
1983

Instructions for preparing **Form 1040**

and instructions for **Schedules A, B, C, D, E, F, and SE**

(Tax Table—pages 35-40)

From the Commissioner

Here is the information you need to prepare Form 1040 and related schedules. You may, however, be able to file one of our shorter forms, Form 1040A or 1040EZ, instead. This year we added two items to Form 1040A so that more people will be able to use that simplified form. The new items are the deduction for IRA payments and the child and dependent care credit. If you are single and have no dependents, you may be able to file Form 1040EZ. Check "Which Form to File" on page 3 of the instructions to see which form you should use this year.

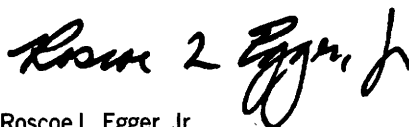
There have been a number of changes to the forms this year because of recent tax legislation. Major changes are explained on page 2 under "Important Tax Law Changes." I urge you to read these carefully before you begin to prepare your return this year.

In fairness to the vast majority of taxpayers who correctly report all their income, we make every effort to identify others who understate their income. Adjusting your tax liability after filing your return is usually more costly than accurate reporting when you file, because of interest and penalties you may be charged.

If you receive taxable interest or dividends, be sure the payers of this income have your correct social security number. Otherwise, beginning in 1984 payers may withhold 20% of the income. You may also be subject to penalties.

We often receive inquiries about how people may make voluntary contributions to reduce the public debt. In 1983, we received over 3,500 contributions totaling over \$300,000. If you wish to contribute, just enclose in your tax return envelope a separate check made payable to "Bureau of the Public Debt." Subject to the limitations on charitable contributions, you can deduct this contribution on your 1984 tax return. But please be sure to keep your contribution to reduce the public debt separate from any amount you owe on your tax return. Make your check for taxes payable to "Internal Revenue Service."

After completing your return, check to make sure it is correct, sign it, and mail it early. Please be sure to keep a copy for your records. If you have suggestions for improving the forms or instructions, please write and let us know.



Roscoe L. Egger, Jr.

Commissioner of Internal Revenue

Important Tax Law Changes

Tax Rate Reduced

The rate of tax for all brackets has been reduced for 1983. However, no additional computation is needed because the reduction has already been built into the Tax Table and the Tax Rate Schedules.

Try Form 1040A

If you filed Form 1040 last year only because you claimed the credit for child and dependent care expenses, or you deducted payments made to an IRA, you may be able to file Form 1040A this year. See page 3 of these instructions for more details.

Deduction for Medical and Dental Expenses

Beginning in 1983, you can only deduct medical and dental expenses that are more than 5% of your adjusted gross income. In addition, the total amount of health insurance premiums you paid in 1983 is now subject to the 5% limit. You can no longer take a separate deduction of up to \$150 for health insurance premiums paid.

Casualty and Theft Losses

Beginning in 1983, you can claim a deduction for nonbusiness casualty and theft losses only if the total of the losses is more than 10% of your

adjusted gross income. You must still reduce each separate nonbusiness casualty or theft loss by \$100.

Refunds of State and Local Income Taxes

If you received a refund of state and local income taxes in 1983, you may receive **Form 1099-G**, Statement for Recipients of Certain Government Payments, showing the amount of the refund. You may have to include part or all of this refund in income if you itemized your deductions on Schedule A (Form 1040) for 1982.

However, you **do not** have to include this refund in income for 1983 if you did not itemize your deductions for 1982. For more details, see line 10 instructions on page 10.

Important Reminders

Voluntary Contributions to Reduce the Public Debt

You can make a voluntary contribution to reduce the public debt. If you wish to do so, enclose a **separate** check with your income tax return and make it payable to "Bureau of the Public Debt." Please do not add it to any tax you may owe. If you owe tax, include a **separate** check for that amount payable to "Internal Revenue Service."

Try Form 1040EZ

If you are single, your income is only from wages, salaries, and tips, and you do not have more than \$400 of interest income, you may be able to use **Form 1040EZ**. Read page 3 of the instructions to see if you qualify.

Estimated Tax Payments—Retirees and Others With Income Not Subject to Income Tax Withholding

If you have income generally not subject to income tax withholding (such as interest, dividends, or capital gains), you may have to make estimated tax payments. If you do not pay enough

estimated tax or do not have enough tax withheld, you may be charged a penalty. For more details, see **Publication 505**, Tax Withholding and Estimated Tax.

Do You Want More or Less Income Tax Withheld in 1984?

If the refund you receive is large, you may want to decrease your withholding for 1984. If you are a working married couple, or had two or more jobs, or had income not subject to withholding, you may need to have more tax withheld to avoid owing IRS a large amount. See **Income Tax Withholding for 1984** on page 18 for more details.

Deduction for a Married Couple When Both Work

If you are married, both of you have earned income, and you file a joint return, generally you can deduct 10% of the qualified earned income of the lesser-earning spouse. See the

instructions for line 29 on page 12 for details and limitations. Attach **Schedule W** (Form 1040) to claim this deduction.

Deduction for Charitable Contributions

Generally, you can deduct 25% of your charitable contributions, but not more than \$25 (\$12.50 if married filing separately) even if you do not itemize your deductions. See the instructions for line 34b on page 14 for more details.

Could You Pay Less Tax by Income Averaging?

If there has been a large increase in your income this year, you may be able to pay less tax by using the income averaging method to figure your tax. However, generally you must have provided at least one-half of your own support each year from 1979-1982. Please get **Schedule G** (Form 1040) to see if you qualify.

Form 1040 General Instructions

Who Must File

Your income and your filing status generally determine whether or not you must file a tax return. See page 8 of these instructions to find out which income you should include.

You must file a return for 1983, even if you owe no tax:

And your income was at least:

If you were single (this also means legally separated, divorced, or married with a dependent child and living apart from your spouse for all of 1983) and:

Under 65	\$3,300
65 or over	4,300

If you were married filing a joint return and were living with your spouse at the end of 1983 (or on the date your spouse died), and:

Both were under 65	5,400
One was 65 or over	6,400
Both were 65 or over	7,400

If you were married filing a separate return or married but were not living with your spouse at the end of 1983

1,000

If you could be claimed as a dependent on your parents' return, and had taxable dividends, interest, or other unearned income of \$1,000 or more

1,000

If you were a qualifying widow(er) with a dependent child and:

Under 65	4,400
65 or over	5,400

If you could exclude income from sources within U.S. possessions

1,000

If you were self-employed and your net earnings from this work were at least \$400.

If you received any advance earned income credit (EIC) payments from your employer(s) during 1983.

Even if your income was less than the amounts shown above, you must file a return if you owe any taxes, such as:

- Social security taxes on tips you did not report to your employer.
- Uncollected social security tax and RRTA tax on tips you reported to your employer.
- Alternative Minimum Tax.
- Tax on an Individual Retirement Arrangement (IRA).
- Tax from recapture of investment credit.

These rules apply to all U.S. citizens and resident aliens. They also apply to those nonresident aliens and dual-status aliens who are married to citizens or residents of the United States at the end of 1983 and who have elected to be treated as resident aliens.

Note: Different rules apply if you were a nonresident alien at any time during 1983 (except as mentioned above). You may have to file **Form 1040NR, U.S. Nonresident Alien Income Tax Return**. Also get **Publication 519, U.S. Tax Guide for Aliens**.

Who Should File

Even if you do not have to file, you should file to get a refund if income tax was withheld from your pay. Also file if you can take the earned income credit. If you file for either of these reasons only, you may be able to use Form 1040A (or in some instances, Form 1040EZ).

Which Form to File

You MAY Be Able to Use—Form 1040EZ if:

- You were single and claim only your personal exemption.
- You had **only** wages, salaries, and tips, and not more than \$400 of interest income, other than All-Savers interest.
- Your taxable income is less than \$50,000.

Note: You may also be able to claim the partial deduction for charitable contributions.

Form 1040A if:

- You had income from wages, salaries, tips, unemployment compensation, interest, or dividends.
- Your taxable income is less than \$50,000.
- You do not itemize deductions.
- You deduct certain payments to your Individual Retirement Arrangement (IRA).
- You claim a credit for child and dependent care expenses.
- You claim the partial deduction for charitable contributions.

Since Forms 1040A and 1040EZ are easier to complete than Form 1040, you should use one of them unless Form 1040 lets you pay less tax. However, even if you meet the above tests, you may still have to file Form 1040.

You MUST Use Form 1040 if:

- You itemize deductions. (Read line 34a instructions on page 14 to see if it would benefit you to itemize deductions.)
- Your spouse files a separate return and itemizes deductions. Exception: You may still use Form 1040A if you have a dependent child and can meet the tests on page 6 under **Married Persons Who Live Apart**.
- You can be claimed as a dependent on your parents' return AND you had interest, dividends, or other unearned income of \$1,000 or more.
- You are a qualifying widow(er) with a dependent child.
- You were a nonresident alien during any part of 1983 and do not file a joint return (or **Form 1040NR**).

- You were married to a nonresident alien at the end of 1983 who had U.S. source income and who has not elected to be treated as a resident alien. Exception: You may still be able to use Form 1040A if you meet the tests on page 6 under **Married Persons Who Live Apart**.

- You received ASC interest, or interest as a nominee.
- You received or paid accrued interest on securities transferred between interest payment dates.
- You receive any nontaxable dividends, capital gain distributions, dividends as a nominee, or you elect to exclude qualified reinvested dividends from a qualified public utility.
- You take any of the Adjustments to Income shown on Form 1040, lines 23, 24, 26, 27, 28, 30, and 31.
- You file any of these forms:

Form 1040-ES, Estimated Tax for Individuals, for 1983 (or if you want to apply any part of your 1983 overpayment to estimated tax for 1984).

Schedule G, Income Averaging, Form 2210, Underpayment of Estimated Tax by Individuals.

Form 2555, Foreign Earned Income. Form 4563, Exclusion of Income from Sources in United States Possessions.

- You claim any of the credits on Form 1040, lines 41-43 and 46-48.
- You owe any of the taxes on Form 1040, line 39 or lines 50 through 55.
- You claim any of the payments on Form 1040, lines 58, 62, 63, or 64.
- You are required to fill in Part III of Schedule B for Foreign Accounts and Foreign Trusts (see page 22 of the instructions).

When to File

You should file as soon as you can after January 1, but not later than April 16, 1984. If you file late, you may have to pay penalties and interest. Please see the instructions for **Penalties and Interest** on page 18.

If you know that you cannot file by the due date, you should ask for an extension on **Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return**.

If you are living or traveling outside the country on April 15, you can get an automatic two-month extension of time to file. Just attach a statement to your return explaining the details.

IRS Will Figure Your Tax and Some of Your Credits

If you want us to, we will figure your tax for you. If you paid too much, we will send you a refund. If you did not pay enough, we will bill you for the balance. You will not be charged interest or the penalty for late payment if the bill for tax due is paid within 30 days of the notice date, or by the due date for your return, whichever is later.

We can figure your tax if you meet all of the conditions described below:

- All of your income for 1983 was from one or more of these sources:
 - a. Salaries, wages, and tips.
 - b. Interest.
 - c. Dividends.
 - d. Pensions or annuities.
- You do not itemize deductions.
- You do not file **Schedule G**, Income Averaging.
- You do not file **Form 2555**, Foreign Earned Income.
- Your adjusted gross income (line 32) is not more than \$50,000.
- You (and your spouse if you are filing a joint return) sign and date your return and mail it by April 16, 1984.
- You do not want any of your refund applied to next year's tax.
- You give us enough information so that we can figure the tax. Please read the following instructions:

- a. Fill in the parts of your return through line 37 that apply to you. The Line-By-Line Instructions which start on page 5 explain how to fill in your return.
- b. If you are filing a joint return, use the space under the words "Adjustments to Income" on the front of your return to show your taxable income and your spouse's taxable income separately.
- c. Read lines 41 through 64. Fill in the lines that apply to you, but do not fill in the Total lines. See the instruction below if you want us to figure your Credit for the Elderly or Earned Income Credit.
- d. Fill in any forms or schedules asked for on the lines you completed, and attach them to the return when you file it.

We will figure some of your credits too

Fill in your return through line 37 as explained above. Follow the instructions

below and sign, date, and mail it before the due date. We will then figure these credits if you qualify:

Credit for the Elderly. Follow the instructions below. Be sure to attach the schedule to your return. Write "CFE" on Form 1040, line 41.

Schedule R.—Check the box for your filing status and age, and fill in line 2(a).

Schedule RP.—Enter the name of the public retirement system. Also check the box for your filing status and age, and fill in lines 2 and 5.

Earned Income Credit. On line 59 of your return write "EIC."

Other Information

Death of Taxpayer

If the taxpayer died before filing a return for 1983, the taxpayer's spouse or personal representative must file and sign a return for the person who died if the deceased was required to file a return. A personal representative can be an executor, administrator, or anyone who is in charge of the taxpayer's property.

The person who files the return should write "deceased" after the deceased's name and show the date of death in the name and address space.

If the taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund.

If your spouse died in 1983 and you did not remarry in 1983, you can file a joint return. You can also file a joint return if your spouse died in 1984 before filing a 1983 return. A joint return should show your spouse's 1983 income before death and your income for all of 1983. Also write "Filing as surviving spouse" in the area where you sign the return. If someone else is the personal representative, he or she must also sign.

If you are claiming a refund as a surviving spouse filing a joint return with the deceased and you follow the above instructions, no other form is needed to have the refund issued to you. However, all other filers requesting a refund due the deceased must file **Form 1310**, Statement of Person Claiming Refund Due a Deceased Taxpayer, to claim the refund.

For more details, see **Tele-Tax Information** in the index or get **Publication 559**, Tax Information for Survivors, Executors, and Administrators.

U.S. Citizens Living Abroad

Generally, foreign source income must be reported on your return. Please get **Publication 54**, Tax Guide for U.S. Citizens and Resident Aliens Abroad, for more information.

Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE)

Free help is available in most communities to lower income, elderly, handicapped, and non-English speaking individuals in preparing Form 1040EZ, Form 1040A, and the basic Form 1040. Call the toll-free telephone number for your area for the location of the volunteer assistance site near you.

Unresolved Tax Problems

IRS has a Problem Resolution Program for taxpayers who have been unable to resolve their problems with IRS. If you have a tax problem you have been unable to resolve through normal channels, write to your local IRS District Director or call your local IRS office and ask for Problem Resolution assistance.

The Problem Resolution Office will take responsibility for your problem and ensure that it receives proper attention. Although this office cannot change the tax law or technical decisions, it can frequently clear up misunderstandings that resulted from previous contacts.

Where to File

Please use the addressed envelope that came with your return. If you do not have an addressed envelope, or if you moved during the year, mail your return to the **Internal Revenue Service Center** for the place where you live. **No street address is needed.**

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
American Samoa—Philadelphia, PA 19255
Guam—Commissioner of Revenue and Taxation, Agana, GU 96910
Puerto Rico (or if excluding income under section 933)—Philadelphia, PA 19255
Virgin Islands: Non-permanent residents—Philadelphia, PA 19255
Virgin Islands: Permanent residents—Bureau of Internal Revenue, Charlotte Amalie, St. Thomas, VI 00801
A.P.O. or F.P.O. address of:
Miami—Atlanta, GA 31101
New York—Holtsville, NY 00501
San Francisco—Fresno, CA 93888
Seattle—Ogden, UT 84201
Foreign country: U.S. citizens and those excluding income under section 911 or 931, or claiming the housing deduction under section 911—Philadelphia, PA 19255

Steps for Preparing Your Return

We have set up this year's instructions using 9 steps. You should complete the first 4 steps that follow BEFORE you begin to fill out your return.

Then, you may find it helpful to follow the Line-By-Line Instructions. They begin on this page and end on page 17.

Finally, steps 6 through 9 begin on page 17. They are steps you should take after you fill in your Form 1040 and other schedules and forms you need.

If you follow these steps and read the Line-By-Line Instructions, we feel you can fill in your return quickly and accurately. You may also find some of the publications listed in the instructions helpful if you need more details.

Step 1

Get all of your income records together.

These include any Forms **W-2**, **W-2G**, **W-2P**, and **1099** that you may have. If you don't get a Form W-2 by January 31, or if the one you get isn't correct, please contact your employer as soon as possible. Only your employer can give you a Form W-2, or correct it. If you cannot get a Form W-2 by February 15, please contact an IRS office.

If you have someone prepare your return for you, make sure that person has all your income records and expense records so he or she can fill in your return correctly. Remember, if someone else prepares your return incorrectly—you are still responsible.

Step 2

If you plan to take tax credits or itemize deductions, get all the information and expense records you will need.

Pages 14 through 21 of these instructions tell you what credits and itemized deductions you can take. Some of the records you may need are:

- Medical and dental payment records.
- Real estate and personal property tax receipts.
- Interest payment records for items such as a home mortgage and installment payments on cars or appliances.
- Records of payments for child and dependent care so you could work.

Step 3

Get any forms, schedules, or publications you need.

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

If you think you will need any other forms, get them before you start to fill in your return. Your local bank, post office, or public library will have some of them. Or, you can use the order blank on the next to the last page of this instruction booklet. We will send you the forms, schedules, instructions, and publications you ask for.

Step 4

Use the mailing label we sent you.

But don't attach your label to your return until you complete the return. Make sure the label is correct. If it isn't, mark through it and correct it on the label. Show your apartment number if you have one. Use of the label helps us identify your account, saves processing time, and speeds refunds.

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

Note: Please use the addressed envelope that came with your return and make sure it has sufficient postage.

Step 5

Fill in your return.

Line-By-Line Instructions for filling in Form 1040 begin below and end on page 17. Please follow them.

Step 6 picks up on page 17.

Line-By-Line Instructions— Form 1040

Name, Address, and Social Security Number Blocks

Please use the mailing label from the forms booklet we sent you. If you did not receive a booklet with a label, print or type your name and address.

Note: If the post office delivers mail to your P.O. Box number rather than to your street address, use your P.O. Box number instead of your street address.

Social Security Number. If you are married, give social security numbers for both you and your spouse whether you file joint or separate returns.

If your spouse is a nonresident alien, has no income, and does not have a social security number, please write "NRA" in the block for your spouse's social security number.

If you don't have a social security number, please get **Form SS-5** from a Social Security Administration (SSA) office. File it with your local SSA office early enough to get your number before April 15. If you do not get the number by then, file your return without it and write "Applied for" in the block for your social security number.

Name Change. If you have changed your name because of marriage, divorce, etc., make sure you immediately notify the Social Security Administration (SSA) so the name on your tax return is the same as the name SSA has on its records. This may prevent delays in issuing your refund.

Joint Return. If you are filing a joint return, show the social security numbers in the same order that you show your first names. If you are filing a joint return and have different last names, please separate the names with an "and." For example: "John Brown and Mary Smith."

Remember to show your occupation(s) in the spaces in the upper right corner just below the social security number blocks.

Presidential Election Campaign Fund

Congress established this fund to support public financing of Presidential election campaigns.

You may have \$1 go to the fund by checking the **Yes** box. On a joint return, both of you may choose to have \$1 go to this fund, or both may choose not to. One may choose to have \$1 go to this fund and the other may choose not to.

If you check **Yes**, it will not change the tax or refund shown on your return.

Do not claim this amount as a credit for political contributions on line 44.

Filing Status

Boxes 1 through 5

Were You Single or Married?

Consider yourself single if on December 31 you were unmarried or separated from your spouse either by divorce or separate maintenance decree and you do not qualify for another filing status. State law governs whether you are married, divorced, or legally separated.

If you were married on December 31, consider yourself married for the whole year. If you meet the tests on page 6 for **Married Persons Who Live Apart**, you may consider yourself single for the whole year.

If your spouse died during 1983, consider yourself married to that spouse for the whole year, unless you remarried before the end of 1983.

Married Persons

Joint or Separate Returns?

Joint Returns. In most cases, married couples will pay less tax if they file a joint return. You must report all income, exemptions, deductions, and credits for you and your spouse. Both of you must sign the return, even if only one of you had income.

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

Note: If you file a joint return, you may not, after the due date of the return, choose to file separate returns for that year.

If your spouse died in 1983, or in 1984 before filing a return for 1983, you can file a joint return for 1983. You can also file a joint return if your spouse died in 1984 before filing a 1983 return. For more details on how to file the joint return, see page 4, **Death of Taxpayer**.

Tax Tip: If you decide not to file a joint return and plan to file a separate return, see if you can lower your tax by meeting the tests described under **Married Persons Who Live Apart**. If you can, you should check Box 1 for Single or, if you qualify, Box 4 for Head of household.

Special Rule for Aliens.—If at the end of 1983, you were a nonresident alien or dual-status alien married to a citizen or resident of the United States, you may be able to file a joint return with your spouse. If you do file a joint return, you and your spouse must agree to be taxed on your combined worldwide income.

For more details, please get **Publication 519**, U.S. Tax Guide for Aliens.

Separate Returns. You can file separate returns if both you and your spouse had income, or if only one of you had income.

If you file a separate return and your spouse itemizes deductions, you must also 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.

Special rules apply, however, for taxpayers who live in community property states. For more details, see **Publication 555**, Community Property and the Federal Income Tax.

In most instances if you file a separate return, you will pay more Federal tax. This is because the tax rate is higher for married persons filing separately. The following also apply:

- You cannot take the deduction for a married couple when both work.
 - You cannot take the credit for child and dependent care expenses in most instances.
 - You cannot take the earned income credit.
 - If you lived with your spouse at any time in 1983—
- a. You must include in income the total amount of any unemployment compensation you received in 1983.
 - b. You cannot take the disability income exclusion.
 - c. You cannot take the credit for the elderly.
- You must itemize your deductions if your spouse itemizes, even if it is not to your tax benefit to itemize deductions.

If you file a separate return, write your spouse's full name in the space after Box 3 and your spouse's social security number in the block provided for that number.

If your spouse does not file, check the boxes on line 6b that apply if you can claim the exemptions for your spouse. Please see **For Your Spouse** on page 7.

Married Persons Who Live Apart.—Some married persons who have a child and who do not live with their spouse may file as Single or as Head of household and use tax rates that are lower than those for married persons filing separate returns. This means that if your spouse itemizes deductions, you do not have to. Both you and your spouse can file this way if you both meet the tests.

You should check Box 1 for Single if you meet ALL 4 of the following tests:

- a. You file a separate return from your spouse,
- b. You paid more than half the cost to keep up your home in 1983,
- c. Your spouse did not live with you at any time during 1983, and
- d. For over 6 months of 1983, your home was the principal home of your child or stepchild **whom you can claim as a dependent**.

You should check Box 4 for Head of household if you meet tests a through c above and your home in test d, above, was the dependent child's principal home for ALL of 1983. The tax rates for Head of household are even lower than the rates for Single. You may also be able to claim the earned income credit.

Were You a Head of Household?

Tax Tip: There are special tax rates for a person who can meet the tests for Head of household. These rates are lower than the rates for Single or for Married filing a separate return.

You may use this filing status **ONLY IF** on December 31, 1983, you were unmarried (including certain married persons who live apart) or legally separated and meet test a or b below:

- a. You paid more than half the cost of keeping up a home which was the principal home of your father or mother whom you can claim as a dependent. (Your parent did not have to live with you.) OR
- b. You paid more than half the cost of keeping up the home in which you lived and in which one of the following also lived all year (except for temporary absences, such as for vacation or school):
 1. Your **unmarried** child, grandchild, adopted child, or stepchild. (This person did not have to be your dependent.)

Note: If this child is not your dependent, you must write the child's name in the space provided on line 4.

2. Your **married** child, grandchild, adopted child, or stepchild. (This person must be your dependent.)
3. Any other person listed below whom you can claim as a dependent.

Grandparent	Brother-in-law
Brother	Sister-in-law
Sister	Son-in-law
Stepbrother	Daughter-in-law, or
Stepsister	if related by blood:
Stepmother	Uncle
Stepfather	Aunt
Mother-in-law	Nephew
Father-in-law	Niece

Note: See the instructions for lines 6c and 6d on page 7 for the definition of "dependent."

Special rules

1. If you receive payments under the Aid to Families with Dependent Children (AFDC) program and use them to pay part of the cost of keeping up this home, you may not count these amounts as furnished by you.
2. You cannot file as Head of household if you claim a relative in a or b above as a dependent under a **Multiple Support Declaration**. (See page 8 for details on dependents supported by two or more taxpayers.)

Were You a Qualifying Widow or Widower With a Dependent Child?

If so, you may be able to use joint return tax rates for 1983.

If your spouse died in 1982 or 1981 and you did not remarry in 1983, file a return for 1983 showing only your own income, exemptions, deductions, and credits. However, you can figure your tax at joint return rates if you meet ALL 3 of the following tests:

- a. You could have filed a joint return with your spouse for the year your spouse died. (It does not matter whether you actually filed a joint return.)
- b. Your dependent child, stepchild, adopted child or foster child lived with you (except for temporary absences, such as for vacation or school).
- c. You paid over half the cost of keeping up the home for this child for the whole year.

Check Box 5, Qualifying widow(er) with dependent child, and show the year your spouse died in the space provided. **Do not** claim an exemption for your spouse. (You can claim the exemption only for the year your spouse died.)

If your spouse died before 1981 and you were single in 1983, you may check Box 4 if you met the tests under **Were You a Head of Household?** Otherwise you must file as Single.

Exemptions

Line 6a Boxes

For Yourself

You can always take one exemption for yourself. Take two exemptions if you were blind, or 65 or over. Take three exemptions if you were blind and 65 or over. 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, 1984, you can take the extra exemption for age for 1983.

Proof of Blindness

If you are completely blind, attach a statement to your return to this effect.

In cases of partial blindness, you must attach to your return each year a certified statement from an eye physician or registered optometrist that:

- a. You cannot see better than 20/200 in the better eye with glasses, or contact lenses, or
- b. Your field of vision is not more than 20 degrees.

If 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 must attach this certification to your return only once. In later years you can just include a statement referring to it.

Line 6b Boxes For Your Spouse

You can take exemptions 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. Take one exemption for your spouse if your spouse was neither blind nor 65 or over. Take two exemptions if your spouse was blind or 65 or over. Take three exemptions if your spouse was blind and 65 or over. Be sure to check all the boxes on line 6b for the exemptions you can take for your spouse.

If at the end of 1983, you were divorced or legally separated, you cannot take an exemption for your former spouse. If you were separated by a divorce that is not final (interlocutory decree), you are considered married for the whole year.

If your spouse died during 1983 and you did not remarry before the end of 1983, check the boxes for the exemptions you could have taken for your spouse on the date of death.

Nonresident Alien Spouse. If you do not 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 the boxes on line 6b to claim exemptions for a nonresident alien spouse. When claiming your spouse's exemption, 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.

Enter on line 6d the full names and other information for your other dependents, including your dependent children who did not live with you. 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 5 of these tests:

- a. income;
- b. support;
- c. married dependent;
- d. citizenship or residence; and
- e. relationship.

These tests are explained below.

a. Income

The dependent received less than \$1,000 gross income. (This test does not have to be met for your child who was under 19 at the end of the year, or a full-time student. See the instructions below for **Student Dependent**.)

Note: *Gross income does not include nontaxable benefits such as social security or welfare benefits.*

Student Dependent. Even if your child had income of \$1,000 or more, you can claim the child as a dependent if he or she meets tests b, c, and d below: AND

- was enrolled as a full-time student at a school during any 5 months of 1983, or
- took a full-time, on-farm training course during any 5 months of 1983. (The course had to be given by a school or a State, county, or local government agency.)

The school must have a regular teaching staff, a regular course of study, and a regularly enrolled body of students in attendance.

A school includes:

- elementary, junior, and senior high schools;
- colleges and universities; and
- technical, trade, and mechanical schools.

However, school does not include on-the-job training courses or correspondence schools.

b. Support

The dependent 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 the rules for **Children of Divorced or Separated Parents, or Dependent Supported by Two or More Taxpayers**, on this page and page 8. If you file a joint return, the support can be from you or your spouse.

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

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

Do not include in support items such as income and social security taxes, premiums for life insurance, or funeral expenses.

Capital items—You must include capital items such as a car or furniture in figuring support, but only if they are actually given

to, or bought by, the dependent for his or her use or benefit. Do not include the cost of a capital item for the household or for use by persons other than the dependent.

If you care for a foster child, see **Publication 501**, Exemptions, for special rules that apply.

c. Married Dependent

The dependent did not file a joint return with his or her spouse. However, if neither the dependent nor the dependent's spouse is required to file, but they file a joint return to get a refund of tax withheld, you may claim him or her if the other four tests are met.

d. Citizenship or Residence

The dependent was a citizen or resident of the United States, a resident of Canada or Mexico, or an alien child adopted by and living the entire year with a U.S. citizen in a foreign country.

e. Relationship

The dependent met test 1 or 2 below.

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

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

2. Was any other person who lived in your home as a member of your household for the whole year. **A person is not a member of your household** if at any time during your tax year the relationship between you and that person violates local law.

The word child includes:

- Your son, daughter, stepson, or 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 (any child who lived in your home as a member of your family for the whole year).

Children of Divorced or Separated Parents

If a child's parents together paid more than half of the child's support, the parent who has custody for most of the year can generally take the exemption for that child. However, the parent who does **NOT** have custody (or who has the child for the shorter time), may take the exemption if a or b below, applies.

- a. That parent gave at least \$600 toward the child's support in 1983, and the decree of divorce or separate maintenance (or a written agreement between the parents) states he or she can take the exemption, OR

b. That parent gave \$1,200 or more for each child's support in 1983, and the parent who had custody cannot prove that he or she gave more than the other parent.

Note: To figure the amount of support, a parent who has remarried and has custody may count the support provided by the new spouse.

Dependent Supported by Two or More Taxpayers. Sometimes two or more taxpayers together pay more than half of another person's support, but no one alone pays over half of the support. One of the taxpayers may claim the person as a dependent only if the tests for income, married dependent, citizenship or residence, and relationship, discussed on page 7 (tests a, c, d, and e), are met.

In addition, the taxpayer who claims the dependent must:

- a. have paid more than 10% of the dependent's support; and
- b. attach to his or her tax return a signed **Form 2120, Multiple Support Declaration**, from every other person who paid more than 10% of the support. This form states that the person who signs it will not claim an exemption in 1983 for the person he or she helped to support.

Birth or Death of Dependent. You can take an exemption for a dependent who was born or who died during 1983 if he or she met the tests for a dependent while alive. This means that a baby who lived only a few minutes can be claimed as a dependent.

For more information, please get **Publication 501, Exemptions**.

Line 6e

Add the numbers you entered in the boxes for lines 6a, b, c, and d. Enter the total in the box on line 6e.

Income

Examples of Income You Do Not Report

- (Do not include these amounts when you decide if you must file a return.)
- Federal social security benefits.
 - Welfare benefits.
 - Disability retirement payments (and other benefits) paid by the Veterans Administration.
 - Workmen's compensation benefits, insurance damages, etc., for injury or sickness.
 - Child support.
 - Gifts, or money or other property you inherited or that was willed to you.
 - Dividends on veterans' life insurance.
 - Life insurance proceeds received because of a person's death.
 - Interest on certain State and municipal bonds.
 - Amounts you received from an insurance company because you lost the use of your home due to fire or other casualty to the extent the amounts were more than the cost of your normal expenses while living in your home. (You must report reimbursements for normal living expenses as income.)
 - Amounts an employer contributed on your behalf and benefits provided to you as an

employee or the spouse or dependent of an employee, under a qualified group legal services plan.

Examples of Income You Must Report

The following kinds of income should be reported on Form 1040, or related forms and schedules. You may need some of the forms and schedules listed below.

- Wages, including salaries, bonuses, commissions, fees, and tips.
- Dividends (Schedule B).
- Interest (Schedule B) on:
 - tax refunds;
 - bank deposits, bonds, notes;
 - All-Savers Certificates;
 - U.S. Savings Bonds;
 - mortgages on which you receive payments;
 - certain arbitrage bonds issued by State and local governments; and
 - accounts with savings and loan associations, mutual savings banks, credit unions, etc.
- Original Issue Discount (Schedule B).
- Unemployment compensation (insurance) (see page 11).
- Distributions from an Individual Retirement Arrangement (IRA) or a Simplified Employee Pension (SEP).
- Amounts received in place of wages, from accident and health plans (including sick pay and disability pensions) if your employer paid for the policy.
- Bartering income (fair market value of goods or services you received in return for your services).
- Business expense reimbursements you received that are more than you spent for these expenses.
- Alimony, separate maintenance, or support payments received from and deductible by your spouse or former spouse.
- Refunds of State and local taxes if you deducted the taxes in an earlier year and got a tax benefit.
- Life insurance proceeds from a policy you cashed in if the proceeds are more than the premium you paid.
- Profits from businesses and professions (Schedule C).
- Your share of profits from partnerships and S corporations (Schedule E).
- Profits from farming (Schedule F).
- Pensions, annuities, and endowments.
- Lump-sum distributions (Form 4972 or Form 5544).
- Gains from the sale or exchange (including barter) of real estate, securities, coins, gold, silver, gems, or other property (Schedule D or Form 4797).
- Gains from the sale of your personal residence (Schedule D and Form 2119).
- Rents and royalties (Schedule E).
- Your share of estate or trust income (Schedule E), including accumulation distributions from trusts (Form 4970).
- Supplemental annuities under the Railroad Retirement Act (but not regular Railroad Retirement Act benefits).
- Prizes and awards (contests, raffles, lottery, and gambling winnings).
- Earned income from sources outside the United States (Form 2555).
- Director's fees.
- Fees received for jury duty and precinct election board duty.

Fees received as an executor or administrator of an estate.
Embezzled or other illegal income.

Rounding Off to Whole Dollars

You may round off cents to the nearest whole dollar on your return and schedules. But, if you do round off, do so for all amounts. 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.

Community Property States

Community property States are: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, and Washington.

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. However, different rules could apply if:

- you and your spouse lived apart all year,

- you do not file a joint return, and
- no part of the community income you earn is transferred to your spouse.

Please get **Publication 555, Community Property and the Federal Income Tax**, for more details.

Line 7

Wages, Salaries, Tips, Etc.

Show the total of all wages, salaries, fees, commissions, tips, bonuses, supplemental unemployment benefits, and other amounts you were paid before taxes, insurance, etc., were taken out. For information on allocated tips, get **Publication 531, Reporting Income From Tips**.

Include in this total:

- The amount that should be shown in Box 10 on **Form W-2**. Report all wages, salaries, and tips you received, even if you do not have a Form W-2.
- Tips received that you did not report to your employer. (Show any social security tax due on these tips on line 53 - see the instructions on page 15.)
- Certain disability pensions if you are under age 65.

Note: Except for certain disability income, pensions shown on **Form W-2P** are reported on line 16 or line 17a of Form 1040.

- Payments by insurance companies, etc., not included on Form W-2. If you receive sick pay or a disability payment from anyone other than your employer, and it is not included in the wages shown on Form W-2, include it on line 7. Attach a statement showing the name and address of the payer and amount of sick pay or disability income. (See **Form W-4S** for information on withholding of Federal income tax from your sick pay.)
- Fair market value of meals and living quarters if given by your employer as a matter of your choice and not for your employer's convenience. (Don't report the value of meals given you at work if they were provided for your employer's convenience. Also do not report the value of living quarters you had to accept on your employer's business premises as a condition of employment.)

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

- Any amount your employer paid for your moving expenses (including the value of services furnished in kind), whether or not included on Form W-2.

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

For more details on reporting income received in the form of goods, property, meals, stock options, educational assistance provided by your employer under a qualified written plan, etc., get **Publication 525, Taxable and Nontaxable Income.**

Line 8 Interest Income

Enter your TOTAL taxable interest income. If the total interest is more than \$400 or you have any interest from All-Savers Certificates, first fill in Schedule B. (The instructions for Schedule B begin on page 21.)

Report any interest you received or that was credited to your account so you could withdraw it. (It does not have to be entered in your passbook.) Generally, the payer will send you a **Form 1099-INT** for this interest.

If you received interest as a nominee for someone else, see Schedule B instructions on page 22.

Caution: Be sure to give each payer of interest income your correct social security number. Otherwise, beginning in 1984 the payer may withhold 20% of the interest. You may also be subject to penalties.

For more information, get **Publication 550, Investment Income and Expenses.**

Examples of Interest Income You MUST Report

Report interest from:

- Accounts (including certificates of deposit and money market accounts) with banks, credit unions, and savings and loan associations.
- Building and loan accounts.
- Notes, loans, and mortgages.
- Tax refunds (report only the interest on them as interest income).
- Bonds and debentures. Also arbitrage bonds issued by State and local governments after October 9, 1969. (Do not report interest on other State and local bonds and securities.)
- U.S. Treasury bills.
- U.S. Savings Bonds. The interest is the yearly increase in the value of the bond. Interest on Series E or EE bonds can be reported using method **a** or **b** below:
 - a.** Report the total interest when you cash the bonds, or when they reach final maturity and no longer earn interest.
 - b.** Or, each year report on your return the yearly increase of the bonds' value.

If you change to method **b**, report the entire increase in all your bonds from the date they were issued. Each year after, report only the yearly increase. Once you have used method **b** to report your interest, you must continue to do so for all your U.S. Savings Bonds.

Note: If you receive for 1983 a **Form 1099-INT** for U.S. Savings Bond interest, which includes amounts reported before 1983, see **Publication 550.**

- Original Issue Discount (OID). This is the difference between the issue price of a bond (or other obligation) and the stated redemption price at maturity. If the bond was issued at a discount after May 27, 1969 (or for certain noncorporate bonds after July 1, 1982), include in your interest income the discount for the part of the year you held it. Also include any stated interest shown on **Form 1099-OID.**

If you bought bonds at original issue and held them for all of 1983 or the part of 1983 that they were outstanding, include in interest income the total OID from **Form 1099-OID.** If these bonds were outstanding for all of 1983 but you did not hold them for all of 1983, figure your taxable OID as follows:

a. Bonds issued before July 2, 1982—Divide the total OID by 12 and multiply the result by the number of complete and partial months (for example, 6½ months) you held the bonds in 1983.

b. Bonds issued after July 1, 1982—Divide the total OID by 365 and multiply the result by the number of days you held the bonds in 1983, or follow the more detailed and precise rules in **Publication 1212, List of Original Issue Discount Obligations.**

If you had OID for 1983 but did not receive **Form 1099-OID**, or the price you paid for the bond is more than the issue price plus accumulated OID, get **Publication 1212.** It lists total OID on bonds and gives computational information.

Exclusion of Interest from All-Savers Certificates

You can claim a lifetime exclusion of up to \$1,000 of interest received from All-Savers Certificates. If you file a joint return, you can exclude up to \$2,000, regardless of which spouse received the interest.

Line 9a Dividends

Dividends are distributions of money, stock, or other property that corporations pay to stockholders. They also include dividends you receive through a partnership or an estate or trust. Payers include nominees or other agents. Generally, the payer will send you a **Form 1099-DIV** for these dividends.

If you received dividends as a nominee for someone else, see Schedule B instructions on page 22.

Caution: Be sure to give each payer of dividends your correct social security number. Otherwise, beginning in 1984 the payer may withhold 20% of the dividend income. You may also be subject to penalties.

If the total, including capital gain and nontaxable distributions, is more than \$400, or you elect to exclude qualified reinvested dividends from a qualified public utility, first fill in Schedule B. (The

instructions for Schedule B begin on page 21.) If you received \$400 or less in dividends, include only the ordinary dividends on line 9a.

Dividends Include:

- **Ordinary dividends.** These are paid out of earnings and profits and are ordinary income. Assume that any dividend you receive is an ordinary dividend unless the paying corporation tells you otherwise.

- **Capital gain distributions.** If you have other capital gains or losses, you should also enter your capital gain distributions on Schedule D. If you don't need Schedule D to report any other gains or losses, don't use it. Instead, show 40% of your capital gain distributions on **Form 1040**, line 14.

- **Nontaxable distributions.** Some distributions are nontaxable because they are a return of your cost. They will not be taxed until you recover your cost. You must reduce your cost (or other basis) by the amount of nontaxable distributions received. After you get back all of your cost (or other basis), you must report these distributions as capital gains.

Note: Generally, payments from a **Money Market Fund** are dividends.

Do Not Report as Dividends

- Mutual insurance company dividends that reduced the premiums you paid.
- Amounts paid on deposits or accounts from which you could withdraw your money, such as mutual savings banks, cooperative banks, and credit unions. Remember to report these amounts as interest on line 8.

Exclusion for Dividend Reinvestment in Stock of Public Utilities

If you own stock in a qualified public utility and choose to receive your dividends in qualified common stock rather than in cash or other property, you may exclude up to \$750 (\$1,500 on a joint return) of the qualified common stock dividends distributed to you. Complete Schedule B if you choose to exclude these distributions.

Line 9b Dividend Exclusion

You can exclude (subtract) up to \$100 of qualifying dividend income. If you and your spouse file a joint return, you can subtract up to \$200, regardless of which spouse received the dividends.

Dividends must be from a domestic corporation to qualify for the exclusion. Dividends from mutual funds (other than money market funds) generally qualify for the exclusion. The corporation will tell you how much of the dividend qualifies.

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

- Money Market Funds unless the corporation has told you how much of the dividends qualify.
- Foreign corporations, including dividends from controlled foreign corporations.
- Exempt organizations (charitable, fraternal, etc.) and exempt farmers' cooperative organizations.

Line 10

Refunds of State and Local Income Taxes

If you received a refund (or credit or offset) in 1983 for State or local income taxes you paid before 1983, you may receive **Form 1099-G**, Statement for Recipients of Certain Government Payments, showing the refund. You may have to report all or part of this amount as income on your Federal income tax return.

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

If the refund was for a tax you paid in a year for which you itemized deductions on Schedule A (Form 1040), use the following worksheet to figure the amount, if any, you must report as income for 1983.

However, use the worksheet in **Publication 525**, Taxable and Nontaxable Income, instead of the one below, if any of the following apply:

- The refund you received in 1983 is for a tax year other than for 1982.
- Your taxable income on your 1982 Form 1040, line 37, was less than the amount shown on your 1982 Schedule A, line 29.
- You received a refund (other than a tax refund) in 1983 of an amount you deducted in an earlier year.

Worksheet (Keep for your records)

1. Enter the income tax refund from Forms 1099-G. **1.** _____
2. Enter the state and local income tax deduction from your 1982 Schedule A, line 11 **2.** _____
3. Enter the amount from your 1982 Schedule A, line 30. . . **3.** _____
4. Subtract line 3 from line 2 and enter the result. If the result is zero or less, enter zero (-0-). . . **4.** _____
5. Subtract line 4 from line 1 and enter the result here and on Form 1040, line 10. This is the taxable part of your refund **5.** _____

Line 11

Alimony Received

Enter amounts you received as alimony or separate maintenance. For more details, please get **Publication 504**, Tax Information for Divorced or Separated Individuals.

Line 12

Business Income or (Loss)

Enter the income or (loss) from Schedule C.

Line 13

Capital Gain or (Loss)

Enter the gain or (loss) from Schedule D.

Line 14

Capital Gain Distributions

If you do not need Schedule D for other capital transactions, enter 40% of your capital gain distributions for the year on line 14.

Line 15

Supplemental Gains or Losses

If you sold or exchanged assets used in a trade or business, see the instructions for **Form 4797**. Enter the gain or (loss) from Form 4797.

Line 16

Fully Taxable Pensions, IRA Distributions, and Annuities

Use this line to report fully taxable pension and annuity income and regular individual retirement arrangement (IRA) distributions you receive.

Your pension or annuity payments are fully taxable if:

- You did not contribute to the cost of your pension or annuity, or
- You got back tax-free your entire cost before 1983.

Fully taxable pensions and annuities also include: military retirement pay shown on Form W-2P, and distributions from an IRA (except for rollovers and premature distributions).

Other pensions and annuities, including rollovers, should be shown on lines 17a and 17b. Premature distributions from an IRA should be reported on line 21.

Line 17

Other Pensions and Annuities, Including Rollovers

Use lines 17a and 17b to report pension and annuity income that is not fully taxable. Also use these lines to report distributions from profit-sharing plans, retirement plans, and individual retirement arrangement rollovers.

The pension or annuity may not be taxable until a later year if:

- a. Both you and your employer contributed to it, and
- b. You will get back your full cost in 3 years or less beginning on the date you receive the first payment.

If you meet the requirements of **a** and **b**, complete the worksheet that follows to figure the taxable part of your pension or annuity. After you get back your full cost, all payments you receive are fully taxable. Your cost includes amounts you contributed and amounts your employer contributed, which you reported as income.

Example.—You retired in 1983 with a monthly pension of \$200. Both you and your employer contributed to it. Your pension cost was \$4,925. The amount you can expect to receive within 3 years is \$7,200 (36 months × \$200 = \$7,200). Since this amount is more than your cost, you should exclude your pension until the payments total \$4,925. After that, they are fully taxable and you should report them on line 16.

For more information, get **Publication 575**, Pension and Annuity Income. Retirees from the Federal government should get **Publication 567**, U.S. Civil Service Retirement and Disability.

Worksheet (Keep for your records)

- 1a. Enter your cost _____
- b. Cost recovered in prior years _____
- c. Subtract line 1b from line 1a _____
2. Amount received this year. Also enter this amount on Form 1040, line 17a. _____
3. Amount on line 2 that is not taxable (but not more than line 1c) _____
4. Taxable part (subtract line 3 from line 2). Enter here and on Form 1040, line 17b (if zero, enter 0.) _____

Note: If you had more than one pension or annuity that is not fully taxable, figure the taxable part of each separately. Enter the total of the taxable parts on Form 1040, line 17b.

If you cannot recover your cost within 3 years, you must use a special method to report your pension or annuity income. For more details, see **Tele-Tax Information** in the index or get Publication 575. If you must use this method, enter the amount you received this year on line 17a. Enter the taxable part on line 17b.

Caution: Certain transactions, such as loans against your interest in a qualified plan, may be taxable distributions and may also be subject to penalties. For more information, see Publication 575.

Total Distributions from Profit-Sharing, Retirement Plans, and Individual Retirement Arrangements

A "rollover" is a tax-free transfer of cash or other assets from one retirement program to another. For example, there are two kinds of rollovers to an individual retirement arrangement (IRA): (1) a rollover from one IRA to another, and (2) a rollover from a qualified pension or profit-sharing plan to an IRA.

Rollover distributions are reported to you on **Form 1099R**. For a rollover distribution, enter the total distribution (excluding your nondeductible contribution, if any) on line 17a. If the total on line 17a was rolled over, enter zero on line 17b. Otherwise, enter the taxable part as ordinary income on line 17b.

For more details on IRA rollovers get **Publication 590**, Individual Retirement Arrangements (IRA's).

If you received a lump-sum distribution from a profit-sharing or retirement plan, report the ordinary income part on line 16 of Form 1040 and the capital gain part on Schedule D (Form 1040). Form 1099R shows the amount of the distribution. You may pay less tax on this distribution if you are eligible to use the special averaging method. (This method cannot be used for lump-sum distributions from IRA plans.) For more details, get **Form 4972**, Special 10-Year Averaging Method, or **Form 5544**, Multiple Recipient Special 10-Year Averaging Method, and separate instructions.

Beneficiaries—Death Benefit Exclusion

If you are the beneficiary of a decedent, you may be entitled to a death benefit exclusion of up to \$5,000 if either of the following applies:

- a. The decedent received no retirement pension or annuity payments, or

b. The decedent received disability income payments that were not treated as pension or annuity income.

Special rules apply if you are the survivor under a joint and survivor's annuity.

If you are entitled to this exclusion, add it to the cost of the pension or annuity. For details, get **Publication 575**.

Disability Pensions and Annuities

You may not have to pay tax on part or all of your disability payments if you meet certain tests about your age, date of retirement, whether you are permanently and totally disabled, etc.

For more information, get **Form 2440**, Disability Income Exclusion, and **Publication 522**, Disability Payments.

If you use Form 2440 or your disability payments are fully taxable, DO NOT USE lines 17a or 17b of Form 1040. Instead, report disability payments you are not treating as a pension or annuity on Form 1040, line 7, regardless of whether you can exclude any part of them on Form 2440.

Note: Also see **Should You Make Estimated Tax Payments?** on page 18.

Line 18

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

Enter the income or (loss) from Schedule E.

Line 19

Farm Income or (Loss)

Enter the income or (loss) from Schedule F.

Line 20

Unemployment Compensation

Unemployment compensation (insurance) you receive may be taxable under certain conditions.

You should receive a statement, on **Form 1099-G**, Statement for Recipients of Certain Government Payments, showing the total unemployment compensation paid to you during the year. For payments in 1983, you should receive this statement by January 31, 1984.

Note: Supplemental unemployment benefits received from a company-financed supplemental unemployment benefit fund are wages. They are not considered unemployment compensation for purposes of this computation. Report these benefits on Form 1040, line 7.

If you received any unemployment compensation during 1983, please enter the total from Form(s) 1099-G on line 20a. To see if any of the unemployment compensation is taxable, fill in the following worksheet:

Unemployment Compensation Worksheet (Keep for your records)

Check only one box

- A. Single—enter \$12,000 on line 8 below.
- B. Married filing a joint return—enter \$18,000 on line 8 below.
- C. Married not filing a joint return and lived with your spouse at any time during the year—enter -0- on line 8 below.
- D. Married not filing a joint return and DID NOT live with your spouse at any time during the year—enter \$12,000 on line 8 below.

1. Total unemployment compensation from Form(s) 1099-G _____
2. If you received an overpayment of unemployment compensation in 1983 and repaid it in 1983, enter the repayment here. Also write "repayment" and the amount repaid in the margin of Form 1040 to the left of line 20a. _____
3. Subtract line 2 from line 1 _____
4. Enter the total of the amounts on Form 1040, lines 7, 8, 9c through 19, and 21 (do not include any unemployment compensation in this figure). _____
5. Add lines 3 and 4 _____
6. Enter the total of the amounts shown on Form 1040, lines 23 through 28 and any write-in adjustments included in the total on line 31 _____
7. Subtract line 6 from line 5 _____
8. Enter $\left\{ \begin{array}{l} \$12,000 \text{ if you checked} \\ \text{box A or D, or} \\ \$18,000 \text{ if you checked} \\ \text{box B, or} \\ -0- \text{ if you checked box C} \end{array} \right\}$ _____
9. Subtract line 8 from line 7. If zero or less, stop here and enter -0- on Form 1040, line 20b. _____
10. Enter one-half (50%) of the amount on line 9 _____
11. Taxable unemployment compensation. Enter the amount from line 3 or line 10, whichever is smaller. Also enter on Form 1040, line 20b. _____

Line 21

Other Income

Use line 21 to report any income you can't find a place for on your return or other schedules. Also show the nature and source of the income.

Caution: Do not report any income from self-employment on line 21. If you do have any income from self-employment, you must use Schedule C or Schedule F. Amounts your employer paid you for business expenses that are more than you spent for the actual business expenses should be added to the wages shown on line 7 unless they were already included in your Form W-2.

Examples of income to be reported on line 21 are:

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

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

- Repayment of medical expenses or other items such as real estate taxes that you deducted in an earlier year, if they reduced your tax.
- Amounts you recovered on bad debts that you deducted in an earlier year.
- Early withdrawals from an IRA of payments you deducted in an earlier year.

Net operating loss. If you had a net operating loss in an earlier year to carry forward to 1983, enter it as a minus figure on line 21. Attach a statement showing how you figured the amount. See **Publication 536**, Net Operating Losses and the At-Risk Limits, for more details.

Line 22

Total Income

Add the amounts in the column for line 7 through line 21. Enter the total on line 22.

Adjustments to Income

Line 23

Moving Expense

Employees and self-employed persons (including partners) can deduct certain moving expenses. The move had to be in connection with your job or business.

You can take this deduction only if your change in job location has added at least 35 miles to the distance from your old residence to your work place. If you had no former principal work place, your new principal work place must be at least 35 miles from your former residence.

If you meet these requirements, you should see **Form 3903** for details. Use Form 3903 to figure the amount of moving expenses to show on line 23. If you moved outside the United States or its possessions, see **Form 3903F**.

If your employer paid for any part of the move, you must report that as income on Form 1040, line 7. Your employer should give you **Form 4782** and include that amount in total wages, tips, and other compensation on **Form W-2**.

Line 24

Employee Business Expenses

You can deduct certain business expenses that were not paid by your employer. Travel, transportation (but not commuting to and from work) and meals and lodging can be deducted on line 24 by using **Form 2106** even if you do not itemize deductions on Schedule A. All other business expenses such as union or professional dues, tools, and uniforms can be deducted only if you itemize deductions on Schedule A. Outside salespersons should claim their business expenses on line 24 by using Form 2106. For details, see **Tele-Tax Information** in the index or get **Publication 463**, Travel, Entertainment, and Gift Expenses.

Line 25

Payments to an Individual Retirement Arrangement (IRA)

You can deduct payments made to your IRA (including those made under a Simplified Employee Pension (SEP) plan) on line 25a. **Schedule C or F filers with a SEP and partners with a SEP take the deduction on line 26.**

You should receive **Form 5498**, Individual Retirement Arrangement Information, or a similar statement showing payments made to your IRA in 1983. (The trustee or issuer of the plan will also provide IRS with a copy of Form 5498.) Use this amount when you figure your IRA deduction, BUT please note the following:

- If you made payments to your IRA in 1983 that you deducted on your 1982 Form 1040, **do not** include those payments on your 1983 tax return.
- If you made payments to your IRA in 1984, by the due date of your tax return, including extensions, that you want to deduct on your 1983 Form 1040, be sure to include these payments when you figure your IRA deduction for 1983.
- If your IRA deduction on line 25a is less than your IRA payments and you do not withdraw this excess payment before your return is due, you must file **Form 5329** and pay the tax due on the excess payment.
- If you are married and you and your spouse work and you both have IRAs, figure each spouse's deduction separately. Then combine the two deductions and enter the total of the two amounts on line 25a.
- If you are married and made payments to your nonworking spouse's IRA for 1983, you must file a joint return for 1983 to deduct these payments.

Note: If you are divorced and a nonworking spouse's IRA was set up for your benefit before the divorce, special rules may apply. See **Publication 590**, Individual Retirement Arrangements (IRAs), for details.

- Do not include "rollover" payments in figuring your deduction. See line 17 instructions on page 10 for more details on rollover payments.

Use the worksheet below to figure your IRA deduction. If any of the following apply, however, use the worksheet in Publication 590 instead of the one below to figure your deduction:

1. Your employer made payments to your IRA under a SEP plan. Under a SEP plan, you can deduct the smallest of: the amount of your employer's payments to your SEP-IRA that is included in your income, 15% of your wages or other earned income, or \$15,000.
2. You made deductible employee contributions (DECs) to a qualified employer plan.

Note: If your IRA deduction on line 25a includes payments made in 1984, by the due date of your return, including extensions, you must enter the amounts of these payments in the space provided on line 25b of Form 1040.

IRA Worksheet (Keep for your records)

Your IRA—Complete lines 1 through 4 if you worked and had an IRA. (If you are married and both spouses work and both have IRAs, figure each spouse's deduction separately.)

- 1a. Amount paid to your IRA in 1983, from Form 5498 or a similar statement, that you are deducting for 1983 _____

Note: Do not include on line 1a any amount you paid in 1983 and deducted on your 1982 return, any employer's SEP payments, any DECs, or any rollover payments.

- 1b. Amount paid to your IRA in 1984, by the due date of your return, including extensions, that you are deducting for 1983 _____

- 1c. Add lines 1a and 1b. Enter the total _____

- 2a. Enter your wages and other earned income from Form 1040, less any deductions you claim on line 26 of Form 1040. (Do not include spouse's income and do not reduce your wages by losses from self-employment.) _____

- 2b. If you file **Form 2555**, Foreign Earned Income, for 1983, enter the amount from line 37 of Form 2555. (Note: If you excluded 1982 foreign earned income on your 1983 Form 2555, see the Form 2555 instructions.) _____

- 2c. Subtract line 2b from line 2a. Enter the result _____

3. Maximum amount \$2,000

4. Compare amounts on lines 1c, 2c, and 3, and enter the **smallest** of the three amounts on line 4. If you do not have an IRA for your nonworking spouse, stop here and enter the amount from line 4 of the worksheet on Form 1040, line 25a. Otherwise, go on to line 5a. _____

Complete lines 5a through 10 ONLY if you made payments to your nonworking spouse's IRA.

- 5a. Amount paid to your nonworking spouse's IRA in 1983, from Form 5498 or a similar statement, that you are deducting for 1983 _____

Note: Do not include on line 5a any amount you paid in 1983 and deducted on your 1982 return, or any rollover payments.

- 5b. Amount paid to your nonworking spouse's IRA in 1984, by the due date of your return, including extensions, that you are deducting for 1983. _____

- 5c. Add lines 5a and 5b. Enter the total _____

6. Enter the amount from line 2c above _____

7. Maximum amount \$2,000

8. Compare amounts on lines 5c, 6, and 7, and enter the **smallest** of the three amounts on line 8 _____

9. Add amounts on lines 4 and 8 and enter the total, but **do not** enter more than \$2,250. _____

10. Compare amounts on lines 6 and 9 and enter the **smaller** of the two amounts on line 10. Also enter this amount on Form 1040, line 25a _____

Line 26

Payments to a Keogh (H.R. 10) Retirement Plan

Caution: You must have earnings from self-employment to claim this deduction. Sole proprietors and partners enter the allowable deduction for contributions to your Keogh (H.R. 10) plan and your SEP on line 26.

There are two types of Keogh (H.R. 10) retirement plans:

- **Defined-contribution plan.**—Under this type of plan, you are limited to 15% of your qualified earned income, but not more than \$15,000.

- **Defined-benefit plan.**—The deduction for this type of plan is determined by the investment needed to fund a specific benefit at retirement age. Write "DB" on the line to the left of the amount if you have a defined-benefit plan.

For more details, get **Publication 560**, Tax Information on Self-Employed Retirement Plans.

Line 27

Penalty on Early Withdrawal of Savings

The **Form 1099-INT** or **1099-ASC** given to you by your bank or savings and loan association will show the amount of any penalty you were charged because you withdrew funds from your time savings deposit before its maturity. Enter this amount on line 27. (Be sure to include the interest income on Form 1040, line 8.)

Line 28

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. Don't 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 details, see **Tele-Tax Information** in the index or get **Publication 504**, Tax Information for Divorced or Separated Individuals.

Line 29

Deduction for a Married Couple When Both Work

You can claim a deduction if:

- you are married filing a joint return,
- both you and your spouse have qualified earned income, and
- you do not exclude income earned abroad or in U.S. possessions or claim the foreign housing deduction.

Complete **Schedule W (Form 1040)** to figure the amount of your deduction.

Line 30

Disability Income Exclusion

This exclusion is for persons who are retired on permanent and total disability.

You must meet ALL these tests:

- You did not reach mandatory retirement age before January 1, 1983.
- You were under age 65 on December 31, 1983.
- You were permanently and totally disabled—

a. when you retired, or

b. 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.

Use **Form 2440**, Disability Income Exclusion, to figure the amount of any exclusion. Enter the exclusion from Form 2440 on this line.

Note: Be sure to include the full amount of your disability pension on Form 1040, line 7.

Other Adjustments

If you can claim any one of the following adjustments, include it in the total on line 31. Be sure to identify it to the left of the total and show the amount.

Foreign Housing Deduction.—If you have income earned abroad and you claim a deduction for foreign housing expenses on **Form 2555**, enter your deduction on line 31. Write "Deduction from Form 2555" in the space to the left of the total.

Forestation/Reforestation

Amortization.—If you can claim a deduction for amortization of the costs of forestation or reforestation and you do not have to file Schedule C or Schedule F for this activity, enter your deduction on line 31. Write "Reforestation" in the space to the left of the total.

Repayment of Sub-pay under the Trade Act of 1974.—If you repaid supplemental unemployment benefits (sub-pay) that you previously reported in income because you became eligible for payments under the Trade Act of 1974, enter the amount you repaid in 1983. Write "Sub-pay TRA" in the space to the left of the total. Or, you may be able to claim a credit against your tax instead. See **Publication 525**, Taxable and Nontaxable Income, for more details.

Line 31

Total Adjustments

Add lines 23 through 30. Include any of the amounts you wrote in to the left of this total. Enter the total on this line.

Line 32

Adjusted Gross Income

Subtract line 31 from line 22. If line 32 is less than \$10,000, you may be eligible to claim the Earned Income Credit. Please see the instructions for line 59 on page 16.

If line 32 is less than zero (0), you may have a net operating loss that you can carry to another tax year. If you carry the loss back to earlier years, see **Form 1045**. For more information, please get **Publication 536**, Net Operating Losses and the At-Risk Limits.

Tax Computation

Line 33

Enter the amount from line 32.

Line 34a

You will fall into one of these three classes below:

- You MUST itemize deductions, or
- You choose to itemize, or
- You do not itemize.

The three classes are described below.

You MUST Itemize Deductions

You must itemize deductions if:

A. You can be claimed as a dependent on your parents' return and had interest, dividends, or other unearned income of \$1,000 or more. Generally, this means that you must complete Schedule A and the worksheet on this page.

There are two exceptions to this rule:

1. You don't have to itemize deductions on Schedule A or complete the worksheet if you have earned income* of \$2,300 or more if single (\$1,700 or more if married filing a separate return). Enter zero (0) on line 34a and go on to line 34b.

2. You don't have to use Schedule A if you know that your earned income* is more than your itemized deductions. In this case go directly to the worksheet on this page after completing line 33 of Form 1040. Enter your earned income on line 3 of the worksheet in the next column.

Note: If your unearned income is less than \$1,000, you don't have to use Schedule A or the worksheet—enter zero (0) on line 34a and go on to line 34b.

In any case, be sure to check the box below line 34a.

B. You are married, filing a separate return, and your spouse itemizes.

C. You file **Form 4563** and exclude income from sources in U.S. possessions. (Please see **Publication 570**, Tax Guide for U.S. Citizens Employed in U.S. Possessions, for more details.)

D. You had dual status as a nonresident alien for part of 1983, and during the rest of the year you were either a resident alien or a U.S. citizen. However, you do not have to itemize if you file a joint return with your spouse who was a U.S. citizen or resident at the end of 1983 and you and your spouse agree to be taxed on your combined worldwide income.

After you've completed Schedule A:

a. If Schedule A, line 27, is more than line 26, do not fill in Form 1040, line 34a. Go to the worksheet below instead and complete it to figure the amount to enter on Form 1040, line 35.

b. If Schedule A, line 26, is more than line 27, enter the amount from Schedule A, line 28, on Form 1040, line 34a. Do not complete the worksheet below.

Worksheet (keep for your records)

1. Enter the amount from Form 1040, line 33 _____
2. If you checked Form 1040, Filing Status Box:
2 or 5, enter \$3,400 } _____
1 or 4, enter \$2,300 }
3, enter \$1,700 }
3. Enter the amount from Schedule A, line 26 (or if you can be claimed as a dependent on your parents' return, enter earned income, if earned income is more) _____

Caution: If you can be claimed as a dependent on your parents' return, be sure you check the box below line 34a of Form 1040.

4. Subtract line 3 from line 2, _____
5. **Add lines 1 and 4.** Enter here and on Form 1040, line 35. (Leave Form 1040, lines 34a and 34b blank. Disregard the instruction to subtract line 34a or 34b from line 33. Follow the rest of the instructions for Form 1040, line 35) _____

The example below may help you to complete this worksheet.

Example.—Walter Green, is single and is claimed as a dependent on his parents' return. Walter's adjusted gross income, Form 1040, line 33, is \$4,000. Of this amount, \$1,500 was wages and \$2,500 was unearned income that he received as a beneficiary of a trust. Because Walter is being claimed as a dependent on his parents' return and has unearned income of \$1,000 or more and earned income of less than \$2,300, he must use the worksheet. His total itemized deductions are only \$500. Since this is less than his earned income (\$1,500), he does not have to complete Schedule A. Walter enters \$2,300, the zero bracket amount for a single individual, on line 2 and his earned income on line 3. He completes the worksheet as shown on page 14 and enters the total of \$4,800 on Form 1040, line 35. He then completes his return using the instructions that follow.

***Earned income** is income you receive for personal services you have performed. It includes wages, salaries, tips, and professional fees.

Generally, your earned income is the total of the amount(s) you reported on Form 1040, lines 7, 12, and 19.

Earned income does not include pay for your services that included a distribution of earnings and profits other than reasonable compensation for your work for a corporation.

If you were engaged in a trade or business in which both your services and capital were important income-producing factors, your earned income will be based on a reasonable allowance for the services you performed. However, the earned income may not be more than 30 percent of your share of the net profits from the business.

1	Adjusted gross income	\$4,000
2	Zero bracket amount for a single individual	\$2,300
3	Earned income	1,500
4	Subtract line 3 from line 2	800
5	Add lines 1 and 4. Enter here and on Form 1040, line 35	\$4,800

Note: If Walter's itemized deductions had been more than his earned income, he would have had to complete Schedule A first.

You Choose to Itemize

You may choose to itemize your deductions if you are:

- Married and filing a joint return, or a Qualifying widow(er) with dependent child, and your itemized deductions are more than \$3,400.
- Married and filing a separate return, and your itemized deductions are more than \$1,700.
- Single, or a Head of household, and your itemized deductions are more than \$2,300.

If you do itemize, complete Schedule A and enter the amount from Schedule A, line 28, on Form 1040, line 34a.

Caution: Certain taxpayers must itemize even though their itemized deductions are less than the amount shown above for their filing status. See "You MUST Itemize Deductions" on page 13.

You Do Not Itemize

If your itemized deductions are less than the amount shown above for your filing status (or you choose not to itemize), enter zero on line 34a unless you MUST itemize as described on page 13.

Line 34b

Deduction for Charitable Contributions

You may deduct part of your charitable contributions even if you do not itemize your deductions. Your deduction is limited to 25% of your first \$100 (\$50 if married filing separately) of contributions to qualified organizations. Therefore, you can deduct up to \$25 (\$12.50 on a separate return) on line 34b.

Include what you gave to, or for the use of, a qualified organization. Examples of qualified organizations are: churches, United Way, and nonprofit schools and hospitals.

Contributions can be cash (including checks and money orders), property, or out-of-pocket expenses paid to do volunteer work for a qualified organization.

For more details on what qualifies as a charitable contribution, see the instructions for contributions on page 20.

Use the worksheet that follows to figure your deduction.

Charitable Contributions Worksheet

(Keep for your records)

1.	Cash contributions (including checks, money orders, receipts, or other written evidence)	_____
2.	Other contributions	_____
3.	Total. Add lines 1 and 2	_____
4.	Multiply the amount on line 3 by 25% (.25)	x .25
5.	Enter here and on Form 1040, line 34b, BUT DO NOT ENTER MORE THAN \$25 (\$12.50 if married filing separately)	_____

Line 35

Subtract line 34a or 34b from line 33. Remember—if you completed the worksheet on page 13, the amount on line 35 will be the amount from line 5 of that worksheet (and line 35 will be more than line 33).

Line 36

Exemptions

Multiply \$1,000 by the total number of exemptions you claimed on line 6e.

Line 38

Tax

To figure your tax, use one of the following methods.

Tax Rate Schedules

You must use the Tax Rate Schedules to figure your tax if your taxable income is \$50,000 or more.

Also use the Tax Rate Schedules if you figure your tax using:

Income Averaging, Schedule G.—You may pay less tax by using this method if there has been a large increase in your income this year. In some cases you may benefit even if your 1983 income did not increase substantially. This will depend on the amount of your taxable incomes in the four base years (1979-1982). Get **Schedule G** to see if you qualify.

Tax Table

If none of the above conditions apply to you, you MUST use the Tax Table to find your tax.

Be sure you use the correct column in the Tax Table. After you have found the correct tax, enter that amount on line 38.

There is an example at the beginning of the table to help you find the correct tax.

Note: The allowance for the zero bracket amount and the tax rate reduction have already been built into both the Tax Table and the Tax Rate Schedules for you.

Line 39

Additional Taxes

Check the box(es) on line 39 to report any of the additional taxes listed below.

Form 4970, Tax on Accumulation Distribution of Trusts.

Form 4972, Special 10-Year Averaging Method.

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

Section 72 Penalty Taxes. If you are or were an owner-employee and received income from a premature or excessive distribution from a Keogh (H.R. 10) plan or trust, you will have to pay a penalty tax of 10 percent of the distribution. See **Publication 560** for more details. Or, if you were an employee, you made any deductible contributions to your employer's qualified plan, and received income from a premature distribution, you may have to pay a penalty tax.

If you received certain premature distributions from an annuity contract, you may have to pay a 5% penalty tax on the taxable part of the distribution. See **Publication 575** for more details.

These penalty taxes are in addition to the regular income tax. (Note: Only the credits on lines 41, 44, 45, and 47 can be used to reduce these taxes. Attach a separate sheet, showing how you applied any of these credits.)

Residence Credit Recapture. If you claimed the credit for a new residence in 1976, and sold it in 1979, you may have to repay the credit in 1983. See **Publication 523** for more details. If you must repay the credit in 1983, include it in your total for line 39. On the dotted line next to this total, please write "Residence Credit Recapture" and show the amount.

Credits

Line 41

Credit for the Elderly

You may be able to take this credit and reduce your tax if you are:

- Age 65 or over, or
- Under age 65 and retired under a public retirement system.

For more information, please see the instructions for **Schedules R & RP**. Enter the credit on this line.

If you want IRS to figure the credit for you, see **IRS Will Figure Your Tax and Some of Your Credits** on pages 3 and 4.

Line 42

Foreign Tax Credit

Form 1116 explains when you can take this credit for payment of income tax to a foreign country. Also see **Publication 514**. Enter the credit from Form 1116 on this line.

Line 43

Investment Credit

You are allowed a credit for investing in certain types of trade or business property. Use **Form 3468** to figure the amount of any credit. Enter the credit from Form 3468 on this line.

Line 44

Partial Credit for Political Contributions

You may take a tax credit on this line for contributions to candidates for public office and to newsletter funds and political committees of candidates and elected public officials.

Caution: Do not take this credit for the \$1 or \$2 you checked to go to the Presidential Election Campaign Fund.

To figure your credit, add up the amounts you gave. Enter half of this total on line 44, but do not enter more than the smaller of the following:

- a. \$50 (\$100 if you are married and filing a joint return), or
- b. The amount on line 40 reduced by the credits on lines 41, 42, and 43.

Note: You cannot deduct political contributions as charitable contributions.

For more information, please see Publication 585.

Line 45

Credit for Child and Dependent Care Expenses

You may be able to take a credit on line 45 for payments you made for child and disabled dependent care while you (and your spouse if you are married) worked or looked for work.

The credit is allowed if you kept up a home that included a child under age 15 or your dependent or spouse who could not care for himself or herself. Use Form 2441 to figure the amount of any credit.

Please see Form 2441 for more information, including special rules for divorced or separated taxpayers and certain employment taxes for which you may be liable.

Line 46

Jobs Credit

Business employers who hire individuals who are members of special targeted groups may qualify for this credit.

Please get Form 5884 and Publication 906, Jobs and Research Credits, for more information. Also see the instructions for Form 5884 if you have a WIN credit or a WIN credit carryover.

Line 47

Residential Energy Credit

Generally, if you installed energy saving items in your principal residence during 1983, or you have an energy credit carryover from a prior tax year, you may take a credit against your tax.

Form 5695, Residential Energy Credit, tells you which energy saving items qualify and how to take the credit. Also, see Publication 903, Energy Credits for Individuals, for more information.

Other Credits

If you can claim any of the following credits, include them in the total on line 48. Be sure to identify them to the left of the total and show the amount.

Alcohol Fuel Credit

You may be able to take a credit for alcohol used as fuel. This applies to straight alcohol you sell at retail or use as fuel in your trade or business. It also applies to an alcohol mixture you sell or use as fuel in your trade or business. Use Form 6478 to figure the credit. Include the credit in your total for

line 48. On the dotted line next to this total, write "Alcohol Fuel Credit" and show the amount.

Credit for Fuel from a Nonconventional Source

A credit is allowed for the sale of qualified fuels produced from a nonconventional source. See I.R. Code section 44D for a definition of qualified fuels, provisions for figuring the credit, and other special rules. Attach a separate schedule showing how you figured the credit. Include the credit in the total for line 48 and write "FNS" on the dotted line next to this total.

Credit for Increasing Research Activities

You may be able to take a credit for research and experimental expenditures paid or incurred in carrying on your trade or business. Generally, the credit is 25% of the increased research expenses after June 30, 1981. Use Form 6765 to figure the credit. Include the credit in your total for line 48. On the dotted line next to this total, write "Research" and show the amount.

Line 48

Total Credits

Add lines 41 through 47. Include any of the three other credits above that you claimed. Enter the total on this line.

Line 49

Balance

Subtract line 48 from line 40 and enter the result on line 49. If the amount is less than zero, enter zero.

Other Taxes

Line 50

Self-Employment Tax

If you had self-employment income in 1983, and earned under \$35,700 in wages from which social security tax or RRTA tax was withheld, you may have to pay self-employment tax. Please see Schedule SE (Form 1040) and instructions. If you have to pay self-employment tax, enter the amount from Schedule SE, line 14.

Line 51

Alternative Minimum Tax

You may be liable for the alternative minimum tax if you have:

1. Any of the following tax preference items—
 - All-Savers interest exclusion;
 - dividend exclusion;
 - accelerated depreciation;
 - amortization of certified pollution-control facilities;
 - capital gain deduction;
 - mining exploration and development costs;
 - reserves for losses on bad debts of financial institutions;
 - depletion;
 - incentive stock options;
 - intangible drilling costs; and

- circulation and research and experimental expenditures.

OR

2. You have taxable income of more than:
 - \$40,000 if married filing jointly or surviving spouse, or
 - \$30,000 if single or head of household, or
 - \$20,000 if married filing separately;
 - AND you claim any credits on lines 41 through 48 of Form 1040.

Get Form 6251 to see if you are liable for this tax.

Line 52

Tax from Recapture of Investment Credit

You may owe this tax if you disposed of investment credit property before the end of its useful life or recovery period.

See Form 4255 for details. Enter any tax from Form 4255 on this line.

Line 53

Social Security Tax on Tip Income Not Reported to Employer

If you received tips of \$20 or more in any month and you did not report the full amount to your employer, you must pay the social security or railroad retirement tax on the unreported tips.

To figure the amount of social security tax on unreported tips, complete Form 4137 and attach it to your Form 1040. Enter the tax on this line.

To determine the amount of railroad retirement tax on unreported tips, contact your nearest Railroad Retirement Board office. On line 53, enter the tax and next to it write "RRTA" in the margin.

Be sure all your tips are reported as income on Form 1040, line 7.

Line 54

Uncollected Employee Social Security and RRTA Tax on Tips

If you did not have enough wages to cover the social security tax or railroad retirement tax (RRTA) 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 54.

Line 55

Tax on an IRA

If you owe tax on any early distributions from your IRA, any excess payments made to your IRA, or any excess accumulations in your IRA account, use Form 5329 to figure the tax. Enter the total tax on line 55.

Line 56

Total Tax

Add lines 49 through 55. Put the total on line 56.

Advance Earned Income Credit (EIC) Payments.—If you received advance EIC payments, the amount will be shown on your Form W-2. Include the amount of these payments in your total for line 56. On the dotted line next to this total, write "AEIC" and show the amount.

Note: The amount of earned income credit that you can actually take will be figured in the worksheet shown on page 16 and entered on line 59.

Payments

Line 57

Total Federal Income Tax Withheld
Add the amounts shown as Federal income tax withheld on your **Forms W-2, W-2G, W-2P, and 1099R**. Enter the total on this line.

If you had income tax withheld in 1983 on dividends or interest income you received during 1983, include the amount withheld in the total on line 57. On the dotted line next to this total, write "Form 1099."

Line 58

1983 Estimated Tax Payments
Enter on this line any payments you made on your estimated Federal income tax (**Form 1040-ES**) for 1983. Include any overpayment from your 1982 return that you applied to your 1983 estimated tax.

If you and your spouse paid joint estimated tax but are now filing separate income tax returns, either of you can claim all of the amount paid. Or you can each claim a part of it. Please be sure to show both social security numbers on the separate returns.

If you or your spouse paid separate estimated tax, but you are now filing a joint income tax return, add the amounts you each paid.

Follow the above instructions even if your spouse died.

Divorced taxpayers.—If you were divorced during 1983, you may have made joint estimated tax payments with your former spouse. If so, please enter your former spouse's social security number in the block provided on the front of Form 1040. In the upper right corner of the return, above the social security numbers, write "DIV."

If you were divorced and remarried in 1983, enter your present spouse's social security number in the block provided on the front of Form 1040. Also, enter your former spouse's social security number in the upper right corner above the blocks and write "DIV" above that number.

Line 59

Earned Income Credit What Does the Earned Income Credit Do?

The earned income credit helps many taxpayers who have a child and have incomes under \$10,000. If you can take the earned income credit, you can subtract it from tax you owe or get a refund even if you had no tax withheld from your pay. The credit can go as high as \$500.

What Is Earned Income?

Earned income includes:

- wages, salaries, and tips.
- earnings from self-employment—this is usually the amount shown on Schedule SE (Form 1040), line 9.
- anything else of value (money, goods, or services) you get from your employer for services you performed regardless of whether it is taxable.

Note: The following are examples of amounts received from your employer that must be included in line 1 of the worksheet—

- a. Housing allowance (or rental value of a parsonage) for members of the clergy.

To see if you can take the Earned Income Credit, answer the questions below.

Yes No

1. Is the amount you listed on Form 1040, line 33, less than \$10,000? ...
2. Did you receive any wages, salaries, tips, or other earned income (see "What is Earned Income?" on this page)?
3. Did you have a child (see **Note 1** below) who lived with you in the same principal residence in the U.S. during all of 1983?
4. If you checked Filing Status box 2 or box 5 on Form 1040, did you claim your child as a dependent on Form 1040, line 6c? **OR** If you checked Filing Status box 4 on Form 1040 and your child was **married** for 1983, did you claim that child as a dependent on Form 1040, line 6c? **OR** If you checked Filing Status box 4 on Form 1040 and your child was **unmarried** for 1983, did you enter that child's name on Form 1040, line 4 (or line 6c if you claimed that child as a dependent)? }

Note 1—For this purpose, the word **child** means:

- Your son or daughter.
- Your stepchild, adopted child, or a child placed with you by an authorized placement agency for legal adoption (even if the child became your stepchild or adopted child, or was placed with you, during the year).
- Any other child whom you cared for as your own child for the whole year, unless the child's natural or adoptive parents provided more than half of the support for that year.

If you answered NO to any question, you can't take the earned income credit. Do not fill in the worksheet. Instead write "NO" on line 59 of Form 1040.

If you answered YES to all the questions, you may be able to take the credit. Use the Earned Income Credit Worksheet below to figure the amount of any credit.

Note 2—If you expect to answer **YES** to all of the above questions for 1984 and want to receive advance payments of the credit, file **Form W-5** with your employer.

Earned Income Credit Worksheet

To figure your credit, follow the instructions below.

1. Enter the amount from Form 1040, line 7, plus any other compensation from your employer, regardless of whether it is taxable. Include disability pensions but do not include other pensions or annuities.	\$
2. If you were self-employed, enter the amount, even if a loss, from Schedule SE, line 9. If you have self-employment income that you reported on line 1 above, do not include it here. (Clergy and religious workers, see Publication 517 .)	
3. Earned income. Add lines 1 and 2. However, if line 2 is a loss, subtract line 2 from line 1. If the amount on line 3 is zero or less, do not complete the rest of this worksheet; you cannot take the credit. If it is more than zero, go on to line 4.	
4. Adjusted gross income. Enter the amount from Form 1040, line 33.	
5. If line 4 above is \$6,000 or less , use the amount from line 3 above to find your credit in the table on page 44. Enter the credit here and on Form 1040, line 59.	
6. If line 4 above is over \$6,000 :	
a. First find the amount from line 3 above in the table on page 44 and enter the credit for that amount here.	\$ _____
b. Then find the amount from line 4 above in the table and enter the credit for that amount here.	\$ _____
c. Enter the amount from line 6a or 6b, whichever is smaller, here and on Form 1040, line 59.	\$

Do NOT file this worksheet with your return—Keep it for your records.

- b. Meals and lodging.
- c. Disability pensions that qualify for exclusion on Form 2440.

Earned income does not include items such as interest, dividends, social security payments, welfare benefits, veterans' benefits, workmen's compensation or unemployment compensation (insurance).

Who Can't Take the Earned Income Credit?

- You can't take the credit if:
- your income is \$10,000 or more; or
 - you are single (Filing Status Box 1); or
 - you are married filing a separate return (Filing Status Box 3); or
 - you file **Form 2555** to exclude income earned overseas or to exclude or deduct certain housing costs; or
 - you file **Form 4563** to exclude income earned from sources in U.S. possessions.

If you can take the credit, enter on line 59 the credit from line 5 or line 6c of this worksheet, whichever applies.

If you want IRS to figure the credit for you, see **IRS Will Figure Your Tax and Some of Your Credits** on pages 3 and 4.

Line 60

Amount Paid with Form 4868 (Extension of Time to File)

If you filed **Form 4868** to get an extension of time to file Form 1040, enter the amount you paid with that form. Also include any amounts paid with Form 2688.

Line 61

Excess Social Security Tax and RRTA Tax Withheld—Two or More Employers

If you had two or more employers in 1983 who together paid you more than \$35,700 in wages, too much social security tax and railroad retirement tax (RRTA) may have been withheld from your wages. If so, you may be able to take a credit for it against your income tax.

If you are filing a joint return, you must figure this separately for yourself and your spouse.

If you worked for two or more railroad employers, see your employer for information on how to figure your excess RRTA tax. **Do not** use this worksheet.

Complete the following worksheet to see if you can take the credit.

Caution: *However, if you were a U.S. Government employee whose wages were subject only to the 1.3% hospital insurance benefits tax, and you had other social security or RRTA wages that when combined with your U.S. Government wages totaled more than \$35,700, see Form 4469 before completing the worksheet below.*

Worksheet (keep for your records)

1. Add all social security tax withheld (but not more than \$2,391.90 for each employer).* Enter total here _____
2. From Form 1040, line 54, enter any uncollected social security tax on tips _____
3. Add 1 and 2 above _____
4. Less _____ **-2,391.90**
5. Subtract 4 from 3. Enter this amount on line 61. _____

***Note:** *If any one employer withheld more than \$2,391.90, you should ask the employer to refund the excess to you. You cannot take credit for it on your return.*

Excess Hospital Insurance Benefits Tax. If you were a U.S. Government employee whose wages in 1983 were subject **ONLY** to the 1.3% hospital insurance benefits (Medicare) tax, you may be entitled to a credit for excess hospital insurance benefits tax if:

1. you had other wages subject to social security tax or RRTA tax, or you had self-employment income, and
2. your government wages plus any combination of social security wages, RRTA wages, or self-employment income total more than \$35,700. See **Form 4469**, Computation of Excess Hospital Insurance Benefits Tax, for more details.

Line 62

Credit for Federal Tax on Special Fuels and Oils

If you can take a credit for tax on gasoline, special fuels, and lubricating oils used in your business (including qualified taxicabs), please attach **Form 4136**. Enter the credit on line 62.

Line 63

Regulated Investment Company Credit

Enter on this line the total amount of the credit from **Form 2439**. Be sure to attach Copy B of Form 2439.

Excess Hospital Insurance Benefits Tax

Include any credit from **Form 4469** in the total on line 63. On the dotted line next to this total, write "Form 4469" and show the amount.

Overpaid Windfall Profit Tax

You may be allowed a credit for overpaid windfall profit tax. Use **Form 6249** to figure the overpayment. Include this amount in your total for line 64. On the dotted line next to this total, please write "Overpaid Windfall Profit Tax" and show the amount.

Line 64

Total

Add lines 57 through 63. Include any Overpaid Windfall Profit Tax. Enter the total on line 64.

Refund or Amount You Owe

Line 65

Amount Overpaid (If line 64 is larger than line 56)

Subtract line 56 from line 64. You can choose to have all, or part, of this amount refunded to you (line 66). The remainder, if any, can be applied to your estimated tax for 1984 (line 67). If line 65 is under \$1, we will send a refund only on written request.

Line 66

Refund

Enter the amount from line 65 that you want refunded to you. If your refund is large, you may want to have less income tax withheld from your pay. See the instructions on page 18 for **Income Tax Withholding for 1984**.

Line 67

Applied to 1984 Estimated Tax

Subtract line 66 from line 65. This is the amount that will be applied to your estimated tax for 1984. Enter this amount on line 67.

We will apply amounts to your account unless you attach a request to apply it to your spouse's account. The request should include your spouse's social security number.

Line 68

Amount You Owe (If line 56 is larger than line 64)

Subtract line 64 from line 56. This is the amount you owe. Enter the amount on this line.

Attach your check or money order for the full amount when you file. Make it out to "Internal Revenue Service" and be sure to write your social security number and "1983 Form 1040" on it. If line 68 is under \$1, you do not have to pay.

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 do owe tax for 1983, you may want to increase the amount of income tax withheld from your pay. Otherwise, you may be required to make estimated tax payments. See the instructions on page 18 for **Income Tax Withholding for 1984 and Should You Make Estimated Tax Payments?**

Underpayment of Estimated Tax

If line 68 is \$300 or more and more than 20% of the tax shown on your return, or you underpaid your 1983 estimated tax liability for any payment period, you may owe a penalty. Get **Form 2210 (Form 2210F for farmers and fishermen)** to see if you meet one of the exceptions to the penalty. Please attach that form to Form 1040 to show how you figured the penalty or which exceptions you believe you meet.

However, if you underpaid your 1983 income tax, you will not owe a penalty or have to complete Form 2210 (or Form 2210F), if:

1. you had no tax liability for 1982;
2. you were a U.S. citizen or resident for all of 1982; and
3. your 1982 tax return was for a tax year of 12 full months.

If you attach Form 2210 or 2210F, be sure you check the box below line 68. If you owe a penalty, show the amount in the space below line 68.

If you owe tax, add the penalty amount to the tax due and show the total on line 68. Or, if you are due a refund, subtract the penalty amount from the overpayment you show on line 65.

Now continue with step 6 below

Step 6

Check your return to make sure it is correct.

Step 7

Sign and date your return.

Form 1040 is not considered a return unless you sign it. Your spouse must also sign if it is a joint return.

Step 8

Did you have someone else prepare your return?

If you fill in your own return, the Paid Preparer's space should remain blank. Someone who prepares your return but **does not charge you, should not sign.**

Generally, anyone who is paid to prepare your tax return must sign your return and fill in the other blanks in the Paid Preparer's Use Only area of your return.

If you have questions about whether a preparer is required to sign your return, please contact an IRS office.

The preparer required to sign your return MUST:

- Sign it, by hand, in the space provided for the preparer's signature. (Signature stamps or labels are not acceptable.)
- Give you a copy of your return in addition to the copy to be filed with IRS.

Tax return preparers should be familiar with their responsibilities. They should see **Publication 1045**, Information and Order Blanks for Preparers of Federal Income Tax Returns, for more details.

Step 9

Attachments

Attach the first copy or Copy B of **Forms W-2, W-2G, and W-2P** to the front of Form 1040. Attach schedules and forms in "sequence number" order. The number is just below the year in the upper right corner of the schedule or form.

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

If you owe tax, be sure to attach your payment to the front of Form 1040.

Reminders

Penalties and Interest

a. Interest. We will charge you interest on taxes not paid by their due date, even if an extension of time to file is granted.

b. Late Filing of Return. You can avoid penalties for late filing by sending in your return by the due date. The law provides a penalty of 5% of the tax due for each month, or part of a month, the return is late (maximum 25%) unless you can show reasonable cause for the delay. If you file a return late, attach a full explanation to your return. If your return is more than 60 days late, the penalty will not be less than \$100 or 100% of the balance of tax due on your return, whichever is less.

c. Late Payment of Tax. The penalty for not paying tax when due is $\frac{1}{2}$ of 1% of the unpaid amount for each month or part of a month it remains unpaid. The maximum penalty is 25% of the unpaid amount. The penalty applies to any unpaid tax shown on the return. It also applies to any additional tax shown on a bill that is not paid within 10 days after the date of the bill. This penalty is in addition to interest charges on late payments.

Note: *If you include interest or either of these penalties with your payment, identify and enter these amounts in the bottom margin of Form 1040, page 2. Do not include the interest or penalty amounts in Amount You Owe on line 68.*

d. Other Penalties. There are also other penalties that can be imposed for negligence, substantial understatement of tax, filing a frivolous return, and fraud. See **Publication 17** for details on some of these penalties.

Penalty for frivolous return.—In addition to any other penalties, the law imposes a penalty of \$500 for filing a frivolous return. A frivolous return is one which does not contain information needed to figure the correct tax or shows a substantially incorrect tax, because you take a frivolous position or desire to delay or interfere with the tax laws.

Income Tax Withholding for 1984

If the amount you overpaid (line 65) or the amount you owe IRS (line 68) is large, see your payroll office. Ask about filling out a new **Form W-4** to change the amount of income tax to be withheld from your wages. For example, working married couples and persons with two or more jobs often need to have more tax withheld to avoid owing a large payment when the return is filed. You may also owe more tax because you have other income on which there is no withholding, such as capital gains.

If the amount you owe IRS is large, you may have to make estimated tax payments for 1984. See **Should You Make Estimated Tax Payments?**, below.

Or, if you got a large refund, get a copy of Form W-4 from your employer and read the instructions. If you are entitled to additional allowances, file a new Form W-4 with your employer.

If you go back to work after a period of unemployment, you may reduce the amount of income tax withheld if your employer agrees to use the part-year method of withholding. There are also other methods which could reduce your withholding.

For more details, see your employer or get **Publication 505**, Tax Withholding and Estimated Tax.

Should You Make Estimated Tax Payments?

In general, you do not have to make estimated tax payments if you expect that your 1984 Form 1040 will show a tax refund, or a tax balance due IRS of less than \$400. If your total estimated tax is \$400 or more, please get **Form 1040-ES**. It contains a worksheet that you can use to see if you have to make estimated tax payments.

Address Change

If you move after you file your return and you are expecting a refund, you should notify the post office serving your old address. Also notify the IRS 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.

Corresponding With IRS

Be sure to include your social security number in any correspondence with IRS.

How Long Should Records Be Kept?

Keep records of income, deductions, and credits shown on your return, as well as any worksheets used to figure them, until the statute of limitations runs out for that return. Usually this is 3 years from the date the return was due or filed, or 2 years from the date the tax was paid, whichever is later. Also keep copies of your filed tax returns as part of your records. You should keep some records longer. For example, keep property records (including those on your own home) as long as they are needed to figure the basis of the original or replacement property. For more details, get **Publication 552**, Recordkeeping for Individuals and a List of Tax Publications.

If you need a copy of your tax return or tax account information, use **Form 4506**, Request for Copy of Tax Form. The charge for a copy of a return is \$5.00. The charge for tax account information is \$2.50.

Amended Return

If you file your income tax return and later become aware of any changes you must make to income, deductions, or credits, file **Form 1040X**, Amended U.S. Individual Income Tax Return, to change the Form 1040, 1040A, or 1040EZ you already filed.

Note: *If your Federal return is changed for any reason, it may affect your State income tax liability. This would include changes made as a result of an examination of your return by the IRS. Contact your State tax agency for more information.*

Instructions for

Schedule A

Itemized Deductions

Purpose of Form

*Some taxpayers must itemize their deductions and some should itemize because they will save money. See **You MUST Itemize Deductions and You Choose to Itemize** on pages 13 and 14.*

If you itemize, you can deduct part of your medical and dental expenses, and amounts you paid for certain taxes, interest, contributions, casualty and theft losses, and other miscellaneous expenses. These are explained below.

Lines 1 through 7

Medical and Dental Expenses

Before you can figure your total deduction for medical expenses, you must complete Form 1040 through line 33.

Beginning in 1983, you can deduct only that part of your medical and dental expenses that are more than 5% of your adjusted gross income on Form 1040, line 33.

Only medicine and drug costs that are more than 1% of Form 1040, line 33, are deductible as medical expenses, subject to the 5% limitation.

Lines 1 through 7 of Schedule A explain how to deduct your medical and dental expenses. Include amounts you paid for hospital, medical, and extra Medicare (Medicare B) insurance. When you figure them, you can include medical and dental bills you paid for:

- Yourself.
- Your spouse.
- All dependents you list on your return.
- Any person that you could have listed as a dependent on your return if that person had not received \$1,000 or more of gross income or had not filed a joint return.

Example.—You gave more than half of your mother's support but cannot list her as a dependent because she received \$1,000 of wages during 1983. If part of your support was the payment of her medical bills, you can include that part in your medical expenses.

You should include all amounts you paid during 1983, but do not include amounts repaid to you, or paid to anyone else, by hospital, health or accident insurance, or your employer.

Note: On line 4c list the medical expense and the amount of the expense. Enter one total in the total amount column on line 4c.

Examples of Medical and Dental Payments You CAN Deduct

To the extent you were not reimbursed, you can deduct what you paid for:

- Medicine, drugs, birth control pills, vaccines, and vitamins your doctor told you to take.
- Medical doctors, dentists, eye doctors, chiropractors, osteopaths, podiatrists, psychiatrists, psychologists, physical therapists, acupuncturists, and psychoanalysts (medical care only).
- Medical examinations, X-ray and laboratory services, insulin treatment, and whirlpool baths the doctor ordered.
- Nursing help. If you pay someone to do both nursing and housework, you can deduct only the cost of the nursing help.
- Hospital care (including meals and lodging), clinic costs, lab fees.
- Medical treatment at a center for drug addicts or alcoholics.
- Medical aids such as hearing aids (and batteries), false teeth, eyeglasses, contact lenses, braces, orthopedic shoes, crutches, wheelchairs, guide dogs and the cost of maintaining them.
- Ambulance service and other travel costs to get medical care. If you used your own car, you can claim what you spent for gas and oil to go to and from the place you received the care; or you can claim 9 cents a mile. Add parking and tolls to the amount you claim under either method.

Examples of Medical and Dental Payments You CANNOT Deduct

You cannot deduct the following:

- The basic cost of Medicare insurance (Medicare A).
- Note:** If you are 65 or over and not entitled to Social Security benefits, you may deduct premiums you voluntarily paid for Medicare A coverage.
- Life insurance or income protection policies.
- The 1.3% hospital insurance benefits tax withheld from your pay as part of the social security tax or paid as part of social security self-employment tax.
- Nursing care for a healthy baby. (You may qualify for the child and dependent care credit; see **Form 2441**.)
- Illegal operations or drugs.
- Travel your doctor told you to take for rest or change.
- Funeral, burial, or cremation costs.

Publication 502, Medical and Dental Expenses, has a checklist of medical expenses that can be deducted and those that can't. It also explains when you can deduct capital expenditures and special care for handicapped persons.

Lines 8 through 12 Taxes

Taxes You CAN Deduct

• State and local income taxes (line 8)

Include on this line State and local income taxes that were withheld from your salary and any estimated payments made. Also include payments you made in 1983 on a tax for a prior year.

If you received a refund of (or credit for) prior year taxes in 1983, see the instructions for Form 1040, line 10. Do not reduce your itemized deductions by this amount.

• Real estate taxes (line 9)

Include taxes that you paid on property you own that was not used for business.

Publication 530, Tax Information for Homeowners, and **Publication 588**, Condominiums, Cooperative Apartments, and Homeowners Associations, explain the deductions homeowners can take.

If you pay your real estate taxes as part of your mortgage payments, do not take a deduction for that amount. Deduct the taxes in the year the mortgage company actually paid them to the taxing authority.

• General sales taxes (line 10)

The Optional State Sales Tax Tables show how much you can deduct for your income and family size if you did not keep detailed records. You can add to the sales tax table amount the general sales tax you paid if you bought:

- A car, motorcycle, motor home, or truck.
- A boat, plane, home (including mobile or prefabricated), or materials to build a new home if:
 1. The tax rate was the same as the general sales tax rate, and

2. Your sales receipt or contract shows how much tax was imposed on you and paid by you.

If you kept records that show you paid more State sales tax than the tables list, you may deduct the larger amount on line 10a. Separately show the sales tax you paid on any motor vehicle you bought during 1983 on line 10b. Include State or local selective sales or excise taxes if the rates were the same as the general sales tax rates.

The sales tax tables include income through \$40,000. When you figure your income, count all available income. This includes the amount on Form 1040, line 33, plus most amounts you received that are not taxed. The instructions at the top of the first page of the table give steps to help you figure your deduction.

If your available income was more than \$40,000, see the following example.

Example.—Mr. & Mrs. Green live in Virginia and have a family size of 4. Their total available income is \$56,025.

Using the table for Virginia, they find the deduction for their family size (4) with income between \$38,001 and \$40,000. This amount is \$356.

For each \$5,000 or part of \$5,000 in excess of \$40,000, the deduction is increased by the amount on the \$40,001-\$100,000 line for their family size. This amount is \$18. The Greens' available income exceeds \$40,000 by 4 units of \$5,000 (or parts of \$5,000). So, they increase their sales tax deduction by \$72 (\$18 × 4).

Their total sales tax deduction is \$428 (\$356 + \$72). The Greens then compare this figure to the amount their receipts show they actually paid for sales tax. The Greens enter the larger figure on Schedule A, line 10a.

• Personal property taxes and other taxes (line 11)

If you had any deductible tax not listed on Schedule A, lines 8 through 10b (such as personal property or foreign income tax), list the tax and the amount of tax. Enter one total in the total amount column on line 11.

Personal property tax must be based on value alone. For example, if part of the fee you paid for the registration of your car was based on the car's value and part was based on its weight, you can deduct only the part based on value.

If you paid tax to a foreign country or U.S. possession, you may want to take it as a credit instead of a deduction. Please see **Publication 514**, Foreign Tax Credit for U.S. Citizens and Resident Aliens.

Taxes You CANNOT Deduct

- Federal income tax.
- Social security tax.
- Railroad retirement tax (RRTA).
- Federal excise tax on personal property, transportation, telephone, and gasoline.
- Customs duties.
- Federal estate and gift taxes. (However, see Miscellaneous Deductions on page 21.)

● Certain State and local taxes, including:

- a. Tax on gasoline.
- b. Car inspection fees.
- c. Tax on liquor, beer, wine, cigarettes, and tobacco.
- d. Assessments for sidewalks or other improvements to your property.
- e. Taxes paid for your business or profession. (Use Schedules C, E, or F of Form 1040 to deduct these business taxes.)
- f. Tax you paid for someone else.
- g. License fees (marriage, driver's, dog, hunting, etc.).

Lines 13a through 16 Interest Expense

You should show on Schedule A interest on nonbusiness items only.

In general, a cash basis taxpayer who in 1983 paid interest that includes amounts that apply to any period after 1983 can deduct only the amount that applies for 1983.

Interest Expense You CAN Deduct

Include the interest you paid on—

- Your home mortgage (lines 13a and 13b). Report home mortgage interest paid to financial institutions on line 13a. Report home mortgage interest paid to individuals on line 13b. Also list this person's name and address.
- Bank and other general purpose credit cards. Deduct the finance charge as interest if no part of it was for service charges, membership fees, loan fees, credit investigation fees, etc. (line 14).
- Revolving charge accounts. Deduct any finance charge a retail store added if the charges are based on your monthly unpaid balance (line 14).
- Your personal note for money you borrowed from a bank, a credit union, or another person (line 15).
- Loans on life insurance if you paid the interest in cash (line 15).
- Installment contracts on personal property, such as cars and televisions.
- Taxes you paid late. Show only the interest; do not include any amount that is considered a penalty. If the tax is deductible, show it under Taxes (lines 8 through 11 of this schedule).
- Loans on investment property. Report the nonbusiness part of interest on these loans on line 15. (If your total investment interest on investment debts created after 1969 is more than \$10,000 (\$5,000 if married filing a separate return), you may have to complete **Form 4952**, Investment Interest Expense Deduction, to figure your correct deduction. Also see **Publication 550**, Investment Income and Expenses.)

Note: On line 15 list the interest expense and the amount of expense. Enter one total in the total amount column on line 15.

Interest Expense You CANNOT Deduct

Do not include the interest you paid for—

- Tax-exempt income. This includes interest on money you borrowed to buy or carry wholly tax-exempt securities. This also includes interest paid to purchase or carry

obligations or shares, or to make deposits or other investments, to the extent any interest income received from the investment is excluded on line 6 of Schedule B (Form 1040).

- A loan on life insurance if the interest is added to the loan and you report on the cash basis.
- A debt to buy a single-premium life insurance or endowment contract.
- Any kind of business transaction. Use Schedules C, E, or F to report business interest expenses.

For more information, please get **Publication 545**, Interest Expense.

Lines 17a through 20 Contributions

You can deduct what you gave to organizations that are religious, charitable, educational, scientific, or literary in purpose. You can also deduct what you gave to organizations that work to prevent cruelty to children or animals.

Examples of these organizations are:

- Churches, temples, synagogues, Salvation Army, Red Cross, CARE, Goodwill Industries, United Way, Boy Scouts, Girl Scouts, Boys Club of America, etc.
- Fraternal orders, if the gifts will be used for the purposes listed above.
- Veterans' and certain cultural groups.
- Nonprofit schools, hospitals, and organizations whose purpose is to find a cure for, or help people who have arthritis, asthma, birth defects, cancer, cerebral palsy, cystic fibrosis, diabetes, heart disease, hemophilia, mental illness or retardation, multiple sclerosis, muscular dystrophy, tuberculosis, etc.
- Federal, State, and local governments if the gifts are solely for public purposes.

If you contributed to a charitable organization and also received a benefit from it, you can deduct only the amount that is more than the benefit you received.

If you do not know whether you can deduct what you gave to an organization, check with that organization or with IRS.

Contributions You CAN Deduct

Contributions can be in cash (including checks and money orders), property, or out-of-pocket expenses you paid to do volunteer work for the kinds of organizations described above. If you drive to and from the volunteer work, you can take 9 cents a mile or the actual cost of gas and oil. Add parking and tolls to the amount you claim under either method. (But don't deduct any amounts that were repaid to you).

Line 17a. Enter on line 17a all of your cash contributions **except** those that total \$3,000 or more to any one organization.

Line 17b. Enter on line 17b cash contributions totaling \$3,000 or more to any one organization. Show to whom and how much you gave.

Line 18. If you gave property, state the kind of property you gave and the name of the organization you gave it to. Include the date you gave it, show how you figured its value at the time you gave it, and state whether it was capital gain or ordinary income property. If you determine the value of a gift

by an appraisal, attach a signed copy of it for gifts for which you claim a deduction of over \$200. For gifts valued at over \$200, also attach a statement showing:

- a. The address of the organization.
- b. A description of the property.
- c. Any conditions attached to the gift.
- d. How you got the property.
- e. The cost or other basis of the property if:
 - 1. You owned it less than 5 years, or
 - 2. You must reduce it by any ordinary income or capital gain that would have resulted if the property had been sold at its fair market value.
- f. How you figured your deduction if you chose to reduce your deduction for contributions of capital gain property.
- g. If the gift was a "qualified conservation contribution" under section 170(h), also include the fair market value of the underlying property before and after the gift, the type of legal interest donated, and describe the conservation purpose furthered by the gift.

If you gave used items, such as clothing or furniture, deduct their fair market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale.

Special rules apply if your contributions are more than 20% of Form 1040, line 33. If you gave gifts of property that increased in value, made bargain sales to charity, or gave gifts of the use of property, other rules apply.

For additional information, please get **Publication 526**, Charitable Contributions.

You CANNOT Deduct As Contribution:

- Political contributions (but see instructions for Form 1040, line 44).
- Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups.
- Cost of raffle, bingo, or lottery tickets.
- Cost of tuition.
- The value of your time or services.
- Value of blood given to a blood bank.
- The transfer of a future interest in tangible personal property (generally, until the entire interest has been transferred).
- Gifts to:
 - a. Individuals.
 - b. Foreign organizations.
 - c. Groups that are run for personal profit.
 - d. Groups whose purpose is to lobby for changes in the laws.
 - e. Civic leagues, social and sports clubs, labor unions, and chambers of commerce.

Line 21

Casualty and Theft Losses

Use line 21 to report casualty or theft loss(es) of property that is not trade, business, or rent or royalty property. Complete **Form 4684**, Casualties and Thefts, to figure your loss. Enter on line 21 of Schedule A the amount of loss from Form 4684. Attach Form 4684.

Losses You CAN Deduct

You may be able to deduct all or part of each loss caused by theft, vandalism, fire, storm, and car, boat, and other accidents or similar causes.

Beginning in 1983, you can deduct nonbusiness casualty or theft losses only to the extent that—

- The amount of EACH separate casualty or theft loss is more than \$100, and
- The total amount of ALL losses during the year is more than 10% of your adjusted gross income on Form 1040, line 33.

Losses You CANNOT Deduct

- Money or property misplaced or lost.
- Breakage of china, glassware, furniture, and similar items under normal conditions.
- Progressive damage to property (buildings, clothes, trees, etc.) caused by termites, moths, other insects, or disease.

Use line 24 of Schedule A to deduct the costs of proving that you had a property loss. (Examples of these costs are appraisal fees and photographs used to establish the amount of your loss.)

For more details, get **Publication 547**, Tax Information on Disasters, Casualties, and Thefts. It also gives information about Federal disaster area losses.

Lines 22 through 25

Miscellaneous Deductions

Miscellaneous Expenses You CAN Deduct

Business Use of Home. You can deduct expenses for business use of part of your home only if you use that part exclusively and on a regular basis in your work and for the convenience of your employer.

See **Tele-Tax Information** in the index or **Publication 587**, Business Use of Your Home, for detailed information.

Educational Expenses. Generally, you can deduct what you paid for education required by your employer, or by law or regulations, to keep your present salary or job. In general, you can also deduct the cost of maintaining or improving skills you must have in your present position.

You cannot deduct some educational expenses. Among them are expenses for study that helps you meet minimum requirements for your job, or qualifies you to get a new job. Also, do not deduct expenses that were repaid to you.

You must complete and attach **Form 2106**, Employee Business Expenses, if you deduct educational expenses.

For more details, see **Tele-Tax Information** in the index or **Publication 508**, Educational Expenses.

Gambling Losses. You can deduct gambling losses, but not more than the gambling winnings you reported on Form 1040, line 21.

Income in Respect of a Decedent. You can deduct the Federal estate tax attributable to income in respect of a decedent that is ordinary income.

Employee Expenses. Examples of the expenses you can deduct (if you were not reimbursed for them) are:

- Union and professional dues (line 22).
- Safety equipment, small tools, and supplies you needed for your job.
- Uniforms your employer said you must have, and which you cannot usually wear away from work.

Protective clothing, required in your work, such as hard hats, safety glasses, and safety shoes.

- Physical examinations your employer said you must have.
- Dues to professional organizations and chambers of commerce.
- Subscriptions to professional journals.
- Fees to employment agencies and other costs to get a new job in your present trade or profession.

Note: You may not have to complete **Form 2106** if you paid or incurred any employee business expenses other than reimbursed expenses, travel and transportation expenses, and outside salesperson's expenses. See **Form 2106** for details.

Expenses of Producing Income. You can deduct what you paid to produce or collect taxable income or to manage or protect property held for producing income.

Examples of these expenses are:

- Tax return preparation fees (line 23).
- Safe deposit box rental.
- Certain legal and accounting fees.
- Clerical help and office rent.
- Custodial (e.g. trust accounts) fees.

Qualified Adoption Expenses. You may be able to deduct up to \$1,500 of **qualified adoption expenses** you paid to adopt a child with "special needs."

A child with special needs is a child (for purposes of the Social Security Act adoption assistance program) who the State determines cannot or should not be returned to his or her parental home, who has a specific factor or condition that makes placement difficult, and who has been the subject of an unsuccessful placement effort.

Miscellaneous Expenses You CANNOT Deduct

Expenses you cannot deduct include:

- Political contributions (but see instructions for Form 1040, line 44).
- Legal fees for personal matters.
- Lost or misplaced cash or property.
- Expenses for meals during regular or extra work hours.
- The cost of entertaining friends.
- Expenses of going to or from work.
- Education that you need to meet minimum requirements for your job or that will qualify you for a new occupation.
- Fines and penalties.
- Expenses of producing tax-exempt income.

For more details on miscellaneous expenses, get **Publication 529**, Miscellaneous Deductions.

Note: On line 24 list the type of expense and the amount of the expense. Enter one total in the total amount column on line 24.

Lines 26 through 28

Summary of Itemized Deductions

Line 26

Add lines 7, 12, 16, 20, 21, and 25, and write the total on line 26. Write the amount for your filing status on line 27.

Line 28

If line 26 is more than line 27, subtract line 27 from line 26 and enter the difference on Schedule A, line 28, and on Form 1040, line 34a.

Note: You will receive the full benefit of your itemized deductions because the zero bracket amount you entered for your filing status on line 27 has been built into the Tax Table and Tax Rate Schedules for you.

If line 27 is more than line 26, and you are required to itemize your deductions, write "TC" on Schedule A, line 28, and see the instructions for line 34a on page 13 for **You MUST Itemize Deductions**.

Instructions for Schedule B Interest and Dividend Income

Purpose of Form

Use Schedule B if you are filing Form 1040 and you:

- Had more than \$400 in interest,
- Had any interest from an All-Savers Certificate,
- Had more than \$400 in dividends,
- Elect to exclude qualified reinvested dividends from a qualified public utility,
- Had a foreign account, or
- Were a grantor of, or transferor to, a foreign trust.

Part III of the schedule asks you to answer questions about foreign accounts and trusts.

Part I

Interest Income

To see what interest income you must report, read the instructions for Form 1040, line 8, on page 9.

The payer will usually send you a **Form 1099-INT** or a similar statement showing interest you must report. If the total interest from all payers is over \$400 or you had any interest from an All-Savers Certificate, fill in Part I. Also, fill in Part III of this schedule if the total interest is over \$400.

Line 1

Report on line 1 the interest portion of any payments you received from an individual, based on a take-back mortgage or other form of seller financing that resulted from the sale of your home or other property. Show the payer's name and the amount.

Line 2

Report on line 2 ALL interest (other than seller-financed mortgage interest and interest from an All-Savers Certificate) that you received or that was credited to your account so you could withdraw it. List each payer's name and show the amount.

Report interest from an All-Savers Certificate on line 4. However, if you redeemed an All-Savers Certificate before its maturity, report any interest received on that certificate on line 2; you cannot exclude this interest.

Line 3

Add up all the interest and show it on this line except as noted on page 22 in **Nominee and Accrued Interest and Tax-Exempt Interest**.

Nominee and Accrued Interest and Tax-Exempt Interest. When you buy bonds between interest payment dates and pay accrued interest to the seller, this interest is taxable to the seller.

Note: If you received interest as a nominee for the actual owner, give that person Form 1099-INT.

Include on line 2 interest you received as a nominee in your name for someone else or as a purchaser of a bond with accrued interest. If you received a Form 1099-INT for tax-exempt interest, such as from municipal bonds, also include this interest on line 2. Several lines above line 3, put a subtotal of all interest income listed on line 2. Below this subtotal, write "Nominee Distribution" or "Accrued Interest" as appropriate and show the interest amounts you paid to others. If you received a Form 1099-INT for tax-exempt interest, write "Tax-Exempt Interest" on the line below the subtotal and show the amount of this interest. Subtract these amounts from the subtotal and write the result on line 3.

If you are reporting Original Issue Discount (OID) in an amount less than the amount shown on Form 1099-OID, follow the above rules for nominee interest to see how to report the OID on Schedule B.

Line 4

Report interest from **All-Savers Certificates** (ASCs) on this line. List each payer's name and show the amount.

Early Redemptions. If you redeem any part of an ASC before its maturity, you may NOT exclude any interest received on that ASC. Instead, you must report the interest from that ASC on line 2.

If you redeem an ASC early, you must include in interest income in the year you redeem it any interest you received from that ASC and excluded in an earlier year.

If you use all or part of the certificate as collateral or security for a loan, you are treated as having redeemed the ASC.

Line 5

Add up all the ASC interest on line 4. Write the total on line 5 and on line A of the worksheet on this page.

Line 6

Exclusion of Interest from All-Savers Certificates

You can exclude up to \$1,000 of ASC interest (\$2,000 on a joint return, regardless of which spouse received the income). This exclusion applies to the total of all interest received from all ASCs.

Note: On a joint return each spouse is treated as having claimed half the amount of the exclusion.

You must reduce the maximum amount of your exclusion by the amount of any ASC interest you excluded in an earlier year.

Use the worksheet that follows to figure your ASC exclusion.

For more details, get Publication 550, Investment Income and Expenses.

Worksheet (Keep for your records)

- A. Write the amount from line 5, Schedule B _____
- B. Write \$1,000 (\$2,000 if a joint return) _____
- C. Amount of ASC interest excluded in 1982 (from line 6 of 1982 Schedule B (Form 1040) or on back of 1982 Form 1040A) and any ASC interest excluded in 1981. _____
- D. Subtract line C from line B. This is your remaining ASC exclusion . . . _____
- E. Compare amounts on line A and line D and write the smaller amount here and on Schedule B, line 6. This is your ASC exclusion for 1983. _____

Caution: If you bought an ASC in 1982 and redeemed it in 1983 before its maturity, do not include on line C above any interest received in 1982 from that ASC. See the instructions for line 4 under Early Redemptions.

Line 7

Subtract line 6 from line 5.

Line 8

Add lines 3 and 7. Write the total on line 8 and also on Form 1040, line 8.

Part II

Dividend Income

To see what dividend income you must report, read the instructions for Form 1040, line 9a, on page 9.

The payer will usually send you a Form 1099-DIV or a similar statement showing dividends you must report. If the total dividends from all payers are over \$400, or you elect to exclude qualified reinvested dividends from a qualified public utility, fill in Part II. If the total dividends are over \$400, also fill in Part III of this schedule.

Line 9

Report ALL of your dividend income on this line. Include cash and the value of stock, property, or merchandise you received as a dividend. If you owned shares in a mutual fund, Publication 564, Mutual Fund Distributions, may be helpful.

List the payer's name and show the amount of income. If the securities are held in a brokerage account, list the name of the brokerage firm as the payer. Be sure to include capital gain and nontaxable distributions on this line. They will be deducted on lines 11 and 12.

Nominees. List on line 9 all dividends you received, including dividends you received as a nominee, even if you later distributed some or all of this income to others. Several lines above line 10, put a subtotal of all dividends listed on line 9. Below this subtotal write "Nominee Distribution" and show the amounts distributed. Subtract these distributions from the subtotal and write the result on line 10.

Note: If you received dividends as a nominee for the actual owner, give that person Form 1099-DIV.

Line 10

Add the amounts you listed on line 9 except as noted above in Nominees. Write the total on this line.

Line 11

If you listed any capital gain distributions on line 9, add those amounts. Write the total on this line.

Line 12

Write the total of your nontaxable distributions on this line.

Line 13

Dividend Reinvestment in Stock of Qualified Public Utilities

If you choose under a dividend reinvestment plan of a qualified public utility, to receive dividends in "qualified common stock," rather than in cash or other property, you may elect to exclude up to \$750 (\$1,500 on a joint return) of the qualified common stock dividends distributed to you in 1983. This exclusion applies only to individuals. However, it does not apply to nonresident aliens, or persons owning more than 5% of the voting power or value of stock in the distributing corporation. For more details, see Publication 550.

Caution: If you choose to exclude the value of the qualified common stock dividend, you may not revoke the election for that dividend without the consent of IRS.

On line 13 write the amount you are excluding in 1983. On line 9, write "DR" next to the payer's name to identify the dividend you are excluding from income.

Note: If you exclude the value of stock received in a reinvestment plan of a qualified public utility, your basis in the stock is zero.

Line 14

Add lines 11, 12, and 13. Write the total on this line.

Line 15

Subtract line 14 from line 10. Write the total on line 15 and on Form 1040, line 9a.

Tax Tip: Be sure to read the instructions on page 9 for line 9b to see whether you can exclude any part of the dividend income.

Part III

Foreign Accounts and Foreign Trusts

Fill in this part if you had more than \$400 of interest or dividend income; if you had a foreign financial account; or if you were the grantor of, or transferor to, a foreign trust.

Line 16

Check the **Yes** box if either 1 or 2 below applies to you.

1. At any time during the year you had an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country. Exception: Check **No** if any of the following apply to you.

- The combined value of the accounts was \$5,000 or less during the whole year.
- The accounts were with a U.S. military banking facility operated by a U.S. financial institution.
- You are an officer or employee of a commercial bank that is supervised by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, or the Federal Deposit Insurance

Corporation; the account is in your employer's name; AND you do not have a personal financial interest in the account.

- You are an officer or employee of a domestic corporation with securities listed on national securities exchanges or with assets of more than \$1 million and 500 or more shareholders of record; the account is in your employer's name; you do not have a personal financial interest in the account; and the corporation's chief financial officer has given you written notice that the corporation has filed a current report that includes the account.

2. You own more than 50% of the stock in any corporation that owns one or more foreign bank accounts.

Get **Form 90-22.1** to see if you are considered to have an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country.

If you checked **Yes** on line 16, file **Form 90-22.1** by June 30, 1984, with the Department of the Treasury at the address shown on the form. **Form 90-22.1** is not a tax return, so **do not** attach it to **Form 1040** or file it with the IRS. But be sure to **file your Form 1040 with the IRS.**

You can get **Form 90-22.1** from many IRS offices or by writing to the IRS forms distribution center for your State, as shown on the inside back cover.

If you checked **Yes** to question 16, write the name of the foreign country or countries. Attach a separate sheet if you need more space.

Line 17

Check the **Yes** box if you were a grantor of, or a transferor to, a foreign trust that existed during the tax year.

Instructions for Schedule D Capital Gains and Losses

Purpose of Form

Use Schedule D (Form 1040) to report the sale or exchange of a capital asset. See the definition of "capital asset" below.

In the following cases you have to use **Form 4797**, Supplemental Schedule of Gains and Losses, instead of Schedule D:

- The sale, exchange, or involuntary conversion (other than casualty or theft) of business property, certain depreciable and amortizable property, certain oil, gas and geothermal property, and section 126 property.

- The involuntary conversion (other than casualty or theft) of certain capital assets.

- The disposition of other noncapital assets not mentioned above.

If property is involuntarily converted because of a casualty or theft, use **Form 4684**, Casualties and Thefts.

Two publications you should find useful are **Publication 544**, Sales and Other Dispositions of Assets, and **Publication 550**, Investment Income and Expenses.

Capital Asset

Most property you own and use for personal purposes, pleasure, or investment is a capital asset. For example, your house, furniture, car, and stocks and bonds are capital assets.

A transfer of patent rights is generally considered a sale or exchange of a capital asset held for more than one year.

A nonbusiness bad debt must be treated as a short-term capital loss.

A capital asset is any property held by a taxpayer except the following:

a. Stock in trade or other property included in inventory or held for sale to customers.

b. Accounts or notes receivable you received for services in the ordinary course of your trade or business or from the sale of any property described in (a) or for services you performed as an employee.

c. Depreciable property used in your trade or business even if it was fully depreciated.

d. Real property (real estate) used in your trade or business.

e. A copyright, literary, musical or artistic composition, letter, memorandum, or similar property.

1. created by your personal efforts, or

2. prepared or produced for you (in the case of a letter, memorandum, or similar property), or

3. that you received from a taxpayer mentioned in 1 or 2, in a way (such as by gift) that entitled you to the basis of the previous owner.

f. U.S. Government publications (including the Congressional Record) that you received from the government, other than by purchase at the normal sales price, or that you got from another taxpayer who had received it in a similar way, if your basis is determined by reference to the previous owner.

Short-Term or Long-Term

When you list your capital gains and losses, separate them according to how long you held or owned the property. The holding period for determining long-term capital gains and losses is more than one year.

When you figure the length of the period you held property, begin counting on the day after you got the property and include the day you disposed of it.

Capital Losses

The limit on capital losses that can be applied against other income after offsetting capital gains is \$3,000. If you are married and filing separately, the limit is \$1,500.

Unused capital losses are carried over to later years until fully used. If any of your capital losses are from before 1970, use **Form 4798**, Carryover of Pre-1970 Capital Losses, Part II, to figure your capital loss carryovers. If all of your capital losses are from after 1969, use Schedule D, Part V, to figure your capital loss carryovers. You will need certain lines from those parts when you prepare your 1984 tax return. However, you need not fill in those parts on the form you mail to Internal Revenue Service.

Losses That Are Not Deductible

Do not deduct a loss from the sale or exchange of property directly or indirectly between any of the following:

- Members of a family.

- A corporation and an individual or a fiduciary owning more than 50 percent of the corporation's stock (not counting liquidations).

- A grantor and a fiduciary of a trust.

- A fiduciary and a beneficiary of the same trust.

- A fiduciary and a fiduciary or beneficiary of another trust created by the same grantor.

- An individual and a tax-exempt organization controlled by the individual or the individual's family.

- 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).

If you dispose of (1) an asset used in an activity to which the at-risk rules apply, or (2) any part of your interest in an activity to which the at-risk rules apply, and you have amounts in the activity for which you are not at risk, see the instructions for **Form 6198**, Computation of Deductible Loss from an Activity Described in Section 465(c).

Items for Special Treatment and Special Cases

The following items may require special treatment:

- Transactions by a securities dealer.

- Wash sales of stock or securities.

- Bonds and other evidence of indebtedness if an original issue discount is a factor.

- Certain real estate subdivided for sale which may be considered a capital asset.

- Distributions received from an employee pension, profit-sharing, or stock bonus plan. (See **Form 4972**, Special 10-Year Averaging Method, or **Form 5544**, Multiple Recipient Special 10-Year Averaging Method. Also, see **Publication 575**, Pension and Annuity Income.)

- Gain on the sale of depreciable property between husband and wife or between a shareholder and a controlled corporation treated as ordinary gain.

- Gain on disposition of stock in a Domestic International Sales Corporation.

- Gain or loss on options to buy or sell, including closing transactions.

- Transfer of property to a foreign corporation as paid-in surplus or as a contribution to capital, or to a foreign trust or partnership.

- Transfer of property to a partnership which would be treated as an investment company if the partnership were incorporated.

- Gain on the sale of qualified reinvested dividends from a qualified public utility. See **Publication 550**, Investment Income and Expenses, for details.

For rules on nontaxable exchanges, gifts of property, and inherited property, please see **Publication 544**.

Transfer of Appreciated Property to a Political Organization

If you transfer property to a political organization when the fair market value of the property is more than your adjusted basis, treat the transaction as a property sale on the transfer date. Report the fair market value of the property at the time of the transfer as the sales price. Ordinary income or capital gains provisions apply as if a sale took place.

Exchange of Like-Kind Property

Report the exchange of "like-kind" property on Schedule D or on Form 4797, whichever applies. You must report it even though no gain or loss is recognized when you exchange business or investment property for property of "like-kind." (This does not include stock in trade or other property held primarily for sale. It also does not include 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, identify in column a, the property you disposed of. Enter the date you acquired it in column b, and the date you exchanged it in column c. Write "like-kind exchange" in column d. Enter the cost or other basis in column e. Enter zero in columns f and g.

Sale or Exchange (Other Than Involuntary Conversion) of Capital Assets Held for Personal Use

This type of gain is a capital gain. Report it on Schedule D, Part I or Part II. Loss from the sale or exchange of this property is not deductible.

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 on Form 4797. However, gains are reported as capital gains on Schedule D (Form 1040).

Disposition of Partnership Interest

A sale or other disposition of an interest in a partnership may result in ordinary income. Please see **Publication 541**, Tax Information on Partnerships, and **Publication 544**, Sales and Other Dispositions of Assets.

Long-Term Capital Gains from Regulated Investment Companies

Include in income as a long-term capital gain the amount(s) shown on **Form 2439** that represents 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 63. Add to the basis of your stock, the excess of the amount included in income over the credit.

Sale of Residence

Use **Form 2119**, Sale or Exchange of Principal Residence, to report a gain from the sale of your principal residence whether or not you bought another one. For more information, see **Tele-Tax Information** in the index or **Publication 523**, Tax Information on Selling Your Home.

Installment Sales

If you sold property at a gain, and are to receive any payment in a tax year after the year of sale, use the installment method and **Form 6252**, Computation of Installment Sale Income, unless you elect not to. Also use **Form 6252**, if you received a payment in 1983 from a sale made in an earlier year on the installment method.

If you want to elect out of the installment method, you must do the following on a timely filed return (including extensions):

(1) Report the full amount of the sale on Schedule D.

(2) If you received a note or other obligation and are reporting it at less than face value (including all contingent payment obligations), complete Part IV. If more than one, enter the amounts separately in the spaces in Part IV.

Investment Interest Expense Deduction Adjustment

If you have an entry on **Form 4952**, line 20, and Schedule D, line 21 (or **Form 4798**, line 8), part or all of **Form 4952**, line 20 may be treated as ordinary income.

Determine the ordinary income for Schedule D or **Form 4798** as follows:

Step 1—In a separate computation, reduce **Form 4952**, line 20 to the amount by which line 15 of that form is more than the sum of lines 16 through 19 of that form.

Step 2—Ordinary income will be the smaller of step 1 or Schedule D, line 21 (or **Form 4798**, line 8).

Enter the ordinary income in the margin to the right of Schedule D, line 21 (or **Form 4798**, Part I, line 8). Identify by writing next to it: "From **Form 4952**." Subtract the ordinary income from the gain on Schedule D, lines 20 and 21 (or **Form 4798**, Part I, lines 7 and 8). In addition, enter the ordinary gain on **Form 4797**, Part II, line 12. If you do not use **Form 4797** for other transactions, enter it on **Form 1040**, line 15, and identify it in the margin as "From **Form 4952**."

Regulated Futures Contracts and Straddles

Regulated futures contracts open at the end of the year, or terminated during the year, are treated as 60% long-term and 40% short-term, regardless of how long the contracts were held. In addition, losses from positions that are part of a straddle are not allowed if the wash sale rules apply or are deferred to the extent of any unrealized gains on open offsetting positions. Use **Form 6781**, Gains and Losses From Regulated Futures Contracts and Straddles, to report gains and losses from them.

Specific Instructions

Note: If you attach your own schedule to show detail of gain or (loss), enter on Schedule D, lines 5 and 13, the total gain and the total loss. Do not combine the total gain with the total loss.

Column d

Gross Sales Price

Enter in this column the selling price or gross proceeds from the property sold. If you received a **Form 1099-B**, enter the gross proceeds from Box 2 in column d and the description from Box 5 in column a.

Column e

Cost or Other Basis, Plus Expense of Sale

In general, the cost or other basis is the cost of the property plus purchase commissions, improvements, and minus depreciation, amortization, and depletion. If you inherited the property or got it as a gift, tax-free exchange, involuntary conversion, or "wash sale" of stock, you may not be able to use the actual cash cost as the basis. If you do not use cash cost, attach an explanation of your basis.

When selling stock, adjust your basis by subtracting all the nontaxable distributions you received before the sale. This includes nontaxable dividends from utility company stock and mutual funds. Also adjust your basis for any stock splits.

The basis of property acquired by gifts generally is the basis of the property in the hands of the donor.

The basis of property acquired from a decedent is generally the fair market value at the date of death.

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 has the same ratio to the adjusted basis as the amount realized has to the fair market value.

Increase your cost or other basis by any expense of sale such as broker's fee, commission, etc., before making an entry in column e, unless your broker has taken the expense into account in Box 2 of **Form 1099-B**.

For more information, see **Publication 551**, Basis of Assets.

Line 7

Short-Term Capital Loss Carryover From Years Beginning After 1969

Enter the amount from your 1982 Schedule D (**Form 1040**), line 30, or 1982 **Form 4798**, Part II, line 20.

Line 18

Long-Term Capital Loss Carryover From Years Beginning After 1969

Enter the amount from your 1982 Schedule D (**Form 1040**), line 36, or 1982 **Form 4798**, Part II, line 26.

Note: If you used **Form 4798** in 1982 and had an entry in Part II, line 17 or 23, use **Form 4798** in 1983 instead of completing Schedule D, Parts III or V.

Line 25c

(or **Form 4798**, Part I, line 30c)

Taxable Income, as Adjusted

Figure your taxable income, as adjusted, with a separate calculation. Do this in the following way:

- Figure the amount from **Form 1040**, line 35, without regard to gains and losses from sales or exchanges of capital assets.
- Subtract from the amount in a. one of the following:
 - \$2,300 if you are filing as single or head of household.

2. \$3,400 if you are married filing a joint return or if you are a qualifying widow(er) with a dependent child.

3. \$1,700 if you are married filing a separate return.

Instructions for Schedule E Supplemental Income

Purpose of Form

Use Schedule E to report income (or loss) from rents and royalties, partnerships, estates and trusts, and S corporations.

Note: If you attach your own schedules to report income (or loss) from any of these sources, use the same format as the Schedule E. Enter separately on Schedule E the total of net income and the total of net loss for each part. DO NOT combine the total of net income with the total of net loss on the separate schedules.

At-Risk Rules (Parts I and II)

If you have (1) a loss from any activity that you, your partnership, or S corporation engaged in as a trade or business or for the production of income, except the holding of real property (other than mineral property), and (2) you have amounts for which you are not at risk in the activity, use **Form 6198**, Computation of Deductible Loss from an Activity Described in Section 465(c), to determine the allowable loss to report on Schedule E.

Amounts for which you are not at risk are:

- nonrecourse loans used to finance the activity, acquire property used in the activity, or acquire your interest in the activity;
- loans from related parties (section 267(b));
- loans from someone who has an interest in the activity other than as a creditor; and
- amounts protected against loss by a guarantee, stop-loss agreement, or similar arrangement.

The at-risk rules may apply to a member of a partnership or joint venture, shareholder in an S corporation, or lessor of certain property. Generally, the amount you have at risk limits the loss you can deduct for any tax year.

Partners and S corporation shareholders should get a separate statement of income, expenses, deductions, and credits for each activity engaged in by the partnership and S corporation. See Form 6198 and the related instructions for more information.

If, in addition to the amount that you may report on Schedule E, you sell or otherwise dispose of (1) an asset used in an activity to which the at-risk rules apply, or (2) any part of your interest in an activity to which the at-risk rules apply, and you have amounts in the activity for which you are not at risk, see the instructions for Form 6198.

● Part I—If you have a loss, enter in the appropriate column(s) on line 20 the loss from the activity or the amount at risk for the activity, whichever is smaller. If your at-risk amount is zero or less, enter zero.

● Part II—If you have a loss, enter in column (d) the loss from the activity or the amount at risk for the activity, whichever is smaller. If your at-risk amount is zero or less, enter zero.

Any loss from an activity not allowed for the tax year is treated as a deduction allocable to the activity in the next tax year.

Part I Rent and Royalty Income or Loss

Generally, you should use this part to report rent and royalty income. Report rents from property you own or control, including room and other space rentals. However, if you provided services to the renter, or if your business was selling real estate, report the income on Schedule C. For more information on rental income and expenses, see **Tele-Tax Information** in the index or get **Publication 527**, Rental Property.

Report 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 on Schedule C.

If you use Part I to report rent and royalty income, enter your rent and royalty expenses for each property in the appropriate columns on lines 4 through 16.

If you have a loss from an activity except the holding of real property (other than mineral property), see the **At-Risk Rules** on this page.

Rent

If you were not in the real estate sales business and you received rent from property you own or control, report it on line 3a. If you received services or property, instead of money, as rent, report its fair market value.

You can deduct an amount for the depreciation of rental property. You can also deduct all normal expenses, such as taxes, interest, repairs, insurance, maintenance, and agent's commissions. If your total interest on investment debt created after 1969, including investment interest from all other sources, is more than \$10,000 (\$5,000 if married filing separately), see **Form 4952**, Investment Interest Expense Deduction.

Do not deduct the value of your own labor. Do not deduct capital investments or improvements; instead add these to the basis of the property for depreciation. Example: A landlord can deduct the cost of minor repairs, but not the cost of major improvements, such as a new roof.

Did You Rent Out Part of Your Home?

If you rent out only part of your home or other property, deduct the part of your expenses that apply to the rented part.

Example: You rent out one-quarter of your home and live in the other part. Deduct depreciation on only one-quarter of the home. Deduct any other expenses that apply to the rented part.

Did You Rent Out a Vacation Home or Other Recreational Unit?

Generally, you may deduct only those expenses which apply to the time that the vacation home or other recreational unit is rented out. Also, if you or your family used the property as a residence, certain expenses cannot be more than the gross rental income. Only interest, taxes, and casualty losses do not have to be limited. Generally, a vacation home or other recreational unit is used as a residence if you or your family used it for personal purposes for more than the greater of:

- 14 days, or
- 10% of the number of days during 1983 that the property was actually rented out at a fair rental.

A day of personal use is any day, or part of a day, that the unit is used—

- for personal purposes by you, or any other person who has an interest in it, unless the unit is rented to that person under a shared equity financing agreement, or
- by a member of your family or family member of any other person who has an interest in it, unless the unit is rented at fair rental as that person's residence, or
- by anyone under an arrangement that lets you use some other dwelling unit, or
- by anyone at less than fair rental.

If you used the property as a residence and rented it out for less than 15 days, you may not deduct any rental expenses. However, if you itemized your deductions, you may deduct any interest, taxes, and casualty losses on Schedule A (Form 1040). You do not have to report the rental income.

Family includes ONLY brothers, sisters, half brothers, half sisters, spouse, ancestors (parents, grandparents, etc.), and lineal descendants (children, grandchildren, etc.).

A vacation home or other recreational unit is a *dwelling unit*, such as a house, apartment, condominium, mobile home, boat, or similar property.

Royalties

Report on line 3b royalties from oil, gas, or mineral properties; copyrights; and patents, not including operating oil, gas, or mineral interests. Under certain circumstances, you can treat amounts received as "royalties" for transfer of a patent or amounts received on the disposal of coal and iron ore as the sale of a capital asset. For more details, get **Publication 544**, Sales and Other Dispositions of Assets.

If State or local taxes were withheld from oil or gas payments you received, enter on line 3b the gross amount of royalty. Include the taxes withheld by the producer on line 13, but DO NOT include on line 13 the amount of windfall profit taxes actually withheld in 1983. Instead, enter that amount in Part III, line 37.

Rental Income From Farm Production or Crop Shares

Report farm rental income and expenses on **Form 4835**, Farm Rental Income and Expenses, if you meet these two tests:

- You received rental income that was based on crops or livestock produced by the tenant.
- You did not manage or operate the farm to any great extent.

Note: For purposes of the estimated tax penalty, income received from your share of crops and rental based on farm production is considered income from farming.

If you use Form 4835, enter on line 24 of Schedule E the net farm rental profit or (loss) from Form 4835, line 49.

Certified Historic Structures

If you own a certified historic structure and pay or incur certain capital expenditures to rehabilitate it, special rules apply. See **Publication 535**, Business Expenses, for more information.

Part II

Income or Losses from Partnerships, Estates or Trusts, or S Corporations

Partnerships

If you are a member of a partnership or joint venture, include in this part your share of the partnership income (whether you received it or not) or net loss for the partnership tax year that ends during the year covered by your return.

If you have other partnership items from **Schedule K-1 (Form 1065)**, such as depletion, show each item on a separate line in Part II. However, if you are claiming a deduction for recovery property (section 179), enter the amount of this deduction in Part I, line 28 of Schedule E.

Note: For tax years beginning in 1983, the amount of your section 179 deduction from ALL sources cannot be more than \$5,000 (\$2,500 if you are married filing a separate return).

Part or all of your share of partnership income or loss from the operation of the business may be considered net earnings from self-employment that must be reported on Schedule SE (Form 1040). Enter the amount from Schedule K-1 (Form 1065), line 18b, on Schedule SE, Part I.

If you have a loss, see the **At-Risk Rules** on page 25.

For more information for this part, please see your copy of Schedule K-1 (Form 1065), Partner's Share of Income, Credits, Deductions, etc.

If you are treating partnership items on your tax return differently from the way the partnership reported the items on its return, you may have to file **Form 8082**, Notice of Inconsistent Treatment or Amended Return.

If you have losses or deductions from a prior year that you could not deduct in the prior year because of the at-risk rules or basis rules, do not combine the prior-year amounts with any current-year amounts to

arrive at a net figure to report on Schedule E. Instead, report on separate lines on Schedule E prior-year amounts and current-year amounts.

Estates and Trusts

If you are a beneficiary of an estate or trust, report your taxable part of the income (whether you received it or not) as follows:

- Interest income from All-Savers Certificates—see **Schedule K-1 (Form 1041)** instructions for details.
- Dividends qualifying for the dividend exclusion—enter on **Schedule B (Form 1040)**, Part II, line 9. If total dividends received from all sources are \$400 or less, enter the total on Form 1040, line 9a. Do not list them on Schedule B.
- Short-term capital gains—Schedule D.
- Long-term capital gains—Schedule D.
- Other taxable income less deductions—Schedule E, Part II.

For more information, contact the fiduciary or see Schedule K-1 (Form 1041).

Include your share of tax preference items on **Form 6251**, Alternative Minimum Tax.

If you have a loss, see the **At-Risk Rules** on page 25.

A U.S. person who transferred property to a foreign trust may have to include in income the income received by the trust as a result of the transferred property if, during 1983, the trust had a U.S. beneficiary. For more information, see **Form 3520-A**, Annual Return of Foreign Trust With U.S. Beneficiaries.

S Corporations

If you are a shareholder of an S corporation with a tax year beginning after December 31, 1982, report current-year earnings and profits or losses of the corporation (whether distributed or not) on Schedule E in the same manner as the income or loss of a partnership. Your share of the net income is NOT subject to self-employment tax. Also, distributions of prior-year accumulated earnings and profits of all S corporations are dividends and are reported on Schedule B (Form 1040). For more information, get **Publication 589**, Tax Information on S Corporations.

Shareholders of fiscal year 1982-83 S corporations should see the 1982 **Schedule K-1 (Form 1120S)** to determine what income to report from 1982-83 S corporations.

If you have a loss, see the **At-Risk Rules** on page 25.

If you are treating S corporation items on your tax return differently from the way the S corporation reported the items on its return, you may have to file **Form 8082**.

If you are claiming a deduction for recovery property (section 179), enter the amount of this deduction on line 34 of Schedule E.

Note: For tax years beginning in 1983, the amount of your section 179 deduction from ALL sources cannot be more than \$5,000 (\$2,500 if you are married filing a separate return).

If you are a shareholder claiming a deduction for a net operating loss, 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.

Part III

Specific Instructions

Caution: If you are a member of a partnership, the amounts entered on lines 36 and 37 may affect your net earnings from self-employment on Schedule SE.

Line 36

In certain situations, you must report as income on line 36 the amount of any credit or refund of overpaid windfall profit tax you received in 1983 for tax year 1982, based on overwithholding or the net income limitation.

In general, the amount of credit or refund you received is income to the extent you deducted windfall profit tax withheld in 1982 on Schedule E, and received a tax benefit for the deduction on your 1982 tax return.

Line 37

If you are a cash method taxpayer, deduct on line 37 the amount of windfall profit tax actually withheld in 1983.

Part IV

Line 40

Enter on this line your share of gross farming and fishing income from partnerships, estates and trusts, and as shown on Form 4835.

You will not be charged a penalty for underpayment of estimated tax if you meet the following tests:

- your gross farming or fishing income for 1982 or 1983 is at least two-thirds of your gross income, and
- you file your 1983 tax return and pay the tax due by March 1, 1984.

Part V

Depreciation

You can deduct an amount each year for assets you buy to use in your business or hold to produce investment income. The allowance does not apply to land and personal assets.

Generally, you MUST use the Accelerated Cost Recovery System (ACRS) for all assets you place in service after December 31, 1980.

You cannot use ACRS for:

- assets placed in service before January 1, 1981,
- certain public utility property,
- certain property acquired from related persons, and
- property acquired in certain non-recognition transactions.

Use Part V to figure your depreciation only if you did not place any assets in service after December 31, 1980. For more space, use **Form 4562**, Depreciation and Amortization.

However, if you placed any assets in service after December 31, 1980, use Form 4562 to figure your deduction for ALL assets. Enter in Part I, line 18, the amount from Form 4562, Part I.

Please get **Publication 534**, Depreciation, for more information.

Instructions for Schedule C

Profit or (Loss) From Business or Profession

Purpose of Form

If you operated a business or practiced a profession as a sole proprietorship, complete Schedule C. If you had more than one business, or if you and your spouse had separate businesses, you must complete a **Schedule C** for each business. Farmers should use **Schedule F**.

For expenses that are part business and part personal, deduct only the business part. For example, if only half of your car usage was for business, deduct only half of the cost of operating the car.

Deduct interest, taxes, and casualty losses not related to your business as itemized deductions on **Schedule A**.

Report sales, exchanges, and involuntary conversions (other than casualty or theft) of trade or business property on **Form 4797**, Supplemental Schedule of Gains and Losses.

Use **Form 4684**, Casualties and Thefts, to report a casualty or theft involving trade or business, or income-producing property.

You must pay social security self-employment tax on income from any trade or business unless you are specifically exempted. Please see **Schedule SE**.

For more details about business income and expenses, get **Publication 334**, Tax Guide for Small Business.

Information Returns

You may have to file information returns for wages paid to employees, certain payments of fees and other non-employee compensation, interest, rents, royalties, annuities, and pensions, or for sales by you of \$5,000 or more of consumer products to a person on a buy-sell, deposit-commission, or other basis for resale. For more information, see instructions for **Form W-3**, Transmittal of Income and Tax Statements, **Form W-3G**, Transmittal of Certain Information Returns, and **Form 1096**, Annual Summary and Transmittal of U.S. Information Returns.

Item A

Main Business Activity and Product

Report the business activity that accounted for the most income included on Schedule C, Part I, line 1a. Give the general field as well as the product or service. For example, "wholesale—groceries" or "retail—hardware."

Item B

Business Name and Address

Use your home address only if you actually conducted the business from your home. You should show a street address instead of a box number.

Item C

Employer Identification Number

You don't need an employer identification number unless you had a Keogh (H.R. 10) plan or were required to file an employment, excise, or alcohol, tobacco, and firearms tax return.

Item D

Valuation Methods

Your inventories can be valued at:

- cost,
- cost or market value, whichever is lower, or
- any other method approved by the Commissioner of Internal Revenue.

Item E

Accounting Methods

You must use the cash method on your return unless you kept account books. If you kept such books, you can use the cash method, accrual method, or in some cases, the completed contract or percentage-of-completion method. The method used must clearly reflect your income.

To change your accounting method (including the treatment of any item such as inventories or bad debts), you must usually first get the permission of the Commissioner of Internal Revenue. File **Form 3115** within the first 180 days of the tax year in which you want to make the change.

If you use the **cash method**, show all items of taxable income actually or constructively received during the year (in cash, property, or services). Also show amounts actually paid during the year for deductible expenses. Income is constructively received when it is credited to your account or set aside for you to use.

If you use the **accrual method**, report income when you earn it and deduct expenses when you incur them, even if you do not pay them during the tax year.

Item G

Business Use of Your Home

Within certain limits, you may deduct business expenses that apply to a part of your home **only** if that part is exclusively used on a regular basis:

- as your principal place of business for any of your trades or businesses, or
- as a place of business used by your patients, clients, or customers to meet or deal with you in the normal course of your trade or business, or
- in connection with your trade or business if it is a separate structure that is not attached to your home.

You may also deduct expenses that apply to space within your home if it is the **only** fixed location of your trade or business. The space must be used on a regular basis to store inventory held for use in your trade or business of selling products at retail or wholesale.

If you use space in your home on a regular basis in your trade or business of providing day care service, you may be able to deduct the business expenses even though you also use the same space for nonbusiness expenses.

Please get **Publication 587**, Business Use of Your Home, for more information.

Part I

Income (Lines 1 through 5)

Line 1a

Gross Receipts or Sales

Enter gross receipts or sales from your business.

Installment Sales. If you use the installment method of reporting sales income, please attach a schedule showing separately for 1983 and the three preceding years: gross sales; cost of goods sold; gross profit; percentage of gross profits to gross sales; amounts collected; and gross profits on amounts collected.

Line 1b

Returns and Allowances

You should enter on line 1b such items as returned sales, rebates, and allowances from the sales price.

Line 4a

Income from Overpaid Windfall Profit Tax

In certain situations, you must report as income on line 4a the amount of any credit or refund of overpaid windfall profit tax you received in 1983 for tax year 1982, based on overwithholding or the net income limitation.

In general, the amount of credit or refund you received is income to the extent you deducted windfall profit tax withheld in 1982 on Schedule C, and received a tax benefit for the deduction on your 1982 tax return.

Line 4b

Other Income

Include finance reserve income, scrap sales, amounts recovered from bad debts, interest, and other kinds of miscellaneous income from the business or profession.

Part II

Deductions (Lines 6 through 30)

Line 7

Bad Debts from Sales or Services

Caution: *Cash method taxpayers are not entitled to a bad debt deduction unless the amount was previously included in income.*

Include debts and partial debts arising from sales or services that were included in income and are definitely known to be worthless. Instead of this, you may deduct a reasonable amount that was added during the tax year to a bad debt reserve.

If you later collect a debt that you deducted as a bad debt, include it as income in the year you collect it unless you use the bad debt reserve method. For more information, please get **Publication 548**, Deduction for Bad Debts.

Line 9

Car and Truck Expenses

You can deduct the actual cost of running your car or truck, or take the fixed mileage rate. You must use actual costs if you use more than one vehicle in your business. If you deduct actual cost, show depreciation on line 12.

The fixed rate is figured at 20.5 cents a mile up to 15,000 miles, and 11 cents for each mile after that. Add to this amount your parking fees and tolls.

For cars and trucks that have been fully depreciated, the rate is 11 cents a mile.

If you use the fixed rate, the vehicle is considered to have a useful life of 60,000 miles of business use at the maximum fixed mileage rate.

Note: If you place a car or truck in service after December 31, 1980, and take the fixed mileage rate, you are treated as having elected to exclude this vehicle from ACRS.

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

Note: If you use certain highway trucks, truck-trailers, tractor-trailers, or buses in your trade or business, you may have to pay a Federal highway use tax on these vehicles. Get **Form 2290**, Federal Use Tax Return on Highway Motor Vehicles, to see whether you are subject to the tax.

Line 11

Depletion

Enter your total deduction for depletion on this line. If you claim a deduction for timber depletion, please attach **Form T**.

Line 12

Depreciation and Section 179 Deduction

You can deduct an amount each year for assets you buy to use in your business or hold to produce investment income. The allowance does not apply to stock in trade, inventories, land, and personal assets.

Generally, you **MUST** use the Accelerated Cost Recovery System (ACRS) for all assets you place in service after December 31, 1980.

You cannot use ACRS for:

- assets placed in service before January 1, 1981,
- certain public utility property,
- certain property acquired from related persons, and
- property acquired in certain nonrecognition transactions.

Figure your depreciation deduction on **Form 4562**, Depreciation and Amortization. Enter on line 12 of Schedule C the amount from **Form 4562**, Part I that you have not included in Part III of Schedule C.

Election to Expense Certain Recovery Property (section 179). You may choose to expense part of the cost of recovery property you bought in 1983 for use in your business. You may deduct up to \$5,000 (\$2,500 if married filing separately) on the cost of recovery property that would otherwise qualify for investment credit. However, you may not depreciate or amortize the same costs, or take an investment credit for the costs. Only property used in your trade or business qualifies for the deduction.

Use **Form 4562**, to figure your deduction. Get **Publication 534**, Depreciation, for more details.

Line 14

Employee Benefit Programs

Enter the amount of your contributions that are not an incidental part of a pension or profit-sharing plan included on line 21. Also include here contributions to insurance, health, and welfare programs.

Line 17

Interest on Business Indebtedness

If you paid interest for years after 1983, deduct only the part you paid for 1983.

Don't take a deduction on Schedule C for interest you paid or accrued on debts from buying or carrying investment property. Deduct this interest on Schedule A. For more information, see **Publication 550**, Investment Income and Expenses.

Line 21

Pension and Profit-Sharing Plans

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 26, instead of on Schedule C, line 21.

Generally, you are required to file one of the following forms if you maintain a pension, profit-sharing, or other funded-deferred compensation plan (other than a Simplified Employee Pension) whether or not it qualified under the Internal Revenue Code and whether or not you claimed a deduction for the current tax year.

Form 5500.—Complete this form for each plan with 100 or more participants.

Form 5500-C, 5500-K, or 5500-R.—Complete the applicable form for each plan with less than 100 participants.

The Employee Retirement Income Security Act of 1974 imposes a penalty for failure to timely file these forms.

Note: Only one return is required to be filed for the plan of a group of businesses under common control or a multiemployer-collectively-bargained plan. Individual participating employers or contributing employers are not required to file separately.

If you need help, get **Publication 560**, Tax Information on Self-Employed Retirement Plans.

Line 23

Repairs

You can deduct the cost of repairs including labor, supplies, and other items that do not add to the value or increase the life of the property. Do not deduct the value of your own labor. And do not deduct amounts you spent to restore or replace property. They are chargeable to capital accounts or to the depreciation reserve, depending on how depreciation is charged on your books. However, see the instructions for line 12 of Schedule C.

Line 26

Travel and Entertainment

You can deduct all ordinary and necessary travel and entertainment expenses paid or incurred in your trade or business.

However, you cannot deduct any expense paid or incurred for a facility (such as a yacht or hunting lodge) that is used for any activity that is usually considered entertainment, amusement, or recreation.

Note: You may be able to deduct the expense if the amount is treated as compensation and reported on **Form W-2** for an employee or **Form 1099-MISC** for an independent contractor. (See **Publication 463** for more details.)

Foreign Conventions. Generally, you cannot deduct expenses for attending a foreign convention unless it is directly related to your trade or business and it is "as reasonable" for the meeting to be held outside the North American area or Jamaica as within it. (For the definition of "North American area," see **Publication 463**.) You may also be able to deduct expenses for attending conventions held in certain Caribbean countries beginning after June 30, 1983, but only if the country met certain requirements. See **Publication 463** for more details.

These rules apply to employers as well as to employees.

Factors to consider in determining reasonableness include:

- a. The purpose of the meeting and the activities taking place at the meeting;
- b. The purpose and activities of the sponsoring organizations or groups;
- c. The residences of the active members of the sponsoring organization and the places at which other meetings of the sponsoring organization or groups have been or will be held; and
- d. Other relevant factors you may present.

Beginning in 1983, you may be able to deduct up to \$2,000 of the cost of business expenses for attending conventions or similar meetings on a U.S. cruise ship. On a joint return, you may be able to deduct up to \$4,000 if each spouse attended the meeting and each spouse had at least \$2,000 of qualifying expenses. You must attach two separate statements to your tax return to support the deduction. See **Publication 463** for details on what these statements must include and for specific rules on deducting expenses for attending meetings on U.S. cruise ships.

Line 28

Wages

Enter on line 28a the total salaries and wages (other than salaries and wages deducted elsewhere on your return) paid or incurred for the tax year. Do not include any amount paid to yourself.

Enter on line 28b the jobs credit from **Form 5884**. Subtract line 28b from wages shown on line 28a and enter the balance on line 28c.

For more details, please get **Publication 906**, Jobs and Research Credits.

Line 29

Windfall Profit Tax Withheld

If you hold an operating oil, gas, or mineral interest, and you are a cash method taxpayer, deduct on line 29 the amount of windfall profit tax actually withheld in 1983. **Form 6248**, Annual Information Return of Windfall Profit Tax—1983, shows the amount of windfall profit tax actually withheld in 1983.

Line 30

Other Business Expenses

Include all ordinary and necessary business expenses not deducted elsewhere on Schedule C. Do not include the cost of business equipment or furniture, replacements or permanent improvements to property, or personal living and family expenses.

Any loss from this activity that was not allowed as a deduction last year because of the at-risk provisions, is treated as a deduction allocable to this activity in 1983.

Amortization. Use **Form 4562** to figure your amortization deduction. Include on line 30 of Schedule C the amount from Form 4562, Part II.

You may amortize over a 60-month period:

- the cost of pollution-control facilities; and
- certain expenditures made before January 1, 1982, for child-care facilities.

You may amortize the following over a period of at least 60 months:

- amounts paid for research, experiments, and a trademark or trade name.
- certain business startup costs paid or incurred after July 29, 1980.

You may also amortize up to \$10,000 of qualified reforestation and reforestation costs over an 84-month period.

If you own a certified historic structure and pay or incur certain capital expenditures to rehabilitate it, special rules apply. See **Publication 535**, Business Expenses, for more information on rehabilitation expenditures for a certified historic structure.

Real property construction period interest and taxes generally cannot be fully deducted in the year you paid or incurred them. You must capitalize and amortize amounts not allowed as a deduction in the current year. This rule does not apply to low-income housing.

However, you do not have to capitalize and amortize real property interest and taxes attributable to real property that you do not reasonably expect to use in your trade or business or in an activity engaged in for profit.

For more information on amortization, please get **Publication 535**.

Line 32

Net Profit or (Loss)

If you have a profit, stop here. Enter the amount here and combine this amount with the profit or (loss) from your other businesses, if any. Enter the total on Form 1040, line 12, and Schedule SE, Part I, line 2 (or Form 1041, line 6).

If you have a loss, go on to line 33 before entering your loss on line 32.

Line 33

At Risk

Deductions for losses by persons who are engaged in a trade or business or an activity for the production of income except the holding of real property (other than mineral property) are limited to the amount they have at risk in the business.

If you have (1) a loss from any activity that you engaged in as a trade or business or for the production of income, except the holding of real property (other than mineral property), and (2) you have amounts for which you are not at risk in the activity, use **Form 6198**, Computation of Deductible Loss from an Activity Described in Section 465(c), to determine the allowable loss to report on Schedule C.

Amounts for which you are not at risk are:

- nonrecourse loans used to finance the activity, acquire property used in the activity, or acquire your interest in the activity;
- loans from related parties (section 267(b));
- loans from someone who has an interest in the activity other than as a creditor; and
- amounts protected against loss by a guarantee, stop-loss agreement, or similar arrangement.

Answer the question on line 33 "YES" if you have any amounts for this business that:

- you borrowed from a person who is related to you under section 267(b) (unless section 465(c)(3)(E) applies); OR
- you borrowed from a person who has an interest in the business (other than as a creditor) (unless section 465(c)(3)(E) applies); OR
- you are protected against loss by a guarantee, stop-loss agreement, or similar arrangement; OR
- you are not personally required to pay back the money.

If you do not have any of these kinds of amounts for which you are not at risk in this business, answer the question "NO." Enter the full loss on line 32 and combine this amount with the profit or (loss) from your other businesses, if any. Enter the total on Form 1040, line 12, and Schedule SE, Part I, line 2 (or Form 1041, line 6).

If you answered "YES" to the question on line 33, enter on line 32 either the amount of your loss or the amount for which you are considered at risk, whichever is smaller. For example, if your loss is \$1,000 and your amount at risk is \$400, you would enter "\$400" on line 32. Or, if your loss is \$1,000 and your amount at risk is \$1,200, enter "\$1,000" on line 32.

If your at risk amount is zero or less, enter zero on line 32.

Also enter this amount as your loss from Schedule C on Form 1040, line 12, and Schedule SE, Part I, line 2 (or Form 1041, line 6).

If, in addition to the amount that you report on Schedule C, you dispose of an asset used in an activity to which the at-risk rules apply, and you have amounts in the activity for which you are not at risk, see the instructions for Form 6198.

For more details, get **Publication 536**, Net Operating Losses and the At-Risk Limits. Also see Form 6198 and its instructions for more information.

Part III

Cost of Goods Sold and/or Operations

Cost of Goods Sold. If you engaged in a trade or business in which the production, purchase, or sale of merchandise was an income-producing factor, merchandise inventories must be taken into account at the beginning and end of your tax year.

Cost of Operations (Inventories Not an Income-Producing Factor). If the amount on line 2, Part I, includes the cost of operations, complete lines 1 through 8 of Part III as appropriate.

Instructions for Schedule SE Social Security Self-Employment Tax

Purpose of Form

Schedule SE is used by self-employed persons to figure any self-employment tax due. The Social Security Administration uses the information provided on Schedule SE to figure benefits for self-employed people under the social security program. Social security self-employment tax applies regardless of your age, and even if you are receiving social security benefits.

Who Must Use Schedule SE

You must use Schedule SE if:

- You were self-employed,
- Your net earnings from self-employment were \$400 or more, and
- You did not have wages (including tips) of \$35,700 or more that were subject to social security tax or railroad retirement tax.

Who Should Use Schedule SE

You should use Schedule SE if you will benefit from using the optional method of computing self-employment earnings.

Use of the optional method may benefit you if:

- Your self-employment earnings are less than \$400 and Form 1040, line 33, is less than \$10,000 and you wish to claim the earned income credit; or
- You had a loss from self-employment and you need to increase your net earnings from self-employment to qualify to claim the child and dependent care credit.

In addition to the tax benefits, use of the optional method gives you credit toward your social security coverage even though you have a loss or low income from self-employment. However, the optional method may require you to pay self-employment tax when none would be required to be paid.

Fiscal Year Filers

If your tax year is a fiscal year, you must use the tax rate and earnings base that apply at the time the fiscal year begins. You need not prorate the tax or earnings base for a fiscal year that overlaps the date of a rate or earnings base change.

More Than One Business

If you farmed and had at least one other trade or business or had two or more trades or businesses, your net earnings from self-employment are the combined net earnings from all your businesses. If you had a loss in one trade or business, it reduces the income from another. Figure the combined self-employment tax on Schedule SE.

Joint Returns

Show the name of the spouse with self-employment income on Schedule SE. If both spouses have self-employment income, each must file a separate Schedule SE. Include the total profits or losses from all businesses on Form 1040, line 12, or line 19, as appropriate. Then enter the combined self-employment tax on Form 1040, line 50.

Community Income

In figuring net earnings from self-employment, if any of the income from a business, including farming, is community income, all the income from that business is considered the income of the spouse who carried on the trade or business unless there is a husband and wife partnership. The identity of the spouse who carried on the trade or business is determined by the facts in each situation.

If you file separate returns, attach Schedule(s) C, Profit or (Loss) From Business or Profession, and Schedule SE (for nonfarm business) or Schedule(s) F, Farm Income and Expenses, and Schedule SE (for farm business) to the return of the spouse with the 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. However, if you are a limited partner, do not include your share of income or loss from the partnership, other than guaranteed payments. Unless you and your spouse are partners, no part of your partnership earnings can be treated as your spouse's even if the income, under State law, is community income. If you and your spouse have a partnership, enter the distributive share of each as partnership income on Schedule E (Form 1040), Part II, for income tax purposes, and on separate Schedules SE, line 1 or line 2, for self-employment tax purposes.

If a partner in a continuing partnership dies, that member's distributive share of partnership ordinary income or loss for the year must be included in the partner's net earnings from self-employment.

Share-Farming

If you produced crops or livestock on land belonging to another for a share of the crops or livestock produced, or the proceeds from them, you are an independent contractor and a self-employed person rather than an employee. Report your net earnings for income tax on Schedule F and for social security self-employment tax on Schedule SE.

Exemption From Self-Employment Tax for Members of the Clergy and Certain Religious Orders and Sects

If you are a duly ordained, commissioned, or licensed minister of a church, 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 IRS approval to exempt your income from services as a minister, member, or practitioner by filing **Form 4361**. If you have received IRS approval and have no other income subject to social security self-employment tax, write "Exempt—Form 4361" on Form 1040, line 50. If you filed Form 4361, but have \$400 or more from other earnings subject to self-employment tax, you must complete Schedule SE.

Note: *If you have previously filed Form 2031 to pay social security self-employment tax in order to get social security coverage, you cannot now apply for exemption.*

If you have conscientious objections to social security insurance because of your belief in the teachings of a recognized religious sect of which you are a member, you can request exemption from self-employment tax by filing **Form 4029**. If you filed Form 4029 and have received IRS approval, do not file Schedule SE. Instead, write "Exempt—Form 4029" on Form 1040, line 50.

Coverage for Overseas Missionaries

If you are a U.S. citizen and a minister (except a Christian Science practitioner) or member of a religious order serving outside the United States, you may figure earnings from self-employment as if you were serving in the United States (provided you have not elected exemption from coverage).

For more information, please get **Publication 517**, Social Security for Members of the Clergy and Religious Workers.

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 United States, Puerto Rico, Guam, American Samoa, Northern Mariana Islands, or the Virgin Islands by a foreign government, in certain cases by an instrumentality wholly owned by a foreign government, or by an international organization organized under the International Organizations Immunities Act. Report income from this employment on Schedule SE, line 2. If you are employed by a foreign government or international organization in a country other than those listed, you are not subject to the self-employment tax.

Self-Employed U.S. Citizens or Resident Aliens Living Outside the United States

If you are a self-employed U.S. citizen or resident alien living outside the United States, you are generally subject to the self-

employment tax. Your foreign earnings from self-employment may be reduced by any allowable exclusion of foreign earned income or exclusion or deduction for certain foreign housing costs. However, if you qualify to exclude your foreign earned income under the physical presence test, you may not reduce your foreign earnings from self-employment by your foreign earned income exclusion.

Line-By-Line Instructions

We have provided specific instructions for some of the lines on the schedule. Those lines that do not appear in the instructions are self-explanatory.

Name of self-employed person. Enter the name and social security number of the self-employed person as it appears on that person's social security card.

Part I

Regular Computation of Net Earnings from Self-Employment

Income Not Included in Net Earnings from Self-Employment

- Salaries, fees, etc., subject to social security tax which you received for performing services as an employee, including services performed as a public official (except as a fee basis government employee as explained under **Other Income Included in Net Earnings from Self-Employment**) or as an employee or employee representative under the railroad retirement system.
- Income you received as a retired partner under a written partnership plan that provides for lifelong periodic retirement payments, if you had no other interest in the partnership and did not perform services for it during the year.
- Real estate rentals, unless 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 sharefarmer. You should report these amounts on Schedule E, Part I.
- Dividends on shares of stock and interest on bonds, debentures, notes, certificates, or other evidence of corporate indebtedness, unless received in the course of your trade or business as a dealer in stocks or securities.
- Gain or loss from:
 - The sale or exchange of a capital asset;
 - The sale, exchange, involuntary conversion, or other disposition of property, unless the property is stock in trade or other property that would be includible in inventory, or held primarily for sale to customers in the ordinary course of the business; or
 - Certain transactions in timber, coal, or domestic iron ore.
- Net operating losses from other years.

Other Income Included in Net Earnings from Self-Employment

- Rental income from a farm if the rental arrangement provides for material participation by the landlord and, as landlord, you participated materially in the production or management of the production of farm products on this land. This income is farm earnings. Report it on Schedules F and SE. (To determine whether you participated materially in farm management or production, do not consider the activities of any agent who acted for you.)
- Cash or a payment in kind received from the Department of Agriculture for participation in a land diversion program.
- Payments for the use of rooms or other space when services are also provided to the occupant, such as rooms in hotels, boarding houses, tourist camps, or homes.
- Payments you received for space in parking lots, trailer parks, warehouses, or storage garages.
- Income you received from the retail sale of newspapers and magazines if you are 18 or over and kept the profits.
- Income you received as a crew member of a fishing vessel with a crew of normally less than 10 individuals. See **Publication 595**, Tax Guide for Commercial Fishermen, for more information.
- Fees you received for services performed as a State or local government employee provided you are compensated solely on a fee basis and the position is not covered under a Federal-State social security coverage agreement.
- The rental value of a home or an allowance for a home furnished you if you are a minister or a member of a religious order.
- The value of meals and lodging provided to you for the convenience of your employer if you are a minister or member of a religious order.
- Director's fees and other payments received by a director of a corporation for services as a director.
- Fiduciaries' fees received by professional fiduciaries. Also, nonprofessional fiduciaries if the fees relate to active participation in the operation of the estate's trade or business or the facts indicate the fiduciary manages an estate which requires extensive management activities over a long period of time.

Lines 1 and 2.—Exclude from lines 1 and 2 any income or expense not included in figuring net earnings from self-employment and attach an explanation. If you are a partner, adjust lines 1 and 2 for any expense deduction for recovery property (section 179) claimed, oil or gas depletion, or unreimbursed partnership expenses.

If you deposited earnings into a capital construction fund established under the Merchant Marine Act of 1936, see **Publication 595**.

If you are a duly ordained minister who is an employee of a church and if you are subject to self-employment tax, the unreimbursed business expenses that you incurred in performing your services as an employee of the church (allowed only as an itemized deduction) are deducted from your self-employment earnings in figuring your self-employment tax. For more information, see **Publication 517**.

Part II

Optional Method for Figuring Net Earnings from Farm Self-Employment

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

If your gross farm profits were more than \$2,400, and your net farm earnings were less than \$1,600, you can report \$1,600 on line 4.

There is no limit on how many times you can elect this optional method. If you use this method, you must apply it to all farm earnings from self-employment for the year. This method can be used to increase or decrease net farm earnings, even if the farming operation resulted in a loss. You may change the method (from actual net to optional net or the reverse) after you file your return.

For a farm partnership, your share of gross income is figured according to the partnership agreement. With guaranteed payments, your share of the partnership's gross income is your guaranteed payment plus your share of the gross income after they are reduced by all guaranteed payments of the partnership. Limited partners should include only guaranteed payments.

Optional Method for Figuring Net Earnings from Nonfarm Self-Employment

You may be able to use an optional method to figure your net earnings from nonfarm self-employment if your actual net earnings from nonfarm self-employment are less than \$1,600 and less than two-thirds of your gross nonfarm profits.

You may use this optional method if you are regularly self-employed or regularly a member of a partnership. You meet this requirement 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 nonfarm and farm businesses in at least 2 of the 3 years immediately before the year for which you use the nonfarm option.

You may report two-thirds of your gross nonfarm income (but not more than \$1,600) as your net earnings from self-

employment on line 6, but you may not report less than your actual net earnings from nonfarm self-employment.

For a nonfarm partnership, your share of gross income is figured according to the partnership agreement. With guaranteed payments, your share of the partnership's gross income is your guaranteed payment plus your share of the gross income after they are reduced by all guaranteed payments of the partnership. Limited partners should include only guaranteed payments.

The limit for the optional method for nonfarm self-employment is 5 years. The 5 years need not be consecutive.

Using Both Optional Methods

If you have both nonfarm and farm income, you may only use the nonfarm option if your actual net earnings from nonfarm self-employment are less than \$1,600. In all combined cases, your net nonfarm earnings must be less than two-thirds of your gross nonfarm income 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 use both options in figuring net earnings from self-employment, your maximum combined total of net earnings from self-employment for any tax year cannot be more than \$1,600.

Line 4.—Enter two-thirds of the total of the amount from all Schedules F, line 31 or line 88, and Schedules K-1 (Form 1065), line 18a, or \$1,600, whichever is smaller.

Line 6.—Enter the smaller of:

- \$1,600;
- $\frac{2}{3}$ of the total of gross income from all Schedules C, line 5, plus the distributive share of gross profits from all nonfarm partnerships, Schedule K-1 (Form 1065), line 18c; or
- The amount on line 5 if you also had farm income and elect the farm optional method.

Part III

Computation of Social Security Self-Employment Tax

Line 11a.—If you are a U.S. Government employee whose pay is subject ONLY to the 1.3% hospital insurance benefits tax (Medicare), do NOT include this pay as social security wages on Schedule SE, line 11a. Social security wages entered on line 11a are wages subject to the old-age, survivors, and disability insurance tax in addition to the hospital insurance benefits tax.

Figure your self-employment tax using the rate on line 13. Do not reduce the rate by the hospital insurance benefits tax rate.

If your U.S. Government pay plus any combination of social security wages or self-employment income exceeds \$35,700, get **Form 4469**, Computation of Excess Hospital Insurance Benefits Tax, to figure any credit for excess hospital insurance benefits tax.

Instructions for Schedule F Farm Income and Expenses

Purpose of Form

Use Schedule F to report farm income and expenses if you file Forms 1040, 1041, or 1065. Please get **Publication 225**, Farmer's Tax Guide, for additional information. It has samples of filled-in forms and schedules, and Important Dates that apply to farmers. You may also want to get **Publication 534**, Depreciation.

If you were required to make estimated tax payments in 1983 and you underpaid your estimated tax, you may be charged a penalty. You will not be charged a penalty, however, if you meet the following tests:

- your gross farming or fishing income for 1982 or 1983 is at least two-thirds of your gross income, and
- you file your 1983 tax return and pay the tax due by March 1, 1984.

For more details, see **Publication 225**.

Do not report the following income on Schedule F:

- Rent you received that was based on farm production or crop shares if you did not run the farm yourself. Report this income on **Form 4835** and **Schedule E (Form 1040)**. It is not subject to self-employment tax.
- Rent from your pasture land. Report this income in Part I of **Schedule E (Form 1040)**. However, report on line 29 of Schedule F pasture income received from taking care of someone else's livestock.
- Sales, exchanges, or involuntary conversions (other than casualties or thefts) of certain trade or business property. Report this income on **Form 4797**.
- Sales of livestock held for draft, breeding, sport, or dairy purposes. Report this income on **Form 4797**.

Use **Form 4684**, Casualties and Thefts, to report a casualty or theft involving farm business property, including livestock held for draft, breeding, sport, or dairy purposes.

Which Parts to Use

Schedule F has 4 parts. The accounting method you used to record your farm income determines which parts you must use.

Under the **cash method**, you include all of your income in the year you actually get it. Generally, you deduct your expenses when you pay them. If you use the cash method, fill in Parts I and II.

Under the **accrual method**, you include your income in the year you earned it. It does not matter when you get it. You deduct your expenses when you incur them. If you use the accrual method, fill in Parts II, III, and IV.

Employer Identification Number

You need an employer identification number only if:

- you had a Keogh (H.R. 10) plan, or
- you were required to file an employment tax, excise tax, or alcohol, tobacco, or firearms tax return.

Payments in Kind

If you received (or constructively received) agricultural commodities under the Department of Agriculture's 1983 payment-in-kind (PIK) program, you do not have to report these commodities as income until the year they are sold or otherwise disposed of. This rule applies only to commodities received for the 1983 crop year. Your unadjusted basis in these commodities when you receive them is zero. See **Publication 225** for more details. If you disposed of commodities received under the PIK program, check the appropriate boxes on Schedule F.

Part I

Farm Income

Cash Method

In Part I show the income you received for the items listed on lines 1 through 28. Count both the cash you actually or constructively received and the fair market value of goods or other property you received for these items.

Income is constructively received when it is credited to your account or set aside for you to use.

If you ran the farm yourself and received rents based on farm production or crop shares, report these rents as income on the line for the crop, or on line 29.

Line 1

In column (b) show the amount you received from sales of livestock you bought for resale. In column (c) show the cost or other basis of the livestock.

Line 2

In column (b) show the amount you received from sales of other items you bought for resale. In column (c) show the cost or other basis of those items.

Line 4

If you sold livestock because of a drought, you can choose to count the income from the sale in the year after the drought, instead of the year of the sale. You can do this if:

- your main business is farming, AND
- you can show that you sold the livestock only because of the drought, AND
- your area qualified for Federal aid.

Lines 5 through 19

Show the amount you got from the sale of livestock and produce you raised.

Line 20

Show the amount you were paid for the use of your farm machinery.

Line 21

Show patronage dividends you received in cash, and the dollar amount of qualified written notices of allocation. If you received property as patronage dividends, report the fair market value of the property as income. Include cash advances you received from a marketing cooperative.

You do not have to include as income patronage dividends from buying:

- personal or family items.
- capital assets.
- depreciable assets you use in your business.

Enter these amounts on line 21b. If you do not report patronage dividends from these items as income, you must subtract the amount of the dividend from the cost or other basis of these items.

Line 22

If you get per-unit retains in cash, show the amount of cash. If you get qualified per-unit retain certificates, show the stated dollar amount of the certificate.

Line 24

Enter on line 24a cash you got as price support payments, diversion payments, and cost-share payments (sight drafts).

On line 24b, show the amounts the Department of Agriculture paid for materials such as fertilizer or lime, or services such as grading or constructing dams.

Line 25

Report Commodity Credit Corporation loans you received as income if:

- the commodities are delivered or forfeited to the Corporation instead of sold in the market, OR
- you choose to report the loan as income when you receive it. If you do this, attach a statement showing the details of the loan. You must continue to report these loans as income unless the IRS permits you to change your accounting method.

Line 26

If you took a credit for Federal gasoline tax on your 1982 Form 1040, enter the amount of the credit here.

Line 27

Enter the amount of any State gasoline tax refund you got in 1983.

Line 28

In general, you must report crop insurance proceeds in the year you receive them.

However, you may choose to include crop insurance proceeds and certain disaster payments in income in the tax year after the year of damage if you can show that it is your practice to report income from these crops in the later tax year.

Line 29

Use this line to report income other than that shown on lines 1 through 28.

Report the sale of commodity futures contracts on this line if they were made to protect you from price changes. These are a form of business insurance and are considered hedges. Enter any profit on line 29. If you had a loss in a closed futures contract, show it as a minus amount.

Caution: For property acquired and hedging positions established after December 31, 1981, you must clearly identify on your books and records that the transaction was a hedging transaction.

Purchase or sales contracts are not true hedges if they offset losses that already happened. If you bought or sold commodity futures with the hope of making a profit due to favorable price changes, do not report the profit or loss on this line. Report the gain or loss on **Form 6781, Gains and Losses From Regulated Futures Contracts and Straddles**.

Report as income the amount of the credit for alcohol used as a fuel that was entered on **Form 6478**.

For more details, see Publication 225.

Part II Farm Deductions

Cash and Accrual Method

Do not deduct:

- personal or living expenses (such as taxes, insurance, or repairs on your home) that do not produce farm income.
- expenses of raising anything you or your family used.
- the value of animals you raised that died.
- loss of inventory.
- personal losses.
- the cost of planting and growing citrus or almond groves before the close of the fourth tax year after you plant them in their permanent grove. You must treat these items as part of the cost of the grove.

If you were repaid for any part of an expense, you must subtract the amount you were repaid from the deduction.

Farming Syndicates

A farming syndicate may be:

- a partnership, or
 - any other noncorporate group, or
 - an S corporation, if
- a.** the interests in the business have ever been for sale in a way that would require registration with any Federal or State agency, or
- b.** more than 35% of the loss during any tax year is spread between limited partners or limited entrepreneurs.

(A limited partner or limited entrepreneur is a person who does not take any active part in managing the business, and who can lose only the amount he or she has invested.)

If you are a farming syndicate, your deductions are limited as follows:

- Generally, you can deduct feed, seed, fertilizers, and other farm supplies only in the year you actually use them (or only in the year you can deduct them under your accounting method). However, if you bought supplies you could not use because of fire, storm, flood, disease, or other casualty, then you may deduct them in the year you bought them.
- You must spread the cost of poultry you bought to use in business (or to resell) over 12 months, or the useful life, whichever is less.

- You cannot deduct the cost of planting, cultivating, maintaining or developing groves, orchards, or vineyards, which produce fruit or nuts, before the tax year in which they produce commercial quantities. You must treat these costs as part of the cost of the grove.

Line 32

Enter the amount you paid for farm labor. You can count the cost of boarding farm labor but not the value of any products they used from the farm. You can count only what you paid household help to care for farm laborers. Do not count the value of your own or your family's labor.

Enter on line 32b the jobs credit from **Form 5884**. Subtract line 32b from line 32a and enter the balance on line 32c.

For more details, please get **Publication 906, Jobs and Research Credits**.

Line 33

Enter what you paid for repairs and upkeep of farm buildings (but not your home), machinery, and equipment. You can also include what you paid for tools of short life or small cost, such as shovels and rakes.

Line 34

Show the interest you paid on your farm (but not your home) mortgage. Also include interest on other loans related to this farm. If you prepaid interest in 1983 for years after 1983, include only the part that applies to 1983.

Line 35

Enter what you paid to rent pasture or farm land.

Line 36

If you use the cash method, show what you paid for feed to be consumed by your livestock in the year of payment. If the feed is to be consumed in a later tax year, however, the expense might not be deductible in the year paid. See Publication 225 for more information on advance payments for feed.

Line 39

Show what you paid to rent machinery used on your farm.

Line 45

You can deduct the following taxes:

- real estate and personal property taxes on farm business assets.
- social security taxes you paid to match what you are required to withhold from farm employees' wages.

Do not deduct:

- Federal income taxes.
- estate and gift taxes.
- taxes assessed to pay for improvements such as paving, sewers, etc.
- taxes on your home or personal property.
- other taxes not related to the farm business.

Line 46

Show only the amount of premiums for fire, storm, crop, and theft insurance for this year for your farm business assets. Do not

include insurance on personal assets, or medical, health, or disability insurance on yourself or your family.

Line 47

Show what you paid for gas, electricity, water, etc., for business use on the farm. Do not include personal utilities.

Line 48

Do not include as freight paid the cost of transportation incurred in purchasing livestock held for resale. Instead, add these costs to the cost of the livestock, and deduct them when the livestock are sold.

Line 49

You can deduct what you spent to conserve soil or water, or to prevent erosion of your land. You can also deduct what you paid to a soil or water district for conservation expenses. Do not deduct more than 25% of your gross income from farming (excluding certain gains from selling assets such as farm machinery and land). If your conservation expenses are more than the limit, you can carry the excess over to following years.

Line 50

Show what you paid to clear land so you could farm it. Do not enter more than \$5,000 or 25% of your taxable income from farming, whichever is less. (See Publication 225 for the definition of taxable income from farming for purposes of the limitation.)

If you choose to deduct land clearing expenses for 1983, you must attach a statement to your tax return by the due date of the return (including extensions). See Publication 225 for details on what you must include in this statement.

Line 51

Enter the amount you paid to pension, profit-sharing, or annuity plans for your employees. If the plan included you as an owner-employee, see the instructions for Schedule C, line 21, on page 28. Enter the amount you paid for yourself on Form 1040, line 26.

Line 52

Enter any amounts you paid to programs for your employees that are not a part of the plans on line 51. Examples are insurance, health, and welfare programs. Do not include here amounts paid for yourself or your family.

Line 53

You can deduct depreciation of buildings, improvements, cars and trucks, machinery, and other farm equipment of a permanent nature.

Do not include depreciation on:

- your home, furniture, or other personal items,
- land,
- livestock you bought or raised for resale, or
- other property in your inventory.

Generally, you **MUST** use the Accelerated Cost Recovery System (ACRS) for all assets you place in service after December 31, 1980.

You cannot use ACRS for:

- assets placed in service before January 1, 1981,
- certain public utility property,
- certain property acquired from related persons, and
- property acquired in certain nonrecognition transactions.

Figure your depreciation deduction on **Form 4562**, Depreciation and Amortization. Enter on line 53 of Schedule F the amount from Form 4562, Part I.

Election to Expense Certain Recovery Property (section 179). You may choose to expense part of the cost of recovery property you bought in 1983 for use in your business. You may deduct up to \$5,000 (\$2,500 if married filing separately) of the cost of recovery property that would otherwise qualify for investment credit. However, you may not depreciate or amortize the same costs, or claim an investment credit for the costs. Only property used in your trade or business qualifies for the deduction.

Use **Form 4562** to figure your deduction. Include on line 53 of Schedule F the amount from Form 4562, Part I.

Please get **Publication 534**, for more information.

Line 54

Enter expenses not listed on another line, such as:

- office supplies.
- advertising.
- car and truck expenses. You can deduct what it cost you to run your car or truck, or take the fixed mileage rate. The rate is 20.5 cents a mile up to 15,000 miles, and 11 cents a mile for each mile after that. If you use more than one vehicle for business, you must use the actual cost. If you use the vehicle for both personal and farm purposes, show only the miles (or costs) which apply to farming.

For vehicles that have been fully depreciated, the rate is 11 cents a mile.

If you use the fixed rate, the vehicle is considered to have a useful life of 60,000 miles of business use at the maximum fixed mileage rate.

Note: If you place a car or truck in service after December 31, 1980, and take the fixed mileage rate, you are treated as having elected to exclude this vehicle from ACRS.

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

Note: If you use certain highway trucks, truck-trailers, tractor-trailers, or buses in your trade or business, you may have to pay a Federal highway use tax on these vehicles. Get **Form 2290**, Federal Use Tax Return on Highway Motor Vehicles, to see whether you are subject to the tax.

- any loss from this activity that was not allowed as a deduction last year because of the at-risk provisions. This is treated as a deduction allocable to this activity in 1983.

- amortization of qualifying forestation and reforestation costs over an 84-month period.

- amortization of certain business startup costs over a period of at least 60 months.

Use **Form 4562** to figure your amortization deduction. Include on line 54 of Schedule F the amount of the deduction from Form 4562, Part II.

For more information on amortization, see **Publication 535**, Business Expenses.

Line 56

If you have a profit, stop here. Enter the amount here and on Form 1040, line 19, and Schedule SE, Part I, line 1 (or Form 1041, line 6). Partnerships should stop here and enter the profit or loss on this line and on Form 1065, line 8.

If you have a loss, go on to line 57 before entering your loss on line 56.

Line 57

If you have (1) a loss from any farming activity that you engaged in as a trade or business or for the production of income, except the holding of real property (other than mineral property), and (2) you have amounts for which you are not at risk in the activity, use **Form 6198**, Computation of Deductible Loss from an Activity Described in Section 465(c), to determine the allowable loss to report on Schedule F.

Amounts for which you are not at risk are:

- nonrecourse loans used to finance the activity, acquire property used in the activity, or acquire your interest in the activity;
- loans from related parties (section 267(b));
- loans from someone who has an interest in the activity other than as a creditor; and
- amounts protected against loss by a guarantee, stop-loss agreement, or similar arrangement.

Answer the question on line 57 "YES" if you have any amounts for this farm that:

- you borrowed from a person who is related to you under section 267(b); OR
- you borrowed from a person who has an interest in the business (other than as a creditor); OR
- you are protected against loss by a guarantee, stop-loss agreement, or similar arrangement; OR
- you are not personally required to pay back the money.

If you do not have any of these kinds of amounts for which you are not at risk in this business, then answer the question "NO." Enter the full loss on line 56 and on Form 1040, line 19, and Schedule SE, Part I, line 1 (or Form 1041, line 6).

If you answered "YES" to the question on line 57, enter on line 56 either the amount of your loss or the amount for which

you are considered at risk, whichever is smaller. For example, if your loss is \$1,000 and your amount at risk is \$400, you would enter (\$400) on line 56. Or, if your loss is \$1,000 and your amount at risk is \$1,200, enter (\$1,000) on line 56.

If your at-risk amount is zero or less, enter zero on line 56.

Also enter this amount as your loss from farming on Form 1040, line 19, and Schedule SE, Part I, line 1 (or Form 1041, line 6).

If, in addition to the amount that you report on Schedule F, you sell or otherwise dispose of (1) an asset used in an activity to which the at-risk rules apply, or (2) any part of your interest in an activity to which the at-risk rules apply, and you have amounts in the activity for which you are not at risk, see the instructions for Form 6198.

For more details, get **Publication 536**, Net Operating Losses and the At-Risk Limits. Also see Form 6198 and its instructions for more information.

Part III

Farm Income

Accrual Method

If you use the accrual method, report farm income when you earn it, not when you receive it. Generally, you must inventory your animals and crops if you use this method. See **Publication 538**, Accounting Periods and Methods, for exceptions, inventory methods, and how to change from accrual to cash methods of accounting.

Lines 58 through 74

For each item listed, fill in columns (b), (c), (d), and (e) across. See the line-by-line instructions for Part I for more information.

Part IV

Summary of Income and Deductions

Accrual Method

Lines 78 and 79

See instructions for Part I, lines 24 and 25.

Line 80

If you take a credit for Federal gasoline tax on your 1983 income tax return, enter the amount of the credit on this line.

Line 81

If you are due a refund of State gasoline tax for 1983, enter the amount here.

Line 82

See instructions for Part I, line 29.

Lines 89 and 90

See instructions for Part I, lines 56 and 57.

1983 Tax Table

Based on Taxable Income
For persons with taxable incomes of less than \$50,000.

Example: Mr. and Mrs. Brown are filing a joint return. Their taxable income on line 37 of Form 1040 is \$25,325. First, they find the \$25,300–25,350 income line. Next, they find the column for married filing jointly and read down the column. The amount shown where the income line and filing status column meet is \$3,845. This is the tax amount they must write on line 38 of their return.

At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
25,250	25,300	4,917	3,832	6,117	4,512
25,300	25,350	4,933	3,845	6,137	4,526
25,350	25,400	4,949	3,858	6,157	4,541

If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
Your tax is—		Your tax is—				Your tax is—		Your tax is—				Your tax is—		Your tax is—			
0	1,700	0	0	0	0	3,000		5,500	5,550	420	234	511	377				
1,700	1,725	0	0	a	0	3,000	3,050	80	0	151	80	5,550	5,600	427	241	518	384
1,725	1,750	0	0	4	0	3,050	3,100	85	0	158	85	5,600	5,650	435	247	526	390
1,750	1,775	0	0	7	0	3,100	3,150	91	0	164	91	5,650	5,700	442	254	533	397
1,775	1,800	0	0	10	0	3,150	3,200	96	0	171	96	5,700	5,750	450	260	541	403
1,800	1,825	0	0	12	0	3,200	3,250	102	0	177	102	5,750	5,800	457	267	548	410
1,825	1,850	0	0	15	0	3,250	3,300	107	0	184	107	5,800	5,850	465	273	556	416
1,850	1,875	0	0	18	0	3,300	3,350	113	0	190	113	5,850	5,900	472	280	563	423
1,875	1,900	0	0	21	0	3,350	3,400	118	0	197	118	5,900	5,950	480	286	571	429
1,900	1,925	0	0	23	0	3,400	3,450	124	c3	203	124	5,950	6,000	487	293	579	436
1,925	1,950	0	0	26	0	3,450	3,500	131	8	210	129	6,000					
1,950	1,975	0	0	29	0	3,500	3,550	137	14	216	135	6,000	6,050	495	299	587	442
1,975	2,000	0	0	32	0	3,550	3,600	144	19	223	140	6,050	6,100	502	306	596	449
2,000						3,600	3,650	150	25	229	146	6,100	6,150	510	312	604	455
2,000	2,025	0	0	34	0	3,650	3,700	157	30	236	151	6,150	6,200	517	319	613	462
2,025	2,050	0	0	37	0	3,700	3,750	163	36	242	157	6,200	6,250	525	325	621	468
2,050	2,075	0	0	40	0	3,750	3,800	170	41	249	162	6,250	6,300	532	332	630	475
2,075	2,100	0	0	43	0	3,800	3,850	176	47	256	168	6,300	6,350	540	338	638	481
2,100	2,125	0	0	45	0	3,850	3,900	183	52	263	173	6,350	6,400	547	345	647	488
2,125	2,150	0	0	48	0	3,900	3,950	189	58	271	179	6,400	6,450	555	351	655	494
2,150	2,175	0	0	51	0	3,950	4,000	196	63	278	184	6,450	6,500	562	358	664	501
2,175	2,200	0	0	54	0	4,000						6,500	6,550	570	364	672	508
2,200	2,225	0	0	56	0	4,000	4,050	202	69	286	190	6,550	6,600	577	371	681	515
2,225	2,250	0	0	59	0	4,050	4,100	209	74	293	195	6,600	6,650	585	377	689	523
2,250	2,275	0	0	62	0	4,100	4,150	215	80	301	201	6,650	6,700	592	384	698	530
2,275	2,300	0	0	65	0	4,150	4,200	222	85	308	206	6,700	6,750	600	390	706	538
2,300	2,325	b1	0	67	b1	4,200	4,250	228	91	316	212	6,750	6,800	607	397	715	545
2,325	2,350	4	0	70	4	4,250	4,300	235	96	323	217	6,800	6,850	615	403	723	553
2,350	2,375	7	0	73	7	4,300	4,350	241	102	331	223	6,850	6,900	622	410	732	560
2,375	2,400	10	0	76	10	4,350	4,400	248	107	338	228	6,900	6,950	630	416	740	568
2,400	2,425	12	0	78	12	4,400	4,450	255	113	346	234	6,950	7,000	637	423	749	575
2,425	2,450	15	0	81	15	4,450	4,500	262	118	353	241	7,000					
2,450	2,475	18	0	84	18	4,500	4,550	270	124	361	247	7,000	7,050	645	429	757	583
2,475	2,500	21	0	87	21	4,550	4,600	277	129	368	254	7,050	7,100	652	436	766	590
2,500	2,525	23	0	89	23	4,600	4,650	285	135	376	260	7,100	7,150	660	442	774	598
2,525	2,550	26	0	92	26	4,650	4,700	292	140	383	267	7,150	7,200	667	449	783	605
2,550	2,575	29	0	95	29	4,700	4,750	300	146	391	273	7,200	7,250	675	455	791	613
2,575	2,600	32	0	98	32	4,750	4,800	307	151	398	280	7,250	7,300	682	462	800	620
2,600	2,625	34	0	100	34	4,800	4,850	315	157	406	286	7,300	7,350	690	468	808	628
2,625	2,650	37	0	103	37	4,850	4,900	322	162	413	293	7,350	7,400	697	475	817	635
2,650	2,675	40	0	106	40	4,900	4,950	330	168	421	299	7,400	7,450	705	481	825	643
2,675	2,700	43	0	109	43	4,950	5,000	337	173	428	306	7,450	7,500	712	488	834	650
2,700	2,725	45	0	111	45	5,000						7,500	7,550	720	494	842	658
2,725	2,750	48	0	114	48	5,000	5,050	345	179	436	312	7,550	7,600	727	501	851	665
2,750	2,775	51	0	117	51	5,050	5,100	352	184	443	319	7,600	7,650	735	508	859	673
2,775	2,800	54	0	120	54	5,100	5,150	360	190	451	325	7,650	7,700	742	515	868	680
2,800	2,825	56	0	124	56	5,150	5,200	367	195	458	332	7,700	7,750	750	523	876	688
2,825	2,850	59	0	127	59	5,200	5,250	375	201	466	338	7,750	7,800	757	530	885	695
2,850	2,875	62	0	130	62	5,250	5,300	382	206	473	345	7,800	7,850	765	538	893	703
2,875	2,900	65	0	133	65	5,300	5,350	390	212	481	351	7,850	7,900	772	545	902	710
2,900	2,925	67	0	137	67	5,350	5,400	397	217	488	358	7,900	7,950	780	553	910	718
2,925	2,950	70	0	140	70	5,400	5,450	405	223	496	364	7,950	8,000	787	560	919	725
2,950	2,975	73	0	143	73	5,450	5,500	412	228	503	371						
2,975	3,000	76	0	146	76												

*This column must also be used by a qualifying widow(er).

Continued on next page

a If your taxable income is exactly \$1,700, your tax is zero.
b If your taxable income is exactly \$2,300, your tax is zero.

c If your taxable income is exactly \$3,400, your tax is zero.

1983 Tax Table (Continued)

If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—						Your tax is—						Your tax is—			
8,000						10,750	10,800	1,253	980	1,477	1,208	13,500	13,550	1,787	1,425	2,147	1,720
8,000	8,050	795	568	928	733	10,800	10,850	1,262	988	1,489	1,217	13,550	13,600	1,798	1,434	2,160	1,729
8,050	8,100	802	575	937	740	10,850	10,900	1,271	995	1,500	1,226	13,600	13,650	1,808	1,442	2,173	1,739
8,100	8,150	810	583	947	748	10,900	10,950	1,281	1,003	1,512	1,235	13,650	13,700	1,819	1,451	2,186	1,748
8,150	8,200	817	590	956	755	10,950	11,000	1,290	1,010	1,523	1,244	13,700	13,750	1,829	1,459	2,199	1,758
8,200	8,250	825	598	966	763	11,000						13,750	13,800	1,840	1,468	2,212	1,767
8,250	8,300	832	605	975	770	11,000	11,050	1,300	1,018	1,535	1,253	13,800	13,850	1,850	1,476	2,225	1,777
8,300	8,350	840	613	985	778	11,050	11,100	1,309	1,025	1,546	1,262	13,850	13,900	1,861	1,485	2,238	1,786
8,350	8,400	847	620	994	785	11,100	11,150	1,319	1,033	1,558	1,271	13,900	13,950	1,871	1,493	2,251	1,796
8,400	8,450	855	628	1,004	793	11,150	11,200	1,328	1,040	1,569	1,280	13,950	14,000	1,882	1,502	2,264	1,805
8,450	8,500	862	635	1,013	800	11,200	11,250	1,338	1,048	1,581	1,289	14,000					
8,500	8,550	870	643	1,023	808	11,250	11,300	1,347	1,055	1,592	1,298	14,000	14,050	1,892	1,510	2,277	1,815
8,550	8,600	879	650	1,032	815	11,300	11,350	1,357	1,063	1,604	1,307	14,050	14,100	1,903	1,519	2,290	1,824
8,600	8,650	887	658	1,042	823	11,350	11,400	1,366	1,070	1,615	1,316	14,100	14,150	1,913	1,527	2,303	1,834
8,650	8,700	896	665	1,051	830	11,400	11,450	1,376	1,078	1,627	1,325	14,150	14,200	1,924	1,536	2,316	1,843
8,700	8,750	904	673	1,061	839	11,450	11,500	1,385	1,085	1,638	1,334	14,200	14,250	1,934	1,544	2,329	1,853
8,750	8,800	913	680	1,070	848	11,500	11,550	1,395	1,093	1,650	1,343	14,250	14,300	1,945	1,553	2,342	1,862
8,800	8,850	921	688	1,080	857	11,550	11,600	1,404	1,100	1,661	1,352	14,300	14,350	1,955	1,561	2,355	1,872
8,850	8,900	930	695	1,089	866	11,600	11,650	1,414	1,108	1,673	1,361	14,350	14,400	1,966	1,570	2,368	1,881
8,900	8,950	938	703	1,099	875	11,650	11,700	1,423	1,115	1,684	1,370	14,400	14,450	1,976	1,578	2,381	1,891
8,950	9,000	947	710	1,108	884	11,700	11,750	1,433	1,123	1,696	1,379	14,450	14,500	1,987	1,587	2,394	1,900
9,000						11,750	11,800	1,442	1,130	1,707	1,388	14,500	14,550	1,997	1,595	2,407	1,910
9,000	9,050	955	718	1,118	893	11,800	11,850	1,452	1,138	1,719	1,397	14,550	14,600	2,008	1,604	2,420	1,919
9,050	9,100	964	725	1,127	902	11,850	11,900	1,461	1,145	1,730	1,406	14,600	14,650	2,018	1,612	2,433	1,929
9,100	9,150	972	733	1,137	911	11,900	11,950	1,471	1,153	1,742	1,416	14,650	14,700	2,029	1,621	2,446	1,938
9,150	9,200	981	740	1,146	920	11,950	12,000	1,480	1,162	1,753	1,425	14,700	14,750	2,039	1,629	2,459	1,948
9,200	9,250	989	748	1,156	929	12,000						14,750	14,800	2,050	1,638	2,472	1,957
9,250	9,300	998	755	1,165	938	12,000	12,050	1,490	1,170	1,765	1,435	14,800	14,850	2,060	1,646	2,485	1,967
9,300	9,350	1,006	763	1,175	947	12,050	12,100	1,499	1,179	1,776	1,444	14,850	14,900	2,071	1,655	2,498	1,976
9,350	9,400	1,015	770	1,184	956	12,100	12,150	1,509	1,187	1,788	1,454	14,900	14,950	2,081	1,663	2,511	1,986
9,400	9,450	1,023	778	1,194	965	12,150	12,200	1,518	1,196	1,799	1,463	14,950	15,000	2,092	1,672	2,525	1,995
9,450	9,500	1,032	785	1,203	974	12,200	12,250	1,528	1,204	1,811	1,473	15,000					
9,500	9,550	1,040	793	1,213	983	12,250	12,300	1,537	1,213	1,822	1,482	15,000	15,050	2,103	1,680	2,540	2,005
9,550	9,600	1,049	800	1,222	992	12,300	12,350	1,547	1,221	1,835	1,492	15,050	15,100	2,115	1,689	2,555	2,016
9,600	9,650	1,057	808	1,232	1,001	12,350	12,400	1,556	1,230	1,848	1,501	15,100	15,150	2,127	1,697	2,570	2,026
9,650	9,700	1,066	815	1,241	1,010	12,400	12,450	1,566	1,238	1,861	1,511	15,150	15,200	2,139	1,706	2,585	2,037
9,700	9,750	1,074	823	1,251	1,019	12,450	12,500	1,575	1,247	1,874	1,520	15,200	15,250	2,151	1,714	2,600	2,047
9,750	9,800	1,083	830	1,260	1,028	12,500	12,550	1,585	1,255	1,887	1,530	15,250	15,300	2,163	1,723	2,615	2,058
9,800	9,850	1,091	838	1,270	1,037	12,550	12,600	1,594	1,264	1,900	1,539	15,300	15,350	2,175	1,731	2,630	2,068
9,850	9,900	1,100	845	1,279	1,046	12,600	12,650	1,604	1,272	1,913	1,549	15,350	15,400	2,187	1,740	2,645	2,079
9,900	9,950	1,108	853	1,289	1,055	12,650	12,700	1,613	1,281	1,926	1,558	15,400	15,450	2,199	1,748	2,660	2,089
9,950	10,000	1,117	860	1,298	1,064	12,700	12,750	1,623	1,289	1,939	1,568	15,450	15,500	2,211	1,757	2,675	2,100
10,000						12,750	12,800	1,632	1,298	1,952	1,577	15,500	15,550	2,223	1,765	2,690	2,110
10,000	10,050	1,125	868	1,308	1,073	12,800	12,850	1,642	1,306	1,965	1,587	15,550	15,600	2,235	1,774	2,705	2,121
10,050	10,100	1,134	875	1,317	1,082	12,850	12,900	1,651	1,315	1,978	1,596	15,600	15,650	2,247	1,782	2,720	2,131
10,100	10,150	1,142	883	1,328	1,091	12,900	12,950	1,661	1,323	1,991	1,606	15,650	15,700	2,259	1,791	2,735	2,142
10,150	10,200	1,151	890	1,339	1,100	12,950	13,000	1,672	1,332	2,004	1,615	15,700	15,750	2,271	1,799	2,750	2,152
10,200	10,250	1,159	898	1,351	1,109	13,000						15,750	15,800	2,283	1,808	2,765	2,163
10,250	10,300	1,168	905	1,362	1,118	13,000	13,050	1,682	1,340	2,017	1,625	15,800	15,850	2,295	1,816	2,780	2,173
10,300	10,350	1,176	913	1,374	1,127	13,050	13,100	1,693	1,349	2,030	1,634	15,850	15,900	2,307	1,825	2,795	2,184
10,350	10,400	1,185	920	1,385	1,136	13,100	13,150	1,703	1,357	2,043	1,644	15,900	15,950	2,319	1,833	2,810	2,194
10,400	10,450	1,193	928	1,397	1,145	13,150	13,200	1,714	1,366	2,056	1,653	15,950	16,000	2,331	1,842	2,825	2,205
10,450	10,500	1,202	935	1,408	1,154	13,200	13,250	1,724	1,374	2,069	1,663	16,000					
10,500	10,550	1,210	943	1,420	1,163	13,250	13,300	1,735	1,383	2,082	1,672	16,000	16,050	2,343	1,851	2,840	2,215
10,550	10,600	1,219	950	1,431	1,172	13,300	13,350	1,745	1,391	2,095	1,682	16,050	16,100	2,355	1,860	2,855	2,226
10,600	10,650	1,227	958	1,443	1,181	13,350	13,400	1,756	1,400	2,108	1,691	16,100	16,150	2,367	1,870	2,870	2,236
10,650	10,700	1,236	965	1,454	1,190	13,400	13,450	1,766	1,408	2,121	1,701	16,150	16,200	2,379	1,879	2,885	2,247
10,700	10,750	1,244	973	1,466	1,199	13,450	13,500	1,777	1,417	2,134	1,710	16,200	16,250	2,391	1,889	2,900	2,257

*This column must also be used by a qualifying widow(er).

1983 Tax Table (Continued)

If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—						Your tax is—						Your tax is—			
16,250	16,300	2,403	1,898	2,915	2,268	19,000		2,403	1,898	2,915	2,268	21,750	21,800	3,866	3,006	4,773	3,566
16,300	16,350	2,415	1,908	2,930	2,278	19,000	19,050	3,096	2,421	3,811	2,878	21,800	21,850	3,880	3,018	4,791	3,578
16,350	16,400	2,427	1,917	2,945	2,289	19,050	19,100	3,110	2,430	3,828	2,891	21,850	21,900	3,894	3,029	4,808	3,591
16,400	16,450	2,439	1,927	2,960	2,299	19,100	19,150	3,124	2,440	3,846	2,903	21,900	21,950	3,908	3,041	4,826	3,603
16,450	16,500	2,451	1,936	2,975	2,310	19,150	19,200	3,138	2,449	3,863	2,916	21,950	22,000	3,922	3,052	4,843	3,616
						19,200	19,250	3,152	2,459	3,881	2,928	22,000					
16,500	16,550	2,463	1,946	2,990	2,320	19,250	19,300	3,166	2,468	3,898	2,941	22,000	22,050	3,936	3,064	4,861	3,628
16,550	16,600	2,475	1,955	3,005	2,331	19,300	19,350	3,180	2,478	3,916	2,953	22,050	22,100	3,950	3,075	4,878	3,641
16,600	16,650	2,487	1,965	3,020	2,341	19,350	19,400	3,194	2,487	3,933	2,966	22,100	22,150	3,964	3,087	4,896	3,653
16,650	16,700	2,499	1,974	3,035	2,352	19,400	19,450	3,208	2,497	3,951	2,978	22,150	22,200	3,978	3,098	4,913	3,666
16,700	16,750	2,511	1,984	3,050	2,362	19,450	19,500	3,222	2,506	3,968	2,991	22,200	22,250	3,992	3,110	4,931	3,678
						19,500	19,550	3,236	2,516	3,986	3,003	22,250	22,300	4,006	3,121	4,948	3,691
16,750	16,800	2,523	1,993	3,065	2,373	19,550	19,600	3,250	2,525	4,003	3,016	22,300	22,350	4,020	3,133	4,966	3,703
16,800	16,850	2,535	2,003	3,080	2,383	19,600	19,650	3,264	2,535	4,021	3,028	22,350	22,400	4,034	3,144	4,983	3,716
16,850	16,900	2,547	2,012	3,095	2,394	19,650	19,700	3,278	2,544	4,038	3,041	22,400	22,450	4,048	3,156	5,001	3,728
16,900	16,950	2,559	2,022	3,110	2,404	19,700	19,750	3,292	2,554	4,056	3,053	22,450	22,500	4,062	3,167	5,018	3,741
16,950	17,000	2,571	2,031	3,125	2,415	19,750	19,800	3,306	2,563	4,073	3,066	22,500	22,550	4,076	3,179	5,036	3,753
17,000						19,800	19,850	3,320	2,573	4,091	3,078	22,550	22,600	4,090	3,190	5,053	3,766
17,000	17,050	2,583	2,041	3,140	2,425	19,850	19,900	3,334	2,582	4,108	3,091	22,600	22,650	4,104	3,202	5,071	3,778
17,050	17,100	2,595	2,050	3,155	2,436	19,900	19,950	3,348	2,592	4,126	3,103	22,650	22,700	4,118	3,213	5,088	3,791
17,100	17,150	2,607	2,060	3,170	2,446	19,950	20,000	3,362	2,601	4,143	3,116	22,700	22,750	4,132	3,225	5,106	3,803
17,150	17,200	2,619	2,069	3,185	2,457	20,000						22,750	22,800	4,146	3,236	5,123	3,816
17,200	17,250	2,631	2,079	3,200	2,467	20,000	20,050	3,376	2,611	4,161	3,128	22,800	22,850	4,160	3,248	5,141	3,828
						20,050	20,100	3,390	2,620	4,178	3,141	22,850	22,900	4,174	3,259	5,158	3,841
17,250	17,300	2,643	2,088	3,215	2,478	20,100	20,150	3,404	2,630	4,196	3,153	22,900	22,950	4,188	3,271	5,177	3,853
17,300	17,350	2,655	2,098	3,230	2,488	20,150	20,200	3,418	2,639	4,213	3,166	22,950	23,000	4,202	3,282	5,197	3,866
17,350	17,400	2,667	2,107	3,245	2,499	20,200	20,250	3,432	2,650	4,231	3,178	23,000					
17,400	17,450	2,679	2,117	3,260	2,509	20,250	20,300	3,446	2,661	4,248	3,191	23,000	23,050	4,216	3,294	5,217	3,878
17,450	17,500	2,691	2,126	3,275	2,520	20,300	20,350	3,460	2,673	4,266	3,203	23,050	23,100	4,230	3,305	5,237	3,891
						20,350	20,400	3,474	2,684	4,283	3,216	23,100	23,150	4,244	3,317	5,257	3,903
17,500	17,550	2,703	2,136	3,290	2,530	20,400	20,450	3,488	2,696	4,301	3,228	23,150	23,200	4,258	3,328	5,277	3,916
17,550	17,600	2,715	2,145	3,305	2,541	20,450	20,500	3,502	2,707	4,318	3,241	23,200	23,250	4,272	3,340	5,297	3,928
17,600	17,650	2,727	2,155	3,321	2,551	20,500	20,550	3,516	2,719	4,336	3,253	23,250	23,300	4,286	3,351	5,317	3,941
17,650	17,700	2,739	2,164	3,338	2,562	20,550	20,600	3,530	2,730	4,353	3,266	23,300	23,350	4,300	3,363	5,337	3,953
17,700	17,750	2,751	2,174	3,356	2,572	20,600	20,650	3,544	2,742	4,371	3,278	23,350	23,400	4,314	3,374	5,357	3,966
						20,650	20,700	3,558	2,753	4,388	3,291	23,400	23,450	4,328	3,386	5,377	3,978
17,750	17,800	2,763	2,183	3,373	2,583	20,700	20,750	3,572	2,765	4,406	3,303	23,450	23,500	4,342	3,397	5,397	3,991
17,800	17,850	2,775	2,193	3,391	2,593	20,750	20,800	3,586	2,776	4,423	3,316	23,500	23,550	4,357	3,409	5,417	4,004
17,850	17,900	2,787	2,202	3,408	2,604	20,800	20,850	3,600	2,788	4,441	3,328	23,550	23,600	4,373	3,420	5,437	4,019
17,900	17,950	2,799	2,212	3,426	2,614	20,850	20,900	3,614	2,799	4,458	3,341	23,600	23,650	4,389	3,432	5,457	4,033
17,950	18,000	2,811	2,221	3,443	2,625	20,900	20,950	3,628	2,811	4,476	3,353	23,650	23,700	4,405	3,443	5,477	4,048
18,000						20,950	21,000	3,642	2,822	4,493	3,366	23,700	23,750	4,421	3,455	5,497	4,062
18,000	18,050	2,823	2,231	3,461	2,635	21,000						23,750	23,800	4,437	3,466	5,517	4,077
18,050	18,100	2,835	2,240	3,478	2,646	21,000	21,050	3,656	2,834	4,511	3,378	23,800	23,850	4,453	3,478	5,537	4,091
18,100	18,150	2,847	2,250	3,496	2,656	21,050	21,100	3,670	2,845	4,528	3,391	23,850	23,900	4,469	3,489	5,557	4,106
18,150	18,200	2,859	2,259	3,513	2,667	21,100	21,150	3,684	2,857	4,546	3,403	23,900	23,950	4,485	3,501	5,577	4,120
18,200	18,250	2,872	2,269	3,531	2,678	21,150	21,200	3,698	2,868	4,563	3,416	23,950	24,000	4,501	3,512	5,597	4,135
						21,200	21,250	3,712	2,880	4,581	3,428	24,000					
18,250	18,300	2,886	2,278	3,548	2,691	21,250	21,300	3,726	2,891	4,598	3,441	24,000	24,050	4,517	3,524	5,617	4,149
18,300	18,350	2,900	2,288	3,566	2,703	21,300	21,350	3,740	2,903	4,616	3,453	24,050	24,100	4,533	3,535	5,637	4,164
18,350	18,400	2,914	2,297	3,583	2,716	21,350	21,400	3,754	2,914	4,633	3,466	24,100	24,150	4,549	3,547	5,657	4,178
18,400	18,450	2,928	2,307	3,601	2,728	21,400	21,450	3,768	2,926	4,651	3,478	24,150	24,200	4,565	3,558	5,677	4,193
18,450	18,500	2,942	2,316	3,618	2,741	21,450	21,500	3,782	2,937	4,668	3,491	24,200	24,250	4,581	3,570	5,697	4,207
						21,500	21,550	3,796	2,949	4,686	3,503	24,250	24,300	4,597	3,581	5,717	4,222
18,500	18,550	2,956	2,326	3,636	2,753	21,550	21,600	3,810	2,960	4,703	3,516	24,300	24,350	4,613	3,593	5,737	4,236
18,550	18,600	2,970	2,335	3,653	2,766	21,600	21,650	3,824	2,972	4,721	3,528	24,350	24,400	4,629	3,604	5,757	4,251
18,600	18,650	2,984	2,345	3,671	2,778	21,650	21,700	3,838	2,983	4,738	3,541	24,400	24,450	4,645	3,616	5,777	4,265
18,650	18,700	2,998	2,354	3,688	2,791	21,700	21,750	3,852	2,995	4,756	3,553	24,450	24,500	4,661	3,627	5,797	4,280
18,700	18,750	3,012	2,364	3,706	2,803												
18,750	18,800	3,026	2,373														

1983 Tax Table (Continued)

If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—						Your tax is—						Your tax is—			
41,000						44,000						47,000					
41,000	41,050	10,723	8,663	12,858	9,898	44,000	44,050	12,049	9,713	14,227	11,008	47,000	47,050	13,399	10,824	15,667	12,281
41,050	41,100	10,743	8,680	12,880	9,917	44,050	44,100	12,072	9,730	14,251	11,027	47,050	47,100	13,422	10,844	15,691	12,303
41,100	41,150	10,763	8,698	12,902	9,935	44,100	44,150	12,094	9,748	14,275	11,045	47,100	47,150	13,444	10,864	15,715	12,325
41,150	41,200	10,783	8,715	12,924	9,954	44,150	44,200	12,117	9,765	14,299	11,064	47,150	47,200	13,467	10,884	15,739	12,347
41,200	41,250	10,803	8,733	12,946	9,972	44,200	44,250	12,139	9,783	14,323	11,082	47,200	47,250	13,489	10,904	15,763	12,369
41,250	41,300	10,823	8,750	12,968	9,991	44,250	44,300	12,162	9,800	14,347	11,101	47,250	47,300	13,512	10,924	15,787	12,391
41,300	41,350	10,843	8,768	12,990	10,009	44,300	44,350	12,184	9,818	14,371	11,119	47,300	47,350	13,534	10,944	15,811	12,413
41,350	41,400	10,863	8,785	13,012	10,028	44,350	44,400	12,207	9,835	14,395	11,138	47,350	47,400	13,557	10,964	15,835	12,435
41,400	41,450	10,883	8,803	13,034	10,046	44,400	44,450	12,229	9,853	14,419	11,156	47,400	47,450	13,579	10,984	15,859	12,457
41,450	41,500	10,903	8,820	13,056	10,065	44,450	44,500	12,252	9,870	14,443	11,175	47,450	47,500	13,602	11,004	15,883	12,479
41,500	41,550	10,924	8,838	13,078	10,083	44,500	44,550	12,274	9,888	14,467	11,193	47,500	47,550	13,624	11,024	15,907	12,501
41,550	41,600	10,947	8,855	13,100	10,102	44,550	44,600	12,297	9,905	14,491	11,212	47,550	47,600	13,647	11,044	15,931	12,523
41,600	41,650	10,969	8,873	13,122	10,120	44,600	44,650	12,319	9,923	14,515	11,230	47,600	47,650	13,669	11,064	15,955	12,545
41,650	41,700	10,992	8,890	13,144	10,139	44,650	44,700	12,342	9,940	14,539	11,249	47,650	47,700	13,692	11,084	15,979	12,567
41,700	41,750	11,014	8,908	13,166	10,157	44,700	44,750	12,364	9,958	14,563	11,269	47,700	47,750	13,714	11,104	16,003	12,589
41,750	41,800	11,037	8,925	13,188	10,176	44,750	44,800	12,387	9,975	14,587	11,291	47,750	47,800	13,737	11,124	16,027	12,611
41,800	41,850	11,059	8,943	13,210	10,194	44,800	44,850	12,409	9,993	14,611	11,313	47,800	47,850	13,759	11,144	16,051	12,633
41,850	41,900	11,082	8,960	13,232	10,213	44,850	44,900	12,432	10,010	14,635	11,335	47,850	47,900	13,782	11,164	16,075	12,655
41,900	41,950	11,104	8,978	13,254	10,231	44,900	44,950	12,454	10,028	14,659	11,357	47,900	47,950	13,804	11,184	16,099	12,677
41,950	42,000	11,127	8,995	13,276	10,250	44,950	45,000	12,477	10,045	14,683	11,379	47,950	48,000	13,827	11,204	16,123	12,699
42,000						45,000						48,000					
42,000	42,050	11,149	9,013	13,298	10,268	45,000	45,050	12,499	10,063	14,707	11,401	48,000	48,050	13,849	11,224	16,147	12,721
42,050	42,100	11,172	9,030	13,320	10,287	45,050	45,100	12,522	10,080	14,731	11,423	48,050	48,100	13,872	11,244	16,171	12,743
42,100	42,150	11,194	9,048	13,342	10,305	45,100	45,150	12,544	10,098	14,755	11,445	48,100	48,150	13,894	11,264	16,195	12,765
42,150	42,200	11,217	9,065	13,364	10,324	45,150	45,200	12,567	10,115	14,779	11,467	48,150	48,200	13,917	11,284	16,219	12,787
42,200	42,250	11,239	9,083	13,386	10,342	45,200	45,250	12,589	10,133	14,803	11,489	48,200	48,250	13,939	11,304	16,243	12,809
42,250	42,300	11,262	9,100	13,408	10,361	45,250	45,300	12,612	10,150	14,827	11,511	48,250	48,300	13,962	11,324	16,267	12,831
42,300	42,350	11,284	9,118	13,430	10,379	45,300	45,350	12,634	10,168	14,851	11,533	48,300	48,350	13,984	11,344	16,291	12,853
42,350	42,400	11,307	9,135	13,452	10,398	45,350	45,400	12,657	10,185	14,875	11,555	48,350	48,400	14,007	11,364	16,315	12,875
42,400	42,450	11,329	9,153	13,474	10,416	45,400	45,450	12,679	10,203	14,899	11,577	48,400	48,450	14,029	11,384	16,339	12,897
42,450	42,500	11,352	9,170	13,496	10,435	45,450	45,500	12,702	10,220	14,923	11,599	48,450	48,500	14,052	11,404	16,363	12,919
42,500	42,550	11,374	9,188	13,518	10,453	45,500	45,550	12,724	10,238	14,947	11,621	48,500	48,550	14,074	11,424	16,387	12,941
42,550	42,600	11,397	9,205	13,540	10,472	45,550	45,600	12,747	10,255	14,971	11,643	48,550	48,600	14,097	11,444	16,411	12,963
42,600	42,650	11,419	9,223	13,562	10,490	45,600	45,650	12,769	10,273	14,995	11,665	48,600	48,650	14,119	11,464	16,435	12,985
42,650	42,700	11,442	9,240	13,584	10,509	45,650	45,700	12,792	10,290	15,019	11,687	48,650	48,700	14,142	11,484	16,459	13,007
42,700	42,750	11,464	9,258	13,606	10,527	45,700	45,750	12,814	10,308	15,043	11,709	48,700	48,750	14,164	11,504	16,483	13,029
42,750	42,800	11,487	9,275	13,628	10,546	45,750	45,800	12,837	10,325	15,067	11,731	48,750	48,800	14,187	11,524	16,507	13,051
42,800	42,850	11,509	9,293	13,651	10,564	45,800	45,850	12,859	10,344	15,091	11,753	48,800	48,850	14,209	11,544	16,531	13,073
42,850	42,900	11,532	9,310	13,675	10,583	45,850	45,900	12,882	10,364	15,115	11,775	48,850	48,900	14,232	11,564	16,555	13,095
42,900	42,950	11,554	9,328	13,699	10,601	45,900	45,950	12,904	10,384	15,139	11,797	48,900	48,950	14,254	11,584	16,579	13,117
42,950	43,000	11,577	9,345	13,723	10,620	45,950	46,000	12,927	10,404	15,163	11,819	48,950	49,000	14,277	11,604	16,603	13,139
43,000						46,000						49,000					
43,000	43,050	11,599	9,363	13,747	10,638	46,000	46,050	12,949	10,424	15,187	11,841	49,000	49,050	14,299	11,624	16,627	13,161
43,050	43,100	11,622	9,380	13,771	10,657	46,050	46,100	12,972	10,444	15,211	11,863	49,050	49,100	14,322	11,644	16,651	13,183
43,100	43,150	11,644	9,398	13,795	10,675	46,100	46,150	12,994	10,464	15,235	11,885	49,100	49,150	14,344	11,664	16,675	13,205
43,150	43,200	11,667	9,415	13,819	10,694	46,150	46,200	13,017	10,484	15,259	11,907	49,150	49,200	14,367	11,684	16,699	13,227
43,200	43,250	11,689	9,433	13,843	10,712	46,200	46,250	13,039	10,504	15,283	11,929	49,200	49,250	14,389	11,704	16,723	13,249
43,250	43,300	11,712	9,450	13,867	10,731	46,250	46,300	13,062	10,524	15,307	11,951	49,250	49,300	14,412	11,724	16,747	13,271
43,300	43,350	11,734	9,468	13,891	10,749	46,300	46,350	13,084	10,544	15,331	11,973	49,300	49,350	14,434	11,744	16,771	13,293
43,350	43,400	11,757	9,485	13,915	10,768	46,350	46,400	13,107	10,564	15,355	11,995	49,350	49,400	14,457	11,764	16,795	13,315
43,400	43,450	11,779	9,503	13,939	10,786	46,400	46,450	13,129	10,584	15,379	12,017	49,400	49,450	14,479	11,784	16,819	13,337
43,450	43,500	11,802	9,520	13,963	10,805	46,450	46,500	13,152	10,604	15,403	12,039	49,450	49,500	14,502	11,804	16,843	13,359
43,500	43,550	11,824	9,538	13,987	10,823	46,500	46,550	13,174	10,624	15,427	12,061	49,500	49,550	14,524	11,824	16,867	13,381
43,550	43,600	11,847	9,555	14,011	10,842	46,550	46,600	13,197	10,644	15,451	12,083	49,550	49,600	14,547	11,844	16,891	13,403
43,600	43,650	11,869	9,573	14,035	10,860	46,600	46,650	13,219	10,664	15,475	12,105	49,600	49,650	14,569	11,864	16,915	13,425
43,650	43,700	11,892	9,590	14,059	10,879	46,650	46,700	13,242	10,684	15,499	12,127	49,650	49,700	14,592	11,884	16,939	13,447
43,700	43,750	11,914	9,608	14,083	10,897	46,700	46,750	13,264	10,704	15,523	12,149	49,700	49,750	14,614	11,904	16,963	13,469
43,750	43,800	11,937	9,625	14,107	10,916	46,750	46,800	13,287	10,724	15,547	12,171	49,750	49,800	14,637	11,924	16,987	13,491
43,800	43,850	11,959	9,643	14,131	10,934	46,800	46,850	13,309	10,744								

1983 Tax Rate Schedules Your zero bracket amount has been built into these Tax Rate Schedules.

Caution: You must use the Tax Table instead of these Tax Rate Schedules if your taxable income is less than \$50,000 unless you use **Schedule G** (income averaging), to figure

your tax. In that case, even if your taxable income is less than \$50,000, use the rate schedules on this page to figure your tax.

Schedule X Single Taxpayers

Use this Schedule if you checked **Filing Status Box 1** on Form 1040—

If the amount on Form 1040, line 37 is:	But not over—	Enter on Form 1040, line 38	of the amount over—
\$0	\$2,300	—0—	
2,300	3,400	..... 11%	\$2,300
3,400	4,400	\$121 + 13%	3,400
4,400	8,500	251 + 15%	4,400
8,500	10,800	866 + 17%	8,500
10,800	12,900	1,257 + 19%	10,800
12,900	15,000	1,656 + 21%	12,900
15,000	18,200	2,097 + 24%	15,000
18,200	23,500	2,865 + 28%	18,200
23,500	28,800	4,349 + 32%	23,500
28,800	34,100	6,045 + 36%	28,800
34,100	41,500	7,953 + 40%	34,100
41,500	55,300	10,913 + 45%	41,500
55,300	.....	17,123 + 50%	55,300

Schedule Z Unmarried Heads of Household

(including certain married persons who live apart—see page 6 of the instructions)

Use this schedule if you checked **Filing Status Box 4** on Form 1040—

If the amount on Form 1040, line 37 is:	But not over—	Enter on Form 1040, line 38	of the amount over—
\$0	\$2,300	—0—	
2,300	4,400	..... 11%	\$2,300
4,400	6,500	\$231 + 13%	4,400
6,500	8,700	504 + 15%	6,500
8,700	11,800	834 + 18%	8,700
11,800	15,000	1,392 + 19%	11,800
15,000	18,200	2,000 + 21%	15,000
18,200	23,500	2,672 + 25%	18,200
23,500	28,800	3,997 + 29%	23,500
28,800	34,100	5,534 + 34%	28,800
34,100	44,700	7,336 + 37%	34,100
44,700	60,600	11,258 + 44%	44,700
60,600	81,800	18,254 + 48%	60,600
81,800	.....	28,430 + 50%	81,800

Schedule Y Married Taxpayers and Qualifying Widows and Widowers

Married Filing Joint Returns and Qualifying Widows and Widowers

Use this schedule if you checked **Filing Status Box 2 or 5** on Form 1040—

If the amount on Form 1040, line 37 is:	But not over—	Enter on Form 1040, line 38	of the amount over—
\$0	\$3,400	—0—	
3,400	5,500	..... 11%	\$3,400
5,500	7,600	\$231 + 13%	5,500
7,600	11,900	504 + 15%	7,600
11,900	16,000	1,149 + 17%	11,900
16,000	20,200	1,846 + 19%	16,000
20,200	24,600	2,644 + 23%	20,200
24,600	29,900	3,656 + 26%	24,600
29,900	35,200	5,034 + 30%	29,900
35,200	45,800	6,624 + 35%	35,200
45,800	60,000	10,334 + 40%	45,800
60,000	85,600	16,014 + 44%	60,000
85,600	109,400	27,278 + 48%	85,600
109,400	.....	38,702 + 50%	109,400

Married Filing Separate Returns

Use this schedule if you checked **Filing Status Box 3** on Form 1040—

If the amount on Form 1040, line 37 is:	But not over—	Enter on Form 1040, line 38	of the amount over—
\$0	\$1,700	—0—	
1,700	2,750	..... 11%	\$1,700
2,750	3,800	\$115.50 + 13%	2,750
3,800	5,950	252.00 + 15%	3,800
5,950	8,000	574.50 + 17%	5,950
8,000	10,100	923.00 + 19%	8,000
10,100	12,300	1,322.00 + 23%	10,100
12,300	14,950	1,828.00 + 26%	12,300
14,950	17,600	2,517.00 + 30%	14,950
17,600	22,900	3,312.00 + 35%	17,600
22,900	30,000	5,167.00 + 40%	22,900
30,000	42,800	8,007.00 + 44%	30,000
42,800	54,700	13,639.00 + 48%	42,800
54,700	.....	19,351.00 + 50%	54,700

1983 Optional State Sales Tax Tables

You kept records that show you paid more sales tax than the table for your State indicates, you may claim the higher amount on Schedule A, line 10a.)

Your itemized deduction for general sales tax paid can be estimated from these tables plus any qualifying sales taxes paid on the items listed on page 19.

To use the tables:

Step 1—Figure your total available income. (See note to the right).

Step 2—Count the number of exemptions for you and your family. Do not count exemptions claimed for being 65 or over or blind or as part of your family size.

Step 3 A—If your total available income is not over \$40,000, find the income line for your State on the

tables and read across to find the amount of sales tax for your family size.

Step 3 B—If your income is over \$40,000 but not over \$100,000, find the deduction listed on the income line "\$38,000-\$40,000" for your family size and State. For each \$5,000 (or part of \$5,000) of income over \$40,000, increase the deduction by the amount listed for the line "\$40,001-\$100,000."

Step 3 C—If your income is over \$100,000, your sales tax deduction is limited to the deduction for

income of \$100,000. To figure your sales tax deduction, use Step 3 B but don't go over \$100,000.

Note: Use the total of the amount on Form 1040, line 33, and nontaxable receipts such as social security, veterans', and railroad retirement benefits, workmen's compensation, untaxed portion of long-term capital gains or unemployment compensation, All-Savers interest exclusion, dividends exclusion, disability income exclusion, deduction for a married couple when both work, and public assistance payments.

Income	Alabama ¹					Arizona ²					Arkansas ¹					California ³					Colorado ²					Connecticut					Dist. of Columbia				
	Family size 1	2	3	4	Over 5	Family size 1&2	3	4	5	Over 5	Family size 1	2	3	4	5	Over 5	Family size 1&2	3&4	5	Over 5	Family size 1&2	3&4	5	Over 5	Family size 1&2	3,4&5	Over 5	Family size 1	2	3	4	5	Over 5		
\$1-\$8,000	91	113	120	130	141	160	98	113	113	120	126	78	97	102	109	116	132	125	147	155	164	50	59	62	65	126	139	146	94	112	125	125	132	140	
\$8,001-\$10,000	107	129	140	151	164	185	115	133	133	142	148	91	111	118	127	135	152	147	173	183	193	60	70	74	77	150	167	175	110	129	145	146	155	164	
\$10,001-\$12,000	121	144	159	171	185	207	131	152	154	162	169	103	123	134	143	153	170	167	198	208	219	68	81	85	88	172	194	203	125	145	164	166	177	186	
\$12,001-\$14,000	135	158	176	190	204	227	146	170	173	181	188	115	134	148	158	169	187	186	220	232	243	76	91	95	99	194	220	229	139	159	182	186	197	206	
\$14,001-\$16,000	148	170	192	207	223	246	160	186	191	199	207	125	145	161	173	184	202	204	242	255	266	82	101	105	110	214	244	254	152	173	198	205	216	225	
\$16,001-\$18,000	160	182	208	224	240	265	173	202	209	216	224	135	154	174	186	198	217	222	263	276	288	94	110	115	120	234	268	279	165	186	213	223	234	244	
\$18,001-\$20,000	172	193	222	240	257	282	186	218	226	233	241	145	163	186	199	212	231	238	282	297	309	99	119	125	129	253	291	302	177	198	228	240	252	261	
\$20,001-\$22,000	183	204	236	255	273	298	198	233	242	249	257	154	172	198	212	225	245	254	301	317	330	106	128	134	138	271	313	325	189	210	242	256	268	278	
\$22,001-\$24,000	194	214	250	269	288	314	210	247	258	264	273	163	181	209	224	238	258	270	320	336	349	113	136	143	147	289	335	347	200	221	256	272	284	294	
\$24,001-\$26,000	204	224	263	283	303	329	222	261	274	279	288	172	189	220	235	250	270	285	338	355	368	119	144	152	156	306	357	369	211	232	269	287	300	310	
\$26,001-\$28,000	214	234	276	297	317	344	233	274	289	294	303	180	197	230	246	262	282	299	355	373	386	125	152	160	165	323	378	390	222	242	282	302	315	325	
\$28,001-\$30,000	224	243	289	310	331	358	244	287	304	308	317	188	204	240	257	273	294	313	372	391	404	131	160	168	173	340	398	411	232	252	295	317	330	340	
\$30,001-\$32,000	234	251	301	323	344	372	255	300	319	322	331	196	211	250	268	284	305	327	389	408	422	137	168	176	181	356	418	432	242	262	307	332	345	354	
\$32,001-\$34,000	244	262	313	336	357	385	266	313	333	335	345	204	218	260	278	295	316	341	405	425	439	143	176	184	189	372	438	452	252	272	319	346	359	368	
\$34,001-\$36,000	253	269	324	348	370	398	276	325	347	348	359	211	225	270	288	306	326	354	421	441	455	149	183	192	197	388	458	472	262	281	330	360	373	382	
\$36,001-\$38,000	262	277	335	360	383	411	286	337	361	361	372	218	232	279	298	316	336	367	436	457	471	155	190	200	205	403	477	491	271	290	341	373	387	396	
\$38,001-\$40,000	271	285	346	372	395	423	296	349	374	374	385	225	239	288	308	326	346	380	451	473	487	160	197	207	213	418	496	510	280	299	352	386	400	409	
\$40,001-\$100,000 (See Step 3B)	14	14	17	19	20	21	15	17	19	19	19	11	12	14	15	16	17	19	23	24	24	8	10	10	11	21	25	26	14	15	18	19	20	20	

Income	Florida					Georgia ¹					Hawaii					Idaho					Illinois ⁴					Indiana								
	Family size 1&2	3	4	5	Over 5	Family size 1	2	3	4	5	Over 5	Family size 1&2	3	4	5	Over 5	Family size 1	2	3	4	5	Over 5	Family size 1	2	3	4	5	Over 5	Family size 1	2	3	4	5	Over 5
\$1-\$8,000	101	119	120	126	134	82	103	110	116	125	141	158	180	183	190	204	94	114	123	133	145	164	109	132	142	148	160	176	117	139	148	157	173	183
\$8,001-\$10,000	120	140	141	150	158	95	117	127	135	145	161	181	206	209	219	235	110	131	143	155	169	189	128	151	166	173	186	204	137	163	173	183	207	217
\$10,001-\$12,000	138	161	163	172	181	107	130	143	152	163	180	201	228	234	245	263	125	146	162	175	190	212	145	168	188	196	210	229	156	186	197	207	230	240
\$12,001-\$14,000	155	180	183	194	203	118	141	157	167	179	198	220	249	256	269	288	139	159	179	194	210	233	162	184	208	218	232	253	173	207	219	230	252	262
\$14,001-\$16,000	172	198	203	214	223	129	152	171	182	195	214	238	268	277	292	312	152	172	196	212	228	253	177	199	227	238	253	274	189	227	240	252	272	282
\$16,001-\$18,000	187	216	223	234	243	139	162	184	196	210	229	254	286	297	313	335	165	184	211	229	246	271	192	213	245	258	273	295	205	246	260	272	292	302
\$18,001-\$20,000	202	233	242	253	262	149	171	196	209	224	244	270	303	315	333	356	177	195	226	245	263	289	206	226	262	276	293	315	220	264	279	291	311	321
\$20,001-\$22,000	217	249	260	271	280	158	180	208	222	237	258	285	319	333	352	377	188	206	240	260	279	306	220	239	278	294	311	334	234	282	298	310	328	338
\$22,001-\$24,000	231	265	278	289	298	167	189	219	234	250	271	299	335	350	371	397	199	216	254	275	294	322	233	251	294	312	329	353	248	299	316	328	346	356
\$24,001-\$26,000	245	280	295	306	315	176	198	230	246	262	283	313	350	366	389	416	210	226	267	290	309	337	246	263	310	328	346	369	261	316	333	346	364	374
\$26,001-\$28,000	258	295	312	323	332	184	206	240	258	274	295	326	364	382	406	434	221	236	280	304	324	352	258	274	325	344	362	386	274	332	350	363	381	391
\$28,001-\$30,000	271	310	328	339	348	192	213	250	269	286	307	339	378	397	423	451	231	245	293	317	338	367	270	285	339	360	378	403	287	347	366	379	397	407
\$30,001-\$32,000	284	324	344	355	364	200	220	260	280	297	319	351	391	412	439	468	241	254	305	330	351	381	282	295	353	376	394	419	299	362	382	395	413	423
\$32,001-\$34,000	297	338	360	371	380	208	227	270	290	308	330	363	404	426	454	485	251	263	317	343	364	395	293	305	367	391	409	434	311	377	397	411	429	439
\$34,001-\$36,000	309	352	376	387	395	215	234	279	300	319	341	375	416	440	469	501	260	271	329	356	377	408	304	315	380	406	424	449	323	392	412	426	444	454
\$36,001-\$38,000	321	365	392	402	410	222	241	288	310	330	352	386	428	454	484	517	269	279	340	368	390	421	315	325	393	420	439	464	334	406	427	441	459	469
\$38,001-\$40,000	333	378	407	417	425	229	247	297	320	340	362	397	440	467	499	533	278	287	351	380	402	433	326	334	406	434	453	478	345	420	442	456	474	484
\$40,001-\$100,000 (See Step 3B)	17	19	20	21	21	11	12	15	16	17	18	20	22	23	25	27	14	14	18	19	21	22	16	17	20	22	23	24	17	21	22	23	24	25

Income	Iowa					Kansas ¹ </				
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1983 Optional State Sales Tax Tables—Continued

Income	Michigan				Minnesota ⁸		Mississippi					Missouri ¹					Nebraska ¹					Nevada ¹				New Jersey							
	Family size		Over		Family size	Over	Family size		Over			Family size		Over			Family size		Over			Family size	Over	Family size	Over								
	1&2	3&4	5	5	1&2	Over 2	1	2	3	4	5	5	1	2	3	4	5	5	1	2	3	4	5	5	1&2	3&4	5	5	1&2	2			
\$1-\$8,000	88	102	108	113	88	101	137	168	179	189	203	226	99	119	126	135	145	163	91	110	118	124	133	148	94	106	111	115	79	87			
\$8,001-\$10,000	103	121	127	133	104	120	160	193	209	221	236	261	116	137	147	158	169	188	106	126	137	144	154	171	112	128	134	138	95	106			
\$10,001-\$12,000	118	138	145	151	119	138	180	215	236	250	267	293	132	153	167	178	191	211	120	140	154	163	174	191	129	148	154	159	109	123			
\$12,001-\$14,000	131	154	161	168	133	155	200	235	261	276	295	323	147	168	185	198	211	233	133	152	171	181	192	210	145	167	174	179	122	140			
\$14,001-\$16,000	144	169	177	184	146	171	218	254	285	301	322	350	162	181	202	216	230	253	145	164	186	197	209	228	160	186	193	199	135	156			
\$16,001-\$18,000	156	184	192	199	159	187	236	272	307	325	348	377	175	194	219	234	248	271	157	176	200	213	225	245	174	204	211	217	148	172			
\$18,001-\$20,000	168	198	207	214	171	202	252	289	329	346	372	402	188	207	234	250	266	289	168	186	214	228	241	261	188	221	229	235	160	187			
\$20,001-\$22,000	180	211	221	228	183	217	268	305	349	370	395	426	200	219	249	266	282	306	179	196	227	242	256	276	202	238	246	253	172	202			
\$22,001-\$24,000	191	224	234	241	194	231	283	320	360	391	418	449	212	230	264	282	298	323	189	206	240	256	270	290	215	254	263	270	183	217			
\$24,001-\$26,000	202	237	247	254	205	245	298	335	389	411	440	471	224	241	278	297	314	339	199	215	252	269	284	304	228	270	279	287	194	231			
\$26,001-\$28,000	212	249	260	267	216	258	313	349	407	431	461	492	235	251	291	311	329	354	209	224	264	282	297	318	241	286	295	303	205	245			
\$28,001-\$30,000	222	261	272	280	226	271	327	363	425	450	481	513	246	261	304	325	343	369	218	233	276	294	310	331	253	301	311	319	215	259			
\$30,001-\$32,000	232	273	284	292	236	284	341	376	443	469	501	533	257	271	317	339	357	383	227	241	287	306	322	344	265	316	326	335	225	272			
\$32,001-\$34,000	242	284	296	304	246	297	354	389	460	487	521	553	268	281	330	352	371	397	236	249	298	318	334	356	277	331	341	350	235	285			
\$34,001-\$36,000	252	295	308	316	256	309	367	402	477	505	540	572	278	291	342	365	384	411	245	257	309	330	346	368	288	346	356	365	245	298			
\$36,001-\$38,000	261	306	319	327	265	321	380	414	493	522	558	591	288	299	354	378	397	424	253	264	319	341	358	380	299	360	371	380	255	311			
\$38,001-\$40,000	270	317	330	338	274	333	392	426	509	539	576	609	298	307	366	391	410	437	261	271	329	352	369	391	310	374	385	394	265	324			
\$40,001-\$100,000 (See Step 3B)	14	16	17	17	14	17	20	21	25	27	29	30	15	15	18	20	21	22	13	14	16	18	18	20	16	19	19	20	13	16			
Income	New Mexico ¹				New York ⁹		North Carolina ¹⁰					North Dakota					Ohio ¹					Oklahoma ¹				Pennsylvania							
	Family size		Over		Family size	Over	Family size		Over			Family size		Over			Family size		Over			Family size		Over		Family size	Over						
	1	2	3	4	5	5	1	2	3	4	5	5	1	2	3	4	5	5	1	2	3	4	5	5	1	2	3	4	5	5	1	2	
\$1-\$8,000	113	139	145	150	160	178	86	99	103	103	108	115	122	114	121	130	139	159	67	78	84	90	102	107	112	49	58	62	65	70	79	74	81
\$8,001-\$10,000	131	159	169	176	187	206	103	118	123	128	138	148	158	168	183	193	212	231	80	93	99	107	122	128	134	58	67	73	77	82	91	89	98
\$10,001-\$12,000	148	177	190	199	212	232	118	136	141	147	153	164	179	191	207	224	241	260	91	107	114	123	141	147	154	66	75	82	87	93	103	115	
\$12,001-\$14,000	163	194	210	221	235	256	132	152	159	165	177	193	210	227	244	261	279	297	102	120	127	138	159	166	172	73	82	91	97	103	114	116	130
\$14,001-\$16,000	178	209	229	241	256	279	146	168	176	182	195	212	230	247	265	283	302	321	113	133	140	153	176	184	191	80	89	100	106	112	124	129	145
\$16,001-\$18,000	191	224	247	261	277	300	159	183	192	198	212	230	247	265	283	302	321	340	123	146	153	167	193	201	208	87	96	108	115	122	133	142	160
\$18,001-\$20,000	204	237	264	279	296	321	172	198	208	214	228	246	264	282	300	319	338	357	132	158	165	180	209	217	225	93	102	116	123	131	142	154	174
\$20,001-\$22,000	217	250	280	297	315	340	184	212	223	229	243	261	279	297	315	334	353	372	141	169	176	193	225	233	241	99	108	123	131	139	151	165	188
\$22,001-\$24,000	229	263	296	313	333	359	196	226	238	244	258	276	294	312	330	348	366	384	150	180	187	206	240	248	257	105	114	130	139	147	159	176	202
\$24,001-\$26,000	241	275	311	331	351	377	208	240	252	258	272	286	300	314	328	342	356	370	159	191	198	218	255	263	272	111	119	137	147	155	167	187	215
\$26,001-\$28,000	252	287	326	347	368	394	219	253	266	272	286	300	314	328	342	356	370	384	168	202	209	230	269	278	287	116	124	144	153	163	175	198	228
\$28,001-\$30,000	263	298	340	363	385	411	230	266	280	286	292	306	320	334	348	362	376	390	176	213	219	242	283	293	302	121	129	151	162	170	183	209	241
\$30,001-\$32,000	274	309	354	379	401	428	241	278	293	299	305	311	317	323	334	345	356	366	184	223	229	253	297	307	316	126	134	157	169	177	191	220	253
\$32,001-\$34,000	284	319	367	394	417	444	252	290	306	312	318	324	330	336	347	357	367	377	192	233	239	264	311	321	330	131	139	163	176	184	198	230	265
\$34,001-\$36,000	294	329	380	409	432	460	262	302	319	325	331	337	343	349	355	361	367	373	200	243	249	275	324	334	340	136	144	169	183	191	205	240	277
\$36,001-\$38,000	304	339	393	423	447	475	272	314	332	337	343	349	355	361	367	373	379	385	208	253	258	286	337	347	357	141	148	175	189	198	212	250	289
\$38,001-\$40,000	313	349	406	437	462	490	282	326	345	349	355	361	367	373	379	385	391	397	215	262	267	297	350	360	370	146	152	181	195	205	218	260	301
\$40,001-\$100,000 (See Step 3B)	16	17	20	22	23	25	14	16	17	17	14	14	17	18	18	19	21	21	11	13	13	15	18	18	19	7	8	9	10	10	11	13	15
Income	Rhode Island		South Carolina					South Dakota ²					Tennessee ¹					Texas ¹				Utah ¹¹											
	Family size	Over	Family size		Over			Family size		Over			Family size		Over			Family size		Over		Family size		Over									
	1&2	2	1	2	3	4																											

Privacy Act and Paperwork Reduction Act Notice

The Privacy Act of 1974 and Paperwork Reduction Act of 1980 say that when we ask you for information, we must tell you:

- a. Our legal right to ask for the information.
- b. What major purposes we have in asking for it, and how it will be used.
- c. What could happen if we do not receive it.
- d. Whether your response is voluntary, required to obtain a benefit, or mandatory under the law.

For the Internal Revenue Service, the laws include:

- Tax returns and any papers filed with them.
- Any questions we need to ask you so we can:

Complete, correct, or process your return.

Figure your tax.

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. Your response is mandatory under these sections. Code section 6109 and its regulations say that you must show your social security number on what you file. This is so we know who you are, and can process your return and papers.

You must fill in all parts of the tax form that apply to you. But you do not have to check the boxes for the Presidential Election Campaign Fund.

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

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

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

If you do not file a return, do not provide the information we ask for, or provide fraudulent information, the law provides that you may be charged penalties and, in certain cases, you may be subject to criminal prosecution. We may also have to disallow the exemptions, exclusions, credits, deductions, or adjustments shown on the tax return. This could make the tax higher or delay any refund. Interest may also be charged.

Please keep this notice with your records. It may help you if we ask you for other information. If you have questions about the rules for filing and giving information, please call or visit any Internal Revenue Service office.

1983 Earned Income Credit Table Caution: This is Not a Tax Table

To find your earned income credit: Read down the column titled "If line 3 or 4 of the worksheet is—" and find the appropriate

amount from the Earned Income Credit Worksheet on page 16. Read across to the right and find the amount of the

earned income credit. Enter that amount on line 5 or 6 of the worksheet, whichever applies.

If line 3 or 4 of the worksheet is—			Your earned income credit is—			If line 3 or 4 of the worksheet is—			Your earned income credit is—			If line 3 or 4 of the worksheet is—			Your earned income credit is—		
Over	But not over		Over	But not over		Over	But not over		Over	But not over		Over	But not over		Over	But not over	
\$0	\$50	\$3	\$1,800	\$1,850	\$183	\$3,600	\$3,650	\$363	\$6,350	\$6,400	\$453	\$8,150	\$8,200	\$228			
50	100	8	1,850	1,900	188	3,650	3,700	368	6,400	6,450	447	8,200	8,250	222			
100	150	13	1,900	1,950	193	3,700	3,750	373	6,450	6,500	441	8,250	8,300	216			
150	200	18	1,950	2,000	198	3,750	3,800	378	6,500	6,550	434	8,300	8,350	209			
200	250	23	2,000	2,050	203	3,800	3,850	383	6,550	6,600	428	8,350	8,400	203			
250	300	28	2,050	2,100	208	3,850	3,900	388	6,600	6,650	422	8,400	8,450	197			
300	350	33	2,100	2,150	213	3,900	3,950	393	6,650	6,700	416	8,450	8,500	191			
350	400	38	2,150	2,200	218	3,950	4,000	398	6,700	6,750	409	8,500	8,550	184			
400	450	43	2,200	2,250	223	4,000	4,050	403	6,750	6,800	403	8,550	8,600	178			
450	500	48	2,250	2,300	228	4,050	4,100	408	6,800	6,850	397	8,600	8,650	172			
500	550	53	2,300	2,350	233	4,100	4,150	413	6,850	6,900	391	8,650	8,700	166			
550	600	58	2,350	2,400	238	4,150	4,200	418	6,900	6,950	384	8,700	8,750	159			
600	650	63	2,400	2,450	243	4,200	4,250	423	6,950	7,000	378	8,750	8,800	153			
650	700	68	2,450	2,500	248	4,250	4,300	428	7,000	7,050	372	8,800	8,850	147			
700	750	73	2,500	2,550	253	4,300	4,350	433	7,050	7,100	366	8,850	8,900	141			
750	800	78	2,550	2,600	258	4,350	4,400	438	7,100	7,150	359	8,900	8,950	134			
800	850	83	2,600	2,650	263	4,400	4,450	443	7,150	7,200	353	8,950	9,000	128			
850	900	88	2,650	2,700	268	4,450	4,500	448	7,200	7,250	347	9,000	9,050	122			
900	950	93	2,700	2,750	273	4,500	4,550	453	7,250	7,300	341	9,050	9,100	116			
950	1,000	98	2,750	2,800	278	4,550	4,600	458	7,300	7,350	334	9,100	9,150	109			
1,000	1,050	103	2,800	2,850	283	4,600	4,650	463	7,350	7,400	328	9,150	9,200	103			
1,050	1,100	108	2,850	2,900	288	4,650	4,700	468	7,400	7,450	322	9,200	9,250	97			
1,100	1,150	113	2,900	2,950	293	4,700	4,750	473	7,450	7,500	316	9,250	9,300	91			
1,150	1,200	118	2,950	3,000	298	4,750	4,800	478	7,500	7,550	309	9,300	9,350	84			
1,200	1,250	123	3,000	3,050	303	4,800	4,850	483	7,550	7,600	303	9,350	9,400	78			
1,250	1,300	128	3,050	3,100	308	4,850	4,900	488	7,600	7,650	297	9,400	9,450	72			
1,300	1,350	133	3,100	3,150	313	4,900	4,950	493	7,650	7,700	291	9,450	9,500	66			
1,350	1,400	138	3,150	3,200	318	4,950	5,000	498	7,700	7,750	284	9,500	9,550	59			
1,400	1,450	143	3,200	3,250	323	5,000	6,000	500	7,750	7,800	278	9,550	9,600	53			
1,450	1,500	148	3,250	3,300	328	6,000	6,050	497	7,800	7,850	272	9,600	9,650	47			
1,500	1,550	153	3,300	3,350	333	6,050	6,100	491	7,850	7,900	266	9,650	9,700	41			
1,550	1,600	158	3,350	3,400	338	6,100	6,150	484	7,900	7,950	259	9,700	9,750	34			
1,600	1,650	163	3,400	3,450	343	6,150	6,200	478	7,950	8,000	253	9,750	9,800	28			
1,650	1,700	168	3,450	3,500	348	6,200	6,250	472	8,000	8,050	247	9,800	9,850	22			
1,700	1,750	173	3,500	3,550	353	6,250	6,300	466	8,050	8,100	241	9,850	9,900	16			
1,750	1,800	178	3,550	3,600	358	6,300	6,350	459	8,100	8,150	234	9,900	9,950	9			
												9,950	9,999	3			

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 with no long-distance charge. Please use a local city number only if it is not a long-distance call for you. Otherwise, use the general toll-free number given.

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. If we do make an error, you are still responsible for the payment of the correct tax.

To make sure that IRS employees give courteous responses and correct information to taxpayers, a second IRS employee sometimes listens in on telephone calls. No record is kept of any taxpayer's name, address, or social security number.

If you find it necessary to write instead of calling, please address your letter to your IRS District Director for a prompt reply. Make sure you include your social security number or taxpayer identifying number when you write.

The IRS has a telephone service called Tele-Tax. It provides recorded tax information tapes on about 140 topics covering such areas as filing requirements, dependents, itemized deductions, and tax credits. Tele-Tax is available 24 hours a day, 7 days a week, to taxpayers using push-button telephones, and Monday through Friday, during office hours, to taxpayers using rotary (dial) phones. See Tele-Tax Information in the index for the page numbers that contain telephone numbers, available topics, and instructions describing how to use this service.

Alabama

Birmingham, 252-1155
Huntsville, 539-2751
Montgomery, 264-8441

Alaska

Anchorage, 276-1040
Elsewhere in Alaska, call operator and ask for Zenith 3700

Arizona

Phoenix, 257-1233
Tucson, 882-4181

Arkansas

Little Rock, 376-4401

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

Denver, 825-7041

Connecticut

Call 1-800-424-1040

Delaware

Wilmington, 573-6400

District of Columbia

Call 488-3100

Florida

Fort Lauderdale, 522-0704
Jacksonville, 354-1760
Miami, 358-5072
Orlando, 422-2550
St. Petersburg, 823-7459
Tampa, 223-9741
West Palm Beach, 655-7250

Georgia

Atlanta, 522-0050
Augusta, 724-9946
Columbus, 327-7491
Macon, 746-4993
Savannah, 355-1045

Hawaii

Oahu, 546-8660
All other islands, 1-800-232-2511

Idaho

Call 1-800-424-1040

Illinois

Chicago, 435-1040

Indiana

Indianapolis, 269-5477

Iowa

Des Moines, 284-4850

Kansas

Call 1-800-424-1040

Kentucky

Louisville, 584-1361

Louisiana

New Orleans, 581-2440

Maine

Call 1-800-424-1040

Maryland

Baltimore, 962-2590
Prince George's County, 488-3100
Montgomery County, 488-3100

Massachusetts

Boston, 523-1040

Michigan

Ann Arbor, 769-9850
Detroit, 237-0800
Flint, 767-8830
Grand Rapids, 774-8300
Mount Clemens, 469-4200
Pontiac, 858-2530

Minnesota

Minneapolis, 291-1422
St. Paul, 291-1422

Mississippi

Biloxi, 868-2122
Gulfport, 868-2122
Jackson, 948-4500

Missouri

St. Louis, 342-1040

Montana

Call 1-800-424-1040

Nebraska

Omaha, 422-1500

Nevada

Las Vegas, 385-6291
Reno, 784-5521

New Hampshire

Call 1-800-424-1040

New Jersey

Camden, 966-7333
Hackensack, 646-1919
Jersey City, 622-0600
Newark, 622-0600
Paterson, 279-9400
Trenton, 394-7113

New Mexico

Call 1-800-424-1040

New York

Brooklyn District
Brooklyn, 596-3770
Nassau, 294-3600
Queens, 596-3770
Suffolk, 724-5000
Buffalo District (Central and Western New York)
Buffalo, 855-3955
Manhattan District
Bronx, 732-0100
Manhattan, 732-0100
Rockland County, 997-1510
Staten Island, 732-0100
Westchester County, 997-1510

North Carolina

Charlotte, 372-7750
Greensboro, 274-3711
Raleigh, 828-6278

North Dakota

Call 1-800-424-1040

Ohio

Cleveland District
Akron, 253-1141
Canton, 455-6781
Cleveland, 522-3000
Toledo, 255-3730
Youngstown, 746-1811
Cincinnati District
Cincinnati, 621-6281
Columbus, 228-0520
Dayton, 228-0557

Oklahoma

Oklahoma City, 272-9531
Tulsa, 583-5121

Oregon

Portland, 221-3960

Pennsylvania

Allentown, 437-6966
Bethlehem, 437-6966
Erie, 453-5671
Harrisburg, 783-8700
Philadelphia, 574-9900
Pittsburgh, 281-0112

Puerto Rico

San Juan Metro Area, 753-4040
Isla DDD, 753-4549

Rhode Island

Providence, 274-1040

South Carolina

Charleston, 722-1601
Columbia, 799-1040
Greenville, 242-5434

South Dakota

Call 1-800-424-1040

Tennessee

Chattanooga, 756-3010
Knoxville, 637-0190
Memphis, 522-1250
Nashville, 259-4601

Texas

Austin, 472-1974
Corpus Christi, 888-9431
Dallas, 742-2440
El Paso, 532-6116
Ft. Worth, 335-1370
Houston, 965-0440
San Antonio, 229-1700

Utah

Salt Lake City, 524-4060

Vermont

Burlington, 658-1870

Virginia

Bailey's Crossroads (Northern Virginia), 557-9230
Chesapeake, 461-3770
Norfolk, 461-3770
Portsmouth, 461-3770
Richmond, 649-2361
Virginia Beach, 461-3770

Washington

Seattle, 442-1040

West Virginia

Charleston, 345-2210
Huntington, 523-0213
Parkersburg, 485-1601
Wheeling, 233-4210

Wisconsin

Milwaukee, 271-3780

Wyoming

Call 1-800-424-1040

Telephone Assistance Services for Deaf / Hearing Impaired Taxpayers Who Have Access to TV / Telephone—TTY Equipment.

Hours of Operation 8:30 A.M. to 4:45 P.M. EST

8:30 A.M. to 6:45 P.M. EST (Filing Season)

Indiana residents, 1-800-382-4059

Elsewhere in U.S., including Alaska, Hawaii, Virgin Islands, and Puerto Rico, 1-800-428-4732

Note: If there is no number listed for your specific area, please call 1-800-424-1040.

Tele-Tax Information

IRS has recorded about 140 tapes of tax information that answer many Federal tax questions. You can hear up to three tapes on each call you make. Tele-Tax is for push-button phones and rotary (dial) phones. Long-distance charges apply if you call from outside the local dialing area of the numbers listed below.

A complete list of these tapes and instructions on how to use Tele-Tax are on the next page.

Note: Cities with a **1** before them can be called **only** if you have a push-button phone. Cities with a **2** before them can be called if you have a rotary (dial) phone.

ALABAMA

1 Birmingham, 251-9454
2 Birmingham, 251-3881
1 Huntsville, 534-5203
1 Mobile, 433-6993
1 Montgomery, 262-8304

ALASKA

1 Anchorage, 279-0653
2 Anchorage, 279-8689

ARIZONA

1 Phoenix, 261-3560
2 Phoenix, 261-4312
1 Tucson, 624-9042

ARKANSAS

1 Little Rock, 372-3891
2 Little Rock, 374-3117

CALIFORNIA

1 Bakersfield, 861-4105
1 Carson, 632-3555
1 El Monte, 571-6902
1 Fresno, 268-5395
2 Laguna Niguel, 831-4246
1 Los Angeles, 617-3177
2 Los Angeles, 617-3372
1 Oakland, 839-4245
2 Oakland, 839-4249
1 Oxnard, 485-7236
1 Riverside, 351-6769
1 Sacramento, 448-4367
2 Sacramento, 448-4556
1 San Diego, 293-5020
1 San Francisco, 863-4039
1 San Jose, 293-5606
2 San Jose, 287-4631
1 Santa Ana, 836-2974
1 Santa Maria, 928-7503
1 Santa Rosa, 528-6233
1 Stockton, 463-6005
1 Van Nuys, 997-3293
1 Visalia, 733-8194

COLORADO

1 Denver, 296-0462
2 Denver, 592-1119

CONNECTICUT

1 Bridgeport, 335-0070
1 Hartford, 547-0015
2 Hartford, 247-5500

DELAWARE

1 Wilmington, 652-0272
2 Wilmington, 571-1097

DISTRICT of COLUMBIA

1 Call 628-2929
2 Call 393-8471

FLORIDA

1 Ft. Lauderdale, 523-3100
1 Jacksonville, 353-9579
1 Miami, 374-5144
1 Orlando, 422-0592
1 Tallahassee, 222-0807
1 Tampa, 229-9255
2 Tampa, 273-9030
1 West Palm Beach, 655-1996

GEORGIA

1 Albany, 435-1415
1 Atlanta, 221-6572
2 Atlanta, 221-3285
1 Augusta, 722-9068
1 Columbus, 327-0298
1 Macon, 745-2890
1 Savannah, 355-9632

HAWAII

1 Honolulu, 546-7162
2 Honolulu, 546-3700

IDAHO

1 Boise, 383-0034
2 Boise, 344-8628

ILLINOIS

1 Bloomington, 828-6116
1 Champaign, 398-1779
1 Chicago, 886-9614
2 Chicago, 886-6512
1 Peoria, 637-9305
1 Quad Cities, 326-1720
1 Rockford, 987-4280
1 Springfield, 789-0489
2 Springfield, 753-0316

INDIANA

1 Evansville, 422-1026
1 Gary, 884-4465
1 Indianapolis, 634-1550
2 Indianapolis, 637-4125

IOWA

1 Des Moines, 284-6117
2 Des Moines, 284-4050
1 Quad Cities, 326-1720
1 Waterloo, 234-0817

KANSAS

1 Wichita, 264-3147
2 Wichita, 262-4454

KENTUCKY

1 Erlanger, 727-3338
1 Lexington, 233-2889
1 Louisville, 582-5599
2 Louisville, 582-6372

LOUISIANA

1 New Orleans, 529-2854
2 New Orleans, 589-4620

MAINE

2 Augusta, 623-3854
1 Portland, 775-0465

MARYLAND

1 Baltimore, 244-7306
2 Baltimore, 576-8854

MASSACHUSETTS

1 Boston, 523-8602
2 Boston, 227-1137
1 Springfield, 739-6624

MICHIGAN

1 Ann Arbor, 665-4544
1 Detroit, 961-4282
2 Detroit, 961-2968
1 Flint, 238-4599
1 Grand Rapids, 451-2034
1 Kalamazoo, 343-0255
1 Lansing, 372-2454
1 Mt. Clemens, 463-9550
1 Pontiac, 858-2336
1 Saginaw, 753-9911

MINNESOTA

1 St. Paul, 224-4288
2 St. Paul, 224-5271

MISSISSIPPI

1 Gulfport, 863-3302
1 Jackson, 960-4168
2 Jackson, 960-4808

MISSOURI

1 Kansas City, 421-3741
1 St. Louis, 241-4700
2 St. Louis, 241-7900

MONTANA

1 Billings, 656-1422
1 Helena, 443-7034
2 Helena, 443-0600

NEBRASKA

1 Omaha, 221-3324
2 Omaha, 221-3326

NEVADA

1 Las Vegas, 385-1778
2 Las Vegas, 382-1189

NEW HAMPSHIRE

1 Manchester, 623-5778
2 Portsmouth, 431-0780

NEW JERSEY

1 Atlantic City, 348-2636
1 Camden, 966-3412
1 Newark, 624-1223
2 Newark, 623-5400
1 Trenton, 599-2150

NEW MEXICO

1 Albuquerque, 766-1102
2 Albuquerque, 243-4557

NEW YORK

1 Albany, 465-8318
2 Albany, 465-3566
1 Brooklyn, 858-4461
2 Brooklyn, 855-9446
1 Buffalo, 856-9320
2 Buffalo, 845-5690
1 Manhattan, 406-4080
2 Manhattan, 406-9080
1 Mineola, 248-6790
1 Poughkeepsie, 452-1877
1 Rochester, 454-3330
1 Smithtown, 979-0720
1 Syracuse, 471-1630
1 White Plains, 683-0134

NORTH CAROLINA

1 Asheville, 254-3044
1 Charlotte, 371-6352
1 Durham, 541-5283
1 Fayetteville, 483-0735
1 Greensboro, 378-1572
2 Greensboro, 379-1168
1 Raleigh, 755-1498
1 Winston-Salem, 725-3013

NORTH DAKOTA

1 Bismarck, 258-8210
1 Fargo, 232-9360
2 Fargo, 232-1070
1 Grand Forks, 746-0324

OHIO

1 Akron, 253-1170
1 Cincinnati, 421-8050
2 Cincinnati, 684-3163
1 Cleveland, 522-3037
2 Cleveland, 522-3036
1 Columbus, 463-1898
1 Dayton, 461-9755
1 Toledo, 255-3743

OKLAHOMA

1 Oklahoma City, 235-3434
2 Oklahoma City, 235-4907
1 Tulsa, 599-0555

OREGON

1 Eugene, 687-6737
1 Portland, 294-5363
2 Portland, 294-5547
1 Salem, 399-5784

PENNSYLVANIA

1 Bethlehem, 861-0325
1 Erie, 459-7419
1 Harrisburg, 236-1356
1 Philadelphia, 592-8946
2 Philadelphia, 238-1326
1 Pittsburgh, 281-3120
2 Pittsburgh, 281-3138
1 Scranton, 961-0325
1 Wilkes-Barre, 823-9552

PUERTO RICO

1 & 2 Call 753-4055

RHODE ISLAND

1 Providence, 861-5220
2 Providence, 521-6440

SOUTH CAROLINA

1 Charleston, 722-0369
1 Columbia, 254-4749
2 Columbia, 799-8169
1 Greenville, 235-8093

SOUTH DAKOTA

2 Aberdeen, 229-6856
1 Rapid City, 348-3454
1 Sioux Falls, 335-7081
1 Watertown, 882-4979

TENNESSEE

1 Chattanooga, 892-5577
1 Knoxville, 521-7478
1 Rochester, 454-3330
1 Memphis, 525-2611
1 Nashville, 242-1541
2 Nashville, 254-0585

TEXAS

1 Austin, 479-0391
2 Austin, 478-6422
1 Dallas, 767-1792
2 Dallas, 767-6110
1 Houston, 850-8801
2 Houston, 782-5536
1 San Antonio, 680-9591

UTAH

1 Salt Lake City, 355-9328
2 Salt Lake City, 359-9218

VERMONT

1 Burlington, 658-0007
2 Burlington, 658-1149

VIRGINIA

1 Bailey's Crossroads, 557-0034
1 Norfolk, 441-3623
2 Richmond, 771-2369
1 Richmond, 771-2165
1 Roanoke, 982-6062

WASHINGTON

1 Seattle, 343-7221
2 Seattle, 343-7962
1 Spokane, 455-9213
1 Tacoma, 383-4668

WEST VIRGINIA

1 Charleston, 343-3597
1 Huntington, 523-0104
2 Parkersburg, 422-4011

WISCONSIN

1 Green Bay, 433-3884
1 Madison, 264-5349
1 Milwaukee, 291-1783
2 Milwaukee, 291-1787
1 Racine, 886-1615

WYOMING

1 Cheyenne, 634-1198
2 Cheyenne, 638-6109

How to Use Tele-Tax Tapes

1. Select by number the tape you wish to hear.
2. Have paper and pencil handy to take notes.
3. Call the appropriate phone number.
4. ● If you have a push-button phone, follow the recorded information, or
 - If you have a rotary (dial) phone, ask the IRS operator for the tape number you want to hear.
5. Available service:
 - Push-button service is available 24 hours a day, 7 days a week.
 - Rotary (dial) service is available Monday through Friday during regular office hours.

Tele-Tax Subjects and Tape Numbers

Tape No.	Subject
IRS Procedures and Services	
100	IRS help available—Volunteer tax assistance programs, toll-free telephone, walk-in assistance, and outreach program
101	Telephone help available for the deaf/hearing impaired
102	Small business tax workshops—Tax help for the new business person
103	Problem resolution program—Special help for problem situations
104	Public libraries—Tax information tapes and reproducible tax forms
105	Examination procedures and how to prepare for an audit
106	The collection process
107	Tax fraud—How to report
108	Special enrollment examination to practice before IRS
Filing Requirements, Filing Status, Exemptions	
110	Who must file?
111	Which form—1040, 1040A, or 1040EZ?
112	When, where, and how to file
113	Filing requirements for a dependent
114	Filing as single
115	Filing joint or separate
116	Filing as head of household
117	Filing as qualifying widow/widower
118	Filing status for separated individuals
119	Exemptions for age and blindness
120	Dependent—Who can be claimed?
121	Dependent child—Divorced or separated parents
122	Dependent—Items to include in determining support
126	Estimated tax
127	Amended returns
128	Decedents
Types of Income	
130	Wages and salaries
131	Tips
132	Interest received
133	Dividends—1099-DIV and dividend exclusion
134	Refund of state and local taxes
135	Alimony received
136	Business income
137	Sole proprietorship income
138	Capital gains and losses
139	Pensions and annuities
140	Pensions—The general rule
141	Lump-sum distributions—Profit-sharing plans
143	Rental income and expenses
144	Renting to a relative
200	Renting vacation property
201	Royalties
202	Farming and fishing income
203	Earnings for clergy members

Tape No.	Subject
204	Unemployment compensation
205	Gambling income and expenses
206	Bartering income
207	Scholarships, fellowships, and grants
208	Nontaxable income
209	Social security taxability
Adjustments to Income	
211	Charitable contributions deduction for those who do not itemize
212	Deduction for married couples when both work
213	Moving expenses—Do I qualify?
214	Employee business expenses
215	Business use of car
216	Business travel expenses
217	Business entertainment expenses
218	Individual retirement accounts (IRA's)
219	Alimony paid
220	Disability income exclusion—Do I qualify?
225	Bad debt deduction
Itemized Deductions	
227	Should I itemize my deductions?
228	Medical and dental expenses
229	Medical insurance
230	Medicines and drugs
231	Taxes
232	Sales tax
233	Interest expense
234	Contributions
235	Casualty losses
236	Miscellaneous expenses
237	Office-in-the-home expenses
238	Educational expenses
Tax Computation	
240	Tax table—Who should use?
241	Tax rate schedules—Who should use?
243	Tax and credits figured by IRS
244	Income averaging—Who can use?
300	Self-employment tax
301	Ten-year averaging for lump-sum distribution
303	Minimum/Alternative minimum tax
304	Gift tax
305	Estate tax
Tax Credits	
306	Child care credit—Do I qualify?
307	Earned income credit
308	Residential energy credit
309	Credit for the elderly
310	Tax credit for contributions to candidates for public office
311	Investment credit
312	Qualified royalty owners exemption (windfall profit tax)
General Information	
315	Highlights of 1983 tax changes
316	Refunds—How long they should take
317	Copy of your tax return—How to get one
318	Forms/Publications—How to order
320	Extensions for time to file your tax return
325	Form W-2—What to do if not received
326	Penalty and interest charges
327	IRS notices and bills—How to pay
328	Tax benefits for low income Americans
329	Penalty for underpayment of estimated tax—Form 2210
330	Recordkeeping for business and personal use
331	How to choose a tax preparer
332	Audit appeal rights
333	Failure to pay child/spousal support
334	Highlights of tax changes that will begin in 1984
335	Withholding on interest and dividends
336	Highway use tax
337	Checklist/Common errors when preparing your tax return
338	Withholding on pensions and annuities

Tape No.	Subject
Basis of Assets, Depreciation, Sale of Assets	
343	Sale of personal residence—General
344	Sale of personal residence—How to report gain
400	Sale of personal residence—Exclusion of gain, age 55 and over
401	Basis of assets—General
402	Depreciation—General
403	Depreciation—Accelerated cost recovery system
404	Installment sales
Employer Tax Information	
406	Social security withholding rates
407	Form W-2—Where, when, and how to file
408	Form W-4—Employee's Withholding Allowance Certificate
409	Federal tax deposits—How to make without deposit cards
410	Employer identification number—How to apply
411	Paying taxes on your employees
412	Form 942—Employer's Quarterly Tax Return for Household Employees
413	Form 941—Deposit requirements
414	Form 941—Employer's Quarterly Federal Tax Return
415	Form 940—Deposit requirements
416	Form 940—Employer's Annual Federal Unemployment Tax Return
417	Targeted jobs credit
418	Tips—Withholding and reporting
Tax Information for Aliens and U.S. Citizens Living Abroad	
420	Resident and nonresident aliens
425	Dual status alien
426	Alien tax clearance
427	Nonresident alien ownership of real property
428	Foreign earned income exclusion—General
429	Foreign earned income exclusion—Who qualifies?
430	Foreign earned income exclusion—What income qualifies?
431	Foreign tax credit

Las siguientes cintas magnetofónicas están disponibles en español:

Número de la Cinta	Tema
433	¿Quién debe presentar la declaración de impuestos?
434	¿Qué formulario se debe usar?
435	Estado civil para la declaración: Soltero(a), casados que presentan la declaración conjunta o casados que presentan la declaración separada.
436	Estado civil para la declaración: Cabeza de familia y viudo(a) calificado.
437	Crédito por ingreso del trabajo.
438	Modificaciones importantes a la ley para 1983.
439	Formularios y Publicaciones—¿Cómo solicitarlos?
440	Autorización para viajar el extranjero.
441	Reembolsos—¿Cuánto tiempo deben tomar?
442	Ayuda obtenible del IRS: Programas de asistencia voluntaria, servicio telefónico gratis y asistencia en las oficinas del IRS.