### SCHEDULE C (Form 1040)

**Profit or Loss From Business**

(Properly Proprietorship)

**Partnerships, joint ventures, etc., must file Form 1065.**

**Attach to Form 1040 or Form 1041.**

**See Instructions for Schedule C (Form 1040).**

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**Name of proprietor**

**Social security number (SSN)**

**A**  Principal business or profession, including product or service (see page C-1)

**B**  Enter principal business code

**C**  Business name. If no separate business name, leave blank.

**D**  Employer ID number (EIN), if any

**E**  Accounting method:  

- (1) Cash  
- (2) Accrual  
- (3) Other (specify)

**F**  Did you “materially participate” in the operation of this business during 1996? If “No,” see page C-2 for limit on losses.

- Yes
- No

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### Part I  Income

1. Gross receipts or sales. **Caution:** If this income was reported to you on Form W-2 and the “Statutory employee” box on that form was checked, see page C-2 and check here □

2. Returns and allowances □

3. Subtract line 2 from line 1 □

4. Cost of goods sold (from line 42 on page 2) □

5. **Gross profit.** Subtract line 4 from line 3 □

6. Other income, including Federal and state gasoline or fuel tax credit or refund (see page C-2) □

7. **Gross income.** Add lines 5 and 6 □

### Part II  Expenses. Enter expenses for business use of your home only on line 30.

8. Advertising □

9. Bad debts from sales or services (see page C-3) □

10. Car and truck expenses (see page C-3) □

11. Commissions and fees □

12. Depletion □

13. Depreciation and section 179 expense deduction (not included in Part III) (see page C-3) □

14. Employee benefit programs (other than on line 19) □

15. Insurance (other than health) □

16. Interest:  
  - (a) Mortgage (paid to banks, etc.) □
  - (b) Other □

17. Legal and professional services □

18. Office expense □

19. Pension and profit-sharing plans □

20. Rent or lease (see page C-4):  
  - (a) Vehicles, machinery, and equipment □
  - (b) Other business property □

21. Repairs and maintenance □

22. Supplies (not included in Part III) □

23. Taxes and licenses □

24. Travel, meals, and entertainment:  
  - (a) Travel □
  - (b) Meals and entertainment □
  - (c) Enter 50% of line 24b subject to limitations (see page C-4) □

25. Utilities □

26. Wages (less employment credits) □

27. Other expenses (from line 48 on page 2) □

28. **Total expenses** before expenses for business use of home. Add lines 8 through 27 in columns □

29. Tentative profit (loss). Subtract line 28 from line 7 □

30. Expenses for business use of your home. Attach Form 8829 □

31. **Net profit or (loss).** Subtract line 30 from line 29.

- If a profit, enter on Form 1040, line 12, and ALSO on Schedule SE, line 2 (statutory employees, see page C-5). Estates and trusts, enter on Form 1041, line 3.

- If a loss, you MUST go on to line 32.

32. If you have a loss, check the box that describes your investment in this activity (see page C-5).

- (a) All investment is at risk.
- (b) Some investment is not at risk.
### Part III  Cost of Goods Sold (see page C-5)

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<tbody>
<tr>
<td>33</td>
<td>Method(s) used to value closing inventory:</td>
<td>□</td>
<td>Cost</td>
<td>□</td>
<td>Lower of cost or market</td>
<td>□</td>
<td>Other (attach explanation)</td>
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<td>34</td>
<td>Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If “Yes,” attach explanation</td>
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<td>Yes</td>
<td>No</td>
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<td>35</td>
<td>Inventory at beginning of year. If different from last year’s closing inventory, attach explanation</td>
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<td>36</td>
<td>Purchases less cost of items withdrawn for personal use</td>
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<td>37</td>
<td>Cost of labor. Do not include salary paid to yourself</td>
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<td>38</td>
<td>Materials and supplies</td>
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<td>39</td>
<td>Other costs</td>
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<td>40</td>
<td>Add lines 35 through 39</td>
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<td>41</td>
<td>Inventory at end of year</td>
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<td>42</td>
<td>Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4</td>
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### Part IV  Information on Your Vehicle

Complete this part **ONLY** if you are claiming car or truck expenses on line 10 and are not required to file Form 4562 for this business. See the instructions for line 13 on page C-3 to find out if you must file.

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<tbody>
<tr>
<td>43</td>
<td>When did you place your vehicle in service for business purposes? (month, day, year)</td>
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<td>Yes</td>
<td>No</td>
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<td>44</td>
<td>Of the total number of miles you drove your vehicle during 1996, enter the number of miles you used your vehicle for:</td>
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<td>Business</td>
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<tr>
<td>b</td>
<td>Commuting</td>
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<td>c</td>
<td>Other</td>
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<td>45</td>
<td>Do you (or your spouse) have another vehicle available for personal use?</td>
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<td>Yes</td>
<td>No</td>
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<td>46</td>
<td>Was your vehicle available for use during off-duty hours?</td>
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<td>Yes</td>
<td>No</td>
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<td>47a</td>
<td>Do you have evidence to support your deduction?</td>
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<td>Yes</td>
<td>No</td>
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<td>b</td>
<td>If “Yes,” is the evidence written?</td>
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<td>Yes</td>
<td>No</td>
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### Part V  Other Expenses

List below business expenses not included on lines 8–26 or line 30.

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<tbody>
<tr>
<td>48</td>
<td>Total other expenses. Enter here and on page 1, line 27</td>
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