension or annuity. For more details on the Simplified Method, see Pub. 575 or **Pub. 721** for U.S. Civil Service retirement.

(Continued on page 24)

Simplified Method Worksheet—Lines 16a and 16b

Keep for Your Records

Note. If you had more than one partially taxable pension or annuity, figure the taxable part of each separately. Enter the total of the taxable parts on Form 1040, line 16b. Enter the total pension or annuity payments received in 1999 on Form 1040, line 16a.

1.	Enter the total pension or annuity payments received this year. Also, enter this amount on Form 1040, line 16a		**1.** _____
2.	Enter your cost in the plan at the annuity starting date plus any death benefit exclusion (see page 24)	**2.** _____	
3.	Enter the appropriate number from **Table 1** below. **But** if your annuity starting date was **after** 1997 **and** the payments are for your life and that of your beneficiary, enter the appropriate number from **Table 2** below	**3.** _____	
4.	Divide line 2 by the number on line 3	**4.** _____	
5.	Multiply line 4 by the number of months for which this year's payments were made. If your annuity starting date was **before** 1987, skip lines 6 and 7 and enter this amount on line 8. Otherwise, go to line 6	**5.** _____	
6.	Enter the amount, if any, recovered tax free in years after 1986	**6.** _____	
7.	Subtract line 6 from line 2	**7.** _____	
8.	Enter the **smaller** of line 5 or line 7		**8.** _____
9.	**Taxable amount.** Subtract line 8 from line 1. Enter the result, but not less than zero. Also, enter this amount on Form 1040, line 16b. If your Form 1099-R shows a larger amount, use the amount on this line instead of the amount from Form 1099-R		**9.** _____

TABLE 1 FOR LINE 3 ABOVE

IF the age at annuity starting date (see page 24) was . . .	**AND your annuity starting date was—** **before** November 19, 1996, enter on line 3 . . .	**after** November 18, 1996, enter on line 3 . . .
55 or under	300	360
56–60	260	310
61–65	240	260
66–70	170	210
71 or older	120	160

TABLE 2 FOR LINE 3 ABOVE

IF the combined ages at annuity starting date (see page 24) were . . .	**THEN** enter on line 3 . . .
110 or under	410
111–120	360
121–130	310
131–140	260
141 or older	210

Need more information or forms? See page 7.

If you received U.S. Civil Service retirement benefits and you chose the lump-sum credit option, use the worksheet in Pub. 721. **Do not** use the worksheet on page 23.

Age (or Combined Ages) at Annuity Starting Date

If you are the retiree, use your age on the annuity starting date. If you are the survivor of a retiree, use the retiree's age on his or her annuity starting date. **But** if your annuity starting date was after 1997 and the payments are for your life and that of your beneficiary, use your combined ages on the annuity starting date.

If you are the beneficiary of an employee who died, see Pub. 575. If there is more than one beneficiary, see Pub. 575 or Pub. 721 to figure each beneficiary's taxable amount.

Changing Methods

If your annuity starting date was **after** July 1, 1986, and **before** November 19, 1996, you may be able to change from the General Rule to the Simplified Method (or the other way around). For details, see Pub. 575 or Pub. 721.

Cost

Your cost is generally your net investment in the plan as of the annuity starting date. It should be shown in box 9b of Form 1099-R for the first year you received payments from the plan.

Death Benefit Exclusion. If you are the beneficiary of a deceased employee or former employee who died **before** August 21, 1996, amounts paid to you by, or on behalf of, an employer because of the death of the employee may qualify for a death benefit exclusion of up to $5,000. If you are entitled to this exclusion, add it to the amount you enter on line 2 of the worksheet on page 23. Do this even if the Form 1099-R shows a taxable amount. The payer of the annuity cannot add the death benefit exclusion to your cost when figuring the taxable amount. Special rules apply if you are the survivor under a joint and survivor's annuity. For details, see Pub. 939.

Rollovers

A rollover is a tax-free distribution of cash or other assets from one retirement plan that is contributed to another plan. Use lines 16a and 16b to report a rollover, including a direct rollover, from one qualified employer's plan to another or to an IRA or SEP.

Enter on line 16a the total distribution before income tax or other deductions were withheld. This amount should be shown in box 1 of **Form 1099-R.** From the total on line 16a, subtract any contributions (usually shown in box 5) that were taxable to you when made. From that result, subtract the amount that was rolled over either directly or within 60 days of receiving the distribution. Enter the remaining amount, even if zero, on line 16b. Also, put "Rollover" next to line 16b.

Special rules apply to partial rollovers of property. For more details on rollovers, including distributions under qualified domestic relations orders, see Pub. 575.

Lump-Sum Distributions

If you received a lump-sum distribution from a profit-sharing or retirement plan, your Form 1099-R should have the "Total distribution" box in box 2b checked. You may owe an additional tax if you received an early distribution from a qualified retirement plan and the total amount was not rolled over. For details, see the instructions for line 53 that begin on page 36.

Enter the total distribution on line 16a and the taxable part on line 16b.

You may be able to pay less tax on the distribution if you were at least age 59½ on the date of the distribution, you meet certain other conditions, and you choose to use **Form 4972** to figure the tax on any part of the distribution. You may also be able to use Form 4972 if you are the beneficiary of a deceased employee who was either age 59½ or older on the date of death or was born before 1936. For details, see Form 4972.

Line 19

Unemployment Compensation

You should receive a **Form 1099-G** showing the total unemployment compensation paid to you in 1999.

If you received an overpayment of unemployment compensation in 1999 and you repaid any of it in 1999, subtract the amount you repaid from the total amount you received. Enter the result on line 19. Also, enter "Repaid" and the amount you repaid on the dotted line next to line 19. If, in 1999, you repaid unemployment compensation that you included in gross income in an earlier year, you may deduct the amount repaid on Schedule A, line 22. But if you repaid more than $3,000, see **Repayments** in **Pub. 525** for details on how to report the repayment.

Lines 20a and 20b

Social Security Benefits

You should receive a **Form SSA-1099** showing in box 3 the total social security benefits paid to you. Box 4 will show the amount of any benefits you repaid in 1999. If you received railroad retirement benefits treated as social security, you should receive a **Form RRB-1099.**

Use the worksheet on page 25 to see if any of your benefits are taxable.

Exceptions. Do not use the worksheet on page 25 if **any** of the following apply.

- You made contributions to a traditional IRA for 1999 and you were covered by a retirement plan at work or through self-employment. Instead, use the worksheets in **Pub. 590** to see if any of your social security benefits are taxable and to figure your IRA deduction.
- You repaid any benefits in 1999 and your total repayments (box 4) were more than your total benefits for 1999 (box 3). **None** of your benefits are taxable for 1999. In addition, you may be able to take an itemized deduction for part of the excess repayments if they were for benefits you included in gross income in an earlier year. For more details, see **Pub. 915.**
- You file **Form 2555, 2555-EZ, 4563,** or **8815,** or you exclude employer-provided adoption benefits or income from sources within Puerto Rico. Instead, use the worksheet in Pub. 915.

Line 21

Other Income

Use this line to report any other income not reported on your return or other schedules. See examples that begin on page 25. List the type and amount of income. If necessary, show the required information on an attached statement. For more details, see **Miscellaneous Taxable Income** in **Pub. 525.**

Do not report any nontaxable income on line 21, such as child support; money or property that was inherited, willed to you, or received as a gift; or life insurance proceeds received because of a person's death.

Do not report on this line any income from **self-employment** or fees received as a notary public. Instead, you **must** use Schedule C, C-EZ, or F, even if you do not have any business expenses.

Examples of **income to report** on line 21 are:

- Prizes and awards.
- Gambling winnings, including lotteries, raffles, etc. For details on gambling losses, see the instructions for Schedule A, line 27, on page A-6.
- Jury duty fees. Also, see the instructions for line 32 on page 29.
- Alaska Permanent Fund dividends.
- Qualified state tuition program earnings.
- Reimbursements or other amounts received for items deducted in an earlier year, such as medical expenses, real estate taxes, or home mortgage interest. See **Recoveries** in Pub. 525 for details on how to figure the amount to report.

(Continued on page 26)

Social Security Benefits Worksheet—Lines 20a and 20b

Keep for Your Records

Before you begin:

- √ Complete Form 1040, lines 21, 23, and 25 through 31a, if they apply to you.
- √ Figure any amount to be entered on the dotted line next to line 32 (see page 29).
- √ If you are married filing separately and you **lived apart** from your spouse for all of 1999, enter "D" to the left of line 20a.
- √ Be sure you have read the **Exceptions** on page 24 to see if you must use a publication instead of this worksheet to find out if any of your benefits are taxable.

1. Enter the total amount from **box 5** of **all** your **Forms SSA-1099** and **RRB-1099** **1.** _____

2. Is the amount on line 1 more than zero?

☐ **No.** STOP None of your social security benefits are taxable.

☐ **Yes.** Enter one-half of line 1 . . . . . **2.** _____

3. Add the amounts on Form 1040, lines 7, 8a, 9 through 14, 15b, 16b, 17 through 19, and 21. Do not include amounts from box 5 of Forms SSA-1099 or RRB-1099 . . . . . **3.** _____

4. Enter the amount, if any, from Form 1040, line 8b . . . . . **4.** _____

5. Add lines 2, 3, and 4 . . . . . **5.** _____

6. Add the amounts on Form 1040, lines 23, and 25 through 31a, and any amount you entered on the dotted line next to line 32 . . . . . **6.** _____

7. Subtract line 6 from line 5 . . . . . **7.** _____

8. Enter: $25,000 if single, head of household, qualifying widow(er), or married filing separately and you **lived apart** from your spouse for all of 1999; $32,000 if married filing jointly; -0- if married filing separately and you lived with your spouse at any time in 1999 . . . . . **8.** _____

9. Is the amount on line 8 less than the amount on line 7?

☐ **No.** STOP None of your social security benefits are taxable. You do not have to enter any amounts on lines 20a or 20b of Form 1040. **But** if you are married filing separately and you **lived apart** from your spouse for all of 1999, enter -0- on line 20b. Be sure you entered "D" to the left of line 20a.

☐ **Yes.** Subtract line 8 from line 7 . . . . . **9.** _____

10. Enter: $9,000 if single, head of household, qualifying widow(er), or married filing separately and you **lived apart** from your spouse for all of 1999; $12,000 if married filing jointly; -0- if married filing separately and you lived with your spouse at any time in 1999 . . . . . **10.** _____

11. Subtract line 10 from line 9. If zero or less, enter -0- . . . . . **11.** _____

12. Enter the **smaller** of line 9 or line 10 . . . . . **12.** _____

13. Enter one-half of line 12 . . . . . **13.** _____

14. Enter the **smaller** of line 2 or line 13 . . . . . **14.** _____

15. Multiply line 11 by 85% (.85). If line 11 is zero, enter -0- . . . . . **15.** _____

16. Add lines 14 and 15 . . . . . **16.** _____

17. Multiply line 1 by 85% (.85) . . . . . **17.** _____

18. **Taxable social security benefits.** Enter the **smaller** of line 16 or line 17 . . . . . **18.** _____

- Enter the amount from line 1 above on Form 1040, line 20a.
- Enter the amount from line 18 above on Form 1040, line 20b.

TIP If part of your benefits are taxable for 1999 **and** they include benefits paid in 1999 that were for an earlier year, you may be able to reduce the taxable amount. See Pub. 915 for details.

Need more information or forms? See page 7.

- Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property. Also, see the instructions for line 32 on page 29.
- Income from an activity not engaged in for profit. See **Pub. 535.**
- Loss on certain corrective distributions of excess deferrals. See **Pub. 575.**

Adjusted Gross Income

Line 23

IRA Deduction

If you made any nondeductible contributions to a traditional IRA for 1999, you must report them on **Form 8606.**

If you made contributions to a traditional individual retirement arrangement (IRA) for 1999, you may be able to take an IRA deduction. But you, or your spouse if filing a joint return, must have had earned income to do so. For IRA purposes, earned income includes certain alimony received. See **Pub. 590** for details. You should receive a statement by May 31, 2000, that shows all contributions to your traditional IRA for 1999.

Use the worksheet on page 27 to figure the amount, if any, of your IRA deduction. **But read the following list before you fill in the worksheet.**

- If you were age 70½ or older at the end of 1999, you **cannot** deduct any contributions made to your traditional IRA for 1999 or treat them as nondeductible contributions.
- You **cannot** deduct contributions to a Roth IRA or an education IRA.

If you made contributions to both a traditional IRA and a Roth IRA for 1999, **do not** use the worksheet on page 27. Instead, use the worksheet in **Pub. 590** to figure the amount, if any, of your IRA deduction.

- You **cannot** deduct contributions to a 401(k) plan, SIMPLE plan, or the Federal Thrift Savings Plan. These amounts are not included as income in box 1 of your W-2 form.
- If you made contributions to your IRA in 1999 that you deducted for 1998, **do not** include them in the worksheet.
- If you received a distribution from a nonqualified deferred compensation plan or section 457 plan that is included in box 1 of your W-2 form, do not include that distribution on line 8 of the worksheet. The distribution should be shown in box 11 of your W-2 form.
- You must file a joint return to deduct contributions to your spouse's IRA. Enter the total IRA deduction for you and your spouse on line 23.
- Do not include rollover contributions in figuring your deduction. Instead, see the instructions for lines 15a and 15b on page 22.
- Do not include trustee's fees that were billed separately and paid by you for your IRA. These fees can be deducted only as an itemized deduction on Schedule A.
- If the total of your IRA deduction on Form 1040 plus any nondeductible contribution to your traditional IRAs shown on Form 8606 is less than your total traditional IRA contributions for 1999, see Pub. 590 for special rules.

By April 1 of the year after the year in which you turn age 70½, you must start taking minimum required distributions from your traditional IRA. If you do not, you may have to pay a 50% additional tax on the amount that should have been distributed. For details, including how to figure the minimum required distribution, see Pub. 590.

Were You Covered by a Retirement Plan?

If you were covered by a retirement plan (qualified pension, profit-sharing (including 401(k)), annuity, Keogh, SEP, SIMPLE, etc.) at work or through self-employment, your IRA deduction may be reduced or eliminated. But you can still make contributions to an IRA even if you cannot deduct them. In any case, the income earned on your IRA contributions is not taxed until it is paid to you.

The "Pension plan" box in box 15 of your W-2 form should be checked if you were covered by a plan at work even if you were not vested in the plan. You are also covered by a plan if you were self-employed and had a Keogh, SEP, or SIMPLE retirement plan.

If you were covered by a retirement plan and you file **Form 2555, 2555-EZ,** or **8815,** or you exclude employer-provided adoption benefits, see Pub. 590 to figure the amount, if any, of your IRA deduction.

Married Persons Filing Separately. If you were not covered by a retirement plan but your spouse was, **you** are considered covered by a plan unless you **lived apart** from your spouse for all of 1999.

Line 24

Student Loan Interest Deduction

Use the worksheet on page 28 to figure your student loan interest deduction if **all five** of the following apply.

1. You paid interest in 1999 on a qualified student loan (see below).

2. At least part of the interest paid in 1999 was paid during the first 60 months that interest payments were required to be made. See **Example** below.

3. Your filing status is any status **except** married filing separately.

4. Your modified adjusted gross income (AGI) is less than: $55,000 if single, head of household, or qualifying widow(er); $75,000 if married filing jointly. Most people can use lines 3 through 5 of the worksheet on page 28 to figure their modified AGI.

5. You are not claimed as a dependent on someone's (such as your parent's) 1999 tax return.

Example. You took out a qualified student loan in 1992 while in college. You had 6 years to repay the loan and your first monthly payment was due July 1994, after you graduated. You made a payment every month as required. If you meet items **3** through **5** listed above, you may use only the interest you paid for January through June 1999 to figure your deduction. June is the end of the 60-month period (July 1994–June 1999).

Qualified Student Loan. This is any loan you took out to pay the qualified higher education expenses for yourself, your spouse, or anyone who was your dependent when the loan was taken out. The person for whom the expenses were paid must have been an eligible student (see page 27). However, a loan is not a qualified student loan if **(1)** any of the proceeds were used for other purposes or **(2)** the loan was from either a related person or a person who borrowed the proceeds under a qualified employer plan or a contract purchased under such a plan. To find out who is a related person, see **Pub. 970.**

Qualified higher education expenses generally include tuition, fees, room and board, and related expenses such as books and supplies. The expenses must be for education in a degree, certificate, or similar program at an eligible educational institu-

tion. An eligible educational institution includes most colleges, universities, and certain vocational schools. You must reduce the expenses by the following nontaxable benefits.

- Employer-provided educational assistance benefits that are not included in box 1 of your W-2 form(s).
- Excludable U.S. series EE and I savings bond interest from **Form 8815.**
- Qualified distributions from an education IRA.
- Any scholarship, educational assistance allowance, or other payment (but **not** gifts, inheritances, etc.) excluded from income.

For more details on these expenses, see Pub. 970.

An **eligible student** is a person who:

- Was enrolled in a degree, certificate, or other program (including a program of study abroad that was approved for credit by the institution at which the student was enrolled) leading to a recognized educational credential at an eligible educational institution, **and**

IRA Deduction Worksheet—Line 23

Keep for Your Records

Before you begin:

√ Complete Form 1040, lines 25 through 31a, if they apply to you.

√ Figure any amount to be entered on the dotted line next to line 32 (see page 29).

√ Be sure you have read the list on page 26.

		Your IRA	Spouse's IRA
1a.	Were you covered by a retirement plan (see page 26)?	**1a.** ☐ Yes ☐ No	
1b.	If married filing jointly, was your spouse covered by a retirement plan?		**1b.** ☐ Yes ☐ No
	Next. If you checked "No" on line 1a, and, if married filing jointly, "No" on line 1b, skip lines 2–6, enter $2,000 on line 7a (and 7b if applicable), and go to line 8. Otherwise, go to line 2.		
2.	Enter the amount shown below for your filing status. • Single, head of household, or married filing separately and you **lived apart** from your spouse for all of 1999, enter $41,000 • Qualifying widow(er), enter $61,000 • Married filing jointly, enter $61,000 in both columns. But if you checked "No" on either line 1a or 1b, enter $160,000 for the person who was not covered by a plan • Married filing separately and you lived with your spouse at any time in 1999, enter $10,000	**2a.** _____	**2b.** _____
3.	Enter the amount from Form 1040, line 22 **3.** _____		
4.	Add amounts on Form 1040, lines 25 through 31a, and any amount you entered on the dotted line next to line 32 **4.** _____		
5.	Subtract line 4 from line 3. Enter the result in both columns	**5a.** _____	**5b.** _____
6.	Is the amount on line 5 less than the amount on line 2?		
	☐ **No.** STOP None of your IRA contributions are deductible. For details on nondeductible IRA contributions, see Form 8606.		
	☐ **Yes.** Subtract line 5 from line 2 in each column. **If the result is $10,000 or more, enter $2,000 on line 7 for that column**	**6a.** _____	**6b.** _____
7.	Multiply lines 6a and 6b by 20% (.20). If the result is not a multiple of $10, increase it to the next multiple of $10 (for example, increase $490.30 to $500). If the result is $200 or more, enter the result. But if it is less than $200, enter $200	**7a.** _____	**7b.** _____
8.	Enter your wages, and your spouse's if filing jointly, and other earned income from Form 1040, minus any deductions on Form 1040, lines 27 and 29. Do not reduce wages by any loss from self-employment **8.** _____		
	CAUTION If married filing jointly and line 8 is less than $4,000, **stop here** and see **Pub. 590** to figure your IRA deduction.		
9.	Enter traditional IRA contributions made, or that will be made by April 17, 2000, for 1999 to your IRA on line 9a and to your spouse's IRA on line 9b	**9a.** _____	**9b.** _____
10.	On line 10a, enter the **smallest** of line 7a, 8, or 9a. On line 10b, enter the **smallest** of line 7b, 8, or 9b. This is the most you can deduct. Add the amounts on lines 10a and 10b and enter the total on Form 1040, line 23. Or, if you want, you may deduct a smaller amount and treat the rest as a nondeductible contribution (see Form 8606)	**10a.** _____	**10b.** _____

Need more information or forms? See page 7.

- Carried at least half the normal full-time workload for the course of study he or she was pursuing.

Line 25

Medical Savings Account Deduction

If you made contributions to a medical savings account for 1999, you may be able to take this deduction. See **Form 8853.**

Line 26

Moving Expenses

If you moved in connection with your job or business or started a new job, you may be able to take this deduction. But your new workplace must be at least 50 miles farther from your old home than your old home was from your old workplace. If you had no former workplace, your new workplace must be at least 50 miles from your old home. Use TeleTax topic 455 (see page 10) or see **Form 3903.**

Line 27

One-Half of Self-Employment Tax

If you were self-employed and owe self-employment tax, fill in **Schedule SE** to figure the amount of your deduction.

Line 28

Self-Employed Health Insurance Deduction

You may be able to deduct part of the amount paid for health insurance for yourself, your spouse, and dependents if **either** of the following applies.

- You were self-employed and had a net profit for the year.
- You received wages in 1999 from an S corporation in which you were a more-than-2% shareholder. Health insurance benefits paid for you may be shown in box 14 of your W-2 form.

The insurance plan must be established under your business. But if you were also eligible to participate in any subsidized health plan maintained by your or your spouse's employer for any month or part of a month in 1999, amounts paid for health insurance coverage for that month cannot be used to figure the deduction. For example, if you were eligible to participate in a subsidized health plan maintained by your spouse's employer from September 30 through December 31, you cannot use amounts paid for health insurance coverage for September through December to figure your deduction. For more details, see **Pub. 535.**

If you qualify to take the deduction, use the worksheet on page 29 to figure the amount you can deduct.

Exception. Use Pub. 535 instead of the worksheet on page 29 to find out how to figure your deduction if **any** of the following apply.

- You had more than one source of income subject to self-employment tax.
- You file **Form 2555** or **2555-EZ.**
- You are using amounts paid for qualified long-term care insurance to figure the deduction.

Student Loan Interest Deduction Worksheet—Line 24

Keep for Your Records

Before you begin:

√ Complete Form 1040, lines 25 through 31a, if they apply to you.

√ Figure any amount to be entered on the dotted line next to line 32 (see page 29).

√ See the instructions for line 24 that begin on page 26.

CAUTION If you are filing **Form 2555, 2555-EZ,** or **4563,** or you are excluding income from sources within Puerto Rico, skip lines 3 and 4 below and see Pub. 970 to figure your modified AGI to enter on line 5 below.

1.	Enter the total interest you paid in 1999 on qualified student loans (defined on page 26). Do not include interest that was required to be paid after the first 60 months		**1.** _____
2.	Enter the **smaller** of line 1 or $1,500		**2.** _____
3.	Enter the amount from Form 1040, line 22	**3.** _____	
4.	Enter the total of the amounts from Form 1040, line 23, lines 25 through 31a, plus any amount you entered on the dotted line next to line 32	**4.** _____	
5.	Modified AGI. Subtract line 4 from line 3	**5.** _____	
6.	Enter the amount shown below for your filing status. • Single, head of household, or qualifying widow(er)—$40,000 • Married filing jointly—$60,000	**6.** _____	
7.	Is line 5 more than line 6? ☐ **No.** Skip lines 7 and 8, enter -0- on line 9, and go to line 10. ☐ **Yes.** Subtract line 6 from line 5	**7.** _____	
8.	Divide line 7 by $15,000. Enter the result as a decimal (rounded to at least three places). Do not enter more than "1.000"		**8.** .____
9.	Multiply line 2 by line 8		**9.** _____
10.	**Student loan interest deduction.** Subtract line 9 from line 2. Enter the result here and on Form 1040, line 24. **Do not** include this amount in figuring any other deduction on your return (such as on Schedule A, C, E, etc.)		**10.** _____

Line 29

Keogh and Self-Employed SEP and SIMPLE Plans

If you were self-employed or a partner, you may be able to take this deduction. See **Pub. 560.**

Line 30

Penalty on Early Withdrawal of Savings

The **Form 1099-INT** or **Form 1099-OID** you received will show the amount of any penalty you were charged.

Lines 31a and 31b

Alimony Paid

If you made payments to or for your spouse or former spouse under a divorce or separation instrument, you may be able to take this deduction. Use TeleTax topic 452 (see page 10) or see **Pub. 504.**

Line 32

Include in the total on line 32 any of the following adjustments. To find out if you can take the deduction, see the form or publication indicated. On the dotted line next to line 32, enter the amount of your deduction and identify it as indicated.

- Performing-arts-related expenses (see **Form 2106** or **2106-EZ**). Identify as "QPA."
- Jury duty pay given to your employer (see **Pub. 525**). Identify as "Jury Pay."
- Deductible expenses related to income reported on line 21 from the rental of personal property engaged in for profit. Identify as "PPR."
- Reforestation amortization (see **Pub. 535**). Identify as "RFST."
- Repayment of supplemental unemployment benefits under the Trade Act of 1974 (see **Pub. 525**). Identify as "Sub-Pay TRA."
- Contributions to section 501(c)(18) pension plans (see **Pub. 575**). Identify as "501(c)(18)."
- Deduction for clean-fuel vehicles (see **Pub. 535**). Identify as "Clean-Fuel."
- Employee business expenses of fee-basis state or local government officials (see **Form 2106** or **2106-EZ**). Identify as "FBO."

Line 33

If line 33 is less than zero, you may have a net operating loss that you can carry to another tax year. See **Pub. 536.**

Tax and Credits

Line 35a

If you were age 65 or older or blind, check the appropriate boxes on line 35a. If you were married and checked the box on line 6b of Form 1040 and your spouse was age 65 or older or blind, also check the appropriate boxes for your spouse. Be sure to enter the total number of boxes checked.

Age

If you were age 65 or older on January 1, 2000, check the "65 or older" box on your 1999 return.

Blindness

If you were partially blind as of December 31, 1999, you must get a statement certified by your eye doctor or registered optometrist that:

- You cannot see better than 20/200 in your better eye with glasses or contact lenses, or
- Your field of vision is 20 degrees or less.

If your eye condition is not likely to improve beyond the conditions listed above, you can get a statement certified by your eye doctor or registered optometrist to this effect instead.

You must keep the statement for your records.

Self-Employed Health Insurance Deduction Worksheet—Line 28

Keep for Your Records

Before you begin:

√ Be sure you have read the **Exception** on page 28 to see if you can use this worksheet instead of Pub. 535 to figure your deduction.

√ Complete Form 1040, line 29, if it applies to you.

1. Enter the total amount paid in 1999 for health insurance coverage established under your business for 1999 for you, your spouse, and dependents. But do not include amounts for any month you were eligible to participate in an employer-sponsored health plan	**1.**	_____
2. Multiply line 1 by 60% (.60)	**2.**	_____
3. Enter your net profit and any other earned income* from the business under which the insurance plan is established, minus any deductions you claim on Form 1040, lines 27 and 29	**3.**	_____
4. Self-employed health insurance deduction. Enter the **smaller** of line 2 or line 3 here and on Form 1040, line 28. **Do not** include this amount in figuring any medical expense deduction on Schedule A (Form 1040)	**4.**	_____

* ***Earned income*** *includes net earnings and gains from the sale, transfer, or licensing of property you created. It does not include capital gain income. If you were a more-than-2% shareholder in the S corporation under which the insurance plan is established, earned income is your wages from that corporation.*

Need more information or forms? See page 7.

Line 35b

If your spouse itemizes deductions on a separate return or if you were a dual-status alien, check the box on line 35b. But if you were a dual-status alien and you file a joint return with your spouse who was a U.S. citizen or resident at the end of 1999 and you and your spouse agree to be taxed on your combined worldwide income, **do not** check the box.

Line 36

Itemized Deductions or Standard Deduction

In most cases, your Federal income tax will be less if you take the **larger** of:

- Your itemized deductions, or
- Your standard deduction.

If you checked the box on **line 35b,** your standard deduction is zero.

Itemized Deductions

To figure your itemized deductions, fill in **Schedule A.**

Standard Deduction Chart for People Age 65 or Older or Blind—Line 36

If someone can claim you (or your spouse if married filing jointly) as a dependent, use the worksheet below instead.

Enter the number from the box on line 35a of Form 1040 . . . . . ▶ ☐

Do not use the number of exemptions from line 6d.

IF your filing status is . . .	AND the number in the box above is . . .	THEN your standard deduction is . . .
Single	1	$5,350
	2	6,400
Married filing jointly or Qualifying widow(er)	1	$8,050
	2	8,900
	3	9,750
	4	10,600
Married filing separately	1	$4,450
	2	5,300
	3	6,150
	4	7,000
Head of household	1	$7,400
	2	8,450

Standard Deduction Worksheet for Dependents—Line 36

Keep for Your Records

Use this worksheet **only** if someone can claim you (or your spouse if married filing jointly) as a dependent.

1. Add $250 to your **earned income*.** Enter the total . . . . . **1.** _____

2. Minimum standard deduction **2.** 700.00

3. Enter the **larger** of line 1 or line 2 . . . . . **3.** _____

4. Enter the amount shown below for your filing status.
- Single—$4,300
- Married filing separately—$3,600
- Married filing jointly or qualifying widow(er)—$7,200
- Head of household—$6,350

. . . . . **4.** _____

5. Standard deduction.

a. Enter the **smaller** of line 3 or line 4. If under 65 and not blind, **stop here** and enter this amount on Form 1040, line 36. **Otherwise,** go to line 5b . . . . . **5a.** _____

b. If 65 or older or blind, multiply the number on Form 1040, line 35a, by: $1,050 if single or head of household; $850 if married filing jointly or separately or qualifying widow(er) . . . . . **5b.** _____

c. Add lines 5a and 5b. Enter the total here and on Form 1040, line 36 . . . . . **5c.** _____

****Earned income*** *includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed. It also includes any amount received as a scholarship that you must include in your income. Generally, your earned income is the total of the amount(s) you reported on Form 1040, lines 7, 12, and 18, minus the amount, if any, on line 27.*

Standard Deduction

Most people can find their standard deduction by looking at the instructions to the left of line 36 of Form 1040. But if you checked **any** box on **line 35a OR** you (or your spouse if filing jointly) can be claimed as a dependent, use the chart or worksheet on page 30 that applies to you to figure your standard deduction. Also, if you checked the box on **line 35b,** your standard deduction is zero, even if you were age 65 or older or blind.

Electing To Itemize for State Tax or Other Purposes

If you itemize even though your itemized deductions are less than your standard deduction, enter "IE" next to line 36.

Line 39

Taxable Income

If You Want, the IRS Will Figure Your Tax and Some of Your Credits

Tax. If you have paid too much, we will send you a refund. If you did not pay enough, we will send you a bill. For details, including who is eligible and what to do, see **Pub. 967.**

Credit for the Elderly or the Disabled. If you can take this credit and you want us to figure it for you, see the Instructions for **Schedule R.**

Earned Income Credit (EIC). Follow the steps that begin on page 38 to see if you can take this credit and, if you can, what to do if you want us to figure it for you.

Line 40

Tax

Use one of the following methods to figure your tax. Also include in the total on line 40 any of the following taxes.

- Tax from **Forms 4972** and **8814.** Be sure to check the appropriate box(es).
- Tax from recapture of an education credit (see page 13). Enter the amount and "ECR" on the dotted line next to line 40.

Tax Table or Tax Rate Schedules

You must use the Tax Table or Tax Rate Schedules to figure your tax unless:

- You are required to use **Form 8615, Schedule D,** or the **Capital Gain Tax Worksheet** on page 32, **or**
- You use **Schedule J** (for farm income).

If your taxable income is less than $100,000, you **must** use the Tax Table, which starts on page 57. Be sure you use the correct column. If your taxable income is $100,000 or more, use the Tax Rate Schedules on page 69.

(Continued on page 32)

Deduction for Exemptions Worksheet—Line 38

Keep for Your Records

1. Is the amount on Form 1040, line 34, more than the amount shown on line 4 below for your filing status?

☐ **No.** STOP Multiply $2,750 by the total number of exemptions claimed on Form 1040, line 6d, and enter the result on line 38.

☐ **Yes.** *Continue*

2. Multiply $2,750 by the total number of exemptions claimed on Form 1040, line 6d . . . . . **2.** _____

3. Enter the amount from Form 1040, line 34 . . . . . **3.** _____

4. Enter the amount shown below for your filing status.

- Single—$126,600
- Married filing jointly or qualifying widow(er)—$189,950
- Married filing separately—$94,975
- Head of household—$158,300

. . **4.** _____

5. Subtract line 4 from line 3 . . . . . **5.** _____

Note. If line 5 is more than: $122,500 if single, married filing jointly, head of household, or qualifying widow(er); $61,250 if married filing separately, **stop here.** You **cannot** take a deduction for exemptions. Enter -0- on Form 1040, line 38.

6. Divide line 5 by: $2,500 if single, married filing jointly, head of household, or qualifying widow(er); $1,250 if married filing separately. If the result is not a whole number, increase it to the next higher whole number (for example, increase 0.0004 to 1) . . . . . **6.** _____

7. Multiply line 6 by 2% (.02) and enter the result as a decimal amount . . . . . **7.** ____.____

8. Multiply line 2 by line 7 . . . . . **8.** _____

9. **Deduction for exemptions.** Subtract line 8 from line 2. Enter the result here and on Form 1040, line 38 **9.** _____

Need more information or forms? See page 7.

Form 8615

Form 8615 must generally be used to figure the tax for any child who was under age 14 on January 1, 2000, and who had more than $1,400 of investment income, such as taxable interest or dividends. But if neither of the child's parents was alive on December 31, 1999, do not use Form 8615 to figure the child's tax.

Schedule D

If you had a net capital gain on Schedule D (both lines 16 and 17 of Schedule D are gains) and the amount on Form 1040, line 39, is more than zero, use Part IV of Schedule D to figure your tax.

Capital Gain Tax Worksheet

If you received capital gain distributions but you are not required to file Schedule D, use the worksheet below to figure your tax.

Schedule J

If you had income from farming, your tax may be less if you choose to figure it using income averaging on Schedule J.

Line 41

Credit for Child and Dependent Care Expenses

You may be able to take this credit if you paid someone to care for your child **under age 13** or your dependent or spouse who could not care for himself or herself. For details, use TeleTax topic 602 (see page 10) or see **Form 2441.**

Line 42

Credit for the Elderly or the Disabled

You may be able to take this credit if by the end of 1999 **(1)** you were age 65 or older, or **(2)** you retired on **permanent and total disability** and you had taxable disability income. But you usually **cannot** take the credit if the amount on Form 1040, line 34, is $17,500 or more ($20,000 if married filing jointly and only one spouse is eligible for the credit; $25,000 if married filing jointly and both spouses are eligible; $12,500 if married filing separately). See **Schedule R.**

Capital Gain Tax Worksheet—Line 40

Keep for Your Records

Before you begin:

√ Be sure you do not have to file Schedule D (see the instructions for Form 1040, line 13, on page 22).

√ Be sure you checked the box on line 13 of Form 1040.

1.	Enter the amount from Form 1040, line 39	**1.** _____	
2.	Enter the amount from Form 1040, line 13	**2.** _____	
3.	Subtract line 2 from line 1. If zero or less, enter -0-	**3.** _____	
4.	Figure the tax on the amount on line 3. Use the Tax Table or Tax Rate Schedules, whichever applies		**4.** _____
5.	Enter the **smaller** of: • The amount on line 1, or • $25,750 if single; $43,050 if married filing jointly or qualifying widow(er); $21,525 if married filing separately; or $34,550 if head of household.	**5.** _____	
6.	Is the amount on line 3 equal to or more than the amount on line 5? ☐ **Yes.** Leave lines 6 through 8 blank; go to line 9. ☐ **No.** Enter the amount from line 3	**6.** _____	
7.	Subtract line 6 from line 5	**7.** _____	
8.	Multiply line 7 by 10% (.10)		**8.** _____
9.	Are the amounts on lines 2 and 7 the same? ☐ **Yes.** Leave lines 9 through 12 blank; go to line 13. ☐ **No.** Enter the **smaller** of line 1 or line 2	**9.** _____	
10.	Enter the amount, if any, from line 7	**10.** _____	
11.	Subtract line 10 from line 9. If zero or less, enter -0-	**11.** _____	
12.	Multiply line 11 by 20% (.20)		**12.** _____
13.	Add lines 4, 8, and 12		**13.** _____
14.	Figure the tax on the amount on line 1. Use the Tax Table or Tax Rate Schedules, whichever applies		**14.** _____
15.	**Tax on all taxable income (including capital gain distributions).** Enter the **smaller** of line 13 or line 14 here and on Form 1040, line 40		**15.** _____

Line 43—Child Tax Credit

Legislation affecting this credit was pending at the time of printing. If revised instructions are needed, we will mail them to you by January 15, 2000.

What Is the Child Tax Credit?

This credit is for people who have a qualifying child as defined in the instructions for line 6c, column (4), on page 19. It is in addition to the credit for child and dependent care expenses on Form 1040, line 41, and the earned income credit on Form 1040, line 59a.

If you only have one or two qualifying children and the amount on Form 1040, line 40, is zero, you cannot take this credit. You also cannot take the additional child tax credit on Form 1040, line 60.

Four Steps To Take the Child Tax Credit!

Step 1. Make sure you have a qualifying child for the child tax credit. See the instructions for line 6c, column (4), on page 19.

Step 2. Make sure you checked the box in column (4) of line 6c on Form 1040 for each qualifying child.

Step 3. If you are claiming an education credit (see the instructions for Form 1040, line 44, on page 35), complete Form 8863 and enter that credit on line 44.

Step 4. Answer the questions on this page to see if you may use the worksheet on page 34 to figure your credit or if you must use Pub. 972, Child Tax Credit. If you need Pub. 972, see page 7.

You Will Need:

Questions **Who Must Use Pub. 972**

1. Are you excluding income from Puerto Rico OR are you filing any of the following forms?

- Form 2555 or 2555-EZ (relating to foreign earned income)
- Form 4563 (exclusion of income for residents of American Samoa)

☐ **No.** *Continue*

☐ **Yes.** STOP You must use Pub. 972 to figure your credit instead of the worksheet on page 34.

2. Is the amount on Form 1040, line 34, more than the amount shown below for your filing status?

- Married filing jointly – $110,000
- Single, head of household, or qualifying widow(er) – $75,000
- Married filing separately – $55,000

☐ **No.** *Continue*

☐ **Yes.** STOP You must use Pub. 972 to figure your credit instead of the worksheet on page 34.

3. Do you have three or more qualifying children for the child tax credit?

☐ **No.** STOP Use the worksheet on page 34 to figure your credit.

☐ **Yes.** *Continue*

4. Are you claiming any of the following credits?

- Adoption credit, Form 8839 (see the instructions for Form 1040, line 45, on page 35)
- Mortgage interest credit, Form 8396 (see the instructions for Form 1040, line 47, on page 35)
- District of Columbia first-time homebuyer credit, Form 8859

☐ **No.** Use the worksheet on page 34 to figure your child tax credit.

☐ **Yes.** You must use Pub. 972 to figure your child tax credit instead of the worksheet on page 34. You will also need the form(s) listed above for any credit(s) you are claiming.

Need more information or forms? See page 7.

Child Tax Credit Worksheet—Line 43

Keep for Your Records

Do not use this worksheet if you answered "Yes" to question 1, 2, or 4 on page 33. Instead, use Pub. 972.

Before you begin: √ If you are claiming an education credit, be sure you have completed Form 8863.

1. Number of qualifying children: _____ × $500. Enter the result. | **1** | _____

2. Enter the amount from Form 1040, line 40. | **2** | _____

3. Add the amounts from Form 1040:

Line 41 _____

Line 42 + _____

Line 44 + _____ Enter the total. | **3** | _____

4. Are the amounts on lines 2 and 3 the same?

☐ **Yes.** STOP
You cannot take this credit because there is no tax to reduce. However, see the **TIP** below before completing the rest of your Form 1040.

☐ **No.** Subtract line 3 from line 2. | **4** | _____

5. Is the amount on line 1 more than the amount on line 4?

☐ **Yes.** Enter the amount from line 4. See the **TIP** below.

☐ **No.** Enter the amount from line 1.

} **This is your child tax credit.**

| **5** | _____ |

Enter this amount on Form 1040, line 43.

You may be able to take the **additional child tax credit** on Form 1040, line 60, only if you answered "Yes" on line 4 **or** line 5 above **AND** the amount on line 1 is $1,500 or more.

- First, complete your Form 1040 through line 59b.
- Then, use Form 8812 to figure any additional child tax credit.

Line 44

Education Credits

If you (or your dependent) paid expenses in 1999 for yourself, your spouse, or your dependent to enroll in or attend the first 2 years of post-secondary education, you may be able to take the Hope credit. For qualified expenses paid in 1999, you may be able to take the lifetime learning credit. See **Form 8863** for details. However, you **cannot** take either credit if:

- Your filing status is married filing separately, or
- You are claimed as a dependent on someone's (such as your parent's) 1999 tax return.

Line 45

Adoption Credit

You may be able to take this credit if you paid expenses after 1996 to adopt a child. See **Form 8839** for details.

Line 46

Foreign Tax Credit

If you paid income tax to a foreign country, you may be able to take this credit. But you must complete and attach **Form 1116** to do so.

Exception. You do not have to file Form 1116 to take this credit if **all five** of the following apply.

1. All of your gross foreign-source income is from interest and dividends and all of that income and the foreign tax paid on it is reported to you on **Form 1099-INT** or **Form 1099-DIV** (or substitute statement).

2. If you have dividend income from shares of stock, you held those shares for at least 16 days.

3. You are not filing **Form 4563** or excluding income from sources within Puerto Rico.

4. The total of your foreign taxes is not more than $300 (not more than $600 if married filing jointly).

5. All of your foreign taxes were:

- Legally owed and not eligible for a refund, and
- Paid to countries that are recognized by the United States and do not support terrorism.

If you meet all five requirements, enter your total foreign tax on line 46. If you do not, see Form 1116 to find out if you can take the credit and, if you can, if you have to file Form 1116. If you need more information about these requirements, see the Instructions for Form 1116.

Line 47

Other Credits

Include in the total on line 47 any of the following credits and check the appropriate boxes. If box **d** is checked, also enter the form number. To find out if you can take the credit, see the form or publication indicated.

- Mortgage interest credit. If a state or local government gave you a mortgage credit certificate, see **Form 8396.**
- Credit for prior year minimum tax. If you paid alternative minimum tax in a prior year, see **Form 8801.**
- Qualified electric vehicle credit. If you placed a new electric vehicle in service in 1999, see **Form 8834.**
- General business credit. This credit consists of a number of credits that usually apply only to individuals who are partners, shareholders in an S corporation, self-employed, or who have rental property. See **Form 3800** or **Pub. 334.**
- Empowerment zone employment credit. See **Form 8844.**
- District of Columbia first-time homebuyer credit. See **Form 8859.**

Line 48

If you sold fuel produced from a nonconventional source, see Internal Revenue Code section 29 to find out if you can take the **nonconventional source fuel credit.** If you can, attach a schedule showing how you figured the credit. Include the credit in the total on line 48. Enter the amount and "FNS" on the dotted line next to line 48.

Other Taxes

Line 51

Alternative Minimum Tax

Use the worksheet on page 36 to see if you should fill in **Form 6251.**

Exception. Fill in Form 6251 instead of using the worksheet on page 36 if you claimed or received any of the following items.

1. Accelerated depreciation.

2. Income from incentive stock options.

3. Tax-exempt interest from private activity bonds.

4. Intangible drilling, circulation, research, experimental, or mining costs.

5. Amortization of pollution-control facilities or depletion.

6. Income or (loss) from tax-shelter farm activities or passive activities.

7. Percentage-of-completion income from long-term contracts.

8. Interest paid on a home mortgage **not** used to buy, build, or substantially improve your home.

9. Investment interest expense reported on **Form 4952.**

10. Net operating loss deduction.

11. Alternative minimum tax adjustments from an estate, trust, electing large partnership, or a cooperative.

12. Section 1202 exclusion.

Form 6251 should be filled in for a child under age 14 if the child's adjusted gross income from Form 1040, line 34, exceeds the child's earned income by more than $5,100.

Need more information or forms? See page 7.

Line 52

Social Security and Medicare Tax on Tip Income Not Reported to Employer

If you received tips of $20 or more in any month and you did not report the full amount to your employer, you must pay the social security and Medicare or railroad retirement (RRTA) tax on the unreported tips. You must also pay this tax if your W-2 form(s) shows allocated tips that you are including in your income on Form 1040, line 7.

To figure the tax, use **Form 4137.** To pay the RRTA tax, contact your employer. Your employer will figure and collect the tax.

You may be charged a penalty equal to 50% of the social security and Medicare tax due on tips you received but did not report to your employer.

Line 53

Tax on IRAs, Other Retirement Plans, and MSAs

If **any** of the following apply, see **Form 5329** and its instructions to find out if you owe this tax and if you must file Form 5329.

1. You received any early distributions from **(a)** an IRA or other qualified retirement plan, **(b)** an annuity, or **(c)** a modified endowment contract entered into after June 20, 1988.

2. You made excess contributions to your IRA or MSA.

Worksheet To See if You Should Fill in Form 6251—Line 51

Keep for Your Records

Before you begin: √ Be sure you have read the **Exception** on page 35 to see if you must fill in Form 6251 instead of using this worksheet.

1. Enter the amount from Form 1040, line 37 . . . . . **1.** _____

2. Are you filing Schedule A?

☐ **Yes.** Leave line 2 blank and go to line 3.

☐ **No.** Enter your standard deduction from Form 1040, line 36, and go to line 5. . . . . **2.** _____

3. Enter the **smaller** of the amount on Schedule A, line 4, or 2.5% (.025) of the amount on Form 1040, line 34 . . . . . **3.** _____

4. Add lines 9 and 26 of Schedule A and enter the total . . . . . **4.** _____

5. Add lines 1 through 4 above . . . . . **5.** _____

6. Enter the amount shown below for your filing status.

- Married filing jointly or qualifying widow(er)—$45,000
- Married filing separately—$22,500
- Single or head of household—$33,750

. . . . . **6.** _____

7. Is the amount on line 5 more than the amount on line 6?

☐ **No.** STOP You do not need to fill in Form 6251.

☐ **Yes.** Subtract line 6 from line 5 . . . . . **7.** _____

8. Enter the amount shown below for your filing status.

- Married filing jointly or qualifying widow(er)—$150,000
- Married filing separately—$75,000
- Single or head of household—$112,500

. . . . . **8.** _____

9. Is the amount on line 5 more than the amount on line 8?

☐ **No.** Enter -0- here and on line 10 and go to line 11.

☐ **Yes.** Subtract line 8 from line 5.

. . . . . **9.** _____

10. Multiply line 9 by 25% (.25) and enter the result but do not enter more than line 6 above . . . **10.** _____

11. Add lines 7 and 10 . . . . . **11.** _____

12. Is the amount on line 11 more than the amount shown below for your filing status?

- Single, married filing jointly, head of household, or qualifying widow(er)—$175,000
- Married filing separately—$87,500

☐ **Yes.** STOP Fill in Form 6251 to see if you owe the alternative minimum tax.

☐ **No.** Multiply line 11 by 26% (.26) . . . . . **12.** _____

13. Enter the amount from Form 1040, line 40, minus the total of any tax from Form 4972 and any amount on Form 1040, line 46 . . . . . **13.** _____

Next. Is the amount on line 12 more than the amount on line 13?

☐ **Yes.** Fill in Form 6251 to see if you owe the alternative minimum tax.

☐ **No. Do not** fill in Form 6251.

3. You were born before July 1, 1928, and did not take the minimum required distribution from your IRA or other qualified retirement plan.

Exception. If **only** item **1** applies to you **and** distribution code 1 is shown in box 7 of your **Form 1099-R,** you do not have to file Form 5329. Instead, multiply the taxable amount of the distribution by 10% (.10) and enter the result on line 53. The taxable amount of the distribution is the part of the distribution you reported on line 15b or line 16b of Form 1040 or on Form 4972. Also, put "No" next to line 53 to indicate that you do not have to file Form 5329. **But** if distribution code 1 is incorrectly shown in box 7, you must file Form 5329.

Line 54

Advance Earned Income Credit Payments

Enter the total amount of advance earned income credit (EIC) payments you received. These payments are shown in box 9 of your W-2 form(s).

Line 55

Household Employment Taxes

If **any** of the following apply, see **Schedule H** and its instructions to find out if you owe these taxes.

1. You paid **any one** household employee (defined below) cash wages of $1,100 or more in 1999. Cash wages include wages paid by checks, money orders, etc.

2. You withheld Federal income tax during 1999 at the request of any household employee.

3. You paid **total** cash wages of $1,000 or more in **any** calendar **quarter** of 1998 or 1999 to household employees.

TIP For item **1,** do not count amounts paid to an employee who was under age 18 at any time in 1999 and was a student.

Household Employee. Any person who does household work is a household employee if you can control what will be done and how it will be done. Household work includes work done in or around your home by babysitters, nannies, health aides, maids, yard workers, and similar domestic workers.

Line 56

Total Tax

Include in the total on line 56 any of the following taxes. To find out if you owe the tax, see the form or publication indicated. On the dotted line next to line 56, enter the amount of the tax and identify it as indicated.

Recapture of the Following Credits.

- Investment credit (see **Form 4255**). Identify as "ICR."
- Low-income housing credit (see **Form 8611**). Identify as "LIHCR."
- Qualified electric vehicle credit (see **Pub. 535**). Identify as "QEVCR."
- Indian employment credit. Identify as "IECR."

Recapture of Federal Mortgage Subsidy. If you sold your home in 1999 and it was financed (in whole or in part) from the proceeds of any tax-exempt qualified mortgage bond or you claimed the mortgage interest credit, see **Form 8828.** Identify as "FMSR."

Section 72(m)(5) Excess Benefits Tax (see **Pub. 560**). Identify as "Sec. 72(m)(5)."

Uncollected Social Security and Medicare or RRTA Tax on Tips or Group-Term Life Insurance. This tax should be shown in box 13 of your Form W-2 with codes **A** and **B** or **M** and **N.** Identify as "UT."

Golden Parachute Payments. If you received an excess parachute payment (EPP), you must pay a 20% tax on it. This tax should be shown in box 13 of your W-2 form with code **K.** If you received a **Form 1099-MISC,** the tax is 20% of the EPP shown in box 13. Identify as "EPP."

Tax on Accumulation Distribution of Trusts. Enter the amount from **Form 4970** and identify as "ADT."

Payments

Line 57

Federal Income Tax Withheld

Add the amounts shown as Federal income tax withheld on your **Forms W-2, W-2G,** and **1099-R.** Enter the total on line 57. The amount withheld should be shown in box 2 of Form W-2 or W-2G, and in box 4 of Form 1099-R. If line 57 includes amounts withheld as shown on Form 1099-R, attach the Form 1099-R to the front of your return.

If you received a 1999 Form 1099 showing Federal income tax withheld on dividends, interest income, unemployment compensation, social security benefits, or other income you received, include the amount withheld in the total on line 57. This should be shown in box 4 of the 1099 form or box 6 of Form 1099-SSA.

Line 58

1999 Estimated Tax Payments

Enter any payments you made on your estimated Federal income tax **(Form 1040-ES)** for 1999. Include any overpayment from your 1998 return that you applied to your 1999 estimated tax.

If you and your spouse paid joint estimated tax but are now filing separate income tax returns, either of you can claim all of the amount paid. Or you can each claim part of it. See **Pub. 505** for details on how to report your payments. Be sure to show both social security numbers (SSNs) in the space provided on the separate returns. If you or your spouse paid separate estimated tax but you are now filing a joint return, add the amounts you each paid. Follow these instructions even if your spouse died in 1999 or in 2000 before filing a 1999 return.

Divorced Taxpayers

If you got divorced in 1999 and you made joint estimated tax payments with your former spouse, put your former spouse's SSN in the space provided on the front of Form 1040. If you were divorced and remarried in 1999, put your present spouse's SSN in the space provided on the front of Form 1040. Also, under the heading "Payments" to the left of line 58, put your former spouse's SSN, followed by "DIV."

Name Change

If you changed your name because of marriage, divorce, etc., and you made estimated tax payments using your former name, attach a statement to the front of Form 1040. On the statement, explain all the payments you and your spouse made in 1999 and the name(s) and SSN(s) under which you made them.

Need more information or forms? See page 7.

Lines 59a and 59b— Earned Income Credit (EIC)

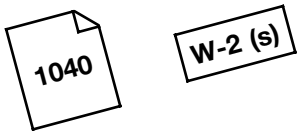
What Is the EIC?

The EIC is a credit for certain people who work. The credit may give you a refund even if you do not owe any tax.

To Take the EIC:

- Follow the steps below.
- Complete the worksheet that applies to you OR let the IRS figure the credit for you.
- If you have a qualifying child, complete and attach Schedule EIC.

You Will Need:



If you take the EIC even though you are not eligible and it is determined that your error is due to reckless or intentional disregard of the EIC rules, you will not be allowed to take the credit for 2 years even if you are otherwise eligible to do so. If you fraudulently take the EIC, you will not be allowed to take the credit for 10 years. You may also have to pay penalties.

Step 1 All Filers

1. Is the amount on Form 1040, line 34, less than $30,580 (or $10,200 if a child did not live with you in 1999)?

☐ **Yes.** *Continue* ☐ **No.** STOP You cannot take the credit.

2. Do you, and your spouse if filing a joint return, have a social security number that allows you to work (see page 41)?

☐ **Yes.** *Continue* ☐ **No.** STOP You cannot take the credit. *Put "No" directly to the right of line 59a.*

3. Is your filing status married filing separately?

☐ **Yes.** STOP You cannot take the credit. ☐ **No.** *Continue*

4. Are you filing Form 2555 or 2555-EZ (relating to foreign earned income)?

☐ **Yes.** STOP You cannot take the credit. ☐ **No.** *Continue*

5. Were you a nonresident alien for any part of 1999?

☐ **Yes.** *See Nonresident Aliens on page 41.* ☐ **No.** *Go to Step 2.*

Step 2 Investment Income

1. Add the amounts from Form 1040:

Line 8a		_____
Line 8b	+	_____
Line 9	+	_____
Line 13	+	_____
Investment Income	=	

2. Is your investment income more than $2,350?

☐ **Yes.** *Continue* ☐ **No.** *Skip the next question; go to Step 3.*

3. Are you filing Form 4797 (relating to sales of business property)?

☐ **Yes.** *See Form 4797 Filers on page 41.* ☐ **No.** STOP You cannot take the credit.

Step 3 Who Must Use Pub. 596

Some people must use Pub. 596, Earned Income Credit, to see if they can take the credit and how to figure it. To see if you must use Pub. 596, answer the following questions.

1. Are you filing Schedule E?

☐ **No.** *Continue* ☐ **Yes.** →

2. Are you claiming a loss on Form 1040, line 12, 13, or 18?

☐ **No.** *Continue* ☐ **Yes.** →

3. Are you reporting income or a loss from the rental of personal property not used in a trade or business?

☐ **No.** *Continue* ☐ **Yes.** →

4. Did you, or your spouse if filing a joint return, receive a distribution from a pension, annuity, or IRA that is not fully taxable?

☐ **No.** *Continue* ☐ **Yes.** →

5. Did you enter an amount other than zero on Form 1040, line 51?

☐ **No.** *Continue* ☐ **Yes.** →

STOP You must use Pub. 596 to see if you can take the credit and how to figure it.

To get Pub. 596, see page 7.

6. Did a child live with you in 1999?

☐ **Yes.** *Go to Step 4 on page 39.* ☐ **No.** *Go to Step 5 on page 39.*

(Continued on page 39)

Continued from page 38

Step 4 Qualifying Child

A qualifying child is a child who is your...

Son	Grandchild
Daughter	Stepchild
Adopted child	Foster child (see page 41)

If the child was married, see page 41.

AND

was at the end of 1999...

Under age 19

OR

Under age 24 and a student (see page 41)

OR

Any age and permanently and totally disabled (see page 41)

AND

who...

Lived with you in the United States for more than half of 1999 or, if a foster child, for all of 1999. If the child did not live with you for the required time, see Exception to "Time Lived With You" Condition on page 41.

1. Look at the qualifying child conditions above. Could you, or your spouse if filing a joint return, be a qualifying child of another person in 1999?

☐ **Yes.** STOP You cannot take the credit. *Put "No" directly to the right of line 59a.*

☐ **No.** *Continue*

2. Do you have at least one child who meets the above conditions to be your qualifying child?

☐ **Yes.** *Continue*

☐ **No.** *Skip the next question; go to Step 5, question 2.*

3. Does the child meet the conditions to be a qualifying child of any other person (other than your spouse if filing a joint return) for 1999?

☐ **Yes.** *See Qualifying Child of More Than One Person on page 41.*

☐ **No.** This child is your qualifying child. The child must have a social security number as defined on page 41 unless the child was born and died in 1999. *Skip Step 5; go to Step 6.*

Step 5 Filers Without a Qualifying Child

1. Look at the qualifying child conditions in Step 4. Could you, or your spouse if filing a joint return, be a qualifying child of another person in 1999?

☐ **Yes.** STOP You cannot take the credit. *Put "No" directly to the right of line 59a.*

☐ **No.** *Continue*

2. Can you, or your spouse if filing a joint return, be claimed as a dependent on someone else's 1999 tax return?

☐ **Yes.** STOP You cannot take the credit.

☐ **No.** *Continue*

3. Were you, or your spouse if filing a joint return, at least age 25 but under age 65 at the end of 1999?

☐ **Yes.** *Continue*

☐ **No.** STOP You cannot take the credit. *Put "No" directly to the right of line 59a.*

4. Was your home, and your spouse's if filing a joint return, in the United States for more than half of 1999? Members of the military stationed outside the United States, see page 41 before you answer.

☐ **Yes.** *Go to Step 6.*

☐ **No.** STOP You cannot take the credit. *Put "No" directly to the right of line 59a.*

Step 6 Modified Adjusted Gross Income

1. Add the amounts from Form 1040:

Line 8b _____

Line 34 + _____

Modified Adjusted Gross Income = Box A _____

2. If you have:

- 2 or more qualifying children, is Box A less than $30,580?
- 1 qualifying child, is Box A less than $26,928?
- No qualifying children, is Box A less than $10,200?

☐ **Yes.** *Go to Step 7 on page 40.*

☐ **No.** STOP You cannot take the credit.

(Continued on page 40)

Continued from page 39

Step 7 Nontaxable and Taxable Earned Income

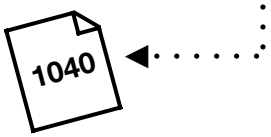
1. Add all your nontaxable earned income, including your spouse's if filing a joint return. This includes anything of value (money, goods, or services) that is not taxable that you received from your employer for your work. Types of nontaxable earned income are listed below.

- Salary deferrals, such as a 401(k) plan or the Federal Thrift Savings Plan, shown in box 13 of your W-2 form. See page 41.
- Salary reductions, such as under a cafeteria plan, unless they are included in box 1 of your W-2 form. See page 41.
- Mandatory contributions to a state or local retirement plan.
- Military employee basic housing, subsistence, and combat zone compensation. These amounts are shown in box 13 of your W-2 form with code Q.
- Meals and lodging provided for the convenience of your employer.
- Housing allowances or rental value of a parsonage for clergy members. If filing Schedule SE, see Clergy on this page.
- Excludable dependent care benefits from Form 2441, line 18, employer-provided adoption benefits from Form 8839, line 30, and educational assistance benefits (these benefits may be shown in box 14 of your W-2 form).
- Certain amounts received by Native Americans. See Pub. 596.

Note. Nontaxable earned income does not include welfare benefits or workfare payments (see page 41), or qualified foster care payments.

Nontaxable Earned Income = Box B _____

Enter the amount and type of your nontaxable earned income on Form 1040, line 59b.



2. Figure taxable earned income:

Form 1040, line 7 _____

Subtract:

- Any taxable scholarship or fellowship grant not reported on a W-2 form
- Any amount paid to an inmate in a penal institution for work (put "PRI" and the amount subtracted on the dotted line next to line 7 of Form 1040)

} – _____

Taxable Earned Income = Box C _____

3. Were you self-employed or are you filing Schedule C or C-EZ as a statutory employee?

☐ **Yes.** *Skip Steps 8 and 9; go to Worksheet B on page 43.* ☐ **No.** *Go to Step 8.*

Step 8 Total Earned Income

1. Nontaxable Earned Income (Step 7, Box B) _____

Taxable Earned Income (Step 7, Box C) + _____

Total Earned Income = Box D _____

2. If you have:

- 2 or more qualifying children, is Box D less than $30,580?
- 1 qualifying child, is Box D less than $26,928?
- No qualifying children, is Box D less than $10,200?

☐ **Yes.** *Go to Step 9.* ☐ **No.** STOP You cannot take the credit. *Put "No" directly to the right of line 59a.*

Step 9 How To Figure the Credit

1. Do you want the IRS to figure the credit for you?

☐ **Yes.** *See Credit Figured by the IRS below.* ☐ **No.** *Go to Worksheet A on page 42.*

Definitions and Special Rules

(listed in alphabetical order)

Adopted Child. Any child placed with you by an authorized placement agency for legal adoption. The adoption does not have to be final.

Clergy. If you are filing Schedule SE and the amount on line 2 of that schedule includes an amount that was also reported on Form 1040, line 7:

1. Put "Clergy" directly to the right of line 59a of Form 1040.
2. Do not include any housing allowance or rental value of the parsonage as nontaxable earned income in Box B if it is required to be included on Schedule SE, line 2.
3. Determine how much of the amount on Form 1040, line 7, was also reported on Schedule SE, line 2.
4. Subtract that amount from the amount on Form 1040, line 7. Enter the result in the first space of Step 7, line 2.
5. Be sure to answer "Yes" on line 3 of Step 7.

Credit Figured by the IRS. To have the IRS figure the credit for you:

1. Put "EIC" directly to the right of line 59a of Form 1040.
2. Be sure you entered the amount and the type of any nontaxable earned income (Step 7, Box B, on this page) on Form 1040, line 59b.
3. If you have a qualifying child, complete and attach Schedule EIC. If your 1997 or 1998 EIC was reduced or disallowed, see Form 8862, Who Must File, on page 41.

(Continued on page 41)

Continued from page 40

Exception to "Time Lived With You" Condition. A child is considered to have lived with you for all of 1999 if the child was born or died in 1999 and your home was this child's home for the entire time he or she was alive in 1999. Temporary absences, such as for school, vacation, or medical care, count as time lived at home. If you were in the military stationed outside the United States, see Members of the Military below.

Form 4797 Filers. If the amount on Form 1040, line 13, includes an amount from Form 4797, you must use Pub. 596 to see if you can take the EIC and how to figure it. To get Pub. 596, see page 7. Otherwise, stop; you cannot take the EIC.

Form 8862, Who Must File. You must file Form 8862 if your 1997 or 1998 EIC was reduced or disallowed for any reason other than a math or clerical error. But do not file Form 8862 if, after your EIC was reduced or disallowed in an earlier year, you filed Form 8862 (or other documents) and your EIC was then allowed. Also do not file Form 8862 or take the credit if it was determined that your error was due to reckless or intentional disregard of the EIC rules or fraud.

Foster Child. Any child you cared for as your own child. For example, if you acted as the parent of your niece or nephew, this child is considered your foster child.

Grandchild. Any descendant of your son, daughter, or adopted child. For example, a grandchild includes your great-grandchild, great-great-grandchild, etc.

Married Child. A child who was married at the end of 1999 is a qualifying child only if **(1)** you can claim him or her as your dependent on Form 1040, line 6c, or **(2)** this child's other parent claims him or her as a dependent under the rules in Pub. 501 for children of divorced or separated parents.

Members of the Military. If you were on extended active duty outside the United States, your home is considered to be in the United States during that duty period. Extended active duty is military duty ordered for an indefinite period or for a period of more than 90 days. Once you begin serving extended active duty, you are considered to be on extended active duty even if you serve fewer than 90 days.

Nonresident Aliens. If your filing status is married filing jointly, go to Step 2 on page 38. Otherwise, stop; you cannot take the EIC.

Permanently and Totally Disabled Child. A child who cannot engage in any substantial gainful activity because of a physical or mental condition and a doctor has determined that this condition:

- Has lasted or can be expected to last continuously for at least a year, or
- Can lead to death.

Qualifying Child of More Than One Person. If the child meets the conditions to be a qualifying child of more than one person, only the person who had the **highest** modified AGI (adjusted gross income) for 1999 may treat that child as a qualifying child. The other person(s) cannot take the EIC for people who do not have a qualifying child. If the other person is your spouse and you are filing a joint return, this rule does not apply. If you have the highest modified AGI, this child is your qualifying child. The child must have a social security number as defined on this page unless the child was born and died in 1999. Skip Step 5; go to Step 6 on page 39. If you do not have the highest modified AGI, stop; you cannot take the EIC. Put "No" directly to the right of line 59a.

Modified AGI is the total of the amounts on Form 1040, lines 8b and 34, increased by:

- Any loss claimed on Form 1040, line 13,
- Any loss from the rental of personal property not used in a trade or business,
- 75% of any losses on Form 1040, lines 12 and 18,
- Certain nontaxable distributions from a pension, annuity, or IRA (see Pub. 596), and
- Certain amounts reported on Schedule E (see Pub. 596).

Example. You and your 5-year-old daughter moved in with your mother in April 1999. You are not a qualifying child of your mother. Your daughter meets the conditions to be a qualifying child for both you and your mother. Your modified AGI for 1999 was $8,000 and your mother's was $14,000. Because your mother's modified AGI was higher, your daughter is your mother's qualifying child. You **cannot** take any EIC, even if your mother does not claim the credit. You would put "No" directly to the right of line 59a.

Salary Deferrals. Contributions from your pay to certain retirement plans, such as a 401(k) plan or the Federal Thrift Savings Plan, shown in box 13 of your W-2 form. The "Deferred compensation" box in box 15 of your W-2 form should be checked.

Salary Reductions. Amounts you could have been paid but chose instead to have your employer contribute to certain benefit plans, such as a cafeteria plan. A cafeteria plan is a plan that allows you to choose to receive either cash or certain benefits that are not taxed (such as accident and health insurance).

Social Security Number (SSN). For purposes of taking the EIC, an SSN is a number issued by the Social Security Administration to a U.S. citizen or to a person who has permission from the Immigration and Naturalization Service to work in the United States. It does not include an SSN issued only to allow a person to apply for or receive Federally funded benefits. If your social security card, or your spouse's if filing a joint return, says "Not valid for employment," you cannot take the EIC.

To find out how to get an SSN, see page 18. If you will not have an SSN by April 17, 2000, see What if You Cannot File on Time? on page 14.

Student. A child who during any 5 months of 1999:

- Was enrolled as a full-time student at a school, or
- Took a full-time, on-farm training course given by a school or a state, county, or local government agency.

A **school** includes technical, trade, and mechanical schools. It does not include on-the-job training courses, correspondence schools, or night schools.

Welfare Benefits, Effect of Credit on. Any refund you receive as a result of taking the EIC will not be used to determine if you are eligible for the following programs, or how much you can receive from them.

- Temporary Assistance for Needy Families (TANF).
- Medicaid and supplemental security income (SSI).
- Food stamps and low-income housing.

Workfare Payments. Cash payments certain people receive from a state or local agency that administers public assistance programs funded under the Federal Temporary Assistance for Needy Families (TANF) program in return for certain work activities such as:

- Work experience activities (including work associated with remodeling or repairing publicly assisted housing) if sufficient private sector employment is not available, or
- Community service program activities.

Need more information or forms? See page 7.

Worksheet A—Earned Income Credit (EIC)—Lines 59a and 59b

Keep for Your Records

Before you begin:

Be sure you are using the correct worksheet. **Do not** use this worksheet if you were self-employed or you are filing Schedule C or C-EZ as a statutory employee. Instead, use Worksheet B on page 43.

Part 1

All Filers Using Worksheet A

1. Enter your total earned income from Step 8, Box D, on page 40. | 1 |

2. Look up the amount on line 1 above in the EIC Table on pages 45–47 to find the credit. Enter the credit here. | 2 |

If line 2 is zero, STOP You cannot take the credit.
Put "No" directly to the right of line 59a.

3. Enter your modified adjusted gross income from Step 6, Box A, on page 39. | 3 |

4. Are the amounts on lines 3 and 1 the same?

☐ **Yes.** *Skip line 5; enter the amount from line 2 on line 6.*

☐ **No.** *Go to line 5.*

Part 2

Filers Who Answered "No" on Line 4

5. Is the amount on line 3 less than:

- $5,700 if you do not have a qualifying child, OR
- $12,500 if you have one or more qualifying children?

☐ **Yes.** *Leave line 5 blank; enter the amount from line 2 on line 6.*

☐ **No.** Look up the amount on line 3 in the EIC Table on pages 45–47 to find the credit. Enter the credit here. | 5 |

Look at the amounts on lines 5 and 2.
Then, enter the SMALLER amount on line 6.

Part 3

Your Earned Income Credit

6. This is your earned income credit. | 6 |

Enter this amount on Form 1040, line 59a.

Reminder—

√ Be sure you entered the amount and the type of any nontaxable earned income (Step 7, Box B, on page 40) on Form 1040, line 59b.

√ If you have a qualifying child, complete and attach Schedule EIC.

CAUTION

If your 1997 or 1998 EIC was reduced or disallowed, see page 41 to find out if you must file Form 8862 to take the credit for 1999.

Worksheet B—Earned Income Credit (EIC)—Lines 59a and 59b

Keep for Your Records

Use this worksheet if you were self-employed or you are filing Schedule C or C-EZ as a statutory employee.

√ Complete the parts below (Parts 1–3) that apply to you. Then, continue to Part 4.

√ If you are married filing a joint return, include your spouse's amounts, if any, with yours to figure the amounts to enter in Parts 1 through 3.

Part 1

Self-Employed Filing Schedule SE

1a.	Enter the amount from Schedule SE, Section A, line 3, or Section B, line 3, whichever applies.		1a	
b.	Enter the amount from Schedule SE, Section B, line 4b, if any.	+	1b	
c.	Add lines 1a and 1b.	=	1c	
d.	Enter the amount from Schedule SE, Section A, line 6, or Section B, line 13, whichever applies.	–	1d	
e.	Subtract line 1d from 1c.	=	1e	

Part 2

Self-Employed NOT Filing Schedule SE

For example, your net earnings from self-employment were less than $400.

2. Do not include on these lines any statutory employee income or any amount exempt from self-employment tax as the result of the filing and approval of Form 4029 or Form 4361.

a.	Enter any net farm profit from Schedule F, line 36, and from farm partnerships, Schedule K-1 (Form 1065), line 15a.		2a	
b.	Enter any net profit from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), line 15a (other than farming); and Schedule K-1 (Form 1065-B), box 9.	+	2b	
c.	Add lines 2a and 2b.	=	2c	

Part 3

Statutory Employees Filing Schedule C or C-EZ

3.	Enter the amount from Schedule C, line 1, or Schedule C-EZ, line 1, that you are filing as a statutory employee.	3	

Part 4

All Self-Employed and Statutory Employees

Note. If line 4d includes income on which you should have paid self-employment tax but did not, we may reduce your credit by the amount of self-employment tax not paid.

4a.	Add lines 1e, 2c, and 3.		4a	
b.	Enter your nontaxable earned income from Step 7, Box B, on page 40.	+	4b	
c.	Enter your taxable earned income from Step 7, Box C, on page 40.	+	4c	
d.	Add lines 4a, 4b, and 4c. **This is your total earned income.**	=	4d	

5. If you have:

- 2 or more qualifying children, is line 4d less than $30,580?
- 1 qualifying child, is line 4d less than $26,928?
- No qualifying children, is line 4d less than $10,200?

☐ **Yes.** If you want the IRS to figure your credit, see page 40. *If you want to figure the credit yourself, enter the amount from line 4d on line 6 (page 44).*

☐ **No.** STOP You cannot take the credit.
Put "No" directly to the right of line 59a.

(Continued on page 44)

Need more information or forms? See page 7.

Worksheet B—*Continued from page 43*

Keep for Your Records

Part 5

All Filers Using Worksheet B

6. Enter your total earned income from Part 4, line 4d, on page 43. | **6** |

7. Look up the amount on line 6 above in the EIC Table on pages 45–47 to find the credit. Enter the credit here. | **7** |

If line 7 is zero, STOP You cannot take the credit.
Put "No" directly to the right of line 59a.

8. Enter your modified adjusted gross income from Step 6, Box A, on page 39. | **8** |

9. Are the amounts on lines 8 and 6 the same?

☐ **Yes.** *Skip line 10; enter the amount from line 7 on line 11.*

☐ **No.** *Go to line 10.*

10. Is the amount on line 8 less than:

- $5,700 if you do not have a qualifying child, OR
- $12,500 if you have one or more qualifying children?

☐ **Yes.** *Leave line 10 blank; enter the amount from line 7 on line 11.*

☐ **No.** Look up the amount on line 8 in the EIC Table on pages 45–47 to find the credit. Enter the credit here. | **10** |

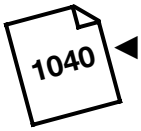
Look at the amounts on lines 10 and 7.
Then, enter the SMALLER amount on line 11.

Part 6

Your Earned Income Credit

11. This is your earned income credit. | **11** |

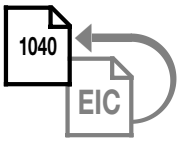
Enter this amount on Form 1040, line 59a.



Reminder—

√ Be sure you entered the amount and the type of any nontaxable earned income (Step 7, Box B, on page 40) on Form 1040, line 59b.

√ If you have a qualifying child, complete and attach Schedule EIC.



If your 1997 or 1998 EIC was reduced or disallowed, see page 41 to find out if you must file Form 8862 to take the credit for 1999.

1999 Earned Income Credit (EIC) Table

CAUTION

This is **not** a tax table.

1. To find your credit, read down the "At least – But less than" columns and find the line that includes the amount you were told to look up from your EIC Worksheet.

2. Then, read across to the column that includes the number of qualifying children you have. Enter the credit from that column on your EIC Worksheet.

Example. If you have one qualifying child and the amount you are looking up from your EIC Worksheet is $4,875, you would enter $1,658.

If the amount you are looking up from the worksheet is—		And you have—		
		No children	One child	Two children
At least	But less than	Your credit is—		
4,800	4,850	347	1,641	1,930
4,850	4,900	347	1,658	1,950
4,900	4,950	347	1,675	1,970
4,950	5,000	347	1,692	1,990

If the amount you are looking up from the worksheet is—		And you have—			If the amount you are looking up from the worksheet is—		And you have—			If the amount you are looking up from the worksheet is—		And you have—			If the amount you are looking up from the worksheet is—		And you have—		
		No children	One child	Two children			No children	One child	Two children			No children	One child	Two children			No children	One child	Two children
At least	But less than	Your credit is—			At least	But less than	Your credit is—			At least	But less than	Your credit is—			At least	But less than	Your credit is—		
$1	$50	$2	$9	$10	2,200	2,250	170	757	890	4,400	4,450	339	1,505	1,770	6,600	6,650	273	2,253	2,650
50	100	6	26	30	2,250	2,300	174	774	910	4,450	4,500	342	1,522	1,790	6,650	6,700	270	2,270	2,670
100	150	10	43	50	2,300	2,350	178	791	930	4,500	4,550	347	1,539	1,810	6,700	6,750	266	2,287	2,690
150	200	13	60	70	2,350	2,400	182	808	950	4,550	4,600	347	1,556	1,830	6,750	6,800	262	2,304	2,710
200	250	17	77	90	2,400	2,450	186	825	970	4,600	4,650	347	1,573	1,850	6,800	6,850	258	2,312	2,730
250	300	21	94	110	2,450	2,500	189	842	990	4,650	4,700	347	1,590	1,870	6,850	6,900	254	2,312	2,750
300	350	25	111	130	2,500	2,550	193	859	1,010	4,700	4,750	347	1,607	1,890	6,900	6,950	251	2,312	2,770
350	400	29	128	150	2,550	2,600	197	876	1,030	4,750	4,800	347	1,624	1,910	6,950	7,000	247	2,312	2,790
400	450	33	145	170	2,600	2,650	201	893	1,050	4,800	4,850	347	1,641	1,930	7,000	7,050	243	2,312	2,810
450	500	36	162	190	2,650	2,700	205	910	1,070	4,850	4,900	347	1,658	1,950	7,050	7,100	239	2,312	2,830
500	550	40	179	210	2,700	2,750	208	927	1,090	4,900	4,950	347	1,675	1,970	7,100	7,150	235	2,312	2,850
550	600	44	196	230	2,750	2,800	212	944	1,110	4,950	5,000	347	1,692	1,990	7,150	7,200	231	2,312	2,870
600	650	48	213	250	2,800	2,850	216	961	1,130	5,000	5,050	347	1,709	2,010	7,200	7,250	228	2,312	2,890
650	700	52	230	270	2,850	2,900	220	978	1,150	5,050	5,100	347	1,726	2,030	7,250	7,300	224	2,312	2,910
700	750	55	247	290	2,900	2,950	224	995	1,170	5,100	5,150	347	1,743	2,050	7,300	7,350	220	2,312	2,930
750	800	59	264	310	2,950	3,000	228	1,012	1,190	5,150	5,200	347	1,760	2,070	7,350	7,400	216	2,312	2,950
800	850	63	281	330	3,000	3,050	231	1,029	1,210	5,200	5,250	347	1,777	2,090	7,400	7,450	212	2,312	2,970
850	900	67	298	350	3,050	3,100	235	1,046	1,230	5,250	5,300	347	1,794	2,110	7,450	7,500	208	2,312	2,990
900	950	71	315	370	3,100	3,150	239	1,063	1,250	5,300	5,350	347	1,811	2,130	7,500	7,550	205	2,312	3,010
950	1,000	75	332	390	3,150	3,200	243	1,080	1,270	5,350	5,400	347	1,828	2,150	7,550	7,600	201	2,312	3,030
1,000	1,050	78	349	410	3,200	3,250	247	1,097	1,290	5,400	5,450	347	1,845	2,170	7,600	7,650	197	2,312	3,050
1,050	1,100	82	366	430	3,250	3,300	251	1,114	1,310	5,450	5,500	347	1,862	2,190	7,650	7,700	193	2,312	3,070
1,100	1,150	86	383	450	3,300	3,350	254	1,131	1,330	5,500	5,550	347	1,879	2,210	7,700	7,750	189	2,312	3,090
1,150	1,200	90	400	470	3,350	3,400	258	1,148	1,350	5,550	5,600	347	1,896	2,230	7,750	7,800	186	2,312	3,110
1,200	1,250	94	417	490	3,400	3,450	262	1,165	1,370	5,600	5,650	347	1,913	2,250	7,800	7,850	182	2,312	3,130
1,250	1,300	98	434	510	3,450	3,500	266	1,182	1,390	5,650	5,700	347	1,930	2,270	7,850	7,900	178	2,312	3,150
1,300	1,350	101	451	530	3,500	3,550	270	1,199	1,410	5,700	5,750	342	1,947	2,290	7,900	7,950	174	2,312	3,170
1,350	1,400	105	468	550	3,550	3,600	273	1,216	1,430	5,750	5,800	339	1,964	2,310	7,950	8,000	170	2,312	3,190
1,400	1,450	109	485	570	3,600	3,650	277	1,233	1,450	5,800	5,850	335	1,981	2,330	8,000	8,050	166	2,312	3,210
1,450	1,500	113	502	590	3,650	3,700	281	1,250	1,470	5,850	5,900	331	1,998	2,350	8,050	8,100	163	2,312	3,230
1,500	1,550	117	519	610	3,700	3,750	285	1,267	1,490	5,900	5,950	327	2,015	2,370	8,100	8,150	159	2,312	3,250
1,550	1,600	120	536	630	3,750	3,800	289	1,284	1,510	5,950	6,000	323	2,032	2,390	8,150	8,200	155	2,312	3,270
1,600	1,650	124	553	650	3,800	3,850	293	1,301	1,530	6,000	6,050	319	2,049	2,410	8,200	8,250	151	2,312	3,290
1,650	1,700	128	570	670	3,850	3,900	296	1,318	1,550	6,050	6,100	316	2,066	2,430	8,250	8,300	147	2,312	3,310
1,700	1,750	132	587	690	3,900	3,950	300	1,335	1,570	6,100	6,150	312	2,083	2,450	8,300	8,350	143	2,312	3,330
1,750	1,800	136	604	710	3,950	4,000	304	1,352	1,590	6,150	6,200	308	2,100	2,470	8,350	8,400	140	2,312	3,350
1,800	1,850	140	621	730	4,000	4,050	308	1,369	1,610	6,200	6,250	304	2,117	2,490	8,400	8,450	136	2,312	3,370
1,850	1,900	143	638	750	4,050	4,100	312	1,386	1,630	6,250	6,300	300	2,134	2,510	8,450	8,500	132	2,312	3,390
1,900	1,950	147	655	770	4,100	4,150	316	1,403	1,650	6,300	6,350	296	2,151	2,530	8,500	8,550	128	2,312	3,410
1,950	2,000	151	672	790	4,150	4,200	319	1,420	1,670	6,350	6,400	293	2,168	2,550	8,550	8,600	124	2,312	3,430
2,000	2,050	155	689	810	4,200	4,250	323	1,437	1,690	6,400	6,450	289	2,185	2,570	8,600	8,650	120	2,312	3,450
2,050	2,100	159	706	830	4,250	4,300	327	1,454	1,710	6,450	6,500	285	2,202	2,590	8,650	8,700	117	2,312	3,470
2,100	2,150	163	723	850	4,300	4,350	331	1,471	1,730	6,500	6,550	281	2,219	2,610	8,700	8,750	113	2,312	3,490
2,150	2,200	166	740	870	4,350	4,400	335	1,488	1,750	6,550	6,600	277	2,236	2,630	8,750	8,800	109	2,312	3,510

(Continued)

Need more information or forms? See page 7.

1999 Earned Income Credit (EIC) Table *Continued* (**Caution:** *This is* ***not*** *a tax table.*)

If the amount you are looking up from the worksheet is—		And you have—			If the amount you are looking up from the worksheet is—		And you have—			If the amount you are looking up from the worksheet is—		And you have—			If the amount you are looking up from the worksheet is—		And you have—		
		No children	One child	Two children			No children	One child	Two children			No children	One child	Two children			No children	One child	Two children
At least	But less than	Your credit is—			At least	But less than	Your credit is—			At least	But less than	Your credit is—			At least	But less than	Your credit is—		
8,800	**8,850**	105	2,312	3,530	**13,850**	**13,900**	0	2,086	3,518	**16,650**	**16,700**	0	1,638	2,928	**19,450**	**19,500**	0	1,191	2,339
8,850	**8,900**	101	2,312	3,550	**13,900**	**13,950**	0	2,078	3,507	**16,700**	**16,750**	0	1,630	2,918	**19,500**	**19,550**	0	1,183	2,328
8,900	**8,950**	98	2,312	3,570	**13,950**	**14,000**	0	2,070	3,497	**16,750**	**16,800**	0	1,622	2,907	**19,550**	**19,600**	0	1,175	2,318
8,950	**9,000**	94	2,312	3,590	**14,000**	**14,050**	0	2,062	3,486	**16,800**	**16,850**	0	1,614	2,897	**19,600**	**19,650**	0	1,167	2,307
9,000	**9,050**	90	2,312	3,610	**14,050**	**14,100**	0	2,054	3,476	**16,850**	**16,900**	0	1,606	2,886	**19,650**	**19,700**	0	1,159	2,297
9,050	**9,100**	86	2,312	3,630	**14,100**	**14,150**	0	2,046	3,465	**16,900**	**16,950**	0	1,598	2,876	**19,700**	**19,750**	0	1,151	2,286
9,100	**9,150**	82	2,312	3,650	**14,150**	**14,200**	0	2,038	3,455	**16,950**	**17,000**	0	1,591	2,865	**19,750**	**19,800**	0	1,143	2,275
9,150	**9,200**	78	2,312	3,670	**14,200**	**14,250**	0	2,030	3,444	**17,000**	**17,050**	0	1,583	2,855	**19,800**	**19,850**	0	1,135	2,265
9,200	**9,250**	75	2,312	3,690	**14,250**	**14,300**	0	2,022	3,434	**17,050**	**17,100**	0	1,575	2,844	**19,850**	**19,900**	0	1,127	2,254
9,250	**9,300**	71	2,312	3,710	**14,300**	**14,350**	0	2,014	3,423	**17,100**	**17,150**	0	1,567	2,834	**19,900**	**19,950**	0	1,119	2,244
9,300	**9,350**	67	2,312	3,730	**14,350**	**14,400**	0	2,006	3,413	**17,150**	**17,200**	0	1,559	2,823	**19,950**	**20,000**	0	1,111	2,233
9,350	**9,400**	63	2,312	3,750	**14,400**	**14,450**	0	1,998	3,402	**17,200**	**17,250**	0	1,551	2,812	**20,000**	**20,050**	0	1,103	2,223
9,400	**9,450**	59	2,312	3,770	**14,450**	**14,500**	0	1,990	3,392	**17,250**	**17,300**	0	1,543	2,802	**20,050**	**20,100**	0	1,095	2,212
9,450	**9,500**	55	2,312	3,790	**14,500**	**14,550**	0	1,982	3,381	**17,300**	**17,350**	0	1,535	2,791	**20,100**	**20,150**	0	1,087	2,202
9,500	**9,550**	52	2,312	3,816	**14,550**	**14,600**	0	1,974	3,371	**17,350**	**17,400**	0	1,527	2,781	**20,150**	**20,200**	0	1,079	2,191
9,550	**9,600**	48	2,312	3,816	**14,600**	**14,650**	0	1,966	3,360	**17,400**	**17,450**	0	1,519	2,770	**20,200**	**20,250**	0	1,071	2,181
9,600	**9,650**	44	2,312	3,816	**14,650**	**14,700**	0	1,958	3,350	**17,450**	**17,500**	0	1,511	2,760	**20,250**	**20,300**	0	1,063	2,170
9,650	**9,700**	40	2,312	3,816	**14,700**	**14,750**	0	1,950	3,339	**17,500**	**17,550**	0	1,503	2,749	**20,300**	**20,350**	0	1,055	2,160
9,700	**9,750**	36	2,312	3,816	**14,750**	**14,800**	0	1,942	3,328	**17,550**	**17,600**	0	1,495	2,739	**20,350**	**20,400**	0	1,047	2,149
9,750	**9,800**	33	2,312	3,816	**14,800**	**14,850**	0	1,934	3,318	**17,600**	**17,650**	0	1,487	2,728	**20,400**	**20,450**	0	1,039	2,139
9,800	**9,850**	29	2,312	3,816	**14,850**	**14,900**	0	1,926	3,307	**17,650**	**17,700**	0	1,479	2,718	**20,450**	**20,500**	0	1,031	2,128
9,850	**9,900**	25	2,312	3,816	**14,900**	**14,950**	0	1,918	3,297	**17,700**	**17,750**	0	1,471	2,707	**20,500**	**20,550**	0	1,023	2,118
9,900	**9,950**	21	2,312	3,816	**14,950**	**15,000**	0	1,910	3,286	**17,750**	**17,800**	0	1,463	2,697	**20,550**	**20,600**	0	1,015	2,107
9,950	**10,000**	17	2,312	3,816	**15,000**	**15,050**	0	1,902	3,276	**17,800**	**17,850**	0	1,455	2,686	**20,600**	**20,650**	0	1,007	2,096
10,000	**10,050**	13	2,312	3,816	**15,050**	**15,100**	0	1,894	3,265	**17,850**	**17,900**	0	1,447	2,676	**20,650**	**20,700**	0	999	2,086
10,050	**10,100**	10	2,312	3,816	**15,100**	**15,150**	0	1,886	3,255	**17,900**	**17,950**	0	1,439	2,665	**20,700**	**20,750**	0	991	2,075
10,100	**10,150**	6	2,312	3,816	**15,150**	**15,200**	0	1,878	3,244	**17,950**	**18,000**	0	1,431	2,655	**20,750**	**20,800**	0	983	2,065
10,150	**10,200**	2	2,312	3,816	**15,200**	**15,250**	0	1,870	3,234	**18,000**	**18,050**	0	1,423	2,644	**20,800**	**20,850**	0	975	2,054
10,200	**12,500**	0	2,312	3,816	**15,250**	**15,300**	0	1,862	3,223	**18,050**	**18,100**	0	1,415	2,633	**20,850**	**20,900**	0	967	2,044
12,500	**12,550**	0	2,302	3,802	**15,300**	**15,350**	0	1,854	3,213	**18,100**	**18,150**	0	1,407	2,623	**20,900**	**20,950**	0	959	2,033
12,550	**12,600**	0	2,294	3,792	**15,350**	**15,400**	0	1,846	3,202	**18,150**	**18,200**	0	1,399	2,612	**20,950**	**21,000**	0	951	2,023
12,600	**12,650**	0	2,286	3,781	**15,400**	**15,450**	0	1,838	3,192	**18,200**	**18,250**	0	1,391	2,602	**21,000**	**21,050**	0	943	2,012
12,650	**12,700**	0	2,278	3,771	**15,450**	**15,500**	0	1,830	3,181	**18,250**	**18,300**	0	1,383	2,591	**21,050**	**21,100**	0	935	2,002
12,700	**12,750**	0	2,270	3,760	**15,500**	**15,550**	0	1,822	3,171	**18,300**	**18,350**	0	1,375	2,581	**21,100**	**21,150**	0	927	1,991
12,750	**12,800**	0	2,262	3,750	**15,550**	**15,600**	0	1,814	3,160	**18,350**	**18,400**	0	1,367	2,570	**21,150**	**21,200**	0	919	1,981
12,800	**12,850**	0	2,254	3,739	**15,600**	**15,650**	0	1,806	3,149	**18,400**	**18,450**	0	1,359	2,560	**21,200**	**21,250**	0	911	1,970
12,850	**12,900**	0	2,246	3,729	**15,650**	**15,700**	0	1,798	3,139	**18,450**	**18,500**	0	1,351	2,549	**21,250**	**21,300**	0	903	1,960
12,900	**12,950**	0	2,238	3,718	**15,700**	**15,750**	0	1,790	3,128	**18,500**	**18,550**	0	1,343	2,539	**21,300**	**21,350**	0	895	1,949
12,950	**13,000**	0	2,230	3,708	**15,750**	**15,800**	0	1,782	3,118	**18,550**	**18,600**	0	1,335	2,528	**21,350**	**21,400**	0	887	1,939
13,000	**13,050**	0	2,222	3,697	**15,800**	**15,850**	0	1,774	3,107	**18,600**	**18,650**	0	1,327	2,518	**21,400**	**21,450**	0	879	1,928
13,050	**13,100**	0	2,214	3,686	**15,850**	**15,900**	0	1,766	3,097	**18,650**	**18,700**	0	1,319	2,507	**21,450**	**21,500**	0	871	1,917
13,100	**13,150**	0	2,206	3,676	**15,900**	**15,950**	0	1,758	3,086	**18,700**	**18,750**	0	1,311	2,497	**21,500**	**21,550**	0	863	1,907
13,150	**13,200**	0	2,198	3,665	**15,950**	**16,000**	0	1,750	3,076	**18,750**	**18,800**	0	1,303	2,486	**21,550**	**21,600**	0	855	1,896
13,200	**13,250**	0	2,190	3,655	**16,000**	**16,050**	0	1,742	3,065	**18,800**	**18,850**	0	1,295	2,476	**21,600**	**21,650**	0	847	1,886
13,250	**13,300**	0	2,182	3,644	**16,050**	**16,100**	0	1,734	3,055	**18,850**	**18,900**	0	1,287	2,465	**21,650**	**21,700**	0	839	1,875
13,300	**13,350**	0	2,174	3,634	**16,100**	**16,150**	0	1,726	3,044	**18,900**	**18,950**	0	1,279	2,454	**21,700**	**21,750**	0	831	1,865
13,350	**13,400**	0	2,166	3,623	**16,150**	**16,200**	0	1,718	3,034	**18,950**	**19,000**	0	1,271	2,444	**21,750**	**21,800**	0	823	1,854
13,400	**13,450**	0	2,158	3,613	**16,200**	**16,250**	0	1,710	3,023	**19,000**	**19,050**	0	1,263	2,433	**21,800**	**21,850**	0	815	1,844
13,450	**13,500**	0	2,150	3,602	**16,250**	**16,300**	0	1,702	3,013	**19,050**	**19,100**	0	1,255	2,423	**21,850**	**21,900**	0	807	1,833
13,500	**13,550**	0	2,142	3,592	**16,300**	**16,350**	0	1,694	3,002	**19,100**	**19,150**	0	1,247	2,412	**21,900**	**21,950**	0	799	1,823
13,550	**13,600**	0	2,134	3,581	**16,350**	**16,400**	0	1,686	2,992	**19,150**	**19,200**	0	1,239	2,402	**21,950**	**22,000**	0	792	1,812
13,600	**13,650**	0	2,126	3,571	**16,400**	**16,450**	0	1,678	2,981	**19,200**	**19,250**	0	1,231	2,391	**22,000**	**22,050**	0	784	1,802
13,650	**13,700**	0	2,118	3,560	**16,450**	**16,500**	0	1,670	2,970	**19,250**	**19,300**	0	1,223	2,381	**22,050**	**22,100**	0	776	1,791
13,700	**13,750**	0	2,110	3,550	**16,500**	**16,550**	0	1,662	2,960	**19,300**	**19,350**	0	1,215	2,370	**22,100**	**22,150**	0	768	1,781
13,750	**13,800**	0	2,102	3,539	**16,550**	**16,600**	0	1,654	2,949	**19,350**	**19,400**	0	1,207	2,360	**22,150**	**22,200**	0	760	1,770
13,800	**13,850**	0	2,094	3,529	**16,600**	**16,650**	0	1,646	2,939	**19,400**	**19,450**	0	1,199	2,349	**22,200**	**22,250**	0	752	1,759

(Continued)

1999 Earned Income Credit (EIC) Table *Continued* (**Caution:** *This is* ***not*** *a tax table.*)

If the amount you are looking up from the worksheet is—		And you have—			If the amount you are looking up from the worksheet is—		And you have—			If the amount you are looking up from the worksheet is—		And you have—			If the amount you are looking up from the worksheet is—		And you have—		
At least	But less than	No children	One child	Two children	At least	But less than	No children	One child	Two children	At least	But less than	No children	One child	Two children	At least	But less than	No children	One child	Two children
		Your credit is—					Your credit is—					Your credit is—					Your credit is—		
22,250	22,300	0	744	1,749	24,450	24,500	0	392	1,286	26,650	26,700	0	40	822	28,850	28,900	0	0	359
22,300	22,350	0	736	1,738	24,500	24,550	0	384	1,275	26,700	26,750	0	32	812	28,900	28,950	0	0	348
22,350	22,400	0	728	1,728	24,550	24,600	0	376	1,265	26,750	26,800	0	24	801	28,950	29,000	0	0	338
22,400	22,450	0	720	1,717	24,600	24,650	0	368	1,254	26,800	26,850	0	16	791	29,000	29,050	0	0	327
22,450	22,500	0	712	1,707	24,650	24,700	0	360	1,244	26,850	26,900	0	8	780	29,050	29,100	0	0	317
22,500	22,550	0	704	1,696	24,700	24,750	0	352	1,233	26,900	26,950	0	*	770	29,100	29,150	0	0	306
22,550	22,600	0	696	1,686	24,750	24,800	0	344	1,222	26,950	27,000	0	0	759	29,150	29,200	0	0	296
22,600	22,650	0	688	1,675	24,800	24,850	0	336	1,212	27,000	27,050	0	0	749	29,200	29,250	0	0	285
22,650	22,700	0	680	1,665	24,850	24,900	0	328	1,201	27,050	27,100	0	0	738	29,250	29,300	0	0	275
22,700	22,750	0	672	1,654	24,900	24,950	0	320	1,191	27,100	27,150	0	0	728	29,300	29,350	0	0	264
22,750	22,800	0	664	1,644	24,950	25,000	0	312	1,180	27,150	27,200	0	0	717	29,350	29,400	0	0	254
22,800	22,850	0	656	1,633	25,000	25,050	0	304	1,170	27,200	27,250	0	0	706	29,400	29,450	0	0	243
22,850	22,900	0	648	1,623	25,050	25,100	0	296	1,159	27,250	27,300	0	0	696	29,450	29,500	0	0	233
22,900	22,950	0	640	1,612	25,100	25,150	0	288	1,149	27,300	27,350	0	0	685	29,500	29,550	0	0	222
22,950	23,000	0	632	1,602	25,150	25,200	0	280	1,138	27,350	27,400	0	0	675	29,550	29,600	0	0	212
23,000	23,050	0	624	1,591	25,200	25,250	0	272	1,128	27,400	27,450	0	0	664	29,600	29,650	0	0	201
23,050	23,100	0	616	1,580	25,250	25,300	0	264	1,117	27,450	27,500	0	0	654	29,650	29,700	0	0	191
23,100	23,150	0	608	1,570	25,300	25,350	0	256	1,107	27,500	27,550	0	0	643	29,700	29,750	0	0	180
23,150	23,200	0	600	1,559	25,350	25,400	0	248	1,096	27,550	27,600	0	0	633	29,750	29,800	0	0	169
23,200	23,250	0	592	1,549	25,400	25,450	0	240	1,086	27,600	27,650	0	0	622	29,800	29,850	0	0	159
23,250	23,300	0	584	1,538	25,450	25,500	0	232	1,075	27,650	27,700	0	0	612	29,850	29,900	0	0	148
23,300	23,350	0	576	1,528	25,500	25,550	0	224	1,065	27,700	27,750	0	0	601	29,900	29,950	0	0	138
23,350	23,400	0	568	1,517	25,550	25,600	0	216	1,054	27,750	27,800	0	0	591	29,950	30,000	0	0	127
23,400	23,450	0	560	1,507	25,600	25,650	0	208	1,043	27,800	27,850	0	0	580	30,000	30,050	0	0	117
23,450	23,500	0	552	1,496	25,650	25,700	0	200	1,033	27,850	27,900	0	0	570	30,050	30,100	0	0	106
23,500	23,550	0	544	1,486	25,700	25,750	0	192	1,022	27,900	27,950	0	0	559	30,100	30,150	0	0	96
23,550	23,600	0	536	1,475	25,750	25,800	0	184	1,012	27,950	28,000	0	0	549	30,150	30,200	0	0	85
23,600	23,650	0	528	1,465	25,800	25,850	0	176	1,001	28,000	28,050	0	0	538	30,200	30,250	0	0	75
23,650	23,700	0	520	1,454	25,850	25,900	0	168	991	28,050	28,100	0	0	527	30,250	30,300	0	0	64
23,700	23,750	0	512	1,444	25,900	25,950	0	160	980	28,100	28,150	0	0	517	30,300	30,350	0	0	54
23,750	23,800	0	504	1,433	25,950	26,000	0	152	970	28,150	28,200	0	0	506	30,350	30,400	0	0	43
23,800	23,850	0	496	1,423	26,000	26,050	0	144	959	28,200	28,250	0	0	496	30,400	30,450	0	0	33
23,850	23,900	0	488	1,412	26,050	26,100	0	136	949	28,250	28,300	0	0	485	30,450	30,500	0	0	22
23,900	23,950	0	480	1,401	26,100	26,150	0	128	938	28,300	28,350	0	0	475	30,500	30,550	0	0	12
23,950	24,000	0	472	1,391	26,150	26,200	0	120	928	28,350	28,400	0	0	464	30,550	30,580	0	0	3
24,000	24,050	0	464	1,380	26,200	26,250	0	112	917	28,400	28,450	0	0	454	30,580 or more		0	0	0
24,050	24,100	0	456	1,370	26,250	26,300	0	104	907	28,450	28,500	0	0	443					
24,100	24,150	0	448	1,359	26,300	26,350	0	96	896	28,500	28,550	0	0	433					
24,150	24,200	0	440	1,349	26,350	26,400	0	88	886	28,550	28,600	0	0	422					
24,200	24,250	0	432	1,338	26,400	26,450	0	80	875	28,600	28,650	0	0	412					
24,250	24,300	0	424	1,328	26,450	26,500	0	72	864	28,650	28,700	0	0	401					
24,300	24,350	0	416	1,317	26,500	26,550	0	64	854	28,700	28,750	0	0	391					
24,350	24,400	0	408	1,307	26,550	26,600	0	56	843	28,750	28,800	0	0	380					
24,400	24,450	0	400	1,296	26,600	26,650	0	48	833	28,800	28,850	0	0	370					

*If the amount you are looking up from the worksheet is at least $26,900 but less than $26,928, your credit is $2. Otherwise, you cannot take the credit.

Need more information or forms? See page 7.

Line 60

Additional Child Tax Credit

What Is the Additional Child Tax Credit?

This credit is for certain people who have three or more qualifying children as defined in the instructions for line 6c, column (4), on page 19. The additional child tax credit may give you a refund even if you do not owe any tax.

Two Steps To Take the Additional Child Tax Credit!

Step 1. Be sure you figured the amount, if any, of your child tax credit. See the instructions for Form 1040, line 43, that begin on page 33.

Step 2. Read the **TIP** at the end of your Child Tax Credit Worksheet. Use Form 8812 to see if you can take the additional child tax credit only if you meet the two conditions given in that TIP.

Line 61

Amount Paid With Request for Extension To File

If you either filed **Form 4868** or used your credit card to get an automatic extension of time to file Form 1040, enter any amount you paid with that form or credit card. If you paid by credit card, do not include on line 61 the convenience fee you were charged. Also, include any amounts paid with **Form 2688** or **2350.**

Line 62

Excess Social Security and RRTA Tax Withheld

If you, or your spouse if filing a joint return, had more than one employer for 1999 and total wages of more than $72,600, too much social security tax may have been withheld. You can take a credit on this line for the amount withheld in excess of $4,501.20. But if any one employer withheld more than $4,501.20, you must ask that employer to refund the excess to you. You cannot claim it on your return. Figure this amount separately for you and your spouse.

If you had more than one railroad employer for 1999 and your total compensation was over $53,700, too much railroad retirement (RRTA) tax may have been withheld.

For more details, see **Pub. 505.**

Line 63

Other Payments

Check the box(es) on line 63 to report any credit from **Form 2439** or **4136.**

Refund

Line 65

Amount Overpaid

If line 65 is under $1, we will send a refund only on written request. If you want to check the status of your refund, please wait at least 4 weeks from the date you filed your return to do so. See page 10 for details.

If the amount you overpaid is large, you may want to decrease the amount of income tax withheld from your pay. See **Income Tax Withholding and Estimated Tax Payments for 2000** on page 51.

Refund Offset

If you owe past-due Federal tax, state income tax, child support, spousal support, or certain Federal nontax debts, such as student loans, all or part of the overpayment on line 65 may be used (offset) to pay the past-due amount. Offsets for Federal taxes are made by the IRS. All other offsets are made by the Treasury Department's Financial Management Service (FMS). You will receive a notice from FMS showing the amount of the offset and the agency receiving it. To find out if you may have an offset or if you have any questions about it, contact the agency(ies) you owe the debt to.

Injured Spouse Claim

If you file a joint return and your spouse has not paid past-due Federal tax, state income tax, child support, spousal support, or a Federal nontax debt, such as a student loan, part or all of the overpayment on line 65 may be used (offset) to pay the past-due amount. But **your** part of the overpayment may be refunded to you after the offset occurs if certain conditions apply and you complete **Form 8379.** For details, use TeleTax topic 203 (see page 10) or see Form 8379.

Lines 66b Through 66d

Direct Deposit of Refund

Complete lines 66b through 66d if you want us to directly deposit the amount shown on line 66a into your account at a bank or other financial institution (such as a mutual fund, brokerage firm, or credit union) instead of sending you a check.

Why Use Direct Deposit?

- You get your refund fast—even faster if you *e-file!*
- Payment is more secure—there is no check to get lost.
- More convenient. No trip to the bank to deposit your check.
- Saves tax dollars. A refund by direct deposit costs less than a check.

You can check with your financial institution to make sure your deposit will be accepted and to get the correct routing and account numbers.

Line 66b

The routing number **must** be **nine** digits. The first two digits must be 01 through 12 or 21 through 32. Otherwise, the direct deposit will be rejected and a check sent instead. On the sample check on page 49, the routing number is 250250025.

Your check may state that it is payable through a bank different from the financial institution at which you have your checking account. If so, do not use the routing number on that check. Instead, contact your financial institution for the correct routing number to enter on this line.

Line 66d

The account number can be up to 17 characters (both numbers and letters). Include hyphens but omit spaces and special symbols. Enter the number from left to right and leave any unused boxes blank. On the sample check below, the account number is 20202086. Be sure **not** to include the check number.

Some financial institutions will not allow a joint refund to be deposited into an individual account. The IRS is not responsible if a financial institution refuses a direct deposit.

Line 67

Applied to 2000 Estimated Tax

Enter on line 67 the amount, if any, of the overpayment on line 65 you want applied to your 2000 estimated tax. We will apply this amount to your account unless you attach a statement requesting us to apply it to your spouse's account. Include your spouse's social security number. This election to apply part or all of the amount overpaid to your 2000 estimated tax cannot be changed later.

Amount You Owe

Line 68

Amount You Owe

You do not have to pay if line 68 is under $1.

Include any estimated tax penalty from line 69 in the amount you enter on line 68.

You can pay by check, money order, or credit card (American Express® Card, MasterCard®, or Discover® Card).

To pay by check or money order, make it payable to the **"United States Treasury"** for the full amount due. **Do not** send cash. Write "1999 Form 1040" and your name, address, daytime telephone number, and social security number (SSN) on your payment. If you are filing a joint return, enter the SSN shown first on your tax return.

To help us process your payment, enter the amount on the right side of the check like this: $ XXX.XX. Do not use dashes or lines (for example, do not enter "$ XXX–" or "$ XXX $\frac{XX}{100}$").

Then, please complete **Form 1040-V** following the instructions on that form and enclose it in the envelope with your payment.

To pay by credit card, call **1-888-2PAY-TAX** (1-888-272-9829) toll-free and follow the instructions. A convenience fee will be charged by the credit card processor based on the amount you are paying. You will be told what the fee is when you call and you will have the option to either continue or cancel the call. You can also find out what the fee will be on the Internet at **www.8882paytax.com.** If you paid by credit card, enter the confirmation number you were given at the end of the call on page 1 of Form 1040 in the upper left corner.

Do not include any estimated tax payment in your check, money order, or amount you charge. Instead, make the estimated tax payment separately.

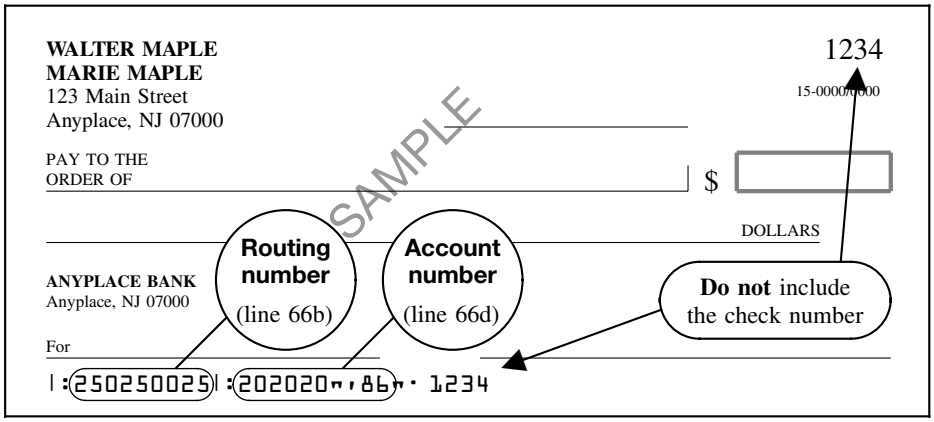
You may need to **(a)** increase the amount of income tax withheld from your pay or **(b)** make estimated tax payments for 2000. See **Income Tax Withholding and Estimated Tax Payments for 2000** on page 51.

What if You Cannot Pay?

If you cannot pay the full amount shown on line 68 when you file, you may ask to make monthly installment payments. You may have up to 60 months to pay. However, you will be charged interest and may be charged a late payment penalty on the tax not paid by April 17, 2000, even if your request to pay in installments is granted. You must also pay a fee. To limit the interest and penalty charges, pay as much of the tax as possible when you file. But before requesting an installment agreement, you should consider other less costly alternatives, such as a bank loan.

To ask for an installment agreement, use **Form 9465.** You should receive a response to your request for installments within 30 days. But if you file your return after March 31, it may take us longer to reply.

Sample Check



Note. The routing and account numbers may be in different places on your check.

Line 69

Estimated Tax Penalty

You must include household employment taxes reported on line 55 to see if you owe the penalty if line 57 is more than zero **or** you would owe the penalty even if you did not include those taxes. But if you entered an amount on Schedule H, line 7, include the total of that amount plus the amount on Form 1040, line 55.

(Continued on page 50)

Need more information or forms? See page 7.

You may owe this penalty if:

- Line 68 is at least $1,000 and it is more than 10% of the tax shown on your return, or
- You did not pay enough estimated tax by any of the due dates. This is true even if you are due a refund.

For most people, the "tax shown on your return" is the amount on line 56 minus the total of any amounts shown on lines 59a and 60 and Forms 8828, 4137, 4136, and 5329 (Parts III, IV, V, VI, and VII only).

Exceptions. You will not owe the penalty if your 1998 tax return was for a tax year of 12 full months AND **either** of the following applies.

1. You had no tax liability for 1998 and you were a U.S. citizen or resident for all of 1998, **or**

2. The total of lines 57, 58, and 62 on your 1999 return is at least as much as the tax liability shown on your 1998 return. Your estimated tax payments for 1999 must have been made on time and for the required amount.

CAUTION If your 1998 adjusted gross income was over $150,000 (over $75,000 if your 1999 filing status is married filing separately), item **2** above applies only if the total of lines 57, 58, and 62 on your 1999 return is at least 105% of the tax liability shown on your 1998 return. This rule does not apply to farmers and fishermen.

Figuring the Penalty

If the **Exceptions** above do not apply and you choose to figure the penalty yourself, see **Form 2210** (or **2210-F** for farmers and fishermen) to find out if you owe the penalty. If so, you can use the form to figure the amount. In certain situations, you may be able to lower your penalty. For details, see the Instructions for Form 2210 (or 2210-F). Enter the penalty on Form 1040, line 69. Add the penalty to any tax due and enter the total on line 68. If you are due a refund, subtract the penalty from the overpayment you show on line 65. **Do not** file Form 2210 with your return unless Form 2210 indicates that you must do so. Instead, keep it for your records.

TIP Because Form 2210 is complicated, if you want to, you can leave line 69 blank and the IRS will figure the penalty and send you a bill. We will not charge you interest on the penalty if you pay by the date specified on the bill.

Sign Your Return

Form 1040 is not considered a valid return unless you sign it. If you are filing a joint return, your spouse must also sign. If you have someone prepare your return, you are still responsible for the correctness of the return. If you are filing a joint return as a surviving spouse, see **Death of a Taxpayer** on page 51.

Child's Return

If your child cannot sign the return, either parent may sign the child's name in the space provided. Then, add "By (your signature), parent for minor child."

Daytime Telephone Number

Although providing your daytime telephone number is optional, doing so may help speed the processing of your return. We may have questions about items on your return, such as the earned income credit, credit for child and dependent care expenses, etc. By answering our questions over the telephone, we may be able to continue processing your return without mailing you a letter. If you are filing a joint return, you may enter either your or your spouse's daytime telephone number.

Paid Preparer Must Sign Your Return

Generally, anyone you pay to prepare your return must sign it by hand in the space provided. Signature stamps or labels cannot be used. The preparer must give you a copy of the return for your records. Someone who prepares your return but does not charge you should not sign your return.

Assemble Your Return

Assemble any schedules and forms behind Form 1040 in order of the "Attachment Sequence No." shown in the upper right corner of the schedule or form. If you have supporting statements, arrange them in the same order as the schedules or forms they support and attach them last. **Do not** attach correspondence or other items unless required to do so. Attach the first copy or Copy B of Forms W-2, W-2G, and 2439 to the front of Form 1040. Also attach Form(s) 1099-R if tax was withheld.

How To Avoid Common Mistakes

Mistakes may delay your refund or result in notices being sent to you.

1. Be sure to enter your social security number (SSN) in the space provided on page 1 of Form 1040. If you are married filing a joint or separate return, also enter your spouse's SSN. Be sure to enter your SSN in the space next to your name.

2. Make sure you entered the correct name and SSN for each dependent you claim on line 6c. Also, make sure you check the box in column (4) of line 6c for each dependent who is also a qualifying child for the child tax credit.

3. Check your math, especially for the child tax credit, earned income credit, taxable social security benefits, total income, itemized deductions or standard deduction, deduction for exemptions, taxable income, total tax, Federal income tax withheld, and refund or amount you owe.

4. Be sure you use the correct method to figure your tax. See the instructions for line 40 that begin on page 31.

5. Make sure your name and address are correct on the peel-off label. If not, enter the correct information.

6. If you are taking the standard deduction and you checked any box on line 35a or you (or your spouse if filing jointly) can be claimed as a dependent on someone's return, see page 30 to be sure you entered the correct amount on line 36.

7. If you are married filing jointly and did not get a peel-off label, enter your and your spouse's name in the same order as shown on your last return.

8. If you received capital gain distributions but were not required to file Schedule D, make sure you check the box on line 13.

9. Remember to **sign** and date Form 1040 and enter your occupation.

10. Attach your W-2 form(s) and other required forms and schedules. Put all forms and schedules in the proper order. See **Assemble Your Return** on this page.

11. If you owe tax and are paying by check or money order, be sure to include all the required information on your payment. See the instructions for line 68 on page 49 for details.

General Information

What Are Your Rights as a Taxpayer?

You have the right to be treated fairly, professionally, promptly, and courteously by IRS employees. Our goal at the IRS is to protect your rights so that you will have the highest confidence in the integrity, efficiency, and fairness of our tax system. To ensure that you always receive such treatment, you should know about the many rights you have at each step of the tax process. For details, see **Pub. 1.**

Innocent Spouse Relief

You may qualify for relief from liability for tax on a joint return if **(1)** there is an understatement of tax because your spouse omitted income or claimed false deductions or credits, **(2)** you are divorced, separated, or no longer living with your spouse, **or (3)** given all the facts and circumstances, it would be unfair to hold you liable for the tax. See **Form 8857** or **Pub. 971** for more details.

Income Tax Withholding and Estimated Tax Payments for 2000

If the amount you owe or the amount you overpaid is large, you may want to file a new **Form W-4** with your employer to change the amount of income tax withheld from your 2000 pay. In general, you do not have to make estimated tax payments if you expect that your 2000 Form 1040 will show a tax refund or a tax balance due the IRS of less than $1,000. If your total estimated tax (including any household employment taxes or alternative minimum tax) for 2000 is $1,000 or more, see **Form 1040-ES.** It has a worksheet you can use to see if you have to make estimated tax payments. For more details, see **Pub. 505.**

Do Both the Name and SSN on Your Tax Forms Agree With Your Social Security Card?

If not, your refund may be delayed or you may not receive credit for your social security earnings. If your Form W-2, Form 1099, or other tax document shows an incorrect SSN or name, notify your employer or the form-issuing agent as soon as possible to make sure your earnings are credited to your social security record. If the name or SSN on your social security card is incorrect, call the Social Security Administration at 1-800-772-1213.

How Do You Make a Gift To Reduce the Public Debt?

If you wish to do so, make a check payable to "Bureau of the Public Debt." You can send it to: Bureau of the Public Debt, Department G, P.O. Box 2188, Parkersburg, WV 26106-2188. Or, you can enclose the check with your income tax return when you file. Do not add your gift to any tax you may owe. See page 49 for details on how to pay any tax you owe.

TIP If you itemize your deductions for 2000, you may be able to deduct this gift.

Address Change

If you move after you file, always notify in writing the Internal Revenue Service Center where you filed your last return, or the Chief, Customer Service Division, at your local IRS district office. You can use **Form 8822** to notify us of your new address.

How Long Should Records Be Kept?

Keep a copy of your tax return, worksheets you used, and records of all items appearing on it (such as W-2 and 1099 forms) until the statute of limitations runs out for that return. Usually, this is 3 years from the date the return was due or filed, or 2 years from the date the tax was paid, whichever is later. You should keep some records longer. For example, keep property records (including those on your home) as long as they are needed to figure the basis of the original or replacement property. For more details, see **Pub. 552.**

Amended Return

File **Form 1040X** to change a return you already filed. Generally, Form 1040X must be filed within 3 years after the date the original return was filed, or within 2 years after the date the tax was paid, whichever is later. But you may have more time to file Form 1040X if you are physically or mentally unable to manage your financial affairs. See **Pub. 556** for details.

Need a Copy of Your Tax Return?

If you need a copy of your tax return, use **Form 4506.** If you have questions about your account, call or write your local IRS office. If you want a printed copy of your account, it will be mailed to you free of charge.

Death of a Taxpayer

If a taxpayer died before filing a return for 1999, the taxpayer's spouse or personal representative may have to file and sign a return for that taxpayer. A personal representative can be an executor, administrator, or anyone who is in charge of the deceased taxpayer's property. If the deceased taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund. The person who files the return should enter **"DECEASED,"** the deceased taxpayer's name, and the date of death across the top of the return.

(Continued on page 52)

If your spouse died in 1999 and you did not remarry in 1999, you can file a joint return. You can also file a joint return if your spouse died in 2000 before filing a 1999 return. A joint return should show your spouse's 1999 income before death and your income for all of 1999. Enter "Filing as surviving spouse" in the area where you sign the return. If someone else is the personal representative, he or she must also sign.

The surviving spouse or personal representative should promptly notify all payers of income, including financial institutions, of the taxpayer's death. This will ensure the proper reporting of income earned by the taxpayer's estate or heirs. A deceased taxpayer's social security number should not be used for tax years after the year of death, except for estate tax return purposes.

Claiming a Refund for a Deceased Taxpayer

If you are filing a joint return as a surviving spouse, you only need to file the tax return to claim the refund. If you are a court-appointed representative, file the return **and** attach a copy of the certificate that shows your appointment. All other filers requesting the deceased taxpayer's refund must file the return and attach **Form 1310.**

For more details, use TeleTax topic 356 (see page 10) or see **Pub. 559.**

IRS e-file

CLICK. ZIP. FAST ROUND TRIP

Explore IRS *e-file!*

- **Fast**
- **Accurate**
- **Secure**

Millions of people just like you file their tax returns electronically using an IRS *e-file* option because of the many advantages:

- A fast refund in half the time—even faster with Direct Deposit
- File now, pay later—with a credit card or Direct Debit you can wait to pay up until April 17, 2000
- Less chance of receiving an error notice from the IRS because IRS *e-file* is more accurate than a paper return
- File your Federal and state tax returns together
- An acknowledgement of IRS receipt within 48 hours
- Free and low-cost alternatives available
- Privacy and security are assured
- Chance of an audit is not greater than a paper return

Here's How You Can Participate With IRS *e-file*

Use an Authorized IRS *e-file* Provider

AUTHORIZED IRS e-file PROVIDER

Many tax professionals file tax returns electronically for their clients. You can prepare your own return and have a professional electronically transmit it to the IRS or you can have your return prepared and transmitted by the tax professional. Depending on the tax professional and the specific services requested, a fee may be charged. Look for the "Authorized IRS *e-file* Provider" sign.

IRS *e-file* Through Your Personal Computer

You can file your tax return in a fast, convenient way through your personal computer right from home. Tax preparation software is available at your local computer retailer or through various web sites over the Internet. For a list of participating software companies, go to **www.irs.gov,** click on "Electronic Services" and then click on "On-Line Filing Companies." You can also find a list of IRS partners that provide free or low-cost IRS *e-file* options by clicking on "Electronic Services" and then on "IRS *e-file* Partners." Depending on which software program you use to file your taxes, you will need a modem and/or Internet access. You can file 24 hours a day, 7 days a week.

IRS *e-file* Using a Telephone

TeleFile Your Easiest Way To File

For millions of eligible taxpayers, TeleFile is the easiest way to file. TeleFile allows you to file your simple Federal tax return using a touch-tone phone. Only taxpayers who receive the TeleFile Tax Package in the mail are eligible to use this IRS *e-file* option. Just fill in the tax record in the booklet, pick up a phone, and call the toll-free number any time day or night. TeleFile is completely paperless—there are no forms to mail. It usually takes about 10 minutes and is absolutely free. **Parents! If your children receive a TeleFile Tax Package, please encourage them to use TeleFile!**

IRS *e-file* Through Employers and Financial Institutions

Some businesses offer free e-filing to their employees. Others offer it for a fee to customers. Ask your employer or financial institution if they offer IRS *e-file* to employees, members, or customers.

Visit a VITA or TCE Site

Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) sites are open to low-income individuals, others who need help with their tax returns, and the elderly. Both programs are free and can be found in community locations such as libraries, colleges, universities, shopping malls, and retirement and senior centers. Ask for IRS *e-file* at these sites.

Electronic Payment Options

If you have a balance due, you can make your payment electronically. To pay by credit card, call **1-888-2PAY-TAX** (1-888-272-9829). You can also pay by authorizing a Direct Debit from your checking or savings account on the date you choose—any time up to April 17, 2000.

Other Ways To Get Help

Send Your Written Questions to the IRS

You may send your written tax questions to your IRS District Director. You should get an answer in about 30 days. If you do not have the address, call us. See page 12. Do not send questions with your return.

Assistance With Your Return

IRS offices can help you prepare your return. An assister will explain a Form 1040EZ, 1040A, or 1040 with Schedules A and B to you and other taxpayers in a group setting. You may also be able to file your return electronically by computer free of charge at some IRS offices. To find the IRS office nearest you, look in the phone book under "United States Government, Internal Revenue Service" or call us. See page 12 for the number.

VITA and TCE

These programs help older, disabled, low-income, and non-English-speaking people fill in their returns. For details, call us. See page 12 for the number. If you received a Federal income tax package in the mail, take it with you when you go for help. Also take a copy of your 1998 tax return if you have it. **Or** to find the nearest AARP Tax-Aide site, visit AARP's Internet Web Site at www.aarp.org/taxaide or call **1-877-227-7844.**

On-Line Services

If you subscribe to an on-line service, ask about on-line filing or tax information.

Large-Print Forms and Instructions

Pub. 1614 has large-print copies of Form 1040, Schedules A, B, D, E, EIC, and R, and Form 1040-V, and their instructions. You can use the large-print forms and schedules as worksheets to figure your tax, but you cannot file on them. You can get Pub. 1614 by phone or mail. See pages 7 and 55.

Help for People With Disabilities

Telephone help is available using TTY/TDD equipment. See page 12 for the number. Braille materials are available at libraries that have special services for people with disabilities.

Interest and Penalties

TIP You do not have to figure the amount of any interest or penalties you may owe. Because figuring these amounts can be complicated, we will do it for you if you want. We will send you a bill for any amount due.

If you include interest or penalties (other than the estimated tax penalty) with your payment, identify and enter the amount in the bottom margin of Form 1040, page 2. Please **do not** include interest or penalties (other than the estimated tax penalty) in the **amount you owe** on line 68.

Interest

We will charge you interest on taxes not paid by their due date, even if an extension of time to file is granted. We will also charge you interest on penalties imposed for failure to file, negligence, fraud, substantial valuation misstatements, and substantial understatements of tax. Interest is charged on the penalty from the due date of the return (including extensions).

Penalties

Late Filing

If you do not file your return by the due date (including extensions), the penalty is usually 5% of the amount due for each month or part of a month your return is late, unless you have a reasonable explanation. If you do, attach it to your return. The penalty cannot usually be more than 25% of the tax due. If your return is more than 60 days late, the minimum penalty will be $100 or the amount of any tax you owe, whichever is smaller.

Late Payment of Tax

If you pay your taxes late, the penalty is usually ½ of 1% of the unpaid amount for each month or part of a month the tax is not paid. The penalty cannot be more than 25% of the unpaid amount. It applies to any unpaid tax on the return. This penalty is in addition to interest charges on late payments.

Frivolous Return

In addition to any other penalties, the law imposes a penalty of $500 for filing a frivolous return. A frivolous return is one that does not contain information needed to figure the correct tax or shows a substantially incorrect tax because you take a frivolous position or desire to delay or interfere with the tax laws. This includes altering or striking out the preprinted language above the space where you sign.

Other

Other penalties can be imposed for negligence, substantial understatement of tax, and fraud. Criminal penalties may be imposed for willful failure to file, tax evasion, or making a false statement. See **Pub. 17** for details on some of these penalties.

Disclosure, Privacy Act, and Paperwork Reduction Act Notice

The IRS Restructuring and Reform Act of 1998, the Privacy Act of 1974, and Paperwork Reduction Act of 1980 require that when we ask you for information we must first tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it and whether your response is voluntary, required to obtain a benefit, or mandatory under the law.

This notice applies to all papers you file with us, including this tax return. It also applies to any questions we need to ask you so we can complete, correct, or process your return; figure your tax; and collect tax, interest, or penalties.

Our legal right to ask for information is Internal Revenue Code sections 6001, 6011, and 6012(a) and their regulations. They say that you must file a return or statement with us for any tax you are liable for. Your response is mandatory under these sections. Code section 6109 requires that you provide your social security number or individual taxpayer identification number on what you file. This is so we know who you are, and can process your return and other papers. You must fill in all parts of the tax form that apply to you. But you do not have to check the boxes for the Presidential Election Campaign Fund or provide your daytime telephone number.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law.

We ask for tax return information to carry out the tax laws of the United States. We need it to figure and collect the right amount of tax.

If you do not file a return, do not provide the information we ask for, or provide fraudulent information, you may be charged penalties and be subject to criminal prosecution. We may also have to disallow the exemptions, exclusions, credits, deductions, or adjustments shown on the tax return. This could make the tax higher or delay any refund. Interest may also be charged.

Generally, tax returns and return information are confidential, as stated in Code section 6103. However, Code section 6103 allows or requires the Internal Revenue Service to disclose or give the information shown on your tax return to others as described in the Code. For example, we may disclose your tax information to the Department of Justice, to enforce the tax laws, both civil and criminal, and to cities, states, the District of Columbia, U.S. commonwealths or possessions, and certain foreign governments to carry out their tax laws. We may disclose your tax information to the Department of Treasury and contractors for tax administration purposes; and to other persons as necessary to obtain information which we cannot get in any other way in order to determine the amount of or to collect the tax you owe. We may disclose your tax information to the Comptroller General of the United States to permit the Comptroller General to review the Internal Revenue Service. We may also disclose your tax information to Committees of Congress; Federal, state, and local child support agencies; and to other Federal agencies for the purposes of determining entitlement for benefits or the eligibility for and the repayment of loans.

Please keep this notice with your records. It may help you if we ask you for other information. If you have questions about the rules for filing and giving information, please call or visit any Internal Revenue Service office.

The Time It Takes To Prepare Your Return

We try to create forms and instructions that can be easily understood. Often this is difficult to do because our tax laws are very complex. For some people with income mostly from wages, filling in the forms is easy. For others who have businesses, pensions, stocks, rental income, or other investments, it is more difficult.

We Welcome Comments on Forms

If you have comments concerning the accuracy of the time estimates shown below or suggestions for making these forms simpler, we would be happy to hear from you. You can e-mail us your suggestions and comments through the IRS Internet Home Page (www.irs.gov/help/email.html) or write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **DO NOT** send your return to this address. Instead, see the back cover.

Estimated Preparation Time

The time needed to complete and file Form 1040, its schedules, and accompanying worksheets will vary depending on individual circumstances. The estimated average times are:

Form	Recordkeeping	Learning about the law or the form	Preparing the form	Copying, assembling, and sending the form to the IRS	Totals
Form 1040	3 hr., 15 min.	2 hr., 39 min.	6 hr., 22 min.	35 min.	12 hr., 51 min.
Sch. A	3 hr., 5 min.	40 min.	1 hr., 34 min.	20 min.	5 hr., 39 min.
Sch. B	33 min.	8 min.	24 min.	20 min.	1 hr., 25 min.
Sch. C	6 hr., 26 min.	1 hr., 11 min.	2 hr., 7 min.	35 min.	10 hr., 19 min.
Sch. C-EZ	46 min.	4 min.	34 min.	20 min.	1 hr., 44 min.
Sch. D	1 hr., 4 min.	2 hr., 16 min.	1 hr., 39 min.	35 min.	5 hr., 34 min.
Sch. D-1	13 min.	1 min.	11 min.	35 min.	1 hr.
Sch. E	2 hr., 52 min.	1 hr., 7 min.	1 hr., 16 min.	35 min.	5 hr., 50 min.
Sch. EIC	- - - - -	2 min.	14 min.	20 min.	36 min.
Sch. F:					
Cash Method	4 hr., 2 min.	36 min.	1 hr., 14 min.	20 min.	6 hr., 12 min.
Accrual Method	4 hr., 22 min.	25 min.	1 hr., 19 min.	20 min.	6 hr., 26 min.
Sch. H	46 min.	30 min.	52 min.	35 min.	2 hr., 43 min.
Sch. J	20 min.	7 min.	50 min.	20 min.	1 hr., 37 min.
Sch. R	20 min.	15 min.	29 min.	35 min.	1 hr., 39 min.
Sch. SE:					
Short	20 min.	14 min.	13 min.	14 min.	1 hr., 1 min.
Long	13 min.	20 min.	34 min.	20 min.	1 hr., 27 min.

Order Blank for Forms and Publications

The most frequently ordered forms and publications are listed on the order blank below. See pages 8 and 9 for the titles of the forms. We will mail you two copies of each form and one copy of each publication you order. To help reduce waste, please order only the items you need to prepare your return.

TIP For faster ways of getting the items you need, such as by computer or fax, see page 7.

How To Use the Order Blank

Circle the items you need on the order blank below. Use the blank spaces to order items not listed. If you need more space, attach a separate sheet of paper.

Print or type your name and address accurately in the space provided below. An accurate address is necessary to ensure delivery of your order. Cut the order blank on the dotted line. Enclose the order blank in your own envelope and send it to the IRS address shown on this page that applies to you. You should receive your order within 10 days after we receive your request.

Do not send your tax return to any of the addresses listed on this page. Instead, see the back cover.

Where To Mail Your Order Blank for Free Forms and Publications

IF you live in the . . .	THEN mail to . . .	AT this address . . .
Western United States	Western Area Distribution Center	Rancho Cordova, CA 95743-0001
Central United States	Central Area Distribution Center	P.O. Box 8903 Bloomington, IL 61702-8903
Eastern United States or a foreign country	Eastern Area Distribution Center	P.O. Box 85074 Richmond, VA 23261-5074

Detach at this line

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Fill in your name and address.

Name

Number and street — Apt./Suite/Room

City — State — ZIP code

Foreign country — International postal code

Daytime telephone number (optional)
( )

The items in bold may be picked up at many IRS offices, post offices, and libraries. You may also download all these items from the Internet at www.irs.gov or place an electronic order for them.

Circle the forms and publications you need. The instructions for any form you order will be included.

1040	Schedule F (1040)	Schedule 3 (1040A)	2441	8812	Pub. 463	Pub. 527	Pub. 910
Schedules A&B (1040)	Schedule H (1040)	**1040EZ**	3903	8822	Pub. 501	Pub. 529	Pub. 926
Schedule C (1040)	Schedule J (1040)	1040-ES (2000)	4562	8829	Pub. 502	Pub. 535	Pub. 929
Schedule C-EZ (1040)	Schedule R (1040)	1040-V	4868	8863	Pub. 505	Pub. 550	Pub. 936
Schedule D (1040)	Schedule SE (1040)	1040X	5329	9465	Pub. 508	Pub. 554	Pub. 970
Schedule D-1 (1040)	**1040A**	2106	8283	Pub. 1	Pub. 521	Pub. 575	Pub. 972
Schedule E (1040)	**Schedule 1 (1040A)**	2106-EZ	8582	Pub. 17	Pub. 523	Pub. 590	
Schedule EIC (1040A or 1040)	**Schedule 2 (1040A)**	2210	8606	Pub. 334	Pub. 525	Pub. 596	

N

1999 Tax Table

Use if your taxable income is less than $100,000.
If $100,000 or more, use the Tax Rate Schedules.

Example. Mr. and Mrs. Brown are filing a joint return. Their taxable income on line 39 of Form 1040 is $25,300. First, they find the $25,300–25,350 income line. Next, they find the column for married filing jointly and read down the column. The amount shown where the income line and filing status column meet is $3,799. This is the tax amount they should enter on line 40 of their Form 1040.

Sample Table

At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
25,200	**25,250**	3,784	3,784	4,265	3,784
25,250	**25,300**	3,791	3,791	4,279	3,791
25,300	**25,350**	3,799	3,799	4,293	3,799
25,350	**25,400**	3,806	3,806	4,307	3,806

If line 39 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
0	**5**	0	0	0	0
5	**15**	2	2	2	2
15	**25**	3	3	3	3
25	**50**	6	6	6	6
50	**75**	9	9	9	9
75	**100**	13	13	13	13
100	**125**	17	17	17	17
125	**150**	21	21	21	21
150	**175**	24	24	24	24
175	**200**	28	28	28	28
200	**225**	32	32	32	32
225	**250**	36	36	36	36
250	**275**	39	39	39	39
275	**300**	43	43	43	43
300	**325**	47	47	47	47
325	**350**	51	51	51	51
350	**375**	54	54	54	54
375	**400**	58	58	58	58
400	**425**	62	62	62	62
425	**450**	66	66	66	66
450	**475**	69	69	69	69
475	**500**	73	73	73	73
500	**525**	77	77	77	77
525	**550**	81	81	81	81
550	**575**	84	84	84	84
575	**600**	88	88	88	88
600	**625**	92	92	92	92
625	**650**	96	96	96	96
650	**675**	99	99	99	99
675	**700**	103	103	103	103
700	**725**	107	107	107	107
725	**750**	111	111	111	111
750	**775**	114	114	114	114
775	**800**	118	118	118	118
800	**825**	122	122	122	122
825	**850**	126	126	126	126
850	**875**	129	129	129	129
875	**900**	133	133	133	133
900	**925**	137	137	137	137
925	**950**	141	141	141	141
950	**975**	144	144	144	144
975	**1,000**	148	148	148	148
1,000					
1,000	**1,025**	152	152	152	152
1,025	**1,050**	156	156	156	156
1,050	**1,075**	159	159	159	159
1,075	**1,100**	163	163	163	163
1,100	**1,125**	167	167	167	167
1,125	**1,150**	171	171	171	171
1,150	**1,175**	174	174	174	174
1,175	**1,200**	178	178	178	178
1,200	**1,225**	182	182	182	182
1,225	**1,250**	186	186	186	186
1,250	**1,275**	189	189	189	189
1,275	**1,300**	193	193	193	193

If line 39 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
1,300	**1,325**	197	197	197	197
1,325	**1,350**	201	201	201	201
1,350	**1,375**	204	204	204	204
1,375	**1,400**	208	208	208	208
1,400	**1,425**	212	212	212	212
1,425	**1,450**	216	216	216	216
1,450	**1,475**	219	219	219	219
1,475	**1,500**	223	223	223	223
1,500	**1,525**	227	227	227	227
1,525	**1,550**	231	231	231	231
1,550	**1,575**	234	234	234	234
1,575	**1,600**	238	238	238	238
1,600	**1,625**	242	242	242	242
1,625	**1,650**	246	246	246	246
1,650	**1,675**	249	249	249	249
1,675	**1,700**	253	253	253	253
1,700	**1,725**	257	257	257	257
1,725	**1,750**	261	261	261	261
1,750	**1,775**	264	264	264	264
1,775	**1,800**	268	268	268	268
1,800	**1,825**	272	272	272	272
1,825	**1,850**	276	276	276	276
1,850	**1,875**	279	279	279	279
1,875	**1,900**	283	283	283	283
1,900	**1,925**	287	287	287	287
1,925	**1,950**	291	291	291	291
1,950	**1,975**	294	294	294	294
1,975	**2,000**	298	298	298	298
2,000					
2,000	**2,025**	302	302	302	302
2,025	**2,050**	306	306	306	306
2,050	**2,075**	309	309	309	309
2,075	**2,100**	313	313	313	313
2,100	**2,125**	317	317	317	317
2,125	**2,150**	321	321	321	321
2,150	**2,175**	324	324	324	324
2,175	**2,200**	328	328	328	328
2,200	**2,225**	332	332	332	332
2,225	**2,250**	336	336	336	336
2,250	**2,275**	339	339	339	339
2,275	**2,300**	343	343	343	343
2,300	**2,325**	347	347	347	347
2,325	**2,350**	351	351	351	351
2,350	**2,375**	354	354	354	354
2,375	**2,400**	358	358	358	358
2,400	**2,425**	362	362	362	362
2,425	**2,450**	366	366	366	366
2,450	**2,475**	369	369	369	369
2,475	**2,500**	373	373	373	373
2,500	**2,525**	377	377	377	377
2,525	**2,550**	381	381	381	381
2,550	**2,575**	384	384	384	384
2,575	**2,600**	388	388	388	388
2,600	**2,625**	392	392	392	392
2,625	**2,650**	396	396	396	396
2,650	**2,675**	399	399	399	399
2,675	**2,700**	403	403	403	403

If line 39 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
2,700	**2,725**	407	407	407	407
2,725	**2,750**	411	411	411	411
2,750	**2,775**	414	414	414	414
2,775	**2,800**	418	418	418	418
2,800	**2,825**	422	422	422	422
2,825	**2,850**	426	426	426	426
2,850	**2,875**	429	429	429	429
2,875	**2,900**	433	433	433	433
2,900	**2,925**	437	437	437	437
2,925	**2,950**	441	441	441	441
2,950	**2,975**	444	444	444	444
2,975	**3,000**	448	448	448	448
3,000					
3,000	**3,050**	454	454	454	454
3,050	**3,100**	461	461	461	461
3,100	**3,150**	469	469	469	469
3,150	**3,200**	476	476	476	476
3,200	**3,250**	484	484	484	484
3,250	**3,300**	491	491	491	491
3,300	**3,350**	499	499	499	499
3,350	**3,400**	506	506	506	506
3,400	**3,450**	514	514	514	514
3,450	**3,500**	521	521	521	521
3,500	**3,550**	529	529	529	529
3,550	**3,600**	536	536	536	536
3,600	**3,650**	544	544	544	544
3,650	**3,700**	551	551	551	551
3,700	**3,750**	559	559	559	559
3,750	**3,800**	566	566	566	566
3,800	**3,850**	574	574	574	574
3,850	**3,900**	581	581	581	581
3,900	**3,950**	589	589	589	589
3,950	**4,000**	596	596	596	596
4,000					
4,000	**4,050**	604	604	604	604
4,050	**4,100**	611	611	611	611
4,100	**4,150**	619	619	619	619
4,150	**4,200**	626	626	626	626
4,200	**4,250**	634	634	634	634
4,250	**4,300**	641	641	641	641
4,300	**4,350**	649	649	649	649
4,350	**4,400**	656	656	656	656
4,400	**4,450**	664	664	664	664
4,450	**4,500**	671	671	671	671
4,500	**4,550**	679	679	679	679
4,550	**4,600**	686	686	686	686
4,600	**4,650**	694	694	694	694
4,650	**4,700**	701	701	701	701
4,700	**4,750**	709	709	709	709
4,750	**4,800**	716	716	716	716
4,800	**4,850**	724	724	724	724
4,850	**4,900**	731	731	731	731
4,900	**4,950**	739	739	739	739
4,950	**5,000**	746	746	746	746

Continued on next page

* This column must also be used by a qualifying widow(er).

If line 39 (taxable income) is—		And you are—				If line 39 (taxable income) is—		And you are—				If line 39 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—						Your tax is—						Your tax is—			
5,000						**8,000**						**11,000**					
5,000	**5,050**	754	754	754	754	**8,000**	**8,050**	1,204	1,204	1,204	1,204	**11,000**	**11,050**	1,654	1,654	1,654	1,654
5,050	**5,100**	761	761	761	761	**8,050**	**8,100**	1,211	1,211	1,211	1,211	**11,050**	**11,100**	1,661	1,661	1,661	1,661
5,100	**5,150**	769	769	769	769	**8,100**	**8,150**	1,219	1,219	1,219	1,219	**11,100**	**11,150**	1,669	1,669	1,669	1,669
5,150	**5,200**	776	776	776	776	**8,150**	**8,200**	1,226	1,226	1,226	1,226	**11,150**	**11,200**	1,676	1,676	1,676	1,676
5,200	**5,250**	784	784	784	784	**8,200**	**8,250**	1,234	1,234	1,234	1,234	**11,200**	**11,250**	1,684	1,684	1,684	1,684
5,250	**5,300**	791	791	791	791	**8,250**	**8,300**	1,241	1,241	1,241	1,241	**11,250**	**11,300**	1,691	1,691	1,691	1,691
5,300	**5,350**	799	799	799	799	**8,300**	**8,350**	1,249	1,249	1,249	1,249	**11,300**	**11,350**	1,699	1,699	1,699	1,699
5,350	**5,400**	806	806	806	806	**8,350**	**8,400**	1,256	1,256	1,256	1,256	**11,350**	**11,400**	1,706	1,706	1,706	1,706
5,400	**5,450**	814	814	814	814	**8,400**	**8,450**	1,264	1,264	1,264	1,264	**11,400**	**11,450**	1,714	1,714	1,714	1,714
5,450	**5,500**	821	821	821	821	**8,450**	**8,500**	1,271	1,271	1,271	1,271	**11,450**	**11,500**	1,721	1,721	1,721	1,721
5,500	**5,550**	829	829	829	829	**8,500**	**8,550**	1,279	1,279	1,279	1,279	**11,500**	**11,550**	1,729	1,729	1,729	1,729
5,550	**5,600**	836	836	836	836	**8,550**	**8,600**	1,286	1,286	1,286	1,286	**11,550**	**11,600**	1,736	1,736	1,736	1,736
5,600	**5,650**	844	844	844	844	**8,600**	**8,650**	1,294	1,294	1,294	1,294	**11,600**	**11,650**	1,744	1,744	1,744	1,744
5,650	**5,700**	851	851	851	851	**8,650**	**8,700**	1,301	1,301	1,301	1,301	**11,650**	**11,700**	1,751	1,751	1,751	1,751
5,700	**5,750**	859	859	859	859	**8,700**	**8,750**	1,309	1,309	1,309	1,309	**11,700**	**11,750**	1,759	1,759	1,759	1,759
5,750	**5,800**	866	866	866	866	**8,750**	**8,800**	1,316	1,316	1,316	1,316	**11,750**	**11,800**	1,766	1,766	1,766	1,766
5,800	**5,850**	874	874	874	874	**8,800**	**8,850**	1,324	1,324	1,324	1,324	**11,800**	**11,850**	1,774	1,774	1,774	1,774
5,850	**5,900**	881	881	881	881	**8,850**	**8,900**	1,331	1,331	1,331	1,331	**11,850**	**11,900**	1,781	1,781	1,781	1,781
5,900	**5,950**	889	889	889	889	**8,900**	**8,950**	1,339	1,339	1,339	1,339	**11,900**	**11,950**	1,789	1,789	1,789	1,789
5,950	**6,000**	896	896	896	896	**8,950**	**9,000**	1,346	1,346	1,346	1,346	**11,950**	**12,000**	1,796	1,796	1,796	1,796
6,000						**9,000**						**12,000**					
6,000	**6,050**	904	904	904	904	**9,000**	**9,050**	1,354	1,354	1,354	1,354	**12,000**	**12,050**	1,804	1,804	1,804	1,804
6,050	**6,100**	911	911	911	911	**9,050**	**9,100**	1,361	1,361	1,361	1,361	**12,050**	**12,100**	1,811	1,811	1,811	1,811
6,100	**6,150**	919	919	919	919	**9,100**	**9,150**	1,369	1,369	1,369	1,369	**12,100**	**12,150**	1,819	1,819	1,819	1,819
6,150	**6,200**	926	926	926	926	**9,150**	**9,200**	1,376	1,376	1,376	1,376	**12,150**	**12,200**	1,826	1,826	1,826	1,826
6,200	**6,250**	934	934	934	934	**9,200**	**9,250**	1,384	1,384	1,384	1,384	**12,200**	**12,250**	1,834	1,834	1,834	1,834
6,250	**6,300**	941	941	941	941	**9,250**	**9,300**	1,391	1,391	1,391	1,391	**12,250**	**12,300**	1,841	1,841	1,841	1,841
6,300	**6,350**	949	949	949	949	**9,300**	**9,350**	1,399	1,399	1,399	1,399	**12,300**	**12,350**	1,849	1,849	1,849	1,849
6,350	**6,400**	956	956	956	956	**9,350**	**9,400**	1,406	1,406	1,406	1,406	**12,350**	**12,400**	1,856	1,856	1,856	1,856
6,400	**6,450**	964	964	964	964	**9,400**	**9,450**	1,414	1,414	1,414	1,414	**12,400**	**12,450**	1,864	1,864	1,864	1,864
6,450	**6,500**	971	971	971	971	**9,450**	**9,500**	1,421	1,421	1,421	1,421	**12,450**	**12,500**	1,871	1,871	1,871	1,871
6,500	**6,550**	979	979	979	979	**9,500**	**9,550**	1,429	1,429	1,429	1,429	**12,500**	**12,550**	1,879	1,879	1,879	1,879
6,550	**6,600**	986	986	986	986	**9,550**	**9,600**	1,436	1,436	1,436	1,436	**12,550**	**12,600**	1,886	1,886	1,886	1,886
6,600	**6,650**	994	994	994	994	**9,600**	**9,650**	1,444	1,444	1,444	1,444	**12,600**	**12,650**	1,894	1,894	1,894	1,894
6,650	**6,700**	1,001	1,001	1,001	1,001	**9,650**	**9,700**	1,451	1,451	1,451	1,451	**12,650**	**12,700**	1,901	1,901	1,901	1,901
6,700	**6,750**	1,009	1,009	1,009	1,009	**9,700**	**9,750**	1,459	1,459	1,459	1,459	**12,700**	**12,750**	1,909	1,909	1,909	1,909
6,750	**6,800**	1,016	1,016	1,016	1,016	**9,750**	**9,800**	1,466	1,466	1,466	1,466	**12,750**	**12,800**	1,916	1,916	1,916	1,916
6,800	**6,850**	1,024	1,024	1,024	1,024	**9,800**	**9,850**	1,474	1,474	1,474	1,474	**12,800**	**12,850**	1,924	1,924	1,924	1,924
6,850	**6,900**	1,031	1,031	1,031	1,031	**9,850**	**9,900**	1,481	1,481	1,481	1,481	**12,850**	**12,900**	1,931	1,931	1,931	1,931
6,900	**6,950**	1,039	1,039	1,039	1,039	**9,900**	**9,950**	1,489	1,489	1,489	1,489	**12,900**	**12,950**	1,939	1,939	1,939	1,939
6,950	**7,000**	1,046	1,046	1,046	1,046	**9,950**	**10,000**	1,496	1,496	1,496	1,496	**12,950**	**13,000**	1,946	1,946	1,946	1,946
7,000						**10,000**						**13,000**					
7,000	**7,050**	1,054	1,054	1,054	1,054	**10,000**	**10,050**	1,504	1,504	1,504	1,504	**13,000**	**13,050**	1,954	1,954	1,954	1,954
7,050	**7,100**	1,061	1,061	1,061	1,061	**10,050**	**10,100**	1,511	1,511	1,511	1,511	**13,050**	**13,100**	1,961	1,961	1,961	1,961
7,100	**7,150**	1,069	1,069	1,069	1,069	**10,100**	**10,150**	1,519	1,519	1,519	1,519	**13,100**	**13,150**	1,969	1,969	1,969	1,969
7,150	**7,200**	1,076	1,076	1,076	1,076	**10,150**	**10,200**	1,526	1,526	1,526	1,526	**13,150**	**13,200**	1,976	1,976	1,976	1,976
7,200	**7,250**	1,084	1,084	1,084	1,084	**10,200**	**10,250**	1,534	1,534	1,534	1,534	**13,200**	**13,250**	1,984	1,984	1,984	1,984
7,250	**7,300**	1,091	1,091	1,091	1,091	**10,250**	**10,300**	1,541	1,541	1,541	1,541	**13,250**	**13,300**	1,991	1,991	1,991	1,991
7,300	**7,350**	1,099	1,099	1,099	1,099	**10,300**	**10,350**	1,549	1,549	1,549	1,549	**13,300**	**13,350**	1,999	1,999	1,999	1,999
7,350	**7,400**	1,106	1,106	1,106	1,106	**10,350**	**10,400**	1,556	1,556	1,556	1,556	**13,350**	**13,400**	2,006	2,006	2,006	2,006
7,400	**7,450**	1,114	1,114	1,114	1,114	**10,400**	**10,450**	1,564	1,564	1,564	1,564	**13,400**	**13,450**	2,014	2,014	2,014	2,014
7,450	**7,500**	1,121	1,121	1,121	1,121	**10,450**	**10,500**	1,571	1,571	1,571	1,571	**13,450**	**13,500**	2,021	2,021	2,021	2,021
7,500	**7,550**	1,129	1,129	1,129	1,129	**10,500**	**10,550**	1,579	1,579	1,579	1,579	**13,500**	**13,550**	2,029	2,029	2,029	2,029
7,550	**7,600**	1,136	1,136	1,136	1,136	**10,550**	**10,600**	1,586	1,586	1,586	1,586	**13,550**	**13,600**	2,036	2,036	2,036	2,036
7,600	**7,650**	1,144	1,144	1,144	1,144	**10,600**	**10,650**	1,594	1,594	1,594	1,594	**13,600**	**13,650**	2,044	2,044	2,044	2,044
7,650	**7,700**	1,151	1,151	1,151	1,151	**10,650**	**10,700**	1,601	1,601	1,601	1,601	**13,650**	**13,700**	2,051	2,051	2,051	2,051
7,700	**7,750**	1,159	1,159	1,159	1,159	**10,700**	**10,750**	1,609	1,609	1,609	1,609	**13,700**	**13,750**	2,059	2,059	2,059	2,059
7,750	**7,800**	1,166	1,166	1,166	1,166	**10,750**	**10,800**	1,616	1,616	1,616	1,616	**13,750**	**13,800**	2,066	2,066	2,066	2,066
7,800	**7,850**	1,174	1,174	1,174	1,174	**10,800**	**10,850**	1,624	1,624	1,624	1,624	**13,800**	**13,850**	2,074	2,074	2,074	2,074
7,850	**7,900**	1,181	1,181	1,181	1,181	**10,850**	**10,900**	1,631	1,631	1,631	1,631	**13,850**	**13,900**	2,081	2,081	2,081	2,081
7,900	**7,950**	1,189	1,189	1,189	1,189	**10,900**	**10,950**	1,639	1,639	1,639	1,639	**13,900**	**13,950**	2,089	2,089	2,089	2,089
7,950	**8,000**	1,196	1,196	1,196	1,196	**10,950**	**11,000**	1,646	1,646	1,646	1,646	**13,950**	**14,000**	2,096	2,096	2,096	2,096

* This column must also be used by a qualifying widow(er).

Continued on next page

If line 39 (taxable income) is—		And you are—				If line 39 (taxable income) is—		And you are—				If line 39 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—						Your tax is—						Your tax is—			
14,000						**17,000**						**20,000**					
14,000	**14,050**	2,104	2,104	2,104	2,104	**17,000**	**17,050**	2,554	2,554	2,554	2,554	**20,000**	**20,050**	3,004	3,004	3,004	3,004
14,050	**14,100**	2,111	2,111	2,111	2,111	**17,050**	**17,100**	2,561	2,561	2,561	2,561	**20,050**	**20,100**	3,011	3,011	3,011	3,011
14,100	**14,150**	2,119	2,119	2,119	2,119	**17,100**	**17,150**	2,569	2,569	2,569	2,569	**20,100**	**20,150**	3,019	3,019	3,019	3,019
14,150	**14,200**	2,126	2,126	2,126	2,126	**17,150**	**17,200**	2,576	2,576	2,576	2,576	**20,150**	**20,200**	3,026	3,026	3,026	3,026
14,200	**14,250**	2,134	2,134	2,134	2,134	**17,200**	**17,250**	2,584	2,584	2,584	2,584	**20,200**	**20,250**	3,034	3,034	3,034	3,034
14,250	**14,300**	2,141	2,141	2,141	2,141	**17,250**	**17,300**	2,591	2,591	2,591	2,591	**20,250**	**20,300**	3,041	3,041	3,041	3,041
14,300	**14,350**	2,149	2,149	2,149	2,149	**17,300**	**17,350**	2,599	2,599	2,599	2,599	**20,300**	**20,350**	3,049	3,049	3,049	3,049
14,350	**14,400**	2,156	2,156	2,156	2,156	**17,350**	**17,400**	2,606	2,606	2,606	2,606	**20,350**	**20,400**	3,056	3,056	3,056	3,056
14,400	**14,450**	2,164	2,164	2,164	2,164	**17,400**	**17,450**	2,614	2,614	2,614	2,614	**20,400**	**20,450**	3,064	3,064	3,064	3,064
14,450	**14,500**	2,171	2,171	2,171	2,171	**17,450**	**17,500**	2,621	2,621	2,621	2,621	**20,450**	**20,500**	3,071	3,071	3,071	3,071
14,500	**14,550**	2,179	2,179	2,179	2,179	**17,500**	**17,550**	2,629	2,629	2,629	2,629	**20,500**	**20,550**	3,079	3,079	3,079	3,079
14,550	**14,600**	2,186	2,186	2,186	2,186	**17,550**	**17,600**	2,636	2,636	2,636	2,636	**20,550**	**20,600**	3,086	3,086	3,086	3,086
14,600	**14,650**	2,194	2,194	2,194	2,194	**17,600**	**17,650**	2,644	2,644	2,644	2,644	**20,600**	**20,650**	3,094	3,094	3,094	3,094
14,650	**14,700**	2,201	2,201	2,201	2,201	**17,650**	**17,700**	2,651	2,651	2,651	2,651	**20,650**	**20,700**	3,101	3,101	3,101	3,101
14,700	**14,750**	2,209	2,209	2,209	2,209	**17,700**	**17,750**	2,659	2,659	2,659	2,659	**20,700**	**20,750**	3,109	3,109	3,109	3,109
14,750	**14,800**	2,216	2,216	2,216	2,216	**17,750**	**17,800**	2,666	2,666	2,666	2,666	**20,750**	**20,800**	3,116	3,116	3,116	3,116
14,800	**14,850**	2,224	2,224	2,224	2,224	**17,800**	**17,850**	2,674	2,674	2,674	2,674	**20,800**	**20,850**	3,124	3,124	3,124	3,124
14,850	**14,900**	2,231	2,231	2,231	2,231	**17,850**	**17,900**	2,681	2,681	2,681	2,681	**20,850**	**20,900**	3,131	3,131	3,131	3,131
14,900	**14,950**	2,239	2,239	2,239	2,239	**17,900**	**17,950**	2,689	2,689	2,689	2,689	**20,900**	**20,950**	3,139	3,139	3,139	3,139
14,950	**15,000**	2,246	2,246	2,246	2,246	**17,950**	**18,000**	2,696	2,696	2,696	2,696	**20,950**	**21,000**	3,146	3,146	3,146	3,146
15,000						**18,000**						**21,000**					
15,000	**15,050**	2,254	2,254	2,254	2,254	**18,000**	**18,050**	2,704	2,704	2,704	2,704	**21,000**	**21,050**	3,154	3,154	3,154	3,154
15,050	**15,100**	2,261	2,261	2,261	2,261	**18,050**	**18,100**	2,711	2,711	2,711	2,711	**21,050**	**21,100**	3,161	3,161	3,161	3,161
15,100	**15,150**	2,269	2,269	2,269	2,269	**18,100**	**18,150**	2,719	2,719	2,719	2,719	**21,100**	**21,150**	3,169	3,169	3,169	3,169
15,150	**15,200**	2,276	2,276	2,276	2,276	**18,150**	**18,200**	2,726	2,726	2,726	2,726	**21,150**	**21,200**	3,176	3,176	3,176	3,176
15,200	**15,250**	2,284	2,284	2,284	2,284	**18,200**	**18,250**	2,734	2,734	2,734	2,734	**21,200**	**21,250**	3,184	3,184	3,184	3,184
15,250	**15,300**	2,291	2,291	2,291	2,291	**18,250**	**18,300**	2,741	2,741	2,741	2,741	**21,250**	**21,300**	3,191	3,191	3,191	3,191
15,300	**15,350**	2,299	2,299	2,299	2,299	**18,300**	**18,350**	2,749	2,749	2,749	2,749	**21,300**	**21,350**	3,199	3,199	3,199	3,199
15,350	**15,400**	2,306	2,306	2,306	2,306	**18,350**	**18,400**	2,756	2,756	2,756	2,756	**21,350**	**21,400**	3,206	3,206	3,206	3,206
15,400	**15,450**	2,314	2,314	2,314	2,314	**18,400**	**18,450**	2,764	2,764	2,764	2,764	**21,400**	**21,450**	3,214	3,214	3,214	3,214
15,450	**15,500**	2,321	2,321	2,321	2,321	**18,450**	**18,500**	2,771	2,771	2,771	2,771	**21,450**	**21,500**	3,221	3,221	3,221	3,221
15,500	**15,550**	2,329	2,329	2,329	2,329	**18,500**	**18,550**	2,779	2,779	2,779	2,779	**21,500**	**21,550**	3,229	3,229	3,229	3,229
15,550	**15,600**	2,336	2,336	2,336	2,336	**18,550**	**18,600**	2,786	2,786	2,786	2,786	**21,550**	**21,600**	3,236	3,236	3,243	3,236
15,600	**15,650**	2,344	2,344	2,344	2,344	**18,600**	**18,650**	2,794	2,794	2,794	2,794	**21,600**	**21,650**	3,244	3,244	3,257	3,244
15,650	**15,700**	2,351	2,351	2,351	2,351	**18,650**	**18,700**	2,801	2,801	2,801	2,801	**21,650**	**21,700**	3,251	3,251	3,271	3,251
15,700	**15,750**	2,359	2,359	2,359	2,359	**18,700**	**18,750**	2,809	2,809	2,809	2,809	**21,700**	**21,750**	3,259	3,259	3,285	3,259
15,750	**15,800**	2,366	2,366	2,366	2,366	**18,750**	**18,800**	2,816	2,816	2,816	2,816	**21,750**	**21,800**	3,266	3,266	3,299	3,266
15,800	**15,850**	2,374	2,374	2,374	2,374	**18,800**	**18,850**	2,824	2,824	2,824	2,824	**21,800**	**21,850**	3,274	3,274	3,313	3,274
15,850	**15,900**	2,381	2,381	2,381	2,381	**18,850**	**18,900**	2,831	2,831	2,831	2,831	**21,850**	**21,900**	3,281	3,281	3,327	3,281
15,900	**15,950**	2,389	2,389	2,389	2,389	**18,900**	**18,950**	2,839	2,839	2,839	2,839	**21,900**	**21,950**	3,289	3,289	3,341	3,289
15,950	**16,000**	2,396	2,396	2,396	2,396	**18,950**	**19,000**	2,846	2,846	2,846	2,846	**21,950**	**22,000**	3,296	3,296	3,355	3,296
16,000						**19,000**						**22,000**					
16,000	**16,050**	2,404	2,404	2,404	2,404	**19,000**	**19,050**	2,854	2,854	2,854	2,854	**22,000**	**22,050**	3,304	3,304	3,369	3,304
16,050	**16,100**	2,411	2,411	2,411	2,411	**19,050**	**19,100**	2,861	2,861	2,861	2,861	**22,050**	**22,100**	3,311	3,311	3,383	3,311
16,100	**16,150**	2,419	2,419	2,419	2,419	**19,100**	**19,150**	2,869	2,869	2,869	2,869	**22,100**	**22,150**	3,319	3,319	3,397	3,319
16,150	**16,200**	2,426	2,426	2,426	2,426	**19,150**	**19,200**	2,876	2,876	2,876	2,876	**22,150**	**22,200**	3,326	3,326	3,411	3,326
16,200	**16,250**	2,434	2,434	2,434	2,434	**19,200**	**19,250**	2,884	2,884	2,884	2,884	**22,200**	**22,250**	3,334	3,334	3,425	3,334
16,250	**16,300**	2,441	2,441	2,441	2,441	**19,250**	**19,300**	2,891	2,891	2,891	2,891	**22,250**	**22,300**	3,341	3,341	3,439	3,341
16,300	**16,350**	2,449	2,449	2,449	2,449	**19,300**	**19,350**	2,899	2,899	2,899	2,899	**22,300**	**22,350**	3,349	3,349	3,453	3,349
16,350	**16,400**	2,456	2,456	2,456	2,456	**19,350**	**19,400**	2,906	2,906	2,906	2,906	**22,350**	**22,400**	3,356	3,356	3,467	3,356
16,400	**16,450**	2,464	2,464	2,464	2,464	**19,400**	**19,450**	2,914	2,914	2,914	2,914	**22,400**	**22,450**	3,364	3,364	3,481	3,364
16,450	**16,500**	2,471	2,471	2,471	2,471	**19,450**	**19,500**	2,921	2,921	2,921	2,921	**22,450**	**22,500**	3,371	3,371	3,495	3,371
16,500	**16,550**	2,479	2,479	2,479	2,479	**19,500**	**19,550**	2,929	2,929	2,929	2,929	**22,500**	**22,550**	3,379	3,379	3,509	3,379
16,550	**16,600**	2,486	2,486	2,486	2,486	**19,550**	**19,600**	2,936	2,936	2,936	2,936	**22,550**	**22,600**	3,386	3,386	3,523	3,386
16,600	**16,650**	2,494	2,494	2,494	2,494	**19,600**	**19,650**	2,944	2,944	2,944	2,944	**22,600**	**22,650**	3,394	3,394	3,537	3,394
16,650	**16,700**	2,501	2,501	2,501	2,501	**19,650**	**19,700**	2,951	2,951	2,951	2,951	**22,650**	**22,700**	3,401	3,401	3,551	3,401
16,700	**16,750**	2,509	2,509	2,509	2,509	**19,700**	**19,750**	2,959	2,959	2,959	2,959	**22,700**	**22,750**	3,409	3,409	3,565	3,409
16,750	**16,800**	2,516	2,516	2,516	2,516	**19,750**	**19,800**	2,966	2,966	2,966	2,966	**22,750**	**22,800**	3,416	3,416	3,579	3,416
16,800	**16,850**	2,524	2,524	2,524	2,524	**19,800**	**19,850**	2,974	2,974	2,974	2,974	**22,800**	**22,850**	3,424	3,424	3,593	3,424
16,850	**16,900**	2,531	2,531	2,531	2,531	**19,850**	**19,900**	2,981	2,981	2,981	2,981	**22,850**	**22,900**	3,431	3,431	3,607	3,431
16,900	**16,950**	2,539	2,539	2,539	2,539	**19,900**	**19,950**	2,989	2,989	2,989	2,989	**22,900**	**22,950**	3,439	3,439	3,621	3,439
16,950	**17,000**	2,546	2,546	2,546	2,546	**19,950**	**20,000**	2,996	2,996	2,996	2,996	**22,950**	**23,000**	3,446	3,446	3,635	3,446

* This column must also be used by a qualifying widow(er).

Continued on next page

If line 39 (taxable income) is—		And you are—				If line 39 (taxable income) is—		And you are—				If line 39 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—						Your tax is—						Your tax is—			
23,000						**26,000**						**29,000**					
23,000	**23,050**	3,454	3,454	3,649	3,454	**26,000**	**26,050**	3,940	3,904	4,489	3,904	**29,000**	**29,050**	4,780	4,354	5,329	4,354
23,050	**23,100**	3,461	3,461	3,663	3,461	**26,050**	**26,100**	3,954	3,911	4,503	3,911	**29,050**	**29,100**	4,794	4,361	5,343	4,361
23,100	**23,150**	3,469	3,469	3,677	3,469	**26,100**	**26,150**	3,968	3,919	4,517	3,919	**29,100**	**29,150**	4,808	4,369	5,357	4,369
23,150	**23,200**	3,476	3,476	3,691	3,476	**26,150**	**26,200**	3,982	3,926	4,531	3,926	**29,150**	**29,200**	4,822	4,376	5,371	4,376
23,200	**23,250**	3,484	3,484	3,705	3,484	**26,200**	**26,250**	3,996	3,934	4,545	3,934	**29,200**	**29,250**	4,836	4,384	5,385	4,384
23,250	**23,300**	3,491	3,491	3,719	3,491	**26,250**	**26,300**	4,010	3,941	4,559	3,941	**29,250**	**29,300**	4,850	4,391	5,399	4,391
23,300	**23,350**	3,499	3,499	3,733	3,499	**26,300**	**26,350**	4,024	3,949	4,573	3,949	**29,300**	**29,350**	4,864	4,399	5,413	4,399
23,350	**23,400**	3,506	3,506	3,747	3,506	**26,350**	**26,400**	4,038	3,956	4,587	3,956	**29,350**	**29,400**	4,878	4,406	5,427	4,406
23,400	**23,450**	3,514	3,514	3,761	3,514	**26,400**	**26,450**	4,052	3,964	4,601	3,964	**29,400**	**29,450**	4,892	4,414	5,441	4,414
23,450	**23,500**	3,521	3,521	3,775	3,521	**26,450**	**26,500**	4,066	3,971	4,615	3,971	**29,450**	**29,500**	4,906	4,421	5,455	4,421
23,500	**23,550**	3,529	3,529	3,789	3,529	**26,500**	**26,550**	4,080	3,979	4,629	3,979	**29,500**	**29,550**	4,920	4,429	5,469	4,429
23,550	**23,600**	3,536	3,536	3,803	3,536	**26,550**	**26,600**	4,094	3,986	4,643	3,986	**29,550**	**29,600**	4,934	4,436	5,483	4,436
23,600	**23,650**	3,544	3,544	3,817	3,544	**26,600**	**26,650**	4,108	3,994	4,657	3,994	**29,600**	**29,650**	4,948	4,444	5,497	4,444
23,650	**23,700**	3,551	3,551	3,831	3,551	**26,650**	**26,700**	4,122	4,001	4,671	4,001	**29,650**	**29,700**	4,962	4,451	5,511	4,451
23,700	**23,750**	3,559	3,559	3,845	3,559	**26,700**	**26,750**	4,136	4,009	4,685	4,009	**29,700**	**29,750**	4,976	4,459	5,525	4,459
23,750	**23,800**	3,566	3,566	3,859	3,566	**26,750**	**26,800**	4,150	4,016	4,699	4,016	**29,750**	**29,800**	4,990	4,466	5,539	4,466
23,800	**23,850**	3,574	3,574	3,873	3,574	**26,800**	**26,850**	4,164	4,024	4,713	4,024	**29,800**	**29,850**	5,004	4,474	5,553	4,474
23,850	**23,900**	3,581	3,581	3,887	3,581	**26,850**	**26,900**	4,178	4,031	4,727	4,031	**29,850**	**29,900**	5,018	4,481	5,567	4,481
23,900	**23,950**	3,589	3,589	3,901	3,589	**26,900**	**26,950**	4,192	4,039	4,741	4,039	**29,900**	**29,950**	5,032	4,489	5,581	4,489
23,950	**24,000**	3,596	3,596	3,915	3,596	**26,950**	**27,000**	4,206	4,046	4,755	4,046	**29,950**	**30,000**	5,046	4,496	5,595	4,496
24,000						**27,000**						**30,000**					
24,000	**24,050**	3,604	3,604	3,929	3,604	**27,000**	**27,050**	4,220	4,054	4,769	4,054	**30,000**	**30,050**	5,060	4,504	5,609	4,504
24,050	**24,100**	3,611	3,611	3,943	3,611	**27,050**	**27,100**	4,234	4,061	4,783	4,061	**30,050**	**30,100**	5,074	4,511	5,623	4,511
24,100	**24,150**	3,619	3,619	3,957	3,619	**27,100**	**27,150**	4,248	4,069	4,797	4,069	**30,100**	**30,150**	5,088	4,519	5,637	4,519
24,150	**24,200**	3,626	3,626	3,971	3,626	**27,150**	**27,200**	4,262	4,076	4,811	4,076	**30,150**	**30,200**	5,102	4,526	5,651	4,526
24,200	**24,250**	3,634	3,634	3,985	3,634	**27,200**	**27,250**	4,276	4,084	4,825	4,084	**30,200**	**30,250**	5,116	4,534	5,665	4,534
24,250	**24,300**	3,641	3,641	3,999	3,641	**27,250**	**27,300**	4,290	4,091	4,839	4,091	**30,250**	**30,300**	5,130	4,541	5,679	4,541
24,300	**24,350**	3,649	3,649	4,013	3,649	**27,300**	**27,350**	4,304	4,099	4,853	4,099	**30,300**	**30,350**	5,144	4,549	5,693	4,549
24,350	**24,400**	3,656	3,656	4,027	3,656	**27,350**	**27,400**	4,318	4,106	4,867	4,106	**30,350**	**30,400**	5,158	4,556	5,707	4,556
24,400	**24,450**	3,664	3,664	4,041	3,664	**27,400**	**27,450**	4,332	4,114	4,881	4,114	**30,400**	**30,450**	5,172	4,564	5,721	4,564
24,450	**24,500**	3,671	3,671	4,055	3,671	**27,450**	**27,500**	4,346	4,121	4,895	4,121	**30,450**	**30,500**	5,186	4,571	5,735	4,571
24,500	**24,550**	3,679	3,679	4,069	3,679	**27,500**	**27,550**	4,360	4,129	4,909	4,129	**30,500**	**30,550**	5,200	4,579	5,749	4,579
24,550	**24,600**	3,686	3,686	4,083	3,686	**27,550**	**27,600**	4,374	4,136	4,923	4,136	**30,550**	**30,600**	5,214	4,586	5,763	4,586
24,600	**24,650**	3,694	3,694	4,097	3,694	**27,600**	**27,650**	4,388	4,144	4,937	4,144	**30,600**	**30,650**	5,228	4,594	5,777	4,594
24,650	**24,700**	3,701	3,701	4,111	3,701	**27,650**	**27,700**	4,402	4,151	4,951	4,151	**30,650**	**30,700**	5,242	4,601	5,791	4,601
24,700	**24,750**	3,709	3,709	4,125	3,709	**27,700**	**27,750**	4,416	4,159	4,965	4,159	**30,700**	**30,750**	5,256	4,609	5,805	4,609
24,750	**24,800**	3,716	3,716	4,139	3,716	**27,750**	**27,800**	4,430	4,166	4,979	4,166	**30,750**	**30,800**	5,270	4,616	5,819	4,616
24,800	**24,850**	3,724	3,724	4,153	3,724	**27,800**	**27,850**	4,444	4,174	4,993	4,174	**30,800**	**30,850**	5,284	4,624	5,833	4,624
24,850	**24,900**	3,731	3,731	4,167	3,731	**27,850**	**27,900**	4,458	4,181	5,007	4,181	**30,850**	**30,900**	5,298	4,631	5,847	4,631
24,900	**24,950**	3,739	3,739	4,181	3,739	**27,900**	**27,950**	4,472	4,189	5,021	4,189	**30,900**	**30,950**	5,312	4,639	5,861	4,639
24,950	**25,000**	3,746	3,746	4,195	3,746	**27,950**	**28,000**	4,486	4,196	5,035	4,196	**30,950**	**31,000**	5,326	4,646	5,875	4,646
25,000						**28,000**						**31,000**					
25,000	**25,050**	3,754	3,754	4,209	3,754	**28,000**	**28,050**	4,500	4,204	5,049	4,204	**31,000**	**31,050**	5,340	4,654	5,889	4,654
25,050	**25,100**	3,761	3,761	4,223	3,761	**28,050**	**28,100**	4,514	4,211	5,063	4,211	**31,050**	**31,100**	5,354	4,661	5,903	4,661
25,100	**25,150**	3,769	3,769	4,237	3,769	**28,100**	**28,150**	4,528	4,219	5,077	4,219	**31,100**	**31,150**	5,368	4,669	5,917	4,669
25,150	**25,200**	3,776	3,776	4,251	3,776	**28,150**	**28,200**	4,542	4,226	5,091	4,226	**31,150**	**31,200**	5,382	4,676	5,931	4,676
25,200	**25,250**	3,784	3,784	4,265	3,784	**28,200**	**28,250**	4,556	4,234	5,105	4,234	**31,200**	**31,250**	5,396	4,684	5,945	4,684
25,250	**25,300**	3,791	3,791	4,279	3,791	**28,250**	**28,300**	4,570	4,241	5,119	4,241	**31,250**	**31,300**	5,410	4,691	5,959	4,691
25,300	**25,350**	3,799	3,799	4,293	3,799	**28,300**	**28,350**	4,584	4,249	5,133	4,249	**31,300**	**31,350**	5,424	4,699	5,973	4,699
25,350	**25,400**	3,806	3,806	4,307	3,806	**28,350**	**28,400**	4,598	4,256	5,147	4,256	**31,350**	**31,400**	5,438	4,706	5,987	4,706
25,400	**25,450**	3,814	3,814	4,321	3,814	**28,400**	**28,450**	4,612	4,264	5,161	4,264	**31,400**	**31,450**	5,452	4,714	6,001	4,714
25,450	**25,500**	3,821	3,821	4,335	3,821	**28,450**	**28,500**	4,626	4,271	5,175	4,271	**31,450**	**31,500**	5,466	4,721	6,015	4,721
25,500	**25,550**	3,829	3,829	4,349	3,829	**28,500**	**28,550**	4,640	4,279	5,189	4,279	**31,500**	**31,550**	5,480	4,729	6,029	4,729
25,550	**25,600**	3,836	3,836	4,363	3,836	**28,550**	**28,600**	4,654	4,286	5,203	4,286	**31,550**	**31,600**	5,494	4,736	6,043	4,736
25,600	**25,650**	3,844	3,844	4,377	3,844	**28,600**	**28,650**	4,668	4,294	5,217	4,294	**31,600**	**31,650**	5,508	4,744	6,057	4,744
25,650	**25,700**	3,851	3,851	4,391	3,851	**28,650**	**28,700**	4,682	4,301	5,231	4,301	**31,650**	**31,700**	5,522	4,751	6,071	4,751
25,700	**25,750**	3,859	3,859	4,405	3,859	**28,700**	**28,750**	4,696	4,309	5,245	4,309	**31,700**	**31,750**	5,536	4,759	6,085	4,759
25,750	**25,800**	3,870	3,866	4,419	3,866	**28,750**	**28,800**	4,710	4,316	5,259	4,316	**31,750**	**31,800**	5,550	4,766	6,099	4,766
25,800	**25,850**	3,884	3,874	4,433	3,874	**28,800**	**28,850**	4,724	4,324	5,273	4,324	**31,800**	**31,850**	5,564	4,774	6,113	4,774
25,850	**25,900**	3,898	3,881	4,447	3,881	**28,850**	**28,900**	4,738	4,331	5,287	4,331	**31,850**	**31,900**	5,578	4,781	6,127	4,781
25,900	**25,950**	3,912	3,889	4,461	3,889	**28,900**	**28,950**	4,752	4,339	5,301	4,339	**31,900**	**31,950**	5,592	4,789	6,141	4,789
25,950	**26,000**	3,926	3,896	4,475	3,896	**28,950**	**29,000**	4,766	4,346	5,315	4,346	**31,950**	**32,000**	5,606	4,796	6,155	4,796

* This column must also be used by a qualifying widow(er).

Continued on next page

If line 39 (taxable income) is—		And you are—				If line 39 (taxable income) is—		And you are—				If line 39 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—						Your tax is—						Your tax is—			
32,000						**35,000**						**38,000**					
32,000	**32,050**	5,620	4,804	6,169	4,804	**35,000**	**35,050**	6,460	5,254	7,009	5,316	**38,000**	**38,050**	7,300	5,704	7,849	6,156
32,050	**32,100**	5,634	4,811	6,183	4,811	**35,050**	**35,100**	6,474	5,261	7,023	5,330	**38,050**	**38,100**	7,314	5,711	7,863	6,170
32,100	**32,150**	5,648	4,819	6,197	4,819	**35,100**	**35,150**	6,488	5,269	7,037	5,344	**38,100**	**38,150**	7,328	5,719	7,877	6,184
32,150	**32,200**	5,662	4,826	6,211	4,826	**35,150**	**35,200**	6,502	5,276	7,051	5,358	**38,150**	**38,200**	7,342	5,726	7,891	6,198
32,200	**32,250**	5,676	4,834	6,225	4,834	**35,200**	**35,250**	6,516	5,284	7,065	5,372	**38,200**	**38,250**	7,356	5,734	7,905	6,212
32,250	**32,300**	5,690	4,841	6,239	4,841	**35,250**	**35,300**	6,530	5,291	7,079	5,386	**38,250**	**38,300**	7,370	5,741	7,919	6,226
32,300	**32,350**	5,704	4,849	6,253	4,849	**35,300**	**35,350**	6,544	5,299	7,093	5,400	**38,300**	**38,350**	7,384	5,749	7,933	6,240
32,350	**32,400**	5,718	4,856	6,267	4,856	**35,350**	**35,400**	6,558	5,306	7,107	5,414	**38,350**	**38,400**	7,398	5,756	7,947	6,254
32,400	**32,450**	5,732	4,864	6,281	4,864	**35,400**	**35,450**	6,572	5,314	7,121	5,428	**38,400**	**38,450**	7,412	5,764	7,961	6,268
32,450	**32,500**	5,746	4,871	6,295	4,871	**35,450**	**35,500**	6,586	5,321	7,135	5,442	**38,450**	**38,500**	7,426	5,771	7,975	6,282
32,500	**32,550**	5,760	4,879	6,309	4,879	**35,500**	**35,550**	6,600	5,329	7,149	5,456	**38,500**	**38,550**	7,440	5,779	7,989	6,296
32,550	**32,600**	5,774	4,886	6,323	4,886	**35,550**	**35,600**	6,614	5,336	7,163	5,470	**38,550**	**38,600**	7,454	5,786	8,003	6,310
32,600	**32,650**	5,788	4,894	6,337	4,894	**35,600**	**35,650**	6,628	5,344	7,177	5,484	**38,600**	**38,650**	7,468	5,794	8,017	6,324
32,650	**32,700**	5,802	4,901	6,351	4,901	**35,650**	**35,700**	6,642	5,351	7,191	5,498	**38,650**	**38,700**	7,482	5,801	8,031	6,338
32,700	**32,750**	5,816	4,909	6,365	4,909	**35,700**	**35,750**	6,656	5,359	7,205	5,512	**38,700**	**38,750**	7,496	5,809	8,045	6,352
32,750	**32,800**	5,830	4,916	6,379	4,916	**35,750**	**35,800**	6,670	5,366	7,219	5,526	**38,750**	**38,800**	7,510	5,816	8,059	6,366
32,800	**32,850**	5,844	4,924	6,393	4,924	**35,800**	**35,850**	6,684	5,374	7,233	5,540	**38,800**	**38,850**	7,524	5,824	8,073	6,380
32,850	**32,900**	5,858	4,931	6,407	4,931	**35,850**	**35,900**	6,698	5,381	7,247	5,554	**38,850**	**38,900**	7,538	5,831	8,087	6,394
32,900	**32,950**	5,872	4,939	6,421	4,939	**35,900**	**35,950**	6,712	5,389	7,261	5,568	**38,900**	**38,950**	7,552	5,839	8,101	6,408
32,950	**33,000**	5,886	4,946	6,435	4,946	**35,950**	**36,000**	6,726	5,396	7,275	5,582	**38,950**	**39,000**	7,566	5,846	8,115	6,422
33,000						**36,000**						**39,000**					
33,000	**33,050**	5,900	4,954	6,449	4,954	**36,000**	**36,050**	6,740	5,404	7,289	5,596	**39,000**	**39,050**	7,580	5,854	8,129	6,436
33,050	**33,100**	5,914	4,961	6,463	4,961	**36,050**	**36,100**	6,754	5,411	7,303	5,610	**39,050**	**39,100**	7,594	5,861	8,143	6,450
33,100	**33,150**	5,928	4,969	6,477	4,969	**36,100**	**36,150**	6,768	5,419	7,317	5,624	**39,100**	**39,150**	7,608	5,869	8,157	6,464
33,150	**33,200**	5,942	4,976	6,491	4,976	**36,150**	**36,200**	6,782	5,426	7,331	5,638	**39,150**	**39,200**	7,622	5,876	8,171	6,478
33,200	**33,250**	5,956	4,984	6,505	4,984	**36,200**	**36,250**	6,796	5,434	7,345	5,652	**39,200**	**39,250**	7,636	5,884	8,185	6,492
33,250	**33,300**	5,970	4,991	6,519	4,991	**36,250**	**36,300**	6,810	5,441	7,359	5,666	**39,250**	**39,300**	7,650	5,891	8,199	6,506
33,300	**33,350**	5,984	4,999	6,533	4,999	**36,300**	**36,350**	6,824	5,449	7,373	5,680	**39,300**	**39,350**	7,664	5,899	8,213	6,520
33,350	**33,400**	5,998	5,006	6,547	5,006	**36,350**	**36,400**	6,838	5,456	7,387	5,694	**39,350**	**39,400**	7,678	5,906	8,227	6,534
33,400	**33,450**	6,012	5,014	6,561	5,014	**36,400**	**36,450**	6,852	5,464	7,401	5,708	**39,400**	**39,450**	7,692	5,914	8,241	6,548
33,450	**33,500**	6,026	5,021	6,575	5,021	**36,450**	**36,500**	6,866	5,471	7,415	5,722	**39,450**	**39,500**	7,706	5,921	8,255	6,562
33,500	**33,550**	6,040	5,029	6,589	5,029	**36,500**	**36,550**	6,880	5,479	7,429	5,736	**39,500**	**39,550**	7,720	5,929	8,269	6,576
33,550	**33,600**	6,054	5,036	6,603	5,036	**36,550**	**36,600**	6,894	5,486	7,443	5,750	**39,550**	**39,600**	7,734	5,936	8,283	6,590
33,600	**33,650**	6,068	5,044	6,617	5,044	**36,600**	**36,650**	6,908	5,494	7,457	5,764	**39,600**	**39,650**	7,748	5,944	8,297	6,604
33,650	**33,700**	6,082	5,051	6,631	5,051	**36,650**	**36,700**	6,922	5,501	7,471	5,778	**39,650**	**39,700**	7,762	5,951	8,311	6,618
33,700	**33,750**	6,096	5,059	6,645	5,059	**36,700**	**36,750**	6,936	5,509	7,485	5,792	**39,700**	**39,750**	7,776	5,959	8,325	6,632
33,750	**33,800**	6,110	5,066	6,659	5,066	**36,750**	**36,800**	6,950	5,516	7,499	5,806	**39,750**	**39,800**	7,790	5,966	8,339	6,646
33,800	**33,850**	6,124	5,074	6,673	5,074	**36,800**	**36,850**	6,964	5,524	7,513	5,820	**39,800**	**39,850**	7,804	5,974	8,353	6,660
33,850	**33,900**	6,138	5,081	6,687	5,081	**36,850**	**36,900**	6,978	5,531	7,527	5,834	**39,850**	**39,900**	7,818	5,981	8,367	6,674
33,900	**33,950**	6,152	5,089	6,701	5,089	**36,900**	**36,950**	6,992	5,539	7,541	5,848	**39,900**	**39,950**	7,832	5,989	8,381	6,688
33,950	**34,000**	6,166	5,096	6,715	5,096	**36,950**	**37,000**	7,006	5,546	7,555	5,862	**39,950**	**40,000**	7,846	5,996	8,395	6,702
34,000						**37,000**						**40,000**					
34,000	**34,050**	6,180	5,104	6,729	5,104	**37,000**	**37,050**	7,020	5,554	7,569	5,876	**40,000**	**40,050**	7,860	6,004	8,409	6,716
34,050	**34,100**	6,194	5,111	6,743	5,111	**37,050**	**37,100**	7,034	5,561	7,583	5,890	**40,050**	**40,100**	7,874	6,011	8,423	6,730
34,100	**34,150**	6,208	5,119	6,757	5,119	**37,100**	**37,150**	7,048	5,569	7,597	5,904	**40,100**	**40,150**	7,888	6,019	8,437	6,744
34,150	**34,200**	6,222	5,126	6,771	5,126	**37,150**	**37,200**	7,062	5,576	7,611	5,918	**40,150**	**40,200**	7,902	6,026	8,451	6,758
34,200	**34,250**	6,236	5,134	6,785	5,134	**37,200**	**37,250**	7,076	5,584	7,625	5,932	**40,200**	**40,250**	7,916	6,034	8,465	6,772
34,250	**34,300**	6,250	5,141	6,799	5,141	**37,250**	**37,300**	7,090	5,591	7,639	5,946	**40,250**	**40,300**	7,930	6,041	8,479	6,786
34,300	**34,350**	6,264	5,149	6,813	5,149	**37,300**	**37,350**	7,104	5,599	7,653	5,960	**40,300**	**40,350**	7,944	6,049	8,493	6,800
34,350	**34,400**	6,278	5,156	6,827	5,156	**37,350**	**37,400**	7,118	5,606	7,667	5,974	**40,350**	**40,400**	7,958	6,056	8,507	6,814
34,400	**34,450**	6,292	5,164	6,841	5,164	**37,400**	**37,450**	7,132	5,614	7,681	5,988	**40,400**	**40,450**	7,972	6,064	8,521	6,828
34,450	**34,500**	6,306	5,171	6,855	5,171	**37,450**	**37,500**	7,146	5,621	7,695	6,002	**40,450**	**40,500**	7,986	6,071	8,535	6,842
34,500	**34,550**	6,320	5,179	6,869	5,179	**37,500**	**37,550**	7,160	5,629	7,709	6,016	**40,500**	**40,550**	8,000	6,079	8,549	6,856
34,550	**34,600**	6,334	5,186	6,883	5,190	**37,550**	**37,600**	7,174	5,636	7,723	6,030	**40,550**	**40,600**	8,014	6,086	8,563	6,870
34,600	**34,650**	6,348	5,194	6,897	5,204	**37,600**	**37,650**	7,188	5,644	7,737	6,044	**40,600**	**40,650**	8,028	6,094	8,577	6,884
34,650	**34,700**	6,362	5,201	6,911	5,218	**37,650**	**37,700**	7,202	5,651	7,751	6,058	**40,650**	**40,700**	8,042	6,101	8,591	6,898
34,700	**34,750**	6,376	5,209	6,925	5,232	**37,700**	**37,750**	7,216	5,659	7,765	6,072	**40,700**	**40,750**	8,056	6,109	8,605	6,912
34,750	**34,800**	6,390	5,216	6,939	5,246	**37,750**	**37,800**	7,230	5,666	7,779	6,086	**40,750**	**40,800**	8,070	6,116	8,619	6,926
34,800	**34,850**	6,404	5,224	6,953	5,260	**37,800**	**37,850**	7,244	5,674	7,793	6,100	**40,800**	**40,850**	8,084	6,124	8,633	6,940
34,850	**34,900**	6,418	5,231	6,967	5,274	**37,850**	**37,900**	7,258	5,681	7,807	6,114	**40,850**	**40,900**	8,098	6,131	8,647	6,954
34,900	**34,950**	6,432	5,239	6,981	5,288	**37,900**	**37,950**	7,272	5,689	7,821	6,128	**40,900**	**40,950**	8,112	6,139	8,661	6,968
34,950	**35,000**	6,446	5,246	6,995	5,302	**37,950**	**38,000**	7,286	5,696	7,835	6,142	**40,950**	**41,000**	8,126	6,146	8,675	6,982

* This column must also be used by a qualifying widow(er).

Continued on next page

If line 39 (taxable income) is—		And you are—				If line 39 (taxable income) is—		And you are—				If line 39 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—						Your tax is—						Your tax is—			
41,000						**44,000**						**47,000**					
41,000	**41,050**	8,140	6,154	8,689	6,996	**44,000**	**44,050**	8,980	6,731	9,529	7,836	**47,000**	**47,050**	9,820	7,571	10,369	8,676
41,050	**41,100**	8,154	6,161	8,703	7,010	**44,050**	**44,100**	8,994	6,745	9,543	7,850	**47,050**	**47,100**	9,834	7,585	10,383	8,690
41,100	**41,150**	8,168	6,169	8,717	7,024	**44,100**	**44,150**	9,008	6,759	9,557	7,864	**47,100**	**47,150**	9,848	7,599	10,397	8,704
41,150	**41,200**	8,182	6,176	8,731	7,038	**44,150**	**44,200**	9,022	6,773	9,571	7,878	**47,150**	**47,200**	9,862	7,613	10,411	8,718
41,200	**41,250**	8,196	6,184	8,745	7,052	**44,200**	**44,250**	9,036	6,787	9,585	7,892	**47,200**	**47,250**	9,876	7,627	10,425	8,732
41,250	**41,300**	8,210	6,191	8,759	7,066	**44,250**	**44,300**	9,050	6,801	9,599	7,906	**47,250**	**47,300**	9,890	7,641	10,439	8,746
41,300	**41,350**	8,224	6,199	8,773	7,080	**44,300**	**44,350**	9,064	6,815	9,613	7,920	**47,300**	**47,350**	9,904	7,655	10,453	8,760
41,350	**41,400**	8,238	6,206	8,787	7,094	**44,350**	**44,400**	9,078	6,829	9,627	7,934	**47,350**	**47,400**	9,918	7,669	10,467	8,774
41,400	**41,450**	8,252	6,214	8,801	7,108	**44,400**	**44,450**	9,092	6,843	9,641	7,948	**47,400**	**47,450**	9,932	7,683	10,481	8,788
41,450	**41,500**	8,266	6,221	8,815	7,122	**44,450**	**44,500**	9,106	6,857	9,655	7,962	**47,450**	**47,500**	9,946	7,697	10,495	8,802
41,500	**41,550**	8,280	6,229	8,829	7,136	**44,500**	**44,550**	9,120	6,871	9,669	7,976	**47,500**	**47,550**	9,960	7,711	10,509	8,816
41,550	**41,600**	8,294	6,236	8,843	7,150	**44,550**	**44,600**	9,134	6,885	9,683	7,990	**47,550**	**47,600**	9,974	7,725	10,523	8,830
41,600	**41,650**	8,308	6,244	8,857	7,164	**44,600**	**44,650**	9,148	6,899	9,697	8,004	**47,600**	**47,650**	9,988	7,739	10,537	8,844
41,650	**41,700**	8,322	6,251	8,871	7,178	**44,650**	**44,700**	9,162	6,913	9,711	8,018	**47,650**	**47,700**	10,002	7,753	10,551	8,858
41,700	**41,750**	8,336	6,259	8,885	7,192	**44,700**	**44,750**	9,176	6,927	9,725	8,032	**47,700**	**47,750**	10,016	7,767	10,565	8,872
41,750	**41,800**	8,350	6,266	8,899	7,206	**44,750**	**44,800**	9,190	6,941	9,739	8,046	**47,750**	**47,800**	10,030	7,781	10,579	8,886
41,800	**41,850**	8,364	6,274	8,913	7,220	**44,800**	**44,850**	9,204	6,955	9,753	8,060	**47,800**	**47,850**	10,044	7,795	10,593	8,900
41,850	**41,900**	8,378	6,281	8,927	7,234	**44,850**	**44,900**	9,218	6,969	9,767	8,074	**47,850**	**47,900**	10,058	7,809	10,607	8,914
41,900	**41,950**	8,392	6,289	8,941	7,248	**44,900**	**44,950**	9,232	6,983	9,781	8,088	**47,900**	**47,950**	10,072	7,823	10,621	8,928
41,950	**42,000**	8,406	6,296	8,955	7,262	**44,950**	**45,000**	9,246	6,997	9,795	8,102	**47,950**	**48,000**	10,086	7,837	10,635	8,942
42,000						**45,000**						**48,000**					
42,000	**42,050**	8,420	6,304	8,969	7,276	**45,000**	**45,050**	9,260	7,011	9,809	8,116	**48,000**	**48,050**	10,100	7,851	10,649	8,956
42,050	**42,100**	8,434	6,311	8,983	7,290	**45,050**	**45,100**	9,274	7,025	9,823	8,130	**48,050**	**48,100**	10,114	7,865	10,663	8,970
42,100	**42,150**	8,448	6,319	8,997	7,304	**45,100**	**45,150**	9,288	7,039	9,837	8,144	**48,100**	**48,150**	10,128	7,879	10,677	8,984
42,150	**42,200**	8,462	6,326	9,011	7,318	**45,150**	**45,200**	9,302	7,053	9,851	8,158	**48,150**	**48,200**	10,142	7,893	10,691	8,998
42,200	**42,250**	8,476	6,334	9,025	7,332	**45,200**	**45,250**	9,316	7,067	9,865	8,172	**48,200**	**48,250**	10,156	7,907	10,705	9,012
42,250	**42,300**	8,490	6,341	9,039	7,346	**45,250**	**45,300**	9,330	7,081	9,879	8,186	**48,250**	**48,300**	10,170	7,921	10,719	9,026
42,300	**42,350**	8,504	6,349	9,053	7,360	**45,300**	**45,350**	9,344	7,095	9,893	8,200	**48,300**	**48,350**	10,184	7,935	10,733	9,040
42,350	**42,400**	8,518	6,356	9,067	7,374	**45,350**	**45,400**	9,358	7,109	9,907	8,214	**48,350**	**48,400**	10,198	7,949	10,747	9,054
42,400	**42,450**	8,532	6,364	9,081	7,388	**45,400**	**45,450**	9,372	7,123	9,921	8,228	**48,400**	**48,450**	10,212	7,963	10,761	9,068
42,450	**42,500**	8,546	6,371	9,095	7,402	**45,450**	**45,500**	9,386	7,137	9,935	8,242	**48,450**	**48,500**	10,226	7,977	10,775	9,082
42,500	**42,550**	8,560	6,379	9,109	7,416	**45,500**	**45,550**	9,400	7,151	9,949	8,256	**48,500**	**48,550**	10,240	7,991	10,789	9,096
42,550	**42,600**	8,574	6,386	9,123	7,430	**45,550**	**45,600**	9,414	7,165	9,963	8,270	**48,550**	**48,600**	10,254	8,005	10,803	9,110
42,600	**42,650**	8,588	6,394	9,137	7,444	**45,600**	**45,650**	9,428	7,179	9,977	8,284	**48,600**	**48,650**	10,268	8,019	10,817	9,124
42,650	**42,700**	8,602	6,401	9,151	7,458	**45,650**	**45,700**	9,442	7,193	9,991	8,298	**48,650**	**48,700**	10,282	8,033	10,831	9,138
42,700	**42,750**	8,616	6,409	9,165	7,472	**45,700**	**45,750**	9,456	7,207	10,005	8,312	**48,700**	**48,750**	10,296	8,047	10,845	9,152
42,750	**42,800**	8,630	6,416	9,179	7,486	**45,750**	**45,800**	9,470	7,221	10,019	8,326	**48,750**	**48,800**	10,310	8,061	10,859	9,166
42,800	**42,850**	8,644	6,424	9,193	7,500	**45,800**	**45,850**	9,484	7,235	10,033	8,340	**48,800**	**48,850**	10,324	8,075	10,873	9,180
42,850	**42,900**	8,658	6,431	9,207	7,514	**45,850**	**45,900**	9,498	7,249	10,047	8,354	**48,850**	**48,900**	10,338	8,089	10,887	9,194
42,900	**42,950**	8,672	6,439	9,221	7,528	**45,900**	**45,950**	9,512	7,263	10,061	8,368	**48,900**	**48,950**	10,352	8,103	10,901	9,208
42,950	**43,000**	8,686	6,446	9,235	7,542	**45,950**	**46,000**	9,526	7,277	10,075	8,382	**48,950**	**49,000**	10,366	8,117	10,915	9,222
43,000						**46,000**						**49,000**					
43,000	**43,050**	8,700	6,454	9,249	7,556	**46,000**	**46,050**	9,540	7,291	10,089	8,396	**49,000**	**49,050**	10,380	8,131	10,929	9,236
43,050	**43,100**	8,714	6,465	9,263	7,570	**46,050**	**46,100**	9,554	7,305	10,103	8,410	**49,050**	**49,100**	10,394	8,145	10,943	9,250
43,100	**43,150**	8,728	6,479	9,277	7,584	**46,100**	**46,150**	9,568	7,319	10,117	8,424	**49,100**	**49,150**	10,408	8,159	10,957	9,264
43,150	**43,200**	8,742	6,493	9,291	7,598	**46,150**	**46,200**	9,582	7,333	10,131	8,438	**49,150**	**49,200**	10,422	8,173	10,971	9,278
43,200	**43,250**	8,756	6,507	9,305	7,612	**46,200**	**46,250**	9,596	7,347	10,145	8,452	**49,200**	**49,250**	10,436	8,187	10,985	9,292
43,250	**43,300**	8,770	6,521	9,319	7,626	**46,250**	**46,300**	9,610	7,361	10,159	8,466	**49,250**	**49,300**	10,450	8,201	10,999	9,306
43,300	**43,350**	8,784	6,535	9,333	7,640	**46,300**	**46,350**	9,624	7,375	10,173	8,480	**49,300**	**49,350**	10,464	8,215	11,013	9,320
43,350	**43,400**	8,798	6,549	9,347	7,654	**46,350**	**46,400**	9,638	7,389	10,187	8,494	**49,350**	**49,400**	10,478	8,229	11,027	9,334
43,400	**43,450**	8,812	6,563	9,361	7,668	**46,400**	**46,450**	9,652	7,403	10,201	8,508	**49,400**	**49,450**	10,492	8,243	11,041	9,348
43,450	**43,500**	8,826	6,577	9,375	7,682	**46,450**	**46,500**	9,666	7,417	10,215	8,522	**49,450**	**49,500**	10,506	8,257	11,055	9,362
43,500	**43,550**	8,840	6,591	9,389	7,696	**46,500**	**46,550**	9,680	7,431	10,229	8,536	**49,500**	**49,550**	10,520	8,271	11,069	9,376
43,550	**43,600**	8,854	6,605	9,403	7,710	**46,550**	**46,600**	9,694	7,445	10,243	8,550	**49,550**	**49,600**	10,534	8,285	11,083	9,390
43,600	**43,650**	8,868	6,619	9,417	7,724	**46,600**	**46,650**	9,708	7,459	10,257	8,564	**49,600**	**49,650**	10,548	8,299	11,097	9,404
43,650	**43,700**	8,882	6,633	9,431	7,738	**46,650**	**46,700**	9,722	7,473	10,271	8,578	**49,650**	**49,700**	10,562	8,313	11,111	9,418
43,700	**43,750**	8,896	6,647	9,445	7,752	**46,700**	**46,750**	9,736	7,487	10,285	8,592	**49,700**	**49,750**	10,576	8,327	11,125	9,432
43,750	**43,800**	8,910	6,661	9,459	7,766	**46,750**	**46,800**	9,750	7,501	10,299	8,606	**49,750**	**49,800**	10,590	8,341	11,139	9,446
43,800	**43,850**	8,924	6,675	9,473	7,780	**46,800**	**46,850**	9,764	7,515	10,313	8,620	**49,800**	**49,850**	10,604	8,355	11,153	9,460
43,850	**43,900**	8,938	6,689	9,487	7,794	**46,850**	**46,900**	9,778	7,529	10,327	8,634	**49,850**	**49,900**	10,618	8,369	11,167	9,474
43,900	**43,950**	8,952	6,703	9,501	7,808	**46,900**	**46,950**	9,792	7,543	10,341	8,648	**49,900**	**49,950**	10,632	8,383	11,181	9,488
43,950	**44,000**	8,966	6,717	9,515	7,822	**46,950**	**47,000**	9,806	7,557	10,355	8,662	**49,950**	**50,000**	10,646	8,397	11,195	9,502

* This column must also be used by a qualifying widow(er).

Continued on next page

If line 39 (taxable income) is—		And you are—				If line 39 (taxable income) is—		And you are—				If line 39 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—						Your tax is—						Your tax is—			
50,000						**53,000**						**56,000**					
50,000	**50,050**	10,660	8,411	11,209	9,516	**53,000**	**53,050**	11,500	9,251	12,079	10,356	**56,000**	**56,050**	12,340	10,091	13,009	11,196
50,050	**50,100**	10,674	8,425	11,223	9,530	**53,050**	**53,100**	11,514	9,265	12,094	10,370	**56,050**	**56,100**	12,354	10,105	13,024	11,210
50,100	**50,150**	10,688	8,439	11,237	9,544	**53,100**	**53,150**	11,528	9,279	12,110	10,384	**56,100**	**56,150**	12,368	10,119	13,040	11,224
50,150	**50,200**	10,702	8,453	11,251	9,558	**53,150**	**53,200**	11,542	9,293	12,125	10,398	**56,150**	**56,200**	12,382	10,133	13,055	11,238
50,200	**50,250**	10,716	8,467	11,265	9,572	**53,200**	**53,250**	11,556	9,307	12,141	10,412	**56,200**	**56,250**	12,396	10,147	13,071	11,252
50,250	**50,300**	10,730	8,481	11,279	9,586	**53,250**	**53,300**	11,570	9,321	12,156	10,426	**56,250**	**56,300**	12,410	10,161	13,086	11,266
50,300	**50,350**	10,744	8,495	11,293	9,600	**53,300**	**53,350**	11,584	9,335	12,172	10,440	**56,300**	**56,350**	12,424	10,175	13,102	11,280
50,350	**50,400**	10,758	8,509	11,307	9,614	**53,350**	**53,400**	11,598	9,349	12,187	10,454	**56,350**	**56,400**	12,438	10,189	13,117	11,294
50,400	**50,450**	10,772	8,523	11,321	9,628	**53,400**	**53,450**	11,612	9,363	12,203	10,468	**56,400**	**56,450**	12,452	10,203	13,133	11,308
50,450	**50,500**	10,786	8,537	11,335	9,642	**53,450**	**53,500**	11,626	9,377	12,218	10,482	**56,450**	**56,500**	12,466	10,217	13,148	11,322
50,500	**50,550**	10,800	8,551	11,349	9,656	**53,500**	**53,550**	11,640	9,391	12,234	10,496	**56,500**	**56,550**	12,480	10,231	13,164	11,336
50,550	**50,600**	10,814	8,565	11,363	9,670	**53,550**	**53,600**	11,654	9,405	12,249	10,510	**56,550**	**56,600**	12,494	10,245	13,179	11,350
50,600	**50,650**	10,828	8,579	11,377	9,684	**53,600**	**53,650**	11,668	9,419	12,265	10,524	**56,600**	**56,650**	12,508	10,259	13,195	11,364
50,650	**50,700**	10,842	8,593	11,391	9,698	**53,650**	**53,700**	11,682	9,433	12,280	10,538	**56,650**	**56,700**	12,522	10,273	13,210	11,378
50,700	**50,750**	10,856	8,607	11,405	9,712	**53,700**	**53,750**	11,696	9,447	12,296	10,552	**56,700**	**56,750**	12,536	10,287	13,226	11,392
50,750	**50,800**	10,870	8,621	11,419	9,726	**53,750**	**53,800**	11,710	9,461	12,311	10,566	**56,750**	**56,800**	12,550	10,301	13,241	11,406
50,800	**50,850**	10,884	8,635	11,433	9,740	**53,800**	**53,850**	11,724	9,475	12,327	10,580	**56,800**	**56,850**	12,564	10,315	13,257	11,420
50,850	**50,900**	10,898	8,649	11,447	9,754	**53,850**	**53,900**	11,738	9,489	12,342	10,594	**56,850**	**56,900**	12,578	10,329	13,272	11,434
50,900	**50,950**	10,912	8,663	11,461	9,768	**53,900**	**53,950**	11,752	9,503	12,358	10,608	**56,900**	**56,950**	12,592	10,343	13,288	11,448
50,950	**51,000**	10,926	8,677	11,475	9,782	**53,950**	**54,000**	11,766	9,517	12,373	10,622	**56,950**	**57,000**	12,606	10,357	13,303	11,462
51,000						**54,000**						**57,000**					
51,000	**51,050**	10,940	8,691	11,489	9,796	**54,000**	**54,050**	11,780	9,531	12,389	10,636	**57,000**	**57,050**	12,620	10,371	13,319	11,476
51,050	**51,100**	10,954	8,705	11,503	9,810	**54,050**	**54,100**	11,794	9,545	12,404	10,650	**57,050**	**57,100**	12,634	10,385	13,334	11,490
51,100	**51,150**	10,968	8,719	11,517	9,824	**54,100**	**54,150**	11,808	9,559	12,420	10,664	**57,100**	**57,150**	12,648	10,399	13,350	11,504
51,150	**51,200**	10,982	8,733	11,531	9,838	**54,150**	**54,200**	11,822	9,573	12,435	10,678	**57,150**	**57,200**	12,662	10,413	13,365	11,518
51,200	**51,250**	10,996	8,747	11,545	9,852	**54,200**	**54,250**	11,836	9,587	12,451	10,692	**57,200**	**57,250**	12,676	10,427	13,381	11,532
51,250	**51,300**	11,010	8,761	11,559	9,866	**54,250**	**54,300**	11,850	9,601	12,466	10,706	**57,250**	**57,300**	12,690	10,441	13,396	11,546
51,300	**51,350**	11,024	8,775	11,573	9,880	**54,300**	**54,350**	11,864	9,615	12,482	10,720	**57,300**	**57,350**	12,704	10,455	13,412	11,560
51,350	**51,400**	11,038	8,789	11,587	9,894	**54,350**	**54,400**	11,878	9,629	12,497	10,734	**57,350**	**57,400**	12,718	10,469	13,427	11,574
51,400	**51,450**	11,052	8,803	11,601	9,908	**54,400**	**54,450**	11,892	9,643	12,513	10,748	**57,400**	**57,450**	12,732	10,483	13,443	11,588
51,450	**51,500**	11,066	8,817	11,615	9,922	**54,450**	**54,500**	11,906	9,657	12,528	10,762	**57,450**	**57,500**	12,746	10,497	13,458	11,602
51,500	**51,550**	11,080	8,831	11,629	9,936	**54,500**	**54,550**	11,920	9,671	12,544	10,776	**57,500**	**57,550**	12,760	10,511	13,474	11,616
51,550	**51,600**	11,094	8,845	11,643	9,950	**54,550**	**54,600**	11,934	9,685	12,559	10,790	**57,550**	**57,600**	12,774	10,525	13,489	11,630
51,600	**51,650**	11,108	8,859	11,657	9,964	**54,600**	**54,650**	11,948	9,699	12,575	10,804	**57,600**	**57,650**	12,788	10,539	13,505	11,644
51,650	**51,700**	11,122	8,873	11,671	9,978	**54,650**	**54,700**	11,962	9,713	12,590	10,818	**57,650**	**57,700**	12,802	10,553	13,520	11,658
51,700	**51,750**	11,136	8,887	11,685	9,992	**54,700**	**54,750**	11,976	9,727	12,606	10,832	**57,700**	**57,750**	12,816	10,567	13,536	11,672
51,750	**51,800**	11,150	8,901	11,699	10,006	**54,750**	**54,800**	11,990	9,741	12,621	10,846	**57,750**	**57,800**	12,830	10,581	13,551	11,686
51,800	**51,850**	11,164	8,915	11,713	10,020	**54,800**	**54,850**	12,004	9,755	12,637	10,860	**57,800**	**57,850**	12,844	10,595	13,567	11,700
51,850	**51,900**	11,178	8,929	11,727	10,034	**54,850**	**54,900**	12,018	9,769	12,652	10,874	**57,850**	**57,900**	12,858	10,609	13,582	11,714
51,900	**51,950**	11,192	8,943	11,741	10,048	**54,900**	**54,950**	12,032	9,783	12,668	10,888	**57,900**	**57,950**	12,872	10,623	13,598	11,728
51,950	**52,000**	11,206	8,957	11,755	10,062	**54,950**	**55,000**	12,046	9,797	12,683	10,902	**57,950**	**58,000**	12,886	10,637	13,613	11,742
52,000						**55,000**						**58,000**					
52,000	**52,050**	11,220	8,971	11,769	10,076	**55,000**	**55,050**	12,060	9,811	12,699	10,916	**58,000**	**58,050**	12,900	10,651	13,629	11,756
52,050	**52,100**	11,234	8,985	11,784	10,090	**55,050**	**55,100**	12,074	9,825	12,714	10,930	**58,050**	**58,100**	12,914	10,665	13,644	11,770
52,100	**52,150**	11,248	8,999	11,800	10,104	**55,100**	**55,150**	12,088	9,839	12,730	10,944	**58,100**	**58,150**	12,928	10,679	13,660	11,784
52,150	**52,200**	11,262	9,013	11,815	10,118	**55,150**	**55,200**	12,102	9,853	12,745	10,958	**58,150**	**58,200**	12,942	10,693	13,675	11,798
52,200	**52,250**	11,276	9,027	11,831	10,132	**55,200**	**55,250**	12,116	9,867	12,761	10,972	**58,200**	**58,250**	12,956	10,707	13,691	11,812
52,250	**52,300**	11,290	9,041	11,846	10,146	**55,250**	**55,300**	12,130	9,881	12,776	10,986	**58,250**	**58,300**	12,970	10,721	13,706	11,826
52,300	**52,350**	11,304	9,055	11,862	10,160	**55,300**	**55,350**	12,144	9,895	12,792	11,000	**58,300**	**58,350**	12,984	10,735	13,722	11,840
52,350	**52,400**	11,318	9,069	11,877	10,174	**55,350**	**55,400**	12,158	9,909	12,807	11,014	**58,350**	**58,400**	12,998	10,749	13,737	11,854
52,400	**52,450**	11,332	9,083	11,893	10,188	**55,400**	**55,450**	12,172	9,923	12,823	11,028	**58,400**	**58,450**	13,012	10,763	13,753	11,868
52,450	**52,500**	11,346	9,097	11,908	10,202	**55,450**	**55,500**	12,186	9,937	12,838	11,042	**58,450**	**58,500**	13,026	10,777	13,768	11,882
52,500	**52,550**	11,360	9,111	11,924	10,216	**55,500**	**55,550**	12,200	9,951	12,854	11,056	**58,500**	**58,550**	13,040	10,791	13,784	11,896
52,550	**52,600**	11,374	9,125	11,939	10,230	**55,550**	**55,600**	12,214	9,965	12,869	11,070	**58,550**	**58,600**	13,054	10,805	13,799	11,910
52,600	**52,650**	11,388	9,139	11,955	10,244	**55,600**	**55,650**	12,228	9,979	12,885	11,084	**58,600**	**58,650**	13,068	10,819	13,815	11,924
52,650	**52,700**	11,402	9,153	11,970	10,258	**55,650**	**55,700**	12,242	9,993	12,900	11,098	**58,650**	**58,700**	13,082	10,833	13,830	11,938
52,700	**52,750**	11,416	9,167	11,986	10,272	**55,700**	**55,750**	12,256	10,007	12,916	11,112	**58,700**	**58,750**	13,096	10,847	13,846	11,952
52,750	**52,800**	11,430	9,181	12,001	10,286	**55,750**	**55,800**	12,270	10,021	12,931	11,126	**58,750**	**58,800**	13,110	10,861	13,861	11,966
52,800	**52,850**	11,444	9,195	12,017	10,300	**55,800**	**55,850**	12,284	10,035	12,947	11,140	**58,800**	**58,850**	13,124	10,875	13,877	11,980
52,850	**52,900**	11,458	9,209	12,032	10,314	**55,850**	**55,900**	12,298	10,049	12,962	11,154	**58,850**	**58,900**	13,138	10,889	13,892	11,994
52,900	**52,950**	11,472	9,223	12,048	10,328	**55,900**	**55,950**	12,312	10,063	12,978	11,168	**58,900**	**58,950**	13,152	10,903	13,908	12,008
52,950	**53,000**	11,486	9,237	12,063	10,342	**55,950**	**56,000**	12,326	10,077	12,993	11,182	**58,950**	**59,000**	13,166	10,917	13,923	12,022

* This column must also be used by a qualifying widow(er).

Continued on next page

If line 39 (taxable income) is—		And you are—				If line 39 (taxable income) is—		And you are—				If line 39 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—						Your tax is—						Your tax is—			
59,000						**62,000**						**65,000**					
59,000	**59,050**	13,180	10,931	13,939	12,036	**62,000**	**62,050**	14,020	11,771	14,869	12,876	**65,000**	**65,050**	14,937	12,611	15,799	13,716
59,050	**59,100**	13,194	10,945	13,954	12,050	**62,050**	**62,100**	14,034	11,785	14,884	12,890	**65,050**	**65,100**	14,952	12,625	15,814	13,730
59,100	**59,150**	13,208	10,959	13,970	12,064	**62,100**	**62,150**	14,048	11,799	14,900	12,904	**65,100**	**65,150**	14,968	12,639	15,830	13,744
59,150	**59,200**	13,222	10,973	13,985	12,078	**62,150**	**62,200**	14,062	11,813	14,915	12,918	**65,150**	**65,200**	14,983	12,653	15,845	13,758
59,200	**59,250**	13,236	10,987	14,001	12,092	**62,200**	**62,250**	14,076	11,827	14,931	12,932	**65,200**	**65,250**	14,999	12,667	15,861	13,772
59,250	**59,300**	13,250	11,001	14,016	12,106	**62,250**	**62,300**	14,090	11,841	14,946	12,946	**65,250**	**65,300**	15,014	12,681	15,876	13,786
59,300	**59,350**	13,264	11,015	14,032	12,120	**62,300**	**62,350**	14,104	11,855	14,962	12,960	**65,300**	**65,350**	15,030	12,695	15,892	13,800
59,350	**59,400**	13,278	11,029	14,047	12,134	**62,350**	**62,400**	14,118	11,869	14,977	12,974	**65,350**	**65,400**	15,045	12,709	15,907	13,814
59,400	**59,450**	13,292	11,043	14,063	12,148	**62,400**	**62,450**	14,132	11,883	14,993	12,988	**65,400**	**65,450**	15,061	12,723	15,923	13,828
59,450	**59,500**	13,306	11,057	14,078	12,162	**62,450**	**62,500**	14,146	11,897	15,008	13,002	**65,450**	**65,500**	15,076	12,737	15,938	13,842
59,500	**59,550**	13,320	11,071	14,094	12,176	**62,500**	**62,550**	14,162	11,911	15,024	13,016	**65,500**	**65,550**	15,092	12,751	15,954	13,856
59,550	**59,600**	13,334	11,085	14,109	12,190	**62,550**	**62,600**	14,177	11,925	15,039	13,030	**65,550**	**65,600**	15,107	12,765	15,969	13,870
59,600	**59,650**	13,348	11,099	14,125	12,204	**62,600**	**62,650**	14,193	11,939	15,055	13,044	**65,600**	**65,650**	15,123	12,779	15,985	13,884
59,650	**59,700**	13,362	11,113	14,140	12,218	**62,650**	**62,700**	14,208	11,953	15,070	13,058	**65,650**	**65,700**	15,138	12,793	16,000	13,898
59,700	**59,750**	13,376	11,127	14,156	12,232	**62,700**	**62,750**	14,224	11,967	15,086	13,072	**65,700**	**65,750**	15,154	12,807	16,016	13,912
59,750	**59,800**	13,390	11,141	14,171	12,246	**62,750**	**62,800**	14,239	11,981	15,101	13,086	**65,750**	**65,800**	15,169	12,821	16,031	13,926
59,800	**59,850**	13,404	11,155	14,187	12,260	**62,800**	**62,850**	14,255	11,995	15,117	13,100	**65,800**	**65,850**	15,185	12,835	16,047	13,940
59,850	**59,900**	13,418	11,169	14,202	12,274	**62,850**	**62,900**	14,270	12,009	15,132	13,114	**65,850**	**65,900**	15,200	12,849	16,062	13,954
59,900	**59,950**	13,432	11,183	14,218	12,288	**62,900**	**62,950**	14,286	12,023	15,148	13,128	**65,900**	**65,950**	15,216	12,863	16,078	13,968
59,950	**60,000**	13,446	11,197	14,233	12,302	**62,950**	**63,000**	14,301	12,037	15,163	13,142	**65,950**	**66,000**	15,231	12,877	16,093	13,982
60,000						**63,000**						**66,000**					
60,000	**60,050**	13,460	11,211	14,249	12,316	**63,000**	**63,050**	14,317	12,051	15,179	13,156	**66,000**	**66,050**	15,247	12,891	16,109	13,996
60,050	**60,100**	13,474	11,225	14,264	12,330	**63,050**	**63,100**	14,332	12,065	15,194	13,170	**66,050**	**66,100**	15,262	12,905	16,124	14,010
60,100	**60,150**	13,488	11,239	14,280	12,344	**63,100**	**63,150**	14,348	12,079	15,210	13,184	**66,100**	**66,150**	15,278	12,919	16,140	14,024
60,150	**60,200**	13,502	11,253	14,295	12,358	**63,150**	**63,200**	14,363	12,093	15,225	13,198	**66,150**	**66,200**	15,293	12,933	16,155	14,038
60,200	**60,250**	13,516	11,267	14,311	12,372	**63,200**	**63,250**	14,379	12,107	15,241	13,212	**66,200**	**66,250**	15,309	12,947	16,171	14,052
60,250	**60,300**	13,530	11,281	14,326	12,386	**63,250**	**63,300**	14,394	12,121	15,256	13,226	**66,250**	**66,300**	15,324	12,961	16,186	14,066
60,300	**60,350**	13,544	11,295	14,342	12,400	**63,300**	**63,350**	14,410	12,135	15,272	13,240	**66,300**	**66,350**	15,340	12,975	16,202	14,080
60,350	**60,400**	13,558	11,309	14,357	12,414	**63,350**	**63,400**	14,425	12,149	15,287	13,254	**66,350**	**66,400**	15,355	12,989	16,217	14,094
60,400	**60,450**	13,572	11,323	14,373	12,428	**63,400**	**63,450**	14,441	12,163	15,303	13,268	**66,400**	**66,450**	15,371	13,003	16,233	14,108
60,450	**60,500**	13,586	11,337	14,388	12,442	**63,450**	**63,500**	14,456	12,177	15,318	13,282	**66,450**	**66,500**	15,386	13,017	16,248	14,122
60,500	**60,550**	13,600	11,351	14,404	12,456	**63,500**	**63,550**	14,472	12,191	15,334	13,296	**66,500**	**66,550**	15,402	13,031	16,264	14,136
60,550	**60,600**	13,614	11,365	14,419	12,470	**63,550**	**63,600**	14,487	12,205	15,349	13,310	**66,550**	**66,600**	15,417	13,045	16,279	14,150
60,600	**60,650**	13,628	11,379	14,435	12,484	**63,600**	**63,650**	14,503	12,219	15,365	13,324	**66,600**	**66,650**	15,433	13,059	16,295	14,164
60,650	**60,700**	13,642	11,393	14,450	12,498	**63,650**	**63,700**	14,518	12,233	15,380	13,338	**66,650**	**66,700**	15,448	13,073	16,310	14,178
60,700	**60,750**	13,656	11,407	14,466	12,512	**63,700**	**63,750**	14,534	12,247	15,396	13,352	**66,700**	**66,750**	15,464	13,087	16,326	14,192
60,750	**60,800**	13,670	11,421	14,481	12,526	**63,750**	**63,800**	14,549	12,261	15,411	13,366	**66,750**	**66,800**	15,479	13,101	16,341	14,206
60,800	**60,850**	13,684	11,435	14,497	12,540	**63,800**	**63,850**	14,565	12,275	15,427	13,380	**66,800**	**66,850**	15,495	13,115	16,357	14,220
60,850	**60,900**	13,698	11,449	14,512	12,554	**63,850**	**63,900**	14,580	12,289	15,442	13,394	**66,850**	**66,900**	15,510	13,129	16,372	14,234
60,900	**60,950**	13,712	11,463	14,528	12,568	**63,900**	**63,950**	14,596	12,303	15,458	13,408	**66,900**	**66,950**	15,526	13,143	16,388	14,248
60,950	**61,000**	13,726	11,477	14,543	12,582	**63,950**	**64,000**	14,611	12,317	15,473	13,422	**66,950**	**67,000**	15,541	13,157	16,403	14,262
61,000						**64,000**						**67,000**					
61,000	**61,050**	13,740	11,491	14,559	12,596	**64,000**	**64,050**	14,627	12,331	15,489	13,436	**67,000**	**67,050**	15,557	13,171	16,419	14,276
61,050	**61,100**	13,754	11,505	14,574	12,610	**64,050**	**64,100**	14,642	12,345	15,504	13,450	**67,050**	**67,100**	15,572	13,185	16,434	14,290
61,100	**61,150**	13,768	11,519	14,590	12,624	**64,100**	**64,150**	14,658	12,359	15,520	13,464	**67,100**	**67,150**	15,588	13,199	16,450	14,304
61,150	**61,200**	13,782	11,533	14,605	12,638	**64,150**	**64,200**	14,673	12,373	15,535	13,478	**67,150**	**67,200**	15,603	13,213	16,465	14,318
61,200	**61,250**	13,796	11,547	14,621	12,652	**64,200**	**64,250**	14,689	12,387	15,551	13,492	**67,200**	**67,250**	15,619	13,227	16,481	14,332
61,250	**61,300**	13,810	11,561	14,636	12,666	**64,250**	**64,300**	14,704	12,401	15,566	13,506	**67,250**	**67,300**	15,634	13,241	16,496	14,346
61,300	**61,350**	13,824	11,575	14,652	12,680	**64,300**	**64,350**	14,720	12,415	15,582	13,520	**67,300**	**67,350**	15,650	13,255	16,512	14,360
61,350	**61,400**	13,838	11,589	14,667	12,694	**64,350**	**64,400**	14,735	12,429	15,597	13,534	**67,350**	**67,400**	15,665	13,269	16,527	14,374
61,400	**61,450**	13,852	11,603	14,683	12,708	**64,400**	**64,450**	14,751	12,443	15,613	13,548	**67,400**	**67,450**	15,681	13,283	16,543	14,388
61,450	**61,500**	13,866	11,617	14,698	12,722	**64,450**	**64,500**	14,766	12,457	15,628	13,562	**67,450**	**67,500**	15,696	13,297	16,558	14,402
61,500	**61,550**	13,880	11,631	14,714	12,736	**64,500**	**64,550**	14,782	12,471	15,644	13,576	**67,500**	**67,550**	15,712	13,311	16,574	14,416
61,550	**61,600**	13,894	11,645	14,729	12,750	**64,550**	**64,600**	14,797	12,485	15,659	13,590	**67,550**	**67,600**	15,727	13,325	16,589	14,430
61,600	**61,650**	13,908	11,659	14,745	12,764	**64,600**	**64,650**	14,813	12,499	15,675	13,604	**67,600**	**67,650**	15,743	13,339	16,605	14,444
61,650	**61,700**	13,922	11,673	14,760	12,778	**64,650**	**64,700**	14,828	12,513	15,690	13,618	**67,650**	**67,700**	15,758	13,353	16,620	14,458
61,700	**61,750**	13,936	11,687	14,776	12,792	**64,700**	**64,750**	14,844	12,527	15,706	13,632	**67,700**	**67,750**	15,774	13,367	16,636	14,472
61,750	**61,800**	13,950	11,701	14,791	12,806	**64,750**	**64,800**	14,859	12,541	15,721	13,646	**67,750**	**67,800**	15,789	13,381	16,651	14,486
61,800	**61,850**	13,964	11,715	14,807	12,820	**64,800**	**64,850**	14,875	12,555	15,737	13,660	**67,800**	**67,850**	15,805	13,395	16,667	14,500
61,850	**61,900**	13,978	11,729	14,822	12,834	**64,850**	**64,900**	14,890	12,569	15,752	13,674	**67,850**	**67,900**	15,820	13,409	16,682	14,514
61,900	**61,950**	13,992	11,743	14,838	12,848	**64,900**	**64,950**	14,906	12,583	15,768	13,688	**67,900**	**67,950**	15,836	13,423	16,698	14,528
61,950	**62,000**	14,006	11,757	14,853	12,862	**64,950**	**65,000**	14,921	12,597	15,783	13,702	**67,950**	**68,000**	15,851	13,437	16,713	14,542

* This column must also be used by a qualifying widow(er).

Continued on next page

If line 39 (taxable income) is—		And you are—				If line 39 (taxable income) is—		And you are—				If line 39 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—						Your tax is—						Your tax is—			
68,000						**71,000**						**74,000**					
68,000	**68,050**	15,867	13,451	16,729	14,556	**71,000**	**71,050**	16,797	14,291	17,659	15,396	**74,000**	**74,050**	17,727	15,131	18,589	16,236
68,050	**68,100**	15,882	13,465	16,744	14,570	**71,050**	**71,100**	16,812	14,305	17,674	15,410	**74,050**	**74,100**	17,742	15,145	18,604	16,250
68,100	**68,150**	15,898	13,479	16,760	14,584	**71,100**	**71,150**	16,828	14,319	17,690	15,424	**74,100**	**74,150**	17,758	15,159	18,620	16,264
68,150	**68,200**	15,913	13,493	16,775	14,598	**71,150**	**71,200**	16,843	14,333	17,705	15,438	**74,150**	**74,200**	17,773	15,173	18,635	16,278
68,200	**68,250**	15,929	13,507	16,791	14,612	**71,200**	**71,250**	16,859	14,347	17,721	15,452	**74,200**	**74,250**	17,789	15,187	18,651	16,292
68,250	**68,300**	15,944	13,521	16,806	14,626	**71,250**	**71,300**	16,874	14,361	17,736	15,466	**74,250**	**74,300**	17,804	15,201	18,666	16,306
68,300	**68,350**	15,960	13,535	16,822	14,640	**71,300**	**71,350**	16,890	14,375	17,752	15,480	**74,300**	**74,350**	17,820	15,215	18,682	16,320
68,350	**68,400**	15,975	13,549	16,837	14,654	**71,350**	**71,400**	16,905	14,389	17,767	15,494	**74,350**	**74,400**	17,835	15,229	18,697	16,334
68,400	**68,450**	15,991	13,563	16,853	14,668	**71,400**	**71,450**	16,921	14,403	17,783	15,508	**74,400**	**74,450**	17,851	15,243	18,713	16,348
68,450	**68,500**	16,006	13,577	16,868	14,682	**71,450**	**71,500**	16,936	14,417	17,798	15,522	**74,450**	**74,500**	17,866	15,257	18,728	16,362
68,500	**68,550**	16,022	13,591	16,884	14,696	**71,500**	**71,550**	16,952	14,431	17,814	15,536	**74,500**	**74,550**	17,882	15,271	18,744	16,376
68,550	**68,600**	16,037	13,605	16,899	14,710	**71,550**	**71,600**	16,967	14,445	17,829	15,550	**74,550**	**74,600**	17,897	15,285	18,759	16,390
68,600	**68,650**	16,053	13,619	16,915	14,724	**71,600**	**71,650**	16,983	14,459	17,845	15,564	**74,600**	**74,650**	17,913	15,299	18,775	16,404
68,650	**68,700**	16,068	13,633	16,930	14,738	**71,650**	**71,700**	16,998	14,473	17,860	15,578	**74,650**	**74,700**	17,928	15,313	18,790	16,418
68,700	**68,750**	16,084	13,647	16,946	14,752	**71,700**	**71,750**	17,014	14,487	17,876	15,592	**74,700**	**74,750**	17,944	15,327	18,806	16,432
68,750	**68,800**	16,099	13,661	16,961	14,766	**71,750**	**71,800**	17,029	14,501	17,891	15,606	**74,750**	**74,800**	17,959	15,341	18,821	16,446
68,800	**68,850**	16,115	13,675	16,977	14,780	**71,800**	**71,850**	17,045	14,515	17,907	15,620	**74,800**	**74,850**	17,975	15,355	18,837	16,460
68,850	**68,900**	16,130	13,689	16,992	14,794	**71,850**	**71,900**	17,060	14,529	17,922	15,634	**74,850**	**74,900**	17,990	15,369	18,852	16,474
68,900	**68,950**	16,146	13,703	17,008	14,808	**71,900**	**71,950**	17,076	14,543	17,938	15,648	**74,900**	**74,950**	18,006	15,383	18,868	16,488
68,950	**69,000**	16,161	13,717	17,023	14,822	**71,950**	**72,000**	17,091	14,557	17,953	15,662	**74,950**	**75,000**	18,021	15,397	18,883	16,502
69,000						**72,000**						**75,000**					
69,000	**69,050**	16,177	13,731	17,039	14,836	**72,000**	**72,050**	17,107	14,571	17,969	15,676	**75,000**	**75,050**	18,037	15,411	18,899	16,516
69,050	**69,100**	16,192	13,745	17,054	14,850	**72,050**	**72,100**	17,122	14,585	17,984	15,690	**75,050**	**75,100**	18,052	15,425	18,914	16,530
69,100	**69,150**	16,208	13,759	17,070	14,864	**72,100**	**72,150**	17,138	14,599	18,000	15,704	**75,100**	**75,150**	18,068	15,439	18,930	16,544
69,150	**69,200**	16,223	13,773	17,085	14,878	**72,150**	**72,200**	17,153	14,613	18,015	15,718	**75,150**	**75,200**	18,083	15,453	18,945	16,558
69,200	**69,250**	16,239	13,787	17,101	14,892	**72,200**	**72,250**	17,169	14,627	18,031	15,732	**75,200**	**75,250**	18,099	15,467	18,961	16,572
69,250	**69,300**	16,254	13,801	17,116	14,906	**72,250**	**72,300**	17,184	14,641	18,046	15,746	**75,250**	**75,300**	18,114	15,481	18,976	16,586
69,300	**69,350**	16,270	13,815	17,132	14,920	**72,300**	**72,350**	17,200	14,655	18,062	15,760	**75,300**	**75,350**	18,130	15,495	18,992	16,600
69,350	**69,400**	16,285	13,829	17,147	14,934	**72,350**	**72,400**	17,215	14,669	18,077	15,774	**75,350**	**75,400**	18,145	15,509	19,007	16,614
69,400	**69,450**	16,301	13,843	17,163	14,948	**72,400**	**72,450**	17,231	14,683	18,093	15,788	**75,400**	**75,450**	18,161	15,523	19,023	16,628
69,450	**69,500**	16,316	13,857	17,178	14,962	**72,450**	**72,500**	17,246	14,697	18,108	15,802	**75,450**	**75,500**	18,176	15,537	19,038	16,642
69,500	**69,550**	16,332	13,871	17,194	14,976	**72,500**	**72,550**	17,262	14,711	18,124	15,816	**75,500**	**75,550**	18,192	15,551	19,054	16,656
69,550	**69,600**	16,347	13,885	17,209	14,990	**72,550**	**72,600**	17,277	14,725	18,139	15,830	**75,550**	**75,600**	18,207	15,565	19,069	16,670
69,600	**69,650**	16,363	13,899	17,225	15,004	**72,600**	**72,650**	17,293	14,739	18,155	15,844	**75,600**	**75,650**	18,223	15,579	19,085	16,684
69,650	**69,700**	16,378	13,913	17,240	15,018	**72,650**	**72,700**	17,308	14,753	18,170	15,858	**75,650**	**75,700**	18,238	15,593	19,100	16,698
69,700	**69,750**	16,394	13,927	17,256	15,032	**72,700**	**72,750**	17,324	14,767	18,186	15,872	**75,700**	**75,750**	18,254	15,607	19,116	16,712
69,750	**69,800**	16,409	13,941	17,271	15,046	**72,750**	**72,800**	17,339	14,781	18,201	15,886	**75,750**	**75,800**	18,269	15,621	19,131	16,726
69,800	**69,850**	16,425	13,955	17,287	15,060	**72,800**	**72,850**	17,355	14,795	18,217	15,900	**75,800**	**75,850**	18,285	15,635	19,147	16,740
69,850	**69,900**	16,440	13,969	17,302	15,074	**72,850**	**72,900**	17,370	14,809	18,232	15,914	**75,850**	**75,900**	18,300	15,649	19,162	16,754
69,900	**69,950**	16,456	13,983	17,318	15,088	**72,900**	**72,950**	17,386	14,823	18,248	15,928	**75,900**	**75,950**	18,316	15,663	19,178	16,768
69,950	**70,000**	16,471	13,997	17,333	15,102	**72,950**	**73,000**	17,401	14,837	18,263	15,942	**75,950**	**76,000**	18,331	15,677	19,193	16,782
70,000						**73,000**						**76,000**					
70,000	**70,050**	16,487	14,011	17,349	15,116	**73,000**	**73,050**	17,417	14,851	18,279	15,956	**76,000**	**76,050**	18,347	15,691	19,209	16,796
70,050	**70,100**	16,502	14,025	17,364	15,130	**73,050**	**73,100**	17,432	14,865	18,294	15,970	**76,050**	**76,100**	18,362	15,705	19,224	16,810
70,100	**70,150**	16,518	14,039	17,380	15,144	**73,100**	**73,150**	17,448	14,879	18,310	15,984	**76,100**	**76,150**	18,378	15,719	19,240	16,824
70,150	**70,200**	16,533	14,053	17,395	15,158	**73,150**	**73,200**	17,463	14,893	18,325	15,998	**76,150**	**76,200**	18,393	15,733	19,255	16,838
70,200	**70,250**	16,549	14,067	17,411	15,172	**73,200**	**73,250**	17,479	14,907	18,341	16,012	**76,200**	**76,250**	18,409	15,747	19,271	16,852
70,250	**70,300**	16,564	14,081	17,426	15,186	**73,250**	**73,300**	17,494	14,921	18,356	16,026	**76,250**	**76,300**	18,424	15,761	19,286	16,866
70,300	**70,350**	16,580	14,095	17,442	15,200	**73,300**	**73,350**	17,510	14,935	18,372	16,040	**76,300**	**76,350**	18,440	15,775	19,302	16,880
70,350	**70,400**	16,595	14,109	17,457	15,214	**73,350**	**73,400**	17,525	14,949	18,387	16,054	**76,350**	**76,400**	18,455	15,789	19,317	16,894
70,400	**70,450**	16,611	14,123	17,473	15,228	**73,400**	**73,450**	17,541	14,963	18,403	16,068	**76,400**	**76,450**	18,471	15,803	19,333	16,908
70,450	**70,500**	16,626	14,137	17,488	15,242	**73,450**	**73,500**	17,556	14,977	18,418	16,082	**76,450**	**76,500**	18,486	15,817	19,348	16,922
70,500	**70,550**	16,642	14,151	17,504	15,256	**73,500**	**73,550**	17,572	14,991	18,434	16,096	**76,500**	**76,550**	18,502	15,831	19,364	16,936
70,550	**70,600**	16,657	14,165	17,519	15,270	**73,550**	**73,600**	17,587	15,005	18,449	16,110	**76,550**	**76,600**	18,517	15,845	19,379	16,950
70,600	**70,650**	16,673	14,179	17,535	15,284	**73,600**	**73,650**	17,603	15,019	18,465	16,124	**76,600**	**76,650**	18,533	15,859	19,395	16,964
70,650	**70,700**	16,688	14,193	17,550	15,298	**73,650**	**73,700**	17,618	15,033	18,480	16,138	**76,650**	**76,700**	18,548	15,873	19,410	16,978
70,700	**70,750**	16,704	14,207	17,566	15,312	**73,700**	**73,750**	17,634	15,047	18,496	16,152	**76,700**	**76,750**	18,564	15,887	19,426	16,992
70,750	**70,800**	16,719	14,221	17,581	15,326	**73,750**	**73,800**	17,649	15,061	18,511	16,166	**76,750**	**76,800**	18,579	15,901	19,441	17,006
70,800	**70,850**	16,735	14,235	17,597	15,340	**73,800**	**73,850**	17,665	15,075	18,527	16,180	**76,800**	**76,850**	18,595	15,915	19,457	17,020
70,850	**70,900**	16,750	14,249	17,612	15,354	**73,850**	**73,900**	17,680	15,089	18,542	16,194	**76,850**	**76,900**	18,610	15,929	19,472	17,034
70,900	**70,950**	16,766	14,263	17,628	15,368	**73,900**	**73,950**	17,696	15,103	18,558	16,208	**76,900**	**76,950**	18,626	15,943	19,488	17,048
70,950	**71,000**	16,781	14,277	17,643	15,382	**73,950**	**74,000**	17,711	15,117	18,573	16,222	**76,950**	**77,000**	18,641	15,957	19,503	17,062

* This column must also be used by a qualifying widow(er).

Continued on next page

If line 39 (taxable income) is—		And you are—				If line 39 (taxable income) is—		And you are—				If line 39 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—						Your tax is—						Your tax is—			
77,000						**80,000**						**83,000**					
77,000	**77,050**	18,657	15,971	19,519	17,076	**80,000**	**80,050**	19,587	16,811	20,486	17,916	**83,000**	**83,050**	20,517	17,651	21,566	18,756
77,050	**77,100**	18,672	15,985	19,534	17,090	**80,050**	**80,100**	19,602	16,825	20,504	17,930	**83,050**	**83,100**	20,532	17,665	21,584	18,770
77,100	**77,150**	18,688	15,999	19,550	17,104	**80,100**	**80,150**	19,618	16,839	20,522	17,944	**83,100**	**83,150**	20,548	17,679	21,602	18,784
77,150	**77,200**	18,703	16,013	19,565	17,118	**80,150**	**80,200**	19,633	16,853	20,540	17,958	**83,150**	**83,200**	20,563	17,693	21,620	18,798
77,200	**77,250**	18,719	16,027	19,581	17,132	**80,200**	**80,250**	19,649	16,867	20,558	17,972	**83,200**	**83,250**	20,579	17,707	21,638	18,812
77,250	**77,300**	18,734	16,041	19,596	17,146	**80,250**	**80,300**	19,664	16,881	20,576	17,986	**83,250**	**83,300**	20,594	17,721	21,656	18,826
77,300	**77,350**	18,750	16,055	19,612	17,160	**80,300**	**80,350**	19,680	16,895	20,594	18,000	**83,300**	**83,350**	20,610	17,735	21,674	18,840
77,350	**77,400**	18,765	16,069	19,627	17,174	**80,350**	**80,400**	19,695	16,909	20,612	18,014	**83,350**	**83,400**	20,625	17,749	21,692	18,854
77,400	**77,450**	18,781	16,083	19,643	17,188	**80,400**	**80,450**	19,711	16,923	20,630	18,028	**83,400**	**83,450**	20,641	17,763	21,710	18,868
77,450	**77,500**	18,796	16,097	19,658	17,202	**80,450**	**80,500**	19,726	16,937	20,648	18,042	**83,450**	**83,500**	20,656	17,777	21,728	18,882
77,500	**77,550**	18,812	16,111	19,674	17,216	**80,500**	**80,550**	19,742	16,951	20,666	18,056	**83,500**	**83,550**	20,672	17,791	21,746	18,896
77,550	**77,600**	18,827	16,125	19,689	17,230	**80,550**	**80,600**	19,757	16,965	20,684	18,070	**83,550**	**83,600**	20,687	17,805	21,764	18,910
77,600	**77,650**	18,843	16,139	19,705	17,244	**80,600**	**80,650**	19,773	16,979	20,702	18,084	**83,600**	**83,650**	20,703	17,819	21,782	18,924
77,650	**77,700**	18,858	16,153	19,720	17,258	**80,650**	**80,700**	19,788	16,993	20,720	18,098	**83,650**	**83,700**	20,718	17,833	21,800	18,938
77,700	**77,750**	18,874	16,167	19,736	17,272	**80,700**	**80,750**	19,804	17,007	20,738	18,112	**83,700**	**83,750**	20,734	17,847	21,818	18,952
77,750	**77,800**	18,889	16,181	19,751	17,286	**80,750**	**80,800**	19,819	17,021	20,756	18,126	**83,750**	**83,800**	20,749	17,861	21,836	18,966
77,800	**77,850**	18,905	16,195	19,767	17,300	**80,800**	**80,850**	19,835	17,035	20,774	18,140	**83,800**	**83,850**	20,765	17,875	21,854	18,980
77,850	**77,900**	18,920	16,209	19,782	17,314	**80,850**	**80,900**	19,850	17,049	20,792	18,154	**83,850**	**83,900**	20,780	17,889	21,872	18,994
77,900	**77,950**	18,936	16,223	19,798	17,328	**80,900**	**80,950**	19,866	17,063	20,810	18,168	**83,900**	**83,950**	20,796	17,903	21,890	19,008
77,950	**78,000**	18,951	16,237	19,813	17,342	**80,950**	**81,000**	19,881	17,077	20,828	18,182	**83,950**	**84,000**	20,811	17,917	21,908	19,022
78,000						**81,000**						**84,000**					
78,000	**78,050**	18,967	16,251	19,829	17,356	**81,000**	**81,050**	19,897	17,091	20,846	18,196	**84,000**	**84,050**	20,827	17,931	21,926	19,036
78,050	**78,100**	18,982	16,265	19,844	17,370	**81,050**	**81,100**	19,912	17,105	20,864	18,210	**84,050**	**84,100**	20,842	17,945	21,944	19,050
78,100	**78,150**	18,998	16,279	19,860	17,384	**81,100**	**81,150**	19,928	17,119	20,882	18,224	**84,100**	**84,150**	20,858	17,959	21,962	19,064
78,150	**78,200**	19,013	16,293	19,875	17,398	**81,150**	**81,200**	19,943	17,133	20,900	18,238	**84,150**	**84,200**	20,873	17,973	21,980	19,078
78,200	**78,250**	19,029	16,307	19,891	17,412	**81,200**	**81,250**	19,959	17,147	20,918	18,252	**84,200**	**84,250**	20,889	17,987	21,998	19,092
78,250	**78,300**	19,044	16,321	19,906	17,426	**81,250**	**81,300**	19,974	17,161	20,936	18,266	**84,250**	**84,300**	20,904	18,001	22,016	19,106
78,300	**78,350**	19,060	16,335	19,922	17,440	**81,300**	**81,350**	19,990	17,175	20,954	18,280	**84,300**	**84,350**	20,920	18,015	22,034	19,120
78,350	**78,400**	19,075	16,349	19,937	17,454	**81,350**	**81,400**	20,005	17,189	20,972	18,294	**84,350**	**84,400**	20,935	18,029	22,052	19,134
78,400	**78,450**	19,091	16,363	19,953	17,468	**81,400**	**81,450**	20,021	17,203	20,990	18,308	**84,400**	**84,450**	20,951	18,043	22,070	19,148
78,450	**78,500**	19,106	16,377	19,968	17,482	**81,450**	**81,500**	20,036	17,217	21,008	18,322	**84,450**	**84,500**	20,966	18,057	22,088	19,162
78,500	**78,550**	19,122	16,391	19,984	17,496	**81,500**	**81,550**	20,052	17,231	21,026	18,336	**84,500**	**84,550**	20,982	18,071	22,106	19,176
78,550	**78,600**	19,137	16,405	19,999	17,510	**81,550**	**81,600**	20,067	17,245	21,044	18,350	**84,550**	**84,600**	20,997	18,085	22,124	19,190
78,600	**78,650**	19,153	16,419	20,015	17,524	**81,600**	**81,650**	20,083	17,259	21,062	18,364	**84,600**	**84,650**	21,013	18,099	22,142	19,204
78,650	**78,700**	19,168	16,433	20,030	17,538	**81,650**	**81,700**	20,098	17,273	21,080	18,378	**84,650**	**84,700**	21,028	18,113	22,160	19,218
78,700	**78,750**	19,184	16,447	20,046	17,552	**81,700**	**81,750**	20,114	17,287	21,098	18,392	**84,700**	**84,750**	21,044	18,127	22,178	19,232
78,750	**78,800**	19,199	16,461	20,061	17,566	**81,750**	**81,800**	20,129	17,301	21,116	18,406	**84,750**	**84,800**	21,059	18,141	22,196	19,246
78,800	**78,850**	19,215	16,475	20,077	17,580	**81,800**	**81,850**	20,145	17,315	21,134	18,420	**84,800**	**84,850**	21,075	18,155	22,214	19,260
78,850	**78,900**	19,230	16,489	20,092	17,594	**81,850**	**81,900**	20,160	17,329	21,152	18,434	**84,850**	**84,900**	21,090	18,169	22,232	19,274
78,900	**78,950**	19,246	16,503	20,108	17,608	**81,900**	**81,950**	20,176	17,343	21,170	18,448	**84,900**	**84,950**	21,106	18,183	22,250	19,288
78,950	**79,000**	19,261	16,517	20,123	17,622	**81,950**	**82,000**	20,191	17,357	21,188	18,462	**84,950**	**85,000**	21,121	18,197	22,268	19,302
79,000						**82,000**						**85,000**					
79,000	**79,050**	19,277	16,531	20,139	17,636	**82,000**	**82,050**	20,207	17,371	21,206	18,476	**85,000**	**85,050**	21,137	18,211	22,286	19,316
79,050	**79,100**	19,292	16,545	20,154	17,650	**82,050**	**82,100**	20,222	17,385	21,224	18,490	**85,050**	**85,100**	21,152	18,225	22,304	19,330
79,100	**79,150**	19,308	16,559	20,170	17,664	**82,100**	**82,150**	20,238	17,399	21,242	18,504	**85,100**	**85,150**	21,168	18,239	22,322	19,344
79,150	**79,200**	19,323	16,573	20,185	17,678	**82,150**	**82,200**	20,253	17,413	21,260	18,518	**85,150**	**85,200**	21,183	18,253	22,340	19,358
79,200	**79,250**	19,339	16,587	20,201	17,692	**82,200**	**82,250**	20,269	17,427	21,278	18,532	**85,200**	**85,250**	21,199	18,267	22,358	19,372
79,250	**79,300**	19,354	16,601	20,216	17,706	**82,250**	**82,300**	20,284	17,441	21,296	18,546	**85,250**	**85,300**	21,214	18,281	22,376	19,386
79,300	**79,350**	19,370	16,615	20,234	17,720	**82,300**	**82,350**	20,300	17,455	21,314	18,560	**85,300**	**85,350**	21,230	18,295	22,394	19,400
79,350	**79,400**	19,385	16,629	20,252	17,734	**82,350**	**82,400**	20,315	17,469	21,332	18,574	**85,350**	**85,400**	21,245	18,309	22,412	19,414
79,400	**79,450**	19,401	16,643	20,270	17,748	**82,400**	**82,450**	20,331	17,483	21,350	18,588	**85,400**	**85,450**	21,261	18,323	22,430	19,428
79,450	**79,500**	19,416	16,657	20,288	17,762	**82,450**	**82,500**	20,346	17,497	21,368	18,602	**85,450**	**85,500**	21,276	18,337	22,448	19,442
79,500	**79,550**	19,432	16,671	20,306	17,776	**82,500**	**82,550**	20,362	17,511	21,386	18,616	**85,500**	**85,550**	21,292	18,351	22,466	19,456
79,550	**79,600**	19,447	16,685	20,324	17,790	**82,550**	**82,600**	20,377	17,525	21,404	18,630	**85,550**	**85,600**	21,307	18,365	22,484	19,470
79,600	**79,650**	19,463	16,699	20,342	17,804	**82,600**	**82,650**	20,393	17,539	21,422	18,644	**85,600**	**85,650**	21,323	18,379	22,502	19,484
79,650	**79,700**	19,478	16,713	20,360	17,818	**82,650**	**82,700**	20,408	17,553	21,440	18,658	**85,650**	**85,700**	21,338	18,393	22,520	19,498
79,700	**79,750**	19,494	16,727	20,378	17,832	**82,700**	**82,750**	20,424	17,567	21,458	18,672	**85,700**	**85,750**	21,354	18,407	22,538	19,512
79,750	**79,800**	19,509	16,741	20,396	17,846	**82,750**	**82,800**	20,439	17,581	21,476	18,686	**85,750**	**85,800**	21,369	18,421	22,556	19,526
79,800	**79,850**	19,525	16,755	20,414	17,860	**82,800**	**82,850**	20,455	17,595	21,494	18,700	**85,800**	**85,850**	21,385	18,435	22,574	19,540
79,850	**79,900**	19,540	16,769	20,432	17,874	**82,850**	**82,900**	20,470	17,609	21,512	18,714	**85,850**	**85,900**	21,400	18,449	22,592	19,554
79,900	**79,950**	19,556	16,783	20,450	17,888	**82,900**	**82,950**	20,486	17,623	21,530	18,728	**85,900**	**85,950**	21,416	18,463	22,610	19,568
79,950	**80,000**	19,571	16,797	20,468	17,902	**82,950**	**83,000**	20,501	17,637	21,548	18,742	**85,950**	**86,000**	21,431	18,477	22,628	19,582

* This column must also be used by a qualifying widow(er).

Continued on next page

If line 39 (taxable income) is—		And you are—				If line 39 (taxable income) is—		And you are—				If line 39 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—						Your tax is—						Your tax is—			
86,000						**89,000**						**92,000**					
86,000	**86,050**	21,447	18,491	22,646	19,596	**89,000**	**89,050**	22,377	19,331	23,726	20,436	**92,000**	**92,050**	23,307	20,171	24,806	21,362
86,050	**86,100**	21,462	18,505	22,664	19,610	**89,050**	**89,100**	22,392	19,345	23,744	20,450	**92,050**	**92,100**	23,322	20,185	24,824	21,377
86,100	**86,150**	21,478	18,519	22,682	19,624	**89,100**	**89,150**	22,408	19,359	23,762	20,464	**92,100**	**92,150**	23,338	20,199	24,842	21,393
86,150	**86,200**	21,493	18,533	22,700	19,638	**89,150**	**89,200**	22,423	19,373	23,780	20,478	**92,150**	**92,200**	23,353	20,213	24,860	21,408
86,200	**86,250**	21,509	18,547	22,718	19,652	**89,200**	**89,250**	22,439	19,387	23,798	20,494	**92,200**	**92,250**	23,369	20,227	24,878	21,424
86,250	**86,300**	21,524	18,561	22,736	19,666	**89,250**	**89,300**	22,454	19,401	23,816	20,509	**92,250**	**92,300**	23,384	20,241	24,896	21,439
86,300	**86,350**	21,540	18,575	22,754	19,680	**89,300**	**89,350**	22,470	19,415	23,834	20,525	**92,300**	**92,350**	23,400	20,255	24,914	21,455
86,350	**86,400**	21,555	18,589	22,772	19,694	**89,350**	**89,400**	22,485	19,429	23,852	20,540	**92,350**	**92,400**	23,415	20,269	24,932	21,470
86,400	**86,450**	21,571	18,603	22,790	19,708	**89,400**	**89,450**	22,501	19,443	23,870	20,556	**92,400**	**92,450**	23,431	20,283	24,950	21,486
86,450	**86,500**	21,586	18,617	22,808	19,722	**89,450**	**89,500**	22,516	19,457	23,888	20,571	**92,450**	**92,500**	23,446	20,297	24,968	21,501
86,500	**86,550**	21,602	18,631	22,826	19,736	**89,500**	**89,550**	22,532	19,471	23,906	20,587	**92,500**	**92,550**	23,462	20,311	24,986	21,517
86,550	**86,600**	21,617	18,645	22,844	19,750	**89,550**	**89,600**	22,547	19,485	23,924	20,602	**92,550**	**92,600**	23,477	20,325	25,004	21,532
86,600	**86,650**	21,633	18,659	22,862	19,764	**89,600**	**89,650**	22,563	19,499	23,942	20,618	**92,600**	**92,650**	23,493	20,339	25,022	21,548
86,650	**86,700**	21,648	18,673	22,880	19,778	**89,650**	**89,700**	22,578	19,513	23,960	20,633	**92,650**	**92,700**	23,508	20,353	25,040	21,563
86,700	**86,750**	21,664	18,687	22,898	19,792	**89,700**	**89,750**	22,594	19,527	23,978	20,649	**92,700**	**92,750**	23,524	20,367	25,058	21,579
86,750	**86,800**	21,679	18,701	22,916	19,806	**89,750**	**89,800**	22,609	19,541	23,996	20,664	**92,750**	**92,800**	23,539	20,381	25,076	21,594
86,800	**86,850**	21,695	18,715	22,934	19,820	**89,800**	**89,850**	22,625	19,555	24,014	20,680	**92,800**	**92,850**	23,555	20,395	25,094	21,610
86,850	**86,900**	21,710	18,729	22,952	19,834	**89,850**	**89,900**	22,640	19,569	24,032	20,695	**92,850**	**92,900**	23,570	20,409	25,112	21,625
86,900	**86,950**	21,726	18,743	22,970	19,848	**89,900**	**89,950**	22,656	19,583	24,050	20,711	**92,900**	**92,950**	23,586	20,423	25,130	21,641
86,950	**87,000**	21,741	18,757	22,988	19,862	**89,950**	**90,000**	22,671	19,597	24,068	20,726	**92,950**	**93,000**	23,601	20,437	25,148	21,656
87,000						**90,000**						**93,000**					
87,000	**87,050**	21,757	18,771	23,006	19,876	**90,000**	**90,050**	22,687	19,611	24,086	20,742	**93,000**	**93,050**	23,617	20,451	25,166	21,672
87,050	**87,100**	21,772	18,785	23,024	19,890	**90,050**	**90,100**	22,702	19,625	24,104	20,757	**93,050**	**93,100**	23,632	20,465	25,184	21,687
87,100	**87,150**	21,788	18,799	23,042	19,904	**90,100**	**90,150**	22,718	19,639	24,122	20,773	**93,100**	**93,150**	23,648	20,479	25,202	21,703
87,150	**87,200**	21,803	18,813	23,060	19,918	**90,150**	**90,200**	22,733	19,653	24,140	20,788	**93,150**	**93,200**	23,663	20,493	25,220	21,718
87,200	**87,250**	21,819	18,827	23,078	19,932	**90,200**	**90,250**	22,749	19,667	24,158	20,804	**93,200**	**93,250**	23,679	20,507	25,238	21,734
87,250	**87,300**	21,834	18,841	23,096	19,946	**90,250**	**90,300**	22,764	19,681	24,176	20,819	**93,250**	**93,300**	23,694	20,521	25,256	21,749
87,300	**87,350**	21,850	18,855	23,114	19,960	**90,300**	**90,350**	22,780	19,695	24,194	20,835	**93,300**	**93,350**	23,710	20,535	25,274	21,765
87,350	**87,400**	21,865	18,869	23,132	19,974	**90,350**	**90,400**	22,795	19,709	24,212	20,850	**93,350**	**93,400**	23,725	20,549	25,292	21,780
87,400	**87,450**	21,881	18,883	23,150	19,988	**90,400**	**90,450**	22,811	19,723	24,230	20,866	**93,400**	**93,450**	23,741	20,563	25,310	21,796
87,450	**87,500**	21,896	18,897	23,168	20,002	**90,450**	**90,500**	22,826	19,737	24,248	20,881	**93,450**	**93,500**	23,756	20,577	25,328	21,811
87,500	**87,550**	21,912	18,911	23,186	20,016	**90,500**	**90,550**	22,842	19,751	24,266	20,897	**93,500**	**93,550**	23,772	20,591	25,346	21,827
87,550	**87,600**	21,927	18,925	23,204	20,030	**90,550**	**90,600**	22,857	19,765	24,284	20,912	**93,550**	**93,600**	23,787	20,605	25,364	21,842
87,600	**87,650**	21,943	18,939	23,222	20,044	**90,600**	**90,650**	22,873	19,779	24,302	20,928	**93,600**	**93,650**	23,803	20,619	25,382	21,858
87,650	**87,700**	21,958	18,953	23,240	20,058	**90,650**	**90,700**	22,888	19,793	24,320	20,943	**93,650**	**93,700**	23,818	20,633	25,400	21,873
87,700	**87,750**	21,974	18,967	23,258	20,072	**90,700**	**90,750**	22,904	19,807	24,338	20,959	**93,700**	**93,750**	23,834	20,647	25,418	21,889
87,750	**87,800**	21,989	18,981	23,276	20,086	**90,750**	**90,800**	22,919	19,821	24,356	20,974	**93,750**	**93,800**	23,849	20,661	25,436	21,904
87,800	**87,850**	22,005	18,995	23,294	20,100	**90,800**	**90,850**	22,935	19,835	24,374	20,990	**93,800**	**93,850**	23,865	20,675	25,454	21,920
87,850	**87,900**	22,020	19,009	23,312	20,114	**90,850**	**90,900**	22,950	19,849	24,392	21,005	**93,850**	**93,900**	23,880	20,689	25,472	21,935
87,900	**87,950**	22,036	19,023	23,330	20,128	**90,900**	**90,950**	22,966	19,863	24,410	21,021	**93,900**	**93,950**	23,896	20,703	25,490	21,951
87,950	**88,000**	22,051	19,037	23,348	20,142	**90,950**	**91,000**	22,981	19,877	24,428	21,036	**93,950**	**94,000**	23,911	20,717	25,508	21,966
88,000						**91,000**						**94,000**					
88,000	**88,050**	22,067	19,051	23,366	20,156	**91,000**	**91,050**	22,997	19,891	24,446	21,052	**94,000**	**94,050**	23,927	20,731	25,526	21,982
88,050	**88,100**	22,082	19,065	23,384	20,170	**91,050**	**91,100**	23,012	19,905	24,464	21,067	**94,050**	**94,100**	23,942	20,745	25,544	21,997
88,100	**88,150**	22,098	19,079	23,402	20,184	**91,100**	**91,150**	23,028	19,919	24,482	21,083	**94,100**	**94,150**	23,958	20,759	25,562	22,013
88,150	**88,200**	22,113	19,093	23,420	20,198	**91,150**	**91,200**	23,043	19,933	24,500	21,098	**94,150**	**94,200**	23,973	20,773	25,580	22,028
88,200	**88,250**	22,129	19,107	23,438	20,212	**91,200**	**91,250**	23,059	19,947	24,518	21,114	**94,200**	**94,250**	23,989	20,787	25,598	22,044
88,250	**88,300**	22,144	19,121	23,456	20,226	**91,250**	**91,300**	23,074	19,961	24,536	21,129	**94,250**	**94,300**	24,004	20,801	25,616	22,059
88,300	**88,350**	22,160	19,135	23,474	20,240	**91,300**	**91,350**	23,090	19,975	24,554	21,145	**94,300**	**94,350**	24,020	20,815	25,634	22,075
88,350	**88,400**	22,175	19,149	23,492	20,254	**91,350**	**91,400**	23,105	19,989	24,572	21,160	**94,350**	**94,400**	24,035	20,829	25,652	22,090
88,400	**88,450**	22,191	19,163	23,510	20,268	**91,400**	**91,450**	23,121	20,003	24,590	21,176	**94,400**	**94,450**	24,051	20,843	25,670	22,106
88,450	**88,500**	22,206	19,177	23,528	20,282	**91,450**	**91,500**	23,136	20,017	24,608	21,191	**94,450**	**94,500**	24,066	20,857	25,688	22,121
88,500	**88,550**	22,222	19,191	23,546	20,296	**91,500**	**91,550**	23,152	20,031	24,626	21,207	**94,500**	**94,550**	24,082	20,871	25,706	22,137
88,550	**88,600**	22,237	19,205	23,564	20,310	**91,550**	**91,600**	23,167	20,045	24,644	21,222	**94,550**	**94,600**	24,097	20,885	25,724	22,152
88,600	**88,650**	22,253	19,219	23,582	20,324	**91,600**	**91,650**	23,183	20,059	24,662	21,238	**94,600**	**94,650**	24,113	20,899	25,742	22,168
88,650	**88,700**	22,268	19,233	23,600	20,338	**91,650**	**91,700**	23,198	20,073	24,680	21,253	**94,650**	**94,700**	24,128	20,913	25,760	22,183
88,700	**88,750**	22,284	19,247	23,618	20,352	**91,700**	**91,750**	23,214	20,087	24,698	21,269	**94,700**	**94,750**	24,144	20,927	25,778	22,199
88,750	**88,800**	22,299	19,261	23,636	20,366	**91,750**	**91,800**	23,229	20,101	24,716	21,284	**94,750**	**94,800**	24,159	20,941	25,796	22,214
88,800	**88,850**	22,315	19,275	23,654	20,380	**91,800**	**91,850**	23,245	20,115	24,734	21,300	**94,800**	**94,850**	24,175	20,955	25,814	22,230
88,850	**88,900**	22,330	19,289	23,672	20,394	**91,850**	**91,900**	23,260	20,129	24,752	21,315	**94,850**	**94,900**	24,190	20,969	25,832	22,245
88,900	**88,950**	22,346	19,303	23,690	20,408	**91,900**	**91,950**	23,276	20,143	24,770	21,331	**94,900**	**94,950**	24,206	20,983	25,850	22,261
88,950	**89,000**	22,361	19,317	23,708	20,422	**91,950**	**92,000**	23,291	20,157	24,788	21,346	**94,950**	**95,000**	24,221	20,997	25,868	22,276

* This column must also be used by a qualifying widow(er).

Continued on next page

If line 39 (taxable income) is—		And you are—				If line 39 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—						Your tax is—			
95,000						**98,000**					
95,000	**95,050**	24,237	21,011	25,886	22,292	**98,000**	**98,050**	25,167	21,851	26,966	23,222
95,050	**95,100**	24,252	21,025	25,904	22,307	**98,050**	**98,100**	25,182	21,865	26,984	23,237
95,100	**95,150**	24,268	21,039	25,922	22,323	**98,100**	**98,150**	25,198	21,879	27,002	23,253
95,150	**95,200**	24,283	21,053	25,940	22,338	**98,150**	**98,200**	25,213	21,893	27,020	23,268
95,200	**95,250**	24,299	21,067	25,958	22,354	**98,200**	**98,250**	25,229	21,907	27,038	23,284
95,250	**95,300**	24,314	21,081	25,976	22,369	**98,250**	**98,300**	25,244	21,921	27,056	23,299
95,300	**95,350**	24,330	21,095	25,994	22,385	**98,300**	**98,350**	25,260	21,935	27,074	23,315
95,350	**95,400**	24,345	21,109	26,012	22,400	**98,350**	**98,400**	25,275	21,949	27,092	23,330
95,400	**95,450**	24,361	21,123	26,030	22,416	**98,400**	**98,450**	25,291	21,963	27,110	23,346
95,450	**95,500**	24,376	21,137	26,048	22,431	**98,450**	**98,500**	25,306	21,977	27,128	23,361
95,500	**95,550**	24,392	21,151	26,066	22,447	**98,500**	**98,550**	25,322	21,991	27,146	23,377
95,550	**95,600**	24,407	21,165	26,084	22,462	**98,550**	**98,600**	25,337	22,005	27,164	23,392
95,600	**95,650**	24,423	21,179	26,102	22,478	**98,600**	**98,650**	25,353	22,019	27,182	23,408
95,650	**95,700**	24,438	21,193	26,120	22,493	**98,650**	**98,700**	25,368	22,033	27,200	23,423
95,700	**95,750**	24,454	21,207	26,138	22,509	**98,700**	**98,750**	25,384	22,047	27,218	23,439
95,750	**95,800**	24,469	21,221	26,156	22,524	**98,750**	**98,800**	25,399	22,061	27,236	23,454
95,800	**95,850**	24,485	21,235	26,174	22,540	**98,800**	**98,850**	25,415	22,075	27,254	23,470
95,850	**95,900**	24,500	21,249	26,192	22,555	**98,850**	**98,900**	25,430	22,089	27,272	23,485
95,900	**95,950**	24,516	21,263	26,210	22,571	**98,900**	**98,950**	25,446	22,103	27,290	23,501
95,950	**96,000**	24,531	21,277	26,228	22,586	**98,950**	**99,000**	25,461	22,117	27,308	23,516
96,000						**99,000**					
96,000	**96,050**	24,547	21,291	26,246	22,602	**99,000**	**99,050**	25,477	22,131	27,326	23,532
96,050	**96,100**	24,562	21,305	26,264	22,617	**99,050**	**99,100**	25,492	22,145	27,344	23,547
96,100	**96,150**	24,578	21,319	26,282	22,633	**99,100**	**99,150**	25,508	22,159	27,362	23,563
96,150	**96,200**	24,593	21,333	26,300	22,648	**99,150**	**99,200**	25,523	22,173	27,380	23,578
96,200	**96,250**	24,609	21,347	26,318	22,664	**99,200**	**99,250**	25,539	22,187	27,398	23,594
96,250	**96,300**	24,624	21,361	26,336	22,679	**99,250**	**99,300**	25,554	22,201	27,416	23,609
96,300	**96,350**	24,640	21,375	26,354	22,695	**99,300**	**99,350**	25,570	22,215	27,434	23,625
96,350	**96,400**	24,655	21,389	26,372	22,710	**99,350**	**99,400**	25,585	22,229	27,452	23,640
96,400	**96,450**	24,671	21,403	26,390	22,726	**99,400**	**99,450**	25,601	22,243	27,470	23,656
96,450	**96,500**	24,686	21,417	26,408	22,741	**99,450**	**99,500**	25,616	22,257	27,488	23,671
96,500	**96,550**	24,702	21,431	26,426	22,757	**99,500**	**99,550**	25,632	22,271	27,506	23,687
96,550	**96,600**	24,717	21,445	26,444	22,772	**99,550**	**99,600**	25,647	22,285	27,524	23,702
96,600	**96,650**	24,733	21,459	26,462	22,788	**99,600**	**99,650**	25,663	22,299	27,542	23,718
96,650	**96,700**	24,748	21,473	26,480	22,803	**99,650**	**99,700**	25,678	22,313	27,560	23,733
96,700	**96,750**	24,764	21,487	26,498	22,819	**99,700**	**99,750**	25,694	22,327	27,578	23,749
96,750	**96,800**	24,779	21,501	26,516	22,834	**99,750**	**99,800**	25,709	22,341	27,596	23,764
96,800	**96,850**	24,795	21,515	26,534	22,850	**99,800**	**99,850**	25,725	22,355	27,614	23,780
96,850	**96,900**	24,810	21,529	26,552	22,865	**99,850**	**99,900**	25,740	22,369	27,632	23,795
96,900	**96,950**	24,826	21,543	26,570	22,881	**99,900**	**99,950**	25,756	22,383	27,650	23,811
96,950	**97,000**	24,841	21,557	26,588	22,896	**99,950**	**100,000**	25,771	22,397	27,668	23,826
97,000											
97,000	**97,050**	24,857	21,571	26,606	22,912						
97,050	**97,100**	24,872	21,585	26,624	22,927						
97,100	**97,150**	24,888	21,599	26,642	22,943						
97,150	**97,200**	24,903	21,613	26,660	22,958						
97,200	**97,250**	24,919	21,627	26,678	22,974						
97,250	**97,300**	24,934	21,641	26,696	22,989						
97,300	**97,350**	24,950	21,655	26,714	23,005						
97,350	**97,400**	24,965	21,669	26,732	23,020						
97,400	**97,450**	24,981	21,683	26,750	23,036						
97,450	**97,500**	24,996	21,697	26,768	23,051						
97,500	**97,550**	25,012	21,711	26,786	23,067						
97,550	**97,600**	25,027	21,725	26,804	23,082						
97,600	**97,650**	25,043	21,739	26,822	23,098						
97,650	**97,700**	25,058	21,753	26,840	23,113						
97,700	**97,750**	25,074	21,767	26,858	23,129						
97,750	**97,800**	25,089	21,781	26,876	23,144						
97,800	**97,850**	25,105	21,795	26,894	23,160						
97,850	**97,900**	25,120	21,809	26,912	23,175						
97,900	**97,950**	25,136	21,823	26,930	23,191						
97,950	**98,000**	25,151	21,837	26,948	23,206						

$100,000 or over — use the Tax Rate Schedules on page 69

* This column must also be used by a qualifying widow(er).

1999 Tax Rate Schedules

CAUTION

Use **only** if your taxable income (Form 1040, line 39) is $100,000 or more. If less, use the **Tax Table.** Even though you cannot use the Tax Rate Schedules below if your taxable income is less than $100,000, all levels of taxable income are shown so taxpayers can see the tax rate that applies to each level.

Schedule X—Use if your filing status is **Single**

If the amount on Form 1040, line 39, is: *Over—*	*But not over—*	Enter on Form 1040, line 40		*of the amount over—*
$0	$25,750	.....	**15%**	**$0**
25,750	62,450	**$3,862.50 +**	**28%**	**25,750**
62,450	130,250	**14,138.50 +**	**31%**	**62,450**
130,250	283,150	**35,156.50 +**	**36%**	**130,250**
283,150	.....	**90,200.50 +**	**39.6%**	**283,150**

Schedule Y-1—Use if your filing status is **Married filing jointly** or **Qualifying widow(er)**

If the amount on Form 1040, line 39, is: *Over—*	*But not over—*	Enter on Form 1040, line 40		*of the amount over—*
$0	$43,050	.....	**15%**	**$0**
43,050	104,050	**$6,457.50 +**	**28%**	**43,050**
104,050	158,550	**23,537.50 +**	**31%**	**104,050**
158,550	283,150	**40,432.50 +**	**36%**	**158,550**
283,150	.....	**85,288.50 +**	**39.6%**	**283,150**

Schedule Y-2—Use if your filing status is **Married filing separately**

If the amount on Form 1040, line 39, is: *Over—*	*But not over—*	Enter on Form 1040, line 40		*of the amount over—*
$0	$21,525	.....	**15%**	**$0**
21,525	52,025	**$3,228.75 +**	**28%**	**21,525**
52,025	79,275	**11,768.75 +**	**31%**	**52,025**
79,275	141,575	**20,216.25 +**	**36%**	**79,275**
141,575	.....	**42,644.25 +**	**39.6%**	**141,575**

Schedule Z—Use if your filing status is **Head of household**

If the amount on Form 1040, line 39, is: *Over—*	*But not over—*	Enter on Form 1040, line 40		*of the amount over—*
$0	$34,550	.....	**15%**	**$0**
34,550	89,150	**$5,182.50 +**	**28%**	**34,550**
89,150	144,400	**20,470.50 +**	**31%**	**89,150**
144,400	283,150	**37,598.00 +**	**36%**	**144,400**
283,150	.....	**87,548.00 +**	**39.6%**	**283,150**

Instructions for Schedules to Form 1040

1999 Instructions for Schedule A, Itemized Deductions

Use Schedule A (Form 1040) to figure your itemized deductions. In most cases, your Federal income tax will be less if you take the **larger** of your itemized deductions or your standard deduction.

If you itemize, you may deduct a part of your medical and dental expenses and unreimbursed employee business expenses, and amounts you paid for certain taxes, interest, contributions, and miscellaneous expenses. You may also deduct certain casualty and theft losses.

CAUTION **Do not** include on Schedule A items deducted elsewhere, such as on Schedule C, C-EZ, E, or F.

A Change To Note

Expenses To Stop Smoking. Medical expenses include unreimbursed amounts you paid to participate in a program to stop smoking or for prescription medicines to alleviate nicotine withdrawal. Nonprescription medicines, such as nicotine gum and certain nicotine patches, are not deductible.

Medical and Dental Expenses

You may deduct only the part of your medical and dental expenses that exceeds 7.5% of the amount on Form 1040, line 34.

Pub. 502 discusses the types of expenses that may and may not be deducted. It also explains when you may deduct capital expenses and special care expenses for disabled persons.

CAUTION If you received a distribution from your medical savings account in 1999, see **Pub. 969** to figure your deduction.

Examples of Medical and Dental Payments You May Deduct

To the extent you were **not reimbursed,** you may deduct what you paid for:

- Insurance premiums for medical and dental care, including premiums for qualified long-term care contracts as defined in Pub. 502. But see **Limit on Long-Term Care Premiums You May Deduct** on this page. Reduce the insurance premiums by any self-employed health insurance deduction you claimed on Form 1040, line 28.
- Prescription medicines or insulin.
- Medical doctors, osteopathic doctors, dentists, eye doctors, podiatrists, chiropractors, psychiatrists, psychologists, physical therapists, occupational therapists, acupuncturists, and psychoanalysts (medical care only).
- Medical examinations, X-ray and laboratory services, insulin treatment, and whirlpool baths your doctor ordered.
- Nursing help (including your share of the employment taxes paid). If you paid someone to do both nursing and housework, you may deduct only the cost of the nursing help.
- Hospital care (including meals and lodging), clinic costs, and lab fees.
- Qualified long-term care services (see Pub. 502).
- The supplemental part of Medicare insurance (Medicare B).
- Medical treatment at a center for drug or alcohol addiction.
- Medical aids such as eyeglasses, contact lenses, hearing aids, braces, crutches, wheelchairs, and guide dogs, including the cost of maintaining them.
- Lodging expenses (but not meals) while away from home to receive medical care in a hospital or a medical care facility related to a hospital. **Do not** include more than $50 a night for each eligible person.
- Ambulance service and other travel costs to get medical care. If you used your own car, you may claim what you spent for gas and oil to go to and from the place you received the care; or you may claim **10 cents a mile.** Add parking and tolls to the amount you claim under either method.

Note. Certain medical expenses paid out of a deceased taxpayer's estate may be claimed on the deceased taxpayer's final return. See Pub. 502 for details.

Limit on Long-Term Care Premiums You May Deduct. The amount you may deduct for qualified long-term care contracts (as defined in Pub. 502) depends on the age, at the end of 1999, of the person for whom the premiums were paid.

IF the person was, at the end of 1999, age . . .	THEN the most you may deduct is . . .
40 or under	$ 210
41–50	$ 400
51–60	$ 800
61–70	$ 2,120
71 or older	$ 2,660

Examples of Medical and Dental Payments You May Not Deduct

- The basic cost of Medicare insurance (Medicare A).

TIP If you were 65 or older but not entitled to social security benefits, you may deduct premiums you voluntarily paid for Medicare A coverage.

- Cosmetic surgery unless it was necessary to improve a deformity related to a congenital abnormality, an injury from an accident or trauma, or a disfiguring disease.
- Life insurance or income protection policies.
- The Medicare tax on your wages and tips or the Medicare tax paid as part of the self-employment tax or household employment taxes.
- Nursing care for a healthy baby. But you may be able to take a credit for the amount you paid. See the instructions for Form 1040, line 41.
- Illegal operations or drugs.
- Nonprescription medicines.
- Travel your doctor told you to take for rest or a change.
- Funeral, burial, or cremation costs.

Cat. No. 24328L

Line 1

Medical and Dental Expenses

Enter the total of your medical and dental expenses, after you reduce these expenses by any payments received from insurance or other sources. See **Reimbursements** below.

TIP Do not forget to include insurance premiums you paid for medical and dental care. But if you claimed the self-employed health insurance deduction on Form 1040, line 28, reduce the premiums by the amount on line 28.

Whose Medical and Dental Expenses Can You Include? You may include medical and dental bills you paid for:

- Yourself and your spouse.
- All dependents you claim on your return.
- Your child whom you do not claim as a dependent because of the rules explained in **Pub. 501** for children of divorced or separated parents.
- Any person you could have claimed as a dependent on your return if that person had not received $2,750 or more of gross income or had not filed a joint return.

Example. You provided over half of your mother's support but may not claim her as a dependent because she received wages of $2,750 in 1999. You may include on line 1 any medical and dental expenses you paid in 1999 for your mother.

Reimbursements. If your insurance company paid the provider directly for part of your expenses, and you paid only the amount that remained, include on line 1 ONLY the amount you paid. If you received a reimbursement in 1999 for medical or dental expenses you paid in 1999, reduce your 1999 expenses by this amount. If you received a reimbursement in 1999 for prior year medical or dental expenses, do not reduce your 1999 expenses by this amount. But if you deducted the expenses in the earlier year and the deduction reduced your tax, you must include the reimbursement in income on Form 1040, line 21. See Pub. 502 for details on how to figure the amount to include.

Cafeteria Plans. Do not include on line 1 insurance premiums paid by an employer-sponsored health insurance plan (cafeteria plan) unless the premiums are included in box 1 of your W-2 form(s). Also, do not include any other medical and dental expenses paid by the plan unless the amount paid is included in box 1 of your W-2 form(s).

Taxes You Paid

Taxes You May Not Deduct

- Federal income and excise taxes.
- Social security, Medicare, Federal unemployment (FUTA), and railroad retirement (RRTA) taxes.
- Customs duties.
- Federal estate and gift taxes. But see the instructions for line 27 on page A-6.
- Certain state and local taxes, including: general sales tax, tax on gasoline, car inspection fees, assessments for sidewalks or other improvements to your property, tax you paid for someone else, and license fees (marriage, driver's, dog, etc.).

Line 5

State and Local Income Taxes

Include on this line the state and local income taxes listed below.

- State and local income taxes withheld from your salary during 1999. Your W-2 form(s) will show these amounts. Forms W-2G, 1099-G, 1099-R, and 1099-MISC may also show state and local income taxes withheld.
- State and local income taxes paid in 1999 for a prior year, such as taxes paid with your 1998 state or local income tax return. **Do not** include penalties or interest.
- State and local estimated tax payments made during 1999, including any part of a prior year refund that you chose to have credited to your 1999 state or local income taxes.
- Mandatory contributions you made to the California, New Jersey, or New York Nonoccupational Disability Benefit Fund, Rhode Island Temporary Disability Benefit Fund, or Washington State Supplemental Workmen's Compensation Fund.

Do not reduce your deduction by:

- Any state or local income tax refund or credit you expect to receive for 1999, or
- Any refund of, or credit for, prior year state and local income taxes you actually received in 1999. Instead, see the instructions for Form 1040, line 10.

Line 6

Real Estate Taxes

Include taxes (state, local, or foreign) you paid on real estate you own that was not used for business, but only if the taxes are based on the assessed value of the property. Also, the assessment must be made uniformly on property throughout the community, and the proceeds must be used for general community or governmental purposes. **Pub. 530** explains the deductions homeowners may take.

Do not include the following amounts on line 6.

- Itemized charges for services to specific property or persons (for example, a $20 monthly charge per house for trash collection, a $5 charge for every 1,000 gallons of water consumed, or a flat charge for mowing a lawn that had grown higher than permitted under a local ordinance).
- Charges for improvements that tend to increase the value of your property (for example, an assessment to build a new sidewalk). The cost of a property improvement is added to the basis of the property. However, a charge is deductible if it is used only to maintain an existing public facility in service (for example, a charge to repair an existing sidewalk, and any interest included in that charge).

If your mortgage payments include your real estate taxes, you may deduct only the amount the mortgage company actually paid to the taxing authority in 1999.

If you sold your home in 1999, any real estate tax charged to the buyer should be shown in box 5 of **Form 1099-S.** This amount is considered a refund of real estate taxes. See **Refunds and Rebates** next. Any real estate taxes you paid at closing should be shown on your settlement statement.

Refunds and Rebates. If you received a refund or rebate in 1999 of real estate taxes you paid in 1999, reduce your deduction by the amount of the refund or rebate. If you received a refund or rebate in 1999 of real estate taxes you paid in an earlier year, do not reduce your deduction by this amount. Instead, you must include the refund or rebate in income on Form 1040, line 21, if you deducted the real estate taxes in the earlier year and the deduction reduced your tax. **Pub. 525** tells you how to figure the amount to include in income.

Line 7

Personal Property Taxes

Enter personal property tax you paid, but only if it is based on value alone.

Example. You paid a fee for the registration of your car. Part of the fee was based on the car's value and part was based on its weight. You may deduct only the part of the fee that is based on the car's value.

Line 8

Other Taxes

If you had any deductible tax not listed on line 5, 6, or 7, list the type and amount of tax. Enter only one total on line 8. Include on this line income tax you paid to a foreign country or U.S. possession.

TIP You may want to take a credit for the foreign tax instead of a deduction. See the instructions for Form 1040, line 46, for details.

Interest You Paid

Whether your interest expense is treated as investment interest, personal interest, or business interest depends on how and when you used the loan proceeds. See **Pub. 535** for details.

In general, if you paid interest in 1999 that applies to any period after 1999, you may deduct only amounts that apply for 1999.

Lines 10 and 11

Home Mortgage Interest

A **home mortgage** is any loan that is secured by your main home or second home. It includes first and second mortgages, home equity loans, and refinanced mortgages.

A **home** may be a house, condominium, cooperative, mobile home, boat, or similar property. It must provide basic living accommodations including sleeping space, toilet, and cooking facilities.

Limit on Home Mortgage Interest. If you took out any mortgages after October 13, 1987, your deduction may be limited. Any additional amounts borrowed after October 13, 1987, on a line-of-credit mortgage you had on that date are treated as a mortgage taken out after October 13, 1987. If you refinanced a mortgage you had on October 13, 1987, treat the new mortgage as taken out on or before October 13, 1987. But if you refinanced for more than the balance of the old mortgage, treat the excess as a mortgage taken out after October 13, 1987.

See **Pub. 936** to figure your deduction if **either 1** or **2** next applies. If you had more than one home at the same time, the dollar amounts in **1** and **2** apply to the total mortgages on both homes.

1. You took out any mortgages after October 13, 1987, and used the proceeds for purposes other than to buy, build, or improve your home, and all of these mortgages totaled over $100,000 at any time during 1999. The limit is $50,000 if married filing separately. An example of this type of mortgage is a home equity loan used to pay off credit card bills, buy a car, or pay tuition.

2. You took out any mortgages after October 13, 1987, and used the proceeds to buy, build, or improve your home, and these mortgages plus any mortgages you took out on or before October 13, 1987, totaled over $1 million at any time during 1999. The limit is $500,000 if married filing separately.

CAUTION If the total amount of all mortgages is more than the fair market value of the home, additional limits apply. See Pub. 936.

Line 10

Enter on line 10 mortgage interest and points reported to you on **Form 1098.** If this form shows any refund of overpaid interest, do not reduce your deduction by the refund. Instead, see the instructions for Form 1040, line 21.

If you paid more interest to the recipient than is shown on Form 1098, see Pub. 936 to find out if you can deduct the additional interest. If you can, attach a statement explaining the difference and enter "See attached" next to line 10.

Note. If you are claiming the **mortgage interest credit** (see the instructions for Form 1040, line 47), subtract the amount shown on line 3 of **Form 8396** from the total deductible interest you paid on your home mortgage. Enter the result on line 10.

Line 11

If you did not receive a Form 1098 from the recipient, report your deductible mortgage interest on line 11.

If you bought your home from the recipient, be sure to show that recipient's name, identifying no., and address on the dotted lines next to line 11. If the recipient is an individual, the identifying no. is his or her social security number (SSN). Otherwise, it is the employer identification number. You must also let the recipient know your SSN. If you do not show the required information about the recipient or let the recipient know your SSN, you may have to pay a $50 penalty.

If you and at least one other person (other than your spouse if filing a joint return) were liable for and paid interest on the mortgage, and the other person received the Form 1098, attach a statement to your return showing the name and address of that person. Next to line 11, enter "See attached."

Line 12

Points Not Reported on Form 1098

Points are shown on your settlement statement. Points you paid **only** to borrow money are generally deductible over the life of the loan. See **Pub. 936** to figure the amount you may deduct. Points paid for other purposes, such as for a lender's services, are not deductible.

Refinancing. Generally, you must deduct points you paid to refinance a mortgage over the life of the loan. This is true even if the new mortgage is secured by your main home.

If you used part of the proceeds to **improve your main home,** you may be able to deduct the part of the points related to the improvement in the year paid. See Pub. 936 for details.

TIP If you paid off a mortgage early, deduct any remaining points in the year you paid off the mortgage.

Line 13

Investment Interest

Investment interest is interest paid on money you borrowed that is allocable to property held for investment. It does not include any interest allocable to passive activities or to securities that generate tax-exempt income.

Complete and attach **Form 4952** to figure your deduction.

Exception. You do not have to file Form 4952 if **all three** of the following apply.

1. Your investment interest expense is not more than your investment income from interest and ordinary dividends.

2. You have no other deductible expenses connected with the production of the interest or dividends.

3. You have no disallowed investment interest expense from 1998.

Note. Alaska Permanent Fund dividends, including those reported on **Form 8814,** are not investment income.

For more details, see **Pub. 550.**

Gifts to Charity

You may deduct contributions or gifts you gave to organizations that are religious, charitable, educational, scientific, or literary in purpose. You may also deduct what you gave to organizations that work to prevent cruelty to children or animals. Examples of these organizations are:

- Churches, temples, synagogues, mosques, Salvation Army, Red Cross, CARE, Goodwill Industries, United Way, Boy Scouts, Girl Scouts, Boys and Girls Clubs of America, etc.
- Fraternal orders, if the gifts will be used for the purposes listed above.
- Veterans' and certain cultural groups.
- Nonprofit schools, hospitals, and organizations whose purpose is to find a cure for, or help people who have, arthritis, asthma, birth defects, cancer, cerebral palsy, cystic fibrosis, diabetes, heart disease, hemophilia, mental illness or retardation, multiple sclerosis, muscular dystrophy, tuberculosis, etc.
- Federal, state, and local governments if the gifts are solely for public purposes.

TIP If you do not know whether you may deduct what you gave to an organization, check with that organization or with the IRS.

Contributions You May Deduct

Contributions may be in cash (keep canceled checks, receipts, or other reliable written records showing the name of the organization and the date and amount given), property, or out-of-pocket expenses you paid to do volunteer work for the kinds of organizations described earlier. If you drove to and from the volunteer work, you may take **14 cents a mile** or the actual cost of gas and oil. Add parking and tolls to the amount you claim under either method. But do not deduct any amounts that were repaid to you.

Gifts From Which You Benefit. If you made a gift and received a benefit in return, such as food, entertainment, or merchandise, you may generally only deduct the amount that is more than the value of the benefit. But this rule does not apply to certain membership benefits provided in return for an annual payment of $75 or less. For details, see **Pub. 526.**

Example. You paid $70 to a charitable organization to attend a fund-raising dinner and the value of the dinner was $40. You may deduct only $30.

Gifts of $250 or More. You may deduct a gift of $250 or more only if you have a statement from the charitable organization showing the information in **1** and **2** below.

In figuring whether a gift is $250 or more, do not combine separate donations. For example, if you gave your church $25 each week for a total of $1,300, treat each $25 payment as a separate gift. If you made donations through payroll deductions, treat each deduction from each paycheck as a separate gift. See Pub. 526 if you made a separate gift of $250 or more through payroll deduction.

1. The amount of any money contributed and a description (but not value) of any property donated.

2. Whether the organization did or did not give you any goods or services in return for your contribution. If you did receive any goods or services, a description and estimate of the value must be included. If you received only intangible religious benefits (such as admission to a religious ceremony), the organization must state this, but it does not have to describe or value the benefit.

TIP You must get the statement by the date you file your return or the due date (including extensions) for filing your return, whichever is earlier. Do not attach the statement to your return. Instead, keep it for your records.

Limit on the Amount You May Deduct. See Pub. 526 to figure the amount of your deduction if **any** of the following apply.

- Your cash contributions or contributions of ordinary income property are more than 30% of the amount on Form 1040, line 34.
- Your gifts of capital gain property are more than 20% of the amount on Form 1040, line 34.
- You gave gifts of property that increased in value or gave gifts of the use of property.

You May Not Deduct as Contributions

- Travel expenses (including meals and lodging) while away from home unless there was no significant element of personal pleasure, recreation, or vacation in the travel.
- Political contributions.
- Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups.
- Cost of raffle, bingo, or lottery tickets.
- Cost of tuition.
- Value of your time or services.
- Value of blood given to a blood bank.
- The transfer of a future interest in tangible personal property (generally, until the entire interest has been transferred).
- Gifts to individuals and groups that are run for personal profit.
- Gifts to foreign organizations. But you may be able to deduct gifts to certain U.S. organizations that transfer funds to foreign charities and certain Canadian and Mexican charities. See Pub. 526 for details.
- Gifts to organizations engaged in certain political activities that are of direct financial interest to your trade or business. See Internal Revenue Code section 170(f)(9).
- Gifts to groups whose purpose is to lobby for changes in the laws.
- Gifts to civic leagues, social and sports clubs, labor unions, and chambers of commerce.
- Value of benefits received in connection with a contribution to a charitable organization. See Pub. 526 for exceptions.

Line 15

Gifts by Cash or Check

Enter the total contributions you made in cash or by check (including out-of-pocket expenses).

Line 16

Other Than by Cash or Check

Enter your contributions of property. If you gave used items, such as clothing or furniture, deduct their fair market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale.

If the amount of your deduction is more than $500, you must complete and attach **Form 8283.** For this purpose, the "amount of your deduction" means your deduction BEFORE applying any income limits that could result in a carryover of contributions. If your total deduction is over $5,000, you may also have to get appraisals of the values of the donated property. See Form 8283 and its instructions for details.

Recordkeeping. If you gave property, you should keep a receipt or written statement from the organization you gave the property to, or a reliable written record, that shows the organization's name and address, the date and location of the gift, and a description of the property. For each gift of property, you should also keep reliable written records that include:

- How you figured the property's value at the time you gave it. If the value was determined by an appraisal, keep a signed copy of the appraisal.

(continued on page A-5)

- The cost or other basis of the property if you must reduce it by any ordinary income or capital gain that would have resulted if the property had been sold at its fair market value.
- How you figured your deduction if you chose to reduce your deduction for gifts of capital gain property.
- Any conditions attached to the gift.

Note. If your total deduction for gifts of property is over $500, you gave less than your entire interest in the property, or you made a "qualified conservation contribution," your records should contain additional information. See Pub. 526 for details.

Line 17

Carryover From Prior Year

Enter any carryover of contributions that you could not deduct in an earlier year because they exceeded your adjusted gross income limit. See Pub. 526 for details.

Casualty and Theft Losses

Line 19

Complete and attach **Form 4684** to figure the amount of your loss to enter on line 19.

You may be able to deduct part or all of each loss caused by theft, vandalism, fire, storm, or similar causes, and car, boat, and other accidents. You may also be able to deduct money you had in a financial institution but lost because of the insolvency or bankruptcy of the institution.

You may deduct nonbusiness casualty or theft losses only to the extent that—

1. The amount of **each** separate casualty or theft loss is more than $100, and

2. The total amount of **all** losses during the year is more than 10% of the amount on Form 1040, line 34.

Special rules apply if you had both gains and losses from nonbusiness casualties or thefts. See Form 4684 for details.

Use line 22 of Schedule A to deduct the costs of proving that you had a property loss. Examples of these costs are appraisal fees and photographs used to establish the amount of your loss.

For information on Federal disaster area losses, see **Pub. 547.**

Job Expenses and Most Other Miscellaneous Deductions

Pub. 529 discusses the types of expenses that may and may not be deducted.

Examples of expenses you may **not** deduct are:

- Political contributions.
- Personal legal expenses.
- Lost or misplaced cash or property.
- Expenses for meals during regular or extra work hours.
- The cost of entertaining friends.
- Expenses of going to or from your regular workplace.
- Travel expenses for employment away from home if that period of employment exceeds 1 year. See Pub. 529 for an exception for certain Federal employees.
- Travel as a form of education.
- Expenses of attending a seminar, convention, or similar meeting unless it is related to your employment.
- Club dues. See Pub. 529 for exceptions.
- Expenses of adopting a child. But you may be able to take a credit for your expenses. See **Form 8839** for details.
- Fines and penalties.
- Expenses of producing tax-exempt income.

Line 20

Unreimbursed Employee Expenses

Enter the total job expenses you paid for which you were not reimbursed. (Amounts your employer included in box 1 of your W-2 form are not considered reimbursements.) But you MUST fill in and attach **Form 2106** if:

1. You claim any travel, transportation, meal, or entertainment expenses for your job, OR

2. Your employer paid you for any of your job expenses reportable on line 20.

TIP If you used your own vehicle and item **2** does not apply, you may be able to file **Form 2106-EZ** instead.

If you do not have to file Form 2106 or 2106-EZ, list the type and amount of each expense on the dotted lines next to line 20. If you need more space, attach a statement showing the type and amount of each expense. Enter one total on line 20.

Examples of other expenses to include on line 20 are:

- Safety equipment, small tools, and supplies you needed for your job.
- Uniforms required by your employer, and which you may not usually wear away from work.
- Protective clothing required in your work, such as hard hats, safety shoes, and glasses.
- Physical examinations your employer said you must have.
- Dues to professional organizations and chambers of commerce.
- Subscriptions to professional journals.
- Fees to employment agencies and other costs to look for a new job in your present occupation, even if you do not get a new job.
- Certain business use of part of your home. For details, including limits that apply, use TeleTax topic 509 (see page 10) or see **Pub. 587.**
- Certain educational expenses. For details, use TeleTax topic 513 (see page 10) or see **Pub. 508.**

TIP You may be able to take a credit for your educational expenses instead of a deduction. See **Form 8863** for details.

Line 21

Tax Preparation Fees

Enter the fees you paid for preparation of your tax return, including fees paid for filing your return electronically.

Line 22

Other Expenses

Enter the total amount you paid to produce or collect taxable income and manage or protect property held for earning income. But **do not** include any personal expenses. List the type and amount of each expense on the dotted lines next to line 22. If you need more space, attach a statement showing the type and amount of each expense. Enter one total on line 22.

Examples of expenses to include on line 22 are:

- Certain legal and accounting fees.
- Clerical help and office rent.
- Custodial (for example, trust account) fees.
- Your share of the investment expenses of a regulated investment company.

(continued on page A-6)

- Certain losses on nonfederally insured deposits in an insolvent or bankrupt financial institution. For details, including limits that apply, see **Pub. 529.**
- Casualty and theft losses from property used in performing services as an employee from Form 4684, lines 32 and 38b, or Form 4797, line 18b(1).
- Deduction for repayment of amounts under a claim of right if $3,000 or less.

Other Miscellaneous Deductions

Line 27

Only the expenses listed next can be deducted on this line. List the type and amount of each expense on the dotted lines next to line 27. If you need more space, attach a statement showing the type and amount of each expense. Enter one total on line 27.

- Gambling losses, but only to the extent of gambling winnings reported on Form 1040, line 21.
- Casualty and theft losses from income-producing property from Form 4684, lines 32 and 38b, or Form 4797, line 18b(1).
- Federal estate tax on income in respect of a decedent.
- Amortizable bond premium on bonds acquired before October 23, 1986.
- Deduction for repayment of amounts under a claim of right if over $3,000. See **Pub. 525** for details.
- Certain unrecovered investment in a pension.
- Impairment-related work expenses of a disabled person.

For more details, see **Pub. 529.**

Total Itemized Deductions

Line 28

Use the worksheet below to figure the amount to enter on line 28 if the amount on Form 1040, line 34, is over $126,600 if single, married filing jointly, head of household, or qualifying widow(er); $63,300 if married filing separately.

Itemized Deductions Worksheet—Line 28

Keep for Your Records

1. Add the amounts on Schedule A, lines 4, 9, 14, 18, 19, 26, and 27 . . . . . **1.** _____

2. Add the amounts on Schedule A, lines 4, 13, and 19, plus any gambling and casualty or theft losses included on line 27 . . . . . **2.** _____

CAUTION Be sure your total gambling and casualty or theft losses are clearly identified on the dotted line next to line 27.

3. Is the amount on line 2 less than the amount on line 1?

☐ **No.** **STOP** Your deduction is not limited. Enter the amount from line 1 above on Schedule A, line 28.

☐ **Yes.** Subtract line 2 from line 1 . . . . . **3.** _____

4. Multiply line 3 above by 80% (.80) . . . . . **4.** _____

5. Enter the amount from Form 1040, line 34 . . . . . **5.** _____

6. Enter: $126,600 if single, married filing jointly, head of household, or qualifying widow(er); $63,300 if married filing separately . . . . . **6.** _____

7. Is the amount on line 6 less than the amount on line 5?

☐ **No.** **STOP** Your deduction is not limited. Enter the amount from line 1 above on Schedule A, line 28.

☐ **Yes.** Subtract line 6 from line 5 . . . . . **7.** _____

8. Multiply line 7 above by 3% (.03) . . . . . **8.** _____

9. Enter the **smaller** of line 4 or line 8 . . . . . **9.** _____

10. **Total itemized deductions.** Subtract line 9 from line 1. Enter the result here and on Schedule A, line 28. . . . . **10.** _____

1999 Instructions for Schedule B, Interest and Ordinary Dividends

Use Schedule B (Form 1040) if **any** of the following apply.

- You had over $400 in taxable interest.
- Any of the **Special Rules** listed in the instructions for line 1 below apply to you.
- You are claiming the exclusion of interest from series EE or I U.S. savings bonds issued after 1989.
- You had over $400 in ordinary dividends.
- You received ordinary dividends as a nominee.
- You **(1)** had a foreign account; or **(2)** received a distribution from, or were a grantor of, or transferor to, a foreign trust. Part III of the schedule has questions about foreign accounts and trusts.

TIP You may list more than one payer on each entry space for lines 1 and 5, but be sure to clearly show the amount paid next to the payer's name. Add the separate amounts paid by the payers listed on an entry space and enter the total in the "Amount" column. If you still need more space, attach separate statements that are the same size as the printed schedule. Use the same format as lines 1 and 5, but show your totals on Schedule B. Be sure to put your name and social security number (SSN) on the statements and attach them at the end of your return.

Part I. Interest

Line 1

Interest

Report on line 1 **all** of your taxable interest. List each payer's name and show the amount.

Special Rules

Seller-Financed Mortgages

If you sold your home or other property and the buyer used the property as a personal residence, list first any interest the buyer paid you on a mortgage or other form of seller financing. Be sure to show the buyer's name, address, and SSN. You must also let the buyer know your SSN. If you do not show the buyer's name, address, and SSN, or let the buyer know your SSN, you may have to pay a $50 penalty.

Nominees

If you received a **Form 1099-INT** that includes interest you received as a nominee (that is, in your name, but the interest actually belongs to someone else), report the total on line 1. Do this even if you later distributed some or all of this income to others. Under your last entry on line 1, put a subtotal of all interest listed on line 1. Below this subtotal, enter "Nominee Distribution" and show the total interest you received as a nominee. Subtract this amount from the subtotal and enter the result on line 2.

TIP If you received interest as a nominee, you must give the actual owner a Form 1099-INT unless the owner is your spouse. You must also file a **Form 1096** and a Form 1099-INT with the IRS. For more details, see the **Instructions for Forms 1099, 1098, 5498, and W-2G.**

Accrued Interest

When you buy bonds between interest payment dates and pay accrued interest to the seller, this interest is taxable to the seller. If you received a Form 1099 for interest as a purchaser of a bond with accrued interest, follow the rules earlier under **Nominees** to see how to report the accrued interest on Schedule B. But identify the amount to be subtracted as "Accrued Interest."

Tax-Exempt Interest

If you received a **Form 1099-INT** for tax-exempt interest, follow the rules earlier under **Nominees** to see how to report the interest on Schedule B. But identify the amount to be subtracted as "Tax-Exempt Interest."

Original Issue Discount (OID)

If you are reporting OID in an amount less than the amount shown on Form 1099-OID, follow the rules earlier under **Nominees** to see how to report the OID on Schedule B. But identify the amount to be subtracted as "OID Adjustment."

Amortizable Bond Premium

If you are reducing your interest income on a bond by the amount of amortizable bond premium, follow the rules earlier under **Nominees** to see how to report the interest on Schedule B. But identify the amount to be subtracted as "ABP Adjustment."

Line 3

Excludable Interest on Series EE and I U.S. Savings Bonds Issued After 1989

If, during 1999, you cashed series EE or I U.S. savings bonds issued after 1989 and you paid qualified higher education expenses for yourself, your spouse, or your dependents, you may be able to exclude part or all of the interest on those bonds. See **Form 8815** for details.

Part II. Ordinary Dividends

Note. You may have to file **Form 5471** if, in 1999, you were an officer or director of a foreign corporation. You may also have to file Form 5471 if, in 1999, you owned 10% or more of the total **(1)** value of a foreign corporation's stock, or **(2)** combined voting power of all classes of a foreign corporation's stock with voting rights. For details, see Form 5471 and its instructions.

Line 5

Ordinary Dividends

Report on line 5 **all** of your ordinary dividends. List each payer's name and show the amount.

TIP Do not report capital gain distributions on line 5. Instead, see the instructions for Form 1040, line 13.

(continued on page B-2)

Nominees

If you received a **Form 1099-DIV** that includes ordinary dividends you received as a nominee (that is, in your name, but the ordinary dividends actually belong to someone else), report the total on line 5. Do this even if you later distributed some or all of this income to others. Under your last entry on line 5, put a subtotal of all ordinary dividends listed on line 5. Below this subtotal, enter "Nominee Distribution" and show the total ordinary dividends you received as a nominee. Subtract this amount from the subtotal and enter the result on line 6.

TIP If you received ordinary dividends as a nominee, you must give the actual owner a Form 1099-DIV unless the owner is your spouse. You must also file a **Form 1096** and a Form 1099-DIV with the IRS. For more details, see the **Instructions for Forms 1099, 1098, 5498, and W-2G.**

Part III. Foreign Accounts and Trusts

Lines 7a and 7b

Foreign Accounts

Line 7a

Check the "Yes" box on line 7a if **either 1** or **2** below applies to you.

1. You own more than 50% of the stock in any corporation that owns one or more foreign bank accounts.

2. At any time during the year you had an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account).

Note. Item **2** does not apply to foreign securities held in a U.S. securities account.

Exceptions. Check the "No" box if any of the following applies to you.

- The combined value of the accounts was $10,000 or less during the whole year.
- The accounts were with a U.S. military banking facility operated by a U.S. financial institution.
- You were an officer or employee of a commercial bank that is supervised by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, or the Federal Deposit Insurance Corporation; the account was in your employer's name; **and** you did not have a personal financial interest in the account.
- You were an officer or employee of a domestic corporation with securities listed on national securities exchanges or with assets of more than $1 million and 500 or more shareholders of record; the account was in your employer's name; you did not have a personal financial interest in the account; and the corporation's chief financial officer has given you written notice that the corporation has filed a current report that includes the account.

See **Form TD F 90-22.1** to find out if you are considered to have an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account).

If you checked the "Yes" box on line 7a, file Form TD F 90-22.1 by June 30, 2000, with the **Department of the Treasury** at the address shown on that form. **Do not** attach it to Form 1040.

Line 7b

If you checked the "Yes" box on line 7a, enter the name of the foreign country or countries in the space provided on line 7b. Attach a separate statement if you need more space.

Line 8

Foreign Trusts

If you received a distribution from a foreign trust, you must provide additional information. For this purpose, a loan of cash or marketable securities generally is considered to be a distribution. See **Form 3520** for details.

If you were the grantor of, or transferor to, a foreign trust that existed during 1999, you may have to file Form 3520.

1999 Instructions for Schedule C, Profit or Loss From Business

Use Schedule C (Form 1040) to report income or loss from a business you operated or a profession you practiced as a sole proprietor. Also, use Schedule C to report wages and expenses you had as a statutory employee. An activity qualifies as a business if your primary purpose for engaging in the activity is for income or profit and you are involved in the activity with continuity and regularity. For example, a sporadic activity or a hobby does not qualify as a business. To report income from a nonbusiness activity, see the Instructions for Form 1040, line 21.

Small businesses and statutory employees with expenses of $2,500 or less may be able to file **Schedule C-EZ** instead of Schedule C. See Schedule C-EZ to find out if you qualify to file it.

This activity may subject you to state and local taxes and other requirements such as business licenses and fees. Check with your state and local governments for more information.

General Instructions

Other Schedules and Forms You May Have To File

Schedule A to deduct interest, taxes, and casualty losses not related to your business.

Schedule E to report rental real estate and royalty income or (loss) that is **not** subject to self-employment tax.

Schedule F to report profit or (loss) from farming.

Schedule SE to pay self-employment tax on income from any trade or business.

Form 4562 to claim depreciation on assets placed in service in 1999, to claim amortization that began in 1999, or to report information on listed property.

Form 4684 to report a casualty or theft gain or loss involving property used in your trade or business or income-producing property.

Form 4797 to report sales, exchanges, and involuntary conversions (not from a casualty or theft) of trade or business property.

Form 8271 if you are claiming or you are reporting on Schedule C or C-EZ any income, deduction, loss, credit, or other tax benefit from a tax shelter.

Form 8594 to report certain purchases or sales of groups of assets that constitute a trade or business.

Form 8824 to report like-kind exchanges.

Form 8829 to claim expenses for business use of your home.

Heavy Highway Vehicle Use Tax

If you use certain highway trucks, truck-trailers, tractor-trailers, or buses in your trade or business, you may have to pay a Federal highway motor vehicle use tax. See **Form 2290** to find out if you owe this tax.

Information Returns

You may have to file information returns for wages paid to employees, certain payments of fees and other nonemployee compensation, interest, rents, royalties, real estate transactions, annuities, and pensions. You may also have to file an information return if you sold $5,000 or more of consumer products to a person on a buy-sell, deposit-commission, or other similar basis for resale. For more information, see the 1999 **Instructions for Forms 1099, 1098, 5498, and W-2G.**

If you received cash of more than $10,000 in one or more related transactions in your trade or business, you may have to file **Form 8300.** For details, see **Pub. 1544.**

Additional Information

See **Pub. 334** for more information for small businesses.

Specific Instructions

Filers of Form 1041

Do not complete the block labeled "Social security number." Instead, enter your employer identification number (EIN) on line D.

Line A

Describe the business or professional activity that provided your principal source of income reported on line 1. If you owned more than one business, you must complete a separate Schedule C for each business. Give the general field or activity and the type of product or service. If your general field or activity is wholesale or retail trade, or services connected with production services (mining, construction, or manufacturing), also give the type of customer or client. For example, "wholesale sale of hardware to retailers" or "appraisal of real estate for lending institutions."

Line D

You need an employer identification number (EIN) only if you had a Keogh plan or were required to file an employment, excise, estate, trust, or alcohol, tobacco, and firearms tax return. If you need an EIN, file **Form SS-4.** If you do not have an EIN, leave line D blank. **Do not** enter your SSN.

Line E

Enter your business address. Show a street address instead of a box number. Include the suite or room number, if any. If you conducted the business from your home located at the address shown on Form 1040, page 1, you do not have to complete this line.

Line F

You must use the cash method on your return unless you kept account books. If you kept such books, you can use the cash method or the accrual method. However, if inventories are required, you must use the accrual method for sales and purchases. Special rules apply to long-term contracts. See Internal Revenue Code section 460 for details. The method used must clearly reflect your income.

If you use the **cash method,** show all items of taxable income actually or constructively received during the year (in cash, property, or services). Income is constructively received when it is credited to your account or set aside for you to use. Also, show amounts actually paid during the year for deductible expenses.

Cat. No. 24329W

If you use the **accrual method,** report income when you earn it and deduct expenses when you incur them even if you do not pay them during the tax year.

Accrual-basis taxpayers are put on a cash basis for deducting business expenses owed to a related cash-basis taxpayer. Other rules determine the timing of deductions based on economic performance. See **Pub. 538.**

To change your accounting method (including treatment of inventories), you must usually get permission from the IRS. In general, file **Form 3115** within the first 180 days of the tax year in which you want to make the change.

Line G

Participation, for purposes of the following seven material participation tests, generally includes any work you did in connection with an activity if you owned an interest in the activity at the time you did the work. The capacity in which you did the work does not matter. However, work is not treated as participation if it is work that an owner would not customarily do in the same type of activity and one of your main reasons for doing the work was to avoid the disallowance of losses or credits from the activity under the passive activity rules.

Work you did as an investor in an activity is not treated as participation unless you were directly involved in the day-to-day management or operations of the activity. Work done as an investor includes:

1. Studying and reviewing financial statements or reports on operations of the activity.

2. Preparing or compiling summaries or analyses of the finances or operations of the activity for your own use.

3. Monitoring the finances or operations of the activity in a nonmanagerial capacity.

Participation by your spouse during the tax year in an activity you own can be counted as your participation in the activity. This applies even if your spouse did not own an interest in the activity and whether or not you and your spouse file a joint return for the tax year.

Material Participation. For purposes of the passive activity rules, you materially participated in the operation of this trade or business activity during 1999 if you meet any of the following seven tests:

1. You participated in the activity for more than 500 hours during the tax year.

2. Your participation in the activity for the tax year was substantially all of the participation in the activity of all individuals (including individuals who did not own any interest in the activity) for the tax year.

3. You participated in the activity for more than 100 hours during the tax year, and you participated at least as much as any other person for the tax year. This includes individuals who did not own any interest in the activity.

4. The activity is a significant participation activity for the tax year, and you participated in all significant participation activities for more than 500 hours during the year. An activity is a "significant participation activity" if it involves the conduct of a trade or business, you participated in the activity for more than 100 hours during the tax year, and you did not materially participate under any of the material participation tests (other than this test 4).

5. You materially participated in the activity for any 5 of the prior 10 tax years.

6. The activity is a personal service activity in which you materially participated for any 3 prior tax years. A personal service activity is an activity that involves performing personal services in the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts, consulting, or any other trade or business in which capital is not a material income-producing factor.

7. Based on all the facts and circumstances, you participated in the activity on a regular, continuous, and substantial basis during the tax year. But you do not meet this test if you participated in the activity for 100 hours or less during the tax year. Your participation in managing the activity does not count in determining if you meet this test if any person (except you) —

a. Received compensation for performing management services in connection with the activity, or

b. Spent more hours during the tax year than you spent performing management services in connection with the activity (regardless of whether the person was compensated for the services).

If you meet any of the above tests, check the "Yes" box.

If you **do not** meet any of the above tests, check the "No" box. This business is a **passive activity.** If you have a loss from this business, see **Limit on Losses** below. If you have a profit from this business activity but have current year losses from other passive activities or you have prior year unallowed passive activity losses, see the instructions for **Form 8582.**

Exception for Oil and Gas. If you are filing Schedule C to report income and deductions from an oil or gas well in which you own a working interest directly or through an entity that does not limit your liability, check the "Yes" box. The activity of owning the working interest is not a passive activity regardless of your participation in the activity.

Limit on Losses. If you checked the "No" box and you have a loss from this business, you may have to use Form 8582 to figure your allowable loss, if any, to enter on Schedule C, line 31. Generally, you can deduct losses from passive activities only to the extent of income from passive activities.

For more details, see **Pub. 925.**

Line H

If you started or acquired this business in 1999, check the box on line H. Also, check the box if you are reopening or restarting this business after temporarily closing it, and you did not file a 1998 Schedule C or C-EZ for this business.

Part I. Income

Line 1

Enter gross receipts from your trade or business. Include amounts you received in your trade or business that were properly shown on **Forms 1099-MISC.** If the total amounts that were reported in box 7 of Forms 1099-MISC are more than the total you are reporting on line 1, attach a statement explaining the difference.

Statutory Employees. If you received a Form W-2 and the "Statutory employee" box in box 15 of that form was checked, report your income and expenses related to that income on Schedule C or C-EZ. Enter your statutory employee income from box 1 of Form W-2 on line 1 of Schedule C or C-EZ, and **check the box** on that line. Social security and Medicare tax should have been withheld from your earnings; therefore, you do not owe self-employment tax on these earnings.

Statutory employees include full-time life insurance agents, certain agent or commission drivers and traveling salespersons, and certain homeworkers.

If you had both self-employment income and statutory employee income, **do not** combine these amounts on a single Schedule C or C-EZ. In this case, you must file two Schedules C. You cannot use Schedule C-EZ.

Installment Sales. Generally, the installment method may not be used to report income from the sale of **(a)** personal property regularly sold under the installment method or **(b)** real property held for resale to customers. But the installment method may be used to report income from sales of

certain residential lots and timeshares if you elect to pay interest on the tax due on that income after the year of sale. See Internal Revenue Code section 453(l)(2)(B) for details. If you make this election, include the interest on Form 1040, line 56. Also, enter "453(l)(3)" and the amount of the interest on the dotted line to the left of line 56.

If you use the installment method, attach a schedule to your return. Show separately for 1999 and the 3 preceding years: gross sales, cost of goods sold, gross profit, percentage of gross profit to gross sales, amounts collected, and gross profit on amounts collected.

Line 2

Enter such items as returned sales, rebates, and allowances from the sales price.

Line 6

Report on line 6 amounts from finance reserve income, scrap sales, bad debts you recovered, interest (such as on notes and accounts receivable), state gasoline or fuel tax refunds you got in 1999, credit for Federal tax paid on gasoline or other fuels claimed on your 1998 Form 1040, prizes and awards related to your trade or business, and other kinds of miscellaneous business income. Include amounts you received in your trade or business as shown on **Form 1099-PATR.** Also, include any recapture of the deduction for clean-fuel vehicles used in your business and clean-fuel vehicle refueling property. For more details, see **Pub. 535.**

If the business use percentage of any listed property (defined in the instructions for line 13 on this page) decreased to 50% or less in 1999, report on this line any recapture of excess depreciation, including any section 179 expense deduction. Use **Form 4797** to figure the recapture. Also, if the business use percentage drops to 50% or less on leased listed property (other than a vehicle), include on this line any inclusion amount. See **Pub. 946** to figure the amount.

Part II. Expenses

Capitalizing Costs of Property. If you produced real or tangible personal property or acquired property for resale, certain expenses attributable to the property must be included in inventory costs or capitalized. In addition to direct costs, producers of inventory property must also include part of certain indirect costs in their inventory. Purchasers of personal property acquired for resale must include part of certain indirect costs in inventory only if the average annual gross receipts for the 3 prior tax years exceed $10 million. Also, you must capitalize part of the indirect costs that benefit real or tangible personal property constructed for use in a trade or business, or noninventory property produced for sale to customers. Reduce the amounts on lines 8–26 and Part V by amounts capitalized. For more details, see Pub. 538.

Exception for Creative Property. If you are an artist, author, or photographer, you may be exempt from the capitalization rules. However, your personal efforts must have created (or reasonably be expected to create) the property. This exception does not apply to any expense related to printing, photographic plates, motion picture films, video tapes, or similar items. These expenses are subject to the capitalization rules. For more details, see Pub. 538.

Line 9

Include debts and partial debts from sales or services that were included in income and are definitely known to be worthless. If you later collect a debt that you deducted as a bad debt, include it as income in the year collected. For more details, see **Pub. 535.**

Line 10

You can deduct the actual expenses of running your car or truck, or take the **standard mileage rate.** You **must** use actual expenses if you used your vehicle for hire (such as a taxicab), or you used more than one vehicle simultaneously in your business (such as in fleet operations). You cannot use actual expenses for a leased vehicle if you previously used the standard mileage rate for that vehicle.

You can use the standard mileage rate for 1999 **only** if:

- You owned the vehicle and use the standard mileage rate for the first year you placed the vehicle in service, or
- You leased the vehicle and are using the standard mileage rate for the entire lease period (except the period, if any, before 1998).

If you deduct actual expenses:

- Include on line 10 the business portion of expenses for gasoline, oil, repairs, insurance, tires, license plates, etc., and
- Show depreciation on line 13 and rent or lease payments on line 20a.

If you use the standard mileage rate, you **cannot** deduct depreciation, rent or lease payments, or your actual operating expenses. To take the standard mileage rate, multiply the number of business miles driven:

- Before April 1, 1999, by 32.5 cents, and
- After March 31, 1999, by 31 cents.

Add to this amount your parking fees and tolls, and enter the total.

For more details, see **Pub. 463.**

Information on Your Vehicle. If you claim any car and truck expenses, you must provide certain information on the use of your vehicle by completing one of the following:

- Part IV of Schedule C or Part III of Schedule C-EZ if: **(a)** you are claiming the standard mileage rate, you lease your vehicle, or your vehicle is fully depreciated and **(b)** you are **not** required to file **Form 4562** for any other reason. If you used more than one vehicle during the year, attach your own schedule with the information requested in Part IV of Schedule C, or Part III of Schedule C-EZ, for each additional vehicle.
- Part V of Form 4562 if you are claiming depreciation on your vehicle or you are required to file Form 4562 for any other reason (see the instructions for line 13 below).

Line 12

Enter your deduction for depletion on this line. If you have timber depletion, attach **Form T.** See Pub. 535 for details.

Line 13

Depreciation and Section 179 Expense Deduction. Depreciation is the annual deduction allowed to recover the cost or other basis of business or investment property having a useful life substantially beyond the tax year. You can also depreciate improvements made to leased business property. However, stock in trade, inventories, and land are not depreciable.

Depreciation starts when you first use the property in your business or for the production of income. It ends when you take the property out of service, deduct all your depreciable cost or other basis, or no longer use the property in your business or for the production of income.

See the Instructions for Form 4562 to figure the amount of depreciation to enter on line 13.

You may also choose under Internal Revenue Code section 179 to expense part of the cost of certain property you bought in 1999 for use in your business. See the Instructions for Form 4562 for more details.

When To Attach Form 4562. You must complete and attach Form 4562 **only** if:

- You are claiming depreciation on property placed in service during 1999, or

- You are claiming depreciation on listed property (defined below), regardless of the date it was placed in service, or
- You are claiming a section 179 expense deduction.

If you acquired depreciable property for the first time in 1999, see **Pub. 946.**

Listed property generally includes, but is not limited to:

- Passenger automobiles weighing 6,000 pounds or less,
- Any other property used for transportation if the nature of the property lends itself to personal use, such as motorcycles, pickup trucks, etc.,
- Any property used for entertainment or recreational purposes (such as photographic, phonographic, communication, and video recording equipment),
- Cellular telephones or other similar telecommunications equipment, and
- Computers or peripheral equipment.

Exceptions. Listed property does not include photographic, phonographic, communication, or video equipment used exclusively in your trade or business or at your regular business establishment. It also does not include any computer or peripheral equipment used exclusively at a regular business establishment and owned or leased by the person operating the establishment. For purposes of these exceptions, a portion of your home is treated as a regular business establishment only if that portion meets the requirements under Internal Revenue Code section 280A(c)(1) for deducting expenses for the business use of your home.

If the business use percentage of any listed property decreased to 50% or less in 1999, see the instructions for line 6 on page C-3.

Line 14

Deduct contributions to employee benefit programs that are not an incidental part of a pension or profit-sharing plan included on line 19. Examples are accident and health plans, group-term life insurance, and dependent care assistance programs.

Do not include on line 14 any contributions you made on your behalf as a self-employed person to an accident and health plan or for group-term life insurance. You may be able to deduct on Form 1040, line 28, part of the amount you paid for health insurance on behalf of yourself, your spouse, and dependents, even if you do not itemize your deductions. See the Form 1040 instructions on page 28 for more details.

Line 15

Deduct premiums paid for business insurance on line 15. Deduct on line 14 amounts paid for employee accident and health insurance. Do not deduct amounts credited to a reserve for self-insurance or premiums paid for a policy that pays for your lost earnings due to sickness or disability. For more details, see Pub. 535.

Lines 16a and 16b

Interest Allocation Rules. The tax treatment of interest expense differs depending on its type. For example, home mortgage interest and investment interest are treated differently. "Interest allocation" rules require you to allocate (classify) your interest expense so it is deducted (or capitalized) on the correct line of your return and gets the right tax treatment. These rules could affect how much interest you are allowed to deduct on Schedule C or C-EZ.

Generally, you allocate interest expense by tracing how the proceeds of the loan were used. See Pub. 535 for details.

If you paid interest in 1999 that applies to future years, deduct only the part that applies to 1999. If you paid interest on a debt secured by your main home and any of the proceeds from that debt were used in connection with your trade or business, see Pub. 535 to figure the amount that is deductible on Schedule C or C-EZ.

If you have a mortgage on real property used in your business (other than your main home), enter on line 16a the interest you paid for 1999 to banks or other financial institutions for which you received a **Form 1098.** If you did not receive a Form 1098, enter the interest on line 16b.

If you paid more mortgage interest than is shown on Form 1098 or similar statement, see Pub. 535 to find out if you can deduct the additional interest. If you can, enter the amount on line 16a. Attach a statement to your return explaining the difference. Enter "See attached" in the left margin next to line 16a.

If you and at least one other person (other than your spouse if you file a joint return) were liable for and paid interest on the mortgage and the other person received the Form 1098, report your share of the interest on line 16b. Attach a statement to your return showing the name and address of the person who received the Form 1098. In the left margin next to line 16b, enter "See attached."

Do not deduct interest you paid or accrued on debts allocable to investment property. This interest is generally deducted on **Schedule A** (Form 1040). For details, see **Pub. 550.**

Line 17

Include on this line fees for tax advice related to your business and for preparation of the tax forms related to your business.

Line 19

Enter your deduction for contributions to a pension, profit-sharing, or annuity plan, or plans for the benefit of your employees. If the plan includes you as a self-employed person, enter contributions made as an employer on your behalf on Form 1040, line 29, not on Schedule C.

Generally, you must file the applicable form listed below if you maintain a pension, profit-sharing, or other funded-deferred compensation plan. The filing requirement is not affected by whether or not the plan qualified under the Internal Revenue Code, or whether or not you claim a deduction for the current tax year.

Form 5500. File this form for a plan that is not a one-participant plan (see below).

Form 5500-EZ. File this form for a one-participant plan. A one-participant plan is a plan that only covers you (or you and your spouse).

There is a penalty for failure to timely file these forms.

For more information, see **Pub. 560.**

Lines 20a and 20b

If you rented or leased vehicles, machinery, or equipment, enter on line 20a the business portion of your rental cost. But if you leased a vehicle for a term of 30 days or more, you may have to reduce your deduction by an amount called the **inclusion amount.**

You may have to do this if—

The lease term began during . . .	And the vehicle's fair market value on the first day of the lease exceeded . . .
1999	$15,500
1997 or 1998	15,800
1995 or 1996	15,500
1994	14,600

If the lease term began before 1994, see Pub. 463 to find out if you have an inclusion amount.

Also see Pub. 463 to figure your inclusion amount.

Enter on line 20b amounts paid to rent or lease other property, such as office space in a building.

Line 21

Deduct the cost of repairs and maintenance. Include labor, supplies, and other items that do not add to the value or increase the life of the property. Do not deduct the value of your own labor. Do not deduct amounts spent to restore or replace property; they must be capitalized.

Line 23

You can deduct the following taxes on this line:

- State and local sales taxes imposed on you as the seller of goods or services. If you collected this tax from the buyer, you must also include the amount collected in gross receipts or sales on line 1.
- Real estate and personal property taxes on business assets.
- Social security and Medicare taxes paid to match required withholding from your employees' wages. Also, Federal unemployment tax paid. Reduce your deduction by the amount of the current year credit shown on line 4 of **Form 8846.**
- Federal highway use tax.

Do not deduct on this line:

- Federal income taxes, including your self-employment tax. However, you may deduct one-half of your self-employment tax on Form 1040, line 27.
- Estate and gift taxes.
- Taxes assessed to pay for improvements, such as paving and sewers.
- Taxes on your home or personal use property.
- State and local sales taxes on property purchased for use in your business. Instead, treat these taxes as part of the cost of the property.
- State and local sales taxes imposed on the buyer that you were required to collect and pay over to the state or local governments. These taxes are not included in gross receipts or sales nor are they a deductible expense. However, if the state or local government allowed you to retain any part of the sales tax you collected, you must include that amount as income on line 6.
- Other taxes not related to your business.

Line 24a

Enter your expenses for lodging and transportation connected with overnight travel for business while away from your tax home. Generally, your tax home is your main place of business regardless of where you maintain your family home. You cannot deduct expenses paid or incurred in connection with employment away from home if that period of employment exceeds 1 year. Also, you cannot deduct travel expenses for your spouse, your dependent, or any other individual unless that person is your employee, the travel is for a bona fide business purpose, and the expenses would otherwise be deductible by that person.

Do not include expenses for meals and entertainment on this line. Instead, see the instructions for lines 24b and 24c below.

You cannot deduct expenses for attending a foreign convention unless it is directly related to your trade or business and it is as reasonable for the meeting to be held outside the North American area as within it. These rules apply to both employers and employees. Other rules apply to luxury water travel.

For more details, see Pub. 463.

Lines 24b and 24c

On line 24b, enter your total business meal and entertainment expenses. Include meals while traveling away from home for business. Instead of the actual cost of your meals while traveling away from home, you may use the standard meal allowance. For more details, see Pub. 463.

Business meal expenses are deductible only if they are **(a)** directly related to or associated with the active conduct of your trade or business, **(b)** not lavish or extravagant, and **(c)** incurred while you or your employee is present at the meal.

You cannot deduct any expense paid or incurred for a facility (such as a yacht or hunting lodge) used for any activity usually considered entertainment, amusement, or recreation.

Also, you cannot deduct membership dues for any club organized for business, pleasure, recreation, or other social purpose. This includes country clubs, golf and athletic clubs, airline and hotel clubs, and clubs operated to provide meals under conditions favorable to business discussion. But it does not include civic or public service organizations, professional organizations (such as bar and medical associations), business leagues, trade associations, chambers of commerce, boards of trade, and real estate boards, unless a principal purpose of the organization is to entertain, or provide entertainment facilities for, members or their guests.

There are exceptions to these rules as well as other rules that apply to sky-box rentals and tickets to entertainment events. See Pub. 463.

Generally, you may deduct only 50% of your business meal and entertainment expenses, including meals incurred while away from home on business. For individuals subject to the Department of Transportation (DOT) hours of service limits, that percentage is increased to 55% for business meals consumed during, or incident to, any period of duty for which those limits are in effect. Individuals subject to the DOT hours of service limits include the following persons:

- Certain air transportation workers (such as pilots, crew, dispatchers, mechanics, and control tower operators) who are under Federal Aviation Administration regulations.
- Interstate truck operators who are under DOT regulations.
- Certain merchant mariners who are under Coast Guard regulations.

However, you may fully deduct meals and entertainment furnished or reimbursed to an employee if you properly treat the expense as wages subject to withholding. You may also fully deduct meals and entertainment provided to a nonemployee to the extent the expenses are includible in the gross income of that person and reported on Form 1099-MISC. See Pub. 463 for more details and other exceptions.

Figure how much of the amount on line 24b is not deductible and enter that amount on line 24c.

Line 25

Deduct only utility expenses for your trade or business.

Local Telephone Service. If you used your home phone for business, do not deduct the base rate (including taxes) of the first phone line into your residence. But you can deduct expenses for any additional costs you incurred for business that are more than the cost of the base rate for the first phone line. For example, if you had a second line, you can deduct the business percentage of the charges for that line, including the base rate charges.

Line 26

Enter the total salaries and wages for the tax year. Do not include salaries and wages deducted elsewhere on your return or amounts paid to yourself. Reduce your deduction by the current year credits claimed on:

- **Form 5884,** Work Opportunity Credit.
- **Form 8844,** Empowerment Zone Employment Credit.
- **Form 8845,** Indian Employment Credit.
- **Form 8861,** Welfare-to-Work Credit.

If you provided taxable fringe benefits to your employees, such as personal use of a car, do not deduct as wages the amount applicable to depreciation and other expenses claimed elsewhere.

Line 30

Business Use of Your Home. You may be able to deduct certain expenses for business use of your home, subject to limitations. Generally, any amount not allowed as a deduction for 1999 because of the limitations can be carried over to 2000. You must attach **Form 8829** if you claim this deduction.

For details, see the Instructions for Form 8829 and **Pub. 587.**

Line 31

If you have a loss, the amount of loss you can deduct this year may be limited. Go on to line 32 before entering your loss on line 31. If you answered "No" to Question G on Schedule C, also see the Instructions for Form 8582. Enter the net profit or **deductible** loss here. Combine this amount with any profit or loss from other businesses, and enter the total on Form 1040, line 12, and Schedule SE, line 2. Estates and trusts should enter the total on Form 1041, line 3.

If you have a net profit on line 31, this amount is earned income and may qualify you for the earned income credit. See the Instructions for Form 1040, lines 59a and 59b, on page 38 for more details.

Statutory Employees. If you are filing Schedule C to report income and expenses as a statutory employee, include your net profit or deductible loss from line 31 with other Schedule C amounts on Form 1040, line 12. However, **do not** report this amount on Schedule SE, line 2. If you are required to file Schedule SE because of other self-employment income, see the Instructions for Schedule SE.

Line 32

At-Risk Rules. Generally, if you have **(a)** a business loss and **(b)** amounts in the business for which you are **not at risk,** you will have to complete **Form 6198** to figure your allowable loss.

The at-risk rules generally limit the amount of loss (including loss on the disposition of assets) you can claim to the amount you could actually lose in the business.

Check **box 32b** if you have amounts for which you are not at risk in this business, such as the following.

- Nonrecourse loans used to finance the business, to acquire property used in the business, or to acquire the business that are not secured by your own property (other than property used in the business). However, there is an exception for certain nonrecourse financing borrowed by you in connection with holding real property.
- Cash, property, or borrowed amounts used in the business (or contributed to the business, or used to acquire the business) that are protected against loss by a guarantee, stop-loss agreement, or other similar arrangement (excluding casualty insurance and insurance against tort liability).
- Amounts borrowed for use in the business from a person who has an interest in the business, other than as a creditor, or who is related under Internal Revenue Code section 465(b)(3) to a person (other than you) having such an interest.

If all amounts are at risk in this business, check **box 32a** and enter your loss on line 31. But if you answered "No" to Question G, you may need to complete Form 8582 to figure your allowable loss to enter on line 31. See the Instructions for Form 8582 for more details.

If you checked **box 32b,** get Form 6198 to determine the amount of your deductible loss and enter that amount on line 31. But if you answered "No" to Question G, your loss may be further limited. See the Instructions for Form 8582. If your at-risk amount is zero or less, enter zero on line 31. Be sure to attach Form 6198 to your return. If you checked box 32b and you do not attach Form 6198, the processing of your tax return may be delayed.

Statutory Employees. Include your deductible loss with other Schedule C amounts on Form 1040, line 12. **Do not** include this amount on Schedule SE, line 2.

Any loss from this business not allowed for 1999 because of the at-risk rules is treated as a deduction allocable to the business in 2000. For more details, see the Instructions for Form 6198 and Pub. 925.

Part III. Cost of Goods Sold

If you engaged in a trade or business in which the production, purchase, or sale of merchandise was an income-producing factor, merchandise inventories must be taken into account at the beginning and end of your tax year.

Note. Certain direct and indirect expenses must be capitalized or included in inventory. See the instructions for Part II.

Line 33

Your inventories can be valued at cost; cost or market value, whichever is lower; or any other method approved by the IRS.

Part V. Other Expenses

Include all ordinary and necessary business expenses not deducted elsewhere on Schedule C. List the type and amount of each expense separately in the space provided. Enter the total on lines 48 and 27. Do not include the cost of business equipment or furniture, replacements or permanent improvements to property, or personal, living, and family expenses. Do not include charitable contributions. Also, you may not deduct fines or penalties paid to a government for violating any law. For more details on business expenses, see Pub. 535.

Amortization. Include amortization in this part. For amortization that begins in 1999, you must complete and attach Form 4562.

You may amortize:

- The cost of pollution-control facilities.
- Amounts paid for research and experimentation.
- Certain business startup costs.
- Qualified forestation and reforestation costs.
- Amounts paid to acquire, protect, expand, register, or defend trademarks or trade names.
- Goodwill and certain other intangibles.

In general, you **may not** amortize real property construction period interest and taxes. Special rules apply for allocating interest to real or personal property produced in your trade or business.

At-Risk Loss Deduction. Any loss from this activity that was not allowed as a deduction last year because of the at-risk rules is treated as a deduction allocable to this activity in 1999.

Capital Construction Fund. Do not claim on Schedule C or C-EZ the deduction for amounts contributed to a capital construction fund set up under the Merchant Marine Act of 1936. To take the deduction, reduce the amount that would otherwise be entered as taxable income on Form 1040, line 39, by the amount of the deduction. Next to line 39 enter "CCF" and the amount of the deduction. For more information, see **Pub. 595.**

Deduction for Clean-Fuel Vehicles and Clean-Fuel Vehicle Refueling Property. You may deduct part of the cost of qualified clean-fuel vehicle property used in your business and qualified clean-fuel vehicle refueling property. See Pub. 535 for more details.

Disabled Access Credit and the Deduction for Removing Barriers to Individuals With Disabilities and the Elderly. You may be able to claim a tax credit of up to $5,000 for eligible expenditures paid or incurred in 1999 to provide access to your business for individuals with disabilities. See **Form 8826** for more details. You can also deduct up to $15,000 of costs paid or incurred in 1999 to remove architectural or transportation barriers to individuals with disabilities and the elderly. However, you cannot take both the credit and the deduction on the same expenditures.

These codes for the Principal Business or Professional Activity classify sole proprietorships by the type of activity they are engaged in to facilitate the administration of the Internal Revenue Code. These six-digit codes are based on the North American Industry Classification System (NAICS).

Select the category that best describes your primary business activity (for example, Real Estate). Then select the activity that best identifies the principal source of your sales or receipts (for example, real estate agent). Now find the six-digit code assigned to this activity and **enter it on line B of Schedule C or C-EZ** (for example, 531210, the Code for offices of real estate agents and brokers).

Note. If your principal source of income is from farming activities, you should file **Schedule F** (Form 1040), Profit or Loss From Farming.

Accommodation, Food Services, & Drinking Places

Accommodation

721310 Rooming & boarding houses
721210 RV (recreational vehicle) parks & recreational camps
721100 Travel accommodation (including hotels, motels, & bed & breakfast inns)

Food Services & Drinking Places

722410 Drinking places (alcoholic beverages)
722110 Full-service restaurants
722210 Limited-service eating places
722300 Special food services (including food service contractors & caterers)

Administrative & Support and Waste Management & Remediation Services

Administrative & Support Services

561430 Business service centers (including private mail centers & copy shops)
561740 Carpet & upholstery cleaning services
561440 Collection agencies
561450 Credit bureaus
561410 Document preparation services
561300 Employment services
561710 Exterminating & pest control services
561210 Facilities support (management) services
561600 Investigation & security services
561720 Janitorial services
561730 Landscaping services
561110 Office administrative services
561420 Telephone call centers (including telephone answering services & telemarketing bureaus)
561500 Travel arrangement & reservation services
561490 Other business support services (including repossession services, court reporting, & stenotype services)
561790 Other services to buildings & dwellings
561900 Other support services (including packaging & labeling services, & convention & trade show organizers)

Waste Management & Remediation Services

562000 Waste management & remediation services

Agriculture, Forestry, Hunting, & Fishing

112900 Animal production (including breeding of cats and dogs)
114110 Fishing
113000 Forestry & logging (including forest nurseries & timber tracts)
114210 Hunting & trapping

Support Activities for Agriculture & Forestry

115210 Support activities for animal production (including farriers)
115110 Support activities for crop production (including cotton ginning, soil preparation, planting, & cultivating)
115310 Support activities for forestry

Arts, Entertainment, & Recreation

Amusement, Gambling, & Recreation Industries

713100 Amusement parks & arcades
713200 Gambling industries
713900 Other amusement & recreation services (including golf courses, skiing facilities, marinas, fitness centers, bowling centers, skating rinks, miniature golf courses)

Museums, Historical Sites, & Similar Institutions

712100 Museums, historical sites, & similar institutions

Performing Arts, Spectator Sports, & Related Industries

711410 Agents & managers for artists, athletes, entertainers, & other public figures
711510 Independent artists, writers, & performers
711100 Performing arts companies
711300 Promoters of performing arts, sports, & similar events
711210 Spectator sports (including professional sports clubs & racetrack operations)

Construction

233110 Land subdivision & land development
233300 Nonresidential building construction
233200 Residential building construction

Heavy Construction

234100 Highway, street, bridge, & tunnel construction
234900 Other heavy construction

Special Trade Contractors

235500 Carpentry & floor contractors
235710 Concrete contractors
235310 Electrical contractors
235400 Masonry, drywall, insulation, & tile contractors
235210 Painting & wall covering contractors
235110 Plumbing, heating, & air-conditioning contractors
235610 Roofing, siding, & sheet metal contractors
235810 Water well drilling contractors
235900 Other special trade contractors

Educational Services

611000 Educational services (including schools, colleges, & universities)

Finance & Insurance

Credit Intermediation & Related Activities

522100 Depository credit intermediation (including commercial banking, savings institutions, & credit unions)
522200 Nondepository credit intermediation (including sales financing & consumer lending)
522300 Activities related to credit intermediation (including loan brokers)

Insurance Agents, Brokers, & Related Activities

524210 Insurance agencies & brokerages
524290 Other insurance related activities

Securities, Commodity Contracts, & Other Financial Investments & Related Activities

523140 Commodity contracts brokers
523130 Commodity contracts dealers
523110 Investment bankers & securities dealers
523210 Securities & commodity exchanges
523120 Securities brokers
523900 Other financial investment activities (including investment advice)

Health Care & Social Assistance

Ambulatory Health Care Services

621610 Home health care services
621510 Medical & diagnostic laboratories
621310 Offices of chiropractors
621210 Offices of dentists
621330 Offices of mental health practitioners (except physicians)
621320 Offices of optometrists
621340 Offices of physical, occupational & speech therapists, & audiologists
621111 Offices of physicians (except mental health specialists)
621112 Offices of physicians, mental health specialists
621391 Offices of podiatrists
621399 Offices of all other miscellaneous health practitioners
621400 Outpatient care centers
621900 Other ambulatory health care services (including ambulance services, blood, & organ banks)

Hospitals

622000 Hospitals

Nursing & Residential Care Facilities

623000 Nursing & residential care facilities

Social Assistance

624410 Child day care services
624200 Community food & housing, & emergency & other relief services
624100 Individual & family services
624310 Vocational rehabilitation services

Information

511000 Publishing industries

Broadcasting & Telecommunications

513000 Broadcasting & telecommunications

Information Services & Data Processing Services

514210 Data processing services
514100 Information services (including news syndicates, libraries, & on-line information services)

Motion Picture & Sound Recording

512100 Motion picture & video industries (except video rental)
512200 Sound recording industries

Manufacturing

315000 Apparel mfg.
312000 Beverage & tobacco product mfg.
334000 Computer & electronic product mfg.
335000 Electrical equipment, appliance, & component mfg.
332000 Fabricated metal product mfg.
337000 Furniture & related product mfg.
333000 Machinery mfg.
339110 Medical equipment & supplies mfg.
322000 Paper mfg.
324100 Petroleum & coal products mfg.
326000 Plastics & rubber products mfg.
331000 Primary metal mfg.
323100 Printing & related support activities
313000 Textile mills
314000 Textile product mills
336000 Transportation equipment mfg.
321000 Wood product mfg.
339900 Other miscellaneous mfg.

Chemical Manufacturing

325100 Basic chemical mfg.
325500 Paint, coating, & adhesive mfg.
325300 Pesticide, fertilizer, & other agricultural chemical mfg.
325410 Pharmaceutical & medicine mfg.
325200 Resin, synthetic rubber, & artificial & synthetic fibers & filaments mfg.
325600 Soap, cleaning compound, & toilet preparation mfg.
325900 Other chemical product & preparation mfg.

Food Manufacturing

311110 Animal food mfg.
311800 Bakeries & tortilla mfg.
311500 Dairy product mfg.
311400 Fruit & vegetable preserving & speciality food mfg.
311200 Grain & oilseed milling
311610 Animal slaughtering & processing
311710 Seafood product preparation & packaging
311300 Sugar & confectionery product mfg.
311900 Other food mfg. (including coffee, tea, flavorings, & seasonings)

Leather & Allied Product Manufacturing

316210 Footwear mfg. (including leather, rubber, & plastics)
316110 Leather & hide tanning & finishing
316990 Other leather & allied product mfg.

Nonmetallic Mineral Product Manufacturing

327300 Cement & concrete product mfg.
327100 Clay product & refractory mfg.
327210 Glass & glass product mfg.
327400 Lime & gypsum product mfg.
327900 Other nonmetallic mineral product mfg.

Mining

212110 Coal mining
212200 Metal ore mining
212300 Nonmetallic mineral mining & quarrying
211110 Oil & gas extraction
213110 Support activities for mining

Other Services

Personal & Laundry Services

812111 Barber shops
812112 Beauty salons
812220 Cemeteries & crematories
812310 Coin-operated laundries & drycleaners
812320 Drycleaning & laundry services (except coin-operated) (including laundry & drycleaning drop off & pickup sites)
812210 Funeral homes & funeral services
812330 Linen & uniform supply
812113 Nail salons
812930 Parking lots & garages
812910 Pet care (except veterinary) services
812920 Photofinishing
812190 Other personal care services (including diet & weight reducing centers)
812990 All other personal services

Repair & Maintenance

811120 Automotive body, paint, interior, & glass repair
811110 Automotive mechanical & electrical repair & maintenance
811190 Other automotive repair & maintenance (including oil change & lubrication shops & car washes)
811310 Commercial & industrial machinery & equipment (except automotive & electronic) repair & maintenance
811210 Electronic & precision equipment repair & maintenance
811430 Footwear & leather goods repair
811410 Home & garden equipment & appliance repair & maintenance
811420 Reupholstery & furniture repair
811490 Other personal & household goods repair & maintenance

Professional, Scientific, & Technical Services

541100 Legal services
541211 Offices of certified public accountants
541214 Payroll services
541213 Tax preparation services
541219 Other accounting services

Architectural, Engineering, & Related Services

541310 Architectural services
541350 Building inspection services
541340 Drafting services
541330 Engineering services
541360 Geophysical surveying & mapping services
541320 Landscape architecture services
541370 Surveying & mapping (except geophysical) services
541380 Testing laboratories

Computer Systems Design & Related Services

541510 Computer systems design & related services

Specialized Design Services

541400 Specialized design services (including interior, industrial, graphic, & fashion design)

Other Professional, Scientific, & Technical Services

541800 Advertising & related services
541600 Management, scientific, & technical consulting services
541910 Market research & public opinion polling
541920 Photographic services
541700 Scientific research & development services
541930 Translation & interpretation services
541940 Veterinary services
541990 All other professional, scientific, & technical services

Real Estate & Rental & Leasing

Real Estate

531100 Lessors of real estate (including miniwarehouses & self-storage units)
531210 Offices of real estate agents & brokers
531320 Offices of real estate appraisers
531310 Real estate property managers
531390 Other activities related to real estate

Rental & Leasing Services

532100 Automotive equipment rental & leasing
532400 Commercial & industrial machinery & equipment rental & leasing
532210 Consumer electronics & appliances rental
532220 Formal wear & costume rental
532310 General rental centers
532230 Video tape & disc rental
532290 Other consumer goods rental

Religious, Grantmaking, Civic, Professional, & Similar Organizations

813000 Religious, grantmaking, civic, professional, & similar organizations

Retail Trade

Building Material & Garden Equipment & Supplies Dealers

444130 Hardware stores
444110 Home centers
444200 Lawn & garden equipment & supplies stores
444120 Paint & wallpaper stores
444190 Other building materials dealers

Clothing & Accessories Stores

448130 Children's & infants' clothing stores
448150 Clothing accessories stores
448140 Family clothing stores
448310 Jewelry stores
448320 Luggage & leather goods stores
448110 Men's clothing stores
448210 Shoe stores
448120 Women's clothing stores
448190 Other clothing stores

Electronic & Appliance Stores

443130 Camera & photographic supplies stores
443120 Computer & software stores
443111 Household appliance stores
443112 Radio, television, & other electronics stores

Food & Beverage Stores

445310 Beer, wine, & liquor stores
445220 Fish & seafood markets
445230 Fruit & vegetable markets
445100 Grocery stores (including supermarkets & convenience stores without gas)
445210 Meat markets
445290 Other specialty food stores

Furniture & Home Furnishing Stores

442110 Furniture stores
442200 Home furnishings stores

Gasoline Stations

447100 Gasoline stations (including convenience stores with gas)

General Merchandise Stores

452000 General merchandise stores

Health & Personal Care Stores

446120 Cosmetics, beauty supplies, & perfume stores
446130 Optical goods stores
446110 Pharmacies & drug stores
446190 Other health & personal care stores

Motor Vehicle & Parts Dealers

441300 Automotive parts, accessories, & tire stores
441222 Boat dealers
441221 Motorcycle dealers
441110 New car dealers
441210 Recreational vehicle dealers (including motor home & travel trailer dealers)
441120 Used car dealers
441229 All other motor vehicle dealers

Sporting Goods, Hobby, Book, & Music Stores

451211 Book stores
451120 Hobby, toy, & game stores
451140 Musical instrument & supplies stores
451212 News dealers & newsstands
451220 Prerecorded tape, compact disc, & record stores
451130 Sewing, needlework, & piece goods stores
451110 Sporting goods stores

Miscellaneous Store Retailers

453920 Art dealers
453110 Florists
453220 Gift, novelty, & souvenir stores
453930 Manufactured (mobile) home dealers
453210 Office supplies & stationery stores
453910 Pet & pet supplies stores
453310 Used merchandise stores
453990 All other miscellaneous store retailers (including tobacco, candle, & trophy shops)

Nonstore Retailers

454110 Electronic shopping & mail-order houses
454310 Fuel dealers
454210 Vending machine operators
454390 Other direct selling establishments (including door-to-door retailing, frozen food plan providers, party plan merchandisers, & coffee-break service providers)

Transportation & Warehousing

481000 Air transportation
485510 Charter bus industry
484110 General freight trucking, local
484120 General freight trucking, long-distance
485210 Interurban & rural bus transportation
486000 Pipeline transportation
482110 Rail transportation
487000 Scenic & sightseeing transportation
485410 School & employee bus transportation
484200 Specialized freight trucking (including household moving vans)
485300 Taxi & limousine service
485110 Urban transit systems
483000 Water transportation
485990 Other transit & ground passenger transportation
488000 Support activities for transportation (including motor vehicle towing)

Couriers & Messengers

492000 Couriers & messengers

Warehousing & Storage Facilities

493100 Warehousing & storage (except lessors of miniwarehouses & self-storage units)

Utilities

221000 Utilities

Wholesale Trade

Wholesale Trade, Durable Goods

421600 Electrical goods
421200 Furniture & home furnishing
421700 Hardware, & plumbing & heating equipment & supplies
421940 Jewelry, watch, precious stone, & precious metals
421300 Lumber & other construction materials
421800 Machinery, equipment, & supplies
421500 Metal & mineral (except petroleum)
421100 Motor vehicle & motor vehicle parts & supplies
421400 Professional & commercial equipment & supplies
421930 Recyclable materials
421910 Sporting & recreational goods & supplies
421920 Toy & hobby goods & supplies
421990 Other miscellaneous durable goods

Wholesale Trade, Nondurable Goods

422300 Apparel, piece goods, & notions
422800 Beer, wine, & distilled alcoholic beverage
422920 Books, periodicals, & newspapers
422600 Chemical & allied products
422210 Drugs & druggists' sundries
422500 Farm product raw materials
422910 Farm supplies
422930 Flower, nursery stock, & florists' supplies
422400 Grocery & related products
422950 Paint, varnish, & supplies
422100 Paper & paper products
422700 Petroleum & petroleum products
422940 Tobacco & tobacco products
422990 Other miscellaneous nondurable goods

999999 **Unclassified establishments (unable to classify)**

1999 Instructions for Schedule D, Capital Gains and Losses

Use Schedule D (Form 1040) to report:

- The sale or exchange of a capital asset (defined on this page).
- Gains from involuntary conversions (other than from casualty or theft) of capital assets not held for business or profit.
- Capital gain distributions not reported directly on Form 1040, line 13.
- Nonbusiness bad debts.

Additional Information. See **Pub. 544** and **Pub. 550** for more details. For a comprehensive filled-in example of Schedule D, see Pub. 550.

Section references are to the Internal Revenue Code unless otherwise noted.

General Instructions

A Change To Note

If your only capital gains are capital gain distributions from mutual funds (or other regulated investment companies) or real estate investment trusts, you may not need to complete Schedule D. See the instructions for Form 1040, line 13, on page 21 to find out if you can report your capital gain distributions directly on Form 1040, line 13, and use the new **Capital Gain Tax Worksheet** to figure your tax instead of filing Schedule D.

Other Forms You May Have To File

Use **Form 4797** to report the following:

- The sale or exchange of property used in a trade or business; depreciable and amortizable property; oil, gas, geothermal, or other mineral property; and section 126 property.
- The involuntary conversion (other than from casualty or theft) of property used in a trade or business and capital assets held for business or profit.
- The disposition of noncapital assets other than inventory or property held primarily for sale to customers in the ordinary course of your trade or business.
- Ordinary loss on the sale, exchange, or worthlessness of small business investment company (section 1242) stock.
- Ordinary loss on the sale, exchange, or worthlessness of small business (section 1244) stock.

Use **Form 4684** to report involuntary conversions of property due to casualty or theft.

Use **Form 6781** to report gains and losses from section 1256 contracts and straddles.

Use **Form 8824** if you made one or more "like-kind" exchanges. A like-kind exchange occurs when you exchange business or investment property for property of a like kind. For exchanges of capital assets, include the gain or (loss) from Form 8824, if any, on line 4 or line 11.

Capital Asset

Most property you own and use for personal purposes, pleasure, or investment is a capital asset. For example, your house, furniture, car, stocks, and bonds are capital assets. A capital asset is any property held by you **except** the following:

1. Stock in trade or other property included in inventory or held for sale to customers.

2. Accounts or notes receivable for services performed in the ordinary course of your trade or business or as an employee, or from the sale of any property described in **1.**

3. Depreciable property used in your trade or business even if it is fully depreciated.

4. Real estate used in your trade or business.

5. Copyrights, literary, musical, or artistic compositions, letters or memoranda, or similar property: **(a)** created by your personal efforts; **(b)** prepared or produced for you (in the case of letters, memoranda, or similar property); or **(c)** that you received from someone who created them or for whom they were created, as mentioned in **(a)** or **(b),** in a way (such as by gift) that entitled you to the basis of the previous owner.

6. U.S. Government publications, including the Congressional Record, that you received from the government, other than by purchase at the normal sales price, or that you got from someone who had received it in a similar way, if your basis is determined by reference to the previous owner's basis.

Capital Assets Held for Personal Use

Generally, gain from the sale or exchange of a capital asset held for personal use is a capital gain. Report it on Schedule D, Part I or Part II. However, if you converted depreciable property to personal use, all or part of the gain on the sale or exchange of that property may have to be recaptured as ordinary income. Use Part III of Form 4797 to figure the amount of ordinary income recapture. The recapture amount is included on line 31 (and line 13) of Form 4797. **Do not** enter any gain for this property on line 32 of Form 4797. If you are not completing Part III for any other properties, enter "N/A" on line 32. If the total gain is more than the recapture amount, enter "From Form 4797" in column (a) of line 1 or line 8 of Schedule D, skip columns (b) through (e), and in column (f), enter the excess of the total gain over the recapture amount.

Loss from the sale or exchange of a capital asset held for personal use is not deductible. But if you had a loss from the sale or exchange of real estate held for personal use for which you received a **Form 1099-S,** you must report the transaction on Schedule D even though the loss is not deductible.

For example, you have a loss on the sale of a vacation home that is not your main home and received a Form 1099-S for the transaction. Report the transaction on line 1 or 8, depending on how long you owned the home. Complete columns (a) through (e). Because the loss is not deductible, enter zero in column (f).

Short Term or Long Term

Separate your capital gains and losses according to how long you held or owned the property. The holding period for short-term capital gains and losses is 1 year or less. The holding period for long-term capital gains and losses is more than 1 year. To figure the holding period, begin counting on the day after you received the property and include the day you disposed of it.

If you disposed of property that you acquired by inheritance, report the disposition as a long-term gain or loss, regardless of how long you held the property.

A nonbusiness bad debt must be treated as a short-term capital loss. See Pub. 550 for what qualifies as a non-business bad debt and how to enter it on Schedule D.

Capital Gain Distributions

Enter on line 13, column (f), the **total** capital gain distributions paid to you during the year, regardless of how long you held your investment. This amount should be shown in box 2a of **Form 1099-DIV.** Enter on line 13, column (g), the total of the amounts reported to you as the 28% rate gain portion of your total capital gain distributions. This

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amount should be shown in box 2b of Form 1099-DIV.

If you received a Form 1099-DIV with an amount in box 2c, see the **Unrecaptured Section 1250 Gain Worksheet** for line 25 on page D-7. If you received a Form 1099-DIV with an amount in box 2d, see **Exclusion of Gain on Qualified Small Business Stock (Section 1202)** on page D-4.

If you received capital gain distributions as a nominee (that is, they were paid to you but actually belong to someone else), report on line 13 only the amount that belongs to you. Attach a statement showing the full amount you received and the amount you received as a nominee. See page B-1 of the Instructions for Schedule B (Form 1040) for filing requirements for Forms 1099-DIV and 1096.

Partnership Interests

A sale or other disposition of an interest in a partnership may result in ordinary income or unrecaptured section 1250 gain. See **Pub. 541** and the worksheet for line 25 on page D-7.

Sale of Your Home

If you sold or exchanged your main home in 1999, do not report it on your tax return unless your gain exceeds your exclusion amount. Generally, if you meet the two tests below, you can exclude up to $250,000 of gain. If both you and your spouse meet these tests and you file a joint return, you can exclude up to $500,000 of gain (but only one spouse needs to meet the ownership requirement in **Test 1**).

Test 1. You owned and used the home as your main home for 2 years or more during the 5-year period ending on the date you sold or exchanged your home.

Test 2. You have not sold or exchanged another main home during the 2-year period ending on the date of the sale or exchange of your home (not counting any sales or exchanges before May 7, 1997).

See **Pub. 523** for details, including how to report any taxable gain on Schedule D, if:

- You do not meet one of the above two tests,
- You (or your spouse if married) used any part of the home for business or rental purposes after May 6, 1997, **or**
- Your gain exceeds your exclusion amount.

Nondeductible Losses

Do not deduct a loss from the direct or indirect sale or exchange of property between any of the following.

- Members of a family.
- A corporation and an individual owning more than 50% of the corporation's stock (unless the loss is from a distribution in complete liquidation of a corporation).
- A grantor and a fiduciary of a trust.
- A fiduciary and a beneficiary of the same trust.
- A fiduciary and a beneficiary of another trust created by the same grantor.
- An executor of an estate and a beneficiary of that estate, unless the sale or exchange was to satisfy a pecuniary bequest (i.e., a bequest of a sum of money).
- An individual and a tax-exempt organization controlled by the individual or the individual's family.

See Pub. 544 for more details on sales and exchanges between related parties.

If you disposed of **(a)** an asset used in an activity to which the at-risk rules apply or **(b)** any part of your interest in an activity to which the at-risk rules apply, and you have amounts in the activity for which you are not at risk, see the instructions for **Form 6198.**

If the loss is allowable under the at-risk rules, it may then be subject to the passive activity rules. See **Form 8582** and its instructions for details on reporting capital gains and losses from a passive activity.

Items for Special Treatment

- Transactions by a securities dealer. See section 1236.
- Bonds and other debt instruments. See Pub. 550 for details.
- Certain real estate subdivided for sale that may be considered a capital asset. See section 1237.
- Gain on the sale of depreciable property to a more than 50% owned entity, or to a trust of which you are a beneficiary. See Pub. 544 for details.
- Gain on the disposition of stock in an interest charge domestic international sales corporation. See section 995(c).
- Gain on the sale or exchange of stock in certain foreign corporations. See section 1248.
- Transfer of property to a partnership that would be treated as an investment company if it were incorporated. See Pub. 541.
- Sales of stock received under a qualified public utility dividend reinvestment plan. See Pub. 550 for details.
- Transfer of appreciated property to a political organization. See section 84.
- In general, no gain or loss is recognized on the transfer of property from an individual to a spouse or a former spouse if the transfer is incident to a divorce. See **Pub. 504.**
- Amounts received on the retirement of a debt instrument generally are treated as received in exchange for the debt instrument. See Pub. 550.
- Any loss on the disposition of converted wetland or highly erodible cropland that is first used for farming after March 1, 1986, is reported as a long-term capital loss on Schedule D, but any gain is reported as ordinary income on Form 4797.
- Amounts received by shareholders in corporate liquidations. See Pub. 550.
- Cash received in lieu of fractional shares of stock as a result of a stock split or stock dividend. See Pub. 550 for details.
- Mutual fund load charges may not be taken into account in determining gain or loss on certain dispositions of stock in mutual funds if reinvestment rights were exercised. For details, see **Pub. 564.**

Wash Sales

A wash sale occurs when you sell or otherwise dispose of stock or securities (including a contract or option to acquire or sell stock or securities) at a loss and, within 30 days before or after the sale or disposition, you directly or indirectly:

- Buy substantially identical stock or securities,
- Acquire substantially identical stock or securities in a fully taxable trade, or
- Enter into a contract or option to acquire substantially identical stock or securities.

You **cannot** deduct losses from wash sales unless the loss was incurred in the ordinary course of your business as a dealer in stock or securities. The basis of the substantially identical property (or contract or option to acquire such property) is its cost increased by the disallowed loss. For more details on wash sales, see Pub. 550.

Report a wash sale transaction on line 1 or 8. Enter the full amount of the (loss) in column (f). Directly below the line on which you reported the loss, enter "Wash Sale" in column (a) and enter as a positive amount in column (f) the amount of the loss not allowed.

Short Sales

A short sale is a contract to sell property you borrowed for delivery to a buyer. At a later date, you either buy substantially identical property and deliver it to the lender or deliver property that you held but did not want to transfer at the time of the sale. Usually, your holding period is the amount of time you actually held the property eventually delivered to the lender to close the short sale. However, your gain when closing a short sale is short term if you **(a)** held substantially identical property for 1 year or less on the date of the short sale, or **(b)** acquired property substantially identical to the property sold short after the short sale but on or before the date you close the short sale.

If you held substantially identical property for more than 1 year on the date of a short sale, any loss realized on the short sale is a long-term capital loss, even if the property used to close the short sale was held 1 year or less.

Constructive Sale Treatment for Certain Appreciated Positions

Generally, you must recognize gain (but not loss) on the date you enter into a constructive sale of any appreciated position in stock, a partnership interest, or certain debt instruments as if the position were disposed of at fair market value on that date.

You are treated as making a constructive sale of an appreciated position when you (or a related person, in some cases) do one of the following:

- Enter into a short sale of the same or substantially identical property (i.e., a "short sale against the box").
- Enter into an offsetting notional principal contract relating to the same or substantially identical property.
- Enter into a futures or forward contract to deliver the same or substantially identical property.
- Acquire the same or substantially identical property (if the appreciated position is a short sale, offsetting notional principal contract, or a futures or forward contract).

Exception. Generally, constructive sale treatment **does not** apply if:

- You closed the transaction before the end of the 30th day after the end of the year in which it was entered into,
- You held the appreciated position to which the transaction relates throughout the 60-day period starting on the date the transaction was closed, **and**
- At no time during that 60-day period was your risk of loss reduced by holding certain other positions.

For details and other exceptions to these rules, see Pub. 550.

Gain or Loss From Options

Report on Schedule D gain or loss from the closing or expiration of an option that is not a section 1256 contract, but is a capital asset in your hands. If an option you purchased expired, enter the expiration date in column (c) and enter **"EXPIRED"** in column (d). If an option that was granted (written) expired, enter the expiration date in column (b) and enter **"EXPIRED"** in column (e). Fill in the other columns as appropriate. See Pub. 550 for more details.

Sales of Stock to ESOPs or Certain Cooperatives

If you sold qualified securities (defined in section 1042(c)(1)) held for at least 3 years to an employee stock ownership plan (ESOP) or eligible worker-owned cooperative, you may be able to elect to postpone all or part of the gain on the sale if you bought qualified replacement property (securities) within the period that began 3 months before the sale and ended 12 months after the sale. If you make the election, you must recognize gain on the sale only to the extent the proceeds from the sale exceed the cost of the qualified replacement property. You must reduce the basis of the replacement property by any postponed gain. If you dispose of any replacement property, you may have to recognize all of the postponed gain.

Generally, to qualify for the election, the ESOP or cooperative must own immediately after the sale at least 30% of the outstanding stock of the corporation that issued the qualified securities. Also, the qualified replacement property must have been issued by a domestic operating corporation.

Similar rules apply to the sale of stock of a qualified refiner or processor to an eligible farmers' cooperative. See section 1042(g) for details and exceptions.

You must make the election no later than the due date (including extensions) for filing your tax return for the year in which you sold the stock. If your original return was filed on time, you may make the election on an amended return filed no later than 6 months after the due date of your return (excluding extensions). Write "Filed pursuant to section 301.9100-2" at the top of the amended return, and file it at the same address you used for your original return.

To make the election, report the entire gain realized on the sale on line 8. Directly below the line on which you reported the gain, enter in column (a) "Section 1042 election" and enter as a (loss) in column (f) the amount of the gain you are postponing or expect to postpone. If the actual postponed gain is different from the amount you report, file an amended return.

Also attach the following statements:

1. A "statement of election" that indicates you are making an election under section 1042(a) and that includes the following information: **(a)** a description of the securities sold, the date of the sale, the amount realized on the sale, and the adjusted basis of the qualified securities; **(b)** the name of the ESOP or cooperative to which the qualified securities were sold; and **(c)** for a sale that was part of a single, interrelated transaction under a prearranged agreement between taxpayers involving other sales of qualified securities, the names and identifying numbers of the other taxpayers under the agreement and the number of shares sold by the other taxpayers.

2. A notarized "statement of purchase" describing the qualified replacement property, date of purchase, and the cost of the property, and declaring the property to be qualified replacement property for the qualified stock you sold. The statement must have been notarized no later than 30 days after the purchase. If you have not yet purchased the qualified replacement property, you must attach the notarized "statement of purchase" to your income tax return for the year following the election year (or the election will not be valid).

3. A verified written statement of the domestic corporation whose employees are covered by the ESOP acquiring the qualified securities, or of any authorized officer of the cooperative, consenting to the taxes under sections 4978 and 4979A on certain dispositions and prohibited allocations of the stock purchased by the ESOP or cooperative.

For details, see section 1042 and Temporary Regulations section 1.1042-1T.

Specialized Small Business Investment Companies (SSBICs)

If you sold publicly traded securities, you may elect to postpone all or part of the gain on that sale if you bought common stock or a partnership interest in an SSBIC during the 60-day period that began on the date of the sale. An SSBIC is any partnership or corporation licensed by the Small Business Administration under section 301(d) of the Small Business Investment Act of 1958. You must recognize gain to the extent the sale proceeds exceed the cost (not taken into account previously) of your SSBIC stock or partnership interest purchased during the 60-day period that began on the date of the sale. The gain you may elect to postpone is limited to $50,000 a year and $500,000 during your lifetime (reduce these amounts by one-half if you are married filing separately). Reduce the basis of your SSBIC stock or partnership interest by any postponed gain.

You must make the election no later than the due date (including extensions) for filing your tax return for the year in which you sold the securities. If your original return was filed on time, you may make the election on an amended return filed no later than 6 months after the due date of your return (excluding extensions). Write "Filed pursuant to section 301.9100-2" at the top of the amended return, and file it at the same address you used for your original return.

To make the election, report the entire gain realized on the sale on line 1 or 8. Directly below the line on which you reported the gain, enter in column (a) "SSBIC rollover" and enter as a (loss) in column (f)

the amount of the postponed gain. Also attach a schedule showing **(a)** how you figured the postponed gain, **(b)** the name of the SSBIC in which you purchased common stock or a partnership interest, **(c)** the date of that purchase, and **(d)** your new basis in that SSBIC stock or partnership interest.

Exclusion of Gain on Qualified Small Business Stock (Section 1202)

Section 1202 allows for an exclusion of up to 50% of the eligible gain on the sale or exchange of qualified small business stock. The section 1202 exclusion applies only to qualified small business stock issued after August 10, 1993, and held for more than 5 years. To be **qualified small business stock,** the stock must meet **all** of the following tests:

- It must be stock in a C corporation (i.e., not S corporation stock).
- It must have been originally issued after August 10, 1993.
- As of the date the stock was issued, the corporation was a qualified small business (QSB). A QSB is a domestic C corporation with total gross assets of $50 million or less **(a)** at all times after August 9, 1993, and before the stock was issued and **(b)** immediately after the stock was issued. Gross assets include those of any predecessor of the corporation. All corporations that are members of the same parent-subsidiary controlled group are treated as one corporation.
- You must have acquired the stock at its original issue (either directly or through an underwriter), either in exchange for money or other property, or as pay for services (other than as an underwriter) to the corporation. In certain cases, you may meet the test if you acquired the stock from another person who met the test (such as by gift or inheritance) or through a conversion or exchange of QSB stock you held.
- During substantially all the time you held the stock:

1. The corporation was a C corporation,

2. At least 80% of the value of the corporation's assets were used in the active conduct of one or more qualified businesses (defined below), and

3. The corporation **was not** a foreign corporation, DISC, former DISC, regulated investment company, real estate investment trust, REMIC, FASIT, cooperative, or a corporation that has made (or that has a subsidiary that has made) a section 936 election.

Note. A specialized small business investment company (SSBIC) is treated as having met test 2 above.

A **qualified business** is any business **other than** a—

- Business involving services performed in the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts, consulting, athletics, financial services, or brokerage services.
- Business whose principal asset is the reputation or skill of one or more employees.
- Banking, insurance, financing, leasing, investing, or similar business.
- Farming business (including the raising or harvesting of trees).
- Business involving the production of products for which percentage depletion can be claimed.
- Business of operating a hotel, motel, restaurant, or similar business.

For more details about limits and additional requirements that may apply, see section 1202.

Pass-Through Entities

If you held an interest in a pass-through entity (a partnership, S corporation, or mutual fund or other regulated investment company) that sold QSB stock, you must have held the interest on the date the pass-through entity acquired the QSB stock and at all times thereafter until the stock was sold to qualify for the exclusion.

How To Report

Report in column (f) of line 8 the entire gain realized on the sale of QSB stock. In column (g) of line 8, report as 28% rate gain an amount equal to the section 1202 exclusion. Complete all other columns as indicated. Directly below the line on which you reported the gain, enter in column (a) "Section 1202 exclusion" and enter as a (loss) in column (f) the amount of the allowable exclusion.

Gain From Form 1099-DIV. If you received a Form 1099-DIV with a gain in box 2d, part or all of that gain (which is also included in box 2a) may be eligible for the section 1202 exclusion. In column (a) of line 8, enter the name of the corporation whose stock was sold. In column (f), enter the amount of your allowable exclusion as a loss. In column (g), enter the amount of your allowable exclusion as a gain.

Gain From Form 2439. If you received a Form 2439 with a gain in box 1d, part or all of that gain (which is also included in box 1a) may be eligible for the section 1202 exclusion. In column (a) of line 8, enter the name of the corporation whose stock was sold. In column (f), enter the amount of your allowable exclusion as a loss. In column (g), enter the amount of your allowable exclusion as a gain.

Alternative Minimum Tax. You must include 42% of the exclusion amount on **Form 6251,** line 14m. Complete Form 6251 to see if you owe this tax.

Rollover of Gain From QSB Stock

If you sold QSB stock (defined above) that you held for more than 6 months, you may elect to postpone gain if you purchase other QSB stock during the 60-day period that began on the date of the sale. A pass-through entity also may make the election to postpone gain. The benefit of the postponed gain applies to your share of the entity's postponed gain if you held an interest in the entity for the entire period the entity held the QSB stock. If a pass-through entity sold QSB stock held for more than 6 months and you held an interest in the entity for the entire period the entity held the stock, you also may elect to postpone gain if you, rather than the pass-through entity, purchase the replacement QSB stock within the 60-day period.

You must recognize gain to the extent the sale proceeds exceed the cost of the replacement stock. Reduce the basis of the replacement stock by any postponed gain.

You must make the election no later than the due date (including extensions) for filing your tax return for the tax year in which the QSB stock was sold. If your original return was filed on time, you may make the election on an amended return filed no later than 6 months after the due date of your return (excluding extensions). Write "Filed pursuant to section 301.9100-2" at the top of the amended return, and file it at the same address you used for your original return.

To make the election, report the entire gain realized on the sale on line 1 or 8. Directly below the line on which you reported the gain, enter in column (a) "Section 1045 rollover" and enter as a (loss) in column (f) the amount of the postponed gain.

Undistributed Capital Gains

Include on line 11, column (f), the amount from box 1a of **Form 2439.** This represents your share of the undistributed long-term capital gains of the regulated investment company (including a mutual fund) or real estate investment trust.

Include on line 11, column (g), the amount, if any, from box 1b of Form 2439. If there is an amount in box 1c of Form 2439, see the worksheet for line 25 on page D-7. If there is an amount in box 1d of Form 2439, see **Exclusion of Gain on Qualified Small Business Stock (Section 1202)** on this page.

Enter on Form 1040, line 63, the tax paid as shown in box 2 of Form 2439. Add to the basis of your stock the excess of the amount included in income over the amount of the credit for the tax paid. See Pub. 550 for more details.

Installment Sales

If you sold property (other than publicly traded stocks or securities) at a gain and you will receive a payment in a tax year after the year of sale, you must report the sale on the installment method unless you elect not to. Use **Form 6252** to report the sale on the installment method. Also use Form 6252 to report any payment received in 1999 from a sale made in an earlier year that you reported on the installment method.

To elect out of the installment method, report the full amount of the gain on Schedule D on a timely filed return (including extensions) for the year of the sale. If your original return was filed on time, you may make the election on an amended return filed no later than 6 months after the due date of your return (excluding extensions). Write "Filed pursuant to section 301.9100-2" at the top of the amended return, and file it at the same address you used for your original return.

Specific Instructions

Column (b)—Date Acquired

Enter in this column the date the asset was acquired. Use the trade date for stocks and bonds traded on an exchange or over-the-counter market. For stock or other property sold short, enter the date the stock or property was delivered to the broker or lender to close the short sale.

If you disposed of property that you acquired by inheritance, report the gain or (loss) on line 8 and enter **"INHERITED"** in column (b) instead of the date you acquired the property.

If you sold a block of stock (or similar property) that was acquired through several different purchases, you may report the sale on one line and enter **"VARIOUS"** in column (b). However, you still must report the short-term gain or (loss) on the sale in Part I and the long-term gain or (loss) in Part II.

Column (c)—Date Sold

Enter in this column the date the asset was sold. Use the trade date for stocks and bonds traded on an exchange or over-the-counter market. For stock or other property sold short, enter the date you sold the stock or property you borrowed to open the short sale transaction.

Column (d)—Sales Price

Enter in this column either the gross sales price or the net sales price from the sale. If you sold stocks or bonds and you received a **Form 1099-B** or substitute statement from your broker that shows gross sales price, enter that amount in column (d). But if Form 1099-B (or substitute statement) indicates that gross proceeds minus commissions and option premiums were reported to the IRS, enter that net amount in column (d). If you enter the net amount in column (d), **do not** include the commissions and option premiums from the sale in column (e).

You should not have received a Form 1099-B (or substitute statement) for a transaction merely representing the return of your original investment in a nontransferable obligation, such as a savings bond or a certificate of deposit. But if you did, report the amount shown on Form 1099-B (or substitute statement) in both columns (d) and (e).

CAUTION Be sure to add all sales price entries on lines 1 and 8, column (d), to amounts on lines 2 and 9, column (d). Enter the totals on lines 3 and 10.

Column (e)—Cost or Other Basis

In general, the cost or other basis is the cost of the property plus purchase commissions and improvements, minus depreciation, amortization, and depletion. If you inherited the property, got it as a gift, or received it in a tax-free exchange, involuntary conversion, or "wash sale" of stock, you may not be able to use the actual cost as the basis. If you do not use the actual cost, attach an explanation of your basis.

When selling stock, adjust your basis by subtracting all the nontaxable distributions you received before the sale. Also adjust your basis for any stock splits. See Pub. 550 for details on how to figure your basis in stock that split while you owned it.

You can choose to use an average basis for mutual fund shares if you acquired the shares at various times and prices and you left the shares on deposit in an account handled by a custodian or agent who acquired or redeemed those shares. For details on how to figure average basis, see **Pub. 564.**

The basis of property acquired by gift is generally the basis of the property in the hands of the donor. The basis of property acquired from a decedent is generally the fair market value at the date of death. See Pub. 544 for details.

Increase the cost or other basis of an original issue discount (OID) debt instrument by the amount of OID that has been included in gross income for that instrument.

If a charitable contribution deduction is allowed because of a bargain sale of property to a charitable organization, the adjusted basis for purposes of determining gain from the sale is the amount that has the same ratio to the adjusted basis as the amount realized has to the fair market value.

Increase your cost or other basis by any expense of sale, such as broker's fees, commissions, state and local transfer taxes, and option premiums, before making an entry in column (e), unless you reported the net sales price in column (d).

For more details, see **Pub. 551.**

Column (f)—Gain or (Loss)

You **must** make a separate entry in this column for each transaction reported on lines 1 and 8 and any other line(s) that applies to you. For lines 1 and 8, subtract the amount in column (e) from the amount in column (d). Enter negative amounts in parentheses.

Column (g)—28% Rate Gain or (Loss)

Enter in column (g) **only** the amount, if any, from Part II, column (f), that is equal to the amount of your section 1202 exclusion from the eligible gain on qualified small business stock (see page D-4) or from collectibles gains and losses. A **collectibles gain or loss** is any long-term gain or loss from the sale or exchange of a collectible that is a capital asset.

Collectibles include works of art, rugs, antiques, metals (such as gold, silver, and platinum bullion), gems, stamps, coins, alcoholic beverages, and certain other tangible property.

Also include gain from the sale of an interest in a partnership, S corporation, or trust attributable to unrealized appreciation of collectibles.

Lines 1 and 8

Enter all sales and exchanges of capital assets, including stocks, bonds, etc., and real estate (if not reported on Form 4684, 4797, 6252, 6781, or 8824). Include these transactions even if you did not receive a Form 1099-B or **Form 1099-S** (or substitute statement) for the transaction. You can use abbreviations to describe the property as long as they are based on the descriptions of the property as shown on Form 1099-B or 1099-S (or substitute statement).

Use **Schedule D-1** if you need more space to list transactions for lines 1 and 8. Use as many Schedules D-1 as you need. Enter on Schedule D, lines 2 and 9, the combined totals from all your Schedules D-1.

CAUTION Add the following amounts reported to you for 1999 on Forms 1099-B and 1099-S (or substitute statements): **(a)** proceeds from transactions involving stocks, bonds, and other securities, and **(b)** gross proceeds from real estate transactions, other than the sale of your main home if you had no taxable gain, not reported on another form or schedule. If this total is **more** than the total of lines 3 and 10, attach an explanation of the difference.

Capital Loss Carryover Worksheet—Line 18

Keep for Your Records

Use this worksheet to figure your capital loss carryovers from 1999 to 2000 if Schedule D, line 18, is a loss and **(a)** that loss is a smaller loss than the loss on Schedule D, line 17, **or (b)** Form 1040, line 37, is a loss. Otherwise, you do not have any carryovers.

1.	Enter the amount from Form 1040, line 37. If a loss, enclose the amount in parentheses		**1.** _____
2.	Enter the loss from Schedule D, line 18, as a positive amount		**2.** _____
3.	Combine lines 1 and 2. If zero or less, enter -0-		**3.** _____
4.	Enter the **smaller** of line 2 or line 3		**4.** _____
	Note. If line 7 of Schedule D is a loss, go to line 5; otherwise, enter -0- on line 5 and go to line 9.		
5.	Enter the loss from Schedule D, line 7, as a positive amount		**5.** _____
6.	Enter any gain from Schedule D, line 16	**6.** _____	
7.	Add lines 4 and 6		**7.** _____
8.	**Short-term capital loss carryover to 2000.** Subtract line 7 from line 5. If zero or less, enter -0-		**8.** _____
	Note. If line 16 of Schedule D is a loss, go to line 9; otherwise, skip lines 9 through 13.		
9.	Enter the loss from Schedule D, line 16, as a positive amount		**9.** _____
10.	Enter any gain from Schedule D, line 7	**10.** _____	
11.	Subtract line 5 from line 4. If zero or less, enter -0-	**11.** _____	
12.	Add lines 10 and 11		**12.** _____
13.	**Long-term capital loss carryover to 2000.** Subtract line 12 from line 9. If zero or less, enter -0-		**13.** _____

Line 25

Complete the worksheet below if **any** of the following apply to you.

- During 1999, you sold or otherwise disposed of section 1250 property (generally, real property that you depreciated) held more than 1 year.
- You received installment payments in 1999 for section 1250 property held more than 1 year for which you are reporting gain on the installment method.
- You received a Schedule K-1 from an estate or trust, partnership, or S corporation that shows "unrecaptured section 1250 gain" reportable for 1999.
- You received a Form 1099-DIV or Form 2439 from a real estate investment trust or regulated investment company (including a mutual fund) that reports "unrecaptured section 1250 gain" for 1999.
- You reported a long-term capital gain from the sale or exchange of an interest in a partnership that owned section 1250 property.

Instructions for the Unrecaptured Section 1250 Gain Worksheet

Lines 1 Through 3. If you had more than one property described on line 1, complete lines 1 through 3 for each property on a separate worksheet. Enter the total of the line 3 amounts for all properties on line 3 and go to line 4.

Line 4. To figure the amount to enter on line 4, follow the steps below.

Step 1. For each installment sale of trade or business property held more than 1 year, figure the **smaller** of **(a)** the depreciation allowed or allowable or **(b)** the total gain for the sale. This is the **smaller** of line 22 or line 24 of the 1999 Form 4797 (or the comparable lines of Form 4797 for the year of sale) for each property sold.

Step 2. Then, reduce that amount by any section 1250 ordinary income recapture for that sale. This is the amount from line 26g of the 1999 Form 4797 (or the comparable line of Form 4797 for the year of sale) for each property sold. The result is your total unrecaptured section 1250 gain that must be allocated to the installment payments received from the sale.

Step 3. Generally, the amount of section 1231 gain on each installment payment is treated as unrecaptured section 1250 gain until the total unrecaptured section 1250 gain figured in step 2 has been used in full. However, if the amount you treated as unrecaptured section 1250 gain for any installment payment received after May 6, 1997, and before August 24, 1999, is less than the amount that would have been so treated under the previous sentence, you must use the smaller amount to figure any remaining unrecaptured section 1250 gain. Therefore, the amount of gain treated as unrecaptured section 1250 gain for each installment payment received after August 23, 1999, is the **smaller** of **(a)** the amount from line 26 or line 37 of the 1999 Form 6252, whichever applies, that is allocable to that installment payment or **(b)** your total unrecaptured section 1250 gain for the sale, reduced by the amount of gain treated as unrecaptured section 1250 gain for all prior installment payments. This method also may be used to figure the amount of unrecaptured section 1250 gain allocable to 1999 installment payments received before August 24. For more details, see Regulations section 1.453-12.

Step 4. Enter on line 4 the total unrecaptured section 1250 gain allocable to **all** installment payments received in 1999.

Line 10. To figure the amount to enter on line 10, follow the applicable instructions below.

Installment Sales. Follow the steps below to figure the amount to include on line 10:

- **Step 1.** For each installment sale of property held more than 1 year (but not included on line 4), figure the **smaller** of **(a)** the depreciation allowed or allowable or **(b)** the total gain for the sale. This is the **smaller** of line 22 or line 24 of the 1999 Form 4797 (or the comparable lines of Form 4797 for the year of sale) for each property sold.
- **Step 2.** Reduce the amount from step 1 by any section 1250 ordinary income recapture for that sale. This is the amount from line 26g of the 1999 Form 4797 (or the comparable line of Form 4797 for the year of sale) for each property sold. The result is your total unrecaptured section 1250 gain that must be allocated to the installment payments received from the sale.
- **Step 3.** Generally, the amount of capital gain on each installment payment is treated as unrecaptured section 1250 gain until the total unrecaptured section 1250 gain figured in step 2 has been used in full. However, if the amount you treated as unrecaptured section 1250 gain for any installment payment received after May 6, 1997, and before August 24, 1999, is less than the amount that would have been so treated under the previous sentence, you must use the smaller amount to figure any remaining unrecaptured section 1250 gain. Therefore, the amount of gain treated as unrecaptured section 1250 gain for each installment payment received after August 23, 1999, is the

Unrecaptured Section 1250 Gain Worksheet—Line 25

Keep for Your Records

TIP If any of the following apply, you do not have to complete all of the worksheet. Instead, follow the instructions below:

- Go to line 4 if your only unrecaptured section 1250 gain is from an installment sale of trade or business property held more than 1 year that you are reporting on Form 6252.
- Go to line 5 if your only unrecaptured section 1250 gain is from a Schedule K-1 reporting such gain from a partnership or an S corporation.
- Go to line 10 if your only unrecaptured section 1250 gain is from a sale (including an installment sale) or other disposition of section 1250 property held more than 1 year, but that is not being reported in Part I of Form 4797.
- Go to line 10 if your only unrecaptured section 1250 gain is from the sale or exchange of an interest in a partnership.
- Go to line 11 if your only unrecaptured section 1250 gain is from a Schedule K-1, Form 1099-DIV, or Form 2439 reporting such gain from an estate, trust, real estate investment trust, or regulated investment company (including a mutual fund).

1.	If you had a section 1250 property in Part III of Form 4797 for which you made an entry in column (g) of Part I of Form 4797 (but not on Form 6252), enter the **smaller** of line 22 or line 24 of Form 4797 for that property. If you had more than one such property, see instructions		**1.**
2.	Enter the amount from Form 4797, line 26g, for the property for which you made an entry on line 1		**2.**
3.	Subtract line 2 from line 1		**3.**
4.	Enter the total unrecaptured section 1250 gain included on line 26 or line 37 of Form(s) 6252 from installment sales of trade or business property held more than 1 year (see instructions)		**4.**
5.	Enter the total of any amounts reported to you on Schedules K-1 from a partnership or an S corporation as "unrecaptured section 1250 gain"		**5.**
6.	Add lines 3 through 5		**6.**
7.	Enter the **smaller** of line 6 or the gain, if any, from Form 4797, line 7	**7.**	
8.	Enter the amount, if any, from Form 4797, line 8	**8.**	
9.	Subtract line 8 from line 7. If zero or less, enter -0-		**9.**
10.	Enter the total unrecaptured section 1250 gain from sales (including installment sales) or other dispositions of section 1250 property held more than 1 year (but not included on any of the above lines). Also include gain from the sale or exchange of an interest in a partnership attributable to section 1250 gain (see instructions)		**10.**
11.	Enter the total of any amounts reported to you on Schedules K-1 and Forms 1099-DIV and 2439 as "unrecaptured section 1250 gain" from an estate, trust, real estate investment trust, or mutual fund (or other regulated investment company)		**11.**
12.	Add lines 9 through 11		**12.**
13.	Enter the gain or (loss) from Schedule D, line 15	**13.**	
14.	Enter the (loss), if any, from Schedule D, line 7. If Schedule D, line 7, is zero or a gain, enter -0-	**14.**	
15.	Combine lines 13 and 14. If the result is zero or a gain, enter -0-. If the result is a (loss), enter it as a positive amount		**15.**
16.	Subtract line 15 from line 12. If zero or less, enter -0-. Enter the result on Schedule D, line 25		**16.**

smaller of **(a)** the amount from line 26 or line 37 of the 1999 Form 6252, whichever applies, that is allocable to that installment payment or **(b)** your total unrecaptured section 1250 gain for the sale, reduced by the amount of gain treated as unrecaptured section 1250 gain for all prior installment payments. This method also may be used to figure the amount of unrecaptured section 1250 gain allocable to 1999 installment payments received before August 24. For more details, see Regulations section 1.453-12.

- **Step 4.** Include on line 10 the total unrecaptured section 1250 gain allocable to **all** installment payments received in 1999.

Other Sales or Dispositions of Section 1250 Property. For each sale of property held more than 1 year (but not included on line 1), figure the **smaller** of **(a)** the depreciation allowed or allowable or **(b)** the total gain for the sale. This is the **smaller** of line 22 or line 24 of the 1999 Form 4797 (or the comparable lines of Form 4797 for the year of sale) for each property sold. Then, reduce that amount by any section 1250 ordinary income recapture for that sale. This is the amount from line 26g of the 1999 Form 4797 (or the comparable line of Form 4797 for the year of sale) for each property sold. The result is your total unrecaptured section 1250 gain that must be included on line 10.

Sale or Exchange of a Partnership Interest Held More Than 1 Year. Include on line 10 your share of the partnership's unrecaptured section 1250 gain that would result if the partnership had transferred all of its section 1250 property in a fully taxable transaction immediately before you sold or exchanged your interest in that partnership. If you recognized less than all of the realized gain, the partnership will be treated as having transferred only a proportionate amount of each section 1250 property.

1999 Instructions for Schedule E, Supplemental Income and Loss

Use Schedule E (Form 1040) to report income or loss from rental real estate, royalties, partnerships, S corporations, estates, trusts, and residual interests in REMICs.

You may attach your own schedule(s) to report income or loss from any of these sources. Use the same format as on Schedule E.

Enter separately on Schedule E the total income and the total loss for each part. Enclose loss figures in (parentheses).

Part I

Income or Loss From Rental Real Estate and Royalties

Use Part I to report:

- Income and expenses from rentals of real estate (including personal property leased with real estate), and
- Royalty income and expenses.

See the instructions for lines 3 and 4 to determine if you should report your rental real estate and royalty income on **Schedule C, Schedule C-EZ,** or **Form 4835** instead of Schedule E.

If you own a part interest in a rental real estate property, report only your part of the income and expenses on Schedule E.

If you have more than three rental real estate or royalty properties, complete and attach as many Schedules E as you need to list them. Complete lines 1 and 2 for each property. But fill in the "Totals" column on only one Schedule E. The figures in the "Totals" column on that Schedule E should be the combined totals of all your Schedules E.

If you are also using page 2 of Schedule E, use the same Schedule E on which you entered the combined totals for Part I.

Personal Property. Do not use Schedule E to report income and expenses from the rental of personal property, such as equipment or vehicles. Instead, use Schedule C or C-EZ if you are in the business of renting personal property. You are in the business of renting personal property if the primary purpose for renting the property is income or profit and you are involved in the rental activity with continuity and regularity.

If your rental of personal property is not a business, see the Instructions for Form 1040, lines 21 and 32, to find out how to report the income and expenses.

Filers of Form 1041

If you are a fiduciary filing Schedule E with Form 1041, enter the estate's or trust's employer identification number (EIN) in the block for "Your social security number."

Line 1

For rental real estate property only, show:

- The kind of property you rented (for example, brick duplex).
- The street address, city or town, and state. You do not have to give the ZIP code.
- Your percentage of ownership in the property, if less than 100%.

Line 2

If you rented out a dwelling unit that you also used for **personal purposes** during the year, you may not be able to deduct all the expenses for the rental part. "Dwelling unit" (unit) means a house, apartment, condominium, or similar property.

A day of **personal use** is any day, or part of a day, that the unit was used by:

- You for personal purposes.
- Any other person for personal purposes, if that person owns part of the unit (unless rented to that person under a "shared equity" financing agreement).
- Anyone in your family (or in the family of someone else who owns part of the unit), unless the unit is rented at a fair rental price to that person as his or her main home.
- Anyone who pays less than a fair rental price for the unit.
- Anyone under an agreement that lets you use some other unit.

Do not count as personal use:

- Any day you spent working substantially full time repairing and maintaining the unit, even if family members used it for recreational purposes on that day.
- The days you used the unit as your main home before or after renting it or offering it for rent, if you rented or tried to rent it for at least 12 consecutive months (or for a period of less than 12 consecutive months at the end of which you sold or exchanged it).

Check "Yes" if you or your family used the unit for personal purposes in 1999 more than the **greater** of:

1. 14 days, or

2. 10% of the total days it was rented to others at a fair rental price.

Otherwise, check "No."

If you checked "No," you can deduct all your expenses for the rental part, subject to the **At-Risk Rules** and the **Passive Activity Loss Rules** explained on pages E-3 and E-4.

If you checked "Yes" and rented the unit out for fewer than 15 days, do not report the rental income and do not deduct any rental expenses. If you itemize deductions on Schedule A, you may deduct allowable interest, taxes, and casualty losses.

If you checked "Yes" and rented the unit out for at least 15 days, you may NOT be able to deduct all your rental expenses. You can deduct all of the following expenses for the rental part on Schedule E:

- Mortgage interest.
- Real estate taxes.
- Casualty losses.
- Other rental expenses not related to your use of the unit as a home, such as advertising expenses and rental agents' fees.

If any income is left after deducting these expenses, you can deduct other expenses, including depreciation, up to the amount of remaining income. You can carry over to 2000 the amounts you cannot deduct.

See **Pub. 527** for more details.

Line 3

If you received rental income from real estate (including personal property leased with real estate) but you were not in the real estate business, report the income on line 3. Include income received for renting a room or other space. If you received services or

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property instead of money as rent, report the fair market value as rental income.

Be sure to enter the total of all your rents in the "Totals" column even if you have only one property.

If you provided significant services to the renter, such as maid service, report the rental activity on Schedule C or C-EZ, not on Schedule E. Significant services **do not** include the furnishing of heat and light, cleaning of public areas, trash collection, or similar services.

If you were in the real estate sales business, include on line 3 only the rent received from real estate (including personal property leased with real estate) you held for investment or speculation. Do not use Schedule E to report income and expenses from rentals of real estate held for sale to customers in the ordinary course of your real estate sales business. Instead, use Schedule C or C-EZ for these rentals.

For more details on rental income, use TeleTax topic 414 (see page 10 of the Form 1040 instructions) or see Pub. 527.

Rental Income From Farm Production or Crop Shares. Report farm rental income and expenses on Form 4835 if:

- You received rental income based on crops or livestock produced by the tenant, **and**
- You did not manage or operate the farm to any great extent.

Line 4

Report on line 4 **royalties** from oil, gas, or mineral properties (not including operating interests); copyrights; and patents. Enter your total royalties in the "Totals" column.

If you received $10 or more in royalties during 1999, you should receive a **Form 1099-MISC** or similar statement, showing the amount of royalties you received. The payer must send this statement to you by January 31, 2000.

If you are in business as a self-employed writer, inventor, artist, etc., report your royalty income and expenses on Schedule C or C-EZ.

You may be able to treat amounts received as "royalties" for transfer of a patent or amounts received on the disposal of coal and iron ore as the sale of a capital asset. For details, see **Pub. 544.**

Enter on line 4 the gross amount of royalty income, even if state or local taxes were withheld from oil or gas payments you received. Include taxes withheld by the producer on line 16.

General Instructions for Lines 5 Through 21

Enter your rental and royalty expenses for each property in the appropriate column. You can deduct all ordinary and necessary expenses, such as taxes, interest, repairs, insurance, management fees, agents' commissions, and depreciation.

Do not deduct the value of your own labor or amounts paid for capital investments or capital improvements.

Enter your total expenses for mortgage interest (line 12), total expenses before depreciation expense or depletion (line 19), and depreciation expenses or depletion (line 20) in the "Totals" column even if you have only one property.

Renting Out Part of Your Home. If you rent out only part of your home or other property, deduct the part of your expenses that applies to the rented part.

Credit or Deduction for Access Expenditures. You may be able to claim a tax credit for eligible expenditures paid or incurred in 1999 to provide access to your business for individuals with disabilities. See **Form 8826** for details.

You can also deduct up to $15,000 of qualified costs paid or incurred in 1999 to remove architectural or transportation barriers to individuals with disabilities and the elderly.

You cannot take both the credit and the deduction for the same expenditures. See **Pub. 535** for details.

Line 6

You may deduct ordinary and necessary auto and travel expenses related to your rental activities, including 50% of meal expenses incurred while traveling away from home. You generally can deduct either your actual expenses or take the standard mileage rate. You **must** use actual expenses if you use more than one vehicle simultaneously in your rental activities (as in fleet operations). You cannot use actual expenses for a leased vehicle if you previously used the standard mileage rate for that vehicle.

You can use the standard mileage rate for 1999 **only** if:

- You owned the vehicle and use the standard mileage rate for the first year you placed the vehicle in service, or
- You leased the vehicle and are using the standard mileage rate for the entire lease period (except the period, if any, before 1998).

If you deduct actual auto expenses:

- Include on line 6 the rental activity portion of the cost of gasoline, oil, repairs, insurance, tires, etc., and
- Show auto rental or lease payments on line 18 and depreciation on line 20.

If you want to take the standard mileage rate, multiply the number of miles you drove your auto in connection with your rental activities:

- **Before** April 1, 1999, by 32.5 cents; and
- **After** March 31, 1999, by 31 cents.

Include this amount and your parking fees and tolls on line 6.

If you claim any auto expenses (actual or the standard mileage rate), you must provide the information requested in Part V of **Form 4562** and attach Form 4562 to your return.

See Pub. 527 and **Pub. 463** for more details.

Line 10

Include on line 10 fees for tax advice and the preparation of tax forms related to your rental real estate or royalty properties.

Do not deduct legal fees paid or incurred to defend or protect title to property, to recover property, or to develop or improve property. Instead, you must capitalize these fees and add them to the property's basis.

Lines 12 and 13

In general, to determine the interest expense allocable to your rental activities, you must have records to show how the proceeds of each debt were used. Specific tracing rules apply for allocating debt proceeds and repayment. See Pub. 535 for details.

If you have a mortgage on your rental property, enter on line 12 the amount of interest you paid for 1999 to banks or other financial institutions. Be sure to fill in the "Totals" column.

Do not deduct prepaid interest when you paid it. You can deduct it only in the year to which it is properly allocable. Points, including loan origination fees, charged only for the use of money must be deducted over the life of the loan.

If you paid $600 or more in interest on a mortgage, the recipient should send you a **Form 1098** or similar statement by January 31, 2000, showing the total interest received from you during 1999.

If you paid more mortgage interest than is shown on your Form 1098 or similar statement, see Pub. 535 to find out if you can deduct the additional interest. If you can, enter the entire amount on line 12. Attach a statement to your return explaining the dif-

ference. Write "See attached" in the left margin next to line 12.

Note. If the recipient was not a financial institution or you did not receive a Form 1098 from the recipient, report your deductible mortgage interest on line 13.

If you and at least one other person (other than your spouse if you file a joint return) were liable for and paid interest on the mortgage, and the other person received Form 1098, report your share of the interest on line 13. Attach a statement to your return showing the name and address of the person who received Form 1098. In the left margin next to line 13, write "See attached."

Line 14

You may deduct the cost of repairs made to keep your property in good working condition. Repairs generally do not add significant value to the property or extend its life. Examples of repairs are fixing a broken lock or painting a room. Improvements that increase the value of the property or extend its life, such as replacing a roof or renovating a kitchen, must be capitalized and depreciated (i.e., they cannot be deducted in full in the year they are paid or incurred). See the instructions for line 20.

Line 17

You may deduct the actual cost of ordinary and necessary telephone calls that are related to your rental activities or royalty income (e.g., calls to the renter). However, the base rate (including taxes and other charges) for local telephone service for the first telephone line into your residence is a personal expense and is not deductible.

Line 20

Depreciation is the annual deduction you must take to recover the cost or other basis of business or investment property having a useful life substantially beyond the tax year. Land is not depreciable.

Depreciation starts when you first use the property in your business or for the production of income. It ends when you take the property out of service, deduct all your depreciable cost or other basis, or no longer use the property in your business or for the production of income.

See the Instructions for Form 4562 to figure the amount of depreciation to enter on line 20. Be sure to fill in the "Totals" column.

You must complete and attach Form 4562 **only** if you are claiming:

- Depreciation on property first placed in service during 1999;
- Depreciation on listed property (defined in the Instructions for Form 4562), including a vehicle, regardless of the date it was placed in service; or
- A section 179 expense deduction or amortization of costs that began in 1999.

See Pub. 527 for more information on depreciation of residential rental property. See **Pub. 946** for a more comprehensive guide to depreciation.

If you own mineral property or an oil, gas, or geothermal well, you may be able to take a deduction for depletion. See Pub. 535 for details.

Line 22

At-Risk Rules

Generally, you must complete **Form 6198** to figure your allowable loss if you have:

- A loss from an activity carried on as a trade or business or for the production of income, **and**
- Amounts in the activity for which you are not at risk.

The at-risk rules generally limit the amount of loss (including loss on the disposition of assets) you can claim to the amount you could actually lose in the activity. However, the at-risk rules do not apply to losses from an activity of holding real property, if you acquired your interest in the activity before 1987 and the property was placed in service before 1987. The activity of holding mineral property does not qualify for this exception.

In most cases, you are **not** at risk for amounts such as:

- Nonrecourse loans used to finance the activity, to acquire property used in the activity, or to acquire your interest in the activity that are not secured by your own property (other than property used in the activity). However, there is an exception for certain nonrecourse financing borrowed by you in connection with holding real property. See **Qualified nonrecourse financing** below.
- Cash, property, or borrowed amounts used in the activity (or contributed to the activity, or used to acquire your interest in the activity) that are protected against loss by a guarantee, stop-loss agreement, or other similar arrangement (excluding casualty insurance and insurance against tort liability).
- Amounts borrowed for use in the activity from a person who has an interest in the activity (other than as a creditor) or who is related, under Internal Revenue Code section 465(b)(3), to a person (other than you) having such an interest.

Qualified nonrecourse financing is treated as an amount at risk if it is secured by real property used in an activity of holding real property that is subject to the at-risk rules. Qualified nonrecourse financing is financing for which no one is personally liable for repayment and is:

- Borrowed by you in connection with holding real property,
- Not convertible from a debt obligation to an ownership interest, **and**
- Loaned or guaranteed by any Federal, state, or local government, or borrowed by you from a **qualified person.**

A **qualified person** is a person who actively and regularly engages in the business of lending money, such as a bank or savings and loan association. A qualified person **cannot** be:

- Related to you (unless the nonrecourse financing obtained is commercially reasonable and on the same terms as loans involving unrelated persons), or
- The seller of the property (or a person related to the seller), or
- A person who receives a fee due to your investment in real property (or a person related to that person).

If you have amounts for which you are not at risk, use Form 6198 to determine the amount of your deductible loss. Enter that amount in the appropriate column of Schedule E, line 22. In the space to the left of line 22, write "Form 6198." Attach Form 6198 to your return.

Line 23

Note. Do not complete line 23 if the amount on line 22 is from royalty properties.

If you have a rental real estate loss from a passive activity (defined later), the amount of loss you can deduct may be limited by the passive activity loss rules. You may need to complete **Form 8582** to figure the amount of loss, if any, to enter on line 23.

If your rental real estate loss is not from a passive activity **OR** you meet the following exception, you do not have to complete Form 8582. Enter the loss from line 22 on line 23.

Exception for Certain Rental Real Estate Activities. If you meet **ALL THREE** of the following conditions, your rental real estate losses are not limited by the passive activity loss rules. If you **do not** meet **ALL THREE** of these conditions, see the Instructions for Form 8582 to find out if you must complete and attach Form 8582.

1. Rental real estate activities are your only passive activities.

2. You do not have any prior year unallowed losses from any passive activities.

3. All of the following apply if you have an overall net loss from these activities:

- You actively participated (defined later) in all of the rental real estate activities; **and**
- If married filing separately, you lived apart from your spouse all year; **and**
- Your overall net loss from these activities is $25,000 or less ($12,500 or less if married filing separately); **and**
- You have no current or prior year unallowed credits from passive activities; **and**
- Your modified adjusted gross income (defined later) is $100,000 or less ($50,000 or less if married filing separately).

Active Participation. You can meet the active participation requirement without regular, continuous, and substantial involvement in real estate activities. But you must have participated in making management decisions or arranging for others to provide services (such as repairs) in a significant and bona fide sense. Such management decisions include:

- Approving new tenants.
- Deciding on rental terms.
- Approving capital or repair expenditures.
- Other similar decisions.

You are not considered to actively participate if, at any time during the tax year, your interest (including your spouse's interest) in the activity was less than 10% by value of all interests in the activity.

Modified Adjusted Gross Income. This is your adjusted gross income from Form 1040, line 33, without taking into account:

- Any passive activity loss.
- Rental real estate losses allowed under the exception for real estate professionals (explained on this page).
- Taxable social security or equivalent railroad retirement benefits.
- Deductible contributions to an IRA or certain other qualified retirement plans under Internal Revenue Code section 219.
- The student loan interest deduction.
- The deduction for one-half of self-employment tax.
- The exclusion of amounts received under an employer's adoption assistance program.

However, if you file **Form 8815,** include in your modified adjusted gross income the savings bond interest excluded on line 14 of that form.

Passive Activity Loss Rules

The passive activity loss rules may limit the amount of losses you can deduct. These rules apply to losses in Parts I, II, and III, and line 39 of Schedule E.

Losses from passive activities may be subject first to the at-risk rules. Losses deductible under the at-risk rules are then subject to the passive activity loss rules.

You generally can deduct losses from passive activities only to the extent of income from passive activities. An exception applies to certain rental real estate activities (as previously explained).

Passive Activity. A passive activity is any business activity in which you **do not** materially participate and any rental activity, except as provided on this page. If you are a limited partner, you generally are not treated as having materially participated in the partnership's activities for the year.

The rental of real or personal property is generally a rental activity under the passive activity loss rules, but exceptions apply. If your rental of property is not treated as a rental activity, you must determine whether it is a trade or business activity, and if so, whether you materially participated in the activity for the tax year.

See the Instructions for Form 8582 to determine whether you materially participated in the activity and for the definition of "rental activity."

See **Pub. 925** for special rules that apply to rentals of:

- Substantially nondepreciable property.
- Property incidental to development activities.
- Property to activities in which you materially participate.

Exception for Real Estate Professionals. If you were a real estate professional in 1999, any rental real estate activity in which you materially participated is not a passive activity. You were a **real estate professional** only if you met **both** of the following conditions:

1. More than half of the personal services you performed in trades or businesses were performed in real property trades or businesses in which you materially participated, and

2. You performed more than 750 hours of services in real property trades or businesses in which you materially participated.

For purposes of this rule, each interest in rental real estate is a separate activity, unless you elect to treat all your interests in rental real estate as one activity. To make this election, attach a statement to your original tax return that declares you are a qualifying taxpayer for the year and you are making the election under Internal Revenue Code section 469(c)(7)(A). The election applies for the year made and all later years in which you are a real estate professional. You may revoke the election only if your facts and circumstances materially change.

If you are married filing jointly, either you or your spouse must separately meet both of the above conditions, without taking into account services performed by the other spouse.

A real property trade or business is any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing, or brokerage trade or business. Services you performed as an employee are not treated as performed in a real property trade or business unless you owned more than 5% of the stock (or more than 5% of the capital or profits interest) in the employer.

If you were a real estate professional for 1999, complete line 42 on page 2 of Schedule E.

Other Exceptions. The rental of your home that you also used for personal purposes is not a passive activity. See the instructions for line 2.

A working interest in an oil or gas well that you hold directly or through an entity that does not limit your liability is not a passive activity even if you do not materially participate.

Royalty income not derived in the ordinary course of a trade or business reported on Schedule E generally is not considered income from a passive activity.

For more details on passive activities, see the Instructions for Form 8582 and Pub. 925.

Parts II and III

If you need more space in Part II or III to list your income or losses, attach a continuation sheet using the same format as shown in Part II or III. However, be sure to complete the "Totals" columns for lines 28a and 28b, or lines 33a and 33b, as appropriate. If you also completed Part I on more than one Schedule E, use the same Schedule E on which you entered the combined totals in Part I.

Tax Shelter Registration Number. Complete and attach **Form 8271** if you are reporting any deduction, loss, credit, other tax benefit, or income from an interest purchased or otherwise acquired in a tax shelter.

Form 8271 is used to report the name, tax shelter registration number, and identifying number of the tax shelter. There is a $250 penalty if you do not report the registration number of the tax shelter on your tax return.

Tax Preference Items. If you are a partner, a shareholder in an S corporation, or a beneficiary of an estate or trust, you must take into account your share of preferences and adjustments from these entities for the alternative minimum tax on **Form 6251** or Schedule I of **Form 1041.**

Part II

Income or Loss From Partnerships and S Corporations

If you are a member of a partnership or joint venture or a shareholder in an S corporation, use Part II to report your share of the partnership or S corporation income (even if not received) or loss.

You should receive a **Schedule K-1** from the partnership or the S corporation. You should also receive a copy of the Partner's or Shareholder's Instructions for Schedule K-1. Your copy of Schedule K-1 and its instructions will tell you where on your return to report your share of the items. If you did not receive these instructions with your Schedule K-1, see page 7 of the Form 1040 instructions for how to get a copy. **Do not** attach Schedules K-1 to your return. Keep them for your records.

If you are treating items on your tax return differently from the way the partnership or S corporation reported them on its return, you may have to file **Form 8082.**

Special Rules Apply That Limit Losses. Please note the following:

- If you have a current year loss, or a prior year unallowed loss, from a partnership or an S corporation, see **At-Risk Rules** and **Passive Activity Loss Rules** on pages E-3 and E-4.

Partners and S corporation shareholders should get a separate statement of income, expenses, deductions, and credits for each activity engaged in by the partnership and S corporation. If you are subject to the at-risk rules for any activity, use Form 6198 to figure the amount of any deductible loss. If the activity is nonpassive, enter any deductible loss from Form 6198 on the appropriate line in Part II, column (i), of Schedule E.

- If you have a passive activity loss, you generally need to complete Form 8582 to figure the amount of the allowable loss to enter in Part II, column (g), for that activity. But if you are a **general** partner or an S corporation shareholder reporting your share of a partnership or an S corporation loss from a rental real estate activity, **and** you meet **ALL THREE** of the conditions listed in the instructions for line 23, you do not have to complete Form 8582. Instead, enter your allowable loss in Part II, column (g).

If you have passive activity income, complete Part II, column (h), for that activity.

If you have nonpassive income or losses, complete Part II, columns (i) through (k), as appropriate.

Partnerships

See the Schedule K-1 instructions before entering on your return other partnership items from a passive activity or income or loss from any publicly traded partnership.

If you have other partnership items, such as depletion, from a nonpassive activity, show each item on a separate line in Part II. You may deduct unreimbursed ordinary and necessary expenses you paid on behalf of the partnership if you were required to pay these expenses under the partnership agreement. Enter deductible **unreimbursed partnership expenses** from nonpassive activities on a separate line in Part II, column (i). However, enter on Schedule A any unreimbursed partnership expenses deductible as itemized deductions.

Report allowable interest expense paid or incurred from debt-financed acquisitions in Part II or on Schedule A depending on the type of expenditure to which the interest is allocated. See Pub. 535 for details.

If you claimed a credit for Federal tax on gasoline or other fuels on your 1998 Form 1040 based on information received from the partnership, enter as income in column (h) or column (k), whichever applies, the amount of the credit claimed in 1998.

If you have losses or deductions from a prior year that you could not deduct because of the at-risk or basis rules, and the amounts are now deductible, do not combine the prior year amounts with any current year amounts to arrive at a net figure to report on Schedule E. Instead, report the prior year amounts and the current year amounts on separate lines of Schedule E.

Part or all of your share of partnership income or loss from the operation of the business may be considered net earnings from self-employment that must be reported on **Schedule SE.** Enter the amount from Schedule K-1 (Form 1065), line 15a, on Schedule SE, after you reduce this amount by any allowable expenses attributable to that income.

Contributions of Property to Foreign Partnerships. If you are a U.S. person who contributed property after August 5, 1997, to a foreign partnership in exchange for a partnership interest, you may have to file **Form 8865** if:

- Immediately after the contribution, you owned, directly or indirectly, at least a 10% interest in the partnership, **or**
- The fair market value of the property you contributed to the partnership in exchange for a partnership interest, when added to other contributions of property you made to the partnership during the preceding 12-month period, exceeds $100,000.

Also, you may have to file Form 8865 to report certain dispositions by a foreign partnership of property you previously contributed to that partnership if you were a partner at the time of the disposition. For more details, including penalties that may apply, see Form 8865 and its separate instructions.

S Corporations

If you are a shareholder in an S corporation, your share of the corporation's aggregate losses and deductions (combined income, losses, and deductions) is limited to the adjusted basis of your corporate stock and any debt the corporation owes you. Any loss or deduction not allowed this year because of the basis limitation may be carried forward and deducted in a later year subject to the basis limitation for that year.

If you are claiming a deduction for your share of an aggregate loss, attach to your return a computation of the adjusted basis of your corporate stock and of any debt the corporation owes you. See the Schedule K-1 instructions for more information.

After applying the basis limitation, the deductible amount of your aggregate losses and deductions may be further reduced by the at-risk rules and the passive activity loss rules explained earlier.

If you have losses or deductions from a prior year that you could not deduct because of the basis or at-risk limitations, and the amounts are now deductible, **do not** combine the prior year amounts with any current year amounts to arrive at a net figure to report on Schedule E. Instead, report the prior year amounts and the current year amounts on separate lines of Schedule E.

Distributions of prior year accumulated earnings and profits of S corporations are dividends and are reported on Form 1040, line 9.

Interest expense relating to the acquisition of shares in an S corporation may be fully deductible on Schedule E. For details, see Pub. 535.

Your share of the net income of an S corporation is NOT subject to self-employment tax.

Part III

Income or Loss From Estates and Trusts

If you are a beneficiary of an estate or trust, use Part III to report your part of the income

(even if not received) or loss. You should receive a **Schedule K-1** (Form 1041) from the fiduciary. Your copy of Schedule K-1 and its instructions will tell you where on your return to report the items from Schedule K-1. **Do not** attach Schedule K-1 to your return. Keep it for your records.

If you are treating items on your tax return differently from the way the estate or trust reported them on its return, you may have to file Form 8082.

If you have estimated taxes credited to you from a trust (Schedule K-1, line 14a), write "ES payment claimed" and the amount on the dotted line next to line 36. **Do not** include this amount in the total on line 36. Instead, enter the amount on Form 1040, line 58.

A U.S. person who transferred property to a foreign trust may have to report the income received by the trust as a result of the transferred property if, during 1999, the trust had a U.S. beneficiary. For details, see **Form 3520.**

Part IV

Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)

If you are the holder of a residual interest in a real estate mortgage investment conduit (REMIC), use Part IV to report your total share of the REMIC's taxable income or loss for each quarter included in your tax year. You should receive **Schedule Q** (Form 1066) and instructions from the REMIC for each quarter. **Do not** attach Schedules Q to your return. Keep them for your records.

If you are treating REMIC items on your tax return differently from the way the REMIC reported them on its return, you may have to file Form 8082.

If you are the holder of a residual interest in more than one REMIC, attach a continuation sheet using the same format as in Part IV. Enter the totals of columns (d) and (e) on line 38 of Schedule E. If you also completed Part I on more than one Schedule E, use the same Schedule E on which you entered the combined totals in Part I.

REMIC income or loss is not income or loss from a passive activity.

Note. If you are the holder of a regular interest in a REMIC, do not use Schedule E to report the income you received. Instead, report it on Form 1040, line 8a.

Column (c). Report the total of the amounts shown on Schedule(s) Q, line 2c. This is the **smallest** amount you are allowed to report as your taxable income (Form 1040, line 39). It is also the **smallest** amount you are allowed to report as your alternative minimum taxable income (AMTI) (Form 6251, line 21).

If the amount in column (c) is larger than your taxable income would otherwise be, enter the amount from column (c) on Form 1040, line 39. Similarly, if the amount in column (c) is larger than your AMTI would otherwise be, enter the amount from column (c) on Form 6251, line 21. Write "Sch. Q" on the dotted line to the left of this amount on Forms 1040 and 6251.

Note. These rules also apply to estates and trusts that hold a residual interest in a REMIC. Be sure to make the appropriate entries on the comparable lines on Form 1041.

CAUTION

Do not include the amount shown in column (c) in the total on line 38 of Schedule E.

Column (e). Report the total of the amounts shown on Schedule(s) Q, line 3b. If you itemize your deductions on Schedule A, include this amount on line 22.

Part V

Summary

Line 41

You will not be charged a penalty for underpayment of estimated tax if:

1. Your gross farming or fishing income for 1998 or 1999 is at least two-thirds of your gross income, and

2. You file your 1999 tax return and pay the tax due by March 1, 2000.

1999 Instructions for Schedule SE, Self-Employment Tax

Use Schedule SE (Form 1040) to figure the tax due on net earnings from self-employment. The Social Security Administration uses the information from Schedule SE to figure your benefits under the social security program. This tax applies no matter how old you are and even if you are already getting social security or Medicare benefits.

Additional Information. See **Pub. 533** for more details.

General Instructions

A Change To Note

For 1999, the maximum amount of self-employment income subject to social security tax is $72,600.

Who Must File Schedule SE

You must file Schedule SE if:

1. You were self-employed and your net earnings from self-employment from other than church employee income were $400 or more, or

2. You had church employee income of $108.28 or more—see **Employees of Churches and Church Organizations** below.

Who Must Pay Self-Employment (SE) Tax?

Self-Employed Persons

You must pay SE tax if you had net earnings of $400 or more as a self-employed person. If you are in business for yourself or you are a farmer, you are self-employed.

You must also pay SE tax on your share of certain partnership income and your guaranteed payments. See **Partnership Income or Loss** on page SE-2.

Employees of Churches and Church Organizations

If you had church employee income of $108.28 or more, you must pay SE tax. **Church employee income** is wages you received as an employee (other than as a minister or member of a religious order) from a church or qualified church-controlled organization that has a certificate in effect electing an exemption from employer social security and Medicare taxes.

Ministers and Members of Religious Orders

In most cases, you must pay SE tax on salaries and other income for services you performed as a minister, a member of a religious order who has not taken a vow of poverty, or a Christian Science practitioner. But if you filed **Form 4361** and received IRS approval, you will be exempt from paying SE tax on those net earnings. If you had no other income subject to SE tax, write "Exempt–Form 4361" on line 50 of Form 1040. However, if you had other earnings of $400 or more subject to SE tax, see line A at the top of Long Schedule SE.

Note. If you have ever filed **Form 2031** to elect social security coverage on your earnings as a minister, you cannot revoke that election now.

If you must pay SE tax, include this income on line 2 of either Short or Long Schedule SE. But do not report it on line 5a of Long Schedule SE; it is not considered church employee income. Also, include on line 2:

- The rental value of a home or an allowance for a home furnished to you (including payments for utilities) and
- The value of meals and lodging provided to you, your spouse, and your dependents for your employer's convenience.

However, **do not** include on line 2:

- Retirement benefits you received from a church plan after retirement, or
- The rental value of a home or an allowance for a home furnished to you (including payments for utilities) after retirement.

If you were a duly ordained minister who was an employee of a church and you must pay SE tax, the unreimbursed business expenses that you incurred as a church employee are allowed only as an itemized deduction for income tax purposes. Subtract the allowable amount from your SE earnings when figuring your SE tax.

If you were a U.S. citizen or resident alien serving outside the United States as a minister or member of a religious order and you must pay SE tax, you may not reduce your net earnings by the foreign housing exclusion or deduction.

For more details, see **Pub. 517.**

Members of Certain Religious Sects

If you have conscientious objections to social security insurance because of your membership in and belief in the teachings of a religious sect recognized as being in existence at all times since December 31, 1950, and which has provided a reasonable level of living for its dependent members, you are exempt from SE tax if you received IRS approval by filing **Form 4029.** In this case, do not file Schedule SE. Instead, write "Exempt–Form 4029" on Form 1040, line 50. See Pub. 517 for more details.

U.S. Citizens Employed by Foreign Governments or International Organizations

You must pay SE tax on income you earned as a U.S. citizen employed by a foreign government (or, in certain cases, by a wholly owned instrumentality of a foreign government or an international organization under the International Organizations Immunities Act) for services performed in the United States, Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands (CNMI), or the Virgin Islands. Report income from this employment on Schedule SE (Section A or B), line 2. If you performed services elsewhere as an employee of a foreign government or an international organization, those earnings are exempt from SE tax.

U.S. Citizens or Resident Aliens Living Outside the United States

If you are a self-employed U.S. citizen or resident alien living outside the United States, in most cases you must pay SE tax. You may not reduce your foreign earnings from self-employment by your foreign earned income exclusion.

Exception. The United States has social security agreements with many countries to eliminate dual taxes under two social security systems. Under these agreements, you must generally pay social security and Medicare taxes to only the country you live in.

The United States now has social security agreements with the following countries:

Cat. No. 24334P

Austria, Belgium, Canada, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom. Additional agreements are expected in the future. For more information, contact:

Social Security Administration
Office of International Programs
P.O. Box 17741
Baltimore, MD 21235

More Than One Business

If you were a farmer and had at least one other business or you had two or more businesses, your net earnings from self-employment are the combined net earnings from all of your businesses. If you had a loss in one business, it reduces the income from another. Figure the combined SE tax on one Schedule SE.

Joint Returns

Show the name of the spouse with SE income on Schedule SE. If both spouses have SE income, each must file a separate Schedule SE. However, if one spouse qualifies to use Short Schedule SE and the other has to use Long Schedule SE, both can use the **same** form. One spouse should complete the front and the other the back.

Include the total profits or losses from all businesses on Form 1040, as appropriate. Enter the combined SE tax on Form 1040, line 50.

Community Income

In most cases, if any of the income from a business (including farming) is community income, all of the income from that business is SE earnings of the spouse who carried on the business. The facts in each case will determine which spouse carried on the business. If you and your spouse are partners in a partnership, see **Partnership Income or Loss** below.

If you and your spouse had community income and file separate returns, attach Schedule SE to the return of the spouse with the SE income. Also, attach Schedule(s) C, C-EZ, or F.

CAUTION Community income included on Schedule(s) C, C-EZ, or F must be divided for income tax purposes on the basis of the community property laws.

Fiscal Year Filers

If your tax year is a fiscal year, use the tax rate and earnings base that apply at the time the fiscal year begins. Do not prorate the tax or earnings base for a fiscal year that overlaps the date of a rate or earnings base change.

Specific Instructions

Read the chart on page 1 of Schedule SE to see if you can use **Section A,** Short Schedule SE, or if you must use **Section B,** Long Schedule SE. For either section, you need to know what to include as net earnings from self-employment. Read the following instructions to see what to include as net earnings and how to fill in lines 1 and 2 of either Short or Long Schedule SE. Enter all negative amounts in parentheses.

Net Earnings From Self-Employment

What Is Included in Net SE Earnings?

In most cases, net earnings include your net profit from a farm or nonfarm business. If you were a partner in a partnership, see the following instructions.

Partnership Income or Loss

If you were a general or limited partner in a partnership, include on line 1 or line 2, whichever applies, the amount from line 15a of Schedule K-1 (Form 1065) or the amount identified as net earnings from self-employment in box 9 of Schedule K-1 (Form 1065-B). General partners should reduce this amount before entering it on Schedule SE by any section 179 expense deduction claimed, unreimbursed partnership expenses claimed, and depletion claimed on oil and gas properties. If you reduce the amount you enter on Schedule SE, attach an explanation.

If a partner died and the partnership continued, include in SE income the deceased's distributive share of the partnership's ordinary income or loss through the end of the month in which he or she died. See Internal Revenue Code section 1402(f).

If you were married and both you and your spouse were partners in a partnership, each of you must pay SE tax on your own share of the partnership income. Each of you must file a Schedule SE and report the partnership income or loss on **Schedule E** (Form 1040), Part II, for income tax purposes.

SE income belongs to the person who is the member of the partnership and cannot be treated as SE income by the nonmember spouse even in community property states.

Share Farming

You are considered self-employed if you produced crops or livestock on someone else's land for a share of the crops or livestock produced (or a share of the proceeds from the sale of them). This applies even if you paid another person (an agent) to do the actual work or management for you. Report your net earnings for income tax purposes on **Schedule F** (Form 1040) and for SE tax purposes on Schedule SE. For more details, see **Pub. 225.**

Other Income and Losses Included in Net Earnings From Self-Employment

- Rental income from a farm if, as landlord, you materially participated in the production or management of the production of farm products on this land. This income is farm earnings. To determine whether you materially participated in farm management or production, do not consider the activities of any agent who acted for you. The material participation tests are explained in Pub. 225.
- Cash or a payment-in-kind from the Department of Agriculture for participating in a land diversion program.
- Payments for the use of rooms or other space when you also provided substantial services. Examples are hotel rooms, boarding houses, tourist camps or homes, parking lots, warehouses, and storage garages.
- Income from the retail sale of newspapers and magazines if you were age 18 or older and kept the profits.
- Amounts received by current or former self-employed insurance agents and salespersons that are:

1. Paid after retirement but figured as a percentage of commissions received from the paying company before retirement;

2. Renewal commissions; or

3. Deferred commissions paid after retirement for sales made before retirement.

However, certain termination payments received by former insurance salespersons are not included in net earnings from self-employment (as explained below).

- Income of certain crew members of fishing vessels with crews of normally fewer than 10 people. See **Pub. 595** for details.
- Fees as a state or local government employee if you were paid only on a fee basis and the job was not covered under a Federal-state social security coverage agreement.
- Interest received in the course of any trade or business, such as interest on notes or accounts receivable.
- Fees and other payments received by you for services as a director of a corporation.
- Recapture amounts under sections 179 and 280F that you included in gross income because the business use of the property dropped to 50% or less. Do not include

amounts you recaptured on the disposition of property. See **Form 4797.**

- Fees you received as a professional fiduciary. This may also apply to fees paid to you as a nonprofessional fiduciary if the fees relate to active participation in the operation of the estate's business, or the management of an estate that required extensive management activities over a long period of time.

- Gain or loss from section 1256 contracts or related property by an options or commodities dealer in the normal course of dealing in or trading section 1256 contracts.

Income and Losses Not Included in Net Earnings From Self-Employment

- Salaries, fees, etc., subject to social security or Medicare tax that you received for performing services as an employee, including services performed as a public official (except as a fee basis government employee as explained earlier under **Other Income and Losses Included in Net Earnings From Self-Employment**) or as an employee or employee representative under the railroad retirement system.

- Fees received for services performed as a notary public. If you have no other income subject to SE tax, write "Exempt-Notary" on Form 1040, line 50. However, if you have other earnings of $400 or more subject to SE tax, write "Exempt-Notary" and, in parentheses, the amount of your net profit as a notary public from Schedule C or Schedule C-EZ on the dotted line to the left of line 3, Schedule SE. Subtract that amount from the total of lines 1 and 2 and enter the result on line 3.

- Income you received as a retired partner under a written partnership plan that provides for lifelong periodic retirement payments if you had no other interest in the partnership and did not perform services for it during the year.

- Income from real estate rentals if you did not receive the income in the course of a trade or business as a real estate dealer. Report this income on Schedule E.

- Income from farm rentals (including rentals paid in crop shares) if, as landlord, you did not materially participate in the production or management of the production of farm products on the land. See Pub. 225 for more details.

- Dividends on shares of stock and interest on bonds, notes, etc., if you did not receive the income in the course of your trade or business as a dealer in stocks or securities.

- Gain or loss from:

1. The sale or exchange of a capital asset;

2. The sale, exchange, involuntary conversion, or other disposition of property unless the property is stock in trade or other property that would be includible in inventory, or held primarily for sale to customers in the ordinary course of the business; or

3. Certain transactions in timber, coal, or domestic iron ore.

- Net operating losses from other years.

- Termination payments you received as a former insurance salesperson if **ALL** of the following conditions are met.

1. The payment was received from an insurance company because of services you performed as an insurance salesperson for the company.

2. The payment was received after termination of your agreement to perform services for the company.

3. You did not perform any services for the company after termination and before the end of the year in which you received the payment.

4. You entered into a covenant not to compete against the company for at least a 1-year period beginning on the date of termination.

5. The amount of the payment depended primarily on policies sold by or credited to your account during the last year of the agreement, or the extent to which those policies remain in force for some period after termination, or both.

6. The amount of the payment did not depend to any extent on length of service or overall earnings from services performed for the company (regardless of whether eligibility for the payment depended on length of service).

Statutory Employee Income

If you were required to check the box on line 1 of Schedule C or C-EZ because you were a statutory employee, **do not** include the net profit or (loss) from line 31 of that Schedule C (or the net profit from line 3 of Schedule C-EZ) on line 2 of Short or Long Schedule SE. But if you file Long Schedule SE, be sure to include statutory employee social security wages and tips from Form W-2 on line 8a.

Optional Methods

How Can the Optional Methods Help You?

Social Security Coverage. The optional methods may give you credit toward your social security coverage even though you have a loss or a small amount of income from self-employment.

Earned Income Credit. Using the optional methods may qualify you to claim the earned income credit or give you a larger credit if your net SE earnings (determined without using the optional methods) are less than $1,600. Figure the earned income credit with and without using the optional methods to see if the optional methods will benefit you.

Child and Dependent Care Credit. The optional methods may also help you qualify for this credit or give you a larger credit if your net SE earnings (determined without using the optional methods) are less than $1,600. Figure this credit with and without using the optional methods to see if the optional methods will benefit you.

Note. Using the optional methods may give you the benefits described above but they may also increase your SE tax.

Farm Optional Method

You may use this method to figure your net earnings from farm self-employment if your gross farm income was $2,400 or less **OR** your net farm profits (defined below) were less than $1,733. There is no limit on how many years you can use this method.

Under this method, you report on line 15, Part II, two-thirds of your gross farm income, up to $1,600, as your net earnings. This method can increase or decrease your net SE farm earnings even if the farming business had a loss.

You may change the method after you file your return. That is, you can change from the regular to the optional method or from the optional to the regular method.

For a farm partnership, figure your share of gross income based on the partnership agreement. With guaranteed payments, your share of the partnership's gross income is your guaranteed payments plus your share of the gross income after it is reduced by all guaranteed payments made by the partnership. If you were a limited partner, include only guaranteed payments for services you actually rendered to or on behalf of the partnership.

Net farm profits is the total of the amounts from Schedule F (Form 1040), line 36, and Schedule K-1 (Form 1065), line 15a, from farm partnerships.

Nonfarm Optional Method

You may be able to use this method to figure your net earnings from nonfarm self-employment if your nonfarm profits (defined below) were less than $1,733 and also less than 72.189% of your gross nonfarm income. To use this method, you also must be regularly self-employed. You meet this requirement if your actual net earnings from self-employment were $400 or more in 2 of the 3 years preceding the year you use the nonfarm method. The net earnings of $400 or more could be from either farm or nonfarm earnings or both. The net earnings include your distributive share of partnership income or loss subject to SE tax. Use of the nonfarm optional method from nonfarm

self-employment is limited to 5 years. The 5 years do not have to be consecutive.

Under this method, you report on line 17, Part II, two-thirds of your gross nonfarm income, up to $1,600, as your net earnings. But **you may not report less than your actual net earnings** from nonfarm self-employment.

You may change the method after you file your return. That is, you can change from the regular to the optional method or from the optional to the regular method.

Figure your share of gross income from a nonfarm partnership in the same manner as a farm partnership. See **Farm Optional Method** on page SE-3 for details.

Net nonfarm profits is the total of the amounts from Schedule C (Form 1040), line 31 (or Schedule C-EZ (Form 1040), line 3), Schedule K-1 (Form 1065), line 15a (from other than farm partnerships), and Schedule K-1 (Form 1065-B), box 9.

Using Both Optional Methods

If you can use both methods, you may report less than your total actual net earnings from farm and nonfarm self-employment, but you **cannot** report less than your actual net earnings from nonfarm self-employment alone.

If you use both methods to figure net earnings, you **cannot** report more than $1,600 of net SE earnings.

1999

Department of the Treasury
Internal Revenue Service

Instructions for Form 4562

Depreciation and Amortization (Including Information on Listed Property)

Section references are to the Internal Revenue Code unless otherwise noted.

A Change To Note

For tax years beginning in 1999, the maximum section 179 expense deduction has been increased to $19,000 ($39,000 for enterprise zone businesses).

General Instructions

Purpose of Form

Use Form 4562 to:

- Claim your deduction for depreciation and amortization;
- Make the election to expense certain tangible property (section 179); and
- Provide information on the business/investment use of automobiles and other listed property.

Who Must File

Except as otherwise noted, complete and file Form 4562 if you are claiming any of the following.

- Depreciation for property placed in service during the 1999 tax year.
- A section 179 expense deduction (which may include a carryover from a previous year).
- Depreciation on any vehicle or other listed property (regardless of when it was placed in service).
- A deduction for any vehicle reported on a form other than **Schedule C (Form 1040),** Profit or Loss From Business, or **Schedule C-EZ (Form 1040),** Net Profit From Business.
- Any depreciation on a corporate income tax return (other than Form 1120S).
- Amortization of costs that begins during the 1999 tax year.

However, **do not** file Form 4562 to report depreciation and information on the use of vehicles if you are an employee deducting job-related vehicle expenses using either the standard mileage rate or actual expenses. Instead, use **Form 2106,** Employee Business Expenses, or **Form 2106-EZ,** Unreimbursed Employee Business Expenses, for this purpose.

Submit a separate Form 4562 for each business or activity on your return. If you need more space, attach additional sheets. However, complete only one Part I in its entirety when computing your allowable section 179 expense deduction.

Definitions

Depreciation

Depreciation is the annual deduction allowed to recover the cost or other basis of business or investment property having a useful life substantially beyond the tax year. However, land is not depreciable.

Depreciation starts when you first use the property in your business or for the production of income. It ends when you take the property out of service, deduct all your depreciable cost or other basis, or no longer use the property in your business or for the production of income.

Amortization

Amortization is similar to the straight line method of depreciation in that an annual deduction is allowed to recover certain costs over a fixed time period. You can amortize such items as the costs of starting a business, goodwill and certain other intangibles, reforestation, and pollution control facilities. For additional information, see **Pub. 535,** Business Expenses.

Listed Property

Listed property generally includes:

- Passenger automobiles weighing 6,000 pounds or less.
- Any other property used for transportation if the nature of the property lends itself to personal use, such as motorcycles, pick-up trucks, etc.
- Any property used for entertainment or recreational purposes (such as photographic, phonographic, communication, and video recording equipment).
- Cellular telephones (or other similar telecommunications equipment).
- Computers or peripheral equipment.

Exception. Listed property does not include **(a)** photographic, phonographic, communication, or video equipment used exclusively in a taxpayer's trade or business or at the taxpayer's regular business establishment; **(b)** any computer or peripheral equipment used exclusively at a regular business establishment and owned or leased by the person operating the establishment; or **(c)** an ambulance, hearse, or vehicle used for transporting persons or property for hire. For purposes of the preceding sentence, a portion of the taxpayer's home is treated as a regular business establishment only if that portion meets the requirements under section 280A(c)(1) for deducting expenses attributable to the business use of a home. However, for any property listed under **(a)** above, the regular business establishment of an employee is his or her employer's regular business establishment.

Commuting

Generally, commuting is travel between your home and a work location. However, travel that meets **any** of the following conditions is not commuting.

- You have at least one regular work location away from your home and the travel is to a temporary work location in the same trade or business, regardless of the distance. A temporary work location is one where you perform services on an irregular or short-term basis (generally 1 year or less).
- The travel is to a temporary work location outside the metropolitan area where you live and normally work.
- Your home is your principal place of business under section 280A(c)(1)(A) (for purposes of deducting expenses for business use of your home) and the travel is to another work location in the same trade or business, regardless of whether that location is regular or temporary and regardless of distance.

Recordkeeping

Except for Part V (relating to listed property), the IRS does not require you to submit detailed information with your return on the depreciation of assets placed in service in previous tax years. However, the information needed to compute your depreciation deduction (basis, method, etc.) must be part of your permanent records.

Because Form 4562 does not provide for permanent recordkeeping, you may use the depreciation worksheet on page 11 to assist you in maintaining depreciation records. However, the worksheet is designed only for Federal income tax purposes. You may need to keep additional records for accounting and state income tax purposes.

Specific Instructions

Part I

Caution: *An estate or trust cannot make this election.*

You may elect to expense part of the cost of certain tangible personal property used in your trade or business and certain other property described in section 1245(a)(3). To do so, you must have:

- Purchased the property (as defined in section 179(d)(2)) and
- Placed it in service during the 1999 tax year.

You must make the election with:

1. The original return you file for the tax year the property was placed in service (whether or not you file your return on time), or

2. An amended return filed no later than the due date (including extensions) for your return for the tax year the property was placed in service.

Note: *If you timely filed your tax return without making the election, you can still make the election by filing an amended return within 6 months of the due date of the return (excluding extensions). Write "Filed pursuant to section 301.9100-2" on the amended return and file it at the same place you filed the original return.*

Once made, the election (and the selection of the property you elect to expense) may not be revoked without IRS consent.

If you elect this deduction, reduce the amount on which you figure your depreciation or amortization deduction by the section 179 expense deduction.

Section 179 property does **not** include:

1. Property used 50% or less in your trade or business.

2. Property held for investment (section 212 property).

3. Property you lease to others as a noncorporate lessor **unless (a)** you manufactured or produced the property or **(b)** the term of the lease is less than 50% of the property's class life, and for the first 12 months after the property is transferred to the lessee, the sum of the deductions related to the property that are allowed to you **solely** under section 162 (except rents and reimbursed amounts) is more than 15% of the rental income from the property.

4. Property used mainly outside the United States (except for property described in section 168(g)(4)).

5. Property used for lodging or for furnishing the lodging (except as provided in section 50(b)(2)).

6. Property used by a tax-exempt organization (other than a section 521 farmers' cooperative) unless the property is used mainly in a taxable unrelated trade or business.

7. Property used by a governmental unit or foreign person or entity (except for property used under a lease with a term of less than 6 months).

8. Air conditioning or heating units.

The section 179 expense deduction is subject to two separate limitations: a dollar limitation and a taxable income limitation. Both limitations are figured in Part I.

For a partnership, these limitations apply to the partnership and each partner, but for an electing large partnership (as defined in section 775), the limitations apply only to the partnership. For an S corporation, these limitations apply to the S corporation and each shareholder. For a controlled group, all component members are treated as one taxpayer.

For more details on the section 179 expense deduction, see **Pub. 946,** How To Depreciate Property.

Line 1

For an enterprise zone business, the maximum section 179 expense deduction of $19,000 is increased by the **smaller** of:

- $20,000 or
- The cost of section 179 property that is also qualified zone property (including such property placed in service by your spouse, even if you are filing a separate return).

Cross out the preprinted entry on line 1 and enter in the margin the larger amount if your business is an enterprise zone business. For the definitions of enterprise zone business and qualified zone property, see sections 1397B and 1397C.

Recapture Rule: *If any qualified zone property placed in service during the current year ceases to be used in an empowerment zone by an enterprise zone business in a later year, the benefit of the increased section 179 expense deduction must be reported as "other income" on your return.*

Line 2

Enter the cost of all section 179 property placed in service during the tax year. Include amounts from any listed property from Part V. Also include any section 179 property placed in service by your spouse, even if you are filing a separate return.

For an enterprise zone business, include on this line only 50% of the cost of section 179 property that is also qualified zone property.

Line 5

If line 5 is zero, you cannot elect to expense any property. Skip lines 6 through 11, enter zero on line 12, and enter the carryover of any disallowed deduction from 1998 on line 13.

If you are married filing separately, you and your spouse must allocate the dollar limitation for the tax year. To do so, multiply the total limitation that you would otherwise enter on line 5 by 50%, unless you both elect a different allocation. If you both elect a different allocation, multiply the total limitation by the percentage elected. The sum of the percentages you and your spouse elect must equal 100%. **Do not** enter on line 5 more than your share of the total dollar limitation.

Line 6

Caution: ***Do not*** *include any listed property on line 6.*

Column (a). Enter a brief description of the property for which you are making the election (e.g., truck, office furniture, etc.).

Column (b). Enter the cost of the property. If you acquired the property through a trade-in, **do not** include any undepreciated basis of the assets you traded in. See **Pub. 551,** Basis of Assets, for more details.

Column (c). Enter the amount you elect to expense. You do not have to expense the entire cost of the property. You can depreciate the amount you do not expense. See the line 15 and line 16 instructions.

To report your share of a section 179 expense deduction from a partnership or an S corporation, write "from Schedule K-1 (Form 1065)" or "from Schedule K-1 (Form 1120S)" across columns (a) and (b).

Line 10

The carryover of disallowed deduction from 1998 is the amount of section 179 property, if any, you elected to expense in previous years, but not allowed as a deduction due to the business income limitation. If you filed Form 4562 for 1998, enter the amount from line 13 of your 1998 Form 4562. For additional details, see Pub. 946.

Line 11

The section 179 expense deduction is further limited to the "business income" limitation under section 179(b)(3).

For purposes of the rules that follow:

- If you have to apply another Code section that has a limitation based on taxable income, see Regulations section 1.179-2(c)(5) for rules on how to apply the business income limitation under section 179 in such a case.
- You are considered to **actively conduct** a trade or business if you meaningfully participate in its management or operations. A mere passive investor is not considered to actively conduct a trade or business.

Individuals. Enter the smaller of line 5 or the aggregate taxable income from any trade or business you actively conducted, computed without regard to any section 179 expense deduction, the deduction for one-half of self-employment taxes under section 164(f), or any net operating loss deduction. Include in aggregate taxable

income the wages, salaries, tips, and other compensation you earned as an employee (not reduced by unreimbursed employee business expenses). If you are married filing a joint return, combine the aggregate taxable incomes for you and your spouse.

Partnerships. Enter the smaller of line 5 or the aggregate of the partnership's items of income and expense described in section 702(a) from any trade or business the partnership actively conducted (other than credits, tax-exempt income, the section 179 expense deduction, and guaranteed payments under section 707(c)).

S corporations. Enter the smaller of line 5 or the aggregate of the corporation's items of income and expense described in section 1366(a) from any trade or business the corporation actively conducted (other than credits, tax-exempt income, the section 179 expense deduction, and the deduction for compensation paid to the corporation's shareholder-employees).

Corporations other than S corporations. Enter the smaller of line 5 or the corporation's taxable income before the section 179 expense deduction, net operating loss deduction, and special deductions (excluding items not derived from a trade or business actively conducted by the corporation).

Line 12

The limitations on lines 5 and 11 apply to the taxpayer, and not to each separate business or activity. Therefore, if you have more than one business or activity, you may allocate your allowable section 179 expense deduction among them.

To do so, write "Summary" at the top of Part I of the separate Form 4562 you are completing for the aggregate amounts from all businesses or activities. **Do not** complete the rest of that form. On line 12 of the Form 4562 you prepare for each separate business or activity, enter the amount allocated to the business or activity from the "Summary." No other entry is required in Part I of the separate Form 4562 prepared for each business or activity.

Part II

The term "Modified Accelerated Cost Recovery System" (MACRS) includes the General Depreciation System and the Alternative Depreciation System. Generally, MACRS is used to depreciate any tangible property placed in service after 1986. However, MACRS does not apply to films, videotapes, and sound recordings. See section 168(f) for other exceptions. For more details on MACRS, see Pub. 946. For information on other methods of depreciation, see **Pub. 534,** Depreciating Property Placed in Service Before 1987.

Depreciation may be an adjustment for alternative minimum tax purposes. For details, see **Form 4626,** Alternative Minimum Tax—Corporations; **Form 6251,** Alternative Minimum Tax—Individuals; or Schedule I of **Form 1041,** U.S. Income Tax Return for Estates and Trusts.

Section A

Line 14

To simplify the computation of MACRS depreciation, you may elect to group assets into one or more general asset accounts under section 168(i)(4). The assets in each general asset account are depreciated as a single asset.

Each account must include only assets that were placed in service during the same tax year with the same asset class (if any), depreciation method, recovery period, and convention. However, an asset cannot be included in a general asset account if the asset is used both for personal purposes and business/investment purposes.

When an asset in an account is disposed of, the amount realized generally must be recognized as ordinary income. The unadjusted depreciable basis and depreciation reserve of the general asset account are not affected as a result of a disposition.

Special rules apply to passenger automobiles, assets generating foreign source income, assets converted to personal use, and certain asset dispositions. For more details, see Regulations section 1.168(i)-1.

To make the election, check the box on line 14. You must make the election on your return filed no later than the due date (including extensions) for the tax year in which the assets included in the general asset account were placed in service. Once made, the election is irrevocable and applies to the tax year for which the election is made and all later tax years.

Section B

Lines 15a Through 15i

Use lines 15a through 15i only for assets placed in service during the tax year beginning in 1999 and depreciated under the General Depreciation System (GDS), except for automobiles and other listed property (which are reported in Part V).

Column (a). Determine which property you acquired and placed in service during the tax year beginning in 1999. Then, sort that property according to its classification (3-year property, 5-year property, etc.) as shown in column (a) of lines 15a through 15i. The classifications for some property are shown below. For property not shown, see **Determining the classification** on page 4.

3-year property includes:

- A race horse that is more than 2 years old at the time it is placed in service.
- Any horse (other than a race horse) that is more than 12 years old at the time it is placed in service.
- Any qualified rent-to-own property (as defined in section 168(i)(14)).

5-year property includes:

- Automobiles.
- Light general purpose trucks.
- Typewriters, calculators, copiers, and duplicating equipment.
- Any semi-conductor manufacturing equipment.
- Any computer or peripheral equipment.
- Any section 1245 property used in connection with research and experimentation.
- Certain energy property specified in section 168(e)(3)(B)(vi).
- Appliances, carpets, furniture, etc., used in a residential rental real estate activity.

Note: *If you previously categorized appliances, carpets, furniture, etc., used in a residential rental real estate activity as 7-year property, see Announcement 99-82, 1999-32 I.R.B. 244. You can access the I.R.B. on the IRS Internet Web Site at www.irs.gov.*

7-year property includes:

- Office furniture and equipment.
- Railroad track.
- Any property that does not have a class life and is not otherwise classified.

10-year property includes:

- Vessels, barges, tugs, and similar water transportation equipment.
- Any single purpose agricultural or horticultural structure (see section 168(i)(13)).
- Any tree or vine bearing fruit or nuts.

15-year property includes:

- Any municipal wastewater treatment plant.
- Any telephone distribution plant and comparable equipment used for 2-way exchange of voice and data communications.
- Any section 1250 property that is a retail motor fuels outlet (whether or not food or other convenience items are sold there).

20-year property includes:

- Farm buildings (other than single purpose agricultural or horticultural structures).
- Municipal sewers not classified as 25-year property.

25-year property is water utility property, which is:

- Property that is an integral part of the gathering, treatment, or commercial distribution of water, that, without regard to this classification, would be 20-year property.
- Municipal sewers. This classification applies to property placed in service after June 12, 1996, except for property placed

in service under a binding contract in effect at all times since June 9, 1996.

Residential rental property is a building in which 80% or more of the total rent is from dwelling units.

Nonresidential real property is any real property that is neither residential rental property nor property with a class life of less than 27.5 years.

50-year property includes any improvements necessary to construct or improve a roadbed or right-of-way for railroad track that qualifies as a railroad grading or tunnel bore under section 168(e)(4).

There is no separate line to report 50-year property. Therefore, attach a statement showing the same information as required in columns (a) through (g). Include the deduction in the line 21 "Total" and write "See attachment" in the bottom margin of the form.

Determining the classification. If your depreciable property is **not** listed above, determine the classification as follows.

1. Find the property's class life. See the Table of Class Lives and Recovery Periods in Pub. 946.

2. Use the following table to find the classification in column (b) that corresponds to the class life of the property in column (a).

(a) Class life (in years) (See Pub. 946)	(b) Classification
4 or less	3-year property
More than 4 but less than 10.	5-year property
10 or more but less than 16	7-year property
16 or more but less than 20	10-year property
20 or more but less than 25	15-year property
25 or more	20-year property

Column (b). For lines 15h and 15i, enter the month and year you placed the property in service. If you converted property held for personal use to use in a trade or business or for the production of income, treat the property as being placed in service on the conversion date.

Column (c). To find the basis for depreciation, multiply the cost or other basis of the property by the percentage of business/investment use. From that result, subtract any section 179 expense deduction, deduction for removal of barriers to the disabled and the elderly, disabled access credit, and enhanced oil recovery credit. See section 50(c) to determine the basis adjustment for investment credit property.

Column (d). Determine the recovery period from the table below, unless you acquired qualified Indian reservation property (as defined in section 168(j)(4)). Qualified Indian reservation property does not include property placed in service to conduct class I, II, or III gaming activities. See Pub. 946 for the table for qualified Indian reservation property.

Recovery Period for Most Property

In the case of:	The recovery period is:
3-year property	3 yrs.
5-year property	5 yrs.
7-year property	7 yrs.
10-year property	10 yrs.
15-year property	15 yrs.
20-year property	20 yrs.
25-year property	25 yrs.
Residential rental property	27.5 yrs.
Nonresidential real property	39 yrs.
Railroad gradings and tunnel bores	50 yrs.

Column (e). The applicable convention determines the portion of the tax year for which depreciation is allowable during a year property is either placed in service or disposed of. There are three types of conventions. To select the correct convention, you must know when you placed the property in service and the type of property.

Half-year convention (HY). This convention applies to all property reported on lines 15a through 15g, unless the mid-quarter convention applies. It does not apply to residential rental property, nonresidential real property, and railroad gradings and tunnel bores. It treats all property placed in service (or disposed of) during any tax year as placed in service (or disposed of) on the midpoint of that tax year.

Mid-quarter convention (MQ). If the aggregate bases of property subject to depreciation under section 168 and placed in service during the last 3 months of your tax year exceed 40% of the aggregate bases of property subject to depreciation under section 168 and placed in service during the entire tax year, the mid-quarter, instead of the half-year, convention applies.

In determining whether the mid-quarter convention applies, **do not** take into account the following:

- Property that is being depreciated under a method other than MACRS.
- Any residential rental property, nonresidential real property, or railroad gradings and tunnel bores.
- Property that is placed in service and disposed of within the same tax year.

The mid-quarter convention treats all property placed in service (or disposed of) during any quarter as placed in service (or disposed of) on the midpoint of that quarter. However, no depreciation is allowed under this convention for property that is placed in service and disposed of within the same tax year.

Mid-month convention (MM). This convention applies ONLY to residential rental property, nonresidential real property (lines 15h or 15i), and railroad gradings and tunnel bores. It treats all property placed in service (or disposed of) during any month as placed in service (or disposed of) on the midpoint of that month.

Enter "HY" for half-year, "MQ" for mid-quarter, or "MM" for mid-month convention.

Column (f). Applicable depreciation methods are prescribed for each classification of property. Except as otherwise stated below, the applicable method for 3-, 5-, 7-, and 10-year property is the 200% declining balance method, switching to the straight line method in the first tax year that the straight line rate exceeds the declining balance rate.

For 3-, 5-, 7-, or 10-year property (excluding any tree or vine bearing fruit or nuts), you may make an irrevocable election to use the 150% declining balance method, switching to the straight line method in the first tax year that the straight line rate exceeds the declining balance rate. The election applies to all property within the classification for which it is made and that was placed in service during the tax year. You will not have an alternative minimum tax adjustment for any property included under this election.

For 15- and 20-year property, and property used in a farming business, the applicable method is the 150% declining balance method, switching to the straight line method in the first tax year that the straight line rate exceeds the declining balance rate.

For water utility property, residential rental property, nonresidential real property, any railroad grading or tunnel bore, or any tree or vine bearing fruit or nuts, the only applicable method is the straight line method.

You may also make an irrevocable election to use the straight line method for all property within a classification that is placed in service during the tax year.

Enter "200 DB" for 200% declining balance, "150 DB" for 150% declining balance, or "S/L" for straight line.

Column (g). To compute the depreciation deduction you may use optional Tables A through E, starting on page 9. To do this, multiply the applicable rate from the appropriate table by the property's **unadjusted** basis (column (c)). See Pub. 946 for complete tables. If you disposed of the property during the current tax year, multiply the result by the applicable decimal amount from the tables in Step 3 on the next page. Or you may compute the deduction yourself by completing the following steps:

Step 1. Determine the depreciation rate as follows.

- If you are using the 200% or 150% declining balance method in column (f), divide the declining balance rate (use 2.00 for 200 DB or 1.50 for 150 DB) by the number of years in the recovery period in column (d). For example, for property depreciated using the 200 DB method over a recovery period of 5 years, divide 2.00 by 5 for a rate of 40%.

You must switch to the straight line rate in the first year that the straight line rate exceeds the declining balance rate.

- If you are using the straight line method, divide 1.00 by the remaining number of years in the recovery period as of the beginning of the tax year (but not less than one). For example, if there are 6½ years remaining in the recovery period as of the beginning of the year, divide 1.00 by 6.5 for a rate of 15.38%.

Step 2. Multiply the percentage rate determined in Step 1 by the property's unrecovered basis (basis for depreciation (as defined in column (c)) reduced by all prior year's depreciation).

Step 3. For property placed in service or disposed of during the current tax year, multiply the result from Step 2 by the applicable decimal amount from the tables below (based on the convention shown in column (e)).

Half-year (HY) convention	0.5

Mid-quarter (MQ) convention

Placed in service (or disposed of) during the:	Placed in service	Disposed of
1st quarter	0.875	0.125
2nd quarter	0.625	0.375
3rd quarter	0.375	0.625
4th quarter	0.125	0.875

Mid-month (MM) convention

Placed in service (or disposed of) during the:	Placed in service	Disposed of
1st month	0.9583	0.0417
2nd month	0.8750	0.1250
3rd month	0.7917	0.2083
4th month	0.7083	0.2917
5th month	0.6250	0.3750
6th month	0.5417	0.4583
7th month	0.4583	0.5417
8th month	0.3750	0.6250
9th month	0.2917	0.7083
10th month	0.2083	0.7917
11th month	0.1250	0.8750
12th month	0.0417	0.9583

Short tax years. See Pub. 946 for rules on how to compute the depreciation deduction for property placed in service in a short tax year.

Section C

Lines 16a Through 16c

Complete lines 16a through 16c for assets, other than automobiles and other listed property, placed in service ONLY during the tax year beginning in 1999 and depreciated under the Alternative Depreciation System. Report on line 17 depreciation on assets placed in service in prior years.

Under ADS, use the applicable depreciation method, the applicable recovery period, and the applicable convention to compute depreciation.

The following types of property **must** be depreciated under ADS:

- Tangible property used predominantly outside the United States.
- Tax-exempt use property.
- Tax-exempt bond financed property.
- Imported property covered by an executive order of the President of the United States.
- Property used predominantly in a farming business and placed in service during any tax year in which you made an election under section 263A(d)(3).

Instead of depreciating property under GDS (line 15), you may make an irrevocable election with respect to any classification of property for any tax year to use ADS. For residential rental and nonresidential real property, you may make this election separately for each property.

Column (a). Use the following rules to determine the classification of the property under ADS.

Class life. Under ADS, the depreciation deduction for most property is based on the property's class life. See the Table of Class Lives and Recovery Periods in Pub. 946. Use line 16a for all property depreciated under ADS, except property that does not have a class life, residential rental and nonresidential real property, water utility property, and railroad gradings and tunnel bores.

See section 168(g)(3) for special rules for determining the class life for certain property.

12-year property. Use line 16b for property that does not have a class life.

40-year property. Use line 16c for residential rental and nonresidential real property.

Water utility property and railroad gradings and tunnel bores. These assets are 50-year property under ADS. There is no separate line to report 50-year property. Therefore, attach a statement showing the same information required in columns (a) through (g). Include the deduction in the line 21 “Total” and write “See attachment” in the bottom margin of the form.

Column (b). For 40-year property, enter the month and year placed in service or converted to use in a trade or business or for the production of income.

Column (c). See the instructions for line 15, column (c).

Column (d). On line 16a, enter the property's class life.

Column (e). Under ADS, the applicable conventions are the same as those used under GDS. See the instructions for line 15, column (e).

Column (g). Compute the depreciation deduction in the same manner as under GDS, except use the straight line method over the ADS recovery period and use the applicable convention.

Part III

Do not use Part III for automobiles and other listed property. Instead, report this property in Part V on page 2 of Form 4562.

Line 17

For tangible property placed in service in tax years beginning before 1999 and depreciated under MACRS, enter the GDS and ADS deductions for the current year. To compute the deductions, see the instructions for column (g), line 15.

Line 18

Report property that you elect, under section 168(f)(1), to depreciate under the unit-of-production method or any other method not based on a term of years (other than the retirement-replacement-betterment method).

Attach a separate sheet showing:

- A description of the property and the depreciation method you elect that excludes the property from ACRS or MACRS.
- The depreciable basis (cost or other basis reduced, if applicable, by salvage value, any section 179 expense deduction, deduction for removal of barriers to the disabled and the elderly, disabled access credit, and enhanced oil recovery credit).

See section 50(c) to determine the basis adjustment for investment credit property.

Line 19

Enter the total depreciation you are claiming for the following types of property (except listed property and property subject to a section 168(f)(1) election):

- Accelerated cost recovery system (ACRS) property (pre-1987 rules). See Pub. 534.
- Property placed in service before 1981.
- Certain public utility property, which does not meet certain normalization requirements.
- Certain property acquired from related persons.
- Property acquired in certain nonrecognition transactions.
- Certain sound recordings, movies, and videotapes.
- Property depreciated under the income forecast method. The use of the income forecast method is limited to motion picture films, videotapes, sound recordings, copyrights, books, and patents. You cannot use this method to depreciate any amortizable section 197 intangible. See page 8 for more details on section 197 intangibles.

Note: *If you use the income forecast method for any property placed in service after September 13, 1995, you may owe or be entitled to a refund for the 3rd and 10th tax years beginning after the tax year*

the property was placed in service. For more details, get ***Form 8866,*** *Interest Computation Under the Look-Back Method for Property Depreciated Under the Income Forecast Method.*

- Intangible property, other than section 197 intangibles, including:

1. Computer software. Use the straight line method over 36 months.

2. Any right to receive tangible property or services under a contract or granted by a governmental unit (not acquired as part of a business).

3. Any interest in a patent or copyright not acquired as part of a business.

4. Residential mortgage servicing rights. Use the straight line method over 108 months.

See section 167(f) for more details.

Prior years' depreciation, plus current year's depreciation, can never exceed the depreciable basis of the property.

The basis and amounts claimed for depreciation should be part of your permanent books and records. **No attachment is necessary.**

Part IV

Line 21

A partnership (other than an electing large partnership) or S corporation does not include any section 179 expense deduction (line 12) on this line. Instead, any section 179 expense deduction is passed through separately to the partners and shareholders on the appropriate line of their Schedules K-1.

Line 22

If you are subject to the uniform capitalization rules of section 263A, enter the increase in basis from costs you must capitalize. For a detailed discussion of who is subject to these rules, which costs must be capitalized, and allocation of costs among activities, see Regulations section 1.263A-1.

Part V

If you claim the standard mileage rate, actual vehicle expenses (including depreciation), or depreciation on other listed property, you must provide the information requested in Part V, regardless of the tax year the property was placed in service. However, if you file Form 2106, 2106-EZ, or Schedule C-EZ (Form 1040), report this information on that form and not in Part V. Also, if you file Schedule C (Form 1040) and are claiming the standard mileage rate or actual vehicle expenses (except depreciation), and you are not required to file Form 4562 for any other reason, report vehicle information in Part IV of Schedule C and not on Form 4562.

Section A

Lines 24 and 25

Qualified business use. To determine whether to use line 24 or line 25 to report your listed property, you must first determine the percentage of qualified business use for each property. Generally, a qualified business use is any use in your trade or business. However, it does not include any of the following:

- Investment use.
- Leasing the property to a 5% owner or related person.
- The use of the property as compensation for services performed by a 5% owner or related person.
- The use of the property as compensation for services performed by any person (who is not a 5% owner or related person), unless an amount is included in that person's income for the use of the property and, if required, income tax was withheld on that amount.

Exception. If at least 25% of the total use of any aircraft during the tax year is for a qualified business use, the leasing or compensatory use of the aircraft by a 5% owner or related person is treated as a qualified business use.

Determine your percentage of qualified business use similar to the method used to figure the business/investment use percentage in column (c). Your percentage of qualified business use may be smaller than the business/investment use percentage.

For more information, see Pub. 946.

Column (a). List on a property-by-property basis all your listed property in the following order:

1. Automobiles and other vehicles; and

2. Other listed property (computers and peripheral equipment, etc.).

In column (a), list the make and model of automobiles, and give a general description of other listed property.

If you have more than five vehicles used 100% for business/investment purposes, you may group them by tax year. Otherwise, list each vehicle separately.

Column (b). Enter the date the property was placed in service. If property held for personal use is converted to business/investment use, treat the property as placed in service on the date of conversion.

Column (c). Enter the percentage of business/investment use. For automobiles and other vehicles, determine this percentage by dividing the number of miles the vehicle is driven for trade or business purposes or for the production of income during the year (not to include any commuting mileage) by the total number of miles the vehicle is driven for all purposes. Treat vehicles used by employees as being used 100% for business/investment purposes if the value of personal use is included in the employees' gross income, or the employees reimburse the employer for the personal use.

Employers who report the amount of personal use of the vehicle in the employee's gross income, and withhold the appropriate taxes, should enter “100%” for the percentage of business/investment use. For more information, see **Pub. 463,** Travel, Entertainment, Gift, and Car Expenses.

For listed property (such as computers or video equipment), allocate the use based on the most appropriate unit of time the property is actually used. See Temporary Regulations section 1.280F-6T.

If during the tax year you convert property used solely for personal purposes to business/investment use, figure the percentage of business/investment use only for the number of months you use the property in your business or for the production of income. Multiply that percentage by the number of months you use the property in your business or for the production of income, and divide the result by 12.

Column (d). Enter the property's actual cost (including sales tax) or other basis (unadjusted for prior years' depreciation). If you traded in old property, your basis is the adjusted basis of the old property (figured as if 100% of the property's use had been for business/investment purposes) plus any additional amount you paid for the new property.

For a vehicle, reduce your basis by any diesel-powered highway vehicle credit, qualified electric vehicle credit, or deduction for clean-fuel vehicles you claimed.

If you converted the property from personal use to business/investment use, your basis for depreciation is the smaller of the property's adjusted basis or its fair market value on the date of conversion.

Column (e). Multiply column (d) by the percentage in column (c). From that result, subtract any section 179 expense deduction and half of any investment credit taken before 1986 (unless you took the reduced credit). For automobiles and other listed property placed in service after 1985 (i.e., transition property), reduce the depreciable basis by the entire investment credit.

Column (f). Enter the recovery period. For property placed in service after 1986 and used more than 50% in a qualified business use, use the table in the line 15, column (d) instructions. For property placed in service after 1986 and used 50% or less in a qualified business use, depreciate the property using the straight line method over its ADS recovery period. The ADS recovery period is 5 years for automobiles and computers.

Column (g). Enter the method and convention used to figure your depreciation deduction. See the instructions for line 15, columns (e) and (f). Write "200 DB," "150 DB," or "S/L," for the depreciation method, and "HY," "MM," or "MQ," for half-year, mid-month, or mid-quarter conventions, respectively. For property placed in service before 1987, write "PRE" if you used the prescribed percentages under ACRS. If you elected an alternate percentage, enter "S/L."

Column (h). See **Limits for passenger automobiles** below before entering an amount in column (h).

For property used more than 50% in a qualified business use (line 24) and placed in service after 1986, figure column (h) by following the instructions for line 15, column (g). If placed in service before 1987, multiply column (e) by the applicable percentage given in Pub. 534 for ACRS property. If the recovery period for an automobile ended before your tax year beginning in 1999, enter your unrecovered basis, if any, in column (h).

For property used 50% or less in a qualified business use (line 25) and placed in service after 1986, figure column (h) by dividing column (e) by column (f) and using the same conventions as discussed in the instructions for line 15, column (e). The amount in column (h) cannot exceed the property's unrecovered basis. If the recovery period for an automobile ended before your tax year beginning in 1999, enter your unrecovered basis, if any, in column (h).

For property placed in service before 1987 that was disposed of during the year, enter zero.

Limits for passenger automobiles. The depreciation deduction plus section 179 expense deduction for passenger automobiles is limited for any tax year.

Definitions. "Passenger automobiles" are 4-wheeled vehicles manufactured primarily for use on public roads that are rated at 6,000 pounds unloaded gross vehicle weight or less. For a truck or van, gross vehicle weight is substituted for unloaded gross vehicle weight. "Electric passenger automobiles" are vehicles produced by an original equipment manufacturer and designed to run primarily on electricity.

Exception. The following vehicles are not considered passenger automobiles:

- An ambulance, hearse, or combination ambulance-hearse used in your trade or business.
- A vehicle used in your trade or business of transporting persons or property for compensation or hire.

For any passenger automobile (including an electric passenger automobile) you list on line 24 or line 25, the total of columns (h) and (i) for that automobile cannot exceed the applicable limit shown in **Table 1, 2,** or **3** on this page. If the business/investment use percentage in column (c) for the automobile is less than 100%, you must reduce the applicable limit to an amount equal to the limit multiplied by that percentage. For example, for an automobile (other than an electric automobile) placed in service in 1999 (by a calendar year taxpayer) that is used 60% for business/investment, the limit is $1,836 ($3,060 x 60%).

Table 1—Limits for Passenger Automobiles Placed in Service Before 1997

IF you placed your automobile in service:	THEN the limit on your depreciation and section 179 expense deduction is:
June 19-Dec. 31, 1984	$6,000
Jan. 1-Apr. 2, 1985	$6,200
Apr. 3, 1985-Dec. 31, 1986	$4,800
Jan. 1, 1987-Dec. 31, 1990	$1,475
Jan. 1, 1991-Dec. 31, 1992	$1,575
Jan. 1, 1993-Dec. 31, 1994	$1,675
Jan. 1, 1995-Dec. 31, 1996	$1,775

Table 2—Limits for Passenger Automobiles Placed in Service After 1996 (excluding electric passenger automobiles placed in service after August 5, 1997)

IF you placed your automobile in service:	AND the number of tax years in which this automobile has been in service is:	THEN the limit on your depreciation and section 179 expense deduction is*:
Jan. 1 - Dec. 31, 1997	3	$3,050
	4	$1,775
Jan. 1 - Dec. 31, 1998	2	$5,000
	3	$2,950
Jan. 1 - Dec. 31, 1999	1	$3,060
	2	$5,000
After Dec. 31, 1999	1	**

*For vehicles placed in service after August 5, 1997, this limit does not apply to the cost of any qualified clean-fuel vehicle property (such as retrofit parts and components) installed on a vehicle for the purpose of permitting that vehicle to run on a clean-burning fuel. See section 179A for definitions.

**The limit for automobiles placed in service after Dec. 31, 1999, will be published in the Internal Revenue Bulletin. This amount was not available at the time these instructions were printed.

Table 3—Limits for Electric Passenger Automobiles Placed in Service After August 5, 1997

IF you placed your electric automobile in service:	AND the number of tax years in which this automobile has been in service is:	THEN the limit on your depreciation and section 179 expense deduction is:
Aug. 6, 1997-Dec. 31, 1997	3	$9,050
	4	$5,425
Jan. 1 - Dec. 31, 1998	2	$15,000
	3	$8,950
Jan. 1 - Dec. 31, 1999	1	$9,280
	2	$14,900
After Dec. 31, 1999	1	*

*The limit for electric passenger automobiles placed in service after Dec. 31, 1999, will be published in the Internal Revenue Bulletin. This amount was not available at the time these instructions were printed.

Column (i). Enter the amount you choose to expense for section 179 property used more than 50% in a qualified business use (subject to the limits for passenger automobiles noted above). Refer to the Part I instructions to determine if the property qualifies under section 179. Be sure to include the total cost of such property (50% of the cost if qualified zone property placed in service by an enterprise zone business) on line 2, page 1.

Recapture of depreciation and section 179 expense deduction. For listed property used more than 50% in a qualified business use in the year placed in service and used 50% or less in a later year, you may have to recapture in the later year part of the depreciation and section 179 expense deduction. Use **Form 4797,** Sales of Business Property, to figure the recapture amount.

Section B

Except as noted below, you must complete items 28 through 34 for each vehicle identified in Section A. Employees must provide their employers with the information requested in items 28 through 34 for each automobile or vehicle provided for their use.

Exception. Employers are not required to complete items 28 through 34 for vehicles used by employees who are not more than 5% owners or related persons and for which question 35, 36, 37, 38, or 39 is answered "Yes."

Section C

For employers providing vehicles to their employees, two types of written policy statements will satisfy the employer's substantiation requirements under section 274(d):

- A policy statement that prohibits personal use including commuting, and
- A policy statement that prohibits personal use except for commuting.

An employee does not need to keep a separate set of records for any vehicle that satisfies these written policy statement rules.

Line 35

A policy statement that prohibits personal use (including commuting) must meet **all** of the following conditions:

- The employer owns or leases the vehicle and provides it to one or more employees for use in the employer's trade or business.
- When the vehicle is not used in the employer's trade or business, it is kept on the employer's business premises, unless it is temporarily located elsewhere (e.g., for maintenance or because of a mechanical failure).
- No employee using the vehicle lives at the employer's business premises.
- No employee may use the vehicle for personal purposes, other than de minimis personal use (e.g., a stop for lunch between two business deliveries).
- Except for de minimis use, the employer reasonably believes that no employee uses the vehicle for any personal purpose.

Line 36

A policy statement that prohibits personal use (except for commuting) is **not** available if the commuting employee is an officer, director, or 1% or more owner. This policy must meet **all** of the following conditions:

- The employer owns or leases the vehicle and provides it to one or more employees for use in the employer's trade or business, and it is used in the employer's trade or business.
- For bona fide noncompensatory business reasons, the employer requires the employee to commute to and/or from work in the vehicle.
- The employer establishes a written policy under which the employee may not use the vehicle for personal purposes, other than commuting or de minimis personal use (e.g., a stop for a personal errand between a business delivery and the employee's home).
- Except for de minimis use, the employer reasonably believes that the employee does not use the vehicle for any personal purpose other than commuting.
- The employer accounts for the commuting use by including an appropriate amount in the employee's gross income.

For both written policy statements, there must be evidence that would enable the IRS to determine whether use of the vehicle meets the conditions stated above.

Line 38

An employer that provides more than five vehicles to its employees who are not 5% owners or related persons need not complete Section B for such vehicles. Instead, the employer must obtain the information from its employees and retain the information received.

Line 39

An automobile meets the requirements for qualified demonstration use if the employer maintains a written policy statement that:

- Prohibits its use by individuals other than full-time automobile salespersons.
- Prohibits its use for personal vacation trips.
- Prohibits storage of personal possessions in the automobile.
- Limits the total mileage outside the salesperson's normal working hours.

Part VI

Each year you may elect to deduct part of certain capital costs over a fixed period. If you amortize property, the part you amortize does not qualify for the election to expense certain tangible property or for depreciation.

For individuals reporting amortization of bond premium for bonds acquired before October 23, 1986, **do not** report the deduction here. See the instructions for Schedule A (Form 1040), line 27.

For taxpayers (other than corporations) claiming a deduction for amortization of bond premium for bonds acquired after October 22, 1986, but before January 1, 1988, the deduction is treated as interest expense and is subject to the investment interest limitations. Use **Form 4952,** Investment Interest Expense Deduction, to compute the allowable deduction.

For taxable bonds acquired after 1987, the amortization offsets the interest income. See **Pub. 550,** Investment Income and Expenses.

Line 40

Complete line 40 only for those costs for which the amortization period begins during your tax year beginning in 1999.

Column (a). Describe the costs you are amortizing. You may amortize:

- Pollution control facilities (section 169, limited by section 291 for corporations).
- Certain bond premiums (section 171).
- Research and experimental expenditures (section 174).
- The cost of acquiring a lease (section 178).
- Qualified forestation and reforestation costs (section 194).
- Business start-up expenditures (section 195). To elect to amortize start-up expenditures, attach a statement to your income tax return containing the following information.

1. A detailed description of the trade or business.

2. The month in which the active trade or business began (or was acquired).

3. The number of months in the amortization period you are selecting (not less than 60).

4. A description of each start-up expenditure incurred (whether or not paid).

The statement must be filed by the due date, including extensions, of your return for the year in which the active trade or business begins. If you timely filed that without making the election, you can still make the election on an amended return filed within 6 months of the due date, excluding extensions, of that return. Write “Filed pursuant to section 301.9100-2” on the amended return and file it at the same place you filed the original return. See Regulations section 1.195-1 for more details.

- Organizational expenditures for a corporation (section 248) or partnership (section 709).
- Optional write-off of certain tax preferences over the period specified in section 59(e).
- Certain section 197 intangibles, which generally include the following:

1. Goodwill.

2. Going concern value.

3. Workforce in place.

4. Business books and records, operating systems, or any other information base.

5. Any patent, copyright, formula, process, design, pattern, knowhow, format, or similar item.

6. Any customer-based intangible (e.g., composition of market or market share).

7. Any supplier-based intangible.

8. Any license, permit, or other right granted by a governmental unit.

9. Any covenant not to compete entered into in connection with the acquisition of a business.

10. Any franchise (other than a sports franchise), trademark, or trade name.

Section 197 intangibles must be amortized over 15 years starting with the month the intangibles were acquired.

Column (b). Enter the date the amortization period begins under the applicable Code section.

Column (c). Enter the total amount you are amortizing. See the applicable Code section for limits on the amortizable amount.

Column (d). Enter the Code section under which you amortize the costs.

Column (f). Compute the amortization deduction by:

1. Dividing column (c) by the number of months over which the costs are to be amortized, and multiplying the result by the number of months in the amortization period included in your tax year beginning in 1999; or

2. Multiplying column (c) by the percentage in column (e).

Attach any other information the Code and regulations may require to make a valid election. See Pub. 535 for more information.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping ..... 37 hr., 19 min.

Learning about the law or the form ..... 5 hr., 10 min.

Preparing and sending the form to the IRS ..... 5 hr., 59 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

Table A—General Depreciation System

Method: 200% declining balance switching to straight line

Convention: Half-year

	If the recovery period is:			
Year	3 years	5 years	7 years	10 years
1	33.33%	20.00%	14.29%	10.00%
2	44.45%	32.00%	24.49%	18.00%
3	14.81%	19.20%	17.49%	14.40%
4	7.41%	11.52%	12.49%	11.52%
5		11.52%	8.93%	9.22%
6		5.76%	8.92%	7.37%
7			8.93%	6.55%
8			4.46%	6.55%
9				6.56%
10				6.55%
11				3.28%

Table B—General and Alternative Depreciation System

Method: 150% declining balance switching to straight line

Convention: Half-year

	If the recovery period is:					
Year	5 years	7 years	10 years	12 years	15 years	20 years
1	15.00%	10.71%	7.50%	6.25%	5.00%	3.750%
2	25.50%	19.13%	13.88%	11.72%	9.50%	7.219%
3	17.85%	15.03%	11.79%	10.25%	8.55%	6.677%
4	16.66%	12.25%	10.02%	8.97%	7.70%	6.177%
5	16.66%	12.25%	8.74%	7.85%	6.93%	5.713%
6	8.33%	12.25%	8.74%	7.33%	6.23%	5.285%
7		12.25%	8.74%	7.33%	5.90%	4.888%
8		6.13%	8.74%	7.33%	5.90%	4.522%
9			8.74%	7.33%	5.91%	4.462%
10			8.74%	7.33%	5.90%	4.461%
11			4.37%	7.32%	5.91%	4.462%
12				7.33%	5.90%	4.461%
13				3.66%	5.91%	4.462%
14					5.90%	4.461%

Table C—General Depreciation System

Method: Straight line

Convention: Mid-month

Recovery period: 27.5 years

	The month in the 1st recovery year the property is placed in service:											
Year	1	2	3	4	5	6	7	8	9	10	11	12
1	3.485%	3.182%	2.879%	2.576%	2.273%	1.970%	1.667%	1.364%	1.061%	0.758%	0.455%	0.152%
2- 9	3.636%	3.636%	3.636%	3.636%	3.636%	3.636%	3.636%	3.636%	3.636%	3.636%	3.636%	3.636%
10, 12, 14	3.637%	3.637%	3.637%	3.637%	3.637%	3.637%	3.636%	3.636%	3.636%	3.636%	3.636%	3.636%
11, 13	3.636%	3.636%	3.636%	3.636%	3.636%	3.636%	3.637%	3.637%	3.637%	3.637%	3.637%	3.637%

Table D—General Depreciation System

Method: Straight line

Convention: Mid-month

Recovery period: 31.5 years

	The month in the 1st recovery year the property is placed in service:											
Year	1	2	3	4	5	6	7	8	9	10	11	12
7	3.175%	3.175%	3.175%	3.175%	3.175%	3.175%	3.175%	3.175%	3.175%	3.175%	3.175%	3.175%
8	3.175%	3.174%	3.175%	3.174%	3.175%	3.174%	3.175%	3.175%	3.175%	3.175%	3.175%	3.175%
9, 11, 13	**3.174%**	**3.175%**	**3.174%**	**3.175%**	**3.174%**	**3.175%**	**3.174%**	**3.175%**	**3.174%**	**3.175%**	**3.174%**	**3.175%**
10, 12, 14	3.175%	3.174%	3.175%	3.174%	3.175%	3.174%	3.175%	3.174%	3.175%	3.174%	3.175%	3.174%

Table E—General Depreciation System

Method: Straight line

Convention: Mid-month

Recovery period: 39 years

	The month in the 1st recovery year the property is placed in service:											
Year	1	2	3	4	5	6	7	8	9	10	11	12
1	2.461%	2.247%	2.033%	1.819%	1.605%	1.391%	1.177%	0.963%	0.749%	0.535%	0.321%	0.107%
2- 39	2.564%	2.564%	2.564%	2.564%	2.564%	2.564%	2.564%	2.564%	2.564%	2.564%	2.564%	2.564%

Depreciation Worksheet

Description of Property	Date Placed in Service	Cost or Other Basis	Business/ Investment Use %	Section 179 Deduction	Depreciation Prior Years	Basis for Depreciation	Method/ Convention	Recovery Period	Rate or Table %	Depreciation Deduction

Form **1040** Department of the Treasury—Internal Revenue Service

U.S. Individual Income Tax Return 1999

(99) IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 1999, or other tax year beginning , 1999, ending , OMB No. 1545-0074

Label

(See instructions on page 18.)

Use the IRS label. Otherwise, please print or type.

LABEL HERE

Your first name and initial	Last name	**Your social security number**
If a joint return, spouse's first name and initial	Last name	**Spouse's social security number**
Home address (number and street). If you have a P.O. box, see page 18.	Apt. no.	
City, town or post office, state, and ZIP code. If you have a foreign address, see page 18.		

IMPORTANT! You **must** enter your SSN(s) above.

Presidential Election Campaign (See page 18.)

	Yes	No
Do you want $3 to go to this fund?		
If a joint return, does your spouse want $3 to go to this fund?		

Note. Checking "Yes" will not change your tax or reduce your refund.

Filing Status

Check only one box.

1 ☐ Single

2 ☐ Married filing joint return (even if only one had income)

3 ☐ Married filing separate return. Enter spouse's social security no. above and full name here. ▶

4 ☐ Head of household (with qualifying person). (See page 18.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶

5 ☐ Qualifying widow(er) with dependent child (year spouse died ▶ 19). (See page 18.)

Exemptions

6a ☐ **Yourself.** If your parent (or someone else) can claim you as a dependent on his or her tax return, **do not** check box 6a

b ☐ **Spouse**

No. of boxes checked on 6a and 6b

c **Dependents:**

If more than six dependents, see page 19.

(1) First name Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4)✓ if qualifying child for child tax credit (see page 19)
			☐
			☐
			☐
			☐
			☐
			☐

No. of your children on 6c who:
- lived with you
- did not live with you due to divorce or separation (see page 19)

Dependents on 6c not entered above

Add numbers entered on lines above ▶

d Total number of exemptions claimed

Income

Attach Copy B of your Forms W-2 and W-2G here. Also attach Form(s) 1099-R if tax was withheld.

If you did not get a W-2, see page 20.

Enclose, but do not staple, any payment. Also, please use **Form 1040-V.**

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	
8a	**Taxable** interest. Attach Schedule B if required	8a	
b	**Tax-exempt** interest. DO NOT include on line 8a — 8b		
9	Ordinary dividends. Attach Schedule B if required	9	
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 21)	10	
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ ☐	13	
14	Other gains or (losses). Attach Form 4797	14	
15a	Total IRA distributions — 15a — **b** Taxable amount (see page 22)	15b	
16a	Total pensions and annuities — 16a — **b** Taxable amount (see page 22)	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
18	Farm income or (loss). Attach Schedule F	18	
19	Unemployment compensation	19	
20a	Social security benefits — 20a — **b** Taxable amount (see page 24)	20b	
21	Other income. List type and amount (see page 24)	21	
22	Add the amounts in the far right column for lines 7 through 21. This is your **total income** ▶	22	

Adjusted Gross Income

23	IRA deduction (see page 26)	23		
24	Student loan interest deduction (see page 26)	24		
25	Medical savings account deduction. Attach Form 8853	25		
26	Moving expenses. Attach Form 3903	26		
27	One-half of self-employment tax. Attach Schedule SE	27		
28	Self-employed health insurance deduction (see page 28)	28		
29	Keogh and self-employed SEP and SIMPLE plans	29		
30	Penalty on early withdrawal of savings	30		
31a	Alimony paid **b** Recipient's SSN ▶	31a		
32	Add lines 23 through 31a		32	
33	Subtract line 32 from line 22. This is your **adjusted gross income** ▶		33	

Tax and Credits

Standard Deduction for Most People
Single: $4,300
Head of household: $6,350
Married filing jointly or Qualifying widow(er): $7,200
Married filing separately: $3,600

34	Amount from line 33 (adjusted gross income)		34
35a	Check if: ☐ **You** were 65 or older, ☐ Blind; ☐ **Spouse** was 65 or older, ☐ Blind. Add the number of boxes checked above and enter the total here ▶ 35a		
b	If you are married filing separately and your spouse itemizes deductions or you were a dual-status alien, see page 30 and check here ▶ 35b ☐		
36	Enter your **itemized deductions** from Schedule A, line 28, **OR standard deduction** shown on the left. **But** see page 30 to find your standard deduction if you checked any box on line 35a or 35b **or** if someone can claim you as a dependent		36
37	Subtract line 36 from line 34		37
38	If line 34 is $94,975 or less, multiply $2,750 by the total number of exemptions claimed on line 6d. If line 34 is over $94,975, see the worksheet on page 31 for the amount to enter		38
39	**Taxable income.** Subtract line 38 from line 37. If line 38 is more than line 37, enter -0-		39
40	**Tax** (see page 31). Check if any tax is from **a** ☐ Form(s) 8814 **b** ☐ Form 4972 ▶		40
41	Credit for child and dependent care expenses. Attach Form 2441	41	
42	Credit for the elderly or the disabled. Attach Schedule R	42	
43	Child tax credit (see page 33)	43	
44	Education credits. Attach Form 8863	44	
45	Adoption credit. Attach Form 8839	45	
46	Foreign tax credit. Attach Form 1116 if required	46	
47	Other. Check if from **a** ☐ Form 3800 **b** ☐ Form 8396 **c** ☐ Form 8801 **d** ☐ Form (specify) _____	47	
48	Add lines 41 through 47. These are your **total credits**		48
49	Subtract line 48 from line 40. If line 48 is more than line 40, enter -0- ▶		49

Other Taxes

50	Self-employment tax. Attach Schedule SE	50
51	Alternative minimum tax. Attach Form 6251	51
52	Social security and Medicare tax on tip income not reported to employer. Attach Form 4137	52
53	Tax on IRAs, other retirement plans, and MSAs. Attach Form 5329 if required	53
54	Advance earned income credit payments from Form(s) W-2	54
55	Household employment taxes. Attach Schedule H	55
56	Add lines 49 through 55. This is your **total tax** ▶	56

Payments

57	Federal income tax withheld from Forms W-2 and 1099	57	
58	1999 estimated tax payments and amount applied from 1998 return	58	
59a	**Earned income credit.** Attach Sch. EIC if you have a qualifying child		
b	Nontaxable earned income: amount ▶ and type ▶	59a	
60	Additional child tax credit. Attach Form 8812	60	
61	Amount paid with request for extension to file (see page 48)	61	
62	Excess social security and RRTA tax withheld (see page 48)	62	
63	Other payments. Check if from **a** ☐ Form 2439 **b** ☐ Form 4136	63	
64	Add lines 57, 58, 59a, and 60 through 63. These are your **total payments** ▶		64

Refund

Have it directly deposited! See page 48 and fill in 66b, 66c, and 66d.

65	If line 64 is more than line 56, subtract line 56 from line 64. This is the amount you **OVERPAID**		65
66a	Amount of line 65 you want **REFUNDED TO YOU** ▶		66a
▶ b	Routing number ▶ **c** Type: ☐ Checking ☐ Savings		
▶ d	Account number		
67	Amount of line 65 you want **APPLIED TO YOUR 2000 ESTIMATED TAX** ▶	67	

Amount You Owe

68	If line 56 is more than line 64, subtract line 64 from line 56. This is the **AMOUNT YOU OWE**. For details on how to pay, see page 49 ▶		68
69	Estimated tax penalty. Also include on line 68	69	

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Joint return? See page 18.
Keep a copy for your records.

Your signature	Date	Your occupation	Daytime telephone number (optional) ( )
Spouse's signature. If a joint return, BOTH must sign.	Date	Spouse's occupation	

Paid Preparer's Use Only

Preparer's signature ▶	Date	Check if self-employed ☐	Preparer's SSN or PTIN
Firm's name (or yours if self-employed) and address ▶			EIN
			ZIP code

1999 Form 1040-V

Department of the Treasury
Internal Revenue Service

What Is Form 1040-V and Do You Have To Use It?

It is a statement you send with your check or money order for any balance due on line 68 of your **1999 Form 1040.** Using Form 1040-V allows us to process your payment more accurately and efficiently. We strongly encourage you to use Form 1040-V, but there is no penalty if you do not do so.

How To Fill In Form 1040-V

Box 1. Enter the amount you are paying by check or money order.

Box 2. Enter the first four letters of your last name. See examples below.

Name	Enter	Name	Enter
John Brown . . .	BROW	Nancy McCarthy . .	MCCA
Juan DeJesus . . .	DEJE	Helen O'Neill . . .	ONEI
Joan A. Lee . . .	LEE	Pedro Torres-Lopez .	TORR

Boxes 3 and 4. Enter your social security number (SSN) in box 3. If you are filing a joint return, enter in box 3 the SSN shown first on your return and in box 4 the SSN shown second.

Box 5. Enter your name(s) and address as shown on your return.

How To Prepare Your Payment

- Make your check or money order payable to the "**United States Treasury.**" **Do not** send cash.
- Make sure your name and address appear on your check or money order.
- Enter "1999 Form 1040," your daytime telephone number, and your SSN on your check or money order. If you are filing a joint return, enter the SSN shown **first** on your return.
- To help us process your payment, enter the amount on the right side of your check like this: $ XXX.XX. **Do not** use dashes or lines (for example, do not enter "$ XXX—" or "$ XXX $\frac{XX}{100}$ ").

How To Send In Your Return, Payment, and Form 1040-V

- Detach Form 1040-V along the dotted line.
- **Do not** staple or otherwise attach your payment or Form 1040-V to your return or to each other. Instead, just put them loose in the envelope.
- If an envelope came with your tax package, please use it to mail your 1999 tax return, payment, and Form 1040-V.
- If you do not have that envelope or you moved or used a paid preparer, mail your tax return, payment, and Form 1040-V to the Internal Revenue Service at the address shown on the back that applies to you.

Note. If you filed electronically, send your check or money order and Form 1040-V to the applicable address shown on the back.

Paperwork Reduction Act Notice. We ask for the information on Form 1040-V to help us carry out the Internal Revenue laws of the United States. If you use Form 1040-V, you must provide the requested information. Your cooperation will help us ensure that we are collecting the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Internal Revenue Code section 6103.

The time needed to complete and mail Form 1040-V will vary depending on individual circumstances. The estimated average time is 19 minutes. If you have comments about the accuracy of this time estimate or suggestions for making Form 1040-V simpler, we would be happy to hear from you. See the Instructions for Form 1040.

Cat. No. 20975C

Form **1040-V** (1999)

▼ **DETACH HERE AND MAIL WITH YOUR PAYMENT** ▼

Form **1040-V**
Department of the Treasury
Internal Revenue Service (99)

Payment Voucher

► **Do not staple or attach this voucher to your payment.**

OMB No. 1545-0074

1999

1 Enter the amount you are paying by check or money order

► $.

2 Enter the first four letters of your last name

3 Enter your social security number

4 If a joint return, enter the SSN shown second on that return

5 Enter your name(s)

Enter your address

Enter your city, state, and ZIP code

Cat. No. 20975C

IF you live in . . .	THEN use this address if you: Prepared your own return . . .	Used a paid preparer . . .	Filed electronically . . .
Florida, South Carolina	Atlanta, GA 39901-0002	P.O. Box 105093 Atlanta, GA 30348-5093	P.O. Box 6223 Chicago, IL 60680-6223
Georgia	Atlanta, GA 39901-0002	P.O. Box 105093 Atlanta, GA 30348-5093	P.O. Box 1214 Charlotte, NC 28201-1214
New Jersey, New York *(New York City and counties of Nassau, Rockland, Suffolk, and Westchester)*	Holtsville, NY 00501-0002	P.O. Box 1187 Newark, NJ 07101-1187	P.O. Box 371361 Pittsburgh, PA 15250-7361
New York *(all other counties),* Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	Andover, MA 05501-0002	P.O. Box 371361 Pittsburgh, PA 15250-7361	P.O. Box 371361 Pittsburgh, PA 15250-7361
Illinois, Iowa, Minnesota, Missouri, Wisconsin	Kansas City, MO 64999-0002	P.O. Box 970011 St. Louis, MO 63197-0011	P.O. Box 970016 St. Louis, MO 63197-0016
Delaware, District of Columbia, Maryland, Pennsylvania, Virginia	Philadelphia, PA 19255-0002	P.O. Box 8530 Philadelphia, PA 19162-8530	P.O. Box 371361 Pittsburgh, PA 15250-7361
Indiana, Kentucky, Michigan, Ohio, West Virginia	Cincinnati, OH 45999-0002	P.O. Box 6223 Chicago, IL 60680-6223	P.O. Box 6223 Chicago, IL 60680-6223
Kansas, New Mexico, Oklahoma, Texas	Austin, TX 73301-0002	P.O. Box 970016 St. Louis, MO 63197-0016	P.O. Box 970016 St. Louis, MO 63197-0016
Alaska, Arizona, California *(counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba),* Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT 84201-0002	P.O. Box 7704 San Francisco, CA 94120-7704	P.O. Box 7704 San Francisco, CA 94120-7704
California *(all other counties),* Hawaii	Fresno, CA 93888-0002	P.O. Box 60000 Los Angeles, CA 90060-6000	P.O. Box 7704 San Francisco, CA 94120-7704
Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee	Memphis, TN 37501-0002	P.O. Box 1214 Charlotte, NC 28201-1214	P.O. Box 1214 Charlotte, NC 28201-1214
All APO and FPO addresses, American Samoa, nonpermanent residents of Guam or the Virgin Islands*, Puerto Rico *(or if excluding income under section 933),* a foreign country *(or if a dual-status alien):* U.S. citizens or those filing Form 2555, Form 2555-EZ, or Form 4563	Philadelphia, PA 19255-0215	P.O. Box 7328 Philadelphia, PA 19162-7328	P.O. Box 371361 Pittsburgh, PA 15250-7361

* Permanent residents of Guam or the Virgin Islands should not use Form 1040-V.

SCHEDULES A&B
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Schedule A-Itemized Deductions

(Schedule B is on back)

► **Attach to Form 1040.** ► **See Instructions for Schedules A and B (Form 1040).**

OMB No. 1545-0074

1999

Attachment Sequence No. **07**

Name(s) shown on Form 1040 | **Your social security number**

Medical and Dental Expenses		**Caution.** Do not include expenses reimbursed or paid by others.		
	1	Medical and dental expenses (see page A-1)	1	
	2	Enter amount from Form 1040, line 34 . 2		
	3	Multiply line 2 above by 7.5% (.075)	3	
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-		4
Taxes You Paid (See page A-2.)	5	State and local income taxes	5	
	6	Real estate taxes (see page A-2)	6	
	7	Personal property taxes	7	
	8	Other taxes. List type and amount ►	8	
	9	Add lines 5 through 8		9
Interest You Paid (See page A-3.)	10	Home mortgage interest and points reported to you on Form 1098	10	
	11	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-3 and show that person's name, identifying no., and address ►	11	
Note. Personal interest is not deductible.	12	Points not reported to you on Form 1098. See page A-3 for special rules	12	
	13	Investment interest. Attach Form 4952 if required. (See page A-3.)	13	
	14	Add lines 10 through 13		14
Gifts to Charity	15	Gifts by cash or check. If you made any gift of $250 or more, see page A-4	15	
If you made a gift and got a benefit for it, see page A-4.	16	Other than by cash or check. If any gift of $250 or more, see page A-4. You **MUST** attach Form 8283 if over $500	16	
	17	Carryover from prior year	17	
	18	Add lines 15 through 17		18
Casualty and Theft Losses	19	Casualty or theft loss(es). Attach Form 4684. (See page A-5.)		19
Job Expenses and Most Other Miscellaneous Deductions	20	Unreimbursed employee expenses—job travel, union dues, job education, etc. You **MUST** attach Form 2106 or 2106-EZ if required. (See page A-5.) ►	20	
	21	Tax preparation fees	21	
(See page A-5 for expenses to deduct here.)	22	Other expenses—investment, safe deposit box, etc. List type and amount ►	22	
	23	Add lines 20 through 22	23	
	24	Enter amount from Form 1040, line 34 . 24		
	25	Multiply line 24 above by 2% (.02)	25	
	26	Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-		26
Other Miscellaneous Deductions	27	Other—from list on page A-6. List type and amount ►		27
Total Itemized Deductions	28	Is Form 1040, line 34, over $126,600 (over $63,300 if married filing separately)?		
		☐ **No.** Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 36. ►		28
		☐ **Yes.** Your deduction may be limited. See page A-6 for the amount to enter.		

Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side. | Your social security number

Schedule B—Interest and Ordinary Dividends

Attachment Sequence No. 08

Part I Interest

(See page B-1 and the instructions for Form 1040, line 8a.)

Note. If you had over $400 in taxable interest, you must also complete Part III.

Note. If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

		Amount
1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see page B-1 and list this interest first. Also, show that buyer's social security number and address ▶	1	
2 Add the amounts on line 1	2	
3 Excludable interest on series EE and I U.S. savings bonds issued after 1989 from Form 8815, line 14. You **MUST** attach Form 8815	3	
4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a ▶	4	

Part II Ordinary Dividends

(See page B-1 and the instructions for Form 1040, line 9.)

Note. If you had over $400 in ordinary dividends, you must also complete Part III.

Note. If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

		Amount
5 List name of payer. Include only ordinary dividends. If you received any capital gain distributions, see the instructions for Form 1040, line 13 ▶	5	
6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9 ▶	6	

Part III Foreign Accounts and Trusts

(See page B-2.)

You must complete this part if you **(a)** had over $400 of interest or ordinary dividends; **(b)** had a foreign account; or **(c)** received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

	Yes	No
7a At any time during 1999, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing requirements for Form TD F 90-22.1		
b If "Yes," enter the name of the foreign country ▶		
8 During 1999, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See page B-2		

SCHEDULE C (Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business

(Sole Proprietorship)

▶ **Partnerships, joint ventures, etc., must file Form 1065 or Form 1065-B.**

▶ **Attach to Form 1040 or Form 1041.** ▶ **See Instructions for Schedule C (Form 1040).**

OMB No. 1545-0074

1999

Attachment Sequence No. **09**

Name of proprietor | **Social security number (SSN)**

A Principal business or profession, including product or service (see page C-1) | **B Enter code from pages C-8 & 9** ▶

C Business name. If no separate business name, leave blank. | **D Employer ID number (EIN), if any**

E Business address (including suite or room no.) ▶
City, town or post office, state, and ZIP code

F Accounting method: **(1)** ☐ Cash **(2)** ☐ Accrual **(3)** ☐ Other (specify) ▶

G Did you "materially participate" in the operation of this business during 1999? If "No," see page C-2 for limit on losses . ☐ **Yes** ☐ **No**

H If you started or acquired this business during 1999, check here . . . . . ▶ ☐

Part I Income

1	Gross receipts or sales. **Caution:** *If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see page C-2 and check here* ▶ ☐	1	
2	Returns and allowances	2	
3	Subtract line 2 from line 1	3	
4	Cost of goods sold (from line 42 on page 2)	4	
5	**Gross profit.** Subtract line 4 from line 3	5	
6	Other income, including Federal and state gasoline or fuel tax credit or refund (see page C-3)	6	
7	**Gross income.** Add lines 5 and 6 ▶	7	

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8	Advertising	8		19	Pension and profit-sharing plans	19	
9	Bad debts from sales or services (see page C-3)	9		20	Rent or lease (see page C-4):		
10	Car and truck expenses (see page C-3)	10		a	Vehicles, machinery, and equipment	20a	
11	Commissions and fees	11		b	Other business property	20b	
12	Depletion	12		21	Repairs and maintenance	21	
13	Depreciation and section 179 expense deduction (not included in Part III) (see page C-3)	13		22	Supplies (not included in Part III)	22	
14	Employee benefit programs (other than on line 19)	14		23	Taxes and licenses	23	
15	Insurance (other than health)	15		24	Travel, meals, and entertainment:		
16	Interest:			a	Travel	24a	
a	Mortgage (paid to banks, etc.)	16a		b	Meals and entertainment		
b	Other	16b		c	Enter nondeductible amount included on line 24b (see page C-5)		
17	Legal and professional services	17		d	Subtract line 24c from line 24b	24d	
18	Office expense	18		25	Utilities	25	
				26	Wages (less employment credits)	26	
				27	Other expenses (from line 48 on page 2)	27	

28	**Total expenses** before expenses for business use of home. Add lines 8 through 27 in columns ▶	28	
29	Tentative profit (loss). Subtract line 28 from line 7	29	
30	Expenses for business use of your home. Attach **Form 8829**	30	
31	**Net profit or (loss).** Subtract line 30 from line 29. • If a profit, enter on **Form 1040, line 12,** and ALSO on **Schedule SE, line 2** (statutory employees, see page C-6). Estates and trusts, enter on Form 1041, line 3. • If a loss, you MUST go on to line 32.	31	

32 If you have a loss, check the box that describes your investment in this activity (see page C-6).
• If you checked 32a, enter the loss on **Form 1040, line 12,** and ALSO on **Schedule SE, line 2** (statutory employees, see page C-6). Estates and trusts, enter on Form 1041, line 3.
• If you checked 32b, you MUST attach **Form 6198.**

32a ☐ All investment is at risk.
32b ☐ Some investment is not at risk.

Part III Cost of Goods Sold (see page C-6)

33 Method(s) used to value closing inventory: a ☐ Cost b ☐ Lower of cost or market c ☐ Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation . . . . . ☐ Yes ☐ No

35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35	
36	Purchases less cost of items withdrawn for personal use	36	
37	Cost of labor. Do not include any amounts paid to yourself	37	
38	Materials and supplies	38	
39	Other costs	39	
40	Add lines 35 through 39	40	
41	Inventory at end of year	41	
42	**Cost of goods sold.** Subtract line 41 from line 40. Enter the result here and on page 1, line 4	42	

Part IV Information on Your Vehicle.

Complete this part **ONLY** if you are claiming car or truck expenses on line 10 and are not required to file Form 4562 for this business. See the instructions for line 13 on page C-3 to find out if you must file.

43 When did you place your vehicle in service for business purposes? (month, day, year) ► ____/____/____.

44 Of the total number of miles you drove your vehicle during 1999, enter the number of miles you used your vehicle for:

a Business _____ b Commuting _____ c Other _____

45 Do you (or your spouse) have another vehicle available for personal use? . . . . . ☐ Yes ☐ No

46 Was your vehicle available for use during off-duty hours? . . . . . ☐ Yes ☐ No

47a Do you have evidence to support your deduction? . . . . . ☐ Yes ☐ No

b If "Yes," is the evidence written? . . . . . ☐ Yes ☐ No

Part V Other Expenses.

List below business expenses not included on lines 8–26 or line 30.

48 **Total other expenses.** Enter here and on page 1, line 27	48	

SCHEDULE C-EZ (Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Net Profit From Business

(Sole Proprietorship)

► **Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.**

► **Attach to Form 1040 or Form 1041.** ► **See instructions on back.**

OMB No. 1545-0074

1999

Attachment Sequence No. **09A**

Name of proprietor

Social security number (SSN)

Part I General Information

You May Use Schedule C-EZ Instead of Schedule C Only If You:

- Had business expenses of $2,500 or less.
- Use the cash method of accounting.
- Did not have an inventory at any time during the year.
- Did not have a net loss from your business.
- Had only one business as a sole proprietor.

And You:

- Had no employees during the year.
- Are not required to file **Form 4562,** Depreciation and Amortization, for this business. See the instructions for Schedule C, line 13, on page C-3 to find out if you must file.
- Do not deduct expenses for business use of your home.
- Do not have prior year unallowed passive activity losses from this business.

A Principal business or profession, including product or service

B Enter code from pages C-8 & 9 ►

C Business name. If no separate business name, leave blank.

D Employer ID number (EIN), if any

E Business address (including suite or room no.). Address not required if same as on Form 1040, page 1.

City, town or post office, state, and ZIP code

Part II Figure Your Net Profit

1	**Gross receipts. Caution:** *If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see* ***Statutory Employees*** *in the instructions for Schedule C, line 1, on page C-2 and check here* ► ☐	1	
2	**Total expenses.** If more than $2,500, you **must** use Schedule C. See instructions	2	
3	**Net profit.** Subtract line 2 from line 1. If less than zero, you **must** use Schedule C. Enter on **Form 1040, line 12,** and ALSO on **Schedule SE, line 2.** (Statutory employees **do not** report this amount on Schedule SE, line 2. Estates and trusts, enter on Form 1041, line 3.)	3	

Part III Information on Your Vehicle. Complete this part ONLY if you are claiming car or truck expenses on line 2.

4 When did you place your vehicle in service for business purposes? (month, day, year) ► / /

5 Of the total number of miles you drove your vehicle during 1999, enter the number of miles you used your vehicle for:

a Business **b** Commuting **c** Other

6 Do you (or your spouse) have another vehicle available for personal use? ☐ **Yes** ☐ **No**

7 Was your vehicle available for use during off-duty hours? ☐ **Yes** ☐ **No**

8a Do you have evidence to support your deduction? ☐ **Yes** ☐ **No**

b If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

Instructions

You may use Schedule C-EZ instead of Schedule C if you operated a business or practiced a profession as a sole proprietorship and you have met all the requirements listed in Part I of Schedule C-EZ.

Line A

Describe the business or professional activity that provided your principal source of income reported on line 1. Give the general field or activity and the type of product or service.

Line B

Enter the six-digit code that identifies your principal business or professional activity. See pages C-8 and C-9 for the list of codes.

Line D

You need an employer identification number (EIN) only if you had a Keogh plan or were required to file an employment, excise, estate, trust, or alcohol, tobacco, and firearms tax return. If you need an EIN, file **Form SS-4,** Application for Employer Identification Number. If you do not have an EIN, leave line D blank. **Do not** enter your SSN.

Line E

Enter your business address. Show a street address instead of a box number. Include the suite or room number, if any.

Line 1

Enter gross receipts from your trade or business. Include amounts you received in your trade or business that were properly shown on **Forms 1099-MISC.** If the total amounts that were reported in box 7 of Forms 1099-MISC are more than the total you are reporting on line 1, attach a statement explaining the difference. You must show all items of taxable income actually or constructively received during the year (in cash, property, or services). Income is constructively received when it is credited to your account or set aside for you to use. Do not offset this amount by any losses.

Line 2

Enter the total amount of all deductible business expenses you actually paid during the year. Examples of these expenses include advertising, car and truck expenses, commissions and fees, insurance, interest, legal and professional services, office expense, rent or lease expenses, repairs and maintenance, supplies, taxes, travel, the allowable percentage of business meals and entertainment, and utilities (including telephone). For details, see the instructions for Schedule C, Parts II and V, on pages C-3 through C-7. If you wish, you may use the optional worksheet below to record your expenses.

If you claim car or truck expenses, be sure to complete Part III of Schedule C-EZ.

Optional Worksheet for Line 2 (keep a copy for your records)

a Business meals and entertainment	**a**					
b Enter nondeductible amount included on line **a** (see the instructions for lines 24b and 24c on page C-5)	**b**					
c Deductible business meals and entertainment. Subtract line **b** from line **a**				**c**		
d				**d**		
e				**e**		
f				**f**		
g				**g**		
h				**h**		
i				**i**		
j **Total.** Add lines **c** through **i.** Enter here and on line 2				**j**		

SCHEDULE D (Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Capital Gains and Losses

▶ **Attach to Form 1040.** ▶ **See Instructions for Schedule D (Form 1040).**

▶ **Use Schedule D-1 for more space to list transactions for lines 1 and 8.**

OMB No. 1545-0074

1999

Attachment Sequence No. **12**

Name(s) shown on Form 1040

Your social security number

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

	(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-5)	(e) Cost or other basis (see page D-5)	(f) GAIN or (LOSS) Subtract (e) from (d)
1						

2	Enter your short-term totals, if any, from Schedule D-1, line 2	2	
3	**Total short-term sales price amounts.** Add column (d) of lines 1 and 2	3	
4	Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824	4	
5	Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1	5	
6	Short-term capital loss carryover. Enter the amount, if any, from line 8 of your 1998 Capital Loss Carryover Worksheet	6	( )
7	**Net short-term capital gain or (loss).** Combine lines 1 through 6 in column (f) ▶	7	

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

	(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-5)	(e) Cost or other basis (see page D-5)	(f) GAIN or (LOSS) Subtract (e) from (d)	(g) 28% RATE GAIN or (LOSS) *(see instr. below)
8							

9	Enter your long-term totals, if any, from Schedule D-1, line 9	9		
10	**Total long-term sales price amounts.** Add column (d) of lines 8 and 9	10		
11	Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824	11		
12	Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1	12		
13	Capital gain distributions. See page D-1	13		
14	Long-term capital loss carryover. Enter in both columns (f) and (g) the amount, if any, from line 13 of your 1998 Capital Loss Carryover Worksheet	14	( )	( )
15	Combine lines 8 through 14 in column (g)	15		
16	**Net long-term capital gain or (loss).** Combine lines 8 through 14 in column (f) ▶ **Next:** Go to Part III on the back.	16		

***28% Rate Gain or Loss** includes **all** "collectibles gains and losses" (as defined on page D-5) and up to 50% of the eligible gain on qualified small business stock (see page D-4).

Part III Summary of Parts I and II

17	Combine lines 7 and 16. If a loss, go to line 18. If a gain, enter the gain on Form 1040, line 13	17	
	Next: Complete Form 1040 through line 39. Then, go to **Part IV** to figure your tax if: ● Both lines 16 and 17 are gains, **and** ● Form 1040, line 39, is more than zero.		
18	If line 17 is a loss, enter here and as a (loss) on Form 1040, line 13, the **smaller** of these losses: ● The loss on line 17, **or** ● ($3,000) or, if married filing separately, ($1,500)	18	( )
	Next: Skip **Part IV** below. Instead, complete Form 1040 through line 37. Then, complete the **Capital Loss Carryover Worksheet** on page D-6 if: ● The loss on line 17 exceeds the loss on line 18, **or** ● Form 1040, line 37, is a loss.		

Part IV Tax Computation Using Maximum Capital Gains Rates

19	Enter your taxable income from Form 1040, line 39			19	
20	Enter the **smaller** of line 16 or line 17 of Schedule D	20			
21	If you are filing Form 4952, enter the amount from Form 4952, line 4e	21			
22	Subtract line 21 from line 20. If zero or less, enter -0-	22			
23	Combine lines 7 and 15. If zero or less, enter -0-	23			
24	Enter the **smaller** of line 15 or line 23, but not less than zero	24			
25	Enter your unrecaptured section 1250 gain, if any, from line 16 of the worksheet on page D-7	25			
26	Add lines 24 and 25	26			
27	Subtract line 26 from line 22. If zero or less, enter -0-			27	
28	Subtract line 27 from line 19. If zero or less, enter -0-			28	
29	Enter the **smaller** of: ● The amount on line 19, **or** ● $25,750 if single; $43,050 if married filing jointly or qualifying widow(er); $21,525 if married filing separately; or $34,550 if head of household			29	
30	Enter the **smaller** of line 28 or line 29	30			
31	Subtract line 22 from line 19. If zero or less, enter -0-	31			
32	Enter the **larger** of line 30 or line 31 ▶	32			
33	Figure the tax on the amount on line 32. Use the Tax Table or Tax Rate Schedules, whichever applies			33	
	Note. If line 29 is less than line 28, go to line 38.				
34	Enter the amount from line 29	34			
35	Enter the amount from line 28	35			
36	Subtract line 35 from line 34. If zero or less, enter -0- ▶	36			
37	Multiply line 36 by 10% (.10)			37	
	Note. If line 27 is more than zero **and** equal to line 36, go to line 52.				
38	Enter the **smaller** of line 19 or line 27	38			
39	Enter the amount from line 36	39			
40	Subtract line 39 from line 38 ▶	40			
41	Multiply line 40 by 20% (.20)			41	
	Note. If line 25 is zero or blank, skip lines 42 through 47 and read the note above line 48.				
42	Enter the **smaller** of line 22 or line 25	42			
43	Add lines 22 and 32	43			
44	Enter the amount from line 19	44			
45	Subtract line 44 from line 43. If zero or less, enter -0-	45			
46	Subtract line 45 from line 42. If zero or less, enter -0- ▶	46			
47	Multiply line 46 by 25% (.25)			47	
	Note. If line 24 is zero or blank, go to line 52.				
48	Enter the amount from line 19	48			
49	Add lines 32, 36, 40, and 46	49			
50	Subtract line 49 from line 48	50			
51	Multiply line 50 by 28% (.28)			51	
52	Add lines 33, 37, 41, 47, and 51			52	
53	Figure the tax on the amount on line 19. Use the Tax Table or Tax Rate Schedules, whichever applies			53	
54	**Tax on all taxable income (including capital gains).** Enter the **smaller** of line 52 or line 53 here and on Form 1040, line 40.			54	

SCHEDULE E (Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

▶ **Attach to Form 1040 or Form 1041.** ▶ **See Instructions for Schedule E (Form 1040).**

OMB No. 1545-0074

1999

Attachment Sequence No. **13**

Name(s) shown on return

Your social security number

Part I **Income or Loss From Rental Real Estate and Royalties** **Note:** *Report income and expenses from your business of renting personal property on* ***Schedule C*** *or* ***C-EZ*** *(see page E-1). Report farm rental income or loss from* ***Form 4835*** *on page 2, line 39.*

1 Show the kind and location of each **rental real estate property:**

A

B

C

2 For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of:
- 14 days, **or**
- 10% of the total days rented at fair rental value?

(See page E-1.)

	Yes	No
A		
B		
C		

		Properties A		Properties B		Properties C		Totals (Add columns A, B, and C.)		
Income:										
3 Rents received	3							3		
4 Royalties received	4							4		
Expenses:										
5 Advertising	5									
6 Auto and travel (see page E-2)	6									
7 Cleaning and maintenance	7									
8 Commissions	8									
9 Insurance	9									
10 Legal and other professional fees	10									
11 Management fees	11									
12 Mortgage interest paid to banks, etc. (see page E-2)	12							12		
13 Other interest	13									
14 Repairs	14									
15 Supplies	15									
16 Taxes	16									
17 Utilities	17									
18 Other (list) ▶	18									
19 Add lines 5 through 18	19							19		
20 Depreciation expense or depletion (see page E-3)	20							20		
21 Total expenses. Add lines 19 and 20	21									
22 Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see page E-3 to find out if you must file **Form 6198**	22									
23 Deductible rental real estate loss. **Caution:** *Your rental real estate loss on line 22 may be limited. See page E-3 to find out if you must file* ***Form 8582****. Real estate professionals must complete line 42 on page 2*	23	( )		( )		( )				
24 **Income.** Add positive amounts shown on line 22. **Do not** include any losses								24		
25 **Losses.** Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here								25	( )	
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 39 on page 2 do not apply to you, also enter this amount on Form 1040, line 17. Otherwise, include this amount in the total on line 40 on page 2								26		

Name(s) shown on return. Do not enter name and social security number if shown on other side. | **Your social security number**

Note: *If you report amounts from farming or fishing on Schedule E, you must enter your gross income from those activities on line 41 below. Real estate professionals must complete line 42 below.*

Part II Income or Loss From Partnerships and S Corporations

Note: *If you report a loss from an at-risk activity, you MUST check either column **(e)** or **(f)** on line 27 to describe your investment in the activity. See page E-5. If you check column **(f)**, you must attach **Form 6198.***

27	(a) Name	(b) Enter **P** for partnership; **S** for S corporation	(c) Check if foreign partnership	(d) Employer identification number	Investment At Risk? (e) All is at risk	(f) Some is not at risk
A						
B						
C						
D						
E						

	Passive Income and Loss		Nonpassive Income and Loss		
	(g) Passive loss allowed (attach **Form 8582** if required)	(h) Passive income from **Schedule K-1**	(i) Nonpassive loss from **Schedule K-1**	(j) Section 179 expense deduction from **Form 4562**	(k) Nonpassive income from **Schedule K-1**
A					
B					
C					
D					
E					
28a Totals					
b Totals					

29	Add columns (h) and (k) of line 28a	29	
30	Add columns (g), (i), and (j) of line 28b	30	( )
31	Total partnership and S corporation income or (loss). Combine lines 29 and 30. Enter the result here and include in the total on line 40 below	31	

Part III Income or Loss From Estates and Trusts

32	(a) Name	(b) Employer identification number
A		
B		

	Passive Income and Loss		Nonpassive Income and Loss	
	(c) Passive deduction or loss allowed (attach **Form 8582** if required)	(d) Passive income from **Schedule K-1**	(e) Deduction or loss from **Schedule K-1**	(f) Other income from **Schedule K-1**
A				
B				
33a Totals				
b Totals				

34	Add columns (d) and (f) of line 33a	34	
35	Add columns (c) and (e) of line 33b	35	( )
36	Total estate and trust income or (loss). Combine lines 34 and 35. Enter the result here and include in the total on line 40 below	36	

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)—Residual Holder

37	(a) Name	(b) Employer identification number	(c) Excess inclusion from **Schedules Q,** line 2c (see page E-6)	(d) Taxable income (net loss) from **Schedules Q,** line 1b	(e) Income from **Schedules Q,** line 3b

38	Combine columns (d) and (e) only. Enter the result here and include in the total on line 40 below	38	

Part V Summary

39	Net farm rental income or (loss) from **Form 4835**. Also, complete line 41 below	39	
40	TOTAL income or (loss). Combine lines 26, 31, 36, 38, and 39. Enter the result here and on Form 1040, line 17 ▶	40	
41	**Reconciliation of Farming and Fishing Income.** Enter your **gross** farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), line 15b; Schedule K-1 (Form 1120S), line 23; and Schedule K-1 (Form 1041), line 14 (see page E-6)	41	
42	**Reconciliation for Real Estate Professionals.** If you were a real estate professional (see page E-4), enter the net income or (loss) you reported anywhere on Form 1040 from all rental real estate activities in which you materially participated under the passive activity loss rules	42	

SCHEDULE EIC
(Form 1040A or 1040)

Department of the Treasury
Internal Revenue Service

Earned Income Credit

Qualifying Child Information

Complete and attach to Form 1040A or 1040 only if you have a qualifying child.

OMB No. 1545-0074

1999

Attachment Sequence No. **43**

Name(s) shown on return

Your social security number

Before you begin: See the instructions for Form 1040A, lines 37a and 37b, or Form 1040, lines 59a and 59b, to make sure that (1) you can take the EIC and (2) you have a qualifying child.

CAUTION

- If you take the EIC even though you are not eligible, you may not be allowed to take the credit for up to 10 years. See back of schedule for details.
- It will take us longer to process your return and issue your refund if you do not fill in all lines that apply for each qualifying child.
- If you do not enter the child's correct social security number on line 4, at the time we process your return, we may reduce or disallow your EIC.

Qualifying Child Information	**Child 1**	**Child 2**
1 Child's name If you have more than two qualifying children, you only have to list two to get the maximum credit.	First name Last name	First name Last name
2 Child's year of birth	Year ____ ____ ____ ____ *If born after 1980, skip lines 3a and 3b; go to line 4.*	Year ____ ____ ____ ____ *If born after 1980, skip lines 3a and 3b; go to line 4.*
3 If the child was born before 1981— **a** Was the child under age 24 at the end of 1999 and a student?	☐ **Yes.** *Go to line 4.* ☐ **No.** *Continue*	☐ **Yes.** *Go to line 4.* ☐ **No.** *Continue*
b Was the child permanently and totally disabled during any part of 1999?	☐ **Yes.** *Continue* ☐ **No.** The child is not a qualifying child.	☐ **Yes.** *Continue* ☐ **No.** The child is not a qualifying child.
4 Child's social security number (SSN) The child must have an SSN as defined on page 42 of the Form 1040A instructions or page 41 of the Form 1040 instructions unless the child was born and died in 1999. If your child was born and died in 1999 and did not have an SSN, enter "Died" on this line and attach a copy of the child's birth certificate.		
5 Child's relationship to you (for example, son, daughter, grandchild, foster child, etc.)		
6 Number of months child lived with you in the United States during 1999 • If the child lived with you for more than half of 1999 but less than 7 months, enter "7". • If the child was born or died in 1999 and your home was the child's home for the entire time he or she was alive during 1999, enter "12".	_____ months *Do not enter more than 12 months.*	_____ months *Do not enter more than 12 months.*

Do you want part of the EIC added to your take-home pay in 2000? To see if you qualify, get Form W-5 from your employer or by calling the IRS at 1-800-TAX-FORM (1-800-829-3676).

Purpose of Schedule

The purpose of this schedule is to give the IRS information about your qualifying child after you have figured your earned income credit.

To figure the amount of your credit, or to have the IRS figure it for you, see the instructions for Form 1040A, lines 37a and 37b, or Form 1040, lines 59a and 59b.

Taking the EIC When Not Eligible. If you take the EIC even though you are not eligible and it is determined that your error is due to reckless or intentional disregard of the EIC rules, you will not be allowed to take the credit for 2 years even if you are otherwise eligible to do so. If you fraudulently take the EIC, you will not be allowed to take the credit for 10 years. You may also have to pay penalties.

Qualifying Child

A qualifying child is a child who is your . . .

Son	Grandchild
Daughter	Stepchild
Adopted child	Foster child*

* A foster child is any child you cared for as your own child.

AND

was at the end of 1999 . . .

Under age 19
OR
Under age 24 and a student
OR
Any age and permanently and totally disabled

AND

who . . .

Lived with you in the United States for more than half of 1999 or, if a foster child, for all of 1999.
If the child did not live with you for the required time, see Exception to "Time Lived With You" Condition on page 42 of the Form 1040A instructions or page 41 of the Form 1040 instructions.

Note. If the child was married or meets the conditions to be a qualifying child of another person (other than your spouse if filing a joint return), special rules apply. For details, see page 42 of the Form 1040A instructions or page 41 of the Form 1040 instructions.

SCHEDULE SE (Form 1040)

Department of the Treasury
Internal Revenue Service

Self-Employment Tax

► **See Instructions for Schedule SE (Form 1040).**

► **Attach to Form 1040.**

OMB No. 1545-0074

1999

Attachment Sequence No. **17**

Name of person with **self-employment** income (as shown on Form 1040)	Social security number of person with **self-employment** income ►

Who Must File Schedule SE

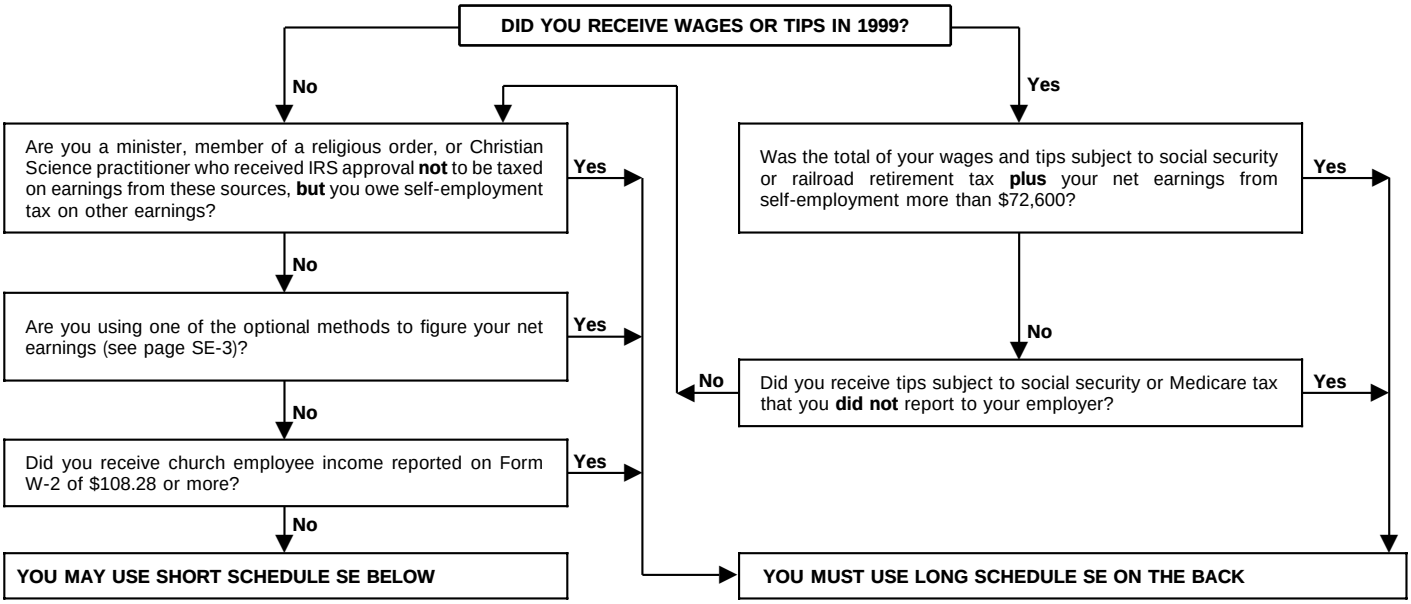
You must file Schedule SE if:

- You had net earnings from self-employment from **other than** church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of $400 or more, **OR**
- You had church employee income of $108.28 or more. Income from services you performed as a minister or a member of a religious order **is not** church employee income. See page SE-1.

Note: *Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either "optional method" in Part II of Long Schedule SE. See page SE-3.*

Exception. If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner **and** you filed Form 4361 and received IRS approval not to be taxed on those earnings, **do not** file Schedule SE. Instead, write "Exempt–Form 4361" on Form 1040, line 50.

May I Use Short Schedule SE or MUST I Use Long Schedule SE?



Section A—Short Schedule SE. Caution: *Read above to see if you can use Short Schedule SE.*

1	Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), line 15a	**1**	
2	Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), line 15a (other than farming); and Schedule K-1 (Form 1065-B), box 9. Ministers and members of religious orders, see page SE-1 for amounts to report on this line. See page SE-2 for other income to report	**2**	
3	Combine lines 1 and 2	**3**	
4	**Net earnings from self-employment.** Multiply line 3 by 92.35% (.9235). If less than $400, **do not** file this schedule; you do not owe self-employment tax ►	**4**	
5	**Self-employment tax.** If the amount on line 4 is: • $72,600 or less, multiply line 4 by 15.3% (.153). Enter the result here and on **Form 1040, line 50.** • More than $72,600, multiply line 4 by 2.9% (.029). Then, add $9,002.40 to the result. Enter the total here and on **Form 1040, line 50.**	**5**	
6	**Deduction for one-half of self-employment tax.** Multiply line 5 by 50% (.5). Enter the result here and on **Form 1040, line 27** **6**		

Name of person with **self-employment** income (as shown on Form 1040)	Social security number of person with **self-employment** income ▶

Section B—Long Schedule SE

Part I Self-Employment Tax

Note: *If your only income subject to self-employment tax is* ***church employee income,*** *skip lines 1 through 4b. Enter -0- on line 4c and go to line 5a. Income from services you performed as a minister or a member of a religious order* ***is not*** *church employee income. See page SE-1.*

A If you are a minister, member of a religious order, or Christian Science practitioner **and** you filed Form 4361, but you had $400 or more of **other** net earnings from self-employment, check here and continue with Part I . . . . . ▶ ☐

1	Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), line 15a. **Note:** *Skip this line if you use the farm optional method. See page SE-3*		1	
2	Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), line 15a (other than farming); and Schedule K-1 (Form 1065-B), box 9. Ministers and members of religious orders, see page SE-1 for amounts to report on this line. See page SE-2 for other income to report. **Note:** *Skip this line if you use the nonfarm optional method. See page SE-3*		2	
3	Combine lines 1 and 2		3	
4a	If line 3 is more than zero, multiply line 3 by 92.35% (.9235). Otherwise, enter amount from line 3		4a	
b	If you elected one or both of the optional methods, enter the total of lines 15 and 17 here		4b	
c	Combine lines 4a and 4b. If less than $400, **do not** file this schedule; you do not owe self-employment tax. **Exception.** If less than $400 and you had **church employee income,** enter -0- and continue ▶		4c	
5a	Enter your **church employee income** from Form W-2. **Caution:** *See page SE-1 for definition of church employee income*	5a		
b	Multiply line 5a by 92.35% (.9235). If less than $100, enter -0-		5b	
6	**Net earnings from self-employment.** Add lines 4c and 5b		6	
7	Maximum amount of combined wages and self-employment earnings subject to social security tax or the 6.2% portion of the 7.65% railroad retirement (tier 1) tax for 1999		7	72,600 00
8a	Total social security wages and tips (total of boxes 3 and 7 on Form(s) W-2) and railroad retirement (tier 1) compensation	8a		
b	Unreported tips subject to social security tax (from Form 4137, line 9)	8b		
c	Add lines 8a and 8b		8c	
9	Subtract line 8c from line 7. If zero or less, enter -0- here and on line 10 and go to line 11 ▶		9	
10	Multiply the **smaller** of line 6 or line 9 by 12.4% (.124)		10	
11	Multiply line 6 by 2.9% (.029)		11	
12	**Self-employment tax.** Add lines 10 and 11. Enter here and on **Form 1040, line 50**		12	
13	**Deduction for one-half of self-employment tax.** Multiply line 12 by 50% (.5). Enter the result here and on **Form 1040, line 27**	13		

Part II Optional Methods To Figure Net Earnings (See page SE-3.)

	Farm Optional Method. You may use this method **only** if: • Your gross farm income[1] was not more than $2,400, **or** • Your net farm profits[2] were less than $1,733.		
14	Maximum income for optional methods	14	1,600 00
15	Enter the **smaller** of: two-thirds (⅔) of gross farm income[1] (not less than zero) **or** $1,600. Also include this amount on line 4b above	15	
	Nonfarm Optional Method. You may use this method **only** if: • Your net nonfarm profits[3] were less than $1,733 and also less than 72.189% of your gross nonfarm income,[4] **and** • You had net earnings from self-employment of at least $400 in 2 of the prior 3 years. **Caution:** *You may use this method no more than five times.*		
16	Subtract line 15 from line 14	16	
17	Enter the **smaller** of: two-thirds (⅔) of gross nonfarm income[4] (not less than zero) **or** the amount on line 16. Also include this amount on line 4b above	17	

[1]From Sch. F, line 11, and Sch. K-1 (Form 1065), line 15b.
[2]From Sch. F, line 36, and Sch. K-1 (Form 1065), line 15a.
[3]From Sch. C, line 31; Sch. C-EZ, line 3; Sch. K-1 (Form 1065), line 15a; and Sch. K-1 (Form 1065-B), box 9.
[4]From Sch. C, line 7; Sch. C-EZ, line 1; Sch. K-1 (Form 1065), line 15c; and Sch. K-1 (Form 1065-B), box 9.

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach this form to your return.

OMB No. 1545-0172

1999

Attachment Sequence No. **67**

Name(s) shown on return	Business or activity to which this form relates	Identifying number

Part I **Election To Expense Certain Tangible Property (Section 179) (Note:** *If you have any "listed property," complete Part V before you complete Part I.***)**

1	Maximum dollar limitation. If an enterprise zone business, see page 2 of the instructions	1	$19,000
2	Total cost of section 179 property placed in service. See page 2 of the instructions	2	
3	Threshold cost of section 179 property before reduction in limitation	3	$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions	5	

	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6			
7	Listed property. Enter amount from line 27.	7	

8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from 1998. See page 2 of the instructions	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2000. Add lines 9 and 10, less line 12 ▶	13	

Note: *Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.*

Part II **MACRS Depreciation for Assets Placed in Service ONLY During Your 1999 Tax Year (Do Not Include Listed Property.)**

Section A—General Asset Account Election

14 If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See page 3 of the instructions ▶ ☐

Section B—General Depreciation System (GDS) (See page 3 of the instructions.)

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
15a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C—Alternative Depreciation System (ADS) (See page 5 of the instructions.)

16a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part III **Other Depreciation (Do Not Include Listed Property.)** (See page 5 of the instructions.)

17	GDS and ADS deductions for assets placed in service in tax years beginning before 1999	17	
18	Property subject to section 168(f)(1) election	18	
19	ACRS and other depreciation	19	

Part IV **Summary** (See page 6 of the instructions.)

20	Listed property. Enter amount from line 26.	20	
21	**Total.** Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	21	
22	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	22	

Part V Listed Property—Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete* ***only*** *23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A—Depreciation and Other Information (Caution: *See page 7 of the instructions for limits for passenger automobiles.***)**

23a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** | **23b** If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
24 Property used more than 50% in a qualified business use (See page 6 of the instructions.):								
		%						
		%						
		%						
25 Property used 50% or less in a qualified business use (See page 6 of the instructions.):								
		%				S/L –		
		%				S/L –		
		%				S/L –		

26 Add amounts in column (h). Enter the total here and on line 20, page 1 . . . . . **26**

27 Add amounts in column (i). Enter the total here and on line 7, page 1 . . . . . **27**

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
28 Total business/investment miles driven during the year (DO NOT include commuting miles-see page 1 of the instructions)												
29 Total commuting miles driven during the year												
30 Total other personal (noncommuting) miles driven												
31 Total miles driven during the year. Add lines 28 through 30.												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
32 Was the vehicle available for personal use during off-duty hours?												
33 Was the vehicle used primarily by a more than 5% owner or related person?												
34 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who ***are not*** *more than 5% owners or related persons.*

	Yes	No
35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 8 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
37 Do you treat all use of vehicles by employees as personal use?		
38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
39 Do you meet the requirements concerning qualified automobile demonstration use? See page 8 of the instructions . .		
Note: *If your answer to 35, 36, 37, 38, or 39 is "Yes," you need not complete Section B for the covered vehicles.*		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
40 Amortization of costs that begins during your 1999 tax year:					

41 Amortization of costs that began before 1999 . . . . . **41**

42 **Total.** Enter here and on "Other Deductions" or "Other Expenses" line of your return . . . **42**

Major Categories of Federal Income and Outlays for Fiscal Year 1998

On or before the first Monday in February of each year, the President is required by law to submit to the Congress a budget proposal for the fiscal year that begins the following October. The budget plan sets forth the President's proposed receipts, spending, and the surplus or deficit for the Federal government. The plan includes recommendations for new legislation as well as recommendations to change, eliminate, and add programs. After receipt of the President's proposal, the Congress reviews the proposal and makes changes. It first passes a budget resolution setting its own targets for receipts, outlays, and the surplus or deficit. Individual spending and revenue bills are then enacted consistent with the goals of the budget resolution.

In fiscal year 1998 (which began on October 1, 1997, and ended on September 30, 1998), Federal income was $1,722 billion and outlays were $1,653 billion, leaving a surplus of $69 billion.

Federal Income

Income and social insurance taxes are, by far, the largest source of receipts. In 1998, individuals paid $829 billion in income taxes and corporations paid $189 billion. Social security and other insurance and retirement contributions were $572 billion. Excise taxes were $58 billion. The remaining $75 billion of receipts were from Federal Reserve deposits, customs duties, estate and gift taxes, and other miscellaneous receipts.

Federal Outlays

All outlays were financed by tax receipts. Government receipts finance a wide range of public services. The following is the breakdown of total outlays for fiscal year 1998*:

1. Social security, Medicare, and other retirement: $650 billion. These programs were about 37% of total outlays. They provide income support for the retired and disabled and medical care for the elderly.

2. National defense, veterans, and foreign affairs: $323 billion. About 15% of total outlays were to equip, modernize, and pay our armed forces and to fund other national defense activities; about 2% went for veterans benefits and services; and about 1% went for international activities, including military and economic assistance to foreign countries and the maintenance of U.S. embassies abroad.

3. Net interest: $243 billion. About 14% of total outlays were for net interest payments on the debt held by the public.

4. Physical, human, and community development: $144 billion. About 8% of total outlays were for agriculture; natural resources and environmental programs; transportation programs; aid for elementary and secondary education and direct assistance to college students; job training programs; deposit insurance, commerce and housing credit, and community development; and space, energy, and general science programs.

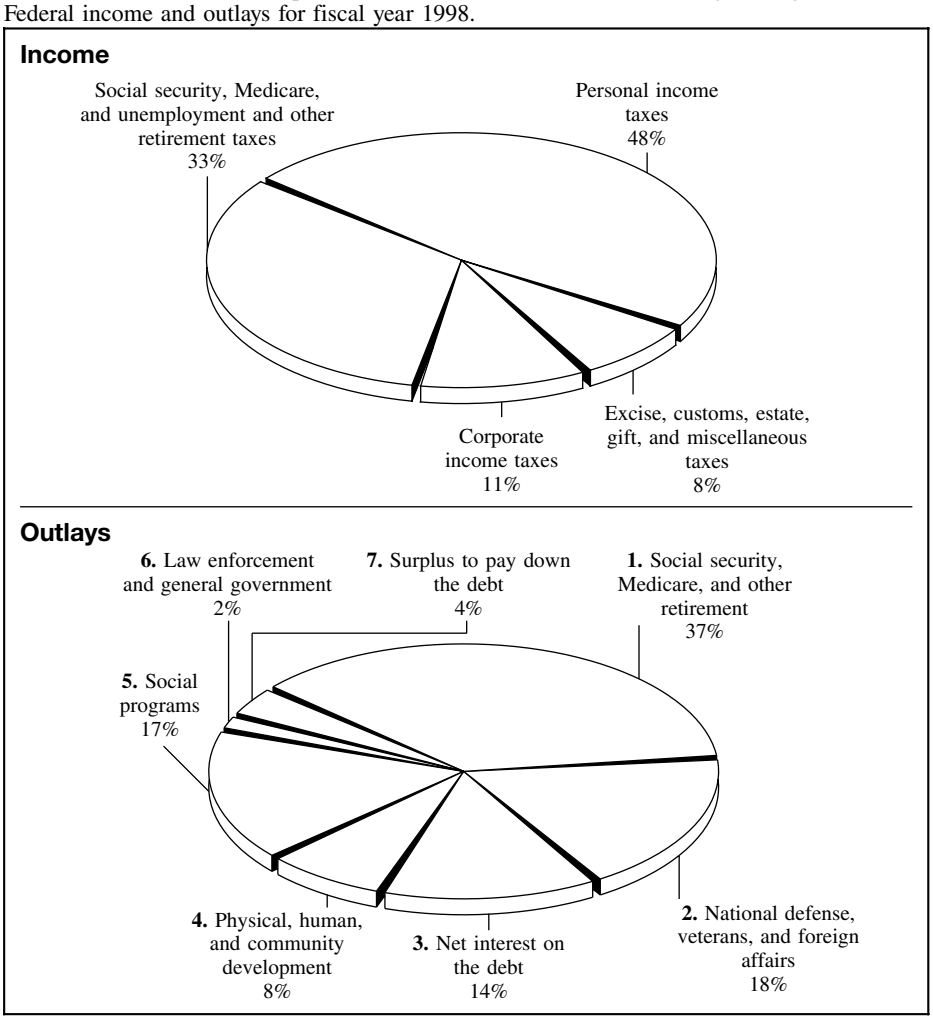
5. Social programs: $303 billion. The Federal Government spent about 12% of total outlays to fund Medicaid, food stamps, temporary assistance for needy families, supplemental security income, and related programs. About 6% was spent for health research and public health programs, unemployment compensation, assisted housing, and social services.

6. Law enforcement and general government: $36 billion. About 2% of total outlays were for judicial activities, Federal law enforcement, and prisons; and to provide for the general costs of the Federal Government, including the collection of taxes and legislative activities.

7. Surplus to pay down the debt: The $69 billion surplus, about 4% of Federal income, was used to pay down the debt held by the public.

Note. Detail may not add to totals due to rounding.

Income and Outlays. These pie charts show the relative sizes of the major categories of Federal income and outlays for fiscal year 1998.



* The percentages on this page exclude undistributed offsetting receipts, which were -$47 billion in fiscal year 1998. In the budget, these receipts are offset against spending in figuring the outlay totals shown above. These receipts are for the U.S. Government's share of its employee retirement programs, rents and royalties on the Outer Continental Shelf, and proceeds from the spectrum auction.

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* These items may not be included in this package. To reduce printing costs, we have sent you only the forms you may need based on what you filed last year.

Where Do You File?

If an envelope addressed to "Internal Revenue Service Center" came with this booklet, please use it. If you do not have one or if you moved during the year, mail your return to the **Internal Revenue Service Center** shown that applies to you.

TIP Envelopes without enough postage will be returned to you by the post office. If your envelope contains more than five pages or is oversized, it may need additional postage. Also, include your complete return address.

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New York *(all other counties),* Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	Internal Revenue Service Center Andover, MA 05501-0102	Internal Revenue Service Center Andover, MA 05501-0002
Illinois, Iowa, Minnesota, Missouri, Wisconsin	Internal Revenue Service Center Kansas City, MO 64999-0102	Internal Revenue Service Center Kansas City, MO 64999-0002
Delaware, District of Columbia, Maryland, Pennsylvania, Virginia	Internal Revenue Service Center Philadelphia, PA 19255-0102	Internal Revenue Service Center Philadelphia, PA 19255-0002
Indiana, Kentucky, Michigan, Ohio, West Virginia	Internal Revenue Service Center Cincinnati, OH 45999-0102	Internal Revenue Service Center Cincinnati, OH 45999-0002
Kansas, New Mexico, Oklahoma, Texas	Internal Revenue Service Center Austin, TX 73301-0102	Internal Revenue Service Center Austin, TX 73301-0002
Alaska, Arizona, California *(counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba),* Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Internal Revenue Service Center Ogden, UT 84201-0102	Internal Revenue Service Center Ogden, UT 84201-0002
California *(all other counties),* Hawaii	Internal Revenue Service Center Fresno, CA 93888-0102	Internal Revenue Service Center Fresno, CA 93888-0002
Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee	Internal Revenue Service Center Memphis, TN 37501-0102	Internal Revenue Service Center Memphis, TN 37501-0002
All APO and FPO addresses, American Samoa, nonpermanent residents of Guam or the Virgin Islands*, Puerto Rico *(or if excluding income under Internal Revenue Code section 933),* a foreign country: U.S. citizens and those filing Form 2555, 2555-EZ, or 4563	Internal Revenue Service Center Philadelphia, PA 19255-0215 USA	Internal Revenue Service Center Philadelphia, PA 19255-0215 USA

* Permanent residents of Guam should use: Department of Revenue and Taxation, Government of Guam, P.O. Box 23607, GMF, GU 96921; permanent residents of the Virgin Islands should use: V.I. Bureau of Internal Revenue, 9601 Estate Thomas, Charlotte Amalie, St. Thomas, VI 00802.

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