

Passive Activity Credit Limitations

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
▶ Attach to Forms 1040, 1041, or 1120 (personal service corporations and closely held C corporations).

1987
Attachment
Sequence No. 88a

Name(s) as shown on return

Social security or EIN no.

Part I Computation of 1987 Passive Activity Credits

Caution: See the worksheets on pages 2 and 3 of the instructions. If you have credits from a publicly traded partnership, see page 6.

Rental Real Estate Activities With Active Participation

(See the definition of active participation under Rental activities on page 1 of the instructions.)

1a	Credits from activities acquired before 10-23-86	1a				
1b	Credits from activities acquired after 10-22-86	1b				
1c	Add lines 1a and 1b	1c				

Rehabilitation Investment Credits and Low-Income Housing Credits From Rental Real Estate Activities

2a	Credits from activities acquired before 10-23-86	2a				
2b	Credits from activities acquired after 10-22-86	2b				
2c	Add lines 2a and 2b	2c				

All Other Passive Activity Credits (See lines 3a and 3b on page 3 of the instructions.)

3a	Credits from activities acquired before 10-23-86	3a				
3b	Credits from activities acquired after 10-22-86	3b				
3c	Add lines 3a and 3b	3c				
4	Add lines 1c, 2c, and 3c	4				
5	Enter the tax attributable to net passive income (see instructions).	5				
6	Subtract line 5 from line 4. If line 5 is more than or equal to line 4, enter -0- and see the instructions. If line 4 is more than line 5 and line 1c shows an amount, go to Part II. Otherwise, go to Part III if line 2c shows an amount. If both 1c and 2c are -0- or blank, go to Part IV	6				

Part II Computation of the Special Allowance for Rental Real Estate Activities With Active Participation

Note: See the Instructions for Part II to see who should complete this Part.

7	Enter the smaller of line 1c or line 6	7				
8	Enter \$150,000 (\$75,000 if married filing separately and you lived apart for the entire year)	8				
9	Enter modified adjusted gross income, but not less than -0-. (See instructions.) If line 9 is equal to or greater than line 8, skip lines 10 through 14 and enter -0- on line 15	9				
10	Subtract line 9 from line 8	10				
11	Multiply line 10 by 50% (.5). Do not enter more than \$25,000 (\$12,500 if married filing separately and you lived apart for the entire year)	11				
12	Enter the amount, if any, from line 9 of Form 8582	12				
13	Subtract line 12 from line 11	13				
14	Enter the tax attributable to the amount on line 13. (See instructions.)	14				
15	Enter the smaller of line 7 or line 14. If you have an amount on line 2c, go to Part III; otherwise, go to Part IV	15				

Part III Computation of the Special Allowance for Rehabilitation Investment Credits and Low-Income Housing Credits From Rental Real Estate Activities (See the instructions for Part III to see who should complete this Part.)

Note: If you do not have an amount on line 2c skip Part III and go to Part IV.

16	Enter the amount from line 6	16		
17	Enter the amount from line 15	17		
18	Subtract line 17 from line 16. If -0-, enter the amount from line 15, if any, on line 30 and then go to line 40	18		
19	Enter the smaller of line 2c or line 18	19		
20	Enter \$250,000 (\$125,000 if married filing separately and you lived apart for the entire year). (See instructions to see if you can skip lines 20 through 25.)	20		
21	Enter modified adjusted gross income, but not less than -0-. (See instructions for lines 9 and 21.) If line 21 is equal to or greater than line 20, skip lines 22 through 28, enter -0- on line 29, and then go to line 30. Otherwise, go to line 22	21		
22	Subtract line 21 from line 20	22		
23	Multiply line 22 by 50% (.5). Do not enter more than \$25,000 (\$12,500 if married filing separately and you lived apart for the entire year)	23		
24	Enter the amount, if any, from line 9 of Form 8582	24		
25	Subtract line 24 from line 23	25		
26	Enter the tax attributable to the amount on line 25. (See instructions.)	26		
27	Enter the amount from line 17, if any	27		
28	Subtract line 27 from line 26	28		
29	Enter the smaller of line 19 or line 28	29		

Part IV Computation of Passive Activity Credit Allowed

30	Add lines 15 and 29. If this line shows the same amount as line 6, go to line 40. Otherwise, go to line 31	30		
31	Add lines 1a, 2a, and 3a	31		
32	Enter the tax attributable to passive income from activities acquired before 10-23-86. (See instructions.)	32		
33	Subtract line 32 from line 31. If line 32 is equal to or greater than line 31, enter -0-	33		
34a	If line 1a or 15 is -0- or blank, enter -0-. Otherwise, see instructions for line 34a	34a		
34b	If line 2a or 29 is -0- or blank, enter -0-. Otherwise, see instructions for line 34b	34b		
35	Add lines 34a and 34b	35		
36	Subtract line 35 from line 33. If line 35 is equal to or greater than line 33, enter -0-	36		
37	Subtract line 30 from line 6	37		
38	Enter the smaller of line 36 or line 37	38		
39	Multiply line 38 by 65% (.65) and enter the result	39		
40	Passive Activity Credit Allowed. Add lines 5, 30, and 39. See page 6 of the instructions if you have any credits from a publicly traded partnership	40		

Note: Use Worksheets 4 through 7, whichever applies, to allocate the allowed and unallowed credits if you have credits from more than one passive activity. Also use the worksheets if you must allocate the credits because they are reported on different forms.