**Profit or (Loss) From Business or Profession**

**Form 1040**

**Schedule C**

*Department of the Treasury*

*Internal Revenue Service (X)*

**Part I: Income**

1. Gross receipts or sales
2. Returns and allowances
3. Balance (subtract line 1b from line 1a)
4. Cost of goods sold and/or operations (Schedule C-1, line 8)
5. Gross profit (subtract line 2 from line 1c)
6. Windfall Profit Tax Credit or Refund received in 1981 (see Instructions)
7. Other income (attach schedule)

**Part II: Deductions**

6. Advertising
7. Amortization
8. Bad debts from sales or services
9. Bank service charges
10. Car and truck expenses
11. Commissions
12. Depletion
13. Depreciation (see Instructions)
14. Dues and publications
15. Employee benefit programs
16. Freight (not included on Schedule C-1)
17. Insurance
18. Interest on business indebtedness
19. Laundry and cleaning
20. Legal and professional services
21. Office supplies and postage
22. Pension and profit-sharing plans
23. Rent on business property
24. Repairs
25. Supplies (not included on Schedule C-1)
26. Taxes (do not include Windfall Profit Tax, see line 30)
27. Travel and entertainment
28. Utilities and telephone

32. Total deductions (add amounts in columns for lines 6 through 31p)

33. Net profit or (loss) (subtract line 32 from line 5). If a profit, enter on Form 1040, line 11, and on Schedule SE, Part II, line 5a (or Form 1041, line 6). If a loss, go on to line 34.

34. If you have a loss, do you have amounts for which you are not "at risk" in this business (see Instructions)?

For Paperwork Reduction Act Notice, see Form 1040 Instructions.
SCHEDULE C-1.—Cost of Goods Sold and/or Operations (See Schedule C Instructions for Part I, line 2)

1 Inventory at beginning of year (if different from last year’s closing inventory, attach explanation).
2 a Purchases. .................................................. 2a
   b Cost of items withdrawn for personal use. ................. 2b
   c Balance (subtract line 2b from line 2a). ................... 2c
3 Cost of labor (do not include salary paid to yourself). ........ 3
4 Materials and supplies. ........................................ 4
5 Other costs (attach schedule) .................................. 5
6 Add lines 1, 2c, and 3 through 5. ............................... 6
7 Inventory at end of year. ...................................... 7
8 Cost of goods sold and/or operations (subtract line 7 from line 6). Enter here and on Part I, line 2. 8

SCHEDULE C-2.—Depreciation (See Schedule C Instructions for line 13)

Complete Schedule C-2 if you claim depreciation ONLY for assets placed in service before January 1, 1981. If you need more space, use Form 4562. If you claim a deduction for any assets placed in service after December 31, 1980, use Form 4562 to figure your total deduction for all assets; do NOT complete Schedule C-2.

<table>
<thead>
<tr>
<th>Description of property</th>
<th>Date acquired</th>
<th>Cost or other basis</th>
<th>Depreciation allowed or allowable in prior years</th>
<th>Method of computing depreciation</th>
<th>Life or rate</th>
<th>Depreciation for this year</th>
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<tbody>
<tr>
<td>1 Depreciation (see Instructions):</td>
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</table>

2 Totals. ........... 2

3 Depreciation claimed in Schedule C-1. ............ 3

4 Balance (subtract line 3 from line 2). Enter here and on Part II, line 13. 4

SCHEDULE C-3.—Expense Account Information (See Schedule C Instructions for Schedule C-3)

Enter information for yourself and your five highest paid employees. In determining the five highest paid employees, add expense account allowances to the salaries and wages. However, you don't have to provide the information for any employee for whom the combined amount is less than $50,000, or for yourself if your expense account allowance plus line 33, page 1, is less than $50,000.

<table>
<thead>
<tr>
<th>Owner</th>
<th>Expense account</th>
<th>Salaries and wages</th>
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</thead>
<tbody>
<tr>
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</table>

Did you claim a deduction for expenses connected with:
A Entertainment facility (boat, resort, ranch, etc.)? ...............................................
B Living accommodations (except employees on business)? ...........................................
C Conventions or meetings you or your employees attended outside the North American area? (see Instructions). ..................................
D Employees' families at conventions or meetings? ...................................................

If "Yes," were any of these conventions or meetings outside the North American area? ...........

E Vacations for employees or their families not reported on Form W-2? ..........................