

INDIVIDUAL INCOME TAX RETURNS 1991

▲ RETURNS FILED \$ TAX COMPUTATIONS \$

SALARIES & WAGES \$ TAXABLE INCOME ▼

▲ EXEMPTIONS \$ STANDARD DEDUCTIONS

ADJUSTED GROSS INCOME \$ INCOME TAX

NET GAINS ▲ NET LOSSES ▼ TAX LIABILITY

ITEMIZED DEDUCTIONS \$ ADJUSTMENTS ▼

▼ IRAS \$ MARITAL STATUS ▼ DEPENDENTS

INTEREST ▼ ALTERNATIVE MINIMUM TAX

\$ NONTAXABLE RETURNS ▼ TAX REFUNDS

▲ TAX CREDITS ▼ SOURCES OF INCOME \$

DIVIDENDS ▲ ROYALTIES \$ CAPITAL GAINS

\$ EARNED INCOME CREDIT ▼ TAX RATES ▲

STATISTICS OF INCOME DIVISION

Department
of the
Treasury
Internal
Revenue
Service

Individual Income Tax Returns 1991

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Margaret Milner Richardson
Commissioner

This report contains data on sources of income, adjusted gross income, exemptions, deductions, taxable income, income tax, modified income tax, tax credits, self-employment tax, and taxpayments. Classifications are by tax status, size of adjusted gross income, marital status, and type of tax computation.

Michael P. Dolan
Deputy Commissioner

Additional unpublished information from individual income tax returns, classified by size of adjusted gross income, is available on a reimbursable basis. A public-use tape file, the Individual Tax File, containing the records selected for the Statistics of Income sample is also available on a reimbursable basis. The file is suitable primarily for making national-level estimates.

Phil Brand
Chief Compliance Officer

Daniel F. Skelly
Acting Director,
Statistics of Income Division

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David Paris
Chief,
Individual Statistics Branch

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Section 1

Introduction and Changes in Law

This report contains complete individual income tax data for Tax Year 1991. The statistics are based on a stratified probability sample of individual income tax returns, selected before audit, which represents a population of approximately 115 million Forms 1040, 1040A, 1040EZ, and 1040PC, including electronic returns, filed for Tax Year 1991.

Table A on the following page presents selected income and tax items for Tax Years 1985, 1988, 1989, 1990, and 1991, and provides the percentage change for each item between 1990 and 1991. When comparing income and tax items from different years, it is important to consider any changes in the tax law which may have affected the data.

For Tax Year 1991, the number of individual tax returns filed increased 1.0 million, or 0.9 percent. Adjusted gross income (AGI) grew \$59.1 billion, or 1.7 percent for 1991, a drop-off from the 4.6 percent growth recorded for 1990. Four components of AGI showed sizable changes for 1991: net capital gain less loss dropped 9.2 percent; taxable distributions from Individual Retirement Ar-

rangements increased 17.5 percent; taxable income from pensions and annuities increased 10.8 percent; and unemployment compensation climbed 50.8 percent. Total income tax, defined as the sum of income tax after credits and the alternative minimum tax, grew 0.3 percent to \$448.4 billion.

This report is divided into six sections. Section 1 explains the requirements for filing, changes in the law for 1991, and the 1979 Income Concept. Section 2 describes the sample of individual income tax returns upon which the statistics are based. Section 3 contains tables of detailed aggregate statistics on individual tax returns. Section 4 provides explanations of the terms used in the tables. The tax forms and instructions appear in Section 5, and Section 6 contains a subject index.

Requirements for Filing

The filing requirements for Tax Year 1991 were generally based on gross income, filing status, marital status, age, and, to a lesser extent, depend-

Edward B. Gross, Jr. was responsible for the text and production of this report, prepared under the direction of Jeff Hartzok, Chief, Returns Analysis Section, Individual Statistics Branch.

Table A.—Selected Income and Tax Items for Selected Years, 1985—1991

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	1985	1988	1989	1990	1991	Percent change, 1990 to 1991
	(1)	(2)	(3)	(4)	(5)	(6)
All returns	101,660,287	109,708,280	112,135,673	113,717,138	114,730,123	0.9
Form 1040 returns	67,006,425	71,359,242	71,563,456	69,270,236	68,992,988	-0.4
Form 1040A returns	18,124,702	19,066,165	20,478,063	25,917,288	26,605,992	2.7
Form 1040EZ returns	16,529,160	19,282,873	20,094,154	18,529,614	19,131,143	3.3
Total income, amount	2,401,033,782	3,111,221,671	3,280,931,125	3,439,401,579	3,499,240,498	1.7
Adjusted gross income, less deficit	2,305,951,483	3,083,019,783	3,256,358,156	3,405,427,348	3,464,524,369	1.7
Salaries and wages:						
Number of returns	87,198,001	93,257,370	95,487,922	96,729,912	97,066,245	0.4
Amount	1,928,200,978	2,337,984,129	2,449,530,553	2,599,401,271	2,674,260,752	2.9
Taxable interest received:						
Number of returns	64,526,434	69,421,338	69,881,648	70,369,662	70,161,547	-0.3
Amount	182,109,194	186,981,636	220,015,823	227,083,888	209,411,465	-7.8
Dividends in adjusted gross income:						
Number of returns	15,527,579	22,903,155	23,079,592	22,904,441	23,228,826	1.4
Amount	55,046,351	77,329,507	81,309,036	80,168,536	77,284,498	-3.6
Business or profession net income less loss:						
Number of returns	11,900,341	13,571,440	14,160,696	14,637,591	15,029,325	2.7
Amount	78,772,577	126,323,250	132,737,680	141,430,193	141,864,014	0.3
Net capital gain less loss in adjusted gross income ¹ :						
Number of returns	12,579,494	14,309,235	15,059,662	12,121,525	15,009,003	23.8
Amount	68,277,779	153,768,209	145,630,930	113,159,105	102,775,820	-9.2
Pensions and annuities in adjusted gross income:						
Number of returns	13,133,295	16,481,248	16,816,830	17,014,091	17,907,232	5.3
Amount	95,096,003	138,785,886	147,358,442	159,294,448	176,501,703	10.8
Rent and royalty net income less loss in adjusted gross income:						
Number of returns	9,544,495	9,985,858	9,747,254	10,258,013	10,184,014	-0.7
Amount	-12,963,726	-1,278,809	-1,438,255	3,764,049	5,194,334	38.0
Partnership and S Corporation net income less loss:						
Number of returns	5,487,671	5,899,223	5,928,288	5,977,458	5,499,460	-8.0
Amount	-2,526,591	57,080,226	63,092,056	67,022,231	63,190,389	-5.7
Farm net income less loss:						
Number of returns	2,620,861	2,367,527	2,359,718	2,321,154	2,290,908	-1.3
Amount	-12,005,483	-1,176,537	-213,939	-433,762	-2,853,007	NA
Total statutory adjustments:						
Number of returns	37,763,418	10,747,370	9,926,729	16,648,032	16,990,443	2.1
Amount	95,082,299	28,201,888	24,572,969	33,974,231	34,716,128	2.2
Individual Retirement Arrangement payments:						
Number of returns	16,205,846	6,361,421	5,824,914	5,223,737	4,666,078	-10.7
Amount	38,211,574	11,881,754	10,828,694	9,858,219	9,030,177	-8.4
Payments to a self-employed (Keogh) retirement plan:						
Number of returns	675,822	814,586	822,353	824,327	840,087	1.9
Amount	5,181,993	6,626,908	6,326,156	6,777,645	6,912,855	2.0
Number of exemptions	244,180,202	221,884,006	223,756,252	227,549,246	231,296,627	1.7
Total deductions:						
Number of returns	96,848,626	108,819,935	111,311,212	112,795,712	113,794,692	0.9
Amount	554,733,523 ²	685,954,065 ³	740,409,033 ³	789,941,575	818,762,126	3.7
Total itemized deductions:						
Number of returns	39,848,184	31,902,985	31,972,317	32,174,938	32,489,918	1.0
Amount	405,023,525	395,216,456	430,977,999	458,485,055	467,686,116	2.0
Medical and dental expense	22,926,214	17,993,829	20,920,881	21,456,587	23,726,113	10.6
Taxes paid	128,084,618	120,628,182	131,299,652	140,011,461	147,858,392	5.6
Interest paid	180,094,578	179,737,720	193,186,034	208,354,360	213,724,926	2.6
Contributions	47,962,848	50,949,273	55,459,205	57,242,757	60,573,565	5.8
Taxable income:						
Number of returns	96,124,046	90,281,729	92,313,789	93,148,332	92,717,816	-0.5
Amount	1,820,740,833	2,069,966,980	2,173,345,881	2,263,661,230	2,284,087,935	0.9
Income tax before credits:						
Number of returns	85,994,216	90,216,979	92,246,065	93,089,368	92,635,791	-0.5
Amount	332,165,333	418,889,165	438,240,138	453,127,579	454,502,664	0.3
Total tax credits	10,248,044	7,047,140	6,131,134	6,831,187	7,288,497	6.7
Child care credit	3,127,702	3,812,849	2,439,471	2,549,004	2,520,549	-1.1
Credit for the elderly or disabled	108,642	68,904	64,490	61,898	57,083	-7.8
Foreign tax credit	782,561	1,087,203	1,311,742	1,682,307	1,824,334	8.4
Income tax after credits	321,917,289	411,842,025	432,109,004	446,296,392	447,216,167	0.2
Total income tax:						
Number of returns	82,846,420	87,135,332	89,178,355	89,862,434	88,733,587	-1.3
Amount	325,710,254	412,869,909	432,939,998	447,126,703	448,429,593	0.3

NA: Not applicable

¹ Includes capital gain distributions.² Includes total itemized deductions, charitable contributions for non-itemizers, and zero bracket amount on non-itemized deductions.³ Includes total itemized deductions, and basic and additional standard deductions (zero bracket amount in lieu of standard deduction for prior year returns).

Marital Status	Filing Status	Age	Gross Income
Single (including divorced and legally separated)	Single	under 65 65 or older	\$5,500 \$6,400
	Head of household	under 65 65 or older	\$7,150 \$8,000
Married with a child and living apart from spouse during the last six months of 1991	Head of household	under 65 65 or older	\$7,150 \$8,000
Married and living with spouse at the end of 1991 (or on the date spouse died)	Married, joint return	under 65 (both spouses) 65 or older (one spouse) 65 or older (both spouses)	\$10,000 \$10,650 \$11,300
	Married, separate return	any age	\$2,150
Married, not living with spouse at the end of 1991 (or on the date spouse died)	Married, joint or separate return	any age	\$2,150
Widowed before 1991 and not remarried in 1991	Single	under 65 65 or older	\$5,550 \$6,400
	Head of household	under 65 65 or older	\$7,150 \$8,000
	Qualifying widow(er) with dependent child	under 65 65 or older	\$7,850 \$8,500

ency and blindness. Gross income included all income received in the form of money, property, and services that was not expressly exempt from tax. Generally, a citizen or resident of the United States was required to file a tax return if gross income for the year was at least as much as the amount shown for the appropriate filing status in Figure 1. If the taxpayer could be claimed as a dependent by another person (such as a parent), Figure 2 was used.

In addition to the general filing requirements, an individual was obligated to file a return for Tax Year 1991 if he or she:

1. was liable for any of the following taxes:
 - social security tax on unreported tip income;
 - uncollected social security tax or railroad retirement tax on reported tip income;
 - alternative minimum tax;

- tax on an individual retirement arrangement (IRA) or qualified retirement plan;
 - tax from the recapture of investment credit or low-income housing credit;
2. received any advance earned income credit (AEIC) payments;
 3. had net earnings from self-employment of at least \$400; or
 4. had wages of \$100 or more from a church or qualified church-controlled organization that was exempt from employer social security taxes.

Data shown in this report include individuals who were not required to file tax returns, but did so for any of a number of reasons. For example, an individual might have filed a return to obtain a refund of tax withheld, or to take advantage of the earned income credit.

Figure 2.—Filing Requirements for Children and Other Dependents

If someone (such as a parent) can claim the individual as a dependent, and any of the four conditions listed below applies, he or she must file a return.

In this chart, **unearned income** includes taxable interest and dividends. **Earned income** includes wages, tips, and taxable scholarship and fellowship grants.

Caution: If an individual's gross income was \$2,150 or more, he or she generally could not be claimed as a dependent unless the individual was under age 19 or under age 24 and a student.

1. Single dependents under 65 must file a return if—

Unearned
income was: and
\$1 or more
\$0

2. Single dependents 65 or older or blind must file a return if—

- Earned income was more than \$4,250 (\$5,100 if 65 or older and blind), or
- Unearned income was more than \$1,400 (\$2,250 if 65 or older and blind), or
- Gross income was more than the total of earned income (up to \$3,400) or \$550, whichever is larger, plus \$850 (\$1,700 if 65 or older and blind).

3. Married dependents under 65 must file a return if—

- Earned income was more than \$2,850, or
- Unearned income was more than \$0 and gross income was more than \$550, or
- Gross income was at least \$5 and spouse files a separate return on Form 1040 and itemizes deductions.

4. Married dependents 65 or older or blind must file a return if—

- Earned income was more than \$3,500 (\$4,150 if 65 or older and blind), or
- Unearned income was more than \$1,200 (\$1,850 if 65 or older and blind), or
- Gross income was more than the total of earned income (up to \$2,850) or \$550, whichever is larger, plus \$650 (\$1,300 if 65 or older and blind), or
- Gross income was at least \$5 and spouse files a separate return on Form 1040 and itemizes deductions.

Changes in Law

All major changes in effect for Tax Year 1991 which influenced the Statistics of Income data are listed below in alphabetical order. Section 4, Explanation of Terms, provides more detailed explanations and definitions of the terms used in this report.

Alternative Minimum Tax Rate

The alternative minimum tax rate on "tax preferences" was raised to 24 percent for 1991, from 21 percent for 1990.

Capital Gains Tax

A maximum tax rate of 28 percent for net long-term capital gains went into effect for 1991, compared to a maximum tax rate of 31 percent on other types of income. The maximum rate for all types of income for 1990 was 28 percent.

Deduction of Self-Employment Tax

Beginning with 1991, if a taxpayer had income from self-employment and owed self-employment tax, one-half of the tax could be deducted in the calculation of AGI.

Earned Income Credit

If a taxpayer's earned income and adjusted gross income were both less than \$21,250, and a qualifying child lived with the taxpayer, he or she may have been eligible for the earned income credit. Beginning with 1991, Schedule EIC, *Earned Income Credit*, was used to figure the credit. The new form allowed for the computation of three components of the credit: the basic credit; the health insurance credit; and the extra credit for a child born in 1991.

The basic credit could be as much \$1,192 for one qualifying child, and as much as \$1,235 for two or more qualifying children. The health insurance credit was available to individuals who paid health insurance that covered a qualifying child. The maximum amount of the health insurance credit was \$428. The maximum amount of the extra credit for a child born in 1991 was \$357.

Exemptions

The amount of the deduction for each individual personal exemption increased to \$2,150 for 1991 from \$2,050 for 1990. Beginning with 1991, a taxpayer's personal exemption deduction was limited, based on filing status, if he or she reported AGI in excess of certain amounts. For single taxpayers, the limitation began at \$100,000 and was completed at \$222,500; for married taxpayers filing jointly and qualifying widow(ers), the limitation began at \$150,000 and was completed at \$272,500; for heads of household, the limitation began at \$125,000 and was completed at \$247,500; and for married persons filing separately, the limitation began at \$75,000 and was completed at \$136,250. For each filing status, if a taxpayer reported AGI below the bottom threshold, his or her deduction was allowed entirely; if AGI was more than the upper limit, the deduction was disallowed entirely.

The phaseout of exemptions for 1990 was based on taxable income, and began at \$97,620 for single filers; \$162,770 for joint married filers and qualifying widow(ers); \$134,930 for heads of household; and \$123,570 for separate married filers. The

amount at which the 1990 phaseout was completed depended on the number of exemptions claimed by the taxpayer.

Itemized Deductions

If a taxpayer's AGI was greater than \$100,000 (\$50,000 if married filing separately), his or her itemized deductions may have been limited. The limitation did not apply to the deductions for medical and dental expenses, investment interest expenses, casualty or theft losses, and gambling losses; all other deductions were subject to the limitation. To arrive at allowable itemized deductions, total itemized deductions were reduced by the smaller of: a) 80 percent of the non-exempt deductions, or b) 3 percent of the amount of AGI in excess of \$100,000 (\$50,000).

Interest Paid Deduction

The phaseout of the itemized deduction for personal interest paid was completed for Tax Year 1991. Personal interest, such as that paid on car loans and credit card balances, was no longer deductible. A ten percent deduction was allowed for Tax Year 1990.

Passive Losses

The five-year phaseout of the deductibility of passive losses was completed for Tax Year 1991; losses from passive activities may no longer be deducted from other types of non-passive income. Ten percent of such losses were deductible for Tax Year 1990.

Standard Deduction

As an adjustment for inflation, the standard deduction was increased for Tax Year 1991. The standard deduction rose from \$3,250 to \$3,400 for single taxpayers, from \$5,450 to \$5,700 for those filing joint returns, from \$2,725 to \$2,850 for married filing separately, and from \$4,750 to \$5,000 for heads of household.

Tax Rates

For 1991, the tax rate schedule contained three basic rates: 15, 28, and 31 percent. For 1990, there were two rates, 15 and 28 percent, plus a phaseout of the benefits of the 15 percent tax rate.

The 1979 Income Concept A Retrospective Income Definition

In order to analyze changes in income and taxes over a period of years, a consistent definition of income must be used. The income concept available from Federal income tax returns, AGI, was designed to facilitate tax administration, and its definition has changed to reflect modifications to the Internal Revenue Code. Tax laws of the 1980's—the Economic Recovery Tax Act of 1981, the Tax Equity and Fiscal Responsibility Act of 1982, the Tax Reform Act of 1984, and the Tax Reform Act of 1986—made significant changes to the components of AGI, which made it more difficult to use AGI for accurate comparisons of income from year to year. For this reason, it was decided to develop an income definition that would be applicable over several years, and allow comparisons both before and after the major tax legislation of the 1980's.

The result was a retrospective income definition known as the 1979 Income Concept, reflecting a base period from 1979 through 1986. It was calculated using only data available from individual income tax returns; by using the same income items in the calculation each year, its definition was consistent throughout the base years. In addition, this retrospective income definition could be used in future years to compare income by continuing to include the same components that were common to all years [1].

The calculation of the 1979 Income Concept is shown in Figure 3. Several items partially excluded from AGI for the base years were fully included in this new income measure, the largest of which was capital gains. The full amount of all capital gains, as well as all dividends and unemployment compensation, was included in the income calculation. Total pensions, annuities, IRA distributions, and roll-overs were added, including

Figure 3.—Calculation of the 1979 Income Concept for 1991

1979 Total Income Concept=

Salaries and wages¹

plus (+):

- interest¹
 - dividends¹
 - alimony received¹
 - capital gains reported on Schedule D, and allowable losses¹
 - other gains or losses (Form 4797)¹
 - net business income or loss¹
 - net farm income or loss¹
 - net royalty income or loss¹
 - net partnership income or loss¹
 - net subchapter S corporation income or loss¹
 - net farm rental income or loss¹
 - net estate and trust income or loss¹
 - unemployment compensation¹
 - depreciation in excess of straight-line depreciation²
 - total pension income²
 - other net income¹
- minus (-):
- disallowed passive losses²
 - moving expenses³
 - alimony paid¹

¹ Included in AGI for Tax Year 1991.

² Not fully included in AGI for Tax Year 1991.

³ Not included in AGI for Tax Year 1991.

the non-taxable portions that were excluded from AGI. Social security benefits were omitted because they were not reported on tax returns until 1984.

Table B.—All Returns: Selected Income and Tax Items, by Size of Adjusted Gross Income and by 1979 Income Concept, 1991
 [All figures are estimates based on samples—numbers of returns are in thousands and money amounts are in millions of dollars]

Size of income	Income				Salaries and wages			
	1991 Adjusted Gross Income		1979 Income Concept		1991 Adjusted Gross Income		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total	114,730	3,464,524	114,730	3,518,984	97,066	2,674,261	97,066	2,674,261
Under \$10,000	32,224	102,647	31,792	93,774	25,069	122,967	24,878	120,306
\$10,000 under \$20,000	25,371	373,198	25,347	373,076	20,598	280,623	20,544	280,186
\$20,000 under \$30,000	17,566	433,290	17,812	439,775	15,380	349,985	15,359	348,764
\$30,000 under \$40,000	12,347	429,098	12,564	436,313	11,113	354,141	11,317	359,857
\$40,000 under \$50,000	8,817	393,549	8,679	387,127	8,085	327,187	8,007	325,935
\$50,000 under \$60,000	6,159	336,732	6,098	333,246	5,721	284,258	5,668	281,961
\$60,000 under \$70,000	3,836	247,892	3,770	243,900	3,550	206,861	3,507	203,866
\$70,000 under \$80,000	2,402	178,907	2,354	175,501	2,217	146,311	2,205	144,530
\$80,000 under \$90,000	1,586	134,319	1,590	134,412	1,462	107,762	1,467	106,740
\$90,000 under \$100,000	980	92,808	1,019	96,441	893	71,908	923	72,868
\$100,000 under \$125,000	1,403	155,171	1,434	158,716	1,243	113,402	1,281	113,990
\$125,000 under \$150,000	590	80,324	657	89,670	507	54,200	556	56,670
\$150,000 under \$175,000	369	59,644	394	63,665	315	38,455	328	37,888
\$175,000 under \$200,000	236	43,960	273	50,925	202	27,546	238	28,976
\$200,000 under \$300,000	432	103,983	480	115,274	363	61,624	402	61,971
\$300,000 under \$400,000	162	55,790	187	64,472	135	30,693	152	31,258
\$400,000 under \$500,000	82	36,491	90	40,156	69	19,265	76	19,747
\$500,000 under \$1,000,000	118	79,606	133	88,979	100	39,029	111	39,847
\$1,000,000 or more	52	127,116	56	133,561	44	38,046	48	38,902

Size of income	Taxable interest received				Dividends in AGI		Dividends received	
	1991 Adjusted Gross Income		1979 Income Concept		1991 Adjusted Gross Income		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All returns, total	70,162	209,411	70,162	209,411	23,229	77,284	23,229	77,284
Under \$10,000	13,378	20,036	13,030	20,176	3,344	4,188	3,245	4,294
\$10,000 under \$20,000	12,598	29,208	12,499	28,700	3,103	5,797	3,030	5,613
\$20,000 under \$30,000	10,772	22,532	10,998	25,623	3,000	5,772	3,129	6,674
\$30,000 under \$40,000	9,111	20,986	9,330	21,653	2,851	5,839	2,890	6,400
\$40,000 under \$50,000	7,264	16,835	7,112	15,704	2,452	4,914	2,362	4,816
\$50,000 under \$60,000	5,398	12,519	5,363	12,457	2,053	5,260	2,031	4,720
\$60,000 under \$70,000	3,565	10,439	3,496	9,310	1,595	3,771	1,544	3,691
\$70,000 under \$80,000	2,270	7,569	2,224	6,783	1,124	3,454	1,091	2,983
\$80,000 under \$90,000	1,502	6,571	1,511	6,616	812	2,645	824	2,699
\$90,000 under \$100,000	941	4,761	980	5,192	558	2,009	577	1,954
\$100,000 under \$125,000	1,357	9,363	1,386	8,063	847	4,462	860	4,194
\$125,000 under \$150,000	577	4,856	642	5,358	381	2,689	425	2,740
\$150,000 under \$175,000	363	3,737	390	3,860	262	2,294	277	2,348
\$175,000 under \$200,000	231	2,661	266	2,643	171	1,867	196	1,755
\$200,000 under \$300,000	423	7,538	472	7,575	327	4,466	360	4,516
\$300,000 under \$400,000	160	4,410	185	4,640	131	2,527	148	2,546
\$400,000 under \$500,000	82	3,245	90	3,191	67	1,744	74	1,783
\$500,000 under \$1,000,000	118	7,422	132	7,412	102	4,379	115	4,376
\$1,000,000 or more	52	14,724	56	14,455	47	9,208	52	9,183

Size of income	Business or profession net income less loss				Sales of capital assets			
	1991 Adjusted Gross Income		1979 Income Concept		1991 Adjusted Gross Income		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns, total	15,029	141,864	15,029	141,864	15,009	102,776	15,009	102,776
Under \$10,000	3,181	2,810	3,058	1,551	2,005	6,727	1,936	7,287
\$10,000 under \$20,000	2,655	14,568	2,607	13,551	1,896	2,015	1,841	2,120
\$20,000 under \$30,000	2,250	14,160	2,239	12,880	1,744	2,991	1,860	3,073
\$30,000 under \$40,000	1,772	12,215	1,802	11,923	1,798	2,899	1,861	2,924
\$40,000 under \$50,000	1,472	11,019	1,500	10,568	1,547	3,044	1,492	3,309
\$50,000 under \$60,000	1,024	9,110	1,052	9,387	1,286	3,303	1,230	2,991
\$60,000 under \$70,000	714	8,535	690	7,983	977	3,729	964	3,607
\$70,000 under \$80,000	467	6,403	459	6,747	764	3,030	702	2,759
\$80,000 under \$90,000	323	6,849	337	6,061	533	2,323	558	2,425
\$90,000 under \$100,000	221	5,399	226	5,302	422	2,377	421	2,343
\$100,000 under \$125,000	358	10,881	374	11,408	685	5,512	694	5,362
\$125,000 under \$150,000	163	6,958	201	8,323	334	3,715	358	3,560
\$150,000 under \$175,000	110	5,962	118	5,626	233	3,421	241	3,557
\$175,000 under \$200,000	78	4,148	84	5,100	148	2,377	162	2,157
\$200,000 under \$300,000	122	8,431	147	9,562	302	7,809	319	7,898
\$300,000 under \$400,000	48	4,172	54	4,607	125	4,926	135	4,684
\$400,000 under \$500,000	23	2,279	27	2,683	64	3,595	71	3,819
\$500,000 under \$1,000,000	34	4,345	39	4,908	101	9,836	111	9,864
\$1,000,000 or more	15	3,621	16	3,694	47	29,148	51	29,038

Footnotes at end of table.

Individual Returns 1991

Table B.—All Returns: Selected Income and Tax Items, by Size of Adjusted Gross Income and by 1979 Income Concept, 1991
 [All figures are estimates based on samples—numbers of returns are in thousands and money amounts are in millions of dollars]

Size of income	Rents, royalties, and farm rental net income less loss				Partnership and S Corporation net income less loss			
	1991 Adjusted Gross Income		1979 Income Concept		1991 Adjusted Gross Income		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
All returns, total	10,184	5,194	10,184	5,194	5,499	63,190	5,499	63,190
Under \$10,000	1,320	-2,263	1,267	-2,330	623	-20,016	618	-21,007
\$10,000 under \$20,000	1,491	383	1,478	304	477	279	475	78
\$20,000 under \$30,000	1,458	-236	1,483	72	564	788	542	859
\$30,000 under \$40,000	1,253	-452	1,274	-417	577	850	598	1,028
\$40,000 under \$50,000	1,034	-505	1,039	-368	514	1,171	526	1,116
\$50,000 under \$60,000	875	-555	887	-810	443	1,712	432	1,649
\$60,000 under \$70,000	693	-850	618	-654	345	1,321	316	1,226
\$70,000 under \$80,000	452	-495	440	-402	292	2,287	276	2,105
\$80,000 under \$90,000	311	-214	334	-132	218	1,920	222	1,815
\$90,000 under \$100,000	225	143	246	185	168	1,747	173	1,766
\$100,000 under \$125,000	423	775	413	476	331	4,459	335	4,081
\$125,000 under \$150,000	181	742	193	685	199	3,888	205	3,854
\$150,000 under \$175,000	91	758	102	669	134	2,922	139	2,937
\$175,000 under \$200,000	70	793	78	844	105	3,329	108	3,038
\$200,000 under \$300,000	137	1,927	149	1,792	223	9,309	229	9,630
\$300,000 under \$400,000	59	1,069	63	1,059	101	6,616	108	7,526
\$400,000 under \$500,000	32	752	34	770	55	4,388	57	4,306
\$500,000 under \$1,000,000	53	1,467	57	1,455	87	10,613	94	11,199
\$1,000,000 or more	26	1,956	28	1,997	43	25,607	46	25,984

Size of income	Nondeductible passive losses				Estate and trust net income less loss			
	1991 Adjusted Gross Income		1979 Income Concept		1991 Adjusted Gross Income		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
All returns, total	1,637	20,771	1,637	20,771	477	3,705	477	3,705
Under \$10,000	139	5,722	163	9,257	92	-18	93	-25
\$10,000 under \$20,000	100	475	93	442	63	163	60	153
\$20,000 under \$30,000	125	305	133	297	46	112	59	188
\$30,000 under \$40,000	111	449	130	262	57	226	51	166
\$40,000 under \$50,000	112	451	113	435	33	172	37	163
\$50,000 under \$60,000	136	469	117	448	27	79	24	138
\$60,000 under \$70,000	102	507	83	308	24	98	19	30
\$70,000 under \$80,000	83	355	67	342	15	25	13	9
\$80,000 under \$90,000	74	253	85	427	11	78	11	86
\$90,000 under \$100,000	47	290	54	343	9	23	11	61
\$100,000 under \$125,000	122	813	117	720	27	184	24	216
\$125,000 under \$150,000	88	811	95	852	14	138	15	103
\$150,000 under \$175,000	90	1,414	77	650	11	112	11	140
\$175,000 under \$200,000	56	898	57	593	8	169	6	139
\$200,000 under \$300,000	119	1,995	117	1,469	14	289	16	272
\$300,000 under \$400,000	49	1,065	51	847	9	251	9	308
\$400,000 under \$500,000	26	668	25	451	5	180	5	138
\$500,000 under \$1,000,000	39	1,587	41	1,141	8	439	8	432
\$1,000,000 or more	18	2,244	18	1,490	5	985	5	989

Size of income	Pensions and annuities in AGI ¹		Pensions and annuities ¹		Total statutory adjustments			
	1991 Adjusted Gross Income		1979 Income Concept		1991 Adjusted Gross Income		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All returns, total	20,025	197,129	21,573	281,722	16,990	34,716	9,537	32,633
Under \$10,000	3,065	12,639	2,952	12,561	2,851	1,870	193	1,049
\$10,000 under \$20,000	5,025	36,161	5,055	36,917	3,039	3,395	640	2,374
\$20,000 under \$30,000	3,418	33,469	3,753	38,328	2,876	4,246	1,078	3,365
\$30,000 under \$40,000	2,498	26,097	2,723	31,176	2,201	3,799	1,551	4,154
\$40,000 under \$50,000	1,906	23,096	1,988	25,119	1,744	3,004	1,581	4,019
\$50,000 under \$60,000	1,336	16,776	1,464	20,522	1,083	2,226	1,311	3,199
\$60,000 under \$70,000	866	11,650	985	14,731	745	1,887	898	2,604
\$70,000 under \$80,000	589	8,667	644	10,363	520	1,566	617	2,016
\$80,000 under \$90,000	347	5,701	457	8,825	384	1,426	454	1,746
\$90,000 under \$100,000	217	4,112	297	7,310	261	1,136	279	1,382
\$100,000 under \$125,000	315	5,961	436	11,756	443	2,239	389	1,887
\$125,000 under \$150,000	140	3,233	243	8,983	217	1,472	177	1,223
\$150,000 under \$175,000	82	1,967	142	7,066	154	1,228	101	714
\$175,000 under \$200,000	51	1,231	102	6,705	101	803	70	545
\$200,000 under \$300,000	86	2,552	170	12,736	184	1,985	114	1,167
\$300,000 under \$400,000	33	1,112	65	7,938	73	912	34	359
\$400,000 under \$500,000	17	619	31	3,565	36	461	16	191
\$500,000 under \$1,000,000	24	1,263	47	9,448	53	709	24	375
\$1,000,000 or more	10	825	19	7,675	25	353	8	266

Footnotes at end of table.

Table B.—All Returns: Selected Income and Tax Items, by Size of Adjusted Gross Income and by 1979 Income Concept, 1991
(All figures are estimates based on samples—numbers of returns are in thousands and money amounts are in millions of dollars)

Size of income	Total itemized deductions				Taxable income			
	1991 Adjusted Gross Income		1979 Income Concept		1991 Adjusted Gross Income		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)
All returns, total	32,490	467,686	32,472	447,453	92,718	2,284,088	92,718	2,284,088
Under \$10,000	805	7,785	844	8,480	13,412	23,438	13,270	23,942
\$10,000 under \$20,000	2,455	23,277	2,457	22,116	22,573	153,699	22,400	152,174
\$20,000 under \$30,000	3,963	36,134	4,041	34,922	17,300	252,748	17,511	256,076
\$30,000 under \$40,000	4,895	48,774	4,973	47,617	12,271	279,498	12,442	285,004
\$40,000 under \$50,000	5,071	55,341	4,934	51,441	8,796	266,284	8,639	262,352
\$50,000 under \$60,000	4,431	54,258	4,335	51,496	6,141	234,281	6,062	230,791
\$60,000 under \$70,000	3,168	45,007	3,079	41,778	3,826	174,762	3,758	170,849
\$70,000 under \$80,000	2,094	33,342	2,027	30,852	2,399	128,418	2,344	124,578
\$80,000 under \$90,000	1,460	25,562	1,435	24,301	1,585	97,852	1,585	96,004
\$90,000 under \$100,000	902	18,329	923	17,299	979	67,851	1,015	68,590
\$100,000 under \$125,000	1,309	29,783	1,330	28,170	1,401	116,173	1,429	114,519
\$125,000 under \$150,000	561	15,630	610	15,768	588	60,903	654	63,706
\$150,000 under \$175,000	350	11,236	367	10,611	368	46,232	391	45,841
\$175,000 under \$200,000	222	7,848	248	7,678	236	35,003	272	36,464
\$200,000 under \$300,000	412	17,040	440	16,495	431	86,126	478	87,025
\$300,000 under \$400,000	153	8,045	168	8,194	162	47,710	187	49,284
\$400,000 under \$500,000	78	5,126	85	5,170	82	31,380	90	32,129
\$500,000 under \$1,000,000	110	9,969	123	10,089	118	69,659	132	71,447
\$1,000,000 or more	49	15,199	53	14,977	52	112,070	56	113,312

Size of income	Total tax credits				Total income tax			
	1991 Adjusted Gross Income		1979 Income Concept		1991 Adjusted Gross Income		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)
All returns, total	12,737	7,286	12,737	7,286	88,734	448,430	88,734	448,430
Under \$10,000	497	57	481	66	12,916	3,633	12,785	3,790
\$10,000 under \$20,000	5,727	2,462	5,688	2,447	19,186	20,642	19,014	20,436
\$20,000 under \$30,000	1,789	638	1,832	649	17,223	37,862	17,428	38,458
\$30,000 under \$40,000	1,052	484	1,050	489	12,250	45,090	12,424	45,976
\$40,000 under \$50,000	1,001	441	1,009	430	8,791	43,458	8,632	42,960
\$50,000 under \$60,000	821	411	822	400	6,140	40,686	6,061	40,107
\$60,000 under \$70,000	543	296	532	269	3,827	32,826	3,758	32,200
\$70,000 under \$80,000	350	211	338	209	2,399	25,784	2,344	24,972
\$80,000 under \$90,000	221	152	215	130	1,585	20,711	1,585	20,260
\$90,000 under \$100,000	153	119	153	80	979	14,841	1,015	14,994
\$100,000 under \$125,000	178	201	192	145	1,400	26,845	1,429	26,356
\$125,000 under \$150,000	90	121	94	130	589	14,937	653	15,490
\$150,000 under \$175,000	66	133	67	125	368	11,812	391	11,620
\$175,000 under \$200,000	45	91	48	117	236	9,249	272	9,483
\$200,000 under \$300,000	85	328	92	343	431	23,609	479	23,626
\$300,000 under \$400,000	40	185	42	216	162	13,575	187	13,908
\$400,000 under \$500,000	21	100	23	141	82	9,078	90	9,229
\$500,000 under \$1,000,000	36	256	38	290	118	20,491	132	20,914
\$1,000,000 or more	21	601	22	609	52	33,301	56	33,651

¹ Individual Retirement Arrangements are included in the calculation of "Pensions and annuities in AGI" and "Pensions and annuities."
NOTE: Detail may not add to totals because of rounding.

Also, any depreciation in excess of straight-line depreciation, which was subtracted in computing AGI, was added back.

Deductions that could be subtracted in the calculation of the 1979 Income Concept were limited to employee business expenses, alimony paid, and moving expenses. These same items were also subtracted in computing AGI until 1987 when unreimbursed business expenses and moving expenses were changed from adjustments to itemized deductions. The amount reported for these two expenses by taxpayers who itemized deductions was subtracted in the calculation of the 1979 Income Con-

cept. Taxpayers who did not itemize deductions, however, could not claim either of these two expenses because they were not allowed as "adjustments" after 1986. For this reason, the deduction for these two expenses beginning in 1987 is not completely comparable to that for previous years.

Comparison of AGI with 1979 Income Concept

The Tax Reform Act of 1986 (TRA) made extensive changes to the calculation of AGI beginning with 1987. These changes made necessary a

revision of the calculation of the 1979 Income Concept, in order to make tax years beginning with 1987 comparable to the base years, 1979 to 1986. The law change limited the deduction of passive losses and eliminated unreimbursed employee business expenses and moving expenses as "adjustments" in figuring AGI beginning with Tax Year 1987. Since passive losses had been fully deductible for both income measures prior to 1987, the disallowed passive losses had to be deducted in the 1979 Income Concept calculation for tax years after 1986.

Some income items, such as capital gains, that had been partially excluded from AGI under prior law were fully included. The new law also eliminated or restricted some deductions. Therefore, if AGI is used to measure income, comparisons between 1986 income and tax data and that for 1989, 1990, or 1991 could be misleading. A more accurate comparison can be made using the 1979 Income Concept because it measures income in the same way for all four years. Table B shows total income and selected tax items for 1991 using AGI and the 1979 Income Concept, classified by size of 1991 AGI.

Income, as calculated by the two measures, showed little difference for 1991. Before TRA became effective, a comparison of income measured by AGI with that measured by the 1979 Income Concept showed significant differences at income levels of \$200,000 or more. But, with the elimination of preferential treatment of various income items by TRA, such as the exclusion of a portion of capital gains, much of the difference disappeared. Under tax law prior to 1987, the capital gains exclusion accounted for the largest difference at the higher income levels between the two income measures.

Taxable income for all returns, using the 1979 Income Concept, increased 0.9 percent for 1991; taxable income for the group \$200,000 and above decreased 3.5 percent, following an increase of 5.2 percent for 1990. Total income tax reported for the \$200,000 and above income group decreased 1.2 percent for 1991, after increasing 5.0 percent for 1990.

The average tax rates (total income tax as a percentage of AGI and the 1979 Income Concept) for each income class for years 1986 through 1991 are shown in Figure 4. Based on the 1979 Income

Figure 4.—Total Income Tax as a Percentage of Adjusted Gross Income and the 1979 Income Concept, 1986–1991

Size of income	Total income tax as a percentage of adjusted gross income						Total income tax as a percentage of 1979 Income Concept					
	1986	1987	1988	1989	1990	1991	1986	1987	1988	1989	1990	1991
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All returns, total	14.8	13.3	13.4	13.3	13.1	12.9	13.3	13.1	13.3	13.2	13.0	12.7
Under \$10,000	4.3	4.0	4.0	3.8	3.7	3.5	4.9	4.2	4.4	4.3	4.3	4.0
\$10,000 under \$20,000	7.8	6.8	6.5	6.4	6.1	5.5	7.6	6.7	6.5	6.4	6.1	5.5
\$20,000 under \$30,000	10.6	9.4	9.3	9.3	9.1	8.7	10.0	9.3	9.3	9.3	9.1	8.7
\$30,000 under \$40,000	12.2	10.6	10.9	10.9	10.6	10.5	11.6	10.7	10.7	10.9	10.7	10.5
\$40,000 under \$50,000	13.8	11.8	11.6	11.5	11.4	11.0	12.6	11.7	11.7	11.5	11.5	11.1
\$50,000 under \$60,000	15.5	13.5	13.2	12.9	12.4	12.1	13.8	13.4	13.2	12.9	12.5	12.0
\$60,000 under \$70,000	16.9	15.1	14.5	14.2	13.8	13.2	14.9	15.0	14.5	14.2	13.8	13.2
\$70,000 under \$80,000	18.7	16.5	15.6	15.3	14.9	14.4	15.8	16.2	15.4	15.2	14.6	14.2
\$80,000 under \$90,000	19.9	17.8	16.6	16.2	15.8	15.4	16.7	17.5	16.1	16.2	15.5	15.1
\$90,000 under \$100,000	20.8	18.8	17.4	17.3	16.6	16.0	16.8	18.1	17.1	16.8	16.1	15.5
\$100,000 under \$125,000	23.1	20.1	18.8	18.4	17.5	17.3	18.3	19.3	18.0	17.7	16.9	16.6
\$125,000 under \$150,000	25.2	21.8	20.3	19.8	19.2	18.6	19.0	20.6	19.6	18.8	18.0	17.3
\$150,000 under \$175,000	28.0	23.0	21.6	21.1	20.4	19.8	19.3	21.2	20.6	20.0	19.1	18.3
\$175,000 under \$200,000	29.3	23.9	22.5	21.8	21.1	21.0	20.3	22.5	21.6	20.7	20.0	18.6
\$200,000 under \$300,000	31.1	25.8	23.7	22.8	22.6	22.7	22.6	23.8	22.3	21.5	21.4	20.5
\$300,000 under \$400,000	33.7	27.0	24.0	23.6	23.7	24.3	22.6	24.5	22.6	21.9	21.5	21.6
\$400,000 under \$500,000	36.2	28.2	24.1	23.9	23.6	24.9	23.4	26.5	23.2	22.7	22.3	23.0
\$500,000 under \$1,000,000	38.4	29.0	24.6	24.0	24.0	25.7	23.7	26.7	23.5	22.0	21.7	23.5
\$1,000,000 or more	40.2	28.6	25.0	24.2	24.1	26.2	21.4	26.8	24.5	23.2	23.2	25.2

Concept, average tax rates declined from 1990 to 1991 in most income categories. At incomes above \$300,000, average tax rates increased.

When average tax rates for 1991 (based on the 1979 Income Concept) are compared to those for 1986 (before tax reform), the rates declined in all income categories except the \$1,000,000 and over income category, which showed an increase of 3.8 percentage points. Although this higher average tax rate for 1991 was calculated using a lower maximum marginal tax rate—31 percent (28 percent on capital gains) for 1991 compared to 50 percent for 1986—it was calculated on income which included

all capital gains, (long-term gains could be partially excluded from income for 1986). Also, certain deductions from income that were allowed for 1986, were limited or eliminated beginning with 1987.

Notes and References

- [1] Hostetter, Susan, "Measuring Income for Developing and Reviewing Individual Tax Law Changes: Exploration of Alternative Concepts," *Statistics of Income and Related Administrative Record Research: 1986-1987*, U.S. Department of the Treasury, Internal Revenue Service, 1987.

Section 2

Description of the Sample

This section describes the sample criteria and selection, the method of estimation, and the sampling variability of the estimates contained in this report. It also describes some of the limitations of the data. Statistical estimates included in this report are based on samples of tax returns.

Sample Selection

The statistics in this report were estimated from a stratified probability sample of unaudited individual income tax returns, Forms 1040, 1040A, 1040EZ, 1040EZ-1 (an experimental, simplified Form 1040EZ), 1040PC, 1040TEL (an experimental system by which taxpayers filed their returns via touch-tone phone), and electronic returns filed by U.S. citizens and residents. The sample was designated at the Martinsburg Computing Center and was processed at the ten Internal Revenue Service (IRS) Centers during Calendar Year 1992. The total sample of 125,926 returns was selected from a population of 115,438,445 returns.

All returns processed during 1992 were subjected to sampling except tentative and amended returns. Tentative returns were not subjected to sampling because the revised returns may have been sampled later on, while amended returns were excluded because the original returns had already

been subjected to sampling. A small percentage of returns were not identified as tentative or amended until after sampling. These returns along with those that contained no income information were excluded from the tables in this report. As a result, sample returns representing 708,294 returns were excluded from the tables of this report.

The estimates in this report are intended to represent all returns filed for Tax Year 1991. While about 97 percent of the returns processed during Calendar Year 1992 were for Tax Year 1991, a few were for noncalendar years ending during 1991 and 1992, and some were returns for prior years. Returns for prior years were used in place of 1991 returns received and processed after December 31, 1992. This was done in the belief that the characteristics of returns due but not yet processed could best be represented by the returns for previous income years that were processed in 1992. Therefore, data for Tax Year 1991 may include amounts for discontinued items, such as the deduction for a working married couple, reported on prior year returns processed in 1992.

Sample Design and Selection Criteria

Data from Forms 1040, 1040A, 1040EZ, 1040EZ-1, 1040PC, 1040TEL, and electronic returns proc-

Bonnye Walker designed the sample and prepared the text and tables in this section under the direction of Yahia Ahmed, Chief, Mathematical Statisticians Team, Coordination and Publications Staff.

essed to the IRS Individual Master File System at the Martinsburg Computing Center were classified, by computer, into sample strata. Initially, these data were used to assign a return record to one of twenty-four strata based on the larger of positive income or negative income, and the usefulness of the return record for tax modeling purposes. The final sample strata were based on size of income and the size of business plus farm receipts, or the presence or absence of one or more of the following forms: Form 2555, *Foreign Earned Income*; Form 1116, *Computation of Foreign Tax Credit*; Schedule C, *Profit or Loss from Business or Profession*; and Schedule F, *Farm Income and Expenses*. Sixty variables were used to derive positive and negative income and thirty two variables were used to determine the usefulness of returns for tax modeling purposes.

Returns were then selected from the sample strata using two methodologies. One method used certain ending digits of the social security number (SSN), and the second method used ending digits of numbers generated from transformations of the SSN. The sampling rates for the various strata ranged from 0.02 percent to 100 percent.

Table C contains the number of returns in the population and sample by sample stratum for the United States. A comparison of the population counts in Table C with the total shown in the national tables of this report will disclose a small difference. This difference is the result of having excluded an estimated 708,294 returns from the population (see above).

Method of Estimation

Weighting factors were obtained by dividing the population count of returns in a sample stratum by the number of sample returns for that stratum. These weighting factors were used to generate all of the estimated numbers of returns and amounts in this report.

Table Presentation

Whenever a weighted frequency is less than 3, the estimate and its corresponding amount are combined or deleted in order to avoid disclosure of

information for specific taxpayers. (The combined or deleted data, if any, are included in the corresponding column totals.) These combinations and deletions are indicated by a double asterisk (**) and by a dagger (†), respectively. Estimates based on less than 10 sampled returns are considered to be unreliable. These estimates are noted by a single asterisk (*) to the left of the data unless all of the sampled returns are selected with certainty (at the 100 percent rate).

In the tables, a dash (—) in place of a frequency or an amount indicates that either no returns in the population had the characteristic or the characteristic was so rare that it did not appear on any of the sampled returns.

Processing and Management of the Sample

While the sample was being selected, the selection process was monitored by applying prescribed sampling rates for each stratum to the population for that stratum. A follow-up was required to reconcile differences between the actual number of returns designated for each sample stratum and the expected number.

In transcribing and tabulating the information from the returns in the sample, checks were imposed to improve the quality of the resulting estimates. Incorrect or missing entries on the sampled record were altered during statistical editing to make them consistent with other entries on the return and accompanying schedules. Data on the sampled record were also adjusted during processing in an attempt to achieve consistent statistical definitions. For example, a taxpayer may have reported director's fees on the "other income" line of the Form 1040 return. If this situation had been detected during statistical processing, the amount of director's fees would have been transferred to salaries and wages in the sample record.

The quality of the sample data was controlled at the IRS service centers by means of a continuous verification system that used computer tests to check for mathematical errors and inconsistent or missing data [1], [2].

Table C.—Number of Forms 1040, 1040A, and 1040EZ in the Population and Sample, 1991

Description of the sample strata	Number of returns ¹	
	Population counts	Sample counts
Grand total	115,438,445	125,926
Form 1040 returns only with adjusted gross income or expanded income of \$200,000 and over, with no income tax after credits and no additional tax for tax preferences, total	2,757 ²	2,757 ²
Form 1040 returns only with combined Schedule C (business or profession) total receipts of \$50,000,000 and over, total	46	46

Size of income	Return classification by type of form attached										Degree of interest ³
	Forms 1040 only, with Form 2555		Forms 1040 only, with Form 1116, but without Form 2555		Forms 1040 only, with Schedule C, but without Form 1116 or Form 2555		Forms 1040 only, with Schedule F, but without Schedule C, Form 1116 or Form 2555		Forms 1040 only, without Schedules C or F, Form 1116 or Form 2555		
	Population counts	Sample counts	Population counts	Sample counts	Population counts	Sample counts	Population counts	Sample counts	Population counts	Sample counts	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	Total
Total	218,734	12,647	817,784	11,129	15,076,886	34,785	1,735,555	5,013	97,586,683	59,549	Total
Negative Income											
\$10,000,000 or more	—	—	23	23	531	531	73	73	499	499	All
\$5,000,000 under \$10,000,000	—	—	39	39	684	684	130	130	627	627	All
\$2,000,000 under \$5,000,000	23	23	135	66	2,481	1,258	499	267	2,217	1,078	All
\$1,000,000 under \$2,000,000	20	20	259	48	5,197	782	1,132	179	3,751	587	All
\$500,000 under \$1,000,000	88	88	672	27	13,222	539	3,430	135	8,296	324	All
\$250,000 under \$500,000	225	225	—	—	33,204	321	9,759	103	18,447	204	All
\$120,000 under \$250,000	812	387	—	—	72,408	287	19,399	73	40,572	190	All
\$60,000 under \$120,000	2,709	137	—	—	105,372	148	21,099	30	64,453	126	All
Under \$60,000	6,085	300	—	—	330,464	342	36,623	39	245,071	257	All
Positive Income											
Under \$30,000	678	15	—	—	—	—	—	—	26,529,999	5,289	1
Under \$30,000	7,557	151	63,221	12	1,608,649	387	155,201	43	30,991,330	7,723	2
Under \$30,000	48,158	1,004	48,151	40	3,273,174	2,682	253,904	219	5,874,407	4,639	3 - 4
\$30,000 under \$60,000	6,043	137	92,626	30	1,686,920	487	215,971	64	19,186,145	5,714	1 - 2
\$30,000 under \$60,000	50,439	1,097	78,173	80	3,132,532	3,068	348,485	360	4,281,896	4,223	3 - 4
\$60,000 under \$120,000	6,282	281	154,460	80	1,434,942	857	252,162	156	7,189,367	4,325	1 - 3
\$60,000 under \$120,000	44,940	1,906	80,413	124	1,777,638	2,612	170,011	250	1,337,947	2,030	4
\$120,000 under \$250,000	5,335	714	83,504	168	321,003	643	126,529	265	873,724	1,787	1 - 3
\$120,000 under \$250,000	26,342	3,421	80,069	287	820,890	3,306	52,019	209	504,514	2,013	4
\$250,000 under \$500,000	10,284	1,329	78,019	793	337,770	3,418	51,501	459	305,993	3,120	All
\$500,000 under \$1,000,000	2,107	1,042	35,158	1,456	89,035	3,582	12,693	524	89,915	3,611	All
\$1,000,000 under \$2,000,000	465	225	14,087	2,228	21,838	3,469	3,490	556	26,004	4,179	All
\$2,000,000 under \$5,000,000	112	112	6,294	3,147	7,070	3,520	1,154	588	8,914	4,409	All
\$5,000,000 under \$10,000,000	30	30	1,604	1,604	1,282	1,282	209	209	1,782	1,782	All
\$10,000,000 or more	—	—	877	877	580	580	82	82	813	813	All

¹ This population includes an estimated 708,294 returns that were excluded from other tables in this report because they contained no income information or represented amended or tentative returns identified after sampling.
² This population includes 148 Forms 1040 that have expanded income less than \$200,000, or alternative minimum tax or income tax after credits other than zero.
³ Each population member is assigned a degree of interest based on how useful the return is for tax modeling purposes. Degree of interest ranges from one (1) to four (4): a 4 is assigned to returns that are highly interesting, and a 1 is assigned to those that are least interesting [6].

Some returns designated for the sample were not available for SOI processing because other areas of IRS, such as Audit and Collection, needed the return at the same time as SOI. These returns are referred to as unavailable returns. During Tax Year 1991 about 0.04 percent of the designated

Year	1988	1989	1990	1991
Percent	0.11	0.06	0.02	0.04

sample was unavailable. The chart below contains the percentage of unavailable returns for Tax Years 1988-1991. After the completion of service center review, data were further validated, tested, and balanced at the Detroit Computing Center. Computer adjustments and imputations for selected fields were used to make each record internally consistent, and the data were then tabulated.

A small subsample of returns was selected and independently reviewed, analyzed, and processed for a quality evaluation. Finally, prior to publication, all statistics and tables were reviewed for accuracy and reasonableness in light of provisions of the tax laws, taxpayer reporting variations and limitations, economic conditions, comparability with other statistical series, and statistical techniques used in data processing.

Sample Redesign

A complete revision of the sample design used to produce the statistics from individual income tax returns is being phased in over a 6-year period beginning with Tax Year 1987 and ending with Tax Year 1992. In addition to new strata definitions and methods of estimation, the revisions include the development of a longitudinal panel. For additional details on the redesign see [3], [4], [5], [6], [7] and [8].

For Tax Year 1991, SOI phased in the sample strata definition changes. These changes included:

- Under the redesign, positive and negative income return records are assigned to separate strata, thereby decreasing within stratum variability. Previously, positive and

negative income return records were assigned to the same sample strata.

- A major objective of the SOI sample design was to include more returns in the sample that would be useful tax modeling.
- For lack of a better definition, all Forms 1040 and 1040PC, regardless of income class, were previously considered useful for tax modeling purposes. For Tax Year 1991, usefulness for tax modeling purposes excludes a number of Forms 1040 and 1040PC return records.

Notes and References

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- [3] Czajka, J. L. (1988), "Development of a New Income Stratifier for a Sample of Individual Tax Returns," in *Proceedings of the Section on Survey Research Methods*, American Statistical Association, 640-645.
- [4] Czajka, J. L., and Walker, B. (1989), "Combining Panel and Cross-Sectional Selection in an Annual Sample of Tax Returns," in *Proceedings of the Section on Survey Research Methods*, American Statistical Association, 463-468.
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[8] Schirm, A. L., and Czajka, J. L. (1991), "Alternative Designs for a Cross-Sectional Sample of Individual Tax Returns: the Old and the New," Presented at the 1991 Meeting of the American Statistical Association, Section on Survey Research Methods.

Section 3

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Lori Eckhart and Kay Lee were responsible for programming the Basic Tables. Review of specific tables was performed by Barbara Marshall, Bill Bradley, and Ed Gross, Jr.

Table 1.1—Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size and accumulated size of adjusted gross income	All returns					Taxable returns			
	Number of returns	Percent of total	Adjusted gross income less deficit			Number of returns	Percent of total	Adjusted gross income less deficit	
			Amount	Percent of total	Average (dollars)			Amount	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Size of Adjusted Gross Income									
Total	114,730,123	100.0	3,464,524,369	100.0	30,197	88,733,587	100.0	3,338,673,161	100.0
No adjusted gross income	926,020	0.8	-51,617,151	(X)	-55,741	8,208	(Z)	-2,804,544	(X)
\$1 under \$1,000	2,849,361	2.5	1,683,768	(Z)	591	649,783	0.7	514,062	(Z)
\$1,000 under \$2,000	3,722,740	3.2	5,515,833	0.2	1,482	977,791	1.1	1,437,045	(Z)
\$2,000 under \$3,000	3,360,785	2.9	8,367,750	0.2	2,490	830,334	0.9	2,062,740	0.1
\$3,000 under \$4,000	3,107,121	2.7	10,843,645	0.3	3,490	999,130	1.1	3,543,181	0.1
\$4,000 under \$5,000	3,028,892	2.6	13,676,254	0.4	4,515	902,233	1.0	4,048,716	0.1
\$5,000 under \$6,000	2,956,391	2.6	16,241,773	0.5	5,494	1,196,969	1.3	6,690,860	0.2
\$6,000 under \$7,000	3,146,763	2.7	20,449,510	0.6	6,499	1,887,733	2.1	12,304,629	0.4
\$7,000 under \$8,000	3,106,138	2.7	23,272,737	0.7	7,492	1,894,119	2.1	14,198,404	0.4
\$8,000 under \$9,000	2,994,085	2.6	25,476,262	0.7	8,509	1,851,395	2.1	15,724,232	0.5
\$9,000 under \$10,000	3,025,495	2.6	28,736,521	0.8	9,498	1,718,789	1.9	16,321,240	0.5
\$10,000 under \$11,000	2,845,498	2.5	29,845,211	0.9	10,489	1,799,198	2.0	18,850,378	0.6
\$11,000 under \$12,000	2,812,409	2.5	32,322,582	0.9	11,493	1,807,171	2.0	20,791,312	0.6
\$12,000 under \$13,000	2,760,585	2.4	34,473,789	1.0	12,488	1,839,684	2.1	22,983,139	0.7
\$13,000 under \$14,000	2,599,902	2.3	35,111,429	1.0	13,505	1,866,546	2.1	25,223,110	0.8
\$14,000 under \$15,000	2,764,030	2.4	40,127,758	1.2	14,518	1,967,761	2.2	28,579,156	0.9
\$15,000 under \$16,000	2,561,991	2.2	39,680,325	1.1	15,488	1,928,199	2.2	29,894,371	0.9
\$16,000 under \$17,000	2,542,500	2.2	41,933,027	1.2	16,493	2,087,037	2.4	34,447,662	1.0
\$17,000 under \$18,000	2,161,030	1.9	37,790,934	1.1	17,487	1,854,328	2.1	32,443,456	1.0
\$18,000 under \$19,000	2,316,942	2.0	42,834,386	1.2	18,487	2,109,078	2.4	38,994,095	1.2
\$19,000 under \$20,000	2,006,134	1.7	39,078,111	1.1	19,479	1,927,344	2.2	37,549,348	1.1
\$20,000 under \$25,000	9,691,977	8.4	217,204,132	6.3	22,411	9,444,253	10.6	211,739,012	6.3
\$25,000 under \$30,000	7,873,620	6.9	216,086,077	6.2	27,444	7,778,454	8.8	213,500,549	6.4
\$30,000 under \$40,000	12,346,753	10.8	429,097,815	12.4	34,754	12,250,293	13.8	425,796,869	12.8
\$40,000 under \$50,000	8,816,813	7.7	393,548,840	11.4	44,636	8,791,386	9.9	392,442,771	11.8
\$50,000 under \$75,000	11,390,205	9.9	685,643,232	19.8	60,196	11,359,393	12.8	683,852,145	20.5
\$75,000 under \$100,000	3,571,629	3.1	305,015,139	8.8	85,399	3,569,148	4.0	304,796,653	9.1
\$100,000 under \$200,000	2,597,908	2.3	339,097,584	9.8	130,527	2,592,678	2.9	338,429,282	10.1
\$200,000 under \$500,000	676,038	0.6	196,264,221	5.7	290,315	675,068	0.8	195,982,644	5.9
\$500,000 under \$1,000,000	118,350	0.1	79,606,495	2.3	672,635	118,157	0.1	79,474,831	2.4
\$1,000,000 or more	52,019	(Z)	127,116,380	3.7	2,443,653	51,929	0.1	126,861,814	3.8

Size and accumulated size of adjusted gross income	Taxable returns										
	Taxable income			Income tax after credits			Total income tax				
	Number of returns	Amount	Percent of total	Number of returns	Amount	Percent of total	Amount	Percent of			Average income tax (dollars)
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Size of Adjusted Gross Income											
Total	88,701,684	2,273,340,079	100.0	88,717,148	447,216,167	100.0	448,429,593	100.0	19.7	13.4	5,054
No adjusted gross income	—	—	—	3,952	27,220	(Z)	80,940	(Z)	(Z)	(Z)	9,861
\$1 under \$1,000	649,751	116,622	(Z)	649,774	17,599	(Z)	17,637	(Z)	15.1	3.4	27
\$1,000 under \$2,000	976,497	461,450	(Z)	977,789	75,321	(Z)	76,399	(Z)	16.6	5.3	78
\$2,000 under \$3,000	830,284	508,392	(Z)	830,332	85,659	(Z)	86,347	(Z)	17.0	4.2	104
\$3,000 under \$4,000	996,922	631,072	(Z)	998,848	104,196	(Z)	105,619	(Z)	16.7	3.0	106
\$4,000 under \$5,000	900,963	1,107,765	(Z)	902,231	169,540	(Z)	169,815	(Z)	15.3	4.2	188
\$5,000 under \$6,000	1,190,465	1,482,513	0.1	1,196,965	237,778	0.1	239,622	0.1	16.2	3.6	200
\$6,000 under \$7,000	1,887,585	2,581,318	0.1	1,887,585	393,570	0.1	394,228	0.1	15.3	3.2	209
\$7,000 under \$8,000	1,894,111	4,084,999	0.2	1,894,113	612,132	0.1	612,651	0.1	15.0	4.3	323
\$8,000 under \$9,000	1,849,460	5,549,855	0.2	1,850,726	859,743	0.2	861,662	0.2	15.5	5.5	465
\$9,000 under \$10,000	1,718,668	6,595,728	0.3	1,718,789	987,932	0.2	987,932	0.2	15.0	6.1	575
\$10,000 under \$11,000	1,799,197	7,860,954	0.3	1,799,197	1,167,586	0.3	1,167,593	0.3	14.9	6.2	649
\$11,000 under \$12,000	1,806,099	8,514,473	0.4	1,807,120	1,282,192	0.3	1,282,950	0.3	15.1	6.2	710
\$12,000 under \$13,000	1,839,659	10,137,275	0.4	1,839,659	1,521,094	0.3	1,521,359	0.3	15.0	6.6	827
\$13,000 under \$14,000	1,866,507	11,886,837	0.5	1,866,508	1,761,266	0.4	1,765,387	0.4	14.9	7.0	946
\$14,000 under \$15,000	1,967,512	14,190,245	0.6	1,967,512	2,077,621	0.5	2,077,758	0.5	14.6	7.3	1,056
\$15,000 under \$16,000	1,928,140	15,550,808	0.7	1,928,164	2,199,518	0.5	2,200,105	0.5	14.1	7.4	1,141
\$16,000 under \$17,000	2,086,010	18,069,933	0.8	2,087,016	2,486,382	0.6	2,488,508	0.6	13.8	7.2	1,191
\$17,000 under \$18,000	1,854,296	17,088,237	0.8	1,854,303	2,364,963	0.5	2,365,201	0.5	13.8	7.3	1,276
\$18,000 under \$19,000	2,109,074	20,935,060	0.9	2,109,074	2,918,554	0.7	2,918,716	0.7	13.9	7.5	1,384
\$19,000 under \$20,000	1,926,376	20,229,867	0.9	1,927,342	2,855,882	0.6	2,855,928	0.6	14.1	7.6	1,482
\$20,000 under \$25,000	9,442,793	121,016,684	5.3	9,442,810	17,882,576	4.0	17,883,737	4.0	14.8	8.4	1,894
\$25,000 under \$30,000	7,778,298	131,293,537	5.8	7,778,296	19,973,472	4.5	19,978,743	4.5	15.2	9.4	2,568
\$30,000 under \$40,000	12,250,179	279,150,323	12.3	12,249,929	45,064,931	10.1	45,090,211	10.1	16.2	10.6	3,681
\$40,000 under \$50,000	8,790,472	266,104,645	11.7	8,790,741	43,450,877	9.7	43,457,571	9.7	16.3	11.1	4,943
\$50,000 under \$75,000	11,357,470	481,169,069	21.2	11,358,681	87,751,593	19.6	87,835,843	19.6	18.3	12.8	7,732
\$75,000 under \$100,000	3,568,647	221,941,055	9.8	3,568,880	46,924,268	10.5	47,012,249	10.5	21.2	15.4	13,172
\$100,000 under \$200,000	2,591,651	258,219,351	11.4	2,590,761	62,593,005	14.0	62,842,885	14.0	24.3	18.6	24,239
\$200,000 under \$500,000	674,632	165,185,602	7.3	674,168	45,940,030	10.3	46,262,078	10.3	28.0	23.8	68,530
\$500,000 under \$1,000,000	118,104	69,643,371	3.1	118,057	20,346,887	4.5	20,490,663	4.6	29.4	25.8	173,419
\$1,000,000 or more	51,861	112,033,041	4.9	51,825	33,082,782	7.4	33,301,257	7.4	29.7	26.3	641,289

Footnotes at end of table.

Table 1.1—Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income—Continued
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size and accumulated size of adjusted gross income	All returns					Taxable returns			
	Number of returns	Percent of total	Adjusted gross income less deficit			Number of returns	Percent of total	Adjusted gross income less deficit	
			Amount	Percent of total	Average (dollars)			Amount	Percent of total
Cumulated from Smallest Size of Adjusted Gross Income	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)
No adjusted gross income	926,020	0.8	-51,617,151	(X)	-55,741	8,208	(Z)	-2,804,544	(X)
\$1 under \$1,000	2,849,361	2.5	1,683,768	(Z)	591	649,783	0.7	514,062	(Z)
\$1 under \$2,000	6,572,101	5.7	7,199,600	0.2	1,095	1,627,574	1.8	1,951,107	0.1
\$1 under \$3,000	9,932,886	8.7	15,567,350	0.4	1,567	2,457,908	2.8	4,013,847	0.1
\$1 under \$4,000	13,040,007	11.4	26,410,995	0.8	2,025	3,457,038	3.9	7,557,028	0.2
\$1 under \$5,000	16,068,899	14.0	40,087,250	1.1	2,495	4,359,271	4.9	11,605,744	0.3
\$1 under \$6,000	19,025,290	16.6	56,329,023	1.6	2,961	5,556,240	6.3	18,296,604	0.5
\$1 under \$7,000	22,172,052	19.3	76,778,533	2.2	3,463	7,443,973	8.4	30,601,233	0.9
\$1 under \$8,000	25,278,191	22.0	100,051,270	2.8	3,958	9,338,092	10.5	44,799,637	1.3
\$1 under \$9,000	28,272,275	24.6	125,527,531	3.6	4,440	11,189,487	12.6	60,523,869	1.8
\$1 under \$10,000	31,297,771	27.3	154,264,053	4.4	4,929	12,908,275	14.5	76,845,109	2.3
\$1 under \$11,000	34,143,269	29.8	184,109,264	5.2	5,392	14,707,474	16.6	95,695,487	2.9
\$1 under \$12,000	36,955,678	32.2	216,431,846	6.2	5,857	16,514,645	18.6	116,486,800	3.5
\$1 under \$13,000	39,716,263	34.6	250,905,635	7.1	6,317	18,354,329	20.7	139,469,939	4.2
\$1 under \$14,000	42,316,165	36.9	286,017,064	8.1	6,759	20,220,874	22.8	164,893,049	4.9
\$1 under \$15,000	45,080,195	39.3	326,144,822	9.3	7,235	22,168,636	25.0	193,272,205	5.8
\$1 under \$16,000	47,642,185	41.5	365,825,147	10.4	7,679	24,116,835	27.2	223,166,576	6.7
\$1 under \$17,000	50,184,685	43.7	407,758,174	11.6	8,125	26,203,872	29.5	257,614,238	7.7
\$1 under \$18,000	52,345,715	45.6	445,549,108	12.7	8,512	28,058,199	31.6	290,057,693	8.7
\$1 under \$19,000	54,662,658	47.6	488,383,494	13.9	8,934	30,167,277	34.0	329,051,789	9.9
\$1 under \$20,000	56,668,792	49.4	527,461,605	15.0	9,308	32,094,621	36.2	366,601,136	11.0
\$1 under \$25,000	66,360,769	57.8	744,665,737	21.2	11,221	41,538,874	46.8	578,340,148	17.3
\$1 under \$30,000	74,234,389	64.7	960,751,814	27.3	12,942	49,317,327	55.6	791,840,697	23.7
\$1 under \$40,000	86,581,142	75.5	1,389,849,629	39.5	16,053	61,567,621	69.4	1,217,637,566	36.5
\$1 under \$50,000	95,397,954	83.1	1,783,398,469	50.7	18,694	70,359,007	79.3	1,610,080,338	48.2
\$1 under \$75,000	106,788,159	93.1	2,469,041,701	70.2	23,121	81,718,400	92.1	2,293,932,482	68.7
\$1 under \$100,000	110,359,788	96.2	2,774,056,840	78.9	25,136	85,287,547	96.1	2,598,729,135	77.8
\$1 under \$200,000	112,957,697	98.5	3,113,154,424	88.5	29,560	87,880,225	99.0	2,937,158,417	88.0
\$1 under \$500,000	113,633,735	99.0	3,309,418,645	94.1	29,124	88,555,293	99.8	3,133,141,060	93.8
\$1 under \$1,000,000	113,752,085	99.1	3,389,025,141	96.4	29,793	88,673,450	99.9	3,212,615,891	96.2
\$1 or more	113,804,104	99.2	3,516,141,520	100.0	30,896	88,725,378	100.0	3,339,477,705	100.0
All returns	114,730,123	100.0	3,464,524,369	98.5	30,197	88,733,587	100.0	3,336,673,161	99.9

Size and accumulated size of adjusted gross income	Taxable returns										
	Taxable income			Income tax after credits			Total income tax				
	Number of returns	Amount	Percent of total	Number or returns	Amount	Percent of total	Percent of			Average income tax (dollars)	
Cumulated from Smallest Size of Adjusted Gross Income	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
No adjusted gross income	—	—	—	3,952	27,220	(Z)	80,940	(Z)	(X)	(X)	9,861
\$1 under \$1,000	649,751	116,622	(Z)	649,774	17,599	(Z)	17,637	(Z)	15.1	3.4	27
\$1 under \$2,000	1,626,248	578,072	(Z)	1,627,564	92,920	(Z)	94,036	(Z)	16.3	4.8	58
\$1 under \$3,000	2,456,532	1,086,464	(Z)	2,457,896	178,579	(Z)	180,383	(Z)	16.6	4.5	73
\$1 under \$4,000	3,453,454	1,717,536	0.1	3,456,743	282,775	0.1	286,002	0.1	16.7	3.8	83
\$1 under \$5,000	4,354,417	2,825,301	0.1	4,358,974	452,315	0.1	455,816	0.1	16.1	3.9	105
\$1 under \$6,000	5,544,882	4,307,814	0.2	5,555,939	690,093	0.2	695,438	0.2	16.1	3.8	125
\$1 under \$7,000	7,432,467	6,889,131	0.3	7,443,524	1,083,663	0.2	1,089,667	0.2	15.8	3.6	146
\$1 under \$8,000	9,326,578	10,974,130	0.5	9,337,637	1,695,795	0.4	1,702,317	0.4	15.5	3.8	182
\$1 under \$9,000	11,176,038	16,523,985	0.7	11,188,363	2,555,537	0.6	2,563,980	0.6	15.5	4.2	229
\$1 under \$10,000	12,894,706	23,119,713	1.0	12,907,152	3,543,470	0.8	3,551,912	0.8	15.4	4.6	275
\$1 under \$11,000	14,693,904	30,980,666	1.4	14,706,350	4,711,055	1.1	4,719,505	1.1	15.2	4.9	321
\$1 under \$12,000	16,500,003	39,495,140	1.7	16,513,470	5,993,247	1.3	6,002,455	1.3	15.2	5.2	363
\$1 under \$13,000	18,339,662	49,632,414	2.2	18,353,129	7,514,341	1.7	7,523,814	1.7	15.2	5.4	410
\$1 under \$14,000	20,206,170	61,519,251	2.7	20,219,638	9,275,607	2.1	9,289,201	2.1	15.1	5.6	459
\$1 under \$15,000	22,173,682	75,709,496	3.3	22,187,150	11,353,228	2.5	11,366,959	2.5	15.0	5.9	512
\$1 under \$16,000	24,101,822	91,260,304	4.0	24,115,313	13,552,746	3.0	13,567,064	3.0	14.9	6.1	563
\$1 under \$17,000	26,187,832	109,330,237	4.8	26,202,329	16,039,128	3.6	16,053,572	3.6	14.7	6.2	613
\$1 under \$18,000	28,042,127	126,418,474	5.6	28,056,633	18,404,092	4.1	18,418,773	4.1	14.6	6.4	656
\$1 under \$19,000	30,151,201	147,353,534	6.5	30,165,707	21,322,646	4.8	21,337,489	4.8	14.5	6.5	707
\$1 under \$20,000	32,077,577	167,583,400	7.4	32,093,048	24,178,528	5.4	24,193,417	5.4	14.4	6.6	754
\$1 under \$25,000	41,520,370	288,600,084	12.7	41,535,859	42,061,104	9.4	42,077,154	9.4	14.6	7.3	1,013
\$1 under \$30,000	49,298,668	419,893,622	18.5	49,314,154	62,034,575	13.9	62,055,897	13.8	14.8	7.8	1,258
\$1 under \$40,000	61,548,847	699,043,945	30.7	61,564,083	107,099,506	23.9	107,146,108	23.9	15.3	8.8	1,740
\$1 under \$50,000	70,339,319	965,148,590	42.5	70,354,824	150,550,383	33.7	150,603,679	33.6	15.6	9.4	2,141
\$1 under \$75,000	81,696,789	1,446,317,659	63.6	81,711,505	238,301,975	53.3	238,439,522	53.2	16.5	10.4	2,918
\$1 under \$100,000	85,265,436	1,668,258,714	73.4	85,278,385	285,226,243	63.8	285,451,771	63.7	17.1	11.0	3,347
\$1 under \$200,000	87,857,087	1,926,478,065	84.7	87,869,146	347,819,248	77.8	348,294,656	77.7	18.1	11.9	3,963
\$1 under \$500,000	88,531,719	2,091,663,667	92.0	88,543,314	393,759,278	88.0	394,556,733	88.0	18.9	12.6	4,455
\$1 under \$1,000,000	88,649,823	2,161,307,038	95.1	88,661,371	414,106,165	92.6	415,047,397	92.6	19.2	12.9	4,681
\$1 or more	88,701,684	2,273,340,079	100.0	88,713,196	447,188,947	100.0	448,348,654	100.0	19.7	13.4	5,053
All returns	88,701,684	2,273,340,079	100.0	88,717,148	447,216,167	100.0	448,428,593	100.0	19.7	13.4	5,054

Footnotes at end of table.

Table 1.1—Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income—Continued
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size and accumulated size of adjusted gross income	All returns					Taxable returns			
	Number of returns	Percent of total	Adjusted gross income less deficit			Number of returns	Percent of total	Adjusted gross income less deficit	
			Amount	Percent of total	Average (dollars)			Amount	Percent of total
Cumulated from Largest Size of Adjusted Gross Income	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)
\$1,000,000 or more	52,019	(Z)	127,116,380	3.6	2,443,672	51,929	0.1	126,861,814	3.8
\$500,000 or more	170,369	0.1	206,722,875	5.9	1,213,385	170,086	0.2	206,336,645	6.2
\$200,000 or more	846,407	0.7	402,987,097	11.5	476,115	845,154	1.0	402,319,289	12.0
\$100,000 or more	3,444,315	3.0	742,084,681	21.1	215,452	3,437,831	3.9	740,748,571	22.2
\$75,000 or more	7,015,944	6.1	1,047,099,820	29.8	149,246	7,006,979	7.9	1,045,545,223	31.3
\$50,000 or more	18,406,149	16.0	1,732,743,052	49.3	94,139	18,366,372	20.7	1,729,397,368	51.8
\$40,000 or more	27,222,962	23.7	2,126,291,891	60.5	78,107	27,157,758	30.6	2,121,840,139	63.5
\$30,000 or more	39,569,715	34.5	2,555,389,707	72.7	64,579	39,408,051	44.4	2,547,637,008	76.3
\$25,000 or more	47,443,334	41.4	2,771,475,784	78.8	58,417	47,186,505	53.2	2,761,137,557	82.7
\$20,000 or more	57,135,312	49.8	2,988,679,916	85.0	52,309	56,630,757	63.8	2,972,876,569	89.0
\$19,000 or more	59,141,446	51.5	3,027,758,026	86.1	51,195	58,558,101	66.0	3,010,425,917	90.1
\$18,000 or more	61,458,388	53.6	3,070,592,412	87.3	49,962	60,667,179	68.4	3,049,420,412	91.3
\$17,000 or more	63,619,419	55.5	3,108,383,346	88.4	48,859	62,521,507	70.5	3,081,863,067	92.3
\$16,000 or more	66,161,918	57.7	3,150,316,373	89.6	47,615	64,608,544	72.8	3,116,311,129	93.3
\$15,000 or more	68,723,909	59.9	3,189,996,699	90.7	46,418	66,536,743	75.0	3,146,205,500	94.2
\$14,000 or more	71,487,939	62.3	3,230,124,456	91.9	45,184	68,504,504	77.2	3,174,784,656	95.1
\$13,000 or more	74,087,841	64.6	3,265,235,885	92.9	44,072	70,371,050	79.3	3,200,007,766	95.8
\$12,000 or more	76,848,425	67.0	3,299,709,675	93.8	42,938	72,210,734	81.4	3,222,990,905	96.5
\$11,000 or more	79,660,834	69.4	3,332,032,257	94.8	41,828	74,017,905	83.4	3,243,782,218	97.1
\$10,000 or more	82,506,333	71.9	3,361,877,468	95.6	40,747	75,817,103	85.4	3,262,632,596	97.7
\$9,000 or more	85,531,828	74.6	3,390,613,989	96.4	39,642	77,535,892	87.4	3,278,953,836	98.2
\$8,000 or more	88,525,913	77.2	3,416,090,251	97.2	38,589	79,387,286	89.5	3,294,678,068	98.7
\$7,000 or more	91,632,051	79.9	3,439,362,988	97.8	37,534	81,281,406	91.6	3,308,876,472	99.1
\$6,000 or more	94,778,814	82.6	3,459,812,498	98.4	36,504	83,169,139	93.7	3,321,181,101	99.5
\$5,000 or more	97,735,205	85.2	3,476,054,271	98.9	35,566	84,366,107	95.1	3,327,871,961	99.7
\$4,000 or more	100,764,097	87.8	3,489,730,525	99.2	34,633	85,268,340	96.1	3,331,920,677	99.8
\$3,000 or more	103,871,218	90.5	3,500,574,171	99.6	33,701	86,267,471	97.2	3,335,463,858	99.9
\$2,000 or more	107,232,003	93.5	3,508,941,920	99.8	32,723	87,097,805	98.2	3,337,526,598	99.9
\$1,000 or more	110,954,743	96.7	3,514,457,753	100.0	31,675	88,075,596	99.3	3,338,963,644	100.0
\$1 or more	113,804,104	99.2	3,516,141,520	100.0	30,896	88,725,378	100.0	3,339,477,705	100.0
All returns	114,730,123	100.0	3,464,524,369	98.5	30,197	88,733,587	100.0	3,336,673,161	99.9

Size and accumulated size of adjusted gross income	Taxable returns										
	Taxable income			Income tax after credits			Total income tax				
	Number of returns	Amount	Percent of total	Number of returns	Amount	Percent of total	Amount	Percent of			Average income tax (dollars)
Cumulated from Smallest Size of Adjusted Gross Income	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
\$1,000,000 or more	51,861	112,033,041	4.9	51,825	33,082,782	7.4	33,301,257	7.4	29.7	26.3	641,289
\$500,000 or more	169,965	181,676,412	8.0	169,882	53,429,669	11.9	53,791,920	12.0	29.6	26.1	316,263
\$200,000 or more	844,597	346,862,014	15.3	844,050	99,369,699	22.2	100,053,998	22.3	28.8	24.9	118,386
\$100,000 or more	3,436,248	605,081,365	26.6	3,434,811	161,962,704	36.2	162,896,882	36.3	26.9	22.0	47,384
\$75,000 or more	7,004,896	827,022,420	36.4	7,001,691	208,886,972	46.7	209,909,132	46.8	25.4	20.1	29,957
\$50,000 or more	18,362,365	1,308,191,489	57.5	18,358,372	296,638,565	66.3	297,744,975	66.4	22.8	17.2	16,211
\$40,000 or more	27,152,837	1,574,296,134	69.3	27,149,113	340,089,441	76.0	341,202,546	76.1	21.7	16.1	12,564
\$30,000 or more	39,403,017	1,853,446,457	81.5	39,399,041	385,154,372	86.1	386,292,756	86.1	20.8	15.2	9,802
\$25,000 or more	47,181,315	1,984,739,994	87.3	47,177,337	405,127,843	90.6	406,271,500	90.6	20.5	14.7	8,610
\$20,000 or more	56,624,108	2,105,756,678	92.6	56,620,148	423,010,419	94.6	424,155,237	94.6	20.1	14.3	7,490
\$19,000 or more	58,550,483	2,125,986,545	93.5	58,547,489	425,866,301	95.2	427,011,165	95.2	20.1	14.2	7,292
\$18,000 or more	60,659,557	2,146,921,605	94.4	60,656,563	428,784,855	95.9	429,929,881	95.9	20.0	14.1	7,087
\$17,000 or more	62,513,853	2,164,009,842	95.2	62,510,867	431,149,819	96.4	432,955,082	96.4	20.0	14.0	6,914
\$16,000 or more	64,599,862	2,182,079,775	96.0	64,597,882	433,636,201	97.0	434,781,590	97.0	19.9	14.0	6,729
\$15,000 or more	66,528,003	2,197,630,583	96.7	66,526,046	435,835,719	97.5	436,981,695	97.4	19.9	13.9	6,568
\$14,000 or more	68,495,515	2,211,820,828	97.3	68,493,558	437,913,341	97.9	439,059,453	97.9	19.9	13.8	6,409
\$13,000 or more	70,362,022	2,223,707,665	97.8	70,360,067	439,674,606	98.3	440,824,840	98.3	19.8	13.8	6,264
\$12,000 or more	72,201,681	2,233,844,939	98.3	72,199,726	441,195,700	98.7	442,346,199	98.6	19.8	13.7	6,126
\$11,000 or more	74,007,781	2,242,359,413	98.6	74,006,846	442,477,892	98.9	443,629,149	98.9	19.8	13.7	5,994
\$10,000 or more	75,806,978	2,250,220,366	99.0	75,806,044	443,645,478	99.2	444,796,742	99.2	19.8	13.6	5,867
\$9,000 or more	77,525,646	2,256,816,094	99.3	77,524,832	444,633,410	99.4	445,784,674	99.4	19.8	13.6	5,749
\$8,000 or more	79,375,106	2,262,365,949	99.5	79,375,558	445,493,153	99.6	446,646,336	99.6	19.7	13.6	5,626
\$7,000 or more	81,269,217	2,266,450,948	99.7	81,269,671	446,105,284	99.8	447,258,987	99.7	19.7	13.5	5,503
\$6,000 or more	83,156,802	2,269,032,265	99.8	83,157,257	446,498,854	99.8	447,653,215	99.8	19.7	13.5	5,382
\$5,000 or more	84,347,267	2,270,514,778	99.9	84,354,221	446,736,632	99.9	447,892,838	99.9	19.7	13.5	5,309
\$4,000 or more	85,248,230	2,271,622,543	99.9	85,256,452	446,906,172	99.9	448,062,652	99.9	19.7	13.4	5,255
\$3,000 or more	86,245,152	2,272,253,615	100.0	86,255,300	447,010,368	100.0	448,168,271	99.9	19.7	13.4	5,195
\$2,000 or more	87,075,436	2,272,762,007	100.0	87,085,632	447,096,027	100.0	448,254,618	100.0	19.7	13.4	5,147
\$1,000 or more	88,051,933	2,273,223,457	100.0	88,063,421	447,171,348	100.0	448,331,017	100.0	19.7	13.4	5,090
\$1 or more	88,701,684	2,273,340,079	100.0	88,713,196	447,188,947	100.0	448,348,654	100.0	19.7	13.4	5,053
All returns	88,701,684	2,273,340,079	100.0	88,717,148	447,216,167	100.0	448,429,593	100.0	19.7	13.4	5,054

X Percentage not computed.

Z Less than 0.05 percent.

NOTE: Detail may not add to total because of rounding.

Table 1.2—All Returns: Adjusted Gross Income, Exemptions, Deductions and Tax Items, by Size of Adjusted Gross Income and by Marital Status
 (All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	All returns															
	Number of returns		Adjusted gross income less deficit		Exemption amount		Total itemized deductions		Standard deduction		Taxable income		Income tax after credits		Total income tax	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)			
All returns, total	114,730,123	3,464,524,369	491,064,154	32,489,918	467,686,116	81,304,774	351,076,010	92,717,816	2,284,087,935	86,717,148	447,216,167	86,733,587	448,429,593			
No adjusted gross income	928,020	-51,617,151	3,896,964	-	-	-	-	-	-	3,952	27,220	8,208	80,940			
\$1,000 under \$5,000	16,068,889	40,087,250	27,956,257	180,966	1,909,684	15,887,885	47,274,927	4,441,923	2,828,210	4,359,974	452,315	4,359,271	455,816			
\$5,000 under \$10,000	15,228,872	114,176,803	48,488,790	623,989	5,875,405	14,596,854	60,712,102	8,970,131	20,610,032	8,548,178	3,091,154	8,549,004	3,096,096			
\$10,000 under \$15,000	13,782,424	171,880,769	53,529,392	1,070,306	10,372,463	12,712,118	57,165,749	11,459,744	57,887,782	9,279,997	7,809,758	9,280,360	7,815,047			
\$15,000 under \$20,000	11,588,597	201,316,783	48,348,557	1,384,891	12,904,567	10,203,705	46,385,245	11,112,897	95,811,645	9,905,899	12,825,300	9,905,985	12,826,458			
\$20,000 under \$25,000	9,691,977	217,204,132	43,272,360	1,840,043	16,683,770	7,851,889	36,870,939	9,507,351	121,286,673	9,442,810	17,882,576	9,444,253	17,883,737			
\$25,000 under \$30,000	7,347,620	216,086,077	37,978,924	2,122,966	19,449,844	5,750,654	27,544,757	7,792,276	131,461,525	19,973,472	19,778,454	19,978,743				
\$30,000 under \$40,000	12,346,753	429,097,815	64,212,231	4,895,274	48,774,221	7,451,230	37,337,378	12,270,598	279,498,555	12,249,929	45,064,931	12,250,293	45,090,211			
\$40,000 under \$50,000	8,816,813	383,548,840	51,843,246	5,070,870	55,340,534	3,745,935	20,309,016	8,796,438	266,283,650	8,790,741	43,450,877	8,791,386	43,457,571			
\$50,000 under \$75,000	11,390,205	685,643,232	72,162,799	8,600,110	118,155,966	2,990,095	14,528,487	11,360,001	481,213,204	11,356,681	87,751,593	11,359,393	87,835,843			
\$75,000 under \$100,000	3,571,629	305,015,139	22,953,099	3,255,693	58,343,227	315,936	1,819,527	3,569,880	221,951,126	3,568,880	46,924,268	3,569,148	47,012,249			
\$100,000 under \$200,000	2,597,908	339,097,584	15,615,443	2,442,750	64,497,445	155,151	886,280	2,592,619	258,310,675	2,590,761	62,593,005	2,592,678	62,842,885			
\$200,000 under \$500,000	676,038	196,264,221	806,654	642,915	30,210,964	33,098	179,437	674,805	165,216,471	674,168	45,940,030	675,068	46,262,078			
\$500,000 under \$1,000,000	118,350	79,606,495	13,778	110,078	9,969,470	8,272	45,604	118,137	69,658,824	118,057	20,346,687	118,157	20,490,663			
\$1,000,000 or more	52,019	127,116,380	5,660	49,067	15,198,955	2,951	16,564	51,870	112,069,567	51,825	33,082,782	51,929	33,301,257			
Taxable returns, total	88,733,587	3,336,673,161	379,540,328	30,535,776	435,139,108	58,180,246	251,924,466	88,701,684	2,273,340,079	88,717,148	447,216,167	88,733,587	448,429,593			
No adjusted gross income	8,208	-2,804,544	54,212	-	-	-	-	-	-	3,952	27,220	8,208	80,940			
\$1,000 under \$5,000	4,359,271	11,605,744	19,297	4,018	8,905	4,355,253	8,778,344	4,354,417	2,825,301	4,359,974	452,315	4,359,271	455,816			
\$5,000 under \$10,000	8,549,004	65,239,365	15,088,908	184,958	955,957	8,355,017	28,943,874	8,540,289	20,294,412	8,548,178	3,091,154	8,549,004	3,096,096			
\$10,000 under \$15,000	9,290,360	116,427,096	24,679,189	554,884	3,472,241	8,725,477	35,705,166	9,278,975	52,589,783	9,279,997	7,809,758	9,280,360	7,815,047			
\$15,000 under \$20,000	9,905,985	173,328,931	34,962,709	987,334	7,162,916	8,918,651	39,407,122	9,903,895	91,873,904	9,905,899	12,825,300	9,905,985	12,826,458			
\$20,000 under \$25,000	9,444,253	211,739,012	41,110,557	1,641,216	13,019,015	7,802,990	36,595,364	9,442,793	121,016,684	9,442,810	17,882,576	9,444,253	17,883,737			
\$25,000 under \$30,000	7,778,454	213,500,549	37,141,655	2,042,599	17,609,622	5,735,854	27,461,020	7,778,298	131,293,537	7,778,296	19,973,472	7,778,454	19,978,743			
\$30,000 under \$40,000	12,250,293	425,796,869	63,478,647	4,810,900	45,902,848	7,439,145	37,268,014	12,250,179	278,150,323	12,249,929	45,064,931	12,250,293	45,090,211			
\$40,000 under \$50,000	8,791,386	392,442,771	51,680,283	5,046,719	54,368,522	3,742,667	20,291,148	8,790,472	266,104,645	8,790,741	43,450,877	8,791,386	43,457,571			
\$50,000 under \$75,000	11,359,393	683,652,145	71,974,944	8,769,462	116,219,200	2,589,931	14,527,735	11,357,470	481,169,069	11,356,681	87,751,593	11,359,393	87,835,843			
\$75,000 under \$100,000	3,569,148	304,796,653	22,939,407	3,253,281	58,109,288	315,867	1,819,184	3,568,647	221,941,055	3,568,880	46,924,268	3,569,148	47,012,249			
\$100,000 under \$200,000	2,592,678	338,429,282	15,586,543	2,437,549	63,795,865	155,121	886,126	2,591,651	258,219,351	2,590,761	62,593,005	2,592,678	62,842,885			
\$200,000 under \$500,000	675,068	195,982,544	805,123	641,975	29,861,672	33,068	179,286	674,632	165,185,602	674,168	45,940,030	675,068	46,262,078			
\$500,000 under \$1,000,000	118,157	79,474,831	13,661	109,898	9,787,101	8,259	45,542	118,104	69,643,371	118,057	20,346,687	118,157	20,490,663			
\$1,000,000 or more	51,929	126,861,814	5,583	48,982	14,844,956	2,946	16,544	51,861	112,033,041	51,825	33,082,782	51,929	33,301,257			
Non-taxable returns, total	25,996,536	127,851,208	111,543,826	1,954,142	32,547,008	23,124,527	99,151,544	4,018,131	10,747,857	-	-	-	-			

Footnotes at end of table.

Table 1.2—All Returns: Adjusted Gross Income, Exemptions, Deductions and Tax Items, by Size of Adjusted Gross Income and by Marital Status—Continued
 (All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Returns of married persons filing jointly												
	Number of returns (14)	Adjusted gross income less deficit (15)	Exemption amount (16)	Total itemized deductions (17)		Standard deduction (19)		Taxable income (22)		Income tax after credits (23)		Total income tax (26)	
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
All returns, total	48,720,459	2,331,933,197	320,974,187	22,624,872	152,555,987	42,494,087	1,568,119,097	41,382,166	315,628,196	41,372,585	316,495,538		
No adjusted gross income	433,388	-34,645,897	2,744,449	—	6,198,280	—	—	3,089	13,421	6,640	55,746		
\$1,000 under \$5,000	1,113,527	3,173,574	6,794,601	74,753	13,828,854	1,038,774	—	1,342	106	1,386	1,450		
\$5,000 under \$10,000	2,451,501	19,117,524	15,372,325	164,775	28,286,726	2,112,971	218	5,672	17,993	6,498	19,172		
\$10,000 under \$15,000	3,705,499	46,461,880	22,366,071	363,913	20,483,455	2,136,341	4,283,961	17,819,947	582,063	1,782,284	585,022		
\$15,000 under \$20,000	3,654,925	63,768,167	23,315,433	538,140	18,704,428	3,116,785	17,174,590	2,602,552	2,073,553	2,602,629	2,074,571		
\$20,000 under \$25,000	3,962,371	89,013,438	25,849,729	785,318	18,988,325	3,827,027	36,457,828	3,778,763	5,331,006	3,778,815	5,331,570		
\$25,000 under \$30,000	3,766,764	103,622,296	25,609,787	1,048,180	15,904,263	3,692,825	51,595,254	3,679,942	7,609,602	3,679,490	7,612,807		
\$30,000 under \$40,000	7,125,856	248,972,233	48,828,042	2,732,046	25,600,101	4,893,810	145,903,611	7,053,957	21,570,758	7,053,652	21,585,209		
\$40,000 under \$50,000	6,589,095	294,838,415	45,251,683	3,644,785	17,183,598	2,944,310	191,901,347	6,566,982	28,828,926	6,567,394	28,834,039		
\$50,000 under \$75,000	9,716,656	587,148,486	67,252,719	7,510,471	13,013,267	2,208,186	406,047,251	9,700,199	71,313,930	9,701,331	71,359,638		
\$75,000 under \$100,000	3,182,732	271,713,761	21,829,579	2,907,273	1,656,624	3,180,554	196,294,461	3,178,951	40,698,270	3,180,680	40,748,184		
\$100,000 under \$200,000	2,289,369	288,436,195	14,958,320	2,161,757	783,278	2,285,981	225,601,619	2,284,823	53,914,298	2,285,973	54,082,502		
\$200,000 under \$500,000	581,869	169,100,320	783,646	557,597	147,286	580,905	142,103,431	580,423	39,323,115	581,131	39,578,029		
\$500,000 under \$1,000,000	101,769	68,327,576	12,888	95,215	** 54,130	101,595	59,769,601	101,536	17,452,936	101,614	17,566,845		
\$1,000,000 or more	43,137	102,885,250	4,915	40,649	**	43,021	90,985,925	42,989	26,898,202	43,070	27,060,749		
Taxable returns, total	41,372,585	2,289,277,971	268,750,858	21,547,147	117,733,162	41,355,830	1,565,018,895	41,382,166	315,628,196	41,372,585	316,495,538		
No adjusted gross income	6,640	-2,007,876	50,276	—	—	—	—	3,089	13,421	6,640	55,746		
\$1,000 under \$5,000	1,366	2,351	6,778	* 14	* 7,835	* 1,372	—	1,942	106	1,386	1,450		
\$5,000 under \$10,000	6,498	58,999	29,770	* 1,993	23,688	* 4,285	217	5,672	17,993	6,498	19,172		
\$10,000 under \$15,000	1,782,284	22,990,150	7,788,406	106,485	10,554,901	1,675,799	17,800,925	1,781,947	582,063	1,782,284	585,022		
\$15,000 under \$20,000	2,602,629	46,144,832	14,110,975	270,265	14,226,129	2,332,364	2,600,540	2,602,552	2,073,553	2,602,629	2,074,571		
\$20,000 under \$25,000	3,778,815	84,931,985	23,995,128	646,408	18,733,609	3,132,406	36,252,380	3,778,763	5,331,006	3,778,815	5,331,570		
\$25,000 under \$30,000	3,679,490	101,258,841	24,802,071	975,435	15,821,452	3,679,334	51,435,031	3,679,342	7,609,602	3,679,490	7,612,807		
\$30,000 under \$40,000	7,053,652	246,522,212	48,193,537	2,670,763	25,536,310	7,053,565	145,598,699	7,053,557	21,570,758	7,053,652	21,585,209		
\$40,000 under \$50,000	6,567,394	293,886,736	45,099,061	3,626,350	17,175,737	6,566,538	191,723,078	6,566,982	28,828,926	6,567,394	28,834,039		
\$50,000 under \$75,000	9,701,331	586,142,287	67,125,719	7,493,233	13,012,769	9,700,776	406,014,880	9,700,199	71,313,930	9,701,331	71,389,638		
\$75,000 under \$100,000	3,180,680	271,531,992	21,816,875	2,905,267	1,656,360	3,180,215	196,287,316	3,178,951	40,698,270	3,180,680	40,748,184		
\$100,000 under \$200,000	2,285,973	297,998,823	14,932,390	2,158,383	783,149	2,285,551	225,571,965	2,284,823	53,914,298	2,285,973	54,082,502		
\$200,000 under \$500,000	581,131	168,885,218	782,238	556,880	147,167	580,770	142,090,403	580,423	39,323,115	581,131	39,578,029		
\$500,000 under \$1,000,000	101,614	68,221,961	12,791	95,067	** 54,078	101,570	59,758,914	101,536	17,452,936	101,614	17,566,845		
\$1,000,000 or more	43,070	102,709,461	4,844	40,584	**	43,016	90,953,922	42,989	26,898,202	43,070	27,060,749		
Non-taxable returns, total	7,347,874	42,655,225	52,223,329	1,077,725	34,822,725	5,843,401	3,100,202	—	—	—	—		

Footnotes at end of table.

Table 1.2—All Returns: Adjusted Gross Income, Exemptions, Deductions and Tax Items, by Size of Adjusted Gross Income and by Marital Status—Continued
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Returns of married persons filing separately, heads of household, and surviving spouses											
	Number of returns (27)	Adjusted gross income less deficit (28)	Exemption amount (29)	Total itemized deductions (30)		Standard deduction (31)		Taxable income (32)		Income tax after credits (33)		Total income tax (39)
				Number of returns (30)	Amount (31)	Number of returns (32)	Amount (33)	Number of returns (34)	Amount (35)	Number of returns (36)	Amount (37)	
All returns, total	16,178,752	318,849,351	80,938,531	2,684,312	30,002,143	13,400,330	63,809,234	11,261,956	170,881,373	8,625,906	28,962,323	29,063,067
No adjusted gross income	84,698	-4,940,825	326,770	-	-	-	-	-	-	* 51	* 4	6,162
\$1,000 under \$5,000	1,806,216	5,027,914	9,181,334	22,639	165,664	1,783,329	8,440,693	* 1,220	* 2,759	* 1,244	* 415	* 441
\$5,000 under \$10,000	2,983,170	22,785,008	14,662,348	42,695	380,626	2,931,446	14,102,126	628,976	942,203	320,395	112,404	320,395
\$10,000 under \$15,000	3,138,133	39,363,545	16,491,733	134,913	998,854	3,003,220	14,239,645	2,567,911	8,747,963	783,872	531,064	783,872
\$15,000 under \$20,000	2,545,173	44,122,692	13,197,170	239,088	1,857,303	2,306,085	10,974,863	2,479,525	18,228,042	1,954,439	1,712,204	1,712,207
\$20,000 under \$25,000	1,676,844	37,407,127	8,474,717	321,224	2,451,814	1,355,574	6,385,309	1,658,536	20,137,301	1,642,782	2,839,050	2,839,245
\$25,000 under \$30,000	1,181,884	32,473,531	5,920,585	330,193	2,934,349	851,891	4,080,851	1,177,833	19,548,515	1,177,525	2,876,946	2,876,948
\$30,000 under \$40,000	1,440,084	50,139,120	6,859,941	629,325	6,023,032	810,510	3,867,812	1,430,309	33,469,875	1,429,054	5,274,540	5,278,187
\$40,000 under \$50,000	645,589	28,404,709	2,973,675	413,331	4,294,143	**	**	644,516	20,030,986	644,366	3,535,269	3,536,359
\$50,000 under \$75,000	469,600	27,664,971	2,149,723	364,474	5,050,412	** 337,356	** 1,623,597	466,001	19,978,929	465,260	4,072,989	4,083,615
\$75,000 under \$100,000	93,252	7,988,750	417,009	82,749	1,635,177	10,503	51,481	93,225	5,896,925	93,147	1,345,167	1,354,870
\$100,000 under \$200,000	81,037	10,686,827	267,758	79,829	1,943,747	7,200	29,614	80,896	8,453,828	80,811	2,197,336	2,225,218
\$200,000 under \$500,000	26,368	7,441,940	15,078	23,436	949,018	2,907	11,046	26,308	6,475,748	26,269	1,846,686	1,860,931
\$500,000 under \$1,000,000	4,345	2,985,590	385	3,909	335,861	** 508	** 2,198	** 6,698	** 8,968,301	4,326	764,825	772,193
\$1,000,000 or more	2,380	7,288,453	269	2,308	982,142	**	**	**	**	2,366	1,853,425	1,872,731
Taxable returns, total	8,627,895	257,596,098	39,415,016	2,405,129	26,568,545	6,213,175	28,385,643	8,625,004	163,642,954	8,625,906	28,962,323	29,063,067
No adjusted gross income	235	-394,887	1,011	-	-	-	-	-	-	* 51	* 4	6,162
\$1,000 under \$5,000	* 1,246	* 5,946	* 2,738	* 1,220	* 516	* 26	* 128	* 1,220	* 2,759	* 1,244	* 415	* 441
\$5,000 under \$10,000	320,395	2,527,549	752,082	8,501	32,825	302,865	999,114	319,129	751,282	320,395	112,404	320,395
\$10,000 under \$15,000	783,897	10,075,991	2,850,743	50,122	280,469	733,775	2,885,175	783,872	4,060,806	783,872	531,064	783,897
\$15,000 under \$20,000	1,954,447	34,436,543	9,106,570	149,871	885,725	1,805,576	8,475,447	1,954,447	15,970,801	1,954,439	1,712,204	1,712,207
\$20,000 under \$25,000	1,644,048	36,693,088	8,236,474	292,465	2,012,374	1,351,538	6,365,177	1,642,782	20,079,681	1,642,782	2,839,050	2,839,245
\$25,000 under \$30,000	1,177,535	32,351,323	5,898,678	325,954	2,827,684	851,581	4,080,513	1,177,535	19,544,468	1,177,525	2,876,946	2,876,948
\$30,000 under \$40,000	1,428,151	49,757,129	6,789,561	619,537	5,665,247	808,366	3,862,238	1,429,150	33,440,119	1,429,054	5,274,540	5,278,187
\$40,000 under \$50,000	644,477	28,360,483	2,968,996	412,246	4,244,226	**	**	644,477	20,030,519	644,366	3,535,269	3,536,359
\$50,000 under \$75,000	465,340	27,440,617	2,108,380	360,222	4,848,133	** 337,348	** 1,623,575	465,308	19,977,376	465,260	4,072,989	4,083,615
\$75,000 under \$100,000	93,219	7,995,790	416,874	82,724	1,632,767	10,495	51,454	93,147	5,895,670	93,147	1,345,167	1,354,870
\$100,000 under \$200,000	80,896	10,670,970	267,242	73,688	1,921,785	7,200	29,614	80,888	8,452,787	80,811	2,197,336	2,225,218
\$200,000 under \$500,000	26,306	7,423,537	15,032	23,379	925,388	2,902	11,028	26,296	6,473,867	26,306	1,846,686	1,860,931
\$500,000 under \$1,000,000	4,330	2,975,815	367	3,898	325,971	** 503	** 2,181	** 6,692	** 8,962,817	4,326	764,825	772,193
\$1,000,000 or more	2,374	7,274,203	269	2,303	965,455	**	**	**	**	2,366	1,853,425	1,872,731
Nontaxable returns, total	7,550,857	61,253,253	41,522,515	279,184	3,433,598	7,187,155	35,423,591	2,636,951	7,238,419	-	-	-

Footnotes at end of table.

Table 1.2—All Returns: Adjusted Gross Income, Exemptions, Deductions and Tax Items, by Size of Adjusted Gross Income and by Marital Status—Continued
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Returns of single persons										Total income tax		
	Number of returns (40)	Adjusted gross income less deficit (41)	Exemption amount (42)	Total itemized deductions (43)		Standard deduction (45)		Taxable income (47)		Income tax after credits (49)		Number of returns (51)	Amount (52)
				Number of returns	Amount (44)	Number of returns	Amount (46)	Number of returns	Amount (48)	Number of returns	Amount (50)		
All returns, total	49,830,912	813,741,822	89,171,437	7,180,734	42,242,244	134,710,889	38,971,773	545,087,466	38,729,076	102,625,648	38,733,107	102,870,990	
No adjusted gross income	407,934	-12,030,429	825,745	—	13,065,783	32,635,954	—	—	—	13,796	1,334	19,031	
\$1,000 under \$5,000	13,149,156	31,885,761	11,980,322	83,373	4,440,703	8,336,963	4,440,703	2,825,450	4,356,388	451,795	4,356,639	453,925	
\$5,000 under \$10,000	9,794,201	72,274,272	18,454,117	416,519	9,377,682	32,781,122	8,336,963	19,667,611	8,222,111	2,960,757	8,222,111	2,964,519	
\$10,000 under \$15,000	6,938,792	86,055,344	14,671,588	571,480	6,367,312	22,442,649	6,755,491	44,855,869	6,714,178	6,696,612	6,714,179	6,698,468	
\$15,000 under \$20,000	5,388,489	93,425,924	11,835,954	607,663	4,780,836	16,705,954	5,349,055	60,409,013	5,348,908	9,039,543	5,348,910	9,039,681	
\$20,000 under \$25,000	4,052,763	90,783,567	8,947,880	733,502	3,319,261	11,497,305	4,021,787	64,691,544	4,021,265	9,712,520	4,021,390	9,712,922	
\$25,000 under \$30,000	2,924,972	79,980,251	6,448,552	744,592	2,180,380	7,559,643	2,921,617	60,317,755	2,921,429	9,486,924	2,921,429	9,488,988	
\$30,000 under \$40,000	3,780,813	129,966,463	8,524,248	1,533,903	2,246,910	7,869,466	3,767,689	100,124,869	3,767,318	18,219,633	3,767,491	18,226,814	
\$40,000 under \$50,000	1,582,148	70,305,716	3,617,888	1,012,754	—	—	1,579,476	54,351,317	1,579,393	11,086,682	1,579,515	11,087,174	
\$50,000 under \$75,000	1,201,948	70,829,795	2,760,356	925,164	—	—	—	55,187,023	1,191,223	12,364,675	1,192,722	12,362,590	
\$75,000 under \$100,000	295,645	25,302,628	706,511	265,671	29,974	111,422	295,249	19,759,740	294,783	4,880,830	295,249	4,909,195	
\$100,000 under \$200,000	227,503	29,974,562	389,365	207,165	20,338	73,388	225,741	24,255,429	225,127	6,481,371	225,809	6,535,164	
\$200,000 under \$500,000	67,802	19,721,962	7,930	61,883	5,919	21,105	67,582	16,637,282	67,477	4,770,230	67,631	4,823,118	
\$500,000 under \$1,000,000	12,236	8,293,330	506	10,954	—	—	—	—	—	2,129,126	12,213	2,151,625	
\$1,000,000 or more	6,502	16,942,677	476	6,110	—	—	—	—	—	4,331,155	6,485	4,367,777	
Taxable returns, total	38,733,107	789,799,083	71,374,455	6,583,500	32,148,272	105,805,662	38,720,850	544,678,230	38,729,076	102,625,648	38,733,107	102,870,990	
No adjusted gross income	1,334	-401,781	2,925	—	4,353,856	8,770,381	—	—	—	13,796	1,334	19,031	
\$1,000 under \$5,000	4,356,639	11,597,447	9,781	—	8,047,647	27,921,092	4,353,197	2,822,542	4,356,388	451,795	4,356,639	453,925	
\$5,000 under \$10,000	8,222,111	62,652,817	14,307,057	174,464	8,216,876	33,615,902	8,216,876	19,542,912	8,222,111	2,960,757	8,222,111	2,964,519	
\$10,000 under \$15,000	6,714,179	83,360,955	14,040,041	396,277	6,315,902	22,265,090	6,714,178	44,672,593	6,714,178	6,696,612	6,714,179	6,698,468	
\$15,000 under \$20,000	5,348,910	92,745,556	11,745,164	568,198	4,780,712	16,705,546	5,348,908	60,407,398	5,348,908	9,039,543	5,348,910	9,039,681	
\$20,000 under \$25,000	4,021,390	90,113,939	8,878,955	702,344	3,319,046	11,496,578	4,021,265	64,684,623	4,021,265	9,712,520	4,021,390	9,712,922	
\$25,000 under \$30,000	2,921,429	79,890,386	6,440,907	741,211	2,180,218	7,559,056	2,921,429	60,314,039	2,921,429	9,486,924	2,921,429	9,488,988	
\$30,000 under \$40,000	3,767,491	129,517,527	8,495,550	1,520,581	2,246,910	7,869,466	3,767,465	100,121,505	3,767,318	18,219,633	3,767,491	18,226,814	
\$40,000 under \$50,000	1,579,515	70,195,553	3,612,227	1,010,123	—	—	1,579,457	54,351,047	1,579,393	11,086,682	1,579,515	11,087,174	
\$50,000 under \$75,000	1,192,722	70,269,241	2,740,844	916,007	—	—	—	55,176,813	1,191,223	12,364,675	1,192,722	12,362,590	
\$75,000 under \$100,000	295,249	25,268,871	705,658	265,291	29,959	111,370	295,224	19,758,068	294,783	4,880,830	295,249	4,909,195	
\$100,000 under \$200,000	225,809	29,759,489	389,521	205,478	20,331	73,363	225,212	24,194,599	225,127	6,481,371	225,809	6,535,164	
\$200,000 under \$500,000	67,631	19,673,889	7,853	61,716	5,915	21,092	67,566	16,631,331	67,477	4,770,230	67,631	4,823,118	
\$500,000 under \$1,000,000	12,213	8,277,055	504	10,933	—	—	—	—	—	2,129,126	12,213	2,151,625	
\$1,000,000 or more	6,485	16,878,150	470	6,095	—	—	—	—	—	4,331,155	6,485	4,367,777	
Nontaxable returns, total	11,097,805	23,942,730	17,796,982	597,233	10,093,972	28,905,228	250,923	409,236	—	—	—	—	

* Estimate should be used with caution due to the small number of sample returns on which it is based.
** Data combined to avoid disclosure of information for specific taxpayers.
NOTE: Detail may not add to totals because of rounding.

Table 1.3—All Returns: Sources of Income, Adjustments, Deductions, Credits, and Tax Items, By Marital Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	All returns		Joint returns of married persons		Separate returns of married persons		Returns of heads of household		Returns of surviving spouses		Returns of single persons	
	Number of returns (1)	Amount (2)	Number of returns (3)	Amount (4)	Number of returns (5)	Amount (6)	Number of returns (7)	Amount (8)	Number of returns (9)	Amount (10)	Number of returns (11)	Amount (12)
Adjusted gross income less deficit	114,730,123	3,464,524,369	48,720,459	2,331,933,197	2,298,928	56,575,443	13,786,622	259,927,319	93,201	2,346,589	49,830,912	813,741,822
Salaries and wages	97,066,245	2,674,280,752	41,452,227	1,782,582,349	2,024,438	45,893,866	13,028,715	231,724,553	90,312	1,664,445	40,470,553	612,395,739
Taxable interest	70,161,547	128,476,915	37,306,915	189,477,500	1,019,970	3,194,977	4,460,339	5,784,525	67,555	314,799	27,306,950	71,639,568
Tax-exempt interest	4,128,715	43,101,537	2,562,371	27,706,697	53,162	953,032	132,213	760,376	1,824	3,895	1,379,146	13,647,538
Dividends	23,228,826	77,284,498	13,907,937	47,715,184	277,440	1,542,660	1,036,382	2,190,543	16,747	36,575	7,990,320	25,799,527
State income tax refunds	16,675,610	10,380,755	11,836,130	7,758,269	328,485	214,760	1,127,542	571,210	29,943	20,587	3,353,510	7,959,929
Alimony received	465,461	4,141,841	42,220	171,491	* 1,112	* 16,466	178,637	1,668,313	—	—	243,492	2,285,572
Business or profession:												
Net income	11,549,015	162,870,485	7,918,731	125,923,773	197,388	2,898,444	716,634	6,196,895	1,459	34,002	2,714,793	27,817,372
Net loss	3,460,310	21,006,471	2,516,063	15,350,358	57,290	569,239	155,213	818,174	* 706	* 22,805	751,019	4,185,836
Sale of capital assets:												
Net gain	10,394,928	111,442,947	6,392,644	81,395,480	118,867	1,401,461	393,119	3,225,081	14,624	67,429	3,475,675	22,653,515
Net loss in AGI	4,614,075	6,667,127	2,900,541	7,541,093	60,969	73,536	345,874	1,710	1,710	1,710	1,458,317	2,701,573
Sale of property other than capital assets	1,605,159	-2,201,504	2,235,829	-1,350,433	20,243	-125,510	-107,321	-107,321	* 973	* 3,256	299,528	-621,995
Taxable IRA distributions	3,996,947	20,627,106	1,710,533	15,656,515	32,676	191,089	212,109	873,923	* 5,964	* 22,181	1,035,665	3,883,398
Pensions and annuities in AGI	17,907,232	176,501,703	10,947,482	122,382,710	190,751	1,989,058	1,018,722	6,307,552	22,026	151,685	5,728,282	45,670,688
Rent and royalty:												
Net income	5,581,336	37,439,373	3,851,019	28,120,924	91,643	771,740	234,950	1,101,152	4,252	9,167	1,399,472	7,436,390
Farm rental income less loss	5,559,548	34,480,636	3,987,256	25,437,734	68,826	409,560	317,314	1,791,503	797	4,388	1,185,354	6,837,451
Partnership and S corporation net income less loss	638,887	2,235,587	369,335	1,464,037	2,654	21,619	†	†	†	†	242,270	746,919
Estate and trust net income less loss	5,499,460	63,190,389	3,982,736	53,804,774	75,546	268,674	228,195	1,758,797	4,547	2,261	1,208,436	7,355,883
Farm net income less loss	477,206	3,705,399	236,215	1,563,471	8,152	215,709	24,668	173,605	119	9,155	208,053	1,743,459
Unemployment compensation	9,931,421	23,309,714	5,348,904	13,204,219	195,923	456,634	4,443,924	2,833,633	* 1,005	* -31,633	354,329	-626,645
Social Security benefits in AGI	5,333,413	21,359,312	3,466,241	15,375,033	71,611	278,600	145,646	366,705	8,888	16,624	2,936,652	6,807,585
Other income less loss	5,399,835	19,945,828	3,517,817	14,369,624	71,611	278,600	145,646	366,705	8,888	16,624	2,936,652	6,807,585
Total statutory adjustments	16,990,443	64,716,128	11,184,818	24,973,511	243,102	685,681	1,058,900	1,605,610	10,074	10,403	4,493,549	7,440,924
Primary IRA adjustments	4,211,741	6,400,933	2,376,868	3,653,948	35,481	57,462	267,610	359,055	* 4,096	* 7,177	1,527,686	2,323,291
Secondary IRA payments	1,912,395	2,629,244	1,912,395	2,629,244	—	—	—	—	—	—	—	—
Payments to a Keogh plan	840,087	6,912,855	683,374	5,920,323	8,918	69,064	23,204	176,716	* 27	* 750	124,565	746,002
Deduction for self-employment tax	11,751,761	10,712,138	8,270,640	8,320,528	156,095	141,989	678,306	418,626	1,972	1,682	2,644,748	1,829,313
Self-employed health insurance deduction	3,047,949	1,966,288	2,245,683	1,580,581	34,813	19,330	126,042	58,582	101	101	641,239	247,693
Total itemized deductions	32,489,918	467,868,116	22,624,872	358,915,326	692,125	7,126,533	1,965,071	22,519,800	27,116	355,811	7,180,734	78,768,647
Taxes paid deduction	5,338,966	23,726,113	3,371,341	11,899,982	80,531	221,600	332,688	811,762	* 12,231	* 37,746	1,542,175	10,574,823
Interest paid deduction	31,968,877	147,658,392	22,497,260	115,939,689	667,462	2,505,404	1,944,922	6,543,413	27,116	91,930	6,892,117	22,777,956
Charitable deduction	27,418,494	213,724,926	20,472,433	170,987,410	487,601	3,070,496	1,706,819	11,341,648	26,013	145,192	4,725,628	28,180,181
Contributions deduction	29,551,347	60,573,565	21,075,491	47,280,222	581,975	978,403	1,784,367	2,204,848	22,385	40,570	6,087,130	10,069,523
Casualty or theft loss	126,489	872,321	77,698	586,662	* 1,833	* 24,874	19,744	102,611	—	—	27,214	158,174
Moving expenses deduction	826,094	3,651,190	623,397	2,951,557	11,809	61,036	31,515	120,626	* 8	* 57	159,365	517,913
Total miscellaneous deductions	7,989,912	28,134,668	5,223,142	18,502,807	172,829	599,039	594,261	1,575,432	4,791	44,900	2,004,890	7,412,431
Basic standard deduction	81,304,774	340,096,951	25,662,200	146,029,114	1,557,052	4,362,761	11,778,141	56,757,517	65,136	371,276	42,242,244	130,576,283
Additional standard deduction	11,036,416	10,979,059	5,857,583	6,526,773	91,534	60,580	298,987	286,020	* 1,662	* 1,080	4,788,649	4,134,606
Taxable income	92,717,816	2,284,087,935	42,484,087	1,568,119,096	1,976,915	42,480,104	9,226,027	127,099,000	59,014	1,292,269	38,971,773	545,087,466
Total tax credits	12,736,913	7,286,497	6,934,662	4,318,259	51,135	111,297	5,082,920	2,342,799	21,926	11,866	646,270	502,276
Child care credit	5,896,435	2,520,549	4,174,006	1,702,060	33,039	12,328	1,637,618	783,086	* 9,690	* 2,239	42,030	20,837
Credit for the elderly or disabled	285,085	57,083	83,815	18,074	* 4,013	* 714	* 17,318	* 2,839	—	—	179,940	35,456
Foreign tax credit	874,583	1,824,334	597,313	1,408,997	11,649	87,255	17,474	40,059	406	3,328	247,742	284,694
Earned income credit used to offset income tax before credits	6,177,757	2,082,149	2,002,896	532,425	—	—	4,022,919	1,496,295	* 15,838	* 6,058	136,164	47,371
Minimum tax credit	32,154	169,331	25,093	140,507	538	4,496	777	1,748	* 6	* 241	5,740	22,339
General business credit	259,625	522,507	203,941	437,912	1,773	4,916	8,712	14,230	—	—	45,199	65,450
Income tax after credits	88,717,148	447,216,167	41,362,165	315,628,196	1,967,965	9,144,082	6,608,226	19,586,461	49,716	231,780	38,729,076	102,625,648
Alternative minimum tax	243,672	1,213,426	147,964	867,340	12,350	48,679	14,802	51,220	* 1,700	* 846	66,857	245,342
Total income tax	88,733,567	448,429,593	41,372,585	316,495,536	1,980,639	9,192,761	6,608,507	19,637,681	49,749	232,625	38,733,107	102,870,990
Total tax liability	90,825,133	471,082,811	42,532,688	333,843,063	2,019,673	9,580,532	20,418,451	20,418,451	49,751	236,753	39,443,026	107,004,013
Total tax payments	105,532,930	505,723,066	45,917,524	346,424,840	2,103,686	9,131,087	12,638,282	31,105,311	91,898	292,803	44,583,529	116,738,025
Income tax withheld	98,755,763	397,665,848	42,809,738	288,101,169	2,022,493	6,678,586	12,638,282	28,682,626	89,544	244,195	41,799,065	93,899,271
Estimated tax payments	12,658,218	92,576,548	7,348,253	66,384,853	1,47,983	1,911,680	2,007,749	2,007,749	35,445	4,445	4,190,236	22,236,680
Overpayment refunded	82,401,992	84,043,194	32,361,347	44,711,262	1,394,982	894,579	17,448,776	17,448,776	116,425	116,425	35,942,653	20,872,152
Tax due at time of filing	25,567,640	53,046,236	13,968,553	38,029,687	810,009	1,656,778	922,694	1,721,071	14,161	43,758	10,452,223	11,594,943

* Estimate should be used with caution due to the small number of sample returns on which it is based.

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

NOTE: Detail may not add to total because of rounding.

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Adjusted gross income less deficit		Salaries and wages		Taxable interest		Tax-exempt interest		Dividends		State income tax refunds	
	Number of returns (1)	Amount (2)	Number of returns (3)	Amount (4)	Number of returns (5)	Amount (6)	Number of returns (7)	Amount (8)	Number of returns (9)	Amount (10)	Number of returns (11)	Amount (12)
All returns, total	114,730,123	3,464,524,369	97,066,245	2,674,260,752	70,161,547	209,411,465	4,128,715	43,101,537	23,228,826	77,284,499	16,675,610	10,360,755
No adjusted gross income	926,020	-51,617,151	332,197	6,823,548	612,768	4,959,993	41,544	652,400	234,496	944,073	82,868	202,663
\$1 under \$5,000	16,068,899	40,087,250	12,853,146	33,693,288	6,232,755	4,299,014	110,377	289,370	1,470,023	1,078,093	123,266	45,165
\$5,000 under \$10,000	15,228,872	114,176,803	11,884,092	82,449,823	6,532,656	10,777,146	160,611	1,014,843	1,639,106	2,165,904	303,243	130,852
\$10,000 under \$15,000	13,782,424	171,860,769	10,818,548	124,019,257	6,602,349	15,863,020	187,060	909,467	1,716,655	3,131,026	447,480	154,395
\$15,000 under \$20,000	11,588,597	201,316,783	9,779,046	156,603,738	5,995,282	13,344,614	174,333	571,860	1,386,158	2,665,534	660,798	222,021
\$20,000 under \$25,000	9,691,977	217,204,132	8,294,797	171,683,283	5,702,106	13,090,376	217,518	1,107,451	1,514,611	3,257,853	823,241	232,867
\$25,000 under \$30,000	7,873,620	216,086,077	7,084,782	178,301,752	5,070,068	9,441,303	209,611	1,422,085	1,485,620	2,514,459	1,120,577	399,681
\$30,000 under \$40,000	12,346,753	429,097,815	11,113,145	354,140,617	9,111,126	20,986,368	492,403	2,611,523	2,851,453	5,839,184	2,757,518	1,025,593
\$40,000 under \$50,000	8,816,813	393,548,840	8,084,885	327,186,844	7,264,382	16,834,961	430,968	2,760,990	2,452,091	4,913,874	2,715,643	1,119,481
\$50,000 under \$75,000	11,390,205	685,643,232	10,568,881	573,585,140	10,288,189	27,257,397	800,437	5,897,207	4,277,208	10,951,010	4,529,715	2,142,041
\$75,000 under \$100,000	3,571,629	305,015,139	3,274,921	243,514,666	3,367,507	14,601,315	433,956	3,775,052	1,865,246	6,187,960	1,532,251	1,035,056
\$100,000 under \$200,000	2,597,908	339,097,584	2,266,637	233,602,928	2,527,398	20,617,046	534,817	7,340,543	1,661,003	11,311,365	1,165,298	1,423,509
\$200,000 under \$500,000	676,368	196,264,221	567,325	111,581,822	665,277	15,193,663	243,230	6,817,702	525,201	8,737,470	325,357	969,343
\$500,000 under \$1,000,000	118,350	79,606,495	99,705	39,028,527	117,798	7,421,762	60,294	3,223,893	102,477	4,379,075	59,080	456,747
\$1,000,000 or more	52,019	127,116,380	44,141	38,045,539	51,886	14,724,086	31,556	4,707,154	47,478	9,207,621	29,275	801,342
Taxable returns, total	88,733,587	3,336,673,161	76,462,241	2,531,689,681	61,427,157	190,506,782	3,843,538	40,259,829	21,041,672	73,150,647	15,766,544	9,667,159
No adjusted gross income	8,208	-2,804,544	3,512	305,357	7,861	486,825	815	54,946	4,898	93,481	1,653	9,308
\$1 under \$5,000	4,359,271	11,605,744	3,303,290	9,036,608	3,315,475	1,561,559	36,466	18,862	837,503	526,416	9,088	1,746
\$5,000 under \$10,000	8,549,004	65,239,365	6,895,691	48,456,822	3,931,049	6,173,683	81,753	360,455	944,419	1,244,879	103,241	37,928
\$10,000 under \$15,000	9,280,360	116,427,066	6,977,423	79,847,115	5,034,038	12,681,561	140,565	624,726	1,357,509	2,586,564	262,477	78,391
\$15,000 under \$20,000	9,905,985	173,328,931	8,251,678	133,335,954	5,330,179	12,299,241	164,811	471,971	1,256,887	2,367,997	513,148	158,648
\$20,000 under \$25,000	9,444,253	211,739,012	8,106,093	167,655,063	5,539,106	12,683,511	209,109	934,550	1,468,461	3,140,632	740,233	196,253
\$25,000 under \$30,000	7,778,454	213,500,549	7,017,087	176,615,577	4,994,901	9,206,555	205,655	1,348,263	1,462,883	2,999,078	1,092,925	380,102
\$30,000 under \$40,000	12,250,293	425,796,869	11,042,972	351,976,814	9,030,409	20,421,591	484,810	2,814,702	2,814,702	5,568,663	2,718,136	953,896
\$40,000 under \$50,000	8,791,386	392,442,771	8,068,270	326,497,479	7,243,702	16,660,881	427,858	2,711,231	2,439,308	4,806,258	2,705,577	1,101,621
\$50,000 under \$75,000	11,359,393	683,852,145	10,548,371	572,600,755	10,258,740	26,755,691	790,953	5,675,908	4,258,690	10,791,967	4,512,112	2,094,224
\$75,000 under \$100,000	3,569,148	304,796,653	3,273,170	243,443,934	3,385,723	14,540,932	433,291	3,718,974	1,863,790	6,165,719	1,530,796	1,027,217
\$100,000 under \$200,000	2,592,678	338,429,282	2,264,254	233,393,732	2,522,221	20,341,812	532,749	7,216,312	1,658,423	11,245,787	1,163,969	1,416,106
\$200,000 under \$500,000	675,068	195,982,644	566,763	111,503,566	664,343	15,012,881	242,942	6,760,954	524,479	8,689,935	324,944	963,484
\$500,000 under \$1,000,000	118,157	79,474,831	99,584	36,994,929	117,612	7,306,391	60,231	3,215,978	102,318	4,355,439	59,007	452,478
\$1,000,000 or more	51,929	126,861,814	44,085	38,025,978	51,798	14,373,670	31,530	4,685,002	47,401	9,167,832	29,237	795,758
Nontaxable returns, total	25,996,536	127,851,208	20,604,004	142,571,071	8,734,390	18,904,683	285,177	2,841,708	2,187,153	4,133,852	909,066	693,596

Footnotes at end of table.

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Alimony received		Business or profession				Capital gain distribution reported on Form 1040		Sales of capital assets reported on Schedule D			
	Number of returns	Amount	Net income		Net loss		Number of returns	Amount	Net gain		Net loss in AGI	
			Number of returns	Amount	Number of returns	Amount			Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns, total	465,461	4,141,841	11,549,015	162,870,485	3,480,310	21,006,471	2,326,788	1,216,780	8,068,140	110,226,167	4,614,075	8,667,127
No adjusted gross income	990	9,254	123,964	1,500,697	346,201	6,269,591	10,265	12,933	126,807	6,314,667	146,581	345,033
\$1 under \$5,000	18,393	52,333	1,031,469	2,332,857	184,021	755,493	254,372	68,864	334,498	438,409	224,639	393,971
\$5,000 under \$10,000	65,228	336,613	1,302,973	6,944,262	192,369	942,523	147,476	66,980	465,465	1,115,763	294,930	552,065
\$10,000 under \$15,000	58,443	307,661	1,146,075	8,068,625	250,430	1,135,602	167,944	81,566	559,070	1,427,309	307,730	570,953
\$15,000 under \$20,000	64,576	418,255	1,037,769	8,620,662	220,668	985,279	167,998	77,039	448,581	1,454,606	244,510	454,752
\$20,000 under \$25,000	54,761	280,435	854,447	7,694,984	274,262	914,728	128,504	53,243	526,364	1,931,631	278,452	540,348
\$25,000 under \$30,000	40,482	345,693	856,562	8,423,732	265,164	1,044,417	124,533	72,905	454,922	1,918,533	230,863	445,357
\$30,000 under \$40,000	** 164,424	** 2,373,359	1,299,058	13,904,449	472,515	1,689,157	377,530	216,180	866,436	3,640,325	553,636	957,381
\$40,000 under \$50,000	**	**	1,099,170	12,512,149	372,506	1,493,619	245,724	111,240	808,773	3,775,896	492,388	843,189
\$50,000 under \$75,000	**	**	1,516,753	23,437,658	516,195	2,116,076	454,577	246,910	1,405,784	9,699,691	824,223	1,423,864
\$75,000 under \$100,000	**	**	542,581	15,842,983	173,513	868,553	** 240,095	** 202,104	734,008	6,861,770	395,378	770,351
\$100,000 under \$200,000	**	**	551,296	29,155,937	157,333	1,206,751	**	**	900,895	15,875,451	426,469	905,278
\$200,000 under \$500,000	**	**	151,351	15,616,770	42,429	735,461	7,245	1,964	331,179	16,683,288	152,396	355,073
\$500,000 under \$1,000,000	* 69	* 2,461	25,206	4,610,926	8,367	266,264	397	521	70,611	9,912,070	29,611	76,734
\$1,000,000 or more	94	15,779	10,341	4,203,794	4,336	582,958	129	4,334	34,745	29,176,758	12,271	32,779
Taxable returns, total	398,517	3,865,533	8,786,786	146,604,250	2,637,479	12,179,932	2,151,015	1,144,953	7,320,097	101,662,018	3,947,323	7,268,231
No adjusted gross income	—	—	1,283	79,372	4,112	189,957	* 380	* 61	3,234	1,151,717	2,046	5,490
\$1 under \$5,000	—	—	53,950	68,581	* 3,663	* 7,564	196,852	49,180	180,399	125,782	46,058	35,518
\$5,000 under \$10,000	41,362	234,591	494,968	2,598,582	66,069	272,901	88,921	46,166	252,317	444,309	143,789	228,212
\$10,000 under \$15,000	41,369	257,606	658,160	4,511,353	143,426	529,228	145,362	71,382	423,207	1,024,682	211,421	388,776
\$15,000 under \$20,000	57,231	361,064	778,402	6,185,928	169,022	640,897	152,489	76,070	398,932	1,159,045	205,971	392,131
\$20,000 under \$25,000	53,492	275,096	805,720	6,846,600	256,716	835,688	123,091	47,364	496,807	1,718,818	265,756	504,433
\$25,000 under \$30,000	40,482	345,693	823,494	7,887,270	257,099	971,249	122,370	72,676	446,305	1,770,109	218,189	421,315
\$30,000 under \$40,000	** 164,419	** 2,373,245	1,285,853	13,578,067	467,526	1,579,668	377,196	216,135	851,984	3,358,480	534,479	917,894
\$40,000 under \$50,000	**	**	1,093,382	12,326,122	370,702	1,474,029	245,321	111,101	803,144	3,676,356	485,931	827,361
\$50,000 under \$75,000	**	**	1,512,773	23,253,919	513,779	2,093,405	451,195	245,909	1,396,354	9,437,177	820,186	1,414,591
\$75,000 under \$100,000	**	**	542,246	15,816,010	173,210	858,044	** 240,070	** 202,091	733,436	6,815,683	393,811	765,713
\$100,000 under \$200,000	**	**	549,921	29,047,827	157,209	1,197,798	**	**	898,183	15,665,698	425,761	903,201
\$200,000 under \$500,000	**	**	151,144	15,601,579	42,296	724,692	7,242	1,963	330,618	16,503,940	152,129	354,332
\$500,000 under \$1,000,000	* 69	* 2,461	25,162	4,606,216	8,329	258,820	397	521	70,494	9,805,313	29,547	76,551
\$1,000,000 or more	94	15,779	10,327	4,196,825	4,322	545,992	129	4,334	34,685	29,004,909	12,248	32,715
Nontaxable returns, total	66,943	276,308	2,762,229	16,266,236	842,831	8,826,539	175,773	71,827	748,043	8,564,149	666,752	1,398,896

Footnotes at end of table.

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Sales of capital assets reported on Schedule D-continued											
	Short-term capital gain		Short-term capital loss		Short-term loss carryover		Long-term capital gain		Long-term capital loss		Long-term loss carryover	
	Number of returns (25)	Amount (26)	Number of returns (27)	Amount (28)	Number of returns (29)	Amount (30)	Number of returns (31)	Amount (32)	Number of returns (33)	Amount (34)	Number of returns (35)	Amount (36)
All returns, total	3,142,802	20,921,224	2,756,708	32,794,924	721,234	18,421,962	9,173,844	118,559,428	5,304,602	62,812,190	1,763,845	32,140,777
No adjusted gross income	46,237	686,250	74,917	3,107,363	32,102	1,985,685	181,008	8,326,413	137,412	7,325,117	69,493	3,994,526
\$1 under \$5,000	105,866	192,735	86,337	972,427	29,597	644,898	386,968	574,296	256,961	1,637,947	87,525	1,033,043
\$5,000 under \$10,000	129,098	246,480	137,162	1,146,900	46,092	783,120	490,940	1,317,532	286,151	2,493,934	95,507	1,355,802
\$10,000 under \$15,000	173,513	406,878	114,049	1,134,033	35,334	717,406	627,947	1,644,984	324,199	2,677,823	125,529	1,689,684
\$15,000 under \$20,000	139,135	236,045	106,356	962,133	27,939	725,377	489,655	1,630,828	266,138	2,194,843	85,236	1,281,357
\$20,000 under \$25,000	141,403	340,834	124,868	877,449	35,135	651,207	568,322	2,212,253	306,340	2,991,616	111,865	1,808,196
\$25,000 under \$30,000	145,509	338,845	120,177	878,487	34,428	595,310	524,522	2,145,866	258,275	2,101,130	93,534	1,299,900
\$30,000 under \$40,000	347,601	858,983	261,136	1,831,603	57,411	1,173,872	969,948	3,929,341	586,407	4,275,894	200,952	2,430,186
\$40,000 under \$50,000	314,083	884,576	296,496	2,117,289	64,868	1,150,160	909,521	4,280,950	526,259	3,887,985	160,944	2,035,250
\$50,000 under \$75,000	576,295	1,880,445	508,160	3,868,965	109,789	2,382,765	1,621,875	10,631,548	936,413	7,725,471	283,288	4,089,306
\$75,000 under \$100,000	345,837	1,462,889	290,701	2,550,869	71,664	1,395,787	826,955	7,591,805	488,615	4,476,984	151,050	2,440,166
\$100,000 under \$200,000	408,588	2,946,252	383,256	4,398,140	103,607	2,313,649	1,040,870	17,334,497	588,730	7,879,056	189,817	3,904,063
\$200,000 under \$500,000	190,446	3,359,843	177,937	4,009,315	51,709	1,875,321	404,890	17,868,009	252,968	6,081,984	80,833	2,613,249
\$500,000 under \$1,000,000	50,960	2,025,773	48,540	1,935,916	14,048	838,435	88,222	10,307,270	59,144	2,731,036	19,379	965,251
\$1,000,000 or more	28,233	5,054,394	26,616	3,004,036	7,512	1,188,971	42,301	28,763,837	30,591	4,330,369	8,894	1,260,799
Taxable returns, total	2,894,286	19,273,729	2,450,347	25,702,124	581,881	13,721,619	8,262,640	107,005,126	4,655,238	48,038,874	1,473,777	23,770,428
No adjusted gross income	1,485	89,153	1,935	193,495	1,504	105,895	3,896	1,318,680	2,700	416,069	1,529	211,831
\$1 under \$5,000	63,209	46,081	22,093	10,787	* 265	* 26	188,176	137,135	75,469	115,291	12,804	59,748
\$5,000 under \$10,000	71,066	77,347	64,347	241,936	8,049	121,869	267,362	459,281	144,096	492,294	29,928	249,048
\$10,000 under \$15,000	128,033	262,448	76,484	605,249	19,850	394,315	468,836	1,118,678	232,052	1,582,269	90,594	1,023,646
\$15,000 under \$20,000	117,914	176,029	84,448	630,644	17,822	449,542	435,297	1,295,056	232,904	1,728,521	73,550	1,003,917
\$20,000 under \$25,000	133,485	295,913	117,180	664,811	30,007	475,042	532,029	1,940,628	290,519	2,445,201	102,873	1,465,993
\$25,000 under \$30,000	140,004	275,287	113,032	686,302	31,775	467,153	511,507	1,936,900	245,846	1,862,082	88,841	1,054,903
\$30,000 under \$40,000	334,180	774,287	250,363	1,602,515	52,357	1,005,452	947,114	3,608,347	567,046	3,820,335	186,048	2,136,315
\$40,000 under \$50,000	309,275	820,794	291,714	1,940,171	64,242	1,026,846	898,948	4,119,336	518,229	3,577,903	157,340	1,811,641
\$50,000 under \$75,000	573,580	1,810,153	504,377	3,661,199	108,955	2,294,603	1,611,262	10,236,179	931,140	7,319,501	282,088	3,879,026
\$75,000 under \$100,000	345,499	1,440,188	290,290	2,498,195	71,493	1,364,490	825,879	7,500,474	486,871	4,363,683	150,407	2,397,225
\$100,000 under \$200,000	407,465	2,921,648	381,571	4,300,295	102,517	2,237,633	1,037,909	17,052,267	586,410	7,632,136	188,923	3,765,672
\$200,000 under \$500,000	190,054	3,324,447	177,515	3,902,776	51,553	1,819,391	404,149	17,600,790	282,433	5,882,799	80,655	2,539,717
\$500,000 under \$1,000,000	50,862	1,997,074	48,436	1,856,237	14,010	797,605	88,053	20,158,785	58,984	2,612,201	19,322	915,306
\$1,000,000 or more	28,177	4,962,882	26,562	2,907,514	7,491	1,161,757	42,222	28,522,589	30,528	4,188,590	8,877	1,236,440
Nontaxable returns, total	248,516	1,647,494	306,361	7,092,800	139,353	4,700,343	911,204	11,554,303	649,366	14,773,317	290,068	8,370,348

Footnotes at end of table.

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Sales of capital assets reported on Schedule D—Continued				Schedule D gain subject to 28 percent tax rate		Sales of property other than capital assets				Total taxable IRA distributions	
	Long-term residence gain		Long-term installment gain				Net gain		Net loss			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All returns, total	156,544	3,766,135	1,075,571	11,872,899	1,264,160	57,293,494	742,133	4,655,943	863,027	6,857,446	3,996,947	20,627,106
No adjusted gross income	3,359	123,427	24,640	298,437	—	—	37,862	479,290	63,655	3,081,364	27,463	229,888
\$1 under \$5,000	* 6,496	* 25,186	14,840	23,997	—	—	24,404	60,480	34,435	113,282	63,261	131,919
\$5,000 under \$10,000	11,009	61,357	70,044	175,222	—	—	30,039	87,736	59,492	228,130	333,496	771,782
\$10,000 under \$15,000	* 13,774	* 25,960	112,851	230,224	—	—	60,222	160,971	35,832	114,794	544,676	1,580,488
\$15,000 under \$20,000	* 6,351	* 65,636	59,795	230,546	—	—	53,668	157,725	46,507	254,771	395,594	1,307,664
\$20,000 under \$25,000	8,257	85,250	89,209	380,730	—	—	60,282	187,238	49,713	125,643	381,094	1,628,747
\$25,000 under \$30,000	9,861	103,866	77,194	266,376	—	—	45,678	124,963	55,340	169,535	318,648	1,111,340
\$30,000 under \$40,000	14,225	160,013	103,291	498,911	—	—	78,444	271,164	76,189	370,227	529,512	2,446,576
\$40,000 under \$50,000	18,163	185,719	113,800	629,726	—	—	66,958	354,615	78,586	258,796	453,728	2,583,498
\$50,000 under \$75,000	** 58,186	** 1,833,568	184,832	1,439,919	101,501	797,141	110,848	566,041	122,975	422,240	564,396	3,198,230
\$75,000 under \$100,000	**	**	78,968	925,088	** 775,804	** 12,477,955	50,293	430,836	54,933	197,031	195,265	1,855,830
\$100,000 under \$200,000	**	**	92,610	1,679,886	**	**	74,842	711,367	100,880	533,450	147,968	2,335,782
\$200,000 under \$500,000	6,059	826,839	40,477	1,795,691	292,272	12,835,504	34,430	524,087	58,165	462,299	34,283	1,006,956
\$500,000 under \$1,000,000	581	158,210	8,468	883,986	63,536	7,788,662	9,015	249,149	16,396	235,370	** 7,564	** 438,407
\$1,000,000 or more	225	111,106	4,554	2,414,160	31,047	23,394,232	5,146	290,280	9,928	290,516	**	**
Taxable returns, total	127,223	3,463,615	962,365	11,272,182	1,264,101	57,277,529	609,292	3,855,750	688,256	3,055,019	3,548,891	19,076,243
No adjusted gross income	* 4	* 1,633	506	25,873	—	—	688	66,520	608	45,446	64	3,705
\$1 under \$5,000	—	—	—	—	—	—	* 2,539	* 1,834	* 5,005	* 187	* 4,013	* 2,608
\$5,000 under \$10,000	* 1,266	* 9,941	37,816	70,518	—	—	11,433	35,941	21,945	47,758	132,443	286,187
\$10,000 under \$15,000	* 9,246	* 18,831	85,845	177,793	—	—	32,827	97,816	18,445	52,588	429,712	1,163,645
\$15,000 under \$20,000	* 4,719	* 44,767	54,620	209,791	—	—	38,351	82,238	33,833	118,955	368,779	1,218,583
\$20,000 under \$25,000	* 6,278	* 56,640	84,337	353,021	—	—	54,122	136,898	46,258	111,611	373,211	1,552,557
\$25,000 under \$30,000	9,852	102,502	75,184	262,531	—	—	42,870	107,206	53,153	147,866	316,690	1,103,400
\$30,000 under \$40,000	13,967	144,797	102,219	479,667	—	—	76,800	250,448	70,555	250,934	522,334	2,374,285
\$40,000 under \$50,000	17,118	176,571	113,358	626,633	—	—	66,272	345,400	77,833	229,784	453,121	2,551,517
\$50,000 under \$75,000	** 57,931	** 1,832,063	184,000	1,410,741	101,501	797,141	110,167	547,546	120,968	373,385	563,725	3,188,554
\$75,000 under \$100,000	**	**	78,592	921,600	** 775,795	** 12,477,889	50,096	427,576	54,641	189,593	195,122	1,854,696
\$100,000 under \$200,000	**	**	92,534	1,665,949	**	**	74,665	702,003	100,729	522,368	147,897	2,334,764
\$200,000 under \$500,000	6,038	809,335	40,368	1,783,959	292,238	12,831,784	34,337	517,664	58,017	449,223	34,229	1,003,899
\$500,000 under \$1,000,000	581	158,210	8,445	881,225	63,522	7,783,916	8,994	247,491	16,360	227,552	** 7,550	** 437,842
\$1,000,000 or more	221	108,326	4,543	2,402,880	31,044	23,386,799	5,131	289,170	9,908	287,769	**	**
Nontaxable returns, total	29,321	302,521	113,206	600,717	60	15,965	132,841	800,193	174,771	3,802,427	448,056	1,550,863

Footnotes at end of table.

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Pensions and annuities				Rent				Royalty			
	Total		In adjusted gross income		Net income		Net loss (includes nondeductible loss)		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
All returns, total	18,893,132	239,241,028	17,907,232	176,501,703	4,025,577	27,447,747	5,101,001	33,252,799	1,205,808	4,863,698	43,097	111,869
No adjusted gross income	95,806	1,050,741	76,341	583,642	76,913	844,726	188,993	3,530,019	27,264	164,321	142	4,230
\$1 under \$5,000	631,909	2,200,807	616,391	1,448,271	155,535	324,143	120,492	615,371	31,522	27,594	* 1,901	* 3,869
\$5,000 under \$10,000	2,180,634	11,206,948	2,132,659	9,473,310	362,580	955,742	237,936	1,135,930	83,714	69,449	* 529	* 182
\$10,000 under \$15,000	2,644,811	18,605,173	2,616,534	16,474,112	372,873	1,168,645	249,837	1,112,644	89,311	188,444	* 2,348	* 3,230
\$15,000 under \$20,000	2,012,709	19,784,918	1,968,347	16,798,578	315,411	1,067,966	331,748	1,545,899	85,570	158,549	—	—
\$20,000 under \$25,000	1,791,272	19,435,584	1,738,738	17,341,317	278,489	1,058,045	343,018	1,395,921	107,131	101,481	* 2,630	* 843
\$25,000 under \$30,000	1,450,931	17,000,144	1,372,052	13,387,104	250,848	956,691	353,252	1,616,437	99,190	135,640	* 1,523	* 11,600
\$30,000 under \$40,000	2,322,997	30,579,072	2,201,085	23,650,184	471,922	1,974,262	654,881	3,147,748	125,278	321,995	* 8,137	* 4,283
\$40,000 under \$50,000	1,775,893	26,285,732	1,649,991	20,512,762	401,776	1,932,619	543,815	2,960,542	96,654	186,707	* 2,188	* 2,778
\$50,000 under \$75,000	2,438,916	42,202,555	2,222,543	30,526,820	626,784	3,850,022	1,031,732	6,315,015	184,125	498,222	** 19,851	** 50,376
\$75,000 under \$100,000	764,638	17,281,812	664,603	11,324,573	249,339	1,982,337	420,522	2,946,228	84,102	345,600	**	**
\$100,000 under \$200,000	597,154	19,427,572	503,675	10,055,920	301,784	4,646,551	447,190	3,896,762	114,976	820,164	**	**
\$200,000 under \$500,000	147,257	9,457,988	114,577	3,275,849	118,928	3,700,049	142,274	2,044,726	54,974	843,014	2,852	12,730
\$500,000 under \$1,000,000	26,524	2,925,266	20,587	1,002,776	28,504	1,426,338	24,356	573,279	13,531	352,015	** 996	** 17,748
\$1,000,000 or more	11,684	1,796,716	9,111	646,486	13,892	1,559,612	10,956	416,278	8,467	650,503	**	**
Taxable returns, total	16,255,305	224,535,461	15,372,118	165,334,343	3,393,216	24,822,486	4,375,463	26,288,734	1,065,069	4,536,336	38,510	99,935
No adjusted gross income	2,681	64,777	2,432	28,476	1,269	51,154	3,183	147,454	1,003	18,897	* 16	* 70
\$1 under \$5,000	22,590	84,376	22,588	62,843	11,654	21,015	* 3,221	* 7,994	* 3,761	* 3,990	—	—
\$5,000 under \$10,000	1,047,088	5,286,522	1,035,668	4,684,515	134,797	375,950	64,909	337,131	34,078	21,564	* 6	* 1
\$10,000 under \$15,000	2,078,121	15,126,930	2,059,346	13,438,468	270,387	763,116	146,791	517,977	65,743	147,730	* 1,027	* 369
\$15,000 under \$20,000	1,856,743	18,505,486	1,822,509	15,937,519	271,221	914,062	265,023	1,119,911	80,623	135,620	—	—
\$20,000 under \$25,000	1,759,422	19,153,504	1,711,040	17,169,762	265,931	987,479	311,285	1,091,536	105,639	100,578	* 2,629	* 843
\$25,000 under \$30,000	1,436,421	16,822,990	1,359,345	13,283,768	243,887	908,830	339,736	1,487,072	98,605	134,351	* 1,520	* 11,587
\$30,000 under \$40,000	2,302,684	30,358,857	2,185,137	23,488,557	459,262	1,855,427	633,929	2,866,827	123,702	313,970	* 7,455	* 4,176
\$40,000 under \$50,000	1,769,824	26,163,415	1,644,201	20,488,543	399,675	1,889,762	538,820	2,847,064	95,113	186,209	* 2,180	* 2,643
\$50,000 under \$75,000	2,433,912	42,154,016	2,218,589	30,490,503	624,734	3,814,022	1,025,055	6,097,461	181,872	497,636	** 19,842	** 50,367
\$75,000 under \$100,000	764,514	17,275,309	664,486	11,320,987	248,669	1,947,280	419,705	2,915,490	83,783	343,827	**	**
\$100,000 under \$200,000	596,053	19,376,274	502,688	10,023,976	300,682	4,626,640	446,632	3,857,534	114,353	794,073	**	**
\$200,000 under \$500,000	147,090	9,445,791	114,433	3,269,842	118,728	3,689,167	141,946	2,020,534	54,848	839,844	2,843	12,402
\$500,000 under \$1,000,000	26,491	2,921,869	20,558	1,001,332	28,455	1,422,857	24,295	562,827	13,498	350,760	** 990	** 17,477
\$1,000,000 or more	11,672	1,795,344	9,099	645,253	13,864	1,555,724	10,934	411,922	8,448	647,287	**	**
Nontaxable returns, total	2,637,828	14,705,567	2,535,114	11,167,360	632,361	2,625,261	725,539	6,964,064	140,739	327,362	4,588	11,934

Footnotes at end of table.

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Farm rental				Total rent and royalty				Partnership and S Corporation			
	Net income		Net loss		Net income		Net loss		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(71)	(72)
All returns, total	495,586	2,712,521	143,311	476,924	5,174,925	34,477,003	5,009,089	29,282,669	3,164,227	109,117,232	2,335,233	45,926,843
No adjusted gross income	3,906	26,906	7,056	69,688	94,826	979,090	191,348	3,058,324	41,103	769,729	191,265	20,583,170
\$1 under \$5,000	19,661	33,698	* 11,561	* 54,384	198,423	383,570	130,518	632,536	92,425	195,432	64,806	588,180
\$5,000 under \$10,000	62,418	160,180	15,388	25,648	462,632	1,159,265	242,515	1,094,352	138,606	703,547	94,810	513,571
\$10,000 under \$15,000	71,294	241,032	* 15,419	* 41,608	494,409	1,573,700	258,250	1,073,765	153,780	797,981	113,503	621,570
\$15,000 under \$20,000	40,966	199,311	7,416	23,907	405,652	1,415,940	332,928	1,532,494	128,080	744,946	81,508	642,393
\$20,000 under \$25,000	51,453	305,836	14,208	43,089	398,912	1,439,443	351,204	1,372,866	170,001	1,006,711	113,674	830,866
\$25,000 under \$30,000	38,157	172,898	8,222	15,715	352,012	1,257,657	356,200	1,560,666	166,453	1,407,134	113,686	795,403
\$30,000 under \$40,000	55,764	391,010	11,689	41,333	593,126	2,623,760	659,504	3,075,609	320,908	2,526,078	255,980	1,676,266
\$40,000 under \$50,000	47,663	225,352	8,821	21,007	494,151	2,322,331	539,512	2,826,926	303,370	2,516,320	210,585	1,344,927
\$50,000 under \$75,000	49,990	300,073	26,420	71,403	771,275	4,599,599	1,042,741	6,168,922	547,846	6,757,074	404,456	2,707,539
\$75,000 under \$100,000	19,030	183,453	9,453	30,756	313,958	2,472,721	426,948	2,873,957	298,376	6,578,695	214,517	1,641,624
\$100,000 under \$200,000	27,370	323,933	5,345	15,452	385,546	5,719,937	380,198	2,652,194	463,458	18,478,757	305,754	3,879,583
\$200,000 under \$500,000	6,334	129,700	1,560	13,676	154,457	4,583,508	73,613	836,305	251,972	24,447,292	128,133	4,134,161
\$500,000 under \$1,000,000	** 1,580	** 19,139	484	4,245	36,754	1,759,616	15,992	293,084	58,387	12,767,558	28,840	2,154,221
\$1,000,000 or more	**	**	270	5,013	18,793	2,186,865	7,617	230,670	29,462	29,419,979	13,716	3,813,367
Taxable returns, total	431,017	2,509,961	111,646	315,476	4,408,797	31,442,065	4,268,320	23,007,616	2,860,532	106,881,168	1,917,708	22,340,599
No adjusted gross income	* 13	* 172	* 7	* 115	1,880	66,971	3,152	88,215	1,466	148,800	3,826	1,026,326
\$1 under \$5,000	* 1,266	* 1,650	—	—	16,673	26,639	* 1,955	* 5,910	28,891	28,549	8,360	11,346
\$5,000 under \$10,000	37,421	93,123	* 7,766	* 17,746	193,491	476,141	67,662	317,787	63,548	284,127	24,491	80,963
\$10,000 under \$15,000	58,863	195,070	* 13,185	* 29,193	366,009	1,089,899	155,399	509,685	96,640	435,171	71,406	197,277
\$15,000 under \$20,000	40,172	196,168	* 6,150	* 23,808	359,395	1,237,556	266,333	1,120,418	99,212	526,433	63,186	297,476
\$20,000 under \$25,000	49,173	283,928	* 12,942	* 27,050	382,836	1,361,679	319,484	1,103,860	161,955	955,677	102,864	589,513
\$25,000 under \$30,000	36,631	168,370	8,222	15,715	343,158	1,204,281	342,683	1,458,392	161,131	1,298,888	107,482	594,078
\$30,000 under \$40,000	55,739	390,842	11,689	41,333	580,286	2,509,037	638,586	2,837,930	303,866	2,413,769	244,677	1,327,974
\$40,000 under \$50,000	47,564	225,312	8,821	21,007	490,585	2,280,236	535,193	2,733,851	299,085	2,456,576	204,205	1,143,696
\$50,000 under \$75,000	49,885	299,396	26,420	71,403	767,480	4,564,033	1,035,789	6,016,920	544,033	6,711,488	399,429	2,415,320
\$75,000 under \$100,000	19,030	183,453	8,794	29,783	313,267	2,441,564	425,478	2,854,960	298,139	6,569,451	213,365	1,569,887
\$100,000 under \$200,000	27,361	323,755	5,342	15,445	384,122	5,676,799	379,692	2,623,246	462,987	18,464,631	304,448	3,655,757
\$200,000 under \$500,000	6,323	129,600	1,556	13,622	154,171	4,571,114	73,382	822,500	251,781	24,432,099	127,607	3,918,066
\$500,000 under \$1,000,000	** 1,577	** 19,122	484	4,245	36,888	1,755,332	15,935	286,269	58,351	12,763,506	28,712	2,011,670
\$1,000,000 or more	**	**	270	5,013	18,757	2,180,784	7,598	227,674	29,449	29,392,004	13,650	3,501,252
Nontaxable returns, total	64,569	202,560	31,666	161,448	766,128	3,034,937	740,769	6,275,053	303,695	2,236,064	417,525	23,586,244

Footnotes at end of table.

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Estate and trust				Farm				Unemployment compensation		Social Security benefits	
	Net income		Net loss		Net income		Net loss		Number of returns	Amount	Total	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount			Number of returns	Amount
	(73)	(74)	(75)	(76)	(77)	(78)	(79)	(80)	(81)	(82)	(83)	(84)
All returns, total	414,875	4,313,452	62,331	608,053	934,033	9,544,222	1,356,876	12,397,229	9,931,421	23,309,714	11,047,908	108,292,997
No adjusted gross income	5,425	85,294	6,318	189,946	19,008	185,497	122,833	2,783,146	21,053	52,319	107,938	878,543
\$1 under \$5,000	35,896	44,061	* 2,128	* 41,056	84,226	186,414	69,385	491,724	447,338	666,387	803,528	6,573,069
\$5,000 under \$10,000	37,964	85,468	* 4,296	* 2,156	100,257	417,742	105,733	748,755	1,435,230	2,910,787	1,554,477	13,676,143
\$10,000 under \$15,000	38,721	76,902	* 2,729	* 18,980	109,664	587,698	126,217	756,973	1,575,186	3,461,287	1,533,563	14,981,525
\$15,000 under \$20,000	18,047	115,715	* 3,910	* 10,423	69,761	366,537	105,255	540,310	1,254,640	3,058,355	1,040,608	10,108,081
\$20,000 under \$25,000	24,655	70,830	* 4,255	* 29,564	95,204	727,434	120,294	792,570	1,029,923	2,790,381	966,414	9,743,595
\$25,000 under \$30,000	15,496	75,223	* 1,273	* 4,113	73,837	670,283	106,797	632,398	757,385	2,107,610	771,842	7,617,556
\$30,000 under \$40,000	53,781	229,140	* 3,251	* 3,561	119,154	1,268,259	169,148	1,104,840	1,335,811	3,202,484	1,446,829	13,989,569
\$40,000 under \$50,000	31,483	172,414	1,843	778	96,581	1,412,277	144,283	973,123	980,188	2,299,776	987,360	9,520,337
\$50,000 under \$75,000	47,622	261,323	10,169	61,776	102,251	1,615,774	159,122	1,186,011	869,819	2,079,133	1,085,647	11,746,574
\$75,000 under \$100,000	18,846	153,953	8,846	49,637	28,695	551,735	51,239	421,312	158,566	474,747	331,782	3,782,090
\$100,000 under \$200,000	53,052	644,894	6,528	41,792	24,628	804,586	52,136	814,644	59,386	187,085	304,645	3,949,566
\$200,000 under \$500,000	22,724	745,350	4,696	25,718	8,404	434,641	17,736	596,631	6,133	16,454	88,758	1,333,455
\$500,000 under \$1,000,000	7,174	457,010	1,236	18,031	1,481	130,277	4,150	224,776	595	2,283	16,634	258,699
\$1,000,000 or more	3,989	1,095,875	854	110,521	881	185,068	2,549	330,017	169	629	7,885	134,195
Taxable returns, total	360,604	4,088,170	50,056	357,463	706,049	8,349,756	1,002,075	7,869,589	7,629,297	18,478,731	8,816,347	87,815,515
No adjusted gross income	126	7,973	58	3,410	93	11,264	510	55,129	* 131	* 107	349	1,747
\$1 under \$5,000	23,096	18,496	—	—	20,236	35,334	* 3,616	* 1,428	* 16,053	* 9,614	39,227	283,216
\$5,000 under \$10,000	22,070	59,203	* 4,013	* 56	24,869	80,732	16,058	100,388	671,169	1,392,238	685,721	5,329,855
\$10,000 under \$15,000	27,886	67,516	* 1,695	* 9,028	62,179	330,109	84,701	519,000	827,828	1,848,703	1,184,415	11,424,320
\$15,000 under \$20,000	13,368	105,625	* 2,689	* 9,920	57,125	230,712	80,086	338,222	984,880	2,300,958	975,992	9,488,805
\$20,000 under \$25,000	23,867	68,413	* 4,160	* 22,909	91,446	688,530	116,970	763,082	985,934	2,655,682	943,957	9,498,212
\$25,000 under \$30,000	14,740	61,393	* 1,271	* 4,019	70,018	622,638	105,968	602,976	748,822	2,054,497	759,722	7,503,206
\$30,000 under \$40,000	51,612	201,440	* 2,342	* 2,674	117,513	1,227,218	164,436	1,008,845	1,324,516	3,170,043	1,423,318	13,778,366
\$40,000 under \$50,000	31,353	160,102	* 1,838	* 575	96,470	1,408,152	143,691	943,379	980,160	2,299,753	981,323	9,445,008
\$50,000 under \$75,000	47,291	257,022	10,163	61,667	102,036	1,609,903	158,874	1,179,145	866,107	2,069,433	1,075,170	11,637,932
\$75,000 under \$100,000	18,679	151,573	8,841	49,632	28,689	551,621	51,063	412,866	157,906	472,665	331,263	3,776,793
\$100,000 under \$200,000	52,716	636,619	6,228	40,030	24,625	804,330	51,742	800,595	58,895	185,674	302,853	3,925,065
\$200,000 under \$500,000	22,655	742,791	4,677	25,231	8,392	434,099	17,684	592,181	6,133	16,454	88,566	1,330,802
\$500,000 under \$1,000,000	7,160	456,710	1,232	17,904	1,478	130,046	4,134	222,533	595	2,283	16,602	258,287
\$1,000,000 or more	3,985	1,093,296	849	110,408	881	185,068	2,545	329,821	169	629	7,869	133,901
Nontaxable returns, total	54,271	225,281	12,276	250,590	227,984	1,194,466	354,801	4,527,640	2,302,124	4,830,984	2,231,561	20,477,482

Footnotes at end of table.

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Social Security benefits—Continued			Foreign earned income exclusion		Net income		Net loss		Other income		Net operating loss		Statutory adjustments		
	In adjusted gross income		Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Total
	Number of returns	Amount														
	(85)	(86)	(87)	(88)	(89)	(90)	(91)	(92)	(93)	(94)	(95)	(96)				
All returns, total	5,333,413	21,359,312	222,057	9,609,690	5,249,112	22,420,121	150,724	2,474,293	328,480	40,030,770	16,990,443	34,716,129				
No adjusted gross income	380	2,839	38,083	1,322,871	61,796	630,114	11,724	1,068,792	221,106	37,408,192	181,700	271,714				
\$1 under \$5,000	2,889	7,398	51,192	1,751,357	364,986	489,372	7,480	117,065	17,066	192,660	1,083,882	456,734				
\$5,000 under \$10,000	23,758	82,932	19,144	713,423	421,384	821,037	10,001	100,728	21,415	286,897	1,585,414	1,141,542				
\$10,000 under \$15,000	28,818	102,660	16,242	565,823	363,216	778,802	13,837	89,664	15,147	299,459	1,499,945	1,519,106				
\$15,000 under \$20,000	51,018	51,836	12,857	483,189	381,779	843,984	19,251	74,888	5,379	116,836	1,539,059	1,875,632				
\$20,000 under \$25,000	378,171	404,256	10,986	431,034	319,070	623,256	3,237	25,703	6,509	97,844	1,469,739	2,078,988				
\$25,000 under \$30,000	580,821	1,031,401	7,143	290,686	350,828	827,092	5,308	80,571	7,676	141,713	1,406,234	2,166,930				
\$30,000 under \$40,000	1,444,847	4,609,418	12,794	615,504	622,897	1,288,114	16,314	31,548	8,228	148,935	2,200,592	3,799,128				
\$40,000 under \$50,000	987,360	4,473,659	8,883	433,258	571,549	1,206,738	14,907	65,573	4,713	79,058	1,743,765	3,004,431				
\$50,000 under \$75,000	1,085,647	5,863,917	14,173	798,084	853,696	2,514,495	23,496	199,086	10,464	162,440	2,135,226	4,896,353				
\$75,000 under \$100,000	331,782	1,891,040	8,981	564,532	374,191	1,784,738	6,206	73,442	4,133	81,243	858,400	3,344,211				
\$100,000 under \$200,000	304,645	1,974,781	13,530	978,436	373,022	3,122,806	11,151	195,885	3,863	281,134	914,865	5,742,498				
\$200,000 under \$500,000	88,758	666,727	6,656	563,105	142,981	3,084,529	5,445	155,723	1,664	184,999	292,952	3,357,692				
\$500,000 under \$1,000,000	16,634	129,349	** 1,393	** 118,387	30,984	1,341,953	** 2,368	** 195,625	699	184,676	53,383	708,641				
\$1,000,000 or more	7,885	67,098	**	**	16,735	3,063,091	**	**	419	284,688	25,287	352,528				
Taxable returns, total	5,241,882	21,045,042	105,571	5,338,392	4,584,243	20,202,567	110,914	1,197,152	61,616	5,553,695	13,898,561	32,207,509				
No adjusted gross income	8	* 56	* 82	* 3,378	3,478	45,059	95	83,894	4,843	3,799,219	3,338	9,131				
\$1 under \$5,000	—	—	* 291	* 7,261	168,350	174,019	* 253	* 8,406	* 291	* 16,272	137,853	30,171				
\$5,000 under \$10,000	* 7,721	* 26,099	4,896	138,082	226,183	491,372	4,482	25,330	3,021	93,729	656,669	508,944				
\$10,000 under \$15,000	23,355	83,544	9,517	312,706	264,455	452,371	7,738	46,781	4,139	32,883	986,499	1,040,846				
\$15,000 under \$20,000	49,436	48,905	10,696	375,383	309,155	654,585	14,456	71,056	2,821	59,917	1,218,313	1,533,755				
\$20,000 under \$25,000	363,822	389,300	9,718	363,105	304,623	562,888	2,672	19,131	6,483	92,474	1,398,715	1,953,907				
\$25,000 under \$30,000	572,557	1,017,488	6,109	227,219	342,685	740,311	1,709	37,075	7,381	115,307	1,367,384	2,090,881				
\$30,000 under \$40,000	1,421,336	4,521,669	11,955	550,016	613,769	1,222,206	16,244	30,434	7,792	123,440	2,174,781	3,727,652				
\$40,000 under \$50,000	981,323	4,441,969	8,352	395,916	567,348	1,125,441	14,751	64,190	4,658	71,882	1,733,816	2,973,752				
\$50,000 under \$75,000	1,075,170	5,809,596	13,694	783,564	847,913	2,459,980	23,458	197,716	9,779	145,089	2,127,129	4,859,142				
\$75,000 under \$100,000	331,263	1,888,391	8,638	554,004	373,190	1,715,150	6,164	73,087	4,090	156,850	857,757	3,340,290				
\$100,000 under \$200,000	302,853	1,962,531	13,437	970,850	372,803	3,118,736	11,111	192,745	3,766	265,476	913,217	5,726,749				
\$200,000 under \$500,000	88,566	665,401	6,604	559,328	142,698	3,064,455	5,420	154,364	1,557	160,012	292,558	3,354,230				
\$500,000 under \$1,000,000	16,602	129,144	** 1,383	** 117,582	30,900	1,326,067	** 2,360	** 192,945	658	169,005	53,289	707,679				
\$1,000,000 or more	7,869	66,951	**	**	16,695	3,049,927	**	**	397	252,139	25,252	350,380				
Nontaxable returns, total	91,531	314,270	116,485	4,271,298	664,869	2,217,554	39,810	1,277,142	266,865	34,477,076	3,091,882	2,508,620				

Footnotes at end of table.

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Statutory adjustments—continued											
	Primary IRA payments		Secondary IRA payments		Deduction for self-employment tax		Payments to a Keogh plan		Forfeited interest penalty		Alimony paid	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(97)	(98)	(99)	(100)	(101)	(102)	(103)	(104)	(105)	(106)	(107)	(108)
All returns, total	4,211,741	6,400,933	1,912,395	2,629,244	11,751,761	10,712,138	840,087	6,912,855	989,496	196,726	673,072	5,302,480
No adjusted gross income	17,391	29,515	6,269	10,903	137,513	94,445	1,290	8,121	15,910	4,251	7,688	88,988
\$1 under \$5,000	68,441	92,486	6,700	13,233	933,050	183,667	** 7,752	** 8,680	72,519	17,315	18,028	70,042
\$5,000 under \$10,000	206,632	312,725	31,838	52,586	1,304,278	525,051	**	**	85,990	16,673	23,767	108,363
\$10,000 under \$15,000	282,818	464,983	56,281	79,267	1,112,679	599,160	16,902	20,502	131,911	14,452	42,716	144,674
\$15,000 under \$20,000	413,930	635,562	101,293	127,801	1,051,633	685,448	14,281	22,932	104,761	15,485	49,954	213,244
\$20,000 under \$25,000	538,635	835,657	139,252	185,457	885,830	635,068	28,839	46,326	92,535	9,980	34,690	187,081
\$25,000 under \$30,000	524,372	751,334	211,709	264,509	860,258	712,405	28,782	103,514	58,951	6,019	24,329	129,944
\$30,000 under \$40,000	802,387	1,103,963	402,462	599,872	1,293,771	1,147,928	59,143	174,005	115,514	25,050	96,642	507,714
\$40,000 under \$50,000	550,065	677,333	352,641	358,204	1,088,970	1,055,818	67,762	236,381	80,440	15,321	84,108	482,353
\$50,000 under \$75,000	369,884	665,497	259,892	395,274	1,570,506	1,821,373	177,151	770,346	140,502	23,512	114,594	777,096
\$75,000 under \$100,000	172,201	325,787	132,237	206,603	612,907	1,063,426	127,637	893,058	48,374	22,777	66,180	594,443
\$100,000 under \$200,000	194,518	370,709	155,475	245,196	669,949	1,521,841	202,718	2,373,841	34,254	19,064	71,731	941,888
\$200,000 under \$500,000	56,690	108,752	45,868	74,331	189,253	548,680	89,101	1,807,926	5,758	4,779	29,196	661,148
\$500,000 under \$1,000,000	9,760	18,848	7,494	11,435	29,039	86,065	** 18,731	** 447,224	1,331	1,030	6,380	220,729
\$1,000,000 or more	4,016	7,783	2,983	4,572	12,125	31,766	**	**	746	1,020	3,071	174,774
Taxable returns, total	3,991,193	6,082,458	1,816,569	2,491,863	9,059,220	9,435,754	820,908	6,850,625	822,957	157,254	618,452	5,003,476
No adjusted gross income	201	400	44	67	2,045	3,260	70	742	1,029	64	99	4,425
\$1 under \$5,000	* 15,624	* 18,251	—	—	87,855	9,648	** 2,468	** 2,240	* 34,372	* 2,210	—	—
\$5,000 under \$10,000	141,960	219,513	* 25	* 50	484,192	189,839	**	**	47,714	5,303	12,815	67,358
\$10,000 under \$15,000	241,781	402,649	39,130	56,950	624,584	316,904	11,956	12,130	98,106	10,355	33,991	120,784
\$15,000 under \$20,000	383,984	598,935	79,356	103,738	778,869	487,493	12,243	16,252	73,222	13,138	44,804	193,322
\$20,000 under \$25,000	532,734	827,152	133,393	181,197	827,763	561,902	27,088	44,190	91,268	9,925	32,487	166,583
\$25,000 under \$30,000	522,163	746,829	210,226	261,977	823,439	658,956	28,329	102,007	57,407	5,878	24,081	123,500
\$30,000 under \$40,000	798,185	1,097,242	399,266	594,784	1,274,205	1,114,690	57,432	168,706	110,813	23,857	95,607	494,404
\$40,000 under \$50,000	547,939	674,863	351,793	356,583	1,080,354	1,039,136	66,891	230,501	80,168	15,268	84,098	482,208
\$50,000 under \$75,000	369,535	664,932	259,597	394,994	1,565,000	1,808,908	176,772	760,058	138,565	22,731	114,099	767,300
\$75,000 under \$100,000	172,167	325,718	132,210	206,551	612,365	1,061,798	127,636	893,058	48,359	22,757	66,119	592,608
\$100,000 under \$200,000	194,506	370,685	155,223	244,693	668,482	1,517,414	202,218	2,366,352	34,133	19,026	71,685	938,786
\$200,000 under \$500,000	56,651	108,676	45,834	74,277	188,976	548,140	89,084	1,807,108	5,735	4,700	29,147	659,460
\$500,000 under \$1,000,000	9,754	18,838	7,490	11,431	28,982	85,942	** 18,723	** 447,102	1,327	1,028	6,363	220,033
\$1,000,000 or more	4,012	7,775	2,983	4,572	12,108	31,726	**	**	740	1,014	3,059	172,706
Nontaxable returns, total	220,548	318,475	95,826	137,381	2,692,541	1,276,384	19,179	62,230	166,540	39,472	54,619	299,004

Footnotes at end of table.

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Statutory adjustments—Continued				Basic standard deduction		Additional standard deduction	
	Self-employed health insurance deduction		Other adjustments		Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount				
(109)	(110)	(111)	(112)	(113)	(114)	(115)	(116)	
All returns, total	3,047,949	1,906,288	99,191	610,210	81,304,774	340,096,951	11,038,416	10,979,059
No adjusted gross income	40,775	26,192	164	6,410	—	—	—	—
\$1 under \$5,000	103,364	39,581	* 5,088	* 35,920	15,887,885	46,365,608	973,949	909,319
\$5,000 under \$10,000	217,677	91,715	* 2,760	* 24,677	14,595,854	58,446,408	2,410,210	2,265,693
\$10,000 under \$15,000	316,172	172,424	* 1,129	* 21,721	12,712,118	54,704,263	2,443,109	2,461,486
\$15,000 under \$20,000	290,390	135,673	* 7,230	* 37,831	10,203,706	44,874,339	1,503,521	1,510,906
\$20,000 under \$25,000	259,580	144,117	* 11,721	* 34,476	7,851,889	35,719,146	1,120,682	1,151,793
\$25,000 under \$30,000	258,045	165,432	* 17,882	* 31,642	5,750,654	26,931,070	612,283	613,687
\$30,000 under \$40,000	353,587	202,531	6,445	35,980	7,451,230	36,478,047	851,002	859,331
\$40,000 under \$50,000	246,659	152,783	* 4,986	* 23,591	3,745,935	19,797,317	483,645	511,698
\$50,000 under \$75,000	365,521	239,350	** 41,443	** 346,191	2,590,095	14,013,819	474,583	514,668
\$75,000 under \$100,000	201,519	161,969	**	**	315,936	1,717,418	94,745	102,109
\$100,000 under \$200,000	247,344	216,244	**	**	155,151	821,606	57,915	64,674
\$200,000 under \$500,000	113,162	119,041	**	**	33,098	168,790	9,979	10,647
\$500,000 under \$1,000,000	22,391	25,082	213	7,715	8,272	43,360	2,070	2,244
\$1,000,000 or more	11,763	14,155	130	4,457	2,951	15,760	722	804
Taxable returns, total	2,521,844	1,623,511	89,292	528,428	58,180,246	243,583,875	8,414,806	8,340,592
No adjusted gross income	** 185	** 174	—	—	—	—	—	—
\$1 under \$5,000	**	**	—	—	4,355,253	8,768,276	* 11,850	* 10,068
\$5,000 under \$10,000	73,252	22,333	* 248	* 1,844	8,355,017	27,934,218	1,178,030	1,009,655
\$10,000 under \$15,000	191,704	99,604	* 1,104	* 20,062	8,725,477	33,715,368	2,026,594	1,989,798
\$15,000 under \$20,000	224,410	96,423	* 5,164	* 23,295	8,918,651	37,905,598	1,492,684	1,501,523
\$20,000 under \$25,000	236,360	127,697	* 11,720	* 34,434	7,802,990	35,444,153	1,119,896	1,151,210
\$25,000 under \$30,000	247,824	158,642	* 17,859	* 31,602	5,735,854	26,847,373	612,237	613,648
\$30,000 under \$40,000	346,489	196,516	6,438	35,719	7,439,145	36,410,130	849,889	857,884
\$40,000 under \$50,000	242,826	149,275	* 4,986	* 23,591	3,742,667	19,779,480	483,622	511,668
\$50,000 under \$75,000	363,125	236,705	** 41,432	** 345,708	2,589,931	14,013,067	474,583	514,668
\$75,000 under \$100,000	201,485	161,923	**	**	315,867	1,717,080	94,738	102,104
\$100,000 under \$200,000	246,979	216,082	**	**	155,121	821,452	57,915	64,674
\$200,000 under \$500,000	113,076	118,934	**	**	33,068	168,639	9,979	10,647
\$500,000 under \$1,000,000	22,376	25,063	213	7,715	8,259	43,300	2,067	2,242
\$1,000,000 or more	11,755	14,143	130	4,457	2,946	15,740	722	804
Nontaxable returns, total	526,105	282,777	9,898	81,782	23,124,527	96,513,077	2,623,610	2,638,467

Footnotes at end of table.

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Total itemized deductions		Exemptions		Taxable income		Income tax before credits	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(117)	(118)	(119)	(120)	(121)	(122)	(123)	(124)
All returns, total	32,489,918	467,686,116	231,296,627	491,084,154	92,717,816	2,284,087,935	92,635,791	454,502,664
No adjusted gross income	—	—	1,828,914	3,896,964	—	—	4,154	27,878
\$1 under \$5,000	180,966	1,909,684	13,038,208	27,956,257	4,441,923	2,828,210	4,360,242	453,015
\$5,000 under \$10,000	623,989	5,875,405	22,598,504	48,488,790	8,970,131	20,610,032	8,961,969	3,146,850
\$10,000 under \$15,000	1,070,306	10,372,463	24,944,714	53,529,392	11,459,744	57,887,782	11,456,138	8,711,820
\$15,000 under \$20,000	1,384,891	12,904,567	22,521,301	48,348,557	11,112,897	48,348,557	11,119,874	14,384,951
\$20,000 under \$25,000	1,840,043	16,683,770	20,152,663	43,272,360	9,507,351	121,286,673	9,507,376	18,261,281
\$25,000 under \$30,000	2,122,966	19,449,844	17,691,521	37,978,924	7,792,276	131,461,525	7,792,283	20,233,004
\$30,000 under \$40,000	4,895,274	48,774,221	29,904,825	64,212,231	12,270,598	279,498,355	12,269,946	45,548,542
\$40,000 under \$50,000	5,070,870	55,340,534	24,141,616	51,843,246	8,796,438	266,283,650	8,797,118	43,892,247
\$50,000 under \$75,000	8,800,110	118,155,566	33,588,146	72,162,799	11,360,001	481,213,204	11,360,140	88,589,237
\$75,000 under \$100,000	3,255,693	58,343,227	10,688,857	22,953,099	3,569,027	221,951,126	3,569,077	47,275,014
\$100,000 under \$200,000	2,442,750	64,497,445	7,685,229	15,615,443	2,592,619	258,310,875	2,592,650	63,139,214
\$200,000 under \$500,000	642,915	30,210,964	2,023,729	806,654	674,805	165,216,471	674,814	46,552,090
\$500,000 under \$1,000,000	110,078	9,969,470	344,964	13,778	118,137	69,658,824	118,139	20,603,250
\$1,000,000 or more	49,067	15,198,955	143,436	5,660	51,870	112,069,567	51,873	33,684,273
Taxable returns, total	30,535,776	435,139,108	179,296,061	379,540,328	88,701,684	2,273,340,079	88,722,034	452,863,576
No adjusted gross income	—	—	25,305	54,212	—	—	3,954	27,508
\$1 under \$5,000	* 4,018	* 8,905	9,092	19,297	4,354,417	2,825,301	4,358,974	452,614
\$5,000 under \$10,000	184,958	955,957	7,032,128	15,088,908	8,540,289	20,294,412	8,548,178	3,099,444
\$10,000 under \$15,000	554,884	3,472,241	11,504,998	24,679,189	9,278,975	52,589,783	9,279,997	7,916,642
\$15,000 under \$20,000	987,334	7,162,916	16,286,841	34,962,709	9,903,895	91,873,904	9,905,906	13,793,679
\$20,000 under \$25,000	1,641,216	13,019,015	19,145,098	41,110,557	9,442,793	121,016,684	9,442,818	18,220,744
\$25,000 under \$30,000	2,042,599	17,609,622	17,301,643	37,141,655	7,778,298	131,293,537	7,778,306	20,207,726
\$30,000 under \$40,000	4,810,900	45,902,848	29,563,146	63,478,647	12,250,179	279,150,323	12,250,179	45,496,018
\$40,000 under \$50,000	5,048,719	54,389,522	24,065,458	51,680,283	8,790,472	266,104,645	8,791,152	43,862,827
\$50,000 under \$75,000	8,769,462	116,219,200	33,500,501	71,974,944	11,357,470	481,169,069	11,357,583	88,581,925
\$75,000 under \$100,000	3,253,281	58,109,288	10,682,463	22,939,407	3,568,647	221,941,055	3,568,697	47,272,907
\$100,000 under \$200,000	2,437,549	63,795,865	7,670,799	15,586,153	2,591,651	258,219,351	2,591,682	63,115,390
\$200,000 under \$500,000	641,975	29,861,672	2,020,988	805,123	674,632	165,185,602	674,638	46,543,535
\$500,000 under \$1,000,000	109,898	9,787,101	344,401	13,661	118,104	69,643,371	118,104	20,598,819
\$1,000,000 or more	48,982	14,844,956	143,200	5,583	51,861	112,033,041	51,864	33,673,799
Nontaxable returns, total	1,954,142	32,547,008	52,000,566	111,543,826	4,016,131	10,747,857	3,913,757	1,639,088

* Estimate should be used with caution due to the small number of sample returns on which it is based.

** Data combined to avoid disclosure of information for specific taxpayers.

NOTE: Detail may not add to totals because of rounding.

Table 1.5—Form 1040EZ Returns: Sources of Income and Tax Items, by Size of Adjusted Gross Income
 (All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income	Salaries and wages		Taxable interest		Standard deduction		Exemptions	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of exemptions	Amount
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns, total	19,131,143	203,830,476	19,056,905	203,326,563	6,028,736	503,913	19,131,143	59,222,812	13,579,357	29,175,634
Under \$5,000	6,967,586	17,084,474	6,893,349	16,933,512	1,925,169	150,963	6,967,586	17,894,312	2,498,268	5,367,013
\$5,000 under \$10,000	4,076,059	29,392,346	4,076,059	29,318,231	1,077,452	74,115	4,076,059	13,852,580	3,149,089	6,766,779
\$10,000 under \$15,000	2,798,233	34,801,002	2,798,233	34,738,104	856,751	62,898	2,798,233	9,503,961	2,642,735	5,676,613
\$15,000 under \$20,000	2,056,590	35,335,122	2,056,590	35,269,858	747,395	65,264	2,056,590	6,989,395	2,056,590	4,419,912
\$20,000 under \$25,000	1,543,948	34,631,901	1,543,948	34,567,058	565,813	64,843	1,543,948	5,244,158	1,543,948	3,316,479
\$25,000 under \$30,000	872,796	23,695,905	872,796	23,657,201	426,366	38,704	872,796	2,965,250	872,796	1,875,258
\$30,000 under \$40,000	695,052	23,533,799	695,052	23,497,401	345,847	36,398	695,052	2,362,170	695,052	1,493,691
\$40,000 or more	120,879	5,355,928	120,879	5,345,200	83,944	10,728	120,879	410,987	120,879	259,889
Taxable returns, total	13,683,426	190,675,220	13,683,426	190,217,484	5,387,682	457,736	13,683,426	45,174,251	10,684,819	22,956,642
Under \$5,000	1,916,139	6,021,170	1,916,139	5,913,004	1,324,243	108,167	1,916,139	5,193,067	—	—
\$5,000 under \$10,000	3,679,789	27,300,394	3,679,789	27,229,660	1,037,323	70,735	3,679,789	12,505,263	2,752,819	5,914,799
\$10,000 under \$15,000	2,798,233	34,801,002	2,798,233	34,738,104	856,751	62,898	2,798,233	9,503,961	2,642,735	5,676,613
\$15,000 under \$20,000	2,056,590	35,335,122	2,056,590	35,269,858	747,395	65,264	2,056,590	6,989,395	2,056,590	4,419,912
\$20,000 under \$25,000	1,543,948	34,631,901	1,543,948	34,567,058	565,813	64,843	1,543,948	5,244,158	1,543,948	3,316,479
\$25,000 under \$30,000	872,796	23,695,905	872,796	23,657,201	426,366	38,704	872,796	2,965,250	872,796	1,875,258
\$30,000 under \$40,000	695,052	23,533,799	695,052	23,497,401	345,847	36,398	695,052	2,362,170	695,052	1,493,691
\$40,000 or more	120,879	5,355,928	120,879	5,345,200	83,944	10,728	120,879	410,987	120,879	259,889
Nontaxable returns, total	5,447,717	13,155,256	5,373,479	13,109,079	641,055	46,177	5,447,717	14,048,561	2,894,538	6,218,992

Size of adjusted gross income	Taxable income		Total tax liability		Income tax withheld		Overpayment refunded		Tax due at time of filing	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns, total	13,763,683	122,544,548	13,683,426	19,550,054	18,724,841	26,038,164	17,597,046	6,735,908	1,238,149	247,797
Under \$5,000	1,996,396	828,324	1,916,139	124,544	6,621,478	1,385,830	6,541,220	1,268,715	165,530	7,429
\$5,000 under \$10,000	3,679,789	8,880,332	3,679,789	1,332,226	4,025,898	2,943,361	3,831,274	1,641,063	219,704	29,928
\$10,000 under \$15,000	2,798,233	19,620,428	2,798,233	2,943,223	2,788,201	3,966,179	2,516,067	1,085,241	272,134	62,285
\$15,000 under \$20,000	2,056,590	23,925,814	2,056,590	3,589,161	2,056,590	4,426,589	1,865,979	870,740	190,611	33,312
\$20,000 under \$25,000	1,543,948	26,071,264	1,543,948	3,910,855	1,543,948	4,665,294	1,408,515	785,127	135,434	30,688
\$25,000 under \$30,000	872,796	18,855,397	872,796	2,985,896	872,796	3,551,032	762,443	589,453	110,354	24,318
\$30,000 under \$40,000	695,052	19,677,938	695,052	3,672,105	695,052	4,058,081	574,174	425,839	120,879	39,863
\$40,000 or more	120,879	4,685,051	120,879	992,044	120,879	1,041,799	97,375	69,730	* 23,504	* 19,975
Taxable returns, total	13,683,426	122,544,327	13,683,426	19,550,054	13,547,992	24,952,676	12,420,196	5,650,419	1,238,149	247,797
Under \$5,000	1,916,139	828,103	1,916,139	124,544	1,825,850	489,749	1,745,592	372,634	165,530	7,429
\$5,000 under \$10,000	3,679,789	8,880,332	3,679,789	1,332,226	3,644,677	2,753,954	3,450,053	1,451,656	219,704	29,928
\$10,000 under \$15,000	2,798,233	19,620,428	2,798,233	2,943,223	2,788,201	3,966,179	2,516,067	1,085,241	272,134	62,285
\$15,000 under \$20,000	2,056,590	23,925,814	2,056,590	3,589,161	2,056,590	4,426,589	1,865,979	870,740	190,611	33,312
\$20,000 under \$25,000	1,543,948	26,071,264	1,543,948	3,910,855	1,543,948	4,665,294	1,408,515	785,127	135,434	30,688
\$25,000 under \$30,000	872,796	18,855,397	872,796	2,985,896	872,796	3,551,032	762,443	589,453	110,354	24,318
\$30,000 under \$40,000	695,052	19,677,938	695,052	3,672,105	695,052	4,058,081	574,174	425,839	120,879	39,863
\$40,000 or more	120,879	4,685,051	120,879	992,044	120,879	1,041,799	97,375	69,730	* 23,504	* 19,975
Nontaxable returns, total	80,257	221	—	—	5,176,849	1,085,488	5,176,849	1,085,488	—	—

* Estimate should be used with caution due to the small number of sample returns on which it is based.
 NOTE: Detail may not add to totals because of rounding.

Table 1.6—Form 1040A Returns: Sources of Income, Deductions, and Tax Items, by Size of Adjusted Gross Income
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Adjusted gross income		Salaries and wages		Taxable interest		Tax-exempt interest		Dividends	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
All returns, total	26,605,992	465,134,394	23,914,546	415,271,941	10,782,014	15,614,816	109,542	259,199	2,113,534	1,562,145
Under \$5,000	3,680,860	9,622,449	2,985,794	7,357,501	1,280,680	1,109,612	* 16,054	* 12,621	346,950	206,870
\$5,000 under \$10,000	5,002,456	38,019,508	4,285,678	30,041,554	1,517,718	2,666,130	* 4,015	* 1,325	305,125	287,926
\$10,000 under \$15,000	4,907,801	61,221,840	4,284,534	50,364,616	1,681,844	3,266,887	* 12,040	* 10,225	294,310	292,293
\$15,000 under \$20,000	3,826,972	66,479,505	3,533,552	58,312,803	1,374,759	2,659,468	* 14,425	* 64,076	229,566	282,329
\$20,000 under \$25,000	2,877,757	64,255,356	2,648,992	56,798,241	1,300,522	2,056,127	* 23,062	* 66,438	232,977	143,046
\$25,000 under \$30,000	1,966,440	54,418,350	1,924,772	50,557,375	975,676	862,684	* 5,387	* 24,908	252,229	111,269
\$30,000 under \$40,000	2,583,481	89,363,212	2,543,188	84,519,688	1,496,072	1,779,673	* 21,160	* 48,772	237,059	85,747
\$40,000 or more	1,738,224	81,754,173	1,708,037	77,320,163	1,174,743	1,214,235	* 13,399	* 30,856	215,297	152,666
Taxable returns, total	16,811,460	385,127,870	15,003,642	343,363,681	8,784,712	13,535,422	89,472	247,261	1,794,253	1,299,420
Under \$5,000	734,188	1,617,772	501,443	1,073,019	609,527	442,915	* 4,013	* 2,624	200,166	97,789
\$5,000 under \$10,000	1,660,893	12,975,619	1,269,113	8,670,277	834,048	1,717,601	—	—	165,381	166,881
\$10,000 under \$15,000	2,248,581	28,990,883	1,721,622	19,812,725	1,167,622	2,832,495	* 8,026	* 9,587	249,583	259,818
\$15,000 under \$20,000	3,022,025	53,227,721	2,726,604	45,455,014	1,238,536	2,637,952	* 14,425	* 64,076	221,561	282,205
\$20,000 under \$25,000	2,841,642	63,488,443	2,612,876	56,063,723	1,288,484	2,047,864	* 23,062	* 66,438	232,977	143,046
\$25,000 under \$30,000	1,982,427	54,310,047	1,920,759	50,449,072	975,676	862,684	* 5,387	* 24,908	252,229	111,269
\$30,000 under \$40,000	2,583,481	89,363,212	2,543,188	84,519,688	1,496,072	1,779,673	* 21,160	* 48,772	237,059	85,747
\$40,000 or more	1,738,224	81,754,173	1,708,037	77,320,163	1,174,743	1,214,235	* 13,399	* 30,856	215,297	152,666
Non-taxable returns, total	9,794,532	80,006,524	8,910,904	71,908,260	1,997,302	2,079,394	20,070	11,939	319,281	262,725
Total	36,396,524	545,140,914	32,825,450	487,170,200	12,779,316	17,694,210	129,612	271,138	2,432,815	1,824,845
Size of adjusted gross income	Unemployment compensation		Total income		Total		Statutory adjustments		Secondary IRA payments	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
All returns, total	3,941,413	7,877,321	26,585,138	466,226,094	743,622	1,091,700	703,470	912,261	146,469	179,439
Under \$5,000	313,200	475,663	3,660,006	9,644,057	* 18,584	* 21,608	* 18,584	* 21,608	—	—
\$5,000 under \$10,000	953,135	1,765,107	5,002,456	38,071,484	54,700	51,976	54,700	51,976	—	—
\$10,000 under \$15,000	882,346	1,660,250	4,907,801	61,372,163	90,244	150,323	90,244	147,790	—	—
\$15,000 under \$20,000	576,064	1,243,118	3,826,972	66,633,710	118,510	154,205	118,510	190,308	* 2,533	* 2,533
\$20,000 under \$25,000	425,521	953,456	2,877,757	64,473,614	144,303	218,257	138,981	190,308	* 6,993	* 6,993
\$25,000 under \$30,000	234,661	694,475	1,986,440	54,607,886	119,839	189,535	112,784	148,804	* 18,364	* 27,950
\$30,000 under \$40,000	385,891	791,052	2,583,481	89,559,216	110,098	196,004	105,028	136,004	42,101	40,731
\$40,000 or more	170,596	294,202	1,738,224	81,863,964	87,345	109,792	68,185	66,560	38,188	58,000
Taxable returns, total	2,509,071	5,233,915	16,811,460	386,169,914	694,630	1,042,044	654,477	863,549	142,456	178,495
Under \$5,000	* 8,026	* 4,434	734,188	1,620,966	* 4,013	* 3,194	* 4,013	* 3,194	—	—
\$5,000 under \$10,000	427,468	842,932	1,660,893	13,021,487	42,661	45,868	42,661	45,868	—	—
\$10,000 under \$15,000	407,776	762,458	2,248,581	28,519,735	75,887	126,852	75,887	126,852	* 1,266	* 2,533
\$15,000 under \$20,000	461,171	915,040	3,022,025	53,378,262	110,484	150,541	106,938	144,492	* 3,547	* 6,050
\$20,000 under \$25,000	413,463	929,323	2,841,642	63,706,700	144,303	218,257	138,981	190,308	* 18,364	* 27,950
\$25,000 under \$30,000	234,661	694,475	1,982,427	54,499,583	119,839	189,535	112,784	148,804	42,101	40,731
\$30,000 under \$40,000	385,891	791,052	2,583,481	89,559,216	110,098	196,004	105,028	136,004	38,188	58,000
\$40,000 or more	170,596	294,202	1,738,224	81,863,964	87,345	109,792	68,185	66,560	38,990	43,232
Non-taxable returns, total	1,432,343	2,643,406	9,773,677	80,056,180	48,993	48,656	48,993	48,713	* 4,013	* 943

Footnotes at end of table.

Table 1.6—Form 1040A Returns: Sources of Income, Deductions, and Tax Items, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Basic standard deduction		Additional standard deduction		Exemptions		Taxable income		Child care credit	
	Number of returns	Amount	Number of returns	Amount	Number of exemptions	Amount	Number of returns	Amount	Number of returns	Amount
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
All returns, total	26,580,121	123,748,534	2,916,934	2,834,209	61,389,510	131,880,811	19,367,307	236,377,771	1,707,605	800,063
Under \$5,000	3,660,006	13,296,080	349,876	320,582	5,595,322	12,011,382	734,188	472,411	—	—
\$5,000 under \$10,000	4,997,440	22,192,134	814,054	763,366	10,077,244	21,651,026	1,952,138	3,936,019	* 13,305	* 2,383
\$10,000 under \$15,000	4,907,801	23,014,780	784,602	793,857	11,329,842	24,344,914	3,809,090	15,580,399	228,257	78,447
\$15,000 under \$20,000	3,828,972	18,327,020	391,113	378,190	9,350,865	20,092,891	3,694,015	27,866,208	402,076	187,627
\$20,000 under \$25,000	2,877,757	14,219,973	302,645	315,759	7,398,012	15,898,451	2,873,744	33,829,301	332,124	192,242
\$25,000 under \$30,000	1,986,440	9,948,275	100,846	91,538	5,325,252	11,436,821	1,982,427	32,942,563	222,214	108,569
\$30,000 under \$40,000	2,583,481	13,275,391	91,413	89,449	7,082,375	15,210,150	2,583,481	60,788,223	258,546	115,617
\$40,000 or more	1,738,224	9,474,881	82,386	81,467	5,230,599	11,235,177	1,738,224	60,962,649	251,083	115,178
Taxable returns, total	16,806,444	76,537,671	1,998,237	1,918,720	35,751,146	76,803,221	16,811,460	229,868,257	1,238,789	593,258
Under \$5,000	734,188	1,145,360	—	—	—	—	734,188	472,411	—	—
\$5,000 under \$10,000	1,655,877	5,555,819	411,810	357,357	1,547,004	3,324,503	1,660,893	3,737,940	—	—
\$10,000 under \$15,000	2,248,581	9,159,115	619,292	605,783	3,200,540	6,877,750	2,248,581	11,748,235	* 8,026	* 935
\$15,000 under \$20,000	3,022,025	13,984,781	389,846	377,367	6,220,174	13,363,913	3,022,025	25,501,660	190,874	77,675
\$20,000 under \$25,000	2,841,642	14,016,922	302,645	315,759	7,185,331	15,441,185	2,841,642	33,714,577	308,047	175,284
\$25,000 under \$30,000	1,982,427	9,925,402	100,846	91,538	5,285,123	11,350,544	1,982,427	32,942,563	222,214	108,569
\$30,000 under \$40,000	2,583,481	13,275,391	91,413	89,449	7,082,375	15,210,150	2,583,481	60,788,223	258,546	115,617
\$40,000 or more	1,738,224	9,474,881	82,386	81,467	5,230,599	11,235,177	1,738,224	60,962,649	251,083	115,178
Nontaxable returns, total	9,773,677	47,210,863	918,697	915,489	25,638,364	55,077,589	2,555,847	6,509,514	468,816	206,805

Size of adjusted gross income	Earned income credit used to offset income tax before credits		Income tax after credits		Income tax withheld		Overpayment refunded		Tax due at time of filing	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
All returns, total	4,109,112	1,404,195	16,811,460	34,900,571	24,142,217	48,415,351	22,392,269	21,693,291	3,247,643	1,241,276
Under \$5,000	—	—	734,188	70,919	2,644,241	444,483	2,769,429	1,144,496	412,107	40,607
\$5,000 under \$10,000	260,622	22,799	1,660,893	559,803	4,257,426	2,232,710	4,338,375	4,692,599	390,924	80,856
\$10,000 under \$15,000	1,499,050	549,384	2,248,581	1,697,315	4,492,773	4,507,361	4,310,370	5,383,922	486,979	154,110
\$15,000 under \$20,000	1,882,397	793,056	3,022,025	3,195,940	3,687,174	6,089,429	3,424,830	3,513,074	371,680	120,267
\$20,000 under \$25,000	467,043	38,956	2,841,642	4,844,765	2,794,759	6,593,728	2,507,242	2,012,163	338,330	117,029
\$25,000 under \$30,000	—	—	1,982,427	4,926,129	1,974,043	6,154,819	1,667,425	1,407,239	319,015	134,613
\$30,000 under \$40,000	—	—	2,583,481	9,543,770	2,558,963	11,251,046	2,093,867	2,076,854	473,141	242,866
\$40,000 or more	—	—	1,738,224	10,061,932	1,732,838	11,141,775	1,280,730	1,462,945	455,466	350,928
Taxable returns, total	1,804,382	642,687	16,811,460	34,900,571	15,647,528	43,503,705	13,407,386	10,581,398	3,247,643	1,241,276
Under \$5,000	—	—	734,188	70,919	431,958	71,095	306,030	43,545	412,107	40,607
\$5,000 under \$10,000	—	—	1,660,893	559,803	1,345,308	925,884	1,256,664	492,476	390,924	80,856
\$10,000 under \$15,000	86,803	55,873	2,248,581	1,697,315	1,969,562	2,277,190	1,717,674	879,539	486,979	154,110
\$15,000 under \$20,000	1,262,575	548,155	3,022,025	3,195,940	2,880,226	5,133,830	2,617,883	2,254,563	371,680	120,267
\$20,000 under \$25,000	455,004	38,659	2,841,642	4,844,765	2,758,643	6,555,377	2,471,127	1,971,549	338,330	117,029
\$25,000 under \$30,000	—	—	1,982,427	4,926,129	1,970,030	6,147,507	1,663,412	1,399,927	319,015	134,613
\$30,000 under \$40,000	—	—	2,583,481	9,543,770	2,558,963	11,251,046	2,093,867	2,076,854	473,141	242,866
\$40,000 or more	—	—	1,738,224	10,061,932	1,732,838	11,141,775	1,280,730	1,462,945	455,466	350,928
Nontaxable returns, total	2,304,730	761,508	—	—	8,494,688	4,911,645	8,984,883	11,111,893	—	—

* Estimate should be used with caution due to the small number of sample returns on which it is based.
NOTE: Detail may not add to totals because of rounding.

Table 2.1—Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items.
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Adjusted gross income less deficit		Salaries and wages		Taxable interest		Tax-exempt interest		Dividends		State income tax returns	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All returns, total	32,489,918	2,056,806,419	28,520,249	1,528,373,598	28,428,964	111,122,693	2,574,641	33,805,475	11,990,517	53,921,197	14,757,047	9,517,997
Under \$5,000	180,966	528,297	68,952	722,092	152,664	347,092	10,444	40,737	52,421	64,667	45,672	21,372
\$5,000 under \$10,000	623,989	4,976,380	252,343	2,055,941	524,805	1,343,246	45,416	479,264	211,353	380,048	140,127	70,151
\$10,000 under \$15,000	1,070,306	13,534,883	562,815	6,247,916	900,789	3,156,198	35,580	319,978	329,750	722,001	271,197	102,990
\$15,000 under \$20,000	1,384,891	24,464,152	1,013,781	15,362,275	1,047,895	2,727,029	40,661	187,246	286,052	756,224	477,246	166,527
\$20,000 under \$25,000	1,840,043	41,680,977	1,435,617	28,857,368	1,434,884	3,554,376	75,171	556,825	462,034	1,174,913	666,106	195,788
\$25,000 under \$30,000	2,122,966	58,703,542	1,838,898	45,804,624	1,578,265	2,613,273	87,400	651,387	501,904	918,985	907,035	335,086
\$30,000 under \$35,000	2,441,593	79,486,930	2,172,977	64,108,922	2,015,288	3,892,841	116,079	460,185	727,409	1,374,934	1,194,457	424,294
\$35,000 under \$40,000	2,453,681	92,190,039	2,247,681	77,180,958	2,037,656	3,752,574	105,707	795,519	645,186	1,421,185	1,165,080	463,125
\$40,000 under \$45,000	2,681,249	113,752,610	2,473,372	95,679,560	2,317,130	4,559,486	153,788	1,094,536	804,456	1,532,087	1,320,389	548,691
\$45,000 under \$50,000	2,989,621	113,450,450	2,237,682	96,180,597	2,077,496	3,584,624	119,422	773,536	744,404	1,284,807	1,188,034	498,275
\$50,000 under \$55,000	2,399,600	125,967,934	2,276,072	109,896,734	2,094,372	3,304,601	122,910	744,504	751,087	1,480,848	1,218,759	535,386
\$55,000 under \$60,000	2,032,400	116,794,256	1,918,862	100,913,838	1,862,558	3,682,552	138,730	984,807	726,068	1,614,209	947,979	429,197
\$60,000 under \$75,000	4,369,111	291,901,408	4,131,860	249,731,138	4,117,390	9,989,698	318,212	2,430,131	1,845,353	4,362,017	2,153,484	1,092,394
\$75,000 under \$100,000	3,255,693	278,351,840	3,036,152	228,468,540	3,094,695	11,236,590	389,982	3,293,838	1,694,165	5,128,845	1,507,265	1,012,021
\$100,000 under \$200,000	2,442,750	319,287,667	2,169,167	225,452,766	2,380,259	17,846,903	496,023	6,727,049	1,565,904	10,201,885	1,147,011	1,407,249
\$200,000 under \$500,000	642,915	186,309,879	545,056	108,139,156	634,154	14,297,662	232,618	6,993,854	502,201	8,371,630	320,943	964,809
\$500,000 under \$1,000,000	110,078	73,955,351	93,282	36,994,502	109,574	6,895,308	56,426	3,089,508	95,808	4,156,385	57,442	451,840
\$1,000,000 or more	49,067	121,466,824	41,859	36,614,672	48,980	14,336,638	30,043	4,582,194	44,962	8,975,528	28,823	798,803
Taxable returns, total	30,535,776	2,025,936,906	27,457,228	1,511,024,822	26,786,992	104,268,160	2,468,204	32,027,839	11,394,835	52,028,959	14,157,563	9,091,733
Nontaxable returns, total	1,954,142	30,868,513	1,063,021	17,348,776	1,639,972	6,854,533	1,064,347	1,777,636	595,682	1,892,238	599,484	426,264
Size of adjusted gross income												
	Alimony received		Business or profession net income less loss		Sales of capital assets net gain less loss		Sales of property other than capital assets		Taxable IRA distributions		Pensions and annuities	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns, total	221,676	2,642,243	7,076,970	103,891,090	8,403,368	77,610,734	884,117	-522,919	1,578,173	11,173,593	6,045,635	75,450,674
Under \$5,000	—	73,137	75,957	42,487	42,911	39,324	9,325	-67,476	3,403	13,456	21,754	167,335
\$5,000 under \$10,000	12,032	131,650	172,941	550,111	147,907	133,946	18,930	-95,456	36,320	95,800	178,007	990,427
\$10,000 under \$15,000	17,392	181,445	303,761	1,245,778	227,317	127,489	21,516	-15,188	71,941	281,194	320,845	2,149,970
\$15,000 under \$20,000	19,917	181,445	361,237	2,404,102	221,961	272,491	23,600	-122,658	69,244	306,836	361,330	3,001,780
\$20,000 under \$25,000	16,467	89,360	458,376	3,336,579	372,010	498,182	47,494	-17,180	82,843	517,060	374,591	3,948,602
\$25,000 under \$30,000	22,005	230,947	507,612	3,962,232	340,404	735,424	39,260	-78,226	100,175	424,684	395,310	4,036,581
\$30,000 under \$35,000	30,021	306,302	546,173	3,752,434	461,218	574,788	33,522	-106,777	98,843	578,788	396,819	4,478,051
\$35,000 under \$40,000	14,564	152,412	486,230	3,604,493	431,516	685,842	44,890	114,521	119,032	489,171	420,598	4,123,605
\$40,000 under \$45,000	17,641	191,934	498,653	3,671,546	542,535	796,335	45,973	-3,946	124,591	860,880	470,685	4,987,752
\$45,000 under \$50,000	27,810	285,246	506,554	3,987,960	489,516	878,780	41,267	-13,407	121,295	708,316	406,365	5,441,905
\$50,000 under \$55,000	9,926	159,934	429,576	3,714,374	477,209	927,795	55,706	-21,339	101,435	510,907	407,362	4,552,581
\$55,000 under \$60,000	* 5,110	* 90,808	330,577	3,330,577	412,943	1,094,066	30,580	-26,416	87,100	384,877	352,747	4,627,408
\$60,000 under \$75,000	13,127	223,772	850,709	9,778,452	1,148,809	3,734,339	89,748	-644	219,597	1,420,768	780,207	10,219,236
\$75,000 under \$100,000	7,543	224,151	649,102	13,367,066	1,177,488	4,966,265	93,913	99,906	164,517	1,340,527	566,347	9,055,125
\$100,000 under \$200,000	6,371	215,767	672,443	25,975,462	1,304,672	12,485,392	161,481	80,398	129,844	1,931,472	458,868	9,013,437
\$200,000 under \$500,000	1,587	67,163	182,515	13,858,400	466,258	13,868,682	88,363	1,731	31,113	892,467	108,372	3,114,639
\$500,000 under \$1,000,000	* 69	* 2,461	31,414	3,975,563	94,048	6,530,825	24,065	-32,071	4,865	15,018	18,899	939,219
\$1,000,000 or more	93	15,756	13,908	3,333,481	44,645	27,270,779	14,498	-19,263	2,013	154,018	8,527	595,222
Taxable returns, total	208,621	2,541,789	6,398,329	99,792,963	7,928,224	75,719,387	810,617	-109,011	1,489,854	10,639,149	5,607,729	75,569,879
Nontaxable returns, total	13,055	100,454	678,641	4,098,126	475,144	1,891,347	73,500	-443,908	88,319	534,444	437,905	2,880,995

Footnotes at end of table.

Table 2.1—Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Rent and royalty net income		Rent and royalty net loss		Farm rental net income less loss		Partnership and S Corporation net income less loss		Estate and trust net income less loss		Farm net income less loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
All returns, total	2,800,363	26,034,493	3,625,262	24,423,370	211,523	941,071	3,691,724	74,008,877	264,500	2,965,501	668,296	-1,635,196
Under \$5,000	22,586	55,570	32,906	205,253	* 3,805	* -2,583	24,534	-363,995	4,397	-32,648	6,321	-67,370
\$5,000 under \$10,000	74,145	220,891	72,079	444,242	* 7,249	* 13,236	50,532	-52,203	3,644	8,488	15,737	-149,379
\$10,000 under \$15,000	111,183	459,199	110,367	693,647	11,948	31,586	98,218	-136,339	10,946	10,096	34,747	-23,080
\$15,000 under \$20,000	102,824	565,812	168,848	967,230	* 1,341	* 4,622	81,890	-253,499	9,671	43,203	21,802	-58,436
\$20,000 under \$25,000	152,616	527,050	182,778	905,517	17,819	90,244	151,949	-188,005	16,769	-12,076	54,258	-171,752
\$25,000 under \$30,000	142,128	649,527	190,380	1,052,062	10,887	66,999	132,666	-91,669	9,266	21,514	47,992	-98,461
\$30,000 under \$35,000	151,975	684,337	232,904	1,301,422	10,737	10,620	160,980	49,873	10,502	72,099	38,839	-47,287
\$35,000 under \$40,000	156,952	740,136	235,931	1,254,398	18,386	67,645	195,962	54,364	18,577	46,864	50,698	-19,955
\$40,000 under \$45,000	170,790	814,413	230,568	1,432,291	19,713	65,912	172,795	313,397	7,640	23,512	55,637	-141,834
\$45,000 under \$50,000	121,252	774,404	200,580	1,212,579	8,503	9,672	166,519	97,312	6,704	32,969	33,662	3,774
\$50,000 under \$55,000	151,145	644,333	214,742	1,222,053	10,056	801	188,587	810,476	11,923	26,400	44,203	-28,811
\$55,000 under \$60,000	139,525	738,689	202,698	1,213,190	11,803	54,954	141,812	358,390	7,821	6,879	39,069	53,721
\$60,000 under \$75,000	349,822	2,245,609	499,353	3,476,773	21,583	46,016	444,696	1,739,400	26,105	86,749	67,611	-187,564
\$75,000 under \$100,000	317,682	2,351,616	435,448	3,133,559	22,539	125,348	473,262	4,326,160	26,002	89,091	63,247	-7,147
\$100,000 under \$200,000	401,403	5,543,113	451,890	3,383,451	25,653	248,186	720,758	13,662,376	56,308	552,825	62,754	-188,248
\$200,000 under \$500,000	174,253	4,827,195	122,563	1,484,576	7,427	100,647	363,485	19,165,916	25,548	646,409	23,691	-231,583
\$500,000 under \$1,000,000	39,247	1,830,775	27,548	547,379	1,396	6,409	81,856	9,815,744	8,016	410,368	4,892	-100,402
\$1,000,000 or more	20,833	2,361,825	13,678	493,747	679	757	41,224	24,701,179	4,662	932,759	3,136	-171,381
Taxable returns, total	2,577,595	24,738,540	3,324,323	21,758,753	190,640	903,379	3,458,374	76,606,312	243,148	2,926,595	607,149	-1,181,651
Nontaxable returns, total	222,768	1,295,953	300,939	2,664,617	20,883	37,692	233,350	-2,597,435	21,351	38,906	61,147	-453,545

Size of adjusted gross income	Unemployment compensation		Social Security benefits in adjusted gross income		Foreign earned income exclusion		Other income less loss		Total statutory adjustments	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)
All returns, total	2,761,773	7,641,053	2,450,743	10,941,329	49,770	2,682,548	2,945,190	15,221,151	7,741,040	23,442,590
Under \$5,000	11,199	24,363	231	382	1,705	89,297	8,776	-39,602	57,020	63,765
\$5,000 under \$10,000	36,227	118,440	7,999	42,562	1,791	86,834	54,407	983	163,674	168,673
\$10,000 under \$15,000	103,057	292,363	11,542	33,525	2,790	111,078	66,240	125,681	273,630	367,651
\$15,000 under \$20,000	162,755	580,047	8,413	15,256	2,963	117,517	120,804	209,526	397,652	576,575
\$20,000 under \$25,000	236,609	706,791	130,692	130,104	2,560	115,123	123,417	227,866	493,003	706,842
\$25,000 under \$30,000	224,597	711,978	181,574	337,259	2,163	98,096	165,811	334,951	543,422	978,346
\$30,000 under \$35,000	256,772	711,160	257,982	726,440	2,009	102,361	189,277	336,032	582,568	1,009,560
\$35,000 under \$40,000	267,432	674,247	230,797	916,391	3,212	147,362	176,979	392,772	499,637	966,499
\$40,000 under \$45,000	319,442	830,960	255,773	1,099,764	1,980	95,576	207,330	452,177	539,406	953,755
\$45,000 under \$50,000	258,343	664,101	191,255	911,853	1,792	86,304	215,871	379,408	496,174	936,644
\$50,000 under \$55,000	198,471	563,479	147,577	694,744	1,687	86,590	167,643	397,770	440,250	882,982
\$55,000 under \$60,000	174,382	351,111	148,087	788,545	1,356	66,481	154,527	410,775	387,060	811,596
\$60,000 under \$75,000	309,403	798,238	294,700	1,584,201	4,195	213,747	390,469	1,092,046	869,552	2,254,959
\$75,000 under \$100,000	139,736	416,319	236,567	1,282,547	5,615	312,368	350,556	1,498,473	786,388	3,060,258
\$100,000 under \$200,000	56,864	178,668	246,579	1,601,914	8,610	544,939	364,011	2,725,588	859,445	5,445,635
\$200,000 under \$500,000	5,784	16,049	79,062	600,615	4,375	332,067	141,865	2,824,254	278,548	3,241,113
\$500,000 under \$1,000,000	545	2,213	14,693	113,677	673	53,602	30,622	1,216,480	49,598	675,593
\$1,000,000 or more	156	526	7,219	61,552	294	23,206	16,587	2,635,971	24,015	342,141
Taxable returns, total	2,557,687	6,925,040	2,374,753	10,662,438	41,150	2,225,227	2,784,036	14,666,655	7,110,473	22,536,719
Nontaxable returns, total	204,086	716,013	75,989	278,892	8,620	457,321	161,154	554,496	630,567	905,870

Footnotes at end of table.

Table 2.1—Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Total itemized deductions											
	Total in taxable income	Itemized deductions limitation		Medical and dental expense deduction		Medical and dental expenses		Medical and dental expense limitation		Taxes paid deduction		
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Total	
											Number of returns	Amount
(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)		
All returns, total	467,686,116	3,281,966	10,855,059	5,338,966	23,726,113	5,338,966	36,546,038	5,338,966	12,819,925	31,968,877	147,858,392	
Under \$5,000	1,909,684	—	—	128,380	648,426	128,380	678,204	128,380	29,779	159,997	275,990	
\$5,000 under \$10,000	5,875,405	—	—	383,825	2,120,432	383,825	2,350,874	383,825	230,442	526,753	880,896	
\$10,000 under \$15,000	10,372,462	—	—	657,551	3,706,944	657,551	4,327,854	657,551	620,909	969,478	1,514,646	
\$15,000 under \$20,000	12,904,567	—	—	565,328	3,197,939	565,328	3,938,136	565,328	740,197	1,304,455	2,218,725	
\$20,000 under \$25,000	16,683,770	—	—	701,454	2,480,468	701,454	3,665,752	701,454	1,185,284	1,806,151	3,436,303	
\$25,000 under \$30,000	19,449,844	—	—	556,161	1,696,374	556,161	2,834,741	556,161	1,138,367	2,072,655	4,405,554	
\$30,000 under \$35,000	23,820,411	—	—	494,175	1,668,730	494,175	2,872,881	494,175	1,204,150	2,420,598	5,781,893	
\$35,000 under \$40,000	24,953,810	—	—	429,452	1,377,865	429,452	2,579,165	429,452	1,201,300	2,424,683	6,546,494	
\$40,000 under \$45,000	28,112,038	—	—	335,051	1,227,196	335,051	2,285,456	335,051	1,058,260	2,654,838	8,066,037	
\$45,000 under \$50,000	27,228,497	—	—	275,038	812,729	275,038	1,788,814	275,038	976,085	2,383,238	7,764,346	
\$50,000 under \$55,000	28,451,534	33,415	1,937	199,471	768,435	199,471	1,554,046	199,471	785,611	2,387,153	8,334,227	
\$55,000 under \$60,000	25,806,965	19,766	4,795	143,156	705,967	143,156	1,320,415	143,156	614,448	2,027,717	8,102,132	
\$60,000 under \$75,000	63,897,068	32,895	16,234	243,382	1,377,805	243,382	2,582,829	243,382	1,205,024	4,361,439	20,151,635	
\$75,000 under \$100,000	58,343,227	15,160	17,450	148,056	606,115	148,056	1,552,911	148,056	946,797	3,243,953	19,447,929	
\$100,000 under \$200,000	64,497,445	2,395,079	2,243,314	68,430	960,716	68,430	1,602,009	68,430	641,293	2,428,906	23,425,380	
\$200,000 under \$500,000	30,210,964	629,562	3,593,271	9,235	317,046	9,235	506,039	9,235	188,993	638,543	13,714,043	
\$500,000 under \$1,000,000	9,969,470	108,064	1,840,580	658	38,632	658	72,624	658	33,993	109,529	5,434,957	
\$1,000,000 or more	15,198,955	48,027	3,137,479	163	14,295	163	33,288	163	18,993	48,790	8,357,206	
Taxable returns, total	435,139,108	3,275,772	10,838,443	4,179,486	13,137,962	4,179,486	24,707,357	4,179,486	11,569,395	30,234,264	143,709,944	
Nontaxable returns, total	32,547,008	6,194	16,617	1,159,480	10,588,151	1,159,480	11,838,681	1,159,480	1,250,530	1,734,613	4,148,448	

Size of adjusted gross income	Itemized deductions—Continued											
	Taxes paid deduction—Continued								Interest paid deduction			
	State and local income taxes		Real estate taxes		Personal property taxes		Other taxes		Total		Home mortgage interest	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(58)	(59)	(60)	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	
All returns, total	27,026,068	88,032,040	28,629,448	54,118,665	10,787,248	3,279,869	6,629,954	2,427,817	27,418,494	213,724,926	27,001,296	200,994,537
Under \$5,000	65,951	65,755	133,221	190,489	49,487	13,655	22,661	6,092	129,802	801,967	116,942	757,790
\$5,000 under \$10,000	263,751	128,853	455,267	696,123	206,801	41,421	52,525	14,499	378,758	2,158,459	373,186	2,095,621
\$10,000 under \$15,000	613,107	326,303	791,498	1,102,669	264,165	59,384	158,965	26,890	648,009	3,442,708	626,610	3,304,857
\$15,000 under \$20,000	973,612	626,487	1,101,219	1,436,326	401,562	80,026	229,347	75,886	1,020,869	5,341,029	1,012,125	5,200,408
\$20,000 under \$25,000	1,423,304	1,173,342	1,510,715	2,019,469	476,515	101,034	375,805	142,459	1,425,446	7,634,059	1,403,538	7,486,569
\$25,000 under \$30,000	1,714,716	1,872,082	1,783,722	2,299,591	692,502	137,334	433,287	96,547	1,761,590	9,129,032	1,737,156	8,951,113
\$30,000 under \$35,000	2,101,446	2,813,703	2,085,280	2,693,688	804,597	165,907	516,316	108,595	2,037,069	11,635,871	2,007,366	11,321,461
\$35,000 under \$40,000	2,126,139	3,263,000	2,124,633	2,965,064	782,921	151,825	474,385	168,606	2,086,415	12,038,565	2,071,446	11,752,913
\$40,000 under \$45,000	2,291,216	4,216,300	2,330,879	3,476,019	844,210	223,686	491,624	150,032	2,277,649	13,732,837	2,260,064	13,458,338
\$45,000 under \$50,000	2,083,298	4,158,326	2,129,226	3,234,711	854,991	214,321	563,214	156,988	2,087,786	13,190,325	2,066,572	12,868,507
\$50,000 under \$55,000	2,079,582	4,635,919	2,167,369	3,317,547	809,228	212,097	523,730	168,664	2,144,006	14,067,171	2,132,587	13,800,289
\$55,000 under \$60,000	1,753,515	4,527,533	1,876,179	3,249,950	652,784	187,733	438,252	136,916	1,808,774	12,456,061	1,789,820	12,164,960
\$60,000 under \$75,000	3,848,256	11,570,238	4,070,641	7,763,507	1,532,086	473,750	951,804	344,140	3,915,385	30,793,629	3,874,073	29,970,476
\$75,000 under \$100,000	2,842,610	11,562,069	3,030,114	7,134,877	1,166,888	443,987	726,145	306,996	2,903,517	27,181,382	2,856,205	26,407,485
\$100,000 under \$200,000	2,138,501	15,072,248	2,281,533	7,641,997	922,906	435,089	501,583	276,047	2,111,904	29,315,627	2,045,176	27,291,143
\$200,000 under \$500,000	565,635	10,081,761	605,859	3,299,316	262,496	197,255	132,272	135,712	549,026	12,805,498	515,073	10,624,626
\$500,000 under \$1,000,000	97,261	4,403,537	105,444	916,625	43,768	62,885	25,570	51,910	92,299	3,587,266	81,258	2,353,881
\$1,000,000 or more	44,167	7,534,586	46,650	681,299	19,340	78,480	12,469	62,840	40,191	4,413,439	32,099	1,184,099
Taxable returns, total	25,976,430	87,034,711	27,106,934	51,229,408	10,210,508	3,123,246	6,364,416	2,322,580	26,000,751	199,995,559	25,611,051	188,647,688
Nontaxable returns, total	1,049,639	997,330	1,522,515	2,889,257	576,740	156,624	265,538	105,238	1,417,743	13,729,367	1,390,245	12,346,849

Footnotes at end of table.

Table 2.1—Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income—Continued
 (All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Itemized deductions—Continued											
	Interest paid deduction—Continued								Contributions deduction			
	Home mortgage interest—Continued						Investment interest expense deduction		Total		Cash contributions	
	Paid to financial institutions		Paid to individuals		Deductible points							
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(70)	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)	(79)	(80)	(81)	
All returns, total	26,137,841	191,583,051	2,980,594	9,411,486	1,951,170	2,173,621	1,627,853	10,354,040	29,551,347	60,573,565	28,926,110	51,277,927
Under \$5,000	110,935	712,564	9,670	45,226	3,528	474	16,520	40,852	121,097	75,476	119,206	88,948
\$5,000 under \$10,000	352,915	1,929,810	33,242	165,811	17,600	11,347	18,090	44,557	428,572	412,642	420,579	417,052
\$10,000 under \$15,000	603,780	3,174,360	37,869	130,497	22,845	51,219	33,306	77,215	814,066	965,094	789,337	864,009
\$15,000 under \$20,000	969,869	4,876,577	92,799	323,831	52,416	57,453	28,045	77,449	1,108,045	1,202,184	1,035,081	1,036,284
\$20,000 under \$25,000	1,323,569	7,043,880	154,848	442,689	39,211	29,194	61,354	97,623	1,573,732	1,816,335	1,526,220	1,570,139
\$25,000 under \$30,000	1,676,320	8,536,200	166,334	414,913	62,294	57,384	44,297	86,562	1,819,700	2,279,488	1,785,474	2,041,979
\$30,000 under \$35,000	1,967,422	10,982,795	165,515	338,666	135,194	163,837	46,514	119,781	2,141,721	2,813,023	2,094,816	2,572,137
\$35,000 under \$40,000	1,986,285	11,109,065	230,848	643,848	155,379	155,673	62,890	116,480	2,236,229	2,957,598	2,180,007	2,653,183
\$40,000 under \$45,000	2,171,667	12,696,102	279,002	762,237	128,689	101,639	61,196	166,013	2,452,885	3,184,319	2,380,584	2,732,801
\$45,000 under \$50,000	1,995,152	12,216,250	252,246	652,258	157,177	203,980	62,206	110,883	2,256,641	2,219,324	3,386,517	2,942,392
\$50,000 under \$55,000	2,077,794	13,101,143	213,348	699,146	152,633	137,316	69,355	125,343	2,249,079	3,325,492	2,205,020	2,978,691
\$55,000 under \$60,000	1,737,745	11,466,692	215,562	698,268	121,552	106,325	70,224	179,422	1,908,677	3,038,256	1,864,695	2,695,422
\$60,000 under \$75,000	3,771,928	28,611,400	448,816	1,359,076	323,829	332,286	188,870	476,035	4,155,925	7,606,054	4,092,508	6,596,969
\$75,000 under \$100,000	2,781,361	25,481,250	341,179	926,235	254,649	291,546	240,191	471,239	3,155,916	7,095,312	3,114,390	6,068,500
\$100,000 under \$200,000	1,996,368	26,094,935	264,538	1,196,208	245,444	314,065	357,341	1,692,373	2,352,419	8,281,720	2,326,957	6,947,574
\$200,000 under \$500,000	504,043	10,175,541	63,163	449,085	64,337	119,070	194,264	2,054,161	621,256	5,138,471	617,190	4,268,172
\$500,000 under \$1,000,000	79,351	2,246,245	8,748	107,635	10,801	27,874	46,816	1,203,591	107,392	2,212,223	107,001	1,721,577
\$1,000,000 or more	31,339	1,128,241	2,867	55,858	3,593	12,939	26,373	3,214,481	47,996	4,783,362	47,721	3,082,097
Taxable returns, total	24,802,476	179,803,328	2,850,902	8,844,360	1,866,096	2,055,265	1,522,802	9,106,690	28,161,065	58,671,525	27,589,979	49,593,758
Nontaxable returns, total	1,335,366	11,779,723	129,692	567,127	85,073	118,355	105,051	1,247,350	1,390,283	1,902,040	1,336,131	1,684,169

Size of adjusted gross income	Itemized deductions—Continued											
	Contributions deduction—Continued				Moving expenses		Casualty or theft loss		Miscellaneous deductions subject to 2% AGI limitation			
	Other than cash contributions		Carryover from prior years						Total		Unreimbursed employee business expense	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(82)	(83)	(84)	(85)	(86)	(87)	(88)	(89)	(90)	(91)	(92)	(93)
All returns, total	12,667,720	9,681,786	183,546	2,561,302	826,094	3,651,190	126,489	872,321	7,472,567	26,043,656	8,463,212	23,679,581
Under \$5,000	34,223	11,055	8,667	30,095	2,247	3,902	* 126	* 1,985	62,271	90,276	13,935	10,514
\$5,000 under \$10,000	119,023	36,435	12,252	11,626	8,632	25,568	* 8,936	* 40,416	139,092	204,673	53,239	148,421
\$10,000 under \$15,000	259,444	152,428	8,276	13,238	20,779	57,936	13,234	42,084	245,438	608,519	158,819	440,841
\$15,000 under \$20,000	396,017	159,434	14,078	33,248	19,379	34,290	11,212	67,089	329,466	786,011	267,647	654,049
\$20,000 under \$25,000	539,687	222,796	19,114	72,505	38,326	111,358	* 4,050	* 107,635	439,780	1,046,297	387,049	820,294
\$25,000 under \$30,000	697,127	225,552	9,806	39,833	40,675	100,468	* 7,099	* 30,666	526,419	1,593,454	528,925	1,437,319
\$30,000 under \$35,000	831,556	311,398	14,853	40,491	42,559	125,221	19,081	141,349	587,682	1,585,421	642,817	1,389,995
\$35,000 under \$40,000	862,662	324,818	13,459	114,840	54,990	145,163	* 4,339	* 88,960	596,127	1,684,209	697,835	1,643,762
\$40,000 under \$45,000	1,067,310	438,653	7,672	22,218	67,382	206,323	17,090	62,800	645,009	1,533,792	739,217	1,441,017
\$45,000 under \$50,000	417,385	6,711	32,004	65,267	205,429	* 15,448	* 63,127	* 545,554	1,698,748	711,025	1,741,763	
\$50,000 under \$55,000	949,041	352,385	10,786	33,500	66,594	219,763	* 5,964	* 7,005	495,024	1,667,019	704,679	1,682,096
\$55,000 under \$60,000	869,369	322,854	9,152	24,027	46,275	168,995	* 257	* 457,931	1,252,899	598,769	1,297,631	
\$60,000 under \$75,000	1,991,388	981,190	9,703	41,405	116,327	557,928	7,596	30,971	962,876	3,173,555	1,212,763	3,175,674
\$75,000 under \$100,000	1,612,836	975,951	17,684	105,451	109,805	645,199	6,668	13,251	758,143	3,131,550	950,684	3,202,186
\$100,000 under \$200,000	1,148,536	1,199,943	11,353	286,207	104,082	813,059	4,639	96,311	548,336	3,585,461	654,470	3,399,772
\$200,000 under \$500,000	270,610	937,736	7,023	408,056	20,116	195,559	660	43,903	113,479	1,379,567	124,494	994,862
\$500,000 under \$1,000,000	40,838	484,932	1,829	377,165	2,015	25,777	55	17,311	13,937	397,907	12,723	117,826
\$1,000,000 or more	17,514	2,126,841	1,127	875,391	645	9,251	34	17,391	6,000	624,299	4,122	81,557
Taxable returns, total	12,210,454	9,421,216	144,957	2,300,883	798,660	3,562,729	96,107	425,364	7,007,852	24,677,492	8,211,124	22,925,228
Nontaxable returns, total	457,266	260,570	38,589	260,419	27,434	88,460	30,382	446,958	464,715	1,366,164	252,087	754,353

Footnotes at end of table.

Table 2.1—Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Itemized deductions—Continued						Exemptions		Taxable income	
	Miscellaneous deductions subject to 2% AGI limitation—Continued		Gambling loss deduction		Miscellaneous deductions other than gambling					
	Tax preparation fees		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount								
	(94)	(95)	(96)	(97)	(98)	(99)	(100)	(101)	(102)	(103)
All returns, total	8,701,051	2,303,092	674,862	2,018,519	35,652	72,493	87,400,374	182,476,939	30,747,391	1,420,200,654
Under \$5,000	44,281	8,973	4,126	11,662	—	—	334,898	717,708	* 3,753	* 8,419
\$5,000 under \$10,000	152,675	26,738	11,837	32,284	* 25	* 37	966,524	2,070,372	197,582	279,583
\$10,000 under \$15,000	256,316	46,174	15,116	33,917	* 3,508	* 615	1,852,575	3,971,100	595,452	2,268,337
\$15,000 under \$20,000	358,791	56,124	39,777	57,300	* 7	* (Z)	2,677,944	5,746,450	1,106,981	7,662,449
\$20,000 under \$25,000	454,901	71,037	33,682	43,237	* 1,276	* 8,077	3,989,939	8,562,300	1,666,225	17,326,731
\$25,000 under \$30,000	504,231	82,393	48,490	214,415	* 47	* 393	5,068,533	10,876,806	2,046,862	28,724,583
\$30,000 under \$35,000	686,624	105,841	49,056	63,008	* 3,466	* 5,896	5,806,810	12,470,191	2,390,254	43,520,550
\$35,000 under \$40,000	584,498	104,870	62,685	114,955	—	—	6,426,471	13,794,598	2,428,866	53,841,779
\$40,000 under \$45,000	666,528	110,936	53,965	98,671	* 248	* 62	7,143,173	15,342,401	2,664,513	70,481,560
\$45,000 under \$50,000	695,368	122,667	45,298	102,851	* 2,968	* 4,423	6,819,001	14,642,644	2,385,982	71,623,527
\$50,000 under \$55,000	595,484	113,641	44,956	63,662	* 5,711	* 697	7,285,427	15,651,848	2,385,481	81,967,547
\$55,000 under \$60,000	520,882	105,721	51,587	87,201	* 1,662	* 183	6,097,143	13,101,930	2,027,281	77,969,905
\$60,000 under \$75,000	1,141,813	257,054	82,887	218,987	6,947	2,738	13,315,652	28,609,413	4,357,144	199,624,213
\$75,000 under \$100,000	969,242	279,787	58,065	239,850	1,145	89	9,905,888	21,272,728	3,253,091	198,787,724
\$100,000 under \$200,000	799,784	401,810	52,919	235,543	5,963	26,940	7,302,427	14,845,630	2,437,460	240,157,050
\$200,000 under \$500,000	219,453	248,068	15,929	201,553	1,904	8,594	1,947,392	781,998	641,682	155,466,222
\$500,000 under \$1,000,000	35,741	86,829	2,955	89,932	542	6,046	324,600	13,319	109,864	64,053,743
\$1,000,000 or more	14,438	74,428	1,533	109,488	233	7,703	135,975	5,503	48,919	106,436,732
Taxable returns, total	8,249,024	2,173,047	631,366	1,732,015	34,308	64,959	82,382,333	171,722,214	30,519,649	1,419,456,876
Nontaxable returns, total	452,027	130,045	43,497	286,503	1,344	7,533	5,018,041	10,754,725	227,742	743,777

Size of adjusted gross income	Income tax before credits		Total tax credits		Income tax after credits		Alternative minimum tax		Total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(104)	(105)	(106)	(107)	(108)	(109)	(110)	(111)	(112)	(113)
All returns, total	30,753,942	308,265,717	3,995,946	3,205,899	30,526,121	305,059,818	208,836	1,117,994	30,535,776	306,177,812
Under \$5,000	* 3,756	* 1,869	**	**	* 3,755	* 1,869	* 263	* 2,277	* 4,018	* 4,146
\$5,000 under \$10,000	194,840	67,694	** 10,607	** 464	184,233	67,230	* 1,991	* 1,376	184,958	68,606
\$10,000 under \$15,000	597,495	350,681	51,275	12,562	554,769	338,119	1,381	5,128	554,884	343,247
\$15,000 under \$20,000	1,113,934	1,155,437	216,444	67,794	987,255	1,087,643	79	1,054	987,334	1,088,698
\$20,000 under \$25,000	1,666,249	2,622,268	151,232	49,349	1,639,782	2,572,919	1,435	1,035	1,641,216	2,573,954
\$25,000 under \$30,000	2,046,870	4,369,969	178,191	75,845	2,042,449	4,294,125	2,227	4,245	2,042,599	4,298,370
\$30,000 under \$35,000	2,389,575	6,888,850	235,331	116,077	2,383,267	6,772,773	1,338	11,387	2,383,392	6,784,160
\$35,000 under \$40,000	2,428,892	8,746,621	259,818	100,909	2,427,449	8,645,712	5,194	12,209	2,427,509	8,657,921
\$40,000 under \$45,000	2,665,193	11,617,457	305,767	112,587	2,663,226	11,504,871	2,319	1,314	2,663,274	11,506,184
\$45,000 under \$50,000	2,385,982	11,762,095	291,603	123,967	2,385,139	11,638,128	5,636	4,421	2,385,445	11,642,548
\$50,000 under \$55,000	2,385,593	13,719,358	302,476	145,670	2,383,954	13,573,688	6,763	11,349	2,384,751	13,585,037
\$55,000 under \$60,000	2,027,281	13,717,436	301,362	146,342	2,026,894	13,571,094	5,139	11,947	2,026,955	13,583,040
\$60,000 under \$75,000	4,357,170	37,878,717	644,773	341,676	4,356,474	37,537,041	25,300	54,984	4,357,756	37,592,025
\$75,000 under \$100,000	3,253,141	42,075,696	494,326	305,711	3,251,361	41,769,985	34,739	85,499	3,253,281	41,855,484
\$100,000 under \$200,000	2,437,491	58,539,033	359,535	407,086	2,436,103	58,131,947	66,892	239,237	2,437,549	58,371,184
\$200,000 under \$500,000	641,691	43,785,936	139,523	466,383	641,301	43,319,553	37,891	313,850	641,975	43,633,403
\$500,000 under \$1,000,000	109,866	18,953,819	34,001	202,150	109,816	18,751,669	7,111	141,519	109,898	18,893,188
\$1,000,000 or more	48,922	32,012,779	19,681	531,326	48,895	31,481,454	3,138	215,164	48,982	31,696,617
Taxable returns, total	30,528,861	308,138,723	3,770,865	3,078,905	30,526,121	305,059,818	208,836	1,117,994	30,535,776	306,177,812
Nontaxable returns, total	225,082	126,994	225,082	126,994	—	—	—	—	—	—

Z Less than \$500.
 * Estimate should be used with caution due to the small number of sample returns on which it is based.
 ** Data combined to avoid disclosure of information for specific taxpayers.
 NOTE: Detail may not add to totals because of rounding.

Table 2.2—Returns with Itemized Deductions: Sources of Income, Adjustments, Deductions, Credits, and Tax Items, By Marital Status
 (All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	All returns		Joint returns of married persons		Separate returns of married persons		Returns of heads of household		Returns of surviving spouses		Returns of single persons	
	Number of returns (1)	Amount (2)	Number of returns (3)	Amount (4)	Number of returns (5)	Amount (6)	Number of returns (7)	Amount (8)	Number of returns (9)	Amount (10)	Number of returns (11)	Amount (12)
Adjusted gross income less deficit	32,489,918	2,056,805,419	22,624,872	1,635,298,850	692,125	35,346,944	1,966,071	81,359,803	27,116	1,206,813	7,180,794	303,593,108
Salaries and wages	28,520,249	1,528,373,598	20,751,593	1,242,019,241	622,352	24,156,394	1,824,031	66,747,866	25,227	861,323	5,296,646	194,588,804
Taxable interest	28,428,964	111,122,693	20,256,217	74,536,493	540,561	2,385,312	1,478,664	2,891,827	24,835	83,194	6,128,687	31,225,887
Dividends	2,574,641	33,805,475	1,720,025	21,916,266	43,613	894,307	86,982	549,389	130	2,572	724,490	10,442,940
State income tax refunds	11,990,517	53,921,197	8,563,463	34,889,996	198,218	1,406,583	474,301	1,345,133	7,149	22,042	2,747,385	16,257,443
Alimony received	14,757,047	9,517,997	10,689,451	7,216,338	295,798	197,788	919,901	4,781,773	18,890	15,633	2,833,007	1,609,465
Business or profession:												
Net income	5,233,242	114,108,222	4,293,431	96,092,448	62,697	1,417,854	173,671	2,865,809	1,354	30,559	702,088	14,701,553
Net loss	1,843,728	10,217,132	1,506,185	8,385,912	22,662	142,748	59,736	259,788	706	22,805	254,439	1,405,899
Sale of capital assets:												
Net gain	5,569,743	83,108,399	3,989,752	63,182,864	87,437	2,317,701	180,091	2,229,371	5,961	46,260	1,306,502	15,332,203
Net loss in AGI	2,833,625	5,497,665	2,008,675	3,912,374	44,589	49,123	108,972	207,002	744	2,152	669,646	1,327,015
Sale of property other than capital assets	884,117	-552,919	703,075	-505,214	10,613	6,096	30,698	-25,012	32	370	137,689	-29,159
Taxable IRA distributions	1,578,173	11,173,593	1,140,695	8,741,588	14,916	137,854	65,677	399,376	1,951	13,068	364,933	1,882,706
Pensions and annuities in AGI	6,045,635	75,450,874	4,198,224	54,675,771	72,873	1,086,581	273,627	2,199,211	9,037	75,165	1,491,875	17,414,146
Rent and royalty:												
Net income	2,800,363	26,034,493	2,096,231	20,266,825	49,867	546,412	92,414	725,245	4,227	9,166	557,623	4,486,945
Net loss	3,625,282	24,423,370	2,754,955	19,033,282	38,473	189,402	183,885	1,137,126	756	4,019	647,193	4,059,541
Farm rental income less loss	211,523	941,071	144,967	622,150	1,805	9,529	129,537	1,875,110	4,507	2,822	60,396	306,123
Partnership and S corporation net income less loss	3,691,724	74,008,877	2,891,332	62,132,002	63,726	1,892,049	1,788,082	7,826	4,507	2,822	612,622	8,306,894
Estate and trust net income less loss	264,500	2,965,501	171,660	1,583,095	7,514	218,089	8,946	117,729	111	926	76,269	1,237,069
Farm net income less loss	668,286	-1,635,196	575,366	-1,340,451	8,429	-65,452	16,160	-17,138	37	-19	66,304	-212,136
Unemployment compensation	2,781,773	7,641,053	2,127,293	5,823,854	42,171	142,669	124,850	349,229	6	28	450,234	1,343,029
Social Security benefits in AGI	2,450,743	10,941,329	1,545,027	7,630,089	30,288	137,631	51,434	128,802	4,518	13,589	819,476	3,033,219
Other income less loss	2,945,190	15,221,151	2,279,353	11,767,962	41,053	472,214	393,883	753,066	5,987	59,737	525,114	2,168,173
Other statutory adjustments	7,741,040	23,442,590	6,007,713	18,111,020	127,409	480,727	303,827	884,218	7,297	5,571	9,984,954	3,960,994
Primary IRA payments	1,867,644	2,966,652	1,255,855	2,010,943	19,441	33,180	97,916	142,913	1,320	2,641	493,112	776,975
Secondary IRA payments	1,033,882	1,480,633	582,301	5,527,909	8,864	67,820	18,635	156,670	27	750	78,525	619,947
Payments to a Keogh plan	688,333	6,373,195	4,482,326	5,735,078	69,605	77,834	161,480	175,609	1,871	1,435	709,193	906,332
Deduction for self-employment tax	5,424,475	6,896,290	4,290,720	1,052,393	19,594	9,770	58,275	31,095	74	52	297,104	137,409
Self-employment health insurance deduction	1,724,482	1,230,720	1,349,436	1,290,429	69,605	1,052,393	1,052,393	58,275	74	52	297,104	137,409
Total itemized deductions	32,489,918	467,666,116	22,624,872	358,915,326	692,125	7,126,533	1,966,071	22,519,800	27,116	355,811	7,180,794	78,788,647
Itemized deductions limitation	3,281,986	10,855,059	2,604,487	9,233,003	138,051	334,579	61,582	180,541	963	4,594	270,884	1,102,353
Medical and dental expense deduction	5,338,966	23,726,113	3,571,341	11,899,982	80,531	221,800	332,688	811,782	12,231	37,746	1,542,175	10,754,823
Taxes paid deduction	31,968,877	147,858,392	22,497,260	115,938,689	667,462	2,505,404	1,944,922	6,545,413	27,116	91,930	6,832,117	22,777,956
Interest paid deduction	27,418,484	213,724,926	17,075,491	170,987,410	487,601	3,070,496	1,784,819	11,341,648	26,013	145,192	4,725,628	28,180,181
Charitable deduction	29,551,347	60,573,565	21,075,491	47,280,222	581,975	978,403	1,784,367	2,204,848	22,385	40,570	6,087,130	10,069,523
Casualty or theft loss	126,489	872,321	17,699	586,682	1,833	24,874	19,744	102,611	8	57	27,214	158,174
Moving expenses deduction	826,094	3,651,190	623,397	2,951,557	11,809	61,036	31,515	120,626	8	57	159,365	517,913
Total miscellaneous deductions	7,999,912	28,134,668	5,223,142	18,502,807	172,829	599,099	594,261	1,575,432	4,791	44,900	2,004,890	7,412,431
Total income	30,747,391	1,420,200,654	21,623,414	1,128,575,930	664,597	26,310,611	1,832,089	49,815,687	21,803	687,220	6,593,488	213,811,205
Total tax credits	3,995,946	3,205,889	3,283,224	2,583,783	19,255	80,848	485,315	229,839	6,091	5,566	202,071	306,063
Child care credit	2,958,064	1,249,662	2,599,459	1,087,192	8,955	3,310	330,045	155,370	5,677	1,998	5,948	1,892
Credit for the elderly or disabled	25,462	4,611	9,877	3,100	9,144	67,046	13,052	18,757	398	3,228	15,385	1,511
Foreign tax credit	576,252	1,226,966	426,924	937,175	—	—	—	—	—	—	126,733	200,761
Earned income credit used to offset income tax before credits	245,186	59,058	96,088	17,898	—	—	147,832	41,142	—	—	1,266	18
Minimum tax credit	30,747	165,375	130,428	137,243	530	4,470	753	1,715	6	241	5,494	21,708
General business credit	167,003	399,971	130,428	329,255	514	4,435	5,901	11,736	—	—	30,160	54,546
Income tax after credits	30,526,121	399,971	21,542,123	242,458,129	664,197	6,275,628	1,717,996	9,451,212	21,795	133,742	6,580,410	46,741,107
Alternative minimum tax	208,836	1,117,994	135,826	792,993	11,853	43,975	14,450	49,168	1,700	846	45,006	231,643
Total income tax	31,020,094	321,057,929	21,542,123	242,458,129	664,197	6,275,628	1,717,996	9,451,212	21,795	133,742	6,580,410	46,741,107
Total tax liability	31,418,804	334,446,656	22,160,565	282,982,163	671,851	6,255,434	1,901,136	10,439,438	25,838	140,776	6,659,214	52,779,128
Total tax payments	29,067,879	249,536,512	20,974,042	196,939,284	631,968	4,106,360	1,828,508	10,439,438	24,623	140,776	6,659,214	52,779,128
Income tax withheld	5,600,153	70,962,055	3,728,172	53,100,500	90,255	1,646,035	1,564,582	1,460,898	2,345	26,950	5,622,923	35,874,653
Estimated tax payments	21,367,640	38,823,631	14,782,712	27,794,409	374,723	453,993	1,589,792	3,087,509	20,149	54,262	4,591,264	14,727,672
Overpayment refunded	9,209,876	34,795,526	6,744,560	27,323,576	294,221	988,757	328,870	884,631	4,510	14,215	1,837,715	5,584,347

* Estimate should be used with caution due to the small number of sample returns on which it is based.
 † Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in appropriate totals.
 NOTE: Detail may not add to totals because of rounding.

Table 2-3—All Returns: Exemptions by Type and Number of Exemptions, by Size of Adjusted Gross Income
 [All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Number of returns	Number of exemptions	Adjusted gross income less deficit	Exemptions for taxpayers			Exemptions for dependents			Total		
				Number of exemptions	Number of returns	Amount	Number of exemptions	Number of returns	Amount	Number of exemptions	Number of returns	Amount
All returns, total	114,730,123	231,286,627	153,696,610	42,308,444	77,600,016	1,672,992,849	30,269,928	200,572,112				
Under \$5,000	16,994,919	14,867,122	10,736,670	2,425,392	4,320,421	-14,673,172	4,902	32,743				
Under \$10,000	15,228,872	22,598,504	16,078,628	3,981,042	6,139,878	30,488,971	72,878	32,743				
\$10,000 under \$15,000	13,782,424	24,944,714	17,189,887	4,365,389	7,754,727	54,764,749	558,260	235,196				
\$15,000 under \$20,000	11,588,587	22,521,301	15,223,918	4,087,205	7,297,383	71,261,960	2,531,244	1,605,512				
\$20,000 under \$25,000	9,691,977	20,152,663	13,650,966	3,539,895	6,501,697	79,355,276	3,358,123	4,461,556				
\$25,000 under \$30,000	7,873,620	17,691,521	11,628,147	3,202,694	5,882,974	88,094,977	3,141,878	6,168,243				
\$30,000 under \$35,000	6,707,392	15,728,374	10,345,566	2,820,796	5,382,808	91,633,399	2,779,080	7,177,177				
\$35,000 under \$40,000	5,639,361	14,176,451	9,118,865	2,693,412	4,505,586	101,101,244	2,675,715	8,762,217				
\$40,000 under \$45,000	4,906,979	13,203,481	8,434,929	2,556,422	4,788,552	108,435,661	2,545,238	9,862,178				
\$45,000 under \$50,000	3,909,834	10,938,135	6,965,795	2,096,539	3,972,340	99,266,813	2,093,337	9,459,780				
\$50,000 under \$55,000	3,387,171	9,899,508	6,201,161	1,926,480	3,698,347	101,126,266	1,916,586	10,185,762				
\$55,000 under \$60,000	2,761,901	8,141,405	5,095,174	1,579,454	3,046,231	90,705,865	1,578,024	9,944,607				
\$60,000 under \$75,000	5,231,133	15,547,233	9,814,507	3,015,052	5,732,726	201,301,943	3,009,849	24,488,150				
\$75,000 under \$100,000	3,571,629	10,688,857	6,752,578	2,109,448	4,092,448	179,712,359	2,108,845	25,609,680				
\$100,000 under \$200,000	2,597,908	7,685,229	4,888,384	1,446,421	2,798,845	189,678,850	1,444,271	33,374,899				
\$200,000 under \$500,000	676,038	2,023,729	1,257,328	370,533	766,401	106,508,819	370,065	24,561,048				
\$500,000 under \$1,000,000	116,330	344,964	219,920	58,875	125,005	39,354,618	23,058	10,081,458				
\$1,000,000 or more	52,019	143,436	95,050	23,094	48,417	54,872,248	23,058	14,454,754				
Taxable returns, total	88,733,587	179,286,061	123,797,145	30,269,928	55,496,916	1,573,050,720	30,269,928	200,572,112				
Non-taxable returns, total	25,996,536	52,000,566	29,897,466	12,038,516	22,103,100	99,942,128						

Size of adjusted gross income	Number of returns	Number of exemptions	Adjusted gross income less deficit	Exemptions for children at home			Exemptions for dependents—Continued			Exemptions for children away from home			
				Number of returns	Amount	Number of returns	Number of exemptions	Adjusted gross income less deficit	Number of returns	Number of exemptions	Adjusted gross income less deficit	Number of returns	Amount
All returns, total	39,787,515	71,527,129	1,594,236,249	28,298,134	190,993,577	920,816	1,301,971	44,410,940	850,228	6,387,314			
Under \$5,000	2,336,656	5,888,302	-14,040,785	4,843	30,990	19,789	31,651	-573,318	27	453			
Under \$10,000	3,659,015	5,888,302	28,010,189	10,085	1,882	11,882	51,656	407,587	20,674	1,514			
\$10,000 under \$15,000	3,975,927	6,778,164	49,861,695	322,294	123,694	66,883	101,447	861,486	52,958	28,594			
\$15,000 under \$20,000	3,172,592	6,418,283	64,868,702	2,200,454	1,275,369	74,494	107,540	1,300,484	70,377	73,922			
\$20,000 under \$25,000	3,288,468	5,869,892	73,780,579	3,112,459	4,056,009	62,670	87,753	1,370,750	81,939	106,765			
\$25,000 under \$30,000	2,999,726	5,533,987	82,312,171	2,929,389	5,673,414	60,433	87,995	1,654,233	59,948	132,270			
\$30,000 under \$35,000	2,664,776	4,965,738	85,969,268	2,603,347	6,634,794	81,789	114,976	2,857,587	81,541	286,086			
\$35,000 under \$40,000	2,545,321	4,749,928	95,498,085	2,526,404	8,159,505	79,402	111,026	2,963,143	79,360	316,128			
\$40,000 under \$45,000	2,456,757	4,507,902	104,234,121	2,443,574	9,486,147	62,674	88,438	2,620,071	62,674	284,561			
\$45,000 under \$50,000	2,010,506	3,743,835	95,221,932	2,007,303	8,953,231	60,973	77,841	2,860,692	60,973	340,515			
\$50,000 under \$55,000	1,517,519	3,513,844	97,171,519	1,841,659	9,667,447	51,711	67,554	2,718,448	51,711	351,295			
\$55,000 under \$60,000	1,517,715	2,878,931	87,132,546	1,516,286	9,489,317	41,394	62,469	2,377,618	41,397	284,278			
\$60,000 under \$75,000	2,915,176	5,450,777	194,607,208	2,910,564	23,526,633	82,070	112,833	5,482,538	81,872	781,961			
\$75,000 under \$100,000	2,047,133	3,761,836	174,385,039	2,046,341	24,783,193	56,130	82,097	4,962,221	56,130	742,626			
\$100,000 under \$200,000	1,388,014	2,615,363	181,972,067	1,385,883	31,867,755	52,236	74,053	6,918,347	52,225	1,274,308			
\$200,000 under \$300,000	336,881	724,018	102,700,158	356,445	23,694,348	12,583	18,967	3,415,905	12,588	12,588			
\$300,000 under \$500,000	56,863	119,617	38,010,865	56,773	9,742,163	1,286	2,105	882,976	1,284	227,046			
\$500,000 or more	22,113	46,063	52,540,690	22,078	13,832,686	642	1,029	1,520,071	641	641			
Taxable returns, total	28,298,134	51,170,800	1,498,417,576	28,298,134	190,993,577	850,228	1,187,965	44,364,136	850,228	6,387,314			
Non-taxable returns, total	11,489,381	20,356,329	95,818,673				114,007	16,804					

Size of adjusted gross income	Number of returns	Number of exemptions	Adjusted gross income less deficit	Exemptions for parents			Exemptions for other dependents			
				Number of returns	Amount	Number of returns	Number of exemptions	Adjusted gross income less deficit	Number of returns	Amount
All returns, total	1,754,257	2,048,211	62,027,095	1,283,923	6,793,827	1,944,830	2,722,705	49,367,199	1,230,606	4,203,082
Under \$5,000	54,315	54,165	-394,795	54	1,039	79,957	104,954	-91,649	12	792
Under \$10,000	165,716	199,766	1,287,253	200,054	1,108	2,028,104	359,151	2,028,104	26,084	2,687
\$10,000 under \$15,000	252,462	298,142	3,149,870	100,519	36,964	8,874,963	575,974	8,874,963	114,655	46,433
\$15,000 under \$20,000	250,382	293,281	4,325,501	166,738	151,972	6,082,992	478,299	6,673,245	227,881	169,772
\$20,000 under \$25,000	253,491	253,491	4,888,560	186,180	151,972	220,692	290,552	4,910,343	205,233	285,356
\$25,000 under \$30,000	152,050	180,480	4,100,459	149,961	284,283	180,911	260,912	4,947,116	179,289	336,136
\$30,000 under \$35,000	94,022	119,321	3,516,110	83,415	223,672	122,245	162,774	3,919,444	118,875	286,568
\$35,000 under \$40,000	83,486	100,316	4,282,472	83,415	308,992	74,008	96,317	2,784,048	73,933	264,824
\$40,000 under \$45,000	86,188	77,435	4,025,049	86,063	274,190	76,876	94,778	3,280,499	76,876	298,906
\$45,000 under \$50,000	84,324	99,857	4,025,049	84,324	379,345	34,634	53,807	1,633,068	33,950	134,338
\$50,000 under \$55,000	58,663	65,458	3,114,023	58,637	329,012	33,640	51,491	1,776,519	33,640	194,771
\$55,000 under \$60,000	49,981	61,665	2,887,047	49,879	296,219	29,402	43,100	1,702,093	29,402	187,038
\$60,000 under \$75,000	88,653	97,656	5,903,469	88,400	653,799	50,319	71,382	3,315,654	48,714	387,806
\$75,000 under \$100,000	55,549	61,501	4,767,801	55,538	640,297	28,426	31,046	2,316,253	28,426	338,090
\$100,000 under \$200,000	56,737	67,564	7,282,724	56,214	662,952	29,256	41,864	3,963,117	29,254	684,832
\$200,000 under \$300,000	14,250	18,190	3,895,334	14,225	668,805	4,210	5,827	1,246,207	4,201	284,405
\$300,000 under \$1,000,000	1,953	2,155	1,291,477	1,950	316,469	924	1,128	615,752	922	180,982
\$1,000,000 or more	873	961	2,138,799	870	565,929	256	344	572,471	256	149,347
Taxable returns, total	1,283,923	1,486,746	57,017,936	1,283,923	6,793,827	1,230,606	1,651,407	41,993,344	1,230,606	4,203,082
Non-taxable returns, total	470,334	561,465	5,009,159				1,071,298	7,373,855		

* Estimate should be used with caution because of the small number of sample returns on which it is based.
 NOTE: Detail may not add to totals because of rounding.

Table 2.4—All Returns: Exemptions by Type and Number of Exemptions, by Marital Status

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Number of returns	Number of exemptions	Number of exemptions for taxpayers	Exemptions for dependents				
				Total			Total income tax	
				Number of returns	Number of exemptions	Adjusted gross income less deficit	Number of returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
All returns, total	114,730,123	231,296,627	153,696,610	42,308,444	77,600,016	1,672,992,848	30,269,928	200,572,111
Joint returns of married persons ..	48,720,459	151,766,812	97,435,902	27,746,965	54,330,910	1,391,480,741	23,169,008	177,354,244
Separate returns of married persons, total:	2,298,928	3,395,313	2,322,474	669,889	1,072,839	18,265,945	587,402	2,625,886
Spouse filing	2,253,946	3,267,724	2,232,510	650,488	1,035,214	17,837,733	571,189	2,584,761
Spouse not filing	44,982	127,589	89,964	19,402	37,625	428,212	16,214	41,125
Returns of heads of household	13,786,622	34,190,141	13,786,622	12,644,634	20,403,519	232,619,285	5,724,545	16,595,004
Returns of surviving spouses	93,201	239,831	93,201	93,201	146,630	2,346,589	49,749	232,625
Returns of single persons	49,830,912	41,704,529	40,058,411	1,153,754	1,646,119	28,280,288	739,223	3,764,352

Size of adjusted gross income	Exemptions for dependents—Continued									
	Exemptions for children at home					Exemptions for children away from home				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
All returns, total	39,787,515	71,527,129	1,594,236,248	28,298,134	190,993,577	920,815	1,301,971	44,410,940	850,228	6,387,314
Joint returns of married persons ..	27,065,663	52,020,362	1,357,393,738	22,583,593	172,715,909	393,339	539,319	26,265,066	379,338	3,778,854
Separate returns of married persons, total:	581,135	923,475	15,720,561	504,819	2,264,107	61,354	96,934	1,969,815	55,447	293,446
Spouse filing	565,871	902,280	15,365,365	492,650	2,225,156	61,331	96,910	1,969,250	55,423	293,403
Spouse not filing	15,264	21,195	355,196	12,170	38,951	* 24	* 24	565	* 24	* 42
Returns of heads of household	11,574,492	17,817,974	209,471,954	4,958,961	14,570,003	55,143	64,474	1,930,689	44,774	230,509
Returns of surviving spouses	93,201	144,968	2,346,589	49,749	232,625	—	—	—	—	—
Returns of single persons	473,024	620,350	9,303,407	201,011	1,210,933	410,979	601,245	14,245,369	370,669	2,084,505

Size of adjusted gross income	Exemptions for dependents—Continued									
	Exemptions for parents					Exemptions for other dependents				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount
(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	
All returns, total	1,754,257	2,048,211	62,027,095	1,283,923	6,793,827	1,944,830	2,722,705	49,367,199	1,230,606	4,203,082
Joint returns of married persons ..	789,112	935,226	41,461,203	661,804	5,023,828	576,873	836,002	23,433,820	455,940	2,462,009
Separate returns of married persons, total:	14,821	15,073	357,696	14,624	40,547	23,634	37,357	464,823	23,232	55,773
Spouse filing	10,808	11,060	286,111	10,611	38,605	19,450	24,964	391,759	19,212	53,641
Spouse not filing	* 4,013	* 4,013	* 71,585	* 4,013	* 1,942	* 4,184	* 12,394	73,065	* 4,021	* 2,131
Returns of heads of household	843,142	959,166	18,114,820	544,736	1,510,705	1,130,675	1,561,905	21,983,223	627,870	1,363,734
Returns of surviving spouses	* 1,662	* 1,662	* 149,845	* 1,662	* 16,796	—	—	—	—	—
Returns of single persons	105,520	137,083	1,943,532	61,096	201,952	213,648	287,441	3,485,333	123,564	321,567

* Estimate should be used with caution because of the small number of sample returns on which it is based.
 NOTE: Detail may not add to totals because of rounding.

Table 3.1—Returns with Modified Taxable Income: Adjusted Gross Income and Tax Items, by Type of Tax Computation by Size of Adjusted Gross Income

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Type of tax computation by size of adjusted gross income	Number of returns	Adjusted gross income	Taxable income	Modified taxable income	Income tax before credits, regular tax computation		Tax generated		Income tax before credits	
					Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Returns with regular tax computation only										
Total	91,056,144	3,073,704,496	2,011,670,067	2,011,971,202	91,051,128	378,673,522	91,056,144	378,709,992	91,056,144	379,166,826
Under \$5,000	4,122,687	11,088,307	2,464,587	2,464,653	4,117,671	368,043	4,122,687	370,294	4,122,687	370,294
\$5,000 under \$10,000	8,921,352	68,756,478	20,403,876	20,404,038	8,921,352	3,056,541	8,921,352	3,060,889	8,921,352	3,063,245
\$10,000 under \$15,000	11,438,731	144,073,902	57,722,064	57,723,681	11,438,731	8,653,141	11,438,731	8,658,886	11,438,731	8,660,764
\$15,000 under \$20,000	11,110,339	193,254,161	95,773,667	95,773,587	11,110,339	14,361,276	11,110,339	14,366,930	11,110,339	14,373,660
\$20,000 under \$25,000	9,506,337	213,080,043	121,265,484	121,276,078	9,506,337	18,204,313	9,506,337	18,208,997	9,506,337	18,255,305
\$25,000 under \$30,000	7,789,813	213,807,206	131,392,008	131,430,354	7,789,813	20,203,376	7,789,813	20,206,373	7,789,813	20,212,904
\$30,000 under \$40,000	12,268,904	426,443,208	279,460,051	279,520,637	12,268,904	45,481,286	12,268,904	45,485,354	12,268,904	45,539,972
\$40,000 under \$50,000	8,796,438	392,678,471	266,283,650	266,354,999	8,796,438	43,788,872	8,796,438	43,791,607	8,796,438	43,889,810
\$50,000 under \$75,000	11,258,500	677,318,412	475,638,880	475,770,530	11,258,500	87,152,586	11,258,500	87,154,124	11,258,500	87,282,258
\$75,000 under \$100,000	3,451,995	294,470,996	213,339,817	213,397,431	3,451,995	45,121,846	3,451,995	45,123,182	3,451,995	45,168,163
\$100,000 under \$200,000	1,933,198	247,424,667	184,523,640	184,675,036	1,933,198	44,680,476	1,933,198	44,681,292	1,933,198	44,702,872
\$200,000 under \$500,000	382,533	109,001,203	90,945,358	90,976,937	382,533	25,706,164	382,533	25,706,334	382,533	25,733,241
\$500,000 under \$1,000,000	54,515	36,389,362	31,815,537	31,756,617	54,515	9,489,602	54,515	9,489,625	54,515	9,496,776
\$1,000,000 or more	20,802	45,918,080	40,641,448	40,446,624	20,802	12,406,000	20,802	12,406,105	20,802	12,417,561
Returns with Form 8615 tax computation										
Total	287,777	1,284,384	1,100,073	1,135,527	287,777	197,799	287,777	290,002	287,777	290,002
Under \$5,000	233,006	492,524	363,391	369,864	233,006	54,386	233,006	81,522	233,006	81,522
\$5,000 under \$10,000	32,727	227,832	206,104	206,104	32,727	30,900	32,727	57,553	32,727	57,553
\$10,000 under \$15,000	* 14,143	* 181,904	* 165,709	* 194,690	* 14,143	* 24,843	* 14,143	* 45,237	* 14,143	* 45,237
\$15,000 under \$20,000	* 2,533	* 41,977	* 37,978	* 37,978	* 2,533	* 5,697	* 2,533	* 10,655	* 2,533	* 10,655
\$20,000 under \$25,000	* 1,014	* 21,746	* 21,189	* 21,189	* 1,014	* 3,245	* 1,014	* 5,973	* 1,014	* 5,973
\$25,000 under \$30,000	* 2,470	* 71,605	* 69,517	* 69,517	* 2,470	* 12,927	* 2,470	* 20,099	* 2,470	* 20,099
\$30,000 under \$40,000	* 1,014	* 38,859	* 38,301	* 38,301	* 1,014	* 8,043	* 1,014	* 8,542	* 1,014	* 8,542
\$40,000 under \$50,000	—	—	—	—	—	—	—	—	—	—
\$50,000 under \$75,000	—	—	—	—	—	—	—	—	—	—
\$75,000 under \$100,000	* 648	* 50,609	* 50,252	* 50,252	* 648	* 12,904	* 648	* 15,589	* 648	* 15,589
\$100,000 under \$200,000	* 98	* 18,468	* 18,072	* 18,072	* 98	* 5,198	* 98	* 5,077	* 98	* 5,077
\$200,000 under \$500,000	—	—	—	—	—	—	—	—	—	—
\$500,000 under \$1,000,000	* 86	* 76,419	* 73,376	* 73,376	* 86	* 22,393	* 86	* 22,766	* 86	* 22,766
\$1,000,000 or more	37	62,441	56,184	56,184	37	17,264	37	16,989	37	16,989
Returns with Schedule D tax computation										
Total	1,264,046	318,425,722	271,317,500	271,327,777	1,264,046	76,391,047	1,264,046	74,841,621	1,264,046	74,981,140
Under \$5,000	—	—	—	—	—	—	—	—	—	—
\$5,000 under \$10,000	—	—	—	—	—	—	—	—	—	—
\$10,000 under \$15,000	—	—	—	—	—	—	—	—	—	—
\$15,000 under \$20,000	—	—	—	—	—	—	—	—	—	—
\$20,000 under \$25,000	—	—	—	—	—	—	—	—	—	—
\$25,000 under \$30,000	—	—	—	—	—	—	—	—	—	—
\$30,000 under \$40,000	—	—	—	—	—	—	—	—	—	—
\$40,000 under \$50,000	—	—	—	—	—	—	—	—	—	—
\$50,000 under \$75,000	101,501	6,561,440	5,574,324	5,574,324	101,501	1,315,981	101,501	1,306,965	101,501	1,306,965
\$75,000 under \$100,000	116,384	10,264,657	8,561,057	8,561,057	116,384	2,113,747	116,384	2,088,386	116,384	2,091,258
\$100,000 under \$200,000	659,322	90,961,021	73,769,163	73,774,970	659,322	18,618,588	659,322	18,390,049	659,322	18,431,223
\$200,000 under \$500,000	292,272	86,900,196	74,271,112	74,274,440	292,272	21,122,795	292,272	20,763,879	292,272	20,818,361
\$500,000 under \$1,000,000	63,536	42,994,081	37,769,911	37,770,662	63,536	11,294,890	63,536	11,065,872	63,536	11,083,706
\$1,000,000 or more	31,031	80,744,327	71,371,934	71,372,325	31,031	21,925,046	31,031	21,226,471	31,031	21,249,627

Footnotes at end of table.

Table 3.1—Returns with Modified Taxable Income: Adjusted Gross Income and Tax Items, by Type of Tax Computation by Size of Adjusted Gross Income

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Type of tax computation by size of adjusted gross income	Total tax credits		Income tax after credits		Alternative minimum tax		Total income tax				
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	As a percentage of		Average income tax (dollars)
									Modified taxable income	Adjusted gross income	
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
Returns with regular tax computation only											
Total	12,471,255	6,456,285	87,145,307	372,710,541	176,225	620,925	87,149,932	373,331,466	18.6	12.1	4,100
Under \$5,000	* 9,699	* 473	4,121,414	369,821	* 3,799	* 120	4,121,414	369,941	15.0	3.3	90
\$5,000 under \$10,000	480,624	55,695	8,507,562	3,007,550	* 5,072	* 2,833	8,507,562	3,010,382	14.8	4.4	337
\$10,000 under \$15,000	2,409,900	901,909	9,264,832	7,758,855	* 25	* 41	9,264,832	7,758,896	13.4	5.4	678
\$15,000 under \$20,000	3,309,728	1,559,243	9,901,355	12,814,417	* 48	* 104	9,901,362	12,814,521	13.4	6.6	1,153
\$20,000 under \$25,000	1,221,669	378,705	9,441,772	17,876,601	* 187	* 126	9,441,779	17,876,727	14.7	8.4	1,881
\$25,000 under \$30,000	565,902	259,529	7,775,826	19,953,376	2,559	4,198	7,775,835	19,957,574	15.2	9.3	2,562
\$30,000 under \$40,000	1,052,188	483,583	12,248,915	45,056,389	6,890	24,276	12,249,165	45,080,665	16.1	10.6	3,674
\$40,000 under \$50,000	1,000,767	441,370	8,790,060	43,448,440	8,592	5,622	8,790,472	43,454,063	16.3	11.1	4,940
\$50,000 under \$75,000	1,554,322	827,636	11,255,091	86,454,623	38,094	74,798	11,255,969	86,529,421	18.2	12.8	7,686
\$75,000 under \$100,000	511,729	341,119	3,449,836	44,827,044	33,464	81,240	3,451,622	44,908,285	21.0	15.3	13,009
\$100,000 under \$200,000	259,434	401,019	1,931,419	44,301,853	54,084	179,093	1,932,232	44,480,946	24.1	18.0	23,009
\$200,000 under \$500,000	73,990	394,199	381,992	25,339,042	19,565	145,409	382,394	25,484,451	28.0	23.4	66,620
\$500,000 under \$1,000,000	14,201	135,992	54,458	9,360,785	2,908	47,340	54,496	9,408,125	29.6	25.9	172,579
\$1,000,000 or more	7,104	275,816	20,777	12,141,745	938	55,724	20,796	12,197,470	30.2	26.6	586,360
Returns with Form 8615 tax computation											
Total	8,047	501	287,777	289,501	13,867	3,680	287,777	293,181	25.8	22.8	1,019
Under \$5,000	* 6,019	* 228	233,006	81,295	* 10,068	* 921	233,006	82,215	22.2	16.7	353
\$5,000 under \$10,000	—	—	32,727	57,553	* 2,533	* 929	32,727	58,482	28.4	25.7	1,787
\$10,000 under \$15,000	—	—	* 14,143	* 45,237	* 1,266	* 1,830	* 14,143	* 47,067	* 24.2	* 25.9	* 3,328
\$15,000 under \$20,000	—	—	* 2,533	* 10,655	—	—	* 2,533	* 10,655	* 28.1	* 25.4	* 4,206
\$20,000 under \$25,000	—	—	* 1,014	* 5,973	—	—	* 1,014	* 5,973	* 28.2	* 27.5	* 5,891
\$25,000 under \$30,000	* 1,204	* 4	* 2,470	* 20,096	—	—	* 2,470	* 20,096	* 28.9	* 28.1	* 8,136
\$30,000 under \$40,000	—	—	* 1,014	* 8,542	—	—	* 1,014	* 8,542	* 22.3	* 22.0	* 8,424
\$40,000 under \$50,000	—	—	—	—	—	—	—	—	—	—	—
\$50,000 under \$75,000	—	—	—	—	—	—	—	—	—	—	—
\$75,000 under \$100,000	* 648	* 3	* 648	* 15,586	—	—	* 648	* 15,586	* 31.0	* 30.8	* 24,052
\$100,000 under \$200,000	* 98	* 177	* 98	* 4,900	—	—	* 98	* 4,900	* 27.1	* 26.5	* 50,000
\$200,000 under \$500,000	—	—	—	—	—	—	—	—	—	—	—
\$500,000 under \$1,000,000	* 55	* 17	* 86	* 22,749	—	—	* 86	* 22,749	* 31.0	* 29.8	* 264,523
\$1,000,000 or more	* 23	* 73	37	16,916	—	—	37	16,916	30.1	27.1	457,189
Returns with Schedule D tax computation											
Total	249,873	828,440	1,263,728	74,152,700	42,006	462,154	1,263,986	74,614,854	27.5	23.4	59,029
Under \$5,000	—	—	—	—	—	—	—	—	—	—	—
\$5,000 under \$10,000	—	—	—	—	—	—	—	—	—	—	—
\$10,000 under \$15,000	—	—	—	—	—	—	—	—	—	—	—
\$15,000 under \$20,000	—	—	—	—	—	—	—	—	—	—	—
\$20,000 under \$25,000	—	—	—	—	—	—	—	—	—	—	—
\$25,000 under \$30,000	—	—	—	—	—	—	—	—	—	—	—
\$30,000 under \$40,000	—	—	—	—	—	—	—	—	—	—	—
\$40,000 under \$50,000	—	—	—	—	—	—	—	—	—	—	—
\$50,000 under \$75,000	7,164	10,002	101,478	1,296,962	* 50	* 157	101,501	1,297,119	23.3	19.8	12,779
\$75,000 under \$100,000	15,707	9,625	116,346	2,081,633	1,868	1,377	116,376	2,083,010	24.3	20.3	17,898
\$100,000 under \$200,000	119,895	144,997	659,213	18,286,226	14,224	56,030	659,321	18,342,256	24.9	20.2	27,820
\$200,000 under \$500,000	71,965	217,861	292,170	20,600,501	19,343	162,209	292,238	20,762,709	28.0	23.9	71,039
\$500,000 under \$1,000,000	21,734	120,353	63,513	10,963,354	4,313	92,080	63,522	11,055,434	29.3	25.7	174,003
\$1,000,000 or more	13,407	325,602	31,008	20,924,025	2,208	150,302	31,028	21,074,326	29.5	26.1	679,138

* Estimate should be used with caution due to the small number of sample returns on which it is based.

NOTE: Detail may not add to totals because of rounding.

Table 3.2—Returns with Total Income Tax as a Percentage of Adjusted Gross Income, by Size of Adjusted Gross Income
 [All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Total income tax as a percentage of adjusted gross income									
	Total		Under 5 percent			5 under 7 percent			Total	
	Number of returns (1)	Adjusted gross income less deficit (2)	Total income tax (3)	Number of returns (4)	Adjusted gross income less deficit (5)	Total income tax (6)	Number of returns (7)	Adjusted gross income less deficit (8)	Total income tax (9)	
All returns										
Total	88,733,587	3,336,673,161	448,429,593	15,709,262	205,483,787	6,040,615	10,147,547	202,962,571	12,403,873	
Under \$5,000	4,367,479	8,801,201	536,756	3,205,500	9,315,430	206,083	335,290	492,522	29,505	
\$5,000 under \$10,000	8,549,004	6,529,365	3,096,096	4,819,124	34,742,714	1,003,457	2,773,477	23,111,847	1,362,298	
\$10,000 under \$15,000	9,280,360	116,427,095	7,815,047	2,408,783	30,733,795	761,534	1,144,618	12,742,684	807,007	
\$15,000 under \$20,000	9,905,985	173,328,931	12,826,458	2,521,211	43,930,825	1,210,957	1,688,102	30,056,056	1,806,014	
\$20,000 under \$25,000	9,444,253	211,739,012	17,883,737	1,238,667	27,553,982	916,094	1,546,836	34,150,367	2,079,764	
\$25,000 under \$30,000	7,778,453	213,500,549	19,978,743	577,936	15,653,928	529,333	960,633	26,273,479	1,617,507	
\$30,000 under \$40,000	12,250,293	425,796,869	45,090,211	542,643	18,476,988	630,593	845,851	29,143,618	1,802,441	
\$40,000 under \$50,000	8,791,386	392,442,771	43,457,571	203,832	9,129,764	309,817	435,253	19,171,942	1,187,451	
\$50,000 under \$75,000	11,359,393	683,852,145	87,835,843	139,114	8,317,097	264,006	366,761	21,812,034	1,346,590	
\$75,000 under \$100,000	3,569,148	304,796,653	47,012,249	25,087	2,086,478	58,363	32,958	2,827,718	170,308	
\$100,000 under \$200,000	2,592,678	338,429,282	62,842,884	21,520	2,863,678	79,608	14,717	1,871,937	118,569	
\$200,000 or more	845,153	402,319,289	100,053,998	5,844	2,679,118	70,768	3,051	1,308,367	76,420	
Joint returns										
Total	41,372,585	2,289,277,971	316,495,536	5,277,499	116,008,336	3,560,797	4,635,658	136,740,811	8,380,701	
Under \$5,000	8,026	-2,005,525	57,196	1,272	2,088	94	24	23	2	
\$5,000 under \$10,000	6,498	58,999	19,172	4,429	40,979	40	660	308	308	
\$10,000 under \$15,000	1,782,284	22,990,150	585,022	1,765,237	22,775,993	565,513	15,931	201,300	11,022	
\$15,000 under \$20,000	2,622,629	46,144,832	2,074,571	1,320,754	23,183,196	659,992	1,140,885	20,233,495	1,213,110	
\$20,000 under \$25,000	3,778,815	84,931,985	5,331,570	949,280	21,181,358	723,084	1,143,877	25,309,530	1,539,638	
\$25,000 under \$30,000	3,679,490	101,258,841	7,612,807	455,568	12,370,368	417,582	816,088	22,256,583	1,376,210	
\$30,000 under \$40,000	7,053,652	246,522,212	21,585,209	442,989	15,092,143	525,223	728,963	25,083,515	1,548,548	
\$40,000 under \$50,000	6,567,394	293,886,736	28,834,039	170,122	7,612,831	259,808	394,802	17,415,860	1,079,313	
\$50,000 under \$75,000	9,701,331	586,142,287	71,359,638	123,255	7,342,965	233,027	345,555	20,651,997	1,274,390	
\$75,000 under \$100,000	3,180,680	271,531,992	40,748,184	21,566	1,795,006	50,560	32,218	2,767,518	166,602	
\$100,000 under \$200,000	2,855,973	297,998,823	54,082,502	18,307	2,445,093	67,783	13,960	1,768,610	112,069	
\$200,000 or more	725,815	339,816,840	84,205,624	4,719	2,166,315	58,093	2,693	1,046,606	60,490	
Single returns										
Total	38,733,107	789,799,093	102,870,990	8,377,642	53,532,247	1,508,307	4,426,494	43,975,280	2,674,031	
Under \$5,000	4,357,973	11,195,666	472,957	3,204,204	9,313,296	205,988	335,266	492,498	29,503	
\$5,000 under \$10,000	8,222,111	62,652,817	2,964,519	4,627,296	33,309,629	968,139	2,676,142	22,288,347	1,312,740	
\$10,000 under \$15,000	6,714,179	83,360,955	6,698,468	2,752,230	3,270,898	96,818	1,017,122	11,077,485	709,411	
\$15,000 under \$20,000	5,348,910	92,745,556	9,039,681	116,551	2,010,869	64,927	168,665	2,936,746	178,374	
\$20,000 under \$25,000	4,021,390	90,113,939	9,712,922	54,264	1,196,770	36,241	93,696	2,068,464	128,230	
\$25,000 under \$30,000	2,921,429	79,890,385	9,488,988	28,531	771,823	28,015	49,312	1,271,462	76,879	
\$30,000 under \$40,000	3,767,491	129,517,527	18,226,814	40,658	1,389,562	40,804	48,757	1,742,204	108,878	
\$40,000 under \$50,000	1,579,515	70,195,553	11,087,174	10,765	482,874	12,877	27,941	1,209,313	74,879	
\$50,000 under \$75,000	1,192,722	70,269,241	12,392,590	13,539	833,016	7,917	11,221	632,410	39,158	
\$75,000 under \$100,000	295,429	25,268,871	4,909,195	3,210	264,758	2,297	4,555	36,105	2,268	
\$100,000 under \$200,000	225,809	28,759,489	6,535,164	2,543	329,506	10,042	613	83,503	5,207	
\$200,000 or more	86,329	44,829,094	11,342,519	851	359,256	9,303	306	136,744	8,505	

Footnotes at end of table.

Table 3.2—Returns with Total Income Tax: Total Income Tax as a Percentage of Adjusted Gross Income, by Size of Adjusted Gross Income—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Total income tax as a percentage of adjusted gross income—Continued								
	7 under 10 percent			10 under 12 percent			12 under 15 percent		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
All returns									
Total	25,107,873	696,509,296	60,638,383	16,869,673	573,650,275	62,744,067	9,964,871	521,004,365	70,396,227
Under \$5,000	326,449	529,545	44,082	238,925	549,843	60,313	147,004	427,493	54,512
\$5,000 under \$10,000	789,190	6,177,290	522,518	33,035	265,396	28,321	88,469	628,891	85,539
\$10,000 under \$15,000	5,426,365	69,374,433	5,821,982	263,138	3,117,362	331,726	23,437	278,225	38,802
\$15,000 under \$20,000	2,846,143	47,426,030	4,362,593	2,817,657	51,330,943	5,362,407	30,146	540,014	72,408
\$20,000 under \$25,000	2,912,326	65,979,500	5,418,934	3,626,162	81,340,010	9,090,322	104,924	2,375,106	305,003
\$25,000 under \$30,000	3,377,157	93,066,015	8,164,963	1,315,322	35,103,390	3,975,180	1,515,336	42,487,205	5,535,397
\$30,000 under \$40,000	4,316,972	149,231,589	12,955,480	3,136,184	110,837,036	11,820,879	1,624,310	54,247,963	7,501,466
\$40,000 under \$50,000	2,855,622	126,727,986	11,244,551	2,956,055	131,341,778	14,368,854	1,155,554	53,200,079	6,986,827
\$50,000 under \$75,000	2,056,298	118,126,563	10,361,763	2,125,469	125,646,941	13,902,677	3,914,439	235,493,386	31,798,195
\$75,000 under \$100,000	158,859	13,396,177	1,167,926	291,427	24,475,463	2,731,048	1,025,571	86,721,560	11,874,438
\$100,000 under \$200,000	38,921	4,802,276	428,251	62,668	7,958,971	885,609	320,949	38,534,507	5,316,590
\$200,000 or more	3,570	1,671,893	145,340	3,631	1,683,143	186,731	14,731	6,069,935	827,051
Joint returns									
Total	12,616,002	481,743,673	41,850,866	7,414,855	356,111,896	38,852,800	5,577,519	374,712,082	50,586,110
Under \$5,000	* 46	* 118	* 10	—	—	—	—	—	—
\$5,000 under \$10,000	—	—	—	—	—	—	—	—	—
\$10,000 under \$15,000	—	—	—	—	—	—	—	—	—
\$15,000 under \$20,000	139,760	2,706,002	197,374	** 27	** 419	** 45	* 1,014	* 18,699	* 2,767
\$20,000 under \$25,000	1,675,613	38,214,444	3,032,235	* 3,308	* 78,136	* 8,748	* 3,976	* 89,047	* 12,050
\$25,000 under \$30,000	2,394,583	66,246,604	5,777,079	* 12,604	* 367,490	* 37,863	* 119	* 3,486	* 481
\$30,000 under \$40,000	3,545,407	122,906,556	10,645,555	2,324,418	83,027,712	8,778,933	* 2,165	* 75,998	* 10,532
\$40,000 under \$50,000	2,685,170	119,206,290	10,575,697	2,699,852	120,186,196	13,129,708	610,719	29,168,489	3,697,487
\$50,000 under \$75,000	1,988,567	114,306,199	10,031,043	2,034,528	120,460,760	13,331,048	3,652,970	220,244,256	29,700,561
\$75,000 under \$100,000	149,269	12,563,879	1,095,567	279,695	23,439,553	2,614,606	985,637	83,332,672	11,407,036
\$100,000 under \$200,000	34,531	4,228,829	377,303	57,334	7,197,496	802,144	307,878	36,946,975	5,095,651
\$200,000 or more	3,057	1,364,751	119,002	3,090	1,354,136	149,706	13,040	4,832,461	659,544
Single returns									
Total	9,760,029	144,824,648	12,701,624	8,090,880	174,852,405	19,260,260	3,675,326	116,107,606	15,753,925
Under \$5,000	325,183	523,527	43,658	238,925	549,843	60,313	147,004	427,493	54,512
\$5,000 under \$10,000	769,183	5,999,480	509,121	* 16,720	* 125,490	* 13,843	88,469	628,891	85,539
\$10,000 under \$15,000	5,132,407	65,594,148	5,491,484	253,105	2,972,728	316,938	23,437	278,225	38,802
\$15,000 under \$20,000	2,419,110	39,484,988	3,739,512	2,621,623	47,905,003	4,996,211	20,426	365,938	49,864
\$20,000 under \$25,000	387,275	8,657,323	769,583	3,464,038	77,703,755	8,699,117	* 11,781	* 261,982	* 33,449
\$25,000 under \$30,000	299,302	8,177,427	729,942	1,075,235	28,288,129	3,251,236	1,462,849	41,092,612	5,346,866
\$30,000 under \$40,000	334,249	11,195,612	972,769	262,513	8,840,024	982,676	1,437,561	47,403,720	6,609,641
\$40,000 under \$50,000	65,480	2,916,226	251,394	104,697	4,587,694	506,860	305,435	13,509,866	1,859,278
\$50,000 under \$75,000	16,957	1,045,667	87,252	42,412	2,446,474	270,919	151,994	8,743,892	1,210,738
\$75,000 under \$100,000	8,052	699,596	60,734	7,692	689,379	78,263	17,599	1,486,274	204,951
\$100,000 under \$200,000	2,367	325,209	28,741	3,460	481,548	54,196	7,452	936,561	128,271
\$200,000 or more	464	205,445	17,435	460	262,340	29,688	1,320	972,153	132,014

Footnotes at end of table

Table 3.2—Returns with Total Income Tax: Total Income Tax as a Percentage of Adjusted Gross Income, by Size of Adjusted Gross Income—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Total income tax as a percentage of adjusted gross income—Continued								
	15 under 17 percent			17 under 25 percent			25 under 30 percent		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	
All returns									
Total	4,856,809	307,820,119	49,133,729	5,554,287	588,477,427	119,838,154	483,286	223,066,007	60,545,110
Under \$5,000	23,435	47,225	7,698	81,105	237,340	49,804	* 1,266	* 5,434	* 1,359
\$5,000 under \$10,000	* 2,489	* 17,024	* 2,678	17,942	113,688	24,972	* 23,863	* 170,232	* 47,259
\$10,000 under \$15,000	—	—	—	* 2,535	* 30,327	* 6,531	* 10,344	* 137,168	* 38,473
\$15,000 under \$20,000	—	—	—	* 1,380	* 22,666	* 5,364	* 1,266	* 21,085	* 5,631
\$20,000 under \$25,000	* 6,500	* 140,868	* 22,520	* 5,085	* 118,434	* 28,162	* 2,034	* 44,731	* 11,732
\$25,000 under \$30,000	* 25,499	* 733,266	* 115,027	* 3,936	* 107,114	* 18,922	* 2,495	* 72,345	* 20,290
\$30,000 under \$40,000	1,499,429	53,049,387	8,454,209	281,365	10,676,851	1,869,544	* 1,020	* 40,453	* 10,198
\$40,000 under \$50,000	365,156	16,339,632	2,611,377	814,675	36,301,249	6,641,604	* 3,105	* 135,427	* 35,952
\$50,000 under \$75,000	1,569,767	100,466,715	15,983,759	1,180,447	73,570,257	14,004,478	1,349	78,469	22,051
\$75,000 under \$100,000	897,774	76,852,222	12,269,374	1,132,890	98,039,437	18,608,056	1,540	138,792	35,201
\$100,000 under \$200,000	450,787	54,113,274	8,693,812	1,603,898	216,110,894	44,090,004	77,019	11,858,551	3,085,095
\$200,000 or more	15,974	6,060,505	973,275	429,030	153,149,170	34,490,714	357,983	210,363,320	57,231,868
Joint returns									
Total	2,561,150	212,538,704	33,912,176	2,946,088	420,604,170	86,193,313	312,588	177,318,514	48,118,576
Under \$5,000	—	—	—	—	—	—	—	—	—
\$5,000 under \$10,000	†	†	†	—	—	—	—	—	—
\$10,000 under \$15,000	—	—	—	†	†	†	—	—	—
\$15,000 under \$20,000	—	—	—	†	†	†	—	—	—
\$20,000 under \$25,000	—	—	—	* 58	* 1,274	* 243	* 1,014	* 22,857	* 5,723
\$25,000 under \$30,000	†	†	†	* 253	* 6,571	* 1,161	* 25	* 740	* 195
\$30,000 under \$40,000	—	—	—	7,551	254,686	50,824	* 1,020	* 40,453	* 10,198
\$40,000 under \$50,000	* 1,026	* 48,744	* 7,605	2,128	89,902	17,249	* 2,091	* 92,566	* 24,404
\$50,000 under \$75,000	1,256,987	82,065,340	13,026,227	293,126	20,703,216	3,632,524	1,291	74,740	21,051
\$75,000 under \$100,000	852,178	72,918,110	11,645,776	857,640	74,499,706	13,684,596	* 142	* 12,625	* 3,475
\$100,000 under \$200,000	436,324	52,387,306	8,410,457	1,399,206	189,764,763	38,328,740	16,720	3,008,905	772,272
\$200,000 or more	14,419	5,113,180	821,107	386,011	135,282,268	30,477,633	290,285	174,065,627	47,281,259
Single returns									
Total	2,017,638	80,934,833	12,926,238	2,238,109	138,647,223	27,723,374	140,757	33,905,412	9,196,636
Under \$5,000	23,435	47,225	7,698	81,105	237,340	49,804	* 1,266	* 5,434	* 1,359
\$5,000 under \$10,000	†	†	†	17,942	113,688	24,972	* 23,863	* 170,232	* 47,259
\$10,000 under \$15,000	—	—	—	†	†	†	* 10,344	* 137,168	* 38,473
\$15,000 under \$20,000	—	—	—	†	†	†	* 1,266	* 21,085	* 5,631
\$20,000 under \$25,000	* 5,279	* 110,801	* 17,793	* 4,013	* 92,420	* 22,287	* 1,020	* 21,873	* 6,009
\$25,000 under \$30,000	†	†	†	* 1,402	* 36,062	* 6,358	* 2,470	* 71,605	* 20,096
\$30,000 under \$40,000	1,426,273	50,567,158	8,054,368	216,120	8,367,395	1,449,229	—	—	—
\$40,000 under \$50,000	316,395	14,026,667	2,251,501	748,154	33,433,856	6,102,012	—	—	—
\$50,000 under \$75,000	196,781	11,521,925	1,848,930	759,095	44,996,495	8,864,673	* 26	* 1,493	* 425
\$75,000 under \$100,000	29,184	2,512,522	395,921	226,962	19,399,046	4,110,798	* 1,390	* 125,406	* 31,530
\$100,000 under \$200,000	10,428	1,255,241	206,597	148,779	19,091,677	4,205,657	49,973	7,226,929	1,885,486
\$200,000 or more	1,152	697,833	112,046	30,739	12,828,053	2,876,035	49,138	26,124,187	7,160,368

Footnotes at end of table.

Table 3.2—Returns with Total Income Tax: Total Income Tax as a Percentage of Adjusted Gross Income, by Size of Adjusted Gross Income—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Total income tax as a percentage of adjusted gross income—Continued								
	30 under 50 percent			50 under 100 percent			100 percent or more		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	
All returns									
Total	24,512	19,925,734	6,185,692	5,320	532,195	353,566	10,146	-2,758,615	150,177
Under \$5,000	—	—	—	* 28	* 91	* 74	8,477	-2,803,721	83,326
\$5,000 under \$10,000	* 24	* 156	* 49	* 106	* 666	* 647	* 1,285	* 11,460	* 18,358
\$10,000 under \$15,000	* 1,036	* 11,855	* 5,747	* 53	* 628	* 519	* 51	* 630	* 2,725
\$15,000 under \$20,000	* 13	* 207	* 74	* 53	* 892	* 648	* 13	* 214	* 362
\$20,000 under \$25,000	* 1,687	* 35,323	* 10,665	* 27	* 565	* 397	* 6	* 125	* 144
\$25,000 under \$30,000	* 114	* 3,089	* 1,001	—	—	—	* 26	* 718	* 1,123
\$30,000 under \$40,000	* 1,202	* 43,182	* 15,754	* 1,302	* 49,278	* 28,597	* 15	* 522	* 1,049
\$40,000 under \$50,000	* 326	* 15,635	* 5,865	* 1,709	* 75,190	* 56,285	* 99	* 4,090	* 8,989
\$50,000 under \$75,000	5,026	291,232	107,132	* 699	* 47,904	* 42,246	* 25	* 1,546	* 2,947
\$75,000 under \$100,000	2,705	230,336	76,585	* 305	* 25,974	* 17,146	* 30	* 2,495	* 3,805
\$100,000 under \$200,000	1,596	227,702	79,397	493	66,663	43,370	* 110	* 20,829	* 22,580
\$200,000 or more	10,783	19,067,017	5,883,424	547	264,345	163,638	* 9	* 2,476	* 4,768
Joint returns									
Total	20,646	15,140,493	4,716,147	2,322	324,714	206,205	8,257	-1,965,422	117,845
Under \$5,000	—	—	—	* 28	* 91	* 74	6,656	-2,007,846	57,017
\$5,000 under \$10,000	* 24	* 156	* 49	* 106	* 666	* 647	†	†	†
\$10,000 under \$15,000	* 1,036	* 11,855	* 5,747	* 53	* 628	* 519	†	†	†
\$15,000 under \$20,000	* 13	* 207	* 74	* 53	* 892	* 648	†	†	†
\$20,000 under \$25,000	* 1,662	* 34,773	* 10,452	* 27	* 565	* 397	—	—	—
\$25,000 under \$30,000	** 1,107	** 40,056	** 14,532	—	—	—	†	†	†
\$30,000 under \$40,000	**	**	**	* 40	* 1,333	* 892	†	†	†
\$40,000 under \$50,000	* 326	* 15,635	* 5,865	* 1,060	* 46,132	* 27,914	* 99	* 4,090	* 8,989
\$50,000 under \$75,000	†	†	†	* 12	* 764	* 460	†	†	†
\$75,000 under \$100,000	†	†	†	* 304	* 25,877	* 17,091	†	†	†
\$100,000 under \$200,000	†	†	†	210	32,830	24,715	†	†	†
\$200,000 or more	†	†	†	430	214,935	132,848	†	†	†
Single returns									
Total	2,990	3,323,499	1,020,526	1,628	95,677	83,601	1,613	-399,736	22,467
Under \$5,000	—	—	—	—	—	—	1,585	-400,990	20,121
\$5,000 under \$10,000	—	—	—	—	—	—	†	†	†
\$10,000 under \$15,000	—	—	—	—	—	—	†	†	†
\$15,000 under \$20,000	—	—	—	—	—	—	†	†	†
\$20,000 under \$25,000	* 25	* 550	* 212	—	—	—	†	†	†
\$25,000 under \$30,000	* 103	* 2,811	* 889	—	—	—	†	†	†
\$30,000 under \$40,000	* 105	* 3,402	* 1,334	* 248	* 8,205	* 6,726	†	†	†
\$40,000 under \$50,000	—	—	—	* 648	* 29,058	* 28,371	—	—	—
\$50,000 under \$75,000	†	†	†	* 687	* 47,139	* 41,785	†	†	†
\$75,000 under \$100,000	†	†	†	—	—	—	†	†	†
\$100,000 under \$200,000	†	†	†	* 28	* 3,304	* 2,023	†	†	†
\$200,000 or more	†	†	†	* 16	* 7,971	* 4,695	†	†	†

* Estimate should be used with caution due to the small number of sample returns on which it is based.

** Data combined to avoid disclosure of information for specific taxpayers.

† Data deleted to avoid disclosure of information for specific taxpayers. Data are included in the appropriate totals.

NOTE: Detail may not add to totals because of rounding.

Table 3.3— All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	All returns	Total tax liability		Tax credits							
		Number of returns	Amount	Total		Child care credit		Credit for the elderly or disabled		Earned income credit used to offset income tax before credits	
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
				(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
All returns, total	114,730,123	90,825,133	471,082,811	12,736,913	7,286,497	5,896,435	2,520,549	285,085	57,083	6,177,757	2,082,149
No adjusted gross income	926,020	139,799	284,219	424	658	—	—	—	—	* 362	* 52
\$1 under \$5,000	16,068,899	5,074,673	757,929	15,713	700	—	—	—	—	—	—
\$5,000 under \$10,000	15,228,872	9,072,592	3,870,038	480,624	55,695	* 19,759	* 3,366	108,411	17,780	332,636	32,853
\$10,000 under \$15,000	13,782,424	9,615,251	8,887,069	2,412,141	902,062	347,171	108,590	98,813	25,090	2,079,143	754,474
\$15,000 under \$20,000	11,588,597	10,150,061	14,206,813	3,314,741	1,559,651	633,638	285,557	63,329	12,206	3,058,989	1,236,448
\$20,000 under \$25,000	9,691,977	9,511,621	19,251,814	1,221,669	378,705	567,979	278,515	* 14,532	* 2,007	706,628	58,323
\$25,000 under \$30,000	7,873,619	7,815,869	21,543,822	567,105	259,532	524,124	216,894	—	—	—	—
\$30,000 under \$40,000	12,346,753	12,270,803	47,632,210	1,052,216	483,612	934,628	376,642	—	—	—	—
\$40,000 under \$50,000	8,816,813	8,800,032	45,760,481	1,000,767	441,370	900,489	347,071	—	—	—	—
\$50,000 under \$75,000	11,390,205	11,365,011	91,947,434	1,561,512	837,644	1,349,756	617,693	—	—	—	—
\$75,000 under \$100,000	3,571,629	3,569,696	49,329,684	528,085	350,747	402,977	185,632	—	—	—	—
\$100,000 under \$200,000	2,597,908	2,594,169	66,109,462	379,434	546,209	176,431	80,124	—	—	—	—
\$200,000 under \$500,000	676,038	675,381	47,426,384	145,957	612,060	34,369	17,385	—	—	—	—
\$500,000 under \$1,000,000	118,350	118,224	20,679,086	35,992	256,363	4,132	2,473	—	—	—	—
\$1,000,000 or more	52,019	51,951	33,396,366	20,533	601,491	982	609	—	—	—	—
Taxable returns, total	88,733,587	88,733,587	469,169,255	8,823,156	5,647,409	5,132,840	2,202,951	198,003	40,669	2,806,758	973,453
No adjusted gross income	8,208	8,208	88,033	* 224	* 288	—	—	—	—	* 214	* 34
\$1 under \$5,000	4,359,271	4,359,271	478,250	14,445	299	—	—	—	—	—	—
\$5,000 under \$10,000	8,549,004	8,549,004	3,519,457	66,833	8,290	—	—	53,933	7,582	* 1,266	* 170
\$10,000 under \$15,000	9,280,360	9,280,360	8,551,495	236,001	106,883	* 12,187	* 1,132	70,221	19,287	127,195	81,780
\$15,000 under \$20,000	9,905,985	9,905,985	13,868,489	2,100,774	968,379	275,318	107,594	59,317	11,793	1,985,287	833,664
\$20,000 under \$25,000	9,444,253	9,444,253	19,093,673	1,157,111	338,168	522,761	251,601	* 14,532	* 2,007	692,796	57,805
\$25,000 under \$30,000	7,778,453	7,778,453	21,435,482	553,128	234,254	520,385	215,465	—	—	—	—
\$30,000 under \$40,000	12,250,293	12,250,293	47,559,219	1,032,450	431,088	933,836	376,380	—	—	—	—
\$40,000 under \$50,000	8,791,386	8,791,386	45,726,853	994,801	411,951	900,393	347,007	—	—	—	—
\$50,000 under \$75,000	11,359,393	11,359,393	91,921,489	1,558,955	830,332	1,349,074	617,550	—	—	—	—
\$75,000 under \$100,000	3,569,148	3,569,148	49,326,316	527,704	348,639	402,977	185,632	—	—	—	—
\$100,000 under \$200,000	2,592,678	2,592,678	66,100,554	378,466	522,385	176,431	80,124	—	—	—	—
\$200,000 under \$500,000	675,068	675,068	47,424,955	145,782	603,505	34,365	17,384	—	—	—	—
\$500,000 under \$1,000,000	118,157	118,157	20,678,758	35,957	251,932	4,132	2,473	—	—	—	—
\$1,000,000 or more	51,929	51,929	33,396,232	20,524	591,017	982	609	—	—	—	—
Nontaxable returns, total	25,996,536	2,091,546	1,913,557	3,913,757	1,639,088	763,596	317,599	87,083	16,414	3,370,999	1,108,696

Footnotes at end of table.

Table 3.3— All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income— Continued
 (All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Tax credits— Continued										Income tax after credits		Total income tax	
	Minimum tax credit		Foreign tax credit		General business credit		Other tax credits		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount						
(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)			
All returns, total	32,154	169,331	874,583	1,824,334	259,625	522,507	44,769	51,529	88,717,148	447,216,167	88,733,587	448,429,593		
No adjusted gross income	* 16	* 203	* 6	* 1	49	383	**	**	3,952	27,220	8,208	80,940		
\$1 under \$5,000	—	—	14,446	299	* 1,286	* 401	—	—	4,358,974	452,315	4,359,271	455,816		
\$5,000 under \$10,000	—	—	17,220	1,027	* 2,589	* 670	—	—	8,548,178	3,091,154	8,549,004	3,096,096		
\$10,000 under \$15,000	* 1,371	* 451	39,852	5,084	13,952	8,372	**	**	9,279,997	7,809,758	9,280,360	7,815,047		
\$15,000 under \$20,000	* 124	* 87	33,776	10,041	20,888	11,404	**	** 528	9,905,899	12,825,300	9,905,985	12,826,458		
\$20,000 under \$25,000	* 477	* 47	32,607	4,200	28,039	27,655	* 6,894	* 861	9,442,810	17,882,576	9,444,253	17,883,737		
\$25,000 under \$30,000	* 384	* 377	27,527	22,795	10,284	11,118	* 1,021	* 665	7,778,296	19,973,472	7,778,453	19,978,743		
\$30,000 under \$40,000	1,541	1,205	81,196	46,795	19,092	34,382	* 2,256	* 243	12,249,929	45,064,931	12,250,293	45,090,211		
\$40,000 under \$50,000	1,253	1,769	72,658	50,122	23,674	36,836	* 3,096	* 93	8,790,741	43,450,877	8,791,386	43,457,571		
\$50,000 under \$75,000	4,261	4,412	147,341	109,343	50,409	83,615	12,300	11,571	11,356,681	87,751,593	11,359,393	87,835,843		
\$75,000 under \$100,000	2,143	2,580	105,768	111,866	22,459	47,812	4,606	2,858	3,566,880	46,924,268	3,569,148	47,012,249		
\$100,000 under \$200,000	8,250	16,485	167,174	351,929	39,045	87,465	6,656	10,207	2,590,761	62,593,005	2,592,678	62,842,884		
\$200,000 under \$500,000	7,408	40,765	93,665	497,322	18,789	51,683	3,629	4,894	674,168	45,940,030	675,068	46,262,078		
\$500,000 under \$1,000,000	2,779	35,141	25,647	180,758	5,360	31,587	2,033	6,403	118,057	20,346,887	118,157	20,490,663		
\$1,000,000 or more	2,147	65,808	15,699	432,752	3,718	89,115	1,234	13,206	51,825	33,082,782	51,929	33,301,257		
Taxable returns, total	29,937	162,571	841,482	1,708,093	210,215	463,445	44,266	46,024	88,717,148	447,216,167	88,733,587	448,429,593		
No adjusted gross income	* 6	* 129	**	**	* 8	* 105	**	**	3,952	27,220	8,208	80,940		
\$1 under \$5,000	—	—	** 14,447	** 300	—	—	—	—	4,358,974	452,315	4,359,271	455,816		
\$5,000 under \$10,000	—	—	10,414	234	* 1,220	* 304	—	—	8,548,178	3,091,154	8,549,004	3,096,096		
\$10,000 under \$15,000	* 1,266	* 375	36,202	3,623	* 976	* 685	—	—	9,279,997	7,809,758	9,280,360	7,815,047		
\$15,000 under \$20,000	—	—	31,982	9,451	7,104	1,969	** 1,042	** 528	9,905,899	12,825,300	9,905,985	12,826,458		
\$20,000 under \$25,000	* 477	* 47	32,127	3,371	21,453	19,758	* 6,645	* 497	9,442,810	17,882,576	9,444,253	17,883,737		
\$25,000 under \$30,000	* 250	* 169	20,850	5,361	5,844	4,915	* 1,021	* 665	7,778,296	19,973,472	7,778,453	19,978,743		
\$30,000 under \$40,000	* 787	* 151	72,322	16,252	13,746	18,509	* 2,256	* 243	12,249,929	45,064,931	12,250,293	45,090,211		
\$40,000 under \$50,000	742	589	69,160	28,049	21,476	30,732	* 3,096	* 93	8,790,741	43,450,877	8,791,386	43,457,571		
\$50,000 under \$75,000	3,957	3,893	146,918	108,671	49,229	79,639	12,300	11,571	11,356,681	87,751,593	11,359,393	87,835,843		
\$75,000 under \$100,000	2,009	2,429	105,622	110,081	22,333	47,661	4,603	2,836	3,566,880	46,924,268	3,569,148	47,012,249		
\$100,000 under \$200,000	8,180	16,147	166,550	333,624	39,004	87,404	6,407	5,087	2,590,761	62,593,005	2,592,678	62,842,884		
\$200,000 under \$500,000	7,350	38,677	93,569	491,152	18,752	51,398	3,628	4,894	674,168	45,940,030	675,068	46,262,078		
\$500,000 under \$1,000,000	2,764	34,158	25,629	177,646	5,351	31,251	2,033	6,403	118,057	20,346,887	118,157	20,490,663		
\$1,000,000 or more	2,147	65,808	15,690	422,278	3,718	89,115	1,234	13,206	51,825	33,082,782	51,929	33,301,257		
Non taxable returns, total	2,218	6,780	33,101	116,241	49,410	59,082	* 503	* 5,505	—	—	—	—		

Footnotes at end of table.

Table 3.3— All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income— Continued
 (All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Alternative minimum tax		All other taxes									
	Number of returns	Amount	Total		Tax from recomputing prior-year investment credit		Penalty tax on qualified retirement plans		Self-employment tax		Social security taxes on tip income	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)
All returns, total	243,672	1,213,426	14,966,185	23,489,574	11,500	26,956	3,029,160	1,442,380	12,084,845	21,967,799	279,781	45,410
No adjusted gross income	4,261	53,720	157,124	223,347	108	601	23,266	20,912	143,043	201,760	* 5	* 4
\$1 under \$5,000	14,164	3,501	1,034,744	392,696	—	—	43,890	11,038	974,025	380,978	* 22,071	* 680
\$5,000 under \$10,000	8,431	4,941	1,539,973	1,140,069	—	—	123,912	21,766	1,377,304	1,109,972	66,842	8,331
\$10,000 under \$15,000	1,654	5,288	1,384,004	1,346,402	** 255	** 7	185,584	38,255	1,188,444	1,297,329	39,355	10,802
\$15,000 under \$20,000	127	1,158	1,278,270	1,464,832	—	—	185,413	40,848	1,079,809	1,413,446	50,986	10,501
\$20,000 under \$25,000	1,621	1,161	1,106,263	1,368,797	—	—	206,259	55,095	904,164	1,307,329	27,768	6,374
\$25,000 under \$30,000	2,707	5,272	1,135,302	1,565,079	**	**	278,357	97,565	878,729	1,465,754	* 17,357	* 1,759
\$30,000 under \$40,000	7,004	25,280	1,794,147	2,542,000	—	—	516,254	176,623	1,317,218	2,361,869	22,707	2,879
\$40,000 under \$50,000	8,826	6,694	1,508,307	2,302,910	* 4,025	* 2,883	428,607	158,455	1,101,255	2,138,636	22,717	2,936
\$50,000 under \$75,000	39,955	84,250	2,189,936	4,111,591	* 656	* 72	663,356	381,320	1,594,523	3,729,304	* 4,467	* 894
\$75,000 under \$100,000	35,783	87,982	815,623	2,317,435	* 910	* 21	228,678	178,855	616,503	2,138,358	* 4,483	* 191
\$100,000 under \$200,000	69,309	249,880	770,247	3,266,577	1,895	1,296	123,267	184,312	676,707	3,080,824	* 1,024	* 58
\$200,000 under \$500,000	39,344	322,047	207,259	1,164,306	2,334	2,574	18,654	55,697	191,751	1,105,620	—	—
\$500,000 under \$1,000,000	7,275	143,776	31,738	188,422	731	1,938	2,810	13,280	29,203	172,874	—	—
\$1,000,000 or more	3,211	218,475	13,247	95,109	585	17,563	854	8,360	12,167	63,746	—	—
Taxable returns, total	243,672	1,213,426	11,907,583	20,739,779	11,130	26,581	2,776,983	1,355,002	9,280,389	19,314,169	215,342	37,113
No adjusted gross income	4,261	53,720	2,119	7,112	** 10	** 269	72	233	2,059	6,576	—	—
\$1 under \$5,000	14,164	3,501	97,352	22,434	—	—	* 8,276	* 2,733	89,076	19,701	—	—
\$5,000 under \$10,000	8,431	4,941	603,227	423,362	—	—	58,813	10,363	515,983	407,914	41,658	5,085
\$10,000 under \$15,000	1,654	5,288	807,855	736,547	—	—	108,224	17,524	683,488	709,944	34,122	9,068
\$15,000 under \$20,000	127	1,158	966,960	1,042,031	—	—	151,734	29,149	801,476	1,004,977	39,040	7,869
\$20,000 under \$25,000	1,621	1,161	1,038,895	1,209,936	—	—	193,403	47,750	843,707	1,155,812	27,768	6,374
\$25,000 under \$30,000	2,707	5,272	1,097,866	1,456,739	**	**	276,613	96,923	841,696	1,358,057	* 17,357	* 1,759
\$30,000 under \$40,000	7,004	25,280	1,773,637	2,469,008	—	—	514,136	171,092	1,297,404	2,294,409	22,707	2,879
\$40,000 under \$50,000	8,826	6,694	1,499,662	2,269,282	* 4,023	* 2,883	428,540	158,192	1,092,640	2,105,270	22,717	2,936
\$50,000 under \$75,000	39,955	84,250	2,184,317	4,085,646	* 648	* 72	663,074	380,943	1,588,914	3,703,737	* 4,467	* 894
\$75,000 under \$100,000	35,783	87,982	815,074	2,314,066	* 910	* 21	228,579	178,781	615,955	2,135,063	* 4,483	* 191
\$100,000 under \$200,000	69,309	249,880	768,756	3,257,669	1,891	1,276	123,249	184,288	675,238	3,071,962	* 1,024	* 58
\$200,000 under \$500,000	39,344	322,047	206,946	1,162,877	2,331	2,559	18,618	55,496	191,462	1,104,468	—	—
\$500,000 under \$1,000,000	7,275	143,776	31,671	188,094	731	1,938	2,801	13,207	29,143	172,620	—	—
\$1,000,000 or more	3,211	218,475	13,225	94,975	585	17,563	851	8,329	12,149	63,660	—	—
Nontaxable returns, total	—	—	3,058,602	2,749,796	370	375	252,177	87,379	2,804,456	2,653,630	64,439	8,297

Footnotes at end of table.

Table 3.3— All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income— Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Earned income credit used to offset other taxes		Number of returns without tax liability	Tax payments					
	Number of returns	Amount		Total		Income tax withheld		Estimated tax payments	
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
				(36)	(37)	(39)	(40)	(41)	(42)	(43)	(44)
All returns, total	4,329	189,313	23,904,990	105,532,930	505,723,066	98,755,763	397,605,848	12,658,218	92,576,548
No adjusted gross income	—	—	786,221	374,750	1,085,423	264,846	586,988	97,746	404,024
\$1 under \$5,000	—	—	10,994,226	12,285,531	2,763,128	11,924,499	2,466,517	355,798	256,745
\$5,000 under \$10,000	**	**	6,156,280	12,701,160	8,207,485	11,875,526	7,268,113	916,148	867,421
\$10,000 under \$15,000	—	—	4,167,173	12,483,906	14,238,315	11,370,945	12,525,163	1,418,147	1,618,936
\$15,000 under \$20,000	—	—	1,438,536	11,203,625	20,071,902	10,384,318	17,855,260	1,273,340	2,127,988
\$20,000 under \$25,000	** 1,016	** 11,310	180,357	9,486,411	23,806,096	8,796,498	21,116,041	1,166,581	2,552,712
\$25,000 under \$30,000	—	—	57,750	7,731,033	25,663,885	7,291,212	23,019,078	894,979	2,503,880
\$30,000 under \$40,000	—	—	75,950	12,229,273	54,597,897	11,493,850	48,465,662	1,619,667	5,952,728
\$40,000 under \$50,000	* 747	* 50,537	16,781	8,750,454	52,012,066	8,298,844	46,483,376	1,127,914	5,248,825
\$50,000 under \$75,000	* 1,876	* 24,972	25,193	11,324,977	97,860,765	10,766,125	86,037,339	1,709,141	11,111,478
\$75,000 under \$100,000	—	—	1,933	3,549,925	49,704,980	3,310,506	40,962,678	729,192	7,902,406
\$100,000 under \$200,000	* 63	* 11,147	3,739	2,572,357	63,498,522	2,276,604	44,773,935	908,736	16,772,994
\$200,000 under \$500,000	* 503	* 43,308	658	670,029	43,424,507	560,517	25,907,278	334,800	14,676,007
\$500,000 under \$1,000,000	* 48	* 5,443	126	117,758	18,577,537	98,400	10,069,913	68,984	6,702,114
\$1,000,000 or more	76	42,595	68	51,741	30,210,558	43,072	10,068,507	37,046	13,878,290
Taxable returns, total	4,329	189,313	—	84,976,843	493,244,801	79,115,263	387,277,291	11,639,889	90,663,095
No adjusted gross income	—	—	—	5,542	79,198	2,809	27,541	2,375	30,242
\$1 under \$5,000	—	—	—	3,180,016	799,678	3,029,077	716,620	145,106	67,012
\$5,000 under \$10,000	**	**	—	7,589,251	5,613,201	7,036,658	5,011,141	631,412	561,070
\$10,000 under \$15,000	—	—	—	8,520,722	10,670,454	7,585,094	9,281,077	1,193,182	1,332,920
\$15,000 under \$20,000	—	—	—	9,624,155	18,091,827	8,874,958	16,149,065	1,166,396	1,864,898
\$20,000 under \$25,000	** 1,016	** 11,310	—	9,270,893	23,397,772	8,614,056	20,817,097	1,131,944	2,457,484
\$25,000 under \$30,000	—	—	—	7,652,007	25,429,277	7,229,968	22,871,443	871,138	2,427,903
\$30,000 under \$40,000	—	—	—	12,150,876	54,300,362	11,428,622	48,314,849	1,602,089	5,817,483
\$40,000 under \$50,000	* 747	* 50,537	—	8,728,634	51,898,598	8,280,406	46,431,485	1,120,458	5,194,633
\$50,000 under \$75,000	* 1,876	* 24,972	—	11,299,482	97,672,538	10,748,694	85,918,030	1,700,392	11,047,311
\$75,000 under \$100,000	—	—	—	3,548,053	49,683,925	3,309,113	40,949,208	728,484	7,896,551
\$100,000 under \$200,000	* 63	* 11,147	—	2,568,649	63,452,294	2,274,388	44,759,442	906,666	16,743,504
\$200,000 under \$500,000	* 503	* 43,308	—	669,289	43,395,053	560,089	25,898,399	334,354	14,657,826
\$500,000 under \$1,000,000	* 48	* 5,443	—	117,603	18,562,975	98,303	10,065,583	68,891	6,693,574
\$1,000,000 or more	76	42,595	—	51,672	30,197,648	43,026	10,066,310	37,003	13,870,683
Nontaxable returns, total	—	—	23,904,990	20,556,087	12,478,264	19,640,499	10,328,557	1,018,328	1,913,452

Footnotes at end of table.

Table 3.3— All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income— Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Tax payments— Continued								Earned income credit, refundable portion	
	Payment with request for extension of filing time		Excess social security taxes withheld		Credit for Federal tax on gasoline and special fuels		Credit from regulated investment companies		Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	
All returns, total	1,113,929	14,563,609	807,036	770,807	642,657	149,940	47,368	56,313	10,321,584	8,183,129
No adjusted gross income	16,807	71,649	3,188	4,872	41,518	16,780	* 119	* 1,110	46,335	24,549
\$1 under \$5,000	50,777	32,439	693	119	41,676	7,254	* 292	* 54	2,036,134	911,783
\$5,000 under \$10,000	51,812	52,935	* 261	* 250	59,970	16,361	* 7,400	* 2,405	3,468,047	3,700,496
\$10,000 under \$15,000	61,520	75,702	* 122	* 76	74,013	17,470	* 4,836	* 967	3,425,291	3,070,413
\$15,000 under \$20,000	56,793	78,922	* 965	* 406	51,963	9,285	* 2,089	* 42	1,307,990	472,799
\$20,000 under \$25,000	65,816	124,150	556	430	62,054	12,750	* 101	* 15	37,786	3,089
\$25,000 under \$30,000	55,433	126,531	156	122	61,127	14,224	* 85	* 51	—	—
\$30,000 under \$40,000	73,812	162,870	3,902	1,981	85,748	14,506	* 2,566	* 151	—	—
\$40,000 under \$50,000	85,582	257,566	13,611	5,790	67,131	13,469	3,331	3,040	—	—
\$50,000 under \$75,000	164,223	603,878	237,357	95,730	63,761	10,979	9,215	1,361	—	—
\$75,000 under \$100,000	113,213	669,772	218,773	162,090	13,136	3,844	9,074	4,190	—	—
\$100,000 under \$200,000	167,775	1,674,099	234,079	268,089	14,965	7,100	4,804	2,305	—	—
\$200,000 under \$500,000	106,469	2,664,134	73,329	158,413	4,001	2,947	2,396	15,728	—	—
\$500,000 under \$1,000,000	26,431	1,759,040	12,963	44,154	884	1,662	555	654	—	—
\$1,000,000 or more	17,467	6,209,922	7,083	28,287	711	1,310	506	24,242	—	—
Taxable returns, total	1,016,751	14,389,896	800,793	764,881	457,679	94,902	42,857	54,736	—	—
No adjusted gross income	470	20,005	514	858	** 819	** 555	—	—	—	—
\$1 under \$5,000	28,778	16,042	—	—	—	—	—	—	—	—
\$5,000 under \$10,000	32,856	37,353	* 24	* 14	9,864	1,497	* 5,016	* 2,127	—	—
\$10,000 under \$15,000	43,127	47,586	* 70	* 68	41,253	7,916	* 4,130	* 887	—	—
\$15,000 under \$20,000	48,715	71,479	* 55	* 47	40,711	6,299	* 1,112	* 39	—	—
\$20,000 under \$25,000	61,006	111,343	188	174	58,368	11,659	* 101	* 15	—	—
\$25,000 under \$30,000	51,831	117,774	* 140	* 100	58,567	12,054	* 70	* 2	—	—
\$30,000 under \$40,000	71,038	152,006	3,165	1,890	83,858	13,984	* 2,566	* 151	—	—
\$40,000 under \$50,000	84,951	250,861	13,351	5,434	66,865	13,145	3,330	3,040	—	—
\$50,000 under \$75,000	163,073	599,196	237,285	95,691	63,722	10,951	9,206	1,359	—	—
\$75,000 under \$100,000	113,047	668,164	218,657	161,969	13,134	3,843	9,074	4,190	—	—
\$100,000 under \$200,000	167,649	1,671,943	234,047	268,006	14,938	7,095	4,802	2,304	—	—
\$200,000 under \$500,000	106,352	2,661,866	73,281	158,299	3,992	2,936	2,392	15,727	—	—
\$500,000 under \$1,000,000	26,407	1,757,422	12,941	44,083	880	1,659	553	653	—	—
\$1,000,000 or more	17,453	6,206,855	7,074	28,249	708	1,308	506	24,242	—	—
Nontaxable returns, total	97,178	173,713	6,243	5,926	184,978	55,039	4,510	1,578	10,321,584	8,183,129

Footnotes at end of table.

Table 3.3— All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income— Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Overpayment						Tax due at time of filing		Predetermined estimated tax penalty	
	Total		Refunded		Credited to 1992 estimated tax		Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount				
	(55)	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)
All returns, total	85,564,104	95,269,292	82,401,992	84,043,194	4,643,125	11,226,098	25,567,640	53,046,236	3,798,637	596,943
No adjusted gross income	351,982	984,375	324,596	809,891	40,467	174,484	95,847	161,136	25,998	2,513
\$1 under \$5,000	12,158,029	3,324,254	12,036,836	3,274,790	157,884	49,464	2,212,090	410,963	62,407	2,391
\$5,000 under \$10,000	12,042,360	8,958,992	11,815,382	8,793,506	394,363	165,486	2,231,623	931,329	212,627	9,919
\$10,000 under \$15,000	10,904,638	9,916,948	10,554,415	9,675,387	513,967	241,561	2,563,046	1,515,793	344,187	20,504
\$15,000 under \$20,000	9,398,135	7,888,091	9,116,369	7,609,898	419,773	278,193	2,142,614	1,575,813	308,675	23,905
\$20,000 under \$25,000	7,644,147	6,203,290	7,352,926	5,914,949	417,995	288,341	2,015,882	1,669,894	281,408	23,976
\$25,000 under \$30,000	6,106,479	5,925,904	5,898,833	5,633,433	311,257	292,470	1,758,300	1,833,507	278,565	27,667
\$30,000 under \$40,000	9,134,585	10,604,736	8,729,027	9,920,359	562,276	684,377	3,191,385	3,686,052	506,201	47,004
\$40,000 under \$50,000	6,560,501	9,591,071	6,300,673	9,050,557	401,519	540,513	2,245,382	3,379,606	362,392	40,121
\$50,000 under \$75,000	7,506,495	13,427,682	7,065,974	12,303,583	599,720	1,124,098	3,875,990	7,599,269	655,118	84,917
\$75,000 under \$100,000	2,068,045	5,234,580	1,864,093	4,423,886	278,014	810,694	1,494,840	4,917,057	283,907	57,773
\$100,000 under \$200,000	1,328,241	6,103,686	1,108,494	4,197,117	360,372	1,906,569	1,259,670	8,827,643	326,158	113,000
\$200,000 under \$500,000	285,538	3,086,905	193,283	1,483,642	135,450	1,603,263	386,378	7,178,720	120,662	89,937
\$500,000 under \$1,000,000	50,128	1,296,833	29,084	454,851	30,950	841,982	67,623	3,427,241	21,664	28,859
\$1,000,000 or more	24,802	2,721,947	12,006	497,344	19,117	2,224,603	26,972	5,932,212	8,668	24,457
Taxable returns, total	64,467,114	75,518,813	61,520,440	64,817,329	4,263,094	10,701,484	24,172,659	52,020,395	3,508,271	575,062
No adjusted gross income	2,650	39,889	2,145	20,398	842	19,491	5,556	49,079	1,363	355
\$1 under \$5,000	2,697,578	536,354	2,631,473	525,438	73,703	10,916	1,651,398	215,489	20,693	564
\$5,000 under \$10,000	6,638,646	2,807,756	6,471,544	2,726,268	279,947	81,487	1,899,106	720,614	146,319	6,240
\$10,000 under \$15,000	6,920,630	3,426,682	6,597,874	4,527,874	452,878	182,552	2,338,699	1,324,069	282,266	16,346
\$15,000 under \$20,000	7,881,580	5,626,133	7,621,240	5,398,729	379,838	227,404	2,020,058	1,424,143	253,669	19,642
\$20,000 under \$25,000	7,449,723	5,876,851	7,164,161	5,602,760	408,755	274,091	1,984,043	1,594,629	265,000	21,877
\$25,000 under \$30,000	6,036,828	5,756,325	5,832,598	5,474,121	303,933	282,204	1,741,261	1,787,920	266,331	25,389
\$30,000 under \$40,000	9,063,394	10,356,431	8,667,183	9,711,324	547,389	645,107	3,182,768	3,661,674	500,955	46,387
\$40,000 under \$50,000	6,542,693	9,500,910	6,285,761	8,980,638	396,898	520,272	2,240,874	3,368,817	358,158	39,652
\$50,000 under \$75,000	7,482,984	13,260,382	7,044,366	12,150,391	597,164	1,109,991	3,873,887	7,594,071	653,478	84,739
\$75,000 under \$100,000	2,066,193	5,214,954	1,862,935	4,410,215	277,258	804,738	1,494,616	4,915,004	283,587	57,659
\$100,000 under \$200,000	1,324,650	6,065,843	1,105,403	4,168,834	359,411	1,897,009	1,259,523	8,827,087	325,526	112,983
\$200,000 under \$500,000	284,846	3,058,609	192,800	1,465,127	135,125	1,593,481	386,299	7,178,426	120,607	89,915
\$500,000 under \$1,000,000	49,983	1,282,546	28,988	446,568	30,870	835,977	67,607	3,427,185	21,654	28,857
\$1,000,000 or more	24,738	2,709,148	11,970	492,386	19,082	2,216,763	26,966	5,932,189	8,666	24,456
Nontaxable returns, total	21,096,990	19,750,479	20,881,552	19,225,865	380,031	524,615	1,394,981	1,025,841	290,366	21,880

* Estimate should be used with caution due to the small number of sample returns on which it is based.

** Data combined to avoid disclosure of information for specific taxpayers.

NOTE: Detail may not add to total because of rounding.

Table 3.4—Returns with Modified Taxable Income: Tax Classified by Both the Marginal Rate and Each Rate at Which Tax Was Computed

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Tax rate classes	All returns								
	Classified by the highest marginal rate at which tax was computed								
	Number of returns	Adjusted gross income	Modified taxable income		Tax generated		Income tax after credits		
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percentage of	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
All tax rates	92,622,506	3,393,259,267	2,284,443,795	1,354,761,258	453,801,894	290,813,127	447,153,512	13.2	19.6
15 percent (Form 8814)	14,539	-155,335	9,290	9,290	1,396	1,396	770	(Z)	8.3
15 percent	66,262,407	1,411,989,736	750,360,144	750,339,151	112,522,686	112,550,873	108,629,466	7.7	14.5
28 percent	22,421,332	1,250,965,205	921,181,089	280,181,127	174,593,915	78,450,716	173,628,494	13.9	18.8
28 percent (capital gains)	263,781	43,529,852	35,594,604	22,501,957	8,962,543	6,300,548	8,882,374	20.4	25.0
31 percent	3,372,671	685,645,425	576,163,142	300,784,659	157,425,551	93,243,244	155,722,908	22.7	27.0
Form 8615	287,777	1,284,384	1,135,527	945,073	295,802	266,350	289,501	22.5	25.5
Tax rate classes	Joint returns and returns of surviving spouses								
	Classified by the highest marginal rate at which tax was computed								
	Number of returns	Adjusted gross income	Modified taxable income		Tax generated		Income tax after credits		
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percentage of	
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
All tax rates	42,552,750	2,311,497,405	1,569,608,554	900,604,556	319,684,890	201,208,332	315,820,106	13.7	20.1
15 percent (Form 8814)	13,195	-149,325	7,991	7,991	1,202	1,202	576	(Z)	7.2
15 percent	26,970,446	846,979,597	447,270,517	447,252,054	67,077,833	67,087,808	65,499,913	7.7	14.6
28 percent	13,150,660	894,579,111	644,824,747	197,671,075	122,414,723	55,347,901	121,533,046	13.6	18.8
28 percent (capital gains)	171,061	32,339,115	26,306,505	16,244,809	6,609,872	4,548,547	6,550,023	20.3	24.9
31 percent	2,247,389	537,748,907	451,198,793	239,428,627	123,581,261	74,222,874	122,236,548	22.7	27.1
Form 8615	—	—	—	—	—	—	—	—	—
Tax rate classes	Separate returns of married persons								
	Classified by the highest marginal rate at which tax was computed								
	Number of returns	Adjusted gross income	Modified taxable income		Tax generated		Income tax after credits		
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percentage of	
(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	
All tax rates	1,976,965	59,045,137	42,501,653	25,326,582	9,237,630	6,083,443	9,144,082	15.5	21.5
15 percent (Form 8814)	* 49	* -7,048	* 25	* 25	* 4	* 4	* 4	(Z)	16.0
15 percent	1,228,557	18,307,393	9,980,599	9,980,575	1,496,497	1,497,086	1,487,258	8.1	14.9
28 percent	607,424	20,474,957	15,443,322	5,117,111	2,981,429	1,432,791	2,976,185	14.5	19.3
28 percent (capital gains)	4,898	875,881	704,219	579,609	186,379	162,291	182,980	20.9	26.0
31 percent	136,037	19,393,953	16,373,488	9,649,261	4,573,322	2,991,271	4,497,656	23.2	27.5
Form 8615	—	—	—	—	—	—	—	—	—

Footnotes at end of table.

Table 3.4—Returns with Modified Taxable Income: Tax Classified by Both the Marginal Rate and Each Rate at Which Tax Was Computed—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Tax rate classes	Returns of heads of household								
	Classified by the highest marginal rate at which tax was computed								
	Number of returns	Adjusted gross income	Modified taxable income		Tax generated		Income tax after credits		
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percentage of	
(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	
All tax rates	9,219,293	231,263,184	127,122,233	92,455,839	21,889,433	16,164,171	19,586,461	8.5	15.4
15 percent (Form 8814)	* 1,292	* 3,041	* 1,273	* 1,273	* 191	191	* 191	6.3	15.0
15 percent	8,097,590	164,052,530	76,113,321	76,111,322	11,413,124	11,416,698	9,192,792	5.6	12.1
28 percent	1,038,903	52,123,866	38,360,254	9,995,598	7,052,978	2,798,767	7,009,389	13.4	18.3
28 percent (capital gains)	5,612	1,062,987	905,117	641,845	233,530	179,717	231,942	21.8	25.6
31 percent	75,896	14,020,760	11,742,268	5,705,801	3,189,610	1,768,798	3,152,147	22.5	26.8
Form 8615	—	—	—	—	—	—	—	—	—

Tax rate classes	Returns of single persons								
	Classified by the highest marginal rate at which tax was computed								
	Number of returns	Adjusted gross income	Modified taxable income		Tax generated		Income tax after credits		
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percentage of	
(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	
All tax rates	38,873,498	791,453,542	545,211,356	336,374,281	102,989,941	67,357,181	102,602,864	13.0	18.8
15 percent (Form 8814)	* 3	* -2,003	* 1	* 1	—	—	—	(Z)	(Z)
15 percent	29,965,814	382,650,217	216,995,706	216,995,199	32,535,232	32,549,280	32,449,502	8.5	15.0
28 percent	7,624,345	283,787,271	222,552,765	67,397,343	42,144,786	18,871,256	42,109,875	14.8	18.9
28 percent (capital gains)	82,210	9,251,869	7,678,763	5,035,694	1,932,762	1,409,994	1,917,429	20.7	25.0
31 percent	913,349	114,481,805	96,848,594	46,000,970	26,081,359	14,260,301	25,836,557	22.6	26.7
Form 8615	287,777	1,284,384	1,135,527	945,073	295,802	266,350	289,501	22.5	25.5

Z Percentage not computed.

* Estimate should be used with caution due to the small number of sample returns on which it is based.

NOTE: Detail may add to totals due to rounding.

Table 3.5—Returns with Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income
 [All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Number of returns with modified taxable income	Taxable income	Modified taxable income	Tax generated at all rates	Tax generated at specified rate					
					15 percent (from Form 8814)			15 percent		
					Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
Total	92,622,506	2,284,087,640	2,284,443,795	453,801,894	153,428	85,640	12,898	92,602,781	1,498,599,783	224,789,967
Under \$2,000	1,629,847	578,072	587,081	83,199	3,599	2,475	373	1,624,991	534,445	80,167
\$2,000 under \$4,000	1,828,521	1,142,141	1,142,214	188,507	* 48	* 70	* 10	1,828,473	979,731	146,960
\$4,000 under \$6,000	2,097,965	2,591,010	2,592,321	397,276	** 1,270	** 1,267	** 190	2,096,686	2,515,827	377,374
\$6,000 under \$8,000	3,829,858	6,696,075	6,696,114	1,009,151	**	**	**	3,829,856	6,643,928	996,589
\$8,000 under \$10,000	3,928,608	12,430,680	12,430,797	1,876,627	* 118	* 60	* 9	3,928,491	12,345,827	1,851,844
\$10,000 under \$12,000	4,251,441	17,481,864	17,483,133	2,621,737	* 2,487	* 1,159	* 174	4,250,221	17,460,957	2,619,144
\$12,000 under \$14,000	4,683,014	24,579,893	24,580,375	3,699,152	* 1,022	* 487	* 74	4,679,480	24,474,615	3,671,182
\$14,000 under \$16,000	4,916,964	32,799,254	32,829,318	4,927,427	* 1,538	* 638	* 95	4,915,674	32,791,738	4,918,761
\$16,000 under \$18,000	4,515,702	37,168,745	37,169,489	5,578,212	* 1,045	* 1,041	* 156	4,514,880	37,131,681	5,569,752
\$18,000 under \$20,000	4,207,869	41,669,661	41,672,883	6,248,909	* 5,980	* 3,209	* 461	4,207,912	41,669,674	6,250,451
\$20,000 under \$25,000	9,507,376	121,286,673	121,297,279	18,210,032	* 1,075	* 560	* 84	9,507,351	121,144,177	18,171,627
\$25,000 under \$30,000	7,792,283	131,461,524	131,499,871	20,221,391	* 6,186	* 5,156	* 773	7,792,283	127,660,833	19,149,125
\$30,000 under \$40,000	12,269,944	279,498,352	279,558,951	45,487,473	10,905	4,983	747	12,269,918	262,170,817	37,825,623
\$40,000 under \$50,000	8,796,438	266,283,650	266,354,999	43,787,074	11,872	6,630	997	8,796,438	236,831,599	35,524,740
\$50,000 under \$75,000	11,360,139	481,213,204	481,344,945	88,456,570	35,503	19,538	2,934	11,360,001	356,911,448	53,536,717
\$75,000 under \$100,000	3,569,077	221,951,125	222,008,768	47,225,705	21,370	11,032	1,675	3,569,027	116,121,555	17,418,233
\$100,000 under \$200,000	2,592,643	258,310,875	258,468,094	63,075,614	33,738	18,320	2,779	2,592,580	84,056,984	12,698,530
\$200,000 under \$500,000	674,808	165,216,471	165,251,379	46,470,041	12,580	7,017	1,060	674,805	21,716,665	3,267,500
\$500,000 under \$1,000,000	118,138	69,658,824	69,600,656	20,578,241	2,102	1,326	202	118,137	3,795,376	569,306
\$1,000,000 or more	51,871	112,089,567	111,875,133	33,849,556	990	670	103	51,848	1,642,229	246,334

Size of adjusted gross income	Number of returns	Income taxed at rate	Tax generated at rate	Tax generated at specified rate								
				28 percent			28 percent (capital gains)					
				Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate			
Total	25,986,833	426,754,764	119,491,334	1,264,046	57,273,877	16,036,678	3,372,671	300,784,659	93,243,244	287,777	945,073	286,930
Under \$2,000	—	—	—	—	—	—	—	—	—	131,364	50,162	13,163
\$2,000 under \$4,000	—	—	—	—	—	—	—	—	—	94,044	162,413	42,241
\$4,000 under \$6,000	—	—	—	—	—	—	—	—	—	19,423	75,227	20,678
\$6,000 under \$8,000	—	—	—	—	—	—	—	—	—	* 9,078	* 52,186	* 14,340
\$8,000 under \$10,000	—	—	—	—	—	—	—	—	—	* 11,825	* 85,111	* 26,625
\$10,000 under \$12,000	—	—	—	—	—	—	—	—	—	* 2,533	* 21,017	* 4,405
\$12,000 under \$14,000	—	—	—	—	—	—	—	—	—	* 9,078	* 105,272	* 30,089
\$14,000 under \$16,000	* 1,266	* 3,845	* 1,077	—	—	—	—	—	—	* 2,533	* 33,098	* 9,780
\$16,000 under \$18,000	—	—	—	—	—	—	—	—	—	* 2,533	* 36,796	* 10,470
\$18,000 under \$20,000	—	—	—	—	—	—	—	—	—	—	—	—
\$20,000 under \$25,000	107,265	131,912	36,935	—	—	—	—	—	—	* 1,014	* 20,631	* 5,888
\$25,000 under \$30,000	1,973,886	3,765,223	1,054,402	—	—	—	—	—	—	* 2,470	* 68,158	* 19,892
\$30,000 under \$40,000	3,912,304	27,345,407	7,656,714	—	—	—	—	—	—	* 1,014	* 37,743	* 8,456
\$40,000 under \$50,000	3,351,254	29,516,157	8,264,524	—	—	—	—	—	—	—	—	—
\$50,000 under \$75,000	9,782,375	120,758,196	33,812,295	101,501	797,141	223,207	458,674	2,859,624	886,173	—	—	—
\$75,000 under \$100,000	3,517,649	98,888,976	27,688,913	116,384	1,590,436	445,320	335,372	5,346,870	1,657,530	* 648	* 49,895	* 15,535
\$100,000 under \$200,000	2,543,961	108,989,029	30,516,928	659,322	10,880,275	3,046,468	1,765,844	54,505,534	16,896,716	* 98	* 18,072	* 5,077
\$200,000 under \$500,000	661,950	29,894,357	8,370,420	292,272	12,835,504	3,593,940	645,069	100,797,836	31,247,329	—	—	—
\$500,000 under \$1,000,000	115,104	5,227,672	1,463,748	63,536	7,789,662	2,180,825	113,786	52,714,291	16,341,430	* 86	* 73,329	* 22,759
\$1,000,000 or more	49,839	2,233,490	625,377	31,031	23,381,859	6,546,921	49,426	84,580,892	26,213,877	37	55,993	16,952

* Estimate should be used with caution due to the small number of sample returns on which it is based.
 ** Data compiled to avoid disclosure of information for specific taxpayers.
 NOTE: Detail may not add totals because of rounding.

Table 3.6—Returns with Modified Taxable Income: Taxable Income and Tax Classified by Each Rate at Which Tax Was Computed and by Marital Status

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Tax rate classes	All returns			Joint returns and surviving spouses		
	Number of returns	Income taxed at rate	Income tax generated at rate	Number of returns	Income taxed at rate	Income tax generated at rate
	(1)	(2)	(3)	(4)	(5)	(6)
All tax rates	92,622,506	2,284,443,795	453,840,479	42,552,750	1,569,608,554	319,704,797
15 percent (Form 8814)	153,428	85,640	12,898	140,430	79,068	11,913
15 percent	92,602,781	1,498,599,783	224,789,967	42,539,555	976,601,775	146,490,266
28 percent	25,986,853	426,754,764	119,491,334	15,531,286	310,127,830	86,835,792
28 percent (capital gains)	1,264,046	57,273,877	16,036,685	902,419	43,371,254	12,143,951
31 percent	3,372,671	300,784,659	93,243,244	2,247,389	239,428,627	74,222,874
Form 8615	287,777	945,073	266,350	—	—	—

Tax rate classes	Separate returns of married persons			Returns of heads of household			Returns of single persons		
	Number of returns	Income taxed at rate	Income tax generated at rate	Number of returns	Income taxed at rate	Income tax generated at rate	Number of returns	Income taxed at rate	Income tax generated at rate
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
All tax rates	1,976,965	42,501,653	9,238,578	9,219,293	127,122,233	21,893,820	38,873,498	545,211,356	103,003,284
15 percent (Form 8814)	215	107	16	11,708	5,913	886	1,075	552	83
15 percent	1,976,916	22,702,682	3,405,402	9,218,001	106,698,534	16,004,780	38,868,309	392,596,791	58,889,519
28 percent	745,847	8,433,550	2,361,394	1,118,385	13,380,593	3,746,566	8,591,334	94,812,791	26,547,581
28 percent (capital gains)	31,229	1,716,052	480,495	23,104	1,331,392	372,790	307,293	10,855,179	3,039,450
31 percent	136,037	9,649,261	2,991,271	75,896	5,705,801	1,768,798	913,349	46,000,970	14,260,301
Form 8615	—	—	—	—	—	—	287,777	945,073	266,350

NOTE: Detail may not add totals because of rounding.

Section 4

Explanation of Terms

The Explanation of Terms is designed to clarify the statistical content of this report and should not be construed as an interpretation of the Internal Revenue Code, related regulations, procedures, or policies.

The definitions and explanations in this section relate to column or row titles used in one or more tables in this report. They provide background or limitations to such titles, and are necessary to interpret the statistical tables to which they relate. For each of these titles, the line number of the tax form on which it is reported appears after the title. **Definitions marked with the symbol Δ have been revised for 1991 to reflect changes in the law.**

Further information about many of the items in this report can be found in Section 5, *1991 Forms and Instructions*.

Adjusted Gross Income Less Deficit Δ

(line 31, Form 1040)

Income that had to be reported for the calculation of total income (line 23, Form 1040) and adjusted gross income included the following:

- Compensation for services, including wages, salaries, fees, commissions, tips, fringe benefits, directors' fees, and similar items;

- Taxable interest received;
- Dividends and capital gain distributions;
- Taxable refunds of state and local income taxes;
- Alimony and separate maintenance payments received;
- Net income derived from a business, profession, or farm;
- Net gain from the sale of property;
- Taxable amounts of annuities, pensions, and individual retirement account (IRA) distributions;
- Rents and royalties;
- Distributive share of partnership income;
- Income from an estate or trust;
- Unemployment compensation;
- Taxable amounts of social security or tier 1 railroad retirement benefits;
- Prizes, awards, and gambling winnings;
- Amounts received that were claimed as a deduction or credit in a prior year; and
- Bartering income.

Some reported income was fully or partially excluded from total income for 1991. The following is a list of such items:

- The cost basis of pension, annuity, or IRA payments or distributions;

- Tax-exempt interest;
- Social security benefits and railroad retirement benefits;
- Qualified foreign earned income;
- Part or all of the gain from sale of principal residence by individuals who are 55 years of age or older; and
- Postponed gain from the sale of principal residence.

From total income (line 23, Form 1040), the following statutory adjustments (lines 24 through 29, Form 1040) were subtracted to arrive at adjusted gross income (line 31, Form 1040):

- Contributions to self-employed retirement plans (Keogh or simplified employee pension) and certain contributions to IRAs;
- One-half of self-employment tax;
- Self-employed health insurance deduction;
- Forfeited interest penalties incurred by persons who made premature withdrawals of funds from time savings accounts;
- Alimony payments;
- Forestation or reforestation expenses;
- Foreign housing exclusion;
- Repayments of supplemental unemployment compensation;
- Certain expenses of qualified performing artists; and
- Amount of jury duty pay reported on line 22, Form 1040, that was repaid to employer.

A deficit occurred if the allowable exclusions and deductions exceeded gross income, (i.e., the amount on line 30 was greater than the amount on line 23).

Adjustments

See "Statutory Adjustments."

Advance Earned Income Credit Payments

(included in the total on line 52, Form 1040)

Taxpayers who believed they would be eligible for the earned income credit at the end of the year could receive the credit from their employers as an additional payment in their paychecks during the year. Those payments were then shown on the tax

return where they either increased the balance due amount or reduced the amount of the overpayment. (See also "All Other Taxes.")

Alimony

(lines 11, 29, Form 1040)

Payments received as alimony or separate maintenance were income to the person receiving them and a deduction (an adjustment to total income) for the person paying them.

All Other Taxes

(lines 47, 49, 50, 51, Form 1040)

For the statistics in this report, this amount represents the sum of the self-employment tax, tax from the recapture of the investment credit and the low income housing credit, social security taxes on tip income, penalty tax on qualified retirement plans, and other unspecified taxes which included uncollected FICA (or social security) tax on tips, excess "golden parachute" payments, and section 72 penalty taxes. This differs slightly from the "other taxes" portion of the Form 1040 itself, which includes the taxes listed above plus the alternative minimum tax and the advance earned income credit payments received. Alternative minimum tax is tabulated in this report as part of "total income tax" and is one of the criteria for determining the taxable or nontaxable classification of a return. Advance earned income credit payments are shown as a separate item in computing total tax liability, balance due, or refund. (See also "Taxable and Nontaxable Returns" and "Total Income Tax".)

Alternative Minimum Tax Δ

(line 48, Form 1040)

The alternative minimum tax (AMT) was levied on income before deducting benefits received in the form of deductions and exclusions which reduced an individual's regular income tax rate. These benefits, known as "alternative minimum tax preferences and adjustments," resulted from the preferential treatment that the tax law gave to particular income and expense items.

Alternative minimum taxable income (line 11, Form 6251) was defined as taxable income with certain adjustments plus the amount of tax preference items. Alternative minimum taxable income (AMTI) was then reduced by an exemption amount determined by filing status and income. If the return was filed jointly by a married couple or a surviving spouse, the maximum amount of the exemption was \$40,000. The maximum amount for a single or head of household taxpayer was \$30,000, and for a married couple filing separately, \$20,000. The AMT exclusion was phased out if AMTI exceeded certain levels. For single taxpayers, the phase-out began at \$112,500 and ended at \$232,500. For joint returns the range was \$150,000 to \$310,000, and for married couples filing separately, the range was \$75,000 to \$155,000.

If there was an amount remaining after subtracting the exemption, it was multiplied by the alternative minimum tax rate of 24 percent and then reduced by the recalculated alternative minimum tax foreign tax credit. This amount was then reduced, but not below zero, by the regular income tax before credits (line 38, Form 1040 minus the regular foreign tax credit, line 43, Form 1040) to arrive at the alternative minimum tax.

Business or Profession Net Income or Loss

(line 12, Form 1040)

This source of income or loss was reported by individuals who were sole proprietors of a non-farm business, including self-employed members of a profession.

If two or more sole proprietorships were operated by the same taxpayer, the single amount of net income or loss included in adjusted gross income represented the combined net income and loss from all sole proprietorships. The proprietor was required to exclude investment income from business profits and include it, instead, with the various types of investment income for which separate provisions were made on the individual income tax return.

Total expenses (line 28, Schedule C) were deducted from gross income (line 7, Schedule C) to arrive at net profit or loss. Compensation of the proprietor was taxable income and, therefore, not allowed as a business deduction in computing net income. The deduction of net operating losses from previous years was not considered a business expense, but was offset against "Other income" (line 22, Form 1040).

Information on sole proprietorships, business receipts, and expenditures can be found in the annual summer issue of the *Statistics of Income Bulletin*.

Capital Assets

See "Sales of Capital Assets, Net Gain or Loss."

Capital Gain Distributions Reported on Form 1040

(line 14, Form 1040)

These distributions included long-term capital gains either credited or distributed to individual taxpayers by regulated investment companies, mutual funds, and real estate investment trusts. Usually, taxpayers reported capital gains distributions on Schedule D, *Capital Gains and Losses*, but they could enter the distributions directly on line 14 of Form 1040 if they had no other gains or losses to report on Schedule D.

Capital Gains and Losses

See "Sales of Capital Assets, Net Gain or Loss."

Casualty and Theft Loss Deduction, Nonbusiness

(line 17, Schedule A)

Nonbusiness casualty and theft losses were deductible, as an itemized deduction, from adjusted gross income to the extent that nonreimbursable net loss for each such casualty or theft exceeded \$100, and the combined amount for all net losses during the year exceeded 10 percent of adjusted gross income.

Child Care Credit

(line 41, Form 1040)

This credit could be claimed by taxpayers who, while employed or looking for work, incurred expenses for the care of dependent children under age 13, or disabled dependents of any age. Qualifying expenses included those for services performed within the home by non-dependent baby-sitters, maids, or cooks. Expenditures paid for the care of children under the age of 13 or any other qualified individuals for out-of-home non-institutional care qualified for the child care credit.

The maximum amount of care-related expenses on which the credit could be based was the smaller of earned income or \$2,400 if one qualifying child or dependent was involved, and the smaller of earned income or \$4,800 if more than one dependent was involved. For returns of married couples filing jointly, earned income refers to the earnings of the spouse with the lesser earned income. Exceptions were allowed if the spouse was disabled or a full-time student.

The credit was equal to 30 percent of eligible expenses for taxpayers with adjusted gross income of \$10,000 or less. The credit was reduced by one percentage point for each \$2,000 increment of adjusted gross income in excess of \$10,000 up to \$28,000. The credit remained at 20 percent of expenses for individuals with adjusted gross income over \$28,000.

The amount of the credit which could be claimed was limited to income tax before credits, and any excess was not refundable.

Contributions Deduction

(line 16, Schedule A)

Taxpayers could deduct contributions to organizations that were religious, charitable, educational, scientific, or literary in purpose. Contributions could be in cash, property, or out-of-pocket expenses that a taxpayer paid to do volunteer work for a qualified organization. Contributions were allowed as an itemized deduction on Schedule A, and were limited to one-half of the taxpayer's AGI.

Credit for Federal Tax on Gasoline and Special Fuels

(line 59, Form 1040)

This credit (claimed on Form 4136) was allowed for Federal excise taxes paid on gasoline and special fuels, such as gasohol and diesel fuel, if they were used for certain nontaxable or reduced-tax-rate purposes (such as farm or off-road use). The credit could reduce unpaid total tax liability or could be refunded. A one-time credit (or refund) was allowed to the original purchaser of a new, qualified diesel-powered highway vehicle. The credit was \$102 for a car, and \$198 for a light truck or van.

Credit for the Elderly and Disabled

(line 42, Form 1040)

A credit (claimed on Schedule R) for the elderly and permanently and totally disabled was available to taxpayers age 65 or older (within certain income limitations), and to those taxpayers under age 65, who had retired with a permanent and total disability, and who had received taxable income from a public or private employer because of that disability. The income to which the credit could be applied was reduced by nontaxable amounts of social security and railroad retirement benefits, veterans' pensions, and any other pension, annuity, or disability benefits that were excluded from income under any other provision of law.

An individual was considered permanently and totally disabled when he or she could not engage in any substantial gainful activity because of a physical or mental condition which had lasted, or was expected to last, at least 12 months, or was determined to be terminal.

The maximum credit available was \$1,125, was limited to total income tax with any excess not refundable, and was reduced if the taxpayer's income exceeded certain levels. Generally, if a taxpayer's income was high enough to require the reporting of social security benefits as taxable income, the taxpayer could not take the credit.

Credit from Regulated Investment Companies

(line 59, Form 1040)

Taxpayers were required to include in total income any amounts which were allocated to them as undistributed long-term capital gains of regulated investment companies. If investment companies paid tax on the capital gain, taxpayers were entitled to claim a refundable credit for their proportional share of the tax paid.

Credit to 1992 Estimated Tax

(line 63, Form 1040)

This amount was the part of the overpayment of 1991 tax which taxpayers specifically requested to be credited to their estimated tax for 1992. (See also "Overpayment" and "Estimated Tax Payments.")

Deduction of Self-Employment Tax Δ

(line 25, Form 1040)

Beginning with 1991, if a taxpayer had income from self-employment and owed self-employment tax, one-half of that tax was deductible. The amount was subtracted, as an adjustment, from total income in the calculation of AGI. (See also Section 1, *Changes in Law*.)

Dividends

(line 9, Form 1040)

Dividend income consisted of distributions of money, stock, or other property received by taxpayers from domestic and foreign corporations, either directly or passed through estates, trusts, or partnerships. Dividends also included distributions from money market mutual funds.

Dividends did not include nontaxable distributions of stock or stock rights, returns of capital, capital gains, or liquidation distributions. Taxpayers were also instructed to exclude so-called dividends on deposits or withdrawable accounts in banks, mutual savings banks, cooperative banks, savings and loan associations, and credit unions, which were to be treated as interest income.

Earned Income Credit Δ

(line 56, Form 1040)

If a taxpayer's earned income and adjusted gross income were both less than \$21,250, and a qualifying child lived with him or her, the taxpayer may have been eligible for the earned income credit. Beginning with 1991, Schedule EIC, *Earned Income Credit*, was used to figure the credit. The new form allowed for the computation of the three components of the credit: the basic credit, the health insurance credit, and the extra credit for a child born in 1991. The basic credit could be as much as \$1,192 for one qualifying child, and as much as \$1,235 for two or more qualifying children. The health insurance credit was available to individuals who paid health insurance that covered a qualifying child. The maximum amount of the health insurance credit was \$428. The maximum amount of the extra credit for a child born in 1991 was \$357.

Employee Business Expenses

See "Unreimbursed Employee Business Expenses."

Estate or Trust Net Income or Loss

(line 36, Schedule E, Part III)

This was the beneficiary's share of fiduciary income (with the exception of the items, described below, which were reported separately) from any estate or trust. Income from estates or trusts included amounts required to be distributed, amounts credited to beneficiaries' accounts from current-year fiduciary income (whether or not actually received), and any other amounts which were properly paid, credited, or required to be distributed for that year.

Taxpayers excluded from estate or trust income their share of dividends and gains or losses from sales of capital assets and other property. Such income (which made up the largest portion of income from estates or trusts) was included on the tax return on the separate lines provided for these income types and was not separately identified for the statistics. A loss from an estate or trust was

allocated to the beneficiary only upon settlement or termination of an estate or trust and was limited by the "passive loss" rules.

For the tables, if a return showed net income from one estate or trust, and a net loss from another, that return was tabulated in both the "total income" and "total loss" columns. The columns labeled "net income" and "net loss" represent the sum of all income and losses reported from all estates or trusts, i.e., the net amount computed on a return-by-return basis.

Estimated Tax Payments

(line 55, Form 1040)

This figure represents the total of the tax payments made for 1991 using Form 1040ES, and any overpayment from the taxpayer's 1990 return that was applied to 1991 estimated tax. Generally, individuals were required to make estimated tax payments if they expected to owe, after subtracting withholding and credits, at least \$500 in tax for 1991, and they expected withholding and credits to be less than the smaller of: (a) 90% of the tax shown on Form 1040 for 1991, or (b) 100% of the tax shown on Form 1040 for 1990.

Excess Social Security Taxes Withheld Δ

(line 58, Form 1040)

If a taxpayer earned more than \$53,400 (\$51,300 for 1990) in total wages from two or more employers in 1991, too much social security (FICA) or Railroad Retirement Act (RRTA) tax may have been withheld from his or her wages. The excess social security tax withheld could be taken as a credit toward payment of the taxpayer's income tax. In the case of a joint return, the credit was computed separately for each taxpayer.

Exemptions Δ

(lines 6, 36, Form 1040)

In the computation of taxable income, a \$2,150 deduction (\$2,050 for 1990) was allowed for each exemption claimed. In general, an exemption was allowed for each taxpayer and dependent shown on

a return. If an individual who could be claimed as a dependent by another taxpayer filed a return, that individual could not claim his or her own exemption.

With few exceptions, an individual had to meet five requirements to qualify as a dependent for 1991:

- 1) The individual was related to the taxpayer (such as a son, daughter, or parent) or was a member of the same household for the entire year;
- 2) The individual did not file a joint return with his or her spouse;
- 3) The individual met certain citizenship requirements;
- 4) The individual's gross income was less than \$2,150. An exception to the income limitation was granted for children under age 19, or full-time students under age 24;
- 5) The individual received more than half of his or her support for 1991 from the taxpayer;

If a taxpayer had AGI above certain levels, his or her personal exemption deduction may have been limited. For single taxpayers, the phaseout began at \$100,000 and was completed at \$222,500; for married persons filing jointly and qualifying widow(er)s, the phaseout began at \$150,000 and was completed at \$272,500; for heads of household, the phaseout began at \$125,000 and was completed at \$247,500; and for married persons filing separately, the phaseout began at \$75,000 and was completed at \$136,250. All exemptions were phased out simultaneously in 1991, without regard to the number of exemptions claimed. In 1990 and prior years, however, the extent of the phaseout depended on the number of exemptions claimed (see "Changes in Law," Section 1).

Farm Net Income or Loss

(line 19, Form 1040)

This source of income or loss was reported by individuals who were sole proprietors of farms. When there were two or more farms operated by the same taxpayer, the single amount of profit or loss included in adjusted gross income represented

the combined profit and loss from all farming activities. Farm business total expenses (line 36, Schedule F) were deducted from farm gross income (line 11, Schedule F) to arrive at farm net profit or loss.

Gains from certain sales of livestock and crops that qualified for capital gains treatment were excluded from farm net profit or loss and included in capital gains. Farm rental income was included in total rent net income or loss (see also "Farm Rental Income or Loss").

Farm Rental Income or Loss

(line 39, Schedule E)

Taxpayers were required to report farm rental income and expenses separately from other farm profit or loss if they: a) received income that was based on crops or livestock produced by the tenant, and b) did not manage nor operate the farm to any great extent.

Filing Status

See "Marital Filing Status."

Foreign Earned Income Exclusion

(line 22, Form 1040)

Qualified taxpayers could exclude from total income a certain amount of their foreign earned income and employer-provided foreign housing expenses if their home, for tax purposes, was in a foreign country.

Qualified individuals were limited to the lesser of a \$70,000 exclusion or their total foreign earned income. Also, they could elect to exclude a portion of employer-provided foreign housing expenses. If the taxpayer elected to take both the foreign earned income and foreign housing exclusions, the total amount of both exclusions was limited to the taxpayer's total foreign earned income.

In this report, the foreign earned income exclusion includes the foreign housing exclusion.

Foreign Tax Credit

(line 43, Form 1040)

Individuals who paid income or excess profit taxes to a foreign country or U.S. possession could claim either this credit against Federal income tax liability, or an itemized deduction for the amount of the foreign tax payment. Depending on the taxpayer's income and taxes, the foreign tax credit could be less than the amount of foreign tax paid. Qualifying foreign taxes paid in excess of the allowable amount for Tax Year 1991 could be carried back 2 years and then forward 5 years.

Forfeited Interest Penalty Adjustment

(line 28, Form 1040)

Taxpayers who paid penalties for the premature withdrawal of funds from time savings accounts or deposits could deduct those penalties as an adjustment to total income.

Forms 1040, 1040A, and 1040EZ

The individual income tax system utilizes three major forms to collect income and tax information: the 1040, 1040A, and 1040EZ. Variations of the three basic forms included 1040PC, 1040TEL, 1040EZ-1, and electronic filing. Form 1040PC returns were generated by IRS-approved software on a personal computer, and were typically condensed versions of the standard paper forms. For Tax Year 1991, Forms 1040TEL and 1040EZ-1 were both experimental forms being tested in certain parts of the country. Form 1040TEL allowed taxpayers to transmit their income and tax information via touch-tone phone, and Form 1040EZ-1 was a simplified Form 1040EZ.

Returns of these types were included in the population of returns subjected to sampling, and were classified by the guidelines for filing a standard form (i.e., Form 1040, 1040A, and 1040EZ), discussed below. For example, if a return were filed as a Form 1040PC, and its characteristics dictated that it otherwise would have been filed as a Form 1040, it would have been classified as such for statistical purposes. Likewise, if a return were filed

electronically that would have been a Form 1040EZ had it been filed manually, it would have been considered a Form 1040EZ in the statistics.

The forms represent different levels of complexity in regard to the information reported. The Forms 1040A and 1040EZ, for instance, may only be used if an individual's taxable income is less than \$50,000, income may come only from a limited number of sources, and the taxpayer may not itemize deductions. The Form 1040 must be used if taxable income is greater than \$50,000. In addition, the taxpayer must file Form 1040 if he or she itemizes deductions or has income (or losses) from a source not provided for on Form 1040A or 1040EZ. (For a complete description of each form see Section 5, *1991 Forms and Instructions*.)

General Business Credit

(line 44, Form 1040)

The general business credit consisted of the investment credit, the jobs credit, the alcohol fuel credit, the low-income housing credit, and the research credit. Taxpayers claiming more than one of the business credits were required to summarize them on Form 3800, *General Business Credit*. The general business credit was limited to 100 percent of the first \$25,000 (\$12,500 for a married couple filing separately) of tax liability and 75 percent of the excess over \$25,000. If the current year general business credit exceeded the tax liability limitation, the excess amount could be carried back to the 3 preceding tax years, then forward 15 years.

Home Mortgage Interest Deduction

See "Interest Paid Deduction."

Income Subject to Tax

See "Modified Taxable Income."

Income Tax After Credits

[(line 40 - line 46) - part or all of line 56, Form 1040]

To arrive at income tax after credits, taxpayers deducted total credits (line 46, Form 1040) from income tax before credits (line 40, Form 1040). For

the statistics, tax was further reduced by the portion of the earned income credit which did not result in a negative tax. This portion of the earned income credit was included in the total credits as "earned income credit used to offset income tax before credits." Any tax remaining was tabulated as "income tax after credits."

Income Tax Before Credits

(line 40, Form 1040)

This amount consisted of the tax liability on taxable income, computed by using the tax tables, tax rate schedules, Form 8615, or Form(s) 8814, plus any additional taxes (line 39). (See also "Tax Generated.")

Income Tax Withheld

(line 54, Form 1040)

Income tax withheld included amounts deducted from salaries, wages, and tips, as reported on Form W-2, and from pensions, annuities, and certain gambling winnings as reported on Forms 1099-R and W-2G. Amounts withheld from total distributions of profit-sharing, retirement plans, and individual retirement accounts were reported on Form 1099-R.

In some cases, a backup withholding rate of 20 percent was required for interest, dividend, and royalty payments, which, generally, were not subject to withholding.

Individual Retirement Account Deductible Payments

(lines 24a and 24b, Form 1040)

An individual retirement account (IRA) is a savings program that allows a taxpayer to set aside money for retirement. Beginning in 1987, the deduction for IRA contributions was reduced or eliminated for taxpayers who were covered by an employer retirement plan and whose adjusted gross income exceeded certain levels. (Nondeductible contributions were still allowed for such taxpayers.) Deductible contributions could be subtracted from the

employee's total income in arriving at adjusted gross income.

Contributions to an IRA (whether or not they were deductible) were limited to the lesser of: a) an individual's taxable compensation for the year, or b) \$2,000 (\$2,250 if a nonworking spousal IRA was included).

Unless they were disabled, taxpayers could not start withdrawing funds from the account until they reached age 59-1/2. After age 70-1/2 taxpayers were required to begin withdrawals. Penalty taxes were assessed if the taxpayer failed to comply with these limitations.

Individuals could also set up an IRA to include a nonworking spouse who met certain qualifying conditions. The total IRA deduction, including both the taxpayer and nonworking spouse, could not exceed \$2,250. A spousal IRA deduction is tabulated in the statistics as "Secondary IRA payments."

Payments to an IRA for a particular taxable year must be made not later than the due date of the individual's return for that year.

Individual Retirement Account Taxable Distributions

(line 16b, Form 1040)

Any money or property received from a taxpayer's IRA account was considered a distribution and, generally, had to be included in the taxpayer's total income in the year received. An exception to this rule was tax-free roll-over distributions from one retirement account to another, or the extent to which the payout represented previous non-deductible IRA contributions.

Interest Paid Deduction Δ

(line 12, Schedule A)

The five-year phaseout of the deduction for personal interest paid was completed in Tax Year 1991. As a result, personal interest was no longer allowed as an itemized deduction (see "Changes in Law," Section 1).

The rules for deducting home mortgage interest for 1991 were: (1) if a taxpayer took out a mortgage *before* October 13, 1987, secured by the

taxpayer's main or second home, all the interest was deductible, (2) if the taxpayer's mortgage was *on or after* October 13, 1987, and the funds were used to buy, build, or improve that home, all interest could be deducted if the total of all mortgages on the property was \$1 million or less, and (3) taxpayers could deduct all of the interest on an additional \$100,000 of mortgages on their main or second home other than to buy, build, or improve that home.

Generally, investment interest (interest paid on money borrowed that was allocable to property held for investment) was fully deductible up to the amount of net investment income; interest that was disallowed (i.e., in excess of investment income) could be carried forward to the succeeding tax year, and deducted to the extent of the investment income limitation. Interest relating to business, royalty, and rental income was deducted directly from these items and was not reflected in the interest paid statistics.

Interest Received

See "Taxable Interest Received."

Interest, Tax-Exempt

See "Tax-Exempt Interest."

Itemized Deductions

See "Total Itemized Deductions" and specific types.

Marginal Tax Rates

Different portions of taxable income are taxed at different rates. The tax rate applied to the last dollar of income is called the "marginal tax rate" for that return (see also "Tax Generated").

Marital Filing Status

(lines 1-5, Form 1040)

The five marital filing status classifications were:

- (1) returns of single persons (not heads of household or surviving spouses);

- (2) joint returns of married persons;
- (3) separate returns of married persons;
- (4) returns of heads of household; and
- (5) returns of surviving spouses.

Marital filing status was usually determined as of the last day of the tax year. If one's spouse died during the tax year, the survivor was considered married for the entire year. If a taxpayer was divorced during the tax year and did not remarry, the taxpayer was considered to be unmarried for the entire year.

Medical and Dental Expense Deduction

(lines 1-4, Schedule A)

Qualified medical expenses included payments made for the diagnosis, treatment, or prevention of disease or for medical or dental insurance. However, taxpayers who took the self-employed health insurance adjustment had to reduce their total premiums by the amount of the adjustment (see "Self-Employed Health Insurance"). In general, medical and dental expenses could be claimed as an itemized deduction to the extent that they exceeded 7.5 percent of adjusted gross income. Amounts paid for medicine and drugs were deductible only if they were not available except by prescription or were for insulin. Taxpayers could also deduct a maximum of \$50 per day for certain lodging expenses incurred while traveling to obtain medical care.

Minimum Tax Credit

(line 44, Form 1040)

A minimum tax credit could be taken for 1991 by certain taxpayers who paid alternative minimum tax for 1990. The credit was that part of the 1990 alternative minimum tax based on adjustments or preference items that deferred tax rather than caused permanent avoidance of tax. If all of the minimum tax credit could not be used for 1991, the excess could be carried forward to later years.

Miscellaneous Itemized Deductions

(lines 19-25, Schedule A)

Miscellaneous itemized deductions were divided into two types. The first included those items that were limited to the amount that exceeded 2 percent of adjusted gross income, while the expenses of the second type were fully deductible.

Limited Miscellaneous Deductions: Unreimbursed employee business expenses, tax preparation fees, and expenses of producing income (including qualifying educational expenses), were limited to the amount that exceeded 2 percent of adjusted gross income.

Other Miscellaneous Deductions: Other, fully deductible expenses included such items as gambling losses (limited to gains), impairment-related work expenses for handicapped persons, and amortizable bond premiums.

Modified Taxable Income

"Modified taxable income" is the term used to describe "income subject to tax," the actual base on which tax is computed for the statistics in Tables 3.4 and 3.5. For taxpayers filing current year returns, modified taxable income is identical to "taxable income."

For prior year returns included in the 1991 statistics, a modified taxable income was computed. This was calculated by using the tax rate schedule to impute a hypothetical taxable income amount necessary to yield the given amount of tax reported.

Moving Expense Deduction

(line 18, Schedule A)

An employee who had to move to a new residence as a result of changing jobs could claim certain expenses for moving and house hunting as an itemized deduction. In order to qualify for this deduction, the new work place had to be at least 35 miles farther from the former residence than the old job was. Deductible expenses included those incurred while moving household and personal goods, as well as in travel, meals, and lodging of the

taxpayer and household members en route to the new residence. Additional deductible expenses included house-hunting trips, and the cost of selling a residence or breaking a lease.

Nondeductible Passive Losses Δ

(calculated on Form 8582)

See "Changes in Law section," Section 1.

Nontaxable Returns

See "Taxable and Nontaxable Returns."

Other Adjustments

(included in line 30, Form 1040)

See "Statutory Adjustments."

Other Income

(line 22, Form 1040)

Included in other income were items such as prizes, awards, sweepstakes winnings, gambling winnings, recoveries of bad debts, insurance received as reimbursement for medical expenses taken as a deduction in a previous year, and any other income subject to tax for which no specific line was provided on the return form. Any "net operating loss" in an earlier year that was carried forward and deducted for 1991 was entered as a negative amount on this line by the taxpayer but edited into a separate field during service center processing.

Other Tax Credits

(included in line 45, Form 1040)

"Other tax credits" is a residual category in the statistics and does not relate to a line item on a tax form. It included the "credit for fuel from a nonconventional source" and other miscellaneous credits that did not belong in any other category and were used to offset income tax before credits.

Overpayment

(line 61, Form 1040)

An overpayment of tax occurred when the "total payments" exceeded "total tax". Total payments included the amount of any "refundable portion of the earned income credit." Overpayment could be refunded or credited toward the estimated tax for the following year. (See also "Credit to 1992 Estimated Tax" and "Refund.")

Parent's Election to Report Child's Interest and Dividends

(calculated on Form 8814)

A parent could report on his or her return income received by his or her child. If the election was made, the child was not required to file a return. A parent could make this election if the child:

- was under age 14 on January 1, 1992;
- had income only from interest and dividends;
- had gross income for 1991 that was more than \$500 but less than \$5,000;
- had no estimated tax payments for 1991;
- did not have any overpayment of tax shown on his or her 1990 return applied to the 1991 return; **and**
- had no Federal income tax withheld from his or her income (backup withholding).

If the parents were not filing a joint return, special rules applied to determine which parent could make the election.

Partnership and S Corporation Net Income or Loss

(line 31, Schedule E)

Partnerships and S corporations (formerly Subchapter S corporations) are not taxable entities, therefore, tax on their net profit or loss was levied, in general, directly on the members of the partnership or shareholders of the S corporation. The profit or loss shown in the statistics was the taxpayer's share of the ordinary gain or loss of the enterprise, and certain payments made to the taxpayer for the

use of capital or as a salary. Net long-term capital gains received from partnerships and S corporations were reported on Schedule D.

If a return showed net income from one partnership or S corporation and a net loss from another, the two were added together and the return was tabulated by the net amount of income or loss in the appropriate column. Beginning in 1987, net income and net loss were reported separately for passive and non-passive partnership and S corporation activities. Passive losses were limited under new rules to the amount that could offset passive income.

Payment with Request for Extension of Filing Time

(line 57, Form 1040)

This payment was made when the taxpayer filed Form 4868, *Application for Automatic Extension of Time to File U.S. Individual Income Tax Return*, or Form 2688, *Application for Additional Extension of Time to File*. The extension granted the taxpayer an additional period of time to file a tax return, but did not extend the time for payment of expected tax. Full payment of any tax due had to be made with the application for extension.

Payments to a Keogh Plan

(line 27, Form 1040)

Self-employed individuals were allowed to contribute to a Keogh retirement plan or a simplified employment pension plan for themselves and to deduct all or a part of such contributions in computing adjusted gross income. The amount which could be deducted was based on net earnings from self-employment.

Penalty Tax on Qualified Retirement Plans

(line 51, Form 1040)

If taxpayers withdrew any funds from an Individual Retirement Account or qualified retirement plan before they were either age 59-1/2 or disabled, they were subject to a penalty tax equal to 10

percent of the premature distribution. Any taxpayer who failed to withdraw the minimum required distribution after reaching age 70-1/2 had to pay a 50 percent excise tax on the excess accumulation. Contributions to the retirement account in excess of the legal limitation for the year (the lesser of \$2,000 or the taxpayer's compensation for the year) were subject to an excise tax equal to 6 percent of the excess contribution.

Pensions and Annuities

(lines 17a, 17b, Form 1040)

Generally, pensions are periodic income received after retirement for past services with an employer, while annuities are income payable at stated intervals after payment of a specific premium. A taxpayer could acquire a pension or annuity either by purchase from a commercial organization (usually life insurance, endowment, or annuity contracts) or under a plan or contract connected with the taxpayer's employment. Those pensions or annuities obtained in connection with employment could be purchased entirely by the taxpayer or could be financed in part (a contributory plan) or in whole (a non-contributory plan) by contributions of the employer.

Since a non-contributory pension was paid for entirely by an employer, the amount received by the employee was fully taxable. This fully taxable pension was reported on lines 17a and 17b. For the taxpayer who participated in a contributory retirement plan while employed, the amount received was only partially taxable. In general, the amount excludable from gross income, the nontaxable portion, represented the taxpayer's contributions under the plan, while the taxable portion represented the employer's contribution and earnings on the entire investment. The nontaxable portion had to be amortized over the expected lifetime of the taxpayer.

The entire amount of pensions and annuities received for the year was reported on line 17a of the Form 1040. The taxable portion was computed on a separate worksheet and entered on line 17b.

Predetermined Estimated Tax Penalty

(included in line 65, Form 1040)

If a return showed taxes of \$500 or more owed on line 64 (tax due at time of filing) *and* this amount was more than 10 percent of the total tax, the taxpayer could owe a penalty, unless tax payments in the current year equaled or exceeded prior year tax liability (provided prior year liability was greater than zero). Also, taxpayers could owe a penalty if they underpaid their 1991 estimated tax liability for any payment period. Form 2210 was used to determine the amount of a penalty, if any.

For this report, the predetermined estimated tax penalty includes only the amount calculated by the taxpayer when the return was initially filed.

Refund

(line 62, Form 1040)

A refund of tax included all overpayment of income taxes not applied by the taxpayer as a credit to the next year's estimated tax. (See also "Overpayment.")

Regular Tax Computation

Typically, the taxpayer, in determining the amount of "tax generated," first computed taxable income. Depending on marital status and size of taxable income, the taxpayer then used the tax tables or applied the rates from one of four tax rate schedules to determine tax. Returns of taxpayers who had taxes computed by the Internal Revenue Service were classified under the regular tax computation method.

Rent and Royalty Net Income or Loss Δ

(line 26, Schedule E)

This amount was the combination of rent net income, rent net loss, royalty net income, and royalty net loss.

Rent Net Income or Loss Δ

(line 22, columns A,B,C, Schedule E)

Rent net income or loss was determined by deducting from gross rent, the amounts for depreciation, repairs, improvements, interest, taxes, commissions, advertising, utilities, insurance, janitorial services, and any other allowable expenses related to the rented property. In the statistics, total rental net loss includes passive losses that were not deductible in figuring AGI. (Passive losses are discussed under Changes in Law, Section 1.)

Royalty Net Income or Loss

(line 22, columns A,B,C, Schedule E)

Net royalties consisted of gross royalties less deductions for depletion, depreciation, office rent, legal fees, clerical help, interest, taxes, and similar items. Gross royalties included revenues from oil, gas, and other mineral rights; revenue from patents; and revenue from literary, musical, or artistic works. Certain royalties received under a lease agreement on timber, coal, and domestic iron ore were eligible for capital gains or ordinary loss treatment under Code section 1231. As a result of the separate computation, those royalties are reflected in the statistics for "sales of capital assets" and "sales of property other than capital assets." (See also "Total Rent and Royalty Income or Loss in AGI.")

S Corporations

See "Partnership and S Corporation Net Income or Loss."

Salaries and Wages

(line 7, Form 1040)

Salaries and wages as reported on the tax return were amounts of compensation primarily for personal services. The following items were included:

- salaries;
- wages;
- commissions;
- bonuses;

- tips;
- fees;
- excess reimbursement over employee business expenses;
- moving expense allowances;
- the difference between the fair market value of certain property and the discount price for which it was purchased by a taxpayer from his or her employer;
- severance pay;
- sick pay;
- the value of exercising a stock appreciation right;
- directors' fees;
- vacation allowances;
- most disability payments;
- strike and lockout benefits; and
- the value of certain non-monetary payments for services (e.g., merchandise, accommodations, certain meals or lodging, certain stock purchase plans, or property).

Identifiable amounts for any of these categories which may have been reported by taxpayers as "other income" were treated as salaries and wages for the statistics.

Sales of Capital Assets, Net Gain or Loss Δ

(line 13, Form 1040)

In general, capital assets for tax purposes included all property held for personal use or investment. Examples of such assets were personal residences, furniture, automobiles, and stocks and bonds. Most assets used for business activities were specifically excluded from treatment as capital assets. (See also "Sales of Property Other Than Capital Assets, Net Gain or Loss".)

The following concepts were used in the computation of net capital gain or loss for this report:

Net capital gain: If the combination of net short-term gain or loss and net long-term gain or loss resulted in a positive amount, the taxpayer had a net capital gain. The full amount of this gain, whether short-term or long-term was included in adjusted gross income. The holding period was one

year or less for short-term assets, and longer than one year for long-term assets. Long-term capital gains were subject to a maximum tax rate of 28 percent (see "Changes in Law," Section 1).

Net capital loss: If the combination of net short-term gain or loss and net long-term gain or loss resulted in a negative amount, the taxpayer showed a net capital loss. The amount of net capital loss to be included in adjusted gross income was limited to the smaller of the actual net capital loss or \$3,000 (\$1,500 for married persons filing separately). Any excess capital losses over the \$3,000 limit could be carried over to subsequent tax years ("capital loss carry-over" in the statistics).

Net capital gain or loss also included capital gain distributions which were not reported on Schedule D (Capital Gains and Losses and Reconciliation of Forms 1099-B). These capital gain distributions were entered on line 14 of Form 1040 if the taxpayer did not have any other gains or losses to report on Schedule D. These distributions were, by definition, long-term capital gains. (See also "Capital Gain Distributions Reported on Form 1040.")

Sales of Property Other Than Capital Assets, Net Gain or Loss

(line 15, Form 1040)

Property other than capital assets generally included property of a business nature, in contrast to personal and investment property which were capital assets. Some types of property specifically included in this group were:

- (1) certain depreciable, depletable, and real business property;
- (2) accounts and notes receivable in the ordinary course of business generated from the sale of goods and services ordinarily held for sale by the business or includable in the inventory of the business;
- (3) certain copyrights, literary, musical, or artistic compositions, or similar properties; and
- (4) amounts resulting from certain "involuntary conversions," including net losses from casualty and theft.

Taxpayers reported all gains and losses not treated as capital gains on Form 4797, *Sales of Business Property*.

Self-Employed Health Insurance Deduction

(line 26, Form 1040)

Self-employed individuals who had a net profit for the year could deduct, as an adjustment, up to 25 percent of the amount paid for medical insurance for themselves and their families. If the taxpayer had other employees working for his or her business, they must have been offered nondiscriminatory health insurance coverage if the taxpayer was to qualify for the deduction. However, self-employed persons were not allowed this deduction if they or their spouses were employees and eligible to participate in an employer-subsidized health plan.

The 25 percent adjustment could not exceed the net earnings from the business in which the insurance plan was established. The balance of the health insurance cost was included with other medical care expenses as an itemized deduction subject to the 7.5 percent deduction threshold based on AGI.

Self-Employment Tax Δ

(line 47, Form 1040)

This tax, levied under the social security system, was reported by most individuals who had self-employment earnings of at least \$400 derived from a sole proprietorship or from their share of partnership profits. Some types of income (such as dividends, interest, and capital gains and losses) and certain deductions (such as net operating losses, and casualty and theft losses) were not allowed in computing self-employment earnings.

The maximum net earnings subject to self-employment tax for 1991 increased to \$53,400 from \$51,300 for 1990. The self-employment tax rate for 1991 was 15.3 percent, and applied to 92.35% of income from the sources mentioned above (not in excess of \$53,400), less any wages subject to FICA tax. The self-employment tax was calculated separately for each spouse on joint returns.

A deduction of one-half of self-employment tax was allowed as an adjustment in computing AGI (see "Changes in Law," Section 1).

Size of Adjusted Gross Income

(line 31, Form 1040)

The amount of adjusted gross income reported by the taxpayer on the return was the basis for classifying data by size of adjusted gross income. Returns without positive adjusted gross income, such as deficit returns or returns on which income and loss were equal, were classified as having "no adjusted gross income" and appear as a separate class in most basic tables. The absence of a class labeled "no adjusted gross income" indicates that any deficit or break-even returns in a table were included in the lowest income size class.

Social Security Benefits

(lines 21a, 21b, Form 1040)

Social security benefits included any monthly benefit under title II of the Social Security Act or the part of a "tier 1 railroad retirement benefit" that was equivalent to a social security benefit. Social security benefits were not taxable unless the taxpayer's total income (including tax-exempt interest) plus one-half of total social security benefits exceeded certain levels. The maximum taxable amount was one half of the net social security benefits received. Social security benefits received were reported on Form 1040, line 21a and the taxable portion was reported on line 21b. Taxpayers who had no taxable benefits were not required to show the total benefits on their income tax returns.

Social Security Tax on Tip Income

(line 50, Form 1040)

Cash tips amounting to \$20 or more received by the taxpayer in a month while working for any one employer were subject to withholding of income tax and social security tax (or the equivalent railroad retirement tax). If the employer was unable to withhold the social security tax, the amount of uncollected social security tax on tips was indicated

on the employee's Form W-2, and the taxpayer was required to report the uncollected tax and pay it with the Form 1040. If the employee did not report the tips to the employer, the employee was required to compute the social security tax on unreported tips on Form 4137 and attach it to Form 1040.

Standard Deduction Δ

(line 34, Form 1040)

For 1991, the *basic* standard deduction was increased. Taxpayers who were age 65 or over or blind could claim an *additional* standard deduction amount of \$650 or \$850. Both the basic and additional standard deductions were determined by marital filing status, as shown below.

Single:

Basic deduction of \$3,400; each taxpayer 65 or over or blind was allowed an additional \$850 deduction each for age and blindness.

Married filing jointly or qualifying widow(er):

Basic deduction of \$5,700; each taxpayer 65 or over or blind was allowed an additional \$650 deduction each for age and blindness.

Married, filing separately:

Basic deduction of \$2,850; each taxpayer 65 or over or blind was allowed an additional \$650 deduction each for age and blindness.

Head of Household:

Basic deduction of \$5,000; each taxpayer 65 or over or blind was allowed an additional \$850 deduction each for age and blindness.

In the statistics, the basic standard deduction was tabulated for all taxpayers who claimed it, including those who were 65 or over or blind. The "additional standard deduction" total included only the additional amount that was taken by those taxpayers who were 65 or over or blind.

If an individual filed a return and was claimed as a dependent on another person's return, he or she was entitled to a standard deduction of at least \$550. The maximum deduction allowed was limited to the smaller of earned income (if greater than \$550) or the regular standard deduction amount shown above for each filing status. The standard

deduction for dependents could have been further increased if the individual was elderly or blind.

State Income Tax Refund

(line 10, Form 1040)

If a taxpayer received a refund, credit, or offset of state or local income taxes in 1991 that was paid or deducted before 1991, all or part of that amount had to be reported as income if the itemized deduction for state and local taxes previously resulted in a tax benefit.

Statutory Adjustments

(lines 24-30, Form 1040)

These were the adjustments to total income which were allowed as deductions in the calculation of adjusted gross income. For 1991, statutory adjustments included payments to a self-employed Keogh retirement plan or a simplified employee pension, forfeited interest penalty, certain payments to an IRA, alimony paid, the self-employed health insurance deduction, the deduction for self-employment tax, and the foreign housing deduction. Each of the above items is described separately in this section. In addition, statutory adjustments included jury duty pay received by the taxpayer and given to the employer if the taxpayer continued to receive wages while on jury duty, the reforestation/reforestation amortization deduction and the repayment of supplemental unemployment benefits under the Trade Act of 1974. These amounts were included in the "Other Adjustments" category in the statistics.

Tax Due at Time of Filing

(line 64, Form 1040)

"Tax due" was reported on returns on which total tax liability exceeded total tax payments.

Tax From Recomputing Prior-Year Investment Credit

(line 49, Form 1040)

The investment tax credit provisions of the law included a recapture rule which required taxpayers to pay back some or all of any investment credit previously taken on property disposed of before the end of the useful life claimed in computing the credit. The law specified that if property qualifying for the credit was disposed of before the end of its intended useful life, the tax for the year of disposal was increased by the difference between the credit originally claimed and the credit that would have been allowed based on the shorter actual life. Tax credits could not be applied against this additional tax.

Tax Generated Δ

(line 38, Form 1040)

This amount was the tax computed on modified taxable income. (See also "Modified Taxable Income.") For 1991, there were three basic tax rates, 15, 28, and 31 percent. Long-term capital gains were subject to a maximum tax rate of 28 percent.

If children under age 14 had investment income that exceeded \$1,000, there were two methods of reporting this income. If the child filed his or her own return, the investment income that exceeded \$1,100 was taxed at the parents' rate on Form 8615 and tabulated separately in Tables 3.4 and 3.5. If the parents elected to report the child's investment income on their return, they attached a Form 8814. The investment income in excess of \$1,000 was included on Form 1040, line 22. The remaining investment income was taxed at the child's rate (15 percent), added to the parents' tax on Form 1040, line 38, and was also tabulated separately in Tables 3.4 and 3.5.

On most returns, except those with additional taxes from special computations, "tax generated" equaled "income tax before credits."

Tax Payments

(lines 54, 55, 57-60, Form 1040)

These payments were generally made before the return was filed and were applied against tax liability to determine any amount payable or refundable at the time of filing. They consisted of the following:

- 1) income tax withheld, including backup withholding;
- 2) estimated tax payments;
- 3) payment with request for extension of filing time;
- 4) excess social security taxes or railroad retirement tax withheld;
- 5) credit for tax on certain gasoline, fuel, and oil;
- 6) credit from regulated investment companies.

Each of the above is described under a separate heading in this section.

Although the earned income credit was included with tax payments on the tax return itself (line 56, Form 1040), for the statistics it is treated partly as a credit against income tax liability and partly as a refundable amount (see also "Earned Income Credit").

Tax Rates

See "Tax Generated."

Tax-Exempt Interest

(line 8b, Form 1040)

Tax-exempt interest includes interest on certain State and municipal bonds, as well as any tax-exempt interest dividends from a mutual fund or other regulated investment company. This is an information reporting requirement and does not convert tax-exempt interest to taxable interest.

Taxable and Nontaxable Returns

The taxable and nontaxable classification of a return for this report was determined by the presence of "total income tax" (the sum of income tax

after credits and the alternative minimum tax). Some returns classified as "nontaxable" may have had a liability for other taxes, such as self-employment or Railroad Retirement Tax Act (RRTA) taxes, social security taxes on tip income, tax from recomputing prior-year investment credit, penalty taxes on individual retirement accounts, Section 72 penalty taxes, advance earned income credit payments, golden parachute payments, or uncollected employee social security tax on tips. These taxes, however, were disregarded for purposes of this classification since three of the above taxes were considered social security (rather than income) taxes, and the remaining ones, except for advance earned income payments, were either based on prior year's income or were penalty taxes.

For this report, the earned income credit was treated first as an amount which was used to offset income tax before credits. Since the earned income credit was refundable, it was subtracted from income tax (for the statistics) after reduction by all other statutory credits. As a result, some returns became nontaxable strictly because of the earned income credit if there was no alternative minimum tax and the earned income credit equaled or exceeded income tax before credits reduced by any other credits.

It should be noted that classification as taxable or nontaxable was based on each return as it was originally filed and does not reflect any changes resulting from audit or other enforcement activities.

Taxable Income Δ

(line 37, Form 1040)

Taxable income was derived by subtracting from adjusted gross income any exemption amount *and* either total itemized deductions or the standard deduction. On current year returns, "taxable income" was identical to "modified taxable income." For prior year returns received during the current year filing period, taxable income was imputed from the amount of tax reported. (See also "Modified Taxable Income.")

Taxable Interest Received

(line 8a, Form 1040)

This amount was the taxable portion of interest received from bonds, debentures, notes, mortgages, certain insurance policy proceeds, personal loans, bank deposits, savings accounts, tax refunds, and U.S. savings bonds. Also included as interest were "dividends" on deposits or withdrawable accounts in mutual savings banks, cooperative banks, savings and loan associations, and credit unions. For 1991, these amounts could, in some circumstances, include a child's income which was to be taxed at the parent's rate. Most interest on State or local government obligations remained tax-exempt, but the total tax-exempt interest had to be reported on line 8b of Form 1040. It was not included in the taxpayer's income for income tax purposes (See also "Tax-Exempt Interest.")

Taxes Paid Deduction

(line 8, Schedule A)

Taxes allowed as an itemized deduction from adjusted gross income included personal property taxes, State and local income taxes, taxes paid to foreign countries or U.S. possessions (unless a foreign tax credit was claimed), and real estate taxes except those levied for improvements that tended to increase the value of the property. Mandatory employee contributions to a state disability fund and employee contributions to a state unemployment fund were also included. Federal taxes and State and local sales taxes were not deductible.

Taxes paid on business property were deducted separately on the schedules for business, rent, royalty, and farm income and are excluded from the "taxes paid" statistics in this report.

Total Income Tax

(line 46 - line 56 + line 48 of Form 1040)

Total income tax was the sum of income tax after credits (from which the earned income credit was subtracted) and the alternative minimum tax.

It did not include any of the other taxes which made up total tax liability. Total income tax was the basis for classifying returns as taxable or nontaxable.

Total Itemized Deductions Δ

(line 34, Form 1040)

Itemized deductions from adjusted gross income could be claimed for medical and dental expenses, taxes paid, interest paid, contributions, casualty and theft losses, moving expenses, and miscellaneous deductions. Itemized deductions were claimed only if they exceeded the total standard deduction, with two exceptions. First, if a taxpayer was married and filing separately, and his or her spouse itemized deductions, the individual was required to itemize as well. Second, taxpayers in several states are required to itemize deductions on their Federal tax returns if they wish to itemize on their State returns. The total amount of itemized deductions was tabulated only from returns showing positive adjusted gross income.

If a taxpayer had AGI in excess of \$100,000 (\$50,000 if married filing separately) his or her itemized deductions may have been limited. The limitation did not apply to the deductions for medical and dental expenses, investment interest expenses, casualty or theft losses, and gambling losses. To arrive at allowable itemized deductions, total itemized deductions were reduced by the smaller of: a) 80 percent of the non-exempt deductions, or b) 3 percent of the amount of AGI in excess of \$100,000 (\$50,000).

Total Rent and Royalty Income or Loss

This income concept consists of all rent and royalty income and loss which was used in computing adjusted gross income, farm rental income and suspended rental loss carry-over from prior years. It excludes that portion of rental losses which was not deductible in computing adjusted gross income due to the passive loss rules which went into effect for Tax Year 1987. (Passive loss rules are discussed under Changes in Law.)

Total Tax Credits Δ

(lines 45, 55, Form 1040)

For this report, total tax credits consisted of the following:

- 1) child care credit;
- 2) credit for the elderly and disabled;
- 3) foreign tax credit;
- 4) general business credit;
- 5) minimum tax credit;
- 6) other tax credits;
- 7) mortgage interest credit and any credits on prior year returns; and
- 8) the portion of the earned income credit (EIC) used to offset income tax before credits.

These amounts were deducted from income tax before credits to arrive at income tax after credits. For the statistics, the portion of the EIC which did not result in a negative amount was tabulated as "earned income credit used to offset income tax before credits." Any amount remaining of the EIC could be refunded or applied to other taxes, and was classified separately as "earned income credit refundable portion," or "earned income credit used to offset other taxes." All other credits were limited to the amount needed to offset income tax before credits and were not refundable.

Total Tax Liability

(line 53 modified by the earned income credit, Form 1040)

Total tax liability was the sum of income tax after credits, the alternative minimum tax, self-employment tax, social security tax on tips, tax from recomputing prior-year investment credits, taxes from individual retirement accounts, Section 72 penalty taxes, and tax on golden parachute payments. These taxes were then reduced by the earned income credit used to offset all other taxes (defined under "Earned Income Credit"). For the statistics,

unlike the Form 1040, total tax liability did not include any advance earned income credit payments.

Type of Tax Computation Δ

(line 38, Form 1040)

Tabulations in Table 3.1 include three methods of computing the tax on income subject to tax. These methods were:

- 1) regular tax, as computed from the tax tables or tax rate schedules accompanying the Forms 1040, 1040A, or 1040EZ (see also "Regular Tax Computation"); and
- 2) Form 8615, used to compute the tax on investment income of children under age 14.
- 3) Schedule D, Form 1040, used to compute the 28 percent tax on long-term capital gains.

Unemployment Compensation

(line 20, Form 1040)

Beginning in 1987, all unemployment compensation had to be included in income.

Unreimbursed Employee Business Expenses

(line 19, Schedule A)

This item, like most miscellaneous itemized deductions, was subject to a minimum threshold 2 percent of AGI. Unreimbursed employee business expenses included travel, transportation, meal, and entertainment costs while away from home in the performance of job duties. Eighty percent of the meal and entertainment expenses was deductible, and was calculated on Form 2106, *Employee Business Expenses*. Many other expenses such as union dues, safety equipment, uniforms, protective clothing, and physical examinations were also deductible.

Section 5

1991 Forms and Instructions

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1040 U.S. Individual Income Tax Return 1991

Department of the Treasury - Internal Revenue Service

For the year Jan.-Dec. 31, 1991, or other tax year beginning 1991, ending 1991.

Label section with fields for name, address, and social security number.

Filing Status section with options for Single, Married, Head of household, etc.

Exemptions section with fields for spouse and dependents.

Income section with lines 7 through 23 for various income types.

Adjusted Gross Income section with lines 24 through 31 for adjustments and total income.

Form 1040 (1991) Page 2

Tax Computation section with lines 32 through 40 for gross income and deductions.

Credits section with lines 41 through 44 for various tax credits.

Other Taxes section with lines 45 through 48 for self-employment and alternative minimum taxes.

Payments section with lines 49 through 60 for various tax payments.

Refund or Amount You Owe section with lines 61 through 64 for refund calculations.

Sign Here section with signature and date lines.

Paid Preparer's Use Only section for professional preparers.

1040 1991

Instructions for Form
and Schedules
A, B, C, D, E
EIC, F, and SE

GET THE CREDIT
YOU DESERVE
SEE PAGE 6



What's inside?
 Avoid common mistakes (page 2)
 A note from the Commissioner (page 3)
 Fast filing (page 3)
 What's new for 1991 (page 6)
 Free tax help (page 6)
 How to make a gift to reduce the public debt (page 29)
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 How to order forms and publications (page 75)
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Note: This booklet does not contain any tax forms.

Cat. No. 11325E



Instructions for Form 1040

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Avoid Common Mistakes

This checklist is to help you make sure you fill out your form correctly. Errors may delay your refund.

- If a child lived with you and your adjusted gross income on Form 1040, line 31, is under \$2,250, read the instructions for new Schedule EIC that begin on page 45 to see if you can take the earned income credit.
- If you are taking the standard deduction and you check any box on line 33a or 33b, be sure you see page 23 to find the amount to enter on line 34.
- If you (or your spouse if you can check the box on line 10) are 65 or older or blind, check the instructions on line 33a.
- If dependents (or former stepparents) can claim you as a dependent on their 1991 return (even if they choose not to claim you), check the box on line 33b.
- If you owe self-employment tax, enter one-half of that tax on Form 1040, line 25.
- Make sure your name, address, and social security number are correct on the label.
- If you are married filing a joint return and didn't get a label, or you are married filing a separate

- return, enter your spouse's social security number in the space provided on page 1 of Form 1040.
- Check your computations (additions, subtractions, etc.) especially when figuring your total income, Federal income tax withheld, and your refund or amount you owe.
- Attach your W-2 form(s) and any other required forms and schedules. Be sure you put all forms and schedules in the proper order. See Step 6 on page 10.
- Don't forget to sign and date Form 1040 and enter your occupation.

A Note From the Commissioner

Dear Taxpayer:

I thank each of you reading this letter for doing your part to keep our tax system the finest in the world. It works well because so many of you do your best to pay your fair share. As countries around the world embrace our way of life, it is a reminder that government in a free country can only be financed through voluntary compliance and the support of the public it serves.

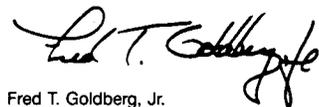
We have been working for many months to make this filing season the best ever. This will mean prompt refunds, accurately filed and processed returns, tax forms when and where you need them, and the right answers and assistance from courteous, respectful employees. Electronic filing is now available for everyone. We're testing exciting new approaches by letting certain taxpayers file by telephone and by doing the math for taxpayers who ask for our help.

I also want to make clear our commitment to a decade of fundamental change. Your government must simplify

the tax law. We must make it far easier to deal with the IRS. All of you who try to pay your fair share have every right to expect that the IRS will make sure others do the same. As citizens who "own" the government, you should insist that we make the best use of your tax dollars.

We are dedicated to reaching these goals. The journey requires us to modernize our computer systems; to help taxpayers do what's right in paying what they owe; to meet the highest standards of quality; to promote the highest ethical standards; and to assure diversity in our work force.

You have every right to demand that we deliver. I think we're making progress. With your support and oversight, we'll get there. Don't settle for less.


Fred T. Goldberg, Jr.



Recycling

The tax forms and instructions you received are printed on recyclable paper. If your community has a recycling program, please recycle. (Remember to keep a copy of your return and any worksheets you used for your records.) The Internal Revenue Service tries to use recycled paper for all of its forms and instructions.



Fast Filing

Last year over 7.5 million people filed their tax returns electronically by computer. Electronic filing is a fast and accurate way to file your return with the IRS. If you are expecting a refund, it will be issued within 3 weeks from the time the IRS accepts your return. If you have your refund directly deposited into your savings or checking account, you could receive your money even faster. Even if you are not expecting a refund, electronic filing is still a fast and accurate way to file your return.

Many professional tax preparers offer electronic filing in addition to their preparation services. A paid preparer must sign your **Form 8453, U.S. Individual Income Tax Declaration for Electronic Filing**. Even if you prepare your own return, a preparer or transmitter in your area can file your return electronically for you. For more information on electronic filing, see **Tele-Tax Information** in the index (topic no. 112).

Privacy Act and Paperwork Reduction Act Notice

The Privacy Act of 1974 and Paperwork Reduction Act of 1980 say 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 tax returns and any papers filed with them. 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 and its regulations say that you must show your social security number on what you file. This is so we know who you are, and can process your return and 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.

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.

We may give the information to the Department of Justice and to other Federal

agencies, as provided by law. We may also give it to cities, states, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. And we may give it to foreign governments because of tax treaties they have with the United States.

If you do not file a return, do not provide the information we ask for, or provide fraudulent information, the law says that you may be charged penalties and, in certain cases, you may 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.

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 are accurate and can be easily understood. Often this is difficult to do because some of the tax laws enacted by Congress are very complex. For some people with income mostly from wages, filing out the forms is easy. For others who have businesses, pensions, stocks, rental income or other investments, it is more difficult.

Estimated Preparation Time

The time needed to complete and file the following forms 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
Form 1040	3 hr., 8 min.	2 hr., 31 min.	3 hr., 23 min.	41 min.
Sch. A (1040)	2 hr., 32 min.	25 min.	1 hr., 9 min.	27 min.
Sch. B (1040)	33 min.	9 min.	17 min.	20 min.
Sch. C (1040)	6 hr., 13 min.	1 hr., 5 min.	1 hr., 57 min.	25 min.
Sch. D (1040)	51 min.	54 min.	1 hr., 7 min.	41 min.
Sch. D-1 (1040)	13 min.	- - -	13 min.	35 min.
Sch. E (1040)	2 hr., 52 min.	1 hr., 6 min.	1 hr., 16 min.	35 min.
Sch. EIC (1040)	40 min.	19 min.	51 min.	55 min.
Sch. F (1040):				
Cash Method	4 hr., 2 min.	34 min.	1 hr., 19 min.	20 min.
Accrual Method	4 hr., 22 min.	26 min.	1 hr., 20 min.	20 min.
Sch. R (1040)	20 min.	16 min.	21 min.	35 min.
Sch. SE (1040):				
Short	20 min.	13 min.	10 min.	14 min.
Long	26 min.	22 min.	38 min.	20 min.

We Welcome Comments on Forms

If you have comments concerning the accuracy of these time estimates or suggestions for making these forms more simple, we would be happy to hear from you. You can write to both the **Internal Revenue Service**, Washington, DC 20224, Attention: IRS Reports Clearance Officer, T:FP; and the **Office of Management and Budget**, Paperwork Reduction Project (1545-0074), Washington, DC 20503.

Do not send your return to either of these offices. Instead, see **Where Should I File?** on page 9.

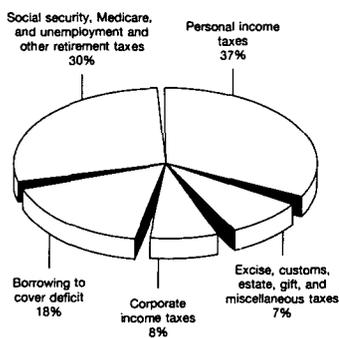
Major Categories of Federal Income and Outlays for Fiscal Year 1990

In fiscal year 1990, which began on October 1, 1989, and ended on September 30, 1990, Federal income was \$1,031.3 billion and outlays were \$1,251.7 billion, leaving a deficit of \$220.4 billion. The budget deficit is financed largely by government borrowing from the public. The government borrows from the public by selling bonds and other debt securities to private citizens, banks, businesses, and other governments.

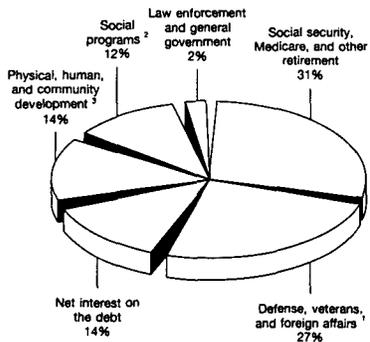
The pie charts on this page show the relative sizes of the major categories of Federal income and outlays for fiscal year 1990.

Income and Outlays

Where the Income Came From:



What the Outlays Were:



¹ About 23% was for defense; 2% was for veterans benefits and services; and 1% was for foreign affairs including military and economic assistance to foreign countries and the maintenance of U.S. embassies abroad.

² About 7% was spent to fund Medicaid, food stamps, aid to families with dependent children, supplemental security income, and related programs. About 5% was spent for health research and public health programs, unemployment compensation, assisted housing, and social services.

³ This category consists of agricultural programs; natural resources and environmental programs; transportation programs; aid for elementary and secondary education and direct assistance to college students; job training programs; economic development programs including deposit insurance; and space, energy, and general science programs.

Section 1.

Before You Fill Out Form 1040

Operation Desert Storm/Desert Shield. If you were a participant in Operation Desert Storm or Desert Shield, see **Tele-Tax Information** (topic no. 468) for more information, including extensions of deadlines for taking care of tax matters such as filing returns, making contributions to an IRA, or paying taxes.

What's New for 1991?

New Earned Income Credit Rules. If you earned less than \$21,250 and a qualifying child lived with you, you may be able to take the earned income credit for 1991. The credit is now made up of three parts—the basic credit, the health insurance credit, and the extra credit for a child born in 1991. You can take each part that applies to you. You may be able to take the credit even if your filing status is single. In most cases, the child does not have to be your dependent. But the child must meet certain age and other conditions. Read the instructions for **Schedule EIC** that begin on page 45 to see if you can take the credit. Also, read Part I of Schedule EIC to see if you have a qualifying child.

Social Security Numbers for Dependents Age 1 or Older. If you can claim any person age 1 or older as a dependent, show that person's social security number on your return. If your dependent does not have a number, see the instructions for line 6c, column (3), on page 13.

Deduction for Exemptions. The deduction for each exemption—for you, your spouse, and dependents—has increased to \$2,150. But your deduction may be reduced or eliminated if your adjusted gross income is more than \$75,000. Read the instructions for line 36 on page 24.

Should You Itemize or Take the Standard Deduction? The standard deduction has increased. Because of this increase, it may be to your benefit to take the standard deduction this year even though you itemized deductions in the past. Read the instructions for line 34 on page 23.

Itemized Deductions. If your adjusted gross income is more than \$100,000 (\$50,000 if married filing separately), you may not be able to deduct all of your itemized deductions. Read the **Schedule A** instructions for line 26 on page 42.

Also, personal interest (such as interest on car loans and credit card balances) is no longer deductible.

Maximum Tax Rate of 28% on Capital Gains. If you have a net capital gain, your tax may be less if you can use Part IV of Schedule D to figure your tax. See Part IV of Schedule D to see if you qualify.

Alternative Minimum Tax. The tax rate has increased to 24%.

Additional information. If you want more information about tax law changes for 1991, get **Pub. 563, Highlights of 1991 Tax Changes.** You may also find the publications listed near the end of this booklet helpful in completing your return.

Page 6

What Free Tax Help Is Available?

Tax Forms and Publications. Most of your tax questions can be answered by reading the tax form instructions or one of our many free tax publications.

Recorded Tax Information by Telephone. Our **Tele-Tax** service has recorded tax information covering about 140 topics.

Refund information. Tele-Tax can tell you the status of your refund.

Telephone Help. IRS representatives are available to help you with your tax questions. If, after reading the tax form instructions and publications, you are not sure how to fill out your return, or have a question about a notice you received from us, please call us. Use the toll-free number for your area.

Send the IRS Written Questions. You may send your written tax questions to your IRS District Director. If you don't have the address, you can get it by calling the number for your area.

To find the toll-free number for your area and the pages that contain Tele-Tax information, see "Telephone Assistance—Federal Tax Information" in the index.

Walk-in Help. Assistors are available in most IRS offices throughout the country to help you prepare your return. An assistor will explain or "walk through" a Form 1040EZ, Form 1040A, or Form 1040 with Schedules A and B with you and a number of other taxpayers in a group setting. To find the location of the IRS office nearest you, look in the phone book under "United States Government, Internal Revenue Service."

Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE). These programs help older, disabled, low-income, and non-English-speaking people fill out their returns. Call the toll-free telephone number for your area for details. If you received a Federal income tax package in the mail, take it with you when you go for help.

Videoaped Instructions for completing your return are available in English and Spanish at many libraries.

Telephone Service for Hearing-Impaired Persons is available. **Braille Materials** for the blind are available at regional libraries for the blind and the disabled.

Unresolved Tax Problems. The **Problem Resolution Program** is for taxpayers who have been unable to resolve their problems with the IRS. If you have a tax problem you cannot clear up through normal channels, write to your local IRS District Director or call your local IRS office and ask for Problem

Resolution assistance. Hearing-impaired persons who have access to TDD equipment may call 1-800-829-4059 to ask for help from Problem Resolution. This office cannot change the tax law or technical decisions. But it can help you clear up problems that resulted from previous contacts.

Free Social Security Personal Earnings and Benefit Estimate Statement. The Social Security Administration (SSA) can mail you a statement of your social security earnings and your estimated future benefits. To get this statement, complete a simple form and return it to the SSA. You may get a request form by writing to **Consumer Information Center, Department 72, Pueblo, CO 81009.**

Do You Need Additional Forms or Publications?

If you do not have any tax questions and you only need tax forms and publications, you can—

- Visit your local IRS office.
- Visit a participating bank or post office for Forms 1040, 1040A, 1040EZ, Schedules A, B, and EIC, Schedules 1 and 2, and their instructions.
- Visit a participating library, which stocks a wider variety of forms and publications.
- Use the order blank near the end of the instructions. You should receive the items you order within 2 weeks from the time you mail your request.
- Call our toll-free "Forms Only" number 1-800-TAX-FORM (1-800-829-3676). The hours of operation during the filing season are 8:00 A.M. to 5:00 P.M. (weekdays) and 9:00 A.M. to 3:00 P.M. (Saturdays). For callers in Alaska and Hawaii, the hours are Pacific Standard Time. For callers in Puerto Rico, the hours are Eastern Standard Time. You should receive your order within 7 to 10 working days after you call.

Can I Use Substitute Tax Forms?

You may not use your own version of a tax form unless it meets the requirements in **Pub. 1187.** You can get **Pub. 1187** by writing to the Distribution Center for your state. See the order blank near the end of the instructions for the address.

Section 2.

Filing Requirements

The rules under **Do I Have To File?** apply to all U.S. citizens and resident aliens. They also apply to nonresident aliens and dual-status aliens who were married to U.S. citizens or residents at the end of 1991 and who have elected to be treated as resident aliens.

Exception. If you were a U.S. citizen who lived in a U.S. possession or had income from a U.S. possession, different rules apply. Get Pub. 570, Tax Guide for Individuals With Income From U.S. Possessions.

If you were a nonresident alien at any time during 1991, except as mentioned above, different rules apply. You may have to file Form 1040NR, U.S. Nonresident Alien Income Tax Return. Specific rules apply to determine if you are a resident or nonresident. Get Pub. 519, U.S. Tax Guide for Aliens.

Do I Have To File?

Use Chart A on this page to see if you must file a return. But you must use Chart B on page 8 if your parent (or someone else) can claim you as a dependent on his or her return. Also see Chart C on page 8 for other situations when you must file.

Note: Even if you do not 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 can take the earned income credit. If you file for either of these reasons only, you may be able to use Form 1040A. If you are single and file only to get a refund of tax withheld, you may be able to use Form 1040EZ.

Exception for Children Under Age 14. If your child was under age 14 on January 1, 1992, and all three of the following apply, you may elect to report your child's income on your return. If you make this election, your child does not have to file a return.

1. Your child had income only from interest and dividends (including Alaska Permanent Fund dividends); and
2. Your child's gross income was more than \$500 but less than \$5,000; and
3. Your child had no Federal income tax withheld from his or her income (backup withholding) and did not make estimated tax payments for 1991.

If you and the child's other parent are not filing a joint return, special rules apply to determine which parent may make the election. Get Form 8814, Parent's Election To Report Child's Interest and Dividends, for details.

Chart A—For Most People

To use this chart, first find your marital status at the end of 1991. Then, read across to find your filing status and age at the end of 1991. You must file a return if your gross income was at least the amount shown in the last column. Gross income means all income you received in the form of money, goods, property, and services that is not exempt from tax, including any gain on the sale of your main home. See page 14 to find out what types of income to include.

Marital status	Filing status	Age*	Gross income	
Single (including divorced and legally separated)	Single	under 65 65 or older	\$5,550 \$6,400	
	Head of household	under 65 65 or older	\$7,150 \$8,000	
Married with a child and living apart from your spouse during the last 6 months of 1991	Head of household (see page 12)	under 65 65 or older	\$7,150 \$8,000	
		under 65 (both spouses) 65 or older (one spouse) 65 or older (both spouses)	\$10,000 \$10,650 \$11,300	
Married and living with your spouse at end of 1991 (or on the date your spouse died)	Married, joint return	any age	\$2,150	
	Married, separate return	any age	\$2,150	
Married, not living with your spouse at end of 1991 (or on the date your spouse died)	Married, joint or separate return	any age	\$2,150	
		Single	under 65 65 or older	\$5,550 \$6,400
Widowed before 1991 and not remarried in 1991	Head of household	under 65 65 or older	\$7,150 \$8,000	
		Qualifying widow(er) with dependent child (see page 12)	under 65 65 or older	\$7,850 \$8,500

* If you turned age 65 on January 1, 1992, you are considered to be age 65 at the end of 1991.

Chart B—For Children and Other Dependents (See the instructions for line 6c on page 13 to find out if someone can claim you as a dependent.)

If your parent (or someone else) can claim you as a dependent, and any of the four conditions listed below applies to you, you must file a return.

In this chart, **unearned income** includes taxable interest and dividends. Earned income includes wages, tips, and taxable scholarship and fellowship grants.

Caution: If your gross income was \$2,150 or more, you usually cannot be claimed as a dependent unless you were under 19 or under 24 and a student. For details, see Test 4—Income on page 13.

1. **Single dependents under 65.**—You must file a return if—

Your unearned income was:	and	the total of that income plus your earned income was:
\$1 or more		more than \$550
\$0		more than \$3,400
2. **Single dependents 65 or older or blind.**—You must file a return if—
 - Your earned income was more than \$4,250 (\$5,100 if 65 or older and blind), or
 - Your unearned income was more than \$1,400 (\$2,250 if 65 or older and blind), or
 - Your gross income was more than the total of your earned income (up to \$3,400 or \$550, whichever is larger, plus \$850 (\$1,700 if 65 or older and blind).
3. **Married dependents under 65.**—You must file a return if—
 - Your earned income was more than \$2,850, or
 - You had any unearned income and your gross income was more than \$550, or
 - Your gross income was at least \$5 and your spouse files a separate return on Form 1040 and itemizes deductions.
4. **Married dependents 65 or older or blind.**—You must file a return if—
 - Your earned income was more than \$3,500 (\$4,150 if 65 or older and blind), or
 - Your unearned income was more than \$1,200 (\$1,850 if 65 or older and blind), or
 - Your gross income was more than the total of your earned income (up to \$2,850 or \$550, whichever is larger, plus \$850 (\$1,700 if 65 or older and blind), or
 - Your gross income was at least \$5 and your spouse files a separate return on Form 1040 and itemizes deductions.

Chart C—Other Situations When You Must File

If any of the four conditions listed below applied to you for 1991, you must file a return.

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;
 - Uncollected social security and Medicare or RRTA tax on your group-term life insurance;
 - Alternative minimum tax;
 - Tax on an individual retirement arrangement (IRA) or a qualified retirement plan; or
 - Tax from recapture of investment credit, low-income housing credit, or recapture tax on the disposition of a home purchased with a federally subsidized mortgage. (See the instructions for line 49 on page 26.)
2. You received any advance earned income credit (AEIC) payments from your employer(s).
3. You had net earnings from self-employment of at least \$400.
4. You had wages of \$108.28 or more from a church or qualified church-controlled organization that is exempt from employer social security and Medicare taxes.

Which Form Should I Use?

You May Be Able To Use Form 1040EZ if:

- You were single and do not claim any dependents.

Page 8

You May Be Able To Use Form 1040A if:

- You had income only from wages, salaries, tips, taxable scholarship and fellowship grants, pensions or annuities, taxable social security benefits, payments from your individual retirement account (IRA), unemployment compensation, interest, or dividends.
- Your taxable income is less than \$50,000.
- You do not itemize deductions.

You can also use Form 1040A to claim the earned income credit, the deduction for certain contributions to an IRA, nondeductible contributions to an IRA, the credit for child and dependent care expenses, and the credit for the elderly or the disabled. You may use it even if you made estimated tax payments for 1991 or if you can take the exclusion of interest from series EE U.S. savings bonds issued after 1989.

Since Forms 1040A and 1040EZ are easier to complete than Form 1040, you should use one of them unless using Form 1040 lets you pay less tax. However, you must file Form 1040 if any of the following situations applies to you.

You Must Use Form 1040 if:

- Your taxable income is \$50,000 or more.
- You itemize deductions. (Read the instructions for line 34 on page 23 to see if it would benefit you to itemize.)
- You received or paid accrued interest on securities transferred between interest payment dates.
- You received any nontaxable dividends, capital gain distributions, or Alaska Permanent Fund dividends.
- You are required to fill in Part III of Schedule B for foreign accounts and foreign trusts (see page 43 of the instructions).
- You had any of the kinds of income shown on Form 1040, lines 10 through 13, 15, 18, 19, and 22, such as taxable refunds of state and local income taxes.
- You take any of the adjustments to income shown on Form 1040, lines 25 through 29, or any write-in amount included on line 30.
- You claim any of the credits on Form 1040, line 43 or 44, or a credit for fuel produced from a nonconventional source.
- You owe any of the taxes on Form 1040, lines 39, 47 through 51, or any write-in amount included on line 53.

Note: If you are filing only because you owe the tax on line 51 you only have to file Form 5329.

- You claim either of the payments on Form 1040, line 59, or a credit for overpaid windfall profit tax.
- You file any of these forms:
 - Form 2555, Foreign Earned Income.
 - Form 4563, Exclusion of Income for Bona Fide Residents of American Samoa.
 - Form 8271, Investor Reporting of Tax Shelter Registration Number.
 - Form 8814, Parent's Election To Report Child's Interest and Dividends.

- You were not 65 or older OR blind.
- You had only wages, salaries, tips, taxable scholarship and fellowship grants, and not more than \$400 of taxable interest income.
- Your taxable income is less than \$50,000.
- You did not receive any advance earned income credit (AEIC) payments.
- You do not itemize deductions or claim any adjustments to income or tax credits.

When Should I File?

You should file as soon as you can after January 1, but not later than April 15, 1992.

If you file late, you may have to pay penalties and interest. See **Penalties and Interest** on page 30.

If you know that you cannot file your return by the due date, you should file Form 4868, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return, by April 15, 1992.

Caution: Form 4868 does not extend the time to pay your income tax. See the instructions for Form 4868.

If you are a U.S. citizen or resident, you may qualify for an automatic extension of time to file it, 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.

Note: Desert Storm participants see Pub. 945 for special rules on when to file.

Where Should I File?

If an addressed envelope came with your return, please use it. If you did not receive an envelope, or if you moved during the year, mail your return to the **Internal Revenue Service Center** for the place where you live. See the chart on this page. No street address is needed. Envelopes with insufficient postage will be returned by the post office.

Where To File

If you live in:	Use this address:
Florida, Georgia, South Carolina	Atlanta, GA 39901
New Jersey, New York (New York City and counties of Nassau, Rockland, Suffolk, and Westchester)	Holtsville, NY 00501
New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	Andover, MA 05501
Illinois, Iowa, Minnesota, Missouri, Wisconsin	Kansas City, MO 64999
Delaware, District of Columbia, Maryland, Pennsylvania, Virginia	Philadelphia, PA 19255
Indiana, Kentucky, Michigan, Ohio, West Virginia	Cincinnati, OH 45999
Kansas, New Mexico, Oklahoma, Texas	Austin, TX 73301
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
California (all other counties), Hawaii	Fresno, CA 93888
Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee	Memphis, TN 37501
American Samoa	Philadelphia, PA 19255
Guam	Commissioner of Revenue and Taxation 855 West Marine Dr. Agana, GU 96910
Puerto Rico (or if excluding income under section 933)	Philadelphia, PA 19255
Virgin Islands: Nonpermanent residents	V.I. Bureau of Internal Revenue Lockharts Garden No. 1A Charlotte Amalie, St. Thomas, VI 00802
Virgin Islands: Permanent residents	Philadelphia, PA 19255
Foreign country: U.S. citizens and those filing Form 2555 or Form 4563	Philadelphia, PA 19255
All A.P.O. and F.P.O. addresses	Philadelphia, PA 19255

Section 3.

Steps for Preparing Form 1040

Follow the six steps below to help you prepare your return. If you follow these steps and read the instructions, we feel that you can fill in your return quickly and accurately.

Step 1—Get All of Your Records Together

Income Records. These include any Forms W-2, W-2G, and 1099 that you may have. If you don't get a Form W-2 by January 31, 1992, or if the one you get isn't correct, please contact your employer as soon as possible. Only your employer can give you a Form W-2 or correct it. If you cannot get a Form W-2 by February 17, call the toll-free telephone number listed in the instructions for your area. You will be asked for your employer's name, address, and, if known, identification number.

Itemized Deductions and Tax Credits. Pages 25, 27, and 38 through 42 of these instructions tell you what credits and itemized deductions you can take. Some of the records you may need are:

- Medical and dental payment records.
- Real estate and personal property tax receipts.
- Interest payment records for your home mortgage.
- Records of payments for child care so you could work.

Step 2—Get Any Forms, Schedules, or Publications You Need

In general, we mail forms and schedules to you based on what you filed last year. Before you fill in your return, look it over to see if you need more forms or schedules.

If you think you will need any other forms, get them before you start to fill in your return. See **Do You Need Additional Forms or Publications?** on page 6.

Step 3—Fill in Your Return

The line instructions for Form 1040 begin on the next page. Enter any negative amounts in (parentheses) unless instructed otherwise.

Step 4—Check Your Return To Make Sure It Is Correct

Review **Avoid Common Mistakes** on page 2.

Step 5—Sign and Date Your Return

Form 1040 is not considered a valid return unless you sign it. Your spouse must also sign if it is a joint return. If a taxpayer died before filing a return for 1991, see **Death of Taxpayer** on page 29.

Step 6—Attach All Required Forms and Schedules

Attach the first copy or Copy B of Forms W-2 and W-2G to the front of Form 1040. If you received a 1991 Form 1099-R showing Federal income tax withheld, also attach the first copy or Copy B of that Form 1099-R to the front of Form 1040. (The amount of Federal income tax withheld should be shown in Box 4 of Form 1099-R.)

Attach all other schedules and forms behind Form 1040 in order of the "Attachment Sequence No." shown in the upper right corner of the schedule or form. For example, the attachment sequence no. for Schedule A (Form 1040) is 07. Attach forms without an attachment sequence number at the end of your return.

If you need more space on forms or schedules, attach separate sheets. Use the same format as the printed forms, but show your totals on the printed forms. Please use sheets that are the same size as the forms and schedules. Be sure to put your name and social security number on the sheets and attach them at the end of your return.

If you owe tax, be sure to attach your payment to the front of Form 1040 on top of any Form(s) W-2, W-2G, and 1099-R.

Section 4.

Line Instructions for Form 1040

Name, Address, and Social Security Number

Why Use the Label? The mailing label on the front of the instruction booklet is designed to speed processing at Internal Revenue Service centers and prevent common errors that delay refund checks. But do not attach the label until you have finished your return. Cross out any errors and print the correct information on the label. Add any missing items (such as your apartment number).

Caution: If the label is for a joint return and the social security numbers are not listed in the same order as the first names, show the numbers in the correct order.

Besides your name, address, and social security number, the label contains various code numbers and letters. The diagram below explains what these numbers and letters mean.

What if I Do Not Have a Label? If you didn't receive a label, print or type the information in the spaces provided. But if you are married filing a separate return, do not enter your husband's or wife's name here. Instead, show his or her name in the space provided on line 3.

Name Change. If you changed your name because of marriage, divorce, etc., be sure to report this to the Social Security Administration so that it has the same name in its records that you have on your tax return. This

prevents delays in processing your return and safeguards your future social security benefits.

Deceased Taxpayer. See **Death of Taxpayer** on page 29.

Social Security Number. Enter your social security number in the area marked "Your social security number." If you are married, enter your husband's or wife's social security number in the area marked "Spouse's social security number." Be sure that the number you enter agrees with the number shown on your social security card. Also check that your social security number is correct on your Forms W-2 and 1099. See page 29 for more details.

If you don't have a social security number, get Form SS-5 from your local Social Security Administration (SSA) office. Fill it out and return it to the SSA office. If you do not receive a number by the time your return is due, enter "Applied for" in the space for the number.

Nonresident Alien Spouse. If your spouse is a nonresident alien and you file a joint return, your spouse must get a social security number. If you file a separate return and your spouse has no social security number and no income, enter "NRA" in the space for your spouse's number.

P.O. Box. If your post office does not deliver mail to your home and you have a P.O. box, show your P.O. box number instead of your home address.

Foreign Address. If your address is outside of the United States or its possessions or territories, enter the information on the line for "City, town or post office, state, and ZIP code" in the following order: city, province

or state, postal code, and the name of the country. Do not abbreviate the country name.

Presidential Election Campaign Fund

Congress set up this fund to help pay for Presidential election costs. If you want \$1 of your tax to go to this fund, check the "Yes" box. If you are filing a joint return, your spouse may also have \$1 go to the fund. If you check "Yes," your tax or refund will not change.

Filing Status

In general, your filing status depends on whether you are considered single or married. The filing statuses are listed below. The one that will usually give you the highest tax is listed first and the ones that will usually give you the lowest tax are listed last.

- Married filing a separate return
- Single
- Head of household
- Married filing a joint return or Qualifying widow(er) with dependent child.

If more than one filing status applies to you, choose the one that will give you the lowest tax.

Line 1 Single

You may check the box on line 1 if any of the following was true on December 31, 1991:

- You were never married, or
- You were legally separated, according to your state law, under a decree of divorce or of separate maintenance, or
- You were widowed before January 1, 1991, and did not remarry in 1991.

If you had a child living with you, you may be able to take the earned income credit on line 56. Read the instructions for Schedule EIC that begin on page 45 to see if you can take the credit.

Line 2

Married Filing Joint Return

You may check the box on line 2 if any of the following is true:

- You were married as of December 31, 1991, even if you did not live with your spouse at the end of 1991, or
- Your spouse died in 1991 and you did not remarry in 1991, or
- Your spouse died in 1992 before filing a 1991 return. For details on how to file the joint return, see **Death of Taxpayer** on page 29.

A husband and wife may file a joint return even if only one had income or if they did not live together all year. However, both persons must sign the return and both are responsible. This means that if one spouse does not pay the tax due, the other may have to.

If you file a joint return for 1991, you may not, after the due date for filing that return, amend that return to file as married filing a separate return.

Special Rule for Aliens. If at the end of 1991 you were a nonresident alien or dual-status alien married to a U.S. citizen or resident alien, you may be able to file a joint return with your spouse. If you do file a joint return, you and your spouse must agree to be taxed on your combined worldwide income. For more details, get Pub. 519, U.S. Tax Guide for Aliens.

Line 3

Married Filing Separate Return

If you file a separate return, you will generally pay more tax. But you may want to figure your tax both ways (married filing joint and married filing separate) to see which filing status is to your benefit. If you file a separate return, all the following apply:

- You cannot take the standard deduction if your spouse itemizes deductions.
- You cannot take the credit for child and dependent care expenses in most cases.
- You cannot take the earned income credit.
- You cannot exclude the interest from series EE U.S. savings bonds issued after 1989, even if you paid higher education expenses in 1991.

• You cannot take the credit for the elderly or the disabled if you lived with your spouse at any time in 1991.

• You may have to include in income up to one-half of any social security or equivalent railroad retirement benefits you received in 1991.

• Generally, you report only your own income, exemptions, deductions, and credits. Different rules apply to people who live in community property states. See page 14.

But you may be able to file as head of household if you had a child living with you, and you lived apart from your spouse during the last 6 months of 1991. See **Married Persons Who Live Apart** on this page.

Line 4

Head of Household

This filing status is for unmarried individuals who provide a home for certain other persons. Also, if you were married in 1991, had a child living with you, and lived apart from your spouse during the last 6 months of

1991, you may be able to file as head of household. See **Married Persons Who Live Apart** below.

You may check the box on line 4 only if on December 31, 1991, you were unmarried or legally separated and:

- You paid over half the cost of keeping up a home for the entire year, that was the main home of your parent whom you claim as a dependent. Your parent did not have to live with you in your home; or
- You paid over half the cost of keeping up a home in which you lived and in which one of the following also lived for more than 6 months of the year (temporary absences, such as for vacation or school, are counted as time lived in the home):

1. Your unmarried child, grandchild, great-grandchild, etc., adopted child, or stepchild. This child does not have to be your dependent. But your foster child must be your dependent.

2. Your married child, grandchild, great-grandchild, etc., adopted child, or stepchild. This child must be your dependent. But, if your married child's other parent claims him or her as a dependent under the rules on page 13 for **Children of Divorced or Separated Parents**, this child does not have to be your dependent.

3. Any other relative whom you can claim as a dependent. For the definition of a relative, see the instructions for line 6c.

To find out what is included in the cost of keeping up a home, get Pub. 501, Exemptions, Standard Deduction, and Filing Information. To find out if someone is your dependent, see the instructions for line 6c.

If the person for whom you kept up a home was born, or died, during 1991, you may still file as head of household as long as the home was that person's main home for the part of the year he or she was alive.

You do not qualify as head of household if your child, parent, or relative described above is your dependent under the rules for **Person Supported by Two or More Taxpayers** (see page 13).

Aid to Families With Dependent Children (AFDC) and Other Public Assistance Programs. If you used payments you received under the AFDC program or other public assistance programs to pay part of the cost of keeping up your home, you cannot count them as money you paid. But you must include them in the total cost of keeping up your home to figure if you paid over half of the cost.

Married Persons Who Live Apart. Even if you were not divorced or legally separated in 1991, you may be considered unmarried and file as head of household. You may also be able to take the credit for child and dependent care expenses and the earned income credit. You can take the standard deduction even if your spouse itemizes deductions.

You may check the box on line 4 if all five of the following apply:

1. You file a separate return from your spouse.
2. You lived apart from your spouse during the last 6 months of 1991.
3. You paid over half the cost of keeping up your home for 1991.

4. Your home was the main home of your child, stepchild, adopted child, or foster child for more than 6 months of 1991.

5. You claim this child as your dependent or the child's other parent claims him or her under the rules on page 13 for **Children of Divorced or Separated Parents**.

Line 5

Qualifying Widow(er) With Dependent Child

If your spouse died in 1989 or 1990 and you did not remarry in 1991, you may be able to file as qualifying widow(er) with dependent child and use joint return tax rates for 1991. You may check the box on line 5 if all four of the following apply:

1. You have a child, stepchild, adopted child, or foster child whom you can claim as a dependent.
2. This child lived in your home for all of 1991 (except for temporary absences, such as for vacation or school).
3. You paid over half the cost of keeping up your home for this child.

4. You could have filed a joint return with your spouse the year he or she died, even if you didn't actually do so.

Do not claim an exemption for your spouse.

If your spouse died in 1991, you may not file as qualifying widow(er) with dependent child. Instead, see the instructions for line 2.

If you can't file as qualifying widow(er) with dependent child, see the instructions for line 4 to find out if you can file as head of household. You must file as single if you can't file as qualifying widow(er) with dependent child, married filing a joint return, or head of household.

Exemptions

For each exemption you can take, you generally can deduct \$2,150 on line 36.

Line 6a

Yourself

Check the box on line 6a unless your parent (or someone else) can claim you as a dependent (even if that person chose not to claim you).

Line 6b

Spouse

If you file a joint return and your spouse cannot be claimed as a dependent on another person's return, check the box on line 6b. If you file a separate return, you can take an exemption for your spouse only if your spouse is not filing a return, had no income, and cannot be claimed as a dependent on another person's return.

If, at the end of 1991, you were divorced or legally separated, you cannot take an exemption for your former spouse. If your divorce was not final (an interlocutory decree), you are considered married for the whole year.

Your Mailing Label—What Does It Mean?

Computer shorthand for your name. By entering these two letters and the first social security number, the IRS can identify the correct account.

Postal service local delivery route within your ZIP code

Your social security numbers

Internal Revenue Service center where you filed last year

BN 651-00-1492 CAR-RT SORT**CR01
JOHN C & JANE F DOE 652-00-1776 S29 30
310 OAK DR HOMETOWN OH 44077 203

Type of tax package mailed to you

Your name and address

ZIP code

Mail bag number used to presort ZIP code designation

Death of Your Spouse. If your spouse died in 1991 and you did not remarry before the end of 1991, check the box on line 6b if you could have taken an exemption for your spouse on the date of death. For other filing instructions, see **Death of Taxpayer** on page 29.

Nonresident Alien Spouse. If you do not file a joint return, you can take an exemption for your nonresident alien spouse only if your spouse had no income from U.S. sources and is not the dependent of another taxpayer. Check the box on line 6b if you can take an exemption for your spouse and enter "NRA" to the right of the word "Spouse" on line 6b.

Line 6c

Dependents

You can take an exemption for each of your dependents who was alive during some part of 1991. This includes a baby born in 1991 or a person who died in 1991. Any person who meets all five of the following tests qualifies as your dependent.

Test 1—Relationship

The person must be your relative (see **Exception at the end of Test 1**). The following are considered your relatives:

- Your child, stepchild, adopted child; a child who lived in your home as a family member, if placed with you by an authorized placement agency for legal adoption; or a foster child (any child who lived in your home as a family member for the whole year).
- Your grandchild, great-grandchild, etc.
- Your son-in-law, daughter-in-law.
- Your parent, stepparent, parent-in-law.
- Your grandparent, great-grandparent, etc.
- Your brother, sister, half brother, half sister, stepbrother, stepsister, brother-in-law, sister-in-law.
- If related by blood, your aunt, uncle, nephew, niece.

Any relationships established by marriage are not treated as ended by divorce or death. **Exception.** A person who lived in your home as a family member for the entire year can also be considered a dependent. But the relationship must not violate local law.

Test 2—Married Person

If the person is married and files a joint return, you cannot take the exemption for the person. However, if neither the person nor the person's spouse is required to file, but they file a joint return only to get a refund of all tax withheld, you may claim him or her if the other four tests are met.

Test 3—Citizen or Resident

The person must be one of the following:

- A U.S. citizen or resident alien, or
- A resident of Canada or Mexico, or
- Your adopted child who is not a U.S. citizen, but who lived with you all year in a foreign country.

Test 4—Income

Generally, the person's gross income must be less than \$2,150. Gross income does not include nontaxable income, such as welfare

benefits or nontaxable social security benefits.

Income earned by a permanently and totally disabled person for services performed at a sheltered workshop school is generally not included for purposes of the income test. Get Pub. 501, Exemptions, Standard Deduction, and Filing Information, for details.

Exception for Your Child. Your child can have gross income of \$2,150 or more if:

1. Your child was under age 19 at the end of 1991, or
2. Your child was under age 24 at the end of 1991 and qualifies as a student.

Your child is a student if he or she:

- Was enrolled as a student at a school during any 5 months of 1991 for the number of hours or classes that the school considers to be full time, or

- Took a full-time, on-farm training course during any 5 months of 1991. (The course had to be given by a school or a state, county, or local government agency.)

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

Test 5—Support

The general rule is that you had to provide over half the person's total support in 1991. If you file a joint return, support can come from either spouse. If you remarried, the support provided by your new spouse is treated as support coming from you. For exceptions to the support test, see **Children of Divorced or Separated Parents and Person Supported by Two or More Taxpayers** on this page.

Support includes food, a place to live, clothing, medical and dental care, and education. It also includes items such as a car and furniture, but only if they are for the person's own use or benefit. In figuring total support, use the actual cost of these items. However, figure the cost of a place to live at its fair rental value. Also include in total support money the person used for his or her own support, even if this money was not taxable. Examples are gifts, savings, social security and welfare benefits, and other public assistance payments. This support is treated as not coming from you.

Total support does not include items such as income tax, social security and Medicare tax, life insurance premiums, scholarship grants, or funeral expenses.

If you care for a foster child, see Pub. 501 for special rules that apply.

Children of Divorced or Separated Parents. Special rules apply to determine if the support test is met for children of divorced or separated parents. The rules also apply to children of parents who did not live together at any time during the last 6 months of the year, even if they do not have a separation agreement. For these rules, a custodial parent is the parent who had custody of the child for most of the year. A noncustodial parent is the parent who had custody for the shorter period or who did not have custody at all.

The general rule is that the custodial parent is treated as having provided over half of the child's total support if both parents together paid over half of the child's support.

This means that the custodial parent can claim the child as a dependent if the other dependency tests are also met.

But, if you are the noncustodial parent, you are treated as having provided over half of the child's support and can claim the child as a dependent if both parents together paid over half of the child's support, the other dependency tests are met, and either 1 or 2 below applies:

1. The custodial parent agrees not to claim the child's exemption for 1991 by signing Form 8332 or a similar statement. But you (as the noncustodial parent) must attach this signed Form 8332 or similar statement to your return. Instead of attaching Form 8332, you can attach a copy of certain pages of your divorce decree or separation agreement, if it went into effect after 1984 (see **Children Who Didn't Live With You Due to Divorce or Separation** on page 14), or

2. Your divorce decree or written separation agreement went into effect before 1985 and it states that you (the noncustodial parent) can claim the child as a dependent. But you must have given at least \$600 for the child's support in 1991. Also, you must check the pre-1985 agreement box on line 6d. This rule does not apply if your decree or agreement was changed after 1984 to say that you cannot claim the child as your dependent.

Person Supported by Two or More Taxpayers. Sometimes two or more taxpayers together pay over half of another person's support, but no one alone pays over half of the support. One of the taxpayers may claim the person as a dependent only if Tests 1 through 4 on this page are met. In addition, the taxpayer who claims the person as a dependent must:

- a. Have paid over 10% of that person's support, and
- b. Attach to his or her tax return a signed Form 2120, Multiple Support Declaration, from every other person who paid over 10% of the support. This form states that the person who signs it will not claim the person he or she helped to support as a dependent for 1991.

Columns (1) through (5)

After you have figured out who you can claim as a dependent, fill in the columns on line 6c. If you have more than six dependents, attach a statement to your return. Give the same information as in columns (1) through (5) for each dependent.

Column (1). Enter the name of each dependent.

Column (2). If your dependent was under age 1 on December 31, 1991, put a check mark in column (2).

Column (3). Any dependent age 1 or older must have a social security number. You must enter that number in column (3). If you do not enter it or if the number is wrong, you may have to pay a \$50 penalty.

Your dependent can get a number by filing Form SS-5 with your local Social Security Administration (SSA) office. It usually takes about 2 weeks to get a number. If your dependent won't have a number when you are ready to file your return, ask the SSA to give you a Form SSA-5028, Receipt for Application for a Social Security Number. When you file your return, enter "Applied for" in column (3). If you got a Form SSA-5028, attach a

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copy of it to your return. If your dependent lives in Canada or Mexico, see Pub. 501 for details on how to get a social security number.

Column (4). Enter your dependent's relationship to you. For example, if the dependent is your child, enter "son" or "daughter."

Column (5). Enter the number of months your dependent lived with you during 1991. (Do not enter more than 12.) Temporary absences such as school or vacation are counted as time living in your home. If your dependent was born, or died, during 1991, enter "12" in this column. If your dependent lived in Canada or Mexico during 1991, don't enter a number. Instead, enter the letter "F" (for foreign).

Children Who Didn't Live With You Due to Divorce or Separation. If you are claiming a child who didn't live with you under the rules on page 13 for **Children of Divorced or Separated Parents**, enter the total number of such children on the line to the right of line 6c labeled "No. of your children on 6c who didn't live with you due to divorce or separation." If you put a number on this line, you must do one of the following:

- Check the box on line 6d if your divorce decree or written separation agreement was in effect before 1985, and it states that you can claim the child as your dependent.
- Attach Form 8332 or similar statement to your return. If your divorce decree or separation agreement went into effect after 1984 and it unconditionally states that you can claim the child as your dependent, you may attach a copy of the following pages from the decree or agreement instead of Form 8332:

1. Cover page (enter the other parent's social security number on this page).
 2. The page that unconditionally states you can claim the child as your dependent, and
 3. Signature page showing the date of the agreement.
- Other Dependent Children.** Enter the total number of children who did not live with you for reasons other than divorce or separation on the line labeled "No. of other dependents on 6c." Include dependent children who lived in Canada or Mexico during 1991.

Income

Examples of Income You Must Report

The following kinds of income must be reported on Form 1040, or related forms and schedules, in addition to the types of income listed on Form 1040, lines 7 through 21b. You may need some of the forms and schedules mentioned below.

Scholarship and fellowship grants. (See the instructions for line 7.)

Original Issue Discount (Schedule B). Distributions from SEPs and DECs.

Amounts received in place of wages, from accident and health plans (including sick pay and disability pensions) if your employer paid for the policy.

Bartering income (fair market value of goods or services) you received in return for your services.

Page 14

Tier 2 and supplemental annuities under the Railroad Retirement Act.

Life insurance proceeds from a policy you cashed in if the proceeds are more than the premiums you paid.

Your share of income from S corporations, partnerships, estates, and trusts (Schedules B, D, or E).

Endowments. Lump-sum distributions (Form 4972). (See page 18.)

Gains from the sale or exchange (including barter) of real estate, securities, coins, gold, silver, gems, or other property (Schedule D or Form 4797).

Gain from the sale of your main home (Schedule D and Form 2119).

Accumulation distributions from trusts (Form 4970).

Prizes and awards (contests, raffles, lottery, and gambling winnings).

Earned income (such as wages and tips) from sources outside the United States (Form 2555).

Unearned income (such as interest, dividends, and pensions) from sources outside the United States unless exempt by law or a tax treaty.

Director's fees. Fees received as an executor or administrator of an estate.

Embezzled or other illegal income.

U.S. Citizens Living Abroad

Generally, foreign source income must be reported. Get Pub. 54, Tax Guide for U.S. Citizens and Resident Aliens Abroad, for more details.

Examples of Income You Do Not Report

(Do not include these amounts when you decide if you must file a return.)

Welfare benefits. Disability retirement payments (and other benefits) paid by the Department of Veterans' Affairs.

Workers' compensation benefits, insurance, damages, etc., for injury or sickness. (Punitive damages received in cases not involving physical injury or sickness usually must be reported as income. Get Pub. 525, Taxable and Nontaxable Income.)

Child support.

Gifts, money, or other property you inherited or that was willed to you.

Dividends on veterans' life insurance.

Life insurance proceeds received because of a person's death.

Amounts you received from insurance because you lost the use of your home due to fire or other casualty to the extent the amounts were more than the cost of your normal expenses while living in your home. (Reimbursements for normal living expenses must be reported as income.)

Certain amounts received as a scholarship grant (see the instructions for line 7).

Cancellation of certain student loans if, under the terms of the loan, the student performs certain professional services for a certain class of employers (get Pub. 520, Scholarships and Fellowships).

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 follow state law to determine what is community income and what is separate income. However, different rules could apply if:

- You and your spouse lived apart all year,
- You do not file a joint return, and
- None of the community income you earned is transferred to your spouse.

For details, get Pub. 555, Federal Tax Information on Community Property.

Rounding Off to Whole Dollars

You may round off cents to the nearest whole dollar on your return and schedules. To do so, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. For example, \$129.39 becomes \$129 and \$235.50 becomes \$236.

If you do round off, do so for all amounts. However, 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. **Example.** You received two W-2 forms, one showing wages of \$5,000.55 and one showing wages of \$18,500.73. On Form 1040, line 7, you would enter \$23,501 (\$5,000.55 + \$18,500.73 = \$23,501.28).

Line 7

Wages, Salaries, Tips, etc.

Show the total of all wages, salaries, fees, commissions, tips, bonuses, supplemental unemployment benefits, and other amounts you were paid before taxes, insurance, etc., were taken out. For a joint return, be sure to include your spouse's income on line 7.

Include in this total:

- The amount that should be shown in Box 10 on Form W-2. Report all wages, salaries, and tips you received, even if you do not have a Form W-2.

- Tips received that you did not report to your employer. (Show any social security and Medicare tax due on these tips on line 50—see the instructions on page 26.)

You must report as income the amount of allocated tips shown on your W-2 form(s) unless you can prove a smaller amount with adequate records. Allocated tips should be shown in Box 7 of your W-2 form(s). They are not included in Box 10 of your W-2 form(s). For details on allocated tips, get Pub. 531, Reporting Income From Tips.

- Corrective distributions of excess salary deferrals.

- Corrective distributions of excess contributions and excess aggregate contributions to a retirement plan.

- Disability pensions if you have not reached the minimum retirement age set by your employer.

Note: Disability pensions received after you reach your employer's minimum retirement age and other pensions shown on Form 1099-R (other than payments from an IRA) are reported on lines 17a and 17b of Form

1040. Payments from an IRA are reported on lines 16a and 16b.

• Payments by insurance companies, etc., not included on Form W-2. If you received sick pay or a disability payment from anyone other than your employer, and it is not included in the wages shown on Form W-2, include it on line 7. Attach a statement showing the name and address of the payer and amount of sick pay or disability income. (Get Form W-4S for details on withholding of federal income tax from your sick pay.)

• Fair market value of meals and living quarters if given by your employer as a matter of your choice and not for your employer's convenience. Don't report the value of meals given to you at work if they were provided for your employer's convenience. Also don't report the value of living quarters you had to accept on your employer's business premises as a condition of employment.

• Strike and lockout benefits paid by a union from union dues. Include cash and the fair market value of goods received. Don't report benefits that were gifts.

• Any amount your employer paid for your moving expenses (including the value of services furnished in kind) that is not included in Box 10 on Form W-2.

Note: You must report on line 7 all wages, salaries, etc., paid for your personal services, even if the income was signed over to a trust (including an IRA), another person, a corporation, or a tax-exempt organization.

For more details on reporting income received in the form of goods, property, meals, stock options, etc., get Pub. 525, Taxable and Nontaxable Income.

Statutory Employees. If you were a statutory employee, the "Statutory employee" box in Box 6 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 are deducting business expenses as a statutory employee, report the amount shown in Box 10 of your W-2 form and your expenses on Schedule C. If you are not deducting business expenses, report your income on line 7.

Employer-Provided Vehicle. If you used an employer-provided vehicle for both personal and business purposes and 100% of the annual lease value of the vehicle was included in the wages box (Box 10) of your W-2 form, you may be able to deduct the business use of the vehicle on Schedule A. But you must use Form 2106, Employee Business Expenses, to do so. The total annual lease value of the vehicle should be shown in Box 23 of your W-2 form or on a separate statement. For more details, get Pub. 917, Business Use of a Car.

Excess Salary Deferrals. If you chose to have your employer contribute part of your pay to certain retirement plans (such as a 401(k) plan or the Federal Thrift Savings Plan) instead of having it paid to you, your W-2 form should have the "Deferred compensation" box in Box 6 checked. The amount deferred should be shown in Box 17. The total amount that may be deferred for 1991 under all plans is generally limited to \$8,475. But amounts deferred under a tax-sheltered annuity plan may have a higher limit. For details, get Pub. 575, Pension and Annuity

Income (Including Simplified General Rule). Any amount deferred in excess of these limits must be reported on Form 1040, line 7.

Caution: You may not deduct the amount deferred. It is not included in Box 10 of your W-2 form.

Employer-Provided Dependent Care Benefits (DCB). If you received benefits under your employer's dependent care plan, you may be able to exclude part or all of them from your income. But you must use Form 2441, Child and Dependent Care Expenses, to do so. The benefits should be shown in Box 22 of your W-2 form(s).

First, go to Form 2441 and fill in Parts I and III. Include any taxable benefits from line 26 of that form on Form 1040, line 7. On the dotted line next to line 7, enter "DCB."

Caution: If you have a child who was born in 1991 and you earned less than \$21,250, you may be able to take the extra credit for a child born in 1991 on Schedule EIC. But you cannot take the extra credit and the exclusion of employer-provided dependent care benefits for the same child. To see which would benefit you more, read A Change To Note in the Instructions for Form 2441.

Scholarship and Fellowship Grants. If you received a scholarship or fellowship that was granted after 1986, part or all of it may be taxable even if you didn't receive a W-2 form.

If you were a degree candidate, the amounts you used for expenses other than tuition and course-related expenses are taxable. For example, amounts used for room, board, and travel are taxable.

If you were not a degree candidate, the full amount of the scholarship or fellowship is taxable.

Include the taxable amount not reported on a W-2 form on line 7. Then enter "SCH" and the taxable amount not reported on a W-2 form on the dotted line next to line 7.

Line 8a

Taxable Interest Income

Report all of your taxable interest income on line 8a even if it is \$400 or less. If the total is more than \$400 or if you are claiming the exclusion of interest from series EE U.S. savings bonds issued after 1989, first fill in Schedule B (see page 43).

Report any interest you received or that was credited to your account so you could withdraw it even if it wasn't entered in your passbook. Interest credited in 1991 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 1991 income. For details, get Pub. 550, Investment Income and Expenses.

The payer should send you a Form 1099-INT or, if applicable, a Form 1099-OID for this interest. A copy of the form is also sent to the IRS.

If you received, as a nominee, interest that actually belongs to someone else, see the Schedule B instructions on page 43.

Caution: Be sure each payer of interest income has your correct social security number. Otherwise, the payer may withhold

20% of the interest. You may also be subject to penalties.

Examples of Taxable Interest Income You Must Report

Report interest from:

- Accounts (including certificates of deposit and money market accounts) with banks, credit unions, and savings and loan associations.
• Building and loan accounts.
• Notes, loans, and mortgages. Special rules apply to loans with below-market interest rates. See Pub. 550.
• Tax refunds. Report only the interest on them as interest income.

• Bonds and debentures. Also arbitrage bonds issued by state and local governments after October 9, 1969. (Report interest on other state and local bonds and securities on line 8b.) Also report as interest on line 8a any gain on the disposition of certain market discount bonds issued to you after July 18, 1984, to the extent of the accrued market discount. For taxable bonds acquired after 1987, reduce your interest income on the bonds by the amount of any amortizable bond premium. Do not deduct the premium as interest expense on Schedule A. See the Schedule B instructions on page 43.

- U.S. Treasury bills, notes, and bonds.
• U.S. savings bonds. The interest is the yearly increase in the value of the bond. Interest on series E or EE bonds can be reported using method a or b below:

a. Report the total interest when you cash the bonds, or when they reach final maturity and no longer earn interest; or
b. Each year report on your return the yearly increase in the bonds' value.

If you change to method b, report the entire increase in all your bonds from the date they were issued. Each year after report date the yearly increase. You may not change to method a unless you complete Form 3115 and attach it to your tax return. See Pub. 550 for details.

Note: If you receive a 1991 Form 1099-INT for U.S. savings bond interest that includes amounts you reported before 1991, see Pub. 550.

• Original Issue Discount (OID). This is the difference between the issue price of a debt instrument and the stated redemption price at maturity. If the instrument was issued at a discount after May 27, 1969 (or for certain noncorporate instruments after July 1, 1982),

include in your interest income the discount for the part of the year you held it. The taxable OID may be more or less than the amount shown on Form 1099-OID.

If you bought a corporate debt instrument at original issue and held it for all of 1991 or the part of 1991 that it was outstanding, include in interest income the total OID from Form 1099-OID. Get Pub. 1212, List of Original Issue Discount Instruments, to figure the taxable OID for other corporate debt instruments and noncorporate debt instruments (such as zero coupon U.S. Treasury-backed securities).

If you had OID for 1991, but did not receive Form 1099-OID, or if the price you paid for the instrument is more than the issue price plus accumulated OID, see Pub. 1212. It pro-

vides total OID on the instruments listed and gives computational information.

Also include in your interest income any other periodic interest shown on Form 1099-OID.

Line 8b

Tax-Exempt Interest Income

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 report interest earned on your IRA on line 8b.

Line 9

Dividend Income

Dividends are distributions of money, stock, or other property that corporations pay to stockholders. They also include dividends you receive through a partnership, an S corporation, or an estate or trust. Payers include nominees or other agents. The payer should send you a Form 1099-DIV. A copy of this form is also sent to the IRS.

If you received, as a nominee, dividends that actually belong to someone else, see the Schedule B instructions on page 43.

If your total gross dividends (Form 1099-DIV, Box 1a) are more than \$400, first fill in Schedule B (see page 43). If you received \$400 or less in dividends, include on line 9 only ordinary dividends and any investment expenses shown in Box 1e of Form 1099-DIV.

Caution: Be sure each payer of dividends has your correct social security number. Otherwise, the payer may withhold 20% of the dividend income. You may also be subject to penalties.

Dividends Include:

- Ordinary dividends. These are shown on Form 1099-DIV, Box 1b.
• Capital gain distributions. These are shown on Form 1099-DIV, Box 1c. If you have other capital gains or losses, also enter your capital gain distributions on Schedule D. If you don't need Schedule D to report any other gains or losses, see the instructions for lines 13 and 14.

• 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. For details, get Pub. 550, Investment Income and Expenses. Form 1099-DIV shows nontaxable distributions in Box 1d.

Note: Generally, payments from a money market fund are dividends.

Do Not Report as Dividends

• Dividends on insurance policies. These dividends are a partial return of the premiums you paid. Do not include them in your gross income until they exceed the total of all net premiums you paid for the contract. Remember to report on line 8a any interest

paid or credited on dividends left with an insurance company.

• Amounts paid on deposits or accounts from which you could withdraw your money, such as mutual savings banks, cooperative banks, and credit unions. Remember to report these amounts as interest on line 8a.
• Alaska Permanent Fund dividends. Report these amounts on line 22 instead.

Line 10

Taxable Refunds of State and Local Income Taxes

If you received a refund, credit, or offset of state or local income taxes in 1991 that you paid and deducted before 1991, you may have to report all or part of this amount as income if your itemized deduction for state and local income taxes in the year you paid the taxes resulted in a tax benefit. You may receive Form 1099-G, or similar statement, showing the refund.

Any part of a refund of state or local income taxes paid before 1991 that you were entitled to receive in 1991 but chose to apply to your 1991 estimated state income tax is considered to have been received in 1991.

Do not report the refund as income if it was for a tax you paid in a year for which you did not itemize deductions on Schedule A (Form 1040), or it was for a year in which you filed Form 1040A or Form 1040EZ.

If the refund was for a tax you paid in 1990 and you itemized deductions on Schedule A (Form 1040) for 1990, use the worksheet below to figure the amount, if any, you must report as income for 1991.

But see Recoveries in Pub. 525, Taxable and Nontaxable Income, instead of using the worksheet below if any of the following applies:

- The refund you received in 1991 is for a tax year other than 1990.

Worksheet for State and Local Income Tax Refunds—Line 10 (keep for your records)

1. Enter the income tax refund from Form(s) 1099-G (or similar statement) 1.
2. Enter the amount from your 1990 Schedule A (Form 1040), line 27 2.
3. Enter on line 3 the amount shown below for the filing status claimed on your 1990 Form 1040:
- Single, enter \$3,250
- Married filing jointly or Qualifying widow(er), enter \$5,450
- Married filing separately, enter \$2,725
- Head of household, enter \$4,750
4. If you didn't complete line 33a on your 1990 Form 1040, enter -0-. Otherwise, multiply the number on your 1990 Form 1040, line 33a, by \$650 (\$800 if your 1990 filing status was single or head of household) and enter the result 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.

Lines 13 and 14

Capital Gain or (Loss)

Enter on line 13 your capital gain or (loss) from Schedule D. If you received capital gain distributions (reported to you on Form 1099-DIV or a substitute statement) but do not need Schedule D for other capital transactions, enter those distributions on line 14. Caution: It will be to your advantage to report your capital gain distributions on Schedule D and use Part IV of Schedule D to figure your tax if your taxable income Form 1040, line 37 is more than: \$52,150 if married filing jointly; \$39,300 if single; \$41,075 if married filing separately.

Line 15

Other Gains or (Losses)

If you sold or exchanged assets used in a trade or business, see the Instructions for Form 4797. Enter on line 15 the ordinary gain or (loss) from Part II of Form 4797.

Lines 16a and 16b

IRA Distributions

Use lines 16a and 16b to report payments (distributions) you received from your individual retirement arrangement (IRA). This includes regular distributions, early distributions, rollovers, and any other money or property you received from your IRA account. Do not include distributions shown on Form 1099-R showing the amount of your distribution. If you made any nondeductible contributions to your IRA for 1991 or another year or rolled your IRA distribution over into another IRA, see below. Do not use lines 16a and 16b to report a rollover from a qualified employer's plan to an IRA. Instead, see the Instructions for lines 17a and 17b. IRA distributions that you must include in income are taxed at the same rate as other income. You may not use the special averaging rule for lump-sum distributions from qualified employer plans.

If your IRA distribution is fully taxable, enter on line 16a the total distribution on line 16a. If only part is taxable, enter on line 16a the taxable part and on line 16b the nontaxable part. Caution: If you received an early distribution and the total distribution was not rolled over or you received an excess distribution, you may have to pay additional tax. Get Form 5259 for details. Nondeductible Contributions. If you made nondeductible contributions for any year, part of your IRA distribution may be nontaxable.

If you made any nondeductible contributions for 1991, get Pub. 560, Individual Retirement Arrangements (IRAs), and Form 5259 to figure the taxable part of your IRA distribution. Enter the total distribution on line 16a and the taxable part on line 16b. If all of your nondeductible contributions were made for years before 1991, use Form 8606 to figure the taxable part of your dis-

tribution by following the instructions for line 11b of that form. Enter the total distribution on line 16a and the taxable part on line 16b. Rollovers. A rollover is a tax-free transfer of cash or other assets from one retirement program to another. Use lines 16a and 16b to report a rollover from one IRA to another IRA. Enter the total distribution on line 16a. If the total distribution was rolled over, enter on line 16b the amount rolled over. If you ever made nondeductible contributions to any of your IRAs, use Form 8606 to figure the taxable part to enter on line 16b. For more details, see Pub. 590.

Lines 17a and 17b

Pensions and Annuities

Use lines 17a and 17b to report pension and annuity payments received after you reach the minimum retirement age set by your employer. Also use these lines to report payments (distributions) from profit-sharing plans, retirement plans, and employee-savings plans. See page 18 for information on rollovers and lump-sum distributions. You should receive a Form 1099-R showing the amount of your pension or annuity. Be sure to attach Form 1099-R to Form 1040 if any Federal income tax was withheld from your pension or annuity. Do not use lines 17a and 17b to report benefits, excess contributions, or any other payments received from your IRA account. Instead, see the Instructions for line 7. Also, do not use lines 17a and 17b to report any social security or railroad retirement benefits shown on Forms SSA-1099 and RRB-1099. Instead, see the Instructions for lines 21a and 21b. Caution: Certain transactions, such as loans against your interest in a qualified plan, may be treated as taxable distributions and may be subject to the 10% early withdrawal penalty. See Pub. 575, Rollovers, for more details. Fully Taxable Pensions and Annuities

If your pension or annuity is fully taxable, enter it on line 17b; do not make an entry on line 17a. Your pension or annuity payments are fully taxable if either of the following applies: 1. You did not contribute to the cost of your pension or annuity, or 2. You used the 3-Year Rule and you got your entire cost back tax free before 1991. Fully taxable pensions and annuities also include military retirement pay shown on Form 1099-R and any taxable railroad retirement benefits from Box 12 of Form RRB-1099-R and an amount shown in Box 13 of your Form 1099-R. See how to report your benefits. For information on military disability pensions, get Pub. 623, Taxable and Nontaxable Income.

If you qualify, use the worksheet on page 18 to figure the taxable part of your pension or annuity. But, if you use the 3-Year Rule to report your pension or annuity, use the worksheet on page 18. If you are a beneficiary entitled to a death benefit exclusion (see page 18), add the exclusion to the amount you enter on line 17b of the worksheet even if you received a Form 1099-R showing a taxable amount. (The Form 1099-R showing a taxable amount and death benefit exclusion to your cost when figuring the taxable amount. Attach a signed statement to your return stating that you are entitled to a death benefit exclusion. For more details on the Simplified General Rule, see Pub. 575 or Pub. 721. Age at Annuitant 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. If you are the beneficiary of a deceased employee or decedent, former employee, 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 cost of the pension or annuity. Special rules apply if you are the survivor under a joint and survivor's annuity. For details, see Pub. 575. Rollovers A rollover is a tax-free transfer of cash or other assets from one retirement program to another. Use lines 17a and 17b to report a rollover from one IRA to another IRA, from one qualified employer's plan to another, or to an IRA. Distributions that may be rolled over are generally reported to you on Form 1099-R. Enter the total distribution on line 17a. If the total on line 17a (minus any contributions that were taxable to you when made) was rolled over, enter zero on line 17b. Otherwise, enter the taxable part of the distribution on line 17b. Special rules apply to partial rollovers of property.

Partially Taxable Pensions and Annuities

If your pension or annuity is partially taxable and your Form 1099-R does not show the taxable part, use the worksheet on page 18 to figure the taxable part. The General Rule is explained in Pub. 639, Pension General Rule (Nonqualified Pension). But if your annuity starting date (defined later) was after July 1, 1985, you may be able to use the Simplified General Rule explained on this page to figure the taxable part of your pension or annuity. If you choose to, you may submit a ruling request to the IRS before the due date of your return (including extensions), and the IRS will tell you how to do this, see Pub. 939. If your Form 1099-R shows a taxable amount, you may use that amount on line 17b. But you may use the General Rule or, if you qualify, the Simplified General Rule to see if you can report a lower taxable amount. Once you have figured the taxable part of your pension or annuity, enter that amount on line 17b; enter the total you received on line 17a.

Annuity Starting Date. Your annuity starting date is the later of the first day of the first period for which you received a payment from the plan, or the date on which the plan's obligations became fixed. Simplified General Rule. Using this method you may figure the taxable part of your pension or annuity being tax free as follows: 1. Your annuity starting date was after July 1, 1986. 2. The pension or annuity payments are for (a) your life, or (b) your life and that of your beneficiary. 3. The pension or annuity payments are from a qualified employer plan, a qualified employee annuity, or a tax-sheltered annuity. 4. At the time the pension or annuity payments began, either you were under age 75, or if you were 75 or older, the number of years of guaranteed payments was fewer than 3. If you qualify, use the worksheet on page 18 to figure the taxable part of your pension or annuity. But, if you use the 3-Year Rule to report your pension or annuity, use the worksheet on page 18. If you are a beneficiary entitled to a death benefit exclusion (see page 18), add the exclusion to the amount you enter on line 17b of the worksheet even if you received a Form 1099-R showing a taxable amount. (The Form 1099-R showing a taxable amount and death benefit exclusion to your cost when figuring the taxable amount. Attach a signed statement to your return stating that you are entitled to a death benefit exclusion. For more details on the Simplified General Rule, see Pub. 575 or Pub. 721. Age at Annuitant 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

Worksheet for Simplified General Rule—Lines 17a and 17b (keep for your records)

1. Enter the total pension or annuity payments received this year. 2. Enter your cost in the plan at the annuity starting date, plus any death benefit exclusion. 3. Age at annuity starting date. 4. Divide line 2 above by the number on line 3. 5. Multiply line 4 above by the number of months for which this year's payments were made before 1987, also enter this amount on line 6. 6. Enter the amount, if any, recovered tax free in years after 1986. 7. Subtract line 6 from line 2. 8. Compare the amounts on lines 5 and 7 above. Enter the smaller of the two amounts here. 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 17b. If your Form 1099-R shows a larger amount, use the amount on this line instead of the amount from Form 1099-R. 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 17a. Enter the total pension or annuity payments received in 1991 on Form 1040, line 17a.

For more details on rollovers, including distributions under qualified domestic relations orders, see Pub. 575. Note: If there is more than one beneficiary, see Pub. 575 or Pub. 721 to figure each beneficiary's taxable amount. 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 checked. If you received an annuity and the amount from a qualified retirement plan, you may owe an additional tax. You may also owe an additional tax if you received an excess distribution from a qualified retirement plan. For details, get Form 5329. Enter the total distribution on line 17a and the taxable part on line 17b unless: 1. You chose to report the amount, if any, shown in Box 3 of your Form 1099-R on Schedule D (see the Instructions for Schedule D), or 2. You were born before 1936, you meet certain other conditions, and you choose to use Form 4972, tax on Lump-Sum Distributions, to figure the tax on any part of the distribution. If you are the beneficiary of a deceased employee who was born before 1936 and was age 50 or older on the date of death, in these cases, you may pay less tax on the distribution. For details, get Form 4972. If you use Form 4972 to figure the tax on any of your distributions, do not include the total on line 17a (minus any contributions that were taxable to you when made) was rolled over, enter zero on line 17b. Otherwise, enter the taxable part of the distribution on line 17b. Special rules apply to partial rollovers of property.

Line 18

Rents, Royalties, Partnerships, Estates, Trusts, etc.

Use Schedule E to report income or losses from rents, royalties, partnerships, S corporations, estates, trusts, and REMICs. Enter on line 18 your total income or (loss) from Schedule E.

Line 19

Farm Income or (Loss)

Use Schedule F to report farm income and expenses. Enter on line 19 your net profit or (loss) from Schedule F.

Line 20

Unemployment Compensation

Use line 20 to report unemployment compensation (insurance) you received. By January 31, 1992, you should receive a Form 1099-G showing the total amount paid to you during 1991. If you received an overpayment of unemployment compensation in 1991 and you reported that amount on line 19, you should subtract the amount you reported from the amount you received. Enter the result on line 20. Also enter "Repayment" and the amount you repaid on the dotted line next to line 20. Note: Supplemental unemployment benefits received from a company-financed benefit plan are not taxable. See Form 5329 for details.

Social security and equivalent railroad retirement benefits you receive may be taxable in some instances. Social security benefits include any monthly benefit under title II of the Social Security Act or the part of a tier 1 railroad retirement benefit treated as a social security benefit. Social security benefits do not include any Supplemental Security Income (SSI) payments. By January 31, 1992, you should receive a Form SSA-1099 showing in Box 3 the total amount of social security benefits paid to you in 1991, and in Box 4 the total amount of social security benefits you repaid in 1991. If you received railroad retirement benefits treated as social security, you should receive a Form RRB-1099. For more details, get Pub. 915, Social Security Benefits and Equivalent Railroad Retirement Benefits. Use the worksheet on page 19 to see if any of your benefits are taxable, but please note the following before you begin. You will first need to complete Form 1040, lines 7 through 20, 22, and 30 if they apply to you, to figure the taxable part, if any, of your benefits. If you made IRA contributions for 1991 and are covered by a retirement plan at work or through an employer, you must use the worksheet on page 19. Instead, use

Lines 21a and 21b

Social Security Benefits

Social security and equivalent railroad retirement benefits you receive may be taxable in some instances. Social security benefits include any monthly benefit under title II of the Social Security Act or the part of a tier 1 railroad retirement benefit treated as a social security benefit. Social security benefits do not include any Supplemental Security Income (SSI) payments. By January 31, 1992, you should receive a Form SSA-1099 showing in Box 3 the total amount of social security benefits paid to you in 1991, and in Box 4 the total amount of social security benefits you repaid in 1991. If you received railroad retirement benefits treated as social security, you should receive a Form RRB-1099. For more details, get Pub. 915, Social Security Benefits and Equivalent Railroad Retirement Benefits. Use the worksheet on page 19 to see if any of your benefits are taxable, but please note the following before you begin. You will first need to complete Form 1040, lines 7 through 20, 22, and 30 if they apply to you, to figure the taxable part, if any, of your benefits. If you made IRA contributions for 1991 and are covered by a retirement plan at work or through an employer, you must use the worksheet on page 19. Instead, use

the worksheets in Pub. 590, Individual Retirement Arrangements (IRAs), to see if any of your social security benefits are taxable and to figure your IRA deduction.

• If you repaid any benefits in 1991, and your total repayments (Box 4) were more than your total benefits for 1991 (Box 3), do not use the worksheet below. None of your benefits are taxable for 1991. But 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. Get Pub. 915.

• If you file Form 2555, Foreign Earned Income, Form 4563, Exclusion of Income for Bona Fide Residents of American Samoa, Form 8815, Exclusion of Interest From Series EE U.S. Savings Bonds Issued After 1989, or you exclude income from sources within Puerto Rico, use the worksheet in Pub. 915 instead of the one below.

Line 22

Other Income

Use line 22 to report any other income not reported on your return or other schedules. See examples below. 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, Taxable and Nontaxable Income.

Caution: Do not report any income from self-employment on line 22. If you had any income from self-employment, you must use Schedule C or Schedule F, even if you do not have any business expenses to deduct from that income. If you had net income from self-employment, you may also have to file Schedule SE.

Examples of income to be reported on line 22 are:

• Prizes, awards, and gambling winnings. Proceeds from lotteries, raffles, etc., are gambling winnings. You must report the full amount of your winnings on this line. You cannot offset losses against winnings and report the difference.

If you had any gambling losses, you may take them as an itemized deduction on Schedule A. However, you cannot deduct more than the winnings you report.

• Amounts you received for medical expenses or other items such as real estate taxes that you deducted in an earlier year if they reduced your tax. See Pub. 525 for details on how to figure the amount to include in income.

• Amounts you recovered on bad debts that you deducted in an earlier year.

• Fees received for jury duty and precinct election board duty. You may be able to deduct part or all of your jury duty pay. See the instructions for line 30.

• Alaska Permanent Fund dividends.

Net Operating Loss. If you had a net operating loss in an earlier year to carry forward to 1991, include it as a negative amount on line 22. Attach a statement showing how you figured the amount. Get Pub. 536, Net Operating Losses, for more details.

Adjustments to Income

Lines 24a and 24b

Individual Retirement Arrangement (IRA) Deduction

Read the instructions below and on page 20 to see if you can take an IRA deduction and, if you can, which worksheet to use to figure it. Enter your IRA deduction on line 24a. If you file a joint return, enter your spouse's deduction on line 24b. You should receive a statement by June 1, 1992, that shows all contributions to your IRA for 1991.

If you were age 70½ or older at the end of 1991, you cannot deduct any contributions made to your IRA for 1991 or treat them as nondeductible contributions.

Note: If you file Form 2555, Foreign Earned Income, get Pub. 590 to figure your IRA deduction.

Social Security Benefits Worksheet—Lines 21a and 21b (keep for your records)

If you are married filing a separate return and you did not live with your spouse at any time in 1991, enter "D" on the dotted line next to line 21a.

- 1. Enter the total amount from Box 5 of all your Forms SSA-1099 and Forms RRB-1099 (if applicable)
2. Divide line 1 above by 2
3. Add the amounts on Form 1040, lines 7, 8a, 8b, 9 through 15, 16b, 17b, 18 through 20, and line 22. Do not include here any amounts from Box 5 of Forms SSA-1099 or RRB-1099
4. Add lines 2 and 3
5. Enter the total adjustments from Form 1040, line 30
6. Subtract line 5 from line 4
7. Enter on line 7 the amount shown below for your filing status:
8. Subtract line 7 from line 6. Enter the result but not less than zero.
9. Divide line 8 above by 2
10. Taxable social security benefits.

Note: If part of your benefits are taxable for 1991 and they include benefits paid in 1991 that were for an earlier year, you may be able to reduce the taxable amount shown on the worksheet. Get Pub. 915 for details.

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, etc.) at work or through self-employment in 1991, your IRA deduction may be reduced or eliminated. But you can still make contributions to an IRA even if you can't 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 6 of your Form W-2 should be checked if you were covered by a plan at work. This box should be checked even if you were not vested in the plan. You are also covered by a plan if you are self-employed and have a Keogh or SEP retirement plan.

Note: If you were covered by a retirement plan and you file Form 8815, Exclusion of Interest From Series EE U.S. Savings Bonds Issued After 1989, get Pub. 590 to figure the amount, if any, of your IRA deduction.

Special Rule for Married Individuals Who File Separate Returns. If you were not covered by a retirement plan but your spouse was, you are considered covered by a plan if you lived with your spouse at any time in

1991. See the chart on this page to find out if you can take a deduction, and, if you can, which worksheet to use.

Not Covered by a Retirement Plan. If you (and your spouse if filing a joint return) were not covered by a plan, use Worksheet 1 on this page to figure your deduction.

Covered by a Retirement Plan. If you (or your spouse if filing a joint return) were covered by a plan, see the chart on this page. It will tell you if you can take a deduction and, if you can, which worksheet to use.

Nondeductible Contributions. You can make nondeductible contributions to your IRA. You can do this even if you are allowed to deduct part or all of your contributions. Your nondeductible contribution is the difference between the total allowable contributions to your IRA and the amount you deduct.

Example. You file as single and paid \$2,000 into your IRA. You were covered by a retirement plan and your modified AGI is over \$35,000 (all wages). You can't deduct the \$2,000. But you can treat it as a nondeductible contribution.

Use Form 8606 to report all contributions you treat as nondeductible. Also use it to figure the basis (nontaxable part) of your IRA. If you and your spouse each make nondeductible contributions, each of you must complete a separate Form 8606.

Read the following list before you fill in your worksheet.

You will first need to complete Form 1040 through line 23, lines 25 through 29, and figure any write-in amount included on line 30, to figure your IRA deduction and, if applicable, nondeductible contributions.

If you made contributions to your IRA in 1991 that you deducted for 1990, do not include them in the worksheet.

If you make contributions to your IRA in 1992 (by April 15) for 1991, be sure to include them in the worksheet.

If you received a distribution from a non-qualified deferred compensation plan, get Pub. 590 to figure the amount of your IRA deduction. (The distribution should be shown in Box 16 of your W-2 form.)

Your IRA deduction can't be more than the total of your wages and other earned income.

If the total of your IRA deduction on Form 1040 plus any nondeductible contribution on your Form 8606 is less than your total IRA contributions for 1991, see Pub. 590 for special rules.

You must file a joint return to deduct contributions to your nonworking spouse's IRA. A nonworking spouse is one who had no wages or other earned income in 1991, or a working spouse who chooses to be treated as having no earned income for figuring the deduction.

Do not include rollover contributions in figuring your deduction. See the instructions for lines 16a and 16b on page 17 for more details on rollover contributions.

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.

Alimony payments received under certain divorce or separation instruments are considered earned income for purposes of the IRA deduction. See Pub. 590.

If married filing a joint return and both spouses worked and had IRAs, figure each spouse's deduction separately using columns (a) and (b) of the worksheet.

Chart for People Covered by a Retirement Plan*

In this chart, modified AGI (adjusted gross income) is the amount on Form 1040, line 23, minus the total of any deductions claimed on Form 1040, lines 25 through 29, and any write-in amount included on line 30.

Table with columns: Your filing status is, and your modified AGI is, and You can take. Rows include Single, Head of household, or Married filing separately and did not live with your spouse in 1991; Married filing jointly or Qualifying widow(er) with dependent child; Married filing separately and lived with your spouse in 1991.

IRA Worksheet 1—Lines 24a and 24b (keep for your records)

Worksheet table with columns: (a) Your IRA, (b) Your working spouse's IRA, and Nonworking spouse's IRA. Rows 1-8 for calculating deductions.

IRA Worksheet 2—Lines 24a and 24b (keep for your records)

1. If you are a single filer, enter \$35,000; if you are a joint filer, enter \$50,000; if you are a married filer, enter \$10,000 (\$35,000 if you did not live with your spouse at any time in 1991)	1.
2. Enter the amount on Form 1040, line 23	2.
3. Add amounts on Form 1040, lines 25 through 29, and any write-in amount included on line 30	3.
4. Subtract line 3 from line 2. If the result is equal to or larger than the amount on line 1, none of your IRA contributions are deductible. Stop here. If the result is smaller than the amount on line 1, you want to make a nondeductible IRA contribution. See Form 8606	4.
5. Subtract line 4 from line 1. If the result is \$10,000 or more, stop here and use Worksheet 1	5.
6. Multiply line 5 above by 20% (.20). If the result is not a multiple of \$10, round it up to the next multiple of \$10 (for example, round \$40.30 to \$50). If the result is \$200, enter \$200. If the result is less than \$200, enter \$200. Go to line 7	6.
Deductible IRA contributions	(a) Your IRA
7. For each person, enter wages and other earned income from Form 1040, minus any deductions claimed on Form 1040, lines 25 and 27. (Do not reduce wages by any loss from self-employment)	7.
8. Enter IRA contributions you made for 1991, but do not enter more than \$2,000 in either column	8.
9. Enter the smallest of line 6, 7, or 8. This is the most you can deduct. Enter on Form 1040, line 24a, the amount from line 9, column (a), you choose to deduct. Enter on Form 1040, line 24b, the amount from line 9, column (b), you choose to deduct. (If line 8 is more than line 9, go to line 10)	9.
Nondeductible IRA contributions	(b) Your working spouse's IRA
10. Subtract line 9 from line 7 or line 8, whichever is smaller. Enter on line 2 of your Form 8606 the amount from line 10 you choose to make nondeductible	10.
If married filing a joint return and contributions were made to your nonworking spouse's IRA, go to line 11.	
11. Enter the smaller of line 7, column (a), or \$2,250	11.
12. Add the amount on line 9, column (a), to the part of line 10, column (b), that you choose to make nondeductible here. You cannot make deductible or nondeductible IRA contributions for your nonworking spouse	12.
13. Subtract line 12 from line 11. If the result is zero or less, stop here. You cannot make deductible or nondeductible IRA contributions for your nonworking spouse	13.
14. Enter the smallest of (a) IRA contributions made for 1991 that are for your nonworking spouse, (b) \$2,000, or (c) the amount on line 13	14.
15. Multiply line 5 above by 22.5% (.225). If the result is not a multiple of \$10, round it up to the next multiple of \$10. If the result is \$200 or more, enter the result. But if it is less than \$200, enter \$200	15.
16. Enter the amount from line 9, column (a)	16.
17. Subtract line 16 from line 15	17.
18. Enter the smaller of line 14 or line 17	18.
19. Enter the smallest of line 6, 7, or 18. This is the most you can deduct. Enter on Form 1040, line 24b, the amount from line 19 you choose to deduct. (If line 14 is more than line 19, go to line 20)	19.
Nondeductible IRA contributions for nonworking spouse	
20. Subtract line 19 from line 14. Enter on line 2 of your spouse's Form 8606 the amount from line 20 that you choose to make nondeductible	20.

Line 26

Self-Employed Health Insurance Deduction

If you were self-employed and had a net profit for the year, or if you received wages under which the insurance was paid, you may be able to deduct part of the amount paid for health insurance on behalf of yourself, your spouse, and dependents. But you may not take the deduction if you were eligible to participate in any subsidized health plan through your employer or your spouse's employer. For more details, get Pub. 535, Business Expenses.

If you qualify to take the deduction, use the worksheet on this page to figure the amount you can deduct. But, if either of the following applies, do not use the worksheet on this page. Instead, get Pub. 535 to see how to figure your deduction.

- You had more than one source of income subject to self-employment tax.
- You file Form 2555, Foreign Earned Income.

Caution: If you can file Schedule EIC, Earned Income Credit, you may also be able to claim the health insurance credit on that schedule. If you do claim that credit, do not claim the health insurance credit on Form 568, Earned Income Credit. To figure your self-employed health insurance deduction, see the instructions for Form 568.

Worksheet for Self-Employed Health Insurance Deduction—Line 26 (keep for your records)

1. Enter the amount paid in 1991 for health insurance for 1991 for you, your spouse, and dependents	1.
2. Percentage used to figure the deduction	2.
3. Multiply line 1 by the percentage on line 2	3.
4. Enter your net profit and any other earned income* from the business under which the insurance was paid, minus any deductions you claim on Form 1040, lines 25 and 27	4.
5. Enter the smaller of line 3 or line 4 here and on Form 1040, line 28. (DO NOT include this amount figuring any medical expense deduction on Schedule A (Form 1040))	5.

* 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 are a more than 2% shareholder in an S corporation, earned income is your wages from that corporation.

Line 29

Alimony Paid

You can deduct periodic payments of alimony or separate maintenance made under a court decree. You can also deduct payments made under a written separation agreement, or a sum cash or property settlements, voluntary payments not made under a court order or a written separation agreement, or amounts specified as child support.

For details, see **Tele-Tax Information in the index** (topic no. 252) or get Pub. 504, Tax Information for Divorced or Separated Individuals.

Caution: You must enter the recipient's social security number in the space provided on line 29. If you don't, you may have to pay a \$50 penalty and your deduction may be disallowed.

If you paid alimony to more than one person, enter the number of each recipient's other recipient(s) and the amount paid to the other recipient(s) on an attached statement. Enter your total payments on line 29.

Divorce or Separation Instruments Executed After 1984. Generally, you may deduct any payment made in cash, to, or on behalf of, your spouse or former spouse under a divorce or separation instrument executed after 1984 if all four of the following apply:

- The instrument does not prevent the payment from qualifying as alimony.
- You and your spouse or former spouse did not live together when the payment was made if you were separated under a decree of divorce or separate maintenance.
- You are not required to make any payment to the death of your spouse or former spouse.
- The payment is not treated as child support.

These rules also apply to certain instruments modified after 1984. Other rules apply if your annual payments decreased by more than \$15,000. For more details, see Pub. 504.

Line 30

Total Adjustments

Add lines 24a through 29 and enter the total on line 30. Also include in the total on line 30 any of the following adjustments:

- Qualified Performing Artists. If you are a qualified performing artist, include on line 30 information about the amounts and expenses from line 11 of Form 2106, Employee Business Expenses. Enter the amount and "QPA" on the dotted line next to line 30.
- Jury Duty Pay Given to Employer. If you reported jury duty pay on line 22 and you were required to give your employer any part of that pay because your employer continued to pay your salary while you served on the jury, include the amount you gave your employer in the total on line 30. Enter the next to line 30. Jury pay on the dotted line next to line 30.
- Foreclosure or Reforestation Amortization. If you can claim a deduction for amortization of the costs of foreclosure or reforestation and you do not have to file Schedule C or Schedule F for this activity, include your deduction in the total on line 30. Enter the amount and "Reforestation" on the dotted line next to line 30.
- Payment of Sub-Pay Under the Trade Act of 1974. If you repaid supplemental unemployment benefits (sub-pay) that you previously reported in income because you became unemployed in 1981, include in the total on line 30 the amount you repaid in 1991. Enter the amount and "Sub-pay TRA" on the dotted line next to line 30. Or, you may be able to claim a credit against your tax instead. Get Pub. 525, Taxable and Nontaxable Income, for more details.

Line 28

Penalty on Early Withdrawal of Savings

The Form 1099-INT or, if applicable, Form 1099-OID given to you by your bank or savings and loan association will show the amount of any penalty you were charged on savings deposits before its maturity. Enter this amount on line 28. (Be sure to include the interest income on Form 1040, line 8a.)

Line 27

Keogh Retirement Plan and Self-Employed SEP Deduction

If you are self-employed or a partner, deduct payments to your Keogh (HR-10) plan or Simplified Employee Pension (SEP) on line 27. Deduct payments for your employees on Schedule C or F.

Caution: You must be self-employed to claim the Keogh deduction. There are two types of Keogh plans:

- A defined-contribution plan has a separate account for each person. Benefits are based on the amount paid to each account.
- Payments to a defined-benefit plan are determined by the funds needed to give a specific benefit at retirement. If you deduct payments for this kind of plan, enter "DB" on line 27.

Get Pub. 560, Retirement Plus for the Self-Employed, for more details, including limits on the amount you can deduct.

Adjusted Gross Income

Line 31

If line 31 is less than zero, you may have a net operating loss that you can carry to another tax year. If you carry the loss back to earlier years, see Form 1045, Application for Tentative Refund. If you do not wish to carry back a net operating loss, you may elect to carry the loss over to future years. You must attach the election to your return. For more details, get Pub. 536, Net Operating Losses.

Tax Computation

Line 33a

If you were age 65 or older or blind, check the appropriate boxes on line 33a. If you were married and checked the box on line 6b on page 1 of Form 1040 and your spouse was age 65 or older or blind, also check the appropriate boxes for your spouse. Add the number of boxes checked. Enter the total in the box provided on line 33a.

Age. If you were 65 or older on January 1, 1992, check the "65 or older" box on your 1991 return.

Blindness. If you were completely blind as of December 31, 1991, attach a statement to your return describing this condition. If you were partially blind, you must attach a statement certified by your eye doctor that:

- You can't 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, attach a statement certified by your eye doctor to this effect. If you attached this statement in a prior year, attach a note saying that you have already filed a statement.

Line 33b

If your parent (or someone else) can claim you as a dependent (even if that person chose not to claim you), check the box on line 33b. If you do not itemize your deductions, be sure to use the Standard Deduction Worksheet for Dependents on this page to figure the amount to enter on line 34.

Line 33c

Check this box if your spouse itemizes deductions on a separate return or if you were a dual-status alien. 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 1991 and you and your spouse agree to be taxed on your combined worldwide income, do not check the box.

If you check this box, you cannot take the standard deduction. If you have any itemized deductions such as state and local income taxes, your Federal income tax will be less if you itemize your deductions.

Line 34

Itemized Deductions or Standard Deduction

You must decide whether to itemize your actual deductions for charitable contributions, medical expenses, interest, taxes, etc., or take the standard deduction. Your Federal income tax will be less if you take the larger of:

- Your total itemized deductions reportable on Schedule A (Form 1040), or
- Your standard deduction.

The standard deduction has increased. Even if you itemized last year, check to see if the standard deduction will benefit you in 1991.

Itemized Deductions. If you itemize, complete and attach Schedule A and enter

on Form 1040, line 34, the amount from Schedule A, line 26.

Itemizing for State Tax Purposes. If you itemize even though your itemized deductions are less than the amount of your standard deduction, enter "IE" (itemized elected) next to line 34.

Standard Deduction. If you take the standard deduction, find the correct amount for you and enter it on line 34.

Most people can find their standard deduction by looking at line 34 of Form 1040.

But, if you checked any of the boxes on lines 33a or 33b, use the chart or worksheet on this page that applies to you to figure your standard deduction. Also, if you checked the box on line 33c, you cannot take the standard deduction even if you were age 65 or older or blind.

Standard Deduction Chart for People Age 65 or Older or Blind

If someone can claim you as a dependent, use the worksheet below instead.

Enter the number from the box on line 33a of Form 1040 **Caution: Do not use the number of exemptions from line 6e.**

If your filing status is:	and the number in the box above is:	Your standard deduction is:
Single	1	\$4,250
	2	5,100
Married filing joint return or Qualifying widow(er) with dependent child	1	\$6,350
	2	7,000
	3	7,650
	4	8,300
Married filing separate return	1	\$3,500
	2	4,150
	3	4,800
	4	5,450
Head of household	1	\$5,850
	2	6,700

Standard Deduction Worksheet for Dependents (keep for your records)

Use this worksheet **only** if someone can claim you as a dependent.

- Enter your **earned income** (defined below). If none, enter -0- 1. _____
- Minimum amount 2. **\$550**
- Enter the **larger** of line 1 or line 2 3. _____
- Enter on line 4 the amount shown below for your filing status:
 - Single, enter \$3,400
 - Married filing a separate return, enter \$2,850
 - Married filing a joint return or Qualifying widow(er) with dependent child, enter \$5,700
 - Head of household, enter \$5,000
 4. _____
- Standard deduction.**
 - 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 34. Otherwise, go to line 5b 5a. _____
 - If 65 or older or blind, multiply \$850 (\$650 if married filing a joint or separate return, or qualifying widow(er) with dependent child) by the number on Form 1040, line 33a 5b. _____
 - Add lines 5a and 5b. Enter the total here and on Form 1040, line 34 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 19, minus the amount, if any, on line 25.

Line 36

Deduction for Exemptions

Multiply \$2,150 by the total number of exemptions entered on line 6e. But if your adjusted gross income from line 32 is more than the dollar amount shown below, your deduction may be reduced. Use the worksheet on this page to figure the amount, if any, to enter on line 36.

- \$75,000 if married filing separately.
- \$100,000 if single.
- \$125,000 if head of household.
- \$150,000 if married filing jointly or qualifying widow(er) with dependent child.

The IRS Will Figure Your Tax and Some of Your Credits

If you want us to, we will figure your tax for you. If you have paid too much, we will send you a refund. If you did not pay enough, we'll send you a bill. We won't charge you interest or a late payment penalty if you pay within 30 days of the notice date, or by the due date for your return, whichever is later.

We can figure your tax if you meet all of the conditions described below:

- All of your income for 1991 was from wages, salaries, tips, interest, dividends, taxable social security benefits, unemployment compensation, IRA distributions, pensions, or annuities.
- You do not itemize deductions.
- You do not file any of the following forms: Schedule D, Capital Gains and Losses. Form 2555, Foreign Earned Income. Form 4137, Social Security and Medicare Tax on Unreported Tip Income. Form 4970, Tax on Accumulation Distribution of Trusts.

Form 4972, Tax on Lump-Sum Distributions. Form 6198, At-Risk Limitations. Form 6251, Alternative Minimum Tax—Individuals.

Form 8615, Tax for Children Under Age 14 Who Have Investment Income of More Than \$1,100.

Form 8814, Parent's Election To Report Child's Interest and Dividends.

• Your taxable income (line 37) is not more than \$50,000.

• You (and your spouse if you are filing a joint return) sign and date your return and mail it by April 15, 1992.

• You do not want any of your refund applied to next year's estimated tax.

• You give us enough information so that we can figure the tax. Please read the following instructions:

a. Fill in the parts of your return through line 37 that apply to you.

b. Read lines 39 through 59. Fill in the lines that apply to you, but do not fill in the total lines. Please be sure to fill in line 54 for Federal income tax withheld. See the instructions below if you want us to figure your credit for the elderly or the disabled or your earned income credit.

Deduction for Exemptions Worksheet—Line 36 (keep for your records)

- Multiply \$2,150 by the total number of exemptions claimed on Form 1040, line 6e 1. _____
- Enter the amount from Form 1040, line 32 2. _____
- Enter on line 3 the amount shown below for your filing status:
 - Married filing separately, enter \$75,000
 - Single, enter \$100,000
 - Head of household, enter \$125,000
 - Married filing jointly or Qualifying widow(er), enter \$150,000
 3. _____
- Subtract line 3 from line 2 4. _____

Note: If line 4 is more than \$122,500 (more than \$61,250 if married filing separately), stop here; you may not take a deduction for exemptions. Enter -0- on Form 1040, line 36.

- Divide line 4 by \$2,500 (\$1,250 if married filing separately). If the result is not a whole number, round it up to the next higher whole number 5. _____
- Multiply line 5 by 2% (.02), and enter the result as a decimal amount 6. _____
- Multiply line 1 by line 6 7. _____
- Deduction for exemptions.** Subtract line 7 from line 1. Enter the result here and on Form 1040, line 36 8. _____

c. If you are filing a joint return, use the space under the words "Adjustments to Income" on the front of your return to show your taxable income and your spouse's taxable income separately.

d. Fill in any forms or schedules asked for on the lines you completed, and attach them to the return when you file it.

We will figure the following credits too.

Credit for the Elderly or the Disabled. If you can take this credit, attach Schedule R to your return and enter "CFE" on the dotted line next to line 42.

Check the box on Schedule R for your filing status and age, and fill in lines 11 and 13 of Part III if applicable. Also fill in Part II if applicable.

Earned Income Credit (EIC). Read the instructions that begin on page 45 to see if you can take this credit. If you can, fill in Parts II and III of Schedule EIC and attach it to your return. Enter "EIC" on the dotted line next to line 56.

Line 38

Tax
To figure your tax, use one of the following methods.

Tax Table. If your taxable income is less than \$50,000, you must use the Tax Table to find your tax, unless you are required to use Form 8815 or you use Schedule D (see below). Be sure you use the correct column in the Tax Table. After you have found the correct tax, enter that amount on line 38.

Tax Rate Schedules. You must use the Tax Rate Schedules to figure your tax if your taxable income is \$50,000 or more unless you are required to use Form 8815 or you use Schedule D.

Schedule D. If you had a net capital gain, your tax may be less if you figure it using Schedule D, Part IV, Tax Computation Using Maximum Capital Gains Rate.

Form 8615. Form 8615 must generally be used to figure the tax for any child who was under age 14 on January 1, 1992, and who had more than \$1,100 of investment income (such as taxable interest or dividends). However, if neither of the child's parents was alive on December 31, 1991, do not use Form 8615 to figure the child's tax.

Note: If you are filing Form 8814, Parent's Election To Report Child's Interest and Dividends, include in your total for line 38 the tax from Form 8814, line 8. Also enter that tax in the space provided next to line 38.

Line 39

Additional Taxes

Check the box(es) on line 39 to report any additional taxes from:

- Form 4970, Tax on Accumulation Distribution of Trusts, or
- Form 4972, Tax on Lump-Sum Distributions.

Credits

Line 41

Credit for Child and Dependent Care Expenses

You may be able to take a credit on line 41 for payments you made for child and disabled dependent care expenses while you (and your spouse if you were married) worked or looked for work. But you must have had income from a job or through self-employment to do so.

The credit is allowed if you kept up a home that included a child under age 13 or your dependent or spouse who could not care for himself or herself. Use Form 2441 to figure the credit. To take the credit, you must show on Form 2441 the name, address, and identifying number of the person or organization who provided the care. You may use Form W-10 to get this information from the care provider. For more details, including special rules that apply to divorced or separated parents, see Form 2441 and its instructions, and Pub. 503, Child and Dependent Care Expenses.

Notes: If someone cared for your child or disabled dependent in your home, both you and the employee may have to pay a share of the social security and Medicare tax on the employee's wages. You may, also have to pay Federal unemployment tax, which is for your employee's unemployment insurance. For more details, get Pub. 826, Employment Taxes for Household Employers.

Line 42

Credit for the Elderly or the Disabled

You may be able to take this credit and reduce your tax if, by the end of 1991, you were:

- Age 65 or older, or
- Under age 65, you retired on permanent and total disability, and you had taxable disability income in 1991.

Even if you meet one of the above conditions, you generally cannot take the credit if you are:

- Single and the amount on Form 1040, line 32, is \$17,500 or more; or you received \$5,000 or more of nontaxable social security or other nontaxable pensions.
- Married filing a joint return, only one spouse is eligible for the credit, and the amount on Form 1040, line 32, is \$20,000 or more; or you received \$5,000 or more of nontaxable social security or other nontaxable pensions.
- Married filing a joint return, both spouses are eligible for the credit, and the amount on Form 1040, line 32, is \$25,000 or more; or you received \$7,500 or more of nontaxable social security or other nontaxable pensions.
- Married filing a separate return, you did not live with your spouse all year, and the amount on Form 1040, line 32, is \$12,500 or more; or you received \$3,750 or more of nontaxable social security or other nontaxable pensions.

For more details, see the separate instructions for Schedule R and Pub. 524, Credit for the Elderly or the Disabled. If you want the IRS to figure the credit for you, see The IRS Will Figure Your Tax and Some of Your Credits on page 24.

Line 43

Foreign Tax Credit

Form 1116 explains when you can take this credit for payment of income tax to a foreign country. Also get Pub. 514, Foreign Tax Credit for Individuals.

Line 44

Other Credits

Complete line 44 if you can take any of the following credits.

General Business Credit. If you have two or more of the following general business credits, a general business credit carryforward, or a general business credit from a passive activity, you must also complete Form 3800 to figure the total credit. Include on line 44 the amount from Form 3800. Also be sure to check Box a on line 44 for Form 3800. If you have only one general business credit, include on line 44 the amount of the credit from the form. Also, check Box d on line 44 and enter the form number for that credit.

Form 3468, Investment Credit. This credit was generally repealed for property placed in service after 1985. For exceptions, see Form 3468.

Form 5884, Jobs Credit. If you are a business employer who hires people who are members of special targeted groups, you may qualify for this credit. Use Form 5884 to figure the credit.

Form 6478, Credit for Alcohol Used as Fuel. If you sold straight alcohol (or an alcohol mixture) at retail or use it as fuel in your trade or business, you may be able to take a credit for the alcohol used as fuel. Use Form 6478 to figure the credit. For more details, get Pub. 378, Fuel Tax Credits and Refunds.

Form 6765, Credit for Increasing Research Activities. You may be able to take a credit for research and experimental expenditures paid or incurred in carrying on your trade or business. Use Form 6765 to figure the credit.

Form 8586, Low-Income Housing Credit and Schedule A (Form 8609), Annual Statement. If you owned a building that was part of a low-income housing project, you may be able to take this credit. Use Form 8586 and Schedule A (Form 8609), to figure the credit. Also complete and attach Form 8609, Low-Income Housing Credit Allocation Certification.

Form 8826, Disabled Access Credit. If you paid or incurred expenses to make your business accessible to or usable by individuals with disabilities, you may be able to take this credit. Get Form 8826 for details.

Form 8830, Enhanced Oil Recovery Credit. You may be able to take a credit of 15% of your enhanced oil recovery costs. Use Form 8830 to claim the credit.

Mortgage Interest Credit. You may be able to take a credit for part of the interest you

paid on your home mortgage if you were issued a mortgage credit certificate by a state or local government under a qualified mortgage credit certificate program to buy, rehabilitate, or make improvements to your main home. You must complete and attach Form 8396, Mortgage Interest Credit, to figure the amount of the credit to include in your total for line 44. Also check Box b on line 44. For more details, get Pub. 530, Tax Information for Homeowners.

Credit for Prior Year Minimum Tax. You may be able to take this credit if you paid alternative minimum tax in an earlier year. Get Form 8801, Credit for Prior Year Minimum Tax—Individuals, to see if you can take this credit. If you can, check Box c on line 44. For more details, get Pub. 909, Alternative Minimum Tax for Individuals.

Line 45

Add amounts on lines 41 through 44 and enter the total on line 45. Also include in the total on line 45 any Credit for Fuel From a Nonconventional Source.

Credit for Fuel From a Nonconventional Source. A credit is allowed for the sale of qualified fuels produced from a nonconventional source. See Internal Revenue Code section 29 for a definition of qualified fuels, provisions for figuring the credit, and other special rules. Attach a separate schedule showing how you figured the credit. Include the credit in the total for line 45. Enter the amount and "FNS" on the dotted line next to line 45.

Other Taxes

Line 47

Self-Employment Tax

If you had self-employment income in 1991, and earned under \$125,000 in wages from which social security tax, Medicare tax, and railroad retirement (RTTA) tax was withheld, you may owe self-employment tax. Please see Schedule SE (Form 1040) and its instructions. If you owe self-employment tax, enter the amount from Schedule SE on line 47.

Line 48

Alternative Minimum Tax

The tax law gives special treatment to some kinds of income and allows special deductions and credits for some kinds of expenses. If you benefit from these provisions, you may have to pay at least a minimum amount of tax through the alternative minimum tax. This tax is figured on Form 6251, Alternative Minimum Tax—Individuals.

To see if you should complete Form 6251, add the amounts on Form 1040, lines 34 and 36, plus the total of all adjustments and tax preference items that apply to you (see the list below). If the total is more than the dollar amount shown below for your filing status, fill out Form 6251.

- \$40,000 if married filing jointly or qualifying widow(er) with dependent child.
- \$30,000 if single or head of household.
- \$20,000 if married filing separately.

Adjustment and Tax Preference Items:

1. Accelerated depreciation.
2. Amortization of certified pollution-control facilities.
3. Income from the exercise of incentive stock options figured under Internal Revenue Code section 83 in excess of the amount actually reported on your return.
4. Tax-exempt interest from private activity bonds (including exempt-interest dividends from a regulated investment company to the extent derived from private activity bonds).
5. Intangible drilling costs.
6. Depletion.
7. Circulation and research and experimental expenditures.
8. Mining exploration and development costs.
9. Tax shelter farm losses.
10. Passive activity losses.
11. Income from long-term contracts figured under the percentage of completion method in excess of the amount actually reported on your return.
12. Installment sales of certain property.

Note: A child under age 14 may owe the alternative minimum tax if the total of the child's adjusted gross income from line 32 plus the above items is more than the sum of \$1,000 plus the child's earned income.

Line 49

Recapture Taxes

You may owe the tax computed on Form 4255, Recapture of Investment Credit, if you disposed of investment credit property or changed its use before the end of its useful life or recovery period. See Form 4255 for details. If you owe this tax, check Box a and include the tax due on line 49.

If you disposed of property (or there was a reduction in the qualified basis of the property) on which you took the low-income housing credit, you may owe the tax computed on Form 8611, Recapture of Low-Income Housing Credit. See Form 8611 for more details. If you owe this tax, check Box b and include the tax due on line 49.

If you sold your home in 1991 and it was financed (in whole or part) from the proceeds of any tax-exempt qualified mortgage bond, you may owe the tax computed on Form 8828, Recapture of Federal Mortgage Subsidy. See Form 8828 for more details. If you owe this tax, check Box c and include the tax due on line 49.

Line 50

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, or your W-2 form(s) shows allocated tips that you must report in income, you must pay the social security and Medicare or railroad retirement (RTTA) tax on the unreported tips. If you reported the full amount to your employer but the social security and Medicare or RTTA tax was not withheld, you must pay it unless the rules discussed under **Uncollected Employee Social Security and Medicare or RTTA Tax on Tips** (line 53) apply.

To figure the amount of social security and Medicare tax on the tips, complete Form 4137, Social Security and Medicare Tax on Unreported Tip Income, and attach it to your Form 1040. Enter the tax on line 50.

To determine the amount of RTTA tax on the tips, contact your nearest Railroad Retirement Board office. Enter the tax on line 50. Write "RTTA" on the dotted line next to line 50.

Be sure all your tips are reported as income on Form 1040, line 7.

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

Line 51

Tax on Qualified Retirement Plans (Including IRAs)

You may owe this tax if any of the following applies:

1. You received any early distributions from a qualified pension plan (such as your IRA), qualified annuity plan, or tax-sheltered annuity plan.
2. You received any excess distributions from a plan mentioned in 1 above.
3. You made excess contributions to your IRA.
4. You had excess accumulations in a qualified pension plan (including an IRA).
5. You received any amount under a modified endowment contract entered into after June 20, 1988.

If any of the above applies, get Form 5329 and its instructions to see if you owe this tax. Enter the tax from Form 5329 on Form 1040, line 51.

Caution: Be sure to include in income on line 16 or line 17, whichever applies, any early distributions you received from qualified retirement plans.

Line 52

Advance Earned Income Credit Payments

Enter the total amount of advance earned income credit payments you received. These payments should be shown in Box 8 of your Form(s) W-2.

Note: See new Schedule EIC to figure the earned income credit you can actually take.

Line 53

Total Tax

Add lines 46 through 52. Put the total on line 53. Also include in the total on line 53 any of the following that applies.

Section 72(m)(5) Excess Benefits Tax. If you are or were a 5% owner of a business and you received a distribution of excess benefits from a qualified pension or annuity plan, you may have to pay a penalty tax of 10% of the distribution. Get Pub. 560 for more details.

Include the amount of the penalty in your total for line 53. Write the amount and "Section 72(m)(5)" next to line 53.

Uncollected Employee Social Security and Medicare or RTTA Tax on Tips. If you did not have enough wages to cover the social security and Medicare tax or railroad retirement (RTTA) tax due on the tips you reported to your employer, the amount of tax due should be identified with codes A and B in Box 17 of your Form W-2. Include this tax in the total for line 53. Write the amount of this tax and the words "Uncollected Tax" on the dotted line next to line 53.

Uncollected Employee Social Security and Medicare or RTTA Tax on Group-Term Life Insurance. If you had group-term life insurance through a former employer, you may have to pay social security and Medicare tax or RTTA tax on part of the cost of the life insurance. The amount of tax due should be identified with codes M and N in Box 17 of your Form W-2. Include this tax in the total for line 53. Enter the amount of this tax and the words "Uncollected Tax" on the dotted line next to line 53.

Golden Parachute Payments. Golden parachute payments are certain payments made by a corporation to key employees to compensate them if control of the corporation changes. If you received an excess parachute payment (EPP), you must pay a tax equal to 20% of this excess payment. Write the amount and "EPP" next to line 53.

If you received a Form W-2 that includes a parachute payment, the amount of tax on any excess payment should be identified with code K in Box 17 of Form W-2. (Box 9 of Form W-2 should also include any amount withheld for this tax.) Include this tax in the total for line 53. Write the amount and "EPP" on the dotted line next to line 53.

If you received a Form 1099-MISC that includes a parachute payment, any excess payment will be separately identified on the form. Multiply the excess payment by 20% to figure the amount to include in the total for line 53. Write the amount and "EPP" on the dotted line next to line 53.

Payments

Line 54
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 54. The amount of Federal income tax withheld should be shown in Box 9 of Form W-2; Box 4 of Form W-2G; and Box 4 of Form 1099-R. If line 54 is zero, check the box on line 54.

Backup Withholding. If you were subject to backup withholding on dividends, interest, income, or other income you received during 1991, include the amount withheld in the total on line 54. This should be shown in Box 2 of Form 1099-DIV and in Box 4 of the other 1099 forms. Be sure to check the box on line 54.

Line 55
1991 Estimated Tax Payments

Enter on this line any payments you made on your estimated Federal income tax (Form 1040-ES) for 1991. Include any overpayment from your 1990 return that you elected to carry over to your 1991 estimated tax.

If you and your spouse paid joint estimated tax, but are now filing separate income tax returns, either of you can claim a part of it. Get Pub. 505, Tax Withholding and Estimated Tax, for more details on how to show both your and your spouse's share of the tax. If you are filing a joint return, you are still responsible for the correctness of the return. If you are filing a joint return with your deceased spouse, see **Death of Taxpayer** on page 28.

Child's Return. If your child cannot sign his or her return, sign your child's name in the space provided. Then add "By (your signature), parent for minor child."

Paid Preparers Must Sign Your Return. Generally, anyone you pay to prepare your return must sign it. A preparer who signs your return must sign it by hand in the space provided (signature stamps or labels cannot be used for this purpose). Some copy on the return for your records. You are responsible for the return for you, but does not charge you should not sign your return.

Line 56
Earned Income Credit

If the amount on line 31 is less than \$21,250 and a child lived with you, you may be able to take this credit. Read the instructions for Schedule EIC that begin on page 45 to see if you can take this credit. If you can, use Schedule EIC to figure the credit. If you want the IRS to figure the credit for you, see the instructions for Schedule EIC.

Notes: If you got advance earned income credit (AEIC) payments in 1991, report these payments on line 52. If you are eligible, you may be able to get AEIC payments in 1992 by filing Form W-5 with your employer.

Line 57
Amount Paid With Form 4868 (Extension of Time To File)

If you filed Form 4868 to get an automatic extension of time to file Form 1040, include the amount you paid with that form. Also include any amounts paid with Form 2868 or Form 2260.

Line 58
Excess Social Security, Medicare, and RRTA Tax Withheld—More Than One Employer

Note: Form 4469, *Excess Medicare Tax Credit*, previously used by certain government employees, is obsolete. These employees should use the worksheet on this page to figure the credit for any excess tax withheld.

Line 59
Other Payments

Note: Form 4469, *Excess Medicare Tax Credit*, previously used by certain government employees, is obsolete. These employees should use the worksheet on this page to figure the credit for any excess tax withheld.

Line 60
Total Payments

Add lines 54 through 59 and enter the total on line 60. Also include on this line any credit for overpaid windfall profit tax (OWPT) from Form 6248. Write the amount and "OWPT" on the dotted line next to line 60. Be sure to attach Forms 6248 and 6248e.

Line 61
Refund or Amount You Owe

Line 61
Amount Overpaid (if line 60 is more than line 59)

Subtract line 53 from line 60 and enter the result on line 61. If line 61 is under \$1, we will send a refund only on written request.

Note: If the amount you overpaid is large, you may be able to reduce the amount of income tax withheld from your pay. See *Income Tax Withholding and Estimated Tax Payments for 1992* on page 28.

Injured Spouse Claim. If you file a joint return, you may be able to claim a refund of income tax withheld from your pay for the injured spouse. See *Injured Spouse Claim*, if you or your spouse have child support payments and certain Federal debts (such as student loans), all or part of the overpayment shown on line 61 may be used to pay the past due amount. But, your part of the overpayment may be refunded to you if all three of the following apply:

1. You are not obligated to pay the past due amount.
2. You received and reported income (such as wages, taxable interest, etc.) on the joint return.
3. You made and reported payments (such as Federal income tax withheld from your wages or estimated tax payments) on the joint return.

If all three of the above conditions apply and you want your share of the overpayment returned to you, complete Form 8379, *Injured Spouse Claim and Allocation*, and attach it to Form 1040 when you file your return. Write "Injured Spouse" in the upper left corner of Form 1040.

Notes: If you are filing an injured spouse claim to receive your part of a joint overpayment for a return you have already filed, use only Form 8379 to obtain your refund. Do not attach it to Form 1040.

Line 62
Applied to 1992 Estimated Tax

Subtract line 62 from line 61. Enter the result on line 63. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 63
Applied to 1992 Estimated Tax

Subtract line 62 from line 61. Enter the result on line 63. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 64
Amount You Owe (if line 53 is more than line 60)

Subtract line 60 from line 53 and enter the result on line 64. This is the amount you owe. Attach your check money order for the full amount you owe on line 64. Do not include any estimated tax payment in your check or money order. Mail any estimated tax payment in a separate envelope from the one you use to pay tax due on Form 1040.

Notes: If you owe tax for 1991, you may need to increase the amount of income tax withheld from your pay or make estimated tax payments for 1992. See *Income Tax Withholding and Estimated Tax Payments for 1992* on page 28.

Line 65
Estimated Tax Penalty

If line 64 is at least \$500 and it is more than 10% of the tax shown on your return, or you underpaid your 1991 estimated tax liability for any payment period, you may owe a penalty. Get Form 2210 (Form 2210P for farmers) to see if you owe it. If you owe a penalty and to figure the penalty, for you, the IRS will figure the penalty for you. You will send you a bill. But see **Lowering Your Penalty** below.

How To Avoid the Penalty. You will not owe the penalty or have to complete Form 2210 (or 2210P) if either of the following applies:

1. You had no tax liability for 1990, you were a U.S. citizen or resident for all of 1990, AND your 1990 tax return was for a last year of 12 full months, or
2. The total of lines 54, 55, and 56 of your 1991 return is at least as much as your 1990 tax liability, AND your 1990 tax return was for a last year of 12 full months. Your estimated tax liability for 1990 must have been made on time and for the required amount.

Figuring the Penalty. If you cannot avoid the penalty and you choose to figure it yourself on Form 2210 (or 2210P), enter the penalty amount on Form 1040, line 65. Do not attach Form 2210 to your return. Add the penalty amount to any tax due and enter the total on line 64. If you are due a refund, subtract the penalty amount from the overpayment you show on line 61.

If you leave line 65 blank, the IRS will figure the penalty and send you a bill. We will not begin to check your return for the penalty until 10 days after the notice date.

Lowering Your Penalty. If any of the conditions below applies to you, you may be able to lower the amount of your penalty. But you must complete and attach Form 2210 (or 2210P) to your return to do so.

- You claim a waiver, or
- Your income varied during the year and you use the annualized income installment method to figure your required installment payments, or

Line 66
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 66. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 67
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 67. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 68
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 68. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 69
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 69. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 70
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 70. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 71
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 71. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 72
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 72. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 73
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 73. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 74
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 74. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 75
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 75. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 76
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 76. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 77
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 77. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 78
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 78. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 79
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 79. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 80
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 80. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 81
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 81. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 82
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 82. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 83
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 83. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 84
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 84. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 85
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 85. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 86
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 86. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 87
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 87. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 88
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 88. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 89
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 89. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 90
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 90. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 91
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 91. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 92
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 92. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 93
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 93. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 94
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 94. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 95
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 95. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 96
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 96. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 97
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 97. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 98
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 98. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 99
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 99. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 100
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 100. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 101
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 101. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 102
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 102. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 103
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 103. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 104
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 104. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 105
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 105. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 106
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 106. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 107
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 107. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 108
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 108. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 109
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 109. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 110
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 110. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 111
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 111. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 112
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 112. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 113
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 113. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 114
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 114. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 115
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 115. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 116
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 116. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 117
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 117. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 118
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 118. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 119
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 119. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 120
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 120. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 121
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 121. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 122
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 122. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 123
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 123. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 124
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 124. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 125
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 125. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 126
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 126. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 127
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 127. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 128
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 128. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 129
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 129. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 130
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 130. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 131
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 131. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 132
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 132. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 133
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 133. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 134
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 134. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 135
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 135. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 136
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 136. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Line 137
Applied to 1992 Estimated Tax

Subtract line 65 from line 64. Enter the result on line 137. This is the amount that will be applied to your estimated tax for 1992. We will apply this amount to your account unless you apply this amount to your spouse's payments, or

Section 5.

General Information

Income Tax Withholding and Estimated Tax Payments for 1992

If the amount you owe (line 64) or the amount you overpaid (line 61) is large, you may want to file a new Form W-4, *Employee's Withholding Allowance Certificate*, with your employer to change the amount of income tax to be withheld from your pay. If you go back to work after a period of unemployment, you may be able to reduce your withholding.

In general, you do not have to make estimated tax payments if you expect that your 1992 Form 1040 will show a tax refund or a tax balance due the IRS of less than \$500. If your total estimated tax (including any alternative minimum tax) for 1992 is \$500 or more, get Form 1040-ES, *Estimated Tax for Individuals*. It has a worksheet you can use to see if you have to make estimated tax payments.

For more details, get Pub. 505, *Tax Withholding and Estimated Tax*.

Do Both the Name and Social Security Number 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 social security number 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 number on your social security card is incorrect, call the Social Security Administration toll free at 1-800-772-1213.

Gift To Reduce the Public Debt

You may make a gift to reduce the public debt. If you wish to do so, enclose a separate check with your income tax return. Make it payable to "Bureau of the Public Debt." You may be able to deduct this gift on your 1992 tax return if you itemize your deductions. Do not add your gift to any tax you may owe. If you owe tax, include a separate check for

that amount payable to "Internal Revenue Service."

Address Change

If you move, always notify in writing the Internal Revenue Service center where you filed your last return, or the Chief, Taxpayer Service Division, in your local IRS district office. You can use Form 8822, *Change of Address*, to notify us of your new address. If you move after you file your return and you are expecting a refund, also notify the post office serving your old address. This will help to forward your check to your new address.

Corresponding With the IRS

Be sure to include your social security number in any correspondence with the IRS. If you do not include it, it may take us longer to reply.

How Long Should Records Be Kept?

Keep records of income, deductions, and credits shown on your return, as well as any worksheets used to figure them, 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. Also keep copies of your filed tax returns as part of your records. 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, get Pub. 552, *Recordkeeping for Individuals*.

Requesting a Copy of Your Tax Return

If you need a copy of your tax return, use Form 4506, *Request for Copy of Tax Form*. There is a charge of \$4.25. If you need tax account information, contact your local IRS office. If you want a printed copy of your account, it will be mailed to you free of charge.

Amended Return

If you find changes in your income, deductions, or credits after you mail your return, file Form 1040X, *Amended U.S. Individual Income Tax Return*, to change the return you already filed. If you filed a joint return, you

may not, after the due date of that return, amend it to file as married filing a separate return. 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. A return filed early is considered filed on the date it was due.

If your return is changed for any reason (for example, as a result of an audit by the IRS), it may affect your state income tax return. Contact your state tax agency for more details.

Death of Taxpayer

If a taxpayer died before filing a return for 1991, the taxpayer's spouse or personal representative may have to file and sign a return for the person who died. A personal representative can be an executor, administrator, or anyone who is in charge of the deceased person's property.

If the 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 write "DECEASED," the deceased's name, and the date of death across the top of the tax return.

If your spouse died in 1991 and you did not remarry in 1991, you can file a joint return. You can also file a joint return if your spouse died in 1992 before filing a 1991 return. A joint return should show your spouse's 1991 income before death and your income for all of 1991. Write "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.

Claiming a Refund for a Deceased Person. If you are a surviving spouse filing a joint return with the deceased, file only 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 should file the return and attach Form 1310.

For more details, see *Tele-Tax Information* in the index (topic no. 158) or get Pub. 569, *Tax Information for Survivors, Executors, and Administrators*.

Section 6.

Penalties and Interest

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 overstatements, and substantial understatements of tax. Interest is charged on the penalty from the due date of the return (including extensions).

If you include interest with your payment, identify and enter the interest in the bottom margin of Form 1040, page 2. Do not include the interest in the Amount You Owe on line 64.

Late Filing of Return

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.

If you include this penalty with your payment, identify and enter the penalty amount in the bottom margin of Form 1040, page 2. Do not include the penalty amount in Amount You Owe on line 64.

Late Payment of Tax

If you pay your taxes late, the penalty is usually 1/4 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 and to any additional tax shown on a bill not paid within 10 days of the date of the bill. This penalty is in addition to interest charges on late payments.

If you include this penalty with your payment, identify and enter the penalty amount in the bottom margin of Form 1040, page 2. Do not include the penalty amount in Amount You Owe on line 64.

Penalty for 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 pre-printed language above the space where you sign.

Other Penalties

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. Get Pub. 17, *Your Federal Income Tax*, for details on some of these penalties.

Section 7. 1991 Tax Table

Use if your taxable income is less than \$50,000. If \$50,000 or more, use the tax rate Schedules. Example: Mr. and Mrs. Brown are filing a joint return...

Table with columns for 'If line 37 (taxable income) is-', 'And you are-', 'If line 37 (taxable income) is-', 'And you are-', and 'Your tax is-'. Includes sub-sections for Sample Table and 1991 Tax Table.

Continued on next page

Page 31

1991 Tax Table—Continued

Continuation of the 1991 Tax Table, showing tax rates for various income levels and filing statuses.

Continued on next page

Page 32

1991 Tax Table—Continued

If line 37 (taxable income) is—	And you are—				If line 37 (taxable income) is—	And you are—								
	At least	But less than	Head of a household	Married filing jointly		At least	But less than	Head of a household	Married filing jointly					
14,000	2,104	2,104	2,104	2,104	17,000	2,554	2,554	2,554	2,554	20,000	3,004	3,004	3,004	3,004
14,050	2,111	2,111	2,111	2,111	17,050	2,561	2,561	2,561	2,561	20,050	3,011	3,011	3,011	3,011
14,100	2,119	2,119	2,119	2,119	17,100	2,569	2,569	2,569	2,569	20,100	3,019	3,019	3,019	3,019
14,150	2,126	2,126	2,126	2,126	17,150	2,577	2,577	2,577	2,577	20,150	3,027	3,027	3,027	3,027
14,200	2,134	2,134	2,134	2,134	17,200	2,584	2,584	2,584	2,584	20,200	3,035	3,035	3,035	3,035
14,250	2,142	2,142	2,142	2,142	17,250	2,592	2,592	2,592	2,592	20,250	3,043	3,043	3,043	3,043
14,300	2,149	2,149	2,149	2,149	17,300	2,600	2,600	2,600	2,600	20,300	3,051	3,051	3,051	3,051
14,350	2,156	2,156	2,156	2,156	17,350	2,608	2,608	2,608	2,608	20,350	3,059	3,059	3,059	3,059
14,400	2,164	2,164	2,164	2,164	17,400	2,616	2,616	2,616	2,616	20,400	3,067	3,067	3,067	3,067
14,450	2,171	2,171	2,171	2,171	17,450	2,624	2,624	2,624	2,624	20,450	3,075	3,075	3,075	3,075
14,500	2,179	2,179	2,179	2,179	17,500	2,632	2,632	2,632	2,632	20,500	3,083	3,083	3,083	3,083
14,550	2,186	2,186	2,186	2,186	17,550	2,640	2,640	2,640	2,640	20,550	3,091	3,091	3,091	3,091
14,600	2,194	2,194	2,194	2,194	17,600	2,648	2,648	2,648	2,648	20,600	3,099	3,099	3,099	3,099
14,650	2,201	2,201	2,201	2,201	17,650	2,656	2,656	2,656	2,656	20,650	3,107	3,107	3,107	3,107
14,700	2,209	2,209	2,209	2,209	17,700	2,664	2,664	2,664	2,664	20,700	3,115	3,115	3,115	3,115
14,750	2,216	2,216	2,216	2,216	17,750	2,672	2,672	2,672	2,672	20,750	3,123	3,123	3,123	3,123
14,800	2,224	2,224	2,224	2,224	17,800	2,680	2,680	2,680	2,680	20,800	3,131	3,131	3,131	3,131
14,850	2,231	2,231	2,231	2,231	17,850	2,688	2,688	2,688	2,688	20,850	3,139	3,139	3,139	3,139
14,900	2,239	2,239	2,239	2,239	17,900	2,696	2,696	2,696	2,696	20,900	3,147	3,147	3,147	3,147
14,950	2,246	2,246	2,246	2,246	17,950	2,704	2,704	2,704	2,704	20,950	3,155	3,155	3,155	3,155
15,000	2,254	2,254	2,254	2,254	18,000	2,712	2,712	2,712	2,712	21,000	3,163	3,163	3,163	3,163
15,050	2,261	2,261	2,261	2,261	18,050	2,720	2,720	2,720	2,720	21,050	3,171	3,171	3,171	3,171
15,100	2,269	2,269	2,269	2,269	18,100	2,728	2,728	2,728	2,728	21,100	3,179	3,179	3,179	3,179
15,150	2,276	2,276	2,276	2,276	18,150	2,736	2,736	2,736	2,736	21,150	3,187	3,187	3,187	3,187
15,200	2,284	2,284	2,284	2,284	18,200	2,744	2,744	2,744	2,744	21,200	3,195	3,195	3,195	3,195
15,250	2,291	2,291	2,291	2,291	18,250	2,752	2,752	2,752	2,752	21,250	3,203	3,203	3,203	3,203
15,300	2,299	2,299	2,299	2,299	18,300	2,760	2,760	2,760	2,760	21,300	3,211	3,211	3,211	3,211
15,350	2,306	2,306	2,306	2,306	18,350	2,768	2,768	2,768	2,768	21,350	3,219	3,219	3,219	3,219
15,400	2,314	2,314	2,314	2,314	18,400	2,776	2,776	2,776	2,776	21,400	3,227	3,227	3,227	3,227
15,450	2,321	2,321	2,321	2,321	18,450	2,784	2,784	2,784	2,784	21,450	3,235	3,235	3,235	3,235
15,500	2,329	2,329	2,329	2,329	18,500	2,792	2,792	2,792	2,792	21,500	3,243	3,243	3,243	3,243
15,550	2,336	2,336	2,336	2,336	18,550	2,800	2,800	2,800	2,800	21,550	3,251	3,251	3,251	3,251
15,600	2,344	2,344	2,344	2,344	18,600	2,808	2,808	2,808	2,808	21,600	3,259	3,259	3,259	3,259
15,650	2,351	2,351	2,351	2,351	18,650	2,816	2,816	2,816	2,816	21,650	3,267	3,267	3,267	3,267
15,700	2,359	2,359	2,359	2,359	18,700	2,824	2,824	2,824	2,824	21,700	3,275	3,275	3,275	3,275
15,750	2,366	2,366	2,366	2,366	18,750	2,832	2,832	2,832	2,832	21,750	3,283	3,283	3,283	3,283
15,800	2,374	2,374	2,374	2,374	18,800	2,840	2,840	2,840	2,840	21,800	3,291	3,291	3,291	3,291
15,850	2,381	2,381	2,381	2,381	18,850	2,848	2,848	2,848	2,848	21,850	3,299	3,299	3,299	3,299
15,900	2,389	2,389	2,389	2,389	18,900	2,856	2,856	2,856	2,856	21,900	3,307	3,307	3,307	3,307
15,950	2,396	2,396	2,396	2,396	18,950	2,864	2,864	2,864	2,864	21,950	3,315	3,315	3,315	3,315
16,000	2,404	2,404	2,404	2,404	19,000	2,872	2,872	2,872	2,872	22,000	3,323	3,323	3,323	3,323
16,050	2,411	2,411	2,411	2,411	19,050	2,880	2,880	2,880	2,880	22,050	3,331	3,331	3,331	3,331
16,100	2,419	2,419	2,419	2,419	19,100	2,888	2,888	2,888	2,888	22,100	3,339	3,339	3,339	3,339
16,150	2,426	2,426	2,426	2,426	19,150	2,896	2,896	2,896	2,896	22,150	3,347	3,347	3,347	3,347
16,200	2,434	2,434	2,434	2,434	19,200	2,904	2,904	2,904	2,904	22,200	3,355	3,355	3,355	3,355
16,250	2,441	2,441	2,441	2,441	19,250	2,912	2,912	2,912	2,912	22,250	3,363	3,363	3,363	3,363
16,300	2,449	2,449	2,449	2,449	19,300	2,920	2,920	2,920	2,920	22,300	3,371	3,371	3,371	3,371
16,350	2,456	2,456	2,456	2,456	19,350	2,928	2,928	2,928	2,928	22,350	3,379	3,379	3,379	3,379
16,400	2,464	2,464	2,464	2,464	19,400	2,936	2,936	2,936	2,936	22,400	3,387	3,387	3,387	3,387
16,450	2,471	2,471	2,471	2,471	19,450	2,944	2,944	2,944	2,944	22,450	3,395	3,395	3,395	3,395
16,500	2,479	2,479	2,479	2,479	19,500	2,952	2,952	2,952	2,952	22,500	3,403	3,403	3,403	3,403
16,550	2,486	2,486	2,486	2,486	19,550	2,960	2,960	2,960	2,960	22,550	3,411	3,411	3,411	3,411
16,600	2,494	2,494	2,494	2,494	19,600	2,968	2,968	2,968	2,968	22,600	3,419	3,419	3,419	3,419
16,650	2,501	2,501	2,501	2,501	19,650	2,976	2,976	2,976	2,976	22,650	3,427	3,427	3,427	3,427
16,700	2,509	2,509	2,509	2,509	19,700	2,984	2,984	2,984	2,984	22,700	3,435	3,435	3,435	3,435
16,750	2,516	2,516	2,516	2,516	19,750	2,992	2,992	2,992	2,992	22,750	3,443	3,443	3,443	3,443
16,800	2,524	2,524	2,524	2,524	19,800	2,999	2,999	2,999	2,999	22,800	3,451	3,451	3,451	3,451
16,850	2,531	2,531	2,531	2,531	19,850	3,007	3,007	3,007	3,007	22,850	3,459	3,459	3,459	3,459
16,900	2,539	2,539	2,539	2,539	19,900	3,015	3,015	3,015	3,015	22,900	3,467	3,467	3,467	3,467
16,950	2,546	2,546	2,546	2,546	19,950	3,023	3,023	3,023	3,023	22,950	3,475	3,475	3,475	3,475

* This column must also be used by a qualifying widow(er).

1991 Tax Table—Continued

If line 37 (taxable income) is—	And you are—				If line 37 (taxable income) is—	And you are—							
	At least	But less than	Head of a household	Married filing jointly		At least	But less than	Head of a household	Married filing jointly				
23,000	3,602	3,602	3,602	3,602	26,000	4,642	4,642	4,642	4,642	29,000	5,682	5,682	5,682
23,050	3,609	3,609	3,609	3,609	26,050	4,649	4,649	4,649	4,649	29,050	5,689	5,689	5,689
23,100	3,617	3,617	3,617	3,617	26,100	4,656	4,656	4,656	4,656	29,100	5,696	5,696	5,696
23,150	3,624	3,624	3,624	3,624	26,150	4,664	4,664	4,664	4,664	29,150	5,703	5,703	5,703
23,200	3,632	3,632	3,632	3,632	26,200	4,671	4,671	4,671	4,671	29,200	5,710	5,710	5,710
23,250	3,639	3,639	3,639	3,639	26,250	4,679	4,679	4,679	4,679	29,250	5,717	5,717	5,717
23,300	3,647	3,647	3,647	3,647	26,300	4,686	4,686	4,686	4,686	29,300	5,724	5,724	5,724
23,350	3,654	3,654	3,654	3,654</									

1991 Tax Table—Continued

Table with columns for taxable income (41,000-42,000), marital status (Single, Married, Head of household), and tax amounts. Includes a note: 'This column must also be used by a qualifying widow(er)'. Page 35.

1991 Tax Table—Continued

Table with columns for taxable income (43,000-44,000), marital status (Single, Married, Head of household), and tax amounts. Includes a note: 'This column must also be used by a qualifying widow(er)'. Page 36.

1991 Tax Table—Continued

Table with columns for taxable income (45,000-46,000), marital status (Single, Married, Head of household), and tax amounts. Includes a note: 'This column must also be used by a qualifying widow(er)'. Page 36.

* This column must also be used by a qualifying widow(er).

* This column must also be used by a qualifying widow(er).

* This column must also be used by a qualifying widow(er).

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Section 8. Instructions for Schedules to Form 1040

Some taxpayers should itemize their deductions because they will save money. See **Itemized Deductions or Standard Deduction** on page 23.

If you itemize, you can deduct 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 moving expenses and casualty and theft losses.

Instructions for Schedules to Form 1040, Schedule A, Itemized Deductions

If you received a reimbursement in 1991 of prior year medical or dental expenses, do not reduce your 1991 expenses by this amount. You must include the reimbursement in your 1991 income. Do not include more than \$50 a night for each eligible person.

Examples of medical and dental expenses include:

- Lodging expenses (but not meals) paid while away from home to receive medical care in a hospital or a convalescent home.
- 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 9 cents a mile. Add parking and tolls to the amount you claim under either method.

Examples of Medical and Dental Payments You May Not Deduct

- The basic cost of Medicare insurance (Medicare A).
- Note: If you were 65 or older but not entitled to social security benefits, you may deduct premiums you voluntarily paid for Medicare A coverage.
- Life insurance or income protection policies.
- The Medicare tax withheld from your pay or employment tax.
- Nursing care for a healthy baby. (You may qualify for the child and dependent care credit; get Form 2441.)
- Nonprescription medicines or drugs.
- Travel your doctor told you to take for rest or change.
- Funeral, burial, or cremation costs.
- Pub. 502 has a discussion of expenses that may and may not be deductible. Do not deduct capital expenditures and special care for handicapped persons.

Taxes You Paid

Lines 5 through 8

Taxes You May Deduct
Line 5—State and Local Income Taxes. Includes on this line the state and local income taxes listed below:
• State and local income taxes withheld from your salary during 1991 (your Form(s) W-2 will show these amounts).
• State and local income taxes paid in 1991 for a prior year (such as taxes paid with your

If you received a reimbursement in 1991 of prior year medical or dental expenses, do not reduce your 1991 expenses by this amount. You must include the reimbursement in your 1991 income. Do not include more than \$50 a night for each eligible person.

Examples of medical and dental expenses include:

- Your spouse.
- All dependents you claim on your return.
- Your child whom you do not claim as a dependent because of the rules explained on page 13 for Children of Divorced or Separated Parents.
- Any person that you could have claimed as a dependent on your return if that person had not received \$2,150 or more of gross income or had not filed a joint return.

Example: You provided more than half of your mother's support but may not claim her as a dependent because she received \$2,150 of wages during 1991. If part of your support was the payment of her medical bills, you may include that part in your medical expenses.

Examples of Medical and Dental Payments You May Deduct

- Prescription medicines and drugs, or insulin.
- Medical doctors, dentists, eye doctors, chiropractors, osteopaths, podiatrists, psychiatrists, psychologists, physical therapists, acupuncturists, and psychoanalysts (medical care only).
- Medical examinations, X-ray and laboratory services, insulin treatment, and whirlpool baths your doctor ordered.
- Nursing help, if you pay 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.
- Medical treatment at a center for drug or alcohol addiction.
- Medical aids such as hearing aid batteries, braces, crutches, wheelchair, guide dogs and the cost of maintaining them.

Medical and Dental Expenses

Changes You Should Note

Health Insurance Credit. If the amount on Form 1040, line 32, is less than \$2,150, you may also be able to claim the Health Insurance Credit. See the instructions on page 45 to see if you can. If you claim the health insurance credit, subtract the amount of that credit from your total medical and dental expenses before you enter an amount on Schedule A, line 1.

Cosmetic Surgery. Beginning in 1991, you cannot deduct the cost of cosmetic surgery unless the procedure was necessary to improve a deformity resulting from, or directly related to, a congenital abnormality, an injury from an accident or trauma, or a disfiguring disease.

Lines 1 through 4

Before you can figure your total deduction for medical and dental expenses, you must complete Form 1040 through line 32. You may deduct only that part of your medical and dental expenses that is more than 7.5% of the amount on Form 1040, line 32.

Line 1. Enter the total of your medical and dental expenses, after you reduce these expenses by any payments received from insurance or other sources. This includes copayments, prescription medicines and drugs, hospital, prescription medicine and drug, transportation and lodging, and other expenses such as hearing aids, dentures, eyeglasses, and contact lenses.

Also include the amount you paid for insurance premiums for medical and dental care, after you reduce that amount by any self-employed health insurance deduction you claimed on Form 1040, line 29, and any health insurance credit you claimed on Schedule EIC, line 18.

If your insurance company paid your doctor or dentist directly for part of your medical expenses, and you paid only the amount that remained, include in your medical expenses ONLY the amount you paid.

1991 Tax Rate Schedules

Caution: Use only if your taxable income (Form 1040, line 37) is \$50,000 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 \$50,000, 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 37, is: Over—	But not over—	Enter on Form 1040, line 38	of the amount over—
\$0	\$20,350	15%	\$0
20,350	49,300	\$3,062.50 + 28%	20,350
49,300	.....	11,156.50 + 31%	49,300

Schedule Y-1—Use if your filing status is Married filing jointly or Qualifying widow(er)

If the amount on Form 1040, line 37, is: Over—	But not over—	Enter on Form 1040, line 38	of the amount over—
\$0	\$34,000	15%	\$0
34,000	82,150	\$5,100.00 + 28%	34,000
82,150	.....	18,562.00 + 31%	82,150

Schedule Y-2—Use if your filing status is Married filing separately

If the amount on Form 1040, line 37, is: Over—	But not over—	Enter on Form 1040, line 38	of the amount over—
\$0	\$17,000	15%	\$0
17,000	41,075	\$2,550.00 + 28%	17,000
41,075	.....	9,291.00 + 31%	41,075

Schedule Z—Use if your filing status is Head of household

If the amount on Form 1040, line 37, is: Over—	But not over—	Enter on Form 1040, line 38	of the amount over—
\$0	\$27,300	15%	\$0
27,300	70,450	\$4,095.00 + 28%	27,300
70,450	.....	18,177.00 + 31%	70,450

1990 state or local income tax return). Do not include penalties or interest.

- State and local estimated tax payments made during 1991 (including any part of a prior year refund that you chose to have credited) to your 1991 state or local income taxes.

Do not reduce your deduction by:

- Any state or local income tax refund (credit) you expect to receive for 1991, or
- Any refund of (or credit for) prior year state and local income taxes you actually received in 1991 (see the instructions for Form 1040, line 10).

Line 8—Real Estate Taxes. Include taxes you paid and accrued during the year that were used for business. Pub. 520 explains the deductions homeowners may take.

If your mortgage payments include your real estate taxes, do not take a deduction for those taxes until the year the mortgage company actually pays them to the taxing authority.

Line 7—Other Taxes. If you had any deductible tax not listed on Schedule A, line 5 or 6 (such as personal property tax or foreign income tax), list the tax and the amount of tax. Enter one total on line 7.

Personal property tax must be an annual tax based on value alone. For example, if part of the fee you paid for the registration of your car was based on the car's value and the other part was based on weight, you may deduct only the part based on the car's value.

If you paid tax to a foreign country or U.S. possession, you may want to take it as a credit instead of a deduction. Get Pub. 514 for details.

You can deduct mandatory contributions you made to state disability benefit funds that provide protection against loss of wages. Payments made to the following disability funds are nondeductible:

- California Nonoccupational Disability Benefit Fund.
- New Jersey Nonoccupational Disability Benefit Fund.
- New York Nonoccupational Disability Benefit Fund.
- Rhode Island Temporary Disability Benefit Fund.

treated as investment interest, personal interest, or business interest depends on how and when you used the loan proceeds. Get Pub. 535, Business Expenses, for details.

In general, if you paid interest in 1991 that includes amounts that apply to any period after 1991, you may deduct only the amount that applies for 1991.

Interest You May Deduct

Home Mortgage Interest. In most cases, you will be able to deduct all of your home mortgage interest. The following apply to loans secured by your main home, including first and second mortgages, home equity loans, and refinanced mortgages. Whether your home mortgage interest is deductible depends on the date you took out the mortgage, the amount of the mortgage, and your use of its proceeds.

If ALL of your mortgages fit into one or more of categories a, b, and c below, you can deduct all of the interest on those mortgages. If you have any other mortgages, get Pub. 536 for more details.

Line 9a. Enter on line 9a, mortgage interest and points reported to you on Form 1098, Mortgage Interest Statement. If you did not receive a Form 1098, enter the interest on line 9b and any deductible points on line 10.

If you paid \$600 or more of mortgage interest (including points paid to buy your main home), the recipient will generally send you a Form 1098, or similar statement, by January 31, 1992. This form shows the total interest and points the recipient received from you during 1991.

If you paid more interest to financial institutions than is shown on Form 1098, get Pub. 536 for more details and the additional information. If you can attach such an explanation of the difference and write "See attached" next to line 9a.

Notes: If you qualify for the Mortgage Interest Credit (see instructions for Form 1040, line 44), subtract the amount shown on line 3 of Form 8396 from the total deductible interest you paid on your home mortgage and enter the result on line 9a.

Line 9b. 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 9b.

If you and at least one other person (other than your spouse) own the home, you are liable for and pay the mortgage, the Form 1098, attach a statement to your return showing the name and address of that person. Next to line 9b, write "See attached."

Line 10—Points Not Reported on Form 1098. Generally, points (including loan origination fees) charged only for the use of money are deductible over the life of your mortgage.

Exception: Points may be deducted in the year paid if the loan was used to buy or improve your main home, the loan was secured with funds other than from the lender, the lender, it is customary to charge points in the area where the loan was made, and the points paid did not exceed the points usually charged in that area. This generally applies to points paid for the following:

amounts on this line of credit after that date, the additional amounts borrowed are treated as a mortgage taken out after October 13, 1987, and are subject to the rules under b or c (or b and c if a mixed-use mortgage—see below).

Mixed-Use Mortgages. If you took out a new mortgage after October 13, 1987 (including refinancing for more than what you owed or borrowing additional amounts on a line-of-credit mortgage you had on October 13, 1987), you have a mixed-use mortgage in both b and c above, you have a deductible mortgage. The mortgage proceeds used to buy, build, or improve the home fit into category b and the rest of the proceeds fit into category c.

What Is a Home? A home may be a house, condominium, cooperative, mobile home, boat, or similar property. It must provide basic living accommodations, including sleeping space and toilet and cooking facilities.

More Than One Home. If you had a main home and a second home, the dollar limits on the interest and points you can deduct on mortgages on both homes. See Pub. 536 for more details.

Line 9a. Enter on line 9a, mortgage interest and points reported to you on Form 1098, Mortgage Interest Statement. If you did not receive a Form 1098, enter the interest on line 9b and any deductible points on line 10.

If you paid \$600 or more of mortgage interest (including points paid to buy your main home), the recipient will generally send you a Form 1098, or similar statement, by January 31, 1992. This form shows the total interest and points the recipient received from you during 1991.

If you paid more interest to financial institutions than is shown on Form 1098, get Pub. 536 for more details and the additional information. If you can attach such an explanation of the difference and write "See attached" next to line 9a.

Notes: If you qualify for the Mortgage Interest Credit (see instructions for Form 1040, line 44), subtract the amount shown on line 3 of Form 8396 from the total deductible interest you paid on your home mortgage and enter the result on line 9a.

Line 9b. 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 9b.

If you and at least one other person (other than your spouse) own the home, you are liable for and pay the mortgage, the Form 1098, attach a statement to your return showing the name and address of that person. Next to line 9b, write "See attached."

Line 10—Points Not Reported on Form 1098. Generally, points (including loan origination fees) charged only for the use of money are deductible over the life of your mortgage.

Exception: Points may be deducted in the year paid if the loan was used to buy or improve your main home, the loan was secured with funds other than from the lender, the lender, it is customary to charge points in the area where the loan was made, and the points paid did not exceed the points usually charged in that area. This generally applies to points paid for the following:

does not apply to points paid to refinance your mortgage. For more details, see Pub. 536.

Line 11—Investment Interest. Investment interest paid on money you borrowed to invest is also deductible. However, investment interest does not include any interest allocable to a passive activity.

Complete and attach Form 4952, Investment Interest Expense Deduction, to figure your deduction.

Exception: You do not have to file Form 4952 if all of the following apply:

- Your only investment income was from interest or dividends.
- You have no other deductible expenses connected with the production of the interest or dividends.
- Your investment interest expense is not more than your investment income, and
- You have no carryovers of investment interest expense from 1990.

For more details, get Pub. 560, Investment Income and Expenses.

Interest You May Not Deduct

- Personal interest, such as interest paid on car loans, student loans, credit cards, charge accounts, etc.
- Interest paid on your debts by others, such as mortgage interest subsidy payments made by a government agency.
- Interest you paid for:
 - Certain loans against your interest in a 401(k) plan or a tax-sheltered annuity plan that were made, renewed, amended, modified, or refinanced after 1986. Get Pub. 575, Pension and Annuity Income (Including Simplified General Rule), for details.
 - Tax-exempt income. This includes interest on money you borrowed to buy or carry wholly tax-exempt securities. This also includes interest paid to purchase or carry obligations or shares, or to make deposits or other investments, to the extent any interest income received from the investment is tax exempt.
 - A loan on life insurance if the interest is based on the loan and you report on the cash surrender value of the policy.
 - A debt to buy a single-premium life insurance contract.
 - Any kind of investment transaction. (Use Schedule C, E, or F of Form 1040 to deduct business interest expenses.)

See Pub. 535 for more details.

• 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, deafness, diabetes, hemophilia, mental illness, or related conditions.
- Chronic diseases, muscular dystrophy, tuberculosis.

Recordkeeping. If you give 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 a professional, you should also keep a signed copy of the appraisal.)
- The cost or other fair market value of the property if you must reduce it by any gain or capital gain that would have resulted if the property had been sold at its fair market value.
- How you figured your deduction for gifts of capital gain property.
- Any conditions attached to the gift.

Notes: If your total deduction for gifts of property is over \$500, or if you gave less than your entire interest in the property, or if you made a "qualified conservation contribution" under section 170(e), your records should contain additional information. See Pub. 526 for details.

Line 13. Enter the total contributions you made in cash or by check (including out-of-pocket expenses).

If the 14. Enter your contributions of property, 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, Noncash Charitable Contributions. If your total deduction is over \$5,000, you may also have to attach Form 8283. For the values of the donated property, see the instructions for "Amount of your deduction" means your deduction BEFORE applying any income limitations that could result in a carryover of contributions. See Form 8283 and its instructions for details.

Line 15. Enter any carryover of contributions that you were not able to deduct in an earlier year because they exceeded your adjusted gross income limit. See Pub. 526 for details on how to figure a carryover.

• Gifts to:

- Individuals.
- Foreign organizations.
- Groups that are run for personal profit.
- Groups whose purpose is to lobby for changes in the laws.
- Civic leagues, social and sports clubs, labor unions, and chambers of commerce.

Recordkeeping. If you give 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 a professional, you should also keep a signed copy of the appraisal.)
- The cost or other fair market value of the property if you must reduce it by any gain or capital gain that would have resulted if the property had been sold at its fair market value.
- How you figured your deduction for gifts of capital gain property.
- Any conditions attached to the gift.

Notes: If your total deduction for gifts of property is over \$500, or if you gave less than your entire interest in the property, or if you made a "qualified conservation contribution" under section 170(e), your records should contain additional information. See Pub. 526 for details.

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Line 15. Enter any carryover of contributions that you were not able to deduct in an earlier year because they exceeded your adjusted gross income limit. See Pub. 526 for details on how to figure a carryover.

Interest You Paid

Lines 9a through 12
Include interest you paid on nonbusiness items only. Whether your interest expense is

Gifts to Charity

Lines 13 through 16
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, Salvation Army, Red Cross, CARE, Goodwill Industries, etc.
- Boy Scouts, Girl Scouts, Boys and Girls Clubs of America, etc.

Casualty and Theft Losses

Line 17
Use line 17 to report casualty or theft losses of property that is not trade or business, income-producing, or rent or royalty property. Complete and attach Form 4684, Casualties and Thefts, to figure your loss. Enter

Contributions You May Deduct

Contributions may be in cash (keep canceled receipts, or other reliable written records showing the date and amount of the contribution and the date and amount you paid to, or out-of-pocket expenses you paid to, volunteer work for the kinds of organizations described above. If you drove to and from the volunteer work, you may take 12 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.)

Limit on the Amount You May Deduct. Get Pub. 526 to figure the amount of your deduction if any of the following applies:

- Your cash contributions or contributions of property are more than 30% of the amount shown on Form 1040, line 32.
- Your gifts of capital gain property to certain organizations are more than 30% of the amount shown on Form 1040, line 32, or
- You gave gifts of property that increased in value or gave gifts of the use of property.

Taxes You May Not Deduct

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.
- Value of any benefit, such as food, entertainment, or merchandise, that you received in connection with a contribution to a charitable organization.

Example. You paid \$100 to a charitable organization to attend a fund-raising dinner. To figure the amount of your deductible contribution, subtract the value of the dinner from the amount you paid. If the deductible contribution is \$60, your deductible contribution is \$60.

- Cost of rifle, 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).

Interest You Paid

Lines 9a through 12
Include interest you paid on nonbusiness items only. Whether your interest expense is

Gifts to Charity

Lines 13 through 16
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, Salvation Army, Red Cross, CARE, Goodwill Industries, etc.
- Boy Scouts, Girl Scouts, Boys and Girls Clubs of America, etc.

Casualty and Theft Losses

Line 17
Use line 17 to report casualty or theft losses of property that is not trade or business, income-producing, or rent or royalty property. Complete and attach Form 4684, Casualties and Thefts, to figure your loss. Enter

Contributions You May Deduct

Contributions may be in cash (keep canceled receipts, or other reliable written records showing the date and amount of the contribution and the date and amount you paid to, or out-of-pocket expenses you paid to, volunteer work for the kinds of organizations described above. If you drove to and from the volunteer work, you may take 12 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.)

Limit on the Amount You May Deduct. Get Pub. 526 to figure the amount of your deduction if any of the following applies:

- Your cash contributions or contributions of property are more than 30% of the amount shown on Form 1040, line 32.
- Your gifts of capital gain property to certain organizations are more than 30% of the amount shown on Form 1040, line 32, or
- You gave gifts of property that increased in value or gave gifts of the use of property.

Taxes You May Not Deduct

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.
- Value of any benefit, such as food, entertainment, or merchandise, that you received in connection with a contribution to a charitable organization.

Example. You paid \$100 to a charitable organization to attend a fund-raising dinner. To figure the amount of your deductible contribution, subtract the value of the dinner from the amount you paid. If the deductible contribution is \$60, your deductible contribution is \$60.

- 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).

Interest You Paid

Lines 9a through 12
Include interest you paid on nonbusiness items only. Whether your interest expense is

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Lines 13 through 16
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, Salvation Army, Red Cross, CARE, Goodwill Industries, etc.
- Boy Scouts, Girl Scouts, Boys and Girls Clubs of America, etc.

Casualty and Theft Losses

Line 17
Use line 17 to report casualty or theft losses of property that is not trade or business, income-producing, or rent or royalty property. Complete and attach Form 4684, Casualties and Thefts, to figure your loss. Enter

Contributions You May Deduct

Contributions may be in cash (keep canceled receipts, or other reliable written records showing the date and amount of the contribution and the date and amount you paid to, or out-of-pocket expenses you paid to, volunteer work for the kinds of organizations described above. If you drove to and from the volunteer work, you may take 12 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.)

Limit on the Amount You May Deduct. Get Pub. 526 to figure the amount of your deduction if any of the following applies:

- Your cash contributions or contributions of property are more than 30% of the amount shown on Form 1040, line 32.
- Your gifts of capital gain property to certain organizations are more than 30% of the amount shown on Form 1040, line 32, or
- You gave gifts of property that increased in value or gave gifts of the use of property.

Taxes You May Not Deduct

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.
- Value of any benefit, such as food, entertainment, or merchandise, that you received in connection with a contribution to a charitable organization.

Example. You paid \$100 to a charitable organization to attend a fund-raising dinner. To figure the amount of your deductible contribution, subtract the value of the dinner from the amount you paid. If the deductible contribution is \$60, your deductible contribution is \$60.

- 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).

Interest You Paid

Lines 9a through 12
Include interest you paid on nonbusiness items only. Whether your interest expense is

Gifts to Charity

Lines 13 through 16
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, Salvation Army, Red Cross, CARE, Goodwill Industries, etc.
- Boy Scouts, Girl Scouts, Boys and Girls Clubs of America, etc.

Casualty and Theft Losses

Line 17
Use line 17 to report casualty or theft losses of property that is not trade or business, income-producing, or rent or royalty property. Complete and attach Form 4684, Casualties and Thefts, to figure your loss. Enter

Contributions You May Deduct

Contributions may be in cash (keep canceled receipts, or other reliable written records showing the date and amount of the contribution and the date and amount you paid to, or out-of-pocket expenses you paid to, volunteer work for the kinds of organizations described above. If you drove to and from the volunteer work, you may take 12 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.)

Limit on the Amount You May Deduct. Get Pub. 526 to figure the amount of your deduction if any of the following applies:

- Your cash contributions or contributions of property are more than 30% of the amount shown on Form 1040, line 32.
- Your gifts of capital gain property to certain organizations are more than 30% of the amount shown on Form 1040, line 32, or
- You gave gifts of property that increased in value or gave gifts of the use of property.

Taxes You May Not Deduct

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.
- Value of any benefit, such as food, entertainment, or merchandise, that you received in connection with a contribution to a charitable organization.

Example. You paid \$100 to a charitable organization to attend a fund-raising dinner. To figure the amount of your deductible contribution, subtract the value of the dinner from the amount you paid. If the deductible contribution is \$60, your deductible contribution is \$60.

- 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).

Interest You Paid

Lines 9a through 12
Include interest you paid on nonbusiness items only. Whether your interest expense is

Gifts to Charity

Lines 13 through 16
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, Salvation Army, Red Cross, CARE, Goodwill Industries, etc.
- Boy Scouts, Girl Scouts, Boys and Girls Clubs of America, etc.

Casualty and Theft Losses

Line 17
Use line 17 to report casualty or theft losses of property that is not trade or business, income-producing, or rent or royalty property. Complete and attach Form 4684, Casualties and Thefts, to figure your loss. Enter

Contributions You May Deduct

Contributions may be in cash (keep canceled receipts, or other reliable written records showing the date and amount of the contribution and the date and amount you paid to, or out-of-pocket expenses you paid to, volunteer work for the kinds of organizations described above. If you drove to and from the volunteer work, you may take 12 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.)

Limit on the Amount You May Deduct. Get Pub. 526 to figure the amount of your deduction if any of the following applies:

- Your cash contributions or contributions of property are more than 30% of the amount shown on Form 1040, line 32.
- Your gifts of capital gain property to certain organizations are more than 30% of the amount shown on Form 1040, line 32, or
- You gave gifts of property that increased in value or gave gifts of the use of property.

Taxes You May Not Deduct

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.
- Value of any benefit, such as food, entertainment, or merchandise, that you received in connection with a contribution to a charitable organization.

Example. You paid \$100 to a charitable organization to attend a fund-raising dinner. To figure the amount of your deductible contribution, subtract the value of the dinner from the amount you paid. If the deductible contribution is \$60, your deductible contribution is \$60.

- 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).

Interest You Paid

Lines 9a through 12
Include interest you paid on nonbusiness items only. Whether your interest expense is

Gifts to Charity

Lines 13 through 16
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, Salvation Army, Red Cross, CARE, Goodwill Industries, etc.
- Boy Scouts, Girl Scouts, Boys and Girls Clubs of America, etc.

Casualty and Theft Losses

Line 17
Use line 17 to report casualty or theft losses of property that is not trade or business, income-producing, or rent or royalty property. Complete and attach Form 4684, Casualties and Thefts, to figure your loss. Enter

Contributions You May Deduct

Contributions may be in cash (keep canceled receipts, or other reliable written records showing the date and amount of the contribution and the date and amount you paid to, or out-of-pocket expenses you paid to, volunteer work for the kinds of organizations described above. If you drove to and from the volunteer work, you may take 12 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.)

Limit on the Amount You May Deduct. Get Pub. 526 to figure the amount of your deduction if any of the following applies:

- Your cash contributions or contributions of property are more than 30% of the amount shown on Form 1040, line 32.
- Your gifts of capital gain property to certain organizations are more than 30% of the amount shown on Form 1040, line 32, or
- You gave gifts of property that increased in value or gave gifts of the use of property.

Taxes You May Not Deduct

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.
- Value of any benefit, such as food, entertainment, or merchandise, that you received in connection with a contribution to a charitable organization.

Example. You paid \$100 to a charitable organization to attend a fund-raising dinner. To figure the amount of your deductible contribution, subtract the value of the dinner from the amount you paid. If the deductible contribution is \$60, your deductible contribution is \$60.

- 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).

Interest You Paid

Lines 9a through 12
Include interest you paid on nonbusiness items only. Whether your interest expense is

on line 17 of Schedule A the amount of loss from Form 4684.

Losses You May Deduct

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—

- the amount of each separate casualty or theft loss is more than \$100, and
- the total amount of all losses during the year is more than 10% of the amount shown on Form 1040, line 32.

Special rules apply if you had both gains and losses from nonbusiness casualties or thefts. Get Form 4684 for details.

Losses You May Not Deduct

- Money or property misplaced or lost.
- Breakage of china, glassware, furniture, and similar items under normal conditions.
- Progressive damage to property (buildings, clothes, trees, etc.) caused by termites, moths, other insects, or disease.

Use line 20 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 more details, get Pub. 547, Nonbusiness Disasters, Casualties, and Thefts. It also gives information about Federal disaster area losses.

Moving Expenses

Line 18

Employees and self-employed persons (including partners) can deduct certain moving expenses.

You can take this deduction if you moved in connection with your job or business and your new workplace is at least 35 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 35 miles from your old home. If you meet these requirements, see **Tele-Tax Information** in the index (topic no. 304) or Pub. 521, Moving Expenses. Complete and attach Form 3903 to figure the amount of moving expenses to enter on line 18. If you began work at a new workplace outside the United States or its possessions, get Form 3903F, Foreign Moving Expenses.

Miscellaneous Deductions

Lines 19 through 25

Most miscellaneous deductions cannot be deducted in full. You must subtract 2% of your adjusted gross income from the total. You figure the 2% limit on line 23.

Generally, the 2% limit applies to job expenses you paid for which you were not re-

imbursed (line 19). The limit also applies to certain expenses you paid to produce or collect taxable income (line 20). See the instructions for lines 19 and 20 for examples of expenses to claim on these lines.

The 2% limit does not apply to certain other miscellaneous expenses that you may deduct. The line 25 instructions describe these expenses. Included are deductible gambling losses (to the extent of winnings) and certain job expenses of disabled employees. Get Pub. 529, Miscellaneous Deductions, for more details.

Expenses Subject to the 2% Limit (Lines 19 and 20)

Line 19. Use this line to report job expenses you paid for which you were not reimbursed. In some cases you MUST first fill out Form 2106, Employee Business Expenses. Fill out Form 2106 for all your job expenses if:

- You claim any travel, transportation, meal, or entertainment expenses for your job; OR
- Your employer paid you for any of your job expenses reportable on line 19.

If either of the above applies, enter the amount from line 11 of Form 2106 on line 19 of Schedule A.

If you don't have to fill out Form 2106, just list the type and amount of your expenses on the dotted line for line 19. If you need more space, attach a statement showing the type and amount of the expense. Enter one total on line 19.

Examples of expenses to include on line 19 are:

- Travel, transportation, meal, or entertainment expenses. (**Note:** If you have any of these expenses, you must use Form 2106 for all of your job expenses.)
- Union dues.
- Safety equipment, small tools, and supplies you needed for your job.
- Uniforms your employer said you must have, 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.
- Business use of part of your home but only if you use that part exclusively and on a regular basis in your work and for the convenience of your employer. For details, including limits that apply, see **Tele-Tax Information** in the index (topic no. 309) or Pub. 587, Business Use of Your Home.
- Educational expenses you paid that were required by your employer, or by law or regulations, to keep your salary or job. In general, you may also include the cost of keeping or improving skills you must have in your job. For more details, see **Tele-Tax Information** in the index (topic no. 313) or Pub. 508, Educational Expenses. Some educational expenses are not deductible. See **Expenses You May Not Deduct** on this page.

Line 20. Use this line for amounts you paid to produce or collect taxable income, manage or protect property held for earning income, and for tax preparation fees. List the type and amount of each expense on the dotted lines for 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 these expenses are:

- Tax return preparation fees (including fees paid for filing your return electronically).
- Safe deposit box rental.
- Certain legal and accounting fees.
- Clerical help and office rent.
- Custodial (e.g., trust account) fees.
- Your share of the investment expenses of a regulated investment company.
- Certain losses on nonfederally insured deposits in an insolvent or bankrupt financial institution. For details (including limits on the amount you can deduct), see Pub. 529.
- Deduction for repayment of amounts under a claim of right if \$3,000 or less.

Expenses Not Subject to the 2% Limit (Line 25)

Use this line to report miscellaneous deductions that are not subject to the 2% AGI limit. Only the expenses listed below can be deducted on line 25:

- Gambling losses to the extent of gambling winnings. Report gambling winnings on Form 1040, line 22.
 - 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 more than \$3,000. See Pub. 525.
 - Certain unrecovered investment in a pension. Get Pub. 575, Pension and Annuity Income (Including Simplified General Rule), for details.
 - Impairment-related work expenses of a disabled person.
- List the type and amount of each expense. Enter one total on line 25. For more details on these expenses, see Pub. 529.

Expenses You May Not Deduct

Examples of nondeductible expenses are:

- Political contributions.
- Personal legal expenses.
- Lost or misplaced cash or property (but see **Casualty and Theft Losses** on page 40).
- Expenses for meals during regular or extra work hours.
- The cost of entertaining friends.
- Expenses of going to or from your regular workplace.
- Education that you need to meet minimum requirements for your job or that will qualify you for a new occupation.
- Expenses of:
 - Travel as a form of education.
 - Attending a seminar, convention, or similar meeting unless it is related to your employment.
 - Adopting a child, including a child with special needs.
- Fines and penalties.

• Expenses of producing tax-exempt income.

Total Itemized Deductions

Line 26

People with higher incomes may not be able to deduct all of their itemized deductions. If the amount on Form 1040, line 32, is more than \$100,000 (\$50,000 if married filing separately), use the worksheet on this page to figure the amount you may deduct.

Itemized Deductions Worksheet—Line 26 (keep for your records)

1. Add the amounts on Schedule A, lines 4, 8, 12, 16, 17, 18, 24, and 25	1. _____
2. Add the amounts on Schedule A, lines 4, 11, and 17, plus any gambling losses included on line 25	2. _____
<i>Caution: Be sure your total gambling losses are clearly identified on the dotted line next to line 25.</i>	
3. Subtract line 2 from line 1. (If the result is zero, STOP HERE ; enter the amount from line 1 above on Schedule A, line 26.)	3. _____
4. Multiply line 3 above by 80% (.80)	4. _____
5. Enter the amount from Form 1040, line 32	5. _____
6. Enter \$100,000 (\$50,000 if married filing separately)	6. _____
7. Subtract line 6 from line 5. (If the result is zero or less, STOP HERE ; enter the amount from line 1 above on Schedule A, line 26.)	7. _____
8. Multiply line 7 above by 3% (.03)	8. _____
9. Compare the amounts on lines 4 and 8 above. Enter the smaller of the two amounts here	9. _____
10. Total itemized deductions. Subtract line 9 from line 1. Enter the result here and on Schedule A, line 26	10. _____

Instructions for Schedule B, Interest and Dividend Income

Use Schedule B if you are filing Form 1040 and any of the following applies:

- You had over \$400 in taxable interest,
- You are claiming the exclusion of interest from series EE U.S. savings bonds issued after 1989,
- You had over \$400 in dividends,
- You had a foreign account, or
- You were a grantor of, or transferor to, a foreign trust.

Part III of the schedule has questions about foreign accounts and trusts.

Part I. Interest Income

Lines 1 through 4

To see what interest income you must report, read the instructions for Form 1040, line 8a, on page 15.

The payer should send you a Form 1099-INT or Form 1099-OID, if applicable, showing interest you must report. A copy of the form is also sent to the IRS.

Line 1. Report on line 1 all taxable interest that you received or that was credited to your account so you could withdraw it. List each payer's name and show the amount. If you received interest income from an individual based on a take-back mortgage or other form of seller financing that resulted from the sale of your home or other property, list this interest first. Be sure to show the payer's name. Also, write "SFM" after the payer's name.

Nominees. If you received interest as a nominee (that is, in your name, but the interest actually belongs to someone else), include on line 1 the nominee interest shown on Form 1099-INT. Also, several lines above line 2, put a subtotal of all interest income listed on line 1. Below this subtotal, write "Nominee Distribution" and show the total interest you received as a nominee. Then, subtract this amount from the subtotal and enter the result on line 2.

Note: If you received interest as a nominee, you must give the actual owner a Form 1099-INT, unless the owner is your spouse.

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 above 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. You should not have received a Form 1099-INT for tax-exempt interest. But, if you did, report the interest on line 1. Also, several lines above line 2, put a subtotal of all interest listed on line 1. Below this subtotal, write "Tax-Exempt Interest" and show the amount. Then, subtract this amount from the subtotal and enter the result on line 2. Be sure to also include this tax-exempt interest on Form 1040, line 8b.

Original Issue Discount (OID). If you are reporting OID in an amount less than the amount shown on Form 1099-OID, follow the rules above for **Nominees** or **Accrued Interest**, whichever applies, 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, report the total interest on the bond on line 1. Also, several lines above line 2, put a subtotal of all interest listed on line 1. Below this subtotal, write "ABP Adjustment" and show the amount. Then, subtract this amount from the subtotal and enter the result on line 2.

Line 3—Excludable Savings Bond Interest. If you cashed series EE U.S. savings bonds during 1991 that were issued after 1989 and all three of the following conditions apply, you may be able to exclude part or all of the interest on those bonds.

1. The bonds were issued in your name (or, if married, in your name and your spouse's name) and you were age 24 or older before the bonds were issued.
2. You paid qualified higher education expenses during 1991 for yourself, your spouse, or your dependents.
3. Your filing status is single, married filing a joint return, head of household, or qualifying widow(er) with dependent child.

If you meet all three of the above conditions, get Form 8815, Exclusion of Interest From Series EE U.S. Savings Bonds Issued After 1989, to figure the amount of any interest you can exclude.

Part II. Dividend Income

Lines 5 through 10

To see what dividend income you must report, read the instructions for Form 1040, line 9, on page 16.

The payer should send you a Form 1099-DIV showing dividends you must report. A copy of the form is also sent to the IRS.

Line 5. Report on line 5 all of your dividend income. Include capital gain and nontaxable distributions. They will be deducted on lines 7 and 8. Include cash and the value of stock, property, or merchandise you received as a dividend. If you owned shares in a mutual

fund, get Pub. 564, Mutual Fund Distributions.

List each payer's name and show the amount of income. If securities are held by a brokerage firm (in "street name"), list the name of the brokerage firm shown on Form 1099-DIV.

Nominees. If you received dividends as a nominee (that is, in your name, but the dividends actually belong to someone else), include on line 5 the nominee dividends shown on Form 1099-DIV, even if you later distributed some or all of this income to others. Also, several lines above line 6, put a subtotal of all dividends listed on line 5. Below this subtotal, write "Nominee Distribution" and show the total dividends you received as a nominee. Then, subtract this amount from the subtotal and enter the result on line 6.

Note: If you received dividends as a nominee, you must give the actual owner a Form 1099-DIV, unless the owner is your spouse.

Line 7. Report capital gain distributions on line 7. If you are filing Schedule D, also enter this amount on Schedule D, line 12. If you are not filing Schedule D, also enter this amount on Form 1040, line 14.

Line 8. Report nontaxable distributions on line 8. These distributions reduce your basis. For details, see the instructions for line 9 on page 16.

Part III. Foreign Accounts and Foreign Trusts

Lines 11a through 12

Line 11a. Check the **Yes** box on line 11a if either 1 (below) or 2 (on page 44) applies to you.

1. 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).

Exception. Check **No** 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.

2. You own more than 50% of the stock in any corporation that owns one or more foreign bank accounts.

Get Form TD F 90-22.1 to see 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). You can get the form by writing to the IRS Distribution Center for your state. To find the page that has the address, see the order blank near the end of these instructions.

If you checked the **Yes** box on line 11a, file Form TD F 90-22.1 by June 30, 1992, with the Department of the Treasury at the address shown on that form. Do not attach Form TD F 90-22.1 to Form 1040.

Line 11b. If you checked the **Yes** box on line 11a, write the name of the foreign country or countries in the space provided on line 11b. Attach a separate sheet if you need more space.

Instructions for Schedule EIC, Earned Income Credit

Changes You Should Note

- If you can take the earned income credit, you must fill in Schedule EIC and attach it to your return.
- Even if your filing status is single, you may be able to take the earned income credit.
- To take the credit, your child doesn't have to be your dependent in most cases.
- The earned income credit is now made up of three credits. You can take each credit that applies to you.

Basic credit. This credit can be as much as \$1,192 for one qualifying child. For two qualifying children, it can be as much as \$1,235. This is the maximum amount of this credit even if you had more than two qualifying children.

Health insurance credit. If you paid for health insurance that covered a qualifying child, you can take this credit. It can be as much as \$428. If you itemize deductions on Schedule A or you were self-employed, see **Special Rules** below.

Extra credit for child born in 1991. If you have a qualifying child born in 1991, you can also take this credit. It can be as much as \$357. This is the maximum amount of this credit even if you had more than one qualifying child born in 1991 (for example, twins). If you paid someone to care for your child born in 1991 so you could work, see **Special Rules** next.

Special Rules

Health Insurance Credit. If you take the health insurance credit, you must subtract the amount of this credit from any medical and dental expenses you claim on Schedule A.

If you were self-employed, you must subtract the amount of this credit from the amount, if any, used to figure the self-employed health insurance deduction on Form 1040, line 26. See Pub. 596 for details on how to figure the self-employed health insurance deduction and the health insurance credit.

Schedule EIC is new for 1991. Use it to figure the earned income credit. If you can take the credit, subtract it from the tax you owe. You can get a refund of the credit even if you don't owe any tax.

Note: If you are eligible, you may be able to get advance earned income credit payments in 1992 by filing Form W-5 with your employer.

Additional Information. Get Pub. 596, *Earned Income Credit*, for more details.

Extra Credit for Child Born in 1991. If you take this extra credit, you can't take the credit for child care expenses or the exclusion of employer-provided dependent care benefits on Form 2441 for the same child. But you can take the basic credit and, if it applies, the health insurance credit for your qualifying child born in 1991 even if you choose to take the credit or exclusion on Form 2441 for that child.

Part I. General Information

Who Can Take the Credit

You can take the earned income credit if you meet all of these tests:

1. You meet the five requirements at the top of Part I of Schedule EIC.
2. The total of your **taxable and nontaxable earned income** (see page 46) is less than \$21,250. (To see if you meet this test, you can fill in lines 4 through 7 on page 2 of Schedule EIC. If the amount on line 7 is \$21,250 or more, enter "NO" on Form 1040, line 56.)
3. You don't file Form 2555, *Foreign Earned Income*.

If you meet all of these tests, fill in the parts of Schedule EIC that apply to you.

Do You Want the IRS To Figure the Credit for You?

If you do, fill in Parts II and III of Schedule EIC and attach it to your return. Be sure to enter the amount from Form 1040, line 31, in the space provided above Part III. On Form 1040, enter "EIC" on the dotted line next to line 56. Make sure you fill in line 54 for Federal income tax withheld. Read lines 57 through 59. Fill in the lines that apply to you. Sign and date your return, enter your occupation, and mail it. If you are filing a joint return, your spouse must also sign. If you are due a refund, we will send it to you. If you owe tax, we will send you a bill.

Qualifying Child

A child must meet one condition from each of the three boxes in Part I of Schedule EIC to be a qualifying child.

Example. You are divorced and have a 7-year-old son. Although you had custody of your son, he is claimed as a dependent on his other parent's 1991 tax return. Your son is your qualifying child because he meets one condition from each box in Part I of Schedule EIC. Your son is not a qualifying child of his other parent because he did not live with the other parent for more than 6 months.

The following explains some of the terms used in Part I of Schedule EIC.

• A **foster child** is any child you cared for as your own child. For example, if you cared for your niece as your own child, she is considered your foster child.

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

• A **grandchild** is any descendant of your son, daughter, or adopted child. For example, a grandchild includes your great-grandchild, great-great-grandchild, etc.

To find out if your child qualifies as a student, see the instructions for line 1, column (c).

To find out who is considered **permanently and totally disabled**, see the instructions for line 1, column (d).

Exception. The child is considered to have lived with you for all of 1991 if both of the following apply:

1. The child was born, or died, in 1991, and
2. Your home was the child's home while he or she was alive.

Temporary absences (such as your school, vacation, or medical care) count as time lived in the home.

Married Child. If your child was married at the end of 1991, that child is a qualifying child only if you can claim him or her as your dependent on Form 1040, line 6c. But if this child's other parent claimed him or her as a dependent under the rules for **Children of Divorced or Separated Parents** (see page 13), this child is your qualifying child.

Qualifying Child of More Than One Person. If a child meets the conditions to be a qualifying child of more than one person, only the person who had the highest adjusted gross income for 1991 may treat that child as a qualifying child. If the other person is your spouse and you are filing a joint return, this rule doesn't apply.

Example. You and your 5-year-old daughter moved in with your mother in April 1991. 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 adjusted gross income for 1991 was \$7,000 and your mother's was \$14,000. Since your mother's adjusted gross income was higher, your daughter is your mother's qualifying child.

Taxable Earned Income

This is usually the total of the amount reported on Form 1040, line 7, plus your earnings from self-employment. (See the instructions for line 6 to figure your earnings from self-employment.) But if you received a taxable scholarship or fellowship grant that wasn't reported on a W-2 form, see the instructions for line 4.

Nontaxable Earned Income

Certain earned income is not taxable, but it must be included on Schedule EIC to see if you can take the earned income credit. It is also used to figure the amount of your credit. It includes anything of value (money, goods, or services) that is not taxable that you received from your employer for your work. Some examples of nontaxable earned income are:

- Basic quarters and subsistence allowances and the value of in-kind quarters and subsistence received from the U.S. military. This amount may be shown on your last Leave and Earnings Statement for 1991. If it isn't or you need additional help, contact your legal assistance office or unit tax advisor.
- **Combat pay.** If you served in Operation Desert Storm, contact your legal assistance office or unit tax advisor to find out the amount of combat pay you received in 1991.
- Housing allowance or rental value of a parsonage for clergy members.
- Meals and lodging provided for the convenience of your employer.
- Voluntary salary deferrals. The amount deferred should be shown in Box 17 of your W-2 form. "Deferred compensation" in Box 6 should also be checked on your W-2 form.
- Excludable employer-provided dependent care benefits from Form 2441, line 25.

Part II. Information About Your Two Youngest Qualifying Children

If you have a qualifying child, fill in columns (a) through (g) on line 1. If you have more than two qualifying children, you need to list only two to get the maximum credit.

Line 1, Column (a)

Enter each qualifying child's name. If you had more than two qualifying children, list only the two youngest children.

If you have a qualifying child born in 1991, list that child even if you chose to claim the credit for child care expenses for this child on Form 2441.

Line 1, Column (c)

If your child was born before 1973 but was under age 24 at the end of 1991 and a student, put a checkmark in column (c).

Your child was a **student** if he or she—

- Was enrolled as a full-time student at a school during any 5 months of 1991, or
- Took a full-time, on-farm training course during any 5 months of 1991. The course had to be 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 or correspondence schools.

Line 1, Column (d)

If your child was born before 1973 and was permanently and totally disabled during any part of 1991, put a checkmark in column (d).

A person is **permanently and totally disabled** if both of the following apply:

1. He or she cannot engage in any substantial gainful activity because of a physical or mental condition, and
2. A doctor determines the condition has lasted or can be expected to last continuously for at least a year or can lead to death.

Line 1, Column (e)

If your child was born before 1991, you must enter his or her social security number in column (e). If your child doesn't have a number, apply for one by filing Form SS-5 with your local Social Security Administration (SSA) office. It usually takes about 2 weeks to get a number.

If your child won't have a number by the time you are ready to file your return, ask the SSA to give you a Form SSA-5028, *Receipt for Application for a Social Security Number*. When you file your return, enter "Applied for" in column (e). If you got a Form SSA-5028, attach a copy of it to your return.

Line 1, Column (g)

Enter the number of months your child lived with you in your home in the United States during 1991. (Do not enter more than 12.) Count temporary absences such as for school or vacation as time lived in your home.

If the **Exception** on page 45 applies to your child, enter "12" in this column.

Part III. Other Information

Fill in this part only if you want the IRS to figure the earned income credit for you.

Line 2

If you received any earned income that is not taxable, enter the total of that income on line 2. List the type and amount of this income on the dotted lines next to line 2. If you need more space, attach a statement.

Line 3b

Enter the total amount you paid in 1991 for health insurance that covered at least one of your qualifying children even if the insurance covered you and other members of your family.

Example 1. You had health insurance at work that covered you, your spouse, and your qualifying child. You paid part of the cost for the insurance and your employer paid part. Your pay statements for 1991 show that you paid a total of \$500 for the health insurance. You should enter \$500 on line 3b.

Example 2. You paid \$700 for health insurance in 1991. The insurance covered you and your spouse for the first 6 months and you, your spouse, and your qualifying child for the last 6 months. The total amount you paid for health insurance for the last 6 months of 1991 was \$350. You should enter \$350 on line 3b.

Do not include on line 3b—

- Amounts paid to doctors, dentists, hospitals, etc.
- Amounts paid for prescription medicines and drugs.
- Amounts contributed under a cafeteria plan.

• Any amount paid, reimbursed, or subsidized by Federal, state, or local governments, or their subsidiary agencies or offices unless you must include that amount in your income.

Part IV. Figure Your Earned Income Credit

Line 4

If the amount on Form 1040, line 7, includes an amount for a taxable scholarship or fellowship grant that wasn't reported on a W-2 form, subtract that amount from the amount on line 7. Enter the result on line 4 of Schedule EIC. Also, enter "SCH" and the amount you subtracted on the dotted line next to line 4.

Line 5

If you received any earned income that was not taxable, enter the total of that income on line 5. List the type and amount of this income on the dotted lines next to line 5. If you need more space, attach a statement.

Line 6

If you were self-employed or you reported your income and expenses on Schedule C as a statutory employee, use the worksheet on page 48 to figure the amount to enter on line 6.

Statutory Employee. If you were a statutory employee, the "Statutory employee" box in Box 6 of your W-2 form should be checked.

Note: If you are filing a joint return and your spouse was also self-employed or reported income and expenses on Schedule C as a statutory employee, add your spouse's amounts to yours to figure the amount to enter on line 6.

Lines 8-11

The amount of the basic credit depends on whether you listed one qualifying child or two qualifying children in Part II of Schedule EIC. If you had more than two qualifying children, you need to list only two to get the maximum basic credit.

If you listed a qualifying child who was born in 1991, you can use that child to figure your basic credit even if you are also using that child to take the extra credit for a child born in 1991.

Lines 12a-16

If you paid for health insurance in 1991 and the insurance covered at least one of your qualifying children, you can also take the health insurance credit.

Line 12b. Enter the total amount you paid in 1991 for health insurance even if the insurance covered you and other members of your family.

Example 1. You had health insurance at work that covered you, your spouse, and your qualifying child. You paid part of the cost for the insurance and your employer paid part. Your pay statements for 1991 show that you paid a total of \$500 for the health insurance. You should enter \$500 on line 12b.

Example 2. You paid \$700 for health insurance in 1991. The insurance covered you and your spouse for the first 6 months and you, your spouse, and your qualifying child for the last 6 months. The total amount you paid for health insurance for the last 6 months of 1991 was \$350. You should enter \$350 on line 12b.

Do not include on line 12b—

- Amounts paid to doctors, dentists, hospitals, etc.
- Amounts paid for prescription medicines and drugs.
- Amounts contributed under a cafeteria plan.
- Any amount paid, reimbursed, or subsidized by Federal, state, or local governments, or their subsidiary agencies or offices unless you must include that amount in your income.

Lines 17-19

You can take this extra credit ONLY if:

- You listed in Part II of Schedule EIC a child born in 1991, AND
- You did not take the credit for child care expenses or the exclusion of employer-provided dependent care benefits on Form 2441 for the same child.

If you had more than one qualifying child born in 1991 (for example, twins), the amount of this credit does not change.

Line 20

Add lines 11, 16, and 19. Enter the total on line 20 and on Form 1040, line 56. But if you owe the alternative minimum tax (Form 1040, line 48), subtract it from the amount on line 20 of Schedule EIC and enter the result (if more than zero) on Form 1040, line 56.

Worksheet for Line 6 (keep for your records)

1. If you are filing Schedule SE:	
a. Enter the amount from Schedule SE, Section A, line 3, or Section B, line 3, whichever applies	1a. _____
b. Enter the amount, if any, from Schedule SE, Section B, line 4b	1b. _____
c. Add lines 1a and 1b	1c. _____
d. Enter the amount from Form 1040, line 25	1d. _____
e. Subtract line 1d from line 1c	1e. _____
2. If you are not filing Schedule SE because your net earnings from self-employment were less than \$400:	
a. Enter any net profit (or loss) from Schedule F, line 37, and farm partnerships, Schedule K-1 (Form 1065), line 15a	2a. _____
b. Enter any net profit (or loss) from Schedule C, line 31, and Schedule K-1 (Form 1065), line 15a (other than farming)	2b. _____
c. Add lines 2a and 2b. Enter the total even if a loss	2c. _____
3. If you are filing Schedule C as a statutory employee, enter the amount from line 1 of that Schedule C	3. _____
4. Add lines 1e, 2c, and 3. Enter the total here and on Schedule EIC, line 6, even if a loss. (If the result is a loss, enter it in parentheses and read the Caution below.)	4. _____

Caution: If line 6 of Schedule EIC is a loss, subtract it from the total of lines 4 and 5 and enter the result on line 7. If the result is zero or less, you can't take the earned income credit.

TABLE A—Basic Credit

To find your basic credit: First, read down the "At least — But less than" columns and find the line that includes the amount you entered on line 7 or line 9 of Schedule EIC. Next, read across to the column that includes the number of qualifying children you listed on Schedule EIC. Then, enter the credit from that column on Schedule EIC, line 8 or line 10, whichever applies.

If the amount on Schedule EIC, line 7 or 9, is—	And you listed—		If the amount on Schedule EIC, line 8, is—	And you listed—		If the amount on Schedule EIC, line 9, is—	And you listed—	
	At least	But less than		At least	But less than		At least	But less than
0	0	0	0	0	0	0	0	0
100	1	1	100	1	1	100	1	1
200	2	2	200	2	2	200	2	2
300	3	3	300	3	3	300	3	3
400	4	4	400	4	4	400	4	4
500	5	5	500	5	5	500	5	5
600	6	6	600	6	6	600	6	6
700	7	7	700	7	7	700	7	7
800	8	8	800	8	8	800	8	8
900	9	9	900	9	9	900	9	9
1,000	10	10	1,000	10	10	1,000	10	10
1,100	11	11	1,100	11	11	1,100	11	11
1,200	12	12	1,200	12	12	1,200	12	12
1,300	13	13	1,300	13	13	1,300	13	13
1,400	14	14	1,400	14	14	1,400	14	14
1,500	15	15	1,500	15	15	1,500	15	15
1,600	16	16	1,600	16	16	1,600	16	16
1,700	17	17	1,700	17	17	1,700	17	17
1,800	18	18	1,800	18	18	1,800	18	18
1,900	19	19	1,900	19	19	1,900	19	19
2,000	20	20	2,000	20	20	2,000	20	20
2,100	21	21	2,100	21	21	2,100	21	21
2,200	22	22	2,200	22	22	2,200	22	22
2,300	23	23	2,300	23	23	2,300	23	23
2,400	24	24	2,400	24	24	2,400	24	24
2,500	25	25	2,500	25	25	2,500	25	25
2,600	26	26	2,600	26	26	2,600	26	26
2,700	27	27	2,700	27	27	2,700	27	27
2,800	28	28	2,800	28	28	2,800	28	28
2,900	29	29	2,900	29	29	2,900	29	29
3,000	30	30	3,000	30	30	3,000	30	30
3,100	31	31	3,100	31	31	3,100	31	31
3,200	32	32	3,200	32	32	3,200	32	32
3,300	33	33	3,300	33	33	3,300	33	33
3,400	34	34	3,400	34	34	3,400	34	34
3,500	35	35	3,500	35	35	3,500	35	35
3,600	36	36	3,600	36	36	3,600	36	36
3,700	37	37	3,700	37	37	3,700	37	37
3,800	38	38	3,800	38	38	3,800	38	38
3,900	39	39	3,900	39	39	3,900	39	39
4,000	40	40	4,000	40	40	4,000	40	40
4,100	41	41	4,100	41	41	4,100	41	41
4,200	42	42	4,200	42	42	4,200	42	42
4,300	43	43	4,300	43	43	4,300	43	43
4,400	44	44	4,400	44	44	4,400	44	44
4,500	45	45	4,500	45	45	4,500	45	45
4,600	46	46	4,600	46	46	4,600	46	46
4,700	47	47	4,700	47	47	4,700	47	47
4,800	48	48	4,800	48	48	4,800	48	48
4,900	49	49	4,900	49	49	4,900	49	49
5,000	50	50	5,000	50	50	5,000	50	50
5,100	51	51	5,100	51	51	5,100	51	51
5,200	52	52	5,200	52	52	5,200	52	52
5,300	53	53	5,300	53	53	5,300	53	53
5,400	54	54	5,400	54	54	5,400	54	54
5,500	55	55	5,500	55	55	5,500	55	55
5,600	56	56	5,600	56	56	5,600	56	56
5,700	57	57	5,700	57	57	5,700	57	57
5,800	58	58	5,800	58	58	5,800	58	58
5,900	59	59	5,900	59	59	5,900	59	59
6,000	60	60	6,000	60	60	6,000	60	60
6,100	61	61	6,100	61	61	6,100	61	61
6,200	62	62	6,200	62	62	6,200	62	62
6,300	63	63	6,300	63	63	6,300	63	63
6,400	64	64	6,400	64	64	6,400	64	64
6,500	65	65	6,500	65	65	6,500	65	65
6,600	66	66	6,600	66	66	6,600	66	66
6,700	67	67	6,700	67	67	6,700	67	67
6,800	68	68	6,800	68	68	6,800	68	68
6,900	69	69	6,900	69	69	6,900	69	69
7,000	70	70	7,000	70	70	7,000	70	70
7,100	71	71	7,100	71	71	7,100	71	71
7,200	72	72	7,200	72	72	7,200	72	72
7,300	73	73	7,300	73	73	7,300	73	73
7,400	74	74	7,400	74	74	7,400	74	74
7,500	75	75	7,500	75	75	7,500	75	75
7,600	76	76	7,600	76	76	7,600	76	76
7,700	77	77	7,700	77	77	7,700	77	77
7,800	78	78	7,800	78	78	7,800	78	78
7,900	79	79	7,900	79	79	7,900	79	79
8,000	80	80	8,000	80	80	8,000	80	80
8,100	81	81	8,100	81	81	8,100	81	81
8,200	82	82	8,200	82	82	8,200	82	82
8,300	83	83	8,300	83	83	8,300	83	83
8,400	84	84	8,400	84	84	8,400	84	84
8,500	85	85	8,500	85	85	8,500	85	85
8,600	86	86	8,600	86	86	8,600	86	86
8,700	87	87	8,700	87	87	8,700	87	87
8,800	88	88	8,800	88	88	8,800	88	88
8,900	89	89	8,900	89	89	8,900	89	89
9,000	90	90	9,000	90	90	9,000	90	90
9,100	91	91	9,100	91	91	9,100	91	91
9,200	92	92	9,200	92	92	9,200	92	92
9,300	93	93	9,300	93	93	9,300	93	93
9,400	94	94	9,400	94	94	9,400	94	94
9,500	95	95	9,500	95	95	9,500	95	95
9,600	96	96	9,600	96	96	9,600	96	96
9,700	97	97	9,700	97	97	9,700	97	97
9,800	98	98	9,800	98	98	9,800	98	98
9,900	99	99	9,900	99	99	9,900	99	99
10,000	100	100	10,000	100	100	10,000	100	100

TABLE A—Basic Credit Continued

If the amount on Schedule EIC, line 7 or 9, is—	And you listed—		If the amount on Schedule EIC, line 8, is—	And you listed—		If the amount on Schedule EIC, line 9, is—	And you listed—	
	At least	But less than		At least	But less than		At least	But less than
10,100	101	101	10,100	101	101	10,100	101	101
10,200	102	102	10,200	102	102	10,200	102	102
10,300	103	103	10,300	103	103	10,300	103	103
10,400	104	104	10,400	104	104	10,400	104	104
10,500	105	105	10,500	105	105	10,500	105	105
10,600	106	106	10,600	106	106	10,600	106	106
10,700	107	107	10,700	107	107	10,700	107	107
10,800	108	108	10,800	108	108	10,800	108	108
10,900	109	109	10,900	109	109	10,900	109	109
11,000	110	110	11,000	110	110	11,000	110	110
11,100	111	111	11,100	111	111	11,100	111	111
11,200	112	112	11,200	112	112	11,200	112	112
11,300	113	113	11,300	113	113	11,300	113	113
11,400	114	114	11,400	114	114	11,400	114	114
11,500	115	115	11,500	115	115	11,500	115	115
11,600	116	116	11,600	116	116	11,600	116	116
11,700	117	117	11,700	117	117	11,700	117	117
11,800	118	118	11,800	118	118	11,800	118	118
11,900	119	119	11,900	119	119	11,900	119	119
12,000	120	120	12,000	120	120	12,000	120	120
12,100	121	121	12,100	121	121	12,100	121	121
12,200	122	122	12,200	122	122	12,200	122	122
12,300	123	123	12,300	123	123	12,300	123	123
12,400	124	124	12,400	124	124	12,400	124	124
12,500	125	125	12,500	125	125	12,500	125	125
12,600	126	126	12,600	126	126	12,600	126	126
12,700	127	127	12,700	127	127	12,700	127	127
12,800	128	128	12,800	128	128	12,800	128	128
12,900	129	129	12,900	129	1			

TABLE B—Health Insurance Credit

To find your health insurance credit: First, read down the "At least" column and find the amount you entered on line 7 or line 9 of Schedule EIC. Next, read across and find the credit. Then, enter the credit on Schedule EIC, line 13 or line 15, whichever applies.

Table with 4 columns: 'If the amount on Schedule EIC, line 7 or line 9, is—', 'At least', 'But less than', 'Your credit for health insurance credit'. Rows range from \$1 to \$21,200.

TABLE C—Extra Credit for Child Born in 1991

To find your extra credit for a child born in 1991: First, read down the "At least" column and find the amount you entered on line 7 or line 9 of Schedule EIC. Next, read across and find the credit. Then, enter the credit on Schedule EIC, line 17 or line 18, whichever applies.

Table with 4 columns: 'If the amount on Schedule EIC, line 7 or line 9, is—', 'At least', 'But less than', 'Your credit for extra credit for a child born in 1991'. Rows range from \$1 to \$21,200.

TABLE B

TABLE C

Instructions for Schedule D, Capital Gains and Losses

General Instructions

Which Form To Use

Use Schedule D to:

- Report the sale or exchange of a capital asset.
- Report gains from involuntary conversions of capital assets not held for business or profit.
- Reconcile Forms 1099-B you got for bartering transactions. (See Part VII.)
- Make a long-term capital gain election for lump-sum pension plan distributions.

Use **Form 4797**, Sales of Business Property, instead of Schedule D, to report the following:

- The sale or exchange of trade or business property, depreciable and amortizable property, oil, gas, geothermal, or other mineral property, and section 126 property.
- The involuntary conversion (other than by casualty or theft) of trade or business property and capital assets held for business or profit.
- The disposition of other noncapital assets not mentioned above.

Use **Form 4684**, Casualties and Thefts, to report involuntary conversions of property due to casualty or theft.

Use **Form 8824**, Like-Kind Exchanges, if you made one or more like-kind exchanges. See **Exchange of Like-Kind Property**, on the next page.

Capital Gain Elections on Lump-Sum Distributions From Qualified Retirement Plans

The amount of a lump-sum distribution that qualifies for capital gain treatment should be shown on Form 1099-R, Box 3. If you qualify to use **Form 4972**, Tax on Lump-Sum Distributions, you can make the 20% capital gain election in Part II of that form. If you do not include the capital gain portion on Form 4972, you can make a long-term capital gain election on Schedule D. To make the election, write "lump-sum distribution" on line 8d, column (a). Enter in column (g) 25% (.25) of the amount from Form 1099-R, Box 3. Enter the remaining amount of the distribution (Form 1099-R, Box 2, minus the amount used on Schedule D) on Form 1040, lines 17a and 17b. However, if you qualify to use **Form 4972**, you may report the balance on that form instead of Form 1040, lines 17a and 17b.

A Change You Should Note. For 1991, the maximum tax rate on net capital gain is 28%. If you have a net capital gain (both lines 16 and 17 of Schedule D are gains), and your taxable income is more than \$82,150 (\$49,300 if single; \$70,450 if head of household; \$41,075 if married filing separately), use new Part IV, Tax Computation Using Maximum Capital Gains Rate, to figure your tax.

Additional Information. Get **Pub. 544**, Sales and Other Dispositions of Assets, and **Pub. 550**, Investment Income and Expenses, for more details.

If you elect to include net unrealized appreciation (NUA) in income, a portion of the amount from Form 1099-R, Box 6, can generally receive capital gain treatment. See Instructions for Form 4972 for details.

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:

- Stock in trade or other property included in inventory or held for sale to customers.
- 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 a.
- Depreciable property used in your trade or business even if it was fully depreciated.
- Real property (real estate) used in your trade or business.

e. Copyrights, literary, musical, or artistic compositions, letters or memoranda, or similar property: (1) created by your personal efforts; (2) prepared or produced for you (in the case of letters, memoranda, or similar property); or (3) that you received from someone who created them or for whom they were created, as mentioned in (1) or (2), in a way (such as by gift) that entitled you to the basis of the previous owner.

f. 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.

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 long-term capital gains and losses is more than 1 year. The holding period for short-term capital gains and losses is 1 year or less.

To figure the holding period, begin counting on the day after you received the property and include the day you disposed of it. Use the trade dates for date acquired and date sold for stocks and bonds traded on an exchange or over-the-counter market.

Generally, a nonbusiness bad debt must be treated as a short-term capital loss. See **Pub. 550** under **Nonbusiness Bad Debts** for what qualifies as a nonbusiness bad debt and how to enter it on Schedule D.

Capital Losses

The amount of capital loss that can be deducted after offsetting capital gains is limited to \$3,000 (\$1,500 if married filing a separate return).

Losses That Are Not Deductible

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 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 dispose of (1) an asset used in an activity to which the at-risk rules apply, or (2) 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, get the instructions for **Form 6196**, At-Risk Limitations. If the loss is allowable under the at-risk rules, it is then subject to the passive activity rules. Get **Form 8582**, Passive Activity Loss Limitations, and its instructions to see how to report capital gains and losses from a passive activity.

Items for Special Treatment and Special Cases

The following items may require special treatment:

- Transactions by a securities dealer.
- Wash sales of stock or securities (including contracts or options to acquire or sell stock or securities). See **Pub. 550** for details.
- Bonds and other debt instruments. See **Pub. 550** for details.
- Certain real estate subdivided for sale which may be considered a capital asset.
- Gain on the sale of depreciable property to a more than 50% owned entity, or to a trust of which you are a beneficiary.
- Gain on the disposition of stock in an Interest Charge Domestic International Sales Corporation.
- Gain on the sale or exchange of stock in certain foreign corporations.

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• Transfer of property to a foreign corporation as paid-in surplus or as a contribution to capital, or to a foreign trust or partnership.

• Transfer of property to a partnership that would be treated as an investment company if it were incorporated.

• 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.

• Loss on the sale, exchange, or worthlessness of small business (section 1244) stock.

• 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. Get **Pub. 504**, Tax Information for Divorced or Separated Individuals.

• Amounts received on the retirement of a debt instrument generally are treated as received in exchange for the debt instrument.

• 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 long-term capital loss on Schedule D, but any gain is reported as ordinary income on Form 4797.

• Gifts of property and inherited property. See **Pub. 544**.

• Amounts received by shareholders in corporate liquidations.

• Cash received in lieu of fractional shares of stock as a result of a stock split or stock dividend. See **Pub. 550**.

• 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, get **Pub. 564**, Mutual Fund Distributions.

• Deferral of gain on conflict-of-interest dispositions under section 1043. See **Form 8824**.

Inherited Property

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. Write "INHERITED" in column (b), instead of the date you acquired the property.

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 that is a capital asset in your hands.

If a purchased option expired, enter the expiration date in column (c), and write "EXPIRED" in column (d).

If an option that was granted (written) expired, enter the expiration date in column (b), and write "EXPIRED" in column (e).

Fill in the other columns as appropriate. See **Pub. 550** for more details.

Exchange of Like-Kind Property

A "like-kind exchange" occurs when you exchange business or investment property for property of a like kind. Report on Schedule D (or Form 4797, whichever applies) the exchange of like-kind property, even if no gain

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or loss is recognized. Also complete and attach Form 8824 to your return for each exchange.

For exchanges reported on Schedule D, write "From Form 8824" in column (a). Skip columns (b) through (e), and enter the gain or loss from Form 8824, if any, in column (f) or (g). If an exchange was made with a related party, write "Related Party Like-Kind Exchange" in the top margin of Schedule D. See **Form 8824** and its instructions for details.

Sale or Exchange (Other Than Involuntary Conversion) of Capital Assets Held for Personal Use

Gain from the sale or exchange of this property is a capital gain. Report it on Schedule D, Part I or Part II. Loss from the sale or exchange of this property is not deductible. But if you had a loss from the sale or exchange of real estate held for personal use (other than your main home), 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. Report it on line 1a or 8a, depending on how long you owned the home. Complete columns (a) through (e). Since the loss is not deductible, write "Personal Loss" across columns (f) and (g).

Disposition of Partnership Interest

A sale or other disposition of an interest in a partnership may result in ordinary income. Get **Pub. 541**, Tax Information on Partnerships.

Long-Term Capital Gains From Regulated Investment Companies

Include in income as a long-term capital gain the amount on Form 2439, Notice to Shareholder of Undistributed Long-Term Capital Gains, that represents your share of the undistributed capital gains of a regulated investment company. Enter on Form 1040, line 59, the tax paid by the company shown on Form 2439. Add to the basis of your stock the excess of the amount included in income over the amount of the credit. See **Pub. 550** for more details.

Capital Gain Distributions

Enter on line 12 capital gain distributions paid to you during the year as a long-term capital gain regardless of how long you held your investment. See **Pub. 550** for more details.

Sale of Your Home

Use **Form 2119**, Sale of Your Home, to report a gain or loss from the sale of your main home whether or not you bought another one. You must file Form 1040 for the year in which you sell your main home, even if you are not otherwise required to file. For more details, get **Pub. 523**, Tax Information on Selling Your Home.

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 do so.

Use **Form 6252**, Installment Sale Income, to report the sale on the installment method. Also use **Form 6252** to report any payment received in 1991 from a sale made in an earlier year that you reported on the installment method.

To elect out of the installment method, report the sale as follows on a timely filed return (including extensions):

(1) Report the full amount of the sale on Schedule D.

(2) If you received a note or other obligation and you are reporting it at less than face value (including all contingent payment obligations), complete Part VI. If you received more than one, enter the amounts separately in the spaces in Part VI.

Get **Pub. 537**, Installment Sales, for more details.

Section 1256 Contracts and Straddles

Use **Form 6781**, Gains and Losses From Section 1256 Contracts and Straddles, to report these transactions. See **Pub. 550** for more details.

Form 1099-A, Acquisition or Abandonment of Secured Property

If you received a Form 1099-A from your lender, you may have gain or loss to report because of the acquisition or abandonment. See **Pub. 544** for details.

Specific Instructions

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 similar statement from your broker that shows gross sales price, enter that amount in column (d). However, if **Form 1099-B** (or your broker) indicates that gross proceeds minus commissions and option premiums were reported to the IRS, enter that net amount in column (d). Do not include the commissions and option premiums 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 1a and 8a, column (d), to amounts

on lines 1b and 8b, column (d). Enter the totals on lines 1c and 8c.

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.

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).

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 how to figure your basis in stock that split during the time you owned it.

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.

The cost or other basis of an original issue discount (OID) debt instrument is increased 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 which 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, get Pub. 551, Basis of Assets.

Lines 1a and 8a

Enter all sales and exchanges of stocks, bonds, etc., and real estate (if not reported on Form 2119, 4797, or 6252). Include these transactions whether or not you actually received a Form 1099-B or 1099-S (or substitute statement) for the transaction. You can use abbreviations to describe the property as long as the abbreviations are based on the descriptions of the property as shown on Form 1099-B or 1099-S (or substitute statement).

Use Schedule D-1, Continuation Sheet for Schedule D (Form 1040), if you need more space to list transactions for lines 1a and 8a. You may use as many Schedules D-1 as you need to list your transactions. Enter on Schedule D, lines 1b and 8b, columns (d), (f), and (g) the combined totals of all your Schedules D-1.

Lines 1d and 8d

Enter sales and exchanges of other capital assets on these lines that are not reported on lines 1a or 8a. Do not include transactions reported on Form 2119, 4797, or 6252.

Part VII

This part enables the IRS to compare amounts of bartering income reported to you on Forms 1099-B with amounts you report on your tax return. For details on bartering income, get Pub. 525, Taxable and Nontaxable Income.

Instructions for Schedule E, Supplemental Income and Loss

Use Schedule E to report income or loss from rents, royalties, partnerships, S corporations, estates, trusts, and residual interests in REMICs.

If you 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 Rentals and Royalties

Use Part I to report income and expenses from rentals of real estate (including personal property leased with real estate). Also use Part I to report royalty income and expenses. Use Schedule C to report income and expenses from the rental of personal property, such as equipment or vehicles. See the instructions for lines 3 and 4 to determine when rental real estate and royalty income should be reported on Schedule C or Form 4835, Farm Rental Income and Expenses, instead.

If you own a part interest in a rental property, report only your part of the income and expenses on Schedule E.

If you have more than three rental 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 only on one Schedule E. The figures in the "Totals" column on that Schedule E should be the combined totals of all Schedules E.

If you also need to use page 2 of Schedule E, use the same Schedule E on which you entered the combined totals in Part I.

Filers of Form 1041

Enter your employer identification number in the block for "Your social security number."

Line 1

Show the kind of property you rented out, for example, "brick duplex." Give the street address, city or town, and state. You do not have to give the ZIP code. If you own a part interest in the property, show your percentage of ownership.

Line 2

If you rented out a dwelling unit and also used it as a home during the year, you may not be able to deduct all the expenses for the rental part. A dwelling unit (unit) means a house, apartment, condominium, mobile home, boat, or like property. Check the "Yes" or "No" box on line 2, whichever applies, to show whether you or your family used the property for personal purposes in 1991.

If the property is not a dwelling unit, check "No."

If the property is a dwelling unit, check "Yes" if you or your family used the unit for personal use 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.

What is Personal Use? 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. The day is not treated as personal if the unit is rented at a fair rental price to that person as his or her main home.
- Anyone under an agreement that lets you use some other unit.
- Anyone who pays less than a fair rental price for the unit.

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 later.

If you checked "Yes" and rented the unit out for less than 15 days, do not report the rental income and do not deduct any rental expenses. But if you itemize deductions on Schedule A (Form 1040) you may deduct 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 your mortgage interest, real estate taxes, and casualty losses for the rental part on Schedule E. You can also deduct your other rental expenses that are not related to your use of the unit as a home, such as advertising expenses and realtors' fees. If any income is left after deducting these expenses, you can then deduct other expenses. But you cannot deduct more than the income that is left. Carry amounts you cannot deduct to 1992. Get Pub. 527, Residential Rental Property (Including Rental of Vacation Homes), for more details.

Line 3

If you were not in the real estate sales business but you received rent from real estate (including personal property leased with real estate), report it on line 3. Include room and other space rentals. If you received services

or property instead of money as rent, report its fair market value.

If you provided significant services to the renter or sold real estate as a business, do not use Schedule E. Instead, report the income on Schedule C.

For more information, see Tele-Tax Information in the index (topic no. 213) or Pub. 527.

Rental Income From Farm Production or Crop Shares. Report farm rental income and expenses on Form 4835 if (1) you received rental income based on crops or livestock produced by the tenant, and (2) you did not manage or operate the farm to any great extent.

If you use Form 4835, enter on line 39 of Schedule E the net farm rental income or loss from Form 4835. Also include the gross farm rents from Form 4835, line 7, on Schedule E, line 41.

Note: For estimated tax purposes, income received from your share of crops and rental based on farm production is considered income from farming.

Line 4

Report on line 4 royalties from oil, gas, or mineral properties (not including operating oil, gas, or mineral interests); copyrights; and patents. If you received \$10 or more in royalties during 1991, you should receive a Form 1099-MISC, or similar statement, showing them. The payer must send this statement to you by January 31, 1992. If you are in business as a self-employed writer, inventor, artist, etc., report your income and expenses on Schedule C. 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, get Pub. 544, Sales and Other Dispositions of Assets.

If state or local taxes were withheld from oil or gas payments you received, enter on line 4 the gross amount of royalties. Include the taxes withheld by the producer on line 15.

Caution: If you received a credit or refund of overpaid windfall profit tax in 1991, see the instructions for line 40.

Lines 5 through 21

Enter your rental and royalty expenses for each property in the appropriate columns. You can deduct an amount for the depreciation of rental property and all ordinary and necessary expenses, such as taxes, interest,

repairs, insurance, maintenance, and agents' commissions.

Do not deduct the value of your own labor, capital investments, or capital improvements.

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 apply to the rented part.

Expenses To Rehabilitate Low-Income Housing. You may amortize part of the costs you paid or incurred to rehabilitate qualified low-income housing if the rehabilitation began before 1987. If it began after 1986, you may be able to take a tax credit. Get Form 8586, Low-Income Housing Credit, and Form 8582-CR, Passive Activity Credit Limitations. Also, get Pub. 925, Passive Activity and At-Risk Rules, to learn how the passive activity loss rules apply to low-income housing.

Credit or Deduction for Access Expenditures. You may be able to claim a tax credit of up to \$5,000 for eligible expenditures paid or incurred in 1991 to provide access to your business for individuals with disabilities. Get Form 8826, Disabled Access Credit, for more details.

You can also deduct up to \$15,000 of costs paid or incurred in 1991 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. Get Pub. 535, Business Expenses, and Pub. 907, Tax Information for Persons with Handicaps or Disabilities, for details.

Line 6

You may deduct ordinary and necessary auto and travel expenses related to your rental activities. If you use your auto in connection with your rental activities you can deduct either your actual expenses or the standard mileage rate. You must use actual expenses if you do not own the auto you use in your rental activities or if you use more than one vehicle simultaneously (as in fleet operations).

If you deduct actual auto expenses, include on line 6 the rental activity portion of the cost of gasoline, oil, repairs, insurance, tires, license plates, etc. Show auto rental or lease payments on line 18 and depreciation on line 20.

For 1991, the standard mileage rate is 27½ cents a mile for all miles of rental activity use. Add to this amount your related parking fees and tolls.

Note: If you claim any auto expenses (actual expenses or the standard mileage rate), you must complete Part V of Form 4562, Depreciation and Amortization.

For more details, get Pub. 527, Pub. 463, Travel, Entertainment, and Gift Expenses, and Pub. 917, Business Use of a Car.

Lines 11 and 12

In general, to determine the interest expense allocable to your rental activities, you will have to keep records to show how the proceeds of each debt were used. Specific tracing rules apply for allocating debt proceeds and repayment of the debt. See Pub. 535 for details.

If you have a mortgage on your rental property, enter on line 11 the interest you paid for 1991 to banks or other financial institutions. Be sure to fill in the "Total" column.

If you paid \$600 or more in interest on this activity carried on as a trade or business or for the production of income, and (b) amounts in the activity for which you are not at risk, you will have to complete Form 6196, At-Risk Limitations, 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 activity. However, if you acquired your interest in the activity before 1987, the at-risk rules do not apply to losses from an activity of holding real property 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). 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 secured by real property used in an activity of holding real property that is subject to the at-risk rules is treated as an amount at risk. 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** is not:

- A person related to you (although a person related to you may be a qualified person if the nonrecourse financing 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).

For more information on depreciation, including the definition of listed property, see the instructions for Form 4562, Pub. 946, and Pub. 534. For information on depletion, get Pub. 535.

If you are claiming depreciation only on property placed in service before 1981, figure depreciation on a worksheet from your own books and records and enter the total depreciation on line 20. You do not need to attach the worksheet. For a sample worksheet, see the instructions for Form 4562.

For more information on depreciation, including the definition of listed property, see the instructions for Form 4562, Pub. 946, and Pub. 534. For information on depletion, get Pub. 535.

Line 22

At-Risk Rules

Generally, if you have: (a) a loss from an activity carried on as a trade or business or for the production of income, and (b) amounts in the activity for which you are not at risk, you will have to complete Form 6196, At-Risk Limitations, 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 activity. However, if you acquired your interest in the activity before 1987, the at-risk rules do not apply to losses from an activity of holding real property 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). 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 secured by real property used in an activity of holding real property that is subject to the at-risk rules is treated as an amount at risk. 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** is not:

- A person related to you (although a person related to you may be a qualified person if the nonrecourse financing 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 in a rental or royalty activity, get Form 6198 to determine the amount of your deductible loss and enter that amount in the appropriate column of Schedule E, line 22. In the space to the left of line 22, write "Form 6198." Be sure to attach Form 6198 to your return.

Line 23

Enter on line 23 your deductible rental loss. If your rental loss is from a passive activity (defined below), you may need to complete Form 8582, Passive Activity Loss Limitations, to figure the amount of loss, if any, to enter on line 23. But see the following exception.

Exception for Certain Rental Real Estate Activities. If you had losses from rental real estate activities, you do not have to complete Form 8582 to figure the amount of loss you can deduct on line 23 if you meet **ALL THREE** of the following conditions:

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).

If you meet **ALL THREE** of the conditions listed above, your rental real estate losses are not limited by the passive activity rules. Enter the loss from line 22 on line 23.

If you do not meet **ALL THREE** of the conditions listed above, see the instructions for Form 8582 to find out if you must complete and attach Form 8582.

Active Participation. You can meet the active participation requirement without regular, continuous, and substantial involvement in operations. 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.

Management decisions that are relevant in this context include approving new tenants, deciding on rental terms, approving capital or repair expenditures, and other similar decisions.

If 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 31, without taking into account any passive activity loss, 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, or the de-

duction for one-half of self-employment tax. If you file Form 8815, Exclusion of Interest From Series EE U.S. Savings Bonds Issued After 1989, modified adjusted gross income includes the 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. They apply to losses in Parts I, II, and III, and on line 39 of Schedule E. Losses from passive activities may be first subject to the at-risk rules. Losses deductible under the at-risk rules are then subject to the passive activity rules.

You can generally deduct losses from passive activities only to the extent of income from passive activities. An exception applies to certain rental real estate activities (see the instructions for line 23).

Passive Activity. A passive activity is any business activity in which you **DO NOT** materially participate and any rental activity regardless of participation. See the instructions for Form 8582 to determine whether you materially participated in a business activity. If you are a limited partner, you are generally not treated as having materially participated in the partnership's activity for the year.

The rental of real or personal property is generally a rental activity under the passive activity loss rules, but exceptions apply to this rule. 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 for the material participation tests and the definition of "rental activity." See Pub. 925 for special rules that apply to rentals of: (1) substantially nondepreciable property, (2) property incidental to development activities, and (3) property to activities in which you materially participate.

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 is generally not considered income from a passive activity.

For more information on passive activities, see the instructions for Form 8582 and Pub. 925.

Parts II and III. Income or Loss From Partnerships, S Corporations, Estates, or Trusts

If you are a member of more than one partnership, a shareholder in more than one S corporation, or a beneficiary of more than one estate or trust, do not report information from more than one entity on the same line.

If you need more space in Parts II and III to list your income or losses, attach a continuation sheet using the same format as shown in Parts II and 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. If you are claiming or you are reporting any deduction, loss, credit, or other tax benefit, or reporting income from an interest purchased or otherwise acquired in a tax shelter, you must complete and attach Form 8271, Investor Reporting of Tax Shelter Registration Number. This reports the tax shelter registration number as well as other information about the tax shelter. There is a \$250 penalty if you fail to report this number 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 tax preference items and adjustments from these entities on Form 6251, Alternative Minimum Tax—Individuals, or Form 8565, Alternative Minimum Tax—Fiduciaries.

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. Do not attach Schedules K-1 to your return. Keep them for your records. You should also receive a copy of the Partner's or Shareholder's Instructions for Schedule K-1. If you did not receive these instructions with your Schedule K-1, you can get a copy at most IRS offices. Your copy of Schedule K-1 and its instructions will tell you where on your return to report your share of the items.

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 the **At-Risk Rules** explained earlier and the **Passive Activity Loss Rules** on this page.

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 the deductible loss, if any, from Form 6198 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.

If you are treating items on your tax return differently from the way the partnership or S corporation treated them on its return, you may have to file Form 8082, Notice of Inconsistent Treatment or Amended Return.

Partnerships

If you have other partnership items from a passive activity, or income or loss from any publicly traded partnership, see the Schedule K-1 instructions before entering them on your return.

If you have other partnership items, such as depletion, from a nonpassive activity, show each item on a separate line in Part II. Show unreimbursed partnership expenses from nonpassive activities on a separate line in column (j) of Part II. Unreimbursed expenses that are itemized deductions are entered on Schedule A. 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 1990 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 1990.

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 (Form 1040). 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.

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.

S Corporations

Your share of the net income is NOT subject to self-employment tax. Distributions of prior year accumulated earnings and profits of S corporations are dividends and are reported on Schedule B (Form 1040). For details, get Pub. 589, Tax Information on S Corporations.

Interest expense relating to the acquisition of shares in an S corporation may be fully deductible on Schedule E. For details, see Pub. 535.

As 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 Pub. 589 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.

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. Do not attach that schedule to your return. Keep it for your records. Your copy of Schedule K-1 and its instructions will tell you where on your return to report the items from Schedule K-1.

If you have estimated taxes credited to you from a trust (Schedule K-1, line 13a), 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 55.

A U.S. person who transferred property to a foreign trust may have to include in income the income received by the trust as a result of the transferred property if, during 1991, the trust had a U.S. beneficiary. For more information, get Form 3520-A, Annual Return of Foreign Trust With U.S. Beneficiaries.

Part IV. Income or Loss From 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 the schedule(s) to your return. Keep them for your records.

REMIC income or loss reported on Schedule E 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.

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.

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.

Column (c). Report the total of the amounts shown on Schedule(s) Q, line 2c, in Part IV, column (c). This is the smallest amount of taxable income you may report on Form 1040, line 37, for 1991. If the taxable income you would show on Form 1040, line 37, is smaller than the total reported in column (c), you must enter the amount from column (c) on Form 1040, line 37. Write "Sch. Q" next to line 37 on Form 1040.

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, in Part IV, column (e). If you itemize your deductions on Schedule A, include this amount on line 20.

Part V. Summary

Line 40

Include any windfall profit tax credit or refund received in 1991 in the total on line 40 if you deducted the tax withheld on Schedule E in an earlier year and received a tax benefit for it on your tax return. On the dotted line next to this total, write "OWPT" and show the amount.

Line 41

Enter on line 41 your total share of gross farming and fishing income as shown on Form 4835, line 7; Schedule K-1 (Form 1065), line 15b; Schedule K-1 (Form 1120S), line 20; and Schedule K-1 (Form 1041), line 13.

You will not be charged a penalty for underpayment of estimated tax if you meet the following tests:

1. Your gross farming or fishing income for 1990 or 1991 is at least two-thirds of your gross income, and
2. You file your 1991 tax return and pay the tax due by March 2, 1992.

Instructions for Schedule C, Profit or Loss From Business

If you operated a business or practiced a profession as a sole proprietorship, complete Schedule C. If you had more than one business, or if you and your spouse had separate businesses, you must complete a Schedule C for each business. Do not report gambling winnings on Schedule C unless you are a professional gambler. Instead, see the instructions for Form 1040, line 22.

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.

Additional Information. Get Pub. 334, Tax Guide for Small Business, for more details on business income and expenses.

General Instructions

Changes You Should Note

- The standard mileage rate is 27½ cents for each mile of business use in 1991. See the instructions for line 10.
- Do not deduct expenses for business use of your home under Part II, Expenses. Instead, complete new Form 8829. See the instructions for line 30.

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 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 1991, to claim amortization that begins in 1991, 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 (other than from a casualty or theft) of trade or business property.

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 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. Get Form 2290, Heavy Vehicle Use Tax Return, to see 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 nonemployees 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, get the 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 the course of your trade or business, you may have to file Form 8300. For details, get Pub. 1544, Reporting Cash Payments of Over \$10,000.

Tax Shelter

If you claim or report any deduction, loss, credit, other tax benefit, or income on Schedule C from an interest purchased or otherwise acquired in a tax shelter that is required to be registered, you must file Form 8271 with your return.

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. 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 B

Enter on this line the four-digit code that identifies your principal business or professional activity. See page 2 of Schedule C 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, fiduciary, or alcohol, tobacco, and firearms tax return.

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. Use your home address only if you actually conducted the business from your home.

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. For long-term contracts entered into after February 28, 1986, special rules apply. 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). Also show amounts actually paid during the year for deductible expenses. Income is constructively received when it is credited to your account or set aside for you to use.

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. Get Pub. 538, Accounting Periods and Methods.

To change your accounting method (including treatment of inventories), you must usually first 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

Your inventories can be valued at:

- cost,
- cost or market value, whichever is lower, or
- any other method approved by the IRS.

Line I

Participation, for purposes of the seven material participation tests listed on the next page, 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 the work is not treated as an owner would 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:

a. Studying and reviewing financial statements or reports on operations of the activity.

b. Preparing or compiling summaries or analyses of the finances or operations of the activity for your own use.

c. 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 1991 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 during the year for more than 500 hours. 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, or 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 on line I.

If you do not meet any of the above tests, check the "No" box on line I. This business is a **passive activity**, if you have a loss from this business, see **Limit on Losses** on this page. If you have a profit from this business activity but have current-year losses from other passive activities or you have prior unallowed passive activity losses, see the instructions for Form 8562, **Passive Activity Loss Limitations**.

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 on line I. 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 on line I and you have a loss from this business, you may have to use Form 8562 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, get **Pub. 925, Passive Activity and At-Risk Rules**.

Line J

If this is the first Schedule C you are filing for this business, check the box on line J.

Also check the box if you are reopening or restarting this business after temporarily closing it, and you did not file a 1990 Schedule C for this business.

Part I. Income

Line 1

Enter gross receipts or sales from your business. Be sure to include on this line amounts you received in your trade or business as shown on **Form(s) 1099-MISC**.

Statutory Employees. If you received a Form W-2 and the "Statutory employee" box in Box 6 of that form was checked, report your income and expenses related to that income on Schedule C. Enter your statutory employee income from Box 10 of Form W-2 on line 1 of Schedule C, and check the box on that line. Social security and Medicare tax should have been withheld from your earnings; therefore, you do not have to pay self-employment tax on these earnings.

Statutory employees include full-time life insurance salespeople, certain agent or commission drivers and traveling salespeople, and certain homeworkers.

If you had both self-employment income and statutory employee income, do not combine these amounts on a single Schedule C. You must file two Schedules C.

Installment Sales. Generally, for sales after December 31, 1987, the installment method may not be used to report income from the sale of (1) personal property regularly sold under the installment method, or (2) 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 53. Also write "453(l)(3)" and the amount of the interest on the dotted line to the left of line 53.

Any gain not yet recognized from an installment sale after February 28, 1986, of property listed in (1) or (2) above must generally be included in income over a period not to exceed 4 years. The rules of Revenue Procedure 84-74, 1984-2 C.B. 736, are used to figure the amount to include each year, except that the adjustment must be included in income at a rate no slower than the rate of contraction of your dealer installment obligations.

If you use the installment method, attach a schedule to your return. Show separately for 1991 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 on line 2 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 1991, credit for Federal tax on gasoline or other fuel claimed on your 1990 Form 1040, and other kinds of miscellaneous business income. Include amounts you received in your trade or business as shown on **Form(s) 1099-PATR**.

If you have listed property that you placed in service after June 18, 1984, and the business use percentage decreased to 50% or less in 1991, report on this line any recapture of excess depreciation, including any section 179 expense deduction. Use **Form 4797, Sale of Business Property**, to figure the recapture.

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 8-27b by amounts capitalized. For more details, see **Pub. 536**.

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

Caution: Cash method taxpayers cannot take a bad debt deduction unless the amount was previously included in income.

Include debts and partial debts arising 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, get **Pub. 535, Business Expenses**.

Line 10

You can deduct the actual cost of running your car or truck, or take the standard mileage rate. You must use actual costs if you did not own the vehicle or if you used more than one vehicle simultaneously in your business (such as in fleet operations).

If you deduct actual costs, include on line 10 the business portion of expenses for gasoline, oil, repairs, insurance, tires, license plates, etc. Show depreciation on line 13 and rent or lease payments on line 20a.

For 1991, the standard mileage rate is 27½ cents a mile for all miles of business use. Add to this amount your parking fees and tolls.

For more details, get **Pub. 917, Business Use of a Car**.

Note: If you claim any car or truck expenses (actual costs or the standard mileage rate), you must complete **Part V of Form 4562, Depreciation and Amortization**.

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 income-producing property with a useful life of more than one year. It does not apply to stock in trade, inventories, land, and personal assets. You may also choose under Internal Revenue Code sec-

tion 179 to expense part of the cost of certain property you bought in 1991 for use in your business.

See the **Instructions for Form 4562** to figure the amount of depreciation and section 179 expense deduction to enter on line 13. (Instructions are also included in new **Pub. 946, How To Begin Depreciating Your Property**, or **Pub. 534, Depreciation**.)

You must complete and attach **Form 4562** only if:

1. You are claiming depreciation on property placed in service during 1991 or are claiming a section 179 expense deduction for the property, or

2. You are claiming depreciation on any listed property regardless of when it was placed in service.

Listed property 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 placed in service after 1989.

• Computers or peripheral equipment.

Listed property does not include photographic, phonographic, communication, or video equipment used exclusively in a taxpayer's trade or business or 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.

If you have listed property that you placed in service after June 18, 1984, and the business use percentage of the property decreased to 50% or less in 1991, you may have to recapture excess depreciation, including any section 179 expense deduction. Get **Form 4797** and its instructions for details.

If you took an investment credit on property that you dispose of before the end of the recapture period or useful life used to figure the credit, the business use percentage decreases, or the property use otherwise changes so that it no longer qualifies, you may have to refigure the credit. See **Form 4255, Recapture of Investment Credit**, for details.

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 26, part of the amount you paid for health insurance on behalf of yourself, your spouse, and depen-

dents, even if you do not itemize your deductions. See the instructions for that line 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, personal interest, home mortgage interest, and investment interest are all 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.

Generally, you allocate interest expense by tracing how the proceeds of the loan were used. See **Pub. 535** for details.

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.

If you paid interest that applies to future years, deduct for 1991 only the part that applies to 1991.

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 1991 to banks or other financial institutions for which you received a **Form 1098, Mortgage Interest Statement**. (If you didn't receive a **Form 1098**, enter the interest on line 16b.)

If you paid \$600 or more of mortgage interest, the recipient should send you a **Form 1098**, or similar statement showing the total interest received from you during 1991. This statement must be sent to you by January 31, 1992. If you paid more mortgage interest to financial institutions 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. Write "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, write "See attached."

Do not deduct interest you paid or accrued on debts allocable to investment property. This interest is generally deducted on **Schedule A**. For details, get **Pub. 550, Investment Income and Expenses**.

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 27, not on Schedule C.

Generally, you must file one of the following forms 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.—Complete this form for each plan with 100 or more participants.

Form 5500-C/R, or 5500EZ.—Complete the applicable form for each plan with fewer than 100 participants.

There is a penalty for failure to timely file these forms.

For more information, get Pub. 560, Retirement Plans for the Self-Employed.

Line 20a

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:	And the vehicle's fair market value on the first day of the lease exceeded:
After 12/31/86	\$12,800
After 12/31/85	
but before 1/1/87	28,000
After 4/2/85	
but before 1/1/86	32,400
After 12/31/84	
but before 4/3/85	40,500
After 6/18/84	
but before 1/1/85	46,500

For information on how to figure the inclusion amount, see Pub. 917.

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:

- 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. To deduct one-half of your

self-employment tax, see the instructions for Form 1040, line 25.

- Federal highway use tax.

Do not deduct:

- Federal income taxes.
- Estate and gift taxes.
- Taxes assessed to pay for improvements, such as paving and sewers.
- Taxes on your home or personal property.
- State and local sales taxes (treat instead as part of the cost of the property).
- Other taxes not related to your business.

Line 24a

Enter your business travel expenses. Do not include expenses for meals or entertainment.

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 or Jamaica as within it. These rules apply to both employers and employees. Other rules apply to luxury water travel. For more details, get Pub. 463, Travel, Entertainment, and Gift Expenses.

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 (1) directly related to or associated with the active conduct of your trade or business, (2) not lavish or extravagant, and (3) 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.

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 80% of your business meal and entertainment expenses, including meals incurred while traveling away from home on business. However, you may fully deduct meals and entertainment furnished to 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.

Figure how much of the amount on line 24b is subject to the 80% limit. Then, multiply that amount by 20% (.20) and enter the result on line 24c.

Line 25

Deduct only utility expenses paid or incurred 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 (other than salaries and wages deducted elsewhere on your return) paid or incurred for the tax year minus any jobs credit you claimed on Form 5884. Do not include amounts paid to yourself.

Caution: 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.

Lines 27a and 27b

Include all ordinary and necessary business expenses not deducted elsewhere on Schedule C. List the type and amount of each expense separately on the dotted lines for line 27a. Enter the total on line 27b. 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.

Include any loss from this activity that was not allowed as a deduction last year because of the at-risk rules. If any loss from this activity was not allowed last year because of the passive loss limitations, see the instructions for Form 8582.

Amortization. Include amortization on line 27a. For amortization that begins in 1991, you must complete and attach Form 4562.

You may amortize:

- The cost of pollution-control facilities.
- Amounts paid for research and experimentation.
- Amounts paid before 1987 for trademarks and trade names.
- Certain business startup costs.
- Qualified reforestation and reforestation costs.

You may be able to claim a tax credit of up to \$5,000 for eligible expenditures paid or incurred in 1991 to provide access to your business for individuals with disabilities. Get Form 8826, Disabled Access Credit, for more details. You can also deduct up to \$15,000 of costs paid or incurred in 1991 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.

You can depreciate your leasehold improvement costs for leased business property.

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.

For more details, see Pub. 535.

Capital Construction Fund. The deduction for amounts contributed to a capital construction fund set up under the Merchant Marine Act of 1936 is no longer taken on Schedule C. To take the deduction, reduce the amount that would otherwise be entered as taxable income on Form 1040, line 37, by the amount of the deduction. In the margin to the left of line 37, write "CCF" and the amount of the deduction. For more information, get Pub. 595, Tax Guide for Commercial Fishermen.

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 1991 because of the limitations can be carried over to 1992. You must attach Form 8829, Expenses for Business Use of Your Home, if you claim this deduction.

For details, see the instructions for Form 8829, and get Pub. 587, Business Use of Your Home.

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 I 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 (or Form 1041, line 3).

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, At-Risk Limitations, 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 ar-

angement (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 I, 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 I, 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 fail to 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 1991 because of the at-risk rules is treated as a deduction allocable to the business in 1992. 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.

Instructions for Schedule SE, Self-Employment Tax

Schedule SE is used 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 benefits. Additional Information. Get Pub. 533, Self-Employment Tax, for more details.

General Instructions

A Change You Should Note

The tax of 15.3% on self-employment income is the total of the 2.9% Medicare tax and the 12.4% social security tax. For 1991, the maximum amount of self-employment income subject to the Medicare tax is \$125,000. The maximum amount subject to social security tax for 1991 is \$53,400.

You must use Long Schedule SE if your net earnings from self-employment plus the total of all other net earnings are subject to social security, Medicare, or railroad retirement tax is more than \$53,400.

Who Must File Schedule SE

You must file Schedule SE if both a and b below apply to you:

- a. You were self-employed, and your net earnings from self-employment were \$400 or more for 1990, or you were subject to SE tax of \$108.28 or more—see Employees of Churches and Church Organizations below.
- b. You did not have wages (and tips) of \$125,000 or more that were subject to social security and Medicare tax (or railroad retirement tax).

Who Can File Schedule SE

Even if you are not required to file Schedule SE, it may be to your benefit to file it and use the "optional method" in Section B.

Note: Using the optional method may give you the benefits described below, but it may also increase your self-employment tax.

How Can the Optional Method Help You?

1. Social security coverage.—The optional method may give you credit toward your social security coverage even though you have a loss of low income from self-employment.
2. Earned income credit.—Depending on your circumstances, using the optional method may qualify you to claim the earned income credit or give you a larger credit. This credit is a refundable tax credit that is determined without using the optional method and is limited to \$1,000. Figure the earned income credit with and without using the optional method to see if the optional method will benefit you.
3. Child and dependent care credit.—The optional method may also help you qualify

for this credit or give you a larger credit. This could happen if your net SE earnings determined without using the optional method are less than \$1,600. Figure this credit with and without using the optional method to see if the optional method will benefit you.

Who is Subject to Self-Employment Tax?

You are subject to SE tax if you had net earnings from being self-employed. If you are in in a ministerial or member position of a religious organization, you are self-employed. You, or shares of certain partnership income and guaranteed payments, are subject to SE tax. See Partnership Income or Loss on the next page.

Employees of Churches and Church Organizations

If you had church employee income of \$108.28 or more, you may be subject to 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. See line B at the top of Long Schedule SE.

Although earnings you had as a minister or member of a religious order are not included in church employee income, you must include these earnings on line 2 of either Short or Long Schedule SE, unless the IRS approved you as being exempt from SE tax. See Who Is Not Subject to Self-Employment Tax, below.

U.S. Citizens Employed by Foreign Governments or International Organizations

You are subject to SE tax if you are a U.S. citizen employed by a foreign government instrumentally or substantially controlled by a wholly-owned international organization under the International Organizations Immunities Act) in the United States, Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Virgin Islands. Report income from this employment on Schedule SE (Section A or B), line 2. If you are employed elsewhere by a foreign government instrumentally or substantially controlled, those earnings are not subject to 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 are subject to SE tax on net earnings from your foreign net earnings from self-employment.

Who is Not Subject to Self-Employment Tax?

In most cases, you are subject to SE tax on net earnings from being a minister, a member of a religious order, or a Christian Science practitioner. But you will not be subject to SE tax on those net earnings if you filed Form 4381, Application for Exemption From Self-Employment Tax for Use by Ministers, Members of Religious Orders and Christian Science Practitioners, and the IRS approved you as being exempt from SE tax. In this case, if you have no other income subject to SE tax, you may be eligible to file Form 1040, line 47. 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 change that election now.

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 in 1950, and which has provided a reasonable level of living for its dependent members, you are not subject to SE tax if you got IRS approval by filing Form 4028, Application for Exemption From Social Security and Medicare Taxes and Waiver of Benefits. In this case, do not file Schedule SE. Instead, write Form 4028 to Form 1040, line 47. Get Pub. 517, Social Security for Members of the Church and Religious Workers, for more details.

More Than One Business

If you formed and had at least one other business or you had two or more businesses, your net earnings from self-employment are your combined net earnings from all 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. If one spouse qualifies to use Long Schedule SE, both spouses must use SE. 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 47.

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 business, 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 or F.

Caution: Community income included on Schedule(s) C 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 top of 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 instructions below 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 structure your business in a partnership, see the instructions below. If you were an employee of a church and were subject to SE tax, the unreimbursed business expenses that you incurred as a church employee are allowed only as a itemized deduction for income tax purposes. They are deducted from your SE earnings in figuring

SE tax. However, special rules apply. See Pub. 517.

If you were a U.S. citizen or a resident alien working outside the United States as a partner or member of a religious order and are subject to SE tax, you may not reduce your net earnings by the foreign housing exclusion or deduction.

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). If you were a general partner, reduce the amount before filing Form 1040 by any section 179 expense deduction claimed and depreciation partnership expenses claimed, and deduction claimed on oil and gas properties. If you reduce the amount you enter on Schedule SE, attach an explanation.

If you were a general partner, the amount reported by the partnership on line 15a of Schedule K-1 should include your share of partnership income or loss subject to SE tax and any guaranteed payments the partnership made to you for services or for the use of your property on line 15a of Schedule K-1. The amount reported on line 15a of Schedule K-1 should include only guaranteed payments for services you actually rendered to or on behalf of the partnership.

Income or loss from a partnership engaged solely in the operation of a group investment program is not included in net SE earnings for either a general or limited partner.

If you were married and both you and your spouse were partners in a partnership, each of you is subject to SE tax on your own share of 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. If a partner dies, and the partnership continues, the decedent's distributive share of the partnership's ordinary income or loss through the end of the month in which he or she dies must be included in SE income. See Internal Revenue Code section 1402(f).

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 (the proceeds from the sale of the crops or livestock). This person (the person (an agent) doing 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, get Pub. 225, Farmer's Tax Guide.

Other Income and Losses 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 em-

ployed in farm management or production activities. See Pub. 517.

- Amounts received by current or former self-employed insurance agents that are: a. Paid after retirement, but calculated as a percentage of commissions received from the paying company before retirement; b. Renewal commissions; or c. Deferred commissions paid after retirement for sales made before retirement.
- Income as a crew member of a fishing vessel with a crew of normally fewer than 10 people. See Pub. 595.
- Fees as a state or local government employee if you were paid only on a fee basis and the fee 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.
- The rental value of a home or an allowance for a home furnished to you as a minister or member of a religious order. See Pub. 517.
- The value of meals and lodging given to you for the convenience of your employer if you are a minister or member of a religious order.

- 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, Sales of Business Property.
- Fees you received as a professional fiduciary. This may also apply to fees you received as a nonprofessional fiduciary if the fees relate to active participation in the operation of an 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 em-

ployee representative under the railroad retirement system.

- 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 (including rentals paid in crop shares), if you did not get the income in the course of a trade or business as a real estate dealer. This includes cash and crop shares received from a tenant or sharefarmer. Report this income on Schedule E.

- Dividends on shares of stock and interest on bonds, notes, etc., if you did not get the income in the course of your trade or business as a dealer in stocks or securities.

- Gain or loss from:

- The sale or exchange of a capital asset;
- 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

- Certain transactions in timber, coal, or domestic iron ore.

- Net operating losses from other years.

Statutory employee income. If you were a statutory employee and filed Schedule C to report your income and expenses, do not include the net profit or (loss) from line 31 of that Schedule C 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, and statutory employee Medicare wages and tips from Form W-2 on line 12a.

Optional Methods

Optional Method for Farm Income

Was your gross farm income for the year \$2,400 or less? If it was, you can report on line 17, Part II, two-thirds of your gross farm income instead of your actual net earnings.

If your gross farm income was more than \$2,400, and your net farm profits (defined below) were less than \$1,733, you can report \$1,600 on line 17, Part II.

If you can use this method, it can increase or decrease your net SE farm earnings, even if the farming business resulted in a loss. There is no limit on how many times you can use this method. If you use this method, you must apply it to all your farm earnings from self-employment for the year.

You may change the method after you file your return. For example, 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 of the partnership. If you are 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

37, and Schedule K-1 (Form 1065), line 15a, from farm partnerships.

Optional Method for Nonfarm Income

Were your net nonfarm profits (defined below) less than \$1,733, and also less than 72.189% of your gross nonfarm income? If so, you may use this method if you are regularly self-employed or regularly a partner. You meet this requirement if you had actual net earnings from self-employment of \$400 or more in at least 2 of the 3 years just before the year for which 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 the income or loss from any of your partnerships. The limit for the optional method for nonfarm self-employment is 5 years. The 5 years do not have to be consecutive.

You may report on line 19, 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.

For a nonfarm partnership, see **Optional Method for Farm Income**, earlier, for details on how to figure your share of gross income from the partnership.

Net nonfarm profits is the total of the amounts from Schedule C (Form 1040), line 31, and Schedule K-1 (Form 1065), line 15a, other than farm partnerships.

Using Both Optional Methods

If you can use both methods, you may report less than your total actual net earnings from farm and nonfarm income, but you cannot report less than your actual net earnings from nonfarm SE income alone.

If you use both methods to figure net earnings, you cannot report more than \$1,600 of net SE earnings.

Instructions for Schedule F, Profit or Loss From Farming

Use Schedule F to report farm income and expenses. File it with Form 1040, 1041, or 1065.

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.

Additional information. Pub. 225, *Farmer's Tax Guide*, has samples of filled-in forms and schedules, and lists important dates that apply to farmers.

General Instructions

A Change You Should Note

The standard mileage rate has been increased to 27¢ cents for each mile of business use in 1991. See the instructions for line 13.

Other Schedules and Forms You May Have To File

Schedule E to report rental income from pasture land that is based on a flat charge. Report this income in Part I of Schedule E. But report on line 10 of Schedule F pasture income received from taking care of someone else's livestock.

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 1991, to claim amortization that begins in 1991, or to report information on listed property.

Form 4684 to report a casualty or theft gain or loss involving farm business property, including livestock held for draft, breeding, sport, or dairy purposes.

See Pub. 225 for more information on how to report various farm losses, such as losses due to death of livestock or damage to crops or other farm property.

Form 4787 to report sales, exchanges, or involuntary conversions (other than from a casualty or theft) of certain farm property. Also use this form to report sales of livestock held for draft, breeding, sport, or dairy purposes.

Form 4835 to report rental income based on farm production or crop shares if you did not materially participate (for self-employment tax purposes) in the management or operation of the farm. This income is not subject to self-employment tax. See Pub. 225.

Form 8824 to report like-kind exchanges.

Heavy 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. Get Form 2290, Heavy Vehicle Use Tax Return, to see 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, royalties, 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, get the **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 farming business, you may have to file Form 8300. For details, get Pub. 1544, Reporting Cash Payments of Over \$10,000.

Estimated Tax

If you had to make estimated tax payments in 1991 and you underpaid your estimated tax, you will not be charged a penalty if both of the following apply:

- Your gross farming or fishing income for 1990 or 1991 is at least two-thirds of your gross income.

- You file your 1991 tax return and pay the tax due by March 2, 1992.

For more details, see Pub. 225.

Specific Instructions

Filers of Forms 1041 and 1065

Do not complete the block labeled "Social security number (SSN)." Instead, enter your employer identification number (EIN) on line D.

Lines A and B

On line A, enter your principal crop or activity for the current year.

On line B, enter one of the 15 principal agricultural activity codes listed in Part IV on page 2 of Schedule F. Select the code that best describes the source of most of your income. **Field crop** includes the production of grains such as wheat, rice, feed corn, soybeans, barley, rye, and lentils; and nongrains such as cotton, tobacco, sugar, and Irish potatoes. **Animal specialty** includes the raising of pets or laboratory animals, such as dogs, cats, bees, and snakes.

Line C

Under the **cash method**, include all income in the year you actually get it. Generally, deduct expenses when you pay them. If you use the cash method, check the box labeled "Cash." Complete Parts I and II of Schedule F.

Under the **accrual method**, include income in the year you earn it. It does not matter when you get it. Deduct expenses when you incur them. If you use the accrual

method, check the box labeled "Accrual." Complete Parts II, III, and line 11 of Schedule F.

Other rules apply that determine the timing of deductions based on economic performance. Get Pub. 536, *Accounting Periods and Methods*, for details.

Farming syndicates cannot use the cash method of accounting. A farming syndicate may be a partnership, any other noncorporate group, or an S corporation if:

- the interests in the business have ever been for sale in a way that would require registration with any Federal or state agency, or

- more than 35% of the loss during any tax year is shared by limited partners or limited entrepreneurs. (A *limited partner* is one who can lose only the amount invested or required to be invested in the partnership; a *limited entrepreneur* is a person who does not take any active part in managing the business.)

Line D

You need an employer identification number (EIN) only if you had a Keogh plan or were required to file an employment, excise, fiduciary, partnership, or alcohol, tobacco, or firearms tax return.

If you do not have an EIN, leave line D blank. Do not enter your SSN.

Line E

You can elect to include Commodity Credit Corporation loan proceeds as income in the year you received them instead of reporting as income the proceeds from the sale of the commodities in the year of sale or in the year of forfeiture. If you made this election and reported these loan proceeds as income in a prior year, check the "Yes" box on line E. Otherwise, check "No." For information on how to make this election, see the instructions for lines 7a through 7c.

Line F

Material Participation. See the instructions for Schedule C (Form 1040), line I, for the definition of material participation for purposes of the passive activity rules.

If you meet any of the material participation tests described in the line I instructions for Schedule C, check the "Yes" box.

If you are a retired or disabled farmer, you are treated as materially participating in a farming business if you materially participated 5 of the 8 years preceding your retirement or disability. Also, a surviving spouse is treated as materially participating in a farming

activity if the real property used for farming meets the estate tax rules for special valuation of farm property passed from a qualifying decedent, and the surviving spouse actively manages the farm.

Check the "No" box if you did not materially participate. If you checked "No" and 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 prior year unallowed passive activity losses, see the instructions for Form 8582, Passive Activity Loss Limitations.

Limit on Losses. If you checked the "No" box on line F 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 F, line 36. Generally, you can deduct losses from passive activities only to the extent of income from passive activities.

For more details, get Pub. 925, Passive Activity and At-Risk Rules.

Line G

Capitalization rules apply if you produced real or tangible personal property or acquired property for resale (see Exceptions below). This means that certain expenses must be included in inventory costs or capitalized. These expenses include the direct costs of the property and the share of any indirect costs allocable to that property. But in some cases, you may be able to elect to currently deduct certain preproductive period expenses rather than capitalize them. See **Election To Deduct Certain Preproductive Period Expenses** below.

Exceptions. These rules generally do not apply to:

1. expenses of raising animals,
2. expenses of producing any plant that has a preproductive period of 2 years or less, or
3. expenses of replanting certain crops if they were lost or damaged by reason of freezing temperatures, disease, drought, pests, or casualty.

Note: Exceptions 1 and 2 above do not apply to tax shelters, farm syndicates, or partnerships required to use the accrual method of accounting under Internal Revenue Code section 447 or 448.

If you revoked a prior election to deduct preproductive period expenses for animals, you must continue to apply the alternative depreciation rules to property placed in service while your election was in effect. Also, the expenses you previously chose to deduct will have to be recaptured as ordinary income when you dispose of the animals. If you revoked a prior election to use the simplified method of capitalizing the costs of raising female beef or dairy cattle, you must continue to amortize the costs capitalized in tax years beginning before 1989.

Election To Deduct Certain Preproductive Period Expenses. If the preproductive period of any plant you produce is more than 2 years, you may choose to currently deduct the expenses rather than capitalize them. But you may not make this election for the costs of planting or growing citrus or almond groves that are incurred before the end of the 4th tax year beginning with the tax year you planted them in their permanent grove.

Note: In the case of a partnership or S corporation, the election must be made by the partner or shareholder. This election may not be made by tax shelters, farm syndicates, or partners in partnerships required to use the accrual method of accounting under Internal Revenue Code section 447 or 448.

If you make the election to deduct preproductive expenses for plants, any gain you realize when disposing of the plants is ordinary income up to the amount of the preproductive expenses you deducted. Also, the alternative depreciation rules apply to property placed in service in any tax year your election is in effect. Unless you obtain the consent of the IRS, you must make this election for the first tax year in which you engage in a farming business involving the production of property subject to the capitalization rules. You may not revoke this election without the consent of the IRS.

For more information, see Pub. 225.

Which Box Should I Check? If you revoked a prior election for animals and do not have any preproductive period expenses, check the "Does Not Apply" box on line G. Also check this box if you do not, or did not, have preproductive period expenses or if you are not eligible to make the election.

Check the "Yes" box if you are making the election to currently deduct your preproductive period expenses. Also check the "Yes" box if you made this election in a prior year.

Check the "No" box if you are capitalizing your preproductive period expenses. Also check the "No" box if you chose to capitalize them in a prior year.

Caution: If you are eligible to make this election but you do not check any of the boxes on line G and you deduct these expenses, you are treated as having checked the "Yes" box.

Part I. Farm Income—Cash Method

In Part I show income received for items listed on lines 1 through 10. Count both the cash actually or constructively received and the fair market value of goods or other property received for these items.

Income is constructively received when it is credited to your account or set aside for you to use.

If you ran the farm yourself and received rents based on farm production or crop shares, report these rents as income on line 4.

Sales of Livestock Because of Drought

If you sold livestock because of a drought, you can count the income from the sale in the year after the drought, instead of the year of the sale. You can do this if all of the following apply:

- Your main business is farming.
- You can show that you sold the livestock only because of the drought.
- Your area qualified for Federal aid.

Information Returns

If you received information returns (Forms 1099 or CCC-182) showing amounts paid to you, first determine if the amounts are to be included with farm income. Then, use the following chart to determine where to report the income on Schedule F. Include the Form 1099 or CCC-182 amounts with any other income reported on that line.

Information return	Where to report
Form 1099-PATR	Line 5a
Form 1099-A	Line 7b
Form 1099-MISC (for crop insurance)	Line 8a
Forms 1099-G or CCC-182 (for disaster payments)	Line 8a
Forms 1099-G or CCC-182 (for other agricultural program payments)	Line 6a

You may also receive Form 1099-MISC for other types of income. In this case, report it on whichever line best describes the income. For example, if you received a Form 1099-MISC for custom farming work, include this amount on line 9, "Custom hire (machine work) income."

Lines 1 and 2

On line 1 show amounts received from sales of livestock and other items bought for resale. On line 2 show the cost or other basis of the livestock and other items you actually sold.

Line 4

Show amounts received from sales of livestock, produce, grains, and other products you raised.

Lines 5a and 5b

If you received distributions from a cooperative in 1991, you should receive Form 1099-PATR. On line 5a show your total distributions from cooperatives. This includes patronage dividends, nonpatronage distributions, per-unit retain allocations, and redemption of nonqualified notices and per-unit retain allocations.

Show patronage dividends (distributions) received in cash, and the dollar amount of qualified written notices of allocation. If you received property as patronage dividends, report the fair market value of the property as income. Include cash advances received from a marketing cooperative. If you received per-unit retains in cash, show the amount of cash. If you received qualified per-unit retain certificates, show the stated dollar amount of the certificate.

Do not include as income on line 5b patronage dividends from buying personal or family items, capital assets, or depreciable assets. Enter these amounts on line 5a. If you do not report patronage dividends from these items as income, you must subtract the amount of the dividend from the cost or other basis of these items.

Lines 6a and 6b

Enter on line 6a the TOTAL of the following amounts. These are government payments you received, usually reported to you on Form 1099-G. You may also receive Form CCC-182 from the Department of Agriculture showing the amounts and types of payments made to you.

- Price support payments.
- Diversion payments.
- Cost-share payments (sight drafts).
- Payments in the form of materials (such as fertilizer or lime) or services (such as grading or building dams).
- Face value of commodity credit certificates (often called "generic" or "PIK" certificates).

On line 6b report only the taxable amount. For example, if you qualify to exclude payments received under certain cost-sharing conservation programs (see Pub. 225), do not include these payments on line 6b.

Lines 7a through 7c

Commodity Credit Corporation (CCC) Loans. Generally, you do not report CCC loan proceeds as income. However, if you pledge part or all of your production to secure a CCC loan, you may elect to report the loan proceeds as income in the year you receive them, instead of the year you sell the crop. If you make this election (or made the election in a prior year), report loan proceeds you received in 1991 on line 7a and attach a statement to your return showing the details of the loan(s).

If you made the election in a prior year to report loan proceeds as income, be sure you checked the "Yes" box on line E. Otherwise check "No." See the instructions for line E.

What If I Forfeited a CCC Loan? Include the full amount forfeited on line 7b, even if you reported the loan proceeds as income.

If you did not elect to report the loan proceeds as income, also include the forfeited amount on line 7c.

If you did elect to report the loan proceeds as income, you generally will not have an entry on line 7c. But if the amount forfeited is different from your basis in the commodity, you may have an entry on line 7c.

What If I Repaid a CCC Loan With CCC Certificates? Include on line 7b the amount of any CCC loan you repaid with certificates, even if you reported the loan proceeds as income.

If you did not elect to report the CCC loan proceeds as income, include on line 7c the amount of the loan you repaid with the certificates minus your basis in those certificates. Your basis in certificates is the face value of the certificates you included as income, or the amount you paid for them.

If you elected to report the loan proceeds as income, do not include on line 7c the amount of the loan you repaid with the certificates.

For more information on the tax consequences of electing to report CCC loan proceeds as income, forfeiting CCC loans, and repaying CCC loans with certificates, see Pub. 225.

Lines 8a through 8d

In general, you must report crop insurance proceeds in the year you receive them. Federal crop disaster payments are treated as crop insurance proceeds. However, if 1991 was the year of damage, you may elect to include certain proceeds in income for 1992. To make this election, check the box on line 8c and attach a statement to your return. See Pub. 225 for a description of the proceeds for which an election may be made and for what you must include in your statement.

Generally, if you elect to defer any eligible crop insurance proceeds, you must defer all such crop insurance proceeds (including Federal disaster payments).

Enter on line 8a the TOTAL crop insurance proceeds you received in 1991, even if you elect to include them in income for 1992.

Enter on line 8b the taxable amount of the proceeds you received in 1991. Do not include proceeds you elect to include in income for 1992.

Enter on line 8d the amount, if any, of crop insurance proceeds you received in 1990 and elected to include in income for 1991.

Line 9

Enter on this line the income you received for custom hire (machine work).

Line 10

Use this line to report income not shown on lines 1 through 9. For example, include the following income items on line 10:

- Illegal Federal irrigation subsidies, see Pub. 225.
- Bartering income.
- Income from discharge of indebtedness. Generally, if a debt is canceled or forgiven, you must include the canceled amount in income. However, certain solvent farmers may exclude from income discharged qualified farm indebtedness. For information on whether you must include in income any discharge of indebtedness, see Pub. 225.
- State gasoline or fuel tax refund you got in 1991.
- The amount of credit for Federal tax on fuels claimed on your 1990 Form 1040.
- The amount of credit for alcohol used as a fuel that was entered on Form 6478.

Report the sale of commodity futures contracts on this line if they were made to protect you from price changes. These are a form of business insurance and are considered hedges. Enter any profit on line 10. If you had a loss in a closed futures contract, show it as a minus amount.

Caution: For property acquired and hedging positions established, you must clearly identify on your books and records that the transaction was a hedging transaction.

Purchase or sales contracts are not true hedges if they offset losses that already occurred. If you bought or sold commodity futures with the hope of making a profit due to favorable price changes, do not report the profit or loss on this line. Report it on Form 6781.

Part II. Farm Expenses

Note: Certain costs must be capitalized if you produced real or tangible personal property or acquired property held for resale. Special rules apply to the capitalization of interest and certain farm costs. See the instructions for line G for more details.

Do not reduce your deductions on lines 12 through 35e by the preproductive period expenses you are required to capitalize. Instead, enter the total amount capitalized in parentheses on line 35f. See Preproductive Period Expenses under the instructions for lines 35a through 35f for more details.

Do not deduct:

- Personal or living expenses (such as taxes, insurance, or repairs on your home) that do not produce farm income.
- Expenses of raising anything you or your family used.
- The value of animals you raised that died.
- Loss of inventory.
- Personal losses.

If you were repaid for any part of an expense, you must subtract the amount you were repaid from the deduction.

Prepaid Farming Expenses. Generally, if you use the cash method of accounting and your prepaid expenses are more than 50% of your other deductible farming expenses, your expenses for feed, seed, fertilizer, and other similar farm supplies are deductible only in the year that you actually use them. The cost of poultry bought for use in the business must be spread over 12 months or the useful life of the poultry, whichever is less. The cost of poultry bought for resale is deductible in the year the poultry is sold or otherwise disposed of. For an exception to this rule and additional information on prepaid expenses, see Pub. 225.

Line 13

You can deduct the actual cost of running your car or truck, or take the standard mileage rate. You must use actual costs if you did not own the vehicle or if you used more than one vehicle simultaneously in your business (such as in fleet operations).

If you deduct actual costs, include on line 13 the business portion of expenses for gasoline, oil, repairs, insurance, tires, license plates, etc. Show depreciation on line 17 and rent or lease payments on line 27a.

For 1991, the standard mileage rate is 27½ cents for each mile of business use. Add to this amount your parking fees and tolls.

For more details, get Pub. 917, Business Use of a Car.

Note: If you claim any car or truck expenses (actual costs or the standard mileage rate), you must complete Part V of Form 4562.

Line 15

Amounts you spent to conserve soil or water, or to prevent erosion of your land can be deducted only if the expenses are consistent with a conservation plan approved by the Soil Conservation Service (SCS) of the Department of Agriculture for the area in which

your land is located. If no plan exists, the expenses must be consistent with a plan of a comparable state agency. You must attach Form 8645, Soil and Water Conservation Plan Certification, to your return if you claim this deduction.

Do not deduct expenses you pay or incur to drain or fill wetlands or to prepare land for center pivot irrigation systems.

Do not deduct more than 25% of your gross income from farming (excluding certain gains from selling assets such as farm machinery and land). If your conservation expenses are more than the limit, carry the excess over to following years. Attach a copy of the original Form 8645 to your return for each carryover year you claim the deduction.

Line 16

Enter amounts paid for custom hire or machine work (the machine operator furnished the equipment). Do not include amounts paid for rental or lease of equipment that you operated yourself. Report those amounts on line 27a.

Line 17

You can deduct depreciation of buildings, improvements, cars and trucks, machinery, and other farm equipment of a permanent nature.

Do not deduct depreciation on your home, furniture, or other personal items, land, livestock you bought or raised for resale, or other property in your inventory.

You may also choose under Internal Revenue Code section 179 to expense a portion of the cost of certain tangible property you bought in 1991 for use in your business.

See the instructions for Schedule C (Form 1040), line 13, for more details, including when you must complete and attach Form 4562.

Line 18

Deduct contributions to employee benefit programs that are not an incidental part of a pension or profit-sharing plan included on line 26. Examples are accident and health plans, group-term life insurance, and dependent care assistance programs.

Do not include on line 18 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 26, 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 instructions for that line for more details.

Line 19

Generally you cannot currently deduct expenses for feed to be consumed by your livestock in a later tax year. See **Prepaid Farming Expenses**, earlier.

Line 21

Do not include as freight paid the cost of transportation incurred in purchasing livestock held for resale. Instead, add these

costs to the cost of the livestock, and deduct them when the livestock are sold.

Line 23

Deduct premiums paid for farm business insurance on line 23. Deduct on line 18 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.

Lines 24a and 24b

Interest Allocation Rules. The tax treatment of interest expense differs depending on its type. For example, personal interest, home mortgage interest, and investment interest are all treated differently. "Interest allocation" rules require you to allocate (classify) your interest expense so it is deducted 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 F.

Generally, you allocate interest expense by tracing how the proceeds of the loan are used. Get Pub. 535, Business Expenses, for details.

If you paid interest on a debt secured by your main home, and any of the proceeds from that debt were used in your farming business, see Pub. 535 to figure the amount that is deductible on Schedule F.

If you have a mortgage on real property used in your farming business (other than your main home), enter on line 24a the interest you paid for 1991 to banks or other financial institutions for which you received a Form 1098, Mortgage Interest Statement.

Note: If the recipient was not a financial institution or you did not receive a Form 1098 from the recipient, report your mortgage interest on line 24b.

If you paid \$600 or more of interest on this mortgage, the recipient should send you a Form 1098 or similar statement showing the total interest received from you during 1991. This statement must be sent to you by January 31, 1992. If you paid more mortgage interest to financial institutions 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 24a. Attach a statement to your return explaining the difference and write "See attached" in the left margin next to line 24a.

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 24b. 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 24b, write "See attached."

On line 24b, enter the interest on other loans related to this farm. Do not deduct interest you prepaid in 1991 for later years; include only the part that applies to 1991.

Line 25

Enter amounts you paid for farm labor minus the amount of any jobs credit you claimed

on Form 5884. Do not include amounts paid to yourself.

Count the cost of boarding farm labor but not the value of any products they used from the farm. Count only what you paid house-hold help to care for farm laborers.

Caution: If you provided taxable fringe benefits to your employees, such as personal use of a car, do not include in farm labor the amounts you depreciated or deducted elsewhere.

Line 26

Enter your deduction for contributions to employee pension, profit-sharing, or annuity plans. If the plan included you as a self-employed person, see the instructions for Schedule C (Form 1040), line 19.

Lines 27a and 27b

If you rented or leased vehicles, machinery, or equipment, enter on line 27a 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 inclusion amount. For details, see the instructions for Schedule C (Form 1040), line 20a.

Enter on line 27b amounts paid to rent or lease other property such as pasture or farm land.

Line 28

Enter what you paid for repairs and maintenance of farm buildings, machinery, and equipment. You can also include what you paid for tools of short life or minimal cost, such as shovels and rakes.

Do not deduct repairs or maintenance on your home.

Line 32

You may deduct the following taxes:

- Real estate and personal property taxes on farm business assets.
- Social security and Medicare taxes you paid to match what you are required to withhold from farm employees' wages and any Federal unemployment tax paid. To deduct one-half of your self-employment tax, see the instructions for Form 1040, line 25.
- Federal highway use tax.

Do not deduct:

- Federal income taxes.
- Estate and gift taxes.
- Taxes assessed for improvements, such as paving and sewers.
- Taxes on your home or personal property.
- State and local sales taxes (treat them as part of the cost of the property).
- Other taxes not related to the farm business.

Line 33

Enter what you paid for gas, electricity, water, etc., for business use on the farm. Do not include personal utilities.

You cannot deduct the base rate (including taxes) of the first telephone line into your residence, even if you use it for business.

See the instructions for Schedule C (Form 1040), line 25.

Lines 35a through 35f

Include all ordinary and necessary farm expenses not deducted elsewhere on Schedule F, such as advertising, office supplies, etc.

Amortization. You can amortize qualifying forestation and reforestation costs over an 84-month period. You can also amortize certain business startup costs over a period of at least 60 months. For more details, get Pub. 535. For amortization that begins in 1991, you must complete and attach Form 4562.

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 1991.

Bad Debts. Cash method taxpayers can deduct bad debts only if the amount was previously included in income. See the instructions for Schedule C (Form 1040), line 9.

Travel, Meals, and Entertainment. Generally, you can deduct expenses for farm business travel and 80% of your business meals and entertainment. But there are exceptions and limitations. See the instructions for Schedule C (Form 1040), lines 24a through 24c.

Preproductive Period Expenses. Enter in parentheses on line 35f, preproductive period expenses that are capitalized. If you had a preproductive period expense in 1991 and you checked the "No" box on line G of Schedule F because you decided to capitalize these expenses, you MUST enter the total of these expenses in parentheses on line 35f and write "263A" in the space to the left of the total.

You should not have a "263A" entry on line 35f if any of the following applies:

- You checked the "No" box on line G, but did not have any preproductive period expenses in 1991.
- You made the election on line G to currently deduct your preproductive period expenses (you checked the "Yes" box).
- You checked the "Does Not Apply" box on line G.

If you entered an amount in parentheses on line 35f because you have preproductive period expenses you are capitalizing, subtract the amount on line 35f from the total of lines 12 through 35e. Enter the result on line 38.

For more information, see the instructions for line G and Pub. 225.

Line 37

If you have a loss, the amount of loss you can deduct this year may be limited. Go on to line 38 before entering your loss on line 37. If you answered "No" to Question F on Schedule F, also see the instructions for Form 8582. Enter the net profit or deductible loss here and on Form 1040, line 19, and Schedule SE, line 1 (or Form 1041, line 8). Partnerships should stop here and enter the profit or loss on this line and on Form 1065, line 5.

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Line 38

At-Risk Rules. Generally, if you have (a) a loss from a farming activity, and (b) amounts in the activity for which you are not at risk, you will have to complete Form 6198, At-Risk Limitations, 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 activity.

Check Box 38b if you have amounts for which you are not at risk in this activity, such as the following:

- Nonrecourse loans used to finance the activity, to acquire property used in the activity, or to acquire 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.)
- Cash, property, or borrowed amounts used in the activity (or contributed to the activity, or used to acquire 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.

If all amounts are at risk in this business, check Box 38a and enter your loss on line 37. But if you answered "No" to Question F, you may need to complete Form 8582 to figure your allowable loss to enter on line 37. See the instructions for Form 8582 for more details.

If you checked Box 38b, get Form 6198 to determine the amount of your deductible loss and enter that amount on line 37. But if you answered "No" to Question F, 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 37. Be sure to attach Form 6198 to your return. If you checked Box 38b and you fail to attach Form 6198, processing of your tax return may be delayed.

Any loss from this activity not allowed for 1991 because of the at-risk rules is treated as a deduction allocable to the activity in 1992.

For more details, get Pub. 925, Passive Activity and At-Risk Rules. Also see the instructions for Form 6198.

Part III. Farm Income—Accrual Method

If you use the accrual method, report farm income when you earn it, not when you receive it. Generally, you must inventory your animals and crops if you use this method. Get Pub. 538, Accounting Periods and Methods, for exceptions, inventory methods, how to change methods of accounting, and

for rules that require certain costs to be capitalized or included in inventory.

Line 39

Enter the amount you received from the sales of livestock, produce, grains, and other products you raised.

Lines 40a through 42c

See the instructions for Part I, lines 5a through 7c.

Lines 44 and 45

See the instructions for Part I, lines 9 and 10.

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Section 9.

Other Information

How To Get Forms and Publications

Generally, we mail forms and schedules directly to you based on what seems to be right for you. Schedules and forms you may need are listed below. Also see the list of related publications.

Other publications and forms referred to in the instructions are also available without cost from the Distribution Center for your state (see the next page). See Pub. 910 for a complete list of available publications.

Forms

You can order the following items from the IRS or get them at participating banks, post offices, or libraries.

Form 1040
Instructions for Form 1040 and Schedules Schedule A for itemized deductions

Schedule B for interest income if more than \$400; for dividends and other distributions on stock if more than \$400; and for answering the Foreign Accounts or Foreign Trusts questions

Schedule EIC for the earned income credit **Form 1040A**

Instructions for Form 1040A and Schedules Schedule 1 for Form 1040A filers to report interest and dividend income

Schedule 2 for Form 1040A filers to report child and dependent care expenses

Form 1040EZ
Instructions for Form 1040EZ

You can photocopy the following items (as well as those listed above) at participating libraries or order them from the IRS:

Schedule 3, Credit for the Elderly or the Disabled for Form 1040A Filers

Schedule C, Profit or Loss From Business

Schedule D, Capital Gains and Losses

Schedule E, Supplemental Income and Loss

Schedule F, Profit or Loss From Farming

Schedule R, Credit for the Elderly or the Disabled

Schedule SE, Self-Employment Tax

Form 1040-ES, Estimated Tax for Individuals

Form 1040X, Amended U.S. Individual Income Tax Return

Form 2106, Employee Business Expenses

Form 2119, Sale of Your Home

Form 2210, Underpayment of Estimated Tax by Individuals and Fiduciaries

Form 2441, Child and Dependent Care Expenses

Form 3468, Investment Credit

Form 3903, Moving Expenses

Form 4562, Depreciation and Amortization

Form 4988, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return

Form 8283, Noncash Charitable Contributions

Form 8332, Release of Claim to Exemption for Child of Divorced or Separated Parents

Form 8582, Passive Activity Loss Limitations

Form 8822, Change of Address

334 Tax Guide for Small Business

463 Travel, Entertainment, and Gift Expenses

501 Exemptions, Standard Deduction, and Filing Information

502 Medical and Dental Expenses

504 Tax Information for Divorced or Separated Individuals

505 Tax Withholding and Estimated Tax

506 Educational Expenses

521 Moving Expenses

523 Tax Information on Selling Your Home

524 Credit for the Elderly or the Disabled

525 Taxable and Nontaxable Income

527 Residential Rental Property (Including Rental of Vacation Houses)

529 Miscellaneous Deductions

553 Highlights of 1991 Tax Changes

554 Tax Information for Older Americans

590 Individual Retirement Arrangements (IRAs)

596 Earned Income Credit

910 Guide to Free Tax Services (includes a list of publications)

917 Business Use of a Car

929 Tax Rules for Children and Dependents

Publications

The following publications can be ordered from the IRS, or you can read or photocopy them at participating libraries.

- 1 Your Rights as a Taxpayer
- 17 Your Federal Income Tax

Order Blank

1040	Schedule F (1040)	Schedule 3 (1040A) & instructions	2210 & instructions	8582 & instructions	Pub. 508	Pub. 590
Instructions for 1040 & Schedules	Schedule R (1040) & instructions	1040EZ	2441 & instructions	8822	Pub. 521	Pub. 596
Schedules A&B (1040)	Schedule SE (1040)	Instructions for 1040EZ	3903 & instructions	Pub. 1	Pub. 523	Pub. 910
Schedule C (1040)	1040A	1040-ES (1992)	4562 & instructions	Pub. 17	Pub. 525	Pub. 917
Schedule D (1040)	Instructions for 1040A & Schedules	1040X & instructions	4868	Pub. 334	Pub. 527	Pub. 929
Schedule E (1040)	Schedule 1 (1040A)	2106 & instructions	8283 & instructions	Pub. 463	Pub. 529	
Schedule EIC (1040A or 1040)	Schedule 2 (1040A)	2119 & instructions	8332	Pub. 505	Pub. 553	

Circle Desired Forms, Instructions, and Publications

We will send you two copies of each form and one copy of each publication or set of instructions you circle. Please cut the order blank on the dotted line and be sure to print or type your name and address accurately on the other side.

To help reduce waste, please order only the items you think you will need to prepare your return. Use the blank spaces to order items not listed. If you need more space, attach a separate sheet of paper listing the additional items you need.

How to Get Forms and Publications (continued)

Where to Send Your Order for Free Forms and Publications

Distribution Centers

If you live in:	Send to:	For other locations, see below:
Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming	Western Area Distribution Center Rancho Cordova, CA 95743-0001	Foreign Addresses— Taxpayers with mailing addresses in foreign countries should send this order blank to either: Eastern Area Distribution Center, P.O. Box 85074, Richmond, VA 23261-5074; or Western Area Distribution Center, Rancho Cordova, CA 95743-0001, whichever is closer. Send letter requests for other forms and publications to: Eastern Area Distribution Center, P.O. Box 85074, Richmond, VA 23261-5074.
Alabama, Arkansas, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, Texas, Wisconsin	Central Area Distribution Center P.O. Box 9903 Bloomington, IL 61799	Puerto Rico— Eastern Area Distribution Center, P.O. Box 85074, Richmond, VA 23261-5074.
Connecticut, Delaware, District of Columbia, Florida, Georgia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia	Eastern Area Distribution Center P.O. Box 85074 Richmond, VA 23261-5074	Virgin Islands— V.I. Bureau of Internal Revenue, Lockharts Garden No. 1A, Charlotte Amalie, St. Thomas, VI 00802

Label

Print or type your name and address on the label below. This will be the label used to return material to you. Enclose the order blank in your own envelope and address your envelope to the IRS address shown on this page for your state. Please allow 2 weeks to receive your order.

Save Time

Participating libraries have IRS tax forms available for copying and reference sets of Tax Information Publications. Also, participating banks, post offices, and libraries stock Forms 1040, 1040A, 1040EZ, their instructions, Schedules A&B, and EIC, and Schedules 1 and 2.



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Name _____

Number, street, and apt. number _____

City, town or post office, state, and ZIP code _____

Call the IRS With Your Tax Question

If the instructions to the tax forms and our free tax publications have not answered your question, please call us TOLL-FREE. "Toll-Free" is a telephone call for which you pay only local charges.

Choosing The Right Number

Use only the number listed on this page for your area. Use a local city number only if it is not a long distance call for you. Please do not dial "1-800" when using a local city number. However, when dialing from an area that does not have a local number, be sure to dial "1-800" before calling the toll-free number.

Before You Call

Remember that good communication is a two-way process. 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 tax questions by having the following information available:

1. The tax form, schedule, or notice to which your question relates;
2. 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.);
3. The name of any IRS publication or other source of information that you used to look for the answer.

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. The representative will be happy to take the additional time required to be sure he or she has answered your question fully and in the manner that is most helpful to you.

By law, you are responsible for paying your fair 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. To make sure that IRS representatives give accurate and courteous answers, a second IRS representative sometimes listens in on telephone calls. No record is kept of any taxpayer's identity.

Toll-free tax help telephone numbers

Alabama 1-800-829-1040	Massachusetts Boston, 523-1040 Elsewhere, 1-800-829-1040	Puerto Rico San Juan Metro Area, 788-5040
Alaska Anchorage, 661-7484 Elsewhere, 1-800-829-1040	Michigan Detroit, 237-0800 Elsewhere, 1-800-829-1040	Rhode Island 1-800-829-1040
Arizona Phoenix, 257-1233 Elsewhere, 1-800-829-1040	Minnesota Minneapolis, 644-7515 St. Paul, 644-7515 Elsewhere, 1-800-829-1040	South Carolina 1-800-829-1040
Arkansas 1-800-829-1040	Mississippi 1-800-829-1040	South Dakota 1-800-829-1040
California Oakland, 839-1040 San Francisco, 839-1040 Elsewhere, 1-800-829-1040	Missouri St. Louis, 342-1040 Elsewhere, 1-800-829-1040	Tennessee Nashville, 259-4601 Elsewhere, 1-800-829-1040
Colorado Denver, 825-7041 Elsewhere, 1-800-829-1040	Montana 1-800-829-1040	Texas Dallas, 742-2440 Houston, 965-0440 Elsewhere, 1-800-829-1040
Connecticut 1-800-829-1040	Nebraska Omaha, 422-1500 Elsewhere, 1-800-829-1040	Utah 1-800-829-1040
Delaware 1-800-829-1040	Nevada 1-800-829-1040	Vermont 1-800-829-1040
District of Columbia 1-800-829-1040	New Hampshire 1-800-829-1040	Virginia Richmond, 649-2361 Elsewhere, 1-800-829-1040
Florida Jacksonville, 354-1760 Elsewhere, 1-800-829-1040	New Jersey 1-800-829-1040	Washington Seattle, 442-1040 Elsewhere, 1-800-829-1040
Georgia Atlanta, 522-0050 Elsewhere, 1-800-829-1040	New Mexico 1-800-829-1040	West Virginia 1-800-829-1040
Hawaii Oahu, 541-1040 Elsewhere, 1-800-829-1040	New York Bronx, 732-0100 Brooklyn, 596-3770 Buffalo, 685-5432 Manhattan, 732-0100 Nassau, 222-1131 Queens, 596-3770 Staten Island, 596-3770 Suffolk, 724-5000 Elsewhere, 1-800-829-1040	Wisconsin Milwaukee, 271-3780 Elsewhere, 1-800-829-1040
Idaho 1-800-829-1040	North Carolina 1-800-829-1040	Wyoming 1-800-829-1040
Illinois Chicago, 435-1040 In area code 708, 1-312-435-1040 Elsewhere, 1-800-829-1040	North Dakota 1-800-829-1040	
Indiana Indianapolis, 226-5477 Elsewhere, 1-800-829-1040	Ohio Cincinnati, 621-6281 Cleveland, 522-3000 Elsewhere, 1-800-829-1040	
Iowa Des Moines, 283-0523 Elsewhere, 1-800-829-1040	Oklahoma 1-800-829-1040	
Kansas 1-800-829-1040	Oregon Portland, 221-3960 Elsewhere, 1-800-829-1040	
Kentucky 1-800-829-1040	Pennsylvania Philadelphia, 574-9900 Pittsburgh, 261-0112 Elsewhere, 1-800-829-1040	
Louisiana 1-800-829-1040		
Maine 1-800-829-1040		
Maryland Baltimore, 962-2590 Elsewhere, 1-800-829-1040		

What Is Tele-Tax?

Recorded Tax Information includes about 140 topics of tax information that answer many Federal tax questions. You can listen to up to three topics on each call you make.

Automated Refund Information is available so you can check the status of your refund.

How Do I Use Tele-Tax?

Choosing The Right Number

Use only the number listed on this page for your area. Use a local city number only if it is not a long distance call for you. Please do not dial "1-800" when using a local city number. However, when dialing from an area that does not have a local number, be sure to dial "1-800" before calling the toll-free number.

Recorded Tax Information

Topic numbers are effective January 1, 1992. A complete list of these topics is on the next page.

Touch-tone service is available 24 hours a day, 7 days a week.

Rotary or pulse dial service is available Monday through Friday during regular office hours.

Select, by number, the topic you want to hear. For the directory of topics, listen to topic no. 323.

Have paper and pencil handy to take notes.

Call the appropriate phone number listed on this page.

- If you have a touch-tone phone, immediately follow the recorded instructions, or
- If you have a rotary or pulse dial phone, wait for further recorded instructions.

Automated Refund Information

Be sure to have a copy of your tax return available since you will need to know the first social security number shown on your return, the filing status, and the exact amount of your refund.

Then, call the appropriate phone number listed on this page and follow the recorded instructions.

The IRS updates refund information every 7 days. If you call to find out about the status of your refund and do not receive a refund mailing date, please wait 7 days before calling back.

• Touch-tone service is available Monday through Friday from 7:00 A.M. to 11:30 P.M. (Hours may vary in your area.)

• Rotary or pulse dial service is available Monday through Friday during regular office hours.

Toll-free Tele-Tax telephone numbers

Alabama 1-800-829-4477	Kentucky 1-800-829-4477	Pennsylvania Philadelphia, 627-1040 Pittsburgh, 261-1040 Elsewhere, 1-800-829-4477
Alaska 1-800-829-4477	Louisiana 1-800-829-4477	Puerto Rico 1-800-829-4477
Arizona Phoenix, 252-4909 Elsewhere, 1-800-829-4477	Maine 1-800-829-4477	Rhode Island 1-800-829-4477
Arkansas 1-800-829-4477	Maryland Baltimore, 466-1040 Elsewhere, 1-800-829-4477	South Carolina 1-800-829-4477
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, 1-800-829-4032 Los Angeles, 617-3177 Oakland, 839-4245 Elsewhere, 1-800-829-4477	Massachusetts Boston, 523-6802 Elsewhere, 1-800-829-4477	South Dakota 1-800-829-4477
Colorado Denver, 592-1118 Elsewhere, 1-800-829-4477	Michigan Detroit, 961-4282 Elsewhere, 1-800-829-4477	Tennessee Nashville, 242-1541 Elsewhere, 1-800-829-4477
Connecticut 1-800-829-4477	Minnesota St. Paul, 644-7748 Elsewhere, 1-800-829-4477	Texas Dallas, 767-1792 Houston, 850-8801 Elsewhere, 1-800-829-4477
Delaware 1-800-829-4477	Mississippi 1-800-829-4477	Utah 1-800-829-4477
District of Columbia 882-1040	Missouri St. Louis, 241-4700 Elsewhere, 1-800-829-4477	Vermont 1-800-829-4477
Florida 1-800-829-4477	Montana 1-800-829-4477	Virginia Richmond, 783-1569 Elsewhere, 1-800-829-4477
Georgia Atlanta, 331-6572 Elsewhere, 1-800-829-4477	Nebraska Omaha, 221-3324 Elsewhere, 1-800-829-4477	Washington Seattle, 343-7221 Elsewhere, 1-800-829-4477
Hawaii 1-800-829-4477	Nevada 1-800-829-4477	West Virginia 1-800-829-4477
Idaho 1-800-829-4477	New Hampshire 1-800-829-4477	Wisconsin Milwaukee, 273-8100 Elsewhere, 1-800-829-4477
Illinois Chicago, 886-9614 In area code 708, 1-312-886-9614 Springfield, 789-0489 Elsewhere, 1-800-829-4477	New Jersey 1-800-829-4477	Wyoming 1-800-829-4477
Indiana Indianapolis, 631-1010 Elsewhere, 1-800-829-4477	New Mexico 1-800-829-4477	
Iowa Des Moines, 284-7454 Elsewhere, 1-800-829-4477	New York Bronx, 406-4080 Brooklyn, 858-4461 Buffalo, 685-5533 Manhattan, 406-4080 Queens, 658-4461 Staten Island, 858-4461 Elsewhere, 1-800-829-4477	
Kansas 1-800-829-4477	North Carolina 1-800-829-4477	
	North Dakota 1-800-829-4477	
	Ohio Cincinnati, 421-0329 Cleveland, 522-3037 Elsewhere, 1-800-829-4477	
	Oklahoma 1-800-829-4477	
	Oregon Portland, 294-5363 Elsewhere, 1-800-829-4477	

Tele-Tax (continued)

Tele-Tax Topic Numbers and Subjects

Table with 3 columns: Topic No., Subject, and Topic No. (continued). Topics include IRS procedures, tax assistance, and various tax forms.

Index to Instructions

Large index table with columns for Subject, Page, and Page. Includes sections A through U covering various tax topics like Adjustments to Income, Deductions, and Credits.

Topic numbers are effective January 1, 1992.

Step 1
Label

(See page 16.)
Use the IRS label. Otherwise, please print or type.

LABEL HERE	Your first name and initial _____ Last name _____		Your social security no. _____
	If a joint return, spouse's first name and initial _____ Last name _____		Spouse's social security no. _____
	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.) _____		

Presidential Election Campaign Fund (see page 17)

Do you want \$1 to go to this fund? Yes No
If joint return, does your spouse want \$1 to go to this fund? Yes No

For Privacy Act and Paperwork Reduction Act Notice, see page 8.

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

Step 2

Check your filing status
(Check only one.)

- 1 Single
- 2 Married filing joint return (even if only one had income)
- 3 Married filing separate return. Enter spouse's social security number above and spouse's 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 19.)

Step 3

Figure your exemptions
(See page 20.)

If more than seven dependents, see page 23.

6a <input type="checkbox"/> Yourself. If your parent (or someone else) can claim you as a dependent on his or her tax return, do not check box 6a. But be sure to check the box on line 18b on page 2.					No. of boxes checked on 6a and 6b
b <input type="checkbox"/> Spouse					No. of your children on 6c who: • lived with you • didn't live with you due to divorce or separation (see page 28)
c Dependents:					
(1) Name (first, initial, and last name)	(2) Check if under age 1	(3) If age 1 or older, dependent's social security number	(4) Dependent's relationship to you	(5) No. of months lived in your home in 1991	No. of other dependents listed on 6c Add numbers entered on lines above

d If your child didn't live with you but is claimed as your dependent under a pre-1985 agreement, check here
e Total number of exemptions claimed.

Step 4

Figure your total income

Attach Copy B of your Forms W-2 and 1099-R here.

Attach check or money order on top of any Form W-2 or 1099-R.

7 Wages, salaries, tips, etc. This should be shown in Box 10 of your W-2 form(s). (Attach Form(s) W-2.)	7		
8a Taxable interest income (see page 26). (If over \$400, also complete and attach Schedule 1, Part I.)	8a		
b Tax-exempt interest. (DO NOT include on line 8a.)	8b		
9 Dividends. (If over \$400, also complete and attach Schedule 1, Part II.)	9		
10a Total IRA distributions.	10a	10b Taxable amount (see page 27).	10b
11a Total pensions and annuities.	11a	11b Taxable amount (see page 27).	11b
12 Unemployment compensation (insurance) from Form(s) 1099-G.	12		
13a Social security benefits.	13a	13b Taxable amount (see page 31).	13b

14 Add lines 7 through 13b (far right column). This is your total income. ▶ 14

Step 5

Figure your adjusted gross income

15a Your IRA deduction from applicable worksheet.	15a
b Spouse's IRA deduction from applicable worksheet. <i>Note: Rules for IRAs begin on page 33.</i>	15b
c Add lines 15a and 15b. These are your total adjustments.	15c
16 Subtract line 15c from line 14. This is your adjusted gross income. (If less than \$21,250, see "Earned income credit" on page 41.)	▶ 16

Step 6

17 Enter the amount from line 16. 17

- 18a Check You were 65 or older Blind Enter number of if: Spouse was 65 or older Blind boxes checked ▶ 18a
- b If your parent (or someone else) can claim you as a dependent, check here ▶ 18b
- c If you are married filing separately and your spouse files Form 1040 and itemizes deductions, see page 37 and check here ▶ 18c

Figure your standard deduction,

- 19 Enter the standard deduction shown below for your filing status. But if you checked any box on line 18a or b, go to page 37 to find your standard deduction. If you checked box 18c, enter -0-.
- Single—\$3,400 • Head of household—\$5,000
 - Married filing jointly or Qualifying widow(er)—\$5,700
 - Married filing separately—\$2,850
- 20 Subtract line 19 from line 17. (If line 19 is more than line 17, enter -0-.) 20

exemption amount, and taxable income

21 Multiply \$2,150 by the total number of exemptions claimed on line 6e. 21

22 Subtract line 21 from line 20. (If line 21 is more than line 20, enter -0-.) This is your taxable income. ▶ 22

Step 7

Figure your tax, credits, and payments

If you want the IRS to figure your tax, see the instructions for line 22 on page 38.

- 23 Find the tax on the amount on line 22. Check if from:
 Tax Table (pages 44-49) or Form 8615 (see page 39) 23
- 24a Credit for child and dependent care expenses. Complete and attach Schedule 2. 24a
- b Credit for the elderly or the disabled. Complete and attach Schedule 3. 24b
- c Add lines 24a and 24b. These are your total credits. 24c
- 25 Subtract line 24c from line 23. (If line 24c is more than line 23, enter -0-.) 25
- 26 Advance earned income credit payments from Form W-2. 26
- 27 Add lines 25 and 26. This is your total tax. ▶ 27
- 28a Total Federal income tax withheld. (If any tax is from Form(s) 1099, check here .) 28a
- b 1991 estimated tax payments and amount applied from 1990 return. 28b
- c Earned income credit. Complete and attach Schedule EIC. 28c
- d Add lines 28a, 28b, and 28c. These are your total payments. ▶ 28d

Step 8

Figure your refund or amount you owe

Attach check or money order on top of Form(s) W-2, etc., on page 1.

- 29 If line 28d is more than line 27, subtract line 27 from line 28d. This is the amount you overpaid. 29
- 30 Amount of line 29 you want refunded to you. 30
- 31 Amount of line 29 you want applied to your 1992 estimated tax. 31
- 32 If line 27 is more than line 28d, subtract line 28d from line 27. This is the amount you owe. Attach check or money order for full amount payable to the "Internal Revenue Service." Write your name, address, social security number, daytime phone number, and "1991 Form 1040A" on it. 32
- 33 Estimated tax penalty (see page 43). 33

Step 9

Sign your return

Keep a copy of this return for your records.

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 the taxpayer) is based on all information of which the preparer has any knowledge.

Preparer's signature	Date	Your occupation
Your signature	Date	Your occupation
Spouse's signature (if joint return, BOTH must sign)	Date	Spouse's occupation
Preparer's signature	Date	Preparer's social security no.
Firm's name (or yours if self-employed) and address	E.I. No.	ZIP code

Paid preparer's use only

Schedule 2 Department of the Treasury—Internal Revenue Service
 (Form 1040A) **Child and Dependent Care Expenses for Form 1040A Filers**

1991

OMB No. 1545-0045

Name shown on Form 1040A

Your social security number

- If you are claiming the child and dependent care credit, complete Parts I and II below. But if you received employer-provided dependent care benefits, first complete Part III on the back.
 - If you are not claiming the credit but you received employer-provided dependent care benefits, only complete Part I below and Part III on the back.
- Caution:** If you have a child who was born in 1991 and the amount on Form 1040A, line 17, is less than \$21,250, see page 51 of the instructions before completing this schedule.

Part I	(a) Name	(b) Address (number, street, apt. no., city, state, and ZIP code)	(c) Identifying number (SSN or EIN)	(d) Amount paid (see instructions)
1				

Persons or organizations who provided the care

You MUST complete this part. (See page 52.)

(If you need more space, use the bottom of page 2.)

2 Add the amounts in column (d) of line 1. 2

Note: If you paid cash wages of \$50 or more in a calendar quarter to an individual for services performed in your home, you must file an employment tax return. Get Form 942 for details.

Part II

Credit for child and dependent care expenses

3 Enter the number of qualifying persons cared for in 1991. You must have shared the same home with the qualifying person(s). (See page 53 for the definition of a qualifying person.) 3

4 Enter the amount of qualified expenses you incurred and actually paid in 1991. See page 54 to find out which expenses qualify. **Caution: If you completed Part III on page 2, DO NOT include on this line any excluded benefits shown on line 23.** 4

5 Enter \$2,400 (\$4,800 if you paid for the care of two or more qualifying persons). 5

6 If you completed Part III on page 2, enter the excluded benefits, if any, from line 23. 6

7 Subtract line 6 from line 5. (If line 6 is equal to or more than line 5, STOP HERE; you cannot claim the credit.) 7

8 Compare the amounts on lines 4 and 7. Enter the smaller of the two amounts here. 8

9 You must enter your earned income. (See page 54 for the definition of earned income.) 9

Note: If you are not filing a joint return, skip line 10 and go to line 11.

10 If you are married filing a joint return, you must enter your spouse's earned income. (If your spouse was a full-time student or disabled, see the instructions for the amount to enter.) 10

11 • If you are married filing a joint return, compare the amounts on lines 8, 9, and 10. Enter the smallest of the three amounts here.
 • All others, compare the amounts on lines 8 and 9. Enter the smaller of the two amounts here. 11

12 Enter the amount from Form 1040A, line 17. 12

13 Enter the decimal amount from the table below that applies to the amount on line 12.

If line 12 is—		If line 12 is—	
Over	But not over	Over	But not over
\$0—10,000	.30	\$20,000—22,000	.24
10,000—12,000	.29	22,000—24,000	.23
12,000—14,000	.28	24,000—26,000	.22
14,000—16,000	.27	26,000—28,000	.21
16,000—18,000	.26	28,000—No limit	.20
18,000—20,000	.25		

13 ×

14 Multiply line 11 above by the decimal amount on line 13. Enter the result here and on Form 1040A, line 24a. 14 =

Part III	Employer-provided dependent care benefits	15
	15 Enter the total amount of employer-provided dependent care benefits you received for 1991. (This amount should be shown in Box 22 of your W-2 form(s). DO NOT include amounts that were reported to you as wages in Box 10 of Form(s) W-2.	15
	16 Enter the amount forfeited, if any. (See the instructions.)	16
	17 Subtract line 16 from line 15.	17
	18 Enter the total amount of qualified expenses incurred in 1991 for the care of a qualifying person. (See the instructions.)	18
	19 Compare the amounts on lines 17 and 18. Enter the smaller of the two amounts here.	19
	20 You must enter your earned income. (See the instructions for lines 9 and 10 for the definition of earned income.)	20
	21 If you were married at the end of 1991, you must enter your spouse's earned income. (If your spouse was a full-time student or disabled, see the instructions for lines 9 and 10 for the amount to enter.)	21
	22 • If you were married at the end of 1991, compare the amounts on lines 20 and 21. Enter the smaller of the two amounts here. • If you were unmarried, enter the amount from line 20 here.	22
	23 Excluded benefits. Enter here the smallest of the following: • The amount from line 19, or • The amount from line 22, or • \$5,000 (\$2,500 if married filing a separate return).	23
	24 Taxable benefits. Subtract line 23 from line 17. Enter the result. (If line 23 is more than line 17, enter -0-.) Also, include this amount in the total on Form 1040A, line 7. In the space to the left of line 7, write "DCB."	24

Complete this part only if you received employer-provided dependent care benefits. Also, be sure to complete Part I.

Note: If you are also claiming the child and dependent care credit, fill in Form 1040A through line 23. Then complete Part II of this schedule.

Schedule 3 Department of the Treasury—Internal Revenue Service
Credit for the Elderly or the Disabled
 (Form 1040A) **for Form 1040A Filers** **1991**
 Name shown on Form 1040A OMB No. 1545-0045
 Your social security number

You may be able to use Schedule 3 to reduce your tax if by the end of 1991:

- You were age 65 or older. **OR** You were under age 65, you retired on **permanent and total** disability, and you received taxable disability income.

But you must also meet other tests. See the separate instructions for Schedule 3.
Note: In most cases, the IRS can figure the credit for you. See page 39 of the Form 1040A instructions.

Part I If your filing status is: **And by the end of 1991:** **Check only one box:**

Check the box for your filing status and age

Single, Head of household, or Qualifying widower with dependent child

1 You were 65 or older 1

2 You were under 65 and you retired on permanent and total disability 2

3 Both spouses were 65 or older. 3

4 Both spouses were under 65, but only one spouse retired on permanent and total disability 4

5 Both spouses were under 65, and both retired on permanent and total disability 5

6 One spouse was 65 or older, and the other spouse was under 65 and retired on permanent and total disability 6

7 One spouse was 65 or older, and the other spouse was under 65 and **NOT** retired on permanent and total disability. 7

Married filing a joint return

8 You were 65 or older and you did not live with your spouse at any time in 1991. 8

9 You were under 65, you retired on permanent and total disability, and you did not live with your spouse at any time in 1991. 9

Married filing a separate return

If you checked Box 1, 3, 7, or 8, skip Part II and complete Part III on the back. All others, complete Parts II and III.

Part II **Statement of permanent and total disability**

IF: 1 You filed a physician's statement for this disability for 1983 or an earlier year, or you filed a statement for tax years after 1983 and your physician signed line B on the statement, **AND**

2 Due to your continued disabled condition, you were unable to engage in any substantial gainful activity in 1991, check this box

- If you checked this box, you do not have to file another statement for 1991.
- If you did not check this box, have your physician complete the following statement:

Physician's statement (See instructions at bottom of page 2.)

I certify that _____ Name of disabled person

was permanently and totally disabled on January 1, 1976, or January 1, 1977. **OR** was permanently and totally disabled on the date he or she retired. If retired after December 31, 1976, enter the date retired ▶ _____

Physician: Sign your name on either line A or B below.

A The disability has lasted, or can be expected to last, continuously for at least a year. Physician's signature _____ Date _____

B There is no reasonable probability that the disabled condition will ever improve. Physician's signature _____ Date _____

Physician's name _____ Physician's address _____

Part III **Figure your credit**

10	If you checked (in Part I):	Enter:	
	Box 1, 2, 4, or 7	\$5,000	
	Box 3, 5, or 6	\$7,500	
	Box 8 or 9	\$3,750	10
Caution: If you checked Box 2, 4, 5, 6, or 9 in Part I, you MUST complete line 11 below. Otherwise, skip line 11 and enter the amount from line 10 on line 12.			
11	If you checked Box 6 in Part I, enter on line 11 the taxable disability income of the spouse who was under age 65 PLUS \$5,000. Otherwise, enter on line 11 your taxable disability income (and also your spouse's if you checked Box 5 in Part I) that you reported on Form 1040A. (For more details on what to include, see the instructions.)		11
12	If you completed line 11 above, compare lines 10 and 11, and enter the smaller of the two amounts here. Otherwise, enter the amount from line 10.		12
13	Enter the following pensions, annuities, or disability income that you (and your spouse if you file a joint return) received in 1991 (see instructions):		
	a Nontaxable part of social security benefits, and Nontaxable part of railroad retirement benefits treated as social security.	13a	
	b Nontaxable veterans' pensions and any other pension, annuity, or disability benefit that is excluded from income under any other provision of law.	13b	
	c Add lines 13a and 13b. (Even though these income items are not taxable, they must be included here to figure your credit.) If you did not receive any of the types of nontaxable income listed on line 13a or 13b, enter -0- on line 13c.	13c	
14	Enter the amount from Form 1040A, line 17.	14	
15	If you checked (in Part I):	Enter:	
	Box 1 or 2	\$7,500	
	Box 3, 4, 5, 6, or 7	\$10,000	
	Box 8 or 9	\$5,000	15
16	Subtract line 15 from line 14. If line 15 is more than line 14, enter -0-.	16	
17	Divide line 16 above by 2.	17	
18	Add lines 13c and 17.	18	
19	Subtract line 18 from line 12. If the result is zero or less, stop here; you cannot take the credit. Otherwise, go to line 21.	19	
20	Decimal amount used to figure the credit.	20	× 15
21	Multiply line 19 above by the decimal amount (.15) on line 20. Enter the result here and on Form 1040A, line 24b.	21	

Instructions for physician's statement

Taxpayer.—If you retired after December 31, 1976, enter the date you retired in the space provided in Part II.

Physician.—A person is permanently and totally disabled if **both** of the following apply:

- He or she cannot engage in any substantial gainful activity because of a physical or mental condition, and
- A physician determines that the disability has lasted, or can be expected to last, continuously for at least a year or can lead to death.

Form **1040EZ** Department of the Treasury—Internal Revenue Service
Income Tax Return for Single Filers With No Dependents (2) **1991** OMB No. 1545-0675

Name & address Use the IRS label (see page 10). If you don't have one, please print.

L Print your name (first, initial, last)
A
B
L
H Home address (number and street). (If you have a P.O. box, see page 11.) Apt. no.
E
R City, town or post office, state, and ZIP code. (If you have a foreign address, see page 11.)

Please print your numbers like this:

9876543210

Your social security number

Please see instructions on the back. Also, see the Form 1040EZ booklet.

Presidential Election Campaign (see page 11) Note: Checking "Yes" will not change your tax or reduce your refund.
 Do you want \$1 to go to this fund? Yes No

Report your income

1 Total wages, salaries, and tips. This should be shown in Box 10 of your W-2 form(s). (Attach your W-2 form(s).) **1**

2 Taxable interest income of \$400 or less. If the total is more than \$400, you cannot use Form 1040EZ. **2**

3 Add line 1 and line 2. This is your **adjusted gross income**. **3**

4 Can your parents (or someone else) claim you on their return?
 Yes. Do worksheet on back; enter amount from line E here.
 No. Enter 5,550.00. This is the total of your standard deduction and personal exemption. **4**

5 Subtract line 4 from line 3. If line 4 is larger than line 3, enter 0. This is your **taxable income**. **5**

Figure your tax

6 Enter your Federal income tax withheld from Box 9 of your W-2 form(s). **6**

7 **Tax.** Use the amount on line 5 to find your tax in the tax table on pages 16-18 of the booklet. Enter the tax from the table on this line. **7**

Refund or amount you owe

8 If line 6 is larger than line 7, subtract line 7 from line 6. This is your **refund**. **8**

9 If line 7 is larger than line 6, subtract line 6 from line 7. This is the amount you owe. Attach your payment for full amount payable to the "Internal Revenue Service." Write your name, address, social security number, daytime phone number, and "1991 Form 1040EZ" on it. **9**

Sign your return

I have read this return. Under penalties of perjury, I declare that to the best of my knowledge and belief, the return is true, correct, and complete.

Your signature _____ Date _____
 Your occupation _____
 X

1991 Instructions for Form 1040EZ

Use this form if

- Your filing status is single.
- You were under 65 and not blind at the end of 1991.
- You do not claim any dependents.
- Your taxable income (line 5) is less than \$50,000.
- You had **only** wages, salaries, tips, and taxable scholarship or fellowship grants, and your taxable interest income was \$400 or less. **Caution:** If you earned tips (including allocated tips) that are not included in Box 13 and Box 14 of your W-2, you may not be able to use Form 1040EZ. See page 12 in the booklet.
- You did not receive any advance earned income credit payments.

If you are not sure about your filing status, see page 6 in the booklet. If you have questions about dependents, see Tele-Tax (topic no. 155) on page 25 in the booklet. If you can't use this form, see Tele-Tax (topic no. 152) on page 25 in the booklet.

Completing your return

Please print your numbers inside the boxes. Do not type your numbers. Do not use dollar signs. Most people can fill out the form by following the instructions on the front. But you will have to use the booklet if you received a scholarship or fellowship grant or tax-exempt interest income (such as on municipal bonds). Also use the booklet if you received a 1099-INT showing income tax withheld (backup withholding) or if you had two or more employers and your total wages were more than \$53,400. **Remember,** you must report your wages, salaries, and tips even if you don't get a W-2 form from your employer. You must also report all your taxable interest income, including interest from savings accounts at banks, savings and loans, credit unions, etc., even if you don't get a Form 1099-INT. If you paid someone to prepare your return, that person must also sign it and show other information. See page 15 in the booklet.

Standard deduction worksheet for dependents who checked "Yes" on line 4

Fill in this worksheet to figure the amount to enter on line 4 if someone can claim you as a dependent (even if that person chooses not to claim you).

- | | |
|---|--------------------|
| A. Enter the amount from line 1 on front. | A. _____ |
| B. Minimum amount. | B. 550.00 |
| C. Compare the amounts on lines A and B above. Enter the LARGER of the two amounts here. | C. _____ |
| D. Maximum amount. | D. 3,400.00 |
| E. Compare the amounts on lines C and D above. Enter the SMALLER of the two amounts here and on line 4 on front. | E. _____ |

If you checked "No" because no one can claim you as a dependent, enter 5,550.00 on line 4. This is the total of your standard deduction (3,400.00) and personal exemption (2,150.00).

Avoid common mistakes

1. Are your name, address, and social security number on the label correct? If not, did you correct the label?
2. If you didn't get a label, did you enter your name, address (including ZIP code), and social security number in the spaces provided on page 1 of Form 1040EZ?
3. Did you check the "Yes" box on line 4 if your parents (or someone else) can claim you as a dependent on their 1991 return (even if they choose not to claim you)? If no one can claim you as a dependent, did you check the "No" box?
4. Did you enter an amount on line 4? If you checked the "Yes" box on line 4, did you fill out the worksheet above to figure the amount to enter? If you checked the "No" box, did you enter 5,550.00?
5. Did you check your computations (additions, subtractions, etc.) especially when figuring your taxable income, Federal income tax withheld, and your refund or amount you owe?
6. Did you use the amount from line 5 to find your tax in the tax table? Did you enter the correct tax on line 7?
7. Did you attach your W-2 form(s) to the left margin of your return? And, did you sign and date Form 1040EZ and enter your occupation?

Mailing your return

Mail your return by **April 15, 1992**. Use the envelope that came with your booklet. If you don't have that envelope, see page 19 in the booklet for the address to use.

SCHEDULES A&B
(Form 1040)

Schedule A—Itemized Deductions

OMB No. 1545-0074

1991

Attachment Sequence No. **07**

Department of the Treasury
Internal Revenue Service (0)

▶ Attach to Form 1040. ▶ See instructions for Schedules A and B (Form 1040).

Name(s) shown on Form 1040

Your social security number

Medical and Dental Expenses	1 [†] Medical and dental expenses. (See page 38.)	1		
	2 Enter amount from Form 1040, line 32	2		
	3 Multiply line 2 above by 7.5% (.075)	3		
	4 Subtract line 3 from line 1. Enter the result. If less than zero, enter -0-	4		
Taxes You Paid	5 State and local income taxes	5		
	6 Real estate taxes	6		
	7 Other taxes. (List—include personal property taxes.) ▶	7		
	8 Add lines 5 through 7. Enter the total	8		
Interest You Paid	9a Home mortgage interest and points reported to you on Form 1098	9a		
	b Home mortgage interest not reported to you on Form 1098. (If paid to an individual, show that person's name and address.) ▶			
	10 Points not reported to you on Form 1098. (See instructions for special rules.)	10		
	11 Investment interest (attach Form 4952 if required). (See page 40.)	11		
	12 Add lines 9a through 11. Enter the total.	12		
Gifts to Charity	13 Contributions by cash or check	13		
	14 Other than cash or check. (You MUST attach Form 8283 if over \$500.)	14		
	15 Carryover from prior year	15		
	16 Add lines 13 through 15. Enter the total.	16		
Casualty and Theft Losses	17 Casualty or theft loss(es) (attach Form 4684). (See page 40.)	17		
Moving Expenses	18 Moving expenses (attach Form 3903 or 3903F). (See page 41.)	18		
Job Expenses and Most Other Miscellaneous Deductions	19 Unreimbursed employee expenses—job travel, union dues, job education, etc. (You MUST attach Form 2106 if required. See instructions.) ▶	19		
	20 Other expenses (investment, tax preparation, safe deposit box, etc.). List type and amount ▶	20		
	21 Add lines 19 and 20	21		
	22 Enter amount from Form 1040, line 32	22		
	23 Multiply line 22 above by 2% (.02)	23		
	24 Subtract line 23 from line 21. Enter the result. If less than zero, enter -0-	24		
Other Miscellaneous Deductions	25 Other (from list on page 41 of instructions). List type and amount ▶	25		
Total Itemized Deductions	26 • If the amount on Form 1040, line 32, is \$100,000 or less (\$50,000 or less if married filing separately), add lines 4, 8, 12, 16, 17, 18, 24, and 25. Enter the total here. • If the amount on Form 1040, line 32, is more than \$100,000 (more than \$50,000 if married filing separately), see page 42 for the amount to enter. Caution: Be sure to enter on Form 1040, line 34, the LARGER of the amount on line 26 above or your standard deduction.	26		

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Cat. No. 113303X

Schedule A (Form 1040) 1991

Schedules A&B (Form 1040) 1991

OMB No. 1545-0074 Page 2

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 Dividend Income

Attachment Sequence No. **08**

Part I Interest Income

If you received more than \$400 in taxable interest income, or you are claiming the exclusion of interest from series EE U.S. savings bonds issued after 1989 (see page 43), you must complete Part I. List ALL interest received in Part I. If you received more than \$400 in taxable interest income, you must also complete Part III. If you received, as a nominee, interest that actually belongs to another person, or you received or paid accrued interest on securities transferred between interest payment dates, see page 43.

(See pages 15 and 43.)

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.

Interest Income	Amount
1 Interest income. (List name of payer—if any interest income is from seller-financed mortgages, see instructions and list this interest first.) ▶	
2 Add the amounts on line 1	
3 Enter the excludable savings bond interest, if any, from Form 8815, line 14. Attach Form 8815 to Form 1040	
4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a. ▶	

Part II Dividend Income

If you received more than \$400 in gross dividends and/or other distributions on stock, you must complete Parts II and III. If you received, as a nominee, dividends that actually belong to another person, see page 43.

(See pages 16 and 43.)

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 total dividends shown on that form.

Dividend Income	Amount
5 Dividend income. (List name of payer—include on this line capital gain distributions, nontaxable distributions, etc.) ▶	
6 Add the amounts on line 5	
7 Capital gain distributions. Enter here and on Schedule D	
8 Nontaxable distributions. (See the inst. for Form 1040, line 9.)	
9 Add lines 7 and 8	
10 Subtract line 9 from line 6. Enter the result here and on Form 1040, line 9 ▶	

Part III Foreign Accounts and Foreign Trusts

If you received more than \$400 of interest or dividends, OR if you had a foreign account or were a grantor of, or a transferor to, a foreign trust, you must answer both questions in Part III.

(See page 43.)

	Yes	No
11a At any time during 1991, 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 43 for exceptions and filing requirements for Form TD F 90-22.1.)		
b If "Yes," enter the name of the foreign country ▶		
12 Were you the grantor of, or transferor to, a foreign trust that existed during 1991, whether or not you have any beneficial interest in it? If "Yes," you may have to file Form 3520, 3520-A, or 926.		

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule B (Form 1040) 1991

SCHEDULE C (Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

1991

Department of the Treasury
Internal Revenue Service (0)

Partnerships, joint ventures, etc., must file Form 1065.

Attach to Form 1040 or Form 1041. See Instructions for Schedule C (Form 1040).

Attachment
Sequence No. 09

Name of proprietor _____ Social security number (SSN) _____

A Principal business or profession, including product or service (see instructions) _____ **B** Enter principal business code (from page 2) _____

C Business name _____ **D** Employer ID number (Not SSN) _____

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 Method(s) used to value closing inventory: (1) Cost (2) Lower of cost or market (3) Other (attach explanation) (4) Does not apply (if checked, skip line H) **Yes No**

H Was there any change in permanent quantities, costs, or valuations between opening and closing inventory? (If "Yes," attach explanation.) _____

I Did you "materially participate" in the operation of this business during 1991? (If "No," see instructions for limitations on losses.) _____

J If this is the first Schedule C filed for this business, 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 the instructions and check here	1
2	Returns and allowances	2
3	Subtract line 2 from line 1	3
4	Cost of goods sold (from line 40 on page 2)	4
5	Subtract line 4 from line 3 and enter the gross profit here	5
6	Other income, including Federal and state gasoline or fuel tax credit or refund (see instructions).	6
7	Add lines 5 and 6. This is your gross income .	7

Part II Expenses (Caution: Enter expenses for business use of your home on line 30)

8	Advertising	8	21	Repairs and maintenance	21
9	Bad debts from sales or services (see instructions).	9	22	Supplies (not included in Part III).	22
10	Car and truck expenses (see instructions—also attach Form 4562)	10	23	Taxes and licenses	23
11	Commissions and fees	11	24	Travel, meals, and entertainment:	24a
12	Depletion	12	a	Travel	
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions).	13	b	Meals and entertainment	
14	Employee benefit programs (other than on line 19)	14	c	Enter 20% of line 24b subject to limitations (see instructions)	24d
15	Insurance (other than health)	15	d	Subtract line 24c from line 24b	24d
16	Interest:	16a	25	Utilities	25
	a Mortgage (paid to banks, etc.)	16a	26	Wages (less jobs credit)	26
	b Other	16b	27a	Other expenses (list type and amount)	
17	Legal and professional services	17	27b	Total other expenses	27b
18	Office expense	18			
19	Pension and profit-sharing plans	19			
20	Rent or lease (see instructions):	20a			
	a Vehicles, machinery, and equipment	20a			
	b Other business property	20b			
28	Add amounts in columns for lines 8 through 27b. These are your total expenses before expenses for business use of your home	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 here and on Form 1040, line 12. Also enter the net profit on Schedule SE, line 2 (statutory employees, see instructions). If a loss, you MUST go on to line 32 (fiduciaries, see instructions)	31			
32	If you have a loss, you MUST check the box that describes your investment in this activity (see instructions). If you checked 32a, enter the loss on Form 1040, line 12, and Schedule SE, line 2 (statutory employees, see instructions). If you checked 32b, you MUST attach Form 6198.	32a			
		32b			

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Cat. No. 11334P

Schedule C (Form 1040) 1991

Schedule C (Form 1040) 1991

Page 2

Part III Cost of Goods Sold (See instructions.)

33	Inventory at beginning of year. (If different from last year's closing inventory, attach explanation.)	33
34	Purchases less cost of items withdrawn for personal use	34
35	Cost of labor. (Do not include salary paid to yourself.)	35
36	Materials and supplies	36
37	Other costs	37
38	Add lines 33 through 37	38
39	Inventory at end of year	39
40	Cost of goods sold. Subtract line 39 from line 38. Enter the result here and on page 1, line 4	40

Part IV Principal Business or Professional Activity Codes

Locate the major category that best describes your activity. Within the major category, select the activity code that most closely identifies the business or profession that is the principal source of your sales or receipts. Enter this 4-digit code on page 1, line B. For example, real estate agent is under the major category of "Real Estate," and the code is "5520." (Note: If your principal source of income is from farming activities, you should file Schedule F (Form 1040), Profit or Loss From Farming.)

Agricultural Services, Forestry, Fishing	1552 Oil & gas 1719 Quarrying & nonmetallic mining	7260 Public relations 7261 Public warehousing 7262 Surveying services 7263 Teaching or tutoring 7264 Trash collection without own dump 7265 Utilities (dumps, snowplowing, road cleaning, etc.)	Building, Hardware, & Garden Supply 4416 Building materials dealers 4417 Hardware stores 4418 Nurseries & garden supply stores 4419 Paint, glass, & wallpaper stores
Real Estate	5530 Operators & lessors of buildings, except residential 5531 Operators & lessors of other real property 5532 Real estate agents & brokers 5533 Real estate property managers 5534 Subdividers & developers, except cemeteries 6155 Title abstract offices	7880 Other business services 6882 Other personal services	Food & Beverages 0612 Bakeries selling at retail 3086 Catering services 3095 Drinking places (bars, taverns, pubs, saloons, etc.) 3079 Eating places, meals & snacks 3210 Grocery stores (general line) 3251 Liquor stores 3256 Specialized food stores (meat produce, candy, health food, etc.)
Construction	0018 Operative builders (for own account)	Hotels & Other Lodging Places 7237 Camps & camping parks 7096 Hotels, motels, & tourist homes 7211 Rooming & boarding houses	Laundry & Cleaning Services 7450 Carpet & upholstery cleaning 7419 Coin-operated laundries & dry cleaning 7435 Full-service laundry, dry cleaning, & garment service 7476 Janitorial & related services (building, house, & window cleaning)
Building Trade Contractors, Including Repairs	0414 Carpentry & flooring 0455 Concrete work 0273 Electrical work 0299 Masonry, dry wall, stone, & tile 0257 Painting & paper hanging 0232 Plumbing, heating, & air conditioning 0430 Roofing, siding & sheet metal 0865 Other building trade contractors (excavation, glazing, etc.)	Services: Personal, Professional, & Business Services 9670 Bowling centers 9688 Motion picture & tape distribution 9597 Motion picture & video production 9639 Motion picture theaters 8557 Physical fitness facilities 9696 Professional sports & racing, including promoters & managers 9811 Theatrical performers, musicians, agents, producers & related services 9613 Video tape rental 9837 Other amusement & recreational services Automotive Services 8813 Automotive rental or leasing, without driver 8953 Automotive repairs, general & specialized 8839 Parking, except valet 8896 Other automotive services (wash, towing, etc.)	Medical & Health Services 9274 Chiropractors 9233 Dentist's office or clinic 9217 Doctor's (M.D.) office or clinic 9456 Medical & dental laboratories 9472 Nursing & personal care facilities 9293 Optometrists 9258 Osteopathic physicians & surgeons 9241 Podiatrists 9415 Registered & practical nurses 9431 Offices & clinics of other health practitioners (dietitians, midwives, speech pathologists, etc.) 9886 Other health services
Finance, Insurance, & Related Services	6064 Brokers & dealers of securities 6060 Commodity contracts brokers & dealers; security & commodity exchanges 6148 Credit institutions & mortgage bankers 5702 Insurance agents or brokers 5744 Insurance services (appraisal, consulting, inspection, etc.) 6130 Investment advisors & services 5777 Other financial services	Amusement & Recreational Services 9670 Bowling centers 9688 Motion picture & tape distribution 9597 Motion picture & video production 9639 Motion picture theaters 8557 Physical fitness facilities 9696 Professional sports & racing, including promoters & managers 9811 Theatrical performers, musicians, agents, producers & related services 9613 Video tape rental 9837 Other amusement & recreational services Automotive Services 8813 Automotive rental or leasing, without driver 8953 Automotive repairs, general & specialized 8839 Parking, except valet 8896 Other automotive services (wash, towing, etc.)	Miscellaneous Repair, Except Computers 9019 Audio equipment & TV repair 9055 Electrical & electronic equipment repair, except motor vehicle parts 9050 Furniture repair & upholstery 2881 Other equipment repair
Manufacturing, Including Printing & Publishing	0679 Apparel & other textile products 1115 Electric & electronic equipment 1073 Fabricated metal products 0638 Food products & beverages 0810 Furniture & fixtures 0695 Leather footwear, handbags, etc. 0836 Lumber & other wood products 1099 Machinery & machine shops 0877 Paper & allied products 1057 Primary metal industries 0851 Printing & publishing 1032 Stone, clay, & glass products 0653 Textile mill products 1863 Other manufacturing industries	Business & Personal Services 7658 Accounting & bookkeeping 7716 Advertising, except direct mail 7682 Architectural services 8318 Barber shop (or barber) 8110 Beauty shop (or beautician) 8714 Child day care 6676 Communication services 7872 Computer programming, processing, data preparation & related services 7922 Computer repair, maintenance, & leasing 7286 Consulting services 7799 Consumer credit reporting & collection services 8755 Counseling (except health practitioners) 6395 Courier or package delivery 7732 Employment agencies & personnel supply 7518 Engineering services 7773 Equipment rental & leasing (except computer or automotive) 8532 Funeral services & crematories 7633 Income tax preparation 7914 Investigative & protective services 7617 Legal services (lawyer) 7856 Mailing, reproduction, commercial art, photography, & stenographic services 7245 Management services 8771 Ministers & chaplains 8334 Photographic studios	Trade, Retail—Selling Goods to Individuals & Households 3038 Catalog or mail order 3012 Selling door to door, by telephone or party plan, or from mobile unit 3053 Vending machine selling Selling From Showroom, Store, or Other Fixed Location Apparel & Accessories 3921 Accessory & specialty stores & furriers for women 3939 Clothing, family 3772 Clothing, men's & boys' 3913 Clothing, women's 3756 Shoe stores 3954 Other apparel & accessory stores Automotive & Service Stations 3558 Gasoline service stations 3319 New car dealers (franchised) 3533 Tires, accessories, & parts 3335 Used car dealers 3517 Other automotive dealers (motorcycles, recreational vehicles, etc.)
Mining & Mineral Extraction	1537 Coal mining 1511 Metal mining	Miscellaneous Repair, Except Computers 9019 Audio equipment & TV repair 9055 Electrical & electronic equipment repair, except motor vehicle parts 9050 Furniture repair & upholstery 2881 Other equipment repair	Trade, Wholesale—Selling Goods to Other Businesses, etc. Durable Goods, Including Machinery Equipment, Wood, Metals, etc. 2634 Agent or broker for other firms—more than 50% of gross sales on commission 2618 Selling for your own account Non-durable Goods, Including Food, Fiber, Chemicals, etc. 2675 Agent or broker for other firms—more than 50% of gross sales on commission 2659 Selling for your own account
		Transportation Services 6619 Air transportation 6312 Bus & trolleybus transportation 6361 Highway passenger transportation (except chartered service) 6114 Taxicabs 6635 Travel agents & tour operators 6338 Trucking (except trash collection) 6551 Water transportation 6650 Other transportation services	8888 Unable to classify

U.S. Government Printing Office: 1991 — 285-173

SCHEDULE D (Form 1040)

Capital Gains and Losses (And Reconciliation of Forms 1099-B for Bartering Transactions)

OMB No. 1545-0074

1991

Attachment Sequence No. 12A

Department of the Treasury Internal Revenue Service (g)

Attach to Form 1040. See Instructions for Schedule D (Form 1040).

For more space to list transactions for lines 1a and 8a, get Schedule D-1 (Form 1040).

Name(s) shown on Form 1040

Your social security number

Caution: Add the following amounts reported to you for 1991 on Forms 1099-B and 1099-S (or on substitute statements): (a) proceeds from transactions involving stocks, bonds, and other securities, and (b) gross proceeds from real estate transactions not reported on another form or schedule.

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

Table with 7 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Sales price, (e) Cost or other basis, (f) LOSS, (g) GAIN. Includes rows for 1a Stocks, Bonds, Other Securities, and Real Estate, and 2 Short-term gain from sale or exchange of your home.

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

Table with 7 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Sales price, (e) Cost or other basis, (f) LOSS, (g) GAIN. Includes rows for 8a Stocks, Bonds, Other Securities, and Real Estate, and 9 Long-term gain from sale or exchange of your home.

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Cat. No. 11338H

Schedule D (Form 1040) 1991

Schedule D (Form 1040) 1991

Attachment Sequence No. 12A Page 2

Name(s) shown on Form 1040. (Do not enter name and social security number if shown on other side.)

Your social security number

Part III Summary of Parts I and II

Table with 2 columns: Line number and Description. Includes lines 17 and 18 for net gain or loss.

Part IV Tax Computation Using Maximum Capital Gains Rate

Table for tax computation with columns for filing status box, Form 1040 line 37, and Form 1040 line 38. Includes rows 19-27.

Part V Capital Loss Carryovers from 1991 to 1992

Table for capital loss carryovers with columns for Section A, B, and C. Includes rows 28-43.

Part VI Election Not To Use the Installment Method

Table with 2 columns: Line number and Description. Includes lines 44-46.

Part VII Reconciliation of Forms 1099-B for Bartering Transactions

Table for reconciliation of bartering transactions with columns for Form 1040 line and Amount of bartering income. Includes lines 47-50.

U.S. Government Printing Office: 1991 - 295-176

**SCHEDULE E
(Form 1040)**

Supplemental Income and Loss
(From rents, royalties, partnerships, estates, trusts, REMICs, etc.)

OMB No. 1545-0074

1991

Attachment Sequence No. **13**

Department of the Treasury
Internal Revenue Service (6)

▶ Attach to Form 1040 or Form 1041.
▶ See Instructions for Schedule E (Form 1040).

Name(s) shown on return

Your social security number

Part I Income or Loss From Rentals and Royalties Note: Report farm rental income or loss from Form 4835 on page 2, line 39.

1 Show the kind and location of each rental property:	2 For each rental property listed on line 1, did you or your family use it for personal purposes for more than the greater of 14 days or 10% of the total days rented at fair rental value during the tax year? (See instructions.)	Yes	No
A		A	
B		B	
C		C	

	Properties			Totals (Add columns A, B, and C.)
	A	B	C	
3 Rents received	3			3
4 Royalties received	4			4
Rental and Royalty Expenses:				
5 Advertising	5			
6 Auto and travel	6			
7 Cleaning and maintenance	7			
8 Commissions	8			
9 Insurance	9			
10 Legal and other professional fees	10			
11 Mortgage interest paid to banks, etc. (see instructions)	11			11
12 Other interest	12			
13 Repairs	13			
14 Supplies	14			
15 Taxes	15			
16 Utilities	16			
17 Wages and salaries	17			
18 Other (list) ▶	18			
19 Add lines 5 through 18	19			19
20 Depreciation expense or depletion (see instructions)	20			20
21 Total expenses. Add lines 19 and 20	21			
22 Income or (loss) from rental or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see instructions to find out if you must file Form 6198.	22			
23 Deductible rental loss. Caution: Your rental loss on line 22 may be limited. See instructions to find out if you must file Form 8562.	23			
24 Income. Add rental and royalty income from line 22. Enter the total income here	24			24
25 Losses. Add royalty losses from line 22 and rental losses from line 23. Enter the total losses here	25			25
26 Total rental 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, enter the amount from line 26 on Form 1040, line 18. Otherwise, include the amount from line 26 in the total on line 40 on page 2	26			26

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Cat. No. 11344L

Schedule E (Form 1040) 1991

Schedule E (Form 1040) 1991

Attachment Sequence No. **13**

Page **2**

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.

Part II Income or Loss From Partnerships and S Corporations

If you report a loss from an at-risk activity, you MUST check either column (e) or (f) of line 27 to describe your investment in the activity. See instructions. 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	(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 8562 if required)	(h) Passive income from Schedule K-1	(i) Nonpassive loss from Schedule K-1	(j) Section 179 expense deduction from Form 4392
A			
B			
C			
D			
E			
28a Totals			
b Totals			
29 Add columns (h) and (k) of line 28a. Enter the total income here			29
30 Add columns (g), (i), and (j) of line 28b. Enter the total here			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		
C		

Passive Income and Loss		Nonpassive Income and Loss	
(c) Passive deduction or loss allowed (attach Form 8562 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			
C			
33a Totals			
b Totals			
34 Add columns (d) and (f) of line 33a. Enter the total income here			34
35 Add columns (c) and (e) of line 33b. Enter the total here			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 O, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules O, line 1b	(e) Income from Schedules O, line 3b
A					
B					
C					
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 18	40
41 Reconciliation of Farming and Fishing Income: Enter your gross farming and fishing income reported in Parts II and III and on line 39 (see instructions)	41

U.S. Government Printing Office: 1991 - 285-180

SCHEDULE EIC
(Form 1040A or 1040)

Earned Income Credit

OMB No. 1545-0074

1991

Attachment Sequence No. 43

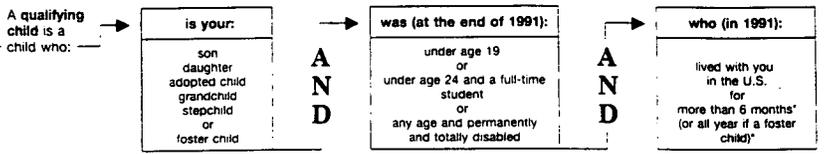
Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040A or 1040. ▶ See instructions for Schedule EIC.
TIP: Why not let the IRS figure the credit for you? Give us only the information asked for on this page and we'll do the rest.

Your social security number

Part I General Information

- To take this credit —
- You **MUST** have worked and earned **LESS** than \$21,250, **AND**
 - Your adjusted gross income (Form 1040A, line 16, or Form 1040, line 31) **MUST** be **LESS** than \$21,250, **AND**
 - Your filing status can be any status **except** married filing a separate return, **AND**
 - You **MUST** have at least one qualifying child (see boxes below), **AND**
 - You cannot be a qualifying child yourself.



*If the child didn't live with you for the required time (for example, was born in 1991), see the **Exception** on page 57 of 1040A booklet (or page 45 of 1040 booklet).

If you don't have any qualifying children, **STOP** here. You cannot take this credit.
If you have at least one qualifying child, go to Part II. (But if the child was married or is also a qualifying child of another person, see page 57 of 1040A booklet (or page 46 of 1040 booklet).)

Part II Information About Your Two Youngest Qualifying Children

1(a) Child's name (first, initial, and last name)	(b) Child's year of birth	For a child born BEFORE 1973, check if child was— (c) a student under age 24 at end of 1991 (d) disabled (see booklet)	(e) If child was born BEFORE 1991, enter the child's social security number	(f) Child's relationship to you (for example, son, grandchild, etc.)	(g) Number of months child lived with you in the U.S. in 1991
	19				
	19				

Caution: If a child you listed above was born in 1991 **AND** you chose to claim the credit for child care expenses for this child on **Schedule 2 (Form 1040A)** or **Form 2441 (Form 1040)**, check here

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

Yes → Fill in Part III below AND → Enter the amount from Form 1040A, line 16, or Form 1040, line 31, here ▶

No → Go to Part IV on the back now

Part III Other Information

- 2 If you received any **nontaxable earned income** (see page 58 of 1040A booklet or page 46 of 1040 booklet) such as combat pay and military housing and subsistence, enter the total of that income on line 2. Also list type and amount here ▶
- 3 If you paid for health insurance that covered at least one qualifying child:
- a First, enter the name of your insurance company here ▶
- b Then, enter the total amount you paid in 1991 for health insurance that covered at least one qualifying child. (See page 59 of 1040A booklet or page 46 of 1040 booklet.)

If you want the IRS to figure the credit for you, **STOP** here!
Attach this schedule to your return. If filing Form 1040A, print "EIC" on the line next to line 28c.
If filing Form 1040, print "EIC" on the dotted line next to line 56.

Schedule EIC (Form 1040A or 1040) 1991

Part IV Figure Your Earned Income Credit—You can take ALL THREE parts of the credit if you qualify

BASIC CREDIT

- 4 Enter the amount from line 7 of Form 1040A or Form 1040 (wages, salaries, tips, etc.) if you received a taxable scholarship or fellowship grant, see page 60 of 1040A booklet (or page 47 of 1040 booklet) for the amount to enter
- 5 If you received any **nontaxable earned income** (see page 58 of 1040A booklet or page 46 of 1040 booklet) such as combat pay and military housing and subsistence, enter the total of that income on line 5. Also list type and amount here ▶
- 6 **Form 1040 Filers Only:** If you were self-employed or reported income and expenses on Schedule C as a statutory employee, enter the amount from line 4 of the worksheet on page 48 of 1040 booklet
- 7 Add lines 4, 5, and 6. This is your **earned income**
- Caution:** If line 7 above is **\$21,250 or more**, **STOP** HERE. Enter "NO" on Form 1040A, line 28c (or on Form 1040, line 56). You **cannot** take the earned income credit.
- 8 Use the amount on line 7 above to look up your credit in **TABLE A** on pages 61–62 of 1040A booklet (or pages 49–50 of 1040 booklet). Then, enter the credit here
- 9 Enter your **adjusted gross income** (from Form 1040A, line 16, or Form 1040, line 31).
- 10 Is line 9 **\$11,250 or more?**
- YES.** Use the amount on line 9 to look up your credit in **TABLE A** on pages 61–62 of 1040A booklet (or pages 49–50 of 1040 booklet). Then, enter the credit here
 - NO.** Enter the amount from line 8 on line 11.
- 11 Look at lines 8 and 10. Enter the **smaller** of the two amounts here. This is your **basic credit**
- NEXT:** To take the health insurance credit, fill in lines 12a–16. To take the extra credit for a child born in 1991, fill in lines 17–19. Otherwise, go to line 20 now.

HEALTH INSURANCE CREDIT —Take this credit **ONLY** if you paid for health insurance that covered at least one qualifying child.

- 12a Enter the name of your health insurance company here ▶
- b Enter the total amount you paid in 1991 for health insurance that covered at least one qualifying child. (See page 60 of 1040A booklet or page 47 of 1040 booklet.)
- 13 Look at the amount on line 7 above. Use that amount to look up your credit in **TABLE B** on page 63 of 1040A booklet (or page 51 of 1040 booklet). Then, enter the credit here
- 14 Look at lines 12b and 13. Enter the **smaller** of the two amounts here
- 15 Look at the amount on line 9 above. Is line 9 **\$11,250 or more?**
- YES.** Use the amount on line 9 to look up your credit in **TABLE B** on page 63 of 1040A booklet (or page 51 of 1040 booklet). Then, enter the credit here
 - NO.** Enter the amount from line 14 on line 16.
- 16 Look at lines 14 and 15. Enter the **smaller** of the two amounts here. This is your **health insurance credit**

EXTRA CREDIT FOR CHILD BORN IN 1991 —Take this credit **ONLY** if:

- You listed in Part II a child born in 1991, **AND**
 - You did not take the credit for child care expenses on **Schedule 2** or **Form 2441** for the same child.
- TIP:** You can take **both** the **basic credit** and the **extra credit** for your child born in 1991.
- 17 Look at the amount on line 7 above. Use that amount to look up your credit in **TABLE C** on page 64 of 1040A booklet (or page 52 of 1040 booklet). Then, enter the credit here
- 18 Look at the amount on line 9 above. Is line 9 **\$11,250 or more?**
- YES.** Use the amount on line 9 to look up your credit in **TABLE C** on page 64 of 1040A booklet (or page 52 of 1040 booklet). Then, enter the credit here
 - NO.** Enter the amount from line 17 on line 19.
- 19 Look at lines 17 and 18. Enter the **smaller** of the two amounts here. This is your **extra credit for a child born in 1991**

TOTAL EARNED INCOME CREDIT

- 20 Add lines 11, 16, and 19. Enter the total here and on Form 1040A, line 28c (or on Form 1040, line 56). This is your **total earned income credit**

**SCHEDULE F
(Form 1040)**

Department of the Treasury
Internal Revenue Service (1040)

Profit or Loss From Farming

▶ Attach to Form 1040, Form 1041, or Form 1065.

▶ See Instructions for Schedule F (Form 1040).

OMB No. 1545-0074

1991

Attachment
Sequence No. 14

Name of proprietor _____

Social security number (SSN) _____

A Principal product (Describe in one or two words your principal crop or activity for the current tax year.) _____

B Enter principal agricultural activity code (from page 2) ▶ _____

D Employer ID number (Not SSN) _____

C Accounting method: (1) Cash (2) Accrual

E Did you make an election in a prior year to include Commodity Credit Corporation loan proceeds as income in that year? Yes No

F Did you "materially participate" in the operation of this business during 1991? (If "No," see instructions for limitations on losses.) Yes No

G Do you elect, or did you previously elect, to currently deduct certain preproductive period expenses? Does not apply Yes No
(See instructions.)

Part I Farm Income—Cash Method—Complete Parts I and II (Accrual method taxpayers complete Parts II and III, and line 11 of Part I.)
Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797.

1	Sales of livestock and other items you bought for resale	1	
2	Cost or other basis of livestock and other items reported on line 1	2	
3	Subtract line 2 from line 1	3	
4	Sales of livestock, produce, grains, and other products you raised	4	
5a	Total cooperative distributions (Form(s) 1099-PATR)	5a	
5b	Taxable amount	5b	
6a	Agricultural program payments (see instructions)	6a	
6b	Taxable amount	6b	
7	Commodity Credit Corporation (CCC) loans:		
a	CCC loans reported under election (see instructions)	7a	
b	CCC loans forfeited or repaid with certificates	7b	
7c	Taxable amount	7c	
8	Crop insurance proceeds and certain disaster payments (see instructions):		
a	Amount received in 1991	8a	
8b	Taxable amount	8b	
c	If election to defer to 1992 is attached, check here <input type="checkbox"/>		
8d	Amount deferred from 1990	8d	
9	Custom hire (machine work) income	9	
10	Other income, including Federal and state gasoline or fuel tax credit or refund (see instructions)	10	
11	Add amounts in the right column for lines 3 through 10. If accrual method taxpayer, enter the amount from page 2, line 52. This is your gross income	11	

Part II Farm Expenses—Cash and Accrual Method (Do not include personal or living expenses such as taxes, insurance, repairs, etc., on your home.)

12	Breeding fees	12		25	Labor hired (less jobs credit)	25	
13	Car and truck expenses (see instructions—also attach Form 4562)	13		26	Pension and profit-sharing plans	26	
14	Chemicals	14		27	Rent or lease (see instructions):		
15	Conservation expenses (attach Form 8645)	15		a	Vehicles, machinery, and equipment	27a	
16	Custom hire (machine work)	16		b	Other (land, animals, etc.)	27b	
17	Depreciation and section 179 expense deduction not claimed elsewhere (see instructions)	17		28	Repairs and maintenance	28	
18	Employee benefit programs other than on line 26	18		29	Seeds and plants purchased	29	
19	Feed purchased	19		30	Storage and warehousing	30	
20	Fertilizers and lime	20		31	Supplies purchased	31	
21	Freight and trucking	21		32	Taxes	32	
22	Gasoline, fuel, and oil	22		33	Utilities	33	
23	Insurance (other than health)	23		34	Veterinary fees and medicine	34	
24	Interest:			35	Other expenses (specify):		
a	Mortgage (paid to banks, etc.)	24a		a		35a	
b	Other	24b		b		35b	
25				c		35c	
26				d		35d	
27				e		35e	
28				f		35f	
29						36	
30						37	
31							
32							
33							
34							
35							
36	Add lines 12 through 35f. These are your total expenses	36					
37	Net farm profit or (loss). Subtract line 36 from line 11. If a profit, enter on Form 1040, line 19, and on Schedule SE, line 1. If a loss, you MUST go on to line 38 (fiduciaries and partnerships, see instructions)	37					
38	If you have a loss, you MUST check the box that describes your investment in this activity (see instructions). If you checked 38a, enter the loss on Form 1040, line 19, and Schedule SE, line 1. If you checked 38b, you MUST attach Form 6198.			38a	<input type="checkbox"/> All investment is at risk.		
				38b	<input type="checkbox"/> Some investment is not at risk.		

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

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Schedule F (Form 1040) 1991

Schedule F (Form 1040) 1991

Page 2

Part III Farm Income—Accrual Method

Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797 and do not include this livestock on line 47 below.

39	Sales of livestock, produce, grains, and other products during the year	39	
40a	Total cooperative distributions (Form(s) 1099-PATR)	40a	
40b	Taxable amount	40b	
41a	Agricultural program payments (see instructions)	41a	
41b	Taxable amount	41b	
42	Commodity Credit Corporation (CCC) loans:		
a	CCC loans reported under election (see instructions)	42a	
b	CCC loans forfeited or repaid with certificates	42b	
42c	Taxable amount	42c	
43	Crop insurance proceeds	43	
44	Custom hire (machine work) income	44	
45	Other income, including Federal and state gasoline or fuel tax credit or refund (see instructions)	45	
46	Add amounts in the right column for lines 39 through 45	46	
47	Inventory of livestock, produce, grains, and other products at beginning of the year	47	
48	Cost of livestock, produce, grains, and other products purchased during the year	48	
49	Add lines 47 and 48	49	
50	Inventory of livestock, produce, grains, and other products at end of year	50	
51	Cost of livestock, produce, grains, and other products sold. Subtract line 50 from line 49	51	
52	Subtract line 51 from line 46. Enter the result here and on page 1, line 11. This is your gross income	52	

*If you use the unit-livestock-price method or the farm-price method of valuing inventory and the amount on line 50 is larger than the amount on line 49, subtract line 49 from line 50. Enter the result on line 51. Add lines 46 and 51. Enter the total on line 52.

Part IV Principal Agricultural Activity Codes

Select one of the following codes and write the 3-digit number on page 1, line B. (Note: If your principal source of income is from providing agricultural services such as soil preparation, veterinary, farm labor, horticultural, or management for a fee or on a contract basis, you should file Schedule C (Form 1040), Profit or Loss From Business.)

120	Field crop, including grains and nongrains such as cotton, peanuts, feed corn, wheat, tobacco, Irish potatoes, etc.	211	Beefcattle feedlots
160	Vegetables and melons, garden-type vegetables and melons, such as sweet corn, tomatoes, squash, etc.	212	Beefcattle, except feedlots
170	Fruit and tree nuts, including grapes, berries, olives, etc.	215	Hogs, sheep, and goats
180	Ornamental floriculture and nursery products	240	Dairy
185	Food crops grown under cover, including hydroponic crops	250	Poultry and eggs, including chickens, ducks, pigeons, quail, etc.
		260	General livestock, not specializing in any one livestock category
		270	Animal specialty, including fur-bearing animals, pets, horses, etc.
		280	Animal aquaculture, including fish, shellfish, mollusks, frogs, etc., produced within confined space
		290	Forest products, including forest nurseries and seed gathering, extraction of pine gum, and gathering of forest products
		300	Agricultural production, not specified

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**Schedule R
(Form 1040)**

Credit for the Elderly or the Disabled

OMB No. 1545-0074

1991

Attachment
Sequence No. 16

Department of the Treasury
Internal Revenue Service (0)

▶ Attach to Form 1040. ▶ See separate instructions for Schedule R.

Name(s) shown on Form 1040

Your social security number

You may be able to use Schedule R to reduce your tax if by the end of 1991:

- You were age 65 or older, **OR** • You were under age 65, you retired on permanent and total disability, and you received taxable disability income.

But you must also meet other tests. See the separate instructions for Schedule R.

Note: In most cases, the IRS can figure the credit for you. See page 24 of the Form 1040 instructions.

Part I Check the Box for Your Filing Status and Age

If your filing status is: And by the end of 1991: Check only one box:

- | | | | |
|---|---|---|--------------------------|
| Single,
Head of household, or
Qualifying
widow(er) with
dependent child | 1 You were 65 or older | 1 | <input type="checkbox"/> |
| | 2 You were under 65 and you retired on permanent and total disability | 2 | <input type="checkbox"/> |
| | 3 Both spouses were 65 or older | 3 | <input type="checkbox"/> |
| | 4 Both spouses were under 65, but only one spouse retired on permanent and total disability | 4 | <input type="checkbox"/> |
| Married filing a
joint return | 5 Both spouses were under 65, and both retired on permanent and total disability | 5 | <input type="checkbox"/> |
| | 6 One spouse was 65 or older, and the other spouse was under 65 and retired on permanent and total disability | 6 | <input type="checkbox"/> |
| | 7 One spouse was 65 or older, and the other spouse was under 65 and NOT retired on permanent and total disability | 7 | <input type="checkbox"/> |
| Married filing a
separate return | 8 You were 65 or older and you did not live with your spouse at any time in 1991 | 8 | <input type="checkbox"/> |
| | 9 You were under 65, you retired on permanent and total disability, and you did not live with your spouse at any time in 1991 | 9 | <input type="checkbox"/> |

If you checked Box 1, 3, 7, or 8, skip Part II and complete Part III on the back. All others, complete Parts II and III.

Part III Statement of Permanent and Total Disability (Complete only if you checked Box 2, 4, 5, 6, or 9 above.)

- IF: 1 You filed a physician's statement for this disability for 1983 or an earlier year, or you filed a statement for tax years after 1983 and your physician signed line B on the statement, **AND**
- 2 Due to your continued disabled condition, you were unable to engage in any substantial gainful activity in 1991, check this box
- If you checked this box, you do not have to file another statement for 1991.
 - If you did not check this box, have your physician complete the following statement.

Physician's Statement (See instructions at bottom of page 2.)

I certify that: _____ Name of disabled person

was permanently and totally disabled on January 1, 1976, or January 1, 1977, **OR** was permanently and totally disabled on the date he or she retired. If retired after December 31, 1976, enter the date retired. ▶ _____

Physician: Sign your name on either line A or B below.

- A** The disability has lasted, or can be expected to last, continuously for at least a year. Physician's signature _____ Date _____
- B** There is no reasonable probability that the disabled condition will ever improve Physician's signature _____ Date _____

Physician's name _____ Physician's address _____

Schedule R (Form 1040) 1991

Page 2

Part III Figure Your Credit

10	If you checked (in Part I): Box 1, 2, 4, or 7 \$5,000 Box 3, 5, or 6 \$7,500 Box 8 or 9 \$3,750	Enter: \$5,000 \$7,500 \$3,750	10	
Caution: If you checked Box 2, 4, 5, 6, or 9 in Part I, you MUST complete line 11 below. Otherwise, skip line 11 and enter the amount from line 10 on line 12.				
11	If you checked Box 6 in Part I, enter on line 11 the taxable disability income of the spouse who was under age 65 PLUS \$5,000. Otherwise, enter on line 11 your taxable disability income (and also your spouse's if you checked Box 5 in Part I) that you reported on Form 1040. (For more details on what to include, see the instructions.)		11	
12	If you completed line 11 above, compare lines 10 and 11, and enter the smaller of the two amounts here. Otherwise, enter the amount from line 10		12	
13	Enter the following pensions, annuities, or disability income that you (and your spouse if you file a joint return) received in 1991 (see instructions):			
	a Nontaxable part of social security benefits, and Nontaxable part of railroad retirement benefits treated as social security.		13a	
	b Nontaxable veterans' pensions, and Any other pension, annuity, or disability benefit that is excluded from income under any other provision of law.		13b	
	c Add lines 13a and 13b. (Even though these income items are not taxable, they must be included here to figure your credit.) If you did not receive any of the types of nontaxable income listed on line 13a or 13b, enter -0- on line 13c		13c	
14	Enter the amount from Form 1040, line 32		14	
15	If you checked (in Part I): Box 1 or 2 \$7,500 Box 3, 4, 5, 6, or 7 \$10,000 Box 8 or 9 \$5,000	Enter: \$7,500 \$10,000 \$5,000	15	
16	Subtract line 15 from line 14. If line 15 is more than line 14, enter -0-		16	
17	Divide line 16 above by 2		17	
18	Add lines 13c and 17		18	
19	Subtract line 18 from line 12. If the result is zero or less, stop here; you cannot take the credit. Otherwise, go to line 21		19	
20	Decimal amount used to figure the credit		20	x.15
21	Multiply line 19 above by the decimal amount (.15) on line 20. Enter the result here and on Form 1040, line 42. Caution: If you file Schedule C, D, E, or F (Form 1040), your credit may be limited. See the instructions for line 21 for the amount of credit you can claim		21	

Instructions for Physician's Statement

Taxpayer

If you retired after December 31, 1976, enter the date you retired in the space provided in Part II.

Physician

A person is permanently and totally disabled if both of the following apply:
1. He or she cannot engage in any substantial gainful activity because of a physical or mental condition, and

2. A physician determines that the disability has lasted, or can be expected to last, continuously for at least a year, or can lead to death.

**SCHEDULE SE
(Form 1040)**

Self-Employment Tax

OMB No. 1545-0074

1991

Attachment
Sequence No. 17

▶ See Instructions for Schedule SE (Form 1040).

▶ Attach to Form 1040.

Department of the Treasury
Internal Revenue Service

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:

- Your net earnings from self-employment from other than church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) were \$400 or more; **OR**
- You had church employee income (as defined in the instructions) of \$108.28 or more;

AND

- Your wages (and tips) subject to social security AND Medicare tax (or railroad retirement tax) were less than \$125,000.

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 47.

Note: Most people can use Short Schedule SE on this page. But you may have to use Long Schedule SE on the back.

Who MUST Use Long Schedule SE (Section B)

You must use Long Schedule SE if ANY of the following apply:

- You received wages or tips and the total of all of your wages (and tips) subject to social security, Medicare, or railroad retirement tax plus your net earnings from self-employment is more than \$53,400;
- You use either "optional method" to figure your net earnings from self-employment (see Section B, Part II, and the instructions);
- You are a minister, member of a religious order, or Christian Science practitioner and you received IRS approval (by filing Form 4361) not to be taxed on your earnings from these sources, but you owe self-employment tax on other earnings;
- You had church employee income of \$108.28 or more that was reported to you on Form W-2; **OR**
- You received tips subject to social security, Medicare, or railroad retirement tax, but you did not report those tips to your employer.

Section A—Short Schedule SE (Read above to see if you must use Long Schedule SE on the back (Section B).)

1	Net farm profit or (loss) from Schedule F (Form 1040), line 37, and farm partnerships, Schedule K-1 (Form 1065), line 15a	1		
2	Net profit or (loss) from Schedule C (Form 1040), line 31, and Schedule K-1 (Form 1065), line 15a (other than farming). See instructions for other income to report	2		
3	Combine lines 1 and 2	3		
4	Net earnings from self-employment. Multiply line 3 by .9235. If less than \$400, do not file this schedule; you do not owe self-employment tax. Caution: If you received wages or tips, and the total of your wages (and tips) subject to social security, Medicare, or railroad retirement tax plus the amount on line 4 is more than \$53,400, you cannot use Short Schedule SE. Instead, use Long Schedule SE on the back ▶	4		
5	Self-employment tax. If the amount on line 4 is: • \$53,400 or less, multiply line 4 by 15.3% (.153) and enter the result. • More than \$53,400, but less than \$125,000, multiply the amount in excess of \$53,400 by 2.9% (.029). Add \$8,170.20 to the result and enter the total. • \$125,000 or more, enter \$10,246.60. Also enter this amount on Form 1040, line 47	5		

Note: Also enter one-half of the amount from line 5 on Form 1040, line 25.

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Cat. No. 11358Z

Schedule SE (Form 1040) 1991

Schedule SE (Form 1040) 1991

Attachment Sequence No. 17

Page 2

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 (Before completing, see if you can use Short Schedule SE on the other side (Section A).)

- 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.
- B** If your only income subject to self-employment tax is church employee income and you are not a minister or a member of a religious order, skip lines 1 through 4b. Enter -0- on line 4c and go to line 5a.

Part I Self-Employment Tax

1	Net farm profit or (loss) from Schedule F (Form 1040), line 37, and farm partnerships, Schedule K-1 (Form 1065), line 15a. (Note: Skip this line if you use the farm optional method. See requirements in Part II, below and in the instructions.)	1		
2	Net profit or (loss) from Schedule C (Form 1040), line 31, and Schedule K-1 (Form 1065), line 15a (other than farming). See instructions for other income to report. (Note: Skip this line if you use the nonfarm optional method. See requirements in Part II below and in the instructions.)	2		
3	Combine lines 1 and 2	3		
4a	If line 3 is more than zero, multiply line 3 by .9235. Otherwise, enter the amount from line 3 here	4a		
b	If you elected one or both of the optional methods, enter the total of lines 17 and 19 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 the instructions for definition of church employee income	5a		
b	Multiply line 5a by .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 1991	7	\$53,400	00
8a	Total social security wages and tips (from Form(s) W-2) and railroad retirement (tier 1) compensation	8a		
b	Unreported tips subject to social security tax (from Form 4137, line 9) or railroad retirement (tier 1) tax	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 12a ▶	9		
10	Multiply the smaller of line 6 or line 9 by 12.4% (.124)	10		
11	Maximum amount of combined wages and self-employment earnings subject to Medicare tax or the 1.45% portion of the 7.65% railroad retirement (tier 1) tax for 1991	11	\$125,000	00
12a	Total Medicare wages and tips (from Form(s) W-2) and railroad retirement (tier 1) compensation	12a		
b	Unreported tips subject to Medicare tax (from Form 4137, line 14) or railroad retirement (tier 1) tax	12b		
c	Add lines 12a and 12b	12c		
13	Subtract line 12c from line 11. If zero or less, enter -0- here and on line 14 and go to line 15	13		
14	Multiply the smaller of line 6 or line 13 by 2.9% (.029)	14		
15	Self-employment tax. Add lines 10 and 14. Enter the result here and on Form 1040, line 47	15		

Part II Optional Methods To Figure Net Earnings (See "Who Can File Schedule SE" and "Optional Methods" in the instructions.)

Farm Optional Method. You may use the farm optional method only if (a) Your gross farm income¹ was not more than \$2,400 or (b) Your gross farm income¹ was more than \$2,400 and your net farm profits² were less than \$1,733.

16	Maximum income for optional methods	16	\$1,600	00
17	Enter the smaller of: two-thirds (⅔) of gross farm income ³ or \$1,600. Also include this amount on line 4b above	17		

Nonfarm Optional Method. You may use the nonfarm optional method only if (a) Your net nonfarm profits² were less than \$1,733 and also less than 72.189% of your gross nonfarm income⁴ and (b) You had net SE earnings of at least \$400 in 2 of the prior 3 years. **Caution:** You may use the nonfarm optional method no more than five times.

18	Subtract the amount on line 17, if any, from line 16 and enter the result	18		
19	Enter the smaller of: two-thirds (⅔) of gross nonfarm income ⁴ or the amount on line 18. Also include this amount on line 4b above	19		

¹From Schedule F (Form 1040), line 11, and Schedule K-1 (Form 1065), line 15b. ²From Schedule C (Form 1040), line 31, and Schedule K-1 (Form 1065), line 15a. ³From Schedule F (Form 1040), line 37, and Schedule K-1 (Form 1065), line 15a. ⁴From Schedule C (Form 1040), line 7, and Schedule K-1 (Form 1065), line 15c.

Form **2106**

Employee Business Expenses

OMB No. 1545-0139

1991

Attachment Sequence No. **54**

▶ See separate instructions.

▶ Attach to Form 1040.

Department of the Treasury Internal Revenue Service (0)

Your name _____ Social security number _____ Occupation in which expenses were incurred _____

Part I Employee Business Expenses and Reimbursements

STEP 1 Enter Your Expenses

	Column A Other Than Meals and Entertainment	Column B Meals and Entertainment
1 Vehicle expense from line 22 or line 29	1	
2 Parking fees, tolls, and local transportation, including train, bus, etc.	2	
3 Travel expense while away from home overnight, including lodging, airplane, car rental, etc. Do not include meals and entertainment	3	
4 Business expenses not included on lines 1 through 3. Do not include meals and entertainment	4	
5 Meals and entertainment expenses. (See instructions.)	5	
6 Total expenses. In Column A, add lines 1 through 4 and enter the result. In Column B, enter the amount from line 5.	6	

Note: If you were not reimbursed for any expenses in Step 1, skip line 7 and enter the amount from line 6 on line 8.

STEP 2 Enter Amounts Your Employer Gave You for Expenses Listed in STEP 1

7 Enter amounts your employer gave you that were not reported to you in Box 10 of Form W-2. Include any amount reported under code "L" in Box 17 of your Form W-2. (See instructions.)	7	
--	---	--

STEP 3 Figure Expenses To Deduct on Schedule A (Form 1040)

8 Subtract line 7 from line 6	8	
9 Enter 20% (.20) of line 8, Column B	9	
10 Subtract line 9 from line 8	10	
11 Add the amounts on line 10 of both columns and enter the total here. Also enter the total on Schedule A (Form 1040), line 19. (Qualified performing artists and individuals with disabilities, see the instructions for special rules on where to enter the total.)	11	

For Paperwork Reduction Act Notice, see instructions.

Cat. No. 11700N

Form **2106** (1991)

Form 2106 (1991)

Page **2**

Part II Vehicle Expenses (See instructions to find out which sections to complete.)

Section A.—General Information	(a) Vehicle 1	(b) Vehicle 2
12 Enter the date vehicle was placed in service	12	/ /
13 Total mileage vehicle was used during 1991	13	miles
14 Miles included on line 13 that vehicle was used for business	14	miles
15 Percent of business use (divide line 14 by line 13)	15	%
16 Average daily round trip commuting distance	16	miles
17 Miles included on line 13 that vehicle was used for commuting	17	miles
18 Other personal mileage (add lines 14 and 17 and subtract the total from line 13)	18	miles
19 Do you (or your spouse) have another vehicle available for personal purposes?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
20 If your employer provided you with a vehicle, is personal use during off duty hours permitted?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable	
21a Do you have evidence to support your deduction?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
21b If "Yes," is the evidence written?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

Section B.—Standard Mileage Rate (Use this section only if you own the vehicle.)

22 Multiply line 14 by 27.5¢ (.275). Enter the result here and on line 1. (Rural mail carriers, see instructions.)	22	
--	----	--

Section C.—Actual Expenses	(a) Vehicle 1	(b) Vehicle 2
23 Gasoline, oil, repairs, vehicle insurance, etc.	23	
24a Vehicle rentals	24a	
b Inclusion amount	24b	
c Subtract line 24b from line 24a	24c	
25 Value of employer-provided vehicle (applies only if 100% of annual lease value was included on Form W-2. See instructions.)	25	
26 Add lines 23, 24c, and 25	26	
27 Multiply line 26 by the percentage on line 15	27	
28 Enter amount from line 38 below	28	
29 Add lines 27 and 28. Enter total here and on line 1	29	

Section D.—Depreciation of Vehicles (Use this section only if you own the vehicle.)

	(a) Vehicle 1	(b) Vehicle 2
30 Enter cost or other basis. (See instructions.)	30	
31 Enter amount of section 179 deduction. (See instructions.)	31	
32 Multiply line 30 by line 15. (See instructions if you elected the section 179 deduction.)	32	
33 Enter depreciation method and percentage. (See instructions.)	33	
34 Multiply line 32 by the percentage on line 33. (See instructions.)	34	
35 Add lines 31 and 34	35	
36 Enter the limitation amount from the table in the line 36 instructions	36	
37 Multiply line 36 by the percentage on line 15	37	
38 Enter the smaller of line 35 or line 37. Also enter the amount on line 28 above	38	

Child and Dependent Care Expenses

OMB No. 1545-0068

1991
Attachment
Sequence No. **21**

Department of the Treasury,
Internal Revenue Service (10)
Name(s) shown on Form 1040

▶ Attach to Form 1040.
▶ See separate instructions.

Your social security number

- If you are claiming the child and dependent care credit, complete Parts I and II below. But if you received employer-provided dependent care benefits, first complete Part III on the back.
 - If you are not claiming the credit but you received employer-provided dependent care benefits, only complete Part I below and Part III on the back.
- Caution:** If you have a child who was born in 1991 and the amount on Form 1040, line 32, is less than \$21,250, see page 1 of the instructions before completing this form.

Part I Persons or Organizations Who Provided the Care—You must complete this part. (See the instructions. If you need more space, use the bottom of page 2.)

1	(a) Name	(b) Address (number, street, apt. no., city, state, and ZIP code)	(c) Identifying number (SSN or EIN)	(d) Amount paid (see instructions)

2 Add the amounts in column (d) of line 1 2
Note: If you paid cash wages of \$50 or more in a calendar quarter to an individual for services performed in your home, you must file an employment tax return. Get Form 942 for details.

Part II Credit for Child and Dependent Care Expenses

- 3 Enter the number of qualifying persons cared for in 1991. (See the instructions for the definition of a qualifying person.) **Caution:** To qualify, the person(s) must have shared the same home with you in 1991. 3
- 4 Enter the amount of qualified expenses you incurred and actually paid in 1991. See the instructions to find out which expenses qualify. **Caution:** If you completed Part III on page 2, do not include on this line any excluded benefits shown on line 25. 4
- 5 Enter \$2,400 (\$4,800 if you paid for the care of two or more qualifying persons). 5
- 6 If you completed Part III on page 2, enter the excluded benefits, if any, from line 25. 6
- 7 Subtract line 6 from line 5. (If the result is zero or less, skip lines 8 through 13. Enter -0- on line 14, and go to line 15.) 7
- 8 Compare the amounts on lines 4 and 7. Enter the smaller of the two amounts here. 8
- 9 You must enter your earned income. (See the instructions for the definition of earned income.) **Note:** If you are not filing a joint return, skip line 10 and go to line 11. 9
- 10 If you are married filing a joint return, you must enter your spouse's earned income. (If your spouse was a full-time student or disabled, see the instructions for the amount to enter.) 10
- 11 • If you are married filing a joint return, compare the amounts on lines 8, 9, and 10. Enter the smallest of the three amounts here. 11
 • All others, compare the amounts on lines 8 and 9. Enter the smaller of the two amounts here.
- 12 Enter the amount from Form 1040, line 32 12
- 13 Enter the decimal amount from the table below that applies to the amount on line 12 13

If line 12 is:		Decimal amount is:	If line 12 is:		Decimal amount is:
Over—	But not over—		Over—	But not over—	
\$0—10,000		.30	\$20,000—22,000		.24
10,000—12,000		.29	22,000—24,000		.23
12,000—14,000		.28	24,000—26,000		.22
14,000—16,000		.27	26,000—28,000		.21
16,000—18,000		.26	28,000—No limit		.20
18,000—20,000		.25			

14 Multiply line 11 above by the decimal amount on line 13. 14

15 Multiply any qualified expenses for 1990 that you paid in 1991 by the decimal amount that applies to the amount on your 1990 Form 1040, line 32, or Form 1040A, line 17. (You must complete Part I and attach a statement. See the instructions.) 15

16 Add lines 14 and 15. See the instructions for the amount of credit you can claim. 16

Part III Employer-Provided Dependent Care Benefits—Complete this part only if you received employer-provided dependent care benefits. Also, be sure to complete Part I.

- 17 Enter the total amount of employer-provided dependent care benefits you received for 1991. (This amount should be shown in Box 22 of your W-2 form(s).) Do not include amounts that were reported to you as wages in Box 10 of Form(s) W-2. 17
- 18 Enter the amount forfeited, if any. **Caution:** See the instructions. 18
- 19 Subtract line 18 from line 17. 19
- 20 Enter the total amount of qualified expenses incurred in 1991 for the care of a qualifying person. (See the instructions.) 20
- 21 Compare the amounts on lines 19 and 20. Enter the smaller of the two amounts here. 21
- 22 You must enter your earned income. (See the instructions for lines 9 and 10 for the definition of earned income.) 22
- 23 If you were married at the end of 1991, you must enter your spouse's earned income. (If your spouse was a full-time student or disabled, see the instructions for lines 9 and 10 for the amount to enter.) 23
- 24 • If you were married at the end of 1991, compare the amounts on lines 22 and 23. Enter the smaller of the two amounts here. 24
 • If you were unmarried, enter the amount from line 22 here.
- 25 Excluded benefits. Enter here the smallest of the following: 25
 • The amount from line 21, or
 • The amount from line 24, or
 • \$5,000 (\$2,500 if married filing a separate return).
- 26 Taxable benefits. Subtract line 25 from line 19. Enter the result, but not less than zero. Also, include this amount in the total on Form 1040, line 7. On the dotted line next to line 7, write "DCB". 26

Note: If you are also claiming the child and dependent care credit, fill in Form 1040 through line 40. Then complete Part II of this form.

Form **3800**

General Business Credit

OMB No. 1545-0895

1991
Attachment
Sequence No. **22**

Department of the Treasury
Internal Revenue Service
Name(s) as shown on return

▶ Attach to your tax return.
▶ See separate instructions.

Identifying number

Part I Tentative Credit

1a	Current year investment credit (Form 3468, Part I)	1a	
1b	Current year jobs credit (Form 5884, Part I)	1b	
1c	Current year credit for alcohol used as fuel (Form 6478)	1c	
1d	Current year credit for increasing research activities (Form 6765, Part III)	1d	
1e	Current year low-income housing credit (Form 8586, Part I)	1e	
1f	Current year enhanced oil recovery credit (Form 8830, Part I)	1f	
1g	Current year disabled access credit (Form 8826, Part I)	1g	
1h	Current year general business credit. Add lines 1a through 1g	1h	
2	Passive activity credits included on lines 1a through 1g (see instructions)	2	
3	Subtract line 2 from line 1h	3	
4	Passive activity credits allowed in 1991 (see instructions)	4	
5	Carryforward of general business credit, WIN credit, or ESOP credit to 1991 (see instructions)	5	
6	Carryback of general business credit to 1991 (see instructions)	6	
7	Tentative general business credit. Add lines 3 through 6	7	

Part II General Business Credit Limitation Based on Amount of Tax

8a	Individuals. Enter amount from Form 1040, line 40	8		
b	Corporations. Enter amount from Form 1120, Schedule J, line 3 (or Form 1120-A, Part I, line 1)			
c	Other filers. Enter regular tax before credits from your return			
9	Credits that reduce regular tax before the general business credit—			
a	Credit for child and dependent care expense (Form 2441)		9a	
b	Credit for the elderly or the disabled (Schedule R (Form 1040))		9b	
c	Foreign tax credit (Form 1116 or Form 1118)		9c	
d	Possessions tax credit (Form 5735)		9d	
e	Mortgage interest credit (Form 8396)		9e	
f	Credit for fuel from a nonconventional source		9f	
g	Orphan drug credit (Form 6765)	9g		
h	Add lines 9a through 9g	9h		
10	Net regular tax. Subtract line 9h from line 8	10		
11	Tentative minimum tax (see instructions):	11		
a	Individuals. Enter amount from Form 6251, line 20			
b	Corporations. Enter amount from Form 4626, line 14			
c	Estates and trusts. Enter amount from Form 8856, line 37			
12	Net income tax:	12		
a	Individuals. Add line 10 above and line 22 of Form 6251			
b	Corporations. Add line 10 above and line 16 of Form 4626			
c	Other filers. See instructions			
13	If line 10 is more than \$25,000, enter 25% (.25) of the excess	13		
14	Subtract line 11 or line 13, whichever is greater, from line 12. If less than zero, enter -0-	14		
15	General business credit allowed for current year. Enter the smaller of line 7 or line 14. Also enter this amount on Form 1040, line 44; Form 1120, Schedule J, line 4e; Form 1120-A, Part I, line 2a; or on the appropriate line of your return. (Individuals, estates, and trusts, see instructions for the credit for increasing research activities is claimed. C corporations, see instructions for Schedule A if any regular investment credit carryforward is claimed or if the corporation has undergone a post-1986 "ownership change.")	15		

Form 3800 (1991)

Page 2

Schedule A Additional General Business Credit Allowed By Section 38(c)(2) (Before Repeal by the Revenue Reconciliation Act of 1990)—Only Applicable to C Corporations

16	Enter the portion of the credit shown on line 5, page 1, that is attributable to the regular investment credit under section 46	16	
17	Tentative minimum tax (from line 11, page 1)	17	
18	Multiply line 17 by 25% (.25)	18	
19	Enter the amount from line 14, page 1	19	
20	Enter the portion of the credit shown on line 7, page 1, that is NOT attributable to the regular investment credit under section 46	20	
21	Subtract line 20 from line 19 (if less than zero, enter -0-)	21	
22	Subtract line 21 from line 16 (if less than zero, enter -0-)	22	
23	For purposes of this line only, recompute the amount on line 12, Form 4626, by using zero on line 8, Form 4626, and enter the result here	23	
24	Multiply line 23 by 10% (.10)	24	
25	Net income tax (from line 12, page 1)	25	
26	General business credit (from line 15, page 1)	26	
27	Subtract line 26 from line 25	27	
28	Subtract line 24 from line 27	28	
29	Enter the smallest of line 18, line 22, or line 28	29	
30	Subtract line 29 from line 17	30	
31	Enter the greater of line 30 or line 13, page 1	31	
32	Subtract line 31 from line 25	32	
33	Enter the lesser of line 32 or line 10, page 1. Enter this amount also on line 15, page 1, instead of the amount previously computed on that line. Write "Sec. 38(c)(2)" in the margin next to your entry on line 15, page 1	33	
34	If line 32 is greater than line 33, enter the excess here (see instructions)	34	

Department of the Treasury Internal Revenue Service

See separate instructions.

Attach to Form 1040 or Form 1040NR. Estates and trusts, use Form 8856.

Name(s) shown on Form 1040

Your social security number

Main form for Alternative Minimum Tax—Individuals, 1991. Includes lines 1-22 for calculating AMT, with sub-sections 5a-5r and 6a-6g. Includes instructions for each line.

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 13900G

Form 6251 (1991)

U.S. Government Printing Office: 1991 — 295-378

Department of the Treasury Internal Revenue Service

See separate instructions.

Attach to Form 1040 or Form 1041.

Name(s) shown on return

Identifying number

Form 8582: 1991 Passive Activity Loss Limitations. Part II: 1991 Passive Activity Loss. Part III: Total Losses Allowed. Includes sections for Rental Real Estate Activities and All Other Passive Activities.

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 63704F

Form 8582 (1991)

Form 8582 (1991) **Caution: The worksheets are not required to be filed with your tax return and may be detached before filing Form 8582. Keep a copy of the worksheets for your records.** Page 2

Worksheet 1—For Form 8582, Lines 1a, 1b, and 1c (See instructions on page 7.)

Name of activity	Current year		Prior year	Overall gain or loss	
	(a) Net income (line 1a)	(b) Net loss (line 1b)	(c) Unallowed loss (line 1c)	(d) Gain	(e) Loss
Total. Enter on Form 8582, lines 1a, 1b, and 1c. ▶					

Worksheet 2—For Form 8582, Lines 2a, 2b, and 2c (See instructions on page 8.)

Name of activity	Current year		Prior year	Overall gain or loss	
	(a) Net income (line 2a)	(b) Net loss (line 2b)	(c) Unallowed loss (line 2c)	(d) Gain	(e) Loss
Total. Enter on Form 8582, lines 2a, 2b, and 2c. ▶					

Worksheet 3—Use this worksheet if an amount is shown on Form 8582, line 9 (See instructions on page 8.)

Name of activity	Form or schedule to be reported on	(a) Loss (See instructions.)	(b) Ratio (See instructions.)	(c) Special allowance (See instructions.)	(d) Subtract column (c) from column (a) (See instructions.)
Total ▶					1.00

Worksheet 4—Allocation of Unallowed Losses (See instructions on page 9.)

Name of activity	Form or schedule to be reported on	(a) Loss (See instructions.)	(b) Ratio (See instructions.)	(c) Unallowed loss (See instructions.)
Total ▶				1.00

Worksheet 5—Allowed Losses (See instructions on page 9.)

Name of activity	Form or schedule to be reported on	(a) Loss (See instructions.)	(b) Unallowed loss (See instructions.)	(c) Allowed loss (See instructions.)
Total ▶				

Form 8582 (1991) Page 3

Worksheet 6—Activities With Losses Reported on Two or More Different Forms or Schedules (See instructions on page 9.)

Name of Activity:	(a) (See instr.)	(b) (See instr.)	(c) Ratio (See instr.)	(d) Unallowed loss (See instr.)	(e) Allowed loss (See instr.)
Form or Schedule to be Reported on:					
1a Net loss plus prior year unallowed loss from form or schedule ▶					
b Net income from form or schedule ▶					
c Subtract line 1b from line 1a. If -0- or less, enter -0- ▶					
Form or Schedule to be Reported on:					
1a Net loss plus prior year unallowed loss from form or schedule ▶					
b Net income from form or schedule ▶					
c Subtract line 1b from line 1a. If -0- or less, enter -0- ▶					
Form or Schedule to be Reported on:					
1a Net loss plus prior year unallowed loss from form or schedule ▶					
b Net income from form or schedule ▶					
c Subtract line 1b from line 1a. If -0- or less, enter -0- ▶					
Total			1.00		

☆ U.S. GOVERNMENT PRINTING OFFICE: 1991-285-400

Form **8615**

Tax for Children Under Age 14 Who Have Investment Income of More Than \$1,100

OMB No. 1545-0998

1991
Attachment
Sequence No. **33**

Department of the Treasury
Internal Revenue Service

▶ See instructions below and on back.
▶ Attach ONLY to the Child's Form 1040, Form 1040A, or Form 1040NR.

General Instructions

Purpose of Form. For children under age 14, investment income (such as taxable interest and dividends) over \$1,100 is taxed at the parent's rate if the parent's rate is higher than the child's rate. If the child's investment income is more than \$1,100, use this form to see if any of the child's investment income is taxed at the parent's rate and, if so, to figure the child's tax.

Investment income. As used on this form, "investment income" includes all taxable income other than earned income as defined on page 2. It includes income such as taxable interest, dividends, capital gains, rents, royalties, etc. It also includes pension and annuity

and income (other than earned income) received as the beneficiary of a trust.

Who Must File. Generally, Form 8615 must be filed for any child who was under age 14 on January 1, 1992, and who had more than \$1,100 of investment income. If neither parent was alive on December 31, 1991, do not use Form 8615. Instead, figure the child's tax in the normal manner.

Note: The parent may be able to elect to report the child's interest and dividends on his or her return. If the parent makes this election, the child will not have to file a return or Form 8615. For more details, see the instructions for Form 1040 or Form 1040A, or get Form 8814.

Parent's Election To Report Child's Interest and Dividends.

Additional Information. For more details, get Pub. 929, Tax Rules for Children and Dependents.

Incomplete Information for Parent. If a child's parent or guardian cannot obtain the information needed to complete Form 8615 before the due date of the child's return, reasonable estimates of the parent's taxable income or filing status and the net investment income of the parent's other children may be made. The appropriate line of Form 8615 must be marked "Estimated." For more details, see Pub. 929.

(Instructions continue on back.)

Child's name shown on return	Child's social security number
A Parent's name (first, initial, and last). (Caution: See instructions on back before completing.)	B Parent's social security number

c Parent's filing status (check one):

Single, Married filing jointly, Married filing separately, Head of household, or Qualifying widow(er)

Step 1 Figure child's net investment income

1 Enter child's investment income, such as taxable interest and dividend income (see the instructions). (If this amount is \$1,100 or less, stop here; do not file this form.)	1	
2 If the child DID NOT itemize deductions on Schedule A (Form 1040 or Form 1040NR), enter \$1,100. If the child ITEMIZED deductions, see the instructions	2	
3 Subtract line 2 from line 1. (If the result is zero or less, stop here; do not complete the rest of this form but ATTACH it to the child's return.)	3	
4 Enter child's taxable income (from Form 1040, line 37; Form 1040A, line 22; or Form 1040NR, line 35)	4	
5 Compare the amounts on lines 3 and 4. Enter the smaller of the two amounts here	5	

Step 2 Figure tentative tax based on the tax rate of the parent listed on line A

6 Enter parent's taxable income (from Form 1040, line 37; Form 1040A, line 22; Form 1040EZ, line 5; or Form 1040NR, line 35). If the parent transferred property to a trust, see instructions	6	
7 Enter the total, if any, of the net investment income from Forms 8615, line 5, of ALL OTHER children of the parent. (Do not include the amount from line 5 above.)	7	
8 Add lines 5, 6, and 7	8	
9 Tax on line 8 based on the parent's filing status (see instructions). If from Schedule D, enter amount from line 20 of that Schedule D here	9	
10 Enter parent's tax (from Form 1040, line 38; Form 1040A, line 23; Form 1040EZ, line 7; or Form 1040NR, line 36). If from Schedule D, enter amount from line 20 of that Schedule D here	10	
11 Subtract line 10 from line 9. (If line 7 is blank, enter on line 13 the amount from line 11; skip lines 12a and 12b.)	11	
12a Add lines 5 and 7	12a	
b Divide line 5 by line 12a. Enter the result as a decimal (rounded to two places)	12b	x
13 Multiply line 11 by line 12b	13	

Step 3 Figure child's tax

Note: If lines 4 and 5 above are the same, go to line 16.

14 Subtract line 5 from line 4	14	
15 Tax on line 14 based on the child's filing status (see instructions). If from Schedule D, enter amount from line 20 of that Schedule D here	15	
16 Add lines 13 and 15	16	
17 Tax on line 4 based on the child's filing status (see instructions). If from Schedule D, check here	17	<input type="checkbox"/>
18 Enter the larger of line 16 or 17 here and on Form 1040, line 38; Form 1040A, line 23; or Form 1040NR, line 36. Be sure to check the box for "Form 8615" even if line 17 is more than line 16	18	

For Paperwork Reduction Act Notice, see back of form.

Cat. No. 64113U

Form **8615** (1991)

Form 8615 (1991)

Page 2

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.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping**, 13 min.; **Learning about the law or the form**, 12 min.; **Preparing the form**, 44 min.; and **Copying, assembling, and sending the form to the IRS**, 17 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the IRS and the Office of Management and Budget at the addresses listed in the instructions of the tax return with which this form is filed.

Line Instructions

(Section references are to the Internal Revenue Code.)

Lines A and B. If the child's parents were married to each other and filed a joint return, enter the name and social security number (SSN) of the parent who is listed first on the joint return. For example, if the father's name is listed first on the return and his SSN is entered in the block labeled "Your social security number," enter his name on line A and his SSN on line B.

If the parents were married but filed separate returns, enter the name and SSN of the parent who had the higher taxable income. If you do not know which parent had the higher taxable income, see Pub. 929.

If the parents were unmarried, treated as unmarried for Federal income tax purposes, or separated either by a divorce or separate maintenance decree, enter the name and SSN of the parent who had custody of the child for most of the year (the custodial parent).

Exception. If the custodial parent remarried and filed a joint return with his or her spouse, enter the name and SSN of the person listed first on the joint return, even if that person is not the child's parent. If the custodial parent and his or her spouse filed separate returns, enter the name and SSN of the person with the higher taxable income, even if that person is not the child's parent.

Note: If the parents were unmarried but lived together during the year with the child, enter the name and SSN of the parent who had the higher taxable income.

Line 1. If the child had no earned income (defined later), enter the child's

adjusted gross income (from Form 1040, line 32; Form 1040A, line 17; or Form 1040NR, line 31).

If the child had earned income, use the following worksheet to figure the amount to enter on line 1. But, if the child files Form 2555, Foreign Earned Income, has a net loss from self-employment, or claims a net operating loss deduction, do not use the worksheet below. Instead, use the worksheet in Pub. 929 to figure the amount to enter on line 1.

Worksheet (keep for your records)

1. Enter the amount from the child's Form 1040, line 23; Form 1040A, line 14; or Form 1040NR, line 23, whichever applies
2. Enter the child's earned income (defined below) plus any deduction the child claims on Form 1040, line 28, or Form 1040NR, line 27, whichever applies
3. Subtract line 2 from line 1. Enter the result here and on Form 8615, line 1

Earned income includes wages, tips, and other payments received for personal services performed. Generally, earned income is the total of the amounts reported on Form 1040, lines 7, 12, and 19; Form 1040A, line 7; or Form 1040NR, lines 8, 13, and 20.

Line 2. If the child itemized deductions, enter on line 2 the greater of:

- \$550 plus the portion of the amount on Schedule A (Form 1040), line 26 (or Schedule A (Form 1040NR), line 10), that is directly connected with the production of the investment income on Form 8615, line 1; OR
- \$1,100.

Line 6. Enter the taxable income shown on the parent's tax return. If the parent's taxable income is less than zero, enter zero on line 6. If the parent filed a joint return, enter the taxable income shown on that return even if the parent's spouse is not the child's parent. If the parent transferred property to a trust which sold or exchanged the property during the year at a gain, include any gain that was taxed to the trust under section 644 in the amount entered on line 6. Also, see the instructions for line 10.

Line 7. If the individual identified as the parent on this Form 8615 is also identified as the parent on any other Form 8615, add the amounts, if any, from line 5 on each of the other Forms 8615 and enter the total on line 7.

Line 9. Figure the tax using the Tax Table, Tax Rate Schedules, or Schedule D (Form 1040), Capital Gains and

Losses, whichever applies. If any net capital gain is included on lines 5, 6, and/or 7, the tax on the amount on line 8 may be less if Part IV of Schedule D can be used to figure the tax. See Pub. 929 for details on how to figure the net capital gain included on line 8 and how to complete Schedule D. Schedule D should be used to figure the tax if:

the parent's filing status is	AND	the amount on Form 8615, line 8, is over:
• Single		\$49,300
• Married filing jointly or Qualifying widow(er)		\$82,150
• Married filing separately		\$41,075
• Head of household		\$70,450

If Schedule D is used to figure the tax, enter on Form 8615, line 9, the amount from line 27 of that Schedule D. Also, enter the amount from line 20 of that Schedule D in the space next to line 9. **Line 10.** Enter the tax shown on the parent's tax return. If the parent filed a joint return, enter the tax shown on that return even if the parent's spouse is not the child's parent.

If line 6 includes any gain taxed to a trust under section 644, add the tax imposed under section 644(a)(2)(A) to the tax shown on the parent's return. Enter the total on line 10 instead of entering the tax from the parent's return. Write "Section 644" on the dotted line next to line 10.

Line 15. Figure the tax using the Tax Table, Tax Rate Schedule X, or Schedule D, whichever applies. If line 14 is more than \$49,300 and includes any net capital gain, the tax may be less if Schedule D is used to figure the tax. See Pub. 929 for details on how to figure the net capital gain included on line 14 and how to complete Part IV of Schedule D.

Line 17. Figure the tax as if these rules did not apply. For example, if the child files Schedule D and can use Part IV to figure his or her tax, complete Part IV on the child's actual Schedule D.

Amended Return. If after the child's return is filed, the parent's taxable income is changed or the net investment income of any of the parent's other children is changed, the child's tax must be refigured using the adjusted amounts. If the child's tax is changed as a result of the adjustment(s), file Form 1040X, Amended U.S. Individual Income Tax Return, to correct the child's tax.

Alternative Minimum Tax. A child whose tax is figured on Form 8615 may be subject to the alternative minimum tax. For details, get Form 6251, Alternative Minimum Tax—Individuals, and its instructions.

Form **8801**

Credit For Prior Year Minimum Tax—Individuals and Fiduciaries

OMB No. 1545-1073

1991

Attachment Sequence No. **74**

Department of the Treasury
Internal Revenue Service

▶ Attach to your tax return.

Name(s) shown on return

Identifying number

Part I Net Minimum Tax on Exclusion Items

1	Enter the amount from line 3 of 1990 Form 6251. Form 1041 filers, see instructions	1	
2	Enter adjustments and tax preference items treated as exclusion items. See instructions	2	
3	Minimum tax credit net operating loss deduction. See instructions	3	()
4	Combine lines 1, 2, and 3. If zero or less, enter -0- here and on line 15 and go to Part II. If more than \$155,000 and you are married filing separately, see instructions	4	
5	Enter the amount from line 9 of 1990 Form 6251. Form 8656 filers, enter \$20,000	5	
6	Enter the amount from line 10 of 1990 Form 6251. Form 8656 filers, enter \$75,000.	6	
7	Subtract line 6 from line 4. If zero or less, enter -0- here and on line 8 and go to line 9	7	
8	Multiply line 7 by 25% (.25)	8	
9	Subtract line 8 from line 5. If zero or less, enter -0-. If completing for a child under 14, see instructions	9	
10	Subtract line 9 from line 4. If zero or less, enter -0- here and on line 15, and go to Part II	10	
11	Multiply line 10 by 21% (.21)	11	
12	Minimum tax foreign tax credit on exclusion items. See instructions	12	
13	Tentative minimum tax on exclusion items. Subtract line 12 from line 11	13	
14	Enter the amount from line 18 of 1990 Form 6251, or line 38c of 1990 Form 8656	14	
15	Net minimum tax on exclusion items. Subtract line 14 from line 13. If zero or less, enter -0-	15	

Part II Minimum Tax Credit and Carryforward to 1992

16	Enter the amount from line 19 of 1990 Form 6251, or line 39 of 1990 Form 8656	16	
17	Enter the amount from line 15 above	17	
18	Subtract line 17 from line 16. If line 17 is greater than line 16, enter the result as a negative amount	18	
19	Carryforward of minimum tax credit from 1990. Enter the amount from line 26 of 1990 Form 8801	19	
20	Enter your 1990 unallowed credit for fuel produced from a nonconventional source, and 1990 unallowed orphan drug credit. See instructions	20	
21	Combine lines 18, 19, and 20. If zero or less, do not complete the rest of this form. See instructions	21	
22	Enter your 1991 regular income tax liability minus allowable tax credits. See instructions	22	
23	Enter the amount from line 20 of 1991 Form 6251, or line 37 of 1991 Form 8656	23	
24	Subtract line 23 from line 22. If zero or less, enter -0-	24	
25	Minimum tax credit. Enter the smaller of line 21 or line 24. Also enter this amount on the appropriate line of your 1991 tax return. See instructions	25	
26	Minimum tax credit carryforward to 1992. Subtract line 25 from line 21. See instructions	26	

General Instructions

(Section references are to the Internal Revenue code.)

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.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping 1 hr., 33 min.

Learning about the law or the form 1 hr., 3 min.

Preparing the form 1 hr.

Copying, assembling, and sending the form to the IRS 17 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from

you. You can write to both the IRS and the Office of Management and Budget at the addresses listed in the instructions of the tax return with which this form is filed.

Purpose of Form

Form 8801 is used by individuals, trusts, and estates to compute the minimum tax credit, if any, for alternative minimum tax (AMT) incurred in prior tax years after 1986. The form is also used to figure any minimum tax credit carryforward that may be used in future years.

New Form 8827, Credit for Prior Year Minimum Tax—Corporations, is used by corporations to compute the minimum tax credit and any minimum tax carryforward that may be used in future years.

Who Should File

Form 8801 should be completed by individuals, trusts, and estates that had:

- An AMT liability in 1990 and adjustments or tax preference items (other than exclusion items) in 1990;

- A minimum tax credit carryforward from 1990 to 1991; or
- A 1990 unallowed nonconventional source fuel credit or unallowed orphan drug credit (see the instructions for line 20 of this form).

Recordkeeping.—Use Form 8801 each year to see if you have a minimum tax credit and to keep track of any credit carryforward. (See line 26 of your 1990 Form 8801.)

Specific Instructions

The AMT is attributable to two types of adjustments and tax preference items—"exclusion items" and "deferral items." The minimum tax credit is allowed only on the AMT attributable to deferral items.

Deferral items are generally adjustments and tax preference items that do not cause a permanent difference in taxable income over a number of years. An example is depreciation. **Exclusion items,** on the other hand, cause a permanent

Form 8801 (1991)

Page 2

difference in taxable income. An example is the personal exemption.

Line 1—Form 1041 filers.—Skip lines 1 through 3 of Form 8801. Complete Parts I and II of another 1990 Form 8656, Alternative Minimum Tax—Fiduciaries. For Part I of Form 8656, take into account only exclusion items (the amounts included on lines 4e and 6d of Form 8656). On line 9 of Form 8656, use the minimum tax credit net operating loss deduction (MTCNOLD). However, do not limit the MTCNOLD to 90% of the amount on line 8 of Form 8656 (see the instructions for line 3 below for how to compute the MTCNOLD). On Part II of Form 8656, do not take into account any basis adjustments arising from deferral items in completing lines 18 and 19. If the amount on line 12 of Form 8656 is zero or less, enter -0- on line 4 of Form 8801. Otherwise, enter the amount from line 12 of Form 8656 on line 4 of Form 8801.

Line 2.—Enter on this line the adjustments and tax preference items treated as exclusions.

Exclusion items are your AMT adjustments and tax preference items for: the standard deduction, personal exemptions, estate or trust exemption, itemized deductions (including any investment interest expense reported on Schedule E), the deduction for charitable contributions of appreciated property, certain tax-exempt interest, and depletion.

Combine lines 4a through 4h and 5a through 5c of your 1990 Form 6251. Enter the amount on line 2.

Note: If you included any of the exclusion items on a line other than those listed above, include that item in the amount to be entered on line 2. For example, if depletion was included on Form 6251 as an adjustment on line 4s (passive activity loss) instead of on line 5c (depletion), include it as an exclusion item when figuring the amount for line 2.

Line 3—Minimum tax credit net operating loss deduction (MTCNOLD).—Your MTCNOLD is the aggregate of the minimum tax credit net operating loss (MTCNOL) carryovers and MTCNOL carrybacks to 1990. The MTCNOLD is not limited to 90% of alternative minimum taxable income (AMTI) computed by taking into account only exclusion items. Your MTCNOLD is figured as follows:

For loss years beginning after 1986, your MTCNOLD is the excess of the deductions allowed in computing AMTI (excluding the MTCNOLD), taking into account only exclusion items, over the income included in computing AMTI, taking into account only exclusion items. This excess is computed with the modifications contained in section 172(d), taking into account exclusion

items (i.e., the section 172(d) modifications should be separately computed in figuring the MTCNOL).

For example, the limitation of nonbusiness deductions to the amount of nonbusiness income must be separately computed in figuring the MTCNOL using only nonbusiness income and nonbusiness deductions taking into account only exclusion items. However, ignore the disallowance of the deduction for personal exemptions under section 172(d)(3) because it has already been taken into account in computing AMTI using only exclusion items.

For loss years beginning before 1987, the amount of MTCNOL that may be carried forward to tax years beginning after 1986 is equal to the amount of regular tax NOL that may be carried from such loss years to the first tax year beginning after 1986.

To determine the amount of MTCNOL that may be carried to tax years other than 1990, apply sections 172(b)(2) and 172(d), with appropriate modifications to take into account exclusion items.

Line 4.—If you are married filing a separate return and line 4 is greater than \$155,000, you must include an additional amount on line 4. If line 4 is \$235,000 or more, include an additional \$20,000 on line 4. Otherwise, include 25% (.25) of the excess of the amount on line 4 over \$155,000. For example, if the amount on line 4 is \$175,000, enter \$180,000 instead—the additional \$5,000 is \$20,000 (\$175,000 minus \$155,000) times 25% (.25).

Line 9.—If you are completing this form for a child who was under age 14 on January 1, 1991, and at least one of the child's parents was alive on December 31, 1990, do not follow the instructions on the form for line 9. If line 8 is equal to or more than line 5, enter -0-; otherwise, enter the smaller of: (1) the amount by which line 5 exceeds line 8, or (2) the amount entered on line F of the worksheet for line 13 of the child's 1990 Form 6251.

Line 12—Minimum tax foreign tax credit.—Refigure your 1990 minimum tax foreign tax credit using only exclusion items that were attributable to sources outside the United States. To do this, use a 1990 Form 1116, Foreign Tax Credit, and follow the steps below.

- Step 1.** Use a separate Form 1116 for each type of income.
- Step 2.** Fill in Part I of Form 1116 using that portion of your taxable income and exclusion items that were attributable to sources outside the United States.
- Step 3.** Fill in Part III of Form 1116. However, instead of entering the AMT foreign tax credit carryforward on line 10

of Form 1116, use the foreign tax credit carryforward, if any, figured on exclusion items last year. Enter the amount from line 4 of Form 8801 on line 17 of Form 1116. Enter the amount from line 11 of Form 8801 reduced by the child care credit and the credit for the elderly or the disabled, if any, on line 19 of Form 1116.

Step 4. Complete Part IV of Form 1116. Enter the refigured credit from line 32 of Form 1116 on line 12 of Form 8801.

If line 13 of Form 1116 was greater than line 20 of Form 1116, keep a record of the difference between those two lines. This amount is carried forward and used to compute your foreign tax credit on exclusion items next year.

Line 20.—Enter the unused portion of your 1990 credit for fuel produced from a nonconventional source that was not allowed solely because of the limitation under section 29(b)(5)(B).

Also include on this line the unused part of your 1990 orphan drug credit not allowed solely because of the limitation under section 28(d)(2)(B).

Line 21.—If line 21 is zero or less, you do not have a minimum tax credit or a minimum tax credit carryforward. Do not complete the rest of this form.

Line 22.—Follow the instructions below and refer to your 1991 income tax return to figure the amount to enter on line 22.

Form 1040.—Subtract from the amount on line 40 the total of any credit on lines 41 through 44 (not including any credit for prior year minimum tax) and any write-in credit on line 45 for the credit for fuel produced from a nonconventional source.

Form 1040NR.—Subtract from the amount on line 38 the total of any credits on lines 39 through 41 (not including any credit for prior year minimum tax) and any write-in credit on line 42 for the credit for fuel produced from a nonconventional source.

Form 1041.—Subtract the total of any credits on lines 2a through 2c, Schedule G from the amount on line 1, Schedule G.

Line 25.—Enter the minimum tax credit on the following line of your tax return:

- Form 1040,** line 44.
- Form 1040NR,** line 41.
- Form 1041,** line 2d, Schedule G.
- All others.**—Enter the minimum tax credit on the line provided on your tax return.
- Line 26—Carryforward of minimum tax credit.**—Keep a record of this amount because it can be carried forward and used in future years.

Form **8814**

Parent's Election To Report Child's Interest and Dividends

OMB No. 1545-1128

1991

Attachment Sequence No. 40

▶ See instructions below and on back.

▶ Attach to Parent's Form 1040 or Form 1040NR.

Department of the Treasury
Internal Revenue Service

General Instructions

Purpose of Form. Use this form if you are a parent and choose to report the income of your child on your return. If you do, the child will not have to file a return. You can file this form if your child meets all of the following conditions:

- Was under age 14 on January 1, 1992.
- Had income only from interest and dividends (including Alaska Permanent Fund dividends).
- Had gross income for 1991 that was more than \$500 but less than \$5,000.

- Had no estimated tax payments for 1991.
- Did not have any overpayment of tax shown on his or her 1990 return applied to the 1991 return.
- Had no Federal income tax withheld from his or her income (backup withholding).

The parent(s) must also qualify as explained on page 2 of these instructions.

Step 1 is used to figure the amount of the child's income to report on the parent's return. Step 2 is used to figure an additional tax that must be added to the parent's tax.

How To Make the Election. To make the election, complete and attach Form 8814 to your tax return and file your return by the due date (including extensions). A separate Form 8814 must be filed for each child whose income you choose to report.

Caution: The Federal income tax on your child's income may be less if you file a tax return for the child instead of making this election. This is because you cannot take certain deductions that your child would be entitled to on his or her own return. For details, see *Deductions You May Not Take* on page 2. (Instructions continue on back.)

Name(s) shown on parent's return

Your social security number

Child's name (first, initial, and last)

Child's social security number

Caution: If more than one Form 8814 is attached, check here

Step 1 Figure amount of child's interest and dividend income to report on your return

1a	Enter your child's taxable interest income. If this amount is different from the amounts shown on the child's Forms 1099-INT and 1099-OID, see the instructions	1a	
1b	Enter your child's tax-exempt interest income. DO NOT include this amount on line 1a.	1b	
2a	Enter your child's gross dividends (including any Alaska Permanent Fund dividends). If none, enter -0- on line 2c and go to line 3. If your child received any capital gain distributions or dividends as a nominee, see the instructions	2a	
2b	Enter your child's nontaxable distributions (from Form 1099-DIV, Box 1d) included on line 2a	2b	
2c	Subtract line 2b from line 2a	2c	
3	Add lines 1a and 2c. If the total is \$1,000 or less, skip lines 4 and 5 and go to line 6. If the total is \$5,000 or more, do not file this form. Your child must file his or her own return to report the income	3	
4	Base amount	4	1,000 00
5	Subtract line 4 from line 3. (If filing more than one Form 8814 or if line 2a includes any capital gain distributions, see the instructions.) Also include this amount in the total on Form 1040, line 22, or Form 1040NR, line 22. In the space next to line 22, enter "Form 8814" and show the amount. Go on to line 6 below ▶	5	

Step 2 Figure your tax on the first \$1,000 of child's interest and dividend income

6	Amount not taxed	6	500 00
7	Subtract line 6 from line 3. If the result is zero or less, enter -0-	7	
8	Tax. • If the amount on line 7 is \$500 or more, enter \$75 here. (Also, see the Note below.) • If the amount on line 7 is less than \$500, multiply the amount on line 7 by 15% (.15) and enter the result here. (Also, see the Note below.)	8	

Note: Include the amount from line 8 in the tax you enter on Form 1040, line 38, or Form 1040NR, line 36. On Form 1040, also enter the amount from line 8 in the space provided next to line 38. On Form 1040NR, enter the amount from line 8 in the space provided next to line 36. (If filing more than one Form 8814, see the instructions.)

For Paperwork Reduction Act Notice, see back of form.

Cat. No. 10750J

Form **8814** (1991)

References in the index are either to table or page numbers. Table references appear in the form "X.X" (for example 1.1, 3.2, etc.) or a capital letter (for example A, B, etc.), and page numbers are preceded by the letters *pg*.

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(See also Basic and standard deductions)

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- Size of adjusted gross income 1.4
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Classified by:

- Marital status 1.3
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Partnership and S Corporation net income or loss

Classified by:	
Marital status	1.3

Size of adjusted gross income	1.4
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Classified by:	
Size of adjusted gross income	3.3
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Payments to a Keogh plan

Classified by:	
Marital status	1.3
Size of adjusted gross income	1.4
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Reported on:

Returns with itemized deductions classified by marital status	2.2
Time series, 1985-1991	A

Penalty tax on qualified retirement plans

Classified by:	
Size of adjusted gross income	3.3
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Pensions and annuities

Classified by:	
Marital status	1.3
Size of adjusted gross income	1.4
1979 income concept	B
Definition	pg 78

Reported on:

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Classified by marital status	2.2
Time series, 1985-1991	A

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(See Exemptions)

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(See Interest paid deduction)

Personal interest paid

(See Interest paid deduction)

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1979 income concept	B
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Size of adjusted gross income	1.4
1979 income concept	B
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Reported on: Returns with itemized deductions	2.1
Classified by marital status	2.2
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Sales of property other than capital assets, net gain or loss Classified by: Marital status	1.3
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(See also Individual retirement arrangement adjustment deductible payments)	
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Reported on returns with itemized deductions classified by marital status.....	2.2
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Classified by:	
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Classified by:	
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Size of adjusted gross income	
Classified by:	
Marital status.....	1.2
Selected income and tax items.....	1.1
Sources of income.....	1.4
Type of tax computation.....	3.1
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Reported on:	
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Classified by:	
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Size of adjusted gross income.....	1.4
Reported on:	
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Classified by:	
Size of adjusted gross income.....	3.3
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Classified by:	
Marital status.....	1.3
Size of adjusted gross income.....	1.4
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State income tax refund

(See Taxes paid deduction)

Classified by:

- Marital status 1.3
- Size of adjusted gross income 1.4

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Reported on:

- Returns with itemized deductions 2.1
- Classified by marital status 2.2

Statutory adjustments

(See also specific type)

Classified by:

- Marital status 1.3
- Size of adjusted gross income 1.4
- 1979 income concept B

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Reported on:

- Form 1040A returns 1.6
- Returns with itemized deductions 2.1
- Classified by marital status 2.2
- Time series, 1985-1991 A
- Type of adjustment 1.4

Surviving spouses, returns of

(See also Marital filing status)

Classified by sources of income 1.3

T**Tax credits**

(See also specific type)

Classified by:

- Marital status 1.3
- Size of adjusted gross income 3.3
- 1979 income concept B

Definition, Total pg 85

Reported on:

- Returns with modified taxable income 3.1
- Returns with itemized deductions 2.1
- Classified by marital status 2.2

Time series, 1985-1991 A

Type of credit 3.3

Tax due at time of filing

Classified by:

- Marital status 1.3
- Size of adjusted gross income 3.3

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Reported on:

- Form 1040A returns 1.6
- Form 1040EZ returns 1.5
- Returns with itemized deductions
classified by marital status 2.2

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- Classified by size of adjusted gross income 3.3
- Definition pg 83

Tax generated

Classified by:

- Each rate at which tax was computed 3.6
- Marginal tax rate 3.4
- Tax generated at specified rate 3.5

Definition pg 83

Reported on returns with modified

taxable income 3.1

Tax items

(See also specific type)

Classified by:

- Marital status 1.3
- Size of adjusted gross income 1.4, 3.3

Reported on:

- Form 1040A returns 1.6
- Form 1040EZ returns 1.5
- Returns with modified taxable income 3.1
- Returns with itemized deductions 2.1
- Classified by marital status 2.2

Tax liability

Classified by:

- Marital status 1.3
- Size of adjusted gross income 3.3

Definition, Total pg 85

Reported on:

- Returns with itemized deductions
classified by marital status 2.2

Tax payments

(See also specific type)

Classified by:

- Marital status 1.3
- Size of adjusted gross income 3.3

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Reported on returns with itemized

deductions classified by marital status 2.2

Tax preparation fee

(See Miscellaneous itemized deductions)

Tax rates

(See Tax generated)

Tax-exempt interest

Classified by:

Marital status 1.3

Size of adjusted gross income 1.4

Definition pg 83

Reported on:

Form 1040A returns 1.6

Returns with itemized deductions 2.1

Classified by marital status 2.2

Taxable income

Classified by:

Marital status 1.3

Size of adjusted gross income 1.4

1979 income concept B

Marital status 1.2

Size of cumulated adjusted gross income 1.1

Tax generated at specified rate 3.5

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Reported on:

Form 1040A returns 1.6

Form 1040EZ returns 1.5

Returns with modified taxable income 3.1

Returns with itemized deductions 2.1

Classified by marital status 2.2

Time series, 1985-1991 A

Taxable interest received

Classified by:

Marital status 1.3

Size of adjusted gross income 1.4

1979 income concept B

Definition pg 84

Reported on:

Form 1040A returns 1.6

Form 1040EZ returns 1.5

Returns with itemized deductions 2.1

Classified by marital status 2.2

Time series, 1985-1991 A

Taxable returns

Classified by size of cumulated adjusted

gross income 1.1

Definition pg 83

Reported on:

Form 1040A returns 1.6

Form 1040EZ returns 1.5

Returns with itemized deductions 2.1

Taxes paid deduction

Classified by marital status 1.3

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Reported on:

Returns with itemized deductions 2.1

Classified by marital status 2.2

Time series, 1985-1991 A

Type of taxes paid deduction 2.1

Total deductions

Time series, 1985-1991 A

Total income tax

As percent of adjusted gross income 3.2

Type of tax computation 3.1

Average 1.1

Type of tax computation 3.1

Classified by:

Marital status 1.3

Number of exemptions 2.4

Size of adjusted gross income 1.4

1979 income concept B

Marital status 2.1

Number of exemptions 2.3

Size of cumulated adjusted gross income 1.1

Definition pg 84

Reported on:

Form 1040EZ returns 1.5

Returns with modified taxable income 3.1

Returns with itemized deductions 2.1

Classified by marital status 2.2

Time series, 1985-1991 A

Total itemized deductions

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Classified by:

Marital status 1.3

Size of adjusted gross income 1.4

Marital status 1.2

1979 income concept B

Definition pg 85

Limitation reported on:

Returns with itemized deductions 2.1

Classified by marital status 2.2

Time series, 1985-1991	A
Type of deduction	2.1
Type of tax computation	
Classified by size of adjusted gross income.....	3.1
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Unemployment compensation

Classified by:	
Marital status	1.3
Size of adjusted gross income.....	1.4

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Reported on:	
Form 1040A returns.....	1.6
Returns with itemized deductions	2.1
Classified by marital status	2.2

Unreimbursed employee business expense

(See also Miscellaneous itemized deductions
and employee business expense)

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