

Revised in Accordance with the Miscellaneous Revenue Act of 1980  
**Fiscal Year Tax Computation Schedule  
 for Homeowners Associations**

**FY  
 1980-81**

Form **1120-H—FY**

Department of the Treasury  
 Internal Revenue Service

(To be used only by homeowners associations that have tax  
 years beginning in 1980 and ending after December 31, 1980)

▶ Attach to your tax return.

Name Employer identification number

Address (Number and street)

City or town, State, and ZIP code

**Part I Computation of Regular Tax and Alternative Tax at Tax Rates That Apply Before 1/1/81**

- 1 Taxable income (Form 1120-H, line 19, page 1) . . . . .
- 2 46% of line 1 . . . . .  
*Note: If the association has no net capital gain (Form 1120-H, Schedule D, line 8), enter the amount shown on line 2 on line 10, Part III, and skip to Part II.*
- 3 Net capital gain. Excess of net long-term capital gain over net short-term capital loss (Form 1120-H, Schedule D, line 8) . . . . .
- 4 Subtract line 3 from line 1 . . . . .
- 5 46% of line 4 . . . . .
- 6 28% of line 3 . . . . .
- 7 Alternative tax—add lines 5 and 6. If this amount is less than the regular tax on line 2, enter here and on line 10, Part III . . . . .

**Part II Computation of Regular Tax at Tax Rates That Apply After 12/31/80**

- 8 Taxable income (from Form 1120-H, line 19, page 1) . . . . .
- 9 30% of line 8. Enter here and on line 12, Part III . . . . .

**Part III Proration of Tentative Taxes**

- 10 Tentative tax (regular tax from line 2, Part I or alternative tax (if applicable) from line 7, Part I, whichever is less) . . . . .
- 11 Portion of tentative tax before 1/1/81—see instructions for computation . . . . .
- 12 Tentative tax (regular tax from line 9, Part II) . . . . .
- 13 Portion of tentative tax after 12/31/80—see instructions for computation . . . . .
- 14 Income tax—add lines 11 and 13 . . . . .
- 15 (a) Work incentive (WIN) credit (attach Form 4874) . . . . .  
 (b) Foreign tax credit (attach Form 1118) . . . . .
- 16 Add lines 15(a) and (b) . . . . .
- 17 Total tax—Subtract line 16 from line 14. Enter here and on Form 1120-H, line 20, page 1 . . . . .

## General Instructions

(References are to the Internal Revenue Code)

### Purpose

The Miscellaneous Revenue Act of 1980 (P.L. 96-605) decreased the tax rate for homeowners associations from 46% of taxable income to 30% of taxable income and eliminated the alternative tax computation. These changes affect tax years ending after December 31, 1980.

Since a change in the tax rate constitutes a change to which the proration rules of section 21 apply, homeowners associations with tax years beginning in 1980 and ending after December 31, 1980, must prorate their tax to reflect the change in tax rates. Thus, homeowners associations will compute their tax for the year by prorating a tax for the period before January 1, 1981 and for the period after December 31, 1980, using the tax rate in effect for each period. Parts I, II, and III of Form 1120-H—FY 1980-81 provide for this computation. (Do not use Schedule A—Tax Computation Schedule or Schedule D, Part IV—Alternative Tax Computation on the 1980 Form 1120-H.)

## Specific Instructions

### Part III

**Line 11, Portion of Tentative Tax.**—Multiply line 10 by:

- (a) 
$$\frac{\text{number of days in tax year before 1/1/81}}{\text{number of days in tax year}}$$

**OR**

(b) applicable decimal from table below (column (A)).

Taxpayers with a 52-53 week tax year must use (a) above.

**Line 13, Portion of Tentative Tax.**—Multiply line 12 by:

- (a) 
$$\frac{\text{number of days in tax year after 12/31/80}}{\text{number of days in tax year}}$$

**OR**

(b) applicable decimal from table below (column (B)).

Taxpayers with a 52-53 week tax year must use (a) above.

**Table**

Fiscal year	(A) Before 1981 Line 10 × applicable fraction or decimal listed below. Enter result on line 11	(B) After 1980 Line 12 × applicable fraction or decimal listed below. Enter result on line 13
2/1/80-1/31/81	335/366 or .915301	31/366 or .084699
3/1/80-2/28/81	306/365 or .838356	59/365 or .161644
4/1/80-3/31/81	275/365 or .753425	90/365 or .246575
5/1/80-4/30/81	245/365 or .671233	120/365 or .328767
6/1/80-5/31/81	214/365 or .586301	151/365 or .413699
7/1/80-6/30/81	184/365 or .504110	181/365 or .495890
8/1/80-7/31/81	153/365 or .419178	212/365 or .580822
9/1/80-8/31/81	122/365 or .334247	243/365 or .665753
10/1/80-9/30/81	92/365 or .252055	273/365 or .747945
11/1/80-10/31/81	61/365 or .167123	304/365 or .832877
12/1/80-11/30/81	31/365 or .084932	334/365 or .915068