

**SCHEDULE C  
(Form 1040)**

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

OMB No. 1545-0074

**1986**  
Attachment  
Sequence No. **09**

Department of the Treasury  
Internal Revenue Service

**Partnerships, Joint Ventures, etc., Must File Form 1065.**

▶ **Attach to Form 1040, Form 1041, or Form 1041S.** ▶ **See Instructions for Schedule C (Form 1040).**

Name of proprietor		Social security number	
A Principal business or profession, including product or service (see Instructions)		B Principal business code	
C Business name and address ▶		(from page 2) ▶	
E Method(s) used to value closing inventory: (1) <input type="checkbox"/> Cost      (2) <input type="checkbox"/> Lower of cost or market      (3) <input type="checkbox"/> Other (attach explanation)		D Employer ID number	
F Accounting method: (1) <input type="checkbox"/> Cash      (2) <input type="checkbox"/> Accrual      (3) <input type="checkbox"/> Other (specify) ▶		Yes No	
G Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation.		/	
H Did you deduct expenses for an office in your home?			
I If this schedule includes a loss, credit, deduction, income, or other tax benefit relating to a tax shelter required to be registered, check here. ▶ <input type="checkbox"/>			
If you check this box, you <b>MUST</b> attach <b>Form 8271</b> .			

**Part I Income**

1a Gross receipts or sales	1a		
b Less: Returns and allowances	1b		
c Subtract line 1b from line 1a and enter the balance here	1c		
2 Cost of goods sold and/or operations (from Part III, line 8)	2		
3 Subtract line 2 from line 1c and enter the <b>gross profit</b> here	3		
4a Windfall profit tax credit or refund received in 1986 (see Instructions)	4a		
b Other income	4b		
5 Add lines 3, 4a, and 4b. This is the <b>gross income</b> .	5		

**Part II Deductions**

6 Advertising		20 Office expense	
7 Bad debts from sales or services (Cash method taxpayers, see Instructions.)		21 Pension and profit-sharing plans	
8 Bank service charges		22 Rent on business property	
9 Car and truck expenses		23 Repairs	
10 Commissions		24 Supplies (not included in Part III below)	
11 Depletion		25 Taxes (Do not include windfall profit tax here. See line 29.)	
12 Depreciation and section 179 deduction from Form 4562 (not included in Part III below)		26 Travel and entertainment	
13 Dues and publications		27 Utilities and telephone	
14 Employee benefit programs		28a Wages	
15 Freight (not included in Part III below)		b Jobs credit	
16 Insurance		c Subtract line 28b from 28a	
17 Interest:		29 Windfall profit tax withheld in 1986	
a Mortgage (paid to financial institutions)		30 Other expenses (specify):	
b Other		a	
18 Laundry and cleaning		b	
19 Legal and professional services		c	
		d	
31 Add amounts in columns for lines 6 through 30d. These are the <b>total deductions</b> .	31		

32 **Net profit or (loss).** Subtract line 31 from line 5 and enter the result. If a profit, enter on Form 1040, line 12, and on Schedule SE, line 2 (or line 5 of Form 1041 or Form 1041S). If a loss, you **MUST** go on to line 33. . . . 32

33 If you have a loss, you **MUST** answer this question: "Do you have amounts for which you are not at risk in this business (see Instructions)?" . . .  Yes  No  
If "Yes," you **MUST** attach **Form 6198**. If "No," enter the loss on Form 1040, line 12, and on Schedule SE, line 2 (or line 5 of Form 1041 or Form 1041S).

**Part III Cost of Goods Sold and/or Operations (See Schedule C Instructions for Part III)**

1 Inventory at beginning of year (If different from last year's closing inventory, attach explanation.)	1		
2 Purchases less cost of items withdrawn for personal use	2		
3 Cost of labor (Do not include salary paid to yourself.)	3		
4 Materials and supplies	4		
5 Other costs	5		
6 Add lines 1 through 5	6		
7 Less: Inventory at end of year	7		
8 <b>Cost of goods sold and/or operations.</b> Subtract line 7 from line 6. Enter here and in Part I, line 2, above.	8		

**Codes for Principal Business or Professional Activity**

Review the major business categories listed in **Step 1** and find the one which best describes your type of business or professional activity. The appropriate category will direct you to specific activity

codes in **Step 2**. Select the activity code that identifies the business or profession that is the principal source of your sales or receipts. Enter this 4 digit code on line B on page 1 of Schedule C. (**Note: If your principal source of income is from farming activities, you should file Schedule F (Form 1040), Farm Income and Expenses.**)

**Step 1**

**Major Business Categories**

Production (construction, manufacturing, mining), including custom or contract production services . . . . .	<b>A</b>
Agricultural services (excluding farming), forestry, and fishing . . . . .	<b>B</b>
Wholesale trade—selling goods you <b>do not produce</b> to businesses and institutions, including sales to professional practices and for farm production . . . . .	<b>C</b>
Retail trade—selling goods you <b>do not produce</b> to individuals and households . . . . .	<b>D</b>
Serving food or drink . . . . .	<b>D</b>
Real estate, insurance, finance, and related services . . . . .	<b>E</b>
Transportation, communications, public utilities, and related services . . . . .	<b>F</b>
Providing personal, professional, and business services not included in the above categories . . . . .	<b>G</b>

See Specific Activity in Step 2

<b>Code</b>	<b>Code</b>
4317 Other home furnishing stores (china, floor coverings, drapes, etc.)	<b>Business and/or personal services</b>
4333 Music and record stores	7617 Legal services (or lawyer)
	7633 Income tax preparation
	7658 Accounting and bookkeeping
	7674 Engineering, surveying, and architectural
	7690 Management, consulting, and public relations
<b>Building, hardware, and garden supply</b>	7716 Advertising, except direct mail
4416 Building materials dealers	7732 Employment agencies and personnel supply
4432 Paint, glass, and wallpaper stores	7757 Computer and data processing, including repair and leasing
4457 Hardware stores	7773 Equipment rental and leasing (except computer or automotive)
4473 Nurseries and garden supply stores	7914 Investigative and protective services
	7880 Other business services
	<b>Personal services</b>
<b>Other retail stores</b>	8110 Beauty shops (or beautician)
4614 Used merchandise and antique stores	8318 Barber shop (or barber)
4630 Gift, novelty, and souvenir shops	8334 Photographic portrait studios
4655 Florists	8516 Shoe repair and shine services
4671 Jewelry stores	8532 Funeral services and crematories
4697 Sporting goods and bicycle shops	8557 Physical fitness facilities
4812 Boat dealers	8714 Child day care
4838 Hobby, toy, and game shops	8730 Teaching or tutoring
4853 Camera and photo supply stores	8755 Counseling (except health practitioners)
4879 Optical goods stores	8771 Ministers and chaplains
4895 Luggage and leather goods stores	8882 Other personal services
5017 Book stores, excluding newsstands	<b>Automotive services</b>
5033 Stationery stores	8813 Automotive rental or leasing, without driver
5058 Fabric and needlework stores	8839 Parking, except valet
5074 Mobile home dealers	8854 General automotive repairs
5090 Fuel dealers (except gasoline)	8870 Specialized automotive repairs (brake, body repairs, paint, etc.)
5884 Other retail stores	8896 Other automotive services (wash, towing, etc.)

**Step 2**

**A Production (Including Custom or Contract Production Services)**

**Code**  
0018 **Construction and building trades**  
Operative builders (building for own account)

**General contractors**  
0034 Residential building  
0059 Nonresidential building  
0075 Highway and street construction  
3889 Other heavy construction (pipe laying, bridge construction, etc.)

**Building trade contractors, including repairs**  
0232 Plumbing, heating, air conditioning  
0257 Painting, paper hanging, decorating  
0273 Electrical work  
0299 Masonry, plastering, stone, tile  
0414 Carpentry and flooring  
0430 Roofing and sheet metal work  
0455 Concrete work  
0471 Water well drilling  
0885 Other building trade contractors (excavation, demolition, etc.)

**Manufacturing, including printing and publishing**  
0612 Bakeries selling at retail  
0638 Other food products and beverages  
0653 Textile mill products  
0679 Apparel and other textile products  
0695 Leather, footwear, handbags, etc.  
0810 Furniture and fixtures  
0836 Lumber and other wood products  
0851 Printing and publishing  
0877 Paper and allied products  
0893 Chemicals and allied products  
1016 Rubber and plastics products  
1032 Stone, clay, and glass products  
1057 Primary metal industries  
1073 Fabricated metal products  
1099 Machinery and machine shops  
1115 Electric and electronic equipment  
1313 Transportation equipment  
1339 Instruments and related products  
1883 Other manufacturing industries

**Mining and mineral extraction**  
1511 Metal mining  
1537 Coal mining  
1552 Oil and gas  
1719 Quarrying and nonmetallic mining

**B Agricultural Services, Forestry, and Fishing**

1917 Soil preparation services  
1933 Crop services  
1958 Veterinary services, including pets  
1974 Livestock breeding  
1990 Other animal services  
2113 Farm labor and management services  
2212 Horticulture and landscaping

**Code**  
2238 Forestry, except logging  
0836 Logging  
2279 Fishing, hunting, and trapping

**C Wholesale Trade—Selling Goods to Other Businesses, Government, or Institutions, etc.**

**Durable goods, including machinery, equipment, wood, metals, etc.**  
2618 Selling for your own account  
2634 Agent or broker for other firms—more than 50% of gross sales on commission  
**Nondurable goods, including food, fiber, chemicals, etc.**  
2659 Selling for your own account  
2675 Agent or broker for other firms—more than 50% of gross sales on commission

**D Retail Trade—Selling Goods to Individuals and Households**

3012 Selling door-to-door, by telephone or party plan, or from mobile unit  
3038 Catalog or mail order  
3053 Vending machine selling  
**Selling From Store, Showroom, or Other Fixed Location**  
**Food, beverages, and drugs**  
3079 Eating places (meals or snacks)  
3095 Drinking places (alcoholic beverages)  
3210 Grocery stores (general line)  
0612 Bakeries selling at retail  
3236 Other food stores (meat, produce, candy, etc.)  
3251 Liquor stores  
3277 Drug stores

**Automotive and service stations**  
3319 New car dealers (franchised)  
3335 Used car dealers  
3517 Other automotive dealers (motorcycles, recreational vehicles, etc.)  
3533 Tires, accessories, and parts  
3558 Gasoline service stations  
**General merchandise, apparel, and furniture**

3715 Variety stores  
3731 Other general merchandise stores  
3756 Shoe stores  
3772 Mens' and boys' clothing stores  
3913 Womens' ready-to-wear stores  
3939 Family clothing stores  
3954 Other apparel and accessory stores  
3970 Furniture stores  
3996 TV, audio, and electronics  
4119 Household appliance stores

**Code**  
5512 Real estate agents and managers  
5538 Operators and lessors of buildings (except developers)  
5553 Operators and lessors of other real property (except developers)  
5710 Subdividers and developers, except cemeteries  
5736 Insurance agents and services  
5751 Security and commodity brokers, dealers, and investment services  
5777 Other real estate, insurance, and financial activities

**E Real Estate, Insurance, Finance, and Related Services**

**F Transportation, Communications, Public Utilities, and Related Services**

6114 Taxicabs  
6312 Bus and limousine transportation  
6338 Trucking (except trash collection)  
6510 Trash collection without own dump  
6536 Public warehousing  
6551 Water transportation  
6619 Air transportation  
6635 Travel agents and tour operators  
6650 Other transportation and related services  
6676 Communication services  
6692 Utilities, including dumps, snowplowing, road cleaning, etc.

**G Services (Providing Personal, Professional, and Business Services)**

**Hotels and other lodging places**  
7096 Hotels, motels, and tourist homes  
7211 Rooming and boarding houses  
7237 Camps and camping parks

**Laundry and cleaning services**  
7419 Coin-operated laundries and dry cleaning  
7435 Other laundry, dry cleaning, and garment services  
7450 Carpet and upholstery cleaning  
7476 Janitorial and related services (building, house, and window cleaning)

8771 Ministers and chaplains  
8882 Other personal services

**Automotive services**  
8813 Automotive rental or leasing, without driver  
8839 Parking, except valet  
8854 General automotive repairs  
8870 Specialized automotive repairs (brake, body repairs, paint, etc.)  
8896 Other automotive services (wash, towing, etc.)

**Miscellaneous repair, except computers**  
9019 TV and audio equipment repair  
9035 Other electrical equipment repair  
9050 Reupholstery and furniture repair  
2881 Other equipment repair

**Medical and health services**  
9217 Physicians and surgeons (MD's)  
9233 Dentists  
9258 Osteopathic physicians and surgeons  
9274 Chiropractors  
9290 Optometrists  
9415 Registered and practical nurses  
9431 Other licensed health practitioners  
9456 Dental laboratories  
9472 Nursing and personal care facilities  
9886 Clinics and other health services

**Amusement and recreational services**  
9613 Videotape rental stores  
9639 Motion picture theaters  
9654 Other motion picture and TV activities  
9670 Bowling alleys and pool parlors  
9696 Professional sports and racing, including promoters and managers  
9811 Theatrical performers, musicians, agents, producers, and related services  
9837 Other amusement and recreational services

8888 Unable to classify—Explain