File this form only if you are increasing your standard deduction by certain state or local real estate taxes, new motor vehicle taxes, or a net disaster loss. It may be better for you to itemize your deductions instead. See the Instructions for Schedule A (Form 1040).

%

%

5

6

7

8

9

10

11

12

13

14

15

General Instructions

Who must use Schedule L. You must use Schedule L to figure your standard deduction if you have any of the following.

c State or local real estate taxes you paid in 2009.

c A net disaster loss you report on Form 4684, line 18 (Form 1040 filers only).

c State or local sales or excise taxes (or certain other taxes or fees in a state without a sales tax) paid after February 16, 2009, for the purchase of any new motor vehicle(s).

Note. See your tax return instruction booklet to figure your standard deduction if you are not claiming any of the items listed above.

CAUTION If you checked the box on Form 1040, line 39b, or Form 1040A, line 23b, your standard deduction is zero, even if you were born before January 2, 1945, were blind, paid real estate taxes, had a net disaster loss, or paid new motor vehicle taxes.

Specific Instructions

Line 3. Earned income includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed. It also includes any amount received as a scholarship that you must include in your income.

Form 1040 filers. Generally, your earned income is the total of the amount(s) you reported on Form 1040, lines 7, 12, and 18, minus the amount, if any, on line 27.

Form 1040A filers. Generally, your earned income is the amount you reported on Form 1040A, line 7.

Line 6. Your standard deduction is increased by your net disaster loss. This amount is shown on Form 4684, line 18. You must file Form 1040 to claim a net disaster loss.

Line 7. Enter the state and local real estate taxes you paid in 2009. Include state and local taxes you paid on real estate you own, but only if the taxes are based on the assessed value of the property. Also, the assessment must be made uniformly on property throughout the community, and the proceeds must be used for general community or governmental purposes. See Pub. 530 for more information.

Do not include the following amounts as real estate taxes.

c Taxes deductible in arriving at adjusted gross income (such as taxes on business real estate) and taxes on foreign real estate.

c Itemized charges for services to specific property or persons (for example, a $20 monthly charge per house for trash collection, a $5 charge for every 1,000 gallons of water consumed, or a flat charge for mowing a lawn that had grown higher than permitted under a local ordinance).

c Charges for improvements that tend to increase the value of your property (for example, an assessment to build a new sidewalk). The cost of a property improvement is added to the basis of the property. However, a charge is deductible if it is used only to maintain an existing public facility in service (for example, a charge to repair an existing sidewalk, and any interest included in that charge).

If your mortgage payments include your real estate taxes, you can deduct only the amount the mortgage company actually paid to the taxing authority in 2009.

If you sold your home in 2009, any real estate tax charged to the buyer should be shown on your settlement statement and in box 5 of any Form 1099-S you received. This amount is considered a refund of real estate taxes. See Refunds and rebates next. Any real estate taxes you paid at closing should be shown on your settlement statement.

Refunds and rebates. If you received a refund or rebate in 2009 of real estate taxes you paid in 2009, reduce the amount you enter on line 7 by the amount of the refund or rebate. If you received a refund or rebate in 2009 of real estate taxes you paid in an earlier year, do not reduce your deduction by this amount. Instead, you must include the refund or rebate in income on Form 1040, line 21, if you deducted the real estate taxes in the earlier year and the deduction reduced your tax. See Recoveries in Pub. 525 for details on how to figure the amount to include in income.

Line 10. If you check the ªYesº box, you may be able to include some or all of the state or local sales and excise taxes you paid for any new motor vehicle(s) (defined below) purchased after February 16, 2009. However, if the amount on Form 1040, line 38, or Form 1040A, line 22, is equal to or greater than $135,000 ($260,000 if married filing jointly), you cannot include these taxes. To determine the amount of state or local sales and excise taxes to enter on line 10, refer to the sales invoice(s) for any new motor vehicle(s) you purchased. Taxes deductible in arriving at adjusted gross income, such as taxes on a vehicle used in your business, cannot be used to increase your standard deduction.

States with no sales tax. The states of Alaska, Delaware, Hawaii, Montana, New Hampshire, and Oregon do not have a sales tax. However, you may be charged other fees or taxes on the purchase of a new motor vehicle in one of these six states that is similar to a sales tax. The fees or taxes that qualify must be assessed on the purchase of the vehicle and must be based on the vehicle's sales price or as a per unit fee. You can include these fees or taxes on line 10.

One example of a fee you can include on line 10 is the 3.75% document fee when registering a title with the Delaware Division of Motor Vehicles. The fee is 3.75% of the purchase price.

New motor vehicle. A new motor vehicle is any of the following. The original use of the vehicle must begin with you.

c A passenger automobile or light truck that is self propelled, designed to transport people or property on a street or highway, and the gross vehicle weight rating of the vehicle is not more than 8,500 pounds.

c A motorcycle (defined below) with a gross vehicle weight rating of not more than 8,500 pounds.

c A motor home (defined below).

Motorcycle. A vehicle with motive power having a seat or saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground.

Motor home. A multi-purpose vehicle with motive power that is designed to provide temporary residential accommodations, as evidenced by the presence of at least four of the following facilities.

c Cooking.

c Refrigeration or ice box.

c Self-contained toilet.

c Heating and/or air conditioning.

c Potable water supply system including a faucet and sink.

c Separate 110-125 volt electrical power supply and/or propane.

Line 11. Enter on line 11 the cost of the new motor vehicle(s). Do not include on line 11 any state or local sales or excise taxes you entered on line 10.

Line 12. If you check the ªYesº box, the amount you can include for state or local sales and excise taxes is limited to the taxes imposed on the first $49,500 of the purchase price of each new motor vehicle. To figure the amount to enter on line 12, you will need to know the rate(s) of tax that apply in the state and locality where you purchased each new motor vehicle. If the state and locality where you purchased a new motor vehicle imposes a fixed rate, multiply the combined state and local rate by the smaller of $49,500 or the purchase price (before taxes) of the new motor vehicle. See Example 1 below.

Some taxing jurisdictions may provide for a sales tax that is limited to a certain dollar amount per purchase. One example is Manatee County, Florida. Manatee County charges an additional ½% (.005) discretionary sales tax that is collected on the first $5,000 of a purchase, not to exceed $25. See Example 2 below.

Example 1. You purchased a new motor vehicle on April 3, 2009, for $56,500 before taxes. The state where you purchased the vehicle imposes a fixed sales tax rate of 5% and the locality also charges a fixed rate of 1%, for a combined fixed sales tax rate of 6%. The amount of sales tax you can include on line 12 is $2,970 ($49,500 x 6% (.06)).

Example 2. You purchased a new motor vehicle in Manatee County, Florida, on April 16, 2009, for $60,000 before taxes. The state of Florida has a fixed sales tax rate of 6%. The amount of sales tax you can include on line 12 is $2,995 ($49,500 x 6% (.06) + $25). In this example, $2,970 represents the 6% Florida sales tax and the $25 is for the Manatee County discretionary sales tax on the first $5,000 of the purchase price.