1977 Instructions for Form 1040

Department of the Treasury Internal Revenue Service

and for Schedules A, B, C, D, E, F, R, RP, and SE

(Tax Tables—pages 31-42)

Watch for Tax Law Changes

At the time Form 1040 and these instructions were printed, Congress was considering legislation that would allow credits for energy saving expenses for your personal residence. We have set aside lines 45 and 61a on Form 1040 for these credits. If this legislation is passed, we will do our best to tell you about it in radio, television and newspaper announcements. Please watch for this information which will also tell you about the energy credit form and instructions.

From the Commissioner

These instructions contain information needed to complete Form 1040 and Schedules A, B, C, D, E, F, R, RP, and SE. Please check to see if you can file Form 1040A before you begin to prepare your return. Since Form 1040A is much easier to complete this year, you should file it if you can.

This year Form 1040 has been redesigned to allow you to make all your calculations in a step-by-step manner.

Please note the Presidential Election Campaign Fund check-off near the top of the Form. Without increasing your tax or reducing your refund, you can have $1 ($1 each for husband and wife on a joint return) go to a fund to pay expenses for the 1980 Presidential Election.

These instructions contain new tax tables and tax rate schedules. The tables and rate schedules do not tax the first:

- $3,200 of income, if you are married filing a joint return or a qualifying widow(er),
- $2,200 of income, if you are single or unmarried head of household, or
- $1,600 of income, if you are married filing separately.

These amounts are called "zero bracket amounts" and replace the standard deduction.

We believe the simpler form and instructions will make it easier for you to prepare your own return. If you need help, please call us at the number listed for your area on page 46 or visit an IRS office.

If you decide to have someone else prepare your return, select a qualified person. If you use a paid preparer, the law requires the preparer to sign the return, enter his or her identifying number, and give you a copy. Ask your preparer to consider whether you can file Form 1040A instead of Form 1040.

Please check your return to make sure it is correct and then file it early.

Thank you for your cooperation.

Commissioner of Internal Revenue

235–058–1

Earned Income Credit

Line 57.—You may be entitled to a special payment or credit of up to $400 that may come as a refund check or be applied against any taxes you owe if you reported earned income and can answer "Yes" to questions A, B, and C below.

For this purpose, earned income means wages and salaries (after the disability income exclusion, if applicable), tips, other employee compensation, and your net earnings from self-employment (generally amount shown on Schedule SE (Form 1040), line 13). Earned income does not include social security benefits, welfare benefits, etc.

		Yes	No
A	Is your adjusted gross income, Form 1040, line 31, less than $8,000?		
B	Is your earned income less than $8,000?		
C	Did you pay more than half the cost of keeping up a home in the U.S. in which you lived and which for the entire year (except for temporary absences for vacation, school, etc.) was also the home of (1) **your child** who was under 19 years of age or a full-time student, **OR** (2) **your dependent** child who is disabled (see pages 7 and 8)?		

If you answered "Yes" to ALL the questions above, you can qualify for the credit if **YOU DO NOT:**

- Check Box 3 on Form 1040, Married Filing Separately, or
- File Form 2555, Exemption of Income Earned Abroad, or
- File Form 4563, Exclusion of Income from Sources in U.S. Possessions.

If you qualify, use the Earned Income Credit Worksheet below to figure your credit.

Earned Income Credit Worksheet

(Do Not File This Worksheet—Keep it for Your Records)

1	Amount of wages, salaries, tips, etc. from Form 1040, line 8. Be sure to attach Copy B of Form(s) W–2 to your return			1	
	Caution: *If you make an election not to claim the disability income exclusion and at the end of the taxable year you were under age 65, include on line 1 that portion of your disability income (attributable to periods prior to your reaching minimum retirement age) that you included on Schedule E (Form 1040), line 5, or Form 1040, line 17.*				
2	Disability income exclusion (sick pay) from Form 1040, line 30			2	
3	Subtract line 2 from line 1			3	
4	Net earnings from self-employment from Schedule SE (Form 1040), line 13. (Reduce for any amount also included in line 1 above and for any amounts that are not included in income, such as the rental value of parsonage or rental allowance furnished a minister.)			4	
5	**Earned income.** (Add lines 3 and 4. However, if line 4 is a loss, subtract line 4 from line 3—if less than zero, enter zero and do not complete the rest of this worksheet because you do not have an earned income credit.)			5	
6	Adjusted gross income from Form 1040, line 31			6	
7	Amount from line 5 or line 6, whichever is larger			7	
8	Enter 10% of line 5 but do not enter more than $400			8	
	If line 7 is $4,000 or less, do not complete the rest of this worksheet but enter the amount from line 8 on Form 1040, line 57. Also write the first name of your child who qualifies you for the credit in the space provided on line 57 (see the Note below).				
9	Amount from line 7	9			
10	Less	10	$4,000.00		
11	Subtract line 10 from line 9	11			
12	Enter 10% of line 11			12	
13	**Earned income credit.** (Subtract line 12 from line 8.) Enter here and on Form 1040, line 57. Also write the first name of your child who qualifies you for the credit in the space provided on line 57 (see the Note below) ▶			13	

Note: *If you have more than one child who qualifies you for the credit, you need only enter the first name of one of the children.*

235–058–1

Highlights for 1977

Please note these important reminders and changes made this year.

Who Must File.—The income level at which an income tax return must be filed has been increased. If your income is less than $6,200, be sure to see page 4.

If you want the IRS to figure your tax for you, please see page 4.

Standard Deduction (Zero Bracket Amount).—The former standard deduction has been replaced by a flat amount the law calls "zero bracket amount." This amount depends on your filing status. It is no longer a separate deduction as such; instead the equivalent amount is built into the new simplified tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, taxpayers who itemize deductions will need to make an adjustment. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax Tables.—Because of changes in the law, we have been able to develop new simplified tax tables to make it easier for you to find your tax if your income is under certain levels. Now, even if you itemize deductions, you may be able to use the tax tables to find your tax easily. In addition, you no longer need to deduct $750 for each exemption or figure your general tax credit, because these amounts are also built into the tax tables for you. Please see pages 5 and 11.

The General Tax Credit has been revised to take into consideration the exemptions for age and blindness. Married taxpayers filing separate returns will now be limited to a credit based on $35 per exemption. If you find your tax in the tax tables, you will not need to compute this credit since it is already figured for you.

New Jobs Credit.—A new credit is allowed for business employers who hire additional employees. Please see Form 5884 and page 12 of the instructions.

Disability Income Exclusion (Sick Pay).—The new rules for the disability income exclusion that originally were to go into effect in 1976 were postponed for one year and are now effective for 1977. Under these rules you may be able to exclude up to $100 a week of your pension income, but only if you are under 65 and totally and permanently disabled. Please see page 11.

Alimony Paid.—Payments for alimony are now adjustments to income. You no longer have to itemize deductions to claim a deduction for alimony you paid.

Moving Expense Rules Have Been Liberalized.—The mileage test has been decreased from 50 miles to 35 miles, while the dollar limits on deductible amounts have been increased. See Instructions for Form 3903.

Deductions for Attending Foreign Conventions.—Certain new restrictions apply to expenses that can be deducted for attending foreign conventions. If you are an employee, see page 10. If you are a self-employed person, see Instructions for Schedule C.

You may get additional forms, a copy of **Publication 17,** Your Federal Income Tax, and other publications by using the order blank on the next to the last page.

Foreign Bank, Securities and Other Financial Accounts.—If you had any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (except in a U.S. military banking facility operated by a U.S. financial institution), you must file Treasury Department Form 90–22.1, Report of Foreign Bank, Securities, and Other Financial Accounts.

This form, which is due before July 1, 1978, should be filed with the U.S. Treasury Department at P.O. Box 28309, Central Station, Washington, D.C. 20005.

Form 90–22.1, which replaces Internal Revenue Service Form 4683, U.S. Information Return on Foreign Bank, Securities and Other Financial Accounts, and Foreign Trusts, may be obtained from Internal Revenue Service offices or by writing to the above address.

Privacy Act Notice

The Privacy Act of 1974 says that each Federal agency that asks you for information must tell you the following:

1. Its legal right to ask for the information and whether the law says you must give it.
2. What purpose the agency has in asking for it, and the use to which it will be put.
3. What could happen if you do not give it.

For the Internal Revenue Service, the law covers the following:

1. Tax returns and any papers you file with them.
2. Any questions we need to ask you so we can—
   (*a*) complete, correct, or process your returns,
   (*b*) figure your tax, and
   (*c*) collect tax, interest, or penalties.

Our legal right to ask for information is Internal Revenue Code sections 6001 and 6011 and their regulations. They say that you must file a return or statement with us for any tax you are liable for. Code section 6109 and its regulations state that you must show a 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. You can skip that if you wish.

We ask for tax return information to carry out the Internal Revenue laws of the United States. We need it to figure and collect the right amount of tax.

We also use the information for other reasons. We are required by law to give it to the Department of Justice if they need it for a lawsuit. We may give it to other Federal agencies as provided by law. We may also give it to States, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. And we give it to foreign governments because of tax treaties they have with the U.S.

If you do not file a return or give us the information we ask for, you may be charged a penalty. And you may not be allowed the exemptions, exclusions, credits, deductions, or adjustments shown on your tax return. This could make your tax higher. You could lose Social Security credits or your refund could be lost or delayed. You may have to pay interest on the tax you owe.

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.

Form 1040 General Instructions

Who Must File

Whether or not you must file a return depends primarily on the amount of your income and your filing status. (Please see page 8 for examples of income.)

These rules are for all U.S. citizens and resident aliens, including those under 21 years of age. These rules also apply to those nonresident aliens and resident aliens who are married to citizens or residents of the U.S. at the end of 1977 and who elect to file a joint return as discussed on page 6, under **Your Filing Status.**

File a return if you are:	And your income is at least:
● Single (legally separated, divorced, or married living apart from your spouse for the entire year with dependent child) and:	
—You are under 65 . . .	$2,950
—You are 65 or older . .	3,700
● A person who can be claimed as a dependent on your parent's return, and have taxable dividends, interest, or other unearned income of $750 or more	750
● A qualifying widow(er) with dependent child and:	
—You are under 65 . . .	3,950
—You are 65 or older . .	4,700
● Married filing jointly, living with your spouse at the end of 1977 (or at date of death of spouse), and:	
—Both of you are under 65 .	4,700
—One of you is 65 or older .	5,450
—Both of you are 65 or older	6,200
● Married filing separately or married but not living with your spouse at the end of 1977	750
● A person entitled to exclude income from sources within U.S. possessions	750

● Self-employed and your net earnings from self-employment were at least $400.

▶ Even if you are not required to file a return, you should file to get a refund if (1) income tax was withheld, or (2) you are eligible for the earned income credit. If you are filing only to get a refund, please see Form 1040A Instructions to determine whether you can file Form 1040A.

Where to Get Forms.—In general, we mail forms and schedules directly to you based on what you filed last year. Many people will need only the forms we sent them. The order blank on the next to last page will help you get many of the forms, schedules, and publications referred to in these instructions. Many banks and post offices have the same material. However, if you do not find the material you need there, please fill out the order blank and we will send the material to you.

Dual-Status Tax Year.—You have a dual-status tax year if you were both a nonresident alien and a resident alien (or U.S. citizen) during the tax year. If you had a dual-status tax year for 1977 and you were either (1) unmarried at the end of 1977, or (2) married to a resident or citizen of the U.S. at the end of 1977 and do not elect to file a joint return as discussed under **Your Filing Status,** on page 6, either of the following applies to you:

(1) if you were a resident of the U.S. at the end of the year, file your return on Form 1040 and clearly mark at the top center of the return "Dual-Status Return." Attach a separate schedule (Form 1040NR clearly marked "Statement" may be used) to your return to show the income tax computation for that part of the tax year during which you were a nonresident alien;

(2) if you were **not** a U.S. resident or citizen on the last day of the year, file your return on Form 1040NR and clearly mark at the top center of the return "Dual-Status Return." Attach a separate schedule (Form 1040 clearly marked "Statement" may be used) to show the income tax computation for that part of the year during which you were a U.S. resident or citizen.

You **MUST** itemize your deductions and you **MAY NOT** use the Tax Tables or use Tax Rate Schedule Z for unmarried head of household.

For more detailed information including additional restrictions applying to dual-status taxpayers, it is important that you get **Publication 519,** United States Tax Guide for Aliens.

U.S. Citizens Living Abroad.—Generally, foreign source income must be reported on your return. See **What Income to Report** on page 8 and get **Publication 54,** Tax Guide for U.S. Citizens Abroad.

Death of Taxpayer.—If a person died in 1977, or in 1978 before filing a return for 1977, the surviving spouse or personal representative of the estate must file a return for the person who died.

For these instructions, the personal representative is the executor, executrix, administrator or administratrix of the estate of the person who died, who is qualified and acting within the United States. However, if none of these is appointed, the personal representative is the person in actual or constructive possession of any property of the person who died.

The personal representative can file a joint return for the person who died, if the surviving spouse agrees and did not remarry during the taxable year. If a personal representative has not been appointed, the surviving spouse can still file a joint return, if he or she did not remarry during the taxable year. The 1977 income of the person who died and the income of the surviving spouse for the entire year must be included in a joint return.

If you are filing a joint return, write in the signature area "Filing as surviving spouse." Show the date of death in the name and address space.

For more information, you should get **Publication 559,** Federal Tax Guide for Survivors, Executors, and Administrators.

Rounding Off to Whole Dollars.—You may round off cents to the nearest whole dollar on your return and schedules, provided you do so for all entries on your return unless instructions for a particular form or line specify otherwise. You can drop amounts under 50 cents—increase amounts from 50 to 99 cents to the next dollar. For example: $1.39 becomes $1 and $2.69 becomes $3.

Recordkeeping.—You must keep your records as long as their contents may be needed in the administration of any Internal Revenue law. Records that support an item of income, deduction, or credit appearing on your return should be kept until the statute of limitations expires 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 occurs later. Some records must be kept indefinitely. Records of transactions relating to the basis of property (including your personal residence) should be kept as long as they are needed in determining the basis of the original or replacement property. You should also keep copies of your filed tax returns as part of your records. Please get **Publication 552,** Recordkeeping Requirements and A Guide to Tax Publications, for further details.

IRS will figure your tax if your income on line 31 is $20,000 or less ($40,000 or less if you are married filing a joint return or a qualifying widow(er)). All of your income must be from wages, salaries, tips, dividends, interest, pensions and annuities. You cannot itemize deductions or use Schedule G, Income Averaging, or Form 2555, Exemption of Income Earned Abroad.

All you do is:

1. Fill in your return through line 31. Be sure to complete all the information in the name and address area and check the appropriate Yes or No box(es) for the Presidential Election Campaign Fund question.

2. Fill in lines 38 through 45 and 48 through 53 if they apply. Also fill in 55 and 56, and 59 through 61a, as necessary. Be sure to attach any applicable forms and schedules.

3. On a joint return, show your and your spouse's income separately in the space between lines 7 and 8 so IRS can figure your tax in the way that will give you the smallest tax.

4. Sign and date your return. Both you and your spouse must sign a joint return, even if only one had income.

5. File on or before April 17, 1978.

We will then figure your tax and send you a refund check if you paid too much or bill you if you did not pay enough.

Note: *If you are eligible to claim the earned income credit (see page 2), we will figure the credit for you if you write EIC on line 57. Also write the first name of your child who qualifies you for the credit in the space provided on line 57. If you have a credit for the elderly, we will figure that also. Just attach* **Schedules R & RP** *after you have checked the applicable box for filing status and age and filled in line 2(a) of Schedule R, or lines 1, 2, and 5 of Schedule RP, whichever schedule is applicable. Then write CFE on line 39 of Form 1040.*

When to File

You should file as soon as you can after January 1, but not later than April 17, 1978. Late filing may subject you to penalties and interest. See instructions for Penalties and Interest on page 13.

Amended Return

Use Form 1040X to correct any error in a previously filed income tax return.

235-058-1

Where to File

Please use the addressed envelope that came with your return, or use the address for your State. Mail your return to the Internal Revenue Service Center for the place where you live.

Alabama—Atlanta, GA 31101
Alaska—Ogden, UT 84201
Arizona—Ogden, UT 84201
Arkansas—Austin, TX 73301
California—Fresno, CA 93888
Colorado—Ogden, UT 84201
Connecticut—Andover, MA 05501
Delaware—Philadelphia, PA 19255
District of Columbia—Philadelphia, PA 19255
Florida—Atlanta, GA 31101
Georgia—Atlanta, GA 31101
Hawaii—Fresno, CA 93888
Idaho—Ogden, UT 84201
Illinois—Kansas City, MO 64999
Indiana—Memphis, TN 37501
Iowa—Kansas City, MO 64999
Kansas—Austin, TX 73301
Kentucky—Memphis, TN 37501
Louisiana—Austin, TX 73301
Maine—Andover, MA 05501
Maryland—Philadelphia, PA 19255
Massachusetts—Andover, MA 05501
Michigan—Cincinnati, OH 45999
Minnesota—Ogden, UT 84201
Mississippi—Atlanta, GA 31101
Missouri—Kansas City, MO 64999
Montana—Ogden, UT 84201
Nebraska—Ogden, UT 84201
Nevada—Ogden, UT 84201
New Hampshire—Andover, MA 05501
New Jersey—Holtsville, NY 00501
New Mexico—Austin, TX 73301
New York
New York City and Counties of Nassau, Rockland, Suffolk and Westchester—Holtsville, NY 00501
All Other Counties—Andover, MA 05501
North Carolina—Memphis, TN 37501
North Dakota—Ogden, UT 84201
Ohio—Cincinnati, OH 45999
Oklahoma—Austin, TX 73301
Oregon—Ogden, UT 84201
Pennsylvania—Philadelphia, PA 19255
Rhode Island—Andover, MA 05501
South Carolina—Atlanta, GA 31101
South Dakota—Ogden, UT 84201
Tennessee—Memphis, TN 37501
Texas—Austin, TX 73301
Utah—Ogden, UT 84201
Vermont—Andover, MA 05501
Virginia—Memphis, TN 37501
Washington—Ogden, UT 84201
West Virginia—Memphis, TN 37501
Wisconsin—Kansas City, MO 64999
Wyoming—Ogden, UT 84201

If you are located in	Use this address
Panama Canal Zone, American Samoa	Philadelphia, PA 19255
Guam	Commissioner of Revenue and Taxation Agana, GU 96910
Puerto Rico (or if excluding income under section 933) Virgin Islands: Nonpermanent residents	Philadelphia, PA 19255
Virgin Islands: Permanent residents	Department of Finance, Tax Division, Charlotte Amalie St. Thomas, VI 00801
Foreign country and have an A.P.O. or F.P.O. address	Center for your permanent home State
Foreign country: U.S. citizen and those excluding income under section 911 or 931	Philadelphia, PA 19255

Guide for Preparing a Return

You may find it helpful in completing your Form 1040 to follow these steps.

Step 1.—Gather up your income records including all Forms W–2, W–2G, W–2P, and 1099. If your employer does not give you a Form W–2 by January 31, or if the one you have is not correct, you should contact your employer as soon as possible. Only your employer can issue your W–2 or correct it. If you are unable to get Form W–2 from your employer by February 15, contact an IRS office.

Step 2.—If you are going to claim any credits or itemize your deductions, collect all necessary information and expense records, such as medical and dental bills, real estate taxes, State income tax, home mortgage interest, charitable contributions, and child care expenses. To make sure you do not forget any items, look on pages 12 through 17 of these instructions for the credits and expenses you can deduct. Put these records aside until later.

Step 3.—Get any forms or schedules you need but did not receive by mail. The order blank on the next to last page will help you decide which ones you will need.

Step 4.—Name, Address, and Social Security Number. Always use the mailing label on the forms we sent you. Please correct your name and address on the label if necessary. Also show your apartment number if you have one. If you did not receive forms with a label, you should print or type your name and address. If a husband and wife file a joint return and use different last names, please separate the last names with an "and." For example: "Brown and Smith."

If your social security number is wrong on the label or if you did not receive a label, show your correct number on your return. If you are married, give numbers for both you and your spouse whether you file jointly or separately.

If you do not have a social security number, please get an application **Form SS–5** from a Social Security Administration office, post office, or from IRS. You should file it with the local office of the Social Security Administration. Do this early enough to make sure you receive a number before April 17. If you do not receive a number by April 17, file your return without it and write "Applied for" in the space for social security number.

Be sure to show occupations in spaces in upper right corner just below social security blocks.

Step 5.—Check appropriate Yes or No box for the Presidential Election Campaign Fund. Checking Yes will not increase your tax or reduce your refund.

Step 6.—Your Filing Status—Which Box to Check. Check only one box (boxes 1 through 5). Your tax rate depends on the box you check. So before you decide, please see instructions for **Your Filing Status** on page 6.

Step 7.—Your Exemptions. Fill in lines 6a through 7. Please see the instructions for **Your Exemptions** on page 7.

Step 8.—Fill in the schedules and forms mentioned for lines 9 through 30 if you need to. Enter the totals from your schedules on the correct lines on Form 1040. If you file Schedule B, be sure to answer the questions in Part III.

If you need more space on forms or schedules, you should attach separate sheets and use the same arrangement as the printed forms, but show your totals on the printed forms. Be sure to put your name and social security number on these separate sheets.

Fill in the rest of the lines on page 1 of the Form.

Step 9.—Fill in line 32 and decide whether you should itemize your deductions. The instructions **Should You Itemize Your Deductions?** on page 11 will help you decide. Also see the instructions on page 11 for **Who Must Itemize Deductions.**

Step 10.—If you do not itemize deductions, enter zero on line 33. A new zero bracket amount replaces the standard deduction used in the past. This amount has been built into the tax tables and the tax rate schedules, eliminating the need for a separate computation for most taxpayers. Enter the amount from line 32 on line 34. Skip step 11.

Step 11.—If you itemize deductions, fill in Schedule A (Form 1040) and enter your Excess Itemized Deductions (Schedule A, line 41) on Form 1040, line 33 (or, if necessary, follow the instructions on page 11 under **Who Must Itemize Deductions**). Subtract line 33 from line 32 and enter the result on line 34. Although your itemized deductions are reduced by the zero bracket amount on Schedule A, line 40, you will receive the full benefit of your deductions because the zero bracket amount has been built into the tax tables and tax rate schedules for you. Using this approach enables most taxpayers to use the simplified tax tables to find their tax.

Step 12.—If line 34 is $20,000 or less ($40,000 or less if you are married filing a joint return or a qualifying widow(er)), you can usually find your tax in the tax tables. The new zero bracket amount, your deduction for personal exemptions, AND the general tax credit are already figured for you in the tax tables. You should enter the tax on line 35 and check the box for Tax Tables. Skip step 13.

Step 13.—If line 34 is more than $20,000 (more than $40,000 if you are married filing a joint return or a qualifying widow(er)), or you have more exemptions than those covered in the Tax Tables for your filing status, use Schedule TC (Form 1040) Part I, to figure your tax. You must also use Schedule TC, Part I if you file Schedule G (Form 1040), Income Averaging. Enter the tax from Schedule TC, Part I, line 11 on Form 1040, line 35 and check the box for Schedule TC.

Step 14.—Fill in lines 36 through 61a if you have credits, other taxes, or payments to report. Be sure to complete the forms or schedules requested.

Step 15.—If you overpaid your taxes, show the amount on line 63. On line 64 or 65, show whether you want some or all of the money refunded or credited to 1978 estimated tax. If line 63 is under $1, we will send you a refund only on written request. If the refund IRS owes you is large, see your payroll office about filing a new Form W–4 to reduce the amount of tax to be withheld from your wages.

Step 16.—If you owe tax, show the amount on line 66. Attach check or money order for full amount when you file. Make it out to "Internal Revenue Service" and be sure to write your social security number on it. If line 66 is under $1, you do not have to pay. If your payment due IRS is large, see your payroll office about filing a new Form W–4 to increase the amount of tax to be withheld from your wages.

Step 17.—Recheck Your Return. Go over all items and make sure they are right. Also check your arithmetic.

Step 18.—Sign and Date Your Return and Make Sure the Preparer (if any) Also Signs. It is not considered a return unless you sign it. Both you and your spouse must sign a joint return. If someone prepares your return free, that person does not have to sign your return.

An individual who prepares your return for pay must manually sign the return as preparer. Signature stamps or labels are not acceptable.

If more than one person prepares the return, the individual preparer with the primary responsibility for the overall accuracy of the return must sign as preparer. The preparer required to sign the return shall also enter his or her social security number to the right of that signature. If the preparer is self-employed, he or she must write "SE" to the right of the preparer's social security number.

If the individual is paid by another to prepare (or is a partner in a partnership preparing) your return, the payer's (or partnership's) name and identification number must be entered below the preparer signature line. (Special rules apply to identification numbers for foreign tax return preparers. Such preparers should see sections 1.6109–2(a) and 301.7701–15(a)(5) of the regulations.)

The return must also show, below the preparer's signature, the address of the preparer's place of business where the return was completed. However, if this place of business is not maintained on a year-round basis, the return should show the address of the preparer's principal business location which is maintained on a year-round basis, or, if none, the preparer's residence.

The preparer must give you a copy of your return in addition to the copy filed with IRS. Employers, partnerships, and self-employed preparers must file Form 5717, Annual List of Income Tax Return Preparers.

Note: *A $25 penalty may be charged a paid preparer who does not give you a copy of your return in addition to the copy filed with IRS. A penalty may also be charged a preparer required to sign who does not show an original signature or a photocopy of the original signature in the space provided. A penalty may be charged a self-employed preparer who does not show his or her identifying number in the space provided.*

If the individual is paid by another to prepare (or is a partner in a partnership preparing) your return, the payer or partnership may be charged a penalty if the return does not show the individual's social security number and the payer's (or partnership's) employer identification number.

If your return is prepared by your regular, full-time employee, such as a clerk, secretary or bookkeeper, or by your partner, that person is not subject to the above rules.

Step 19.—Attachments. Attach copy B of Forms W–2, W–2G, and W–2P to the front of Form 1040. Attach schedules in alphabetical order and forms other than W–2, W–2G, or W–2P in numerical order to the back of Form 1040. If you owe tax, be sure to attach your payment to the front of Form 1040.

Note: *If you move after filing your return and you are expecting a refund, you should notify both the post office serving your old address and the service center where you filed your return of your address change. This will help to forward your check to your new address as soon as possible. Please be sure to include your social security number in any correspondence with the IRS.*

Instructions for Page 1 of Form 1040

Presidential Election Campaign Fund

You may have $1 go to this fund by checking the Yes box. On a joint return, the election is available for both spouses. Both of you may elect to have $1 go to this fund. Both may elect not to have $1 go to this fund. One may elect to have $1 go to this fund and the other may choose not to.

Checking Yes will not increase your tax or reduce your refund.

You may not claim this amount as a credit for contributions for candidates for public office on line 38.

Note: *If you check a Yes box, you may not change that designation after you file a return. However, if you check a No box but after you file your return you wish to designate $1, you may change your designation to Yes by filing an amended return on or before December 31, 1979. You should use Form 1040X, Amended U.S. Individual Income Tax Return.*

Your Filing Status—Which Box to Check

Decide How You Should File From the Explanations Below

Were You Married or Single?—If you were married on December 31, consider yourself married for the whole year. If you were single, divorced, or legally separated on December 31, consider yourself single for the whole year. If you meet the tests for **Were You Married and Living Apart From Your Spouse?** on page 7, you may consider yourself single for the whole year.

If your spouse died during 1977, consider yourself married to your spouse for the whole year, unless you remarried before the end of your taxable year.

Married Persons.—Should you file joint or separate returns?

Joint Return.—In most cases, married couples will pay less tax if they file jointly.

You and your spouse can file a joint return even if you did not live together for the full year. Both you and your spouse are responsible for any tax due on a joint return, so if one of you does not pay, the other may have to.

Special Election for Aliens.—You may elect to file a joint return with your spouse if, at the time of the election, you were a nonresident alien individual married to a citizen or resident of the United States, and you and your spouse agree to be taxed on your combined worldwide income.

If one spouse was a nonresident alien at the beginning of the taxable year and a resident of the United States on the last day of the taxable year and the other spouse was a citizen or resident of the United States at the close of the taxable year, you may elect to file a joint return if you both agree to be taxed on your combined worldwide income.

For more details, please get **Publication 519**, United States Tax Guide for Aliens.

Things to Remember on a Joint Return.—You must report all income, exemptions, deductions, and credits for you and your spouse. Both of you must sign the return.

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Separate Returns.—You can file separately if both you and your spouse had income or if only one of you had income. Both you and your spouse must figure your tax the same way. This means if one itemizes deductions, the other must itemize. You each report only your own income, exemptions, deductions, and credits, and you are responsible only for the tax due on your own return.

Community Property States.—If you and your spouse live in a community property State, you must follow State law to determine what is community income and what is separate income. Generally, expenses are community expenses or separate expenses according to the type of income from which the expenses arose. If you and your spouse live in a community property State and both itemize deductions, expenses paid from joint funds can be divided equally. For more details please get **Publication 555,** Community Property and the Federal Income Tax.

Tax Savings.—Before you file a separate return, see if you can reduce your tax by meeting the tests described below in **Were You Married and Living Apart From Your Spouse?** If so, you should check box 1 for Single or, if you qualify, box 4 for Unmarried Head of Household.

Things to Remember on a Separate Return.—Check box 3, Married filing separately. If both you and your spouse file separate returns, write your spouse's full name in the space provided after box 3 and enter your spouse's social security number in the designated space.

If your spouse does not file, check the applicable boxes on line 6b if you can claim the exemptions for your spouse. Please see instructions for **Your Exemptions.** Only the spouse who had income should sign the return.

Were You Married and Living Apart From Your Spouse?—Certain married persons can file as Single or as Unmarried Head of Household and take advantage of lower tax rates. In addition to other benefits, this means that you may be eligible to claim the earned income credit. It also means that if your spouse itemizes deductions, you do not have to. Both you and your spouse can file this way if both meet the tests.

You can file as a single person, and check box 1 for Single, if you meet all of the following tests:

(1) You file a separate return.

(2) You paid more than half the cost to keep up your home for 1977.

(3) Your spouse did not live with you at any time during 1977.

(4) For over six months of 1977, your home was the main home of your child or stepchild whom you can claim as a dependent.

If you meet tests (1) through (4) above you may be eligible to check box 4 for Unmarried Head of Household. Please see the following instructions.

Were You an Unmarried Head of Household?—There are special tax rates for a person who can meet the tests for the Unmarried Head of Household filing status. These rates are more beneficial than the rates for Single and Married Filing Separately.

You may use this filing status **ONLY IF** on December 31, 1977, you were unmarried (including certain married persons living apart) or legally separated and met one of the following tests:

(1) You paid more than half the cost of keeping up a home which was the main home of your father or mother whom you can claim as a dependent (you did not have to live with that parent).

(2) You paid more than half the cost of keeping up your home which, except for temporary absences for vacation, school, etc., was lived in all year by one of the following:

(a) Your unmarried child, grandchild, foster child or stepchild. This person did not have to be your dependent.

(b) Any other person listed in (5)(a) under **Lines 6c and 6d—Children and Other Dependents** on page 8, whom you can claim as a dependent provided he or she is not your dependent under a multiple support agreement (this is where two or more taxpayers supported the relative and no one gave more than half the support).

Note: *If you are claiming the filing status of Unmarried Head of Household please enter the person's name who qualifies you for this status in the space provided after box 4. If more than one person qualifies you for this status, you need enter only one person's name.*

If you were married to a nonresident alien, you may qualify for the Unmarried Head of Household filing status under certain circumstances. Consult an IRS office for further information.

Were You a Qualifying Widow or Widower With a Dependent Child?—If so, you may still be able to use joint return tax rates for 1977 and use Tax Table B or Tax Rate Schedule Y.

If your spouse died during 1976 or 1975 and you did not remarry before the end of 1977, you can file a return for 1977 showing only your own income, exemptions, deductions, and credits, and figure your tax at joint return rates if you meet all of the following tests:

(1) You could have filed a joint return with your spouse for the year your spouse died. Whether you actually filed jointly does not matter.

(2) You had living with you (except for temporary absences for vacation and school) a child or stepchild you can claim as a dependent.

(3) You paid over half the cost of keeping up the home for this child for the entire year.

Check box 5, **Qualifying widow(er) with dependent child,** and give year of your spouse's death in the parentheses. Do not claim an exemption for your spouse. You can claim the exemption only for the year your spouse died.

If your spouse died in 1977 and you did not remarry, read **Were You Married or Single?** on page 6. If your spouse died before 1975, read **Were You an Unmarried Head of Household?** Otherwise you must file as Single.

Your Exemptions

Line 6a—For Yourself.—You can always take one exemption for yourself. Take two exemptions if you were blind, or 65 or older. Take three exemptions if you were both blind and 65 or older. Be sure to check all the boxes on line 6a for the exemptions you can take for yourself.

You can take the extra exemptions for age 65 or over and blindness only for yourself and your spouse. You cannot take them for dependents.

Age and blindness are determined as of December 31. However, if your 65th birthday was on January 1, 1978, you can take the extra exemption for age for 1977.

Proof of Blindness.—If you or your spouse is completely blind, attach a statement to this effect. In cases of partial blindness, you must submit with your return each year a statement from an eye physician or registered optometrist that you: (a) cannot see over 20/200 with glasses or (b) your field of view does not exceed 20 degrees. If, however, this eye condition will never improve beyond the standards in (a) or (b), you may submit a certified opinion to this effect from an examining eye physician. You need to attach this certification only once to your return. In following years you need only attach a statement referring to it.

Line 6b—For Your Spouse.—You can take an exemption for your spouse if you file a joint return. If you file a separate return you can take your spouse's exemptions only if your spouse is not filing a return, had no income and was not the dependent of someone else.

Your spouse's exemptions are like your own—one, if your spouse was neither blind nor 65 or older—two, if blind or 65 or older—three, if both blind and 65 or older. Be sure to check all the boxes on line 6b for the exemptions you can take for your spouse.

If at the end of 1977, you were legally divorced or separated, you cannot take an exemption for your former spouse. If you were separated by a divorce that is not final (interlocutory decree), you may still take an exemption for your spouse if you file a joint return.

If your spouse died during 1977 and you did not remarry before the end of your taxable year, check the boxes for the exemptions you could have taken for your spouse on the date of death.

Nonresident Alien Spouse.—If you did not elect to file a joint return, you may claim your spouse's exemptions only if your spouse had no income from United States sources and is not the dependent of another taxpayer. Use line 6b to claim exemptions for a nonresident alien spouse. When claiming your spouse's exemption on line 6b, please write **"NRA"** above the word Spouse on line 6b.

Lines 6c and 6d—Children and Other Dependents.—Please enter on line 6c the first names of your dependent children who lived with you. Fill in the total number in the box to the right of the arrow.

Please enter on line 6d the full names and other information for your other dependents. Fill in the total number in the box to the right of the arrow.

Each person you claim as a dependent has to meet all of the following tests:

(1) Income.—Received less than $750 income. (This test does not have to be met if your child was under 19 or a full-time student at least 5 months of the year. Please see instructions for Student Dependent on this page.)

(2) Support.—Received over half of his or her support from you or is treated as receiving over half of his or her support from you under rules for **Children of Divorced or Separated Parents or Dependent Supported by Two or More Taxpayers** on this page. If you file a joint return, the support can be from either spouse.

Support includes food, a place to live, clothes, medical and dental care, and cost of education. In figuring support, use the actual cost of these things. However, the cost of a place to live is figured at fair rental value.

After December 31, 1977, capital items such as an automobile or furniture, must be included in determining total support, but only if these things are actually given to, or purchased by, the dependent for the dependent's use or benefit. Before January 1, 1978, capital items may be included in determining total support if it is to your benefit to do so. Support does not include the cost of a capital item such as furniture purchased for the household or for use by persons other than the dependent.

Support **does not** include things like income and social security taxes, premiums for life insurance, or funeral expenses for a deceased dependent.

In figuring support, you must include money the dependent used for his or her own support, even if this money was not taxable. (For example, include social security benefits, gifts, savings, welfare benefits, etc.) If your child was a student, do not include amounts he or she received as scholarships.

(3) Married Dependents.—Did not file a joint return with his or her spouse.

(4) Citizenship or Residence.—Was a citizen or resident of the U.S., a resident of Canada or Mexico, or an alien child adopted by and living with a U.S. citizen in a foreign country.

(5) Relationship.—Met one of the following tests:

(a) Was related to you (or your spouse if you are filing jointly) in one of the following ways:

Child	Mother-in-law
Stepchild	Father-in-law
Mother	Brother-in-law
Father	Sister-in-law
Grandparent	Son-in-law
Brother	Daughter-in-law
Sister	If related by
Grandchild	blood:
Stepbrother	Uncle
Stepsister	Aunt
Stepmother	Nephew
Stepfather	Niece

(b) Was any other person who lived in your home as a member of your household for the whole year.

The term Child includes:

Your son, daughter, stepson, stepdaughter.

A child who lived in your home as a member of your family if placed with you by an authorized placement agency for legal adoption.

A foster child who lived in your home as a member of your family for the whole year.

Student Dependent.—Even if your child had income of $750 or more, you can claim him or her as a dependent if he or she was a full-time student and met tests (2), (3), and (4) above.

To qualify as a student, your child had to meet one of the following tests:

(1) was enrolled as a full-time student at an educational organization during any 5 months of 1977, or

(2) took a full-time, on-farm training course during any 5 months of 1977. (The course had to be given by an educational organization or a State, county, or local government agency.)

Educational organization means a school that has a regular teaching staff, course of study, and a regularly enrolled body of pupils or students in attendance. It includes elementary schools, junior and senior high schools, colleges, universities, technical and mechanical schools. It also includes a night school in which the student is enrolled for the number of hours or classes that is considered full-time attendance at a similar day school. It does not include on-the-job training courses, correspondence schools, etc.

For more information, please get **Publication 501,** Your Exemptions and Exemptions for Dependents.

Children of Divorced or Separated Parents.—In most cases, the parent who has custody of the child for the greater part of the year can take the exemption. But there are exceptions. Under the new rules for 1977 the parent who does NOT have custody (or who has the child for the shorter time), may take the exemption if:

(1) that parent gave at least $600 toward the child's support during 1977, and the decree of divorce or separate maintenance (or a written agreement between the parents) states he or she can take the exemption, or

(2) that parent gave $1,200 or more for each child's support during 1977, and the parent having custody cannot prove that he or she gave more than the other parent gave.

Note: *For purposes of determining the amount for child support, a parent who has remarried and has custody may count the support furnished by the new spouse.*

Dependent Supported by Two or More Taxpayers.—A special rule applies when two or more taxpayers together paid for more than half of another person's support, but no one of them alone paid over half and any one of them could claim the person as a dependent except for the support test. In this case, a taxpayer can claim an exemption for the dependent if he or she:

(1) paid for at least 10 percent of the support, **and**

(2) attaches to his or her return a signed **Form 2120,** Multiple Support Declaration, from each other person who paid at least 10 percent of the support. This form states that the person signing will not claim the person supported on his or her own return.

Birth or Death of Dependent.—You can take an exemption for a dependent who was born or who died during 1977 if he or she met the tests for a dependent while alive. This means that a baby born alive but who lived only a few minutes can be claimed as a dependent.

What Income To Report

Examples of Income You Must Report.—

Wages including employer supplemental unemployment benefits, salaries, bonuses, commissions, fees, and tips.

Dividends.

Earned income from sources outside U.S. (See Form 2555.)

Earnings (interest) from savings and loan associations, mutual savings banks, credit unions, etc.

Interest on tax refunds.

Interest on bank deposits, bonds, notes.

Interest on U.S. Savings Bonds.

Interest on arbitrage bonds issued after Oct. 9, 1969, by State and local governments.

Profits from businesses and professions.

Your share of profits from partnerships and small business corporations.

Pensions, annuities, endowments, including lump-sum distributions.

Supplemental annuities under the Railroad Retirement Act (but not regular Railroad Retirement Act benefits).

Profits from the sale or exchange of real estate, securities, or other property.

Sale of personal residence. (Please see Instructions for Schedule D.)

Rents and royalties.

Your share of estate or trust income, including accumulation distribution from trusts.

Alimony, separate maintenance or support payments received from and deductible by your spouse or a former spouse.

Prizes and awards (contests, raffles, etc.).

Refunds of State and local taxes (principal amounts) if they were deducted in a prior year and resulted in tax benefits.

Fees received for jury duty and precinct election board duty.

Fees received as an Executor, Administrator, or Director.

Embezzled or other illegal income.

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Examples of Income You Do Not Report.—

Disability retirement payments and other benefits paid by the Veterans Administration.

Dividends on veterans' insurance.

Life insurance sums received at a person's death.

Workmen's compensation, insurance, damages, etc. for injury or sickness.

Interest on certain State and municipal bonds.

Federal social security benefits.

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

Insurance repayments that were more than the cost of your normal living expenses if you lost the use of your home because of fire or other casualty. Repayments of the amount you spent for normal living expenses must be reported as income.

Employer amounts contributed on behalf of and benefits provided to you as an employee or the spouse or dependent of an employee, under a qualified group legal services plan.

Line 8—Wages, Salaries, Tips, etc.—Show the total of all wages, salaries, fees, commissions, tips, bonuses, and other amounts your employers paid you before they took out for taxes, insurance, etc.

Include in this total:

(1) The amount shown on Form W–2 in the box Wages, Tips and Other Compensation.

(2) Tips you did not report to your employer. (Show any social security tax due on these tips on line 51—instructions for this are on page 13.)

(3) Wages you received but do not have a Form W–2 for.

(4) Certain disability retirement income if you are under age 65. (See Instructions for Schedule E under **Disability Pension and Annuity Payments.**)

(5) 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. (If your employer provided meals where you worked for your employer's convenience, do not report their value.) Do not report the value of living quarters if you had to accept them as a condition of employment.

(6) Strike and lockout benefits paid by a union from union dues, including cash and the fair market value of goods received, unless the facts clearly show that such benefits were intended as a gift.

Note: *You must report on line 8 all wages, etc., your employer paid for your personal services, even if the income was irrevocably assigned to a trust, another person, a corporation, or tax exempt organization.*

Please get **Publication 525,** Taxable Income and Nontaxable Income, for more information on reporting income received in the form of goods, property, meals, stock options, etc.

If your employer paid you more than you spent for business expenses, please see the instructions on page 10 for **Reporting Deductions and Excess Payments.**

Line 9—Interest Income.—For an explanation of interest income, you should see page 17. Enter on line 9 the total interest received. If you received over $400, you must also fill in Schedule B and list names of all payers and amounts received.

Line 10a—Dividends.—For an explanation of dividend income, see instructions for Schedule B on page 17. Enter on line 10a the total dividends received (this is gross dividends less capital gain distributions and any nontaxable distributions). If you received over $400, you must also fill in Schedule B and list names of all payers and amount received.

Note: *If you received capital gain distributions and do not need Schedule D to report any other gains or losses or to figure the alternative tax, do not fill in that schedule. Instead show 50 percent of your capital gain distributions on Form 1040, line 15.*

Line 10b—Exclusion.—You may exclude up to $100 of dividends received from qualifying domestic corporations.

If you are married filing a joint return, you and your spouse may be able to exclude up to $200 of dividend income. Thus, if both you and your spouse had dividend income from jointly or separately owned stock, you may each exclude up to $100 of dividend income. However, neither of you can use any part of the $100 exclusion not used by the other in the case of stock owned separately.

For example, if you had $300 in dividends and your spouse had $20, only $120 may be excluded. If all of the stock on which the $320 of dividends received had been held jointly, then you and your spouse could exclude $200 ($100 each).

Taxable dividends from the following corporations do not qualify for the dividends exclusion:

(a) Foreign corporations, including amounts from controlled foreign corporations.

(b) So-called exempt organizations (charitable, fraternal, etc.) and exempt farmers' cooperative organizations.

(c) Regulated investment companies, unless the companies have told you how much of the dividends qualify for the exclusion.

(d) Real estate investment trusts.

(e) Electing small business corporations to the extent the amounts are distributions out of current earnings and profits. However, for this purpose, current earnings and profits are limited to taxable income for the year.

Note: *Earnings from savings and loan or building and loan associations are often called dividends, but they are really interest and should be shown on line 9.*

Line 11—State and Local Income Tax Refunds.—Show the amount of State and local income tax refunds that you received or were credited to you in 1977 if you claimed the tax as an itemized deduction in a prior year. You need only report that part of the refund that resulted in a Federal income tax savings in the year deducted.

Do not use the refund to reduce your deduction for State and local income tax for 1977. If you did not itemize your deductions in the year the tax was paid, do not include the refund in income.

Line 12 — Alimony Received. — Show amounts you received as alimony or separate maintenance. For more information, please get **Publication 504,** Tax Information for Divorced or Separated Individuals.

Line 15—50 percent of Capital Gain Distributions.—If you do not need Schedule D to report any other gains or losses or to figure the alternative tax, do not fill in that schedule. Instead, you should show 50 percent of your capital gain distributions on line 15.

Line 17—Fully Taxable Pensions and Annuities.—You should use this line to report: (1) Pensions and annuities if you paid no part of their cost. (2) Military retirement pay from Form W–2P. (3) Amounts received as annuity under the special rule if you recovered your entire cost before January 1, 1977. Please see Instructions for Schedule E for more information on pensions and annuities.

Line 20—Other.—You should use this line to report and tell the source of any income you cannot find a place for on your return or other schedules. Include prizes, awards, and amounts you recovered for bad debts, medical expenses or other items that reduced your tax in a prior year.

You must also report gross lottery and gambling winnings as income on line 20. Lottery and gambling losses can only be taken as an itemized deduction on Schedule A. However, such losses are limited to the amount of winnings reported.

Generally, self-employment income must be reported on Schedule C (Form 1040) or Schedule F (Form 1040). However, if you received self-employment income such as directors' fees and you did not incur any expenses related to this income, you may enter the total amounts received here and on Schedule SE (Form 1040), line 5e.

Net Operating Loss.—If you lost money in a trade or business in 1977, you can subtract the loss from your 1977 income. (The loss can also be from a personal casualty or theft loss or from selling or disposing of real or depreciable property used in your trade or business.)

If your losses were more than your income, the difference may result in a net operating loss. Generally, you can use a net operating loss to reduce your income for the three years before 1977 and the seven years after, **or you may elect** to use it to reduce your income for the seven following years without carrying the loss to the three prior years. If you carry back the loss and are due a refund from the carryback, you may use Form 1045 to get a quick refund. But if you elect to carry the loss forward instead, you must attach a statement to this effect on a timely filed return (including extensions). If you make such an election, it cannot be changed later.

If you had a loss in a prior year to carry forward to 1977, you should enter it as a minus figure on line 20. Attach a separate sheet showing how you figured the amount.

For more information, please get **Publication 535,** Tax Information on Business Expenses and Operating Losses.

Adjustments to Income

Line 22—Moving Expense.—Employees, including new employees, and self-employed persons, including partners, can deduct certain moving expenses. The move had to be in connection with your job or business. The expenses you can deduct include the cost of moving your family, furniture and other household goods, and personal belongings. You can also deduct meals and lodging while traveling to your new home.

Up to a certain amount, you can also deduct for: (1) Travel, meals, and lodging for househunting trips you made after getting the job and before you moved. (2) Meals and lodging while in temporary quarters in the general area of your new place of work, for up to 30 days after you got the job. (3) Expenses for selling, buying, or leasing your new or old home.

The mileage test has been decreased from 50 miles to 35 miles, and the dollar limits for the amount you can deduct have been increased.

If you find you can deduct moving expenses, you should attach Form 3903. Also, include on Form 1040, line 8, all amounts you were paid or repaid for moving expenses. Then show your allowable expenses on line 22. (If you were employed, amounts paid or repaid should be included on Form 4782 and in total wages, tips and other compensation on the Form W–2 your employer gave you.)

For more information, including special rules for military personnel, get **Publication 521,** Tax Information on Moving Expenses.

Line 23—Employee Business Expenses.—You can deduct the following expenses that were not paid by your employer.

(1) Travel and Transportation.—You can deduct bus, taxi, plane, train fares and the cost of using your car in your work.

If you use your own car for business reasons, you can deduct what it cost you for business use. Instead of figuring your actual expenses such as gas, oil, repairs, license tags, insurance, and depreciation, you may prefer to take a fixed mileage rate.

Effective January 1, 1977, this is figured at 17 cents a mile for the first 15,000 miles and 10 cents for each mile over 15,000. Add to this amount your parking fees and tolls.

For automobiles that have been or are considered fully depreciated, the standard mileage rate is 10 cents a mile for all business mileage.

You can change methods of figuring your cost from year to year. But you cannot change to the fixed mileage rate if you claimed depreciation and did not use the straight line method, or if you claimed additional first-year depreciation.

(2) Meals and Lodging.—You can deduct these if you were temporarily away on business from the general area of your main place of work. You cannot deduct the cost of meals on daily trips where you did not need to sleep or rest.

(3) Outside Salesperson.—In addition to the above, an outside salesperson can generally deduct other expenses necessary in sales work. Examples are selling expenses, stationery, and postage. An outside salesperson is one who does all selling away from the employer's place of business. If your main duties are service and delivery, such as a milk driver-salesperson, you are not considered an outside salesperson.

If you claim a deduction for business expenses, you should attach **Form 2106.** Show the total of all amounts received from or charged to your employer and the nature of your occupation. Also show the amount of your business expenses broken down into broad subjects.

Even if you do not claim a deduction for your business expenses, you must attach the above information to your return unless you were required to, and did make a satisfactory accounting to your employer.

You are considered to have made a satisfactory accounting if:

(a) You received either a daily allowance of no more than $44, instead of actual living expenses, or the maximum per diem rate authorized to be paid by the Federal Government in the locality in which the travel is performed, or a mileage allowance of no more than 17 cents a mile. However, an employer may grant a separate additional allowance for parking fees and tolls attributable to the traveling and transportation expenses.

(b) Your expenses were necessary to carry out your employer's trade or business, and you gave your employer proof of the time, place, and business reason for the travel.

Deductions for Attending Foreign Conventions.—Generally, you can deduct expenses paid or incurred in attending no more than two foreign conventions during the taxable year. In addition, there are special limitations on the transportation, meals, and lodging expenses that can be deducted for attending the foreign conventions.

Other Business Expenses.—If you itemize deductions on Schedule A, you can also deduct other business expenses under the heading Miscellaneous Deductions. Examples of these expenses are dues to unions and professional organizations and the cost of tools, materials, etc., that your employer did not pay for.

Limitations apply to deductions relating to the use of your home for business purposes. Under these rules, you must use a part of your home as an office exclusively on a regular basis in connection with your employer's trade or business and for the convenience of your employer to be able to deduct the expenses for that portion.

If you paid part of an expense and your employer paid part, you can deduct the amount you paid. If your employer paid you more than you spent, you must report the difference as income.

Reporting Deductions and Excess Payments.—You should report expenses and payments as follows:

(1) If your employer paid you more than you spent, report the difference as income on Form 1040, line 20.

(2) If you spent more than your employer paid you for travel and transportation, meals and lodging, and outside salesperson expenses, you can deduct the difference on Form 1040, line 23. If you itemize deductions and had other business expenses your employer did not pay for, you can deduct them under Miscellaneous Deductions on Schedule A (Form 1040), line 31.

(3) If your expenses equaled the payments you received (or were more than the payments but you do not want to claim a deduction for the difference), please write on the bottom margin of Form 1040, page 1, "Employer payments were not more than my business expenses."

Note: *If your Form W–2 includes amounts your employer paid you for business expenses, attach Form 2106. Include your total expenses on line 23.*

For more information, please get **Publication 463,** Travel, Entertainment, and Gift Expenses.

Line 24—Payments to an Individual Retirement Arrangement.—Enter the allowable deduction as shown on Form 5329, Part III. Married persons, both of whom have an individual retirement arrangement, and who file a joint return, should attach a Form 5329 for each spouse and enter the combined deductions on line 24.

A non-working spouse must file a Form 5329 for the year in which an individual retirement account or annuity is established for him or her and for each following year that the individual retirement account or annuity remains in existence.

If you have an individual retirement account or annuity, you must attach Form 5329 whether or not there was a contribution or withdrawal in the year.

Caution: *If you fail to file Form 5329 by the due date, without reasonable cause, you will be subject to a penalty of $10 a day, for each day it is not filed. The penalty cannot exceed $5,000.*

Line 25—Payments to a Keogh (H.R. 10) Retirement Plan.—Enter the allowable deduction for contributions to your Keogh (H.R. 10) plan.

Sole proprietors who have Keogh (H.R. 10) plans should file Form 5500–K or Form 5500 for such plans. Do not attach to your Form 1040.

Partners are not required to file returns for Keogh plans in which they participate. However, partnerships are required to file Form 5500, Form 5500–C, or 5500–K to report on Keogh plans.

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You should complete a Form 5500–K for each plan with fewer than 100 participants and with at least one owner-employee. For each plan with fewer than 100 participants and no owner-employee, you should complete Form 5500–C, and for each plan with 100 or more participants, complete Form 5500. All of these forms should be filed as separate returns on or before the last day of the 7th month following the close of the plan year.

Caution: *The law imposes penalties for failure to furnish complete information and failure to file required statements and returns.*

Line 26—Forfeited Interest Penalty for Premature Withdrawal.—You can deduct a forfeited interest penalty for premature withdrawal from a time savings account on this line. Enter the amount of forfeiture shown on your Form 1099–INT on this line. **Note:** Be sure to include the *gross amount of 1977 interest income on line 9.*

Line 27—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 entered into after August 16, 1954, or a decree for support entered into after March 1, 1954. The person who receives these payments must report them as income. Do not deduct lump 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 more information, you should get **Publication 504,** Tax Information for Divorced or Separated Individuals.

Line 30—Disability Income Exclusion (Sick Pay).—Before 1977, an employee was able to take a sick pay exclusion when the employee was absent from work because of sickness or injury. For 1977, the disability income exclusion applies **only if** you are under age 65 at the end of the taxable year, had not reached mandatory retirement age at the beginning of your taxable year, and were permanently and totally disabled when you retired (or were permanently and totally disabled on January 1, 1976, or January 1, 1977, if you retired before the later date on disability or under circumstances which entitled you to retire on disability). If you qualify, you may be able to exclude up to $100 a week of your pension or annuity, or you may elect not to exclude your disability income and treat it as a pension or annuity. Once made, this election cannot be changed.

You must reduce the disability income exclusion by the excess of your adjusted gross income before the exclusion (line 29) over $15,000. On a return where only one taxpayer is entitled to the maximum disability income exclusion, the exclusion would be phased out entirely if the amount on Form 1040, line 29, is $20,200 or more. On a joint return where both spouses are entitled to the maximum disability income exclusion, the exclusion would be phased out entirely if the amount on Form 1040, line 29, is $25,400 or more.

Enter the amount of your disability income exclusion on Form 1040, line 30 and attach Form 2440. You must also attach a physician's certification to your return.

For the physician's certification form and information on how to figure your exclusion or to make the election not to claim your exclusion, please get **Form 2440** and **Publication 522,** Tax Information on Disability Payments.

Instructions for Page 2 of Form 1040

Tax Computation

Should You Itemize Your Deductions?

You must decide whether you should itemize your deductions for charitable contributions, medical expenses, interest, taxes, etc. It will generally be helpful to follow these guidelines to help you determine whether you should itemize.

If you are:

- Married filing jointly or a Qualifying widow(er) with dependent child, you should itemize if your itemized deductions are more than $3,200.
- Married filing separately, you should itemize if your itemized deductions are more than $1,600.
- Single or an Unmarried head of household, you should itemize if your itemized deductions are more than $2,200.

CAUTION: Certain taxpayers are required to itemize deductions even though their itemized deductions are less than the amount shown above for their filing status. **See Who MUST Itemize Deductions,** below.

If it is to your benefit to itemize your deductions you should fill in Schedule A (Form 1040) and enter your excess itemized deductions from Schedule A, line 41 on Form 1040, line 33. Subtract line 33 from line 32 and enter the balance on line 34. This is your Tax Table Income.

If you do not itemize your deductions, enter zero on Form 1040, line 33, and enter the amount from line 32 on line 34. This is your Tax Table Income.

Who MUST Itemize Deductions

You must itemize your deductions on Schedule A (Form 1040) if:

(a) You are married filing a separate return and your spouse itemizes deductions (unless your spouse falls into category (b) below, and substitutes earned income for itemized deductions in making the computation on Schedule TC, Part II),

(b) You can be claimed as a dependent on your parent's return and you have $750 or more of unearned income and less than $2,200 of earned income if you are single (less than $1,600 of earned income if you are married filing a separate return),

Earned income means wages, salaries, professional fees, etc., for personal services rendered. It does not include compensation for your services that was a distribution of earnings and profits other than a reasonable allowance for your work for a corporation. If you were engaged in a business in which both personal services and capital were material income-producing factors, consider as earned income for personal services rendered, an amount not in excess of 30% of your share of net profits of the business.

(c) You elect to exclude income from sources in United States Possessions (please see Form 4563 for details), or

(d) You are a dual-status alien (please see instructions for Dual-Status Tax Year on page 4).

If any of the above applies and your itemized deductions on Schedule A, line 39, are less than the amount on Schedule A, line 40, you must complete Part II of Schedule TC, Tax Computation Schedule. Enter the amount from Schedule TC, Part II, line 5, on Form 1040, line 34. Do not make an entry on Form 1040, line 33 and disregard the instruction on line 34. Line 34 is your Tax Table Income. If (b) applies, check the box under line 33 on Form 1040.

Line 35—Tax.—Find your tax on the amount on line 34 in the Tax Tables (or if applicable, figure your tax on Schedule TC, Part I) and enter the tax on line 35. Find your tax in the Tax Tables if:

- The amount on line 34 is $20,000 or less and you checked Form 1040, Box 1, 3, or 4 ($40,000 or less and you checked Form 1040, Box 2 or 5), AND
- You claim **fewer than:**
  - 4 exemptions and checked Form 1040, Box 1 or 3;
  - 9 exemptions and checked Form 1040, Box 4; or
  - 10 exemptions and checked Form 1040, Box 2 or 5,

  AND
- You do not figure your tax using any method described in **Other Ways to Figure Your Tax** on page 12.

If you cannot use the Tax Tables to find your tax, use Part I of Schedule TC (Form 1040), Tax Computation Schedule.

How to Find Your Tax if You Use the Tax Tables:

To find your tax, you will need to use the appropriate Tax Table. If you checked Form 1040:

- Box 1, use Tax Table A (Single),
- Box 2 or 5, use Tax Table B (Married Filing Jointly and Qualifying Widow(er)s),
- Box 3, use Tax Table C (Married Filing Separately), or
- Box 4, use Tax Table D (Head of Household).

After you have found the correct Tax Table, read down the left income column until you find your income as shown on line 34 of your return. Then read across to the column headed by the total number of exemptions claimed on line 7 of your return. The amount shown at the point where the two lines meet is your tax. Enter this amount on Form 1040, line 35.

The new zero bracket amount, which replaces the standard deduction used in prior years, has already been allowed in figuring the tax shown in the Tax Tables. In addition, you no longer need to deduct $750 for each exemption or figure the general tax credit because these amounts are also built into the Tax Tables for you.

How to Figure Your Tax if You Cannot Use the Tax Tables:

You must use Schedule TC, Part I to figure your tax if you cannot use the Tax Tables.

The new zero bracket amount, which replaces the standard deduction used in prior years, has already been allowed in determining the tax rates in the Tax Rate Schedules. However, you will still need to deduct $750 for each exemption and figure your general tax credit.

If you figure your tax on Schedule TC, enter the amount from Schedule TC, Part I, line 11, on Form 1040, line 35.

Other Ways to Figure Your Tax

Schedule G, Income Averaging.—It may be to your advantage to use the averaging method if your income has increased substantially this year. If you use this method, fill in Schedule G. For more information, please get **Publication 506,** Computing Your Tax Under the Income Averaging Method.

Schedule D, Alternative Tax.—It may be to your advantage to use the alternative tax if the net long-term capital gain exceeds the net short-term capital loss, or if there is a net long-term capital gain only. If you use this method, fill in Schedule D.

Form 4726, Maximum Tax on Personal Service Income.—The tax on personal service taxable income is limited to a maximum rate of 50 percent. You should get **Form 4726** for more information if your taxable income, or personal service taxable income was over:

$40,200 and you are single or an unmarried head of household, or

$55,200 and you are married filing jointly or are a qualifying widow(er) with dependent child.

If you figure your tax using any of the above methods, you must also use Schedule TC, Part I.

Additional Taxes.—Line 36—Report on line 36, and check the appropriate box(es) for any additional tax from:

Form 4970, Tax on Accumulation Distribution of Trusts,

Form 4972, Special 10-Year Averaging Method,

Form 5544, Multiple Recipient Special 10-Year Averaging Method,

Form 5405, Recapture of Credit for Purchase or Construction of New Principal Residence, or

Section 72(m)(5) Penalty Tax on Premature or Excess Distributions from a Retirement Plan.—If you are or were an owner-employee and received income resulting from a premature or excessive distribution from a Keogh (H.R. 10) plan or trust, you are subject to an additional tax on the distribution. Include any additional tax due on line 36, check the box, and attach a statement showing the computation.

A distribution is premature if received by an owner-employee before reaching the age of $59\frac{1}{2}$ or becoming disabled. If you received amounts in excess of the benefits provided under the plan formula, the distribution is excessive.

Caution: *Only certain credits may be applied against the tax on premature or excess distributions from a Keogh (H.R. 10) Plan.*—Only the credit for the elderly, credit for child care expenses, and the credit for contributions to candidates for public office may be applied against this tax. If you apply any credit against this tax, reduce the tax (but not below zero) by the amount of such credit and show the computation and identify the credit(s) on a separate statement.

Credits

Line 38—Credit for Contributions to Candidates for Public Office, etc.—You may claim a tax credit here or an itemized deduction on Schedule A, line 31, **but you cannot claim both,** for contributions to candidates for public office and political committees and to newsletter funds of candidates and elected public officials. **Publication 585,** Voluntary Tax Methods to Help Finance Political Campaigns, explains whether a deduction or credit is better for you.

If you elect to claim a credit, add up the money you gave to help pay campaign expenses of candidates for public office, political committees and to newsletter funds of candidates and elected public officials. If you are filing a separate return, enter HALF the amount you gave, but not more than $25. If you are married, filing a joint return, enter HALF the amount you gave, but not more than $50. Do not enter more than the amount on Form 1040, line 37 reduced by the amount of credits on lines 39, 41, and 42. Make a side calculation before you enter the credit here.

Do not claim this credit for the amount, if any, you checked off to go to the Presidential Election Campaign Fund.

Line 39—Credit for the Elderly.—You may be able to claim this credit and reduce your tax by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, **or**

(2) Under age 65 and retired under a public retirement system.

For more information, please see instructions for Schedules R and RP.

Line 40—Credit for Child and Dependent Care Expenses.—Certain payments made for child and dependent care may be claimed as a credit against your tax.

If you maintain a household that included a child under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20 percent credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, please see **Form 2441.**

Line 41—Investment Credit.—For conditions under which you can take an investment credit, for investment in certain trade or business property, you should get **Form 3468.**

Line 42—Foreign Tax Credit.—If you paid income tax to a foreign country or U.S. possession, you should get **Form 1116** to see if you can claim this credit.

Line 43—Credit for Wages Paid or Incurred in Work Incentive (WIN) Program.—Business employers may claim a credit of 20 percent of the salaries and wages paid or incurred to employees hired under a Work Incentive (WIN) Program. The credit is allowed for salaries and wages paid or incurred in the first 12 months of employment.

Employers may also claim a credit of 20 percent of salaries and wages paid for business or nonbusiness employment of certain Federal welfare recipients. For nonbusiness employers, this credit is limited to $1,000 for each employee. Please see **Form 4874.**

Line 44—New Jobs Credit.—Business employers who hire additional employees during the year may qualify for this credit. Generally, this credit is based upon the aggregate unemployment insurance wages under the Federal Unemployment Tax Act (FUTA). Please get **Form 5884 New Jobs Credit and Publication 902,** Tax Information on Jobs Tax Credit, for additional details.

Line 45—Energy Credits.—This line and line 61a have been reserved for credits for energy saving expenses. At the time these instructions were printed, Congress was considering legislation that would allow credits for these expenses. Under this pending legislation, you may be entitled to claim the energy credits against your income tax. If this becomes law, we will notify taxpayers through radio, television, and newspaper announcements. We will also make available **Form 5695, Energy Credits,** and Instructions in IRS offices and many banks and post offices. The form will tell you which expenses qualify and how to claim the credits. If you have any questions about whether you qualify for the credits at that time, please contact an IRS office.

If the legislation does not pass, do not make an entry on this line or line 61a.

Other Taxes

Line 48—Self-employment Tax.—Enter the amount shown on Schedule SE, line 18.

Line 49—Minimum Tax.—You must attach Form 4625 if you have items of tax preference of more than $10,000 ($5,000 if married filing separately), even if there is no minimum tax, OR if you have any minimum tax liability deferred from a prior taxable year until this year.

Tax preference items include adjusted itemized deductions (generally the amount by which your itemized deductions as adjusted exceed 60 percent of your adjusted gross income), accelerated depreciation, stock options, long-term capital gains, etc. Please see **Form 4625** for additional details.

Line 50—Tax from Recomputing Prior Year Investment Credit.—Enter the difference between the credit taken in a prior year and the credit you refigured due to disposing of

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the property early. Please see **Form 4255** for details.

Line 51—Social Security Tax on Tip Income Not Reported To Employer.—If you received tips (cash or charge) of $20 or more in any month and you did not report them to your employer, you must pay the social security or railroad retirement tax on those unreported tips with your Form 1040. To determine the amount of social security tax on unreported tips for which you are liable, you must file Form 4137 with your Form 1040. Enter on Form 1040, line 51 the amount of tax shown on Form 4137, line 10.

To determine the amount of railroad retirement tax on unreported tips for which you are liable, contact your nearest Railroad Retirement Board office. Enter the tax as determined on line 51 and write on the dotted line to the left of the entry space for line 51 "RR tax on tips."

Be sure all your cash and charge tips, regardless of the amount, are included as income on Form 1040, line 8.

Line 52—Uncollected Employee Social Security Tax on Tips.—If you did not have enough wages to cover the social security or railroad retirement taxes due on tips you reported to your employer, the amount of tax due will be shown on your Form W-2. Enter that amount on line 52.

Line 53—Tax on an Individual Retirement Arrangement.—Enter any tax due from Form 5329:

Part IV—for excess contributions to an individual retirement arrangement,

Part V—for premature distributions from an individual retirement arrangement, and

Part VI—for undistributed funds in an individual retirement arrangement.

Tax from Recomputing a Prior Year Work Incentive (WIN) Credit.—If a WIN employee is dismissed within the first 90 days of employment (whether or not consecutive) or before the end of the 90th calendar day after the day in which the employee completes 90 days of employment, you must repay (with certain exceptions) any tax credit previously taken on the salaries and wages paid or incurred to that employee. Please see Form 4874.

The tax from recomputing a prior year (WIN) credit may not be offset against the current year's (WIN) credit. Include this amount of tax in your total for line 54. On the dotted line to the left of the line 54 entry space, please write "WIN Tax," and show the amount.

Payments

Line 55—Federal Income Tax Withheld.—Enter the total income tax withheld shown on Forms W–2, W–2G, and W–2P.

If you return to work after a period of unemployment, you may have the amount of income tax withheld lessened if your employer agrees to use the part year method of withholding. There are also other methods of withholding which, in some instances, could reduce your withholding. For more details, see your employer or get **Publication 505,** Tax Withholding and Declaration of Estimated Tax.

Line 56—Estimated Tax Payments.—Enter on this line any payments you made on your estimated Federal income tax for 1977.

If you and your spouse filed a joint declaration of estimated tax for 1977 but decide to file separate income tax returns for 1977, either of you can claim all the estimated tax paid. Or, you can each claim part in whatever amounts you agree to. Please be sure to show the social security numbers of both on the separate returns.

If you and your spouse filed separate estimated tax declarations for 1977 but decide to file a joint income tax return for 1977, enter on this line the total of the amounts paid on your separate declarations. Please be sure to show both social security numbers on your joint return.

Follow the above instructions even if your spouse died.

If you were divorced during 1977 and you filed a joint Form 1040–ES (Estimated Tax Declaration) with your former spouse, please enter your former spouse's social security number in the spouse's social security box on Form 1040. Also, enter in the upper right corner of the return, near the boxes for the social security numbers, "DIV.". If you were divorced and remarried in 1977, enter your present spouse's social security number in the box and enter "DIV." and your former spouse's social security number in the upper right corner of the return near the boxes.

Line 57—Earned Income Credit.—If your adjusted gross income on line 31 is less than $8,000, you should see the instructions on page 2. If you are eligible, be sure to enter the first name of the child who qualifies you for the credit, in the space provided on line 57.

Line 58—Extension of Time to File (Form 4868).—If you filed an application for an automatic 2-month extension of time to file Form 1040 for 1977, enter the amount paid with Form 4868.

Line 59—Excess FICA and RRTA Tax Withheld—More than One Employer.—If you had more than one employer in 1977 and together they paid you more than $16,500 in wages, too much social security (FICA) tax and railroad retirement (RRTA) tax may have been taken out of your wages. If too much was withheld, you may be able to take credit for it against your income tax. Please use the following steps to figure your credit. If you are filing a joint return, you have to figure this separately for you and your spouse. If you are a railroad employee and you claim the credit, attach a statement from your employer showing the amount of employee RRTA compensation and amount of RRTA tax withheld.

Step 1. (a) Add all FICA and RRTA tax withheld by employers from your wages for 1977.* Enter the total here . . .	$
(b) Add all uncollected FICA or RRTA tax on tips, if any. Enter the total here . . .	
Step 2. Add (a) and (b)	$
Step 3. Subtract	$ 965.25
Step 4. Enter this amount on Form 1040, line 59	$

Note:** *Do not include more than* ***$965.25 for any one employer. If any one *employer withheld more than $965.25, you should ask the employer to refund the excess to you. You cannot take credit for it on your return.*

Line 60—Credit for Federal Tax on Special Fuels, etc.—Enter any credit you can claim for special fuels and nonhighway gasoline and lubricating oil.

Please attach **Form 4136.** For more information, you should get **Publication 225,** Farmer's Tax Guide, or **Publication 378,** Federal Fuel Tax Credit or Refund for Nonhighway and Transit Users.

Line 61—Credit for Taxes Paid by Regulated Investment Companies.—Enter the amount of the credit on line 61 and be sure to attach **Copy B of Form 2439.**

Line 61a—Energy Credits.—This line and line 45 have been reserved for credits for energy saving expenses. At the time these instructions were printed, Congress was considering legislation that would allow credits for these expenses. Under this pending legislation, you may be entitled to claim the energy credits against your income tax. If this becomes law, we will notify taxpayers through radio, television, and newspaper announcements. We will also make available **Form 5695, Energy Credits,** and Instructions in IRS offices and many banks and post offices. The form will tell you which expenses qualify and how to claim the credits. If you have any questions about whether you qualify for the credits at that time, please contact an IRS office.

If the legislation does not pass, do not make an entry on this line or line 45.

Refund or Due

Line 65—Overpayments Credited to 1978 Estimated Tax.—We will apply amounts you want credited to estimated tax to an account under your social security number, unless you attach a request to apply it to your spouse's account. The request should include the social security number of your spouse if it is not shown on the return.

Line 66—Balance Due IRS.—In most cases, people who have income tax withheld from their wages will find that the amount withheld will be fairly close to their tax for the year. Sometimes it is not, and this is more likely to happen if both you and your spouse worked.

If you find that you need more income tax withheld for 1978, you can file a new Form W–4 or Form W–4P. Or you can ask your employer to withhold more money. If you prefer, you can file a Declaration of Estimated Tax on Form 1040–ES and make installment payments. For more information, please get **Publication 505,** Tax Withholding and Declaration of Estimated Tax.

Penalties and Interest

Avoid penalties and interest by correctly filing and paying tax when due. The law provides a penalty of from 5 percent to 25 percent of the tax for late filing unless you can show reasonable cause for the delay. If you file a return late, attach a full explanation to your return.

Penalties are also provided for late payment of tax unless you can show reasonable cause for the delay.

Taxes Not Paid When Due.—The penalty for failure to pay taxes when due is ½ of 1 percent of the unpaid amount for each month or part of a month it remains unpaid—up to 25 percent of the unpaid amount. The penalty applies to any unpaid tax shown on a return. It also applies to any portion of additional tax shown on a bill if it is not paid within 10 days from the date of the bill. This penalty is in addition to the applicable interest charge on late payments.

Penalty for Not Paying Enough Tax During the Year.—If you underpaid any installment of your 1977 estimated tax liability by more than 20 percent (33⅓ percent for farmers and fishermen), you may owe a penalty unless you meet one or more of the exceptions explained on Form 2210 (Form 2210F for farmers and fishermen). Please attach this form to Form 1040 to show how you figured the penalty or which exceptions you believe you meet.

If you attach Form 2210 or 2210F, be sure you check the box under line 66. If you owe a penalty, show the amount in the bottom margin on page 2 of Form 1040 and write "Penalty—estimated tax." If you owe tax on line 66, include the penalty amount in with your total. Or, if you are due a refund, subtract the penalty amount from the overpayment on line 63.

Declaration of Estimated Tax

In general, a declaration is not required to be filed if you expect that your 1978 Form 1040 will show (1) a tax refund, **OR** (2) a tax balance due to IRS of less than $100.

Citizens of the United States or residents of the United States, Puerto Rico, Virgin Islands, Guam and American Samoa must make a declaration of estimated tax if their total estimated tax is $100 or more and they:

(1) Can reasonably expect to receive more than $500 from sources other than wages subject to withholding; or,

(2) Can reasonably expect gross income to exceed—

- (a) $20,000 for a single individual, a head of a household, or a widow or widower entitled to the special tax rates;
- (b) $20,000 for a married individual entitled to file a joint declaration with spouse, but only if the spouse has not received wages for the taxable year;
- (c) $20,000 for a married individual living apart from spouse as described on page 7;
- (d) $10,000 for a married individual entitled to file a joint declaration with spouse, but only if both spouses received wages for the taxable year;
- (e) $5,000 for a married individual not entitled to file a joint declaration with spouse.

See Form 1040–ES for details.

Instructions for Schedule A (Form 1040)

Itemized Deductions

If your itemized deductions are more than 60 percent of Form 1040, line 31, the excess may be considered an item of tax preference and you may be subject to the minimum tax. Please see **Form 4625,** Computation of Minimum Tax, for details.

Note: *See the instructions on page 11,* **Should You Itemize Your Deductions?** *Also see* **Who MUST Itemize Deductions** *on page 11.*

Medical and Dental Expenses

If you itemize your deductions, you can deduct one-half (up to $150) of the amount you paid for medical care insurance even if you have no other medical expenses.

If you made payments for medicines, doctors, hospitals, etc., you should follow the step-by-step instructions in lines 1 through 10 on Schedule A. Follow these lines carefully because they show you how much you can deduct. Show the amount you paid for medicine and drugs. Subtract 1 percent of Form 1040, line 31 (adjusted gross income), from that amount. Add the amounts on lines 4 through 6c. Subtract from the total, 3 percent of Form 1040, line 31 (adjusted gross income).

The remainder, plus your medical care insurance on line 1, is your medical expense deduction. The 1 percent and 3 percent limitations apply in all cases, regardless of your age or the age of your spouse or other dependents.

The medical expenses can be for yourself, your spouse, or any dependent who received over half of his or her support from you, even if the dependent had income of $750 or more.

You should include all amounts you paid during 1977, but do not include amounts repaid to you, or paid to anyone else, by hospital, health or accident insurance. Be sure to include on line 5 the rest of the amount you paid for medical care insurance (the amount you could not list on line 1).

Kinds of Expenses You Can Deduct.—

Payments for medicines, drugs, vaccines, and vitamins your doctor told you to take, but not vitamins you take on your own just to keep healthy.

Payments to hospitals, physicians (medical doctors and osteopaths), dentists, nurses, chiropractors, podiatrists, physiotherapists, psychiatrists, psychologists and psychoanalysts (medical care only); and eye doctors or others who examine or test eyes. (If you pay someone to do both nursing and housework, you can deduct only the nursing cost.)

Payments for false teeth, eyeglasses, medical and surgical aids, arches, braces, crutches, sacroiliac belts, wheelchairs, hearing aids (and batteries for hearing aids), orthopedic shoes, and cost and care of guide dogs, etc.

Payments for ambulance service and other travel costs necessary to get medical care. (Instead of figuring amounts you spent for gas, oil, etc., for your car, you may take 7 cents a mile.)

Payments for examinations, X-ray services, insulin treatment, whirlpool baths the doctor ordered, meals and lodging if part of cost for care in a hospital or similar place, hospital or medical insurance, including monthly payments for extra medical insurance under Medicare.

Kinds of Expenses You Cannot Deduct.—

Payments for funerals and cemetery lots, cosmetics, operations or drugs that are against the law, travel your doctor tells you to take for rest or change, life insurance policies, the .009 hospital insurance benefits tax included as part of the social security tax and withheld from wages or paid on self-employment income.

Capital expenditures are not generally **deductible.** For exceptions and more information, you should get **Publication 502,** Deduction for Medical and Dental Expenses.

Taxes

You Can Deduct.—

State and local income taxes.

Real estate taxes.

State and local taxes on gas used in your car, boat, etc. For the amount to deduct for gas used in your car, please see the **State Gasoline Tax Table** on page 15.

General sales taxes. For the amount to deduct, see the **Optional State Sales Tax Tables.**

The **only** sales taxes you can add to the table amount are those paid on the purchase of the following items:

(1) A boat, airplane, home (including mobile or prefabricated) or materials **you** bought to build a new home if:
- (a) the tax rate was the same as the general sales tax rate, and
- (b) the seller stated the tax separately from the price of the item but included it in the total amount you paid.

(2) A car or truck, unless you bought it in Vermont or West Virginia. (In these States the deduction is limited to the sales tax paid at the general sales tax rate.)

The sales tax tables cover income up to $19,999. (For this purpose, income is: line 29 of Form 1040 plus any income you received that is not subject to tax, such as social security, veterans' and railroad retirement benefits, and workman's compensation. Also include the untaxed portion of long-term capital gains, dividends exclusion, unemployment compensation and public assistance payments.)

The following steps and examples explain how to figure your sales tax deduction if your income was over $19,999.

Step 1.—Find the $19,000–19,999 income line in the table for your state and read across to find the amount of sales tax for your family size.

Step 2.—Subtract $19,999 from the amount of your income. For each $1,000 or fraction of $1,000 that your income is greater than $19,999, but less than $50,000, add 2 percent of the amount you found in Step 1, above.

Step 3.—For each $1,000 or fraction of $1,000 that your income is greater than $49,999, but less than $100,000, add 1 percent of the amount you found in Step 1, above.

If your income was $100,000 or more, your deduction is 210 percent of the amount determined in Step 1, above.

Example 1.—Assume your income was $27,250, you live in Ohio, and there are 5 people in your family.

Step 1. The Ohio table for income of $19,999 and a family of 5 people shows	$184.00
Step 2. Figure this step as follows: $27,250—$19,999=$7,251 $7,251÷1,000=7.251 or 8 (each $1,000 or fraction of $1,000 of income) .02×$184.00=$3.68 8×$3.68=	29.44
Ohio sales tax deduction on income of $27,250 for family of 5	$213.44

Example 2.—Assume the same facts except that your income was $52,500.

Step 1. Ohio sales tax table—$19,999 income—family size 5 . . .	$184.00
Step 2. Figure this step as follows: $49,999—$19,999=$30,000 $30,000÷1,000=30 .02×$184.00=$3.68 30×$3.68=	110.40
Step 3. Figure this step as follows: $52,500—$49,999=$2,501 $2,501÷1,000=2.501 or 3 .01×$1,84.00=$1.84 3×$1.84=	5.52
Ohio sales tax deduction on income of $52,500 for family of 5	$299.92

If your records show that you paid more sales tax than the amount shown in the table, you can deduct the larger amount and not use the table. If you do not use the table, you can deduct the following taxes:

(1) General State or local sales taxes you paid when you bought items.

(2) General State or local sales taxes the seller paid if seller stated the tax separately from the price of the item but included it in the total amount you paid.

(3) Certain State or local selective sales or excise taxes if the rates were the same as the general sales tax rates.

Personal property taxes. If part of the amount you paid for your car tags was based on the car's value, you can deduct that part as a personal property tax. If you need more information, please contact an IRS office.

If you had any deductible tax not listed on Schedule A, lines 11 through 15 (such as foreign income tax), describe the tax and show the amount on line 16.

You should use Schedules C, E, or F (Form 1040) to deduct business Federal taxes or other taxes paid for your business or profession.

Do Not Deduct.—

Federal social security tax, Federal excise taxes on your personal goods or for transportation, telephone, or gasoline.

Fees for hunting and dog licenses, car inspection, or drivers' licenses.

Taxes you paid for another person, water taxes, or taxes on liquor, beer, wine, cigarettes, and tobacco.

Selective sales or excise taxes (such as those on admissions, room rental, etc.) even if they are separately stated. *(If these taxes are at the same rate as the general sales tax and you do not use the sales tax tables, you can deduct them as explained above.)*

(Continued on page 16.)

State Gasoline Tax Table

The following list shows the tax rate on a gallon of gasoline in each State based on information available on September 1, 1977. Find the rate for your State. Then use the table below to find how much tax to deduct for the number of miles you drove your car. If your car had 4 cylinders or less, you may deduct only half the table amount. If the rate for your State changed during 1977, find your deduction for the miles you drove at each rate, and add the amounts.

If your records show that you paid more than the amount shown in the table, you can deduct the larger amount.

Alabama 7¢
Alaska 8¢
Arizona 8¢
Arkansas 8.5¢
California 7¢
Colorado 7¢
Connecticut 11¢
Delaware 9¢
(after June 30, 11¢)
District of Columbia 10¢
Florida 8¢
Georgia 7.5¢
Hawaii 8.5¢
Idaho 9.5¢
Illinois 7.5¢
Indiana 8¢
Iowa 7¢
Kansas 8¢
Kentucky 9¢
Louisiana 8¢
Maine 9¢
Maryland 9¢
Massachusetts 8.5¢
Michigan 9¢
Minnesota 9¢
Mississippi 9¢
Missouri 7¢
Montana 7.75¢
(after June 30, 8¢)
Nebraska 8.5¢
(after July 31, 9.5¢)
Nevada 6¢
New Hampshire 9¢
(after July 31, 10¢)
New Jersey 8¢
New Mexico 7¢
New York 8¢
North Carolina 9¢
North Dakota 7¢
(after June 30, 8¢)
Ohio 7¢
Oklahoma 6.58¢
(use deduction for 6.5¢)
Oregon 7¢
Pennsylvania 9¢
Rhode Island 10¢
South Carolina 8¢
(after June 30, 9¢)
South Dakota 8¢
Tennessee 7¢
Texas 5¢
Utah 7¢
Vermont 9¢
Virginia 9¢
Washington 9¢
(after June 30, 11¢)
West Virginia 8.5¢
Wisconsin 7¢
Wyoming 8¢

Nonbusiness miles driven	TAX RATE												Nonbusiness miles driven
	5¢	6¢	6.5¢	7¢	7.5¢	7.75¢	8¢	8.5¢	9¢	9.5¢	10¢	11¢	
Under 3,000	$8	$10	$11	$12	$12	$13	$13	$14	$15	$16	$17	$18	Under 3,000
3,000 under 4,000 . .	14	17	19	20	22	22	23	25	26	27	29	32	3,000 under 4,000
4,000 under 5,000 . .	19	22	24	26	28	29	30	32	33	35	37	41	4,000 under 5,000
5,000 under 6,000 . .	23	27	30	32	34	35	36	39	41	43	46	50	5,000 under 6,000
6,000 under 7,000 . .	27	32	35	38	40	42	43	46	48	51	54	59	6,000 under 7,000
7,000 under 8,000 . .	31	37	40	43	47	48	50	53	56	59	62	68	7,000 under 8,000
8,000 under 9,000 . .	35	42	46	49	53	54	56	60	63	67	70	77	8,000 under 9,000
9,000 under 10,000 . .	39	47	51	55	59	61	63	67	71	75	79	86	9,000 under 10,000
10,000 under 11,000 . .	43	52	56	61	65	67	69	74	78	82	87	95	10,000 under 11,000
11,000 under 12,000 . .	48	57	62	67	71	74	76	81	86	90	95	105	11,000 under 12,000
12,000 under 13,000 . .	52	62	67	72	77	80	83	88	93	98	103	114	12,000 under 13,000
13,000 under 14,000 . .	56	67	73	78	84	86	89	95	100	106	112	123	13,000 under 14,000
14,000 under 15,000 . .	60	72	78	84	90	93	96	102	108	114	120	132	14,000 under 15,000
15,000 under 16,000 . .	64	77	83	90	96	99	102	109	115	122	128	141	15,000 under 16,000
16,000 under 17,000 . .	68	82	89	95	102	106	109	116	123	130	136	150	16,000 under 17,000
17,000 under 18,000 . .	72	87	94	101	108	112	116	123	130	137	145	159	17,000 under 18,000
18,000 under 19,000 . .	76	92	99	107	115	118	122	130	138	145	153	168	18,000 under 19,000
19,000 under 20,000 . .	81	97	105	113	121	125	129	137	145	153	161	177	19,000 under 20,000
20,000*	83	99	107	116	124	128	132	141	149	157	165	182	20,000*

*For over 20,000 miles, use table amounts for total miles driven. For example, for 25,000 miles, add the deduction for 5,000 to the deduction for 20,000 miles.

Taxes charged for sidewalks, front-foot benefits, or other improvements which make your property more valuable.

For information about deductions homeowners can take, please get **Publication 588,** Tax Information on Condominiums and Cooperative Apartments and **Publication 530,** Tax Information for Homeowners.

Interest Expense

You should show on Schedule A only interest on nonbusiness items. Show interest paid on business items on the same schedule you use to report your business income.

Generally, a cash basis taxpayer, who in 1977 prepaid interest allocable to any period after 1977, can only deduct the amount allocable to 1977. Please see **Publication 545,** Income Tax Deduction for Interest Expense.

You Can Deduct Interest On.—

Mortgage on your home.

Your personal note to a bank, credit union, or person, for money you borrowed.

Life insurance loan if the interest is paid in cash.

Taxes you paid late. Show only the interest. If the taxes are the kind you can deduct, enter them under the heading, **Taxes.**

Bank credit card plan. You can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, etc.

Revolving charge accounts. You may deduct the finance charge added to your revolving charge accounts by retail stores if the charges are based on your unpaid balance and figured monthly.

Personal property (cars, televisions, etc.), that you buy on the installment plan.

Note: *Special limitations apply to interest expense paid or accrued on debts related to investment property.*

The limitation for interest on investment indebtedness incurred after September 10, 1975 is the sum of (1) $10,000 ($5,000, if married and filing separately), (2) a prorated portion of net investment income and (3) the excess expenses from net lease property.

The limitation for interest on investment indebtedness incurred before September 11, 1975, but after December 16, 1969, is the total of (1) $25,000 ($12,500, if married and filing separately), (2) a prorated portion of net investment income, (3) excess expenses from net lease property, (4) net capital gain from investment property, and (5) one-half the amount by which the investment interest for this period exceeds the total of (1) through (4).

Report the nonbusiness portion of the allowable interest as an itemized deduction on Schedule A, line 19. Any investment interest not deducted because of these limitations may be carried forward to the following year and be subject to the same limitations.

Use **Form 4952,** Investment Interest Expense Deduction, to figure the allowable investment interest. You should also see Form 4952 for a definition of net lease property and an explanation of excess expenses.

These limitations do not apply to interest on investment indebtedness incurred before December 17, 1969.

Do Not Deduct Interest On.—

Life insurance loan if the interest is added to the loan and you report on the cash basis.

Money you borrowed to buy or carry tax-exempt securities or single-premium life insurance.

For more information on interest expenses, please get **Publication 545,** Income Tax Deduction for Interest Expense.

Contributions

You Can Deduct Gifts To.—

Organizations operated for religious, charitable, educational, scientific, or literary purposes, or to prevent cruelty to animals and children. These include:

Churches (including assessments paid), Salvation Army, Red Cross, CARE, Goodwill Industries, United Way, Boy Scouts, Girl Scouts, Boys Club of America, and similar organizations.

Fraternal organizations (if the gifts will be used for the above purposes) and certain cultural and veterans' organizations.

Governmental agencies that will use the gifts exclusively for public purposes, including civil defense.

Nonprofit schools, hospitals, and organizations whose main purpose is to find a cure for (or to help people who have) arthritis, asthma, birth defects, cancer, cerebral palsy, cystic fibrosis, heart disease, diabetes, hemophilia, mental illness and retardation, multiple sclerosis, muscular dystrophy, tuberculosis, etc.

You Can Also Deduct.—

Amounts you paid for your gasoline and other expenses necessary to carry out your duties as a civil defense volunteer. (Do not deduct any amounts that were repaid to you.)

Out-of-pocket expenses such as gas, oil, etc., to do volunteer work for charitable organizations. (Do not deduct any amounts that were repaid to you.) Instead of figuring what you spent for gas and oil, you can take 7 cents a mile.

In some cases, amounts you spent to take care of a student in your home under a written agreement with a charitable or educational institution.

Do Not Deduct Gifts To.—

Relatives, friends, or other persons.

Social clubs, labor unions, or chambers of commerce.

Foreign organizations, organizations operated for personal profit or organizations whose purpose is to get people to vote for new laws or changes in old laws.

You may deduct what you gave in cash (checks, money orders, etc.) or property, but do not deduct the value of your time or services. If you gave property, attach a description, show the date you gave it, and (except for securities) how you figured its value. Also, for each gift valued at over $200 and each gift of capital gain or ordinary income property:

(1) Explain any conditions attached to the gift.

(2) Tell how you got the property.

(3) Show the cost or other basis of the property if you owned it less than five years, or if you must reduce the contribution by any ordinary income or capital gain that would have resulted if the property had been sold at its fair market value, and

(4) Attach a signed copy of any appraisal. If you elect to reduce your deduction for contributions of capital gain property, indicate this and show how you figured it.

Generally, you cannot take a deduction for a transfer of a future interest in tangible personal property until the entire interest has been transferred.

Special rules apply if your contributions are more than 20 percent of Form 1040, line 31, or if you gave gifts of appreciated property, made bargain sales to charity, or gave gifts of the use of (or rent-free use of) property. For additional information, please get **Publication 526,** Income Tax Deduction for Contributions.

Casualty or Theft Losses

If you had property that was stolen or damaged by fire, storm, car accident, shipwreck, etc., you may be able to deduct your loss or part of it. In general, Schedule A can be used to report a casualty or theft loss of property other than business property.

The amount of a personal casualty or theft loss you should enter on line 25 is generally the smaller of:

(1) The decrease in the fair market value of the property because of the casualty; or

(2) The cost of the property to you.

You must first reduce each loss by insurance and other reimbursements paid you. Then you can claim only that part of each **net loss** that is more than $100. If you and your spouse owned the property jointly but file separate returns, you both must subtract $100 from your part of the loss.

If you had more than one casualty or theft loss skip lines 25 through 28 of Schedule A. Prepare a schedule using the information on lines 25 through 29 for each loss. Add the net losses and enter the amount on Schedule A, line 29. Write in the margin to the right of line 29, "Multiple losses. See attachment."

You may find **Form 4684,** Casualties and Thefts, helpful in determining the amount of your loss. If you fill out Form 4684, omit lines 25 through 28 of Schedule A and enter the loss from Form 4684 on Schedule A, line 29.

For more information, please get **Publication 547,** Tax Information on Disasters, Casualty Losses, and Thefts.

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Miscellaneous Deductions

Alimony Paid.—You can now deduct periodic payments of alimony or separate maintenance made under a court decree, even if you do not itemize deductions. For more information, please see Instructions for Form 1040, line 27, on page 11.

Union Dues.—You can deduct dues paid to unions.

Business Use of Home, Including Office Use.—Generally, except for interest, taxes, and casualty losses, no deduction will be allowed for a dwelling unit that you used for personal purposes during the taxable year. However, if you used a part of your dwelling **exclusively** on a regular basis in connection with your employer's trade or business and for your employer's convenience, you may deduct the expenses allocable to that portion. If the use was merely appropriate and helpful, no deduction is allowable.

Please see instructions for **Schedule E** (Form 1040) for information on deductions allowable for rental use of a dwelling used as a residence, including vacation homes.

For more information and the method of computing the deduction, get **Publication 587,** Business Use of Your Home.

Contributions to Candidates for Public Office, etc., Itemized Deduction.—You may claim an itemized deduction on Schedule A, or a tax credit on Form 1040, line 38, but you cannot claim both, for contributions to candidates for public office and political committees and newsletter funds of candidates and elected public officials.

If you elect to claim an itemized deduction on Schedule A, the amount of the deduction entered may not be more than $100 ($200 if you are married and file a joint return). You should write "political contribution" on line 31 next to the amount of the contribution. See instructions for Form 1040, line 38, on page 12.

Expenses for Education.—The rules for reporting educational expenses are the same as those on page 10 for **Employee Business Expenses.**

You Can Generally Deduct Expenses for.—

Education that helps you keep up or improve skills you must have in your present job, trade or business.

Education that your employer said you must have, or the law or regulations say you must have, to keep your present salary or job.

Do Not Deduct Education Expenses for.—

Education that you need to meet the minimum educational requirements for your job, trade, or business.

Education that is part of a course of study that will lead to your getting a new trade or business.

You Can Also Deduct Several Other Kinds of Miscellaneous Expenses Such As:

Gambling losses, but only up to the amount you won and reported on Form 1040, line 20.

Cost of safety equipment, small tools, and supplies used in your job.

Dues to professional organizations and chambers of commerce.

Certain costs of business entertainment, subject to limitations and reporting and substantiation requirements.

Fees you paid to employment agencies to get a job.

Necessary expenses connected with producing or collecting income or for managing or protecting property held for producing income.

Note: *If you work for wages or a salary, you should include, on Schedule A, any employee business expenses you did not claim on Form 1040, line 23.*

Do Not Deduct the Cost Of going to and from work or entertaining friends.

If you need more information, please get **Publication 529,** Miscellaneous Deductions and Credits.

Summary of Itemized Deductions

Please enter the total of each group of itemized deductions on the appropriate lines 33 through 38 and add the amounts on line 39.

Enter the zero bracket amount for your filing status on line 40. The zero bracket amounts are:

$3,200 if you are married filing a joint return or a qualifying widow(er) with dependent child,

$2,200 if you are single or an unmarried head of household, and

$1,600 if you are married filing separately.

Important.—*Although your itemized deductions are reduced by the zero bracket amount, you will receive the full benefit of your itemized deductions because the zero bracket amount has been built into the tax tables and tax rate schedules for you.*

If line 39 is more than line 40, subtract line 40 from line 39 and enter the difference on Schedule A, line 41, and on Form 1040, line 33.

If line 40 is more than line 39, enter zero on Schedule A, line 41, and on Form 1040, line 33, unless you are required to itemize deductions (see page 11 for **Who Must Itemize Deductions**).

Instructions for Schedule B (Form 1040)

If you are required to use Part I or Part II 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.

PART I.—Interest Income

If you receive more than $400 in interest, you must complete Part I of Schedule B and answer the questions in Part III.

Line 1—Interest Income.—List the names of all payers and amounts received in Schedule B, line 1.

Report any interest you received or which was credited to your account so you could withdraw it. (It did not have to be entered in your passbook.)

Include Interest on the Following.—

Accounts with banks, credit unions, savings and loan associations, etc.

Tax refunds.

Notes and loans.

Bonds and debentures. Also arbitrage bonds issued after October 9, 1969, by State and local governments. But do not report interest on other State and municipal bonds and securities. If you held corporate bonds or other notes of debt originally issued at a discount after May 27, 1969, you have to include a certain part of the discount for the part of the year you held the bond or note.

U.S. Savings Bonds. The yearly increase in the value of a bond is interest.

You can report interest on Series E bonds in either of the following ways:

(1) You can report the interest when you cash your bonds, or when the bonds reach final maturity and no longer earn interest.

(2) You can report the yearly increase in all bonds on your return each year. You can change to this way of reporting at any time. But if you do so, you must report in the first year you use this method the entire increase in all bonds from the date they were issued. Then report the yearly increase each year afterwards.

For more information about interest income, how to figure original issue bond discount, and rules for interest on industrial development bonds, please get **Publication 550,** Tax Information on Investment Income and Expenses. For unstated interest, get **Publication 537,** Tax Information on Installment and Deferred-Payment Sales.

PART II.—Dividends

If you received more than $400 in gross dividends and other distributions (including capital gain dividends and nontaxable distributions), you must complete Part II and answer the questions in Part III.

Line 3—Gross Dividends and Other Distributions on Stock.—If you own stock, you must report as dividends any payments you received out of the company's earnings and profits. Usually dividends are paid in cash. But if you received merchandise or other property, you have to report its fair market value.

If you received more than $400 in gross dividends and other distributions (including capital gain dividends and nontaxable distributions), list names of all payers and amounts received in Schedule B, line 3. Please be sure to include amounts you received through nominees or other agents. List their names as payers. Also include amounts you received as a member of a partnership or beneficiary of an estate or trust.

Do Not Report the Following as Dividends.—

Mutual insurance company dividends that reduce the premiums you pay. (These are not income.)

Dividends paid by savings and loan associations, mutual savings banks, cooperative banks, and credit unions, on deposits or accounts from which you could withdraw your money. (Report these as interest.)

For more information and special rules for stock dividends, liquidations, stock rights, conversions and redemptions, please get **Publication 550,** Tax Information on Investment Income and Expenses.

Line 5—Capital Gain Distributions.—Enter on this line all capital gain distributions. The amounts included on line 5 must also be included in Schedule B, line 3. Also see note above Part III of Schedule B.

Line 6—Nontaxable Distributions.—Enter on this line the total of nontaxable distributions (return of capital). Any amount entered on line 6 must also be included in Schedule B, line 3.

You must reduce your investment cost (or other basis) by the amount of nontaxable distributions received. Amounts received after your cost (or other basis) has been reduced to zero will be taxed as gains. These gains must be included on line 5 instead of line 6 and also reported on Schedule D (Form 1040).

Nominees.—

If you received interest or dividends as the nominee for another person and paid such amounts to the actual income recipients, please show the amount you received as a nominee in the bottom margin of Schedule B and write "Nominee amounts."

PART III.—Foreign Accounts and Foreign Trusts

Do You Have an Account in a Foreign Country or Were You a Grantor of, or Transferor to, a Foreign Trust?

If at any time during 1977, you had an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country or were a grantor of, or transferor to a foreign trust, which trust was in being during the taxable year, you must check the appropriate Yes box(es). (If you own more than 50 percent of the stock in any corporation that owns one or more foreign bank accounts, you must check the Yes box for question 1.)

See the instructions on page 3 for additional requirements.

Instructions for Schedule D (Form 1040)

The Tax Reform Act of 1976 increased the holding period for long-term capital gains and losses from 6 months to 9 months for 1977 and one year for 1978 and after.

For amounts received from an installment sale, the holding period rule in effect in the year of sale will determine the treatment of the amounts received as long-term or short-term gain.

Gains and losses on agricultural commodity futures contracts (but not options on futures contracts) will retain the 6 month holding period rule for long-term treatment.

Under the Act, the limitation on capital losses that can be used to offset other income has been increased from $1,000 to $2,000 for taxable years beginning in 1977. The limitation will increase to $3,000 for taxable years beginning after December 31, 1977. (If you are married and filing a separate return, the limitations specified above must be reduced by one-half.)

A. Who Should File.—You should use Schedule D (Form 1040) to report the sale or exchange of a capital asset as defined in Instruction B, below. In general, use Form 4797, Supplemental Schedule of Gains and Losses, instead of Schedule D to report:

(1) the sale, exchange, or involuntary conversion of trade or business property, certain depreciable and amortizable property, and certain oil and gas property;

(2) the involuntary conversion (for example, a casualty or theft) of certain capital assets; and

(3) the disposition of other noncapital assets not mentioned in (1), above. If a capital asset is involuntarily converted (for example, because of casualty or theft) you may use Form 4684, Casualties and Thefts, instead of completing Form 4797, Part I, Section A. You can get these forms from any Internal Revenue Service office.

B. What is a Capital Asset.—Generally, all property you own and use for personal purposes, pleasure, or investment is a capital asset. Some examples are: the home you own and live in with your family, your household furnishings, a car used for pleasure, and stocks or bonds held in your personal account.

A capital asset as defined by law is any piece of property held by a taxpayer except:

(1) stock in trade;

(2) real or personal property includible in inventory;

(3) real or personal property held for sale to customers;

(4) accounts or notes receivable acquired in the ordinary course of a trade or business for services rendered, or from the sale of any of the properties described in (1), (2), or (3), or for services rendered as an employee;

(5) depreciable property used in a trade or business even though fully depreciated;

(6) real property used in a trade or business;

(7) a copyright, literary, musical or artistic composition, letter, or memorandum, or similar property—(a) created by a taxpayer's personal efforts; (b) prepared or produced for a taxpayer, in the case of a letter, memorandum, or similar property; or (c) if acquired from a taxpayer described in (a) or (b) under circumstances entitling a taxpayer to the basis of the preceding owner (for example, by gift);

(8) a publication of the U.S. Government (including the Congressional Record) which is received from the U.S. Government or an agency thereof, other than by purchase at the price at which it is offered for sale to the public, and which is held by—(a) a taxpayer who so received such publication, or (b) a taxpayer in whose hands the basis of such publication is determined, for purposes of determining gain from a sale or exchange, in whole or in part by reference to the basis of such publication in the hands of a taxpayer described in (a); and

(9) certain government obligations issued at a discount on or after March 1, 1941, payable without interest, and maturing at a fixed date not exceeding one year from the date of issue.

C. Transfer of Appreciated Property to a Political Organization.—If you transfer property to a political organization and at the time of the transfer the fair market value of the property exceeds your adjusted basis, you must treat this transaction as a sale of property on the date of transfer. You should report the fair market value of the property at the time of transfer as the sales price. Ordinary income or capital gains provisions will apply as if a sale actually occurred.

D. Exchange of "Like Kind" Property.—Although no gain or loss is recognized when property held for productive use in trade or business or for investment is exchanged solely for property of a "like kind" to be held either for productive use in trade or business or for investment, you must report the transaction on Schedule D or Form 4797, whichever is applicable. (This does not include property that is stock in trade or other property held primarily for sale, nor stocks, bonds, notes, choses in action, certificates of trust or beneficial interest, or other securities or evidences of indebtedness or interest.)

If you use Schedule D, you should identify the property disposed of in column a. Enter the date you acquired it in column b and the date of exchange in column c. Write "like kind exchange" in column d and enter the adjusted basis in column e. Enter zero in column f.

E. Sale or Exchange of Capital Assets Held for Personal Use.—Gain from the sale or exchange of such property is a capital gain and should be reported either in Part I or Part II. However, loss from the sale or exchange of such property (but not necessarily involuntary conversions such as by casualty or theft) is not deductible.

F. Cost or Other Basis, as Adjusted.—In general, this means cost (or other basis as explained in the next paragraph), less applicable depreciation (allowed or allowable), amortization, depletion, etc.

You may need to use a basis other than actual cash cost if you acquired the property by bequest, gift, tax-free exchange, involuntary conversion, or wash sale of stock. If you do not use actual cash cost, please attach an explanation of the basis used.

The basis of property acquired by gifts made before January 1, 1977, generally is the basis of the property in the hands of the donor plus any gift taxes paid on the gift. For gifts made after December 31, 1976, only the gift tax attributable to the appreciation in value at the time of the gift is added to the basis of the property in the

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hands of the donor. (Please see section 1015.)

The basis of property acquired from or passing from a decedent will generally be the fair market value at the date of death if the decedent died before January 1, 1977. In general, the basis of carryover basis property acquired from or passing from a decedent who died after December 31, 1976, is the decedent's basis immediately before his or her death, adjusted for certain items such as Federal and State estate taxes paid by the estate attributable to the appreciation in the property. (Please see section 1023.)

If a charitable contribution deduction is allowed because of a sale of property to a charitable organization, the adjusted basis for determining gain from the sale is an amount which is in the same ratio to the adjusted basis as the amount realized is to the fair market value of the property.

For additional information, please get **Publication 551,** Tax Information on Cost or Other Basis of Assets.

G. Short-term or Long-term.—When you sell or exchange a capital asset you will have either a short-term or a long-term capital gain or loss, depending on how long you held the property. (Please see instruction H.)

If you held the property 9 months or less, the gain or loss is short-term and you should report it in Part I.

If you held the property more than 9 months, the gain or loss is long-term and you should report it in Part II.

A nonbusiness bad debt is usually treated as a short-term capital loss. This does not apply to: (1) a debt evidenced by a corporate security with interest coupons or in registered form and (2) a debt acquired in your trade or business.

H. Holding Period.—To determine whether you held property over 9 months, you should begin counting on the day after the day you acquired the property. The same day of each following month is the beginning of a new month, regardless of the number of days in the month before. In your computation, include the day you disposed of the property. For special rules on nontaxable exchanges, gifts of property, property you inherited or that was willed to you, please get **Publication 544,** Sales and Other Dispositions of Assets.

I. Capital Loss Carryover.—You will have a capital loss to carry to 1977 if the amount of your 1976 Schedule D (Form 1040), line 16a (or your 1976 Form 4798, Part IV, line 9(a) or 26), is larger than the capital loss you deducted from income on your 1976 Form 1040, line 30a. The amount of any capital loss carryover to 1977 should be reflected in the space provided on your 1976 Schedule D (Form 1040), page 2.

If you do not have a capital loss carryover to 1977 you can skip lines 4 and 12 on your 1977 Schedule D (Form 1040).

If you have a capital loss carryover from years beginning after 1969, you should enter the amount(s) on your 1977 Schedule D, lines 4 and 12. Use Part V of your 1977 Schedule D to compute the amount, if any, of capital loss carryover from 1977 to 1978, if you have a capital loss for 1977 that is greater than the loss deducted on your 1977 Form 1040, line 14. Please keep this information to help you in filing your 1978 Schedule D (Form 1040).

If you have a capital loss carryover from years beginning before 1970, or a combination of pre-1970 and post-1969 capital losses, you should: (1) complete Parts I and II of Schedule D (Form 1040) through line 13 to report current transactions and the amount, if any, of post-1969 capital loss carryovers, and (2) carry the amounts, if any, from Schedule D, lines 5 and 13, to Form 4798, Carryover of Pre-1970 Capital Losses, Part I, to determine your capital gain or loss, and your capital loss limitation for 1977 if you have a net capital loss for the year. You should also use Form 4798 to determine the amount, if any, of capital loss carryovers from 1977 to 1978 if the losses include pre-1970 loss carryovers. Please be sure to keep a copy of your 1977 Form 4798 to help you in filing your Schedule D (Form 1040) and Form 4798 (if applicable) for 1978.

J. "Taxable Income, as Adjusted".—A separate calculation may be needed to determine "taxable income, as adjusted." This calculation is made as follows: Determine Tax Table Income (Form 1040, line 34) without regard to gains or losses from sales or exchanges of capital assets. Reduce that amount (but not below zero) by: (1) $2,200 if filing as a single person or an unmarried head of household, (2) $3,200 if married filing jointly or a qualifying widow(er) with dependent child, or (3) $1,600 if married filing separately.

However, you can skip this separate computation if you know you have more than $2,000 of tax table income ($1,000 if married and filing a separate return) after excluding: (1) gains or losses from the sales and exchanges of capital assets, and (2) your zero bracket amount of $2,200, $3,200, or $1,600, depending on your filing status.

If a separate computation is not required, enter on line 16b the loss shown on line 16a, but not more than $2,000 ($1,000 if married and filing a separate return).

K. Investment Interest Expense Deduction Adjustment.—(**Note:** *These rules also apply if you use **Form 4798** to report a pre-1970 capital loss carryover as indicated in instruction I).*

If Schedule D, line 13 (or Form 4798, Part I, line 6) is blank or if line 13 or line 14 (or Form 4798, Part I, line 6 or line 7) shows a loss, please skip the rest of instruction K.

If you have investment interest expense of more than $10,000 ($5,000 if married filing separately), the amount of that interest that you can deduct could be limited. Please see Form 4952 for details. If there is an entry on Form 4952, line 27; and, on Schedule D, both line 13 and 14 (or Form 4798, Part 1, lines 6 and 7) show a gain, then part or all of the amount of capital gains used on Form 4952, line 27, will be treated as ordinary income for purposes of determining the 50 percent capital gain deduction or the alternative capital gain tax. The amount treated as ordinary income is the lesser of: (a) the amount on Form 4952, line 27, (b) the amount on Schedule D, line 13 (or Form 4798, Part I, line 6), or (c) the amount on Schedule D, line 14 (or Form 4798, Part I, line 7). You should enter this amount in the margin to the right of Schedule D, line 13 (or Form 4798, Part I, line 6), and identify it as "From Form 4952."

Before determining the capital gain deduction on Schedule D, line 15a (or Form 4798, Part I, line 8(a)), or the Alternative Tax in Schedule D, Part IV, you must decrease the gains on Schedule D, lines 13 and 14 (or Form 4798, Part I, lines 6 and 7) by the amount treated as ordinary income. You should enter the amount treated as an ordinary gain (shown in the margin) on Form 4797, Part II, line 8, or if you do not use Form 4797 for other transactions, enter the gain on your Form 1040, line 16, and identify it as "From Form 4952."

L. Installment Sales.—If you sold personal property for more than $1,000, or real property for any amount, you may be eligible to use the installment method to report any gain if: (1) there are no payments in the year of sale or (2) the payments in the year of sale do not exceed 30 percent of the selling price. The sales must provide for one or more payments in each of two or more taxable years.

For the treatment of a part of the payments as "unstated interest," an installment sale worksheet, and other information; please get **Publication 537,** Tax Information on Installment and Deferred-Payment Sales, from any Internal Revenue Service office.

M. Capital Gain Distributions.—See the instructions for Schedule B (Form 1040) on page 18.

N. Special Rules.—The following items may require special treatment: (1) transactions by a securities dealer, (2) wash sales of stock or securities, (3) bonds and other evidences of indebtedness if original issue discount is a factor, (4) certain real property subdivided for sale which may be considered a capital asset, (5) distributions received attributable to an employee pension, profit-sharing, or stock bonus plan (please see Form 4972 or Form 5544), (6) gain on the sale of depreciable property between husband and wife or between shareholder and a "controlled corporation" treated as ordinary gain, (7) gain on disposition of stock in a domestic international sales corporation, (8) gain or loss on options to buy or sell, including closing transactions, (9) transfer of property to a foreign corporation as paid-in surplus or as a contribution to capital, or to a foreign trust or partnership, and (10) the transfer of property to a partnership which would be treated as an investment company if the partnership were incorporated.

O. Sale of Personal Residence.—Tax on part or all of the gain from the sale of your principal residence must be deferred if:

(1) within 18 months after or before the sale, you purchase another principal residence and use it as such; or

(2) before the sale or within 18 months after the sale, you begin construction of a new principal residence and use it as such not later than two years after the sale.

If you sold your home for $35,000 or less on or after your 65th birthday, and you owned and used it as your principal residence for at least five of the last eight years, any gain on the sale need not be included in income. If the property was sold for more than $35,000, you may have to report part of the gain as income.

Form 2119 may be used to report the sale of your personal residence if you purchase a qualified replacement residence, or are 65 or older. Please get **Publication 523,** Tax Information on Selling or Purchasing Your Home.

P. Losses in Transactions Between Certain Persons.—A deduction is not allowed for a loss from the sale or exchange of property directly or indirectly between: (1) members of a family; (2) a corporation and an individual or a fiduciary owning more than 50 percent of the corporation's stock (liquidations excepted); (3) a grantor and fiduciary of a trust; (4) a fiduciary and a beneficiary of the same trust; (5) a fiduciary and a fiduciary or beneficiary of another trust created by the same grantor; (6) an individual and a tax-exempt organization controlled by the individual or the individual's family; or (7) a partnership and a partner owning, directly or indirectly, more than 50 percent of the capital interest, or profits interest, in the partnership (other than a sale or exchange of an interest in the partnership).

Q. Long-term Capital Gains from Regulated Investment Companies.—You should include in income as a long-term capital gain the amount shown on Form 2439 that constitutes your share of the undistributed capital gains of a regulated investment company. Enter the tax paid by the company as shown on Form 2439 on Form 1040, line 61. Add to the basis of your stock, the excess of the amount included in income over the credit.

R. Losses on Small Business Stock.—Subject to limitations, you may deduct the loss on the sale, exchange, or worthlessness of Small Business (section 1244) stock as an ordinary loss, rather than as a capital loss.

S. Alternative Tax Computation.—It may be to your advantage to use the alternative tax if the net long-term capital gain exceeds the net short-term capital loss, or if there is a net long-term capital gain only, and you are filing: (1) as a single person or unmarried head of household with taxable income over $40,200; (2) a joint return, or as a qualifying widow(er) with dependent child, with taxable income over $55,200; or (3) a separate return from your spouse and you have taxable income over $27,600.

If the net long-term capital gain exceeds the net short-term capital loss, or if there is *only* a net long-term capital gain, you should figure the tax using the alternative method to determine if the resulting tax is less than the tax computed using the regular method.

For additional information about many of the items discussed in these instructions, please get **Publication 544,** Sales and Other Dispositions of Assets, or **Publication 550,** Tax Information on Investment Income and Expenses, from any Internal Revenue Service office.

Instructions for Schedule E (Form 1040)

PART I.—Pension and Annuity Income

General Rule for Annuities.—Generally, amounts you received from annuities and pensions are included in your income in an amount that is figured on your life expectancy. You may find this computation and your life expectancy multiple in the income tax regulations covering annuities and pensions.

Once you figure the excludable amount for a full year, it does not change so you will not have to refigure the amount to exclude each full year. In making this computation, you can get help from the Internal Revenue Service as well as from the payer of the annuity or pension.

Special Rule for Certain Types of Employees' Annuities.—A special rule applies for amounts received as employees' annuities if (1) the employer contributed part of the cost and (2) you will get back the amount you contributed within three years from the date of the first payment you receive under the contract. If both these conditions are met, you can exclude from income the payments you receive under the contract during the first three years, until you recover your cost. Your cost is the amount you contributed, plus the contributions your employer made on which you were previously taxed. **Note:** *If you (1) filed your 1976 tax return on which you began to recover your pension or annuity cost, and (2) later learned that you could have excluded your pension or annuity payments under the sick-pay exclusion rules, but (3) were advised not to file an amended return and claim the sick-pay exclusion due to no change in your 1976 tax liability, then (4) you should add to the cost of your pension or annuity on your 1977 tax return the cost recovered on your original 1976 tax return.* **(Caution.**—*Do not add interest shown as earned on your contributions to your annuity cost unless you were previously taxed on it.)* After you recover your cost, all amounts you receive are fully taxable. This method of figuring taxable income also applies to the employee's beneficiary if the employee dies before receiving any annuity or pension payments.

Example: An employee received $200 a month from an annuity. While working the employee contributed $4,925 toward the cost of the annuity. The employer also made contributions toward the cost of the annuity, for which the employee was not taxed. The retired employee would be paid $7,200 during the first three years, which exceeds the employee's contribution of $4,925. The employee would exclude from income all the payments received as an annuity until $4,925 is received. All payments received afterward are fully taxable.

Note: *If you did not contribute to the cost of your annuity or you recovered your entire cost before January 1, 1977, you should report your annuity on Form 1040, line 17 instead of on Schedule E. (Do this even if you received a Form W–2P.)*

Death Benefit Exclusion.—If you receive pension or annuity payments as a beneficiary of a deceased employee and the employee received no retirement pension or annuity payments, you may be entitled to a death benefit exclusion of up to $5,000. For more information, please get **Publication 575,** Tax Information on Pension and Annuity Income.

Disability Pension and Annuity Payments.—If you meet all the following conditions, you may be eligible to claim the disability income exclusion (sick pay) (please see instructions for line 30, page 11, and for Form 2440, Disability Income Exclusion (Sick Pay)):

(1) you have not reached age 65 at the end of the taxable year,

(2) you have not reached mandatory retirement age at the beginning of the taxable year,

(3) you were permanently and totally disabled at the time of your retirement (or were permanently and totally disabled on January 1, 1976, or January 1, 1977 if you retired before the later date on disability or under circumstances which entitled you to retire on disability), and

(4) you have not made the irrevocable election not to claim the disability income exclusion (discussed below).

If you meet these four conditions, you should report your disability pension or annuity payments received during the taxable year on Form 1040, line 8 (except for amounts received for periods after mandatory retirement age). In addition, please enter on Form 1040, line 30 any part of your disability payments, that is eligible for the disability income exclusion from periods before the date on which you reach mandatory retirement age. At the earlier of the beginning of the taxable year in which you reach age 65 or the date on which you reach mandatory retirement age, you will begin to report the disability payments under an applicable pension or annuity rule.

If you do not meet all of the above conditions, the amounts you receive are not eligible for the disability income exclusion. In addition, if you do not meet condition 1 or 2, the amount you receive should be reported under an applicable pension or annuity rule. If any of these amounts are excludable as a recovery of your contribution, enter the total amount on line 3, Schedule E, and the excludable portion on line 4. If none of the amounts are excludable as a recovery of your contribution, enter the total amount on line 17 of Form 1040. See discussion below for details regarding election referred to in condition 4.

If you meet all the conditions except condition 3, report on line 8, Form 1040 all of the disability payments received for periods prior to the date on which you reach minimum retirement age. Amounts received for periods thereafter will be treated under an applicable pension or annuity rule (see the

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preceding paragraph). Generally, **minimum retirement age** is the age at which you are eligible to receive a pension or annuity without regard to disability.

Mandatory retirement age is the age at which it has been the practice of your employer to terminate, because of age, the services of the class of employees to which you belong.

Before the time you start to report your disability payments under an applicable pension or annuity rule, you may not apply any of your pension or annuity cost against your disability payments. However, if (1) you retired on disability before January 1, 1977, and on December 31, 1975, or December 31, 1976, were entitled to exclude any amount with respect to such retirement disability payments from gross income as sick pay, or (2) you are eligible for the disability income exclusion, you may make an irrevocable election not to claim the disability income exclusion. If you make a valid irrevocable election, you should report your disability payments under an applicable pension or annuity rule, which allows you to apply your cost against your disability payments. The irrevocable election is applicable for the year of election, but may not be made for a year before 1976, and all following years.

To make the irrevocable election, please attach a statement to your tax return that (1) states you elect not to claim the disability income exclusion and will report your disability payments under an applicable pension or annuity rule, and (2) lists your qualifications for making the election. If you retired in 1977, you must also attach a certificate from a qualified physician attesting to your total and permanent disability at the time of your retirement. You may not make this election if you are a disability retiree who retired after December 31, 1976, and whose disability payments are not eligible for the disability income exclusion.

Any amounts you receive before you begin to treat your disability annuity under an applicable pension or annuity rule will be earned income for purposes of line 2b of Schedule RP and line 1 of the Earned Income Credit Worksheet.

If you have begun treating your pension under an applicable pension or annuity rule, any amounts received before you reach minimum retirement age that are not treated as a recovery of your contributions are earned income for purposes of line 2b of Schedule RP and line 1 of the Earned Income Credit Worksheet. Any amounts received after you reach minimum retirement age to the extent included in your gross income are retirement income for purposes of Schedule RP and not earned income for purposes of line 2b of Schedule RP.

Lump-Sum Distribution from Form 1099R.—If you received a lump-sum distribution from a profit-sharing or retirement plan, you should report the taxable amount paid as capital gain on Schedule D (Form 1040) and ordinary income on Form 1040.

You may be eligible to figure the tax on the ordinary income part of your lump-sum distribution under a special averaging method. If you make an irrevocable election, you may treat the long-term capital gain part as ordinary income. Together with the regular ordinary income part of the lump-sum distribution, you may figure the tax on the distribution under a special averaging method. For more information, please get **Form 4972,** Special 10-year Averaging Method or **Form 5544,** Multiple Recipient Special 10-Year Averaging Method, and separate instructions.

PART II.—Rent and Royalty Income

Rent.—If you were not in the business of selling real estate, but received rent from property you own or control, **report** the total on Schedule E, Part II, column (b). If you received property as rent, instead of money, **report its fair market** value.

You should report amounts received from room rent and other space rentals in this part, unless you also provided services to the person renting from you. If you provided services, report the full amount received as business income in Schedule C (Form 1040). If you were in the business of selling real estate, report rentals received in Schedule C.

Except as provided below, you can deduct depreciation expense for rental property and all ordinary and necessary expenses, such as taxes, interest, repairs, insurance, agent's commissions, maintenance, and similar items. Do not deduct capital investments or improvements. You should add these to the basis of the property for the purpose of depreciation. For example, a landlord can deduct the cost of minor repairs, but not the cost of major improvements such as a new roof or remodeling. Do not deduct the value of your own labor.

If You Rent Part of Your House.—If you rent out only part of your property, you can deduct only the part of your expenses that relate to the rented part. If you do **not** know the exact amount of these expenses, figure them on a proportionate basis. For example, if you rent out half of your home and live in the other half, you should deduct only half the depreciation and other expenses.

Rental of Dwelling Unit Also Used for Personal Purposes (Including Vacation Home).—You are limited on the amount of deductions resulting from the rental of a dwelling unit, including a vacation home, if you use the dwelling for personal purposes more than the greater of 14 days or 10 percent of the number of days during the year for which the dwelling unit was actually rented at a fair rental. The deductible expenses resulting from the rental of the unit are limited to the amount by which the gross rental income is greater than the allowable deductions for interest, taxes, and casualty losses that are allocable to the rental use.

If the rental dwelling unit is rented for less than 15 days, no deductions (other than interest, taxes and casualty losses allowable on Schedule A (Form 1040)) are allowed and you should not report the rental income.

A dwelling unit includes a house, apartment, condominium, house trailer, boat or similar property.

For further information and for the method of figuring the part of expenses resulting from rental use, please get **Publication 530,** Tax Information for Homeowners.

Form 4831, Rental Income, is available at Internal Revenue Service offices, if you want to use it as an attachment to your return to report your rental income and expenses. If you use Form 4831, please be sure to carry over the net income or (loss) to Schedule E, line 8.

Rental Income Based upon Farm Production or Crop Shares.—You should report this income and related expenses on Form 4835, Farm Rental Income and Expenses and Summary of Gross Income from Farming or Fishing, if you meet all these tests:

(1) You received rental income based on farm production or you received crop shares based on the rental of all or part of your crop land on a crop share basis.

(2) You did not, to any great extent, take part in managing or operating the farm.

(3) Two-thirds of your gross income was from farming (fishing). Please see note below.

If you use Form 4835, please be sure to carry over the net farm rental profit or (loss) to Schedule E, line 9. You should report crop shares received only for the year in which they are converted to money or its equivalent, such as merchandise or property.

Note: *For purposes of estimated tax, income received from crop shares and from rental based on farm production (but not a fixed rental that is not based on farm production) is considered to be income from farming. You should add this income shown on Form 4835, line 22, to your other income from farming (or fishing). If the total is at least two-thirds of your gross income, the penalty for not paying estimated tax will not apply if you file your tax return and pay the tax on or before March 1, 1978.*

Royalties.—You should report on Schedule E, Part II, column (c), royalties from oil, gas or mineral properties, copyrights, and patents. If you hold an operating oil, gas, or mineral interest, report gross income and expenses in Schedule C (Form 1040). Under certain circumstances, you can treat amounts received on the disposal of coal and iron ore as the sale of a capital asset. For more information, please get **Publication 544,** Sales and Other Dispositions of Assets.

If State or local taxes were withheld from oil or gas payments you received, you should report in column (c) the gross amount of royalty, and include the taxes withheld by the producer in column (e), other expenses.

If you are involved in leasing personal property, certain other tangible property other than buildings, an elevator or escalator, or other real property that is or had been subject to an allowance for depreciation or amortization, any loss from the activity may not be greater than the total amount which you have "at risk" in the activity at the close of the taxable year.

PART III.—Partnerships, etc.

Partnership.—If you are a member of a partnership, joint venture, or the like, you should include on Schedule E, Part III, your share of the ordinary income (whether you received it or not) or the net loss for the partnership taxable year which ends during the year covered by your return or on the same day as that covered by your return.

In determining the loss to be reported on your own return, you may not claim your share of a partnership loss (including capital loss) that is in excess of the adjusted basis of your interest in the partnership at the end of the partnership's taxable year. In the case of liabilities incurred after December 31, 1976, the adjusted basis of your interest in the partnership (for determining limitations on losses) generally shall not include any portion of any partnership liability with respect to which you have no personal liability. This liability restriction does not apply if your interest is in a partnership whose principal activity is investing in real property, other than mineral property.

(The amount of a partner's distributive share of a partnership loss that the partner is allowed to deduct in the current taxable year may also be limited by the "at risk" provisions discussed below.)

Special "at risk" rules apply in the case of a partnership engaged in the activity of—

(1) holding, producing, or distributing motion picture films or video tapes,

(2) farming (cultivation of land, or raising or harvesting of any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of animals; however, trees (other than trees bearing fruit or nuts) shall not be treated as an agricultural or horticultural commodity),

(3) leasing personal property, and certain other tangible property other than buildings, an elevator or escalator, or other real property that is or has been subject to an allowance for depreciation or amortization, or

(4) exploring for, or exploiting, oil and gas resources,

as a trade or business or for the production of income.

Your share of any partnership loss from one of the above activities for the taxable year may not be greater than the total amount for which you are "at risk" for the activity at the close of the partnership's taxable year. **Note:** Any loss from such activity not allowed for your 1976 taxable year is treated as a deduction allocable to such activity for your 1977 taxable year.

You are generally considered to be "at risk" for an activity to the extent of the cash and the adjusted basis of other property you contributed to the activity, as well as any amounts borrowed for use in the activity for which you are either personally liable or have pledged property as security (other than property used in the activity).

Additional information concerning "at risk" limitations and a schedule of other items of income, deductions, credits, etc., to be carried to your individual return are contained on copy B of Schedule K–1 (Form 1065), Partner's Share of Income, Credits, Deductions, etc.

As a partner, you must include on Schedule SE your distributive share of partnership income or (loss) from the operation of a trade or business. This income is considered as net earnings from self-employment. For more information, please get **Publication 541,** Tax Information on Partnership Income and Losses.

Estates and Trusts.—If you are a beneficiary of an estate or trust, you should report your taxable part of its income whether you received it or not as follows:

Dividends from qualifying domestic corporations on Schedule B (Form 1040), Part II, line 3. **Note:** *If total dividends received from all sources are $400 or less, you may enter total on Form 1040, line 10a, without itemizing on Schedule B (Form 1040).*

Short-term capital gains on line 2, Schedule D (Form 1040).

Long-term capital gains on line 9, Schedule D (Form 1040).

Other taxable income less deductions for depreciation and depletion and other deductions on Schedule E, Part III.

Please see Schedule K–1 (Form 1041) or get information from the fiduciary about these items. Include your share of items of tax preference on Form 4625.

A U.S. person who transferred property to a foreign trust may have to include the income resulting from the property in his or her taxable income, if during 1977, the trust had a U.S. beneficiary.

Income from Farming Reported in Part III.—If your gross income from farming (or fishing) is at least two-thirds of your gross income, the penalty for not paying estimated tax will not apply if you file your tax return, and pay the tax due, on or before March 1, 1978.

If you are a member of a partnership or if you are a beneficiary of an estate or trust reporting income from farming (or fishing) on Schedule E, Part III, please enter your share of partnership gross income or your part of fiduciary taxable income from farming (or fishing) in column (d).

Small Business Corporations.—If you are a shareholder in a small business corporation which elected to have its current taxable income taxed to its stockholders, you should report—

(1) Actual dividend distributions (whether taxable as ordinary income or long-term capital gain) as dividend income in Schedule B (Form 1040), Part II, line 3.

Subtract from the actual dividend distribution the non-dividend (distribution of previously taxed income) part on Schedule B, Part II, line 6, and the long-term capital gain portion on Schedule B, Part II, line 5. Also include the long-term capital gain part on Schedule D, line 7.

(2) Constructive dividends reported to you on Schedule K–1 (Form 1120S) taxable as ordinary income (loss) on Schedule E, Part III.

(3) Constructive dividends reported to you on Schedule K–1 (Form 1120S) taxable as long-term capital gain on Schedule D, line 10.

If you are a shareholder claiming a deduction for a net operating loss, please attach to your return a computation of the adjusted basis of your stock in the corporation and the adjusted basis of any debt the corporation owes you. Your net operating loss deduction is limited to that amount.

Special "at risk" rules set forth under Part III.—Partnership, etc., are also applicable to a small business corporation. Please read these special "at risk" rules by inserting "a small business corporation" where "partnership" appears and "shareholder" where "partner" appears.

Depreciation

You can deduct a reasonable allowance for the exhaustion, wear and tear, and obsolescence of property used in a trade or business, or property held for the production of income. The allowance is not allowed for stock in trade, inventories, land, and personal assets. Please see **Form 4562,** Depreciation, for information on depreciation methods, limitations and special rules.

Note: *Your total additional first-year depreciation deduction from all sources is limited to $2,000 ($4,000 if filing jointly).*

Class Life Asset Depreciation Range (CLADR) System and Class Life (CL) System.—If you figure depreciation by using the Class Life Asset Depreciation Range (CLADR) System for assets put in service after December 31, 1970, you must file Form 4832, Class Life Asset Depreciation Range (CLADR) System. If you figure depreciation by using the Class Life (CL) System for assets put in service before January 1, 1971, you do not have to file a form, but you must keep the records required by the regulations. For more information, please get **Publication 534,** Tax Information on Depreciation.

Instructions for Schedule R (Form 1040)

Credit for the Elderly—

Individual(s) 65 or Over Having Any Type of Income

If you are 65 or older and have any type of income, you may be able to take a credit against your tax.

To determine your credit, you must use Schedule R. However, if you are married filing jointly with your spouse, one of you is 65 or older and the other is under 65 and has public retirement income, then you may elect to figure your credit under Schedule RP (Form 1040)—Credit for the Elderly—Individual(s) Under 65 Having Gross Income from a Public Retirement System as a Result of His (Her) Services or Services of His (Her) Deceased Spouse.

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If you do not make this election you must figure the credit under Schedule R.

Special Rules.—

(1) Married couples must file joint returns to be eligible for the credit. No credit is allowed to a married couple who lived together at any time during the taxable year unless they file a joint return. However, a married couple who did not live together at any time during the taxable year does not have to file a joint return to be eligible for the credit.

(2) The credit is available regardless of work experience in earlier years.

(3) No credit is allowed to a nonresident alien unless the nonresident alien and his or her spouse who is a citizen or resident of the United States elect to be taxed on their worldwide income and file a joint return.

Figuring the Credit.—If you are having IRS figure your tax and also want them to figure your credit for the elderly, please see page 4 of the instructions.

If you are figuring the credit yourself, you will need to read the following instructions. If you and your spouse are eligible to make the election noted previously, read the instructions and complete Schedule R and Schedule RP to determine your maximum credit. Fill in only one schedule (either Schedule R or Schedule RP) and file it with your return.

The maximum initial amount of income on which you can take the credit is based on your filing status and, if married, the age of your spouse.

If you are:	Then your maximum amount for credit computation is:
Single (Includes Unmarried Head of Household and Qualifying widow(er) with dependent child), 65 or over	$2,500
Married filing jointly and only one spouse is 65 or over	2,500
Married filing jointly and both spouses 65 or over	3,750
Married filing a separate return, 65 or over, and have not lived with your spouse at any time during the taxable year	1,875

From this amount you must subtract (on lines 2a and b), certain exempt pensions and annuities, and you may also have to subtract a part of your adjusted gross income as shown on Form 1040, line 31. The maximum amounts allowable as a credit are shown below, but the credit cannot be more than the amount of tax shown on Form 1040, line 37.

$375 (15 percent of $2,500) on a separate return if single and 65 or over or on a joint return where one spouse is 65 or over.

$562.50 (15 percent of $3,750) on a joint return if both spouses are 65 or over.

$281.25 (15 percent of $1,875) on a separate return if married, 65 or over, and have not lived with your spouse at any time during the taxable year.

Please figure your credit as follows:

Check filing status and age box.

Line 1.—Enter the initial amount of income for credit computation as instructed on the schedule.

Line 2a.—Enter the following pensions and annuities received during 1977.

(1) Pensions and annuities received under the Social Security Act or Railroad Retirement Acts. For social security pension, enter the gross amount before deduction of any amount withheld to pay medicare insurance premiums.

(2) Any other pensions and annuities that are not taxed. Include the total monthly payments you received from a matured U.S. Government life insurance endowment contract that do not result from the cost of the contract. (Do not include supplemental annuities under the Railroad Retirement Acts, military disability pensions, or any amount treated as a return of your cost.)

Do not include on this line amounts excluded from gross income such as amounts received under accident or health insurance plans or as compensation for injury or sickness.

Line 2b.—Show one-half of the excess of your adjusted gross income (Form 1040, line 31) over:

$7,500 if single.

$10,000 if filing a joint return.

$5,000 if married filing a separate return.

Line 3.—Add lines 2a and b and enter total on line 3.

Line 4.—Subtract line 3 from line 1 and enter the difference on line 4. (If line 3 is more than line 1, enter zero on line 4.)

Lines 5 through 7.—Complete these lines as instructed on the schedule.

If you need more information, please get **Publication 524,** Tax Credit for the Elderly. It gives examples of how to figure the credit and also sample filled-in schedules.

Instructions for Schedule RP (Form 1040)

Credit for the Elderly—

Individual(s) Under 65 Having Gross Income from a Public Retirement System as a Result of His (Her) Services or Services of His (Her) Deceased Spouse

If you are under 65 and have gross income from a public retirement system resulting from your services or services of your deceased spouse, you may be able to take a credit against your tax.

To determine your credit, you must use Schedule RP. However, if you are married filing jointly and your spouse is 65 or older, unless both of you have elected to figure the credit under Schedule RP, you must determine the credit by using Schedule R (Form 1040)—Credit for the Elderly—Individual(s) 65 or Over Having Any Type of Income.

Special Rules.—

(1) Married couples must file joint returns to be eligible for the credit. No credit is allowed to a married couple who lived together at any time during the taxable year unless they file a joint return. However, a married couple who did not live together at any time during the taxable year does not have to file a joint return to be eligible for the credit.

(2) The credit is available regardless of work experience in earlier years.

(3) No credit is allowed to a nonresident alien unless the nonresident alien and his or her spouse who is a citizen or resident of the United States elect to be taxed on their worldwide income and file a joint return.

Figuring the credit.—If you are having IRS figure your tax and also want them to figure your credit for the elderly, please see page 4 of the instructions.

If you are figuring the credit yourself, please follow the instructions below.

The maximum amount of retirement income on which you can take the credit is based on your filing status and, if married, the age of your spouse.

If you are:	Then your maximum amount for credit computation is:
Single (Includes Unmarried Head of Household and Qualifying widow(er) with dependent child) under 65	$2,500
Married filing jointly and one spouse 65 or over (applicable only if election made)	3, 750
Married filing jointly and both spouses under 65	3,750
Married filing a separate return, under 65, and have not lived with your spouse at any time during the taxable year	1,875

Note: *The $3,750* **must** *be divided between you and your spouse on a joint return, but no more than $2,500 may be allocated to either.*

From this amount you must subtract certain exempt pensions and annuities and you may also have to subtract a part of your 1977 earned income. The maximum amounts allowed as a credit are shown below, but the credit cannot be more than the amount of tax shown on Form 1040, line 37.

$375 (15 percent of $2,500) on a separate return if single and under 65.

$562.50 (15 percent of $3,750) on a joint return if one spouse is 65 or over or on a joint return where both spouses are under 65.

$281.25 (15 percent of $1,875) on a separate return if married, under 65, and have not lived with your spouse at any time during the taxable year.

Please figure the credit as follows:

Please enter the name of the public retirement system of the spouse under 65. If both you and your spouse are under 65 and receive public retirement system income, please enter the name of the public retirement system of both you and your spouse. Please identify the public retirement system received by the husband with a (H) and the wife with a (W).

Check filing status and age box. By checking the box for a married couple filing a joint return where one spouse is 65 or over, you and your spouse elect to figure your credit under Schedule RP.

Line 1.—Enter the maximum amount of retirement income for credit computation as instructed on the schedule.

On a joint return, a married couple must divide the maximum amount of retirement income between them, but not more than $2,500 may be allocated to either. Please use column A for wife and column B for husband.

Exception.—If you and your spouse are making the election previously mentioned to use Schedule RP, the spouse under 65 should use column B.

Line 2a.—Show the following pensions and annuities received during 1977.

(1) Pensions and annuities received under the Social Security Act or Railroad Retirement Acts. For social security pension, show the gross amount before deduction of any amount withheld to pay medicare insurance premiums.

(2) Any other pensions and annuities that are not taxed. Include the total monthly payments you received from a matured U.S. Government life insurance endowment contract that do not result from the cost of the contract. (Do not include supplemental annuities under the Railroad Retirement Act, military disability pensions, or any amount treated as a return of your cost.)

Do not include on this line amounts excluded from gross income such as amounts received under accident or health insurance plans or as compensation for injury or sickness.

Line 2b.—Show earned income received during 1977 on line (i) or (ii), depending on your age. If you or your spouse was 72 or older on January 1, 1978, do not make an entry on this line for him or her.

Earned income is wages, salaries, professional fees or other amounts received as payment for work or services. A regular annuity or pension is not earned income.

If you or your spouse was in a trade or business in which both personal services and capital were to a great extent income-producing factors, you should consider a reasonable amount (but not over 30 percent of your net profits) as earned income.

Line 3.—Add lines 2a and b and enter total on line 3.

Line 4.—Subtract line 3 from line 1 and enter the difference on line 4. (If line 3 is more than line 1, enter zero on line 4.) If the amount you entered on line 4 for column A or B is more than zero, please complete the rest of the schedule to figure your credit. If both columns are zero or less on line 4, you cannot take a credit for the elderly so do not complete the rest of the schedule.

Line 5.—If you are under 65, enter your retirement income on line a. Please see below for what income to enter.

If you are 65 or older, enter your retirement income on line b. Please see below for what income to enter.

What is Retirement Income.—

(a) If you were under 65 on January 1, 1978, your retirement income includes only the amount you received during 1977 from a pension or annuity under a public retirement system as a result of your services or services of your deceased spouse, which is reported as income on Form 1040. (A public retirement system is one set up by the Federal Government, or a State, county, city, etc.)

If you retired from the Federal, State, etc. Government on disability and were under age 65 at the end of your taxable year, your disability annuity payments are earned income and **not** retirement income unless the payments (1) are for periods after the date on which you reached the minimum retirement age **and** (2) are ineligible for the disability income exclusion. Such payments are ineligible for the disability income exclusion if you:

(i) received the payments for a period after you reached mandatory retirement age,

(ii) were not permanently and totally disabled when you retired (and were not permanently and totally disabled on January 1, 1976 or January 1, 1977, if you retired before the later date on disability or under circumstances which entitled you to retire on disability), or

(iii) have made a valid irrevocable election not to claim the disability income exclusion.

Generally, **minimum retirement age** is the age at which you are eligible to receive a pension or annuity without regard to disability. **Mandatory retirement age** is the age at which it has been the practice of your employer to terminate, because of age, the services of the class of employees to which you belong.

For information on how to report your disability retirement income, please see Instructions for Schedule E.

(b) If you were 65 or older on January 1, 1978, your retirement income includes the amounts received during 1977 from pensions, annuities, interest, rents, dividends, proceeds of retirement bonds, and amounts received from individual retirement accounts and individual retirement annuities which are reported as income on Form 1040. It does not include royalties. (For this purpose, income from rents means the full amount received before subtracting depreciation or any other expenses.)

Lines 6 through 10.—You should complete these lines as instructed on the schedule.

If you need more information, please get **Publication 524,** Tax Credit for the Elderly. It gives examples of how to figure the credit and also sample filled-in schedules.

Married Residents of Community Property States.—If you are married filing a joint return and live in a community property State, you should disregard community property laws for purposes of computing the credit for the elderly on Schedule RP. The total of all taxable and nontaxable income used in computing the credit is considered that of the individual whose services gave rise to the income.

Instructions for Schedule C (Form 1040)

Note: *You may be entitled to claim the new jobs credit if you hired additional employees this year. However, you may not take a deduction for that portion of the wages or salaries paid or incurred which is equal to the amount of the new jobs credit allowable before application of the tax liability limitations. Please see* **Form 5884, New Jobs Credit, and Publication 902, Tax Information on Jobs Tax Credit,** *for additional information.*

If you owned a business or practiced a profession, you should complete Schedule C. Then enter your net profit or loss on Form 1040, line 13. If you had more than one business, or if you and your spouse had separate businesses, complete a Schedule C for each business. Farmers should use Schedule F (Form 1040).

If some of your expenses are part business and part personal, you can deduct only the business part. For example, if only half of your car usage is for business, you can deduct only half of the cost of operating the car.

You should report sales, exchanges, or involuntary conversions of certain trade or business property on **Form 4797,** Supplemental Schedule of Gains and Losses.

You have to pay the social security self-employment tax on income from any trade or business, unless specifically excluded. Please see Schedule SE.

Deductions For Business Use of a Dwelling Used as a Residence.—You may deduct, within certain limits, business use expenses that are allocable to a portion of your home **only** if that portion is exclusively used on a regular basis:

(a) as your principal place of business,

(b) as a place of business used by your patients, clients, or customers in meeting or dealing with you in the normal course of your trade or business, or

(c) in connection with your business if it is a separate structure that is not attached to your dwelling unit.

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You may also deduct expenses allocable to space within your home that is used on a regular basis as a storage unit for inventory held for use in your trade or business of selling products at retail or wholesale, but only if your home is the sole fixed location of your trade or business.

Limitation on Deduction.—Subtract the allowable interest, taxes and casualty losses allocable to business or storage use from the amount of gross income derived from trade or business use and determine the balance. You may deduct so much of your other expenses allocable to business or storage use that do not exceed this balance.

The interest, taxes, or casualty losses not allocable to business or storage use may be taken as itemized deductions on Schedule A (Form 1040).

Special Rule for Day Care Services.—If you use space in your home on a regular basis in your trade or business of providing day care services, you may deduct the business expenses attributable to the business use even though you also use the same space for nonbusiness purposes. To figure your deduction, you must allocate your expenses for the space by the ratio of hours of business use to total hours of availability for all uses. You must also comply with applicable State licensing, certification, or approval requirements in order to deduct expenses accrued after August 31, 1977.

For more information, please get **Publication 587,** Business Use of Your Home. See Instructions for **Schedule E** (Form 1040) for information on deductions for rental of a dwelling used as a residence.

Limited Deduction for Losses Arising from Certain Activities

If you are engaged in the activity of:

(1) holding, producing, or distributing motion picture films or video tapes,

(2) farming (see the instructions for Schedule F (Form 1040) for a definition of farming),

(3) leasing personal property, and certain other tangible property other than buildings, an elevator or escalator, or other real property that is or has been subject to an allowance for depreciation or amortization, or

(4) exploring for, or exploiting, oil and gas resources,

as a trade or business or for the production of income, any loss from that activity may not exceed the total amount you have risked (amount that you personally invested plus any amount for which you are personally liable).

Note: *Enter as a deduction on line 19, any amount of loss from such activity that was incurred in 1976, but not allowed for that year.*

Accounting Methods and Records.—You must use the cash method on your return unless you kept books of account. If you kept such books, you can use either the cash method, accrual method, or in certain limited situations the completed contract or percentage of completion methods. The method or methods used must properly reflect your income.

Cash method means you generally show all items of taxable income actually or constructively received during the year (whether in cash, property, or services) and those 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 draw on at any time.

Accrual method means you report income when earned, even if not received, and deduct expenses when incurred, even if not paid during the taxable year.

Item A—Principal Business Activity and Product.—You should give the one business activity that accounted for the largest percentage of gross income included in Schedule C, page 1, line 1. State the broad field of business activity as well as the product or service. For example, "wholesale—drugs," "retail apparel."

Item C—Employer Identification Number.—You do not need an employer identification number unless you were required to file an employment, excise, or alcohol, tobacco, and firearms tax return or maintain a Keogh (H.R. 10) plan.

Item D—Business Address.—Do not use your home address as a business address unless you actually conducted the business from your home. You should show the street address rather than the box number.

Item F — Information Returns. — You may be required to file information returns for wages paid to employees, certain payments of fees and other non-employee compensation, interest, rents, royalties, annuities and pensions. For more detailed information, please see instructions for Forms W–3 (Transmittal of Wage and Tax Statements) and 1096 (Annual Summary and Transmittal of U.S. Information Returns).

Income

Line 1—Gross Receipts or Gross Sales.—Please enter gross receipts or sales from your trade or business, except those items required to be reported on line 4. (See instructions for line 4.)

Returns and Allowances.—You should enter such items as returned sales, rebates, and allowances from the sale price or service charge.

Installment Sales.—If you use the installment method of reporting income from sales, please attach to your return a schedule showing separately for 1977 and the three preceding years:

(1) gross sales,
(2) cost of goods sold,
(3) gross profit,
(4) percentage of gross profits to gross sales,
(5) amounts collected, and
(6) gross profits on amounts collected.

Line 2—Cost of Goods Sold, Schedule C–1.—If you were engaged in a trade or business in which the production, purchase, or sale of merchandise was an income producing factor, inventories of merchandise must be taken into account at the beginning and end of your taxable year.

The inventories can be valued at:

(1) cost,
(2) cost or market, whichever is lower, or
(3) any other method approved by the Commissioner of Internal Revenue.

You must continue to use the same valuation method you adopted for the first year you took inventory unless you get permission to change your method by applying to the Commissioner of Internal Revenue, Washington, D.C. 20224. You should use Form 3115 to apply for permission, and file it with the Service within 180 days after the beginning of the taxable year in which you want to use the new method.

Cost of Operations (Where Inventories are Not an Income-determining Factor).—If the amount entered on line 2 includes an amount applicable to cost of operations, you should complete the appropriate lines of Schedule C–1.

Line 4—Other Income.—Include on line 4 finance reserve income, sales of scrap, amounts recovered from bad debts, and interest, as well as other kinds of miscellaneous income from your trade or business.

Deductions

Line 6—Depreciation.—You can deduct a reasonable allowance for the exhaustion, wear and tear, and obsolescence of property used in a trade or business, or property held for the production of income. The allowance is not allowed for stock in trade, inventories, land, and personal assets. Please see **Form 4562** for information on depreciation methods, limitations and special rules.

Class Life Asset Depreciation Range (CLADR) System and Class Life (CL) System.—If you figure depreciation by using the Class Life Asset Depreciation Range (CLADR) System for assets put in service after December 31, 1970, you must file **Form 4832,** Class Life Asset Depreciation Range (CLADR) System. If you figure depreciation by using the Class Life (CL) System for assets put in service before January 1, 1971, you do not have to file a form, but you must keep the records required by the regulations. For more information, please get **Publication 534,** Tax Information on Depreciation.

Line 9—Repairs.—You can deduct the cost of incidental repairs, including labor (but not the value of your own labor), supplies, and other items, that do not add to the value or appreciably lengthen the life of the property. Amounts spent to restore or replace property are not deductible. They are chargeable to capital accounts or to depreciation reserve, depending on how depreciation is charged on your books. You should include on line 9 the total amount of repairs from Form 4832 if the Class Life Asset Depreciation Range (CLADR) System of depreciation is used.

Line 14—Amortization.—You may elect to amortize expenditures for pollution control facilities and on-the-job training and child care facilities ratably over a 60 month period instead of taking the depreciation deduction. You may also elect to amortize expenditures for research or experimentation or a trade mark or trade name ratably over a period of not less than 60 months. For more information, please get **Publication 535,** Tax Information on Business Expenses and Operating Losses.

Treatment of Nonresidential Real Property Construction Period Interest and Taxes.—Special rules apply if you began construction of nonresidential real property after December 31, 1975, and construction was not completed within the same taxable year.

If the construction period interest and taxes were paid or accrued in 1976, only 50 percent of those amounts should have been deducted in 1976; 16⅔ percent is deductible in 1977 (or in the taxable year in which the property is ready to be placed in service or is ready to be held for sale, whichever is later) and each following year until the full amount has been allowable as a deduction.

If the construction period interest and taxes were paid or accrued in 1977, only 20 percent is deductible in 1977; 20 percent is deductible in 1978 (or in the taxable year in which the property is ready to be placed in service or is ready to be held for sale, whichever is later) and following taxable years, until the full amount has been allowable as a deduction.

Nonresidential real property means real property that is not or cannot reasonably be expected to be residential rental property, real property held for sale as dwelling units, or low-income housing.

Line 15a—Retirement Plans, etc.—You should enter the amount you claim as a 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, you should enter contributions made as an employer on your behalf (but not voluntary contributions you made as an employee) on Form 1040, line 25, instead of on Schedule C, line 15a.

For detailed filing requirements, please see instructions for Form 1040, line 25, on page 10.

Line 15b—Employee Benefit Programs.—You should enter the amount of your contributions to employee benefit programs that are not an incidental part of a pension or profit-sharing plan included on line 15(a). Include on line 15(b) contributions to insurance, health, and welfare programs.

Line 16—Interest on Business Indebtedness.—Generally, a cash basis taxpayer, who in 1977 prepaid interest allocable to any period after 1977, can only deduct the amount allocable to 1977. See **Publication 545,** Income Tax Deduction for Interest Expense.

Do not include on line 16, interest that your trade or business paid or accrued on debts incurred to purchase or carry property held for investment. You should claim this interest on investment debts on Schedule A (Form 1040). For further information, please see Schedule A (Form 1040) instructions.

Line 17—Bad Debts from Sales or Services.—You should include on this line debts, or portions of them, arising from sales or professional services that were included in income and definitely known to be worthless; or a reasonable amount that was added during the taxable year to a reserve for bad debts. A debt which is deducted as bad and which reduces your tax must, if later collected, be included as income for the year in which collected. For more information, please get **Publication 548,** Tax Information on Deductions for Bad Debts.

Line 18—Depletion.—If a deduction is claimed on account of timber depletion, you should attach Form T to your return.

Line 19—Other Business Expenses.—You should include all ordinary and necessary business expenses. Do not include cost of business equipment or furniture, amounts spent for replacements or permanent improvements to property, or personal living and family expenses.

Automobile Expenses, Special Rule.—Please see page 10 for optional method of figuring deductible automobile expenses.

Schedule C–3—Expense Account Information.—Expense account allowance means (a) amounts other than compensation, received as advances or reimbursements, and (b) amounts paid by or for you for expenses incurred by or for yourself or your employees, including all amounts charged through any type of credit card, for which a deduction is claimed in this schedule. This term does not include amounts paid for (a) the purchase of goods for resale or use in your business, and (b) incidental expenses, such as the purchase of office supplies or for local transportation in connection with an errand. You should keep records as proof of amounts spent for entertainment.

Foreign Conventions.—Generally, no deduction is allowed for attendance at more than two foreign conventions during your taxable year. The amount of expenses you can deduct are also subject to special limitations based on the amount of time actually devoted to business, etc.

In order to deduct any expenses for a foreign convention you must attach both of the following to your tax return for the year in which the expenses are deducted:

(1) Your signed statement indicating the total days of the trip, the days and amounts spent traveling, the number of hours each day you devoted to scheduled business activities, a program of the business activities; and

(2) A written statement, signed by an officer of the organization or group sponsoring the convention that includes a schedule of business activities for each day of the convention and the number of hours of each day you attended such scheduled business activities.

For more information, please get **Publication 463,** Travel, Entertainment, and Gift Expenses.

Instructions for Schedule SE (Form 1040)

Important Notice: *If you are self-employed and Form 1040, line 31, is less than $8,000, it may be necessary for you to complete lines 1 through 13 of Schedule SE (Form 1040), even though your self-employment income is less than $400. You may be eligible to claim the earned income credit. Please see page 2. Income exempt from self-employment tax as a result of filing* **Forms 4029 or 4361,** *is not earned income for purposes of the earned income credit.*

Schedule SE provides the Social Security Administration with information on self-employment income necessary for figuring benefits under the social security program. You have to pay social security self-employment tax regardless of age, and even though you are receiving social security benefits.

To assure proper credit to your account, please enter your name and social security number on Schedule SE exactly as they are shown on your social security card.

Fiscal year filers must use the tax rate and earnings base that are applicable at the time in which their fiscal year begins. No proration of the tax or earnings base is required for a fiscal year that overlaps the date of a rate or earnings base change.

Ministers, Members of Religious Orders, and Christian Science Practitioners.—If you are a duly ordained, commissioned, or licensed minister of a church, a member of a religious order (who has not taken a vow of poverty) or a Christian Science practitioner, you are subject to social security self-employment tax. But you can, under certain conditions, request to exempt your income from service as a minister, member, or practitioner by filing Form 4361. If you filed Form 4361 and you have no other income subject to social security self-employment tax, write "Exempt—Form 4361" on Form 1040, line 48. **(Note:** *If you filed Form 4361 but have $400 or more from other net earnings subject to self-employment tax, you must complete Schedule SE.)* You can get forms, schedules, and publications from any Internal Revenue Service office. If you previously filed an effective waiver certificate, Form 2031, to pay social security self-employment tax, you cannot file for an exemption. For more information please get **Publication 517,** Social Security for Members of the Clergy and Religious Workers.

Members of Certain Religious Sects.—If you have conscientious objections to social security insurance because of your belief in

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the teachings of a recognized religious sect of which you are a member, you can file Form 4029 to get exemption from self-employment tax. If you filed Form 4029, do not file Schedule SE. Instead, write "Exempt-Form 4029" on Form 1040, line 48.

Coverage of Ministers and Members of Religious Orders Who Are U.S. Citizens Serving Outside the U.S.—Ministers and members of religious orders who are U.S. citizens serving outside the U.S. (such as missionaries) may figure net earnings from self-employment as if they were serving in the U.S. Ministers or members of a religious order who are serving in a possession of the U.S. or in a foreign country must include their income in figuring net earnings from self-employment. This provision applies to ministers who have not elected to be exempt from coverage.

Christian Science practitioners are not included in this provision. The provision applies only to ministers and members of religious orders.

If you are a minister or member of a religious order, you must include in your earnings from self-employment (but not for income tax purposes) the rental value of a home furnished you or an allowance for it. You must also include the value of meals and lodging furnished you for the convenience of your employers.

U.S. Citizens Employed by Foreign Governments or International Organizations.—You are subject to the social security self-employment tax if you are a U.S. citizen employed in the U.S., Puerto Rico, Guam, American Samoa, or the Virgin Islands by a foreign government, an instrumentality wholly owned by a foreign government, or an international organization organized under the International Organizations Immunities Act. You should report income from this employment on Schedule SE, line 5(d).

Self-employment Income of Certain Individuals Temporarily Living Outside the U.S.—U.S. citizens who are self-employed outside the U.S. and who keep their residences in the U.S. must figure their net earnings from self-employment in the same way as those who are self-employed in the U.S. The exclusion of income earned abroad for income tax purposes does not apply to the social security self-employment tax. This provision does not apply to U.S. citizens who have established residence in a foreign country.

Fee Basis State or Local Government Employees.—Fees received for functions and services performed by these employees (including public officers who in this capacity are employees) are subject to self-employment tax if the functions and services are performed in positions which are: (1) compensated solely on a fee basis; and (2) not covered under a Federal-State social security coverage agreement.

Adjustments

You should exclude from Schedule SE, line 2, any item of income or expense that is not included in the computation of net earnings from farm self-employment and attach an explanation. Also exclude from Schedule SE, line 2, any additional first-year depreciation or unreimbursed expenses resulting from farm partnership income.

Use Schedule SE, line 7, to exclude any amounts reported in Schedule C that should not be taken into account in figuring your nonfarm self-employment income. Deduct additional first-year depreciation from nonfarm partnerships on Schedule SE, line 7.

In figuring net earnings from self-employment, do not take into account income or (loss) or any deductions for expenses connected with this income from the following sources:

A. Employees and Public Officials.—Income (fees, salaries, etc.) from the performance of services as: (1) a public official (except as noted above); (2) an employee or employee representative under the railroad retirement system; or (3) an employee (except as indicated above).

Note: *An employee 18 or over who has income from the sale of newspapers or magazines to an ultimate consumer is subject to self-employment tax if the employee kept the profits from those sales.*

B. Certain Payments to Retired Partners.—Income received by a retired partner under a written partnership plan that provides for lifelong periodic retirement payments if the retired partner has no interest in the partnership (except for the right to the retirement payments) and did not perform services for the partnership during the year.

C. Real estate rentals.—Rentals from real estate, except rentals received in the course of a trade or business as a real estate dealer. These include cash and crop shares received from a tenant or share-farmer. You should report these amounts on Schedule E, Part II. However, rental income from a farm is not excluded if the rental arrangement provides for material participation by the landlord and the landlord does participate materially in the production or in the management of the production of one or more farm products on his or her land. This income represents farm earnings and should be reported on Schedules F and SE.

Note: *To determine whether you participated materially in farm management or production, do not consider the activities of any agent who acted for you.*

The following are not real estate rentals: payments for the use or occupancy of rooms or other space where services are also furnished to the occupant, such as rooms in hotels, boarding houses, apartment houses, furnishing hotel services, tourist camps or homes; or payments for space in parking lots, warehouses, or storage garages. These payments must be included in figuring net earnings from self-employment.

D. Dividends and Interest.—Dividends on shares of stock and interest on bonds, debentures, notes, certificates, or other evidence of indebtedness, issued with interest coupons or in registered form by a corporation, or by a government or its political subdivisions, unless received in the course of a trade or business as a dealer in stocks or securities.

E. Property Gains and Losses.—Gain or loss: (1) from the sale or exchange of a capital asset; (2) from certain transactions involving timber, coal, or domestic iron ore; or (3) from the sale, exchange, involuntary conversion, or other disposition of property if that property is neither (a) stock in trade or other property of a kind which would properly be includible in inventory if on hand at the close of the taxable year; nor (b) property held primarily for sale to customers in the ordinary course of the trade or business.

F. Net Operating Losses.—No deduction for net operating losses of other years is allowed in figuring net earnings from self-employment.

More Than One Trade or Business

If you farmed and also had one or more other trades or businesses, your net earnings from self-employment are the combined net earnings from self-employment of all your trades and businesses. Thus, if you had a loss in one trade or business, it reduces the income from another trade or business. In these cases, please use both Schedule F and Schedule C to figure net profit from the farm and nonfarm activities respectively. Make the combined computation of self-employment tax on Schedule SE.

Joint Returns

For a joint return, you should show the name of the spouse with self-employment income on Schedule SE. If both you and your spouse have self-employment income, each of you must file a separate Schedule SE. You should include the total of profits or (losses) from all businesses on Form 1040, line 13 or 19, as appropriate. Then enter the combined self-employment tax on Form 1040, line 48.

Community Income

For the purpose of figuring net earnings from self-employment, if any of the income from a trade or business, including farming, is community income, all the income from that trade or business is considered the income of the husband, unless the wife exercises substantially all the management and control of the operation. In that case, all the income is considered the wife's.

If you file separate returns, please attach Schedules C and SE or Schedules F and SE to the return of the spouse with self-employment income. Community income included on these schedules must be divided, for income tax purposes, on the basis of the community property laws.

Partnerships

In figuring your combined net earnings from self-employment, you should include your entire share of earnings from a partnership, including any guaranteed payments. No part of that share can be allocated to your spouse, even though the income may, under State law, be community income. However, in the case of a husband and wife farm partnership, as in other partnerships, the distributive share of each must be entered as partnership income on Schedule E (Form 1040) Part III, for income tax purposes, and on Schedule SE, line 1(b), for self-employment tax purposes. (You should report nonfarm partnership income in Schedule SE, line 5(b), for social security self-employment tax purposes.)

Note: *If a member of a continuing partnership dies, part of the deceased partner's distributive share of the partnership's ordinary income or (loss) for the taxable year of the partnership in which the partner died must be included in the partner's net earnings from self-employment.*

Optional Method for Computing Net Earnings From Farm Self-Employment

If your gross profits for the year from farming were not more than $2,400, you can report two-thirds of your gross profits from farming instead of your actual net earnings from farming. If your gross profits from farming were more than $2,400, and your actual net earnings from farming were less than $1,600, you can report $1,600.

There is no limitation on frequency of electing the optional method for self-employment income solely from farming. If this method is used, however, it must be applied to all farm earnings from self-employment for the year. It may be used to increase or decrease net farm earnings and it may be used even if the farming operation resulted in a loss. You may change the method (either from actual net to optional net or the reverse) after you file your return. The change may be made by the taxpayer or someone qualified to act on the taxpayer's behalf if the taxpayer is incompetent or deceased.

For the optional method, you should figure your share of gross profits from the farm partnership according to the partnership agreement. In the case of guaranteed payments, your share of the partnership's gross profits is your guaranteed payment plus your share of the gross profits after such gross profits are reduced by all guaranteed payments of the partnership.

Optional Method for Computing Net Earnings From Nonfarm Self-Employment

If you are a regularly self-employed individual you may, if you meet certain conditions, use an optional method to determine your net earnings from nonfarm self-employment. The option is available when your actual earnings from nonfarm self-employment are less than $1,600 and less than two-thirds of your gross nonfarm profits.

Under the nonfarm optional method, you as a regularly self-employed individual may report two-thirds of your gross nonfarm profits (but not more than $1,600) as your net earnings from self-employment if your net earnings from such self-employment are less than $1,600 and less than two-thirds of your gross nonfarm profits from such self-employment. However, unlike the farm optional method, the nonfarm optional method does not permit you to report less than your actual net earnings from nonfarm self-employment.

You may use the optional method of figuring net earnings from nonfarm self-employment if you are: (1) regularly self-employed, or (2) regularly a member of a partnership. This requirement is met if you had actual net earnings from self-employment of $400 or more (including your distributive share of the income or loss from any partnership of which you are a member) from trades or businesses (nonfarm and farm) in at least 2 of the 3 consecutive years immediately preceding the year for which you elect to use the nonfarm option.

Do not use the optional method of figuring net earnings from nonfarm self-employment for more than 5 years. The 5 years need not be consecutive.

If both nonfarm and farm businesses are involved, the nonfarm option may be used only if your actual net earnings from nonfarm self employment are less than $1,600. Additionally, in all such combined cases your net nonfarm earnings must be less than two-thirds of your gross nonfarm profits in order to use the nonfarm option. If you qualify to use both options, you may report less than actual total net earnings but not less than actual net earnings from nonfarm self-employment alone.

If you elect to use both the nonfarm option and the farm option in figuring net earnings from self-employment, your maximum combined total of net earnings from self-employment for any one taxable year cannot be more than $1,600.

For the nonfarm optional method, you should figure your share of gross profits from a nonfarm partnership according to the partnership agreement. With guaranteed payments, your share of the partnership's gross profits is your guaranteed payment plus your share of the gross profits after such gross profits are reduced by all guaranteed payments of the partnership.

Share-Farming Arrangements

If you produce crops or livestock on land belonging to another for a proportionate share of the crop or livestock produced, or the proceeds from them, you are considered to be an independent contractor and a self-employed person rather than an employee. Report your net earnings on Schedule F for income tax purposes and on Schedule SE for social security self-employment tax purposes.

For more information on self-employment tax, please get **Publication 533,** Information on Self-Employment Tax.

Instructions for Schedule F (Form 1040)

Note: *You may be entitled to claim the new jobs credit if you hired additional employees this year. However, you may not take a deduction for that portion of the wages or salaries paid or incurred which is equal to the amount of the new jobs credit allowable before application of the tax liability limitation. Please see* **Form 5884, New Jobs Credit,** *for additional information.*

Employer Identification Number

You do not need an employer identification number unless you maintained a Keogh (H.R. 10) plan or were required to file an employment, excise, or alcohol, tobacco, and firearms tax return.

Cash Receipts and Disbursements Method of Reporting

You should include the following in income:

(1) Profits received from the sale of livestock and other items bought for resale.

(2) Cash and the value of merchandise or other property received from the sale of livestock and produce raised during 1977 or earlier years.

(3) Other farm income.

Your expenses are the amounts you paid during 1977 plus deductions such as depreciation.

Livestock Sold on Account of Drought

You can elect to include livestock sale proceeds in income in the taxable year following the taxable year of a drought, if your principal trade or business is farming, and if you can establish that the sale would not have occurred except for the drought and your area is designated as being eligible for Federal Government assistance.

You can elect to include crop insurance proceeds and certain disaster payments in income in the taxable year following the taxable year of destruction or damage if you can establish that it is your practice to report income from such crops in a following taxable year.

For more information, please get **Publication 225,** Farmer's Tax Guide.

Accrual Method of Reporting

The gross profits are figured as indicated in the summary of income and deductions on page 2 of Schedule F. Farm expenses are the actual expenses incurred during 1977 whether you paid them or not. You can value inventories according to the farm-price method, which provides for the valuation of inventories at market price less direct cost of disposition, or you can use other methods. Farmers raising livestock can value their inventories of animals according to either the farm-price method or the unit-livestock-price method.

If you use an accrual method of accounting, you must inventory growing crops.

235-058-1

Limited Deduction for Losses Arising from Certain Activities

If you are engaged in the activity of farming as a trade or business or for the production of income, any loss from that activity may not exceed the total amount you have risked (amount that you personally invested plus any amount for which you are personally liable).

For this purpose farming means the cultivation of land, or raising or harvesting of any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of animals; however, trees (other than trees bearing fruit or nuts) shall not be treated as an agricultural or horticultural commodity.

Deductions are limited for farming syndicates.—A farming syndicate may be a partnership, or any other noncorporate enterprise, or an electing small business corporation engaged in the trade or business of farming, if (1) at any time interests in the partnership or enterprise have been offered for sale in any offering required to be registered with any Federal or State agency, or (2) more than 35 percent of the losses during any period are allocable to limited partners or limited entrepreneurs.

A limited entrepreneur is a person who has an interest in an enterprise other than as a limited partner and who does not actively participate in the management of the enterprise.

In the case of any farming syndicate, a deduction for amounts paid for feed, seed, fertilizer, or other similar farm supplies is only allowed for the taxable year in which these items are actually used or consumed (or, if later, the taxable year for which these amounts are deductible under the syndicate's method of accounting). However, this does not apply to any amount paid for supplies on hand at the end of the taxable year on account of fire, storm, flood, other casualty, disease, or drought, or to any amount required to be capitalized.

The cost of poultry (including egg laying hens and baby chicks) purchased for use in a trade or business (or both for use in a trade or business and for sale) must be capitalized and deducted ratably over the lesser of 12 months or their useful life in the trade or business.

A syndicate that is engaged in planting, cultivating, maintaining, or developing a grove, orchard, or vineyard in which fruit or nuts are grown must capitalize any amount that (1) would otherwise be deductible, (2) is attributable to the planting, cultivation, maintenance, or development of the grove, orchard, or vineyard, and (3) is incurred before the taxable year in which there is a crop or yield in commercial quantities.

Note: Enter as a deduction on line 50, any amount of loss from such activity that was incurred in 1976, but not allowed for that year.

Income

Generally, you should report all farm income in Schedule F. However, if you received rental income based on farm production or if you received crop shares based on the renting of all or part of your crop land on a crop share basis, and you did not materially participate in operating the farm, report this income on **Form 4835,** Farm Rental Income and Expenses and Summary of Gross Income From Farming or Fishing (this income is not subject to self-employment tax) and **Schedule E (Form 1040).** If you materially participated in the operation of a farm, the rental income you received is subject to self-employment tax and should be reported in Schedule F.

Note: *To determine whether you participated materially in the farm management or production, do not consider the activities of any agent who acted for you.*

Under both the cash and the accrual methods of reporting, you should report crop share rentals received in the year in which you convert them to money or its equivalent.

Report sales, exchanges, or involuntary conversions of certain trade or business property on **Form 4797,** Supplemental Schedule of Gains and Losses.

Anything of value received instead of cash, such as groceries in exchange for produce, must be treated as income to the extent of its market value. The value of farm produce that you and your family used need not be reported as income, but expenses incurred in raising such produce must not be claimed as deductions. You should include recoveries from insurance on growing crops. (Cash method taxpayers, please see Cash Receipts and Disbursements Method of Reporting.)

Cooperative Allocations, Dividends and Advances

You should also include in farm income: (1) per-unit retain allocations received from cooperatives in money and qualified per-unit retain certificates (to the extent of stated dollar amounts), and (2) patronage dividends received from cooperatives in money and qualified written notices of allocation (to the extent of stated dollar amount).

You should include in farm income any patronage dividends received in property other than written notices of allocation to the extent of fair market value.

You should report nonpatronage distributions received from farmers' cooperatives exempt from tax on line 21.

Patronage dividends are excludable from your gross income, if directly attributable to: (1) the purchase of personal, living, or family items; or (2) the purchase of capital assets, or depreciable property used in your business, but only where the basis of the items purchased is reduced by the amount of the dividends excluded from income.

Please get **Publication 225** for detailed instructions on how and when to report the receipt and redemption of nonqualified certificates and nonqualified written notices, and the receipt of patronage dividends received on purchase of assets and nonbusiness purchases.

Cash advances received from marketing cooperatives you do business with are includible in farm income.

Agricultural Program Payments

In Cash.—You should enter the total amount of price support payments, diversion payments, and cost share payments received in cash (sight drafts).

In Materials and Services.—If you received benefits in the form of materials, such as fertilizer or lime, or in the form of services, such as grading or the construction of dams, please enter the total amount paid by the Department of Agriculture to the vendor or contractor.

Commodity Credit Corporation Loans

If commodities are pledged as security for a loan from the Commodity Credit Corporation, income is not considered received until the commodities are delivered or forfeited to the Corporation, unless an election is made to include the loan in income when received. If you made this election or delivered or forfeited the pledged commodity, you should enter the amount received on line 23. In the case of an election, attach to your return a statement showing details of the loan. You must continue to report similar loans as income unless you receive permission from the Commissioner of Internal Revenue to change your method of accounting.

Commodity Futures.—Purchase or sales contracts entered into solely for protection against price fluctuations are a form of business insurance and are considered hedges. Any profit realized is ordinary income and is entered on line 26. If you incur a loss in a closed futures contract, it is deductible as an ordinary and necessary business expense, and is shown as a negative figure on line 26. Purchase or sales contracts are not true hedges where they offset losses already sustained. Commodity futures contracts entered into with the hope of making a profit on the contract itself through favorable price fluctuations are considered speculation and these transactions are shown on Schedule D (Form 1040).

Federal Gasoline Tax Credit

If you use the cash method, you should enter on line 24, any Federal gasoline tax claimed as a credit on Form 1040 for 1976. If you use the accrual method, enter on line 63, any Federal gasoline tax you claim as a credit on Form 1040 for 1977.

Expenses and Other Deductions

Hired Labor.—You can deduct amounts paid for farm labor. Do not deduct the value of your own labor or that of your family. You should deduct only that part of the board which is purchased for hired labor. The value of products furnished by the farm and used in the board of hired labor is not deductible. Do not deduct amounts paid to those who did household work except to the extent their services are used in boarding and otherwise caring for farm laborers.

Repairs and Maintenance.—You can deduct amounts paid for repairs and maintenance of farm buildings (except your dwelling), farm machinery and equipment; and the cost of ordinary tools of short life or small cost, such as shovels, rakes, etc. You should include in this deduction the total amount of repairs from Form 4832 if you use the Class Life Asset Depreciation Range (CLADR) System of depreciation.

Interest.—Generally, a taxpayer, who in 1977 prepaid interest allocable to any period after 1977, can only deduct the amount allocable to 1977. Please get **Publication 545,** Income Tax Deduction for Interest Expense.

Rent of Farm, Part of Farm, or Pasture.—You can deduct rent paid in cash. If you are a tenant farmer paying rent to your landlord in the form of crops raised on the farm under a crop share agreement, you cannot deduct as rent the value of the crop, but you can deduct amounts paid in raising the crop.

Taxes.—You can deduct certain State and local taxes. (State and local income taxes are deductible only on Schedule A (Form 1040).) Do not deduct Federal income taxes; estate, inheritance, legacy, succession, and gift taxes; or taxes on any improvements or betterments. Do not deduct taxes on your dwelling or household property and other taxes not related to the business of farming.

Conservation Expenses.—You can deduct certain amounts spent (including any amount paid on an assessment levied by a soil or water conservation or drainage district to recover the amount the district spent) for soil or water conservation and the prevention of erosion on land you use.

The allowable deduction for any one year cannot be more than 25 percent of your gross income from farming (excluding certain gains from sales of assets such as farm machinery or from the disposition of land). Any excess conservation expenses can be carried over to the following years with the same limit applying to those years.

Land Clearing.—You can deduct amounts spent for clearing land to make it suitable for farming. This deduction cannot be more than 25 percent of taxable income from farming, or $5,000, whichever is less.

Retirement Plans, etc.

Line 48.—Please enter the amount you claim as a 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 (but not voluntary contributions you made as an employee) on Form 1040, line 25, instead of on Schedule F, line 48.

For detailed filing requirements, please see the instructions for Form 1040, line 25, on page 10.

Line 49.—You should enter the amount of your contributions to employee benefit programs that are not an incidental part of a pension or profit-sharing plan included on line 48. Include on line 49 contributions to insurance, health, and welfare programs.

Automobile Expenses, Special Rule.—Please see page 10 for optional method of figuring deductible automobile expenses.

Other Farm Expenses.—You should include such items as advertising, stationery, stamps, account books, other office supplies, etc.

Losses of property included in your inventory are taken care of by the reduced amount of the inventory at the end of the year. The loss of a prospective crop by frost, storm, flood, or fire is not deductible. When using the cash method, the value of animals you raised that died is not deductible. For animals you bought that died, the cost less depreciation allowed or allowable is deductible if not compensated by insurance or otherwise. Do not deduct personal losses.

Planting and Developing Citrus and Almond Groves.—You should charge to capital account expenses for the planting, cultivation, maintenance, or development of any citrus and almond grove (or part of such grove), incurred before the close of the fourth taxable year beginning with the taxable year in which the trees were planted.

Depreciation.—You can deduct an allowance for the depreciation of buildings, improvements, machinery, or other farm equipment of a permanent nature. Similar assets may be grouped together as one item for reporting purposes in the depreciation schedule in Schedule F. In figuring depreciation, do not include the value of land. Do not claim depreciation on livestock or any other property included in your inventory. You can claim depreciation on livestock not included in your inventory of livestock bought or raised for sale if you acquired them for work, breeding, or dairy purposes.

Class Life Asset Depreciation Range (CLADR) System and Class Life (CL) System.—If you figure depreciation by using the Class Life Asset Depreciation Range (CLADR) System for assets put in service after December 31, 1970, you must file **Form 4832,** Class Life Asset Depreciation Range (CLADR) System. If you figure depreciation by using the Class Life (CL) System for assets put in service before January 1, 1971, you do not have to file a form, but you must keep the records required by the regulations. For more information, please get **Publication 534,** Tax Information on Depreciation.

Please see the instructions on the back of Form 4562 for more detailed information about methods of figuring depreciation, other than the depreciation rules mentioned above.

> Income from farming is subject to self-employment tax. (Please see Schedule SE.) If you filed Form 4029, do not file Schedule SE. Instead write "Exempt—Form 4029" on Form 1040, line 48.

Additional Information Available

You can get **Publication 225,** Farmer's Tax Guide, free from your county agricultural agent or Internal Revenue Service office.

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1977 Tax Table A—SINGLE (Box 1) (For single persons with tax table income of $20,000 or less who claim fewer than 4 exemptions)

To find your tax: Read down the left income column until you find your income as shown on line 34 of Form 1040. Read across to the column headed by the total number of exemptions claimed on line 7 of Form 1040. The amount shown at the point where the two lines meet is your tax. Enter on Form 1040, line 35.

The $2,200 zero bracket amount, your deduction for exemptions and the general tax credit have been taken into account in figuring the tax shown in this table. **Do not take a separate deduction for them.**

Caution: *If you can be claimed as a dependent on your parent's return* **AND** *you have unearned income (interest, dividends, etc.) of $750 or more* **AND** *your earned income is less than $2,200, you must first use Schedule TC (Form 1040), Part II.*

If line 34, Form 1040 is—		And the total number of exemptions claimed on line 7 is—		
Over	But not over	1	2	3
		Your tax is—		
If $3,200 or less your tax is 0				
3,200	**3,250**	4	0	0
3,250	**3,300**	11	0	0
3,300	**3,350**	18	0	0
3,350	**3,400**	25	0	0
3,400	**3,450**	32	0	0
3,450	**3,500**	39	0	0
3,500	**3,550**	46	0	0
3,550	**3,600**	54	0	0
3,600	**3,650**	61	0	0
3,650	**3,700**	69	0	0
3,700	**3,750**	76	0	0
3,750	**3,800**	84	0	0
3,800	**3,850**	91	0	0
3,850	**3,900**	99	0	0
3,900	**3,950**	106	0	0
3,950	**4,000**	114	0	0
4,000	**4,050**	122	0	0
4,050	**4,100**	130	0	0
4,100	**4,150**	138	0	0
4,150	**4,200**	146	0	0
4,200	**4,250**	154	4	0
4,250	**4,300**	162	11	0
4,300	**4,350**	170	19	0
4,350	**4,400**	178	26	0
4,400	**4,450**	186	34	0
4,450	**4,500**	194	41	0
4,500	**4,550**	203	49	0
4,550	**4,600**	211	56	0
4,600	**4,650**	220	64	0
4,650	**4,700**	228	71	0
4,700	**4,750**	236	79	0
4,750	**4,800**	244	87	0
4,800	**4,850**	251	95	0
4,850	**4,900**	259	103	0
4,900	**4,950**	266	111	0
4,950	**5,000**	274	119	0
5,000	**5,050**	283	127	0
5,050	**5,100**	291	135	0
5,100	**5,150**	300	143	0
5,150	**5,200**	308	151	0
5,200	**5,250**	317	159	6
5,250	**5,300**	325	168	14
5,300	**5,350**	334	176	21
5,350	**5,400**	342	185	29
5,400	**5,450**	351	193	36
5,450	**5,500**	359	202	44
5,500	**5,550**	368	210	52
5,550	**5,600**	376	219	60
5,600	**5,650**	385	227	68
5,650	**5,700**	393	236	76
5,700	**5,750**	402	245	84
5,750	**5,800**	410	254	92
5,800	**5,850**	419	264	100
5,850	**5,900**	427	273	108
5,900	**5,950**	436	283	116
5,950	**6,000**	444	292	124
6,000	**6,050**	453	302	133
6,050	**6,100**	461	311	141
6,100	**6,150**	470	321	150
6,150	**6,200**	478	330	158
6,200	**6,250**	487	340	167
6,250	**6,300**	495	349	175
6,300	**6,350**	504	359	184
6,350	**6,400**	512	368	192
6,400	**6,450**	521	378	201
6,450	**6,500**	529	387	210
6,500	**6,550**	538	397	219
6,550	**6,600**	546	406	229
6,600	**6,650**	555	416	238
6,650	**6,700**	563	425	248
6,700	**6,750**	572	435	257
6,750	**6,800**	580	444	267
6,800	**6,850**	589	454	276
6,850	**6,900**	597	463	286
6,900	**6,950**	606	473	295
6,950	**7,000**	615	482	305
7,000	**7,050**	624	492	314
7,050	**7,100**	634	501	324
7,100	**7,150**	643	511	333
7,150	**7,200**	653	520	343
7,200	**7,250**	662	529	352
7,250	**7,300**	672	538	362
7,300	**7,350**	681	546	371
7,350	**7,400**	691	555	381
7,400	**7,450**	700	563	390
7,450	**7,500**	710	572	400
7,500	**7,550**	719	580	409
7,550	**7,600**	729	589	419
7,600	**7,650**	738	597	428
7,650	**7,700**	748	606	438
7,700	**7,750**	757	615	447
7,750	**7,800**	767	624	457
7,800	**7,850**	776	634	466
7,850	**7,900**	786	643	476
7,900	**7,950**	795	653	485
7,950	**8,000**	805	662	495
8,000	**8,050**	814	672	504
8,050	**8,100**	824	681	514
8,100	**8,150**	833	691	523
8,150	**8,200**	843	700	533
8,200	**8,250**	852	710	542
8,250	**8,300**	862	719	552
8,300	**8,350**	871	729	561
8,350	**8,400**	881	738	571
8,400	**8,450**	890	748	580
8,450	**8,500**	900	757	590
8,500	**8,550**	909	767	601
8,550	**8,600**	919	776	611
8,600	**8,650**	928	786	622
8,650	**8,700**	938	795	632
8,700	**8,750**	947	805	643
8,750	**8,800**	957	814	653
8,800	**8,850**	966	824	664
8,850	**8,900**	976	833	674
8,900	**8,950**	985	843	685
8,950	**9,000**	996	852	695
9,000	**9,050**	1,007	862	706
9,050	**9,100**	1,018	871	716
9,100	**9,150**	1,029	881	727
9,150	**9,200**	1,040	890	737
9,200	**9,250**	1,051	900	748
9,250	**9,300**	1,062	909	758
9,300	**9,350**	1,073	919	769
9,350	**9,400**	1,084	928	779
9,400	**9,450**	1,095	938	790
9,450	**9,500**	1,106	947	800
9,500	**9,550**	1,117	957	811
9,550	**9,600**	1,128	966	821
9,600	**9,650**	1,139	976	832
9,650	**9,700**	1,150	985	842
9,700	**9,750**	1,161	996	852
9,750	**9,800**	1,172	1,007	862
9,800	**9,850**	1,183	1,018	871
9,850	**9,900**	1,194	1,029	881
9,900	**9,950**	1,205	1,040	890
9,950	**10,000**	1,216	1,051	900
10,000	**10,050**	1,227	1,062	909
10,050	**10,100**	1,238	1,073	919
10,100	**10,150**	1,249	1,084	928
10,150	**10,200**	1,260	1,095	938
10,200	**10,250**	1,271	1,106	947
10,250	**10,300**	1,282	1,117	957
10,300	**10,350**	1,293	1,128	966
10,350	**10,400**	1,304	1,139	976
10,400	**10,450**	1,315	1,150	985
10,450	**10,500**	1,326	1,161	996
10,500	**10,550**	1,337	1,172	1,007
10,550	**10,600**	1,348	1,183	1,018
10,600	**10,650**	1,359	1,194	1,029
10,650	**10,700**	1,370	1,205	1,040
10,700	**10,750**	1,381	1,216	1,051
10,750	**10,800**	1,392	1,227	1,062
10,800	**10,850**	1,403	1,238	1,073
10,850	**10,900**	1,414	1,249	1,084
10,900	**10,950**	1,425	1,260	1,095
10,950	**11,000**	1,436	1,271	1,106

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1977 Tax Table A—SINGLE (Box 1) *(Continued)*

(If your income or exemptions are not covered, use Schedule TC (Form 1040), Part I to figure your tax)

If line 34, Form 1040 is—		And the total number of exemptions claimed on line 7 is—		
Over	But not over	1	2	3
		Your tax is—		
11,000	11,050	1,447	1,282	1,117
11,050	11,100	1,459	1,293	1,128
11,100	11,150	1,470	1,304	1,139
11,150	11,200	1,482	1,315	1,150
11,200	11,250	1,493	1,326	1,161
11,250	11,300	1,505	1,337	1,172
11,300	11,350	1,516	1,348	1,183
11,350	11,400	1,528	1,359	1,194
11,400	11,450	1,539	1,370	1,205
11,450	11,500	1,551	1,381	1,216
11,500	11,550	1,562	1,392	1,227
11,550	11,600	1,574	1,403	1,238
11,600	11,650	1,585	1,414	1,249
11,650	11,700	1,597	1,425	1,260
11,700	11,750	1,608	1,436	1,271
11,750	11,800	1,620	1,447	1,282
11,800	11,850	1,631	1,459	1,293
11,850	11,900	1,643	1,470	1,304
11,900	11,950	1,654	1,482	1,315
11,950	12,000	1,666	1,493	1,326
12,000	12,050	1,679	1,505	1,337
12,050	12,100	1,691	1,516	1,348
12,100	12,150	1,704	1,528	1,359
12,150	12,200	1,716	1,539	1,370
12,200	12,250	1,729	1,551	1,381
12,250	12,300	1,741	1,562	1,392
12,300	12,350	1,754	1,574	1,403
12,350	12,400	1,766	1,585	1,414
12,400	12,450	1,779	1,597	1,425
12,450	12,500	1,791	1,608	1,436
12,500	12,550	1,804	1,620	1,447
12,550	12,600	1,816	1,631	1,459
12,600	12,650	1,829	1,643	1,470
12,650	12,700	1,841	1,654	1,482
12,700	12,750	1,854	1,666	1,493
12,750	12,800	1,866	1,679	1,505
12,800	12,850	1,879	1,691	1,516
12,850	12,900	1,891	1,704	1,528
12,900	12,950	1,904	1,716	1,539
12,950	13,000	1,917	1,729	1,551
13,000	13,050	1,930	1,741	1,562
13,050	13,100	1,944	1,754	1,574
13,100	13,150	1,957	1,766	1,585
13,150	13,200	1,971	1,779	1,597
13,200	13,250	1,984	1,791	1,608
13,250	13,300	1,998	1,804	1,620
13,300	13,350	2,011	1,816	1,631
13,350	13,400	2,025	1,829	1,643
13,400	13,450	2,038	1,841	1,654
13,450	13,500	2,052	1,854	1,666
13,500	13,550	2,065	1,866	1,679
13,550	13,600	2,079	1,879	1,691
13,600	13,650	2,092	1,891	1,704
13,650	13,700	2,106	1,904	1,716
13,700	13,750	2,119	1,917	1,729
13,750	13,800	2,133	1,930	1,741
13,800	13,850	2,146	1,944	1,754
13,850	13,900	2,160	1,957	1,766
13,900	13,950	2,173	1,971	1,779
13,950	14,000	2,187	1,984	1,791
14,000	14,050	2,200	1,998	1,804
14,050	14,100	2,214	2,011	1,816
14,100	14,150	2,227	2,025	1,829
14,150	14,200	2,241	2,038	1,841
14,200	14,250	2,254	2,052	1,854
14,250	14,300	2,268	2,065	1,866
14,300	14,350	2,281	2,079	1,879
14,350	14,400	2,295	2,092	1,891
14,400	14,450	2,308	2,106	1,904
14,450	14,500	2,322	2,119	1,917
14,500	14,550	2,335	2,133	1,930
14,550	14,600	2,349	2,146	1,944
14,600	14,650	2,362	2,160	1,957
14,650	14,700	2,376	2,173	1,971
14,700	14,750	2,389	2,187	1,984
14,750	14,800	2,403	2,200	1,998
14,800	14,850	2,416	2,214	2,011
14,850	14,900	2,430	2,227	2,025
14,900	14,950	2,443	2,241	2,038
14,950	15,000	2,457	2,254	2,052
15,000	15,050	2,472	2,268	2,065
15,050	15,100	2,486	2,281	2,079
15,100	15,150	2,501	2,295	2,092
15,150	15,200	2,515	2,308	2,106
15,200	15,250	2,530	2,322	2,119
15,250	15,300	2,544	2,335	2,133
15,300	15,350	2,559	2,349	2,146
15,350	15,400	2,573	2,362	2,160
15,400	15,450	2,588	2,376	2,173
15,450	15,500	2,602	2,389	2,187
15,500	15,550	2,617	2,403	2,200
15,550	15,600	2,631	2,416	2,214
15,600	15,650	2,646	2,430	2,227
15,650	15,700	2,660	2,443	2,241
15,700	15,750	2,675	2,457	2,254
15,750	15,800	2,689	2,472	2,268
15,800	15,850	2,704	2,486	2,281
15,850	15,900	2,718	2,501	2,295
15,900	15,950	2,733	2,515	2,308
15,950	16,000	2,747	2,530	2,322
16,000	16,050	2,762	2,544	2,335
16,050	16,100	2,776	2,559	2,349
16,100	16,150	2,791	2,573	2,362
16,150	16,200	2,805	2,588	2,376
16,200	16,250	2,820	2,602	2,389
16,250	16,300	2,834	2,617	2,403
16,300	16,350	2,849	2,631	2,416
16,350	16,400	2,863	2,646	2,430
16,400	16,450	2,878	2,660	2,443
16,450	16,500	2,892	2,675	2,457
16,500	16,550	2,907	2,689	2,472
16,550	16,600	2,921	2,704	2,486
16,600	16,650	2,936	2,718	2,501
16,650	16,700	2,950	2,733	2,515
16,700	16,750	2,965	2,747	2,530
16,750	16,800	2,979	2,762	2,544
16,800	16,850	2,994	2,776	2,559
16,850	16,900	3,008	2,791	2,573
16,900	16,950	3,023	2,805	2,588
16,950	17,000	3,038	2,820	2,602
17,000	17,050	3,053	2,834	2,617
17,050	17,100	3,069	2,849	2,631
17,100	17,150	3,084	2,863	2,646
17,150	17,200	3,100	2,878	2,660
17,200	17,250	3,115	2,892	2,675
17,250	17,300	3,131	2,907	2,689
17,300	17,350	3,146	2,921	2,704
17,350	17,400	3,162	2,936	2,718
17,400	17,450	3,177	2,950	2,733
17,450	17,500	3,193	2,965	2,747
17,500	17,550	3,208	2,979	2,762
17,550	17,600	3,224	2,994	2,776
17,600	17,650	3,239	3,008	2,791
17,650	17,700	3,255	3,023	2,805
17,700	17,750	3,270	3,038	2,820
17,750	17,800	3,286	3,053	2,834
17,800	17,850	3,301	3,069	2,849
17,850	17,900	3,317	3,084	2,863
17,900	17,950	3,332	3,100	2,878
17,950	18,000	3,348	3,115	2,892
18,000	18,050	3,363	3,131	2,907
18,050	18,100	3,379	3,146	2,921
18,100	18,150	3,394	3,162	2,936
18,150	18,200	3,410	3,177	2,950
18,200	18,250	3,425	3,193	2,965
18,250	18,300	3,441	3,208	2,979
18,300	18,350	3,456	3,224	2,994
18,350	18,400	3,472	3,239	3,008
18,400	18,450	3,487	3,255	3,023
18,450	18,500	3,503	3,270	3,038
18,500	18,550	3,518	3,286	3,053
18,550	18,600	3,534	3,301	3,069
18,600	18,650	3,549	3,317	3,084
18,650	18,700	3,565	3,332	3,100
18,700	18,750	3,580	3,348	3,115
18,750	18,800	3,596	3,363	3,131
18,800	18,850	3,611	3,379	3,146
18,850	18,900	3,627	3,394	3,162
18,900	18,950	3,642	3,410	3,177
18,950	19,000	3,659	3,425	3,193
19,000	19,050	3,676	3,441	3,208
19,050	19,100	3,693	3,456	3,224
19,100	19,150	3,710	3,472	3,239
19,150	19,200	3,727	3,487	3,255
19,200	19,250	3,744	3,503	3,270
19,250	19,300	3,761	3,518	3,286
19,300	19,350	3,778	3,534	3,301
19,350	19,400	3,795	3,549	3,317
19,400	19,450	3,812	3,565	3,332
19,450	19,500	3,829	3,580	3,348
19,500	19,550	3,846	3,596	3,363
19,550	19,600	3,863	3,611	3,379
19,600	19,650	3,880	3,627	3,394
19,650	19,700	3,897	3,642	3,410
19,700	19,750	3,914	3,659	3,425
19,750	19,800	3,931	3,676	3,441
19,800	19,850	3,948	3,693	3,456
19,850	19,900	3,965	3,710	3,472
19,900	19,950	3,982	3,727	3,487
19,950	20,000	3,999	3,744	3,503

Continued next column

Continued next column

1977 Tax Table B—MARRIED FILING JOINTLY (Box 2) and QUALIFYING WIDOW(ER)S (Box 5)

(For married persons filing joint returns or qualifying widow(er)s with tax table income of $40,000 or less who claim fewer than 10 exemptions)

To find your tax: Read down the left income column until you find your income as shown on line 34 of Form 1040. Read across to the column headed by the total number of exemptions claimed on line 7 of Form 1040. The amount shown at the point where the two lines meet is your tax. Enter on Form 1040, line 35.

The $3,200 zero bracket amount, your deduction for exemptions and the general tax credit have been taken into account in figuring the tax shown in this table. **Do not take a separate deduction for them.**

If line 34, Form 1040 is—		And the total number of exemptions claimed on line 7 is—							
Over	But not over	2	3	4	5	6	7	8	9
		Your tax is—							
If $5,200 or less your tax is 0									
5,200	5,250	4	0	0	0	0	0	0	0
5,250	5,300	11	0	0	0	0	0	0	0
5,300	5,350	18	0	0	0	0	0	0	0
5,350	5,400	25	0	0	0	0	0	0	0
5,400	5,450	32	0	0	0	0	0	0	0
5,450	5,500	39	0	0	0	0	0	0	0
5,500	5,550	46	0	0	0	0	0	0	0
5,550	5,600	53	0	0	0	0	0	0	0
5,600	5,650	60	0	0	0	0	0	0	0
5,650	5,700	67	0	0	0	0	0	0	0
5,700	5,750	74	0	0	0	0	0	0	0
5,750	5,800	81	0	0	0	0	0	0	0
5,800	5,850	89	0	0	0	0	0	0	0
5,850	5,900	96	0	0	0	0	0	0	0
5,900	5,950	104	0	0	0	0	0	0	0
5,950	6,000	111	0	0	0	0	0	0	0
6,000	6,050	119	0	0	0	0	0	0	0
6,050	6,100	126	0	0	0	0	0	0	0
6,100	6,150	134	0	0	0	0	0	0	0
6,150	6,200	141	0	0	0	0	0	0	0
6,200	6,250	149	4	0	0	0	0	0	0
6,250	6,300	156	11	0	0	0	0	0	0
6,300	6,350	164	18	0	0	0	0	0	0
6,350	6,400	171	25	0	0	0	0	0	0
6,400	6,450	179	32	0	0	0	0	0	0
6,450	6,500	186	39	0	0	0	0	0	0
6,500	6,550	194	46	0	0	0	0	0	0
6,550	6,600	201	54	0	0	0	0	0	0
6,600	6,650	209	61	0	0	0	0	0	0
6,650	6,700	216	69	0	0	0	0	0	0
6,700	6,750	224	76	0	0	0	0	0	0
6,750	6,800	232	84	0	0	0	0	0	0
6,800	6,850	240	91	0	0	0	0	0	0
6,850	6,900	248	99	0	0	0	0	0	0
6,900	6,950	256	106	0	0	0	0	0	0
6,950	7,000	264	114	0	0	0	0	0	0
7,000	7,050	272	121	0	0	0	0	0	0
7,050	7,100	280	129	0	0	0	0	0	0
7,100	7,150	288	136	0	0	0	0	0	0
7,150	7,200	296	144	0	0	0	0	0	0
7,200	7,250	304	151	4	0	0	0	0	0
7,250	7,300	312	159	11	0	0	0	0	0
7,300	7,350	320	166	19	0	0	0	0	0
7,350	7,400	328	174	26	0	0	0	0	0
7,400	7,450	336	181	34	0	0	0	0	0
7,450	7,500	344	189	41	0	0	0	0	0
7,500	7,550	352	197	49	0	0	0	0	0
7,550	7,600	360	205	56	0	0	0	0	0
7,600	7,650	368	213	64	0	0	0	0	0
7,650	7,700	376	221	71	0	0	0	0	0
7,700	7,750	384	229	79	0	0	0	0	0
7,750	7,800	393	237	86	0	0	0	0	0
7,800	7,850	401	245	94	0	0	0	0	0
7,850	7,900	410	253	101	0	0	0	0	0
7,900	7,950	418	261	109	0	0	0	0	0
7,950	8,000	427	269	116	0	0	0	0	0
8,000	8,050	435	277	124	0	0	0	0	0
8,050	8,100	444	285	131	0	0	0	0	0
8,100	8,150	452	293	139	0	0	0	0	0
8,150	8,200	461	301	146	0	0	0	0	0
8,200	8,250	469	309	154	6	0	0	0	0
8,250	8,300	476	317	162	14	0	0	0	0
8,300	8,350	484	325	170	21	0	0	0	0
8,350	8,400	491	333	178	29	0	0	0	0

Continued next column

If line 34, Form 1040 is—		And the total number of exemptions claimed on line 7 is—							
Over	But not over	2	3	4	5	6	7	8	9
		Your tax is—							
8,400	8,450	499	341	186	36	0	0	0	0
8,450	8,500	506	349	194	44	0	0	0	0
8,500	8,550	514	358	202	51	0	0	0	0
8,550	8,600	521	366	210	59	0	0	0	0
8,600	8,650	529	375	218	66	0	0	0	0
8,650	8,700	536	383	226	74	0	0	0	0
8,700	8,750	544	392	234	81	0	0	0	0
8,750	8,800	553	400	242	89	0	0	0	0
8,800	8,850	561	409	250	96	0	0	0	0
8,850	8,900	570	417	258	104	0	0	0	0
8,900	8,950	578	426	266	111	0	0	0	0
8,950	9,000	587	434	274	119	0	0	0	0
9,000	9,050	595	443	282	127	0	0	0	0
9,050	9,100	604	451	290	135	0	0	0	0
9,100	9,150	612	460	298	143	0	0	0	0
9,150	9,200	621	468	306	151	1	0	0	0
9,200	9,250	629	477	314	159	9	0	0	0
9,250	9,300	638	485	323	167	16	0	0	0
9,300	9,350	646	494	331	175	24	0	0	0
9,350	9,400	655	502	340	183	31	0	0	0
9,400	9,450	663	511	348	191	39	0	0	0
9,450	9,500	672	520	357	199	46	0	0	0
9,500	9,550	680	529	365	207	54	0	0	0
9,550	9,600	689	539	374	215	61	0	0	0
9,600	9,650	697	548	382	223	69	0	0	0
9,650	9,700	706	558	391	231	76	0	0	0
9,700	9,750	714	567	399	239	84	0	0	0
9,750	9,800	723	577	408	247	92	0	0	0
9,800	9,850	731	586	416	255	100	0	0	0
9,850	9,900	740	596	425	263	108	0	0	0
9,900	9,950	748	605	433	271	116	0	0	0
9,950	10,000	757	615	442	279	124	0	0	0
10,000	10,050	765	624	450	288	132	0	0	0
10,050	10,100	774	634	459	296	140	0	0	0
10,100	10,150	782	643	467	305	148	0	0	0
10,150	10,200	791	653	476	313	156	4	0	0
10,200	10,250	799	662	485	322	164	11	0	0
10,250	10,300	808	672	494	330	172	19	0	0
10,300	10,350	816	681	504	339	180	26	0	0
10,350	10,400	825	691	513	347	188	34	0	0
10,400	10,450	833	700	523	356	196	41	0	0
10,450	10,500	842	710	532	364	204	49	0	0
10,500	10,550	850	719	542	373	212	57	0	0
10,550	10,600	859	729	551	381	220	65	0	0
10,600	10,650	867	738	561	390	228	73	0	0
10,650	10,700	876	748	570	398	236	81	0	0
10,700	10,750	884	757	580	407	244	89	0	0
10,750	10,800	893	765	589	415	253	97	0	0
10,800	10,850	901	774	599	424	261	105	0	0
10,850	10,900	910	782	608	432	270	113	0	0
10,900	10,950	918	791	618	441	278	121	0	0
10,950	11,000	927	799	627	450	287	129	0	0
11,000	11,050	935	808	637	459	295	137	0	0
11,050	11,100	944	816	646	469	304	145	0	0
11,100	11,150	952	825	656	478	312	153	0	0
11,150	11,200	961	833	665	488	321	161	6	0
11,200	11,250	969	842	675	497	329	169	14	0
11,250	11,300	978	850	684	507	338	177	22	0
11,300	11,350	986	859	694	516	346	185	30	0
11,350	11,400	995	867	703	526	355	193	38	0
11,400	11,450	1,003	876	713	535	363	201	46	0
11,450	11,500	1,012	884	722	545	372	209	54	0
11,500	11,550	1,020	893	732	554	380	218	62	0
11,550	11,600	1,029	901	741	564	389	226	70	0

Continued on next page

(If your income or exemptions are not covered, use Schedule TC (Form 1040), Part I to figure your tax)

If line 34, Form 1040 is— Over	But not over	And the total number of exemptions claimed on line 7 is— 2	3	4	5	6	7	8	9
		Your tax is—							
11,600	11,650	1,037	910	751	573	397	235	78	0
11,650	11,700	1,046	918	760	583	406	243	86	0
11,700	11,750	1,054	927	770	592	415	252	94	0
11,750	11,800	1,063	935	779	602	424	260	102	0
11,800	11,850	1,071	944	789	611	434	269	110	0
11,850	11,900	1,080	952	798	621	443	277	118	0
11,900	11,950	1,088	961	808	630	453	286	126	0
11,950	12,000	1,097	969	817	640	462	294	134	0
12,000	12,050	1,105	978	827	649	472	303	142	0
12,050	12,100	1,114	986	836	659	481	311	150	0
12,100	12,150	1,122	995	846	668	491	320	158	3
12,150	12,200	1,131	1,003	855	678	500	328	166	11
12,200	12,250	1,139	1,012	865	687	510	337	174	19
12,250	12,300	1,148	1,020	874	697	519	345	183	27
12,300	12,350	1,156	1,029	884	706	529	354	191	35
12,350	12,400	1,165	1,037	893	716	538	362	200	43
12,400	12,450	1,173	1,046	903	725	548	371	208	51
12,450	12,500	1,182	1,054	912	735	557	380	217	59
12,500	12,550	1,190	1,063	922	744	567	389	225	67
12,550	12,600	1,199	1,071	931	754	576	399	234	75
12,600	12,650	1,207	1,080	941	763	586	408	242	83
12,650	12,700	1,216	1,088	950	773	595	418	251	91
12,700	12,750	1,225	1,097	960	782	605	427	259	99
12,750	12,800	1,235	1,105	969	792	614	437	268	107
12,800	12,850	1,245	1,114	979	801	624	446	276	115
12,850	12,900	1,255	1,122	988	811	633	456	285	123
12,900	12,950	1,265	1,131	998	820	643	465	293	131
12,950	13,000	1,275	1,139	1,007	830	652	475	302	139
13,000	13,050	1,285	1,148	1,017	839	662	484	310	148
13,050	13,100	1,295	1,156	1,026	849	671	494	319	156
13,100	13,150	1,305	1,165	1,036	858	681	503	327	165
13,150	13,200	1,315	1,173	1,045	868	690	513	336	173
13,200	13,250	1,325	1,182	1,054	877	700	522	345	182
13,250	13,300	1,335	1,190	1,063	887	709	532	354	190
13,300	13,350	1,345	1,199	1,071	896	719	541	364	199
13,350	13,400	1,355	1,207	1,080	906	728	551	373	207
13,400	13,450	1,365	1,216	1,088	915	738	560	383	216
13,450	13,500	1,375	1,225	1,097	925	747	570	392	224
13,500	13,550	1,385	1,235	1,105	934	757	579	402	233
13,550	13,600	1,395	1,245	1,114	944	766	589	411	241
13,600	13,650	1,405	1,255	1,122	953	776	598	421	250
13,650	13,700	1,415	1,265	1,131	963	785	608	430	258
13,700	13,750	1,426	1,275	1,139	972	795	617	440	267
13,750	13,800	1,437	1,285	1,148	982	804	627	449	275
13,800	13,850	1,448	1,295	1,156	991	814	636	459	284
13,850	13,900	1,459	1,305	1,165	1,001	823	646	468	292
13,900	13,950	1,470	1,315	1,173	1,010	833	655	478	301
13,950	14,000	1,481	1,325	1,182	1,020	842	665	487	310
14,000	14,050	1,492	1,335	1,190	1,029	852	674	497	319
14,050	14,100	1,503	1,345	1,199	1,039	861	684	506	329
14,100	14,150	1,514	1,355	1,207	1,048	871	693	516	338
14,150	14,200	1,525	1,365	1,216	1,058	880	703	525	348
14,200	14,250	1,536	1,375	1,225	1,067	890	712	535	357
14,250	14,300	1,547	1,385	1,235	1,077	899	722	544	367
14,300	14,350	1,558	1,395	1,245	1,086	909	731	554	376
14,350	14,400	1,569	1,405	1,255	1,096	918	741	563	386
14,400	14,450	1,580	1,415	1,265	1,105	928	750	573	395
14,450	14,500	1,591	1,426	1,275	1,115	937	760	582	405
14,500	14,550	1,602	1,437	1,285	1,124	947	769	592	414
14,550	14,600	1,613	1,448	1,295	1,134	956	779	601	424
14,600	14,650	1,624	1,459	1,305	1,143	966	788	611	433
14,650	14,700	1,635	1,470	1,315	1,153	975	798	620	443
14,700	14,750	1,646	1,481	1,325	1,162	985	807	630	452
14,750	14,800	1,657	1,492	1,335	1,172	994	817	639	462
14,800	14,850	1,668	1,503	1,345	1,181	1,004	826	649	471
14,850	14,900	1,679	1,514	1,355	1,191	1,013	836	658	481
14,900	14,950	1,690	1,525	1,365	1,200	1,023	845	668	490
14,950	15,000	1,701	1,536	1,375	1,211	1,032	855	677	500
15,000	15,050	1,712	1,547	1,385	1,222	1,042	864	687	509
15,050	15,100	1,723	1,558	1,395	1,233	1,051	874	696	519
15,100	15,150	1,734	1,569	1,405	1,244	1,061	883	706	528
15,150	15,200	1,745	1,580	1,415	1,255	1,070	893	715	538

Continued next column

If line 34, Form 1040 is— Over	But not over	And the total number of exemptions claimed on line 7 is— 2	3	4	5	6	7	8	9
		Your tax is—							
15,200	15,250	1,756	1,591	1,426	1,266	1,080	902	725	547
15,250	15,300	1,767	1,602	1,437	1,277	1,089	912	734	557
15,300	15,350	1,778	1,613	1,448	1,288	1,099	921	744	566
15,350	15,400	1,789	1,624	1,459	1,299	1,108	931	753	576
15,400	15,450	1,800	1,635	1,470	1,310	1,118	940	763	585
15,450	15,500	1,811	1,646	1,481	1,321	1,127	950	772	595
15,500	15,550	1,822	1,657	1,492	1,332	1,137	959	782	604
15,550	15,600	1,833	1,668	1,503	1,343	1,146	969	791	614
15,600	15,650	1,844	1,679	1,514	1,354	1,156	978	801	623
15,650	15,700	1,855	1,690	1,525	1,365	1,165	988	810	633
15,700	15,750	1,866	1,701	1,536	1,375	1,176	997	820	642
15,750	15,800	1,877	1,712	1,547	1,385	1,187	1,007	829	652
15,800	15,850	1,888	1,723	1,558	1,395	1,198	1,016	839	661
15,850	15,900	1,899	1,734	1,569	1,405	1,209	1,026	848	671
15,900	15,950	1,910	1,745	1,580	1,415	1,220	1,035	858	680
15,950	16,000	1,921	1,756	1,591	1,426	1,231	1,045	867	690
16,000	16,050	1,932	1,767	1,602	1,437	1,242	1,054	877	699
16,050	16,100	1,943	1,778	1,613	1,448	1,253	1,064	886	709
16,100	16,150	1,954	1,789	1,624	1,459	1,264	1,073	896	718
16,150	16,200	1,965	1,800	1,635	1,470	1,275	1,083	905	728
16,200	16,250	1,976	1,811	1,646	1,481	1,286	1,092	915	737
16,250	16,300	1,987	1,822	1,657	1,492	1,297	1,102	924	747
16,300	16,350	1,998	1,833	1,668	1,503	1,308	1,111	934	756
16,350	16,400	2,009	1,844	1,679	1,514	1,319	1,121	943	766
16,400	16,450	2,020	1,855	1,690	1,525	1,330	1,130	953	775
16,450	16,500	2,031	1,866	1,701	1,536	1,341	1,141	962	785
16,500	16,550	2,042	1,877	1,712	1,547	1,352	1,152	972	794
16,550	16,600	2,053	1,888	1,723	1,558	1,363	1,163	981	804
16,600	16,650	2,064	1,899	1,734	1,569	1,374	1,174	991	813
16,650	16,700	2,075	1,910	1,745	1,580	1,385	1,185	1,000	823
16,700	16,750	2,086	1,921	1,756	1,591	1,396	1,196	1,010	832
16,750	16,800	2,099	1,932	1,767	1,602	1,407	1,207	1,019	842
16,800	16,850	2,111	1,943	1,778	1,613	1,418	1,218	1,029	851
16,850	16,900	2,124	1,954	1,789	1,624	1,429	1,229	1,038	861
16,900	16,950	2,136	1,965	1,800	1,635	1,440	1,240	1,048	870
16,950	17,000	2,149	1,976	1,811	1,646	1,451	1,251	1,057	880
17,000	17,050	2,161	1,987	1,822	1,657	1,462	1,262	1,067	889
17,050	17,100	2,174	1,998	1,833	1,668	1,473	1,273	1,076	899
17,100	17,150	2,186	2,009	1,844	1,679	1,484	1,284	1,086	908
17,150	17,200	2,199	2,020	1,855	1,690	1,495	1,295	1,095	918
17,200	17,250	2,211	2,031	1,866	1,701	1,506	1,306	1,106	927
17,250	17,300	2,224	2,042	1,877	1,712	1,517	1,317	1,117	937
17,300	17,350	2,236	2,053	1,888	1,723	1,528	1,328	1,128	946
17,350	17,400	2,249	2,064	1,899	1,734	1,539	1,339	1,139	956
17,400	17,450	2,261	2,075	1,910	1,745	1,550	1,350	1,150	965
17,450	17,500	2,274	2,086	1,921	1,756	1,561	1,361	1,161	975
17,500	17,550	2,286	2,099	1,932	1,767	1,572	1,372	1,172	984
17,550	17,600	2,299	2,111	1,943	1,778	1,583	1,383	1,183	994
17,600	17,650	2,311	2,124	1,954	1,789	1,594	1,394	1,194	1,003
17,650	17,700	2,324	2,136	1,965	1,800	1,605	1,405	1,205	1,013
17,700	17,750	2,336	2,149	1,976	1,811	1,616	1,416	1,216	1,022
17,750	17,800	2,349	2,161	1,987	1,822	1,627	1,427	1,227	1,032
17,800	17,850	2,361	2,174	1,998	1,833	1,638	1,438	1,238	1,041
17,850	17,900	2,374	2,186	2,009	1,844	1,649	1,449	1,249	1,051
17,900	17,950	2,386	2,199	2,020	1,855	1,660	1,460	1,260	1,060
17,950	18,000	2,399	2,211	2,031	1,866	1,671	1,471	1,271	1,071
18,000	18,050	2,411	2,224	2,042	1,877	1,682	1,482	1,282	1,082
18,050	18,100	2,424	2,236	2,053	1,888	1,693	1,493	1,293	1,093
18,100	18,150	2,436	2,249	2,064	1,899	1,704	1,504	1,304	1,104
18,150	18,200	2,449	2,261	2,075	1,910	1,715	1,515	1,315	1,115
18,200	18,250	2,461	2,274	2,086	1,921	1,726	1,526	1,326	1,126
18,250	18,300	2,474	2,286	2,099	1,932	1,737	1,537	1,337	1,137
18,300	18,350	2,486	2,299	2,111	1,943	1,748	1,548	1,348	1,148
18,350	18,400	2,499	2,311	2,124	1,954	1,759	1,559	1,359	1,159
18,400	18,450	2,511	2,324	2,136	1,965	1,770	1,570	1,370	1,170
18,450	18,500	2,524	2,336	2,149	1,976	1,781	1,581	1,381	1,181
18,500	18,550	2,536	2,349	2,161	1,987	1,792	1,592	1,392	1,192
18,550	18,600	2,549	2,361	2,174	1,998	1,803	1,603	1,403	1,203
18,600	18,650	2,561	2,374	2,186	2,009	1,814	1,614	1,414	1,214
18,650	18,700	2,574	2,386	2,199	2,020	1,825	1,625	1,425	1,225
18,700	18,750	2,586	2,399	2,211	2,031	1,836	1,636	1,436	1,236
18,750	18,800	2,599	2,411	2,224	2,042	1,847	1,647	1,447	1,247

Continued on next page

1977 Tax Table B—MARRIED FILING JOINTLY (Box 2) and QUALIFYING WIDOW(ER)S (Box 5)

(Continued)

(If your income or exemptions are not covered, use Schedule TC (Form 1040), Part I to figure your tax)

If line 34, Form 1040 is—		And the total number of exemptions claimed on line 7 is—							
Over	But not over	2	3	4	5	6	7	8	9
		Your tax is—							
18,800	18,850	2,611	2,424	2,236	2,053	1,858	1,658	1,458	1,258
18,850	18,900	2,624	2,436	2,249	2,064	1,869	1,669	1,469	1,269
18,900	18,950	2,636	2,449	2,261	2,075	1,880	1,680	1,480	1,280
18,950	19,000	2,649	2,461	2,274	2,086	1,891	1,691	1,491	1,291
19,000	19,050	2,661	2,474	2,286	2,099	1,902	1,702	1,502	1,302
19,050	19,100	2,674	2,486	2,299	2,111	1,913	1,713	1,513	1,313
19,100	19,150	2,686	2,499	2,311	2,124	1,924	1,724	1,524	1,324
19,150	19,200	2,699	2,511	2,324	2,136	1,935	1,735	1,535	1,335
19,200	19,250	2,711	2,524	2,336	2,149	1,946	1,746	1,546	1,346
19,250	19,300	2,724	2,536	2,349	2,161	1,957	1,757	1,557	1,357
19,300	19,350	2,736	2,549	2,361	2,174	1,968	1,768	1,568	1,368
19,350	19,400	2,749	2,561	2,374	2,186	1,979	1,779	1,579	1,379
19,400	19,450	2,761	2,574	2,386	2,199	1,990	1,790	1,590	1,390
19,450	19,500	2,774	2,586	2,399	2,211	2,001	1,801	1,601	1,401
19,500	19,550	2,786	2,599	2,411	2,224	2,012	1,812	1,612	1,412
19,550	19,600	2,799	2,611	2,424	2,236	2,023	1,823	1,623	1,423
19,600	19,650	2,811	2,624	2,436	2,249	2,034	1,834	1,634	1,434
19,650	19,700	2,824	2,636	2,449	2,261	2,045	1,845	1,645	1,445
19,700	19,750	2,836	2,649	2,461	2,274	2,056	1,856	1,656	1,456
19,750	19,800	2,849	2,661	2,474	2,286	2,069	1,867	1,667	1,467
19,800	19,850	2,861	2,674	2,486	2,299	2,081	1,878	1,678	1,478
19,850	19,900	2,874	2,686	2,499	2,311	2,094	1,889	1,689	1,489
19,900	19,950	2,886	2,699	2,511	2,324	2,106	1,900	1,700	1,500
19,950	20,000	2,899	2,711	2,524	2,336	2,119	1,911	1,711	1,511
20,000	20,050	2,911	2,724	2,536	2,349	2,131	1,922	1,722	1,522
20,050	20,100	2,924	2,736	2,549	2,361	2,144	1,933	1,733	1,533
20,100	20,150	2,936	2,749	2,561	2,374	2,156	1,944	1,744	1,544
20,150	20,200	2,949	2,761	2,574	2,386	2,169	1,955	1,755	1,555
20,200	20,250	2,961	2,774	2,586	2,399	2,181	1,966	1,766	1,566
20,250	20,300	2,974	2,786	2,599	2,411	2,194	1,977	1,777	1,577
20,300	20,350	2,986	2,799	2,611	2,424	2,206	1,988	1,788	1,588
20,350	20,400	2,999	2,811	2,624	2,436	2,219	1,999	1,799	1,599
20,400	20,450	3,011	2,824	2,636	2,449	2,231	2,010	1,810	1,610
20,450	20,500	3,024	2,836	2,649	2,461	2,244	2,021	1,821	1,621
20,500	20,550	3,036	2,849	2,661	2,474	2,256	2,034	1,832	1,632
20,550	20,600	3,049	2,861	2,674	2,486	2,269	2,046	1,843	1,643
20,600	20,650	3,061	2,874	2,686	2,499	2,281	2,059	1,854	1,654
20,650	20,700	3,074	2,886	2,699	2,511	2,294	2,071	1,865	1,665
20,700	20,750	3,087	2,899	2,711	2,524	2,306	2,084	1,876	1,676
20,750	20,800	3,101	2,911	2,724	2,536	2,319	2,096	1,887	1,687
20,800	20,850	3,115	2,924	2,736	2,549	2,331	2,109	1,898	1,698
20,850	20,900	3,129	2,936	2,749	2,561	2,344	2,121	1,909	1,709
20,900	20,950	3,143	2,949	2,761	2,574	2,356	2,134	1,920	1,720
20,950	21,000	3,157	2,961	2,774	2,586	2,369	2,146	1,931	1,731
21,000	21,050	3,171	2,974	2,786	2,599	2,381	2,159	1,942	1,742
21,050	21,100	3,185	2,986	2,799	2,611	2,394	2,171	1,953	1,753
21,100	21,150	3,199	2,999	2,811	2,624	2,406	2,184	1,964	1,764
21,150	21,200	3,213	3,011	2,824	2,636	2,419	2,196	1,975	1,775
21,200	21,250	3,227	3,024	2,836	2,649	2,431	2,209	1,986	1,786
21,250	21,300	3,241	3,036	2,849	2,661	2,444	2,221	1,999	1,797
21,300	21,350	3,255	3,049	2,861	2,674	2,456	2,234	2,011	1,808
21,350	21,400	3,269	3,061	2,874	2,686	2,469	2,246	2,024	1,819
21,400	21,450	3,283	3,074	2,886	2,699	2,481	2,259	2,036	1,830
21,450	21,500	3,297	3,087	2,899	2,711	2,494	2,271	2,049	1,841
21,500	21,550	3,311	3,101	2,911	2,724	2,506	2,284	2,061	1,852
21,550	21,600	3,325	3,115	2,924	2,736	2,519	2,296	2,074	1,863
21,600	21,650	3,339	3,129	2,936	2,749	2,531	2,309	2,086	1,874
21,650	21,700	3,353	3,143	2,949	2,761	2,544	2,321	2,099	1,885
21,700	21,750	3,367	3,157	2,961	2,774	2,556	2,334	2,111	1,896
21,750	21,800	3,381	3,171	2,974	2,786	2,569	2,346	2,124	1,907
21,800	21,850	3,395	3,185	2,986	2,799	2,581	2,359	2,136	1,918
21,850	21,900	3,409	3,199	2,999	2,811	2,594	2,371	2,149	1,929
21,900	21,950	3,423	3,213	3,011	2,824	2,606	2,384	2,161	1,940
21,950	22,000	3,437	3,227	3,024	2,836	2,619	2,396	2,174	1,951
22,000	22,050	3,451	3,241	3,036	2,849	2,631	2,409	2,186	1,964
22,050	22,100	3,465	3,255	3,049	2,861	2,644	2,421	2,199	1,976
22,100	22,150	3,479	3,269	3,061	2,874	2,656	2,434	2,211	1,989
22,150	22,200	3,493	3,283	3,074	2,886	2,669	2,446	2,224	2,001
22,200	22,250	3,507	3,297	3,087	2,899	2,681	2,459	2,236	2,014
22,250	22,300	3,521	3,311	3,101	2,911	2,694	2,471	2,249	2,026
22,300	22,350	3,535	3,325	3,115	2,924	2,706	2,484	2,261	2,039
22,350	22,400	3,549	3,339	3,129	2,936	2,719	2,496	2,274	2,051

Continued next column

If line 34, Form 1040 is—		And the total number of exemptions claimed on line 7 is—							
Over	But not over	2	3	4	5	6	7	8	9
		Your tax is—							
22,400	22,450	3,563	3,353	3,143	2,949	2,731	2,509	2,286	2,064
22,450	22,500	3,577	3,367	3,157	2,961	2,744	2,521	2,299	2,076
22,500	22,550	3,591	3,381	3,171	2,974	2,756	2,534	2,311	2,089
22,550	22,600	3,605	3,395	3,185	2,986	2,769	2,546	2,324	2,101
22,600	22,650	3,619	3,409	3,199	2,999	2,781	2,559	2,336	2,114
22,650	22,700	3,633	3,423	3,213	3,011	2,794	2,571	2,349	2,126
22,700	22,750	3,647	3,437	3,227	3,024	2,806	2,584	2,361	2,139
22,750	22,800	3,661	3,451	3,241	3,036	2,819	2,596	2,374	2,151
22,800	22,850	3,675	3,465	3,255	3,049	2,831	2,609	2,386	2,164
22,850	22,900	3,689	3,479	3,269	3,061	2,844	2,621	2,399	2,176
22,900	22,950	3,703	3,493	3,283	3,074	2,856	2,634	2,411	2,189
22,950	23,000	3,717	3,507	3,297	3,087	2,869	2,646	2,424	2,201
23,000	23,050	3,731	3,521	3,311	3,101	2,881	2,659	2,436	2,214
23,050	23,100	3,745	3,535	3,325	3,115	2,894	2,671	2,449	2,226
23,100	23,150	3,759	3,549	3,339	3,129	2,906	2,684	2,461	2,239
23,150	23,200	3,773	3,563	3,353	3,143	2,919	2,696	2,474	2,251
23,200	23,250	3,787	3,577	3,367	3,157	2,931	2,709	2,486	2,264
23,250	23,300	3,801	3,591	3,381	3,171	2,944	2,721	2,499	2,276
23,300	23,350	3,815	3,605	3,395	3,185	2,956	2,734	2,511	2,289
23,350	23,400	3,829	3,619	3,409	3,199	2,969	2,746	2,524	2,301
23,400	23,450	3,843	3,633	3,423	3,213	2,981	2,759	2,536	2,314
23,450	23,500	3,857	3,647	3,437	3,227	2,994	2,771	2,549	2,326
23,500	23,550	3,871	3,661	3,451	3,241	3,006	2,784	2,561	2,339
23,550	23,600	3,885	3,675	3,465	3,255	3,019	2,796	2,574	2,351
23,600	23,650	3,899	3,689	3,479	3,269	3,031	2,809	2,586	2,364
23,650	23,700	3,913	3,703	3,493	3,283	3,044	2,821	2,599	2,376
23,700	23,750	3,927	3,717	3,507	3,297	3,057	2,834	2,611	2,389
23,750	23,800	3,941	3,731	3,521	3,311	3,071	2,846	2,624	2,401
23,800	23,850	3,955	3,745	3,535	3,325	3,085	2,859	2,636	2,414
23,850	23,900	3,969	3,759	3,549	3,339	3,099	2,871	2,649	2,426
23,900	23,950	3,983	3,773	3,563	3,353	3,113	2,884	2,661	2,439
23,950	24,000	3,997	3,787	3,577	3,367	3,127	2,896	2,674	2,451
24,000	24,050	4,011	3,801	3,591	3,381	3,141	2,909	2,686	2,464
24,050	24,100	4,025	3,815	3,605	3,395	3,155	2,921	2,699	2,476
24,100	24,150	4,039	3,829	3,619	3,409	3,169	2,934	2,711	2,489
24,150	24,200	4,053	3,843	3,633	3,423	3,183	2,946	2,724	2,501
24,200	24,250	4,067	3,857	3,647	3,437	3,197	2,959	2,736	2,514
24,250	24,300	4,081	3,871	3,661	3,451	3,211	2,971	2,749	2,526
24,300	24,350	4,095	3,885	3,675	3,465	3,225	2,984	2,761	2,539
24,350	24,400	4,109	3,899	3,689	3,479	3,239	2,996	2,774	2,551
24,400	24,450	4,123	3,913	3,703	3,493	3,253	3,009	2,786	2,564
24,450	24,500	4,137	3,927	3,717	3,507	3,267	3,022	2,799	2,576
24,500	24,550	4,151	3,941	3,731	3,521	3,281	3,036	2,811	2,589
24,550	24,600	4,165	3,955	3,745	3,535	3,295	3,050	2,824	2,601
24,600	24,650	4,179	3,969	3,759	3,549	3,309	3,064	2,836	2,614
24,650	24,700	4,193	3,983	3,773	3,563	3,323	3,078	2,849	2,626
24,700	24,750	4,208	3,997	3,787	3,577	3,337	3,092	2,861	2,639
24,750	24,800	4,224	4,011	3,801	3,591	3,351	3,106	2,874	2,651
24,800	24,850	4,240	4,025	3,815	3,605	3,365	3,120	2,886	2,664
24,850	24,900	4,256	4,039	3,829	3,619	3,379	3,134	2,899	2,676
24,900	24,950	4,272	4,053	3,843	3,633	3,393	3,148	2,911	2,689
24,950	25,000	4,288	4,067	3,857	3,647	3,407	3,162	2,924	2,701
25,000	25,050	4,304	4,081	3,871	3,661	3,421	3,176	2,936	2,714
25,050	25,100	4,320	4,095	3,885	3,675	3,435	3,190	2,949	2,726
25,100	25,150	4,336	4,109	3,899	3,689	3,449	3,204	2,961	2,739
25,150	25,200	4,352	4,123	3,913	3,703	3,463	3,218	2,974	2,751
25,200	25,250	4,368	4,137	3,927	3,717	3,477	3,232	2,987	2,764
25,250	25,300	4,384	4,151	3,941	3,731	3,491	3,246	3,001	2,776
25,300	25,350	4,400	4,165	3,955	3,745	3,505	3,260	3,015	2,789
25,350	25,400	4,416	4,179	3,969	3,759	3,519	3,274	3,029	2,801
25,400	25,450	4,432	4,193	3,983	3,773	3,533	3,288	3,043	2,814
25,450	25,500	4,448	4,208	3,997	3,787	3,547	3,302	3,057	2,826
25,500	25,550	4,464	4,224	4,011	3,801	3,561	3,316	3,071	2,839
25,550	25,600	4,480	4,240	4,025	3,815	3,575	3,330	3,085	2,851
25,600	25,650	4,496	4,256	4,039	3,829	3,589	3,344	3,099	2,864
25,650	25,700	4,512	4,272	4,053	3,843	3,603	3,358	3,113	2,876
25,700	25,750	4,528	4,288	4,067	3,857	3,617	3,372	3,127	2,889
25,750	25,800	4,544	4,304	4,081	3,871	3,631	3,386	3,141	2,901
25,800	25,850	4,560	4,320	4,095	3,885	3,645	3,400	3,155	2,914
25,850	25,900	4,576	4,336	4,109	3,899	3,659	3,414	3,169	2,926
25,900	25,950	4,592	4,352	4,123	3,913	3,673	3,428	3,183	2,939
25,950	26,000	4,608	4,368	4,137	3,927	3,687	3,442	3,197	2,952

Continued on next page

(If your income or exemptions are not covered, use Schedule TC (Form 1040), Part I to figure your tax)

If line 34, Form 1040 is— Over	But not over	2	3	4	5	6	7	8	9
		Your tax is—							
26,000	26,050	4,624	4,384	4,151	3,941	3,701	3,456	3,211	2,966
26,050	26,100	4,640	4,400	4,165	3,955	3,715	3,470	3,225	2,980
26,100	26,150	4,656	4,416	4,179	3,969	3,729	3,484	3,239	2,994
26,150	26,200	4,672	4,432	4,193	3,983	3,743	3,498	3,253	3,008
26,200	26,250	4,688	4,448	4,208	3,997	3,757	3,512	3,267	3,022
26,250	26,300	4,704	4,464	4,224	4,011	3,771	3,526	3,281	3,036
26,300	26,350	4,720	4,480	4,240	4,025	3,785	3,540	3,295	3,050
26,350	26,400	4,736	4,496	4,256	4,039	3,799	3,554	3,309	3,064
26,400	26,450	4,752	4,512	4,272	4,053	3,813	3,568	3,323	3,078
26,450	26,500	4,768	4,528	4,288	4,067	3,827	3,582	3,337	3,092
26,500	26,550	4,784	4,544	4,304	4,081	3,841	3,596	3,351	3,106
26,550	26,600	4,800	4,560	4,320	4,095	3,855	3,610	3,365	3,120
26,600	26,650	4,816	4,576	4,336	4,109	3,869	3,624	3,379	3,134
26,650	26,700	4,832	4,592	4,352	4,123	3,883	3,638	3,393	3,148
26,700	26,750	4,848	4,608	4,368	4,137	3,897	3,652	3,407	3,162
26,750	26,800	4,864	4,624	4,384	4,151	3,911	3,666	3,421	3,176
26,800	26,850	4,880	4,640	4,400	4,165	3,925	3,680	3,435	3,190
26,850	26,900	4,896	4,656	4,416	4,179	3,939	3,694	3,449	3,204
26,900	26,950	4,912	4,672	4,432	4,193	3,953	3,708	3,463	3,218
26,950	27,000	4,928	4,688	4,448	4,208	3,967	3,722	3,477	3,232
27,000	27,050	4,944	4,704	4,464	4,224	3,981	3,736	3,491	3,246
27,050	27,100	4,960	4,720	4,480	4,240	3,995	3,750	3,505	3,260
27,100	27,150	4,976	4,736	4,496	4,256	4,009	3,764	3,519	3,274
27,150	27,200	4,992	4,752	4,512	4,272	4,023	3,778	3,533	3,288
27,200	27,250	5,008	4,768	4,528	4,288	4,037	3,792	3,547	3,302
27,250	27,300	5,024	4,784	4,544	4,304	4,051	3,806	3,561	3,316
27,300	27,350	5,040	4,800	4,560	4,320	4,065	3,820	3,575	3,330
27,350	27,400	5,056	4,816	4,576	4,336	4,079	3,834	3,589	3,344
27,400	27,450	5,072	4,832	4,592	4,352	4,093	3,848	3,603	3,358
27,450	27,500	5,088	4,848	4,608	4,368	4,107	3,862	3,617	3,372
27,500	27,550	5,104	4,864	4,624	4,384	4,121	3,876	3,631	3,386
27,550	27,600	5,120	4,880	4,640	4,400	4,135	3,890	3,645	3,400
27,600	27,650	5,136	4,896	4,656	4,416	4,149	3,904	3,659	3,414
27,650	27,700	5,152	4,912	4,672	4,432	4,163	3,918	8,673	3,428
27,700	27,750	5,168	4,928	4,688	4,448	4,178	3,932	3,687	3,442
27,750	27,800	5,184	4,944	4,704	4,464	4,194	3,946	3,701	3,456
27,800	27,850	5,200	4,960	4,720	4,480	4,210	3,960	3,715	3,470
27,850	27,900	5,216	4,976	4,736	4,496	4,226	3,974	3,729	3,484
27,900	27,950	5,232	4,992	4,752	4,512	4,242	3,988	3,743	3,498
27,950	28,000	5,248	5,008	4,768	4,528	4,258	4,002	3,757	3,512
28,000	28,050	5,264	5,024	4,784	4,544	4,274	4,016	3,771	3,526
28,050	28,100	5,280	5,040	4,800	4,560	4,290	4,030	3,785	3,540
28,100	28,150	5,296	5,056	4,816	4,576	4,306	4,044	3,799	3,554
28,150	28,200	5,312	5,072	4,832	4,592	4,322	4,058	3,813	3,568
28,200	28,250	5,328	5,088	4,848	4,608	4,338	4,072	3,827	3,582
28,250	28,300	5,344	5,104	4,864	4,624	4,354	4,086	3,841	3,596
28,300	28,350	5,360	5,120	4,880	4,640	4,370	4,100	3,855	3,610
28,350	28,400	5,376	5,136	4,896	4,656	4,386	4,114	3,869	3,624
28,400	28,450	5,392	5,152	4,912	4,672	4,402	4,128	3,883	3,638
28,450	28,500	5,408	5,168	4,928	4,688	4,418	4,143	3,897	3,652
28,500	28,550	5,424	5,184	4,944	4,704	4,434	4,159	3,911	3,666
28,550	28,600	5,440	5,200	4,960	4,720	4,450	4,175	3,925	3,680
28,600	28,650	5,456	5,216	4,976	4,736	4,466	4,191	3,939	3,694
28,650	28,700	5,472	5,232	4,992	4,752	4,482	4,207	3,953	3,708
28,700	28,750	5,489	5,248	5,008	4,768	4,498	4,223	3,967	3,722
28,750	28,800	5,507	5,264	5,024	4,784	4,514	4,239	3,981	3,736
28,800	28,850	5,525	5,280	5,040	4,800	4,530	4,255	3,995	3,750
28,850	28,900	5,543	5,296	5,056	4,816	4,546	4,271	4,009	3,764
28,900	28,950	5,561	5,312	5,072	4,832	4,562	4,287	4,023	3,778
28,950	29,000	5,579	5,328	5,088	4,848	4,578	4,303	4,037	3,792
29,000	29,050	5,597	5,344	5,104	4,864	4,594	4,319	4,051	3,806
29,050	29,100	5,615	5,360	5,120	4,880	4,610	4,335	4,065	3,820
29,100	29,150	5,633	5,376	5,136	4,896	4,626	4,351	4,079	3,834
29,150	29,200	5,651	5,392	5,152	4,912	4,642	4,367	4,093	3,848
29,200	29,250	5,669	5,408	5,168	4,928	4,658	4,383	4,108	3,862
29,250	29,300	5,687	5,424	5,184	4,944	4,674	4,399	4,124	3,876
29,300	29,350	5,705	5,440	5,200	4,960	4,690	4,415	4,140	3,890
29,350	29,400	5,723	5,456	5,216	4,976	4,706	4,431	4,156	3,904
29,400	29,450	5,741	5,472	5,232	4,992	4,722	4,447	4,172	3,918
29,450	29,500	5,759	5,489	5,248	5,008	4,738	4,463	4,188	3,932
29,500	29,550	5,777	5,507	5,264	5,024	4,754	4,479	4,204	3,946
29,550	29,600	5,795	5,525	5,280	5,040	4,770	4,495	4,220	3,960

Continued next column

If line 34, Form 1040 is— Over	But not over	2	3	4	5	6	7	8	9
		Your tax is—							
29,600	29,650	5,813	5,543	5,296	5,056	4,786	4,511	4,236	3,974
29,650	29,700	5,831	5,561	5,312	5,072	4,802	4,527	4,252	3,988
29,700	29,750	5,849	5,579	5,328	5,088	4,818	4,543	4,268	4,002
29,750	29,800	5,867	5,597	5,344	5,104	4,834	4,559	4,284	4,016
29,800	29,850	5,885	5,615	5,360	5,120	4,850	4,575	4,300	4,030
29,850	29,900	5,903	5,633	5,376	5,136	4,866	4,591	4,316	4,044
29,900	29,950	5,921	5,651	5,392	5,152	4,882	4,607	4,332	4,058
29,950	30,000	5,939	5,669	5,408	5,168	4,898	4,623	4,348	4,073
30,000	30,050	5,957	5,687	5,424	5,184	4,914	4,639	4,364	4,089
30,050	30,100	5,975	5,705	5,440	5,200	4,930	4,655	4,380	4,105
30,100	30,150	5,993	5,723	5,456	5,216	4,946	4,671	4,396	4,121
30,150	30,200	6,011	5,741	5,472	5,232	4,962	4,687	4,412	4,137
30,200	30,250	6,029	5,759	5,489	5,248	4,978	4,703	4,428	4,153
30,250	30,300	6,047	5,777	5,507	5,264	4,994	4,719	4,444	4,169
30,300	30,350	6,065	5,795	5,525	5,280	5,010	4,735	4,460	4,185
30,350	30,400	6,083	5,813	5,543	5,296	5,026	4,751	4,476	4,201
30,400	30,450	6,101	5,831	5,561	5,312	5,042	4,767	4,492	4,217
30,450	30,500	6,119	5,849	5,579	5,328	5,058	4,783	4,508	4,233
30,500	30,550	6,137	5,867	5,597	5,344	5,074	4,799	4,524	4,249
30,550	30,600	6,155	5,885	5,615	5,360	5,090	4,815	4,540	4,265
30,600	30,650	6,173	5,903	5,633	5,376	5,106	4,831	4,556	4,281
30,650	30,700	6,191	5,921	5,651	5,392	5,122	4,847	4,572	4,297
30,700	30,750	6,209	5,939	5,669	5,408	5,138	4,863	4,588	4,313
30,750	30,800	6,227	5,957	5,687	5,424	5,154	4,879	4,604	4,329
30,800	30,850	6,245	5,975	5,705	5,440	5,170	4,895	4,620	4,345
30,850	30,900	6,263	5,993	5,723	5,456	5,186	4,911	4,636	4,361
30,900	30,950	6,281	6,011	5,741	5,472	5,202	4,927	4,652	4,377
30,950	31,000	6,299	6,029	5,759	5,489	5,218	4,943	4,668	4,393
31,000	31,050	6,317	6,047	5,777	5,507	5,234	4,959	4,684	4,409
31,050	31,100	6,335	6,065	5,795	5,525	5,250	4,975	4,700	4,425
31,100	31,150	6,353	6,083	5,813	5,543	5,266	4,991	4,716	4,441
31,150	31,200	6,371	6,101	5,831	5,561	5,282	5,007	4,732	4,457
31,200	31,250	6,389	6,119	5,849	5,579	5,298	5,023	4,748	4,473
31,250	31,300	6,407	6,137	5,867	5,597	5,314	5,039	4,764	4,489
31,300	31,350	6,425	6,155	5,885	5,615	5,330	5,055	4,780	4,505
31,350	31,400	6,443	6,173	5,903	5,633	5,346	5,071	4,796	4,521
31,400	31,450	6,461	6,191	5,921	5,651	5,362	5,087	4,812	4,537
31,450	31,500	6,479	6,209	5,939	5,669	5,378	5,103	4,828	4,553
31,500	31,550	6,497	6,227	5,957	5,687	5,394	5,119	4,844	4,569
31,550	31,600	6,515	6,245	5,975	5,705	5,410	5,135	4,860	4,585
31,600	31,650	6,533	6,263	5,993	5,723	5,426	5,151	4,876	4,601
31,650	31,700	6,551	6,281	6,011	5,741	5,442	5,167	4,892	4,617
31,700	31,750	6,569	6,299	6,029	5,759	5,459	5,183	4,908	4,633
31,750	31,800	6,587	6,317	6,047	5,777	5,477	5,199	4,924	4,649
31,800	31,850	6,605	6,335	6,065	5,795	5,495	5,215	4,940	4,665
31,850	31,900	6,623	6,353	6,083	5,813	5,513	5,231	4,956	4,681
31,900	31,950	6,641	6,371	6,101	5,831	5,531	5,247	4,972	4,697
31,950	32,000	6,659	6,389	6,119	5,849	5,549	5,263	4,988	4,713
32,000	32,050	6,677	6,407	6,137	5,867	5,567	5,279	5,004	4,729
32,050	32,100	6,695	6,425	6,155	5,885	5,585	5,295	5,020	4,745
32,100	32,150	6,713	6,443	6,173	5,903	5,603	5,311	5,036	4,761
32,150	32,200	6,731	6,461	6,191	5,921	5,621	5,327	5,052	4,777
32,200	32,250	6,749	6,479	6,209	5,939	5,639	5,343	5,068	4,793
32,250	32,300	6,767	6,497	6,227	5,957	5,657	5,359	5,084	4,809
32,300	32,350	6,785	6,515	6,245	5,975	5,675	5,375	5,100	4,825
32,350	32,400	6,803	6,533	6,263	5,993	5,693	5,391	5,116	4,841
32,400	32,450	6,821	6,551	6,281	6,011	5,711	5,407	5,132	4,857
32,450	32,500	6,839	6,569	6,299	6,029	5,729	5,424	5,148	4,873
32,500	32,550	6,857	6,587	6,317	6,047	5,747	5,442	5,164	4,889
32,550	32,600	6,875	6,605	6,335	6,065	5,765	5,460	5,180	4,905
32,600	32,650	6,893	6,623	6,353	6,083	5,783	5,478	5,196	4,921
32,650	32,700	6,911	6,641	6,371	6,101	5,801	5,496	5,212	4,937
32,700	32,750	6,930	6,659	6,389	6,119	5,819	5,514	5,228	4,953
32,750	32,800	6,949	6,677	6,407	6,137	5,837	5,532	5,244	4,969
32,800	32,850	6,969	6,695	6,425	6,155	5,855	5,550	5,260	4,985
32,850	32,900	6,988	6,713	6,443	6,173	5,873	5,568	5,276	5,001
32,900	32,950	7,008	6,731	6,461	6,191	5,891	5,586	5,292	5,017
32,950	33,000	7,027	6,749	6,479	6,209	5,909	5,604	5,308	5,033
33,000	33,050	7,047	6,767	6,497	6,227	5,927	5,622	5,324	5,049
33,050	33,100	7,066	6,785	6,515	6,245	5,945	5,640	5,340	5,065
33,100	33,150	7,086	6,803	6,533	6,263	5,963	5,658	5,356	5,081
33,150	33,200	7,105	6,821	6,551	6,281	5,981	5,676	5,372	5,097

Continued on next page

(If your income or exemptions are not covered, use Schedule TC (Form 1040), Part I to figure your tax)

If line 34, Form 1040 is—		And the total number of exemptions claimed on line 7 is—							
Over	But not over	2	3	4	5	6	7	8	9
		Your tax is—							
33,200	**33,250**	7,125	6,839	6,569	6,299	5,999	5,694	5,389	5,113
33,250	**33,300**	7,144	6,857	6,587	6,317	6,017	5,712	5,407	5,129
33,300	**33,350**	7,164	6,875	6,605	6,335	6,035	5,730	5,425	5,145
33,350	**33,400**	7,183	6,893	6,623	6,353	6,053	5,748	5,443	5,161
33,400	**33,450**	7,203	6,911	6,641	6,371	6,071	5,766	5,461	5,177
33,450	**33,500**	7,222	6,930	6,659	6,389	6,089	5,784	5,479	5,193
33,500	**33,550**	7,242	6,949	6,677	6,407	6,107	5,802	5,497	5,209
33,550	**33,600**	7,261	6,969	6,695	6,425	6,125	5,820	5,515	5,225
33,600	**33,650**	7,281	6,988	6,713	6,443	6,143	5,838	5,533	5,241
33,650	**33,700**	7,300	7,008	6,731	6,461	6,161	5,856	5,551	5,257
33,700	**33,750**	7,320	7,027	6,749	6,479	6,179	5,874	5,569	5,273
33,750	**33,800**	7,339	7,047	6,767	6,497	6,197	5,892	5,587	5,289
33,800	**33,850**	7,359	7,066	6,785	6,515	6,215	5,910	5,605	5,305
33,850	**33,900**	7,378	7,086	6,803	6,533	6,233	5,928	5,623	5,321
33,900	**33,950**	7,398	7,105	6,821	6,551	6,251	5,946	5,641	5,337
33,950	**34,000**	7,417	7,125	6,839	6,569	6,269	5,964	5,659	5,354
34,000	**34,050**	7,437	7,144	6,857	6,587	6,287	5,982	5,677	5,372
34,050	**34,100**	7,456	7,164	6,875	6,605	6,305	6,000	5,695	5,390
34,100	**34,150**	7,476	7,183	6,893	6,623	6,323	6,018	5,713	5,408
34,150	**34,200**	7,495	7,203	6,911	6,641	6,341	6,036	5,731	5,426
34,200	**34,250**	7,515	7,222	6,930	6,659	6,359	6,054	5,749	5,444
34,250	**34,300**	7,534	7,242	6,949	6,677	6,377	6,072	5,767	5,462
34,300	**34,350**	7,554	7,261	6,969	6,695	6,395	6,090	5,785	5,480
34,350	**34,400**	7,573	7,281	6,988	6,713	6,413	6,108	5,803	5,498
34,400	**34,450**	7,593	7,300	7,008	6,731	6,431	6,126	5,821	5,516
34,450	**34,500**	7,612	7,320	7,027	6,749	6,449	6,144	5,839	5,534
34,500	**34,550**	7,632	7,339	7,047	6,767	6,467	6,162	5,857	5,552
34,550	**34,600**	7,651	7,359	7,066	6,785	6,485	6,180	5,875	5,570
34,600	**34,650**	7,671	7,378	7,086	6,803	6,503	6,198	5,893	5,588
34,650	**34,700**	7,690	7,398	7,105	6,821	6,521	6,216	5,911	5,606
34,700	**34,750**	7,710	7,417	7,125	6,839	6,539	6,234	5,929	5,624
34,750	**34,800**	7,729	7,437	7,144	6,857	6,557	6,252	5,947	5,642
34,800	**34,850**	7,749	7,456	7,164	6,875	6,575	6,270	5,965	5,660
34,850	**34,900**	7,768	7,476	7,183	6,893	6,593	6,288	5,983	5,678
34,900	**34,950**	7,788	7,495	7,203	6,911	6,611	6,306	6,001	5,696
34,950	**35,000**	7,807	7,515	7,222	6,930	6,629	6,324	6,019	5,714
35,000	**35,050**	7,827	7,534	7,242	6,949	6,647	6,342	6,037	5,732
35,050	**35,100**	7,846	7,554	7,261	6,969	6,665	6,360	6,055	5,750
35,100	**35,150**	7,866	7,573	7,281	6,988	6,683	6,378	6,073	5,768
35,150	**35,200**	7,885	7,593	7,300	7,008	6,701	6,396	6,091	5,786
35,200	**35,250**	7,905	7,612	7,320	7,027	6,719	6,414	6,109	5,804
35,250	**35,300**	7,924	7,632	7,339	7,047	6,737	6,432	6,127	5,822
35,300	**35,350**	7,944	7,651	7,359	7,066	6,755	6,450	6,145	5,840
35,350	**35,400**	7,963	7,671	7,378	7,086	6,773	6,468	6,163	5,858
35,400	**35,450**	7,983	7,690	7,398	7,105	6,791	6,486	6,181	5,876
35,450	**35,500**	8,002	7,710	7,417	7,125	6,809	6,504	6,199	5,894
35,500	**35,550**	8,022	7,729	7,437	7,144	6,827	6,522	6,217	5,912
35,550	**35,600**	8,041	7,749	7,456	7,164	6,845	6,540	6,235	5,930
35,600	**35,650**	8,061	7,768	7,476	7,183	6,863	6,558	6,253	5,948
35,650	**35,700**	8,080	7,788	7,495	7,203	6,881	6,576	6,271	5,966
35,700	**35,750**	8,100	7,807	7,515	7,222	6,900	6,594	6,289	5,984
35,750	**35,800**	8,119	7,827	7,534	7,242	6,919	6,612	6,307	6,002
35,800	**35,850**	8,139	7,846	7,554	7,261	6,939	6,630	6,325	6,020
35,850	**35,900**	8,158	7,866	7,573	7,281	6,958	6,648	6,343	6,038
35,900	**35,950**	8,178	7,885	7,593	7,300	6,978	6,666	6,361	6,056
35,950	**36,000**	8,197	7,905	7,612	7,320	6,997	6,684	6,379	6,074
36,000	**36,050**	8,217	7,924	7,632	7,339	7,017	6,702	6,397	6,092
36,050	**36,100**	8,236	7,944	7,651	7,359	7,036	6,720	6,415	6,110
36,100	**36,150**	8,256	7,963	7,671	7,378	7,056	6,738	6,433	6,128
36,150	**36,200**	8,275	7,983	7,690	7,398	7,075	6,756	6,451	6,146
36,200	**36,250**	8,295	8,002	7,710	7,417	7,095	6,774	6,469	6,164
36,250	**36,300**	8,314	8,022	7,729	7,437	7,114	6,792	6,487	6,182
36,300	**36,350**	8,334	8,041	7,749	7,456	7,134	6,810	6,505	6,200
36,350	**36,400**	8,353	8,061	7,768	7,476	7,153	6,828	6,523	6,218
36,400	**36,450**	8,373	8,080	7,788	7,495	7,173	6,846	6,541	6,236
36,450	**36,500**	8,392	8,100	7,807	7,515	7,192	6,865	6,559	6,254
36,500	**36,550**	8,412	8,119	7,827	7,534	7,212	6,884	6,577	6,272
36,550	**36,600**	8,431	8,139	7,846	7,554	7,231	6,904	6,595	6,290
36,600	**36,650**	8,451	8,158	7,866	7,573	7,251	6,923	6,613	6,308
36,650	**36,700**	8,470	8,178	7,885	7,593	7,270	6,943	6,631	6,326
36,700	**36,750**	8,491	8,197	7,905	7,612	7,290	6,962	6,649	6,344
36,750	**36,800**	8,512	8,217	7,924	7,632	7,309	6,982	6,667	6,362
36,800	**36,850**	8,533	8,236	7,944	7,651	7,329	7,001	6,685	6,380
36,850	**36,900**	8,554	8,256	7,963	7,671	7,348	7,021	6,703	6,398
36,900	**36,950**	8,575	8,275	7,983	7,690	7,368	7,040	6,721	6,416
36,950	**37,000**	8,596	8,295	8,002	7,710	7,387	7,060	6,739	6,434
37,000	**37,050**	8,617	8,314	8,022	7,729	7,407	7,079	6,757	6,452
37,050	**37,100**	8,638	8,334	8,041	7,749	7,426	7,099	6,775	6,470
37,100	**37,150**	8,659	8,353	8,061	7,768	7,446	7,118	6,793	6,488
37,150	**37,200**	8,680	8,373	8,080	7,788	7,465	7,138	6,811	6,506
37,200	**37,250**	8,701	8,392	8,100	7,807	7,485	7,157	6,830	6,524
37,250	**37,300**	8,722	8,412	8,119	7,827	7,504	7,177	6,849	6,542
37,300	**37,350**	8,743	8,431	8,139	7,846	7,524	7,196	6,869	6,560
37,350	**37,400**	8,764	8,451	8,158	7,866	7,543	7,216	6,888	6,578
37,400	**37,450**	8,785	8,470	8,178	7,885	7,563	7,235	6,908	6,596
37,450	**37,500**	8,806	8,491	8,197	7,905	7,582	7,255	6,927	6,614
37,500	**37,550**	8,827	8,512	8,217	7,924	7,602	7,274	6,947	6,632
37,550	**37,600**	8,848	8,533	8,236	7,944	7,621	7,294	6,966	6,650
37,600	**37,650**	8,869	8,554	8,256	7,963	7,641	7,313	6,986	6,668
37,650	**37,700**	8,890	8,575	8,275	7,983	7,660	7,333	7,005	6,686
37,700	**37,750**	8,911	8,596	8,295	8,002	7,680	7,352	7,025	6,704
37,750	**37,800**	8,932	8,617	8,314	8,022	7,699	7,372	7,044	6,722
37,800	**37,850**	8,953	8,638	8,334	8,041	7,719	7,391	7,064	6,740
37,850	**37,900**	8,974	8,659	8,353	8,061	7,738	7,411	7,083	6,758
37,900	**37,950**	8,995	8,680	8,373	8,080	7,758	7,430	7,103	6,776
37,950	**38,000**	9,016	8,701	8,392	8,100	7,777	7,450	7,122	6,795
38,000	**38,050**	9,037	8,722	8,412	8,119	7,797	7,469	7,142	6,814
38,050	**38,100**	9,058	8,743	8,431	8,139	7,816	7,489	7,161	6,834
38,100	**38,150**	9,079	8,764	8,451	8,158	7,836	7,508	7,181	6,853
38,150	**38,200**	9,100	8,785	8,470	8,178	7,855	7,528	7,200	6,873
38,200	**38,250**	9,121	8,806	8,491	8,197	7,875	7,547	7,220	6,892
38,250	**38,300**	9,142	8,827	8,512	8,217	7,894	7,567	7,239	6,912
38,300	**38,350**	9,163	8,848	8,533	8,236	7,914	7,586	7,259	6,931
38,350	**38,400**	9,184	8,869	8,554	8,256	7,933	7,606	7,278	6,951
38,400	**38,450**	9,205	8,890	8,575	8,275	7,953	7,625	7,298	6,970
38,450	**38,500**	9,226	8,911	8,596	8,295	7,972	7,645	7,317	6,990
38,500	**38,550**	9,247	8,932	8,617	8,314	7,992	7,664	7,337	7,009
38,550	**38,600**	9,268	8,953	8,638	8,334	8,011	7,684	7,356	7,029
38,600	**38,650**	9,289	8,974	8,659	8,353	8,031	7,703	7,376	7,048
38,650	**38,700**	9,310	8,995	8,680	8,373	8,050	7,723	7,395	7,068
38,700	**38,750**	9,331	9,016	8,701	8,392	8,070	7,742	7,415	7,087
38,750	**38,800**	9,352	9,037	8,722	8,412	8,089	7,762	7,434	7,107
38,800	**38,850**	9,373	9,058	8,743	8,431	8,109	7,781	7,454	7,126
38,850	**38,900**	9,394	9,079	8,764	8,451	8,128	7,801	7,473	7,146
38,900	**38,950**	9,415	9,100	8,785	8,470	8,148	7,820	7,493	7,165
38,950	**39,000**	9,436	9,121	8,806	8,491	8,167	7,840	7,512	7,185
39,000	**39,050**	9,457	9,142	8,827	8,512	8,187	7,859	7,532	7,204
39,050	**39,100**	9,478	9,163	8,848	8,533	8,206	7,879	7,551	7,224
39,100	**39,150**	9,499	9,184	8,869	8,554	8,226	7,898	7,571	7,243
39,150	**39,200**	9,520	9,205	8,890	8,575	8,245	7,918	7,590	7,263
39,200	**39,250**	9,541	9,226	8,911	8,596	8,265	7,937	7,610	7,282
39,250	**39,300**	9,562	9,247	8,932	8,617	8,284	7,957	7,629	7,302
39,300	**39,350**	9,583	9,268	8,953	8,638	8,304	7,976	7,649	7,321
39,350	**39,400**	9,604	9,289	8,974	8,659	8,323	7,996	7,668	7,341
39,400	**39,450**	9,625	9,310	8,995	8,680	8,343	8,015	7,688	7,360
39,450	**39,500**	9,646	9,331	9,016	8,701	8,362	8,035	7,707	7,380
39,500	**39,550**	9,667	9,352	9,037	8,722	8,382	8,054	7,727	7,399
39,550	**39,600**	9,688	9,373	9,058	8,743	8,401	8,074	7,746	7,419
39,600	**39,650**	9,709	9,394	9,079	8,764	8,421	8,093	7,766	7,438
39,650	**39,700**	9,730	9,415	9,100	8,785	8,440	8,113	7,785	7,458
39,700	**39,750**	9,751	9,436	9,121	8,806	8,461	8,132	7,805	7,477
39,750	**39,800**	9,772	9,457	9,142	8,827	8,482	8,152	7,824	7,497
39,800	**39,850**	9,793	9,478	9,163	8,848	8,503	8,171	7,844	7,516
39,850	**39,900**	9,814	9,499	9,184	8,869	8,524	8,191	7,863	7,536
39,900	**39,950**	9,835	9,520	9,205	8,890	8,545	8,210	7,883	7,555
39,950	**40,000**	9,856	9,541	9,226	8,911	8,566	8,230	7,902	7,575

Continued next column

1977 Tax Table C—MARRIED FILING SEPARATELY (Box 3)

(For married persons filing separate returns with tax table income of $20,000 or less who claim fewer than 4 exemptions)

To find your tax: Read down the left income column until you find your income as shown on line 34 of Form 1040. Read across to the column headed by the total number of exemptions claimed on line 7 of Form 1040. The amount shown at the point where the two lines meet is your tax. Enter on Form 1040, line 35.

The $1,600 zero bracket amount, your deduction for exemptions and the general tax credit have been taken into account in figuring the tax shown in this table. **Do not take a separate deduction for them.**

Caution: *If you or your spouse itemize deductions, or if you can be claimed as a dependent on your parent's return* **AND** *you have unearned income (interests, dividends, etc.) of $750 or more* **AND** *your earned income is less than $1,600 you must first use Schedule TC (Form 1040), Part II.*

If line 34, Form 1040 is—		And the total number of exemptions claimed on line 7 is—		
Over	But not over	1	2	3
		Your tax is—		
If $2,600 or less your tax is 0				
2,600	2,625	2	0	0
2,625	2,650	5	0	0
2,650	2,675	9	0	0
2,675	2,700	12	0	0
2,700	2,725	16	0	0
2,725	2,750	19	0	0
2,750	2,775	23	0	0
2,775	2,800	26	0	0
2,800	2,825	30	0	0
2,825	2,850	33	0	0
2,850	2,875	37	0	0
2,875	2,900	41	0	0
2,900	2,925	44	0	0
2,925	2,950	48	0	0
2,950	2,975	52	0	0
2,975	3,000	56	0	0
3,000	3,050	61	0	0
3,050	3,100	69	0	0
3,100	3,150	76	0	0
3,150	3,200	84	0	0
3,200	3,250	91	0	0
3,250	3,300	99	0	0
3,300	3,350	106	0	0
3,350	3,400	114	0	0
3,400	3,450	122	0	0
3,450	3,500	130	0	0
3,500	3,550	138	0	0
3,550	3,600	146	0	0
3,600	3,650	154	4	0
3,650	3,700	162	11	0
3,700	3,750	170	19	0
3,750	3,800	178	26	0
3,800	3,850	186	34	0
3,850	3,900	194	41	0
3,900	3,950	203	49	0
3,950	4,000	211	56	0
4,000	4,050	220	64	0
4,050	4,100	228	71	0
4,100	4,150	237	79	0
4,150	4,200	245	87	0
4,200	4,250	254	95	0
4,250	4,300	262	103	0
4,300	4,350	271	111	0
4,350	4,400	280	119	0
4,400	4,450	289	127	0
4,450	4,500	299	135	0
4,500	4,550	308	143	0
4,550	4,600	318	151	0
4,600	4,650	327	159	6
4,650	4,700	337	168	14
4,700	4,750	346	176	21
4,750	4,800	356	185	29
4,800	4,850	365	193	36
4,850	4,900	375	202	44
4,900	4,950	384	210	52
4,950	5,000	394	219	60

Continued next column

If line 34, Form 1040 is—		And the total number of exemptions claimed on line 7 is—		
Over	But not over	1	2	3
		Your tax is—		
5,000	5,050	403	227	68
5,050	5,100	413	236	76
5,100	5,150	422	245	84
5,150	5,200	432	254	92
5,200	5,250	441	264	100
5,250	5,300	451	273	108
5,300	5,350	460	283	116
5,350	5,400	470	292	124
5,400	5,450	479	302	133
5,450	5,500	489	311	141
5,500	5,550	498	321	150
5,550	5,600	508	330	158
5,600	5,650	517	340	167
5,650	5,700	527	349	175
5,700	5,750	536	359	184
5,750	5,800	546	368	192
5,800	5,850	555	378	201
5,850	5,900	565	387	210
5,900	5,950	574	397	219
5,950	6,000	584	406	229
6,000	6,050	593	416	238
6,050	6,100	603	425	248
6,100	6,150	612	435	257
6,150	6,200	622	444	267
6,200	6,250	631	454	276
6,250	6,300	641	463	286
6,300	6,350	650	473	295
6,350	6,400	661	482	305
6,400	6,450	672	492	314
6,450	6,500	683	501	324
6,500	6,550	694	511	333
6,550	6,600	705	520	343
6,600	6,650	716	530	352
6,650	6,700	727	539	362
6,700	6,750	738	549	371
6,750	6,800	749	558	381
6,800	6,850	760	568	390
6,850	6,900	771	577	400
6,900	6,950	782	587	409
6,950	7,000	793	596	419
7,000	7,050	804	606	428
7,050	7,100	815	615	438
7,100	7,150	826	626	447
7,150	7,200	837	637	457
7,200	7,250	848	648	466
7,250	7,300	859	659	476
7,300	7,350	870	670	485
7,350	7,400	881	681	495
7,400	7,450	892	692	504
7,450	7,500	903	703	514
7,500	7,550	914	714	523
7,550	7,600	925	725	533
7,600	7,650	936	736	542
7,650	7,700	947	747	552
7,700	7,750	958	758	561
7,750	7,800	969	769	571

Continued next column

If line 34, Form 1040 is—		And the total number of exemptions claimed on line 7 is—		
Over	But not over	1	2	3
		Your tax is—		
7,800	7,850	980	780	580
7,850	7,900	991	791	591
7,900	7,950	1,002	802	602
7,950	8,000	1,013	813	613
8,000	8,050	1,024	824	624
8,050	8,100	1,035	835	635
8,100	8,150	1,046	846	646
8,150	8,200	1,057	857	657
8,200	8,250	1,068	868	668
8,250	8,300	1,079	879	679
8,300	8,350	1,090	890	690
8,350	8,400	1,101	901	701
8,400	8,450	1,114	912	712
8,450	8,500	1,126	923	723
8,500	8,550	1,139	934	734
8,550	8,600	1,151	945	745
8,600	8,650	1,164	956	756
8,650	8,700	1,176	967	767
8,700	8,750	1,189	978	778
8,750	8,800	1,201	989	789
8,800	8,850	1,214	1,000	800
8,850	8,900	1,226	1,011	811
8,900	8,950	1,239	1,022	822
8,950	9,000	1,251	1,033	833
9,000	9,050	1,264	1,044	844
9,050	9,100	1,276	1,055	855
9,100	9,150	1,289	1,066	866
9,150	9,200	1,301	1,079	877
9,200	9,250	1,314	1,091	888
9,250	9,300	1,326	1,104	899
9,300	9,350	1,339	1,116	910
9,350	9,400	1,351	1,129	921
9,400	9,450	1,364	1,141	932
9,450	9,500	1,376	1,154	943
9,500	9,550	1,389	1,166	954
9,550	9,600	1,401	1,179	965
9,600	9,650	1,414	1,191	976
9,650	9,700	1,426	1,204	987
9,700	9,750	1,439	1,216	998
9,750	9,800	1,451	1,229	1,009
9,800	9,850	1,464	1,241	1,020
9,850	9,900	1,476	1,254	1,031
9,900	9,950	1,489	1,266	1,044
9,950	10,000	1,501	1,279	1,056
10,000	10,050	1,514	1,291	1,069
10,050	10,100	1,526	1,304	1,081
10,100	10,150	1,539	1,316	1,094
10,150	10,200	1,551	1,329	1,106
10,200	10,250	1,564	1,341	1,119
10,250	10,300	1,576	1,354	1,131
10,300	10,350	1,589	1,366	1,144
10,350	10,400	1,602	1,379	1,156
10,400	10,450	1,616	1,391	1,169
10,450	10,500	1,630	1,404	1,181
10,500	10,550	1,644	1,416	1,194
10,550	10,600	1,658	1,429	1,206

Continued on next page

(If your income or exemptions are not covered, use Schedule TC (Form 1040), Part I to figure your tax)

(Continued)

If line 34, Form 1040 is—		And the total number of exemptions claimed on line 7 is—		
Over	But not over	1	2	3
		Your tax is—		
10,600	10,650	1,672	1,441	1,219
10,650	10,700	1,686	1,454	1,231
10,700	10,750	1,700	1,466	1,244
10,750	10,800	1,714	1,479	1,256
10,800	10,850	1,728	1,491	1,269
10,850	10,900	1,742	1,504	1,281
10,900	10,950	1,756	1,516	1,294
10,950	11,000	1,770	1,529	1,306
11,000	11,050	1,784	1,541	1,319
11,050	11,100	1,798	1,554	1,331
11,100	11,150	1,812	1,567	1,344
11,150	11,200	1,826	1,581	1,356
11,200	11,250	1,840	1,595	1,369
11,250	11,300	1,854	1,609	1,381
11,300	11,350	1,868	1,623	1,394
11,350	11,400	1,882	1,637	1,406
11,400	11,450	1,896	1,651	1,419
11,450	11,500	1,910	1,665	1,431
11,500	11,550	1,924	1,679	1,444
11,550	11,600	1,938	1,693	1,456
11,600	11,650	1,952	1,707	1,469
11,650	11,700	1,966	1,721	1,481
11,700	11,750	1,980	1,735	1,494
11,750	11,800	1,994	1,749	1,506
11,800	11,850	2,008	1,763	1,519
11,850	11,900	2,022	1,777	1,532
11,900	11,950	2,036	1,791	1,546
11,950	12,000	2,050	1,805	1,560
12,000	12,050	2,064	1,819	1,574
12,050	12,100	2,078	1,833	1,588
12,100	12,150	2,092	1,847	1,602
12,150	12,200	2,106	1,861	1,616
12,200	12,250	2,120	1,875	1,630
12,250	12,300	2,134	1,889	1,644
12,300	12,350	2,148	1,903	1,658
12,350	12,400	2,163	1,917	1,672
12,400	12,450	2,179	1,931	1,686
12,450	12,500	2,195	1,945	1,700
12,500	12,550	2,211	1,959	1,714
12,550	12,600	2,227	1,973	1,728
12,600	12,650	2,243	1,987	1,742
12,650	12,700	2,259	2,001	1,756
12,700	12,750	2,275	2,015	1,770
12,750	12,800	2,291	2,029	1,784
12,800	12,850	2,307	2,043	1,798
12,850	12,900	2,323	2,057	1,812
12,900	12,950	2,339	2,071	1,826
12,950	13,000	2,355	2,085	1,840
13,000	13,050	2,371	2,099	1,854
13,050	13,100	2,387	2,113	1,868
13,100	13,150	2,403	2,128	1,882
13,150	13,200	2,419	2,144	1,896
13,200	13,250	2,435	2,160	1,910
13,250	13,300	2,451	2,176	1,924
13,300	13,350	2,467	2,192	1,938
13,350	13,400	2,483	2,208	1,952
13,400	13,450	2,499	2,224	1,966
13,450	13,500	2,515	2,240	1,980
13,500	13,550	2,531	2,256	1,994
13,550	13,600	2,547	2,272	2,008
13,600	13,650	2,563	2,288	2,022
13,650	13,700	2,579	2,304	2,036
13,700	13,750	2,595	2,320	2,050
13,750	13,800	2,611	2,336	2,064

Continued next column

If line 34, Form 1040 is—		And the total number of exemptions claimed on line 7 is—		
Over	But not over	1	2	3
		Your tax is—		
13,800	13,850	2,627	2,352	2,078
13,850	13,900	2,643	2,368	2,093
13,900	13,950	2,659	2,384	2,109
13,950	14,000	2,675	2,400	2,125
14,000	14,050	2,691	2,416	2,141
14,050	14,100	2,707	2,432	2,157
14,100	14,150	2,723	2,448	2,173
14,150	14,200	2,739	2,464	2,189
14,200	14,250	2,755	2,480	2,205
14,250	14,300	2,771	2,496	2,221
14,300	14,350	2,787	2,512	2,237
14,350	14,400	2,804	2,528	2,253
14,400	14,450	2,822	2,544	2,269
14,450	14,500	2,840	2,560	2,285
14,500	14,550	2,858	2,576	2,301
14,550	14,600	2,876	2,592	2,317
14,600	14,650	2,894	2,608	2,333
14,650	14,700	2,912	2,624	2,349
14,700	14,750	2,930	2,640	2,365
14,750	14,800	2,948	2,656	2,381
14,800	14,850	2,966	2,672	2,397
14,850	14,900	2,984	2,688	2,413
14,900	14,950	3,002	2,704	2,429
14,950	15,000	3,020	2,720	2,445
15,000	15,050	3,038	2,736	2,461
15,050	15,100	3,056	2,752	2,477
15,100	15,150	3,074	2,769	2,493
15,150	15,200	3,092	2,787	2,509
15,200	15,250	3,110	2,805	2,525
15,250	15,300	3,128	2,823	2,541
15,300	15,350	3,146	2,841	2,557
15,350	15,400	3,164	2,859	2,573
15,400	15,450	3,182	2,877	2,589
15,450	15,500	3,200	2,895	2,605
15,500	15,550	3,218	2,913	2,621
15,550	15,600	3,236	2,931	2,637
15,600	15,650	3,254	2,949	2,653
15,650	15,700	3,272	2,967	2,669
15,700	15,750	3,290	2,985	2,685
15,750	15,800	3,308	3,003	2,701
15,800	15,850	3,326	3,021	2,717
15,850	15,900	3,344	3,039	2,734
15,900	15,950	3,362	3,057	2,752
15,950	16,000	3,380	3,075	2,770
16,000	16,050	3,398	3,093	2,788
16,050	16,100	3,416	3,111	2,806
16,100	16,150	3,434	3,129	2,824
16,150	16,200	3,452	3,147	2,842
16,200	16,250	3,470	3,165	2,860
16,250	16,300	3,488	3,183	2,878
16,300	16,350	3,506	3,201	2,896
16,350	16,400	3,525	3,219	2,914
16,400	16,450	3,544	3,237	2,932
16,450	16,500	3,564	3,255	2,950
16,500	16,550	3,583	3,273	2,968
16,550	16,600	3,603	3,291	2,986
16,600	16,650	3,622	3,309	3,004
16,650	16,700	3,642	3,327	3,022
16,700	16,750	3,661	3,345	3,040
16,750	16,800	3,681	3,363	3,058
16,800	16,850	3,700	3,381	3,076
16,850	16,900	3,720	3,399	3,094
16,900	16,950	3,739	3,417	3,112
16,950	17,000	3,759	3,435	3,130

Continued next column

If line 34, Form 1040 is—		And the total number of exemptions claimed on line 7 is—		
Over	But not over	1	2	3
		Your tax is—		
17,000	17,050	3,778	3,453	3,148
17,050	17,100	3,798	3,471	3,166
17,100	17,150	3,817	3,490	3,184
17,150	17,200	3,837	3,509	3,202
17,200	17,250	3,856	3,529	3,220
17,250	17,300	3,876	3,548	3,238
17,300	17,350	3,895	3,568	3,256
17,350	17,400	3,915	3,587	3,274
17,400	17,450	3,934	3,607	3,292
17,450	17,500	3,954	3,626	3,310
17,500	17,550	3,973	3,646	3,328
17,550	17,600	3,993	3,665	3,346
17,600	17,650	4,012	3,685	3,364
17,650	17,700	4,032	3,704	3,382
17,700	17,750	4,051	3,724	3,400
17,750	17,800	4,071	3,743	3,418
17,800	17,850	4,090	3,763	3,436
17,850	17,900	4,110	3,782	3,455
17,900	17,950	4,129	3,802	3,474
17,950	18,000	4,149	3,821	3,494
18,000	18,050	4,168	3,841	3,513
18,050	18,100	4,188	3,860	3,533
18,100	18,150	4,207	3,880	3,552
18,150	18,200	4,227	3,899	3,572
18,200	18,250	4,246	3,919	3,591
18,250	18,300	4,266	3,938	3,611
18,300	18,350	4,285	3,958	3,630
18,350	18,400	4,306	3,977	3,650
18,400	18,450	4,327	3,997	3,669
18,450	18,500	4,348	4,016	3,689
18,500	18,550	4,369	4,036	3,708
18,550	18,600	4,390	4,055	3,728
18,600	18,650	4,411	4,075	3,747
18,650	18,700	4,432	4,094	3,767
18,700	18,750	4,453	4,114	3,786
18,750	18,800	4,474	4,133	3,806
18,800	18,850	4,495	4,153	3,825
18,850	18,900	4,516	4,172	3,845
18,900	18,950	4,537	4,192	3,864
18,950	19,000	4,558	4,211	3,884
19,000	19,050	4,579	4,231	3,903
19,050	19,100	4,600	4,250	3,923
19,100	19,150	4,621	4,271	3,942
19,150	19,200	4,642	4,292	3,962
19,200	19,250	4,663	4,313	3,981
19,250	19,300	4,684	4,334	4,001
19,300	19,350	4,705	4,355	4,020
19,350	19,400	4,726	4,376	4,040
19,400	19,450	4,747	4,397	4,059
19,450	19,500	4,768	4,418	4,079
19,500	19,550	4,789	4,439	4,098
19,550	19,600	4,810	4,460	4,118
19,600	19,650	4,831	4,481	4,137
19,650	19,700	4,852	4,502	4,157
19,700	19,750	4,873	4,523	4,176
19,750	19,800	4,894	4,544	4,196
19,800	19,850	4,915	4,565	4,215
19,850	19,900	4,936	4,586	4,236
19,900	19,950	4,957	4,607	4,257
19,950	20,000	4,978	4,628	4,278

1977 Tax Table D—HEAD OF HOUSEHOLD (Box 4)

(For unmarried (including certain married persons living apart) or legally separated persons who qualify as heads of household with tax table income of $20,000 or less who claim fewer than 9 exemptions)

To find your tax: Read down the left income column until you find your income as shown on line 34 of Form 1040. Read across to the column headed by the total number of exemptions claimed on line 7 of Form 1040. The amount shown at the point where the two lines meet is your tax. Enter on Form 1040, line 35.

The $2,200 zero bracket amount, your deduction for exemptions and the general tax credit have been taken into account in figuring the tax shown in this table. **Do not take a separate deduction for them.**

If line 34, Form 1040 is—		And the total number of exemptions claimed on line 7 is—							
Over	But not over	1	2	3	4	5	6	7	8
		Your tax is—							
If $3,200 or less your tax is 0									
3,200	3,250	4	0	0	0	0	0	0	0
3,250	3,300	11	0	0	0	0	0	0	0
3,300	3,350	18	0	0	0	0	0	0	0
3,350	3,400	25	0	0	0	0	0	0	0
3,400	3,450	32	0	0	0	0	0	0	0
3,450	3,500	39	0	0	0	0	0	0	0
3,500	3,550	46	0	0	0	0	0	0	0
3,550	3,600	53	0	0	0	0	0	0	0
3,600	3,650	60	0	0	0	0	0	0	0
3,650	3,700	67	0	0	0	0	0	0	0
3,700	3,750	74	0	0	0	0	0	0	0
3,750	3,800	81	0	0	0	0	0	0	0
3,800	3,850	88	0	0	0	0	0	0	0
3,850	3,900	95	0	0	0	0	0	0	0
3,900	3,950	102	0	0	0	0	0	0	0
3,950	4,000	109	0	0	0	0	0	0	0
4,000	4,050	117	0	0	0	0	0	0	0
4,050	4,100	125	0	0	0	0	0	0	0
4,100	4,150	133	0	0	0	0	0	0	0
4,150	4,200	141	0	0	0	0	0	0	0
4,200	4,250	149	4	0	0	0	0	0	0
4,250	4,300	157	11	0	0	0	0	0	0
4,300	4,350	165	18	0	0	0	0	0	0
4,350	4,400	173	25	0	0	0	0	0	0
4,400	4,450	181	32	0	0	0	0	0	0
4,450	4,500	189	39	0	0	0	0	0	0
4,500	4,550	197	46	0	0	0	0	0	0
4,550	4,600	205	53	0	0	0	0	0	0
4,600	4,650	213	60	0	0	0	0	0	0
4,650	4,700	221	67	0	0	0	0	0	0
4,700	4,750	229	74	0	0	0	0	0	0
4,750	4,800	236	82	0	0	0	0	0	0
4,800	4,850	243	90	0	0	0	0	0	0
4,850	4,900	250	98	0	0	0	0	0	0
4,900	4,950	257	106	0	0	0	0	0	0
4,950	5,000	264	114	0	0	0	0	0	0
5,000	5,050	272	122	0	0	0	0	0	0
5,050	5,100	280	130	0	0	0	0	0	0
5,100	5,150	288	138	0	0	0	0	0	0
5,150	5,200	296	146	0	0	0	0	0	0
5,200	5,250	304	154	4	0	0	0	0	0
5,250	5,300	312	162	11	0	0	0	0	0
5,300	5,350	320	170	18	0	0	0	0	0
5,350	5,400	328	178	25	0	0	0	0	0
5,400	5,450	336	186	32	0	0	0	0	0
5,450	5,500	344	194	39	0	0	0	0	0
5,500	5,550	352	202	47	0	0	0	0	0
5,550	5,600	360	210	55	0	0	0	0	0
5,600	5,650	368	218	63	0	0	0	0	0
5,650	5,700	376	226	71	0	0	0	0	0
5,700	5,750	384	235	79	0	0	0	0	0
5,750	5,800	392	244	87	0	0	0	0	0
5,800	5,850	400	253	95	0	0	0	0	0
5,850	5,900	408	262	103	0	0	0	0	0
5,900	5,950	416	271	111	0	0	0	0	0
5,950	6,000	424	280	119	0	0	0	0	0

Continued next column

If line 34, Form 1040 is—		And the total number of exemptions claimed on line 7 is—							
Over	But not over	1	2	3	4	5	6	7	8
		Your tax is—							
6,000	6,050	432	289	127	0	0	0	0	0
6,050	6,100	440	298	135	0	0	0	0	0
6,100	6,150	448	307	143	0	0	0	0	0
6,150	6,200	456	316	151	0	0	0	0	0
6,200	6,250	464	325	159	4	0	0	0	0
6,250	6,300	472	334	167	12	0	0	0	0
6,300	6,350	480	343	175	20	0	0	0	0
6,350	6,400	488	352	183	28	0	0	0	0
6,400	6,450	496	361	191	36	0	0	0	0
6,450	6,500	504	370	200	44	0	0	0	0
6,500	6,550	512	379	209	52	0	0	0	0
6,550	6,600	520	388	218	60	0	0	0	0
6,600	6,650	528	397	227	68	0	0	0	0
6,650	6,700	536	406	236	76	0	0	0	0
6,700	6,750	544	415	245	84	0	0	0	0
6,750	6,800	552	424	254	92	0	0	0	0
6,800	6,850	560	433	263	100	0	0	0	0
6,850	6,900	568	442	272	108	0	0	0	0
6,900	6,950	576	451	281	116	0	0	0	0
6,950	7,000	584	460	290	124	0	0	0	0
7,000	7,050	593	469	299	132	0	0	0	0
7,050	7,100	601	478	308	140	0	0	0	0
7,100	7,150	610	487	317	148	0	0	0	0
7,150	7,200	618	496	326	156	1	0	0	0
7,200	7,250	627	504	335	165	9	0	0	0
7,250	7,300	635	512	344	174	17	0	0	0
7,300	7,350	644	520	353	183	25	0	0	0
7,350	7,400	652	528	362	192	33	0	0	0
7,400	7,450	661	536	371	201	41	0	0	0
7,450	7,500	669	544	380	210	49	0	0	0
7,500	7,550	678	552	389	219	57	0	0	0
7,550	7,600	686	560	398	228	65	0	0	0
7,600	7,650	695	568	407	237	73	0	0	0
7,650	7,700	703	576	416	246	81	0	0	0
7,700	7,750	712	584	425	255	89	0	0	0
7,750	7,800	720	593	434	264	97	0	0	0
7,800	7,850	729	601	443	273	105	0	0	0
7,850	7,900	737	610	452	282	113	0	0	0
7,900	7,950	746	618	461	291	121	0	0	0
7,950	8,000	754	627	470	300	130	0	0	0
8,000	8,050	763	635	479	309	139	0	0	0
8,050	8,100	771	644	488	318	148	0	0	0
8,100	8,150	780	652	497	327	157	0	0	0
8,150	8,200	788	661	506	336	166	6	0	0
8,200	8,250	797	669	515	345	175	14	0	0
8,250	8,300	805	678	524	354	184	22	0	0
8,300	8,350	814	686	533	363	193	30	0	0
8,350	8,400	822	695	542	372	202	38	0	0
8,400	8,450	831	703	551	381	211	46	0	0
8,450	8,500	839	712	560	390	220	54	0	0
8,500	8,550	848	720	569	399	229	62	0	0
8,550	8,600	856	729	579	408	238	70	0	0
8,600	8,650	865	737	588	417	247	78	0	0
8,650	8,700	873	746	598	426	256	86	0	0
8,700	8,750	882	754	607	435	265	95	0	0
8,750	8,800	890	763	617	444	274	104	0	0

Continued on next page

1977 Tax Table D—HEAD OF HOUSEHOLD (Box 4)

(Continued)

(If your income or exemptions are not covered, use Schedule TC (Form 1040), Part I to figure your tax)

If line 34, Form 1040 is—		And the total number of exemptions claimed on line 7 is—							
Over	But not over	1	2	3	4	5	6	7	8
		Your tax is—							
8,800	**8,850**	899	771	626	453	283	113	0	0
8,850	**8,900**	907	780	636	462	292	122	0	0
8,900	**8,950**	916	788	645	471	301	131	0	0
8,950	**9,000**	925	797	655	480	310	140	0	0
9,000	**9,050**	935	805	664	489	319	149	0	0
9,050	**9,100**	945	814	674	498	328	158	0	0
9,100	**9,150**	955	822	683	507	337	167	3	0
9,150	**9,200**	965	831	693	516	346	176	11	0
9,200	**9,250**	975	839	702	525	355	185	19	0
9,250	**9,300**	985	848	712	534	364	194	27	0
9,300	**9,350**	995	856	721	544	373	203	35	0
9,350	**9,400**	1,005	865	731	553	382	212	43	0
9,400	**9,450**	1,015	873	740	563	391	221	51	0
9,450	**9,500**	1,025	882	750	572	400	230	60	0
9,500	**9,550**	1,035	890	759	582	409	239	69	0
9,550	**9,600**	1,045	899	769	591	418	248	78	0
9,600	**9,650**	1,055	907	778	601	427	257	87	0
9,650	**9,700**	1,065	916	788	610	436	266	96	0
9,700	**9,750**	1,075	925	797	620	445	275	105	0
9,750	**9,800**	1,085	935	805	629	454	284	114	0
9,800	**9,850**	1,095	945	814	639	463	293	123	0
9,850	**9,900**	1,105	955	822	648	472	302	132	0
9,900	**9,950**	1,115	965	831	658	481	311	141	0
9,950	**10,000**	1,125	975	839	667	490	320	150	0
10,000	**10,050**	1,135	985	848	677	499	329	159	0
10,050	**10,100**	1,145	995	856	686	509	338	168	0
10,100	**10,150**	1,155	1,005	865	696	518	347	177	8
10,150	**10,200**	1,165	1,015	873	705	528	356	186	16
10,200	**10,250**	1,175	1,025	882	715	537	365	195	25
10,250	**10,300**	1,185	1,035	890	724	547	374	204	34
10,300	**10,350**	1,195	1,045	899	734	556	383	213	43
10,350	**10,400**	1,205	1,055	907	743	566	392	222	52
10,400	**10,450**	1,215	1,065	916	753	575	401	231	61
10,450	**10,500**	1,225	1,075	925	762	585	410	240	70
10,500	**10,550**	1,235	1,085	935	772	594	419	249	79
10,550	**10,600**	1,245	1,095	945	781	604	428	258	88
10,600	**10,650**	1,255	1,105	955	791	613	437	267	97
10,650	**10,700**	1,265	1,115	965	800	623	446	276	106
10,700	**10,750**	1,275	1,125	975	810	632	455	285	115
10,750	**10,800**	1,285	1,135	985	819	642	464	294	124
10,800	**10,850**	1,295	1,145	995	829	651	474	303	133
10,850	**10,900**	1,305	1,155	1,005	838	661	483	312	142
10,900	**10,950**	1,315	1,165	1,015	848	670	493	321	151
10,950	**11,000**	1,325	1,175	1,025	857	680	502	330	160
11,000	**11,050**	1,336	1,185	1,035	867	689	512	339	169
11,050	**11,100**	1,346	1,195	1,045	876	699	521	348	178
11,100	**11,150**	1,357	1,205	1,055	886	708	531	357	187
11,150	**11,200**	1,367	1,215	1,065	895	718	540	366	196
11,200	**11,250**	1,378	1,225	1,075	906	727	550	375	205
11,250	**11,300**	1,388	1,235	1,085	917	737	559	384	214
11,300	**11,350**	1,399	1,245	1,095	928	746	569	393	223
11,350	**11,400**	1,409	1,255	1,105	939	756	578	402	232
11,400	**11,450**	1,420	1,265	1,115	950	765	588	411	241
11,450	**11,500**	1,430	1,275	1,125	961	775	597	420	250
11,500	**11,550**	1,441	1,285	1,135	972	784	607	429	259
11,550	**11,600**	1,451	1,295	1,145	983	794	616	439	268

Continued next column

If line 34, Form 1040 is—		And the total number of exemptions claimed on line 7 is—							
Over	But not over	1	2	3	4	5	6	7	8
		Your tax is—							
11,600	**11,650**	1,462	1,305	1,155	994	803	626	448	277
11,650	**11,700**	1,472	1,315	1,165	1,005	813	635	458	286
11,700	**11,750**	1,483	1,325	1,175	1,016	822	645	467	295
11,750	**11,800**	1,493	1,336	1,185	1,027	832	654	477	304
11,800	**11,850**	1,504	1,346	1,195	1,038	841	664	486	313
11,850	**11,900**	1,514	1,357	1,205	1,049	851	673	496	322
11,900	**11,950**	1,525	1,367	1,215	1,060	860	683	505	331
11,950	**12,000**	1,536	1,378	1,225	1,071	871	692	515	340
12,000	**12,050**	1,547	1,388	1,235	1,082	882	702	524	349
12,050	**12,100**	1,559	1,399	1,245	1,093	893	711	534	358
12,100	**12,150**	1,570	1,409	1,255	1,104	904	721	543	367
12,150	**12,200**	1,582	1,420	1,265	1,115	915	730	553	376
12,200	**12,250**	1,593	1,430	1,275	1,125	926	740	562	385
12,250	**12,300**	1,605	1,441	1,285	1,135	937	749	572	394
12,300	**12,350**	1,616	1,451	1,295	1,145	948	759	581	404
12,350	**12,400**	1,628	1,462	1,305	1,155	959	768	591	413
12,400	**12,450**	1,639	1,472	1,315	1,165	970	778	600	423
12,450	**12,500**	1,651	1,483	1,325	1,175	981	787	610	432
12,500	**12,550**	1,662	1,493	1,336	1,185	992	797	619	442
12,550	**12,600**	1,674	1,504	1,346	1,195	1,003	806	629	451
12,600	**12,650**	1,685	1,514	1,357	1,205	1,014	816	638	461
12,650	**12,700**	1,697	1,525	1,367	1,215	1,025	825	648	470
12,700	**12,750**	1,708	1,536	1,378	1,225	1,036	836	657	480
12,750	**12,800**	1,720	1,547	1,388	1,235	1,047	847	667	489
12,800	**12,850**	1,731	1,559	1,399	1,245	1,058	858	676	499
12,850	**12,900**	1,743	1,570	1,409	1,255	1,069	869	686	508
12,900	**12,950**	1,754	1,582	1,420	1,265	1,080	880	695	518
12,950	**13,000**	1,766	1,593	1,430	1,275	1,091	891	705	527
13,000	**13,050**	1,779	1,605	1,441	1,285	1,102	902	714	537
13,050	**13,100**	1,791	1,616	1,451	1,295	1,113	913	724	546
13,100	**13,150**	1,804	1,628	1,462	1,305	1,124	924	733	556
13,150	**13,200**	1,816	1,639	1,472	1,315	1,135	935	743	565
13,200	**13,250**	1,829	1,651	1,483	1,325	1,146	946	752	575
13,250	**13,300**	1,841	1,662	1,493	1,336	1,157	957	762	584
13,300	**13,350**	1,854	1,674	1,504	1,346	1,168	968	771	594
13,350	**13,400**	1,866	1,685	1,514	1,357	1,179	979	781	603
13,400	**13,450**	1,879	1,697	1,525	1,367	1,190	990	790	613
13,450	**13,500**	1,891	1,708	1,536	1,378	1,201	1,001	801	622
13,500	**13,550**	1,904	1,720	1,547	1,388	1,212	1,012	812	632
13,550	**13,600**	1,916	1,731	1,559	1,399	1,223	1,023	823	641
13,600	**13,650**	1,929	1,743	1,570	1,409	1,234	1,034	834	651
13,650	**13,700**	1,941	1,754	1,582	1,420	1,245	1,045	845	660
13,700	**13,750**	1,954	1,766	1,593	1,430	1,256	1,056	856	670
13,750	**13,800**	1,966	1,779	1,605	1,441	1,267	1,067	867	679
13,800	**13,850**	1,979	1,791	1,616	1,451	1,278	1,078	878	689
13,850	**13,900**	1,991	1,804	1,628	1,462	1,289	1,089	889	698
13,900	**13,950**	2,004	1,816	1,639	1,472	1,300	1,100	900	708
13,950	**14,000**	2,016	1,829	1,651	1,483	1,311	1,111	911	717
14,000	**14,050**	2,029	1,841	1,662	1,493	1,322	1,122	922	727
14,050	**14,100**	2,041	1,854	1,674	1,504	1,334	1,133	933	736
14,100	**14,150**	2,054	1,866	1,685	1,514	1,345	1,144	944	746
14,150	**14,200**	2,066	1,879	1,697	1,525	1,357	1,155	955	755
14,200	**14,250**	2,079	1,891	1,708	1,536	1,368	1,166	966	766
14,250	**14,300**	2,091	1,904	1,720	1,547	1,380	1,177	977	777
14,300	**14,350**	2,104	1,916	1,731	1,559	1,391	1,188	988	788
14,350	**14,400**	2,116	1,929	1,743	1,570	1,403	1,199	999	799

Continued on next page

1977 Tax Table D—HEAD OF HOUSEHOLD (Box 4)

(Continued)

(If your income or exemptions are not covered, use Schedule TC (Form 1040), Part I to figure your tax)

If line 34, Form 1040 is—		And the total number of exemptions claimed on line 7 is—							
Over	But not over	1	2	3	4	5	6	7	8
		Your tax is—							
14,400	14,450	2,129	1,941	1,754	1,582	1,414	1,210	1,010	810
14,450	14,500	2,141	1,954	1,766	1,593	1,426	1,221	1,021	821
14,500	14,550	2,154	1,966	1,779	1,605	1,437	1,232	1,032	832
14,550	14,600	2,166	1,979	1,791	1,616	1,449	1,243	1,043	843
14,600	14,650	2,179	1,991	1,804	1,628	1,460	1,254	1,054	854
14,650	14,700	2,191	2,004	1,816	1,639	1,472	1,265	1,065	865
14,700	14,750	2,204	2,016	1,829	1,651	1,483	1,276	1,076	876
14,750	14,800	2,216	2,029	1,841	1,662	1,493	1,287	1,087	887
14,800	14,850	2,229	2,041	1,854	1,674	1,504	1,299	1,098	898
14,850	14,900	2,241	2,054	1,866	1,685	1,514	1,310	1,109	909
14,900	14,950	2,254	2,066	1,879	1,697	1,525	1,322	1,120	920
14,950	15,000	2,267	2,079	1,891	1,708	1,536	1,333	1,131	931
15,000	15,050	2,280	2,091	1,904	1,720	1,547	1,345	1,142	942
15,050	15,100	2,294	2,104	1,916	1,731	1,559	1,356	1,153	953
15,100	15,150	2,307	2,116	1,929	1,743	1,570	1,368	1,164	964
15,150	15,200	2,321	2,129	1,941	1,754	1,582	1,379	1,175	975
15,200	15,250	2,334	2,141	1,954	1,766	1,593	1,391	1,186	986
15,250	15,300	2,348	2,154	1,966	1,779	1,605	1,402	1,197	997
15,300	15,350	2,361	2,166	1,979	1,791	1,616	1,414	1,208	1,008
15,350	15,400	2,375	2,179	1,991	1,804	1,628	1,425	1,219	1,019
15,400	15,450	2,388	2,191	2,004	1,816	1,639	1,437	1,230	1,030
15,450	15,500	2,402	2,204	2,016	1,829	1,651	1,448	1,241	1,041
15,500	15,550	2,415	2,216	2,029	1,841	1,662	1,460	1,252	1,052
15,550	15,600	2,429	2,229	2,041	1,854	1,674	1,471	1,264	1,063
15,600	15,650	2,442	2,241	2,054	1,866	1,685	1,483	1,275	1,074
15,650	15,700	2,456	2,254	2,066	1,879	1,697	1,494	1,287	1,085
15,700	15,750	2,469	2,267	2,079	1,891	1,708	1,506	1,298	1,096
15,750	15,800	2,483	2,280	2,091	1,904	1,720	1,517	1,310	1,107
15,800	15,850	2,496	2,294	2,104	1,916	1,731	1,529	1,321	1,118
15,850	15,900	2,510	2,307	2,116	1,929	1,743	1,540	1,333	1,129
15,900	15,950	2,523	2,321	2,129	1,941	1,754	1,552	1,344	1,140
15,950	16,000	2,537	2,334	2,141	1,954	1,766	1,563	1,356	1,151
16,000	16,050	2,550	2,348	2,154	1,966	1,779	1,575	1,367	1,162
16,050	16,100	2,564	2,361	2,166	1,979	1,791	1,586	1,379	1,173
16,100	16,150	2,577	2,375	2,179	1,991	1,804	1,598	1,390	1,184
16,150	16,200	2,591	2,388	2,191	2,004	1,816	1,609	1,402	1,195
16,200	16,250	2,604	2,402	2,204	2,016	1,829	1,621	1,413	1,206
16,250	16,300	2,618	2,415	2,216	2,029	1,841	1,632	1,425	1,217
16,300	16,350	2,631	2,429	2,229	2,041	1,854	1,644	1,436	1,229
16,350	16,400	2,645	2,442	2,241	2,054	1,866	1,655	1,448	1,240
16,400	16,450	2,658	2,456	2,254	2,066	1,879	1,667	1,459	1,252
16,450	16,500	2,672	2,469	2,267	2,079	1,891	1,678	1,471	1,263
16,500	16,550	2,685	2,483	2,280	2,091	1,904	1,690	1,482	1,275
16,550	16,600	2,699	2,496	2,294	2,104	1,916	1,701	1,494	1,286
16,600	16,650	2,712	2,510	2,307	2,116	1,929	1,713	1,505	1,298
16,650	16,700	2,726	2,523	2,321	2,129	1,941	1,724	1,517	1,309
16,700	16,750	2,739	2,537	2,334	2,141	1,954	1,736	1,528	1,321
16,750	16,800	2,753	2,550	2,348	2,154	1,966	1,749	1,540	1,332
16,800	16,850	2,766	2,564	2,361	2,166	1,979	1,761	1,551	1,344
16,850	16,900	2,780	2,577	2,375	2,179	1,991	1,774	1,563	1,355
16,900	16,950	2,793	2,591	2,388	2,191	2,004	1,786	1,574	1,367
16,950	17,000	2,807	2,604	2,402	2,204	2,016	1,799	1,586	1,378
17,000	17,050	2,821	2,618	2,415	2,216	2,029	1,811	1,597	1,390
17,050	17,100	2,835	2,631	2,429	2,229	2,041	1,824	1,609	1,401
17,100	17,150	2,849	2,645	2,442	2,241	2,054	1,836	1,620	1,413
17,150	17,200	2,863	2,658	2,456	2,254	2,066	1,849	1,632	1,424
17,200	17,250	2,877	2,672	2,469	2,267	2,079	1,861	1,643	1,436
17,250	17,300	2,891	2,685	2,483	2,280	2,091	1,874	1,655	1,447
17,300	17,350	2,905	2,699	2,496	2,294	2,104	1,886	1,666	1,459
17,350	17,400	2,919	2,712	2,510	2,307	2,116	1,899	1,678	1,470
17,400	17,450	2,933	2,726	2,523	2,321	2,129	1,911	1,689	1,482
17,450	17,500	2,947	2,739	2,537	2,334	2,141	1,924	1,701	1,493
17,500	17,550	2,961	2,753	2,550	2,348	2,154	1,936	1,714	1,505
17,550	17,600	2,975	2,766	2,564	2,361	2,166	1,949	1,726	1,516
17,600	17,650	2,989	2,780	2,577	2,375	2,179	1,961	1,739	1,528
17,650	17,700	3,003	2,793	2,591	2,388	2,191	1,974	1,751	1,539
17,700	17,750	3,017	2,807	2,604	2,402	2,204	1,986	1,764	1,551
17,750	17,800	3,031	2,821	2,618	2,415	2,216	1,999	1,776	1,562
17,800	17,850	3,045	2,835	2,631	2,429	2,229	2,011	1,789	1,574
17,850	17,900	3,059	2,849	2,645	2,442	2,241	2,024	1,801	1,585
17,900	17,950	3,073	2,863	2,658	2,456	2,254	2,036	1,814	1,597
17,950	18,000	3,087	2,877	2,672	2,469	2,267	2,049	1,826	1,608
18,000	18,050	3,101	2,891	2,685	2,483	2,280	2,061	1,839	1,620
18,050	18,100	3,115	2,905	2,699	2,496	2,294	2,074	1,851	1,631
18,100	18,150	3,129	2,919	2,712	2,510	2,307	2,086	1,864	1,643
18,150	18,200	3,143	2,933	2,726	2,523	2,321	2,099	1,876	1,654
18,200	18,250	3,157	2,947	2,739	2,537	2,334	2,111	1,889	1,666
18,250	18,300	3,171	2,961	2,753	2,550	2,348	2,124	1,901	1,679
18,300	18,350	3,185	2,975	2,766	2,564	2,361	2,136	1,914	1,691
18,350	18,400	3,199	2,989	2,780	2,577	2,375	2,149	1,926	1,704
18,400	18,450	3,213	3,003	2,793	2,591	2,388	2,161	1,939	1,716
18,450	18,500	3,227	3,017	2,807	2,604	2,402	2,174	1,951	1,729
18,500	18,550	3,241	3,031	2,821	2,618	2,415	2,186	1,964	1,741
18,550	18,600	3,255	3,045	2,835	2,631	2,429	2,199	1,976	1,754
18,600	18,650	3,269	3,059	2,849	2,645	2,442	2,211	1,989	1,766
18,650	18,700	3,283	3,073	2,863	2,658	2,456	2,224	2,001	1,779
18,700	18,750	3,297	3,087	2,877	2,672	2,469	2,237	2,014	1,791
18,750	18,800	3,311	3,101	2,891	2,685	2,483	2,250	2,026	1,804
18,800	18,850	3,325	3,115	2,905	2,699	2,496	2,264	2,039	1,816
18,850	18,900	3,339	3,129	2,919	2,712	2,510	2,277	2,051	1,829
18,900	18,950	3,353	3,143	2,933	2,726	2,523	2,291	2,064	1,841
18,950	19,000	3,368	3,157	2,947	2,739	2,537	2,304	2,076	1,854
19,000	19,050	3,383	3,171	2,961	2,753	2,550	2,318	2,089	1,866
19,050	19,100	3,399	3,185	2,975	2,766	2,564	2,331	2,101	1,879
19,100	19,150	3,414	3,199	2,989	2,780	2,577	2,345	2,114	1,891
19,150	19,200	3,430	3,213	3,003	2,793	2,591	2,358	2,126	1,904
19,200	19,250	3,445	3,227	3,017	2,807	2,604	2,372	2,139	1,916
19,250	19,300	3,461	3,241	3,031	2,821	2,618	2,385	2,151	1,929
19,300	19,350	3,476	3,255	3,045	2,835	2,631	2,399	2,164	1,941
19,350	19,400	3,492	3,269	3,059	2,849	2,645	2,412	2,176	1,954
19,400	19,450	3,507	3,283	3,073	2,863	2,658	2,426	2,189	1,966
19,450	19,500	3,523	3,297	3,087	2,877	2,672	2,439	2,202	1,979
19,500	19,550	3,538	3,311	3,101	2,891	2,685	2,453	2,215	1,991
19,550	19,600	3,554	3,325	3,115	2,905	2,699	2,466	2,229	2,004
19,600	19,650	3,569	3,339	3,129	2,919	2,712	2,480	2,242	2,016
19,650	19,700	3,585	3,353	3,143	2,933	2,726	2,493	2,256	2,029
19,700	19,750	3,600	3,368	3,157	2,947	2,739	2,507	2,269	2,041
19,750	19,800	3,616	3,383	3,171	2,961	2,753	2,520	2,283	2,054
19,800	19,850	3,631	3,399	3,185	2,975	2,766	2,534	2,296	2,066
19,850	19,900	3,647	3,414	3,199	2,989	2,780	2,547	2,310	2,079
19,900	19,950	3,662	3,430	3,213	3,003	2,793	2,561	2,323	2,091
19,950	20,000	3,678	3,445	3,227	3,017	2,807	2,574	2,337	2,104

Continued next column

1977 Tax Rate Schedules

If you cannot use one of the Tax Tables, figure your tax on the amount on Schedule TC, Part I, line 3, by using the appropriate Tax Rate Schedule on this page. Enter tax on Schedule TC, Part I, line 4.
Note: *Your zero bracket amount has been built into these Tax Rate Schedules.*

SCHEDULE X—Single Taxpayers Not Qualifying for Rates in Schedule Y or Z

Use this schedule if you checked **Box 1** on Form 1040—

If the amount on Schedule TC, Part I, line 3, is: / Enter on Schedule TC, Part I, line 4:

Not over $2,200............ —0—

Over—	But not over—		of the amount over—
$2,200	$2,700	14%	$2,200
$2,700	$3,200	$70+15%	$2,700
$3,200	$3,700	$145+16%	$3,200
$3,700	$4,200	$225+17%	$3,700
$4,200	$6,200	$310+19%	$4,200
$6,200	$8,200	$690+21%	$6,200
$8,200	$10,200	$1,110+24%	$8,200
$10,200	$12,200	$1,590+25%	$10,200
$12,200	$14,200	$2,090+27%	$12,200
$14,200	$16,200	$2,630+29%	$14,200
$16,200	$18,200	$3,210+31%	$16,200
$18,200	$20,200	$3,830+34%	$18,200
$20,200	$22,200	$4,510+36%	$20,200
$22,200	$24,200	$5,230+38%	$22,200
$24,200	$28,200	$5,990+40%	$24,200
$28,200	$34,200	$7,590+45%	$28,200
$34,200	$40,200	$10,290+50%	$34,200
$40,200	$46,200	$13,290+55%	$40,200
$46,200	$52,200	$16,590+60%	$46,200
$52,200	$62,200	$20,190+62%	$52,200
$62,200	$72,200	$26,390+64%	$62,200
$72,200	$82,200	$32,790+66%	$72,200
$82,200	$92,200	$39,390+68%	$82,200
$92,200	$102,200	$46,190+69%	$92,200
$102,200	....	$53,090+70%	$102,200

SCHEDULE Y—Married Taxpayers and Qualifying Widows and Widowers

If you are a married person living apart from your spouse, see page 7 of the instructions to see if you can be considered to be "unmarried" for purposes of using Schedule X or Z.

Married Filing Joint Returns and Qualifying Widows and Widowers

Use this schedule if you checked **Box 2 or Box 5** on Form 1040—

If the amount on Schedule TC, Part I, line 3, is: / Enter on Schedule TC, Part I, line 4:

Not over $3,200............ —0—

Over—	But not over—		of the amount over—
$3,200	$4,200	14%	$3,200
$4,200	$5,200	$140+15%	$4,200
$5,200	$6,200	$290+16%	$5,200
$6,200	$7,200	$450+17%	$6,200
$7,200	$11,200	$620+19%	$7,200
$11,200	$15,200	$1,380+22%	$11,200
$15,200	$19,200	$2,260+25%	$15,200
$19,200	$23,200	$3,260+28%	$19,200
$23,200	$27,200	$4,380+32%	$23,200
$27,200	$31,200	$5,660+36%	$27,200
$31,200	$35,200	$7,100+39%	$31,200
$35,200	$39,200	$8,660+42%	$35,200
$39,200	$43,200	$10,340+45%	$39,200
$43,200	$47,200	$12,140+48%	$43,200
$47,200	$55,200	$14,060+50%	$47,200
$55,200	$67,200	$18,060+53%	$55,200
$67,200	$79,200	$24,420+55%	$67,200
$79,200	$91,200	$31,020+58%	$79,200
$91,200	$103,200	$37,980+60%	$91,200
$103,200	$123,200	$45,180+62%	$103,200
$123,200	$143,200	$57,580+64%	$123,200
$143,200	$163,200	$70,380+66%	$143,200
$163,200	$183,200	$83,580+68%	$163,200
$183,200	$203,200	$97,180+69%	$183,200
$203,200	....	$110,980+70%	$203,200

Married Filing Separate Returns

Use this schedule if you checked **Box 3** on Form 1040—

If the amount on Schedule TC, Part I, line 3, is: / Enter on Schedule TC, Part I, line 4:

Not over $1,600............ —0—

Over—	But not over—		of the amount over—
$1,600	$2,100	14%	$1,600
$2,100	$2,600	$70+15%	$2,100
$2,600	$3,100	$145+16%	$2,600
$3,100	$3,600	$225+17%	$3,100
$3,600	$5,600	$310+19%	$3,600
$5,600	$7,600	$690+22%	$5,600
$7,600	$9,600	$1,130+25%	$7,600
$9,600	$11,600	$1,630+28%	$9,600
$11,600	$13,600	$2,190+32%	$11,600
$13,600	$15,600	$2,830+36%	$13,600
$15,600	$17,600	$3,550+39%	$15,600
$17,600	$19,600	$4,330+42%	$17,600
$19,600	$21,600	$5,170+45%	$19,600
$21,600	$23,600	$6,070+48%	$21,600
$23,600	$27,600	$7,030+50%	$23,600
$27,600	$33,600	$9,030+53%	$27,600
$33,600	$39,600	$12,210+55%	$33,600
$39,600	$45,600	$15,510+58%	$39,600
$45,600	$51,600	$18,990+60%	$45,600
$51,600	$61,600	$22,590+62%	$51,600
$61,600	$71,600	$28,790+64%	$61,600
$71,600	$81,600	$35,190+66%	$71,600
$81,600	$91,600	$41,790+68%	$81,600
$91,600	$101,600	$48,590+69%	$91,600
$101,600	....	$55,490+70%	$101,600

SCHEDULE Z—Unmarried or legally separated taxpayers Who Qualify as Heads of Household

Use this schedule if you checked **Box 4** on Form 1040—

If the amount on Schedule TC, Part I, line 3, is: / Enter on Schedule TC, Part I, line 4:

Not over $2,200............ —0—

Over—	But not over—		of the amount over—
$2,200	$3,200	14%	$2,200
$3,200	$4,200	$140+16%	$3,200
$4,200	$6,200	$300+18%	$4,200
$6,200	$8,200	$660+19%	$6,200
$8,200	$10,200	$1,040+22%	$8,200
$10,200	$12,200	$1,480+23%	$10,200
$12,200	$14,200	$1,940+25%	$12,200
$14,200	$16,200	$2,440+27%	$14,200
$16,200	$18,200	$2,980+28%	$16,200
$18,200	$20,200	$3,540+31%	$18,200
$20,200	$22,200	$4,160+32%	$20,200
$22,200	$24,200	$4,800+35%	$22,200
$24,200	$26,200	$5,500+36%	$24,200
$26,200	$28,200	$6,220+38%	$26,200
$28,200	$30,200	$6,980+41%	$28,200
$30,200	$34,200	$7,800+42%	$30,200
$34,200	$38,200	$9,480+45%	$34,200
$38,200	$40,200	$11,280+48%	$38,200
$40,200	$42,200	$12,240+51%	$40,200
$42,200	$46,200	$13,260+52%	$42,200
$46,200	$52,200	$15,340+55%	$46,200
$52,200	$54,200	$18,640+56%	$52,200
$54,200	$66,200	$19,760+58%	$54,200
$66,200	$72,200	$26,720+59%	$66,200
$72,200	$78,200	$30,260+61%	$72,200
$78,200	$82,200	$33,920+62%	$78,200
$82,200	$90,200	$36,400+63%	$82,200
$90,200	$102,200	$41,440+64%	$90,200
$102,200	$122,200	$49,120+66%	$102,200
$122,200	$142,200	$62,320+67%	$122,200
$142,200	$162,200	$75,720+68%	$142,200
$162,200	$182,200	$89,320+69%	$162,200
$182,200	....	$103,120+70%	$182,200

1977 Optional State Sales Tax Tables

Your itemized deduction for general sales taxes paid can be estimated from these tables plus any qualifying **sales taxes** paid on the items listed on page 14. The larger of the sales tax estimate from this table or the sales tax your records show that you paid can be entered on Schedule A, line 14.

If your income was more than $19,999 but less than $100,000, compute your deduction as follows:

Step 1.—Find the $19,000–19,999 income line in the table for your state and read across to find the amount of sales tax for your family size.

Step 2.—Subtract $19,999 from the amount of your income. For each $1,000 or fraction of $1,000 that your income is greater than $19,999, but less than $50,000, add 2 percent of the amount you found in step 1, above.

Step 3.—For each $1,000 or fraction of $1,000 that your income is greater than $49,999, but less than $100,000, add 1 percent of the amount you found in step 1, above.

If your income was $100,000 or more, your deduction is 210 percent of the amount determined in Step 1, above.

Income [1]	Alabama [2]					Arizona [3]						Arkansas [2]					California [4]			
	Family size (persons)					Family size (persons)						Family size (persons)					Family size (persons)			
	1	2	3&4	5	Over 5	1	2	3	4	5	Over 5	1	2	3&4	5	Over 5	1&2	3&4	5	Over 5
Under $3,000	$45	$53	$66	$71	$72	$51	$67	$70	$84	$84	$85	$38	$45	$54	$58	$59	$51	$61	$68	$68
$3,000–$3,999	55	66	81	89	91	63	82	86	100	101	105	47	56	67	73	74	66	78	87	87
$4,000–$4,999	64	79	95	105	108	73	95	101	114	118	123	54	66	78	86	88	80	93	104	104
$5,000–$5,999	73	90	108	120	124	82	107	115	127	134	140	61	76	88	98	101	93	107	120	120
$6,000–$6,999	81	101	120	134	139	91	118	127	139	149	156	67	85	98	110	114	106	121	135	136
$7,000–$7,999	88	111	131	147	154	99	128	139	150	163	171	73	93	108	121	126	118	134	149	152
$8,000–$8,999	95	121	142	160	168	107	138	151	161	176	185	79	101	117	131	137	130	147	163	167
$9,000–$9,999	102	130	152	172	181	114	147	162	171	189	199	84	109	125	141	148	141	159	176	181
$10,000–$10,999	109	139	162	184	194	121	156	172	180	201	212	89	116	133	151	158	152	171	189	195
$11,000–$11,999	115	148	171	195	207	128	165	182	189	213	225	94	123	141	160	168	163	183	202	209
$12,000–$12,999	121	157	180	206	219	134	174	192	197	224	237	99	130	149	169	178	174	194	214	222
$13,000–$13,999	127	165	189	217	231	140	182	201	205	235	249	104	137	156	178	188	184	205	226	235
$14,000–$14,999	133	173	198	228	243	146	190	210	213	246	261	109	144	163	186	198	194	216	238	248
$15,000–$15,999	139	181	207	238	254	152	197	219	221	256	272	113	151	170	194	207	204	227	249	260
$16,000–$16,999	144	189	215	248	265	158	204	228	229	266	283	117	157	177	202	216	214	238	260	272
$17,000–$17,999	149	197	223	258	276	164	211	237	237	276	294	121	163	184	210	225	224	248	271	284
$18,000–$18,999	154	204	231	268	287	169	218	245	245	286	305	125	169	190	218	234	233	258	282	296
$19,000–$19,999	159	211	238	277	297	174	225	253	253	295	315	129	175	196	226	242	242	268	293	308

Income [1]	Colorado [3]						Connecticut				Dist. of Columbia					Florida				Georgia [2]					Hawaii				
	Family size (persons)						Family size (persons)				Family size (persons)					Family size (persons)				Family size (persons)					Family size (persons)				
	1	2	3	4	5	Over 5	1&2	3&4	5	Over 5	1	2	3&4	5	Over 5	1&2	3&4	5	Over 5	1	2	3&4	5	Over 5	1	2	3&4	5	Over 5
Under $3,000	$35	$48	$49	$59	$59	$60	$44	$51	$61	$61	$34	$39	$49	$53	$53	$30	$40	$44	$44	$40	$49	$59	$65	$65	$69	$87	$91	$101	$101
$3,000–$3,999	44	58	61	71	73	75	59	68	79	79	41	50	61	66	66	40	51	56	56	50	61	72	80	80	85	105	111	123	123
$4,000–$4,999	51	68	72	82	85	88	73	83	96	96	48	60	73	78	78	50	62	68	68	58	72	85	94	94	99	120	129	143	144
$5,000–$5,999	58	76	82	91	97	100	87	98	112	112	54	69	83	90	90	59	72	79	79	65	82	96	106	107	112	135	145	161	163
$6,000–$6,999	64	84	91	100	107	112	101	113	127	127	60	78	92	101	101	68	81	89	89	72	91	106	118	120	123	148	159	178	181
$7,000–$7,999	70	92	100	109	117	123	114	127	142	142	66	87	101	111	112	76	90	99	100	79	100	116	129	133	134	160	173	193	198
$8,000–$8,999	76	99	108	117	127	133	127	141	156	156	71	95	110	121	123	84	99	109	110	85	109	125	140	145	145	172	186	208	215
$9,000–$9,999	81	106	116	124	136	143	140	154	170	171	76	103	119	130	134	92	108	118	120	91	117	134	150	157	155	183	199	222	230
$10,000–$10,999	86	112	124	131	145	153	152	167	183	186	81	111	127	139	144	100	116	127	130	96	125	143	159	168	165	193	211	236	245
$11,000–$11,999	91	118	132	138	154	163	164	180	196	201	86	119	135	148	154	108	124	136	140	102	133	151	169	179	174	203	222	249	260
$12,000–$12,999	96	124	139	145	162	172	176	193	209	216	90	127	142	157	164	116	132	145	150	107	140	159	178	190	183	213	233	261	274
$13,000–$13,999	101	130	146	151	170	181	188	205	222	230	94	135	149	166	174	124	140	154	159	112	147	167	187	200	192	222	244	273	287
$14,000–$14,999	106	136	153	157	178	190	200	217	235	244	98	142	156	174	184	132	148	162	168	117	154	174	196	210	200	231	254	285	300
$15,000–$15,999	110	141	160	163	186	198	212	229	247	258	102	149	163	182	194	140	155	170	177	122	161	181	204	220	208	240	264	296	313
$16,000–$16,999	114	146	167	169	194	206	224	241	259	272	106	156	170	190	203	147	162	178	186	127	168	188	212	230	216	248	274	307	326
$17,000–$17,999	118	151	173	175	201	214	236	253	271	286	110	163	177	198	212	154	169	186	195	132	174	195	220	240	224	256	284	318	338
$18,000–$18,999	122	156	179	181	208	222	247	265	283	300	114	170	184	206	221	161	176	194	204	136	180	202	228	250	232	264	293	329	350
$19,000–$19,999	126	161	185	186	215	230	258	277	294	314	118	176	190	213	230	168	183	201	213	140	186	208	235	259	239	272	302	339	362

Income [1]	Idaho						Illinois [5]						Indiana					Iowa			Kansas [2]					
	Family size (persons)						Family size (persons)						Family size (persons)					Family size (persons)			Family size (persons)					
	1	2	3	4	5	Over 5	1	2	3	4	5	Over 5	1	2	3&4	5	Over 5	1&2	3,4&5	Over 5	1	2	3	4	5	Over 5
Under $3,000	$34	$45	$47	$57	$57	$58	$54	$70	$80	$92	$92	$97	$37	$41	$47	$51	$51	$30	$35	$35	$41	$51	$56	$64	$64	$67
$3,000–$3,999	42	55	59	69	69	72	66	86	98	111	113	121	47	53	60	65	65	39	45	46	50	63	69	78	78	84
$4,000–$4,999	49	64	69	79	82	85	77	100	115	128	133	142	56	63	72	78	78	47	54	56	58	74	82	90	92	100
$5,000–$5,999	56	73	79	88	93	97	87	114	131	144	151	162	65	73	83	90	91	55	63	66	66	84	93	102	106	114
$6,000–$6,999	62	81	88	97	104	109	97	126	145	158	168	181	73	83	94	101	103	62	72	76	73	93	104	112	118	127
$7,000–$7,999	68	88	97	105	114	120	106	138	159	171	184	199	81	92	104	112	115	69	81	86	80	102	114	122	130	140
$8,000–$8,999	74	95	105	113	124	130	115	149	172	184	199	216	89	101	114	123	127	76	89	95	86	110	124	132	142	153
$9,000–$9,999	79	102	113	120	133	140	123	160	184	196	214	232	96	110	124	133	138	83	97	104	92	118	133	141	153	165
$10,000–$10,999	84	109	121	127	142	150	131	170	196	208	228	248	103	118	133	143	149	89	105	113	98	125	142	150	163	176
$11,000–$11,999	89	115	129	134	151	159	138	180	207	219	242	263	110	126	142	153	160	95	113	122	104	132	151	158	173	187
$12,000–$12,999	94	121	136	140	159	168	145	190	218	230	255	277	117	134	151	163	171	101	120	131	109	139	159	166	183	198
$13,000–$13,999	99	127	143	146	167	177	152	199	229	240	268	291	124	142	159	172	182	107	127	140	114	146	167	174	193	208
$14,000–$14,999	104	133	150	152	175	186	159	208	240	250	281	305	130	150	167	181	192	113	134	149	119	153	175	182	203	218
$15,000–$15,999	109	139	157	158	183	194	166	217	250	260	293	319	136	157	175	190	202	119	141	157	124	159	183	189	212	228
$16,000–$16,999	113	145	164	164	191	202	173	226	260	269	305	332	142	164	183	199	212	125	148	165	129	165	191	196	221	238
$17,000–$17,999	117	150	170	170	198	210	179	234	270	278	317	345	148	171	191	208	222	131	155	173	134	171	198	203	230	248
$18,000–$18,999	121	155	176	176	205	218	185	242	280	287	328	358	154	178	199	216	232	137	162	181	138	177	205	210	239	258
$19,000–$19,999	125	160	182	182	212	226	191	250	289	295	339	371	160	185	207	224	242	142	168	189	142	183	212	216	247	267

Income [1]	Kentucky				Louisiana [2]				Maine					Maryland				Massachusetts			Michigan				Minnesota [2]		
	Family size (persons)				Family size (persons)				Family size (persons)					Family size (persons)				Family size (persons)			Family size (persons)				Family size (persons)		
	1&2	3&4	5	Over 5	1&2	3&4	5	Over 5	1&2	3	4	5	Over 5	1&2	3&4	5	Over 5	1	2,3&4	5 and over	1&2	3&4	5	Over 5	1&2	3, 4&5	Over 5
Under $3,000	$46	$57	$61	$61	$25	$31	$34	$34	$40	$48	$56	$57	$57	$37	$47	$51	$51	$13	$17	$24	$35	$43	$45	$45	$27	$30	$30
$3,000–$3,999	59	73	78	78	33	40	44	44	52	61	70	72	72	48	60	65	65	17	22	30	46	55	58	58	35	38	39
$4,000–$4,999	72	87	93	93	41	49	53	53	64	74	83	87	87	58	72	78	78	20	27	36	55	66	70	70	42	46	47
$5,000–$5,999	84	100	107	107	48	57	62	62	75	86	96	101	101	68	83	90	90	24	32	42	64	76	81	82	49	54	55
$6,000–$6,999	95	112	121	121	55	64	70	70	86	98	107	114	114	78	94	102	102	27	37	47	73	86	92	94	56	61	63
$7,000–$7,999	106	124	134	135	62	71	77	78	97	109	118	126	126	87	104	113	114	30	42	52	82	96	102	105	62	68	71
$8,000–$8,999	116	135	146	148	69	78	85	86	107	120	129	138	139	96	113	124	126	33	47	57	90	105	112	116	68	75	79
$9,000–$9,999	126	146	158	161	76	85	93	94	117	130	139	150	152	105	122	134	138	36	52	62	98	114	122	127	74	82	86
$10,000–$10,999	136	157	170	174	82	92	100	102	127	140	149	161	165	114	131	144	149	39	57	67	106	123	131	138	80	88	93
$11,000–$11,999	146	167	182	187	88	98	107	110	136	150	158	172	177	122	140	154	160	42	61	72	113	131	140	149	85	94	100
$12,000–$12,999	155	177	193	200	94	104	114	118	145	160	167	183	189	130	149	163	171	44	65	76	120	139	149	159	90	100	107
$13,000–$13,999	164	187	204	212	100	110	121	125	154	170	176	194	201	138	158	172	182	47	69	80	127	147	158	169	95	106	114
$14,000–$14,999	173	197	215	224	106	116	128	132	163	179	185	204	212	146	166	181	193	50	73	84	134	155	167	179	100	112	121
$15,000–$15,999	182	206	225	236	112	122	134	139	172	188	194	214	223	154	174	190	203	52	77	88	141	163	176	189	105	118	128
$16,000–$16,999	191	215	235	248	118	128	140	146	181	197	203	224	234	161	182	199	213	55	81	92	148	171	184	199	110	124	134
$17,000–$17,999	200	224	245	259	124	134	146	153	190	206	211	234	245	168	190	208	223	57	85	96	155	179	192	209	115	130	140
$18,000–$18,999	208	233	255	270	130	140	152	160	199	215	219	244	256	175	197	216	233	60	89	100	162	186	200	218	120	135	146
$19,000–$19,999	216	242	264	281	136	145	158	167	207	223	227	253	267	182	204	224	243	62	93	104	168	193	208	227	125	140	152

[1] Total of amount on Form 1040, line 29 and nontaxable receipts such as social security, veterans', railroad retirement benefits, workmen's compensation, untaxed portion of long-term capital gains, dividends exclusion, unemployment compensation and public assistance payments.

[2] Local sales taxes are not included. Add an amount based on the ratio between the local and State sales tax rates considering the number of months the taxes have been in effect.

[3] Local sales taxes are not included. Add the amount paid.

[4] The 1¼ percent local sales tax is included. If the ½ of 1 percent sales tax is paid all year (Alameda, Contra Costa, San Francisco, and Santa Clara counties) add 8 percent to the table amount.

[5] Local sales taxes are included.

235–058–1

1977 Optional State Sales Tax Tables

Your itemized deduction for general sales taxes paid can be estimated from these tables plus any qualifying **sales taxes** paid on the items listed on page 14. The larger of the sales tax estimate from this table or the sales tax your records show that you paid can be entered on Schedule A, line 14.

If your income was more than $19,999 but less than $100,000, compute your deduction as follows:

Step 1.—Find the $19,000–19,999 income line in the table for your State and read across to find the amount of sales tax for your family size.

Step 2.—Subtract $19,999 from the amount of your income. For each $1,000 or fraction of $1,000 that your income is greater than $19,999, but less than $50,000, add 2-percent of the amount you found in step 1, above.

Step 3.—For each $1,000 or fraction of $1,000 that your income is greater than $49,999, but less than $100,000, add 1 percent of the amount you found in step 1, above.

If your income was $100,000 or more, your deduction is 210 percent of the amount determined in Step 1, above.

Income [1]	Mississippi					Missouri [2]						Nebraska [2]						Nevada [3]					
Family size (persons)	1	2	3&4	5	Over 5	1	2	3	4	5	Over 5	1	2	3	4	5	Over 5	1	2	3	4	5	Over 5
Under $3,000	$70	$83	$100	$109	$109	$37	$48	$53	$60	$60	$64	$38	$50	$56	$63	$64	$67	$38	$51	$53	$65	$65	$67
$3,000–$3,999	86	104	124	135	135	46	59	66	73	75	80	47	61	69	76	79	84	47	62	66	78	79	82
$4,000–$4,999	100	123	144	159	159	53	69	77	85	88	94	55	71	80	88	93	99	55	72	77	89	92	96
$5,000–$5,999	113	141	163	181	182	60	78	87	96	100	108	62	81	91	99	105	113	62	81	88	99	104	109
$6,000–$6,999	125	158	181	201	204	67	87	97	106	112	121	69	89	101	110	117	126	69	90	98	108	116	121
$7,000–$7,999	136	173	198	220	225	73	95	106	115	123	133	75	97	111	119	128	139	75	98	107	116	127	133
$8,000–$8,999	147	188	214	238	246	79	102	115	124	133	144	81	105	120	128	139	151	81	105	116	124	137	144
$9,000–$9,999	157	203	230	256	266	84	109	124	132	143	155	87	112	128	137	149	162	87	112	125	132	147	154
$10,000–$10,999	167	217	244	273	285	89	116	132	140	153	166	92	119	136	145	159	173	92	119	133	139	156	164
$11,000–$11,999	176	230	258	289	304	94	123	140	148	162	177	97	126	144	153	168	184	97	126	141	146	165	174
$12,000–$12,999	185	243	272	305	322	99	129	147	155	171	187	102	133	152	161	177	195	102	133	149	153	174	183
$13,000–$13,999	194	256	285	320	340	104	135	154	162	180	197	107	139	160	168	186	205	107	139	156	159	182	192
$14,000–$14,999	202	269	298	335	358	109	141	161	169	189	207	112	145	167	175	195	215	112	145	163	165	190	201
$15,000–$15,999	210	281	311	350	375	114	147	168	176	197	216	117	151	174	182	204	225	117	151	170	171	198	210
$16,000–$16,999	218	293	323	364	392	118	153	175	183	205	225	121	157	181	189	212	234	122	157	177	177	206	219
$17,000–$17,999	226	305	335	378	408	122	159	182	189	213	234	125	163	188	195	220	243	126	163	184	184	214	227
$18,000–$18,999	234	316	347	392	424	126	164	189	195	221	243	129	168	195	201	228	252	130	168	191	191	222	235
$19,000–$19,999	241	327	359	405	440	130	169	195	201	228	251	133	173	201	207	236	261	134	173	197	197	229	243

Income [1]	New Jersey		New Mexico [2]						New York [4]					North Carolina [5]					North Dakota				Ohio [2]				Oklahoma [2]				
Family size (persons)	4 or under	5 and over	1	2	3	4	5	Over 5	1&2	3	4	5	Over 5	1	2	3&4	5	Over 5	1&2	3&4	5	Over 5	1&2	3&4	5	Over 5	1	2	3&4	5	Over 5
Under $3,000	$28	$37	$58	$77	$78	$92	$92	$92	$37	$44	$53	$56	$56	$46	$53	$66	$72	$72	$24	$29	$30	$30	$27	$33	$33	$34	$25	$29	$35	$38	$38
$3,000–$3,999	38	47	71	94	96	111	111	113	49	57	66	71	71	56	67	81	89	90	31	37	39	39	36	43	44	45	31	37	43	47	48
$4,000–$4,999	47	57	83	109	113	128	128	134	60	69	79	84	84	65	79	95	105	107	38	45	47	47	44	52	54	56	36	44	51	56	58
$5,000–$5,999	56	67	94	123	129	143	146	153	70	81	90	97	97	74	91	108	120	123	45	52	55	55	52	61	64	66	41	50	58	64	66
$6,000–$6,999	65	76	104	135	144	157	163	171	80	92	101	109	109	82	102	120	133	138	51	59	63	63	60	70	74	76	45	56	64	72	74
$7,000–$7,999	74	85	113	147	158	170	179	188	90	102	111	120	120	89	112	131	146	152	57	66	71	71	68	78	83	86	49	61	70	79	82
$8,000–$8,999	82	94	122	158	171	183	194	204	99	112	121	131	131	96	122	141	159	166	63	73	78	79	75	86	92	96	53	66	76	86	89
$9,000–$9,999	90	102	131	169	184	195	209	220	108	122	130	141	142	103	131	151	171	179	69	79	85	87	82	94	101	105	57	71	82	93	96
$10,000–$10,999	98	110	139	179	196	206	223	235	117	132	139	151	154	109	140	161	182	192	75	85	92	95	89	102	110	114	60	76	87	99	103
$11,000–$11,999	106	118	147	189	208	217	237	250	126	142	148	161	165	115	149	171	193	204	81	91	99	103	96	110	119	123	64	81	92	105	110
$12,000–$12,999	114	126	155	199	220	227	250	264	135	151	157	171	176	121	158	180	204	216	87	97	106	111	103	117	128	132	68	86	97	111	117
$13,000–$13,999	122	134	162	208	231	237	263	278	144	160	165	180	187	127	167	189	215	228	92	103	113	118	110	124	136	141	71	91	102	117	123
$14,000–$14,999	130	141	169	217	242	247	276	291	152	169	173	189	198	133	175	197	225	239	97	109	119	125	117	131	144	150	74	96	107	123	129
$15,000–$15,999	138	148	176	226	253	256	289	304	160	178	181	198	209	139	183	205	235	250	102	115	125	132	124	138	152	159	77	100	112	129	135
$16,000–$16,999	146	155	183	235	263	265	301	317	168	187	189	207	220	144	191	213	245	261	107	121	131	139	130	145	160	168	80	104	117	134	141
$17,000–$17,999	154	162	190	243	273	274	313	330	176	196	196	215	230	149	199	221	254	272	112	126	137	146	136	152	168	177	83	108	121	139	147
$18,000–$18,999	161	169	196	251	283	283	324	342	184	204	204	223	240	154	207	229	263	282	117	131	143	153	142	159	176	185	86	112	125	144	153
$19,000–$19,999	168	176	202	259	293	293	335	354	192	212	212	231	250	159	214	237	272	292	122	136	149	160	148	165	184	193	88	116	129	149	159

Income [1]	Pennsylvania		Rhode Island			South Carolina					South Dakota [6]						Tennessee [2]					Texas [2]			
Family size (persons)	4 or under	5 and over	4 or under	5	Over 5	1	2	3&4	5	Over 5	1	2	3	4	5	Over 5	1	2	3&4	5	Over 5	1&2	3&4	5	Over 5
Under $3,000	$24	$31	$36	$51	$51	$52	$61	$73	$80	$80	$52	$66	$71	$81	$81	$83	$54	$62	$76	$84	$84	$32	$41	$44	$44
$3,000–$3,999	33	40	50	66	66	63	76	90	99	99	64	81	88	99	99	105	66	78	95	104	105	42	52	56	56
$4,000–$4,999	42	49	62	79	79	73	90	105	116	118	75	95	104	115	117	125	77	93	111	123	125	51	62	67	68
$5,000–$5,999	50	58	74	91	91	83	102	119	132	135	84	107	118	130	134	144	87	106	126	140	144	59	71	78	79
$6,000–$6,999	58	67	85	103	103	91	114	132	147	151	93	119	132	144	150	161	97	119	140	156	161	67	80	88	89
$7,000–$7,999	66	75	96	115	115	99	125	144	161	167	102	130	145	157	165	178	106	131	153	171	178	75	89	98	99
$8,000–$8,999	74	83	107	126	126	107	136	156	174	182	110	141	157	169	179	194	114	143	165	186	194	83	97	107	109
$9,000–$9,999	82	91	118	137	138	114	146	167	187	196	118	151	169	181	193	210	122	154	177	200	209	90	105	116	118
$10,000–$10,999	90	99	128	147	150	121	156	178	200	210	125	161	181	192	207	225	130	165	189	213	224	97	113	125	127
$11,000–$11,999	98	107	138	157	161	128	166	188	212	224	132	170	192	203	220	240	137	175	200	226	239	104	120	133	136
$12,000–$12,999	106	114	148	167	172	134	175	198	224	237	139	179	203	213	233	254	144	185	211	239	253	111	127	141	145
$13,000–$13,999	114	121	158	177	183	140	184	208	235	250	146	188	213	223	245	268	151	195	221	251	267	118	134	149	153
$14,000–$14,999	122	128	168	187	194	146	193	217	246	262	153	197	223	233	257	281	158	205	231	263	280	125	141	157	161
$15,000–$15,999	130	135	178	196	205	152	202	226	257	274	159	205	233	242	269	294	164	215	241	275	293	132	148	165	169
$16,000–$16,999	138	142	188	205	216	158	210	235	267	286	165	213	243	251	280	307	170	224	251	286	306	139	155	173	177
$17,000–$17,999	146	149	198	214	227	163	218	244	277	298	171	221	253	260	291	320	176	233	260	297	319	145	162	180	185
$18,000–$18,999	153	156	208	223	238	168	226	252	287	310	177	229	262	269	302	333	182	242	269	308	331	151	168	187	193
$19,000–$19,999	160	163	217	232	248	173	234	260	297	321	182	236	271	278	313	345	188	251	278	319	343	157	174	194	201

Income [1]	Utah [7]						Vermont					Virginia [3]					Washington [8]						West Virginia					Wisconsin				Wyoming [2]					
Family size (persons)	1	2	3	4	5	Over 5	1	2	3&4	5	Over 5	1	2	3&4	5	Over 5	1	2	3	4	5	Over 5	1	2	3&4	5	Over 5	1&2	3&4	5	Over 5	1	2	3	4	5	Over 5
Under $3,000	$59	$77	$80	$95	$95	$95	$14	$17	$22	$27	$27	$43	$50	$63	$69	$70	$59	$79	$81	$98	$98	$98	$36	$42	$52	$57	$57	$40	$47	$48	$48	$39	$51	$53	$62	$62	$62
$3,000–$3,999	73	95	99	115	115	118	18	22	28	34	34	52	63	78	86	88	74	97	102	118	120	122	45	53	65	71	71	51	60	62	63	48	63	65	75	76	78
$4,000–$4,999	85	111	117	132	134	140	22	27	34	41	41	61	75	91	101	104	87	114	121	137	142	145	52	63	76	84	85	61	73	75	77	56	73	77	87	89	92
$5,000–$5,999	97	125	134	148	153	160	25	32	39	47	47	69	86	103	115	119	99	129	138	154	162	167	59	73	86	96	97	71	84	88	91	64	82	88	97	101	106
$6,000–$6,999	108	138	149	163	171	179	29	37	44	53	53	76	96	114	128	133	110	143	154	169	181	187	66	82	96	107	109	81	95	100	104	71	91	98	107	113	118
$7,000–$7,999	118	151	163	176	187	197	32	41	49	58	59	83	106	125	141	147	120	156	170	184	199	207	72	90	105	118	121	90	106	112	117	77	99	107	116	124	130
$8,000–$8,999	128	163	177	189	203	215	35	45	54	64	65	90	115	135	153	160	130	169	185	197	216	225	78	98	114	128	132	99	116	123	129	83	107	116	125	134	141
$9,000–$9,999	137	175	191	202	219	232	38	50	59	69	71	96	124	145	164	172	140	181	199	210	232	243	84	106	122	138	143	107	126	134	141	89	115	125	133	144	152
$10,000–$10,999	146	186	204	214	234	248	41	54	64	74	76	102	132	154	175	184	149	193	213	223	248	261	89	113	130	147	153	115	136	145	153	95	122	134	140	154	163
$11,000–$11,999	154	196	216	225	248	264	44	58	68	79	81	108	140	163	186	196	158	204	226	235	263	278	94	121	138	156	163	123	145	155	165	101	129	142	148	163	173
$12,000–$12,999	162	206	228	236	262	279	47	62	72	83	86	114	148	172	196	208	167	215	239	247	278	294	99	128	145	165	173	131	154	165	176	106	136	150	155	172	183
$13,000–$13,999	170	216	240	246	275	294	50	66	76	88	91	119	156	180	206	219	176	225	252	258	293	310	104	135	152	174	183	139	163	175	187	111	142	158	162	181	193
$14,000–$14,999	178	226	251	256	288	308	53	70	80	93	96	124	164	188	216	230	184	235	265	269	307	326	109	142	159	182	192	147	172	185	198	116	148	165	169	190	202
$15,000–$15,999	186	235	262	266	301	322	56	74	84	97	101	129	172	196	225	240	192	245	277	279	321	341	114	148	166	190	201	154	181	195	209	121	154	172	175	199	211
$16,000–$16,999	194	244	273	276	314	336	58	77	88	102	106	134	179	204	234	250	200	255	289	289	334	356	119	154	173	198	210	161	190	205	220	126	160	179	181	207	220
$17,000–$17,999	201	253	284	285	326	350	61	81	92	106	111	139	186	212	243	260	208	265	301	301	347	371	123	160	180	206	219	168	198	215	231	131	166	186	187	215	229
$18,000–$18,999	208	262	294	294	338	363	64	85	96	110	116	144	193	219	252	270	216	274	312	312	360	385	127	166	186	214	228	175	206	224	241	136	172	193	193	223	238
$19,000–$19,999	215	271	304	304	350	376	66	88	100	114	120	149	200	226	261	280	223	283	323	323	373	399	131	172	192	221	236	182	214	233	251	140	177	200	200	231	246

[1] Total of amount on Form 1040, line 29 and nontaxable receipts such as social security, veterans', railroad retirement benefits, workmen's compensation, untaxed portion of long-term capital gains, dividends exclusion, unemployment compensation and public assistance payments.

[2] Local sales taxes are not included. Add an amount based on the ratio between the local and State sales tax rates considering the number of months the taxes have been in effect.

[3] Local sales taxes are included.

[4] Local sales taxes are not included. If paid all year add 25 percent of the table amount for each 1 percent of local sales tax rate. Otherwise use a proportionate amount. For New York City add 103 percent of the table amount to include personal services taxed after February 29, 1976.

[5] Local sales taxes are included. Taxpayers not paying local sales tax should use 75 percent of the amount allowed.

[6] Local sales taxes are not included. Add the amount paid.

[7] Local ¾ percent sales taxes are included. Add 5 percent of the table amount if the ¼ percent county sales tax for transportation is paid all year (Davis, Salt Lake and Weber). Otherwise add a proportionate amount (see footnote 2).

[8] Local ½ percent sales taxes are included. If the 3/10's of 1 percent sales tax for public transportation is paid all year (Grays Harbor and King Counties) add 6 percent to the table amount. Otherwise add a proportionate amount (see footnote 2).

To Call IRS Toll Free for Answers to Your Federal Tax Questions, Use Only the Number Listed Below for Your Area

Caution: *"Toll-free" is a telephone call for which you pay only local charges and no long-distance charge is involved. Therefore, please use a local city number* **only** *if it is not a long-distance call for you. Otherwise, use the general toll-free number provided.*

To help us provide courteous responses and accurate information, IRS occasionally monitors telephone calls. No record is maintained of the taxpayer's name, address or social security number.

If you find it necessary to write rather than call us, please address your letter to your IRS District Director for a prompt reply.

Tax Advice to Taxpayers.—We are happy to answer questions to help you prepare your return. But you should know that you are responsible for the accuracy of your return and for the payment of the correct tax. If we do make an error, you are still responsible for the payment of the correct tax, and we are generally required by law to charge interest.

Telephone Assistance Services for Deaf/Hearing Impaired Taxpayers Who have Access to TV—phone/teletypewriter Equipment.
Hours of Operation
8:30 A.M. to 6:45 P.M. EST
Indiana residents, 800–382–4059
Elsewhere in contiguous U.S., 800–428–4732

ALABAMA
Birmingham, 252–1155
Decatur, 355–1855
Huntsville, 539–2751
Mobile, 433–5532
Montgomery, 264–8441
Muscle Shoals Area, 767–0301
Tuscaloosa, 758–4434
Elsewhere in Alabama, 800–292–6300

ALASKA
Anchorage, 276–1040
Elsewhere in Alaska, call operator and ask for Zenith 3700

ARIZONA
Phoenix, 257–1233
Tucson, 882–4181
Elsewhere in Arizona, 800–352–6911

ARKANSAS
Little Rock, 376–4401
Elsewhere in Arkansas, 800–482–9350

CALIFORNIA
Please call the telephone number shown in the white pages of your local telephone directory under U.S. Government, Internal Revenue Service, Federal Tax Assistance.

COLORADO
Colorado Springs, 634–6684
Denver, 825–7041
Elsewhere in Colorado, 800–332–2060

CONNECTICUT
Bridgeport, 576–1433
Hartford, 249–8251
Stamford, 348–6235
Elsewhere in Connecticut, 1–800–842–1120

DELAWARE
Wilmington, 571–6400
Elsewhere in Delaware, 800–292–9575

DISTRICT OF COLUMBIA
Call 488–3100

FLORIDA
Fort Lauderdale, 491–3311
Jacksonville, 354–1760
Miami, 358–5072
Orlando, 422–2550
Pensacola, 434–5215
St. Petersburg, 823–7459
Tampa, 223–9741
West Palm Beach, 655–7250
Elsewhere in Florida, 1–800–342–8300

GEORGIA
Atlanta, 522–0050
Augusta, 724–9946
Columbus, 327–7491
Macon, 746–4993
Savannah, 355–1045
Elsewhere in Georgia, 1–800–222–1040

HAWAII
Hawaii, 935–4895
Oahu, 546–8660
Kauai, 245–2731
Lanai, call operator and ask for Enterprise 8036
Maui, 244–7654
Molokai, call operator and ask for Enterprise 8034

IDAHO
Boise, 336–1040
Elsewhere in Idaho, 800–632–5990

ILLINOIS
Chicago, 435–1040
Elsewhere in area code 312 (except city of Chicago) and residents in Joliet Region Telephone Directory, 800–972–5400
Springfield, 789–4220
Elsewhere in all other locations in Illinois, 800–252–2921

INDIANA
Evansville, 424–6481
Fort Wayne, 423–2331
Gary, 938–0560
Hammond, 938–0560
Indianapolis, 269–5477
Muncie, 288–4594
South Bend, 232–3981
Terre Haute, 232–9421
Elsewhere in Indiana, 800–382–9740

IOWA
Cedar Rapids, 366–8771
Des Moines, 284–4850
Elsewhere in Iowa, 800–362–2600

KANSAS
Kansas City, 722–2910
Topeka, 357–5311
Wichita, 263–2161
Elsewhere in Kansas, 800–362–2190

KENTUCKY
Lexington, 255–2333
Louisville, 584–1361
Northern Kentucky (Cincinnati local dialing area), 621–6281
Elsewhere in Kentucky, 800–292–6570

LOUISIANA
Baton Rouge, 387–2206
New Orleans, 581–2440
Shreveport, 424–6301
Elsewhere in Louisiana, 800–362–6900

MAINE
Augusta, 622–7101
Portland, 775–7401
Elsewhere in Maine, 1–800–452–8750

MARYLAND
Baltimore, 962–2590
Prince Georges County, 488–3100
Montgomery County, 488–3100
Elsewhere in Maryland, 800–492–0460

MASSACHUSETTS
Boston, 523–1040
Brockton, 580–1770
Fitchburg, 345–1031
Lawrence, 682–4344
Lowell, 957–4470
New Bedford, 996–3111
Springfield, 785–1201
Worcester, 757–2712
Elsewhere in Massachusetts, 1–800–392–6288

MICHIGAN
Ann Arbor, 769–9850
Bay City, 771–2153
Detroit, 237–0800
Flint, 767–8830
Jackson, 750–4677
Kalamazoo, 385–4410
Grand Rapids, 774–8300
Lansing, 394–1550
Mount Clemens, 469–4200
Muskegon, 726–4971
Pontiac, 858–2530
Saginaw, 771–2153
Elsewhere in area code 313, call 800–462–0830
Elsewhere in area codes 517, 616, and 906, call 800–482–0670

MINNESOTA
Minneapolis, 291–1422
St. Paul, 291–1422
Elsewhere in Minnesota, 800–652–9062

MISSISSIPPI
Biloxi, 868–2122
Gulfport, 868–2122
Jackson, 948–4500
Elsewhere in Mississippi, 1–800–222–8070

MISSOURI
Columbia, 443–2491
Jefferson City, 635–9141
Joplin, 781–8500
Kansas City, 474–0350
St. Joseph, 364–3111
St. Louis, 342–1040
Springfield, 887–5000
Elsewhere in Missouri, 800–392–4200

MONTANA
Helena, 443–2320
Elsewhere in Montana, 1–800–332–2275

NEBRASKA
Lincoln, 475–3611
Omaha, 422–1500
Elsewhere in Nebraska, 800–642–9960

NEVADA
Las Vegas, 385–6291
Reno, 784–5521
Elsewhere in Nevada, 800–492–6552

NEW HAMPSHIRE
Manchester, 668–2100
Portsmouth, 436–8810
Elsewhere in New Hampshire, 1–800–582–7200

NEW JERSEY
Camden, 966–7333
Hackensack, 487–8981
Jersey City, 622–0600
Newark, 622–0600
Paterson, 279–9400
Trenton, 394–7113
Elsewhere in New Jersey, 800–242–6750

NEW MEXICO
Albuquerque, 243–8641
Elsewhere in New Mexico, 800–527–3880

NEW YORK
Albany District *(Eastern Upstate New York)*
Albany, 449–3120
Poughkeepsie, 452–7800
Elsewhere in Eastern Upstate New York, 1–800–342–3700
Brooklyn District
Brooklyn, 596–3770
Nassau, 294–3600
Queens, 596–3770
Suffolk, 724–5000
Buffalo District *(Western Upstate New York)*
Binghamton, 772–1540
Buffalo, 855–3955
Niagara Falls, 285–9361
Rochester, 263–6770
Syracuse, 425–8111
Utica, 797–2550
Elsewhere in Western Upstate New York, 1–800–462–1560
Manhattan District
Bronx, 732–0100
Manhattan, 732–0100
Rockland County, 352–8900
Staten Island, 732–0100
Westchester County:
North (Peekskill Area), 739–9191
South (Mt. Vernon, New Rochelle, White Plains—Yonkers Area), 212–732–0100

NORTH CAROLINA
Charlotte, 372–7750
Greensboro, 274–3711
Raleigh, 828–6278
Elsewhere in North Carolina, 800–822–8800

NORTH DAKOTA
Fargo, 293–0650
Elsewhere in North Dakota, 800–342–4710

OHIO
Akron, 253–1141
Canton, 455–6781
Cincinnati, 621–6281
Cleveland, 522–3000
Columbus, 228–0520
Dayton, 228–0557
Toledo, 255–3730
Youngstown, 746–1811
Elsewhere in Northern Ohio, 800–362–9050
Elsewhere in Southern Ohio, 800–582–1700

OKLAHOMA
Oklahoma City, 272–9531
Tulsa, 583–5121
Elsewhere in Oklahoma, 800–962–3456

OREGON
Eugene, 485–8285
Medford, 779–3375
Portland, 221–3960
Salem, 581–8720
Elsewhere in Oregon, 800–452–1980

PENNSYLVANIA
Allentown, 437–6966
Bethlehem, 437–6966
Erie, 453–5671
Harrisburg, 783–8700
Philadelphia, 574–9900
Pittsburgh, 281–0112
Elsewhere in area codes 215 and 717, call 800–462–4000
Elsewhere in area codes 412 and 814, call 800–242–0250

RHODE ISLAND
Block Island, call operator and ask for Enterprise 1040
Burrillville — Glocester, 568–3100
Hope Valley—South County, 539–2361
Newport, 847–2463
Providence, 274–1040
Tiverton—Little Compton, 624–6647
Woonsocket, 722–9245

SOUTH CAROLINA
Charleston, 722–1601
Columbia, 799–1040
Greenville, 242–5434
Elsewhere in South Carolina, 1–800–922–8810

SOUTH DAKOTA
Aberdeen, 225–9112
Rapid City, 348–9400
Sioux Falls, 334–6600
Elsewhere in South Dakota, 800–592–1870

TENNESSEE
Chattanooga, 892–3010
Johnson City, 929–0181
Knoxville, 637–0190
Memphis, 522–1250
Nashville, 259–4601
Elsewhere in Tennessee, 800–342–8420

TEXAS
Amarillo, 376–2184
Austin, 472–1974
Beaumont, 835–5076
Corpus Christi, 888–9431
Dallas, 742–2440
El Paso, 532–6116
Ft. Worth, 335–1370
Houston, 965–0440
Lubbock, 747–4366
San Antonio, 229–1700
Waco, 752–6535
Wichita Falls, 723–6702
Elsewhere in Texas, 800–492–4830

UTAH
Salt Lake City, 524–4060
Elsewhere in Utah, 1–800–662–5370

VERMONT
Burlington, 658–1870
Elsewhere in Vermont, 1–800–642–3110

VIRGINIA
Baileys Crossroads (Northern Virginia), 557–9230
Chesapeake, 461–3770
Norfolk, 461–3770
Portsmouth, 461–3770
Richmond, 649–2361
Virginia Beach, 461–3770
Elsewhere in Virginia, 800–552–9500

WASHINGTON
Everett, 259–0861
Seattle, 442–1040
Spokane, 456–8350
Tacoma, 383–2021
Vancouver, 695–9252
Yakima, 248–6891
Elsewhere in Washington, 800–732–1040

WEST VIRGINIA
Charleston, 345–2210
Huntington, 523–0213
Parkersburg, 485–1601
Wheeling, 845–8290
Elsewhere in West Virginia, 800–642–1931

WISCONSIN
Milwaukee, 271–3780
Elsewhere in Wisconsin, 800–452–9100

WYOMING
Cheyenne, 635–4124
Elsewhere in Wyoming, 800–525–6060

235–058–1

Where to Send Your Order for Free Forms and Publications.—Send your order to the "Forms Distribution Center" for your State. If there is more than one Center for your State, send the order to the Center nearest you.

Alabama—Caller No. 848, Atlanta, GA 30301
Alaska—P.O. Box 12626, Fresno, CA 93778
Arizona—P.O. Box 12626, Fresno, CA 93778
Arkansas—P.O. Box 2924, Austin, TX 78769
California—P.O. Box 12626, Fresno, CA 93778
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Connecticut—P.O. Box 1040, Wilmington, MA 01887
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Nebraska—P.O. Box 24711, Kansas City, MO 64131
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New Jersey—P.O. Box 25866, Richmond, VA 23260
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New York—Buffalo, NY 14202
Elsewhere in New York, P.O. Box 1040, Brooklyn, NY 11232
North Carolina—Caller No. 848, Atlanta, GA 30301
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Oklahoma—P.O. Box 2924, Austin, TX 78769
Oregon—P.O. Box 12626, Fresno, CA 93778
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Rhode Island—P.O. Box 1040, Wilmington, MA 01887
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Tennessee—Caller No. 848, Atlanta, GA 30301
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Vermont—P.O. Box 1040, Wilmington, MA 01887
Virginia—P.O. Box 25866, Richmond, VA 23260
Washington—P.O. Box 12626, Fresno, CA 93778
West Virginia—P.O. Box 636, Florence, KY 41042
Wisconsin—P.O. Box 24711, Kansas City, MO 64131
Wyoming—P.O. Box 2924, Austin, TX 78769

Foreign Addresses—Taxpayers with legal residence in foreign countries: If European APO, send order blank to: Forms Distribution Center, Caller No. 848, Atlanta, GA 30301. If Pacific APO, send order blank to: IRS P.O. Box 12626, Fresno, CA 93778. Send letter requests for other forms and publications to: Director, Office of International Operations, Internal Revenue Service, Washington, D.C. 20225.

Puerto Rico—Director's Representative, U.S. Internal Revenue Service, Federal Office Building, Chardon Street, Hato Rey, PR 00918

Virgin Islands—Department of Finance, Tax Division, Charlotte Amalie, St. Thomas, VI 00801

How To Get Forms

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. You can get them from an Internal Revenue Service office, and at many banks and post offices, or by using the order blank below.

Schedule A for itemized deductions;

Schedule B for gross dividends and other distributions on stock in excess of $400, and for interest income in excess of $400, and for answering the Foreign Accounts or Foreign Trust Questions;

Schedule C for income from a personally owned business;

Schedule D for income from the sale or exchange of capital assets;

Schedule E for income from pensions, annuities, rents, royalties, partnerships, estates, trusts, etc.;

Schedule F for income from farming;

Schedule G for income averaging;

Schedules R&RP credit for the elderly;

Schedule SE for reporting net earnings from self-employment; and

Schedule TC for tax computation if Tax Tables are not used;

These forms are available only at Internal Revenue Service offices:

Form 1040–ES for making estimated tax payments.

Form 1310, Statement of Claimant to Refund Due Deceased Taxpayer;

Form 2106, Employee Business Expenses;

Form 2120, Multiple Support Declaration;

Form 2210, Underpayment of Estimated Tax by Individuals;

Form 2440, Disability Income Exclusion (Sick Pay);

Form 2441, Credit for Child Care Expenses;

Form 2555, Exemption of Income Earned Abroad;

Form 3468, Computation of Investment Credit;

Form 3903, Moving Expense Adjustment;

Form 4136, Computation of Credit for Federal Tax on Gasoline, Special Fuels, and Lubricating Oil;

Form 4137, Computation of Social Security Tax on Unreported Tip Income;

Form 4562 for optional use by individuals, etc., claiming depreciation;

Form 4684 for reporting gains and losses resulting from casualties and thefts;

Form 4797, Supplemental Schedule of Gains and Losses;

Form 4798 for computing a capital loss carryover;

Form 4831 for reporting rental income;

Form 4832, Class Life Asset Depreciation Range (for determining a reasonable allowance for depreciation of designated classes of assets);

Form 4835 for reporting farm rental income and expenses;

Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return;

Form 4972, Special 10-year Averaging Method; and

Form 5329, Return for Individual Retirement Savings Arrangement.

Some helpful publications you can send for using the order blank are:

17 Your Federal Income Tax
54 Tax Guide For U.S. Citizens Abroad
334 Tax Guide for Small Business
501 Your Exemptions and Exemptions for Dependents
502 Medical Expenses
503 Child Care and Disabled Dependent Care
504 Tax Information for Divorced or Separated Individuals
521 Tax Information on Moving Expenses
522 Tax Information on Disability Payments
523 Tax Information on Selling or Purchasing Your Home
524 Tax Credit for the Elderly
526 Income Tax Deduction for Contributions
529 Miscellaneous Deductions and Credits
530 Tax Information for Homeowners
545 Income Tax Deduction for Interest Expense
552 Recordkeeping Requirements and a Guide to Tax Publications
553 Highlights of 1977 Changes in the Tax Law
554 Tax Benefits for Older Americans

Other publications and forms referred to in the instructions are available without cost from any District Director.

Order Blank for Free Forms and Publications.—The forms and publications listed below are described above. We will send you 2 copies of each form and 1 copy of each publication circled below. Please cut the order blank on the dotted line, write your name and address on the other side. Enclose this order blank in an envelope and address your envelope to the IRS address shown above for your State or IRS office nearest your city. **Do not** use the envelope we furnished you in your income tax pamphlet as this envelope should be used for filing your income tax return. Orders for forms and publications should be mailed no later than March 16, to insure timely receipt of your order. The items printed in blue may be picked up at many banks and post offices.

Circle Desired Forms and Publications

			3468	4797	4972	Pub. 503	Pub. 530
1040	Schedule E (1040)	1310	3468 Instructions	4797 Instructions	5329	Pub. 504	Pub. 545
1040 Instructions and Schedules	Schedule F (1040)	2106	3903	4798	5329 Instructions	Pub. 521	Pub. 552
1040A	Schedule G (1040)	2120	4136	4831	Pub. 17	Pub. 522	Pub. 553
1040A Instructions	Schedules R&RP (1040)	2210	4137	4832	Pub. 54	Pub. 523	Pub. 554
Schedules A&B (1040)	Schedule SE (1040)	2440	4562	4832 Instructions	Pub. 334	Pub. 524	
Schedule C (1040)	Schdule TC (1040)	2441	4684	4835	Pub. 501	Pub. 526	
Schedule D (1040)	1040–ES	2555	4684 Instructions	4868	Pub. 502	Pub. 529	

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