

Installment Sale Income

Department of the Treasury Internal Revenue Service

- See separate instructions. Attach to your tax return. Use a separate form for each sale or other disposition of property on the installment method.

1997 Attachment Sequence No. 79

Name(s) shown on return Identifying number

- 1 Description of property
2a Date acquired (month, day, year)
3 Was the property sold to a related party after May 14, 1980?
4 Was the property you sold to a related party a marketable security?

Part I Gross Profit and Contract Price. Complete this part for the year of sale only.

Table with 18 rows for Gross Profit and Contract Price calculations, including columns for description and numerical values.

Part II Installment Sale Income. Complete this part for the year of sale and any year you receive a payment or have certain debts you must treat as a payment on installment obligations.

Table with 8 rows for Installment Sale Income calculations, including columns for description and numerical values.

Part III Related Party Installment Sale Income. Do not complete if you received the final payment this tax year.

- 27 Name, address, and taxpayer identifying number of related party
28 Did the related party, during this tax year, resell or dispose of the property ("second disposition")?
29 If the answer to question 28 is "Yes," complete lines 30 through 37 below unless one of the following conditions is met.
30 Selling price of property sold by related party
31 Enter contract price from line 18 for year of first sale
32 Enter the smaller of line 30 or line 31
33 Total payments received by the end of your 1997 tax year.
34 Subtract line 33 from line 32.
35 Multiply line 34 by the gross profit percentage on line 19 for year of first sale
36 Part of line 35 that is ordinary income under recapture rules.
37 Subtract line 36 from line 35.

