

# Instructions for Form 1993 1040



## and Schedules A, B, C, D, E, EIC, F, and SE

### **Can You Take the Earned Income Credit for 1993?**

If you earned less than \$23,050 and a child lived with you, you may be able to take this credit. See page EIC-1 in this booklet.

### **Do You Know You May Be Able To Get the Earned Income Credit With Your Pay?**

If you qualify for the earned income credit in 1994, you may be able to have part of it added to your take-home pay. See page 6.

### **Would You Like To Get Your Refund Within 3 Weeks or Even Faster?**

If you would, have your return filed electronically. See **Fast Filing** on page 3.

**Note:** *This booklet does not contain any tax forms.*



Department of the Treasury  
Internal Revenue Service

### **What's inside?**

Answers to frequently asked questions (page 5)

Avoid common mistakes (page 10)

Commissioner's note (page 3)

What's new for 1993 (page 6)

- The tax rates have increased for fewer than 2% of taxpayers.
- The Presidential Election Campaign Fund check-off has increased to \$3. See page 12.

How to make a gift to reduce the public debt (page 35)

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Department  
of the  
Treasury

Internal  
Revenue  
Service

# Instructions for Form 1040

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## A Note From the Commissioner

Dear Taxpayer:

Thank you for making this nation's tax system the most effective system of voluntary compliance in the world. The key to maintaining that system is ensuring that you are treated fairly and equitably, that your privacy is protected, and that our tax system is as simple and understandable as possible.

Our challenge is to consistently deliver services to meet your needs while fairly administering the tax laws. To do that, we are modernizing our technology, while making sure that taxpayer security and privacy will be fully protected. We are also offering alternative ways of filing taxes, such as electronic filing. We have increased information and education efforts to help improve compliance, but we are also using traditional compliance efforts—examination, collection and criminal enforcement—so that each person pays what he or she properly owes to support the vital functions of our government.

As Commissioner of Internal Revenue, I am personally committed to working toward developing a simple and more easily administrable tax system. We will treat you fairly, courteously, and efficiently, and we will do all we can to bring those who do not pay their fair share into full compliance with the tax laws of our nation.



Margaret Milner Richardson

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## Fast Filing



Last year, over 12.3 million people filed their tax returns electronically by computer. Electronic filing is a fast and accurate way to file your return with the IRS. If you are expecting a refund, it will be issued within 3 weeks from the time the IRS accepts your return. If you have your refund directly deposited into your savings or checking account, you could receive your money even faster. Even if you are not expecting a refund, electronic filing is still a fast and accurate way to file your return.

Electronic filing is available whether you prepare your own return or use a preparer. In addition to many tax preparers, other firms are approved by the IRS to offer electronic filing services. An approved transmitter must sign your **Form 8453**, U.S. Individual Income Tax Declaration for

Electronic Filing. For more details on electronic filing, call Tele-Tax (see page 30) and listen to topic 252.

Another way to file your return with the IRS is to file an "answer sheet" return. This return, called **Form 1040PC**, can be created only by using a personal computer. It is shorter than the regular tax return and can be processed faster and more accurately. A paid tax preparer may give you Form 1040PC to sign and file instead of the tax return you are used to seeing. If you prepare your own return on a computer, you can produce Form 1040PC using one of the many tax preparation software programs sold in computer stores. The form is not available from the IRS. For more details, call Tele-Tax (see page 30) and listen to topic 251.

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## Privacy Act and Paperwork Reduction Act Notice

The Privacy Act of 1974 and Paperwork Reduction Act of 1980 say that when we ask you for information, we must first tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it and whether your response is voluntary, required to obtain a benefit, or mandatory under the law.

This notice applies to all papers you file with us, including this tax return. It also applies to any questions we need to ask you so we can complete, correct, or process your return; figure your tax; and collect tax, interest, or penalties.

Our legal right to ask for information is Internal Revenue Code sections 6001, 6011, and 6012(a) and their regulations. They say that you must file a return or statement with us for any tax you are liable for. Your response is mandatory under these sections. Code section 6109 and its regulations say that you must show your social security number on what you file. This is so we know who you are, and can process your return and papers. You must fill in all parts of the tax form that apply to you. But you do not have to check the boxes for the Presidential Election Campaign Fund.

We ask for tax return information to carry out the tax laws of the United States. We need it to figure and collect the right amount of tax.

We may give the information to the Department of Justice and to other Federal

agencies, as provided by law. We may also give it to cities, states, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. And we may give it to foreign governments because of tax treaties they have with the United States.

If you do not file a return, do not provide the information we ask for, or provide fraudulent information, the law says that you may be charged penalties and, in certain cases, you may be subject to criminal prosecution. We may also have to disallow the exemptions, exclusions, credits, deductions, or adjustments shown on the tax return. This could make the tax higher or delay any refund. Interest may also be charged.

Please keep this notice with your records. It may help you if we ask you for other information. If you have questions about the rules for filing and giving information, please call or visit any Internal Revenue Service office.

### The Time It Takes To Prepare Your Return

We try to create forms and instructions that are accurate and can be easily understood. Often this is difficult to do because some of the tax laws enacted by Congress are very complex. For some people with income mostly from wages, filling in the forms is easy. For others who have businesses, pensions, stocks, rental income, or other investments, it is more difficult.

### We Welcome Comments on Forms

If you have comments concerning the accuracy of the time estimates shown below or suggestions for making these forms more simple, we would be happy to hear from you. You can write to both the **Internal Revenue Service**, Attention: Reports Clearance Officer, T:FP, Washington, DC 20224; and the **Office of Management and Budget**, Paperwork Reduction Project (1545-0074), Washington, DC 20503.

**DO NOT** send your return to either of these offices. Instead, see **Where Do I File?** on page 9.

### Estimated Preparation Time

The time needed to complete and file the following forms will vary depending on individual circumstances. The estimated average times are:

Form	Recordkeeping	Learning about the law or the form	Preparing the form	Copying, assembling, and sending the form to the IRS
Form 1040	3 hr., 8 min.	2 hr., 47 min.	3 hr., 44 min.	53 min.
Sch. A (1040)	2 hr., 32 min.	24 min.	1 hr., 9 min.	27 min.
Sch. B (1040)	33 min.	8 min.	17 min.	20 min.
Sch. C (1040)	6 hr., 26 min.	1 hr., 10 min.	2 hr., 5 min.	35 min.
Sch. C-EZ (1040)	46 min.	4 min.	18 min.	20 min.
Sch. D (1040)	51 min.	49 min.	1 hr., 19 min.	48 min.
Sch. E (1040)	2 hr., 52 min.	1 hr., 6 min.	1 hr., 16 min.	35 min.
Sch. EIC (1040)	40 min.	19 min.	50 min.	55 min.
Sch. F (1040):				
Cash Method	4 hr., 2 min.	34 min.	1 hr., 14 min.	20 min.
Accrual Method	4 hr., 22 min.	25 min.	1 hr., 19 min.	20 min.
Sch. R (1040)	20 min.	15 min.	22 min.	35 min.
Sch. SE (1040):				
Short	20 min.	13 min.	10 min.	14 min.
Long	26 min.	22 min.	38 min.	20 min.

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## Answers to Frequently Asked Questions

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### **How long will it take to get my refund?**

About 4 to 8 weeks after you mail your return. If you file electronically, it should take about 3 weeks. The earlier you file, the faster you'll get your refund. To check on the status of your refund, call **Tele-Tax**. See page 30 for the number.

### **I just completed my return and find that I owe the IRS money. What should I do?**

You should file your return by April 15 and pay as much of the balance due as possible. By filing on time, you avoid the late filing penalty. By paying as much of the balance due as possible, you reduce the amount of interest and late payment penalty that you will owe. For more details on penalties and interest, see page 36.

### **Can I ask to make installment payments on my balance due?**

Yes. However, you will be charged interest and a late payment penalty on the tax not paid by April 15, even if your request to pay in installments is granted. For more details on installment payments, see the instructions for line 64 on page 29.

### **If I won't be able to finish my return by April 15, can I get an extension?**

Yes. You can get an extension by filing **Form 4868**, Extension of Time To File U.S. Individual Income Tax Return, by April 15. By filing the extension, you avoid the late filing penalty. However, Form 4868 does not extend the time to pay your income tax.

### **What can I do to make sure my 1994 return will not show a balance due?**

You can either increase the amount of income tax withheld from your pay or make estimated tax payments for 1994. See **Income Tax Withholding and Estimated Tax Payments for 1994** on page 35 for details.

### **I just received my tax package in the mail. Why are there so many forms and schedules in it?**

We print several packages that include different forms and schedules that may be filed with Form 1040. We mail you the package that includes the items you may need based on what you filed last year. We use packages instead of mailing forms and schedules separately as a cost-saving measure for us and as a convenience to you.

### **Do I have to file all the forms and schedules that are in my tax package?**

No. Complete and attach to your return only the forms and schedules you need to report your income, deductions, and credits.

### **How can I get forms and publications?**

If you don't have all the forms and publications you need, you can call 1-800-TAX-FORM (1-800-829-3676) during the times shown on page 33; or visit your local IRS office, participating library, bank, or post office; or use the order blank (see page 33).

### **I'm concerned about the public debt. Can I make a payment to reduce it?**

Yes. See **How Do I Make a Gift To Reduce the Public Debt?** on page 35 for details.

### **Can I get the earned income credit?**

If you earned less than \$23,050 and a child lived with you, you may be able to take the credit. But other rules apply. For details, see page EIC-1.

### **Although we supported our unmarried, 19-year-old daughter, she spent most of 1993 away from home at school. Can we claim her as a dependent?**

Yes. The time your child spends at school or on vacation counts as time lived with you.

### **I'm single, live alone, and have no dependents. Can I file as head of household?**

No. To use this filing status, you must have paid over half the cost of keeping up a home for a child or other qualifying person.

### **I asked my employer several times for my W-2 form, but I still don't have it. What should I do?**

If you don't get it by February 15, call the toll-free number listed on page 32 for your area. We will ask you for certain information. For details, see **Step 1** on page 10.

### **I received an IRS notice. I've contacted the IRS at least three times about it, but the problem still hasn't been fixed. What can I do?**

Call your local IRS office and ask for Problem Resolution assistance. The number is listed in your phone book.

### **Can I take an IRA deduction for the amount I contributed to a 401(k) plan in 1993?**

No. A 401(k) plan is not an IRA. The amount you contributed is not included in box 1 of your W-2 form so you don't pay tax on it this year.

### **In addition to my regular job, I had a part-time business fixing cars. Do I have to report the money I made in 1993 fixing cars?**

Yes. This is self-employment income. You must report it on Schedule C or C-EZ. You

may also have to file Schedule SE and pay self-employment tax.

### **I started receiving monthly payments from my pension plan in 1993. Are these taxable?**

Yes. But if you paid part of the cost of your pension, only part of the amount you received is taxable. To figure the taxable part, see the instructions for lines 17a and 17b on page 18.

### **What is "itemizing"? How can I tell if it will help me?**

You itemize deductions by filing Schedule A with Form 1040. On Schedule A, you list amounts you paid during the year for certain items such as medical and dental care, state and local income taxes, real estate taxes, home mortgage interest, and gifts to charity. If your itemized deductions are more than your standard deduction, your Federal income tax will be less if you itemize.

### **I refinanced my home in 1993 and paid "points." Can I deduct the entire amount as interest on my 1993 return?**

No. Points paid solely to refinance your home cannot be deducted in the year paid. Instead, they must be deducted over the life of the loan. For more details, get **Pub. 936**, Home Mortgage Interest Deduction.

### **I sold my home in 1993. Do I have to report the sale?**

Yes. Use **Form 2119**, Sale of Your Home. You must report the sale even if you sold your home at a loss. You must also report the sale even if you are eligible to exclude or postpone part or all of the gain or you replaced your home.

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# Section 1.

## Before You Fill In Form 1040

**Operation Desert Storm.** If you were a participant in Operation Desert Storm, the deadline for taking care of tax matters such as filing returns, making contributions to an IRA, or paying taxes, may be extended. For details, get **Pub. 945, Tax Information for Those Affected by Operation Desert Storm.**

### Earned Income Credit

**Earned Income Credit for 1993.** If you earned less than \$23,050 and a child lived with you, you may be able to take this credit for 1993. To find out if you can, see page EIC-1 in this booklet.

**Earned Income Credit With Your Pay.** If you qualify for the earned income credit in 1994, you may be able to get up to \$102 a month with your paycheck instead of waiting until you file your 1994 return. For details, call Tele-Tax (see page 30) and listen to topic 604 or get **Form W-5, Earned Income Credit Advance Payment Certificate**, from your employer.

### What's New for 1993?

**Presidential Election Campaign Fund.** You may choose to have \$3 of your tax go to this fund.

**Increased Tax Rates.** Higher tax rates apply to individuals with taxable incomes over \$140,000 (\$115,000 if single; \$127,500 if head of household; \$70,000 if married filing separately). The tax table and tax rate schedules reflect the new rates. If the new rates apply to you, you may be able to defer part of your 1993 tax. For details, get **Form 8841, Deferral of Additional 1993 Taxes.**

**Self-Employed Health Insurance Deduction.** This deduction, which had expired July 1, 1992, has been retroactively extended through December 31, 1993. This means that the total amount paid in 1992 for qualified health insurance coverage should be used to figure the deduction for 1992. If you used the worksheet in the 1992 Instructions for Form 1040 or in one of our publications to figure the deduction for 1992, file **Form 1040X, U.S. Individual Income Tax Return**, to amend your 1992 return. For 1993, qualified individuals who were eligible to participate in an employer-sponsored subsidized health plan for only part of the year may claim the deduction.

**Travel Expenses.** Travel expenses paid or incurred after 1992 in connection with your employment away from home are not deductible if that period of employment exceeds 1 year.

**Tax Benefits for Owners of Certain Electric and Clean-Fuel Vehicles.** If you placed a new electric vehicle in service after June 30, 1993, you may be able to take the **qualified electric vehicle credit**. If, after June 30, 1993, you placed in service a new vehicle

that uses a clean-burning fuel or a vehicle converted to operate on such a fuel, you may be able to take the **deduction for clean-fuel vehicles**. See the instructions for line 30 on page 23 for the definition of clean-burning fuels. To qualify for the credit or deduction, you do not have to use the vehicle for business. But the vehicle must be made for use on public roads and have at least four wheels. For details on the credit, get **Form 8834, Qualified Electric Vehicle Credit**. For details on the deduction, including how to figure and report it, get **Pub. 535, Business Expenses**.

**Tax Law Changes.** For more details about tax law changes for 1993, get **Pub. 553, Highlights of 1993 Tax Changes**.

### What To Look for in 1994

The following changes are effective for 1994. They have no effect on your 1993 return.

**Social Security Benefits.** If your 1994 income, including one-half of your social security benefits, is over \$34,000 if single (over \$44,000 if married filing jointly), more of your benefits may be taxable. For some people, up to 85 percent will be taxable. For details, including rules for married persons filing separately, see Pub. 553.

**Charitable Contributions.** If you make a contribution of \$250 or more after 1993, you generally must have a written acknowledgment from the charitable organization to deduct the contribution. For more details, including what information is required in the acknowledgment, see Pub. 553.

**Other Changes.** For details on other tax law changes effective for 1994, see Pub. 553.

### What Free Tax Help Is Available?

**Tax Forms and Publications.** You can answer most of your tax questions by reading the tax form instructions or one of our many free tax publications. See page 33.

**Recorded Tax Information by Telephone.** Our **Tele-Tax** service has recorded tax information covering many topics. See page 30 for the number to call.

**Refund Information.** Tele-Tax can also tell you the status of your refund. See page 30.

**Telephone Help.** IRS representatives are available to help you with your tax questions. If, after reading the tax form instructions and publications, you are not sure how to fill in your return, or have a question about a notice you received from us, please call us. Use the number for your area on page 32.

**Send the IRS Written Questions.** You may send your written tax questions to your IRS District Director. You should get an answer in about 30 days. If you don't have the address, you can get it by calling the number for your area on page 32.

**Walk-In Help.** Assistors are available in most IRS offices throughout the country to help you prepare your return. An assistor will explain or "walk through" a Form 1040EZ, 1040A, or 1040 with Schedules A and B with you and a number of other taxpayers in a group setting. To find the IRS office nearest you, look in the phone book under "United States Government, Internal Revenue Service."

**Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE).** These programs help older, disabled, low-income, and non-English-speaking people fill in their returns. For details, call the toll-free number for your area on page 32. If you got a Federal income tax package in the mail, take it with you when you go for help.

**Videotaped Instructions** for completing your return are available in English and Spanish at many libraries.

**Large-Print Forms and Instructions.** **Pub. 1614** has large-print copies of the 1993 Form 1040, Schedules A, B, D, E, EIC, and R, and their instructions. You can use the large-print form and schedules as worksheets to figure your tax. To get Pub. 1614, call 1-800-TAX-FORM (1-800-829-3676).

**Telephone Help for People With Impaired Hearing** is available. See page 32 for the number to call. **Braille Materials** are available at regional libraries that have special services for people with disabilities.

**Unresolved Tax Problems.** The **Problem Resolution Program** is for people who have been unable to resolve their problems with the IRS. If you have a tax problem you cannot clear up through normal channels, write to your local IRS District Director or call your local IRS office and ask for Problem Resolution assistance. People with impaired hearing who have access to TDD equipment may call 1-800-829-4059 to ask for help from Problem Resolution. This office cannot change the tax law or technical decisions. But it can help you clear up problems that resulted from previous contacts. For more details, call Tele-Tax (see page 30) and listen to topic 104 or get **Pub. 1546**.

**Free Social Security Personal Earnings and Benefit Estimate Statement.** You can get a statement of your social security earnings and estimated future benefits by completing **Form SSA-7004-SM, Request for Earnings and Benefit Estimate Statement**, and returning it to the Social Security Administration (SSA). To get this form, call 1-800-772-1213 or visit any SSA office.

# Section 2.

## Filing Requirements

The rules under **Do I Have To File?** apply to all U.S. citizens and resident aliens. They also apply to **nonresident aliens** and **dual-status aliens** who were married to U.S. citizens or residents at the end of 1993 and who have elected to be treated as resident aliens.

**Exception.** Different rules apply to other nonresident aliens and dual-status aliens. They may have to file **Form 1040NR**, U.S. Nonresident Alien Income Tax Return. Specific rules apply to determine if you are a resident or nonresident alien. Get **Pub. 519**, U.S. Tax Guide for Aliens, for details, including the rules for students and scholars. Different rules also apply to U.S. citizens who lived in a U.S. possession or had income from a U.S. possession. Get **Pub. 570**, Tax Guide for Individuals With Income From U.S. Possessions. Residents of Puerto Rico can call Tele-Tax (see page 30) and listen to topic 901 to see if they must file a return.

### Do I Have To File?

Use **Chart A** on this page to see if you must file a return. But you must use **Chart B** on the next page if your parent (or someone else) can claim you as a dependent on his or her return. Also, see **Chart C** on the next page for other situations when you must file.

**Note:** Even if you do not have to file a return, you should file one to get a refund of any Federal income tax withheld. You should also file if you can take the earned income credit. If you file for either of these reasons only, you may be able to use Form 1040A. If you file only to get a refund of tax withheld and you are single or married filing a joint return, you may be able to use Form 1040EZ.

**Exception for Children Under Age 14.** If your child is required to file a return and **all four** of the following apply, you may elect to report your child's income on your return. But you must use **Form 8814**, Parents' Election To Report Child's Interest and Dividends, to do so. If you make this election, your child does not have to file a return.

1. Your child was under age 14 on January 1, 1994.
2. Your child had income only from interest and dividends (including Alaska Permanent Fund dividends).
3. Your child's gross income was less than \$5,000.
4. Your child had no Federal income tax withheld from his or her income (backup withholding) and did not make estimated tax payments for 1993.

If you and the child's other parent are not filing a joint return, special rules apply to determine which parent may make the election. See Form 8814 for details.

**Chart A—For Most People**

To use this chart, first find your marital status at the end of 1993. Then, read across to find your filing status and age at the end of 1993. You must file a return if your **gross income** was at least the amount shown in the last column. **Gross income** means all income you received in the form of money, goods, property, and services that is not exempt from tax, including any gain on the sale of your home (even if you may exclude or postpone part or all of the gain). See page 15 to find out what types of income to include.

Marital status	Filing status	Age*	Gross income
Single (including divorced and legally separated)	Single	under 65	\$6,050
		65 or older	\$6,950
	Head of household	under 65	\$7,800
		65 or older	\$8,700
Married with a child and living apart from your spouse during the last 6 months of 1993	Head of household (see page 13)	under 65	\$7,800
		65 or older	\$8,700
Married and living with your spouse at end of 1993 (or on the date your spouse died)	Married, joint return	under 65 (both spouses)	\$10,900
		65 or older (one spouse)	\$11,600
		65 or older (both spouses)	\$12,300
	Married, separate return	any age	\$2,350
Married, not living with your spouse at end of 1993 (or on the date your spouse died)	Married, joint or separate return	any age	\$2,350
	Single	under 65	\$6,050
		65 or older	\$6,950
Widowed before 1993 and not remarried in 1993	Head of household	under 65	\$7,800
		65 or older	\$8,700
	Qualifying widow(er) with dependent child (see page 13)	under 65	\$8,550
		65 or older	\$9,250

\* If you turned age 65 on January 1, 1994, you are considered to be age 65 at the end of 1993.

**Chart B—For Children and Other Dependents** (See the instructions for line 6c on page 14 to find out if someone can claim you as a dependent.)

If your parent (or someone else) can claim you as a dependent on his or her return and any of the four conditions listed below applies to you, you must file a return.

In this chart, **unearned income** includes taxable interest and dividends. **Earned income** includes wages, tips, and taxable scholarship and fellowship grants.

**Caution:** *If your gross income was \$2,350 or more, you usually cannot be claimed as a dependent unless you were under 19 or under 24 and a student. For details, see Test 4—Income on page 14.*

- |  |            |  |
|--|------------|--|
| <b>1. Single dependents under 65.</b> You must file a return if— |            |  |
| <b>Your unearned income was:</b>                                 | <b>and</b> | <b>The total of that income plus your earned income was:</b> |
| \$1 or more  |            | more than \$600  |
| \$0  |            | more than \$3,700  |
- 2. Single dependents 65 or older or blind.** You must file a return if—
- Your earned income was more than \$4,600 (\$5,500 if 65 or older **and** blind), or
  - Your unearned income was more than \$1,500 (\$2,400 if 65 or older **and** blind), or
  - Your gross income was more than the total of your earned income (up to \$3,700) or \$600, whichever is larger, plus \$900 (\$1,800 if 65 or older **and** blind).
- 3. Married dependents under 65.** You must file a return if—
- Your earned income was more than \$3,100, or
  - You had any unearned income and your gross income was more than \$600, or
  - Your gross income was at least \$5 and your spouse files a separate return on Form 1040 and itemizes deductions.
- 4. Married dependents 65 or older or blind.** You must file a return if—
- Your earned income was more than \$3,800 (\$4,500 if 65 or older **and** blind), or
  - Your unearned income was more than \$1,300 (\$2,000 if 65 or older **and** blind), or
  - Your gross income was more than the total of your earned income (up to \$3,100) or \$600, whichever is larger, plus \$700 (\$1,400 if 65 or older **and** blind), or
  - Your gross income was at least \$5 and your spouse files a separate return on Form 1040 and itemizes deductions.

**Chart C—Other Situations When You Must File**

If any of the four conditions below applied to you for 1993, you must file a return.

- You owe any special taxes, such as:
  - Social security and Medicare tax on tips you did not report to your employer,
  - Uncollected social security and Medicare or RRTA tax on tips you reported to your employer,
  - Uncollected social security and Medicare or RRTA tax on group-term life insurance,
  - Alternative minimum tax,
  - Tax on a qualified retirement plan, including an individual retirement arrangement (IRA), or
  - Tax from recapture of investment credit, low-income housing credit, or recapture tax on the disposition of a home purchased with a federally subsidized mortgage. (See the instructions for line 49 on page 26.)
- You received any advance earned income credit (EIC) payments from your employer. These payments should be shown in box 9 of your W-2 form.
- You had net earnings from self-employment of at least \$400.
- You had wages of \$108.28 or more from a church or qualified church-controlled organization that is exempt from employer social security and Medicare taxes.

## Which Form Should I Use?

### You May Be Able To Use Form 1040EZ If:

- You were single or are married filing jointly and do not claim any dependents.
- You (and your spouse if married filing jointly) were not 65 or older OR blind.

3. You had **only** wages, salaries, tips, taxable scholarship and fellowship grants, and not more than \$400 of taxable interest income.

4. Your taxable income is less than \$50,000.

5. You did not receive any advance earned income credit (EIC) payments.

6. You do not itemize deductions or claim any adjustments to income or tax credits.

**Note:** *If you are married filing jointly and either you or your spouse worked for more than one employer, you cannot use Form*

*1040EZ if that person's total wages were over \$57,600.*

### You May Be Able To Use Form 1040A If:

- You had income **only** from wages, salaries, tips, taxable scholarship and fellowship grants, pensions or annuities, taxable social security benefits, payments from your individual retirement account (IRA), unemployment compensation, interest, or dividends.
- Your taxable income is less than \$50,000.
- You do not itemize deductions.

You can also use Form 1040A to claim the earned income credit, the deduction for certain contributions to an IRA, nondeductible contributions to an IRA, the credit for child and dependent care expenses, and the credit for the elderly or the disabled. You may use it even if you made estimated tax payments for 1993 or if you can take the exclusion of interest from series EE U.S. savings bonds issued after 1989.

Since Forms 1040A and 1040EZ are easier to complete than Form 1040, you should use one of them unless using Form 1040 lets you pay less tax. However, you must file Form 1040 if any of the following situations applies to you.

### You Must Use Form 1040 If:

- Your taxable income is \$50,000 or more.
- You itemize deductions. Read the instructions for line 34 on page 24 to see if it would benefit you to itemize.
- You received or paid accrued interest on securities transferred between interest payment dates.
- You received any nontaxable dividends, capital gain distributions, or Alaska Permanent Fund dividends.
- You were a grantor of, or transferor to, a foreign trust.
- You had a financial account in a foreign country, such as a bank account or securities account. If the combined value of the accounts was \$10,000 or less during all of 1993 or the accounts were with a U.S. military banking facility operated by a U.S. financial institution, you may be able to use Form 1040A or Form 1040EZ.
- You received taxable refunds (including credits or offsets) of state and local income taxes, alimony, or any of the types of income listed in the instructions for line 22 on page 20.
- You were self-employed, a partner in a partnership, a shareholder in an S corporation, a beneficiary of an estate or trust, had rental or royalty income and expenses, or had farm income and expenses.
- You sold or exchanged capital assets or business property.
- You paid alimony or a penalty on the early withdrawal of savings, or you can take any of the adjustments listed in the instructions for line 30 on page 23.
- You claim the foreign tax credit, any of the general business credits (see the instructions for line 44 on page 26), the mortgage interest credit, the credit for prior year minimum tax, the qualified electric vehicle credit, or the nonconventional source fuel credit.



12. You owe any of the following taxes—

- a. Tax on accumulation distribution of trusts or lump-sum distributions,
- b. Recapture taxes,
- c. Social security and Medicare tax on tip income not reported to your employer,
- d. Write-in taxes included on line 53 (see page 27 for details),

e. Tax on qualified retirement plans, including IRAs. If you are filing only because you owe this tax, you only have to file **Form 5329**.

13. You claim the regulated investment company credit, the credit for Federal tax paid on fuels, or the credit for overpaid windfall profit tax.

14. You file any of these forms:

**Form 2119**, Sale of Your Home, for the year you sell your home.

**Form 2555**, Foreign Earned Income.

**Form 2555-EZ**, Foreign Earned Income Exclusion.

**Form 4563**, Exclusion of Income for Bona Fide Residents of American Samoa.

**Form 8271**, Investor Reporting of Tax Shelter Registration Number.

**Form 8814**, Parents' Election To Report Child's Interest and Dividends.

## When Should I File?

You should file as soon as you can after January 1, but not later than April 15, 1994. If you file late, you may have to pay penalties and interest. See page 36.

If you know that you cannot file your return by the due date, you should file **Form 4868**, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return, by April 15, 1994.

**Caution:** *Form 4868 does not extend the time to pay your income tax. See the Instructions for Form 4868.*

If you are a U.S. citizen or resident, you may qualify for an automatic extension of time to file if, on the due date of your return, you meet one of the following conditions:

- You live outside the United States and Puerto Rico, AND your main place of business or post of duty is outside the United States and Puerto Rico.
- You are in military or naval service on duty outside the United States and Puerto Rico.

This extension gives you an extra 2 months to file and pay the tax, but interest will be charged from the original due date of the return on any unpaid tax. You must attach a statement to your return showing that you meet the requirements.

## Where Do I File?

If an addressed envelope came with your booklet, please use it. If you did not receive an envelope, or if you moved during the year, mail your return to the **Internal Revenue Service Center** for the place where you live. See the chart on this page. No street address is needed.

## Where To File

If you live in:	Use this address:
Florida, Georgia, South Carolina	Atlanta, GA 39901
New Jersey, New York (New York City and counties of Nassau, Rockland, Suffolk, and Westchester)	Holtsville, NY 00501
New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	Andover, MA 05501
Illinois, Iowa, Minnesota, Missouri, Wisconsin	Kansas City, MO 64999
Delaware, District of Columbia, Maryland, Pennsylvania, Virginia	Philadelphia, PA 19255
Indiana, Kentucky, Michigan, Ohio, West Virginia	Cincinnati, OH 45999
Kansas, New Mexico, Oklahoma, Texas	Austin, TX 73301
Alaska, Arizona, California (counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT 84201
California (all other counties), Hawaii	Fresno, CA 93888
Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee	Memphis, TN 37501
American Samoa	Philadelphia, PA 19255
Guam: Permanent residents	Commissioner of Revenue and Taxation 855 West Marine Dr. Agana, GU 96910
Guam: Nonpermanent residents	
Puerto Rico (or if excluding income under section 933)	Philadelphia, PA 19255
Virgin Islands: Nonpermanent residents	
Virgin Islands: Permanent residents	V.I. Bureau of Internal Revenue Lockharts Garden No. 1A Charlotte Amalie, St. Thomas, VI 00802
Foreign country (or if a dual-status alien): U.S. citizens and those filing Form 2555, Form 2555-EZ, or Form 4563	Philadelphia, PA 19255
All A.P.O. and F.P.O. addresses	Philadelphia, PA 19255

## Mailing Your Return

You must put sufficient postage on your envelope. Envelopes without enough postage will be returned to you by the post office. If your envelope contains more than five pages, it may require additional postage. Oversized envelopes may also require additional postage. Also, your envelope should include your complete return address in the upper left corner.

# Section 3.

## Steps for Preparing Form 1040

Follow the six steps below to help you prepare your return. If you follow these steps and read the instructions, we feel that you can fill in your return quickly and accurately.

### Step 1—Get All of Your Records Together

**Income Records.** These include any Forms W-2, W-2G, and 1099 that you may have. The chart on the next page tells you where to report amounts shown on these forms.

If you don't get a Form W-2 by January 31, 1994, or if the one you get isn't correct, please contact your employer as soon as possible. Only your employer can give you a Form W-2 or correct it. If you cannot get a Form W-2 by February 15, call the toll-free telephone number listed on page 32 for your area. You will be asked for your employer's name, address, telephone number, and, if known, identification number. You will also be asked for your address, social security number (SSN), daytime telephone number, dates of employment, and your best estimate of your total wages and Federal income tax withheld.

**Itemized Deductions and Tax Credits.** Pages 25, 26, 28, and A-1 through A-5 of these instructions tell you what credits and itemized deductions you can take. Some of the records you may need are:

- Medical and dental payment records.
- Real estate and personal property tax receipts.
- Interest payment records for your home mortgage.
- Records of payments for child care so you could work.

### Step 2—Get Any Forms, Schedules, or Publications You Need

In general, we mail forms and schedules to you based on what you filed last year. Before you fill in your return, look it over to see if you need more forms or schedules. If you do, get them before you start to fill in your return. See **How To Get Forms and Publications** on page 33.

### Step 3—Fill in Your Return

The line instructions for Form 1040 begin on page 12. Enter any negative amounts in (parentheses) unless instructed otherwise.

If you need more space on forms or schedules, attach separate sheets. Use the same format as the printed forms, but show your totals on the printed forms. Please use sheets that are about the same size as the forms and schedules. Be sure to put your name and SSN on the sheets and attach them at the end of your return.

### Rounding Off to Whole Dollars

You may round off cents to the nearest whole dollar on your forms and schedules. This will make it easier to complete your return. To do so, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. For example, \$129.39 becomes \$129 and \$235.50 becomes \$236.

If you do round off, do so for all amounts. But if you have to add two or more amounts to figure the amount to enter on a line, include cents when adding and only round off the total.

**Example.** You received two W-2 forms, one showing wages of \$5,000.55 and one showing wages of \$18,500.73. On Form 1040, line 7, you would enter \$23,501 ( $\$5,000.55 + \$18,500.73 = \$23,501.28$ ).

### Step 4—Check Your Return To Make Sure It Is Correct

Read **Avoid Common Mistakes** below. Errors may delay your refund.

#### Avoid Common Mistakes

1. If a child lived with you and your adjusted gross income on Form 1040, line 31, is under \$23,050, read the instructions for Schedule EIC that begin on page EIC-1 to see if you can take the earned income credit.
2. If you are taking the standard deduction and you check any box on line 33a or 33b, be sure you see page 24 to find the amount to enter on line 34.
3. If you (or your spouse if you can check the box on line 6b) were age 65 or older or blind, check the appropriate boxes on line 33a.
4. Make sure your name, address, and SSN are correct on the label. If not, enter the correct information.
5. If you are married filing a joint return and didn't get a label, or you are married filing a separate return, enter your spouse's SSN in the space provided on page 1 of Form 1040. Be sure you enter your SSN in the space provided next to your name.

6. Check your computations (additions, subtractions, etc.) especially when figuring your taxable income, total income, total tax, Federal income tax withheld, and your refund or amount you owe.

7. If you owe self-employment tax, enter one-half of that tax on line 25.

8. If you received capital gain distributions, see the instructions for lines 13 and 14 on page 17. If you don't report those distributions on Schedule D, enter them on Form 1040, line 14.

9. Attach your W-2 form(s) and other required forms and schedules. Be sure you put all forms and schedules in the proper order. See **Step 6**.

10. Don't forget to sign and date Form 1040 and enter your occupation.

### Step 5—Sign and Date Your Return

Form 1040 is not considered a valid return unless you sign it. Your spouse must also sign if it is a joint return. If a taxpayer died before filing a return for 1993, see **Death of Taxpayer** on page 35.

### Step 6—Attach All Required Forms and Schedules

Attach the first copy or Copy B of Forms W-2 and W-2G to the front of Form 1040. If you received a 1993 Form 1099-R showing Federal income tax withheld, also attach the first copy or Copy B of that Form 1099-R to the front of Form 1040. The amount of Federal income tax withheld should be shown in box 4 of Form 1099-R.

Attach all other schedules and forms behind Form 1040 in order of the "Attachment Sequence No." shown in the upper right corner of the schedule or form. For example, the attachment sequence no. for Schedule A (Form 1040) is 07. Attach forms without an attachment sequence number at the end of your return. If you have supporting statements, assemble them in the same order as the forms or schedules they support and attach them after any forms that do not have an attachment sequence number.

If you owe tax and are attaching your payment, be sure to attach it to the front of Form 1040 on top of any Form(s) W-2, W-2G, and 1099-R.

# Where To Report Certain Items From 1993 Forms W-2, 1098, and 1099

Report any Federal income tax withheld from these forms on Form 1040, line 54. If you itemize your deductions, report any state or local income tax withheld from these forms on Schedule A, line 5.

Form	Item and Box in Which It Should Appear	Where To Report if Filing Form 1040
W-2	Wages, salaries, tips, etc. (box 1) Allocated tips (box 8) Advance EIC payments (box 9) Dependent care benefits (box 10)	Form 1040, line 7 See <b>Tip Income</b> on page 16 Form 1040, line 52 Form 2441, line 11
W-2G	Gambling winnings (box 1)	Form 1040, line 22 (Schedule C or C-EZ for professional gamblers)
1098	Mortgage interest (box 1) Points (box 2) Refund of overpaid interest (box 3)	Schedule A, line 9a* Schedule A, line 9a* See the instructions for Form 1040, line 22, on page 20*
1099-A	Acquisition or abandonment of secured property	See Pub. 544
1099-B	Stocks, bonds, etc. (box 2) Bartering (box 3) Futures contracts (box 9)	Schedule D See Pub. 525 Form 6781
1099-DIV	Ordinary dividends (box 1b) Capital gain distributions (box 1c) Nontaxable distributions (box 1d) Investment expenses (box 1e) Foreign tax paid (box 3)	Form 1040, line 9 Form 1040, line 14 (or Schedule D) See the instructions for Form 1040, line 9, on page 17 Form 1040, line 9, and Schedule A, line 20 Schedule A, line 7 (or Form 1116)
1099-G	Unemployment compensation (box 1)  State or local income tax refund (box 2) Discharge of indebtedness (box 5) Taxable grants (box 6) Agriculture payments (box 7)	Form 1040, line 20. But if you repaid any unemployment compensation in 1993, see the instructions for line 20 on page 19 See the instructions for Form 1040, line 10, on page 17* Form 1040, line 22, but first see Pub. 908* Form 1040, line 22* See the Schedule F instructions or Pub. 225
1099-INT	Interest income (box 1) Early withdrawal penalty (box 2) Interest on U.S. savings bonds and Treasury obligations (box 3) Foreign tax paid (box 5)	Form 1040, line 8a Form 1040, line 28 See the instructions for Form 1040, line 8a, on page 16  Schedule A, line 7 (or Form 1116)
1099-MISC	Rents (box 1) Royalties (box 2) Prizes, awards, etc. (box 3) Nonemployee compensation (box 7)  Other income (boxes 5, 6, 8, 9, and 10)	See the instructions for Schedule E Schedule E, line 4 (timber, coal, iron ore royalties, see Pub. 544) Form 1040, line 22 Schedule C, C-EZ, or F (Form 1040, line 7, if you were not self-employed) See the instructions on Form 1099-MISC
1099-OID	Original issue discount (box 1) Other periodic interest (box 2) Early withdrawal penalty (box 3)	See the instructions for Form 1040, line 8a, on page 16 See the instructions on Form 1099-OID Form 1040, line 28
1099-PATR	Patronage dividends and other distributions from a cooperative (boxes 1, 2, 3, and 5) Credits (boxes 6, 7, and 8)	Schedule C, Schedule C-EZ, Schedule F, or Form 4835, but first see the instructions on Form 1099-PATR  Form 3468 or Form 5884
1099-R	Distributions from IRAs Distributions from pensions, annuities, etc. Capital gain (box 3)	See the instructions for Form 1040, lines 16a and 16b, on page 18 See the instructions for Form 1040, lines 17a and 17b, on page 18 See the instructions on Form 1099-R
1099-S	Gross proceeds from real estate transactions (box 2) Buyer's part of real estate tax (box 5)	Form 2119 (or Form 4797 or Schedule D if the property was not your home) See the instructions for Schedule A, line 6, on page A-2*

\* If the item relates to an activity for which you are required to file Schedule C, C-EZ, E, or F, or Form 4835, report the taxable or deductible amount allocable to the activity on that schedule or form instead.

# Section 4.

## Line Instructions for Form 1040

### Name, Address, and Social Security Number (SSN)

**Why Use the Label?** The mailing label on the front of the instruction booklet is designed to speed processing at Internal Revenue Service Centers and prevent common errors that delay refund checks. But do not attach the label until you have finished your return. Cross out any errors and print the correct information. Add any missing items such as your apartment number.

**Caution:** *If the label is for a joint return and the SSNs are not listed in the same order as the first names, show the SSNs in the correct order.*

Besides your name, address, and SSN, the label contains various code numbers and letters. The diagram below explains what these numbers and letters mean.

**Address Change.** If the address on your mailing label is not your current address, cross out your old address and print your new address. If you move after you file your return, see page 35.

**Name Change.** If you changed your name because of marriage, divorce, etc., be sure to report this to your local Social Security Administration office before filing your return. This prevents delays in processing your return and issuing refunds. It also safeguards your future social security benefits. If you received a mailing label, cross out your former name and print your new name.

**Deceased Taxpayer.** See **Death of Taxpayer** on page 35.

**What if I Do Not Have a Label?** If you didn't receive a label, print or type the information in the spaces provided. But if you are married filing a separate return, do not enter your husband's or wife's name here. Instead, show his or her name on line 3.

**Social Security Number.** Enter your SSN in the area marked "Your social security number." If you are married, enter your husband's or wife's SSN in the area marked "Spouse's social security number." Be sure the SSN you enter agrees with the SSN on your social security card. Also, check that your SSN is correct on your Forms W-2 and 1099. See page 35 for more details.

If you don't have an SSN, get **Form SS-5** from your local Social Security Administration (SSA) office or call the SSA toll free at 1-800-772-1213. Fill it in and return it to the SSA. If you do not have an SSN by the time your return is due, enter "Applied for" in the space for the SSN.

**Nonresident Alien Spouse.** If your spouse is a nonresident alien and you file a joint return, your spouse must get an SSN. But if your spouse cannot get an SSN because he or she had no income from U.S. sources, enter "NRA" in the space for your spouse's SSN. If you file a separate return and your spouse has no number and no income, enter "NRA."

**P.O. Box.** If your post office does not deliver mail to your home and you have a P.O. box, show your box number instead of your home address.

**Foreign Address.** If your address is outside the United States or its possessions or territories, fill in the line for "City, town or post office, state, and ZIP code" in the following order: city, province or state, postal code, and the name of the country. **Do not** abbreviate the country name.

### Presidential Election Campaign Fund

Congress set up this fund to help pay for Presidential election campaign costs. The fund reduces candidates' dependence on large contributions from individuals and groups and places candidates on an equal financial footing in the general election. If you want \$3 of your tax to go to this fund, check the "Yes" box. If you are filing a joint return, your spouse may also have \$3 go to the fund. If you check "Yes," your tax or refund will not change.

### Filing Status

In general, your filing status depends on whether you are considered single or married. The filing statuses are listed below. The ones that will usually give you the lowest tax are listed last.

- Married filing a separate return
- Single
- Head of household
- Married filing a joint return or Qualifying widow(er) with dependent child

If more than one filing status applies to you, choose the one that will give you the lowest tax.

### Line 1 Single

You may check the box on line 1 if **any** of the following was true on December 31, 1993:

- You were never married, or
- You were legally separated, according to your state law, under a decree of divorce or of separate maintenance, or
- You were widowed before January 1, 1993, and did not remarry in 1993.

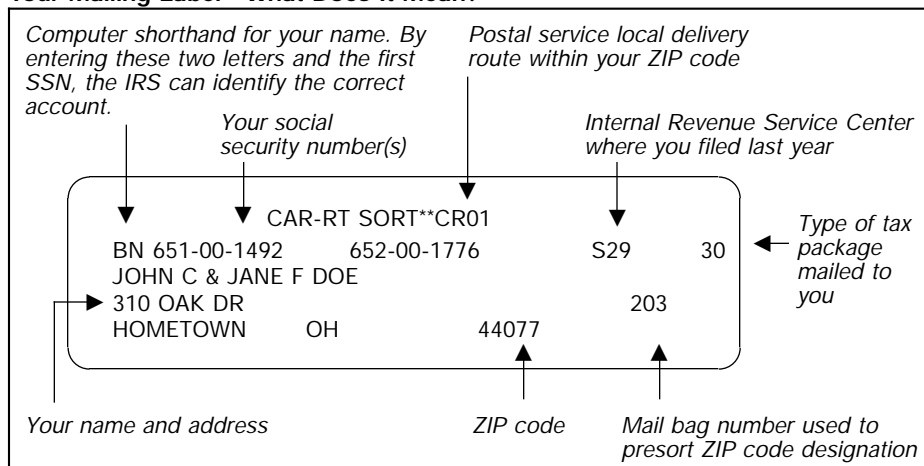
If you had a child living with you, you may be able to take the earned income credit on line 56. See page EIC-1 to find out if you can take the credit.

### Line 2 Married Filing Joint Return

You may check the box on line 2 if **any** of the following is true:

- You were married as of December 31, 1993, even if you did not live with your spouse at the end of 1993, or

#### Your Mailing Label—What Does It Mean?



● Your spouse died in 1993 and you did not remarry in 1993, or

● Your spouse died in 1994 before filing a 1993 return. For details on filing the joint return, see **Death of Taxpayer** on page 35.

A husband and wife may file a joint return even if only one had income or if they did not live together all year. However, both must sign the return and both are responsible. This means that if one spouse does not pay the tax due, the other may have to.

If you file a joint return for 1993, you may not, after the due date for filing that return, amend that return to file as married filing a separate return.

**Nonresident Aliens and Dual-Status Aliens.** You may be able to file a joint return. Get **Pub. 519**, U.S. Tax Guide for Aliens, for details.

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## Line 3

### Married Filing Separate Return

If you file a separate return, you will generally pay more tax. But you may want to figure your tax both ways (married filing joint and married filing separate) to see which filing status is to your benefit. If you file a separate return, **all** the following apply.

- You cannot take the standard deduction if your spouse itemizes deductions.
- You cannot take the credit for child and dependent care expenses in most cases.
- You cannot take the earned income credit.
- You cannot exclude the interest from series EE U.S. savings bonds issued after 1989, even if you paid higher education expenses in 1993.
- You cannot take the credit for the elderly or the disabled unless you lived apart from your spouse for all of 1993.
- You may have to include in income up to one-half of any social security or equivalent railroad retirement benefits you got in 1993.
- Generally, you report only your own income, exemptions, deductions, and credits. Different rules apply to people who live in community property states. See page 15.

But you may be able to file as head of household if you had a child living with you and you lived apart from your spouse during the last 6 months of 1993. See **Married Persons Who Live Apart** on this page.

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## Line 4

### Head of Household

This filing status is for **unmarried** individuals who provide a home for certain other persons. (Some **married persons who live apart** may also qualify. See below.) You may check the box on line 4 **only** if you were unmarried or legally separated as of December 31, 1993. But **either** 1 or 2 below must apply to you.

1. You paid over half the cost of keeping up a home that was the main home for all of 1993 of your **parent** whom you can claim as a dependent. Your parent did not have to live with you in your home; **or**

2. You paid over half the cost of keeping up a home in which you lived and in which

one of the following also lived for more than half of the year (if half or less, see the **Exception** later):

● Your **unmarried** child, adopted child, grandchild, great-grandchild, etc., or stepchild. This child does not have to be your dependent. But in this case, enter the child's name in the space provided on line 4.

● Your **married** child, adopted child, grandchild, great-grandchild, etc., or stepchild. This child must be your dependent. But if your married child's other parent claims him or her as a dependent under the rules for **Children of Divorced or Separated Parents** on page 14, this child does not have to be your dependent. Enter this child's name on line 4.

● Your **foster** child, who must be your dependent.

● Any other relative you can claim as a dependent. For the definition of a relative, see **Test 1** on page 14. But for this purpose, the **Exception** at the end of that test doesn't apply.

**Note:** You **cannot** file as head of household if your child, parent, or relative described above is your dependent under the rules on page 14 for **Person Supported by Two or More Taxpayers**.

**Married Persons Who Live Apart.** Even if you were not divorced or legally separated in 1993, you may be able to file as head of household. You may check the box on line 4 if **all five** of the following apply.

1. You **must** have lived apart from your spouse for the **last 6 months** of 1993.

2. You file a separate return from your spouse.

3. You paid over half the cost of keeping up your home for 1993.

4. Your home was the main home of your child, adopted child, stepchild, or foster child for more than half of 1993 (if half or less, see the **Exception** later).

5. You claim this child as your dependent or the child's other parent claims him or her under the rules for **Children of Divorced or Separated Parents** on page 14. If this child is not your dependent, be sure to enter the child's name on line 4.

**Note:** If all five of the above apply, you may also be able to take the credit for child and dependent care expenses and the earned income credit. You can take the standard deduction even if your spouse itemizes deductions. For more details, see the instructions for these topics.

**Keeping Up a Home.** To find out what is included in the cost of keeping up a home, get **Pub. 501**, Exemptions, Standard Deduction, and Filing Information.

If you used payments you received under the **Aid to Families With Dependent Children (AFDC)** program or **other public assistance** programs to pay part of the cost of keeping up your home, you **cannot** count them as money you paid. But you must include them in the total cost of keeping up your home to figure if you paid over half of the cost.

**Dependents.** To find out if someone is your dependent, see the instructions for line 6c.

**Exception.** You can count temporary absences such as for school, vacation, or medical care as time lived in the home.

If the person for whom you kept up a home was born or died in 1993, you may still file as head of household as long as the home was that person's main home for the part of the year he or she was alive.

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## Line 5

### Qualifying Widow(er) With Dependent Child

You may check the box on line 5 and use joint return tax rates for 1993 if **all five** of the following apply.

1. Your spouse died in 1991 or 1992 and you did not remarry in 1993.

2. You have a child, stepchild, adopted child, or foster child whom you can claim as a dependent.

3. This child lived in your home for all of 1993. Temporary absences, such as for vacation or school, count as time lived in the home.

4. You paid over half the cost of keeping up your home for this child.

5. You could have filed a joint return with your spouse the year he or she died, even if you didn't actually do so.

**Do not** claim an exemption for your spouse.

If your spouse died in 1993, you may not file as qualifying widow(er) with dependent child. Instead, see the instructions for line 2.

If you can't file as qualifying widow(er) with dependent child, read the instructions for line 4 to see if you can file as head of household. You must file as single if you can't file as qualifying widow(er) with dependent child, married filing a joint return, or head of household.

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## Exemptions

For each exemption you can take, you generally can deduct \$2,350 on line 36.

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## Line 6a

### Yourself

Check the box on line 6a **unless** your parent (or someone else) can claim you as a dependent on his or her tax return. For example, if your parents (or someone else) could claim you as a dependent on their return but they chose not to claim you, **do not** check the box on line 6a.

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## Line 6b

### Spouse

If you file a joint return and your spouse cannot be claimed as a dependent on another person's return, check the box on line 6b. If you file a separate return, you can take an exemption for your spouse only if your spouse is not filing a return, had no income, and cannot be claimed as a dependent on another person's return.

If you were divorced or legally separated at the end of 1993, you cannot take an exemption for your former spouse. If your divorce was not final (an interlocutory decree), you are considered married for the whole year.

**Death of Your Spouse.** If your spouse died in 1993 and you did not remarry by the end of 1993, check the box on line 6b if you could have taken an exemption for your spouse on the date of death. For other filing instructions, see **Death of Taxpayer** on page 35.

**Nonresident Alien Spouse.** If your filing status is married filing separately, you can take an exemption for your nonresident alien spouse only if your spouse had no income from U.S. sources and is not the dependent of another person. If you can take an exemption for your spouse, check the box on line 6b and enter "NRA" to the right of the word "Spouse."

## Line 6c

### Dependents

You can take an exemption for each of your dependents who was alive during some part of 1993. This includes a baby **born** in 1993 or a person who **died** in 1993. Get **Pub. 501**, Exemptions, Standard Deduction, and Filing Information, for more details. Any person who meets **all five** of the following tests qualifies as your dependent.

#### Test 1—Relationship

The person must be your relative. But see **Exception** at the end of **Test 1**. The following are considered your relatives:

- Your child, stepchild, adopted child; a child who lived in your home as a family member if placed with you by an authorized placement agency for legal adoption; or a foster child (any child who lived in your home as a family member for the whole year).
- Your grandchild, great-grandchild, etc.
- Your son-in-law, daughter-in-law.
- Your parent, stepparent, parent-in-law.
- Your grandparent, great-grandparent, etc.
- Your brother, sister, half brother, half sister, stepbrother, stepsister, brother-in-law, sister-in-law.
- If related by blood, your aunt, uncle, nephew, niece.

Any relationships established by marriage are not treated as ended by divorce or death.

**Exception.** A person who lived in your home as a family member for the entire year can also be considered a dependent. But the relationship must not violate local law.

#### Test 2—Married Person

If the person is married and files a joint return, you cannot take an exemption for the person. However, if the person and the person's spouse file a joint return only to get a refund of all tax withheld, you may be able to claim him or her if the other four tests are met. See Pub. 501 for details.

#### Test 3—Citizen or Resident

The person must be **one** of the following:

- A U.S. citizen or resident alien, or
- A resident of Canada or Mexico, or
- Your adopted child who is not a U.S. citizen but who lived with you all year in a foreign country.

#### Test 4—Income

Generally, the person's gross income must be less than \$2,350. Gross income does not

include nontaxable income, such as welfare benefits or nontaxable social security benefits.

Income earned by a permanently and totally disabled person for services performed at a sheltered workshop school is generally not included for purposes of the income test. See Pub. 501 for details.

**Exception for Your Child.** Your child can have gross income of \$2,350 or more if:

1. Your child was **under age 19** at the end of 1993, **or**
2. Your child was **under age 24** at the end of 1993 **and** was a **student**.

Your child was a **student** if he or she—

- Was enrolled as a full-time student at a school during any 5 months of 1993, or
- Took a full-time, on-farm training course during any 5 months of 1993. The course had to be given by a school or a state, county, or local government agency.

A **school** includes technical, trade, and mechanical schools. It does not include on-the-job training courses or correspondence schools.

#### Test 5—Support

The general rule is that you had to provide over half the person's total support in 1993. If you file a joint return, support can come from either spouse. If you remarried, the support provided by your new spouse is treated as support coming from you. For exceptions to the support test, see **Children of Divorced or Separated Parents** and **Person Supported by Two or More Taxpayers** on this page.

Support includes food, a place to live, clothing, medical and dental care, and education. It also includes items such as a car and furniture, but only if they are for the person's own use or benefit. In figuring total support:

- Use the actual cost of these items, but figure the cost of a place to live at its fair rental value.
- Include money the person used for his or her own support, even if this money was not taxable. Examples are gifts, savings, social security and welfare benefits, and other public assistance payments. This support is treated as **not** coming from you.

Total support **does not** include items such as income tax, social security and Medicare tax, life insurance premiums, scholarship grants, or funeral expenses.

If you care for a foster child, see Pub. 501 for special rules that apply.

**Children of Divorced or Separated Parents.** Special rules apply to determine if the support test is met for children of divorced or separated parents. The rules also apply to children of parents who lived apart from each other during the last 6 months of the year, even if they do not have a separation agreement. For these rules, a **custodial parent** is the parent who had custody of the child for most of the year. A **noncustodial parent** is the parent who had custody for the shorter period or who did not have custody at all. See Pub. 501 for the definition of custody.

The general rule is that the custodial parent is treated as having provided over half of the child's total support if both parents together paid over half of the child's support.

This means that the custodial parent can claim the child as a dependent if the other dependency tests are also met.

But if you are the noncustodial parent, you are treated as having provided over half of the child's support and can claim the child as a dependent if both parents together paid over half of the child's support, the other dependency tests are met, and **either** 1 or 2 below applies:

1. The custodial parent agrees not to claim the child's exemption for 1993 by signing **Form 8332** or a similar statement. But you (as the noncustodial parent) **must** attach this signed Form 8332 or similar statement to your return. Instead of attaching Form 8332, you can attach a copy of certain pages of your divorce decree or separation agreement if it went into effect after 1984 (see **Children Who Didn't Live With You Due to Divorce or Separation** on page 15), **or**

2. Your divorce decree or written separation agreement went into effect before 1985 and it states that you (the noncustodial parent) can claim the child as a dependent. But you must have given at least \$600 for the child's support in 1993. Also, you must check the pre-1985 agreement box on line 6d. This rule does not apply if your decree or agreement was changed after 1984 to say that you cannot claim the child as your dependent.

**Person Supported by Two or More Taxpayers.** Even if you did not pay over half of another person's support, you might still be able to claim him or her as a dependent if **all five** of the following apply.

1. You and one or more other eligible person(s) together paid over half of another person's support.
2. You paid over 10% of that person's support.
3. No one alone paid over half of that person's support.
4. Tests 1 through 4 on this page are met.
5. Each eligible person who paid over 10% of support completes **Form 2120**, Multiple Support Declaration, and you attach these forms to your return. The form states that only you will claim the person as a dependent for 1993.

An **eligible person** is someone who could have claimed another person as a dependent except that he or she did not pay over half of that person's support.

### Columns (1) through (5)

After you have figured out who you can claim as a dependent, fill in the columns on line 6c. If you have more than six dependents, attach a statement to your return. Give the same information as in columns (1) through (5) for each dependent.

**Column (1).** Enter the name of each dependent.

**Column (2).** If your dependent was under age 1 on December 31, 1993, put a checkmark in column (2).

**Column (3).** Any dependent age 1 or older must have a social security number (SSN). You must enter that SSN in column (3). If you do not enter it or if the SSN is wrong, you may have to pay a \$50 penalty.

Your dependent can get an SSN by filing **Form SS-5** with your local Social Security Administration (SSA) office. It usually takes about 2 weeks to get an SSN. If your depen-

dent won't have an SSN when you are ready to file your return, ask the SSA to give you a receipt. When you file your return, enter "Applied for" in column (3). If the SSA gave you a receipt, attach a copy of it to your return. If your dependent lives in Canada or Mexico, see Pub. 501 for details on how to get an SSN.

**Column (4).** Enter your dependent's relationship to you. For example, if the dependent is your child, enter "son" or "daughter."

**Column (5).** Enter the number of months your dependent lived with you in 1993. Do not enter more than 12. Count temporary absences such as school or vacation as time lived in your home. If your dependent was born or died in 1993, enter "12" in this column. If your dependent lived in Canada or Mexico during 1993, don't enter a number. Instead, enter "CN" or "MX," which ever applies.

**Children Who Didn't Live With You Due to Divorce or Separation.** If you are claiming a child who didn't live with you under the rules on page 14 for **Children of Divorced or Separated Parents**, enter the total number of such children on the line to the right of line 6c labeled "No. of your children on 6c who: didn't live with you due to divorce or separation." If you put a number on this line, you **must** do one of the following **each** year you claim this child as a dependent.

- **Check the box on line 6d** if your divorce decree or written separation agreement went into effect before 1985 and it states that you can claim the child as your dependent.

- Attach **Form 8332** or similar statement to your return. If your divorce decree or separation agreement went into effect after 1984 and it unconditionally states that you can claim the child as your dependent, you may attach a copy of the following pages from the decree or agreement instead of Form 8332:

1. Cover page (enter the other parent's SSN on this page),
2. The page that unconditionally states you can claim the child as your dependent, and
3. Signature page showing the date of the agreement.

**Note:** You must attach the required information even if you filed it in an earlier year.

**Other Dependent Children.** Enter the total number of children who did not live with you for reasons other than divorce or separation on the line labeled "Dependents on 6c not entered above." Include dependent children who lived in Canada or Mexico during 1993.

## Income

### Examples of Income You Must Report

The following kinds of income must be reported on Form 1040, or related forms and schedules, in addition to the types of income listed on Form 1040, lines 7 through 21b. You may need some of the forms and schedules mentioned below.

- Scholarship and fellowship grants (see the instructions for line 7).
- Awards and endowments.
- Prizes (including contests, raffles, lotteries, gambling winnings, etc.)

- Lump-sum distributions (Form 4972). (See page 19.)

- Distributions from Simplified Employee Pension (SEP) and Defined Employee Contribution (DEC) plans.

- Accumulation distributions from trusts (Form 4970).

- Tier 2 and supplemental annuities under the Railroad Retirement Act.

- Life insurance proceeds from a policy you cashed in if the proceeds are more than the premiums you paid.

- Amounts received in place of wages from accident and health plans (including sick pay and disability pensions) if your employer paid for the policy.

- Gains from the sale or exchange (including barter) of real estate, securities, coins, gold, silver, gems, or other property (Schedule D or Form 4797).

- Gain from the sale or exchange of your main home (Schedule D and Form 2119).

- Director's fees.

- Fees received as an executor or administrator of an estate.

- Earned income, such as wages and tips, from sources outside the United States (Form 2555 or Form 2555-EZ).

- Unearned income, such as interest, dividends, and pensions, from sources outside the United States unless exempt by law or a tax treaty.

- Original issue discount (Schedule B).

- Bartering income (fair market value of goods or services you received in return for your services).

- Your share of income from S corporations, partnerships, estates, trusts, etc. (Schedules B, D, or E.)

- Embezzled or other illegal income.

### U.S. Citizens Living Abroad

Generally, foreign source income must be reported. Get **Pub. 54**, Tax Guide for U.S. Citizens and Resident Aliens Abroad, for more details.

### Examples of Income Not To Be Reported

Do not include the following types of income when you decide if you must file a return.

- Welfare benefits.

- Disability retirement payments and other benefits paid by the Department of Veterans' Affairs.

- Workers' compensation benefits, insurance, damages, etc., for injury or sickness. Punitive damages received in cases not involving physical injury or sickness usually must be reported as income. Get **Pub. 525**, Taxable and Nontaxable Income.

- Supplemental security income (SSI) payments.

- Child support.

- Money or property that was inherited, willed to you, or received as a gift.

- Dividends on veterans' life insurance.

- Life insurance proceeds received because of a person's death.

- Amounts you received from insurance because you lost the use of your home due to fire or other casualty to the extent the amounts were more than the cost of your

normal expenses while living in your home. Reimbursements for normal living expenses must be reported as income.

- Certain amounts received as a scholarship grant (see the instructions for line 7).

- Cancellation of certain student loans if, under the terms of the loan, the student performs certain professional services for any of a broad class of employers. Get **Pub. 520**, Scholarships and Fellowships.

### Community Property States

Community property states are Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin.

If you and your spouse lived in a community property state, you must follow state law to determine what is community income and what is separate income. However, different rules could apply if:

- You and your spouse lived apart all year,
- You do not file a joint return, and
- None of the community income you earned was transferred to your spouse.

For details, get **Pub. 555**, Federal Tax Information on Community Property.

## Line 7

### Wages, Salaries, Tips, etc.

Show the total of all wages, salaries, fees, commissions, tips, bonuses, supplemental unemployment benefits, and other amounts you were paid before taxes, insurance, etc., were taken out. For a joint return, be sure to include your spouse's income on line 7.

Include in this total:

- The amount that should be shown in box 1 on **Form W-2**. Report all wages, salaries, and tips you received, even if you do not have a Form W-2.

- Corrective distributions of excess salary deferrals.

- Corrective distributions of excess contributions and excess aggregate contributions to a retirement plan.

- Disability pensions if you have not reached the minimum retirement age set by your employer.

**Note:** Disability pensions received after you reach your employer's minimum retirement age and other pensions shown on **Form 1099-R** (other than payments from an IRA) are reported on lines 17a and 17b of Form 1040. Payments from an IRA are reported on lines 16a and 16b.

- Payments by insurance companies, etc., not included on Form W-2. If you received sick pay or a disability payment from anyone other than your employer, and it is not included in the wages shown on Form W-2, include it on line 7. Attach a statement showing the name and address of the payer and amount of sick pay or disability income. Get **Form W-4S** for details on withholding of Federal income tax from your sick pay.

- Fair market value of meals and living quarters if given by your employer as a matter of your choice and not for your employer's convenience. Don't report the value of meals given to you at work if they were provided for your employer's convenience. Also, don't report the value of living quarters you had to accept on your employer's business premises as a condition of employment.

● Strike and lockout benefits paid by a union from union dues. Include cash and the fair market value of goods received. Don't report benefits that were gifts.

● Any amount your employer paid for your moving expenses, including the value of services furnished in kind, that is not included in box 1 on Form W-2.

**Note:** You must report on line 7 all wages, salaries, etc., paid for your personal services, even if the income was signed over to a trust (including an IRA), another person, a corporation, or a tax-exempt organization.

For more details on reporting income received in the form of goods, property, meals, stock options, etc., get **Pub. 525**, Taxable and Nontaxable Income.

**Tip Income.** Be sure to report all tip income you actually received, even if it is not included in box 1 of your W-2 form(s). You must report as income the amount of allocated tips shown on your W-2 form(s) unless you can prove a smaller amount with adequate records. Allocated tips should be shown in box 8 of your W-2 form(s). They are not included in box 1 of your W-2 form(s). For details on allocated tips, get **Pub. 531**, Reporting Tip Income.

Use **Form 4137**, Social Security and Medicare Tax on Unreported Tip Income, to figure any social security and Medicare tax on unreported or allocated tips. See the instructions for line 50.

**Statutory Employees.** If you were a statutory employee, the "Statutory employee" box in box 15 of your W-2 form should be checked. Statutory employees include full-time life insurance salespeople, certain agent or commission drivers and traveling salespeople, and certain homeworkers.

If you are deducting business expenses as a statutory employee, report the amount shown in box 1 of your W-2 form and your expenses on Schedule C or C-EZ. If you are not deducting business expenses, report your income on line 7.

**Employer-Provided Vehicle.** If you used an employer-provided vehicle for both personal and business purposes and 100% of the annual lease value of the vehicle was included in the wages box (box 1) of your W-2 form, you may be able to deduct the business use of the vehicle on Schedule A. But you must use **Form 2106**, Employee Business Expenses, to do so. The total annual lease value of the vehicle should be shown in either box 12 or 14 of your W-2 form or on a separate statement. For more details, get **Pub. 917**, Business Use of a Car.

**Excess Salary Deferrals.** If you chose to have your employer contribute part of your pay to certain retirement plans (such as a 401(k) plan or the Federal Thrift Savings Plan) instead of having it paid to you, the "Deferred compensation" box in box 15 of your W-2 form should be checked. The amount deferred should be shown in box 13. The total amount that may be deferred for 1993 under all plans is generally limited to \$8,994 for each person. But a different limit may apply if amounts were deferred under a tax-sheltered annuity plan or an eligible plan of a state or local government or tax-exempt organization. For details, get **Pub. 575**, Pension and Annuity Income (Including Simplified General Rule). Any amount deferred in

excess of these limits must be reported on Form 1040, line 7.

**Caution:** You may **not** deduct the amount deferred. It is not included as income in box 1 of your W-2 form.

**Dependent Care Benefits (DCB).** If you received benefits for 1993 under your employer's dependent care plan, you may be able to exclude part or all of them from your income. But you must use **Form 2441**, Child and Dependent Care Expenses, to do so. The benefits should be shown in box 10 of your W-2 form(s). First, fill in Parts I and III of Form 2441. Include any taxable benefits from line 20 of that form on Form 1040, line 7. On the dotted line next to line 7, enter "DCB."

**Caution:** If you have a child who was born in 1993 and you earned less than \$23,050, you may be able to take the extra credit for a child born in 1993 on **Schedule EIC**. But you **cannot** take the extra credit and the exclusion of dependent care benefits for the same child. To find out which would benefit you more, see **A Change To Note** in the Instructions for Form 2441.

**Scholarship and Fellowship Grants.** If you received a scholarship or fellowship that was granted after August 16, 1986, part or all of it may be taxable even if you didn't receive a W-2 form. If you were a degree candidate, the amounts you used for expenses other than tuition and course-related expenses are taxable. For example, amounts used for room, board, and travel are taxable. If you were not a degree candidate, the full amount of the scholarship or fellowship is taxable.

Include the taxable amount not reported on a W-2 form on line 7. Then, enter "SCH" and the taxable amount not reported on a W-2 form on the dotted line next to line 7.

## Line 8a Taxable Interest Income

Report **all** of your taxable interest income on line 8a even if it is \$400 or less. If the total is over \$400 or any of the other conditions listed at the beginning of the Schedule B instructions (see page B-1) apply to you, fill in Schedule B first.

The payer should send you a **Form 1099-INT** or, if applicable, a **Form 1099-OID** for this interest. A copy of the form is also sent to the IRS.

Report any interest you received or that was credited to your account so you could withdraw it, even if it wasn't entered in your passbook. Interest credited in 1993 on deposits that you could not withdraw because of the bankruptcy or insolvency of the financial institution may not have to be included in your 1993 income. For details, get **Pub. 550**, Investment Income and Expenses.

**Caution:** Be sure each payer of interest income has your correct social security number. Otherwise, the payer may withhold 31% of the interest (backup withholding). You may also be subject to penalties.

### Examples of Taxable Interest Income You Must Report

Report interest from:

● Accounts (including certificates of deposit and money market accounts) with banks,

credit unions, and savings and loan associations.

● Building and loan accounts.

● Notes, loans, and mortgages. Special rules apply to loans with below-market interest rates. See Pub. 550.

● Tax refunds. Report only the interest on them as interest income.

● Insurance companies if paid or credited on dividends left with the company.

● Bonds and debentures. Also, arbitrage bonds issued by state and local governments after October 9, 1969. (Report interest on other state and local bonds and securities on line 8b.) Also, report as interest on line 8a any gain on the disposition of certain market discount bonds to the extent of the accrued market discount. See Pub. 550 for details. For taxable bonds acquired after 1987, reduce your interest income on the bonds by the amount of any amortizable bond premium (see page B-1). **Do not** deduct the premium as interest expense on Schedule A.

● U.S. Treasury bills, notes, and bonds.

● U.S. savings bonds. The interest is the yearly increase in the value of the bond. Interest on series E or EE bonds can be reported using method **a** or **b** below:

**a.** Report the total interest when you cash the bonds, or when they reach final maturity and no longer earn interest, **or**

**b.** Each year report on your return the yearly increase in the bonds' value.

If you change to method **b**, report the entire increase in all your bonds from the date they were issued. Each year after report only the yearly increase. You may not change to method **a** unless you complete **Form 3115** and attach it to your tax return. See Pub. 550 for details.

**Note:** If you get a 1993 Form 1099-INT for U.S. savings bond interest that includes amounts you reported before 1993, see Pub. 550.

● Original issue discount (OID). This is the difference between the issue price of a debt instrument and the stated redemption price at maturity. If the instrument was issued at a discount after May 27, 1969 (or for certain noncorporate instruments, after July 1, 1982), include in your interest income the discount for the part of the year you held it. The taxable OID may be more or less than the amount shown on Form 1099-OID.

If you bought a corporate debt instrument at original issue and held it for all of 1993 or the part of 1993 that it was outstanding, include in interest income the total OID from Form 1099-OID. Get **Pub. 1212**, List of Original Issue Discount Instruments, to figure the taxable OID for other corporate debt instruments and noncorporate debt instruments (such as zero coupon U.S. Treasury-backed securities).

If you had OID for 1993 but did not receive Form 1099-OID, or if the price you paid for the instrument is more than the issue price plus accumulated OID, see Pub. 1212. It provides total OID on the instruments listed and gives computational information.

Also, include in your interest income any other periodic interest shown on Form 1099-OID.



## Line 8b

### Tax-Exempt Interest

If you received any tax-exempt interest income, such as from municipal bonds, report it on line 8b. Include any exempt-interest dividends from a mutual fund or other regulated investment company. **Do not** include interest earned on your IRA.

## Line 9

### Dividend Income

Dividends are distributions of money, stock, or other property that corporations pay to stockholders. They also include dividends you receive through a partnership, an S corporation, or an estate or trust. Payers include nominees or other agents. The payer should send you a **Form 1099-DIV**. A copy of this form is also sent to the IRS.

If your total gross dividends are over \$400, first fill in Schedule B (see page B-1). Gross dividends should be shown in box 1a of Form 1099-DIV. Also, fill in Schedule B if you received, as a nominee, dividends that actually belong to someone else. If you don't have to fill in Schedule B, include on line 9 only ordinary dividends and any investment expenses that should be shown in box 1e of Form 1099-DIV.

**Caution:** Be sure each payer of dividends has your correct social security number. Otherwise, the payer may withhold 31% of the dividend income (backup withholding). You may also be subject to penalties.

#### Dividends Include:

**Ordinary dividends.** These should be shown in box 1b of Form 1099-DIV.

**Capital gain distributions.** These should be shown in box 1c of Form 1099-DIV. If you have other capital gains or losses, also enter your capital gain distributions on Schedule D. If you don't need Schedule D to report any other gains or losses, see the instructions for lines 13 and 14.

**Nontaxable distributions.** Some distributions are nontaxable because they are a return of your cost. They will not be taxed until you recover your cost. You must reduce your cost (or other basis) by these distributions. After you get back all of your cost (or other basis), you must report these distributions as capital gains. For details, get **Pub. 550**, Investment Income and Expenses. Nontaxable distributions should be shown in box 1d of Form 1099-DIV.

**Note:** Generally, payments from a money market fund are dividends.

#### Do Not Report as Dividends

• Dividends on insurance policies. These are a partial return of the premiums you paid. Do not include them in income until they exceed the total of all net premiums you paid for the contract. Remember to report on line 8a any interest on dividends left with an insurance company.

• Amounts paid on deposits or accounts from which you could withdraw your money, such as mutual savings banks, cooperative banks, and credit unions. Remember to report these amounts as interest on line 8a.

• Alaska Permanent Fund dividends. Report these amounts on line 22 instead.

## Line 10

### Taxable Refunds, Credits, or Offsets of State and Local Income Taxes

If you received a refund, credit, or offset of state or local income taxes in 1993 that you paid and deducted before 1993, part or all of this amount may be taxable. You may receive **Form 1099-G**, or similar statement, showing the refund.

If you chose to apply part or all of the refund to your 1993 estimated state or local income tax, the amount applied is considered income you received in 1993.

If, in the year you paid the tax, you (a) did not itemize deductions on Schedule A (Form 1040), or (b) filed Form 1040A or Form 1040EZ, none of your refund is taxable.

If the refund was for a tax you paid in 1992 and you itemized deductions on Schedule A (Form 1040) for 1992, use the worksheet below to see if any of your refund is taxable.

**Exceptions.** See **Recoveries** in **Pub. 525**, Taxable and Nontaxable Income, instead of using the worksheet below if **any** of the following applies:

- You received a refund in 1993 that is for a tax year other than 1992.
- You received a refund other than an income tax refund, such as a real property tax refund, in 1993 of an amount deducted or credit claimed in an earlier year.
- Your 1992 adjusted gross income was more than \$905,250 (more than \$805,250 if head of household; more than \$585,250 if single; more than \$452,625 if married filing separately).
- Your 1992 taxable income was less than zero.
- You made your last payment of 1992 estimated state or local income tax in 1993.
- You owed alternative minimum tax in 1992.

#### State and Local Income Tax Refund Worksheet—Line 10 (keep for your records)

1. Enter the income tax refund from <b>Form(s) 1099-G</b> (or similar statement) . . . . .	1. _____
2. Enter your total allowable itemized deductions from your 1992 Schedule A, line 26 . . . . .	2. _____
<b>Note:</b> If the filing status on your 1992 Form 1040 was married filing separately and your spouse itemized deductions in 1992, enter the amount from line 2 on line 6; skip lines 3, 4, and 5.	
3. Enter on line 3 the amount shown below for the filing status claimed on your <b>1992</b> Form 1040:	3. _____
• Single, enter \$3,600	} . . . . .
• Married filing jointly or Qualifying widow(er), enter \$6,000	
• Married filing separately, enter \$3,000	
• Head of household, enter \$5,250	
4. If you didn't complete line 33a on your 1992 Form 1040, enter -0-. Otherwise, multiply the number on your 1992 Form 1040, line 33a, by \$700 (\$900 if your 1992 filing status was single or head of household) and enter the result . . . . .	4. _____
5. Add lines 3 and 4 . . . . .	5. _____
6. Subtract line 5 from line 2. If zero or less, enter -0- . . . . .	6. _____
7. <b>Taxable part of your refund.</b> Enter the <b>smaller</b> of line 1 or line 6 here and on Form 1040, line 10 . . . . .	7. _____

• You could not deduct the full amount of credits you were entitled to in 1992 because the total credits exceeded the tax shown on your 1992 Form 1040, line 40.

• You could be claimed as a dependent by someone else in 1992.

## Line 11

### Alimony Received

Enter amounts received as alimony or separate maintenance. You must let the person who made the payments know your social security number. If you don't, you may have to pay a \$50 penalty. For details, get **Pub. 504**, Divorced or Separated Individuals.

If you received payments under a divorce or separation instrument executed after 1984, see the instructions for line 29 on page 23 for the rules that apply in determining whether these payments qualify as alimony.

## Line 12

### Business Income or (Loss)

If you operated a business or practiced your profession as a sole proprietor, report your income and expenses on Schedule C or Schedule C-EZ. Enter on line 12 your net profit or (loss) from Schedule C or your net profit from Schedule C-EZ.

## Lines 13 and 14

### Capital Gain or (Loss)

Enter on line 13 your capital gain or (loss) from Schedule D. If you received **capital gain distributions** (reported to you on **Form 1099-DIV** or a substitute statement) but do not need Schedule D for other capital transactions, enter those distributions on line 14.

**Exception.** Report your capital gain distributions on Schedule D and use the **Schedule D Tax Worksheet** in the instructions for Schedule D to figure your tax if your taxable

income (Form 1040, line 37) is **more than** \$89,150 (\$53,500 if single; \$76,400 if head of household; or \$44,575 if married filing separately).

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## Line 15

### Other Gains or (Losses)

If you sold or exchanged assets used in a trade or business, see the Instructions for **Form 4797**. Enter on line 15 the ordinary gain or (loss) from Part II of Form 4797.

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## Lines 16a and 16b

### IRA Distributions

Use lines 16a and 16b to report payments (distributions) you received from your individual retirement arrangement (IRA). These include regular distributions, early distributions, rollovers, and any other money or property you received from your IRA account or annuity. You should get a **Form 1099-R** showing the amount of your distribution.

If you made any nondeductible contributions to your IRA for 1993 or an earlier year or you rolled your IRA distribution over into another IRA, see below. **Do not** use lines 16a and 16b to report a rollover from a qualified employer's plan to an IRA. Instead, see the instructions for lines 17a and 17b.

IRA distributions that you must include in income are taxed at the same rate as other income. You may not use the special averaging rule for lump-sum distributions from qualified employer plans.

If your IRA distribution is fully taxable, enter it on line 16b; **do not** make an entry on line 16a. If only part is taxable, enter the total distribution on line 16a and the taxable part on line 16b.

**Caution:** *If you received an early distribution and the total distribution was not rolled over or you received an excess distribution, you may have to pay additional tax. See the instructions for line 51 for details.*

**Nondeductible Contributions.** If you made nondeductible contributions for any year, part of your IRA distribution may be nontaxable. Get **Form 8606** to figure the taxable part of your IRA distribution. If you made any nondeductible contributions for 1993, you may need to make a special computation. Get **Pub. 590**, Individual Retirement Arrangements (IRAs), for details. Enter the total distribution on line 16a and the taxable part on line 16b.

**Rollovers.** A rollover is a tax-free transfer of cash or other assets from one retirement program to another. Use lines 16a and 16b to report a rollover from one IRA to another IRA. Enter the total distribution on line 16a. If the total on line 16a was rolled over, enter zero on line 16b. If the total was not rolled over, enter the part not rolled over on line 16b. But if you ever made nondeductible contributions to any of your IRAs, use Form 8606 to figure the taxable part to enter on line 16b. For more details, see Pub. 590.

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## Lines 17a and 17b

### Pensions and Annuities

Use lines 17a and 17b to report pension and annuity payments you received, including

disability pensions received after you reach the minimum retirement age set by your employer. Disability pensions received before you reach your employer's minimum retirement age are reported on line 7. Also, use lines 17a and 17b to report payments (distributions) from profit-sharing plans, retirement plans, and employee-savings plans. See **Rollovers** below and **Lump-sum Distributions** on page 19 for details.

You should receive a **Form 1099-R** showing the amount of your pension or annuity. Attach Form 1099-R to Form 1040 if any Federal income tax was withheld from your pension or annuity.

**Do not** use lines 17a and 17b to report corrective distributions of excess salary deferrals, excess contributions, or excess aggregate contributions from retirement plans. Instead, see the instructions for line 7. Also, **do not** use lines 17a and 17b to report any social security or railroad retirement benefits shown on **Forms SSA-1099** and **RRB-1099**. Instead, see the instructions for lines 21a and 21b.

**Caution:** *Certain transactions, such as loans against your interest in a qualified plan, may be treated as taxable distributions and may also be subject to additional taxes. For details, get **Pub. 575**, Pension and Annuity Income (Including Simplified General Rule).*

### Fully Taxable Pensions and Annuities

If your pension or annuity is fully taxable, enter it on line 17b; **do not** make an entry on line 17a. Your pension or annuity payments are fully taxable if **either** of the following applies:

1. You did not contribute to the cost of your pension or annuity, or
2. You used the 3-Year Rule and you got your entire cost back tax free before 1993.

Fully taxable pensions and annuities also include military retirement pay shown on Form 1099-R. For details on military disability pensions, get **Pub. 525**, Taxable and Nontaxable Income. If you received a **Form RRB-1099-R**, get Pub. 575 to see how to report your benefits.

### Partially Taxable Pensions and Annuities

If your pension or annuity is partially taxable and your Form 1099-R does not show the taxable part, you must use the General Rule to figure the taxable part. The General Rule is explained in **Pub. 939**, Pension General Rule (Nonsimplified Method). But if your annuity starting date (defined later) was **after** July 1, 1986, you may be able to use the Simplified General Rule (explained later) to figure the taxable part of your pension or annuity.

If you choose to, you may submit a ruling request to the IRS before the due date of your return (including extensions) and the IRS will figure the taxable part for you for a \$50 fee. For details, see Pub. 939.

If your Form 1099-R shows a taxable amount, you may report that amount on line 17b. But you may use the General Rule or, if you qualify, the Simplified General Rule to see if you can report a lower taxable amount.

Once you have figured the taxable part of your pension or annuity, enter that amount on line 17b and the total on line 17a.

**Annuity Starting Date.** Your annuity starting date is the later of the first day of the first period for which you received a payment from the plan, or the date on which the plan's obligations became fixed.

**Simplified General Rule.** Using this method will usually result in at least as much of the pension or annuity being tax free each year as under the General Rule or as figured by the IRS. You qualify to use this simpler method if **all four** of the following apply.

1. Your annuity starting date was **after** July 1, 1986.
2. The pension or annuity payments are for **(a)** your life or **(b)** your life and that of your beneficiary.
3. The pension or annuity payments are from a qualified employee plan, a qualified employee annuity, or a tax-sheltered annuity.
4. At the time the pension or annuity payments began, either you were under age 75 or, if you were 75 or older, the number of years of guaranteed payments was fewer than 5.

If you qualify, use the worksheet on page 19 to figure the taxable part of your pension or annuity. But if you received U.S. Civil Service retirement benefits and you chose the lump-sum credit option, use the worksheet in **Pub. 721**, Tax Guide to U.S. Civil Service Retirement Benefits, instead of the one on page 19. If you are a beneficiary entitled to a death benefit exclusion, add the exclusion to the amount you enter on line 2 of the worksheet even if you received a Form 1099-R showing a taxable amount. The payer of the annuity cannot add the death benefit exclusion to your cost when figuring the taxable amount. Attach a signed statement to your return stating that you are entitled to a death benefit exclusion. For more details on the Simplified General Rule, see Pub. 575 or Pub. 721.

**Age at Annuity Starting Date.** If you are the retiree, use your age on the annuity starting date. If you are the survivor of a retiree, use the retiree's age on his or her annuity starting date. If you are the beneficiary of an employee who died, get Pub. 575. If there is more than one beneficiary, see Pub. 575 or Pub. 721 to figure each beneficiary's taxable amount.

**Changing Methods.** If your annuity starting date was **after** July 1, 1986, you may be able to change from the General Rule to the Simplified General Rule (or the other way around). For details, see Pub. 575 or Pub. 721.

**Death Benefit Exclusion.** If you are the beneficiary of a deceased employee or former employee, amounts paid to you by, or on behalf of, an employer because of the death of the employee may qualify for a death benefit exclusion of up to \$5,000. If you are entitled to this exclusion, add it to the cost of the pension or annuity. Special rules apply if you are the survivor under a joint and survivor's annuity. For details, see Pub. 575.

**Rollovers.** A rollover is a tax-free transfer of cash or other assets from one retirement program to another. Use lines 17a and 17b to report a rollover, including a direct rollover, from one qualified employer's plan to another or to an IRA.

Enter on line 17a the total distribution before income tax or other deductions were withheld. This amount should be shown in box 1 of **Form 1099-R**. If the total on line 17a (minus any contributions that were taxable to you when made) was rolled over, either directly or within 60 days of receiving the distribution, enter zero on line 17b. Otherwise, subtract the amount that was rolled over and any contributions that were taxable to you when made from the total on line 17a. Enter the result on line 17b. Special rules apply to partial rollovers of property. For more details on rollovers, including distributions under qualified domestic relations orders, see Pub. 575.

**Lump-Sum Distributions.** If you received a lump-sum distribution from a profit-sharing or retirement plan, your Form 1099-R should have the "Total distribution" box in box 2b checked. If you received an early distribution from a qualified retirement plan and the total amount was not rolled over, you may owe an additional tax. You may also owe an additional tax if you received an excess distribution from a qualified retirement plan. For details, see the instructions for line 51.

Enter the total distribution on line 17a and the taxable part on line 17b. But you may pay less tax on the distribution if you were born before 1936, you meet certain other conditions, and you choose to use **Form 4972**, Tax on Lump-Sum Distributions, to figure the tax on any part of the distribution. You may also be able to use Form 4972 if you are the beneficiary of a deceased employee who was born before 1936 and was age 50 or older on the date of death. For details, get Form 4972.

If you use Form 4972 to figure the tax on any part of your distribution, do not include

that part of the distribution on line 17a or 17b of Form 1040.

## Line 18

### Rental Real Estate, Royalties, Partnerships, S Corporations, Trusts, etc.

Use Schedule E to report income or losses from rental real estate, royalties, partnerships, S corporations, estates, trusts, and REMICs. Enter on line 18 your total income or (loss) from Schedule E.

## Line 19

### Farm Income or (Loss)

Use Schedule F to report farm income and expenses. Enter on line 19 your net profit or (loss) from Schedule F.

## Line 20

### Unemployment Compensation

Enter on line 20 any unemployment compensation (insurance) you received. By January 31, 1994, you should receive a **Form 1099-G** showing the total amount paid to you during 1993. This amount should be in box 1.

If you received an overpayment of unemployment compensation in 1993 and you repaid any of it in 1993, subtract the amount you repaid from the total amount you received. Enter the result on line 20. Also, enter "Repaid" and the amount you repaid on the dotted line next to line 20. If, in 1993, you

repaid unemployment compensation that you included in gross income in an earlier year, you may deduct the amount repaid on Schedule A, line 20. But if the amount repaid was more than \$3,000, see **Repayments in Pub. 525**, Taxable and Nontaxable Income, for details on how to report the repayment.

Do not include on line 20 any supplemental unemployment benefits received from a company-financed supplemental unemployment benefit fund. Instead, report these benefits on line 7.

**Caution:** If you expect to receive unemployment compensation in 1994, which may cause you to owe tax when you file your return next year, you may need to make estimated tax payments during 1994. See **Income Tax Withholding and Estimated Tax Payments for 1994** on page 35.

## Lines 21a and 21b

### Social Security Benefits

Social security and equivalent railroad retirement benefits you received may be taxable in some instances. Social security benefits include any monthly benefit under title II of the Social Security Act or the part of a tier 1 railroad retirement benefit treated as a social security benefit. Social security benefits do not include any supplemental security income (SSI) payments.

By January 31, 1994, you should receive a **Form SSA-1099** showing in box 3 the total social security benefits paid to you in 1993. Box 4 will show the amount of any benefits you repaid in 1993. If you received railroad retirement benefits treated as social security, you should receive a **Form RRB-1099**. For more details, get **Pub. 915**, Social Security Benefits and Equivalent Railroad Retirement Benefits.

**Caution: Do not use lines 21a and 21b to report any railroad retirement benefits shown on Form RRB-1099-R. Instead, see the instructions for lines 17a and 17b.**

To find out if any of your benefits are taxable, first complete Form 1040, lines 7 through 20, 22, and 30 if they apply to you. Then, complete the worksheet on page 20. However, **do not** use the worksheet if any of the following applies to you:

- You made IRA contributions for 1993 and you were covered by a retirement plan at work or through self-employment. Instead, use the worksheets in **Pub. 590**, Individual Retirement Arrangements (IRAs), to see if any of your social security benefits are taxable and to figure your IRA deduction.
- You repaid any benefits in 1993 and your total repayments (box 4) were more than your total benefits for 1993 (box 3). **None** of your benefits are taxable for 1993. In addition, you may be able to take an itemized deduction for part of the excess repayments if they were for benefits you included in gross income in an earlier year. See Pub. 915.
- You file **Form 2555**, Foreign Earned Income, **Form 2555-EZ**, Foreign Earned Income Exclusion, **Form 4563**, Exclusion of Income for Bona Fide Residents of American Samoa, **Form 8815**, Exclusion of Interest From Series EE U.S. Savings Bonds Issued After 1989, or you exclude income from sources within Puerto Rico. Instead, use the worksheet in Pub. 915.

### Simplified General Rule Worksheet—Lines 17a and 17b (keep for your records)

1. Enter the total pension or annuity payments received this year. Also, enter this amount on Form 1040, line 17a . . . . .	1. _____
2. Enter your cost in the plan at the annuity starting date plus any death benefit exclusion . . . . .	2. _____
3. Age at annuity starting date (see page 18):	Enter:
55 and under . . . . .	300
56–60 . . . . .	260
61–65 . . . . .	240
66–70 . . . . .	170
71 and older . . . . .	120
4. Divide line 2 by the number on line 3 . . . . .	4. _____
5. Multiply line 4 by the number of months for which this year's payments were made. If your annuity starting date was <b>before</b> 1987, also enter this amount on line 8; skip lines 6 and 7. Otherwise, go to line 6 . . . . .	5. _____
6. Enter the amount, if any, recovered tax free in years after 1986 . . . . .	6. _____
7. Subtract line 6 from line 2 . . . . .	7. _____
8. Enter the <b>smaller</b> of line 5 or line 7 . . . . .	8. _____
9. <b>Taxable amount.</b> Subtract line 8 from line 1. Enter the result, but not less than zero. Also, enter this amount on Form 1040, line 17b. If your Form 1099-R shows a larger amount, use the amount on this line instead of the amount from Form 1099-R . . . . .	9. _____

**Note:** If you had more than one partially taxable pension or annuity, figure the taxable part of each separately. Enter the total of the taxable parts on Form 1040, line 17b. Enter the total pension or annuity payments received in 1993 on Form 1040, line 17a.

**Social Security Benefits Worksheet—Lines 21a and 21b** (keep for your records)

If you are married filing separately and you **lived apart** from your spouse for all of 1993, enter "D" to the left of line 21a.

1. Enter the total amount from **box 5** of **all your Forms SSA-1099 and Forms RRB-1099** (if applicable) . . . . . 1. \_\_\_\_\_  
**Note:** *If line 1 is zero or less, stop here; none of your social security benefits are taxable. Otherwise, go to line 2.*
2. Divide line 1 above by 2 . . . . . 2. \_\_\_\_\_
3. Add the amounts on Form 1040, lines 7, 8a, 9 through 15, 16b, 17b, 18 through 20, and line 22. Do not include here any amounts from box 5 of Forms SSA-1099 or RRB-1099 . . . . . 3. \_\_\_\_\_
4. Enter the amount from Form 1040, line 8b . . . . . 4. \_\_\_\_\_
5. Add lines 2, 3, and 4 . . . . . 5. \_\_\_\_\_
6. Enter the total adjustments from Form 1040, line 30 . . . . . 6. \_\_\_\_\_
7. Subtract line 6 from line 5 . . . . . 7. \_\_\_\_\_
8. Enter on line 8 the amount shown below for your filing status:
  - Single, Head of household, or Qualifying widow(er), enter \$25,000
  - Married filing jointly, enter \$32,000
  - Married filing separately, enter -0- (\$25,000 if you **lived apart** from your spouse for all of 1993)
 } 8. \_\_\_\_\_
9. Subtract line 8 from line 7. If zero or less, enter -0- . . . . . 9. \_\_\_\_\_
  - If line 9 is zero, stop here. None of your social security benefits are taxable. Do not enter any amounts on lines 21a or 21b. **But** if you are married filing separately and you **lived apart** from your spouse for all of 1993, enter -0- on line 21b. Be sure you entered "D" to the left of line 21a.
  - If line 9 is more than zero, go to line 10.
10. Divide line 9 above by 2 . . . . . 10. \_\_\_\_\_
11. **Taxable social security benefits.**
  - First, enter on Form 1040, line 21a, the amount from line 1.
  - Then, enter the **smaller** of line 2 or line 10 here and on Form 1040, line 21b . . . . . 11. \_\_\_\_\_

**Note:** *If part of your benefits are taxable for 1993 and they include benefits paid in 1993 that were for an earlier year, you may be able to reduce the taxable amount shown on the worksheet. Get Pub. 915 for details.*

**Line 22**

**Other Income**

Use line 22 to report any other income not reported on your return or other schedules. See examples later. List the type and amount of income. If necessary, show the required information on an attached statement. For more details, see **Miscellaneous Taxable Income** in **Pub. 525**, Taxable and Nontaxable Income.

**Do not report any income from self-employment** on line 22. If you had any income from self-employment, you **must** use Schedule C, C-EZ, or F, even if you do not have any business expenses. You may also have to file **Schedule SE**, Self-Employment Tax. Your payments of self-employment tax contribute to your coverage under the social security system. Social security coverage provides you with retirement and medical insurance (Medicare) benefits.

Examples of income to report on line 22 are:

- Prizes and awards.
- Gambling winnings. Proceeds from lotteries, raffles, etc., are gambling winnings. You must report the full amount of your winnings on line 22. You cannot offset losses against winnings and report the difference. If you had any gambling losses, you may take them as

an itemized deduction on Schedule A. But you cannot deduct more than the winnings you report.

- Amounts received for medical expenses or other items, such as real estate taxes, that you deducted in an earlier year if they reduced your tax. See Pub. 525 for details on how to figure the amount to report.
- Amounts recovered on bad debts that you deducted in an earlier year.
- Fees received for jury duty and precinct election board duty. You may be able to deduct part or all of your jury duty pay. See the instructions for line 30.
- Fees received as a nonprofessional fiduciary, such as an executor or administrator of the estate of a deceased friend or relative. But fees related to active participation in the operation of the estate's business or the management of an estate that required extensive management activities over a long period of time are subject to self-employment tax. Report these fees on Schedule C or C-EZ.
- Alaska Permanent Fund dividends.
- Income from line 5 of **Form 8814**, Parents' Election To Report Child's Interest and Dividends.
- Refund of overpaid mortgage interest if you deducted the interest in an earlier year and it reduced your tax. To figure the amount to report, see Pub. 525.

- Income from the rental of personal property if you were not in the business of renting such property. (See the instructions for line 30 to report your expenses.) Otherwise, report the income and expenses on Schedule C or C-EZ.

- Income from an activity not engaged in for profit. See **Not-for-Profit Activities** in **Pub. 535**, Business Expenses, for more details.

**Net Operating Loss.** If you had a net operating loss in an earlier year to carry forward to 1993, include it as a negative amount on line 22. Attach a statement showing how you figured the amount. Get **Pub. 536**, Net Operating Losses, for more details.

**Line 23**

**Total Income**

Enter the total of the amounts in the far right column for lines 7 through 22. If any of these amounts are negative, first add all the positive amounts. Next, add all the negative amounts. Then, subtract the total of the negative amounts from the total of the positive amounts and enter the result on line 23. If the result is negative, enter it in (parentheses).

**Adjustments to Income**

**Lines 24a and 24b**

**IRA Deduction**

If you made contributions to an Individual Retirement Arrangement (IRA) for 1993, you may be able to take an IRA deduction. Read the instructions below and on the next page to see if you can take an IRA deduction and, if you can, which worksheet to use to figure it. Enter your IRA deduction on line 24a. If you file a joint return, enter your spouse's deduction on line 24b. You should receive a statement by May 31, 1994, that shows all contributions to your IRA for 1993.

**Caution:** *You may not deduct contributions to a 401(k) plan or the Federal Thrift Savings Plan. These amounts are not included as income in box 1 of your W-2 form.*

If you were age 70½ or older at the end of 1993, you cannot deduct any contributions made to your IRA for 1993 or treat them as nondeductible contributions.

**Note:** *If you file Form 2555, Foreign Earned Income, or Form 2555-EZ, Foreign Earned Income Exclusion, get Pub. 590 to figure your IRA deduction.*

**Were You Covered by a Retirement Plan?**

If you were covered by a retirement plan (qualified pension, profit-sharing (including 401(k)), annuity, Keogh, SEP, etc.) at work or through self-employment, your IRA deduction may be reduced or eliminated. But you can still make contributions to an IRA even if you can't deduct them. In any case, the income earned on your IRA contributions is not taxed until it is paid to you.

The "Pension plan" box in box 15 of your W-2 form should be checked if you were covered by a plan at work even if you were

not vested in the plan. You are also covered by a plan if you were self-employed and had a Keogh or SEP retirement plan.

If you were covered by a retirement plan and you file **Form 8815**, Exclusion of Interest From Series EE U.S. Savings Bonds Issued After 1989, get Pub. 590 to figure the amount, if any, of your IRA deduction.

**Special Rule for Married Individuals Who File Separate Returns.** If you were not covered by a retirement plan but your spouse was, **you** are considered covered by a plan unless you **lived apart** from your spouse for all of 1993. See the chart on this page. It will tell you if you can take the deduction and, if you can, which worksheet to use.

**Not Covered by a Retirement Plan.** If you (and your spouse if filing a joint return) were not covered by a plan, use **Worksheet 1** on this page to figure your deduction.

**Covered by a Retirement Plan.** If you (or your spouse if filing a joint return) were covered by a plan, see the chart on this page. It will tell you if you can take the deduction and, if you can, which worksheet to use.

**Nondeductible Contributions.** You can make nondeductible contributions to your IRA even if you are allowed to deduct part or all of your contributions. Your nondeductible contribution is the difference between the total allowable contributions to your IRA and the amount you deduct.

**Example.** Your filing status is single and you paid \$2,000 into your IRA. You were covered by a retirement plan and your modified AGI is over \$35,000 (all wages). You can't deduct the \$2,000. But you can treat it as a nondeductible contribution.

Use **Form 8606** to report all contributions you treat as nondeductible. If you don't, you may have to pay a \$50 penalty. Also, use it to figure the basis (nontaxable part) of your IRA. If you and your spouse each make nondeductible contributions, each of you must complete a separate Form 8606.

**Read the following list before you fill in your IRA worksheet.**

- You will first need to complete Form 1040 through line 23, lines 25 through 29, and figure any write-in amount for line 30.
- If you made contributions to your IRA in 1993 that you deducted for 1992, **do not** include them in the worksheet.
- If you received a distribution from a non-qualified deferred compensation plan, get Pub. 590 to figure your IRA deduction. The distribution should be shown in box 11 of your W-2 form.
- Your IRA deduction can't be more than the total of your wages and other earned income minus any deductions on Form 1040, lines 25 and 27. For purposes of the IRA deduction, alimony payments received under certain divorce or separation instruments are considered earned income. For more details, see Pub. 590.
- If the total of your IRA deduction on Form 1040 plus any nondeductible contribution on your Form 8606 is less than your total IRA contributions for 1993, see Pub. 590 for special rules.
- You must file a joint return to deduct contributions to your nonworking spouse's IRA. A **nonworking spouse** is one who had no wages or other earned income in 1993, or a

working spouse who chooses to be treated as having no earned income for figuring the deduction.

- Do not include rollover contributions in figuring your deduction. See the instructions for lines 16a and 16b on page 18 for more details on rollover contributions.
- Do not include trustee's fees that were billed separately and paid by you for your IRA. These fees can be deducted only as an itemized deduction on Schedule A.

- If married filing a joint return and both spouses worked and had IRAs, figure each spouse's deduction separately using columns (a) and (b) of the worksheet.

**Line 25**

**One-Half of Self-Employment Tax**

If you had income from self-employment and you owe self-employment tax, first fill in

**Chart for People Covered by a Retirement Plan\*—Lines 24a and 24b**

In this chart, **modified AGI** (adjusted gross income) is the amount on Form 1040, line 23, minus the total of any deductions claimed on Form 1040, lines 25 through 29 and any amount you entered on the dotted line next to line 30.

If you (or your spouse if filing jointly) were covered by a retirement plan and—		
Your filing status is:	And your modified AGI is:	You can take:
Single, Head of household, or Married filing separately and <b>lived apart</b> from your spouse for all of 1993	\$25,000 or less	Full IRA deduction (use <b>Worksheet 1</b> on this page)
	Over \$25,000 but less than \$35,000	Partial IRA deduction (use <b>Worksheet 2</b> on page 22)
	\$35,000 or more	No IRA deduction (but see Nondeductible Contributions)
Married filing jointly or Qualifying widow(er)	\$40,000 or less	Full IRA deduction (use <b>Worksheet 1</b> on this page)
	Over \$40,000 but less than \$50,000	Partial IRA deduction (use <b>Worksheet 2</b> on page 22)
	\$50,000 or more	No IRA deduction (but see Nondeductible Contributions)
Married filing separately and lived with your spouse at any time during 1993	Over 0- but less than \$10,000	Partial IRA deduction (use <b>Worksheet 2</b> on page 22)
	\$10,000 or more	No IRA deduction (but see Nondeductible Contributions)

\* If married filing separately and you were not covered by a plan but your spouse was, **you** are considered covered by a plan unless you **lived apart** from your spouse for all of 1993.

**IRA Worksheet 1—Lines 24a and 24b** (keep for your records)

	(a) Your IRA	(b) Your working spouse's IRA
1. Enter IRA contributions you made, or will make by April 15, 1994, for 1993. But <b>do not</b> enter more than \$2,000 in either column . . . . .	1. _____	_____
2. For each person, enter wages and other earned income from Form 1040, minus any deductions on Form 1040, lines 25 and 27. Do not reduce wages by any loss from self-employment . . . . .	2. _____	_____
3. Enter the <b>smaller</b> of line 1 or line 2. Enter on Form 1040, line 24a, the amount from line 3, column (a), you choose to deduct. Enter on Form 1040, line 24b, the amount, if any, from line 3, column (b), you choose to deduct. If filing a joint return and contributions were made to your nonworking spouse's IRA, go to line 4 . . . . .	3. _____	_____
<b>Nonworking spouse's IRA</b>		
4. Enter the <b>smaller</b> of line 2, column (a), or \$2,250 . . . . .	4. _____	_____
5. Enter the amount from line 3, column (a) . . . . .	5. _____	_____
6. Subtract line 5 from line 4 . . . . .	6. _____	_____
7. Enter IRA contributions made, or that will be made by April 15, 1994, for 1993 for your nonworking spouse. But <b>do not</b> enter more than \$2,000 . . . . .	7. _____	_____
8. Enter the <b>smaller</b> of line 6 or line 7. Enter on Form 1040, line 24b, the amount from line 8 you choose to deduct . . . . .	8. _____	_____

**IRA Worksheet 2—Lines 24a and 24b** (keep for your records)

<p>1. If you checked Filing Status:               1 or 4, enter \$35,000              2 or 5, enter \$50,000              3, enter \$10,000 (\$35,000 if you <b>lived apart</b> from your spouse for all of 1993)</p>	}	1. _____
2. Enter the amount from Form 1040, line 23 . . . . .		2. _____
3. Add amounts on Form 1040, lines 25 through 29, and any amount you entered on the dotted line next to line 30 . . . . .		3. _____
4. Subtract line 3 from line 2. If the result is equal to or more than the amount on line 1, none of your IRA contributions are deductible. Stop here. If you want to make a nondeductible IRA contribution, see Form 8606 . . . . .		4. _____
5. Subtract line 4 from line 1. <b>If the result is \$10,000 or more, stop here and use Worksheet 1</b> . . . . .		5. _____
6. Multiply line 5 above by 20% (.20). If the result is not a multiple of \$10, round it up to the next multiple of \$10 (for example, round \$490.30 to \$500). If the result is \$200 or more, enter the result. But if it is less than \$200, enter \$200. Go to line 7 . . . . .		6. _____
	<b>(a)</b> Your IRA	<b>(b)</b> Your working spouse's IRA
<b>Deductible IRA contributions</b>		
7. For each person, enter wages and other earned income from Form 1040, minus any deductions on Form 1040, lines 25 and 27. Do not reduce wages by any loss from self-employment . . . . .	7. _____	_____
8. Enter IRA contributions you made, or will make by April 15, 1994, for 1993. But <b>do not</b> enter more than \$2,000 in either column . . . . .	8. _____	_____
9. Enter the <b>smallest</b> of line 6, 7, or 8. This is the most you can deduct. Enter on Form 1040, line 24a, the amount from line 9, column (a), you choose to deduct. Enter on Form 1040, line 24b, the amount, if any, from line 9, column (b), you choose to deduct. If line 8 is more than line 9, go to line 10 . . . . .	9. _____	_____
<b>Nondeductible IRA contributions</b>		
10. Subtract line 9 from the <b>smaller</b> of line 7 or line 8. Enter on line 1 of your Form 8606 the amount from line 10 you choose to make nondeductible . . . . .	10. _____	_____
<b>If filing a joint return and contributions were made to your nonworking spouse's IRA, go to line 11.</b>		
<b>Deductible IRA contributions for nonworking spouse</b>		
11. Enter the <b>smaller</b> of line 7, column (a), or \$2,250 . . . . .	11. _____	_____
12. Add the amount on line 9, column (a), to the part of line 10, column (a), that you choose to make nondeductible . . . . .	12. _____	_____
13. Subtract line 12 from line 11. If the result is zero or less, stop here. You cannot make deductible or nondeductible IRA contributions for your nonworking spouse . . . . .	13. _____	_____
14. Enter the <b>smallest</b> of (a) IRA contributions made, or that will be made by April 15, 1994, for 1993 for your nonworking spouse; (b) \$2,000; or (c) the amount on line 13 . . . . .	14. _____	_____
15. Multiply line 5 above by 22.5% (.225). If the result is not a multiple of \$10, round it up to the next multiple of \$10. If the result is \$200 or more, enter the result. But if it is less than \$200, enter \$200 . . . . .	15. _____	_____
16. Enter the amount from line 9, column (a) . . . . .	16. _____	_____
17. Subtract line 16 from line 15 . . . . .	17. _____	_____
18. Enter the <b>smaller</b> of line 14 or line 17 . . . . .	18. _____	_____
19. Enter the <b>smallest</b> of line 6, 7, or 18. This is the most you can deduct. Enter on Form 1040, line 24b, the amount from line 19 you choose to deduct. If line 14 is more than line 19, go to line 20 . . . . .	19. _____	_____
<b>Nondeductible IRA contributions for nonworking spouse</b>		
20. Subtract line 19 from line 14. Enter on line 1 of your spouse's Form 8606 the amount from line 20 that you choose to make nondeductible . . . . .	20. _____	_____

Schedule SE. Then, enter on Form 1040, line 25, one-half of the self-employment tax shown on line 5 of Short Schedule SE or line 15 of Long Schedule SE, whichever applies.

**Line 26**

**Self-Employed Health Insurance Deduction**

If you were self-employed and had a net profit for the year, or if you received wages in 1993 from an S corporation in which you were a more than 2% shareholder, you may be able to deduct part of the amount paid for health insurance on behalf of yourself, your spouse, and dependents. But if you were also eligible to participate in any subsidized health plan maintained by your or your spouse's employer for any month or part of a month in 1993, amounts paid for health insurance coverage for that month cannot be used to figure the deduction. For example, if you were eligible to participate in a subsidized health plan maintained by your spouse's employer from September 30 through December 31, you cannot use amounts paid for health insurance coverage for September through December to figure your deduction. For more details, get **Pub. 535, Business Expenses**.

If you qualify to take the deduction, use the worksheet on page 23 to figure the amount you can deduct. But if either of the following applies, **do not** use the worksheet. Instead, see Pub. 535 to find out how to figure your deduction.

- You had more than one source of income subject to self-employment tax.
- You file **Form 2555**, Foreign Earned Income, or **Form 2555-EZ**, Foreign Earned Income Exclusion.

**Caution:** If you can file **Schedule EIC, Earned Income Credit**, you may also be able to claim the health insurance credit on that schedule. If you do claim that credit, **do not** use the worksheet on page 23. Instead, get **Pub. 596, Earned Income Credit**, to figure your self-employed health insurance deduction.

**Line 27**

**Keogh Retirement Plan and Self-Employed SEP Deduction**

If you are self-employed or a partner, deduct payments to your Keogh (HR 10) plan or simplified employee pension (SEP) plan on line 27. Deduct payments for your employees on Schedule C or F.

**Caution:** You must be self-employed to claim the Keogh deduction. There are two types of Keogh plans:

- A **defined-contribution plan** has a separate account for each person. Benefits are based on the amount paid to each account.
- Payments to a **defined-benefit plan** are determined by the funds needed to give a specific benefit at retirement. If you deduct payments to this kind of plan, enter "DB" next to line 27.

Get **Pub. 560, Retirement Plans for the Self-Employed**, for more details, including limits on the amount you can deduct.

**Self-Employed Health Insurance Deduction Worksheet—Line 26**  
(keep for your records)

1. Enter the total amount paid in 1993 for health insurance coverage for 1993 for you, your spouse, and dependents. But do not include amounts for any month you were eligible to participate in an employer-sponsored health plan . . . . .	1. _____
2. Percentage used to figure the deduction . . . . .	2. _____ × .25
3. Multiply line 1 by the percentage on line 2 . . . . .	3. _____
4. Enter your net profit and any other earned income* from the business under which the insurance plan is established, minus any deductions you claim on Form 1040, lines 25 and 27 . . . . .	4. _____
5. <b>Self-employed health insurance deduction.</b> Enter the smaller of line 3 or line 4 here and on Form 1040, line 26. DO NOT include this amount in figuring any medical expense deduction on Schedule A (Form 1040). . . . .	5. _____

\* **Earned income** includes net earnings and gains from the sale, transfer, or licensing of property you created. It does not include capital gain income. If you were a more than 2% shareholder in an S corporation, earned income is your wages from that corporation.

**Line 28**

**Penalty on Early Withdrawal of Savings**

The **Form 1099-INT** or, if applicable, **Form 1099-OID** given to you by your bank or savings and loan association will show the amount of any penalty you were charged because you withdrew funds from your time savings deposit before its maturity. Enter this amount on line 28. Be sure to include the interest income on Form 1040, line 8a.

**Line 29**

**Alimony Paid**

You can deduct periodic payments of alimony or separate maintenance made under a court decree. You can also deduct payments made under a written separation agreement or a decree for support. Don't deduct lump-sum cash or property settlements, voluntary payments not made under a court order or a written separation agreement, or amounts specified as child support.

For details, call Tele-Tax (see page 30) and listen to topic 452 or get **Pub. 504**, *Divorced or Separated Individuals*.

**Caution:** You must enter the recipient's social security number (SSN) in the space provided on line 29. If you don't, you may have to pay a \$50 penalty and your deduction may be disallowed.

If you paid alimony to more than one person, enter the SSN of one of the recipients. Show the SSN(s) and the amount paid to the other recipient(s) on an attached statement. Enter your total payments on line 29.

**Divorce or Separation Instruments Executed After 1984.** Generally, you may deduct any payment made in cash to, or on behalf of, your spouse or former spouse under a divorce or separation instrument executed after 1984 if **all four** of the following apply.

1. The instrument does not prevent the payment from qualifying as alimony.
2. You and your spouse or former spouse did not live together when the payment was made if you were separated under a decree of divorce or separate maintenance.

3. You are not required to make any payment after the death of your spouse or former spouse.
4. The payment is not treated as child support.

These rules also apply to certain instruments modified after 1984. Other rules apply if your annual payments decreased by more than \$15,000. For details, see Pub. 504.

**Line 30**

**Total Adjustments**

Add lines 24a through 29 and enter the total on line 30. Also, include in the total on line 30 any of the following adjustments.

**Qualified Performing Artists.** If you are a qualified performing artist, include in the total on line 30 your performing-arts-related expenses from line 11 of **Form 2106**, Employee Business Expenses. Enter the amount and "QPA" on the dotted line next to line 30.

**Jury Duty Pay Given to Employer.** If you reported jury duty pay on line 22 and you were required to give your employer any part of that pay because your employer continued to pay your salary while you served on the jury, include the amount you gave your employer in the total on line 30. Enter the amount and "Jury pay" next to line 30.

**Forestation or Reforestation Amortization.** If you can claim a deduction for amortization of the costs of forestation or reforestation and you do not have to file Schedule C, C-EZ, or F for this activity, include your deduction in the total on line 30. Enter the amount and "Reforestation" on the dotted line next to line 30.

**Repayment of Sub-Pay Under the Trade Act of 1974.** If you repaid supplemental unemployment benefits (sub-pay) that you previously reported in income because you became eligible for payments under the Trade Act of 1974, include in the total on line 30 the amount you repaid in 1993. Enter the amount and "Sub-pay TRA" on the dotted line next to line 30. Or, you may be able to claim a credit against your tax instead. Get **Pub. 525**, *Taxable and Nontaxable Income*, for more details.

**Contributions to Section 501(c)(18) Pension Plans.** If you chose to have your employer contribute part of your pay to a

pension plan exempt from tax under Internal Revenue Code section 501(c)(18), the amount contributed should be identified with code **H** in box 13 of your W-2 form. You may deduct the amount contributed subject to the limits explained under **Excess Salary Deferrals** on page 16. Include your deduction in the total on line 30. Enter the amount and "501(c)(18)" next to line 30.

**Deduction for Clean-Fuel Vehicles.** If you can take this deduction for a vehicle placed in service after June 30, 1993, that uses a clean-burning fuel, include the amount of your deduction in the total on line 30. But if you are claiming part of your deduction on Schedule C, C-EZ, E, or F, subtract that part from your total deduction and include only the balance on line 30. Enter the amount and "Clean-Fuel" on the dotted line next to line 30. **Clean-burning fuels** are natural gas, liquefied natural gas, liquefied petroleum (LP) gas, hydrogen, electricity, and fuels containing at least 85% alcohol (including methanol or ethanol) or ether.

**Expenses From the Rental of Personal Property.** If you reported income from the rental of personal property on line 22, include the total of your deductible expenses related to that income in the total on line 30. Enter the amount and "PPR" on the dotted line next to line 30.

**Adjusted Gross Income**

**Line 31**

If line 31 is less than zero, you may have a net operating loss that you can carry to another tax year. If you carry the loss back to earlier years, see **Form 1045**, *Application for Tentative Refund*. If you do not wish to carry back a net operating loss, you may elect to carry the loss over to future years. You must attach the election to your return. For more details, get **Pub. 536**, *Net Operating Losses*.

**Tax Computation**

**Line 33a**

If you were age 65 or older or blind, check the appropriate boxes on line 33a. If you were married and checked the box on line 6b on page 1 of Form 1040 and your spouse was age 65 or older or blind, also check the appropriate boxes for your spouse. Then, add the number of boxes checked on line 33a. Enter the total in the box provided on line 33a. You need this total to use the **Standard Deduction Chart for People Age 65 or Older or Blind** on page 24.

**Age.** If you were age 65 or older on January 1, 1994, check the "65 or older" box on your 1993 return.

**Blindness.** If you were completely blind as of December 31, 1993, attach a statement to your return describing this condition. If you were partially blind, you must attach a statement certified by your eye doctor or registered optometrist that:

- You can't see better than 20/200 in your better eye with glasses or contact lenses, or

- Your field of vision is 20 degrees or less.

If your eye condition is not likely to improve beyond the conditions listed above, attach a statement certified by your eye doctor or registered optometrist to this effect. Keep a copy of this statement for your records. If you attached this statement in a prior year, attach a note saying that you have already filed a statement.

### Line 33b

If your parent (or someone else) can claim you as a dependent on his or her return (even if that person chose not to claim you), check the box on line 33b. Use the **Standard Deduction Worksheet for Dependents** on this page to figure your standard deduction.

### Line 33c

If your spouse itemizes deductions on a separate return or if you were a dual-status alien, check the box on line 33c. But if you were a dual-status alien and you file a joint return with your spouse who was a U.S. citizen or resident at the end of 1993 and you and your spouse agree to be taxed on your combined worldwide income, **do not** check the box.

If you check this box, you **cannot** take the standard deduction. If you have any itemized deductions, such as state and local income taxes, your Federal income tax will be less if you itemize your deductions.

### Line 34

#### Itemized Deductions or Standard Deduction

Your Federal income tax will be less if you take the **larger** of:

- Your itemized deductions, or
- Your standard deduction.

The standard deduction has increased for most people. Even if you itemized last year, be sure to see if the standard deduction will benefit you in 1993.

**Itemized Deductions.** To figure your itemized deductions, fill in **Schedule A**.

If your itemized deductions are larger than your standard deduction, attach Schedule A and enter on Form 1040, line 34, the amount from Schedule A, line 26.

**Standard Deduction.** Most people can find their standard deduction by looking at line 34 of Form 1040. But if you checked **any** of the boxes on **lines 33a or 33b**, use the chart or worksheet on this page that applies to you to figure your standard deduction. Also, if you checked the box on **line 33c**, your standard deduction is zero, even if you were age 65 or older or blind.

If your standard deduction is larger than your itemized deductions, enter your standard deduction on line 34.

**Itemizing for State Tax or Other Purposes.** If you itemize even though your itemized deductions are less than your standard deduction, enter "IE" (itemized elected) next to line 34.

### Standard Deduction Chart for People Age 65 or Older or Blind—Line 34

If someone can claim you as a dependent, use the worksheet below instead.

Enter the number from the box on line 33a of Form 1040 . . . . .

**Caution:** Do not use the number of exemptions from line 6e.

If your filing status is:	And the number in the box above is:	Your standard deduction is:
Single	1 . . . . .	\$4,600
	2 . . . . .	5,500
Married filing jointly or Qualifying widow(er)	1 . . . . .	\$6,900
	2 . . . . .	7,600
	3 . . . . .	8,300
	4 . . . . .	9,000
Married filing separately	1 . . . . .	\$3,800
	2 . . . . .	4,500
	3 . . . . .	5,200
	4 . . . . .	5,900
Head of household	1 . . . . .	\$6,350
	2 . . . . .	7,250

### Standard Deduction Worksheet for Dependents—Line 34 (keep for your records)

Use this worksheet **only** if someone can claim you as a dependent.

1. Enter your <b>earned income</b> (defined below). If none, enter -0-	1. _____
2. Minimum amount . . . . .	2. <u>600.00</u>
3. Enter the <b>larger</b> of line 1 or line 2 . . . . .	3. _____
4. Enter on line 4 the amount shown below for your filing status: <ul style="list-style-type: none"> <li>• Single, enter \$3,700</li> <li>• Married filing separately, enter \$3,100</li> <li>• Married filing jointly or Qualifying widow(er), enter \$6,200</li> <li>• Head of household, enter \$5,450</li> </ul>	4. _____
5. <b>Standard deduction.</b> <ul style="list-style-type: none"> <li>a. Enter the <b>smaller</b> of line 3 or line 4. If under 65 and not blind, stop here and enter this amount on Form 1040, line 34. Otherwise, go to line 5b . . . . .</li> <li>b. If 65 or older or blind, multiply \$900 (\$700 if married filing jointly or separately, or qualifying widow(er)) by the number on Form 1040, line 33a . . . . .</li> <li>c. Add lines 5a and 5b. Enter the total here and on Form 1040, line 34 . . . . .</li> </ul>	5a. _____ 5b. _____ 5c. _____

**Earned income** includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed. It also includes any amount received as a scholarship that you must include in your income. Generally, your earned income is the total of the amount(s) you reported on Form 1040, lines 7, 12, and 19, minus the amount, if any, on line 25.

### The IRS Will Figure Your Tax and Some of Your Credits

If you want, we will figure your tax for you. If you have paid too much, we will send you a refund. If you did not pay enough, we'll send you a bill. We won't charge you interest or a late payment penalty if you pay within 30 days of the notice date or by the due date for your return, whichever is later.

We can figure your tax if you meet **all five** of the conditions described below:

- All of your income for 1993 was from wages, salaries, tips, interest, dividends, taxable social security benefits, unemployment compensation, IRA distributions, pensions, or annuities.
- You do not itemize deductions.
- You do not file any of the following forms:

- Schedule D**, Capital Gains and Losses.
- Form 2555**, Foreign Earned Income.
- Form 2555-EZ**, Foreign Earned Income Exclusion.
- Form 4137**, Social Security and Medicare Tax on Unreported Tip Income.
- Form 4970**, Tax on Accumulation Distribution of Trusts.
- Form 4972**, Tax on Lump-Sum Distributions.
- Form 6198**, At-Risk Limitations.
- Form 6251**, Alternative Minimum Tax—Individuals.
- Form 8615**, Tax for Children Under Age 14 Who Have Investment Income of More Than \$1,200.
- Form 8814**, Parents' Election To Report Child's Interest and Dividends.
- 4. Your taxable income (line 37) is less than \$100,000.
- 5. You do not want any of your refund applied to next year's estimated tax.



**Deduction for Exemptions Worksheet—Line 36** (keep for your records)

Use this worksheet **only** if the amount on Form 1040, line 32, is more than the dollar amount shown on line 3 below for your filing status. If the amount on Form 1040, line 32, is equal to or less than the dollar amount shown on line 3, multiply \$2,350 by the total number of exemptions claimed on Form 1040, line 6e, and enter the result on line 36.

1. Multiply \$2,350 by the total number of exemptions claimed on Form 1040, line 6e . . . . . 1. \_\_\_\_\_

2. Enter the amount from Form 1040, line 32. . . . . 2. \_\_\_\_\_

3. Enter on line 3 the amount shown below for your filing status:

- Married filing separately, enter \$81,350
- Single, enter \$108,450
- Head of household, enter \$135,600
- Married filing jointly or Qualifying widow(er), enter \$162,700

3. \_\_\_\_\_

4. Subtract line 3 from line 2. If zero or less, **stop here**; enter the amount from line 1 above on Form 1040, line 36 . . . . . 4. \_\_\_\_\_

**Note:** If line 4 is more than \$122,500 (more than \$61,250 if married filing separately), **stop here**; you **cannot** take a deduction for exemptions. Enter -0- on Form 1040, line 36.

5. Divide line 4 by \$2,500 (\$1,250 if married filing separately). If the result is not a whole number, round it up to the next higher whole number (for example, round 0.0004 to 1) . . . . . 5. \_\_\_\_\_

6. Multiply line 5 by 2% (.02) and enter the result as a decimal amount . . . . . 6. \_\_\_\_\_

7. Multiply line 1 by line 6 . . . . . 7. \_\_\_\_\_

8. **Deduction for exemptions.** Subtract line 7 from line 1. Enter the result here and on Form 1040, line 36 . . . . . 8. \_\_\_\_\_

To have us figure your tax, please do the following:

- Fill in the parts of your return through line 37 that apply to you.
- If you are filing a joint return, use the space under the words "Adjustments to Income" on the front of your return to separately show your taxable income and your spouse's taxable income.
- Read lines 39 through 59. Fill in the lines that apply to you, but do not fill in the total lines. Please be sure to fill in line 54 for Federal income tax withheld. See the instructions below if you want us to figure your credit for the elderly or the disabled or your earned income credit.
- Fill in and attach any forms or schedules asked for on the lines you completed.
- Sign and date your return (both spouses must sign a joint return) and enter your occupation(s).
- Mail your return by April 15, 1994.

**We will figure the following credits too:**

**Credit for the Elderly or the Disabled.** If you can take this credit, attach **Schedule R** to your return and enter "CFE" on the dotted line next to line 42. Check the box on Schedule R for your filing status and age, and fill in lines 11 and 13 of Part III if applicable. Also, fill in Part II if applicable.

**Earned Income Credit (EIC).** Read the instructions that begin on page EIC-1 to see if you can take this credit. If you can, fill in page 1 of Schedule EIC and attach it to your return. Enter "EIC" on the dotted line next to line 56.

**Line 38**

**Tax**

To figure your tax, use one of the following methods.

**Tax Table.** If your taxable income is less than \$100,000, you **must** use the Tax Table to find your tax unless you are required to use **Form 8615** or you use the **Schedule D Tax Worksheet** (see below). Be sure you use the correct column in the Tax Table. After you have found the correct tax, enter that amount on line 38.

**Tax Rate Schedules.** You must use the Tax Rate Schedules to figure your tax if your taxable income is \$100,000 or more unless you are required to use **Form 8615** or you use the **Schedule D Tax Worksheet**.

**Schedule D Tax Worksheet.** If you had a net capital gain, your tax may be less if you figure it using the worksheet in the instructions for Schedule D.

**Form 8615.** Form 8615 must generally be used to figure the tax for any child who was under age 14 on January 1, 1994, and who had more than \$1,200 of investment income, such as taxable interest or dividends. But if neither of the child's parents was alive on December 31, 1993, do not use Form 8615 to figure the child's tax.

**Note:** If you are filing **Form 8814, Parents' Election To Report Child's Interest and Dividends**, include in your total for line 38 the tax from Form 8814, line 8. Also, enter that tax in the space provided next to line 38.

**Line 39**

**Additional Taxes**

Check the box(es) on line 39 to report any additional taxes from:

**Form 4970**, Tax on Accumulation Distribution of Trusts, or

**Form 4972**, Tax on Lump-Sum Distributions.

**Credits**

**Line 41**

**Credit for Child and Dependent Care Expenses**

You may be able to take this credit if you paid someone to care for your child **under age 13** or your dependent or spouse who could not care for himself or herself. But to do so, the care must have been provided so that you (and your spouse if you were married) could work or look for work and you must have had income from a job or through self-employment.

Use **Form 2441** to figure the credit. If you received any dependent care benefits for 1993, you must file Form 2441 to figure the amount of the benefits you may exclude from your income even if you cannot take the credit. For more details, including special rules for divorced or separated parents, see the Instructions for Form 2441 and **Pub. 503**, Child and Dependent Care Expenses.

**Note:** If the care was provided in your home, both you and the employee may have to pay a share of the social security and Medicare tax on the employee's wages. You may also have to pay Federal unemployment tax, which is for your employee's unemployment insurance. For details, get **Pub. 926, Employment Taxes for Household Employers**.

**Line 42**

**Credit for the Elderly or the Disabled**

You may be able to take this credit and reduce your tax if by the end of 1993:

- You were age 65 or older, or
- You were under age 65, you retired on **permanent and total** disability, and you had taxable disability income in 1993.

Even if you meet one of the above conditions, you generally cannot take the credit if you are:

- Single, head of household, or qualifying widow(er), and the amount on Form 1040, line 32, is \$17,500 or more; or you received \$5,000 or more of nontaxable social security or other nontaxable pensions.
- Married filing jointly, only one spouse is eligible for the credit, and the amount on Form 1040, line 32, is \$20,000 or more; or you received \$5,000 or more of nontaxable social security or other nontaxable pensions.
- Married filing jointly, both spouses are eligible for the credit, and the amount on Form 1040, line 32, is \$25,000 or more; or you received \$7,500 or more of nontaxable social security or other nontaxable pensions.

• Married filing separately, you lived apart from your spouse all year, and the amount on Form 1040, line 32, is \$12,500 or more; or you received \$3,750 or more of nontaxable social security or other nontaxable pensions.

For more details, see the separate instructions for Schedule R and **Pub. 524**, Credit for the Elderly or the Disabled. If you want the IRS to figure the credit for you, see **The IRS Will Figure Your Tax and Some of Your Credits** on page 24.

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## Line 43

### Foreign Tax Credit

**Form 1116** explains when you can take this credit for payment of income tax to a foreign country. Also, get **Pub. 514**, Foreign Tax Credit for Individuals.

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## Line 44

### Other Credits

Complete line 44 if you can take any of the following credits.

**General Business Credit.** If you have two or more of the following general business credits, a general business credit carryforward, or a general business credit (other than the low-income housing credit) from a passive activity, you must also complete **Form 3800** to figure the total credit. Include on line 44 the amount from Form 3800 and check box **a** on line 44. If you have only one general business credit, include on line 44 the amount of the credit from the form. Also, check box **d** on line 44 and enter the form number for that credit.

**Form 3468, Investment Credit.** This credit was generally repealed for property placed in service after 1985. For exceptions, see Form 3468.

**Form 5884, Jobs Credit.** If you are a business employer who hires people who are members of special targeted groups, you may be able to take this credit. Use Form 5884 to figure the credit.

**Form 6478, Credit for Alcohol Used as Fuel.** If you sold straight alcohol (or an alcohol mixture) at retail or used it as fuel in your trade or business, get Form 6478 to see if you can take this credit. For more details, get **Pub. 378**, Fuel Tax Credits and Refunds.

**Form 6765, Credit for Increasing Research Activities.** You may be able to take a credit for research and experimental expenditures paid or incurred in carrying on your trade or business. Get Form 6765 for details.

**Form 8586, Low-Income Housing Credit, and Schedule A (Form 8609), Annual Statement.** If you owned a building that was part of a low-income housing project, you may be able to take this credit. Use Form 8586 and Schedule A (Form 8609) to figure the credit. Also, complete and attach **Form 8609**, Low-Income Housing Credit Allocation Certification.

**Form 8826, Disabled Access Credit.** If you paid or incurred expenses to make your business accessible to or usable by individuals with disabilities, get Form 8826 to see if you can take this credit.

**Form 8830, Enhanced Oil Recovery Credit.** You may be able to take a credit of 15% of your enhanced oil recovery costs. Get Form 8830 for details.

**Form 8835, Renewable Electricity Production Credit.** If you owned a facility that produced electricity from qualified energy resources and the facility was placed in service after 1992, get Form 8835 to see if you can take this credit.

**Mortgage Interest Credit (Form 8396).** If you were issued a mortgage credit certificate by a state or local government under a qualified mortgage credit certificate program to buy, rehabilitate, or improve your main home, get Form 8396 to see if you can take this credit. If you can, check box **b** on line 44. For more details, get **Pub. 530**, Tax Information for First-Time Homeowners.

**Credit for Prior Year Minimum Tax (Form 8801).** If you paid alternative minimum tax in an earlier year, get Form 8801 to see if you can take this credit. If you can, check box **c** on line 44. For more details, get **Pub. 909**, Alternative Minimum Tax for Individuals.

**Qualified Electric Vehicle Credit (Form 8834).** If you placed a new electric vehicle in service after June 30, 1993, get Form 8834 to see if you can take this credit. If you can, check box **d** on line 44 and enter the form number.

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## Line 45

Add amounts on lines 41 through 44 and enter the total on line 45.

**Nonconventional Source Fuel Credit.** A credit is allowed for the sale of qualified fuels produced from a nonconventional source. See Internal Revenue Code section 29 for a definition of qualified fuels, details on figuring the credit, and other special rules. Attach a separate schedule showing how you figured the credit. Include the credit in the total on line 45. Enter the amount and "FNS" on the dotted line next to line 45.

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## Other Taxes

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### Line 47

#### Self-Employment Tax

If you had self-employment income in 1993 and earned under \$135,000 in wages from which social security, Medicare, or railroad retirement (RRTA) tax was withheld, you may owe self-employment tax. Get **Schedule SE** and its instructions to see if you owe this tax. If you do, enter the tax on line 47.

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### Line 48

#### Alternative Minimum Tax

The tax law gives special treatment to some kinds of income and allows special deductions and credits for some kinds of expenses. If you benefit from these provisions, you may have to pay at least a minimum amount of tax through the alternative minimum tax. This tax is figured on **Form 6251**, Alternative Minimum Tax—Individuals. Use the worksheet on page 27 to see if you should complete Form 6251.

**Exception.** If you claimed or received any of the items listed below, **don't** use the worksheet on page 27. Instead, fill in Form 6251.

1. Accelerated depreciation in excess of straight-line.
2. Income from the exercise of incentive stock options.
3. Tax-exempt interest from private activity bonds (including exempt-interest dividends from a regulated investment company to the extent derived from private activity bonds).
4. Intangible drilling costs.
5. Depletion.
6. Circulation expenditures.
7. Research and experimental expenditures.
8. Mining exploration and development costs.
9. Amortization of pollution-control facilities.
10. Income or (loss) from tax shelter farm activities.
11. Income or (loss) from passive activities.
12. Income from long-term contracts figured under the percentage-of-completion method.
13. Income from installment sales of certain property.
14. Interest paid on a home mortgage **not** used to buy, build, or substantially improve your home.
15. Investment interest expense.
16. Foreign tax credit.
17. Net operating loss deduction.

**Caution:** Form 6251 should be filled in for a child under age 14 if the total of the child's adjusted gross income from Form 1040, line 32, is more than the sum of \$1,000 plus the child's earned income.

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## Line 49

### Recapture Taxes

Complete line 49 if you owe any of the following taxes.

**Recapture of Investment Credit.** If you disposed of investment credit property or changed its use before the end of its useful life or recovery period, you may owe this tax. See **Form 4255** for details. If you owe this tax, check box **a** and include the tax on line 49.

**Recapture of Low-Income Housing Credit.** If you disposed of property (or there was a reduction in the qualified basis of the property) on which you took the low-income housing credit, you may owe this tax. See **Form 8611** for details. If you owe this tax, check box **b** and include the tax on line 49.

**Recapture of Federal Mortgage Subsidy.** If you sold your home in 1993 and it was financed (in whole or part) from the proceeds of any tax-exempt qualified mortgage bond or you claimed the mortgage interest credit, you may owe this tax. See **Form 8828** for details. If you owe this tax, check box **c** and include the tax on line 49.

**Worksheet To See If You Should Fill In Form 6251—Line 48** (keep for your records)

1. Enter the amount from Form 1040, line 35 . . . . .	1. _____
2. If you itemized deductions on Schedule A, go to line 3. Otherwise, enter your standard deduction from Form 1040, line 34, and go to line 5. . . . .	2. _____
3. Enter the <b>smaller</b> of the amount on Schedule A, line 4, or 2.5% of the amount on Form 1040, line 32 . . . . .	3. _____
4. Add lines 8 and 24 of Schedule A and enter the total . . . . .	4. _____
5. Add lines 1 through 4 above . . . . .	5. _____
6. Enter \$45,000 (\$22,500 if married filing separately; \$33,750 if single or head of household) . . . . .	6. _____
7. Subtract line 6 from line 5. If zero or less, <b>stop here</b> ; you don't need to fill in Form 6251 . . . . .	7. _____
8. Enter \$150,000 (\$75,000 if married filing separately; \$112,500 if single or head of household) . . . . .	8. _____
9. Subtract line 8 from line 5. If zero or less, enter -0- here and on line 10 and go to line 11 . . . . .	9. _____
10. Multiply line 9 by 25% (.25) and enter the result but do not enter more than line 6 above . . . . .	10. _____
11. Add lines 7 and 10. If the total is over \$175,000 (\$87,500 if married filing separately), <b>stop here</b> and fill in Form 6251 to see if you owe the alternative minimum tax . . . . .	11. _____
12. Multiply line 11 by 26% (.26) . . . . .	12. _____

**Next:** If line 12 is more than the amount on Form 1040, line 38, fill in Form 6251 to see if you owe the alternative minimum tax. If line 12 is equal to or less than the amount on Form 1040, line 38, **do not** fill in Form 6251.

**Line 50**

**Social Security and Medicare Tax on Tip Income Not Reported to Employer**

If you received tips of \$20 or more in any month and you did not report the full amount to your employer, or your W-2 form(s) shows allocated tips that you are including in your income, you must pay the social security and Medicare or railroad retirement (RRTA) tax on the unreported tips. If you reported the full amount to your employer but the social security and Medicare or RRTA tax was not withheld, you must pay it unless the rules discussed under **Uncollected Employee Social Security and Medicare or RRTA Tax on Tips** (line 53) apply.

To figure the social security and Medicare tax, get **Form 4137**, Social Security and Medicare Tax on Unreported Tip Income. Enter the tax on line 50.

To pay the RRTA tax, contact your employer. Your employer will collect the tax.

Be sure all your tips are reported as income on Form 1040, line 7.

**Caution:** You may be charged a penalty equal to 50% of the social security and Medicare tax due on tips you received but did not report to your employer.

**Line 51**

**Tax on Qualified Retirement Plans, Including IRAs**

You may owe this tax if any of the following apply:

1. You received any early distributions from a qualified retirement plan (including your IRA), annuity, or modified endowment contract (entered into after June 20, 1988).
2. You received any excess distributions from a qualified retirement plan.

3. You made excess contributions to your IRA.

4. You had excess accumulations in a qualified retirement plan.

If any of the above apply, get **Form 5329** and its instructions to see if you owe this tax and if you must file Form 5329. Enter the tax from Form 5329 on line 51. **However**, if **only** item 1 above applies to you **and** distribution code 1 is shown in box 7 of your **Form 1099-R**, you do not have to file Form 5329. Instead, multiply the taxable amount of the distribution by 10% (.10) and enter the result on line 51. The taxable amount of the distribution is the part of the distribution you reported on line 16b or line 17b of Form 1040 or on Form 4972. Also, enter "No" on the dotted line next to line 51 to indicate that you do not have to file Form 5329. **But** if distribution code 1 is incorrectly shown in box 7, you must file Form 5329.

**Caution:** Be sure to include on line 16b or line 17b of Form 1040 or on Form 4972, whichever applies, the taxable part of any early distributions you received.

**Line 52**

**Advance Earned Income Credit Payments**

Enter the total amount of advance earned income credit (EIC) payments you received. These payments should be shown in box 9 of your W-2 form(s). See Schedule EIC to figure the earned income credit you can actually take.

**Line 53**

**Total Tax**

Add lines 46 through 52 and enter the total on line 53. Also, include in the total on line 53 any of the following that applies.

**Section 72(m)(5) Excess Benefits Tax.** If you are or were a 5% owner of a business

and you received a distribution of excess benefits from a qualified pension or annuity plan, you may have to pay a penalty tax of 10% of the distribution. Get **Pub. 560** for more details. Include this penalty tax in your total for line 53. Enter the amount of this tax and the words "Section 72(m)(5)" on the dotted line next to line 53.

**Uncollected Employee Social Security and Medicare or RRTA Tax on Tips.** If you did not have enough wages to cover the social security and Medicare or railroad retirement (RRTA) tax due on tips you reported to your employer, the amount of tax due should be identified with codes **A** and **B** in box 13 of your Form W-2. Include this tax in the total for line 53. Enter the amount of this tax and the words "Uncollected Tax" on the dotted line next to line 53.

**Uncollected Employee Social Security and Medicare or RRTA Tax on Group-Term Life Insurance.** If you had group-term life insurance through a former employer, you may have to pay social security and Medicare or RRTA tax on part of the cost of the life insurance. The amount of tax due should be identified with codes **M** and **N** in box 13 of your Form W-2. Include this tax in the total for line 53. Enter the amount of this tax and the words "Uncollected Tax" on the dotted line next to line 53.

**Golden Parachute Payments.** Golden parachute payments are certain payments made by a corporation to key employees to compensate them if control of the corporation changes. If you received an excess parachute payment (EPP), you must pay a tax equal to 20% of this excess payment. Enter the amount and "EPP" on the dotted line next to line 53.

If you received a **Form W-2** that includes a parachute payment, the amount of tax on any excess payment should be identified with code **K** in box 13 of Form W-2. (Box 2 of Form W-2 should also include any amount withheld for this tax.) Include this tax in the total for line 53. Enter the amount of this tax and "EPP" on the dotted line next to line 53.

If you received a **Form 1099-MISC** that includes a parachute payment, any excess payment will be separately identified on the form. Multiply the excess payment by 20% to figure the amount to include in the total for line 53. Enter the amount and "EPP" on the dotted line next to line 53.

**Payments**

**Line 54**

**Federal Income Tax Withheld**

Add the amounts shown as Federal income tax withheld on your **Forms W-2, W-2G, and 1099-R**. Enter the total on line 54. The amount withheld should be shown in box 2 of Form W-2 or W-2G, and in box 4 of Form 1099-R. If line 54 includes amounts withheld as shown on Form 1099-R, check the box on line 54. Be sure to attach the Form 1099-R.

**Backup Withholding.** If you received a 1993 Form 1099 showing Federal income tax withheld (backup withholding) on dividends, interest income, or other income you received,

include the amount withheld in the total on line 54. This should be shown in box 2 of Form 1099-DIV and box 4 of the other 1099 forms. Be sure to check the box on line 54.

## Line 55

### 1993 Estimated Tax Payments

Enter on this line any payments you made on your estimated Federal income tax (**Form 1040-ES**) for 1993. Include any overpayment from your 1992 return that you applied to your 1993 estimated tax.

If you and your spouse paid joint estimated tax but are now filing separate income tax returns, either of you can claim all of the amount paid. Or you can each claim part of it. Get **Pub. 505**, Tax Withholding and Estimated Tax, for details on how to divide your payments. Be sure to show both social security numbers (SSNs) in the space provided on the separate returns. If you or your spouse paid separate estimated tax but you are now filing a joint income tax return, add the amounts you each paid. Follow these instructions even if your spouse died in 1993 or in 1994 before filing a 1993 return.

**Divorced Taxpayers.** If you were divorced during 1993 and you made joint estimated tax payments with your former spouse, enter your former spouse's SSN in the space provided on the front of Form 1040. If you were divorced and remarried in 1993, enter your present spouse's SSN in the space provided on the front of Form 1040. Also, under the bold heading "Payments" to the left of line 55, enter your former spouse's SSN, followed by "DIV."

**Name Change.** If you changed your name because of marriage, divorce, etc., and you made estimated tax payments using your former name, attach a statement to the front of Form 1040 explaining all the payments you and your spouse made in 1993, the service center where you made the payments, and the name(s) and SSN(s) under which you made the payments.

## Line 56

### Earned Income Credit

If the amount on line 31 is less than \$23,050 and a child lived with you, you may be able to take this credit. See page EIC-1 to find out if you can take this credit. If you can, use **Schedule EIC** to figure the credit. If you want the IRS to figure the credit for you, see the instructions for Schedule EIC.

**Note:** If you got advance earned income credit (EIC) payments in 1993, report these payments on line 52. If you are eligible, you may be able to get advance EIC payments in 1994 by filing **Form W-5** with your employer.

## Line 57

### Amount Paid With Form 4868 (Extension Request)

If you filed **Form 4868** to get an automatic extension of time to file Form 1040, enter the amount you paid with that form. Also, include

any amounts paid with **Form 2688** or **Form 2350**.

## Line 58a

### Excess Social Security, Medicare, and RRTA Tax Withheld—More Than One Employer

**Excess Social Security and Medicare Tax Withheld.** If you had more than one employer for 1993 and your total wages were over \$57,600, your employers may have withheld too much social security tax. If your total wages were over \$135,000, your employers may have withheld too much Medicare tax. If so, you can take a credit for the excess amount on line 58a. Use the worksheet on this page to figure the excess amount.

If any one employer withheld more than \$3,571.20 of social security tax, or more than \$1,957.50 of Medicare tax, you must ask that employer to refund the excess to you. You cannot claim it on your return.

**Excess Railroad Retirement (RRTA) Tax Withheld.** If you had more than one railroad employer for 1993 and your total compensation was over \$57,600, your employers may have withheld too much tier 1 tax. If your total compensation was over \$42,900, your employers may have withheld too much tier 2 tax. If so, you can take a credit for the excess amount on line 58a. Get **Pub. 505**, Tax Withholding and Estimated Tax, to figure the excess amount. **Do not** use the worksheet on this page.

If any one employer withheld more than \$3,571.20 of tier 1 RRTA tax, more than \$1,957.50 of tier 1 Medicare tax, or more than \$2,102.10 of tier 2 tax, you must ask that employer to refund the excess to you. You cannot claim it on your return.

### Excess Social Security and Medicare Tax Withheld Worksheet—Line 58a (keep for your records)

If you are filing a joint return, you must figure any excess tax withheld separately for each spouse. DO NOT combine amounts of both husband and wife.

**Caution: Do not use this worksheet if any RRTA tax was withheld from your pay. Instead, get Pub. 505 to figure the excess amount.**

1. Add all social security tax withheld but not more than \$3,571.20 for each employer. This tax should be shown in box 4 of your W-2 forms. Enter the total here . . . . .	1. _____
2. Enter any uncollected social security tax on tips or group-term life insurance included in the total on Form 1040, line 53 . . . . .	2. _____
3. Add lines 1 and 2. If \$3,571.20 or less, enter -0- on line 5 and go to line 6 . . . . .	3. _____
4. Social security tax limit . . . . .	4. <u>3,571.20</u>
5. Subtract line 4 from line 3. . . . .	5. _____
6. Add all Medicare tax withheld but not more than \$1,957.50 for each employer. This tax should be shown in box 6 of your W-2 forms. Enter the total here . . . . .	6. _____
7. Enter any uncollected Medicare tax on tips or group-term life insurance included in the total on Form 1040, line 53 . . . . .	7. _____
8. Add lines 6 and 7. If \$1,957.50 or less, enter -0- on line 10 and go to line 11 . . . . .	8. _____
9. Medicare tax limit . . . . .	9. <u>1,957.50</u>
10. Subtract line 9 from line 8. . . . .	10. _____
11. <b>Excess social security and Medicare tax withheld.</b> Add lines 5 and 10. Enter the total here and on Form 1040, line 58a . . . . .	11. _____

## Line 58b

### Deferral of Additional 1993 Taxes

If your taxable income on Form 1040, line 37, is over \$140,000 (over \$115,000 if single; over \$127,500 if head of household; over \$70,000 if married filing separately) and you do not owe the alternative minimum tax on Form 1040, line 48, you may be able to elect to defer part of the tax shown on line 53. Get **Form 8841** for details. Enter the amount from Form 8841 on line 58b.

## Line 59

### Other Payments

**Regulated Investment Company Credit.** Include on this line the total amount of the credit from **Form 2439**, Notice to Shareholder of Undistributed Long-Term Capital Gains. Be sure to attach Copy B of Form 2439 and check box **a** on line 59.

**Credit for Federal Tax Paid on Fuels.** If you can take a credit for tax on gasoline, diesel fuel, and other fuels used in your business, or for certain diesel-powered cars, vans, and light trucks, attach **Form 4136**. Include the credit on line 59 and check box **b**.

## Line 60

### Total Payments

Add lines 54 through 59 and enter the total. Also, include on line 60 any credit for overpaid windfall profit tax from Form 6249. Write the amount and "OWPT" on the dotted line next to line 60. Attach Forms 6249 and 6248.

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# Refund or Amount You Owe

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## Line 61

### Amount Overpaid (If line 60 is more than line 53)

Subtract line 53 from line 60 and enter the result on line 61. If line 61 is under \$1, we will send a refund only on written request.

**Note:** If the amount you overpaid is large, you may want to decrease the amount of income tax withheld from your pay. See **Income Tax Withholding and Estimated Tax Payments for 1994** on page 35.

**Injured Spouse Claim.** If you file a joint return and your spouse has not paid child or spousal support payments or certain Federal debts such as student loans, all or part of the overpayment on line 61 may be used to pay the past due amount. But **your** part of the overpayment may be refunded to you if **all three** of the following apply:

1. You are not required to pay the past due amount.
2. You received and reported income (such as wages, taxable interest, etc.) on the joint return.
3. You made and reported payments (such as Federal income tax withheld from your wages or estimated tax payments) on the joint return.

If **all three** of the above apply to you and you want your part of the amount on line 61 refunded to you, complete **Form 8379**, Injured Spouse Claim and Allocation. Write "Injured Spouse" in the upper left corner of Form 1040 and attach Form 8379. If you have already filed your return for 1993, file Form 8379 by itself to get your refund.

**Note:** You may also be able to file an injured spouse claim for prior years. See Form 8379 for details.

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## Line 63

### Applied to 1994 Estimated Tax

Subtract line 62 from line 61 and enter the result on line 63. This is the amount that will be applied to your estimated tax for 1994. We will apply this amount to your account unless you request us to apply it to your spouse's account. The request should include your spouse's social security number.

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## Line 64

### Amount You Owe (If line 53 is more than line 60)

Subtract line 60 from line 53 and enter the result on line 64. This is the amount you owe. Attach to the front of your return a check or money order payable to the Internal Revenue Service for the full amount due when you file. Write your name, address, social security number (SSN), daytime phone number, and "1993 Form 1040" on your payment. Be sure to attach your payment on top of any Forms W-2, 1099-R, etc., on the front of your return.

You do not have to pay if line 64 is under \$1.

**Do not** include any estimated tax payment in your check or money order. Mail any estimated tax payment in an envelope separate from the one you use to pay the tax due on Form 1040.

**Note:** If you owe tax for 1993, you may need to **(a)** increase the amount of income tax withheld from your pay or **(b)** make estimated tax payments for 1994. See **Income Tax Withholding and Estimated Tax Payments for 1994** on page 35.

**Installment Payments.** If you cannot pay the full amount shown on line 64 with your return, you may ask to make monthly installment payments. However, you will be charged interest and a late payment penalty on the tax not paid by April 15, even if your request to pay in installments is granted. To limit the interest and penalty charges, pay as much of the tax as possible with your return. But before requesting an installment agreement, you should consider other less costly alternatives, such as a bank loan.

To ask for an installment agreement, attach to the front of your return either a completed **Form 9465**, Installment Agreement Request, or your own written request. You can get Form 9465 by calling 1-800-TAX-FORM (1-800-829-3676). A written request should include your name, address, SSN, the amount shown on line 64, the amount you paid with your return, and the amount and date you can pay each month. It should also include the tax year and the form number (Form 1040). You should receive a response to your request for installments within 30 days. But if you file your return after March 31, it may take us longer to reply.

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## Line 65

### Estimated Tax Penalty

If line 64 is at least \$500 and it is more than 10% of the tax shown on your return, you may owe this penalty. For most people, the "tax shown on your return" is the amount on line 53 minus the total of any amounts shown on line 56 and Forms 8828, 4137, 4136, and 5329 (Parts II, III, and IV only). Also, the penalty may be due if you underpaid your 1993 estimated tax liability for any payment period. Get **Form 2210** (or **Form 2210-F** for farmers and fishermen) to see if you owe the penalty. If so, use the form to figure the amount. Because Form 2210 is complicated, if you want, the IRS will figure the penalty for you and send you a bill.

In certain situations, you may be able to lower your penalty. See **Lowering the Penalty** later.

**Exceptions to the Penalty.** You will not owe the penalty if **either** of the following applies:

1. You had no tax liability for 1992, you were a U.S. citizen or resident for all of 1992, AND your 1992 tax return was for a tax year of 12 full months, or
2. The total of lines 54, 55, and 58 on your 1993 return is at least as much as your 1992 tax liability, AND your 1992 tax return was for a tax year of 12 full months. Your estimated tax payments for 1993 must have been made on time and for the required amount.

**Caution:** Item 2 above may not apply if your 1993 adjusted gross income (AGI) on Form 1040, line 32: **(a)** is over \$75,000 (over \$37,500 if married filing separately), AND **(b)** exceeds your 1992 AGI by more than \$40,000 (more than \$20,000 if married filing separately). If these conditions apply to you, see Form 2210 and its instructions for details.

**Figuring the Penalty.** If the **Exceptions** above do not apply and you choose to figure the penalty yourself, use Form 2210 (or Form 2210-F). Enter the penalty on Form 1040, line 65. Add the penalty to any tax due and enter the total on line 64. If you are due a refund, subtract the penalty from the overpayment you show on line 61. **Do not** file Form 2210 with your return. Instead, keep it for your records.

If you leave line 65 blank, the IRS will figure the penalty and send you a bill. We will not begin to charge you interest on the penalty until 10 days after the date of the bill.

**Lowering the Penalty.** In the following situations, you may be able to lower the amount of your penalty.

- You claim a waiver.
- Your income varied during the year and you use the annualized income installment method to figure your required payments.
- You had Federal income tax withheld from your wages and you treat it as being paid when it was actually withheld (instead of in four equal amounts).

If any of the situations above apply to you, complete Form 2210 (or Form 2210-F) to see if your penalty can be lowered. If so, you **must** file Form 2210 (or Form 2210-F) with your return. For more details, see the Instructions for Form 2210 (or Form 2210-F).

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# Sign Your Return

Form 1040 is not considered a valid return unless you sign it. If you are filing a joint return, your spouse must also sign. Be sure to date your return and enter your occupation(s). If you have someone prepare your return, you are still responsible for the correctness of the return. If you are filing a joint return with your deceased spouse, see **Death of Taxpayer** on page 35.

**Child's Return.** If your child cannot sign the return, sign your child's name in the space provided. Then, add "By (your signature), parent for minor child."

**Paid Preparers Must Sign Your Return.** Generally, anyone you pay to prepare your return must sign it. A preparer who is required to sign your return must sign it by hand in the space provided (signature stamps or labels cannot be used) and give you a copy of the return for your records. Someone who prepares your return for you but does not charge you should not sign your return.

# Section 5.

## General Information

### What Is Tele-Tax?

*Automated Refund Information* allows you to check the status of your refund. *Recorded Tax Information* includes about 140 topics that answer many Federal tax questions. You can listen to up to three topics on each call you make.

### How Do I Use Tele-Tax?

#### Choosing The Right Number

Use only the number listed on this page for your area. Use a local city number only if it is not a long distance call for you. **Please do not dial "1-800" when using a local city number.** However, when dialing from an area that does not have a local number, be sure to dial "1-800" before calling the toll-free number.

#### Automated Refund Information

Be sure to have a copy of your tax return available since you will need to know the first social security number shown on your return, the filing status, and the **exact** whole-dollar amount of your refund. Then, call the appropriate phone number listed on this page and follow the recorded instructions.

The IRS updates refund information every 7 days. If you call to find out about the status of your refund and do not receive a refund mailing date, please wait 7 days before calling back.

Touch-tone service is available Monday through Friday from 7:00 A.M. to 11:30 P.M. (Hours may vary in your area.)

#### Recorded Tax Information

A complete list of topics is on the next page. Touch-tone service is available 24 hours a day, 7 days a week.

Select, by number, the topic you want to hear. Then, call the appropriate phone number listed on this page. **For the directory of topics, listen to topic 123.** Have paper and pencil handy to take notes.

#### Toll-Free Tele-Tax Telephone Numbers

**Alabama**  
1-800-829-4477

**Alaska**  
1-800-829-4477

**Arizona**  
Phoenix, 640-3933  
Elsewhere, 1-800-829-4477

**Arkansas**  
1-800-829-4477

**California**  
Counties of: Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba,  
1-800-829-4032  
Oakland, 839-4245  
Elsewhere, 1-800-829-4477

**Colorado**  
Denver, 592-1118  
Elsewhere, 1-800-829-4477

**Connecticut**  
1-800-829-4477

**Delaware**  
1-800-829-4477

**District of Columbia**  
628-2929

**Florida**  
1-800-829-4477

**Georgia**  
Atlanta, 331-6572  
Elsewhere, 1-800-829-4477

**Hawaii**  
1-800-829-4477

**Idaho**  
1-800-829-4477

**Illinois**  
Chicago, 886-9614  
In area code 708,  
1-312-886-9614  
Springfield, 789-0489  
Elsewhere, 1-800-829-4477

**Indiana**  
Indianapolis, 631-1010  
Elsewhere, 1-800-829-4477

**Iowa**  
Des Moines, 284-7454  
Elsewhere, 1-800-829-4477

**Kansas**  
1-800-829-4477

**Kentucky**  
1-800-829-4477

**Louisiana**  
1-800-829-4477

**Maine**  
1-800-829-4477

**Maryland**  
Baltimore, 244-7306  
Elsewhere, 1-800-829-4477

**Massachusetts**  
Boston, 536-0709  
Elsewhere, 1-800-829-4477

**Michigan**  
Detroit, 961-4282  
Elsewhere, 1-800-829-4477

**Minnesota**  
St. Paul, 644-7748  
Elsewhere, 1-800-829-4477

**Mississippi**  
1-800-829-4477

**Missouri**  
St. Louis, 241-4700  
Elsewhere, 1-800-829-4477

**Montana**  
1-800-829-4477

**Nebraska**  
Omaha, 221-3324  
Elsewhere, 1-800-829-4477

**Nevada**  
1-800-829-4477

**New Hampshire**  
1-800-829-4477

**New Jersey**  
1-800-829-4477

**New Mexico**  
1-800-829-4477

**New York**  
Bronx, 488-8432  
Brooklyn, 488-8432  
Buffalo, 685-5533  
Manhattan, 406-4080  
Queens, 488-8432  
Staten Island, 488-8432  
Elsewhere, 1-800-829-4477

**North Carolina**  
1-800-829-4477

**North Dakota**  
1-800-829-4477

**Ohio**  
Cincinnati, 421-0329  
Cleveland, 522-3037  
Elsewhere, 1-800-829-4477

**Oklahoma**  
1-800-829-4477

**Oregon**  
Portland, 294-5363  
Elsewhere, 1-800-829-4477

**Pennsylvania**  
Philadelphia, 627-1040  
Pittsburgh, 261-1040  
Elsewhere, 1-800-829-4477

**Puerto Rico**  
1-800-829-4477

**Rhode Island**  
1-800-829-4477

**South Carolina**  
1-800-829-4477

**South Dakota**  
1-800-829-4477

**Tennessee**  
Nashville, 781-5040  
Elsewhere, 1-800-829-4477

**Texas**  
Dallas, 767-1792  
Houston, 541-3400  
Elsewhere, 1-800-829-4477

**Utah**  
1-800-829-4477

**Vermont**  
1-800-829-4477

**Virginia**  
Richmond, 783-1569  
Elsewhere, 1-800-829-4477

**Washington**  
Seattle, 343-7221  
Elsewhere, 1-800-829-4477

**West Virginia**  
1-800-829-4477

**Wisconsin**  
Milwaukee, 273-8100  
Elsewhere, 1-800-829-4477

**Wyoming**  
1-800-829-4477

# Tele-Tax Topics

## Topic

Topic No.	Subject
<b>IRS Help Available</b>	
101	IRS services—Volunteer tax assistance, toll-free telephone, walk-in assistance, and outreach programs
102	Tax assistance for individuals with disabilities and the hearing impaired
103	Small Business Tax Education Program (STEP)—Tax help for small businesses
104	Problem Resolution Program—Help for problem situations
105	Public libraries—Tax information tapes and reproducible tax forms
911	Hardship assistance applications
<b>IRS Procedures</b>	
151	Your appeal rights
152	Refunds—How long they should take
153	What to do if you haven't filed your tax return (Nonfilers)
154	Form W-2—What to do if not received
155	Forms and Publications—How to order
156	Copy of your tax return—How to get one
157	Change of address—How to notify the IRS
<b>Collection</b>	
201	The collection process
202	What to do if you can't pay your tax
203	Failure to pay child support and other Federal obligations
204	Offers in compromise
<b>Alternative Filing Methods</b>	
251	1040PC tax return
252	Electronic filing
253	Substitute tax forms
254	How to choose a tax preparer
<b>General Information</b>	
301	When, where, and how to file
302	Highlights of 1993 tax changes
303	Checklist of common errors when preparing your tax return
304	Extensions of time to file your tax return
305	Recordkeeping
306	Penalty for underpayment of estimated tax
307	Backup withholding
308	Amended returns
309	Tax fraud—How to report
310	Tax-exempt status for organizations
311	How to apply for exempt status
312	Power of attorney information
999	Local information
<b>Filing Requirements, Filing Status, and Exemptions</b>	
351	Who must file?
352	Which form—1040, 1040A, or 1040EZ?
353	What is your filing status?
354	Dependents
355	Estimated tax
356	Decedents
<b>Types of Income</b>	
401	Wages and salaries
402	Tips
403	Interest received
404	Dividends
405	Refunds of state and local taxes
406	Alimony received
407	Business income
408	Sole proprietorship

## Topic

Topic No.	Subject
409	Capital gains and losses
410	Pensions and annuities
411	Pensions—The general rule and the simplified general rule
412	Lump-sum distributions
413	Rollovers from retirement plans
414	Rental income and expenses
415	Renting vacation property and renting to relatives
416	Royalties
417	Farming and fishing income
418	Earnings for clergy
419	Unemployment compensation
420	Gambling income and expenses
421	Bartering income
422	Scholarship and fellowship grants
423	Nontaxable income
424	Social security and equivalent railroad retirement benefits
425	401(k) plans
426	Passive activities—Losses and credits
<b>Adjustments to Income</b>	
451	Individual retirement arrangements (IRAs)
452	Alimony paid
453	Bad debt deduction
454	Tax shelters
<b>Itemized Deductions</b>	
501	Should I itemize?
502	Medical and dental expenses
503	Deductible taxes
504	Moving expenses
505	Interest expense
506	Contributions
507	Casualty losses
508	Miscellaneous expenses
509	Business use of home
510	Business use of car
511	Business travel expenses
512	Business entertainment expenses
513	Educational expenses
514	Employee business expenses
515	Disaster area losses (including flood losses)
<b>Tax Computation</b>	
551	Standard deduction
552	Tax and credits figured by the IRS
553	Tax on a child's investment income
554	Self-employment tax
555	Five- or ten-year averaging for lump-sum distributions
556	Alternative minimum tax
557	Estate tax
558	Gift tax
<b>Tax Credits</b>	
601	Earned income credit (EIC)
602	Child and dependent care credit
603	Credit for the elderly or the disabled
604	Advance earned income credit
<b>IRS Notices and Letters</b>	
651	Notices—What to do
652	Notice of underreported income—CP 2000
653	IRS notices and bills and penalty and interest charges
<b>Basis of Assets, Depreciation, and Sale of Assets</b>	
701	Sale of your home—General
702	Sale of your home—How to report gain
703	Sale of your home—Exclusion of gain, age 55 and over
704	Basis of assets
705	Depreciation
706	Installment sales

## Topic

Topic No.	Subject
<b>Employer Tax Information</b>	
751	Social security and Medicare withholding rates
752	Form W-2—Where, when, and how to file
753	Form W-4—Employee's Withholding Allowance Certificate
754	Form W-5—Advance earned income credit
755	Employer identification number (EIN)—How to apply
756	Employment taxes for household employees
757	Form 941—Deposit requirements
758	Form 941—Employer's Quarterly Federal Tax Return
759	Form 940/940-EZ—Deposit requirements
760	Form 940/940-EZ—Employer's Annual Federal Unemployment Tax Return
761	Targeted jobs credit
762	Tips—Withholding and reporting
<b>Magnetic Media Filers—1099 Series and Related Information Returns (For electronic filing of individual returns, listen to topic 252.)</b>	
801	Who must file magnetically
802	Acceptable media and locating a third party to prepare your files
803	Applications, forms, and information
804	Waivers and extensions
805	Test files and combined Federal and state filing
806	Electronic filing of information returns
807	Information Returns Program Bulletin Board System
<b>Tax Information for Aliens and U.S. Citizens Living Abroad</b>	
851	Resident and nonresident aliens
852	Dual-status alien
853	Foreign earned income exclusion—General
854	Foreign earned income exclusion—Who qualifies?
855	Foreign earned income exclusion—What qualifies?
856	Foreign tax credit
<b>Tax Information for Puerto Rico Residents (in Spanish)</b>	
901	Who must file a U.S. income tax return in Puerto Rico
902	Deductions and credits for Puerto Rico filers
903	Federal employment taxes in Puerto Rico
904	Tax assistance for Puerto Rico residents
<b>Other Tele-Tax Topics in Spanish</b>	
951	IRS services—Volunteer tax assistance, toll-free telephone, walk-in assistance, and outreach programs
952	Refunds—How long they should take
953	Forms and publications—How to order
954	Highlights of 1993 tax changes
955	Who must file?
956	Which form to use?
957	What is your filing status?
958	Social security and equivalent railroad retirement benefits
959	Earned income credit (EIC)
960	Advance earned income credit
961	Alien tax clearance

Topic numbers are effective January 1, 1994.

# Call the IRS With Your Tax Question

If you cannot answer your tax question by reading the tax form instructions or one of our free tax publications, please call us TOLL FREE. "Toll Free" is a telephone call for which you pay only local charges, if any. This service is generally available Monday through Friday during regular business hours.

If you want to check on the status of your **refund**, call **Tele-Tax**. See page 30 for the number.

## Choosing The Right Number

Use only the number listed on this page for your area. Use a local city number only if it is not a long distance call for you. **Please do not dial "1-800" when using a local city number.** However, when dialing from an area that does not have a local number, be sure to dial "1-800" before calling the toll-free number.

## Before You Call

Remember that good communication is a two-way process. IRS representatives care about the quality of the service we provide to you, our customer. You can help us provide accurate, complete answers to your tax questions by having the following information available:

1. The tax form, schedule, or notice to which your question relates.
2. The facts about your particular situation (the answer to the same question often varies from one taxpayer to another because of differences in their age, income, whether they can be claimed as a dependent, etc.).
3. The name of any IRS publication or other source of information that you used to look for the answer.

## Before You Hang Up

If you do not fully understand the answer you receive, or you feel our representative may not fully understand your question, our representative needs to know this. The representative will be happy to take the additional time required to be sure he or she has answered your question fully and in the manner that is most helpful to you.

By law, you are responsible for paying your fair share of Federal income tax. If we should make an error in answering your question, you are still responsible for the payment of the correct tax. Should this occur, however, you will not be charged any penalty. To make sure that IRS representatives give accurate and courteous answers, a second IRS representative sometimes listens in on telephone calls. No record is kept of any taxpayer's identity.

## Toll-Free Tax Help Telephone Numbers

**Alabama**  
1-800-829-1040

**Alaska**  
Anchorage, 561-7484  
Elsewhere, 1-800-829-1040

**Arizona**  
Phoenix, 640-3900  
Elsewhere, 1-800-829-1040

**Arkansas**  
1-800-829-1040

**California**  
Oakland, 839-1040  
Elsewhere, 1-800-829-1040

**Colorado**  
Denver, 825-7041  
Elsewhere, 1-800-829-1040

**Connecticut**  
1-800-829-1040

**Delaware**  
1-800-829-1040

**District of Columbia**  
1-800-829-1040

**Florida**  
Jacksonville, 354-1760  
Elsewhere, 1-800-829-1040

**Georgia**  
Atlanta, 522-0050  
Elsewhere, 1-800-829-1040

**Hawaii**  
Oahu, 541-1040  
Elsewhere, 1-800-829-1040

**Idaho**  
1-800-829-1040

**Illinois**  
Chicago, 435-1040  
In area code 708,  
1-312-435-1040  
Elsewhere, 1-800-829-1040

**Indiana**  
Indianapolis, 226-5477  
Elsewhere, 1-800-829-1040

**Iowa**  
Des Moines, 283-0523  
Elsewhere, 1-800-829-1040

**Kansas**  
1-800-829-1040

**Kentucky**  
1-800-829-1040

**Louisiana**  
1-800-829-1040

**Maine**  
1-800-829-1040

**Maryland**  
Baltimore, 962-2590  
Elsewhere, 1-800-829-1040

**Massachusetts**  
Boston, 536-1040  
Elsewhere, 1-800-829-1040

**Michigan**  
Detroit, 237-0800  
Elsewhere, 1-800-829-1040

**Minnesota**  
Minneapolis, 644-7515  
St. Paul, 644-7515  
Elsewhere, 1-800-829-1040

**Mississippi**  
1-800-829-1040

**Missouri**  
St. Louis, 342-1040  
Elsewhere, 1-800-829-1040

**Montana**  
1-800-829-1040

**Nebraska**  
Omaha, 422-1500  
Elsewhere, 1-800-829-1040

**Nevada**  
1-800-829-1040

**New Hampshire**  
1-800-829-1040

**New Jersey**  
1-800-829-1040

**New Mexico**  
1-800-829-1040

**New York**  
Bronx, 488-9150  
Brooklyn, 488-9150  
Buffalo, 685-5432  
Manhattan, 732-0100  
Nassau, 222-1131  
Queens, 488-9150  
Staten Island, 488-9150  
Suffolk, 724-5000  
Elsewhere, 1-800-829-1040

**North Carolina**  
1-800-829-1040

**North Dakota**  
1-800-829-1040

**Ohio**  
Cincinnati, 621-6281  
Cleveland, 522-3000  
Elsewhere, 1-800-829-1040

**Oklahoma**  
1-800-829-1040

**Oregon**  
Portland, 221-3960  
Elsewhere, 1-800-829-1040

**Pennsylvania**  
Philadelphia, 574-9900  
Pittsburgh, 281-0112  
Elsewhere, 1-800-829-1040

**Puerto Rico**  
San Juan Metro Area,  
766-5040  
Elsewhere, 1-800-829-1040

**Rhode Island**  
1-800-829-1040

**South Carolina**  
1-800-829-1040

**South Dakota**  
1-800-829-1040

**Tennessee**  
Nashville, 834-9005  
Elsewhere, 1-800-829-1040

**Texas**  
Dallas, 742-2440  
Houston, 541-0440  
Elsewhere, 1-800-829-1040

**Utah**  
1-800-829-1040

**Vermont**  
1-800-829-1040

**Virginia**  
Richmond, 649-2361  
Elsewhere, 1-800-829-1040

**Washington**  
Seattle, 442-1040  
Elsewhere, 1-800-829-1040

**West Virginia**  
1-800-829-1040

**Wisconsin**  
Milwaukee, 271-3780  
Elsewhere, 1-800-829-1040

**Wyoming**  
1-800-829-1040

### Phone Help for People With Impaired Hearing Who Have TDD Equipment

All areas in U.S., including  
Alaska, Hawaii, Virgin  
Islands, and Puerto Rico:  
1-800-829-4059

**Note:** This number is answered  
by TDD equipment only.

### Hours of TDD Operation:

8:00 A.M. to 6:30 P.M. EST  
(Jan. 1–April 2)

9:00 A.M. to 7:30 P.M. EDT  
(April 3–April 15)

9:00 A.M. to 5:30 P.M. EDT  
(April 16–Oct. 29)

8:00 A.M. to 4:30 P.M. EST  
(Oct. 30–Dec. 31)



# How To Get Forms and Publications

Generally, we mail forms and schedules directly to you based on what you filed last year. Schedules, forms, and publications you may need are listed on the next page. Other forms and publications referred to in the instructions are also available without cost. Get **Pub. 910** for a complete list of available publications. **To get the items you need**, you can visit your local IRS office, a participating bank, post office, or library; or use the order blank below; or call us toll free at 1-800-TAX-FORM (1-800-829-3676). The toll-free hours are **8 A.M. to 5 P.M. weekdays** and **9 A.M. to 3 P.M. Saturdays**. (In Alaska and Hawaii, the hours are Pacific Standard Time; in Puerto Rico, the hours are Eastern Standard Time.)

## Phone and Mail Orders

We will send you two copies of each form and one copy of each publication or set of instructions you order from us. To help reduce waste, please order only the items you think you will need to prepare your return. You should either receive your order or notification of the status of your order within 7–15 workdays after we receive your request.

## Order Blank Instructions

Circle the items you want on the order blank below. Use the blank spaces to order items not listed. If you need more space, attach a separate sheet of paper.

**Print or type your name and address accurately in the space provided below.** Cut the order blank on the dotted line. Enclose the order blank in your own envelope and address it to the IRS address shown on this page that applies to you. **Do not** send your tax return to any of the addresses listed on this page. Instead, see **Where Do I File?** on page 9.

## Where To Mail Your Order Blank for Free Forms and Publications

If you live in:	Mail to:	Other locations:
Alaska, Arizona, California, Colorado, Hawaii, Idaho, Kansas, Montana, Nevada, New Mexico, Oklahoma, Oregon, Utah, Washington, Wyoming, Guam, Northern Marianas, American Samoa	Western Area Distribution Center Rancho Cordova, CA 95743-0001	<b>Foreign Addresses—</b> Taxpayers with mailing addresses in foreign countries should mail this order blank to either: Eastern Area Distribution Center, P.O. Box 25866, Richmond, VA 23286-8107; or Western Area Distribution Center, Rancho Cordova, CA 95743-0001, whichever is closer. Mail letter requests for other forms and publications to: Eastern Area Distribution Center, P.O. Box 25866, Richmond, VA 23286-8107.
Alabama, Arkansas, Illinois, Indiana, Iowa, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Tennessee, Texas, Wisconsin	Central Area Distribution Center P.O. Box 8903 Bloomington, IL 61702-8903	<b>Puerto Rico—</b> Eastern Area Distribution Center, P.O. Box 25866, Richmond, VA 23286-8107.
Connecticut, Delaware, District of Columbia, Florida, Georgia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia	Eastern Area Distribution Center P.O. Box 85074 Richmond, VA 23261-5074	<b>Virgin Islands—</b> V.I. Bureau of Internal Revenue, Lockharts Garden No. 1A, Charlotte Amalie, St. Thomas, VI 00802

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**Detach at this line**

## Order Blank

Fill in your name and address

Name \_\_\_\_\_

Number, street, and apt. number \_\_\_\_\_

City, town or post office, state, and ZIP code \_\_\_\_\_

Circle Desired Forms, Instructions, and Publications

The items in bold type may be picked up at many banks, post offices, and libraries.

<b>1040</b>	Schedule F (1040)	<b>1040EZ</b>	3903 & instructions	8829 & instructions	Pub. 508	Pub. 575	
<b>Instructions for 1040 &amp; Schedules</b>	Schedule R (1040) & instructions	<b>Instructions for 1040EZ</b>	4562 & instructions	Pub. 1	Pub. 521	Pub. 590	
<b>Schedules A&amp;B (1040)</b>	Schedule SE (1040)	1040-ES & instructions (1994)	4868 & instructions	Pub. 17	Pub. 523	Pub. 596	
Schedule C (1040)	<b>1040A</b>	1040X & instructions	5329 & instructions	Pub. 334	Pub. 525	Pub. 910	
Schedule C-EZ (1040)	<b>Instructions for 1040A &amp; Schedules</b>	2106 & instructions	8283 & instructions	Pub. 463	Pub. 527	Pub. 917	
Schedule D (1040)	<b>Schedule 1 (1040A)</b>	2119 & instructions	8582 & instructions	Pub. 501	Pub. 529	Pub. 929	
Schedule E (1040)	<b>Schedule 2 (1040A)</b>	2210 & instructions	8606 & instructions	Pub. 502	Pub. 550	Pub. 936	
<b>Schedule EIC (1040A or 1040)</b>	Schedule 3 (1040A) & instructions	2441 & instructions	8822 & instructions	Pub. 505	Pub. 554		

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## Forms

You can order the following items from the IRS or get them at participating banks, post offices, or libraries.

### Form 1040

Instructions for Form 1040 and Schedules

**Schedule A** for itemized deductions

**Schedule B** for interest income if over \$400; for dividends and other distributions on stock if over \$400; and for answering the Foreign Accounts or Trusts questions

**Schedule EIC** for the earned income credit

### Form 1040A

Instructions for Form 1040A and Schedules

**Schedule 1** for Form 1040A filers to report interest and dividend income

**Schedule 2** for Form 1040A filers to report child and dependent care expenses

### Form 1040EZ

Instructions for Form 1040EZ

You can photocopy the following items (as well as those listed above) at participating libraries or order them from the IRS.

**Schedule 3**, Credit for the Elderly or the Disabled, for Form 1040A filers

**Schedule C**, Profit or Loss From Business

**Schedule C-EZ**, Net Profit From Business

**Schedule D**, Capital Gains and Losses

**Schedule E**, Supplemental Income and Loss

**Schedule F**, Profit or Loss From Farming

**Schedule R**, Credit for the Elderly or the Disabled

**Schedule SE**, Self-Employment Tax

**Form 1040-ES**, Estimated Tax for Individuals

**Form 1040X**, Amended U.S. Individual Income Tax Return

**Form 2106**, Employee Business Expenses

**Form 2119**, Sale of Your Home

**Form 2210**, Underpayment of Estimated Tax by Individuals and Fiduciaries

**Form 2441**, Child and Dependent Care Expenses

**Form 3903**, Moving Expenses

**Form 4562**, Depreciation and Amortization

**Form 4868**, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return

**Form 5329**, Additional Taxes Attributable to Qualified Retirement Plans (Including IRAs), Annuities, and Modified Endowment Contracts

**Form 8283**, Noncash Charitable Contributions

**Form 8582**, Passive Activity Loss Limitations

**Form 8606**, Nondeductible IRAs (Contributions, Distributions, and Basis)

**Form 8822**, Change of Address

**Form 8829**, Expenses for Business Use of Your Home

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## Publications

The following publications can be ordered from the IRS, or you can read or photocopy them at participating libraries.

**1** Your Rights as a Taxpayer

**17** Your Federal Income Tax

**334** Tax Guide for Small Business

**463** Travel, Entertainment, and Gift Expenses

**501** Exemptions, Standard Deduction, and Filing Information

**502** Medical and Dental Expenses

**505** Tax Withholding and Estimated Tax

**508** Educational Expenses

**521** Moving Expenses

**523** Selling Your Home

**525** Taxable and Nontaxable Income

**527** Residential Rental Property (Including Rental of Vacation Homes)

**529** Miscellaneous Deductions

**550** Investment Income and Expenses

**554** Tax Information for Older Americans

**575** Pension and Annuity Income

**590** Individual Retirement Arrangements (IRAs)

**596** Earned Income Credit

**910** Guide to Free Tax Services (includes a list of all publications)

**917** Business Use of a Car

**929** Tax Rules for Children and Dependents

**936** Home Mortgage Interest Deduction

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## What Are My Rights as a Taxpayer?

You have the right to be treated fairly, professionally, promptly, and courteously by IRS employees. Our goal at the IRS is to protect your rights so that you will have the highest confidence in the integrity, efficiency, and fairness of our tax system. To ensure that you always receive such treatment, you should know about the many rights you have at each step of the tax process. For details, get **Pub. 1, Your Rights as a Taxpayer**, by calling 1-800-TAX-FORM (1-800-829-3676) or use the order blank (see page 33).

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## Income Tax Withholding and Estimated Tax Payments for 1994

If the amount you owe (line 64) or the amount you overpaid (line 61) is large, you may want to file a new **Form W-4, Employee's Withholding Allowance Certificate**, with your employer to change the amount of income tax to be withheld from your pay. If you go back to work after a period of unemployment, you may be able to reduce your withholding. In general, you do not have to make estimated tax payments if you expect that your 1994 Form 1040 will show a tax refund or a tax balance due the IRS of less than \$500. If your total estimated tax (including any alternative minimum tax) for 1994 is \$500 or more, get **Form 1040-ES, Estimated Tax for Individuals**. It has a worksheet you can use to see if you have to make estimated tax payments. For more details, get **Pub. 505, Tax Withholding and Estimated Tax**.

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## Do Both the Name and SSN on Your Tax Forms Agree With Your Social Security Card?

If not, your refund may be delayed or you may not receive credit for your social security earnings. If your Form W-2, Form 1099, or other tax document shows an incorrect SSN or name, notify your employer or the form-issuing agent as soon as possible to make sure your earnings are credited to your social security record. If the name or SSN on your social security card is incorrect, call the Social Security Administration toll free at 1-800-772-1213.

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## Substitute Forms

You can use substitute forms only if they meet the requirements in **Pub. 1167**. You can get Pub. 1167 by writing to the Distribution Center for your state. See page 33.

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## How Do I Make a Gift To Reduce the Public Debt?

If you wish to do so, enclose a separate check with your income tax return. Make it payable to "Bureau of the Public Debt." You may be able to deduct this gift on your 1994 tax return if you itemize your deductions. Do not add your gift to any tax you may owe. If you owe tax, include a separate check for that amount payable to "Internal Revenue Service."

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## Address Change

If you move after you file, always notify in writing the Internal Revenue Service Center where you filed your last return, or the Chief, Taxpayer Service Division, in your local IRS district office. You can use **Form 8822, Change of Address**, to notify us of your new address. If you are expecting a refund, also notify the post office serving your old address. This will help forward your check to your new address.

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## Corresponding With the IRS

Be sure to include your social security number on any correspondence with the IRS. If you do not include it, it may take us longer to reply.

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## How Long Should Records Be Kept?

Keep records of income, deductions, and credits shown on your return, as well as any worksheets you used, until the statute of limitations runs out for that return. Usually, this is 3 years from the date the return was due or filed, or 2 years from the date the tax was paid, whichever is later. Also, keep copies of your filed tax returns and any Forms W-2 or 1099 you received as part of your records. You should keep some records longer. For example, keep property records (including those on your home) as long as they are needed to figure the basis of the original or replacement property. For more details, get **Pub. 552, Recordkeeping for Individuals**.

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## Requesting a Copy of Your Tax Return

If you need a copy of your tax return, use **Form 4506**. If you have questions about your account, call or write your local IRS office. If you want a printed copy of your account, it will be mailed to you free of charge.

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## Amended Return

If you find changes in your income, deductions, or credits after you mail your return, file **Form 1040X, Amended U.S. Individual Income Tax Return**, to change the return you already filed. If you filed a joint return, you may not, after the due date of that return, amend it to file as married filing a separate return. Generally, Form 1040X must be filed within 3 years after the date the original return was filed, or within 2 years after the date the tax was paid, whichever is later. A return filed early is considered filed on the date it was due. If your return is changed for any reason (for example, as a result of an audit by the IRS), it may affect your state income tax return. Contact your state tax agency for details.

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## Death of Taxpayer

If a taxpayer died before filing a return for 1993, the taxpayer's spouse or personal representative may have to file and sign a return for that taxpayer. A personal representative can be an executor, administrator, or anyone who is in charge of the deceased taxpayer's property. If the taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund. The person who files the return should write "**DECEASED**," the taxpayer's name, and the date of death across the top of the return.

If your spouse died in 1993 and you did not remarry in 1993, you can file a joint return. You can also file a joint return if your spouse died in 1994 before filing a 1993 return. A joint return should show your spouse's 1993 income before death and your income for all of 1993. Write "Filing as surviving spouse" in the area where you sign the return. If someone else is the personal representative, he or she must also sign.

The taxpayer's spouse or personal representative should promptly notify all payers of income to the deceased taxpayer, including financial institutions, of his or her death. This will ensure the proper reporting of income earned by the taxpayer's estate or heirs.

**Claiming a Refund for a Deceased Taxpayer.** If you are a surviving spouse filing a joint return with the deceased, file only the tax return to claim the refund. If you are a court-appointed representative, file the return **and** attach a copy of the certificate that shows your appointment. All other filers requesting the deceased taxpayer's refund must file the return and attach **Form 1310**.

For more details, call Tele-Tax (see page 30) and listen to topic 356 or get **Pub. 559, Survivors, Executors, and Administrators**.

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## Recycling

The tax forms and instructions you received are printed on recyclable paper. If your community has a recycling program, please recycle. But remember to keep a copy of your return and any worksheets you used. The IRS tries to use recycled paper for all of its forms and instructions.

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# Section 6.

## Penalties and Interest

**Note:** You do not have to figure the amount of any interest or penalties you may owe. Because figuring these amounts is complicated, we will do it for you. If you are due a refund, we may reduce your refund by any penalty you may owe. Otherwise, we will send you a bill for the amount due.

### Interest

We will charge you interest on taxes not paid by their due date, even if an extension of time to file is granted. We will also charge you interest on penalties imposed for failure to file, negligence, fraud, substantial valuation overstatements, and substantial understatements of tax. Interest is charged on the penalty from the due date of the return (including extensions).

If you include interest with your payment, identify and enter the interest in the bottom margin of Form 1040, page 2. **Do not** include the interest in the **Amount You Owe** on line 64.

### Penalty for Late Filing

If you do not file your return by the due date (including extensions), the penalty is usually 5% of the amount due for each month or part of a month your return is late, unless you have a reasonable explanation. If you do, attach it to your return. The penalty cannot usually be more than 25% of the tax due. If your return is more than 60 days late, the minimum penalty will be \$100 or the amount of any tax you owe, whichever is smaller.

If you include this penalty with your payment, identify and enter the penalty amount in the bottom margin of Form 1040, page 2. **Do not** include the penalty in the **Amount You Owe** on line 64.

### Penalty for Late Payment of Tax

If you pay your taxes late, the penalty is usually  $\frac{1}{2}$  of 1% of the unpaid amount for each month or part of a month the tax is not paid. The penalty cannot be more than 25% of the unpaid amount. It applies to any unpaid tax on the return. It also applies to any additional tax shown on a bill not paid within 10 days of the date of the bill. This penalty is in addition to interest charges on late payments.

If you include this penalty with your payment, identify and enter the penalty amount in the bottom margin of Form 1040, page 2. **Do not** include the penalty in the **Amount You Owe** on line 64.

### Estimated Tax Penalty

If line 64 is at least \$500 and it is more than 10% of the tax shown on line 53 of your return, you may owe this penalty. Also, the penalty may be due if you underpaid your 1993 estimated tax liability for any payment period. For more details, see the instructions for line 65 on page 29.

### Penalty for Frivolous Return

In addition to any other penalties, the law imposes a penalty of \$500 for filing a frivolous return. A frivolous return is one that does not contain information needed to figure the correct tax or shows a substantially incorrect tax, because you take a frivolous position or desire to delay or interfere with the tax laws. This includes altering or striking out the pre-printed language above the space where you sign.

### Other Penalties

Other penalties can be imposed for negligence, substantial understatement of tax, and fraud. Criminal penalties may be imposed for willful failure to file, tax evasion, or making a false statement. Get **Pub. 17**, Your Federal Income Tax, for details on some of these penalties.

# Section 7.

# 1993 Tax Table

Use if your taxable income is less than \$100,000.  
If \$100,000 or more, use the Tax Rate Schedules.

**Example.** Mr. and Mrs. Brown are filing a joint return. Their taxable income on line 37 of Form 1040 is \$25,300. First, they find the \$25,300–25,350 income line. Next, they find the column for married filing jointly and read down the column. The amount shown where the income line and filing status column meet is \$3,799. This is the tax amount they must enter on line 38 of their Form 1040.

### Sample Table

At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
<b>Your tax is—</b>					
25,200	25,250	4,190	3,784	4,665	3,784
25,250	25,300	4,204	3,791	4,679	3,791
25,300	25,350	4,218	<u>3,799</u>	4,693	3,799
25,350	25,400	4,232	3,806	4,707	3,806

If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—											
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household								
<b>Your tax is—</b>		<b>Your tax is—</b>				<b>Your tax is—</b>		<b>Your tax is—</b>				<b>Your tax is—</b>		<b>Your tax is—</b>											
0	5	0	0	0	0	1,300	1,325	197	197	197	197	2,700	2,725	407	407	407	407								
5	15	2	2	2	2	1,325	1,350	201	201	201	201	2,725	2,750	411	411	411	411								
15	25	3	3	3	3	1,350	1,375	204	204	204	204	2,750	2,775	414	414	414	414								
25	50	6	6	6	6	1,375	1,400	208	208	208	208	2,775	2,800	418	418	418	418								
50	75	9	9	9	9	1,400	1,425	212	212	212	212	2,800	2,825	422	422	422	422								
75	100	13	13	13	13	1,425	1,450	216	216	216	216	2,825	2,850	426	426	426	426								
100	125	17	17	17	17	1,450	1,475	219	219	219	219	2,850	2,875	429	429	429	429								
125	150	21	21	21	21	1,475	1,500	223	223	223	223	2,875	2,900	433	433	433	433								
150	175	24	24	24	24	1,500	1,525	227	227	227	227	2,900	2,925	437	437	437	437								
175	200	28	28	28	28	1,525	1,550	231	231	231	231	2,925	2,950	441	441	441	441								
200	225	32	32	32	32	1,550	1,575	234	234	234	234	2,950	2,975	444	444	444	444								
225	250	36	36	36	36	1,575	1,600	238	238	238	238	2,975	3,000	448	448	448	448								
250	275	39	39	39	39	1,600	1,625	242	242	242	242	<b>3,000</b>													
275	300	43	43	43	43	1,625	1,650	246	246	246	246														
300	325	47	47	47	47	1,650	1,675	249	249	249	249														
325	350	51	51	51	51	1,675	1,700	253	253	253	253														
350	375	54	54	54	54	1,700	1,725	257	257	257	257	3,000	3,050	454	454	454	454								
375	400	58	58	58	58	1,725	1,750	261	261	261	261	3,050	3,100	461	461	461	461								
400	425	62	62	62	62	1,750	1,775	264	264	264	264	3,100	3,150	469	469	469	469								
425	450	66	66	66	66	1,775	1,800	268	268	268	268	3,150	3,200	476	476	476	476								
450	475	69	69	69	69	1,800	1,825	272	272	272	272	3,200	3,250	484	484	484	484								
475	500	73	73	73	73	1,825	1,850	276	276	276	276	3,250	3,300	491	491	491	491								
500	525	77	77	77	77	1,850	1,875	279	279	279	279	3,300	3,350	499	499	499	499								
525	550	81	81	81	81	1,875	1,900	283	283	283	283	3,350	3,400	506	506	506	506								
550	575	84	84	84	84	1,900	1,925	287	287	287	287	3,400	3,450	514	514	514	514								
575	600	88	88	88	88	1,925	1,950	291	291	291	291	3,450	3,500	521	521	521	521								
600	625	92	92	92	92	1,950	1,975	294	294	294	294	3,500	3,550	529	529	529	529								
625	650	96	96	96	96	1,975	2,000	298	298	298	298	3,550	3,600	536	536	536	536								
650	675	99	99	99	99	<b>2,000</b>						3,600	3,650	544	544	544	544								
675	700	103	103	103	103							3,650	3,700	551	551	551	551								
700	725	107	107	107	107							3,700	3,750	559	559	559	559								
725	750	111	111	111	111							3,750	3,800	566	566	566	566								
750	775	114	114	114	114	2,000	2,025	302	302	302	302	3,800	3,850	574	574	574	574								
775	800	118	118	118	118	2,025	2,050	306	306	306	306	3,850	3,900	581	581	581	581								
800	825	122	122	122	122	2,050	2,075	309	309	309	309	3,900	3,950	589	589	589	589								
825	850	126	126	126	126	2,075	2,100	313	313	313	313	3,950	4,000	596	596	596	596								
850	875	129	129	129	129	2,100	2,125	317	317	317	317	<b>4,000</b>													
875	900	133	133	133	133	2,125	2,150	321	321	321	321														
900	925	137	137	137	137	2,150	2,175	324	324	324	324														
925	950	141	141	141	141	2,175	2,200	328	328	328	328														
950	975	144	144	144	144	2,200	2,225	332	332	332	332	4,000	4,050	604	604	604	604								
975	1,000	148	148	148	148	2,225	2,250	336	336	336	336	4,050	4,100	611	611	611	611								
<b>1,000</b>						2,250	2,275	339	339	339	339	4,100	4,150	619	619	619	619								
1,000	1,025					152	152	152	152	2,275	2,300	343	343	343	343	4,150	4,200	626	626	626					
1,025	1,050					156	156	156	156	2,300	2,325	347	347	347	347	4,200	4,250	634	634	634					
1,050	1,075					159	159	159	159	2,325	2,350	351	351	351	351	4,250	4,300	641	641	641					
1,075	1,100	163	163	163	163	2,350	2,375	354	354	354	354	4,300	4,350	649	649	649	649								
1,100	1,125	167	167	167	167	2,375	2,400	358	358	358	358	4,350	4,400	656	656	656	656								
1,125	1,150	171	171	171	171	2,400	2,425	362	362	362	362	4,400	4,450	664	664	664	664								
1,150	1,175	174	174	174	174	2,425	2,450	366	366	366	366	4,450	4,500	671	671	671	671								
1,175	1,200	178	178	178	178	2,450	2,475	369	369	369	369	4,500	4,550	679	679	679	679								
1,200	1,225	182	182	182	182	2,475	2,500	373	373	373	373	4,550	4,600	686	686	686	686								
1,225	1,250	186	186	186	186	2,500	2,525	377	377	377	377	4,600	4,650	694	694	694	694								
1,250	1,275	189	189	189	189	2,525	2,550	381	381	381	381	4,650	4,700	701	701	701	701								
1,275	1,300	193	193	193	193	2,550	2,575	384	384	384	384	4,700	4,750	709	709	709	709								
						2,575	2,600	388	388	388	388	4,750	4,800	716	716	716	716								
										2,600	2,625	392	392	392	392	4,800	4,850	724	724	724	724				
														2,625	2,650	396	396	396	396	4,850	4,900	731	731	731	731
																		2,650	2,675	399	399	399	399	4,900	4,950
																		2,675	2,700	403	403	403	403	4,950	5,000

Continued on next page

\* This column must also be used by a qualifying widow(er).

1993 Tax Table—Continued

If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing sepa- rately	Head of a house- hold	At least	But less than	Single	Married filing jointly	Married filing sepa- rately	Head of a house- hold	At least	But less than	Single	Married filing jointly	Married filing sepa- rately	Head of a house- hold
<b>5,000</b>						<b>8,000</b>						<b>11,000</b>					
5,000	5,050	754	754	754	754	8,000	8,050	1,204	1,204	1,204	1,204	11,000	11,050	1,654	1,654	1,654	1,654
5,050	5,100	761	761	761	761	8,050	8,100	1,211	1,211	1,211	1,211	11,050	11,100	1,661	1,661	1,661	1,661
5,100	5,150	769	769	769	769	8,100	8,150	1,219	1,219	1,219	1,219	11,100	11,150	1,669	1,669	1,669	1,669
5,150	5,200	776	776	776	776	8,150	8,200	1,226	1,226	1,226	1,226	11,150	11,200	1,676	1,676	1,676	1,676
5,200	5,250	784	784	784	784	8,200	8,250	1,234	1,234	1,234	1,234	11,200	11,250	1,684	1,684	1,684	1,684
5,250	5,300	791	791	791	791	8,250	8,300	1,241	1,241	1,241	1,241	11,250	11,300	1,691	1,691	1,691	1,691
5,300	5,350	799	799	799	799	8,300	8,350	1,249	1,249	1,249	1,249	11,300	11,350	1,699	1,699	1,699	1,699
5,350	5,400	806	806	806	806	8,350	8,400	1,256	1,256	1,256	1,256	11,350	11,400	1,706	1,706	1,706	1,706
5,400	5,450	814	814	814	814	8,400	8,450	1,264	1,264	1,264	1,264	11,400	11,450	1,714	1,714	1,714	1,714
5,450	5,500	821	821	821	821	8,450	8,500	1,271	1,271	1,271	1,271	11,450	11,500	1,721	1,721	1,721	1,721
5,500	5,550	829	829	829	829	8,500	8,550	1,279	1,279	1,279	1,279	11,500	11,550	1,729	1,729	1,729	1,729
5,550	5,600	836	836	836	836	8,550	8,600	1,286	1,286	1,286	1,286	11,550	11,600	1,736	1,736	1,736	1,736
5,600	5,650	844	844	844	844	8,600	8,650	1,294	1,294	1,294	1,294	11,600	11,650	1,744	1,744	1,744	1,744
5,650	5,700	851	851	851	851	8,650	8,700	1,301	1,301	1,301	1,301	11,650	11,700	1,751	1,751	1,751	1,751
5,700	5,750	859	859	859	859	8,700	8,750	1,309	1,309	1,309	1,309	11,700	11,750	1,759	1,759	1,759	1,759
5,750	5,800	866	866	866	866	8,750	8,800	1,316	1,316	1,316	1,316	11,750	11,800	1,766	1,766	1,766	1,766
5,800	5,850	874	874	874	874	8,800	8,850	1,324	1,324	1,324	1,324	11,800	11,850	1,774	1,774	1,774	1,774
5,850	5,900	881	881	881	881	8,850	8,900	1,331	1,331	1,331	1,331	11,850	11,900	1,781	1,781	1,781	1,781
5,900	5,950	889	889	889	889	8,900	8,950	1,339	1,339	1,339	1,339	11,900	11,950	1,789	1,789	1,789	1,789
5,950	6,000	896	896	896	896	8,950	9,000	1,346	1,346	1,346	1,346	11,950	12,000	1,796	1,796	1,796	1,796
<b>6,000</b>						<b>9,000</b>						<b>12,000</b>					
6,000	6,050	904	904	904	904	9,000	9,050	1,354	1,354	1,354	1,354	12,000	12,050	1,804	1,804	1,804	1,804
6,050	6,100	911	911	911	911	9,050	9,100	1,361	1,361	1,361	1,361	12,050	12,100	1,811	1,811	1,811	1,811
6,100	6,150	919	919	919	919	9,100	9,150	1,369	1,369	1,369	1,369	12,100	12,150	1,819	1,819	1,819	1,819
6,150	6,200	926	926	926	926	9,150	9,200	1,376	1,376	1,376	1,376	12,150	12,200	1,826	1,826	1,826	1,826
6,200	6,250	934	934	934	934	9,200	9,250	1,384	1,384	1,384	1,384	12,200	12,250	1,834	1,834	1,834	1,834
6,250	6,300	941	941	941	941	9,250	9,300	1,391	1,391	1,391	1,391	12,250	12,300	1,841	1,841	1,841	1,841
6,300	6,350	949	949	949	949	9,300	9,350	1,399	1,399	1,399	1,399	12,300	12,350	1,849	1,849	1,849	1,849
6,350	6,400	956	956	956	956	9,350	9,400	1,406	1,406	1,406	1,406	12,350	12,400	1,856	1,856	1,856	1,856
6,400	6,450	964	964	964	964	9,400	9,450	1,414	1,414	1,414	1,414	12,400	12,450	1,864	1,864	1,864	1,864
6,450	6,500	971	971	971	971	9,450	9,500	1,421	1,421	1,421	1,421	12,450	12,500	1,871	1,871	1,871	1,871
6,500	6,550	979	979	979	979	9,500	9,550	1,429	1,429	1,429	1,429	12,500	12,550	1,879	1,879	1,879	1,879
6,550	6,600	986	986	986	986	9,550	9,600	1,436	1,436	1,436	1,436	12,550	12,600	1,886	1,886	1,886	1,886
6,600	6,650	994	994	994	994	9,600	9,650	1,444	1,444	1,444	1,444	12,600	12,650	1,894	1,894	1,894	1,894
6,650	6,700	1,001	1,001	1,001	1,001	9,650	9,700	1,451	1,451	1,451	1,451	12,650	12,700	1,901	1,901	1,901	1,901
6,700	6,750	1,009	1,009	1,009	1,009	9,700	9,750	1,459	1,459	1,459	1,459	12,700	12,750	1,909	1,909	1,909	1,909
6,750	6,800	1,016	1,016	1,016	1,016	9,750	9,800	1,466	1,466	1,466	1,466	12,750	12,800	1,916	1,916	1,916	1,916
6,800	6,850	1,024	1,024	1,024	1,024	9,800	9,850	1,474	1,474	1,474	1,474	12,800	12,850	1,924	1,924	1,924	1,924
6,850	6,900	1,031	1,031	1,031	1,031	9,850	9,900	1,481	1,481	1,481	1,481	12,850	12,900	1,931	1,931	1,931	1,931
6,900	6,950	1,039	1,039	1,039	1,039	9,900	9,950	1,489	1,489	1,489	1,489	12,900	12,950	1,939	1,939	1,939	1,939
6,950	7,000	1,046	1,046	1,046	1,046	9,950	10,000	1,496	1,496	1,496	1,496	12,950	13,000	1,946	1,946	1,946	1,946
<b>7,000</b>						<b>10,000</b>						<b>13,000</b>					
7,000	7,050	1,054	1,054	1,054	1,054	10,000	10,050	1,504	1,504	1,504	1,504	13,000	13,050	1,954	1,954	1,954	1,954
7,050	7,100	1,061	1,061	1,061	1,061	10,050	10,100	1,511	1,511	1,511	1,511	13,050	13,100	1,961	1,961	1,961	1,961
7,100	7,150	1,069	1,069	1,069	1,069	10,100	10,150	1,519	1,519	1,519	1,519	13,100	13,150	1,969	1,969	1,969	1,969
7,150	7,200	1,076	1,076	1,076	1,076	10,150	10,200	1,526	1,526	1,526	1,526	13,150	13,200	1,976	1,976	1,976	1,976
7,200	7,250	1,084	1,084	1,084	1,084	10,200	10,250	1,534	1,534	1,534	1,534	13,200	13,250	1,984	1,984	1,984	1,984
7,250	7,300	1,091	1,091	1,091	1,091	10,250	10,300	1,541	1,541	1,541	1,541	13,250	13,300	1,991	1,991	1,991	1,991
7,300	7,350	1,099	1,099	1,099	1,099	10,300	10,350	1,549	1,549	1,549	1,549	13,300	13,350	1,999	1,999	1,999	1,999
7,350	7,400	1,106	1,106	1,106	1,106	10,350	10,400	1,556	1,556	1,556	1,556	13,350	13,400	2,006	2,006	2,006	2,006
7,400	7,450	1,114	1,114	1,114	1,114	10,400	10,450	1,564	1,564	1,564	1,564	13,400	13,450	2,014	2,014	2,014	2,014
7,450	7,500	1,121	1,121	1,121	1,121	10,450	10,500	1,571	1,571	1,571	1,571	13,450	13,500	2,021	2,021	2,021	2,021
7,500	7,550	1,129	1,129	1,129	1,129	10,500	10,550	1,579	1,579	1,579	1,579	13,500	13,550	2,029	2,029	2,029	2,029
7,550	7,600	1,136	1,136	1,136	1,136	10,550	10,600	1,586	1,586	1,586	1,586	13,550	13,600	2,036	2,036	2,036	2,036
7,600	7,650	1,144	1,144	1,144	1,144	10,600	10,650	1,594	1,594	1,594	1,594	13,600	13,650	2,044	2,044	2,044	2,044
7,650	7,700	1,151	1,151	1,151	1,151	10,650	10,700	1,601	1,601	1,601	1,601	13,650	13,700	2,051	2,051	2,051	2,051
7,700	7,750	1,159	1,159	1,159	1,159	10,700	10,750	1,609	1,609	1,609	1,609	13,700	13,750	2,059	2,059	2,059	2,059
7,750	7,800	1,166	1,166	1,166	1,166	10,750	10,800	1,616	1,616	1,616	1,616	13,750	13,800	2,066	2,066	2,066	2,066
7,800	7,850	1,174	1,174	1,174	1,174	10,800	10,850	1,624	1,624	1,624	1,624	13,800	13,850	2,074	2,074	2,074	2,074
7,850	7,900	1,181	1,181	1,181	1,181	10,850	10,900	1,631	1,631	1,631	1,631	13,850	13,900	2,081	2,081	2,081	2,081
7,900	7,950	1,189	1,189	1,189	1,189	10,900	10,950	1,639	1,639	1,639	1,639	13,900	13,950	2,089	2,089	2,089	2,089
7,950	8,000	1,196	1,196	1,196	1,196	10,950	11,000	1,646	1,646	1,646	1,646	13,950	14,000	2,096	2,096	2,096	2,096

\* This column must also be used by a qualifying widow(er).

Continued on next page

1993 Tax Table—Continued

If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—			
		Single	Married filing jointly *	Married filing separately	Head of a household			Single	Married filing jointly *	Married filing separately	Head of a household			Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—						Your tax is—						Your tax is—			
<b>14,000</b>		<b>17,000</b>				<b>20,000</b>											
14,000	14,050	2,104	2,104	2,104	2,104	17,000	17,050	2,554	2,554	2,554	2,554	20,000	20,050	3,004	3,004	3,209	3,004
14,050	14,100	2,111	2,111	2,111	2,111	17,050	17,100	2,561	2,561	2,561	2,561	20,050	20,100	3,011	3,011	3,223	3,011
14,100	14,150	2,119	2,119	2,119	2,119	17,100	17,150	2,569	2,569	2,569	2,569	20,100	20,150	3,019	3,019	3,237	3,019
14,150	14,200	2,126	2,126	2,126	2,126	17,150	17,200	2,576	2,576	2,576	2,576	20,150	20,200	3,026	3,026	3,251	3,026
14,200	14,250	2,134	2,134	2,134	2,134	17,200	17,250	2,584	2,584	2,584	2,584	20,200	20,250	3,034	3,034	3,265	3,034
14,250	14,300	2,141	2,141	2,141	2,141	17,250	17,300	2,591	2,591	2,591	2,591	20,250	20,300	3,041	3,041	3,279	3,041
14,300	14,350	2,149	2,149	2,149	2,149	17,300	17,350	2,599	2,599	2,599	2,599	20,300	20,350	3,049	3,049	3,293	3,049
14,350	14,400	2,156	2,156	2,156	2,156	17,350	17,400	2,606	2,606	2,606	2,606	20,350	20,400	3,056	3,056	3,307	3,056
14,400	14,450	2,164	2,164	2,164	2,164	17,400	17,450	2,614	2,614	2,614	2,614	20,400	20,450	3,064	3,064	3,321	3,064
14,450	14,500	2,171	2,171	2,171	2,171	17,450	17,500	2,621	2,621	2,621	2,621	20,450	20,500	3,071	3,071	3,335	3,071
14,500	14,550	2,179	2,179	2,179	2,179	17,500	17,550	2,629	2,629	2,629	2,629	20,500	20,550	3,079	3,079	3,349	3,079
14,550	14,600	2,186	2,186	2,186	2,186	17,550	17,600	2,636	2,636	2,636	2,636	20,550	20,600	3,086	3,086	3,363	3,086
14,600	14,650	2,194	2,194	2,194	2,194	17,600	17,650	2,644	2,644	2,644	2,644	20,600	20,650	3,094	3,094	3,377	3,094
14,650	14,700	2,201	2,201	2,201	2,201	17,650	17,700	2,651	2,651	2,651	2,651	20,650	20,700	3,101	3,101	3,391	3,101
14,700	14,750	2,209	2,209	2,209	2,209	17,700	17,750	2,659	2,659	2,659	2,659	20,700	20,750	3,109	3,109	3,405	3,109
14,750	14,800	2,216	2,216	2,216	2,216	17,750	17,800	2,666	2,666	2,666	2,666	20,750	20,800	3,116	3,116	3,419	3,116
14,800	14,850	2,224	2,224	2,224	2,224	17,800	17,850	2,674	2,674	2,674	2,674	20,800	20,850	3,124	3,124	3,433	3,124
14,850	14,900	2,231	2,231	2,231	2,231	17,850	17,900	2,681	2,681	2,681	2,681	20,850	20,900	3,131	3,131	3,447	3,131
14,900	14,950	2,239	2,239	2,239	2,239	17,900	17,950	2,689	2,689	2,689	2,689	20,900	20,950	3,139	3,139	3,461	3,139
14,950	15,000	2,246	2,246	2,246	2,246	17,950	18,000	2,696	2,696	2,696	2,696	20,950	21,000	3,146	3,146	3,475	3,146
<b>15,000</b>		<b>18,000</b>				<b>21,000</b>											
15,000	15,050	2,254	2,254	2,254	2,254	18,000	18,050	2,704	2,704	2,704	2,704	21,000	21,050	3,154	3,154	3,489	3,154
15,050	15,100	2,261	2,261	2,261	2,261	18,050	18,100	2,711	2,711	2,711	2,711	21,050	21,100	3,161	3,161	3,503	3,161
15,100	15,150	2,269	2,269	2,269	2,269	18,100	18,150	2,719	2,719	2,719	2,719	21,100	21,150	3,169	3,169	3,517	3,169
15,150	15,200	2,276	2,276	2,276	2,276	18,150	18,200	2,726	2,726	2,726	2,726	21,150	21,200	3,176	3,176	3,531	3,176
15,200	15,250	2,284	2,284	2,284	2,284	18,200	18,250	2,734	2,734	2,734	2,734	21,200	21,250	3,184	3,184	3,545	3,184
15,250	15,300	2,291	2,291	2,291	2,291	18,250	18,300	2,741	2,741	2,741	2,741	21,250	21,300	3,191	3,191	3,559	3,191
15,300	15,350	2,299	2,299	2,299	2,299	18,300	18,350	2,749	2,749	2,749	2,749	21,300	21,350	3,199	3,199	3,573	3,199
15,350	15,400	2,306	2,306	2,306	2,306	18,350	18,400	2,756	2,756	2,756	2,756	21,350	21,400	3,206	3,206	3,587	3,206
15,400	15,450	2,314	2,314	2,314	2,314	18,400	18,450	2,764	2,764	2,764	2,764	21,400	21,450	3,214	3,214	3,601	3,214
15,450	15,500	2,321	2,321	2,321	2,321	18,450	18,500	2,771	2,771	2,775	2,771	21,450	21,500	3,221	3,221	3,615	3,221
15,500	15,550	2,329	2,329	2,329	2,329	18,500	18,550	2,779	2,779	2,789	2,779	21,500	21,550	3,229	3,229	3,629	3,229
15,550	15,600	2,336	2,336	2,336	2,336	18,550	18,600	2,786	2,786	2,803	2,786	21,550	21,600	3,236	3,236	3,643	3,236
15,600	15,650	2,344	2,344	2,344	2,344	18,600	18,650	2,794	2,794	2,817	2,794	21,600	21,650	3,244	3,244	3,657	3,244
15,650	15,700	2,351	2,351	2,351	2,351	18,650	18,700	2,801	2,801	2,831	2,801	21,650	21,700	3,251	3,251	3,671	3,251
15,700	15,750	2,359	2,359	2,359	2,359	18,700	18,750	2,809	2,809	2,845	2,809	21,700	21,750	3,259	3,259	3,685	3,259
15,750	15,800	2,366	2,366	2,366	2,366	18,750	18,800	2,816	2,816	2,859	2,816	21,750	21,800	3,266	3,266	3,699	3,266
15,800	15,850	2,374	2,374	2,374	2,374	18,800	18,850	2,824	2,824	2,873	2,824	21,800	21,850	3,274	3,274	3,713	3,274
15,850	15,900	2,381	2,381	2,381	2,381	18,850	18,900	2,831	2,831	2,887	2,831	21,850	21,900	3,281	3,281	3,727	3,281
15,900	15,950	2,389	2,389	2,389	2,389	18,900	18,950	2,839	2,839	2,901	2,839	21,900	21,950	3,289	3,289	3,741	3,289
15,950	16,000	2,396	2,396	2,396	2,396	18,950	19,000	2,846	2,846	2,915	2,846	21,950	22,000	3,296	3,296	3,755	3,296
<b>16,000</b>		<b>19,000</b>				<b>22,000</b>											
16,000	16,050	2,404	2,404	2,404	2,404	19,000	19,050	2,854	2,854	2,929	2,854	22,000	22,050	3,304	3,304	3,769	3,304
16,050	16,100	2,411	2,411	2,411	2,411	19,050	19,100	2,861	2,861	2,943	2,861	22,050	22,100	3,311	3,311	3,783	3,311
16,100	16,150	2,419	2,419	2,419	2,419	19,100	19,150	2,869	2,869	2,957	2,869	22,100	22,150	3,322	3,319	3,797	3,319
16,150	16,200	2,426	2,426	2,426	2,426	19,150	19,200	2,876	2,876	2,971	2,876	22,150	22,200	3,336	3,326	3,811	3,326
16,200	16,250	2,434	2,434	2,434	2,434	19,200	19,250	2,884	2,884	2,985	2,884	22,200	22,250	3,350	3,334	3,825	3,334
16,250	16,300	2,441	2,441	2,441	2,441	19,250	19,300	2,891	2,891	2,999	2,891	22,250	22,300	3,364	3,341	3,839	3,341
16,300	16,350	2,449	2,449	2,449	2,449	19,300	19,350	2,899	2,899	3,013	2,899	22,300	22,350	3,378	3,349	3,853	3,349
16,350	16,400	2,456	2,456	2,456	2,456	19,350	19,400	2,906	2,906	3,027	2,906	22,350	22,400	3,392	3,356	3,867	3,356
16,400	16,450	2,464	2,464	2,464	2,464	19,400	19,450	2,914	2,914	3,041	2,914	22,400	22,450	3,406	3,364	3,881	3,364
16,450	16,500	2,471	2,471	2,471	2,471	19,450	19,500	2,921	2,921	3,055	2,921	22,450	22,500	3,420	3,371	3,895	3,371
16,500	16,550	2,479	2,479	2,479	2,479	19,500	19,550	2,929	2,929	3,069	2,929	22,500	22,550	3,434	3,379	3,909	3,379
16,550	16,600	2,486	2,486	2,486	2,486	19,550	19,600	2,936	2,936	3,083	2,936	22,550	22,600	3,448	3,386	3,923	3,386
16,600	16,650	2,494	2,494	2,494	2,494	19,600	19,650	2,944	2,944	3,097	2,944	22,600	22,650	3,462	3,394	3,937	3,394
16,650	16,700	2,501	2,501	2,501	2,501	19,650	19,700	2,951	2,951	3,111	2,951	22,650	22,700	3,476	3,401	3,951	3,401
16,700	16,750	2,509	2,509	2,509	2,509	19,700	19,750	2,959	2,959	3,125	2,959	22,700	22,750	3,490	3,409	3,965	3,409
16,750	16,800	2,516	2,516	2,516	2,516	19,750	19,800	2,966	2,966	3,139	2,966	22,750	22,800	3,504	3,416	3,979	3,416
16,800	16,850	2,524	2,524	2,524	2,524	19,800	19,850	2,974	2,974	3,153	2,974	22,800	22,850	3,518	3,424	3,993	3,424
16,850	16,900	2,531	2,531	2,531	2,531	19,850	19,900	2,981	2,981	3,167	2,981	22,850	22,900	3,532	3,431	4,007	3,431
16,900	16,950	2,539	2,539	2,539	2,539	19,900	19,950	2,989	2,989	3,181	2,989	22,900	22,950	3,546	3,439	4,021	3,439
16,950	17,000	2,546	2,546	2,546	2,546	19,950	20,000	2,996	2,996	3,195	2,996	22,950	23,000	3,560	3,446	4,035	

1993 Tax Table—Continued

If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—						Your tax is—						Your tax is—			
<b>23,000</b>						<b>26,000</b>						<b>29,000</b>					
23,000	23,050	3,574	3,454	4,049	3,454	26,000	26,050	4,414	3,904	4,889	3,904	29,000	29,050	5,254	4,354	5,729	4,354
23,050	23,100	3,588	3,461	4,063	3,461	26,050	26,100	4,428	3,911	4,903	3,911	29,050	29,100	5,268	4,361	5,743	4,361
23,100	23,150	3,602	3,469	4,077	3,469	26,100	26,150	4,442	3,919	4,917	3,919	29,100	29,150	5,282	4,369	5,757	4,369
23,150	23,200	3,616	3,476	4,091	3,476	26,150	26,200	4,456	3,926	4,931	3,926	29,150	29,200	5,296	4,376	5,771	4,376
23,200	23,250	3,630	3,484	4,105	3,484	26,200	26,250	4,470	3,934	4,945	3,934	29,200	29,250	5,310	4,384	5,785	4,384
23,250	23,300	3,644	3,491	4,119	3,491	26,250	26,300	4,484	3,941	4,959	3,941	29,250	29,300	5,324	4,391	5,799	4,391
23,300	23,350	3,658	3,499	4,133	3,499	26,300	26,350	4,498	3,949	4,973	3,949	29,300	29,350	5,338	4,399	5,813	4,399
23,350	23,400	3,672	3,506	4,147	3,506	26,350	26,400	4,512	3,956	4,987	3,956	29,350	29,400	5,352	4,406	5,827	4,406
23,400	23,450	3,686	3,514	4,161	3,514	26,400	26,450	4,526	3,964	5,001	3,964	29,400	29,450	5,366	4,414	5,841	4,414
23,450	23,500	3,700	3,521	4,175	3,521	26,450	26,500	4,540	3,971	5,015	3,971	29,450	29,500	5,380	4,421	5,855	4,421
23,500	23,550	3,714	3,529	4,189	3,529	26,500	26,550	4,554	3,979	5,029	3,979	29,500	29,550	5,394	4,429	5,869	4,429
23,550	23,600	3,728	3,536	4,203	3,536	26,550	26,600	4,568	3,986	5,043	3,986	29,550	29,600	5,408	4,436	5,883	4,436
23,600	23,650	3,742	3,544	4,217	3,544	26,600	26,650	4,582	3,994	5,057	3,994	29,600	29,650	5,422	4,444	5,897	4,447
23,650	23,700	3,756	3,551	4,231	3,551	26,650	26,700	4,596	4,001	5,071	4,001	29,650	29,700	5,436	4,451	5,911	4,461
23,700	23,750	3,770	3,559	4,245	3,559	26,700	26,750	4,610	4,009	5,085	4,009	29,700	29,750	5,450	4,459	5,925	4,475
23,750	23,800	3,784	3,566	4,259	3,566	26,750	26,800	4,624	4,016	5,099	4,016	29,750	29,800	5,464	4,466	5,939	4,489
23,800	23,850	3,798	3,574	4,273	3,574	26,800	26,850	4,638	4,024	5,113	4,024	29,800	29,850	5,478	4,474	5,953	4,503
23,850	23,900	3,812	3,581	4,287	3,581	26,850	26,900	4,652	4,031	5,127	4,031	29,850	29,900	5,492	4,481	5,967	4,517
23,900	23,950	3,826	3,589	4,301	3,589	26,900	26,950	4,666	4,039	5,141	4,039	29,900	29,950	5,506	4,489	5,981	4,531
23,950	24,000	3,840	3,596	4,315	3,596	26,950	27,000	4,680	4,046	5,155	4,046	29,950	30,000	5,520	4,496	5,995	4,545
<b>24,000</b>						<b>27,000</b>						<b>30,000</b>					
24,000	24,050	3,854	3,604	4,329	3,604	27,000	27,050	4,694	4,054	5,169	4,054	30,000	30,050	5,534	4,504	6,009	4,559
24,050	24,100	3,868	3,611	4,343	3,611	27,050	27,100	4,708	4,061	5,183	4,061	30,050	30,100	5,548	4,511	6,023	4,573
24,100	24,150	3,882	3,619	4,357	3,619	27,100	27,150	4,722	4,069	5,197	4,069	30,100	30,150	5,562	4,519	6,037	4,587
24,150	24,200	3,896	3,626	4,371	3,626	27,150	27,200	4,736	4,076	5,211	4,076	30,150	30,200	5,576	4,526	6,051	4,601
24,200	24,250	3,910	3,634	4,385	3,634	27,200	27,250	4,750	4,084	5,225	4,084	30,200	30,250	5,590	4,534	6,065	4,615
24,250	24,300	3,924	3,641	4,399	3,641	27,250	27,300	4,764	4,091	5,239	4,091	30,250	30,300	5,604	4,541	6,079	4,629
24,300	24,350	3,938	3,649	4,413	3,649	27,300	27,350	4,778	4,099	5,253	4,099	30,300	30,350	5,618	4,549	6,093	4,643
24,350	24,400	3,952	3,656	4,427	3,656	27,350	27,400	4,792	4,106	5,267	4,106	30,350	30,400	5,632	4,556	6,107	4,657
24,400	24,450	3,966	3,664	4,441	3,664	27,400	27,450	4,806	4,114	5,281	4,114	30,400	30,450	5,646	4,564	6,121	4,671
24,450	24,500	3,980	3,671	4,455	3,671	27,450	27,500	4,820	4,121	5,295	4,121	30,450	30,500	5,660	4,571	6,135	4,685
24,500	24,550	3,994	3,679	4,469	3,679	27,500	27,550	4,834	4,129	5,309	4,129	30,500	30,550	5,674	4,579	6,149	4,699
24,550	24,600	4,008	3,686	4,483	3,686	27,550	27,600	4,848	4,136	5,323	4,136	30,550	30,600	5,688	4,586	6,163	4,713
24,600	24,650	4,022	3,694	4,497	3,694	27,600	27,650	4,862	4,144	5,337	4,144	30,600	30,650	5,702	4,594	6,177	4,727
24,650	24,700	4,036	3,701	4,511	3,701	27,650	27,700	4,876	4,151	5,351	4,151	30,650	30,700	5,716	4,601	6,191	4,741
24,700	24,750	4,050	3,709	4,525	3,709	27,700	27,750	4,890	4,159	5,365	4,159	30,700	30,750	5,730	4,609	6,205	4,755
24,750	24,800	4,064	3,716	4,539	3,716	27,750	27,800	4,904	4,166	5,379	4,166	30,750	30,800	5,744	4,616	6,219	4,769
24,800	24,850	4,078	3,724	4,553	3,724	27,800	27,850	4,918	4,174	5,393	4,174	30,800	30,850	5,758	4,624	6,233	4,783
24,850	24,900	4,092	3,731	4,567	3,731	27,850	27,900	4,932	4,181	5,407	4,181	30,850	30,900	5,772	4,631	6,247	4,797
24,900	24,950	4,106	3,739	4,581	3,739	27,900	27,950	4,946	4,189	5,421	4,189	30,900	30,950	5,786	4,639	6,261	4,811
24,950	25,000	4,120	3,746	4,595	3,746	27,950	28,000	4,960	4,196	5,435	4,196	30,950	31,000	5,800	4,646	6,275	4,825
<b>25,000</b>						<b>28,000</b>						<b>31,000</b>					
25,000	25,050	4,134	3,754	4,609	3,754	28,000	28,050	4,974	4,204	5,449	4,204	31,000	31,050	5,814	4,654	6,289	4,839
25,050	25,100	4,148	3,761	4,623	3,761	28,050	28,100	4,988	4,211	5,463	4,211	31,050	31,100	5,828	4,661	6,303	4,853
25,100	25,150	4,162	3,769	4,637	3,769	28,100	28,150	5,002	4,219	5,477	4,219	31,100	31,150	5,842	4,669	6,317	4,867
25,150	25,200	4,176	3,776	4,651	3,776	28,150	28,200	5,016	4,226	5,491	4,226	31,150	31,200	5,856	4,676	6,331	4,881
25,200	25,250	4,190	3,784	4,665	3,784	28,200	28,250	5,030	4,234	5,505	4,234	31,200	31,250	5,870	4,684	6,345	4,895
25,250	25,300	4,204	3,791	4,679	3,791	28,250	28,300	5,044	4,241	5,519	4,241	31,250	31,300	5,884	4,691	6,359	4,909
25,300	25,350	4,218	3,799	4,693	3,799	28,300	28,350	5,058	4,249	5,533	4,249	31,300	31,350	5,898	4,699	6,373	4,923
25,350	25,400	4,232	3,806	4,707	3,806	28,350	28,400	5,072	4,256	5,547	4,256	31,350	31,400	5,912	4,706	6,387	4,937
25,400	25,450	4,246	3,814	4,721	3,814	28,400	28,450	5,086	4,264	5,561	4,264	31,400	31,450	5,926	4,714	6,401	4,951
25,450	25,500	4,260	3,821	4,735	3,821	28,450	28,500	5,100	4,271	5,575	4,271	31,450	31,500	5,940	4,721	6,415	4,965
25,500	25,550	4,274	3,829	4,749	3,829	28,500	28,550	5,114	4,279	5,589	4,279	31,500	31,550	5,954	4,729	6,429	4,979
25,550	25,600	4,288	3,836	4,763	3,836	28,550	28,600	5,128	4,286	5,603	4,286	31,550	31,600	5,968	4,736	6,443	4,993
25,600	25,650	4,302	3,844	4,777	3,844	28,600	28,650	5,142	4,294	5,617	4,294	31,600	31,650	5,982	4,744	6,457	5,007
25,650	25,700	4,316	3,851	4,791	3,851	28,650	28,700	5,156	4,301	5,631	4,301	31,650	31,700	5,996	4,751	6,471	5,021
25,700	25,750	4,330	3,859	4,805	3,859	28,700	28,750	5,170	4,309	5,645	4,309	31,700	31,750	6,010	4,759	6,485	5,035
25,750	25,800	4,344	3,866	4,819	3,866	28,7											



1993 Tax Table—Continued

If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—						Your tax is—						Your tax is—			
<b>32,000</b>						<b>35,000</b>						<b>38,000</b>					
32,000	32,050	6,094	4,804	6,569	5,119	35,000	35,050	6,934	5,254	7,409	5,959	38,000	38,050	7,774	5,850	8,249	6,799
32,050	32,100	6,108	4,811	6,583	5,133	35,050	35,100	6,948	5,261	7,423	5,973	38,050	38,100	7,788	5,864	8,263	6,813
32,100	32,150	6,122	4,819	6,597	5,147	35,100	35,150	6,962	5,269	7,437	5,987	38,100	38,150	7,802	5,878	8,277	6,827
32,150	32,200	6,136	4,826	6,611	5,161	35,150	35,200	6,976	5,276	7,451	6,001	38,150	38,200	7,816	5,892	8,291	6,841
32,200	32,250	6,150	4,834	6,625	5,175	35,200	35,250	6,990	5,284	7,465	6,015	38,200	38,250	7,830	5,906	8,305	6,855
32,250	32,300	6,164	4,841	6,639	5,189	35,250	35,300	7,004	5,291	7,479	6,029	38,250	38,300	7,844	5,920	8,319	6,869
32,300	32,350	6,178	4,849	6,653	5,203	35,300	35,350	7,018	5,299	7,493	6,043	38,300	38,350	7,858	5,934	8,333	6,883
32,350	32,400	6,192	4,856	6,667	5,217	35,350	35,400	7,032	5,306	7,507	6,057	38,350	38,400	7,872	5,948	8,347	6,897
32,400	32,450	6,206	4,864	6,681	5,231	35,400	35,450	7,046	5,314	7,521	6,071	38,400	38,450	7,886	5,962	8,361	6,911
32,450	32,500	6,220	4,871	6,695	5,245	35,450	35,500	7,060	5,321	7,535	6,085	38,450	38,500	7,900	5,976	8,375	6,925
32,500	32,550	6,234	4,879	6,709	5,259	35,500	35,550	7,074	5,329	7,549	6,099	38,500	38,550	7,914	5,990	8,389	6,939
32,550	32,600	6,248	4,886	6,723	5,273	35,550	35,600	7,088	5,336	7,563	6,113	38,550	38,600	7,928	6,004	8,403	6,953
32,600	32,650	6,262	4,894	6,737	5,287	35,600	35,650	7,102	5,344	7,577	6,127	38,600	38,650	7,942	6,018	8,417	6,967
32,650	32,700	6,276	4,901	6,751	5,301	35,650	35,700	7,116	5,351	7,591	6,141	38,650	38,700	7,956	6,032	8,431	6,981
32,700	32,750	6,290	4,909	6,765	5,315	35,700	35,750	7,130	5,359	7,605	6,155	38,700	38,750	7,970	6,046	8,445	6,995
32,750	32,800	6,304	4,916	6,779	5,329	35,750	35,800	7,144	5,366	7,619	6,169	38,750	38,800	7,984	6,060	8,459	7,009
32,800	32,850	6,318	4,924	6,793	5,343	35,800	35,850	7,158	5,374	7,633	6,183	38,800	38,850	7,998	6,074	8,473	7,023
32,850	32,900	6,332	4,931	6,807	5,357	35,850	35,900	7,172	5,381	7,647	6,197	38,850	38,900	8,012	6,088	8,487	7,037
32,900	32,950	6,346	4,939	6,821	5,371	35,900	35,950	7,186	5,389	7,661	6,211	38,900	38,950	8,026	6,102	8,501	7,051
32,950	33,000	6,360	4,946	6,835	5,385	35,950	36,000	7,200	5,396	7,675	6,225	38,950	39,000	8,040	6,116	8,515	7,065
<b>33,000</b>						<b>36,000</b>						<b>39,000</b>					
33,000	33,050	6,374	4,954	6,849	5,399	36,000	36,050	7,214	5,404	7,689	6,239	39,000	39,050	8,054	6,130	8,529	7,079
33,050	33,100	6,388	4,961	6,863	5,413	36,050	36,100	7,228	5,411	7,703	6,253	39,050	39,100	8,068	6,144	8,543	7,093
33,100	33,150	6,402	4,969	6,877	5,427	36,100	36,150	7,242	5,419	7,717	6,267	39,100	39,150	8,082	6,158	8,557	7,107
33,150	33,200	6,416	4,976	6,891	5,441	36,150	36,200	7,256	5,426	7,731	6,281	39,150	39,200	8,096	6,172	8,571	7,121
33,200	33,250	6,430	4,984	6,905	5,455	36,200	36,250	7,270	5,434	7,745	6,295	39,200	39,250	8,110	6,186	8,585	7,135
33,250	33,300	6,444	4,991	6,919	5,469	36,250	36,300	7,284	5,441	7,759	6,309	39,250	39,300	8,124	6,200	8,599	7,149
33,300	33,350	6,458	4,999	6,933	5,483	36,300	36,350	7,298	5,449	7,773	6,323	39,300	39,350	8,138	6,214	8,613	7,163
33,350	33,400	6,472	5,006	6,947	5,497	36,350	36,400	7,312	5,456	7,787	6,337	39,350	39,400	8,152	6,228	8,627	7,177
33,400	33,450	6,486	5,014	6,961	5,511	36,400	36,450	7,326	5,464	7,801	6,351	39,400	39,450	8,166	6,242	8,641	7,191
33,450	33,500	6,500	5,021	6,975	5,525	36,450	36,500	7,340	5,471	7,815	6,365	39,450	39,500	8,180	6,256	8,655	7,205
33,500	33,550	6,514	5,029	6,989	5,539	36,500	36,550	7,354	5,479	7,829	6,379	39,500	39,550	8,194	6,270	8,669	7,219
33,550	33,600	6,528	5,036	7,003	5,553	36,550	36,600	7,368	5,486	7,843	6,393	39,550	39,600	8,208	6,284	8,683	7,233
33,600	33,650	6,542	5,044	7,017	5,567	36,600	36,650	7,382	5,494	7,857	6,407	39,600	39,650	8,222	6,298	8,697	7,247
33,650	33,700	6,556	5,051	7,031	5,581	36,650	36,700	7,396	5,501	7,871	6,421	39,650	39,700	8,236	6,312	8,711	7,261
33,700	33,750	6,570	5,059	7,045	5,595	36,700	36,750	7,410	5,509	7,885	6,435	39,700	39,750	8,250	6,326	8,725	7,275
33,750	33,800	6,584	5,066	7,059	5,609	36,750	36,800	7,424	5,516	7,899	6,449	39,750	39,800	8,264	6,340	8,739	7,289
33,800	33,850	6,598	5,074	7,073	5,623	36,800	36,850	7,438	5,524	7,913	6,463	39,800	39,850	8,278	6,354	8,753	7,303
33,850	33,900	6,612	5,081	7,087	5,637	36,850	36,900	7,452	5,531	7,927	6,477	39,850	39,900	8,292	6,368	8,767	7,317
33,900	33,950	6,626	5,089	7,101	5,651	36,900	36,950	7,466	5,542	7,941	6,491	39,900	39,950	8,306	6,382	8,781	7,331
33,950	34,000	6,640	5,096	7,115	5,665	36,950	37,000	7,480	5,556	7,955	6,505	39,950	40,000	8,320	6,396	8,795	7,345
<b>34,000</b>						<b>37,000</b>						<b>40,000</b>					
34,000	34,050	6,654	5,104	7,129	5,679	37,000	37,050	7,494	5,570	7,969	6,519	40,000	40,050	8,334	6,410	8,809	7,359
34,050	34,100	6,668	5,111	7,143	5,693	37,050	37,100	7,508	5,584	7,983	6,533	40,050	40,100	8,348	6,424	8,823	7,373
34,100	34,150	6,682	5,119	7,157	5,707	37,100	37,150	7,522	5,598	7,997	6,547	40,100	40,150	8,362	6,438	8,837	7,387
34,150	34,200	6,696	5,126	7,171	5,721	37,150	37,200	7,536	5,612	8,011	6,561	40,150	40,200	8,376	6,452	8,851	7,401
34,200	34,250	6,710	5,134	7,185	5,735	37,200	37,250	7,550	5,626	8,025	6,575	40,200	40,250	8,390	6,466	8,865	7,415
34,250	34,300	6,724	5,141	7,199	5,749	37,250	37,300	7,564	5,640	8,039	6,589	40,250	40,300	8,404	6,480	8,879	7,429
34,300	34,350	6,738	5,149	7,213	5,763	37,300	37,350	7,578	5,654	8,053	6,603	40,300	40,350	8,418	6,494	8,893	7,443
34,350	34,400	6,752	5,156	7,227	5,777	37,350	37,400	7,592	5,668	8,067	6,617	40,350	40,400	8,432	6,508	8,907	7,457
34,400	34,450	6,766	5,164	7,241	5,791	37,400	37,450	7,606	5,682	8,081	6,631	40,400	40,450	8,446	6,522	8,921	7,471
34,450	34,500	6,780	5,171	7,255	5,805	37,450	37,500	7,620	5,696	8,095	6,645	40,450	40,500	8,460	6,536	8,935	7,485
34,500	34,550	6,794	5,179	7,269	5,819	37,500	37,550	7,634	5,710	8,109	6,659	40,500	40,550	8,474	6,550	8,949	7,499
34,550	34,600	6,808	5,186	7,283	5,833	37,550	37,600	7,648	5,724	8,123	6,673	40,550	40,600	8,488	6,564	8,963	7,513
34,600	34,650	6,822	5,194	7,297	5,847	37,600	37,650	7,662	5,738	8,137	6,687	40,600	40,650	8,502	6,578	8,977	7,527
34,650	34,700	6,836	5,201	7,311	5,861	37,650	37,700	7,676	5,752	8,151	6,701	40,650	40,700	8,516	6,592	8,991	7,541
34,700	34,750	6,850	5,209	7,325	5,875	37,700	37,750	7,690	5,766	8,165	6,715	40,700	40,750	8,530	6,606	9,005	7,555
34,750	34,800	6,864	5,216	7,339	5,889	37,7											

1993 Tax Table—Continued

If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—			
		Single	Married filing jointly *	Married filing separately	Head of a household			Single	Married filing jointly *	Married filing separately	Head of a household			Single	Married filing jointly *	Married filing separately	Head of a household
At least	But less than	Your tax is—				At least	But less than	Your tax is—				At least	But less than	Your tax is—			
<b>41,000</b>						<b>44,000</b>						<b>47,000</b>					
41,000	41,050	8,614	6,690	9,089	7,639	44,000	44,050	9,454	7,530	9,929	8,479	47,000	47,050	10,294	8,370	10,842	9,319
41,050	41,100	8,628	6,704	9,103	7,653	44,050	44,100	9,468	7,544	9,943	8,493	47,050	47,100	10,308	8,384	10,858	9,333
41,100	41,150	8,642	6,718	9,117	7,667	44,100	44,150	9,482	7,558	9,957	8,507	47,100	47,150	10,322	8,398	10,873	9,347
41,150	41,200	8,656	6,732	9,131	7,681	44,150	44,200	9,496	7,572	9,971	8,521	47,150	47,200	10,336	8,412	10,889	9,361
41,200	41,250	8,670	6,746	9,145	7,695	44,200	44,250	9,510	7,586	9,985	8,535	47,200	47,250	10,350	8,426	10,904	9,375
41,250	41,300	8,684	6,760	9,159	7,709	44,250	44,300	9,524	7,600	9,999	8,549	47,250	47,300	10,364	8,440	10,920	9,389
41,300	41,350	8,698	6,774	9,173	7,723	44,300	44,350	9,538	7,614	10,013	8,563	47,300	47,350	10,378	8,454	10,935	9,403
41,350	41,400	8,712	6,788	9,187	7,737	44,350	44,400	9,552	7,628	10,027	8,577	47,350	47,400	10,392	8,468	10,951	9,417
41,400	41,450	8,726	6,802	9,201	7,751	44,400	44,450	9,566	7,642	10,041	8,591	47,400	47,450	10,406	8,482	10,966	9,431
41,450	41,500	8,740	6,816	9,215	7,765	44,450	44,500	9,580	7,656	10,055	8,605	47,450	47,500	10,420	8,496	10,982	9,445
41,500	41,550	8,754	6,830	9,229	7,779	44,500	44,550	9,594	7,670	10,069	8,619	47,500	47,550	10,434	8,510	10,997	9,459
41,550	41,600	8,768	6,844	9,243	7,793	44,550	44,600	9,608	7,684	10,083	8,633	47,550	47,600	10,448	8,524	11,013	9,473
41,600	41,650	8,782	6,858	9,257	7,807	44,600	44,650	9,622	7,698	10,098	8,647	47,600	47,650	10,462	8,538	11,028	9,487
41,650	41,700	8,796	6,872	9,271	7,821	44,650	44,700	9,636	7,712	10,114	8,661	47,650	47,700	10,476	8,552	11,044	9,501
41,700	41,750	8,810	6,886	9,285	7,835	44,700	44,750	9,650	7,726	10,129	8,675	47,700	47,750	10,490	8,566	11,059	9,515
41,750	41,800	8,824	6,900	9,299	7,849	44,750	44,800	9,664	7,740	10,145	8,689	47,750	47,800	10,504	8,580	11,075	9,529
41,800	41,850	8,838	6,914	9,313	7,863	44,800	44,850	9,678	7,754	10,160	8,703	47,800	47,850	10,518	8,594	11,090	9,543
41,850	41,900	8,852	6,928	9,327	7,877	44,850	44,900	9,692	7,768	10,176	8,717	47,850	47,900	10,532	8,608	11,106	9,557
41,900	41,950	8,866	6,942	9,341	7,891	44,900	44,950	9,706	7,782	10,191	8,731	47,900	47,950	10,546	8,622	11,121	9,571
41,950	42,000	8,880	6,956	9,355	7,905	44,950	45,000	9,720	7,796	10,207	8,745	47,950	48,000	10,560	8,636	11,137	9,585
<b>42,000</b>						<b>45,000</b>						<b>48,000</b>					
42,000	42,050	8,894	6,970	9,369	7,919	45,000	45,050	9,734	7,810	10,222	8,759	48,000	48,050	10,574	8,650	11,152	9,599
42,050	42,100	8,908	6,984	9,383	7,933	45,050	45,100	9,748	7,824	10,238	8,773	48,050	48,100	10,588	8,664	11,168	9,613
42,100	42,150	8,922	6,998	9,397	7,947	45,100	45,150	9,762	7,838	10,253	8,787	48,100	48,150	10,602	8,678	11,183	9,627
42,150	42,200	8,936	7,012	9,411	7,961	45,150	45,200	9,776	7,852	10,269	8,801	48,150	48,200	10,616	8,692	11,199	9,641
42,200	42,250	8,950	7,026	9,425	7,975	45,200	45,250	9,790	7,866	10,284	8,815	48,200	48,250	10,630	8,706	11,214	9,655
42,250	42,300	8,964	7,040	9,439	7,989	45,250	45,300	9,804	7,880	10,300	8,829	48,250	48,300	10,644	8,720	11,230	9,669
42,300	42,350	8,978	7,054	9,453	8,003	45,300	45,350	9,818	7,894	10,315	8,843	48,300	48,350	10,658	8,734	11,245	9,683
42,350	42,400	8,992	7,068	9,467	8,017	45,350	45,400	9,832	7,908	10,331	8,857	48,350	48,400	10,672	8,748	11,261	9,697
42,400	42,450	9,006	7,082	9,481	8,031	45,400	45,450	9,846	7,922	10,346	8,871	48,400	48,450	10,686	8,762	11,276	9,711
42,450	42,500	9,020	7,096	9,495	8,045	45,450	45,500	9,860	7,936	10,362	8,885	48,450	48,500	10,700	8,776	11,292	9,725
42,500	42,550	9,034	7,110	9,509	8,059	45,500	45,550	9,874	7,950	10,377	8,899	48,500	48,550	10,714	8,790	11,307	9,739
42,550	42,600	9,048	7,124	9,523	8,073	45,550	45,600	9,888	7,964	10,393	8,913	48,550	48,600	10,728	8,804	11,323	9,753
42,600	42,650	9,062	7,138	9,537	8,087	45,600	45,650	9,902	7,978	10,408	8,927	48,600	48,650	10,742	8,818	11,338	9,767
42,650	42,700	9,076	7,152	9,551	8,101	45,650	45,700	9,916	7,992	10,424	8,941	48,650	48,700	10,756	8,832	11,354	9,781
42,700	42,750	9,090	7,166	9,565	8,115	45,700	45,750	9,930	8,006	10,439	8,955	48,700	48,750	10,770	8,846	11,369	9,795
42,750	42,800	9,104	7,180	9,579	8,129	45,750	45,800	9,944	8,020	10,455	8,969	48,750	48,800	10,784	8,860	11,385	9,809
42,800	42,850	9,118	7,194	9,593	8,143	45,800	45,850	9,958	8,034	10,470	8,983	48,800	48,850	10,798	8,874	11,400	9,823
42,850	42,900	9,132	7,208	9,607	8,157	45,850	45,900	9,972	8,048	10,486	8,997	48,850	48,900	10,812	8,888	11,416	9,837
42,900	42,950	9,146	7,222	9,621	8,171	45,900	45,950	9,986	8,062	10,501	9,011	48,900	48,950	10,826	8,902	11,431	9,851
42,950	43,000	9,160	7,236	9,635	8,185	45,950	46,000	10,000	8,076	10,517	9,025	48,950	49,000	10,840	8,916	11,447	9,865
<b>43,000</b>						<b>46,000</b>						<b>49,000</b>					
43,000	43,050	9,174	7,250	9,649	8,199	46,000	46,050	10,014	8,090	10,532	9,039	49,000	49,050	10,854	8,930	11,462	9,879
43,050	43,100	9,188	7,264	9,663	8,213	46,050	46,100	10,028	8,104	10,548	9,053	49,050	49,100	10,868	8,944	11,478	9,893
43,100	43,150	9,202	7,278	9,677	8,227	46,100	46,150	10,042	8,118	10,563	9,067	49,100	49,150	10,882	8,958	11,493	9,907
43,150	43,200	9,216	7,292	9,691	8,241	46,150	46,200	10,056	8,132	10,579	9,081	49,150	49,200	10,896	8,972	11,509	9,921
43,200	43,250	9,230	7,306	9,705	8,255	46,200	46,250	10,070	8,146	10,594	9,095	49,200	49,250	10,910	8,986	11,524	9,935
43,250	43,300	9,244	7,320	9,719	8,269	46,250	46,300	10,084	8,160	10,610	9,109	49,250	49,300	10,924	9,000	11,540	9,949
43,300	43,350	9,258	7,334	9,733	8,283	46,300	46,350	10,098	8,174	10,625	9,123	49,300	49,350	10,938	9,014	11,555	9,963
43,350	43,400	9,272	7,348	9,747	8,297	46,350	46,400	10,112	8,188	10,641	9,137	49,350	49,400	10,952	9,028	11,571	9,977
43,400	43,450	9,286	7,362	9,761	8,311	46,400	46,450	10,126	8,202	10,656	9,151	49,400	49,450	10,966	9,042	11,586	9,991
43,450	43,500	9,300	7,376	9,775	8,325	46,450	46,500	10,140	8,216	10,672	9,165	49,450	49,500	10,980	9,056	11,602	10,005
43,500	43,550	9,314	7,390	9,789	8,339	46,500	46,550	10,154	8,230	10,687	9,179	49,500	49,550	10,994	9,070	11,617	10,019
43,550	43,600	9,328	7,404	9,803	8,353	46,550	46,600	10,168	8,244	10,703	9,193	49,550	49,600	11,008	9,084	11,633	10,033
43,600	43,650	9,342	7,418	9,817	8,367	46,600	46,650	10,182	8,258	10,718	9,207	49,600	49,650	11,022	9,098	11,648	10,047
43,650	43,700	9,356	7,432	9,831	8,381	46,650	46,700	10,196	8,272	10,734	9,221	49,650	49,700	11,036	9,112	11,664	10,061
43,700	43,750	9,370	7,446	9,845	8,395	46,700	46,750	10,210	8,286	10,749	9,235	49,700	49,750	11,050	9,126	11,679	10,075
43,750	43,800	9,384	7,460	9,859	8,409	46,750	46,800	10,224	8,300	10,765	9,249	49,750	49,800	11,064	9,140	11,695	10,089
43,800	43,850	9,398	7,474	9,873	8,423	46,800	46,850	10,238	8,314	10,780	9,263	49,800	49,850	11,078	9,154	11,710	10,103
43,850	43,900	9,412	7,488	9,887	8,437	46,850	46,900	10,252	8,328	10,796	9,277	49,850	49,900	11,092	9,168	11,726	10,117
43,900	43,950	9,426	7,502	9,901	8,451	46,900	46,950	10,266	8,342	10,811	9,291						

1993 Tax Table—Continued

If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a house- hold	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a house- hold	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a house- hold
		Your tax is—						Your tax is—						Your tax is—			
<b>50,000</b>						<b>53,000</b>						<b>56,000</b>					
50,000	50,050	11,134	9,210	11,772	10,159	53,000	53,050	11,974	10,050	12,702	10,999	56,000	56,050	12,890	10,890	13,632	11,839
50,050	50,100	11,148	9,224	11,788	10,173	53,050	53,100	11,988	10,064	12,718	11,013	56,050	56,100	12,905	10,904	13,648	11,853
50,100	50,150	11,162	9,238	11,803	10,187	53,100	53,150	12,002	10,078	12,733	11,027	56,100	56,150	12,921	10,918	13,663	11,867
50,150	50,200	11,176	9,252	11,819	10,201	53,150	53,200	12,016	10,092	12,749	11,041	56,150	56,200	12,936	10,932	13,679	11,881
50,200	50,250	11,190	9,266	11,834	10,215	53,200	53,250	12,030	10,106	12,764	11,055	56,200	56,250	12,952	10,946	13,694	11,895
50,250	50,300	11,204	9,280	11,850	10,229	53,250	53,300	12,044	10,120	12,780	11,069	56,250	56,300	12,967	10,960	13,710	11,909
50,300	50,350	11,218	9,294	11,865	10,243	53,300	53,350	12,058	10,134	12,795	11,083	56,300	56,350	12,983	10,974	13,725	11,923
50,350	50,400	11,232	9,308	11,881	10,257	53,350	53,400	12,072	10,148	12,811	11,097	56,350	56,400	12,998	10,988	13,741	11,937
50,400	50,450	11,246	9,322	11,896	10,271	53,400	53,450	12,086	10,162	12,826	11,111	56,400	56,450	13,014	11,002	13,756	11,951
50,450	50,500	11,260	9,336	11,912	10,285	53,450	53,500	12,100	10,176	12,842	11,125	56,450	56,500	13,029	11,016	13,772	11,965
50,500	50,550	11,274	9,350	11,927	10,299	53,500	53,550	12,115	10,190	12,857	11,139	56,500	56,550	13,045	11,030	13,787	11,979
50,550	50,600	11,288	9,364	11,943	10,313	53,550	53,600	12,130	10,204	12,873	11,153	56,550	56,600	13,060	11,044	13,803	11,993
50,600	50,650	11,302	9,378	11,958	10,327	53,600	53,650	12,146	10,218	12,888	11,167	56,600	56,650	13,076	11,058	13,818	12,007
50,650	50,700	11,316	9,392	11,974	10,341	53,650	53,700	12,161	10,232	12,904	11,181	56,650	56,700	13,091	11,072	13,834	12,021
50,700	50,750	11,330	9,406	11,989	10,355	53,700	53,750	12,177	10,246	12,919	11,195	56,700	56,750	13,107	11,086	13,849	12,035
50,750	50,800	11,344	9,420	12,005	10,369	53,750	53,800	12,192	10,260	12,935	11,209	56,750	56,800	13,122	11,100	13,865	12,049
50,800	50,850	11,358	9,434	12,020	10,383	53,800	53,850	12,208	10,274	12,950	11,223	56,800	56,850	13,138	11,114	13,880	12,063
50,850	50,900	11,372	9,448	12,036	10,397	53,850	53,900	12,223	10,288	12,966	11,237	56,850	56,900	13,153	11,128	13,896	12,077
50,900	50,950	11,386	9,462	12,051	10,411	53,900	53,950	12,239	10,302	12,981	11,251	56,900	56,950	13,169	11,142	13,911	12,091
50,950	51,000	11,400	9,476	12,067	10,425	53,950	54,000	12,254	10,316	12,997	11,265	56,950	57,000	13,184	11,156	13,927	12,105
<b>51,000</b>						<b>54,000</b>						<b>57,000</b>					
51,000	51,050	11,414	9,490	12,082	10,439	54,000	54,050	12,270	10,330	13,012	11,279	57,000	57,050	13,200	11,170	13,942	12,119
51,050	51,100	11,428	9,504	12,098	10,453	54,050	54,100	12,285	10,344	13,028	11,293	57,050	57,100	13,215	11,184	13,958	12,133
51,100	51,150	11,442	9,518	12,113	10,467	54,100	54,150	12,301	10,358	13,043	11,307	57,100	57,150	13,231	11,198	13,973	12,147
51,150	51,200	11,456	9,532	12,129	10,481	54,150	54,200	12,316	10,372	13,059	11,321	57,150	57,200	13,246	11,212	13,989	12,161
51,200	51,250	11,470	9,546	12,144	10,495	54,200	54,250	12,332	10,386	13,074	11,335	57,200	57,250	13,262	11,226	14,004	12,175
51,250	51,300	11,484	9,560	12,160	10,509	54,250	54,300	12,347	10,400	13,090	11,349	57,250	57,300	13,277	11,240	14,020	12,189
51,300	51,350	11,498	9,574	12,175	10,523	54,300	54,350	12,363	10,414	13,105	11,363	57,300	57,350	13,293	11,254	14,035	12,203
51,350	51,400	11,512	9,588	12,191	10,537	54,350	54,400	12,378	10,428	13,121	11,377	57,350	57,400	13,308	11,268	14,051	12,217
51,400	51,450	11,526	9,602	12,206	10,551	54,400	54,450	12,394	10,442	13,136	11,391	57,400	57,450	13,324	11,282	14,066	12,231
51,450	51,500	11,540	9,616	12,222	10,565	54,450	54,500	12,409	10,456	13,152	11,405	57,450	57,500	13,339	11,296	14,082	12,245
51,500	51,550	11,554	9,630	12,237	10,579	54,500	54,550	12,425	10,470	13,167	11,419	57,500	57,550	13,355	11,310	14,097	12,259
51,550	51,600	11,568	9,644	12,253	10,593	54,550	54,600	12,440	10,484	13,183	11,433	57,550	57,600	13,370	11,324	14,113	12,273
51,600	51,650	11,582	9,658	12,268	10,607	54,600	54,650	12,456	10,498	13,198	11,447	57,600	57,650	13,386	11,338	14,128	12,287
51,650	51,700	11,596	9,672	12,284	10,621	54,650	54,700	12,471	10,512	13,214	11,461	57,650	57,700	13,401	11,352	14,144	12,301
51,700	51,750	11,610	9,686	12,299	10,635	54,700	54,750	12,487	10,526	13,229	11,475	57,700	57,750	13,417	11,366	14,159	12,315
51,750	51,800	11,624	9,700	12,315	10,649	54,750	54,800	12,502	10,540	13,245	11,489	57,750	57,800	13,432	11,380	14,175	12,329
51,800	51,850	11,638	9,714	12,330	10,663	54,800	54,850	12,518	10,554	13,260	11,503	57,800	57,850	13,448	11,394	14,190	12,343
51,850	51,900	11,652	9,728	12,346	10,677	54,850	54,900	12,533	10,568	13,276	11,517	57,850	57,900	13,463	11,408	14,206	12,357
51,900	51,950	11,666	9,742	12,361	10,691	54,900	54,950	12,549	10,582	13,291	11,531	57,900	57,950	13,479	11,422	14,221	12,371
51,950	52,000	11,680	9,756	12,377	10,705	54,950	55,000	12,564	10,596	13,307	11,545	57,950	58,000	13,494	11,436	14,237	12,385
<b>52,000</b>						<b>55,000</b>						<b>58,000</b>					
52,000	52,050	11,694	9,770	12,392	10,719	55,000	55,050	12,580	10,610	13,322	11,559	58,000	58,050	13,510	11,450	14,252	12,399
52,050	52,100	11,708	9,784	12,408	10,733	55,050	55,100	12,595	10,624	13,338	11,573	58,050	58,100	13,525	11,464	14,268	12,413
52,100	52,150	11,722	9,798	12,423	10,747	55,100	55,150	12,611	10,638	13,353	11,587	58,100	58,150	13,541	11,478	14,283	12,427
52,150	52,200	11,736	9,812	12,439	10,761	55,150	55,200	12,626	10,652	13,369	11,601	58,150	58,200	13,556	11,492	14,299	12,441
52,200	52,250	11,750	9,826	12,454	10,775	55,200	55,250	12,642	10,666	13,384	11,615	58,200	58,250	13,572	11,506	14,314	12,455
52,250	52,300	11,764	9,840	12,470	10,789	55,250	55,300	12,657	10,680	13,400	11,629	58,250	58,300	13,587	11,520	14,330	12,469
52,300	52,350	11,778	9,854	12,485	10,803	55,300	55,350	12,673	10,694	13,415	11,643	58,300	58,350	13,603	11,534	14,345	12,483
52,350	52,400	11,792	9,868	12,501	10,817	55,350	55,400	12,688	10,708	13,431	11,657	58,350	58,400	13,618	11,548	14,361	12,497
52,400	52,450	11,806	9,882	12,516	10,831	55,400	55,450	12,704	10,722	13,446	11,671	58,400	58,450	13,634	11,562	14,376	12,511
52,450	52,500	11,820	9,896	12,532	10,845	55,450	55,500	12,719	10,736	13,462	11,685	58,450	58,500	13,649	11,576	14,392	12,525
52,500	52,550	11,834	9,910	12,547	10,859	55,500	55,550	12,735	10,750	13,477	11,699	58,500	58,550	13,665	11,590	14,407	12,539
52,550	52,600	11,848	9,924	12,563	10,873	55,550	55,600	12,750	10,764	13,493	11,713	58,550	58,600	13,680	11,604	14,423	12,553

1993 Tax Table—Continued

If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—						Your tax is—						Your tax is—			
<b>59,000</b>						<b>62,000</b>						<b>65,000</b>					
59,000	59,050	13,820	11,730	14,562	12,679	62,000	62,050	14,750	12,570	15,492	13,519	65,000	65,050	15,680	13,410	16,422	14,359
59,050	59,100	13,835	11,744	14,578	12,693	62,050	62,100	14,765	12,584	15,508	13,533	65,050	65,100	15,695	13,424	16,438	14,373
59,100	59,150	13,851	11,758	14,593	12,707	62,100	62,150	14,781	12,598	15,523	13,547	65,100	65,150	15,711	13,438	16,453	14,387
59,150	59,200	13,866	11,772	14,609	12,721	62,150	62,200	14,796	12,612	15,539	13,561	65,150	65,200	15,726	13,452	16,469	14,401
59,200	59,250	13,882	11,786	14,624	12,735	62,200	62,250	14,812	12,626	15,554	13,575	65,200	65,250	15,742	13,466	16,484	14,415
59,250	59,300	13,897	11,800	14,640	12,749	62,250	62,300	14,827	12,640	15,570	13,589	65,250	65,300	15,757	13,480	16,500	14,429
59,300	59,350	13,913	11,814	14,655	12,763	62,300	62,350	14,843	12,654	15,585	13,603	65,300	65,350	15,773	13,494	16,515	14,443
59,350	59,400	13,928	11,828	14,671	12,777	62,350	62,400	14,858	12,668	15,601	13,617	65,350	65,400	15,788	13,508	16,531	14,457
59,400	59,450	13,944	11,842	14,686	12,791	62,400	62,450	14,874	12,682	15,616	13,631	65,400	65,450	15,804	13,522	16,546	14,471
59,450	59,500	13,959	11,856	14,702	12,805	62,450	62,500	14,889	12,696	15,632	13,645	65,450	65,500	15,819	13,536	16,562	14,485
59,500	59,550	13,975	11,870	14,717	12,819	62,500	62,550	14,905	12,710	15,647	13,659	65,500	65,550	15,835	13,550	16,577	14,499
59,550	59,600	13,990	11,884	14,733	12,833	62,550	62,600	14,920	12,724	15,663	13,673	65,550	65,600	15,850	13,564	16,593	14,513
59,600	59,650	14,006	11,898	14,748	12,847	62,600	62,650	14,936	12,738	15,678	13,687	65,600	65,650	15,866	13,578	16,608	14,527
59,650	59,700	14,021	11,912	14,764	12,861	62,650	62,700	14,951	12,752	15,694	13,701	65,650	65,700	15,881	13,592	16,624	14,541
59,700	59,750	14,037	11,926	14,779	12,875	62,700	62,750	14,967	12,766	15,709	13,715	65,700	65,750	15,897	13,606	16,639	14,555
59,750	59,800	14,052	11,940	14,795	12,889	62,750	62,800	14,982	12,780	15,725	13,729	65,750	65,800	15,912	13,620	16,655	14,569
59,800	59,850	14,068	11,954	14,810	12,903	62,800	62,850	14,998	12,794	15,740	13,743	65,800	65,850	15,928	13,634	16,670	14,583
59,850	59,900	14,083	11,968	14,826	12,917	62,850	62,900	15,013	12,808	15,756	13,757	65,850	65,900	15,943	13,648	16,686	14,597
59,900	59,950	14,099	11,982	14,841	12,931	62,900	62,950	15,029	12,822	15,771	13,771	65,900	65,950	15,959	13,662	16,701	14,611
59,950	60,000	14,114	11,996	14,857	12,945	62,950	63,000	15,044	12,836	15,787	13,785	65,950	66,000	15,974	13,676	16,717	14,625
<b>60,000</b>						<b>63,000</b>						<b>66,000</b>					
60,000	60,050	14,130	12,010	14,872	12,959	63,000	63,050	15,060	12,850	15,802	13,799	66,000	66,050	15,990	13,690	16,732	14,639
60,050	60,100	14,145	12,024	14,888	12,973	63,050	63,100	15,075	12,864	15,818	13,813	66,050	66,100	16,005	13,704	16,748	14,653
60,100	60,150	14,161	12,038	14,903	12,987	63,100	63,150	15,091	12,878	15,833	13,827	66,100	66,150	16,021	13,718	16,763	14,667
60,150	60,200	14,176	12,052	14,919	13,001	63,150	63,200	15,106	12,892	15,849	13,841	66,150	66,200	16,036	13,732	16,779	14,681
60,200	60,250	14,192	12,066	14,934	13,015	63,200	63,250	15,122	12,906	15,864	13,855	66,200	66,250	16,052	13,746	16,794	14,695
60,250	60,300	14,207	12,080	14,950	13,029	63,250	63,300	15,137	12,920	15,880	13,869	66,250	66,300	16,067	13,760	16,810	14,709
60,300	60,350	14,223	12,094	14,965	13,043	63,300	63,350	15,153	12,934	15,895	13,883	66,300	66,350	16,083	13,774	16,825	14,723
60,350	60,400	14,238	12,108	14,981	13,057	63,350	63,400	15,168	12,948	15,911	13,897	66,350	66,400	16,098	13,788	16,841	14,737
60,400	60,450	14,254	12,122	14,996	13,071	63,400	63,450	15,184	12,962	15,926	13,911	66,400	66,450	16,114	13,802	16,856	14,751
60,450	60,500	14,269	12,136	15,012	13,085	63,450	63,500	15,199	12,976	15,942	13,925	66,450	66,500	16,129	13,816	16,872	14,765
60,500	60,550	14,285	12,150	15,027	13,099	63,500	63,550	15,215	12,990	15,957	13,939	66,500	66,550	16,145	13,830	16,887	14,779
60,550	60,600	14,300	12,164	15,043	13,113	63,550	63,600	15,230	13,004	15,973	13,953	66,550	66,600	16,160	13,844	16,903	14,793
60,600	60,650	14,316	12,178	15,058	13,127	63,600	63,650	15,246	13,018	15,988	13,967	66,600	66,650	16,176	13,858	16,918	14,807
60,650	60,700	14,331	12,192	15,074	13,141	63,650	63,700	15,261	13,032	16,004	13,981	66,650	66,700	16,191	13,872	16,934	14,821
60,700	60,750	14,347	12,206	15,089	13,155	63,700	63,750	15,277	13,046	16,019	13,995	66,700	66,750	16,207	13,886	16,949	14,835
60,750	60,800	14,362	12,220	15,105	13,169	63,750	63,800	15,292	13,060	16,035	14,009	66,750	66,800	16,222	13,900	16,965	14,849
60,800	60,850	14,378	12,234	15,120	13,183	63,800	63,850	15,308	13,074	16,050	14,023	66,800	66,850	16,238	13,914	16,980	14,863
60,850	60,900	14,393	12,248	15,136	13,197	63,850	63,900	15,323	13,088	16,066	14,037	66,850	66,900	16,253	13,928	16,996	14,877
60,900	60,950	14,409	12,262	15,151	13,211	63,900	63,950	15,339	13,102	16,081	14,051	66,900	66,950	16,269	13,942	17,011	14,891
60,950	61,000	14,424	12,276	15,167	13,225	63,950	64,000	15,354	13,116	16,097	14,065	66,950	67,000	16,284	13,956	17,027	14,905
<b>61,000</b>						<b>64,000</b>						<b>67,000</b>					
61,000	61,050	14,440	12,290	15,182	13,239	64,000	64,050	15,370	13,130	16,112	14,079	67,000	67,050	16,300	13,970	17,042	14,919
61,050	61,100	14,455	12,304	15,198	13,253	64,050	64,100	15,385	13,144	16,128	14,093	67,050	67,100	16,315	13,984	17,058	14,933
61,100	61,150	14,471	12,318	15,213	13,267	64,100	64,150	15,401	13,158	16,143	14,107	67,100	67,150	16,331	13,998	17,073	14,947
61,150	61,200	14,486	12,332	15,229	13,281	64,150	64,200	15,416	13,172	16,159	14,121	67,150	67,200	16,346	14,012	17,089	14,961
61,200	61,250	14,502	12,346	15,244	13,295	64,200	64,250	15,432	13,186	16,174	14,135	67,200	67,250	16,362	14,026	17,104	14,975
61,250	61,300	14,517	12,360	15,260	13,309	64,250	64,300	15,447	13,200	16,190	14,149	67,250	67,300	16,377	14,040	17,120	14,989
61,300	61,350	14,533	12,374	15,275	13,323	64,300	64,350	15,463	13,214	16,205	14,163	67,300	67,350	16,393	14,054	17,135	15,003
61,350	61,400	14,548	12,388	15,291	13,337	64,350	64,400	15,478	13,228	16,221	14,177	67,350	67,400	16,408	14,068	17,151	15,017
61,400	61,450	14,564	12,402	15,306	13,351	64,400	64,450	15,494	13,242	16,236	14,191	67,400	67,450	16,424	14,082	17,166	15,031
61,450	61,500	14,579	12,416	15,322	13,365	64,450	64,500	15,509	13,256	16,252	14,205	67,450	67,500	16,439	14,096	17,182	15,045
61,500	61,550	14,595	12,430	15,337	13,379	64,500	64,550	15,525	13,270	16,267	14,219	67,500	67,550	16,455	14,110	17,197	15,059
61,550	61,600	14,610	12,444	15,353	13,393	64,550	64,600	15,540	13,284	16,283	14,233	67,550	67,600	16,470	14,124	17,213	15,073
61,600	61,650	14,626	12,458	15,368	13,407	64,600	64,650	15,556	13,298	16,298	14,247	67,600	67,650	16,486	14,138	17,228	15,087
61,650	61,700	14,641	12,472	15,384	13,421	64,650	64,700	15,571	13,312	16,314	14,261	67,650	67,700	16,501	14,152	17,244	15,101
61,700	61,750	14,657	12,486	15,399	13,435	64,700	64,750	15,587	13,326	16,329	14,275	67,700	67,750	16,517	14,166	17,259	15,115
61,750	61,800	14,672	12,500	15,415	13,449	64,750	64,800	15,602	13,340	16,345	14,289	67,750	67,800	16,532	14,180	17,275	15,129
61,800	61,850	14,688	12,514	15,430	13,463	64,800	64,850	15,618	13,354	16,360	14,303	67,800	67,850	16,548	14,194	17,290	15,143
61,850	61,900	14,703	12,528	15,446	13,477	64,850	64,900	15,633	13								

1993 Tax Table—Continued

If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—					
		Single	Married filing jointly *	Married filing separately	Head of a household			Single	Married filing jointly *	Married filing separately	Head of a household			Single	Married filing jointly *	Married filing separately	Head of a household		
At least	But less than	Your tax is—				At least	But less than	Your tax is—				At least	But less than	Your tax is—					
<b>68,000</b>		<b>71,000</b>				<b>74,000</b>				<b>69,000</b>		<b>72,000</b>				<b>75,000</b>			
68,000	68,050	16,610	14,250	17,352	15,199	71,000	71,050	17,540	15,090	18,333	16,039	74,000	74,050	18,470	15,930	19,413	16,879		
68,050	68,100	16,625	14,264	17,368	15,213	71,050	71,100	17,555	15,104	18,351	16,053	74,050	74,100	18,485	15,944	19,431	16,893		
68,100	68,150	16,641	14,278	17,383	15,227	71,100	71,150	17,571	15,118	18,369	16,067	74,100	74,150	18,501	15,958	19,449	16,907		
68,150	68,200	16,656	14,292	17,399	15,241	71,150	71,200	17,586	15,132	18,387	16,081	74,150	74,200	18,516	15,972	19,467	16,921		
68,200	68,250	16,672	14,306	17,414	15,255	71,200	71,250	17,602	15,146	18,405	16,095	74,200	74,250	18,532	15,986	19,485	16,935		
68,250	68,300	16,687	14,320	17,430	15,269	71,250	71,300	17,617	15,160	18,423	16,109	74,250	74,300	18,547	16,000	19,503	16,949		
68,300	68,350	16,703	14,334	17,445	15,283	71,300	71,350	17,633	15,174	18,441	16,123	74,300	74,350	18,563	16,014	19,521	16,963		
68,350	68,400	16,718	14,348	17,461	15,297	71,350	71,400	17,648	15,188	18,459	16,137	74,350	74,400	18,578	16,028	19,539	16,977		
68,400	68,450	16,734	14,362	17,476	15,311	71,400	71,450	17,664	15,202	18,477	16,151	74,400	74,450	18,594	16,042	19,557	16,991		
68,450	68,500	16,749	14,376	17,492	15,325	71,450	71,500	17,679	15,216	18,495	16,165	74,450	74,500	18,609	16,056	19,575	17,005		
68,500	68,550	16,765	14,390	17,507	15,339	71,500	71,550	17,695	15,230	18,513	16,179	74,500	74,550	18,625	16,070	19,593	17,019		
68,550	68,600	16,780	14,404	17,523	15,353	71,550	71,600	17,710	15,244	18,531	16,193	74,550	74,600	18,640	16,084	19,611	17,033		
68,600	68,650	16,796	14,418	17,538	15,367	71,600	71,650	17,726	15,258	18,549	16,207	74,600	74,650	18,656	16,098	19,629	17,047		
68,650	68,700	16,811	14,432	17,554	15,381	71,650	71,700	17,741	15,272	18,567	16,221	74,650	74,700	18,671	16,112	19,647	17,061		
68,700	68,750	16,827	14,446	17,569	15,395	71,700	71,750	17,757	15,286	18,585	16,235	74,700	74,750	18,687	16,126	19,665	17,075		
68,750	68,800	16,842	14,460	17,585	15,409	71,750	71,800	17,772	15,300	18,603	16,249	74,750	74,800	18,702	16,140	19,683	17,089		
68,800	68,850	16,858	14,474	17,600	15,423	71,800	71,850	17,788	15,314	18,621	16,263	74,800	74,850	18,718	16,154	19,701	17,103		
68,850	68,900	16,873	14,488	17,616	15,437	71,850	71,900	17,803	15,328	18,639	16,277	74,850	74,900	18,733	16,168	19,719	17,117		
68,900	68,950	16,889	14,502	17,631	15,451	71,900	71,950	17,819	15,342	18,657	16,291	74,900	74,950	18,749	16,182	19,737	17,131		
68,950	69,000	16,904	14,516	17,647	15,465	71,950	72,000	17,834	15,356	18,675	16,305	74,950	75,000	18,764	16,196	19,755	17,145		
<b>69,000</b>		<b>72,000</b>				<b>75,000</b>				<b>69,000</b>		<b>72,000</b>				<b>75,000</b>			
69,000	69,050	16,920	14,530	17,662	15,479	72,000	72,050	17,850	15,370	18,693	16,319	75,000	75,050	18,780	16,210	19,773	17,159		
69,050	69,100	16,935	14,544	17,678	15,493	72,050	72,100	17,865	15,384	18,711	16,333	75,050	75,100	18,795	16,224	19,791	17,173		
69,100	69,150	16,951	14,558	17,693	15,507	72,100	72,150	17,881	15,398	18,729	16,347	75,100	75,150	18,811	16,238	19,809	17,187		
69,150	69,200	16,966	14,572	17,709	15,521	72,150	72,200	17,896	15,412	18,747	16,361	75,150	75,200	18,826	16,252	19,827	17,201		
69,200	69,250	16,982	14,586	17,724	15,535	72,200	72,250	17,912	15,426	18,765	16,375	75,200	75,250	18,842	16,266	19,845	17,215		
69,250	69,300	16,997	14,600	17,740	15,549	72,250	72,300	17,927	15,440	18,783	16,389	75,250	75,300	18,857	16,280	19,863	17,229		
69,300	69,350	17,013	14,614	17,755	15,563	72,300	72,350	17,943	15,454	18,801	16,403	75,300	75,350	18,873	16,294	19,881	17,243		
69,350	69,400	17,028	14,628	17,771	15,577	72,350	72,400	17,958	15,468	18,819	16,417	75,350	75,400	18,888	16,308	19,899	17,257		
69,400	69,450	17,044	14,642	17,786	15,591	72,400	72,450	17,974	15,482	18,837	16,431	75,400	75,450	18,904	16,322	19,917	17,271		
69,450	69,500	17,059	14,656	17,802	15,605	72,450	72,500	17,989	15,496	18,855	16,445	75,450	75,500	18,919	16,336	19,935	17,285		
69,500	69,550	17,075	14,670	17,817	15,619	72,500	72,550	18,005	15,510	18,873	16,459	75,500	75,550	18,935	16,350	19,953	17,299		
69,550	69,600	17,090	14,684	17,833	15,633	72,550	72,600	18,020	15,524	18,891	16,473	75,550	75,600	18,950	16,364	19,971	17,313		
69,600	69,650	17,106	14,698	17,848	15,647	72,600	72,650	18,036	15,538	18,909	16,487	75,600	75,650	18,966	16,378	19,989	17,327		
69,650	69,700	17,121	14,712	17,864	15,661	72,650	72,700	18,051	15,552	18,927	16,501	75,650	75,700	18,981	16,392	20,007	17,341		
69,700	69,750	17,137	14,726	17,879	15,675	72,700	72,750	18,067	15,566	18,945	16,515	75,700	75,750	18,997	16,406	20,025	17,355		
69,750	69,800	17,152	14,740	17,895	15,689	72,750	72,800	18,082	15,580	18,963	16,529	75,750	75,800	19,012	16,420	20,043	17,369		
69,800	69,850	17,168	14,754	17,910	15,703	72,800	72,850	18,098	15,594	18,981	16,543	75,800	75,850	19,028	16,434	20,061	17,383		
69,850	69,900	17,183	14,768	17,926	15,717	72,850	72,900	18,113	15,608	18,999	16,557	75,850	75,900	19,043	16,448	20,079	17,397		
69,900	69,950	17,199	14,782	17,941	15,731	72,900	72,950	18,129	15,622	19,017	16,571	75,900	75,950	19,059	16,462	20,097	17,411		
69,950	70,000	17,214	14,796	17,957	15,745	72,950	73,000	18,144	15,636	19,035	16,585	75,950	76,000	19,074	16,476	20,115	17,425		
<b>70,000</b>		<b>73,000</b>				<b>76,000</b>				<b>70,000</b>		<b>73,000</b>				<b>76,000</b>			
70,000	70,050	17,230	14,810	17,973	15,759	73,000	73,050	18,160	15,650	19,053	16,599	76,000	76,050	19,090	16,490	20,133	17,439		
70,050	70,100	17,245	14,824	17,991	15,773	73,050	73,100	18,175	15,664	19,071	16,613	76,050	76,100	19,105	16,504	20,151	17,453		
70,100	70,150	17,261	14,838	18,009	15,787	73,100	73,150	18,191	15,678	19,089	16,627	76,100	76,150	19,121	16,518	20,169	17,467		
70,150	70,200	17,276	14,852	18,027	15,801	73,150	73,200	18,206	15,692	19,107	16,641	76,150	76,200	19,136	16,532	20,187	17,481		
70,200	70,250	17,292	14,866	18,045	15,815	73,200	73,250	18,222	15,706	19,125	16,655	76,200	76,250	19,152	16,546	20,205	17,495		
70,250	70,300	17,307	14,880	18,063	15,829	73,250	73,300	18,237	15,720	19,143	16,669	76,250	76,300	19,167	16,560	20,223	17,509		
70,300	70,350	17,323	14,894	18,081	15,843	73,300	73,350	18,253	15,734	19,161	16,683	76,300	76,350	19,183	16,574	20,241	17,523		
70,350	70,400	17,338	14,908	18,099	15,857	73,350	73,400	18,268	15,748	19,179	16,697	76,350	76,400	19,198	16,588	20,259	17,537		
70,400	70,450	17,354	14,922	18,117	15,871	73,400	73,450	18,284	15,762	19,197	16,711	76,400	76,450	19,214	16,602	20,277	17,552		
70,450	70,500	17,369	14,936	18,135	15,885	73,450	73,500	18,299	15,776	19,215	16,725	76,450	76,500	19,229	16,616	20,295	17,567		
70,500	70,550	17,385	14,950	18,153	15,899	73,500	73,550	18,315	15,790	19,233	16,739	76,500	76,550	19,245	16,630	20,313	17,583		
70,550	70,600	17,400	14,964	18,171	15,913	73,550	73,600	18,330	15,804	19,251	16,753	76,550	76,600	19,260	16,644	20,331	17,598		
70,600	70,650	17,416	14,978	18,189	15,927	73,600	73,650	18,346	15,818	19,269	16,767	76,600	76,650	19,276	16,658	20,349	17,614		
70,650	70,700	17,431	14,992	18,207	15,941	73,650	73,700	18,361	15,832	19,287	16,781	76,650	76,700	19,291	16,672	20,367	17,629		
70,700	70,750	17,447	15,006	18,225	15,955	73,700	73,750	18,377	15,846	19,305	16,795	76,700	76,750	19,307	16,686	20,385	17,645		
70,750	70,800	17,462	15,020	18,243	15,969	73,750	73,800	18,392	15,860	19,323	16,809	76,750	76,800	19,322	16,700	20,403	17,660		
70,800	70,850	17,478	15,034	18,261	15,983	73,800	73,850	18,408	15,874	19,341	16,823	76,800	76,850	19,338	16,714	20,421	17,676		
70,850	70,900	17,493	15,048	18,279	15,997	73,850	73,900	18,423	15,888	19,359	16,837	76,850	76,900</						

**1993 Tax Table—Continued**

If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
<b>77,000</b>					<b>80,000</b>					<b>83,000</b>							
<b>77,000</b>	<b>77,050</b>	19,400	16,770	20,493	17,738	<b>80,000</b>	<b>80,050</b>	20,330	17,610	21,573	18,668	<b>83,000</b>	<b>83,050</b>	21,260	18,450	22,653	19,598
<b>77,050</b>	<b>77,100</b>	19,415	16,784	20,511	17,753	<b>80,050</b>	<b>80,100</b>	20,345	17,624	21,591	18,683	<b>83,050</b>	<b>83,100</b>	21,275	18,464	22,671	19,613
<b>77,100</b>	<b>77,150</b>	19,431	16,798	20,529	17,769	<b>80,100</b>	<b>80,150</b>	20,361	17,638	21,609	18,699	<b>83,100</b>	<b>83,150</b>	21,291	18,478	22,689	19,629
<b>77,150</b>	<b>77,200</b>	19,446	16,812	20,547	17,784	<b>80,150</b>	<b>80,200</b>	20,376	17,652	21,627	18,714	<b>83,150</b>	<b>83,200</b>	21,306	18,492	22,707	19,644
<b>77,200</b>	<b>77,250</b>	19,462	16,826	20,565	17,800	<b>80,200</b>	<b>80,250</b>	20,392	17,666	21,645	18,730	<b>83,200</b>	<b>83,250</b>	21,322	18,506	22,725	19,660
<b>77,250</b>	<b>77,300</b>	19,477	16,840	20,583	17,815	<b>80,250</b>	<b>80,300</b>	20,407	17,680	21,663	18,745	<b>83,250</b>	<b>83,300</b>	21,337	18,520	22,743	19,675
<b>77,300</b>	<b>77,350</b>	19,493	16,854	20,601	17,831	<b>80,300</b>	<b>80,350</b>	20,423	17,694	21,681	18,761	<b>83,300</b>	<b>83,350</b>	21,353	18,534	22,761	19,691
<b>77,350</b>	<b>77,400</b>	19,508	16,868	20,619	17,846	<b>80,350</b>	<b>80,400</b>	20,438	17,708	21,699	18,776	<b>83,350</b>	<b>83,400</b>	21,368	18,548	22,779	19,706
<b>77,400</b>	<b>77,450</b>	19,524	16,882	20,637	17,862	<b>80,400</b>	<b>80,450</b>	20,454	17,722	21,717	18,792	<b>83,400</b>	<b>83,450</b>	21,384	18,562	22,797	19,722
<b>77,450</b>	<b>77,500</b>	19,539	16,896	20,655	17,877	<b>80,450</b>	<b>80,500</b>	20,469	17,736	21,735	18,807	<b>83,450</b>	<b>83,500</b>	21,399	18,576	22,815	19,737
<b>77,500</b>	<b>77,550</b>	19,555	16,910	20,673	17,893	<b>80,500</b>	<b>80,550</b>	20,485	17,750	21,753	18,823	<b>83,500</b>	<b>83,550</b>	21,415	18,590	22,833	19,753
<b>77,550</b>	<b>77,600</b>	19,570	16,924	20,691	17,908	<b>80,550</b>	<b>80,600</b>	20,500	17,764	21,771	18,838	<b>83,550</b>	<b>83,600</b>	21,430	18,604	22,851	19,768
<b>77,600</b>	<b>77,650</b>	19,586	16,938	20,709	17,924	<b>80,600</b>	<b>80,650</b>	20,516	17,778	21,789	18,854	<b>83,600</b>	<b>83,650</b>	21,446	18,618	22,869	19,784
<b>77,650</b>	<b>77,700</b>	19,601	16,952	20,727	17,939	<b>80,650</b>	<b>80,700</b>	20,531	17,792	21,807	18,869	<b>83,650</b>	<b>83,700</b>	21,461	18,632	22,887	19,799
<b>77,700</b>	<b>77,750</b>	19,617	16,966	20,745	17,955	<b>80,700</b>	<b>80,750</b>	20,547	17,806	21,825	18,885	<b>83,700</b>	<b>83,750</b>	21,477	18,646	22,905	19,815
<b>77,750</b>	<b>77,800</b>	19,632	16,980	20,763	17,970	<b>80,750</b>	<b>80,800</b>	20,562	17,820	21,843	18,900	<b>83,750</b>	<b>83,800</b>	21,492	18,660	22,923	19,830
<b>77,800</b>	<b>77,850</b>	19,648	16,994	20,781	17,986	<b>80,800</b>	<b>80,850</b>	20,578	17,834	21,861	18,916	<b>83,800</b>	<b>83,850</b>	21,508	18,674	22,941	19,846
<b>77,850</b>	<b>77,900</b>	19,663	17,008	20,799	18,001	<b>80,850</b>	<b>80,900</b>	20,593	17,848	21,879	18,931	<b>83,850</b>	<b>83,900</b>	21,523	18,688	22,959	19,861
<b>77,900</b>	<b>77,950</b>	19,679	17,022	20,817	18,017	<b>80,900</b>	<b>80,950</b>	20,609	17,862	21,897	18,947	<b>83,900</b>	<b>83,950</b>	21,539	18,702	22,977	19,877
<b>77,950</b>	<b>78,000</b>	19,694	17,036	20,835	18,032	<b>80,950</b>	<b>81,000</b>	20,624	17,876	21,915	18,962	<b>83,950</b>	<b>84,000</b>	21,554	18,716	22,995	19,892
<b>78,000</b>					<b>81,000</b>					<b>84,000</b>							
<b>78,000</b>	<b>78,050</b>	19,710	17,050	20,853	18,048	<b>81,000</b>	<b>81,050</b>	20,640	17,890	21,933	18,978	<b>84,000</b>	<b>84,050</b>	21,570	18,730	23,013	19,908
<b>78,050</b>	<b>78,100</b>	19,725	17,064	20,871	18,063	<b>81,050</b>	<b>81,100</b>	20,655	17,904	21,951	18,993	<b>84,050</b>	<b>84,100</b>	21,585	18,744	23,031	19,923
<b>78,100</b>	<b>78,150</b>	19,741	17,078	20,889	18,079	<b>81,100</b>	<b>81,150</b>	20,671	17,918	21,969	19,009	<b>84,100</b>	<b>84,150</b>	21,601	18,758	23,049	19,939
<b>78,150</b>	<b>78,200</b>	19,756	17,092	20,907	18,094	<b>81,150</b>	<b>81,200</b>	20,686	17,932	21,987	19,024	<b>84,150</b>	<b>84,200</b>	21,616	18,772	23,067	19,954
<b>78,200</b>	<b>78,250</b>	19,772	17,106	20,925	18,110	<b>81,200</b>	<b>81,250</b>	20,702	17,946	22,005	19,040	<b>84,200</b>	<b>84,250</b>	21,632	18,786	23,085	19,970
<b>78,250</b>	<b>78,300</b>	19,787	17,120	20,943	18,125	<b>81,250</b>	<b>81,300</b>	20,717	17,960	22,023	19,055	<b>84,250</b>	<b>84,300</b>	21,647	18,800	23,103	19,985
<b>78,300</b>	<b>78,350</b>	19,803	17,134	20,961	18,141	<b>81,300</b>	<b>81,350</b>	20,733	17,974	22,041	19,071	<b>84,300</b>	<b>84,350</b>	21,663	18,814	23,121	20,001
<b>78,350</b>	<b>78,400</b>	19,818	17,148	20,979	18,156	<b>81,350</b>	<b>81,400</b>	20,748	17,988	22,059	19,086	<b>84,350</b>	<b>84,400</b>	21,678	18,828	23,139	20,016
<b>78,400</b>	<b>78,450</b>	19,834	17,162	20,997	18,172	<b>81,400</b>	<b>81,450</b>	20,764	18,002	22,077	19,102	<b>84,400</b>	<b>84,450</b>	21,694	18,842	23,157	20,032
<b>78,450</b>	<b>78,500</b>	19,849	17,176	21,015	18,187	<b>81,450</b>	<b>81,500</b>	20,779	18,016	22,095	19,117	<b>84,450</b>	<b>84,500</b>	21,709	18,856	23,175	20,047
<b>78,500</b>	<b>78,550</b>	19,865	17,190	21,033	18,203	<b>81,500</b>	<b>81,550</b>	20,795	18,030	22,113	19,133	<b>84,500</b>	<b>84,550</b>	21,725	18,870	23,193	20,063
<b>78,550</b>	<b>78,600</b>	19,880	17,204	21,051	18,218	<b>81,550</b>	<b>81,600</b>	20,810	18,044	22,131	19,148	<b>84,550</b>	<b>84,600</b>	21,740	18,884	23,211	20,078
<b>78,600</b>	<b>78,650</b>	19,896	17,218	21,069	18,234	<b>81,600</b>	<b>81,650</b>	20,826	18,058	22,149	19,164	<b>84,600</b>	<b>84,650</b>	21,756	18,898	23,229	20,094
<b>78,650</b>	<b>78,700</b>	19,911	17,232	21,087	18,249	<b>81,650</b>	<b>81,700</b>	20,841	18,072	22,167	19,179	<b>84,650</b>	<b>84,700</b>	21,771	18,912	23,247	20,109
<b>78,700</b>	<b>78,750</b>	19,927	17,246	21,105	18,265	<b>81,700</b>	<b>81,750</b>	20,857	18,086	22,185	19,195	<b>84,700</b>	<b>84,750</b>	21,787	18,926	23,265	20,125
<b>78,750</b>	<b>78,800</b>	19,942	17,260	21,123	18,280	<b>81,750</b>	<b>81,800</b>	20,872	18,100	22,203	19,210	<b>84,750</b>	<b>84,800</b>	21,802	18,940	23,283	20,140
<b>78,800</b>	<b>78,850</b>	19,958	17,274	21,141	18,296	<b>81,800</b>	<b>81,850</b>	20,888	18,114	22,221	19,226	<b>84,800</b>	<b>84,850</b>	21,818	18,954	23,301	20,156
<b>78,850</b>	<b>78,900</b>	19,973	17,288	21,159	18,311	<b>81,850</b>	<b>81,900</b>	20,903	18,128	22,239	19,241	<b>84,850</b>	<b>84,900</b>	21,833	18,968	23,319	20,171
<b>78,900</b>	<b>78,950</b>	19,989	17,302	21,177	18,327	<b>81,900</b>	<b>81,950</b>	20,919	18,142	22,257	19,257	<b>84,900</b>	<b>84,950</b>	21,849	18,982	23,337	20,187
<b>78,950</b>	<b>79,000</b>	20,004	17,316	21,195	18,342	<b>81,950</b>	<b>82,000</b>	20,934	18,156	22,275	19,272	<b>84,950</b>	<b>85,000</b>	21,864	18,996	23,355	20,202
<b>79,000</b>					<b>82,000</b>					<b>85,000</b>							
<b>79,000</b>	<b>79,050</b>	20,020	17,330	21,213	18,358	<b>82,000</b>	<b>82,050</b>	20,950	18,170	22,293	19,288	<b>85,000</b>	<b>85,050</b>	21,880	19,010	23,373	20,218
<b>79,050</b>	<b>79,100</b>	20,035	17,344	21,231	18,373	<b>82,050</b>	<b>82,100</b>	20,965	18,184	22,311	19,303	<b>85,050</b>	<b>85,100</b>	21,895	19,024	23,391	20,233
<b>79,100</b>	<b>79,150</b>	20,051	17,358	21,249	18,389	<b>82,100</b>	<b>82,150</b>	20,981	18,198	22,329	19,319	<b>85,100</b>	<b>85,150</b>	21,911	19,038	23,409	20,249
<b>79,150</b>	<b>79,200</b>	20,066	17,372	21,267	18,404	<b>82,150</b>	<b>82,200</b>	20,996	18,212	22,347	19,334	<b>85,150</b>	<b>85,200</b>	21,926	19,052	23,427	20,264
<b>79,200</b>	<b>79,250</b>	20,082	17,386	21,285	18,420	<b>82,200</b>	<b>82,250</b>	21,012	18,226	22,365	19,350	<b>85,200</b>	<b>85,250</b>	21,942	19,066	23,445	20,280
<b>79,250</b>	<b>79,300</b>	20,097	17,400	21,303	18,435	<b>82,250</b>	<b>82,300</b>	21,027	18,240	22,383	19,365	<b>85,250</b>	<b>85,300</b>	21,957	19,080	23,463	20,295
<b>79,300</b>	<b>79,350</b>	20,113	17,414	21,321	18,451	<b>82,300</b>	<b>82,350</b>	21,043	18,254	22,401	19,381	<b>85,300</b>	<b>85,350</b>	21,973	19,094	23,481	20,311
<b>79,350</b>	<b>79,400</b>	20,128	17,428	21,339	18,466	<b>82,350</b>	<b>82,400</b>										

1993 Tax Table—Continued

If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—																																																									
		Single	Married filing jointly *	Married filing separately	Head of a household			Single	Married filing jointly *	Married filing separately	Head of a household			Single	Married filing jointly *	Married filing separately	Head of a household																																																						
At least	But less than	Your tax is—				At least	But less than	Your tax is—				At least	But less than	Your tax is—																																																									
<b>86,000</b>		<b>89,000</b>				<b>92,000</b>		<b>86,000</b>		<b>89,000</b>				<b>92,000</b>		<b>86,000</b>		<b>89,000</b>																																																					
<b>86,000</b>	<b>86,050</b>	22,190	19,290	23,733	20,528	<b>89,000</b>	<b>89,050</b>	23,120	20,130	24,813	21,458	<b>92,000</b>	<b>92,050</b>	24,050	21,056	25,893	22,388	<b>86,050</b>	<b>86,100</b>	22,205	19,304	23,751	20,543	<b>89,050</b>	<b>89,100</b>	23,135	20,144	24,831	21,473	<b>92,050</b>	<b>92,100</b>	24,065	21,072	25,911	22,403	<b>86,100</b>	<b>86,150</b>	22,221	19,318	23,769	20,559	<b>89,100</b>	<b>89,150</b>	23,151	20,158	24,849	21,489	<b>92,100</b>	<b>92,150</b>	24,081	21,087	25,929	22,419	<b>86,150</b>	<b>86,200</b>	22,236	19,332	23,787	20,574	<b>89,150</b>	<b>89,200</b>	23,166	20,173	24,867	21,504	<b>92,150</b>	<b>92,200</b>	24,096	21,103	25,947	22,434
<b>86,200</b>	<b>86,250</b>	22,252	19,346	23,805	20,590	<b>89,200</b>	<b>89,250</b>	23,182	20,188	24,885	21,520	<b>92,200</b>	<b>92,250</b>	24,112	21,118	25,965	22,450	<b>86,250</b>	<b>86,300</b>	22,267	19,360	23,823	20,605	<b>89,250</b>	<b>89,300</b>	23,197	20,204	24,903	21,535	<b>92,250</b>	<b>92,300</b>	24,127	21,134	25,983	22,465	<b>86,300</b>	<b>86,350</b>	22,283	19,374	23,841	20,621	<b>89,300</b>	<b>89,350</b>	23,213	20,219	24,921	21,551	<b>92,300</b>	<b>92,350</b>	24,143	21,149	26,001	22,481	<b>86,350</b>	<b>86,400</b>	22,298	19,388	23,859	20,636	<b>89,350</b>	<b>89,400</b>	23,228	20,235	24,939	21,566	<b>92,350</b>	<b>92,400</b>	24,158	21,165	26,019	22,496
<b>86,400</b>	<b>86,450</b>	22,314	19,402	23,877	20,652	<b>89,400</b>	<b>89,450</b>	23,244	20,250	24,957	21,582	<b>92,400</b>	<b>92,450</b>	24,174	21,180	26,037	22,512	<b>86,450</b>	<b>86,500</b>	22,329	19,416	23,895	20,667	<b>89,450</b>	<b>89,500</b>	23,259	20,266	24,975	21,597	<b>92,450</b>	<b>92,500</b>	24,189	21,196	26,055	22,527	<b>86,500</b>	<b>86,550</b>	22,345	19,430	23,913	20,683	<b>89,500</b>	<b>89,550</b>	23,275	20,281	24,993	21,613	<b>92,500</b>	<b>92,550</b>	24,205	21,211	26,073	22,543	<b>86,550</b>	<b>86,600</b>	22,360	19,444	23,931	20,698	<b>89,550</b>	<b>89,600</b>	23,290	20,297	25,011	21,628	<b>92,550</b>	<b>92,600</b>	24,220	21,227	26,091	22,558
<b>86,600</b>	<b>86,650</b>	22,376	19,458	23,949	20,714	<b>89,600</b>	<b>89,650</b>	23,306	20,312	25,029	21,644	<b>92,600</b>	<b>92,650</b>	24,236	21,242	26,109	22,574	<b>86,650</b>	<b>86,700</b>	22,391	19,472	23,967	20,729	<b>89,650</b>	<b>89,700</b>	23,321	20,328	25,047	21,659	<b>92,650</b>	<b>92,700</b>	24,251	21,258	26,127	22,589	<b>86,700</b>	<b>86,750</b>	22,407	19,486	23,985	20,745	<b>89,700</b>	<b>89,750</b>	23,337	20,343	25,065	21,675	<b>92,700</b>	<b>92,750</b>	24,267	21,273	26,145	22,605	<b>86,750</b>	<b>86,800</b>	22,422	19,500	24,003	20,760	<b>89,750</b>	<b>89,800</b>	23,352	20,359	25,083	21,690	<b>92,750</b>	<b>92,800</b>	24,282	21,289	26,163	22,620
<b>86,800</b>	<b>86,850</b>	22,438	19,514	24,021	20,776	<b>89,800</b>	<b>89,850</b>	23,368	20,374	25,101	21,706	<b>92,800</b>	<b>92,850</b>	24,298	21,304	26,181	22,636	<b>86,850</b>	<b>86,900</b>	22,453	19,528	24,039	20,791	<b>89,850</b>	<b>89,900</b>	23,383	20,390	25,119	21,721	<b>92,850</b>	<b>92,900</b>	24,313	21,320	26,199	22,651	<b>86,900</b>	<b>86,950</b>	22,469	19,542	24,057	20,807	<b>89,900</b>	<b>89,950</b>	23,399	20,405	25,137	21,737	<b>92,900</b>	<b>92,950</b>	24,329	21,335	26,217	22,667	<b>86,950</b>	<b>87,000</b>	22,484	19,556	24,075	20,822	<b>89,950</b>	<b>90,000</b>	23,414	20,421	25,155	21,752	<b>92,950</b>	<b>93,000</b>	24,344	21,351	26,235	22,682
<b>87,000</b>		<b>90,000</b>				<b>93,000</b>		<b>87,000</b>		<b>90,000</b>				<b>93,000</b>		<b>87,000</b>		<b>90,000</b>																																																					
<b>87,000</b>	<b>87,050</b>	22,500	19,570	24,093	20,838	<b>90,000</b>	<b>90,050</b>	23,430	20,436	25,173	21,768	<b>93,000</b>	<b>93,050</b>	24,360	21,366	26,253	22,698	<b>87,050</b>	<b>87,100</b>	22,515	19,584	24,111	20,853	<b>90,050</b>	<b>90,100</b>	23,445	20,452	25,191	21,783	<b>93,050</b>	<b>93,100</b>	24,375	21,382	26,271	22,713	<b>87,100</b>	<b>87,150</b>	22,531	19,598	24,129	20,869	<b>90,100</b>	<b>90,150</b>	23,461	20,467	25,209	21,799	<b>93,100</b>	<b>93,150</b>	24,391	21,397	26,289	22,729	<b>87,150</b>	<b>87,200</b>	22,546	19,612	24,147	20,884	<b>90,150</b>	<b>90,200</b>	23,476	20,483	25,227	21,814	<b>93,150</b>	<b>93,200</b>	24,406	21,413	26,307	22,744
<b>87,200</b>	<b>87,250</b>	22,562	19,626	24,165	20,900	<b>90,200</b>	<b>90,250</b>	23,492	20,498	25,245	21,830	<b>93,200</b>	<b>93,250</b>	24,422	21,428	26,325	22,760	<b>87,250</b>	<b>87,300</b>	22,577	19,640	24,183	20,915	<b>90,250</b>	<b>90,300</b>	23,507	20,514	25,263	21,845	<b>93,250</b>	<b>93,300</b>	24,437	21,444	26,343	22,775	<b>87,300</b>	<b>87,350</b>	22,593	19,654	24,201	20,931	<b>90,300</b>	<b>90,350</b>	23,523	20,529	25,281	21,861	<b>93,300</b>	<b>93,350</b>	24,453	21,459	26,361	22,791	<b>87,350</b>	<b>87,400</b>	22,608	19,668	24,219	20,946	<b>90,350</b>	<b>90,400</b>	23,538	20,545	25,299	21,876	<b>93,350</b>	<b>93,400</b>	24,468	21,475	26,379	22,806
<b>87,400</b>	<b>87,450</b>	22,624	19,682	24,237	20,962	<b>90,400</b>	<b>90,450</b>	23,554	20,560	25,317	21,892	<b>93,400</b>	<b>93,450</b>	24,484	21,490	26,397	22,822	<b>87,450</b>	<b>87,500</b>	22,639	19,696	24,255	20,977	<b>90,450</b>	<b>90,500</b>	23,569	20,576	25,335	21,907	<b>93,450</b>	<b>93,500</b>	24,499	21,506	26,415	22,837	<b>87,500</b>	<b>87,550</b>	22,655	19,710	24,273	20,993	<b>90,500</b>	<b>90,550</b>	23,585	20,591	25,353	21,923	<b>93,500</b>	<b>93,550</b>	24,515	21,521	26,433	22,853	<b>87,550</b>	<b>87,600</b>	22,670	19,724	24,291	21,008	<b>90,550</b>	<b>90,600</b>	23,600	20,607	25,371	21,938	<b>93,550</b>	<b>93,600</b>	24,530	21,537	26,451	22,868
<b>87,600</b>	<b>87,650</b>	22,686	19,738	24,309	21,024	<b>90,600</b>	<b>90,650</b>	23,616	20,622	25,389	21,954	<b>93,600</b>	<b>93,650</b>	24,546	21,552	26,469	22,884	<b>87,650</b>	<b>87,700</b>	22,701	19,752	24,327	21,039	<b>90,650</b>	<b>90,700</b>	23,631	20,638	25,407	21,969	<b>93,650</b>	<b>93,700</b>	24,561	21,568	26,487	22,899	<b>87,700</b>	<b>87,750</b>	22,717	19,766	24,345	21,055	<b>90,700</b>	<b>90,750</b>	23,647	20,653	25,425	21,985	<b>93,700</b>	<b>93,750</b>	24,577	21,583	26,505	22,915	<b>87,750</b>	<b>87,800</b>	22,732	19,780	24,363	21,070	<b>90,750</b>	<b>90,800</b>	23,662	20,669	25,443	22,000	<b>93,750</b>	<b>93,800</b>	24,592	21,599	26,523	22,930
<b>87,800</b>	<b>87,850</b>	22,748	19,794	24,381	21,086	<b>90,800</b>	<b>90,850</b>	23,678	20,684	25,461	22,016	<b>93,800</b>	<b>93,850</b>	24,608	21,614	26,541	22,946	<b>87,850</b>	<b>87,900</b>	22,763	19,808	24,399	21,101	<b>90,850</b>	<b>90,900</b>	23,693	20,700	25,479	22,031	<b>93,850</b>	<b>93,900</b>	24,623	21,630	26,559	22,961	<b>87,900</b>	<b>87,950</b>	22,779	19,822	24,417	21,117	<b>90,900</b>	<b>90,950</b>	23,709	20,715	25,497	22,047	<b>93,900</b>	<b>93,950</b>	24,639	21,645	26,577	22,977	<b>87,950</b>	<b>88,000</b>	22,794	19,836	24,435	21,132	<b>90,950</b>	<b>91,000</b>	23,724	20,731	25,515	22,062	<b>93,950</b>	<b>94,000</b>	24,654	21,661	26,595	22,992
<b>88,000</b>		<b>91,000</b>				<b>94,000</b>		<b>88,000</b>		<b>91,000</b>				<b>94,000</b>		<b>88,000</b>		<b>91,000</b>																																																					
<b>88,000</b>	<b>88,050</b>	22,810	19,850	24,453	21,148	<b>91,000</b>	<b>91,050</b>	23,740	20,746	25,533	22,078	<b>94,000</b>	<b>94,050</b>	24,670	21,676	26,613	23,008	<b>88,050</b>	<b>88,100</b>	22,825	19,864	24,471	21,163	<b>91,050</b>	<b>91,100</b>	23,755	20,762	25,551	22,093	<b>94,050</b>	<b>94,100</b>	24,685	21,692	26,631	23,023	<b>88,100</b>	<b>88,150</b>	22,841	19,878	24,489	21,179	<b>91,100</b>	<b>91,150</b>	23,771	20,777	25,569	22,109	<b>94,100</b>	<b>94,150</b>	24,701	21,707	26,649	23,039	<b>88,150</b>	<b>88,200</b>	22,856	19,892	24,507	21,194	<b>91,150</b>	<b>91,200</b>	23,786	20,793	25,587	22,124	<b>94,150</b>	<b>94,200</b>	24,716	21,723	26,667	23,054
<b>88,200</b>	<b>88,250</b>	22,872	19,906	24,525	21,210	<b>91,200</b>	<b>91,250</b>	23,802	20,808	25,605	22,140	<b>94,200</b>	<b>94,250</b>	24,732	21,738	26,685	23,070	<b>88,250</b>	<b>88,300</b>	22,887	19,920	24,543	21,225	<b>91,250</b>	<b>91,300</b>	23,817	20,824	25,623	22,155	<b>94,250</b>	<b>94,300</b>	24,747	21,754	26,703	23,085	<b>88,300</b>	<b>88,350</b>	22,903	19,934	24,561	21,241	<b>91,300</b>	<b>91,350</b>	23,833	20,839	25,641	22,171	<b>94,300</b>	<b>94,350</b>	24,763	21,769	26,721	23,101	<b>88,350</b>	<b>88,400</b>	22,918	19,948	24,579	21,256	<b>91,350</b>	<b>91,400</b>	23,848	20,855	25,659	22,186	<b>94,350</b>	<b>94,400</b>	24,778	21,785	26,739	23,116
<b>88,400</b>	<b>88,450</b>	22,934	19,962	24,597	21,272	<b>91,400</b>	<b>91,450</b>	23,864	20,870	25,677	22,202	<b>94,400</b>	<b>94,450</b>	24,794	21,800	26,757	23,132	<b>88,450</b>	<b>88,500</b>	22,949	19,976	24,615	21,287	<b>91,450</b>	<b>91,500</b>	23,879	20,886	25,695	22,217	<b>94,450</b>	<b>94,500</b>	24,809	21,816	26,775	23,147	<b>88,500</b>	<b>88,550</b>	22,965	19,990	24,633	21,303	<b>91,500</b>	<b>91,550</b>	23,895	20,901	25,713	22,2																								

1993 Tax Table—Continued

If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—			
		Single	Married filing jointly *	Married filing separa- rately	Head of a house- hold			Single	Married filing jointly *	Married filing separa- rately	Head of a house- hold
At least	But less than	Your tax is—				At least	But less than	Your tax is—			
<b>95,000</b>						<b>98,000</b>					
95,000	95,050	24,980	21,986	26,973	23,318	98,000	98,050	25,910	22,916	28,053	24,248
95,050	95,100	24,995	22,002	26,991	23,333	98,050	98,100	25,925	22,932	28,071	24,263
95,100	95,150	25,011	22,017	27,009	23,349	98,100	98,150	25,941	22,947	28,089	24,279
95,150	95,200	25,026	22,033	27,027	23,364	98,150	98,200	25,956	22,963	28,107	24,294
95,200	95,250	25,042	22,048	27,045	23,380	98,200	98,250	25,972	22,978	28,125	24,310
95,250	95,300	25,057	22,064	27,063	23,395	98,250	98,300	25,987	22,994	28,143	24,325
95,300	95,350	25,073	22,079	27,081	23,411	98,300	98,350	26,003	23,009	28,161	24,341
95,350	95,400	25,088	22,095	27,099	23,426	98,350	98,400	26,018	23,025	28,179	24,356
95,400	95,450	25,104	22,110	27,117	23,442	98,400	98,450	26,034	23,040	28,197	24,372
95,450	95,500	25,119	22,126	27,135	23,457	98,450	98,500	26,049	23,056	28,215	24,387
95,500	95,550	25,135	22,141	27,153	23,473	98,500	98,550	26,065	23,071	28,233	24,403
95,550	95,600	25,150	22,157	27,171	23,488	98,550	98,600	26,080	23,087	28,251	24,418
95,600	95,650	25,166	22,172	27,189	23,504	98,600	98,650	26,096	23,102	28,269	24,434
95,650	95,700	25,181	22,188	27,207	23,519	98,650	98,700	26,111	23,118	28,287	24,449
95,700	95,750	25,197	22,203	27,225	23,535	98,700	98,750	26,127	23,133	28,305	24,465
95,750	95,800	25,212	22,219	27,243	23,550	98,750	98,800	26,142	23,149	28,323	24,480
95,800	95,850	25,228	22,234	27,261	23,566	98,800	98,850	26,158	23,164	28,341	24,496
95,850	95,900	25,243	22,250	27,279	23,581	98,850	98,900	26,173	23,180	28,359	24,511
95,900	95,950	25,259	22,265	27,297	23,597	98,900	98,950	26,189	23,195	28,377	24,527
95,950	96,000	25,274	22,281	27,315	23,612	98,950	99,000	26,204	23,211	28,395	24,542
<b>96,000</b>						<b>99,000</b>					
96,000	96,050	25,290	22,296	27,333	23,628	99,000	99,050	26,220	23,226	28,413	24,558
96,050	96,100	25,305	22,312	27,351	23,643	99,050	99,100	26,235	23,242	28,431	24,573
96,100	96,150	25,321	22,327	27,369	23,659	99,100	99,150	26,251	23,257	28,449	24,589
96,150	96,200	25,336	22,343	27,387	23,674	99,150	99,200	26,266	23,273	28,467	24,604
96,200	96,250	25,352	22,358	27,405	23,690	99,200	99,250	26,282	23,288	28,485	24,620
96,250	96,300	25,367	22,374	27,423	23,705	99,250	99,300	26,297	23,304	28,503	24,635
96,300	96,350	25,383	22,389	27,441	23,721	99,300	99,350	26,313	23,319	28,521	24,651
96,350	96,400	25,398	22,405	27,459	23,736	99,350	99,400	26,328	23,335	28,539	24,666
96,400	96,450	25,414	22,420	27,477	23,752	99,400	99,450	26,344	23,350	28,557	24,682
96,450	96,500	25,429	22,436	27,495	23,767	99,450	99,500	26,359	23,366	28,575	24,697
96,500	96,550	25,445	22,451	27,513	23,783	99,500	99,550	26,375	23,381	28,593	24,713
96,550	96,600	25,460	22,467	27,531	23,798	99,550	99,600	26,390	23,397	28,611	24,728
96,600	96,650	25,476	22,482	27,549	23,814	99,600	99,650	26,406	23,412	28,629	24,744
96,650	96,700	25,491	22,498	27,567	23,829	99,650	99,700	26,421	23,428	28,647	24,759
96,700	96,750	25,507	22,513	27,585	23,845	99,700	99,750	26,437	23,443	28,665	24,775
96,750	96,800	25,522	22,529	27,603	23,860	99,750	99,800	26,452	23,459	28,683	24,790
96,800	96,850	25,538	22,544	27,621	23,876	99,800	99,850	26,468	23,474	28,701	24,806
96,850	96,900	25,553	22,560	27,639	23,891	99,850	99,900	26,483	23,490	28,719	24,821
96,900	96,950	25,569	22,575	27,657	23,907	99,900	99,950	26,499	23,505	28,737	24,837
96,950	97,000	25,584	22,591	27,675	23,922	99,950	100,000	26,514	23,521	28,755	24,852
<b>97,000</b>						<div style="border: 1px solid black; border-radius: 50%; padding: 20px; width: fit-content; margin: auto;"> <p><b>\$100,000 or over — use Tax Rate Schedules</b></p> </div>					
97,000	97,050	25,600	22,606	27,693	23,938						
97,050	97,100	25,615	22,622	27,711	23,953						
97,100	97,150	25,631	22,637	27,729	23,969						
97,150	97,200	25,646	22,653	27,747	23,984						
97,200	97,250	25,662	22,668	27,765	24,000						
97,250	97,300	25,677	22,684	27,783	24,015						
97,300	97,350	25,693	22,699	27,801	24,031						
97,350	97,400	25,708	22,715	27,819	24,046						
97,400	97,450	25,724	22,730	27,837	24,062						
97,450	97,500	25,739	22,746	27,855	24,077						
97,500	97,550	25,755	22,761	27,873	24,093						
97,550	97,600	25,770	22,777	27,891	24,108						
97,600	97,650	25,786	22,792	27,909	24,124						
97,650	97,700	25,801	22,808	27,927	24,139						
97,700	97,750	25,817	22,823	27,945	24,155						
97,750	97,800	25,832	22,839	27,963	24,170						
97,800	97,850	25,848	22,854	27,981	24,186						
97,850	97,900	25,863	22,870	27,999	24,201						
97,900	97,950	25,879	22,885	28,017	24,217						
97,950	98,000	25,894	22,901	28,035	24,232						

\* This column must also be used by a qualifying widow(er).



# 1993 Tax Rate Schedules

**Caution:** Use **only** if your taxable income (Form 1040, line 37) is \$100,000 or more. If less, use the **Tax Table**. Even though you cannot use the tax rate schedules below if your taxable income is less than \$100,000, all levels of taxable income are shown so taxpayers can see the tax rate that applies to each level.

## Schedule X—Use if your filing status is **Single**

If the amount on Form 1040, line 37, is: <i>Over—</i>	<i>But not over—</i>	Enter on Form 1040, line 38	<i>of the amount over—</i>
\$0	\$22,100	..... 15%	<b>\$0</b>
22,100	53,500	<b>\$3,315.00 + 28%</b>	<b>22,100</b>
53,500	115,000	<b>12,107.00 + 31%</b>	<b>53,500</b>
115,000	250,000	<b>31,172.00 + 36%</b>	<b>115,000</b>
250,000	.....	<b>79,772.00 + 39.6%</b>	<b>250,000</b>

## Schedule Y-1—Use if your filing status is **Married filing jointly** or **Qualifying widow(er)**

If the amount on Form 1040, line 37, is: <i>Over—</i>	<i>But not over—</i>	Enter on Form 1040, line 38	<i>of the amount over—</i>
\$0	\$36,900	..... 15%	<b>\$0</b>
36,900	89,150	<b>\$5,535.00 + 28%</b>	<b>36,900</b>
89,150	140,000	<b>20,165.00 + 31%</b>	<b>89,150</b>
140,000	250,000	<b>35,928.50 + 36%</b>	<b>140,000</b>
250,000	.....	<b>75,528.50 + 39.6%</b>	<b>250,000</b>

## Schedule Y-2—Use if your filing status is **Married filing separately**

If the amount on Form 1040, line 37, is: <i>Over—</i>	<i>But not over—</i>	Enter on Form 1040, line 38	<i>of the amount over—</i>
\$0	\$18,450	..... 15%	<b>\$0</b>
18,450	44,575	<b>\$2,767.50 + 28%</b>	<b>18,450</b>
44,575	70,000	<b>10,082.50 + 31%</b>	<b>44,575</b>
70,000	125,000	<b>17,964.25 + 36%</b>	<b>70,000</b>
125,000	.....	<b>37,764.25 + 39.6%</b>	<b>125,000</b>

## Schedule Z—Use if your filing status is **Head of household**

If the amount on Form 1040, line 37, is: <i>Over—</i>	<i>But not over—</i>	Enter on Form 1040, line 38	<i>of the amount over—</i>
\$0	\$29,600	..... 15%	<b>\$0</b>
29,600	76,400	<b>\$4,440.00 + 28%</b>	<b>29,600</b>
76,400	127,500	<b>17,544.00 + 31%</b>	<b>76,400</b>
127,500	250,000	<b>33,385.00 + 36%</b>	<b>127,500</b>
250,000	.....	<b>77,485.00 + 39.6%</b>	<b>250,000</b>

# Section 8.

## Instructions for Schedules to Form 1040

### Instructions for Schedule A, Itemized Deductions

Use Schedule A to figure your itemized deductions. Your Federal income tax will be less if you take the **larger** of your itemized deductions or your standard deduction.

If you itemize, you may deduct part of your medical and dental expenses and unreimbursed employee business expenses, and amounts you paid for certain taxes, interest, contributions, and miscellaneous expenses. You may also deduct certain moving expenses and casualty and theft losses.

#### Medical and Dental Expenses

Before you can figure your deduction for medical and dental expenses, you must fill in Form 1040 through line 32. If the amount on Form 1040, line 32, is less than \$23,050 and a child lived with you, see the instructions on page EIC-1 to find out if you may also claim the health insurance credit on **Schedule EIC**, Earned Income Credit. If you can, figure your health insurance credit before you figure your deduction for medical and dental expenses.

You may deduct only the part of your medical and dental expenses that is more than 7.5% of the amount on Form 1040, line 32.

**Additional Information.** Pub. 502, Medical and Dental Expenses, discusses the types of expenses that may and may not be deducted. It also explains when you may deduct capital expenses and special care expenses for disabled persons.

#### Examples of Medical and Dental Payments You May Deduct

To the extent you were not reimbursed, you may deduct what you paid for:

- Prescription medicines and drugs, or insulin.
- Medical doctors, osteopathic doctors, dentists, eye doctors, chiropractors, podiatrists, psychiatrists, psychologists, physical therapists, acupuncturists, and psychoanalysts (medical care only).
- Medical examinations, X-ray and laboratory services, insulin treatment, and whirlpool baths your doctor ordered.
- Nursing help. If you paid someone to do both nursing and housework, you may deduct only the cost of the nursing help.
- Hospital care (including meals and lodging), clinic costs, and lab fees.
- The supplemental part of Medicare insurance (Medicare B).
- Medical treatment at a center for drug or alcohol addiction.
- Medical aids such as hearing aid batteries, braces, crutches, wheelchairs, and guide dogs including the cost of maintaining them.
- Lodging expenses (but not meals) paid while away from home to receive medical care in a hospital or a medical care facility

that is related to a hospital. **Do not** include more than \$50 a night for each eligible person.

- Ambulance service and other travel costs to get medical care. If you used your own car, you may claim what you spent for gas and oil to go to and from the place you received the care; or you may claim 9 cents a mile. Add parking and tolls to the amount you claim under either method.

#### Examples of Medical and Dental Payments You May Not Deduct

- The basic cost of Medicare insurance (Medicare A).
- Note:** If you were 65 or older but not entitled to social security benefits, you may deduct premiums you voluntarily paid for Medicare A coverage.
- Cosmetic surgery unless the procedure was necessary to improve a deformity resulting from, or directly related to, a congenital abnormality, an injury from an accident or trauma, or a disfiguring disease.
- Life insurance or income protection policies.
- The Medicare tax on your wages and tips or the Medicare tax paid as part of the self-employment tax.
- Nursing care for a healthy baby. But you may be able to claim the child and dependent care credit; get **Form 2441** for details.
- Illegal operations or drugs.
- Nonprescription medicines or drugs.
- Travel your doctor told you to take for rest or a change.
- Funeral, burial, or cremation costs.

#### Line 1

##### Medical and Dental Expenses

Enter the total of your medical and dental expenses, after you reduce these expenses by any payments received from insurance or other sources. See **Reimbursements** on this page. Include the amount you paid for insurance premiums for medical and dental care, after you reduce that amount by—

- Any self-employed health insurance deduction you claimed on Form 1040, line 26, and
- Any health insurance credit you claimed on Schedule EIC, line 16.

When you figure your deduction, include medical and dental bills you paid for:

- Yourself.
- Your spouse.
- All dependents you claim on your return.
- Your child whom you do not claim as a dependent because of the rules explained on page 14 for **Children of Divorced or Separated Parents**.
- Any person that you could have claimed as a dependent on your return if that person had not received \$2,350 or more of gross income or had not filed a joint return.

**Example.** You provided over half of your mother's support but may not claim her as a dependent because she received wages of \$2,350 in 1993. You may include on line 1 any medical and dental expenses you paid in 1993 for your mother.

**Reimbursements.** If your insurance company paid the provider directly for part of your expenses, and you paid only the amount that remained, include on line 1 **ONLY** the amount you paid. If you received a reimbursement in 1993 for medical or dental expenses you paid in 1993, reduce your 1993 expenses by this amount. If you received a reimbursement in 1993 for prior year medical or dental expenses, do not reduce your 1993 expenses by this amount. But if you deducted the expenses in the earlier year and the deduction reduced your tax, you must include the reimbursement in income on Form 1040, line 22. See Pub. 502 for details on how to figure the amount to include in income.

**Cafeteria Plans.** Do not include on line 1 insurance premiums paid by an employer-sponsored health insurance plan (cafeteria plan) unless the premiums are included in box 1 of your W-2 form(s). Also, do not include any other medical and dental expenses paid by the plan unless the amount paid is included in box 1 of your W-2 form(s).

#### Taxes You Paid

##### Taxes You May Not Deduct

- Federal income and excise taxes.
- Social security, Medicare, and railroad retirement (RRTA) taxes.
- Customs duties.
- Federal estate and gift taxes. But see the instructions for line 25 on page A-5.

• Certain state and local taxes, including: general sales tax, tax on gasoline, car inspection fees, assessments for sidewalks or other improvements to your property, tax you paid for someone else, and license fees (marriage, driver's, dog, etc.).

## Line 5

### State and Local Income Taxes

Include on this line the state and local income taxes listed below:

- State and local income taxes withheld from your salary during 1993. Your W-2 form(s) will show these amounts. Forms W-2G, 1099-R, and 1099-MISC may also show state and local income taxes withheld.
- State and local income taxes paid in 1993 for a prior year, such as taxes paid with your 1992 state or local income tax return. **Do not** include penalties or interest.
- State and local estimated tax payments made during 1993, including any part of a prior year refund that you chose to have credited to your 1993 state or local income taxes.
- Mandatory contributions you made to the following state disability funds:
  1. California Nonoccupational Disability Benefit Fund.
  2. New Jersey Nonoccupational Disability Benefit Fund.
  3. New York Nonoccupational Disability Benefit Fund.
  4. Rhode Island Temporary Disability Benefit Fund.

**Do not** reduce your deduction by:

- Any state or local income tax refund or credit you expect to receive for 1993, or
- Any refund of, or credit for, prior year state and local income taxes you actually received in 1993. Instead, see the instructions for Form 1040, line 10.

## Line 6

### Real Estate Taxes

Include taxes you paid on real estate you own that was not used for business, but only if the taxes are based on the assessed value of the property. Also, the assessment must be made uniformly on property throughout the community, and the proceeds must be used for general community or governmental purposes. **Pub. 530** explains the deductions homeowners may take. **Do not** include—

- Real estate taxes deducted elsewhere such as on Schedule C, C-EZ, E, or F, or
- Itemized charges for services to specific property or persons (for example, a \$20 monthly charge per house for trash collection, a \$5 charge for every 1,000 gallons of water consumed, or a flat charge for mowing a lawn that had grown higher than permitted under a local ordinance), or
- Charges for improvements that tend to increase the value of your property (for example, an assessment to build a new sidewalk). The cost of a property improvement is added to the basis of the property. However, a charge is deductible if it is used only to maintain an existing public facility in service (for example, a charge to repair an existing side-

walk, and any interest included in that charge).

If your mortgage payments include your real estate taxes, you may deduct only the amount the mortgage company actually paid to the taxing authority in 1993.

If you sold your home in 1993, any real estate tax charged to the buyer should be shown in box 5 of **Form 1099-S**, Proceeds From Real Estate Transactions. This amount is considered a refund of real estate taxes you received in 1993. See **Refunds and Rebates** next.

**Refunds and Rebates.** If you received a refund or rebate in 1993 of real estate taxes you paid in 1993, reduce your deduction by the amount of the refund or rebate. If you received a refund or rebate in 1993 of real estate taxes you paid in an earlier year, do not reduce your deduction by this amount. Instead, you must include the refund or rebate in income on Form 1040, line 22, if you deducted the real estate taxes in the earlier year and the deduction reduced your tax. **Pub. 525**, Taxable and Nontaxable Income, tells you how to figure the amount to include in income.

## Line 7

### Other Taxes

If you had any deductible tax not listed on Schedule A, line 5 or 6, list the type and amount of tax. Enter one total on line 7.

Examples of taxes to include on line 7 are:

- Personal property tax, but only if it is an annual tax based on value alone. For example, if part of the fee you paid for the registration of your car was based on the car's value and part was based on its weight, you may deduct only the part based on the car's value.
- Tax you paid to a foreign country or U.S. possession. But you may want to take a credit for the tax instead of a deduction. Get **Pub. 514** for details.

## Interest You Paid

Include interest you paid on nonbusiness items only; **do not** include any amount deducted elsewhere such as on Schedule C, C-EZ, E, or F. Whether your interest expense is treated as investment interest, personal interest, or business interest depends on how and when you used the loan proceeds. Get **Pub. 535**, Business Expenses, for details.

In general, if you paid interest in 1993 that includes amounts that apply to any period after 1993, you may deduct only the amount that applies for 1993.

### Interest You May Not Deduct

- Personal interest, such as interest paid on car loans, student loans, life insurance loans, credit cards, charge accounts, etc.
- Interest paid on your debts by others, such as mortgage interest subsidy payments made by a government agency.
- Interest on certain loans against your interest in a 401(k) plan or a tax-sheltered annuity plan that were made, renewed, renegotiated, modified, or extended after 1986. Get **Pub. 575**, Pension and Annuity

Income (Including Simplified General Rule), for details.

- Interest paid for tax-exempt income. This includes interest on money you borrowed to buy or carry wholly tax-exempt securities. It also includes interest paid to buy or carry obligations or shares, or to make deposits or other investments, to the extent any interest income received from the investment is tax exempt.

- Interest on a debt to buy a single-premium life insurance or endowment contract.
- Interest on any kind of business transaction. Use Schedule C, C-EZ, E, or F to deduct business interest expenses.

See Pub. 535 for more details.

## Lines 9a and 9b

### Home Mortgage Interest

A **home mortgage** is any loan that is secured by your main home or second home. It includes first and second mortgages, home equity loans, and refinanced mortgages.

A **home** may be a house, condominium, cooperative, mobile home, boat, or similar property. It must provide basic living accommodations including sleeping space, toilet, and cooking facilities.

**Limit on Home Mortgage Interest.** The amount of home mortgage interest you may deduct depends on the date you took out the mortgage, how you used the proceeds, and the amount of the mortgage.

If all of your home mortgages fit into one or more of **Categories 1, 2, and 3** (explained later), you may deduct all of your home mortgage interest on line 9a or 9b, whichever applies. If one or more of your mortgages does not fit into any of the three categories, get **Pub. 936**, Home Mortgage Interest Deduction, to figure the amount of interest you may deduct.

If you had **more than one home** at the same time (a main home and a second home), the dollar limits in **Categories 2 and 3** apply to the total mortgages on both homes. See Pub. 936 for more details.

**Category 1.** Mortgages taken out **on or before October 13, 1987**. How you used the proceeds of these mortgages does not matter. This category includes **line-of-credit mortgages** you had on October 13, 1987. But if you borrowed additional amounts on this line-of-credit after October 13, 1987, the additional amounts fit into **Category 2 or 3** (or **2 and 3** if a **mixed-use mortgage**—explained later).

This category also includes mortgages you had on October 13, 1987, that you **refinanced** after that date. But if you refinanced for more than the balance of the old mortgage, only the part of the new mortgage equal to the amount you owed on the old mortgage at the time you refinanced it fits into this category. The part of the new mortgage that is more than the balance of the old mortgage fits into **Category 2 or 3** (or **2 and 3** if a **mixed-use mortgage**—explained later).

**Category 2.** Mortgages taken out **after October 13, 1987, to buy, build, or improve your home**, but only if these mortgages plus any mortgages in **Category 1** above totaled \$1 million or less throughout 1993. The limit

is \$500,000 or less if married filing separately.

**Category 3.** Mortgages taken out after **October 13, 1987, other than to buy, build, or improve your home**, but only if these mortgages totaled \$100,000 or less throughout 1993. The limit is \$50,000 or less if married filing separately. An example of this type of mortgage is a home equity loan you used to pay off credit card bills, to buy a car, or to pay tuition costs.

**Note:** *If the total amount of all mortgages exceeds the fair market value of the home, additional limits apply. See Pub. 936 for details.*

**Mixed-Use Mortgages.** If you took out a mortgage after October 13, 1987 (including refinancing for more than what you owed or borrowing additional amounts on a line-of-credit mortgage you had on October 13, 1987) and used the proceeds for purposes described in both **Categories 2** and **3** earlier, you have a mixed-use mortgage. The mortgage proceeds used to buy, build, or improve the home fit into **Category 2** and the rest of the proceeds fit into **Category 3**.

**Line 9a.** Enter on line 9a mortgage interest and points reported to you on **Form 1098**, Mortgage Interest Statement. If you did not receive a Form 1098, enter the interest on line 9b and any deductible points on line 10.

If you paid \$600 or more of mortgage interest (including points paid to buy your main home), the recipient will generally send you a Form 1098, or similar statement, by January 31, 1994. This form shows the total interest and points the recipient received from you during 1993. It also shows any refund of overpaid interest. Do not reduce your deduction by the refund. Instead, see the instructions for Form 1040, line 22.

If you paid more interest to financial institutions than is shown on Form 1098, see Pub. 936 to find out if you can deduct the additional interest. If you can, attach a statement explaining the difference and write "See attached" next to line 9a.

**Note:** *If you are claiming the mortgage interest credit (see the instructions for Form 1040, line 44), subtract the amount shown on line 3 of Form 8396 from the total deductible interest you paid on your home mortgage. Enter the result on line 9a.*

**Line 9b.** If the recipient was not a financial institution or you did not receive a Form 1098 from the recipient, report your deductible mortgage interest on line 9b.

If you bought your home from the recipient, be sure to show that recipient's name, identifying no., and address on the dotted lines next to line 9b. If the recipient is an individual, the identifying no. is his or her social security number (SSN). Otherwise, it is the employer identification no. You must also let the recipient know your SSN. If you don't show the required information about the recipient and let the recipient know your SSN, you may have to pay a \$50 penalty.

If you and at least one other person (other than your spouse if filing a joint return) were liable for and paid interest on the mortgage, and the other person received the Form 1098, attach a statement to your return showing the name and address of that person. Next to line 9b, write "See attached."

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## Line 10

### Points Not Reported on Form 1098

Generally, points charged **only** for the use of money are deductible over the life of your mortgage.

**Exception.** You may deduct points (including loan origination fees on a loan used to buy your main home) in the year paid if:

- The loan was used to **buy or improve your main home**, and
- The loan was secured by your main home, and
- It is customary to charge points in the area where the loan was made, and
- The points paid did not exceed the points usually charged in that area, and
- The points are computed as a percentage of the amount of the loan, and

**either** you provided funds (see below) at the time of closing at least equal to the points charged if the loan was used to **buy** your main home,

**or** you paid the points with funds other than those obtained from the lender if the loan was used to **improve** your main home.

**Funds provided by you** include down payments, escrow deposits, earnest money applied at closing, and other amounts actually paid at closing. They do not include amounts you borrowed as part of the overall transaction.

**Note:** *Points paid on a loan to buy your main home include loan origination fees designated on VA and FHA loans.*

**Refinancing.** If you paid points to refinance your mortgage, get **Pub. 936**, Home Mortgage Interest Deduction.

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## Line 11

### Investment Interest

Investment interest is interest paid on money you borrowed that is allocable to property held for investment. It does not include any interest allocable to a passive activity.

Complete and attach **Form 4952**, Investment Interest Expense Deduction, to figure your deduction.

**Exception.** You do not have to file Form 4952 if **all four** of the following apply:

1. Your only investment income was from interest or dividends.
2. You have no other deductible expenses connected with the production of the interest or dividends.
3. Your investment interest expense is not more than your investment income.
4. You have no carryovers of investment interest expense from 1992.

**Note:** *Alaska Permanent Fund dividends, including those reported on Form 8814, Parents' Election To Report Child's Interest and Dividends, are not investment income.*

For more details, get **Pub. 550**, Investment Income and Expenses.

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## Gifts to Charity

You may deduct contributions or gifts you gave to organizations that are religious, charitable, educational, scientific, or literary in

purpose. You may also deduct what you gave to organizations that work to prevent cruelty to children or animals. Examples of these organizations are:

- Churches, temples, synagogues, mosques, Salvation Army, Red Cross, CARE, Goodwill Industries, United Way, Boy Scouts, Girl Scouts, Boys and Girls Clubs of America, etc.
- Fraternal orders, if the gifts will be used for the purposes listed above.
- Veterans' and certain cultural groups.
- Nonprofit schools, hospitals, and organizations whose purpose is to find a cure for, or help people who have, arthritis, asthma, birth defects, cancer, cerebral palsy, cystic fibrosis, diabetes, heart disease, hemophilia, mental illness or retardation, multiple sclerosis, muscular dystrophy, tuberculosis, etc.
- Federal, state, and local governments if the gifts are solely for public purposes.

If you do not know whether you may deduct what you gave to an organization, check with that organization or with the IRS.

**Caution:** *If you contributed to a charitable organization and also received a benefit from it, you may deduct only the amount that is more than the value of the benefit you received. For more details, get Pub. 526, Charitable Contributions.*

### Contributions You May Deduct

Contributions may be in cash (keep canceled checks, receipts, or other reliable written records showing the name of the organization and the date and amount given), property, or out-of-pocket expenses you paid to do volunteer work for the kinds of organizations described earlier. If you drove to and from the volunteer work, you may take 12 cents a mile or the actual cost of gas and oil. Add parking and tolls to the amount you claim under either method. But don't deduct any amounts that were repaid to you.

**Limit on the Amount You May Deduct.** Get Pub. 526 to figure the amount of your deduction if **any** of the following applies:

- Your cash contributions or contributions of ordinary income property are more than 30% of the amount shown on Form 1040, line 32.
- Your gifts of capital gain property are more than 20% of the amount shown on Form 1040, line 32.
- You gave gifts of property that increased in value or gave gifts of the use of property.

### You May Not Deduct as Contributions

- Travel expenses (including meals and lodging) while away from home unless there was no significant element of personal pleasure, recreation, or vacation in the travel.
- Political contributions.
- Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups.
- Cost of raffle, bingo, or lottery tickets.
- Cost of tuition.
- Value of your time or services.
- Value of blood given to a blood bank.
- The transfer of a future interest in tangible personal property (generally, until the entire interest has been transferred).

- Gifts to individuals, foreign organizations, and groups that are run for personal profit.
- Gifts to groups whose purpose is to lobby for changes in the laws.
- Gifts to civic leagues, social and sports clubs, labor unions, and chambers of commerce.
- Value of any benefit, such as food, entertainment, or merchandise, that you received in connection with a contribution to a charitable organization.

**Example.** You paid \$100 to a charitable organization to attend a fund-raising dinner. To figure the amount of your deductible charitable contribution, subtract the value of the dinner from the total amount you paid. If the value of the dinner was \$40, your deductible contribution is \$60.

## Line 13

### Contributions by Cash or Check

Enter the total contributions you made in cash or by check (including out-of-pocket expenses).

## Line 14

### Other Than by Cash or Check

Enter your contributions of property. If you gave used items, such as clothing or furniture, deduct their fair market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale.

If the amount of your deduction is more than \$500, you must complete and attach **Form 8283**, Noncash Charitable Contributions. For this purpose, the "amount of your deduction" means your deduction BEFORE applying any income limits that could result in a carryover of contributions. If your total deduction is over \$5,000, you may also have to get appraisals of the values of the donated property. See Form 8283 and its instructions for details.

**Recordkeeping.** If you gave property, you should keep a receipt or written statement from the organization you gave the property to, or a reliable written record, that shows the organization's name and address, the date and location of the gift, and a description of the property. For each gift of property, you should also keep reliable written records that include:

- How you figured the property's value at the time you gave it. If the value was determined by an appraisal, you should also keep a signed copy of the appraisal.
- The cost or other basis of the property if you must reduce it by any ordinary income or capital gain that would have resulted if the property had been sold at its fair market value.
- How you figured your deduction if you chose to reduce your deduction for gifts of capital gain property.
- Any conditions attached to the gift.

**Note:** If your total deduction for gifts of property is over \$500, or if you gave less than your entire interest in the property, or if you made a "qualified conservation contribution" under Internal Revenue Code section 170(h),

your records should contain additional information. See Pub. 526 for details.

## Line 15

### Carryover From Prior Year

Enter any carryover of contributions that you could not deduct in an earlier year because they exceeded your adjusted gross income limit. See Pub. 526 for details on how to figure a carryover.

## Casualty and Theft Losses

### Line 17

Use line 17 to report casualty or theft losses of property that is not trade or business, income-producing, or rent or royalty property. Complete and attach **Form 4684**, Casualties and Thefts, to figure the amount of your loss to enter on line 17.

### Losses You May Deduct

You may be able to deduct part or all of each loss caused by theft, vandalism, fire, storm, or similar causes, and car, boat, and other accidents. You may also be able to deduct money you had in a financial institution but lost because of the insolvency or bankruptcy of the institution.

You may deduct nonbusiness casualty or theft losses only to the extent that—

1. The amount of **each** separate casualty or theft loss is more than \$100, and
2. The total amount of **all** losses during the year is more than 10% of the amount shown on Form 1040, line 32.

Special rules apply if you had both gains and losses from nonbusiness casualties or thefts. See Form 4684 for details.

**Additional Information.** For more details, get **Pub. 547**, Nonbusiness Disasters, Casualties, and Thefts. It also has information about Federal disaster area losses.

### Losses You May Not Deduct

- Money or property misplaced or lost.
- Breakage of china, glassware, furniture, and similar items under normal conditions.
- Progressive damage to property (buildings, clothes, trees, etc.) caused by termites, moths, other insects, or disease.

Use line 20 of Schedule A to deduct the costs of proving that you had a property loss. Examples of these costs are appraisal fees and photographs used to establish the amount of your loss.

## Moving Expenses

### Line 18

Employees and self-employed persons (including partners) can deduct certain moving expenses.

You can take this deduction if you moved in connection with your job or business and your new workplace is at least 35 miles farther from your old home than your old home was from your old workplace. If you had no

former workplace, your new workplace must be at least 35 miles from your old home. If you meet these requirements, call Tele-Tax (see page 30) and listen to topic 504 or get **Pub. 521**, Moving Expenses. Complete and attach **Form 3903**, Moving Expenses, to figure the amount to enter on line 18. If you began work at a new workplace outside the United States or its possessions, get **Form 3903-F**, Foreign Moving Expenses.

## Miscellaneous Deductions

Most miscellaneous deductions cannot be deducted in full. Instead, you must subtract 2% of your adjusted gross income from the total. You figure the 2% limit on line 23.

The 2% limit generally applies to job expenses you paid for which you were not reimbursed. These expenses are reported on line 19. The limit also applies to certain expenses you paid to produce or collect taxable income. These expenses are reported on line 20.

Miscellaneous deductions that are not subject to the 2% limit are reported on line 25. See the instructions for line 25.

**Additional Information.** For more details, get **Pub. 529**, Miscellaneous Deductions.

### Examples of Expenses You May Not Deduct

- Political contributions.
- Personal legal expenses.
- Lost or misplaced cash or property. But see **Casualty and Theft Losses** on this page.
- Expenses for meals during regular or extra work hours.
- The cost of entertaining friends.
- Expenses of going to or from your regular workplace.
- Education you need to meet minimum requirements for your job or that will qualify you for a new occupation.
- Travel expenses for employment away from home if that period of employment exceeds 1 year.
- Travel as a form of education.
- Expenses of attending a seminar, convention, or similar meeting unless it is related to your employment.
- Expenses of adopting a child, including a child with special needs.
- Fines and penalties.
- Expenses of producing tax-exempt income.

## Line 19

### Unreimbursed Employee Expenses

Enter the total job expenses you paid for which you were not reimbursed. But you **MUST** fill in and attach **Form 2106**, Employee Business Expenses, if **either** of the following applies:

1. You claim any travel, transportation, meal, or entertainment expenses for your job, OR
2. Your employer paid you for any of your job expenses reportable on line 19.

If either **1** or **2** applies to you, fill in Form 2106 for **all** your job expenses. Then, enter on line 19 the amount from Form 2106, line 11.

If you don't have to fill in Form 2106, list the type and amount of each expense on the dotted lines next to line 19. If you need more space, attach a statement showing the type and amount of each expense. Enter one total on line 19.

Examples of expenses to include on line 19 are:

- Travel, transportation, meal, or entertainment expenses. **Note:** *If you have any of these expenses, you must use Form 2106 for all of your job expenses.*
- Union dues.
- Safety equipment, small tools, and supplies you needed for your job.
- Uniforms your employer said you must have, and which you may not usually wear away from work.
- Protective clothing required in your work, such as hard hats, safety shoes, and glasses.
- Physical examinations your employer said you must have.
- Dues to professional organizations and chambers of commerce.
- Subscriptions to professional journals.
- Fees to employment agencies and other costs to look for a new job in your present occupation, even if you do not get a new job.
- Business use of part of your home but only if you use that part exclusively and on a regular basis in your work and for the convenience of your employer. For details, including limits that apply, call Tele-Tax (see page 30) and listen to topic 509 or get **Pub. 587**, Business Use of Your Home.
- Educational expenses you paid that were required by your employer, or by law or regulation, to keep your salary or job. In general, you may also include the cost of keeping or improving skills you must have in your job. For more details, call Tele-Tax (see page 30) and listen to topic 513 or get **Pub. 508**, Educational Expenses. Some educational expenses are not deductible. See **Examples of Expenses You May Not Deduct** on page A-4.

## Line 20

### Other Expenses

Enter the total amount you paid to produce or collect taxable income, manage or protect property held for earning income, and for tax preparation fees. But **do not** include any expenses deducted elsewhere such as on Schedule C, C-EZ, E, or F. List the type and amount of each expense on the dotted lines next to line 20. If you need more space, attach a statement showing the type and amount of each expense. Enter one total on line 20.

Examples of expenses to include on line 20 are:

- Tax return preparation fees, including fees paid for filing your return electronically.
- Safe deposit box rental.
- Certain legal and accounting fees.
- Clerical help and office rent.
- Custodial (e.g., trust account) fees.

- Your share of the investment expenses of a regulated investment company.
- Certain losses on nonfederally insured deposits in an insolvent or bankrupt financial institution. For details, including limits on the amount you may deduct, see Pub. 529.
- Deduction for repayment of amounts under a claim of right if \$3,000 or less.
- Expenses related to an activity not engaged in for profit. These expenses are limited to the income from the activity that you reported on Form 1040, line 22. See **Not-for-Profit Activities** in **Pub. 535**, Business Expenses, for details on how to figure the amount to deduct.

## Line 25

### Other Miscellaneous Deductions

Enter your total miscellaneous deductions that are not subject to the 2% AGI limit. List the type and amount of each expense on the dotted lines next to line 25. If you need more space, attach a statement showing the type and amount of each expense. Enter one total on line 25. Only the expenses listed below can be deducted on line 25:

- Gambling losses to the extent of gambling winnings. Report gambling winnings on Form 1040, line 22.

- Federal estate tax on income in respect of a decedent.
- Amortizable bond premium on bonds acquired before October 23, 1986.
- Deduction for repayment of amounts under a claim of right if more than \$3,000. Get **Pub. 525**, Taxable and Nontaxable Income, for details.
- Certain unrecovered investment in a pension. Get **Pub. 575**, Pension and Annuity Income (Including Simplified General Rule), for details.
- Impairment-related work expenses of a disabled person.

For more details on these expenses, see Pub. 529.

## Total Itemized Deductions

### Line 26

People with higher incomes may not be able to deduct all of their itemized deductions. If the amount on Form 1040, line 32, is more than \$108,450 (more than \$54,225 if married filing separately), use the worksheet on this page to figure the amount you may deduct.

### Itemized Deductions Worksheet—Line 26 (keep for your records)

1. Add the amounts on Schedule A, lines 4, 8, 12, 16, 17, 18, 24, and 25 . . . . .	1. _____
2. Add the amounts on Schedule A, lines 4, 11, and 17, plus any gambling losses included on line 25 . . . . .	2. _____
<b>Caution:</b> <i>Be sure your total gambling losses are clearly identified on the dotted line next to line 25.</i>	
3. Subtract line 2 from line 1. If the result is zero, <b>stop here</b> ; enter the amount from line 1 above on Schedule A, line 26, and see the <b>Note</b> below . . . . .	3. _____
4. Multiply line 3 above by 80% (.80) . . . . .	4. _____
5. Enter the amount from Form 1040, line 32 . . . . .	5. _____
6. Enter \$108,450 (\$54,225 if married filing separately) . . . . .	6. _____
7. Subtract line 6 from line 5. If the result is zero or less, <b>stop here</b> ; enter the amount from line 1 above on Schedule A, line 26, and see the <b>Note</b> below . . . . .	7. _____
8. Multiply line 7 above by 3% (.03) . . . . .	8. _____
9. Enter the <b>smaller</b> of line 4 or line 8 . . . . .	9. _____
10. <b>Total itemized deductions.</b> Subtract line 9 from line 1. Enter the result here and on Schedule A, line 26, and see the <b>Note</b> below . . . . .	10. _____
<b>Note:</b> <i>Also enter on Form 1040, line 34, the <b>larger</b> of the amount you enter on Schedule A, line 26, or your standard deduction.</i>	

# Instructions for Schedule B, Interest and Dividend Income

Use Schedule B if **any** of the following applies:

- You had over \$400 in taxable interest,
- Any of the **Special Rules** listed below apply to you,
- You are claiming the exclusion of interest from series EE U.S. savings bonds issued after 1989,
- You had over \$400 in dividends,
- You received dividends as a nominee, or
- You had a foreign account or were a grantor of, or transferor to, a foreign trust. Part III of the schedule has questions about foreign accounts and trusts.

**Note:** You may list more than one payer on each entry space for lines 1 and 5, but be sure to clearly show the amount paid next to the payer's name. Add the separate amounts paid by the payers listed on an entry space and enter the total in the "Amount" column. If you still need more space, attach separate sheets that are about the same size as the printed schedule. Use the same format as lines 1 and 5, and show your totals on Schedule B. Be sure to put your name and social security number (SSN) on the sheets and attach them at the end of your return.

Subtract this amount from the subtotal and enter the result on line 2.

**Note:** If you received interest as a nominee, you must give the actual owner a **Form 1099-INT** unless the owner is your spouse. You must also file a **Form 1099-INT** with the IRS. **Form 1096** must also be sent with **Form 1099-INT**. For more details, see the **Instructions for Forms 1099, 1098, 5498, and W-2G**.

**Accrued Interest.** When you buy bonds between interest payment dates and pay accrued interest to the seller, this interest is taxable to the seller. If you received a **Form 1099** for interest as a purchaser of a bond with accrued interest, follow the rules earlier under **Nominees** to see how to report the accrued interest on Schedule B. But identify the amount to be subtracted as "Accrued Interest."

**Tax-Exempt Interest.** You should not have received a **Form 1099-INT** for tax-exempt interest. But if you did, report it on line 1. Do not include it in the total on line 2. Instead, under your last entry on line 1, put a subtotal of all interest listed on line 1. Below this subtotal, write "Tax-Exempt Interest" and show the amount. Subtract this amount from the subtotal and enter the result on line 2. Be sure to also include this tax-exempt interest on **Form 1040**, line 8b.

**Original Issue Discount (OID).** If you are reporting OID in an amount less than the amount shown on **Form 1099-OID**, follow the rules earlier under **Nominees** to see how to report the OID on Schedule B. But identify the amount to be subtracted as "OID Adjustment."

**Amortizable Bond Premium.** If you are reducing your interest income on a bond by the amount of amortizable bond premium, report the total interest on the bond on line 1. Under your last entry on line 1, put a subtotal of all interest listed on line 1. Below this subtotal, write "ABP Adjustment" and show the amount. Subtract this amount from the subtotal and enter the result on line 2.

## Part I. Interest Income

To see what interest income you must report, read the instructions for **Form 1040**, line 8a, on page 16. The payer should send you a **Form 1099-INT** or **Form 1099-OID** showing interest you must report. A copy of the form is also sent to the IRS.

### Line 1

#### Interest Income

Report on line 1 **all** taxable interest you received or that was credited to your account so you could withdraw it. List each payer's name and show the amount. If you received a **Form 1099-INT**, **Form 1099-OID**, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

#### Special Rules

**Seller-Financed Mortgages.** If you sold your home or other property and the buyer used the property as a personal residence, list first any interest that buyer paid you on a mortgage or other form of seller financing. Be sure to show that buyer's name, address, and SSN. You must also let that buyer know your SSN. If you don't show the buyer's name, address, and SSN, and let the buyer know your SSN, you may have to pay a \$50 penalty.

**Nominees.** If you received a **Form 1099-INT** that includes interest you received as a nominee (that is, in your name, but the interest actually belongs to someone else), report the total on line 1. Do this even if you later distributed some or all of this income to others. Under your last entry on line 1, put a subtotal of all interest listed on line 1. Below this subtotal, write "Nominee Distribution" and show the total interest you received as a nominee.

### Line 3

#### Excludable Interest on Series EE U.S. Savings Bonds Issued After 1989

If you cashed series EE U.S. savings bonds in 1993 that were issued after 1989 and you meet **all four** of the following conditions, you may be able to exclude part or all of the interest on those bonds.

1. The bonds were issued in your name or, if married, in your name and your spouse's name.

2. You were age 24 or older before the bonds were issued.

3. You paid qualified higher education expenses in 1993 for yourself, your spouse, or your dependents.

4. Your filing status is Single, Married filing jointly, Head of household, or Qualifying widow(er) with dependent child.

If you meet **all four** of the above conditions, get **Form 8815**, Exclusion of Interest From Series EE U.S. Savings Bonds Issued After 1989, to figure the amount of any interest you can exclude.

**Caution:** Only series EE savings bonds issued after 1989 qualify for the exclusion. Bond information will be verified with Department of the Treasury records.

## Part II. Dividend Income

To see what dividend income you must report, read the instructions for **Form 1040**, line 9, on page 17. The payer should send you a **Form 1099-DIV** showing dividends you must report. A copy of the form is also sent to the IRS.

**Note:** If, in 1993, you were an officer or director of a foreign corporation or you owned 5% or more in value of the outstanding stock of a foreign corporation, you may have to file **Form 5471**, Information Return of U.S. Persons With Respect To Certain Foreign Corporations. For details, see **Form 5471** and its instructions.

### Line 5

#### Dividend Income

Report on line 5 **all** of your dividend income. Include capital gain and nontaxable distributions. They will be deducted on lines 7 and 8. Include cash and the value of stock, property, or merchandise you received as a dividend. If you owned shares in a mutual fund, get **Pub. 564**, Mutual Fund Distributions.

List each payer's name and show the amount of income. If you received a **Form 1099-DIV** or substitute statement from a brokerage firm (securities are held by the brokerage firm in "street name"), list the firm's name as the payer and enter the total dividends shown on that form.

**Nominees.** If you received a **Form 1099-DIV** that includes dividends you received as a

nominee (that is, in your name, but the dividends actually belong to someone else), report the total on line 5. Do this even if you later distributed some or all of this income to others. Under your last entry on line 5, put a subtotal of all dividends listed on line 5. Below this subtotal, write "Nominee Distribution" and show the total dividends you received as a nominee. Subtract this amount from the subtotal and enter the result on line 6.

**Note:** If you received dividends as a nominee, you must give the actual owner a **Form 1099-DIV** unless the owner is your spouse. You must also file a **Form 1099-DIV** with the IRS. **Form 1096** must also be sent with **Form 1099-DIV**. For more details, see the **Instructions for Forms 1099, 1098, 5498, and W-2G**.

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## Line 7

### Capital Gain Distributions

Report capital gain distributions on line 7. If you are filing Schedule D, also enter this amount on Schedule D, line 14. If you are not filing Schedule D, also enter this amount on Form 1040, line 14.

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## Line 8

### Nontaxable Distributions

Report nontaxable distributions on line 8. These distributions reduce your basis. For details, see the instructions for Form 1040, line 9, on page 17.

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## Part III. Foreign Accounts and Trusts

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### Lines 11a and 11b

#### Foreign Accounts

**Line 11a.** Check the **Yes** box on line 11a if either 1 or 2 below applies to you.

1. You own more than 50% of the stock in any corporation that owns one or more foreign bank accounts.

2. At any time during the year you had an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account).

**Exceptions.** Check **No** if any of the following applies to you:

- The combined value of the accounts was \$10,000 or less during the whole year.
- The accounts were with a U.S. military banking facility operated by a U.S. financial institution.
- You were an officer or employee of a commercial bank that is supervised by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, or the Federal Deposit Insurance Corporation; the account was in your employer's name; and you did not have a personal financial interest in the account.
- You were an officer or employee of a domestic corporation with securities listed on national securities exchanges or with assets of more than \$1 million and 500 or more

shareholders of record; the account was in your employer's name; you did not have a personal financial interest in the account; and the corporation's chief financial officer has given you written notice that the corporation has filed a current report that includes the account.

**Note:** Item 2 does not apply to foreign securities held in a U.S. securities account.

Get **Form TD F 90-22.1** to see if you are considered to have an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account). You can get the form by writing to the IRS Distribution Center for your state (see page 33).

If you checked the **Yes** box on line 11a, file **Form TD F 90-22.1** by June 30, 1994, with the **Department of the Treasury** at the address shown on that form. **Do not** attach **Form TD F 90-22.1** to **Form 1040**.

**Line 11b.** If you checked the **Yes** box on line 11a, enter the name of the foreign country or countries in the space provided on line 11b. Attach a separate sheet if you need more space.

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# Instructions for Schedule C, Profit or Loss From Business

Use Schedule C to report income or loss subject to self-employment tax from a business you operated or a profession you practiced as a sole proprietor. Also, use Schedule C to report wages and expenses you had as a statutory employee. An activity qualifies as a business if your primary purpose for engaging in the activity is for income or profit and you are involved in the activity with continuity and regularity. For example, a sporadic activity or a hobby does not qualify as a business. To report income from a nonbusiness activity, see the Instructions for Form 1040, line 22.

Small businesses and statutory employees with gross receipts of \$25,000 or less and expenses of \$2,000 or less may be able to file **Schedule C-EZ, Net Profit From Business**, instead of Schedule C. See Schedule C-EZ to find out if you qualify to file it.

This activity may subject you to state and local taxes and other requirements such as business licenses and fees. Check with your state and local governments for more information.

## General Instructions

### Changes To Note

• **Deduction for Clean-Fuel Vehicle Refueling Property.** A deduction may be claimed in Part V of Schedule C for part of the cost of qualified clean-fuel vehicle refueling property placed in service after June 30, 1993. See **Pub. 535**, Business Expenses, for more details.

• **New Part IV, Information on Your Vehicle.** New Part IV has been added to Schedule C to simplify the reporting of business vehicle information for sole proprietors by eliminating the requirement to file Form 4562 for this purpose. You can use Part IV instead of Form 4562 if you are claiming the standard mileage rate, you lease your vehicle, or your vehicle is fully depreciated. However, if Form 4562 must be filed for any other reason, you must continue to use Part V of Form 4562 to report vehicle information.

### Other Schedules and Forms You May Have To File

**Schedule A** to deduct interest, taxes, and casualty losses not related to your business.

**Schedule E** to report rental real estate and royalty income or (loss) that is **not** subject to self-employment tax.

**Schedule F** to report profit or (loss) from farming.

**Schedule SE** to pay self-employment tax on income from any trade or business.

**Form 4562** to claim depreciation on assets placed in service in 1993, to claim amortization that began in 1993, or to report information on listed property.

**Form 4684** to report a casualty or theft gain or loss involving property used in your trade or business or income-producing property.

**Form 4797** to report sales, exchanges, and involuntary conversions (other than from a casualty or theft) of trade or business property.

**Form 8594** to report certain purchases or sales of groups of assets that constitute a trade or business.

**Form 8824** to report like-kind exchanges.

**Form 8829** to claim expenses for business use of your home.

### Heavy Vehicle Use Tax

If you use certain highway trucks, truck-trailers, tractor-trailers, or buses in your trade or business, you may have to pay a Federal highway motor vehicle use tax. Get **Form 2290**, Heavy Vehicle Use Tax Return, to see if you owe this tax.

### Information Returns

You may have to file information returns for wages paid to employees, certain payments of fees and other nonemployee compensation, interest, rents, royalties, real estate transactions, annuities, and pensions. You may also have to file an information return if you sold \$5,000 or more of consumer products to a person on a buy-sell, deposit-commission, or other similar basis for resale. For more information, get the **Instructions for Forms 1099, 1098, 5498, and W-2G**.

If you received cash of more than \$10,000 in one or more related transactions in the course of your trade or business, you may have to file **Form 8300**. For details, get **Pub. 1544**, Reporting Cash Payments of Over \$10,000.

### Tax Shelter

If you claim or report any deduction, loss, credit, other tax benefit, or income on Schedule C or C-EZ from an interest purchased or otherwise acquired in a tax shelter that is required to be registered, you **must** file **Form 8271** with your return.

### Additional Information

Get **Pub. 334**, Tax Guide for Small Business, for more details on business income and expenses.

## Specific Instructions

### Filers of Form 1041

**Do not** complete the block labeled "Social security number." Instead, enter your employer identification number (EIN) on line D.

### Line A

Describe the business or professional activity that provided your principal source of income reported on line 1. If you owned more than one business, you must complete a

separate Schedule C for each business. Give the general field or activity and the type of product or service. If your general field or activity is wholesale or retail trade, or services connected with production services (mining, construction, or manufacturing), also give the type of customer or client. For example, "wholesale sale of hardware to retailers" or "appraisal of real estate for lending institutions."

### Line B

Enter on this line the four-digit code that identifies your principal business or professional activity. See page C-6 for the list of codes.

### Line D

You need an employer identification number (EIN) only if you had a Keogh plan or were required to file an employment, excise, fiduciary, or alcohol, tobacco, and firearms tax return. If you need an EIN, file **Form SS-4**, Application for Employer Identification Number.

If you do not have an EIN, leave line D blank. **Do not** enter your SSN.

### Line E

Enter your business address. Show a street address instead of a box number. Include the suite or room number, if any. If you conducted the business from your home located at the address shown on Form 1040, page 1, you do not have to complete this line.

### Line F

You must use the cash method on your return unless you kept account books. If you kept such books, you can use the cash method or the accrual method. However, if inventories are required, you must use the accrual method for sales and purchases. Special rules apply to long-term contracts. See Internal Revenue Code section 460 for details. The method used must clearly reflect your income.

If you use the **cash method**, show all items of taxable income actually or constructively received during the year (in cash, property, or services). Income is constructively received when it is credited to your account or set aside for you to use. Also, show

amounts actually paid during the year for deductible expenses.

If you use the **accrual method**, report income when you earn it and deduct expenses when you incur them even if you do not pay them during the tax year.

Accrual-basis taxpayers are put on a cash basis for deducting business expenses owed to a related cash-basis taxpayer. Other rules determine the timing of deductions based on economic performance. Get **Pub. 538**, Accounting Periods and Methods.

To change your accounting method (including treatment of inventories), you must usually first get permission from the IRS. In general, file **Form 3115** within the first 180 days of the tax year in which you want to make the change.

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## Line G

Your inventories can be valued at:

- Cost,
- Cost or market value, whichever is lower, or
- Any other method approved by the IRS.

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## Line I

Participation, for purposes of the seven material participation tests listed below, generally includes any work you did in connection with an activity if you owned an interest in the activity at the time you did the work. The capacity in which you did the work does not matter. However, work is not treated as participation if it is work that an owner would not customarily do in the same type of activity and one of your main reasons for doing the work was to avoid the disallowance of losses or credits from the activity under the passive activity rules.

Work you did as an investor in an activity is not treated as participation unless you were directly involved in the day-to-day management or operations of the activity. Work done as an investor includes:

1. Studying and reviewing financial statements or reports on operations of the activity.
2. Preparing or compiling summaries or analyses of the finances or operations of the activity for your own use.
3. Monitoring the finances or operations of the activity in a nonmanagerial capacity.

**Participation by your spouse** during the tax year in an activity you own can be counted as your participation in the activity. This applies even if your spouse did not own an interest in the activity and whether or not you and your spouse file a joint return for the tax year.

**Material Participation.** For purposes of the passive activity rules, you materially participated in the operation of this trade or business activity during 1993 if you meet any of the following seven tests:

1. You participated in the activity for more than 500 hours during the tax year.
2. Your participation in the activity for the tax year was substantially all of the participation in the activity of all individuals (including individuals who did not own any interest in the activity) for the tax year.
3. You participated in the activity for more than 100 hours during the tax year, and you

participated at least as much as any other person for the tax year. This includes individuals who did not own any interest in the activity.

4. The activity is a significant participation activity for the tax year, and you participated in all significant participation activities for more than 500 hours during the year. An activity is a "significant participation activity" if it involves the conduct of a trade or business, you participated in the activity for more than 100 hours during the tax year, and you did not materially participate under any of the material participation tests (other than this test 4).

5. You materially participated in the activity for any 5 of the prior 10 tax years.

6. The activity is a personal service activity in which you materially participated for any 3 prior tax years. A personal service activity is an activity that involves performing personal services in the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts, or consulting, or any other trade or business in which capital is not a material income-producing factor.

7. Based on all the facts and circumstances, you participated in the activity on a regular, continuous, and substantial basis during the tax year. But you do not meet this test if you participated in the activity for 100 hours or less during the tax year. Your participation in managing the activity does not count in determining if you meet this test if any person (except you) —

a. Received compensation for performing management services in connection with the activity, or

b. Spent more hours during the tax year than you spent performing management services in connection with the activity (regardless of whether the person was compensated for the services).

If you meet any of the above tests, check the "Yes" box on line I.

If you **do not** meet any of the above tests, check the "No" box on line I. This business is a **passive activity**. If you have a loss from this business, see **Limit on Losses** below. If you have a profit from this business activity but have current-year losses from other passive activities or you have prior-year unallowed passive activity losses, see the instructions for **Form 8582**, Passive Activity Loss Limitations.

**Exception for Oil and Gas.** If you are filing Schedule C to report income and deductions from an oil or gas well in which you own a working interest directly or through an entity that does not limit your liability, check the "Yes" box on line I. The activity of owning the working interest is not a passive activity regardless of your participation in the activity.

**Limit on Losses.** If you checked the "No" box on line I and you have a loss from this business, you may have to use Form 8582 to figure your allowable loss, if any, to enter on Schedule C, line 31. Generally, you can deduct losses from passive activities only to the extent of income from passive activities.

For more details, get **Pub. 925**, Passive Activity and At-Risk Rules.

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## Line J

If you started or acquired this business in 1993, check the box on line J.

Also, check the box if you are reopening or restarting this business after temporarily closing it, and you did not file a 1992 Schedule C or C-EZ for this business.

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## Part I. Income

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### Line 1

Enter gross receipts or sales from your business. Be sure to include on this line amounts you received in your trade or business as shown on **Form(s) 1099-MISC**.

**Statutory Employees.** If you received a Form W-2 and the "Statutory employee" box in box 15 of that form was checked, report your income and expenses related to that income on Schedule C or C-EZ. Enter your statutory employee income from box 1 of Form W-2 on line 1 of Schedule C or C-EZ, and **check the box** on that line. Social security and Medicare tax should have been withheld from your earnings; therefore, you do not owe self-employment tax on these earnings.

Statutory employees include full-time life insurance agents, certain agent or commission drivers and traveling salespersons, and certain homeworkers.

If you had both self-employment income and statutory employee income, **do not** combine these amounts on a single Schedule C or C-EZ. In this case, you must file two Schedules C. You cannot use Schedule C-EZ.

**Installment Sales.** Generally, the installment method may not be used to report income from the sale of (a) personal property regularly sold under the installment method, or (b) real property held for resale to customers. But the installment method may be used to report income from sales of certain residential lots and timeshares if you elect to pay interest on the tax due on that income after the year of sale. See Internal Revenue Code section 453(l)(2)(B) for details. If you make this election, include the interest on Form 1040, line 53. Also write "453(l)(3)" and the amount of the interest on the dotted line to the left of line 53.

If you use the installment method, attach a schedule to your return. Show separately for 1993 and the 3 preceding years: gross sales, cost of goods sold, gross profit, percentage of gross profit to gross sales, amounts collected, and gross profit on amounts collected.

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### Line 2

Enter on line 2 such items as returned sales, rebates, and allowances from the sales price.

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### Line 6

Report on line 6 amounts from finance reserve income, scrap sales, bad debts you recovered, interest (such as on notes and accounts receivable), state gasoline or fuel tax refunds you got in 1993, credit for Fed-

eral tax paid on gasoline or other fuels claimed on your 1992 Form 1040, and other kinds of miscellaneous business income. Include amounts you received in your trade or business as shown on **Form(s) 1099-PATR**.

If the business use percentage of any listed property (defined in the instructions for line 13) decreased to 50% or less in 1993, report on this line any recapture of excess depreciation, including any section 179 expense deduction. Use **Form 4797**, Sales of Business Property, to figure the recapture. Also, if the business use percentage drops to 50% or less on leased listed property (other than a vehicle), include on this line any inclusion amount. Get **Pub. 534**, Depreciation, to figure the amount.

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## Part II. Expenses

**Capitalizing Costs of Property.** If you produced real or tangible personal property or acquired property for resale, certain expenses attributable to the property must be included in inventory costs or capitalized. In addition to direct costs, producers of inventory property must also include part of certain indirect costs in their inventory. Purchasers of personal property acquired for resale must include part of certain indirect costs in inventory only if the average annual gross receipts for the 3 prior tax years exceed \$10 million. Also, you must capitalize part of the indirect costs that benefit real or tangible personal property constructed for use in a trade or business, or noninventory property produced for sale to customers. Reduce the amounts on lines 8-26 and Part V by amounts capitalized. For more details, see **Pub. 538**.

**Exception for Creative Property.** If you are an artist, author, or photographer, you may be exempt from the capitalization rules. However, your personal efforts must have created (or reasonably be expected to create) the property. This exception does not apply to any expense related to printing, photographic plates, motion picture films, video tapes, or similar items. These expenses are subject to the capitalization rules. For more details, see **Pub. 538**.

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### Line 9

**Caution:** *Cash method taxpayers cannot take a bad debt deduction unless the amount was previously included in income.*

Include debts and partial debts from sales or services that were included in income and are definitely known to be worthless. If you later collect a debt that you deducted as a bad debt, include it as income in the year collected.

For more details, get **Pub. 535**, Business Expenses.

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### Line 10

You can deduct the actual cost of running your car or truck, or take the standard mileage rate. You **must** use actual costs if you did not own the vehicle or if you used more than one vehicle simultaneously in your business (such as in fleet operations).

If you deduct actual costs, include on line 10 the business portion of expenses for gasoline, oil, repairs, insurance, tires, license

plates, etc. Show depreciation on line 13 and rent or lease payments on line 20a.

If you want to take the standard mileage rate, multiply the number of business miles by 28 cents a mile. Add to this amount your parking fees and tolls, and enter the total on line 10.

If you claim car and truck expenses, you must provide certain information on the use of your vehicle by completing:

- Part IV of Schedule C, or Part III of Schedule C-EZ, if (a) you are claiming the standard mileage rate, you lease your vehicle, or your vehicle is fully depreciated, and (b) you are not required to file Form 4562. If you used more than one vehicle during the year, attach your own schedule with the information requested in Part IV of Schedule C, or Part III of Schedule C-EZ, for each additional vehicle.

- Part V of **Form 4562**, Depreciation and Amortization, if you are claiming depreciation on your vehicle or you are required to file Form 4562 for any other reason (see the instructions for line 13 below).

For more details, get **Pub. 917**, Business Use of a Car.

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### Line 12

Enter your deduction for depletion on this line. If you have timber depletion, attach **Form T**. See **Pub. 535** for details.

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### Line 13

**Depreciation and Section 179 Expense Deduction.** Depreciation is the annual deduction allowed to recover the cost or other basis of business or investment property with a useful life of more than 1 year. You can also depreciate improvements made to leased business property. However, stock in trade, inventories, and land are not depreciable.

Depreciation starts when you first use the property in your business or for the production of income. It ends when you take the property out of service, deduct all your depreciable cost or other basis, or no longer use the property in your business or for the production of income.

For property placed in service after 1980, see the Instructions for Form 4562 to figure the amount of depreciation to enter on line 13. For property placed in service before 1981, figure depreciation from your own books and records and enter the total on line 13.

You may also choose under Internal Revenue Code section 179 to expense part of the cost of certain property you bought in 1993 for use in your business. See the Instructions for Form 4562 for more information.

You must complete and attach Form 4562 **only** if:

- You are claiming depreciation on property placed in service during 1993, or
- You are claiming depreciation on listed property (defined below), regardless of the date it was placed in service, or
- You are claiming a section 179 expense deduction.

If you acquired depreciable property for the first time in 1993, get **Pub. 946**, How To

Begin Depreciating Your Property. For a more comprehensive guide on depreciation, get **Pub. 534**, Depreciation.

**Listed property** generally includes, but is not limited to:

- Passenger automobiles weighing 6,000 pounds or less.

- Any other property used for transportation if the nature of the property lends itself to personal use, such as motorcycles, pick-up trucks, etc.

- Any property used for entertainment or recreational purposes (such as photographic, phonographic, communication, and video recording equipment).

- Cellular telephones or other similar telecommunications equipment placed in service after 1989.

- Computers or peripheral equipment.

**Exception.** Listed property does not include photographic, phonographic, communication, or video equipment used exclusively in your trade or business or at your regular business establishment. It also does not include any computer or peripheral equipment used exclusively at a regular business establishment and owned or leased by the person operating the establishment. For purposes of these exceptions, a portion of your home is treated as a regular business establishment only if that portion meets the requirements under Internal Revenue Code section 280A(c)(1) for deducting expenses attributable to the business use of a home.

If the business use percentage of any listed property decreased to 50% or less in 1993, you may have to recapture excess depreciation, including any section 179 expense deduction. Get **Form 4797** and its instructions for details.

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### Line 14

Deduct contributions to employee benefit programs that are not an incidental part of a pension or profit-sharing plan included on line 19. Examples are accident and health plans, group-term life insurance, and dependent care assistance programs.

Do not include on line 14 any contributions you made on your behalf as a self-employed person to an accident and health plan or for group-term life insurance. You may be able to deduct on Form 1040, line 26, part of the amount you paid for health insurance on behalf of yourself, your spouse, and dependents, even if you do not itemize your deductions. See the Form 1040 instructions on page 22 for more details.

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### Line 15

Deduct premiums paid for business insurance on line 15. Deduct on line 14 amounts paid for employee accident and health insurance.

Do not deduct amounts credited to a reserve for self-insurance or premiums paid for a policy that pays for your lost earnings due to sickness or disability.

For more details, see **Pub. 535**.

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### Lines 16a and 16b

**Interest Allocation Rules.** The tax treatment of interest expense differs depending on its

type. For example, home mortgage interest and investment interest are treated differently. "Interest allocation" rules require you to allocate (classify) your interest expense so it is deducted (or capitalized) on the correct line of your return and gets the right tax treatment. These rules could affect how much interest you are allowed to deduct on Schedule C or C-EZ.

Generally, you allocate interest expense by tracing how the proceeds of the loan were used. See Pub. 535 for details.

If you paid interest in 1993 that applies to future years, deduct only the part that applies to 1993.

If you paid interest on a debt secured by your main home and any of the proceeds from that debt were used in connection with your trade or business, see Pub. 535 to figure the amount that is deductible on Schedule C or C-EZ.

If you have a mortgage on real property used in your business (other than your main home), enter on line 16a the interest you paid for 1993 to banks or other financial institutions for which you received a **Form 1098**, Mortgage Interest Statement. If you didn't receive a Form 1098, enter the interest on line 16b.

If you paid \$600 or more of mortgage interest, the recipient should send you a Form 1098 or similar statement showing the total interest received from you during 1993. This statement must be sent to you by January 31, 1994. If you paid more mortgage interest to financial institutions than is shown on Form 1098, or similar statement, see Pub. 535 to find out if you can deduct the additional interest. If you can, enter the amount on line 16a. Attach a statement to your return explaining the difference. Write "See attached" in the left margin next to line 16a.

If you and at least one other person (other than your spouse if you file a joint return) were liable for and paid interest on the mortgage and the other person received the Form 1098, report your share of the interest on line 16b. Attach a statement to your return showing the name and address of the person who received the Form 1098. In the left margin next to line 16b, write "See attached."

Do not deduct interest you paid or accrued on debts allocable to investment property. This interest is generally deducted on **Schedule A**. For details, get **Pub. 550**, Investment Income and Expenses.

## Line 17

Include on this line fees for tax advice related to your business and for preparation of the tax forms related to your business.

## Line 19

Enter your deduction for contributions to a pension, profit-sharing, or annuity plan, or plans for the benefit of your employees. If the plan includes you as a self-employed person, enter contributions made as an employer on your behalf on Form 1040, line 27, not on Schedule C.

Generally, you must file one of the following forms if you maintain a pension, profit-sharing, or other funded-deferred compensation plan. The filing requirement is not affected by whether or not the plan qualified

under the Internal Revenue Code, or whether or not you claim a deduction for the current tax year.

**Form 5500**. Complete this form for each plan with 100 or more participants.

**Form 5500-C/R or 5500-EZ**. Complete the applicable form for each plan with fewer than 100 participants.

There is a penalty for failure to timely file these forms.

For more information, get **Pub. 560**, Retirement Plans for the Self-Employed.

## Lines 20a and 20b

If you rented or leased vehicles, machinery, or equipment, enter on line 20a the business portion of your rental cost. But if you leased a vehicle for a term of 30 days or more, you may have to reduce your deduction by an amount called the **inclusion amount**.

You may have to do this if—

The lease term began:	And the vehicle's fair market value on the first day of the lease exceeded:
During 1993 . . . . .	\$14,300
During 1992 . . . . .	13,700
During 1991 . . . . .	13,400
After 1986 but before 1991 . . . . .	12,800

If the lease term began after June 18, 1984, but before January 1, 1987, see **Pub. 917** to find out if you have an inclusion amount.

See Pub. 917 to figure your inclusion amount.

Enter on line 20b amounts paid to rent or lease other property, such as office space in a building.

## Line 21

Deduct the cost of repairs and maintenance. Include labor, supplies, and other items that do not add to the value or increase the life of the property. Do not deduct the value of your own labor. Do not deduct amounts spent to restore or replace property; they must be capitalized.

## Line 23

You can deduct the following taxes:

- State and local sales taxes imposed on you as the seller of goods or services. If you collected this tax from the buyer, you must also include the amount collected in gross receipts or sales on line 1.
- Real estate and personal property taxes on business assets.
- Social security and Medicare taxes paid to match required withholding from your employees' wages. Also, Federal unemployment tax paid. To deduct one-half of your self-employment tax, see the Instructions for Form 1040, line 25, on page 21.
- Federal highway use tax.

**Do not** deduct:

- Federal income taxes.
- Estate and gift taxes.

• Taxes assessed to pay for improvements, such as paving and sewers.

• Taxes on your home or personal use property.

• State and local sales taxes on property purchased for use in your business. Instead, treat these taxes as part of the cost of the property.

• State and local sales taxes imposed on the buyer that you were required to collect and pay over to the state or local governments. These taxes are not included in gross receipts or sales nor are they a deductible expense. However, if the state or local government allowed you to retain any part of the sales tax you collected, you must include that amount as income on line 6.

• Other taxes not related to your business.

## Line 24a

Enter your expenses for lodging and transportation connected with overnight travel for business while away from your tax home. Generally, your tax home is your main place of business regardless of where you maintain your family home. You cannot deduct expenses paid or incurred in connection with employment away from home if that period of employment exceeds 1 year.

Do not include expenses for meals and entertainment on this line. Instead, see the instructions for lines 24b and 24c below.

You cannot deduct expenses for attending a foreign convention unless it is directly related to your trade or business and it is as reasonable for the meeting to be held outside the North American area as within it. These rules apply to both employers and employees. Other rules apply to luxury water travel.

For more details, get **Pub. 463**, Travel, Entertainment, and Gift Expenses.

## Lines 24b and 24c

On line 24b, enter your total business meal and entertainment expenses. Include meals while traveling away from home for business. Instead of the actual cost of your meals while traveling away from home, you may use the standard meal allowance. For more details, see Pub. 463.

Business meal expenses are deductible only if they are (a) directly related to or associated with the active conduct of your trade or business, (b) not lavish or extravagant, and (c) incurred while you or your employee is present at the meal.

You cannot deduct any expense paid or incurred for a facility (such as a yacht or hunting lodge) used for any activity usually considered entertainment, amusement, or recreation.

There are exceptions to these rules as well as other rules that apply to sky-box rentals and tickets to entertainment events. See Pub. 463.

Generally, you may deduct **only** 80% of your business meal and entertainment expenses, including meals incurred while traveling away from home on business. However, you may fully deduct meals and entertainment furnished or reimbursed to an employee if you properly treat the expense as wages subject to withholding. You may also fully deduct meals and entertainment

provided to a nonemployee to the extent the expenses are includible in the gross income of that person and reported on Form 1099-MISC.

Figure how much of the amount on line 24b is subject to the 80% limit. Then, multiply that amount by 20% (.20) and enter the result on line 24c.

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## Line 25

Deduct only utility expenses paid or incurred for your trade or business.

**Local Telephone Service.** If you used your home phone for business, do not deduct the base rate (including taxes) of the first phone line into your residence. But you can deduct expenses for any additional costs you incurred for business that are more than the cost of the base rate for the first phone line. For example, if you had a second line, you can deduct the business percentage of the charges for that line, including the base rate charges.

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## Line 26

Enter the total salaries and wages (other than salaries and wages deducted elsewhere on your return) paid or incurred for the tax year minus any jobs credit you claimed on **Form 5884**, Jobs Credit. Do not include amounts paid to yourself.

**Caution:** If you provided taxable fringe benefits to your employees, such as personal use of a car, do not deduct as wages the amount applicable to depreciation and other expenses claimed elsewhere.

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## Line 30

**Business Use of Your Home.** You may be able to deduct certain expenses for business use of your home, subject to limitations. Generally, any amount not allowed as a deduction for 1993 because of the limitations can be carried over to 1994. You must attach **Form 8829**, Expenses for Business Use of Your Home, if you claim this deduction.

For details, see the Instructions for Form 8829, and get **Pub. 587**, Business Use of Your Home.

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## Line 31

If you have a loss, the amount of loss you can deduct this year may be limited. Go on to line 32 before entering your loss on line 31. If you answered "No" to Question I on Schedule C, also see the Instructions for Form 8582. Enter the net profit or **deductible** loss here. Combine this amount with any profit or loss from other businesses, and enter the total on Form 1040, line 12, and Schedule SE, line 2. Fiduciaries should enter the total on Form 1041, line 3.

If you have a net profit on line 31, this amount is earned income and may qualify you for the earned income credit if you meet certain conditions. See page EIC-1 for more details.

**Statutory Employees.** If you are filing Schedule C to report income and expenses as a statutory employee, include your net profit or deductible loss from line 31 with other Schedule C amounts on Form 1040, line 12. However, **do not** report this amount

on Schedule SE, line 2. If you are required to file Schedule SE because of other self-employment income, see the instructions for Schedule SE.

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## Line 32

**At-Risk Rules.** Generally, if you have (a) a business loss, and (b) amounts in the business for which you are **not at risk**, you will have to complete **Form 6198**, At-Risk Limitations, to figure your allowable loss.

The at-risk rules generally limit the amount of loss (including loss on the disposition of assets) you can claim to the amount you could actually lose in the business.

Check **box 32b** if you have amounts for which you are not at risk in this business, such as the following.

- Nonrecourse loans used to finance the business, to acquire property used in the business, or to acquire the business, that are not secured by your own property (other than property used in the business). However, there is an exception for certain nonrecourse financing borrowed by you in connection with holding real property.
- Cash, property, or borrowed amounts used in the business (or contributed to the business, or used to acquire the business) that are protected against loss by a guarantee, stop-loss agreement, or other similar arrangement (excluding casualty insurance and insurance against tort liability).
- Amounts borrowed for use in the business from a person who has an interest in the business, other than as a creditor, or who is related, under Internal Revenue Code section 465(b)(3), to a person (other than you) having such an interest.

If all amounts are at risk in this business, check **box 32a** and enter your loss on line 31. But if you answered "No" to Question I, you may need to complete **Form 8582** to figure your allowable loss to enter on line 31. See the Instructions for Form 8582 for more details.

If you checked **box 32b**, get Form 6198 to determine the amount of your deductible loss and enter that amount on line 31. But if you answered "No" to Question I, your loss may be further limited. See the Instructions for Form 8582. If your at-risk amount is zero or less, enter zero on line 31. Be sure to attach Form 6198 to your return. If you checked box 32b and you do not attach Form 6198, the processing of your tax return may be delayed.

**Statutory employees.** Include your deductible loss with other Schedule C amounts on Form 1040, line 12. **Do not** include this amount on Schedule SE, line 2.

Any loss from this business not allowed for 1993 because of the at-risk rules is treated as a deduction allocable to the business in 1994. For more details, see the Instructions for Form 6198 and **Pub. 925**.

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## Part III. Cost of Goods Sold

If you engaged in a trade or business in which the production, purchase, or sale of merchandise was an income-producing factor, merchandise inventories must be

taken into account at the beginning and end of your tax year.

**Note:** Certain direct and indirect expenses must be capitalized or included in inventory. See the instructions for Part II.

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## Part V. Other Expenses

Include all ordinary and necessary business expenses not deducted elsewhere on Schedule C. List the type and amount of each expense separately in the space provided. Enter the total on lines 46 and 27. Do not include the cost of business equipment or furniture, replacements or permanent improvements to property, or personal, living, and family expenses. Do not include charitable contributions. For more details on business expenses, see Pub. 535.

**Amortization.** Include amortization in this part. For amortization that begins in 1993, you must complete and attach **Form 4562**.

You may amortize:

- The cost of pollution-control facilities.
- Amounts paid for research and experimentation.
- Certain business startup costs.
- Qualified reforestation and reforestation costs.
- Amounts paid to acquire, protect, expand, register, or defend trademarks or trade names.
- Goodwill and certain other intangibles.

In general, you **may not** amortize real property construction period interest and taxes. Special rules apply for allocating interest to real or personal property produced in your trade or business.

**At-Risk Loss Deduction.** Any loss from this activity that was not allowed as a deduction last year because of the at-risk rules is treated as a deduction allocable to this activity in 1993.

**Capital Construction Fund. Do not** claim on Schedule C or C-EZ the deduction for amounts contributed to a capital construction fund set up under the Merchant Marine Act of 1936. To take the deduction, reduce the amount that would otherwise be entered as taxable income on Form 1040, line 37, by the amount of the deduction. In the margin to the left of line 37, write "CCF" and the amount of the deduction. For more information, get **Pub. 595**, Tax Guide for Commercial Fishermen.

**Disabled Access Credit and the Deduction for Removing Barriers to Individuals with Disabilities and the Elderly.** You may be able to claim a tax credit of up to \$5,000 for eligible expenditures paid or incurred in 1993 to provide access to your business for individuals with disabilities. Get **Form 8826**, Disabled Access Credit, for more details. You can also deduct up to \$15,000 of costs paid or incurred in 1993 to remove architectural or transportation barriers to individuals with disabilities and the elderly. However, you cannot take both the credit and the deduction on the same expenditures.

**Principal Business or Professional Activity Codes**

Locate the major category that best describes your activity. Within the major category, select the activity code that most closely identifies the business or profession that is the principal source of your sales or

receipts. **Enter this 4-digit code on line B of Schedule C or C-EZ.** For example, real estate agent is under the major category of **"Real Estate,"** and the code is "5520."

**Note:** *If your principal source of income is from farming activities, you should file Schedule F (Form 1040), Profit or Loss From Farming.*

<p><b>Agricultural Services, Forestry, Fishing</b> <b>Code</b> 1990 Animal services, other than breeding 1933 Crop services 2113 Farm labor &amp; management services 2246 Fishing, commercial 2238 Forestry, except logging 2212 Horticulture &amp; landscaping 2469 Hunting &amp; trapping 1974 Livestock breeding 0836 Logging 1958 Veterinary services, including pets</p>	<p><b>Real Estate</b> 5538 Operators &amp; lessors of buildings, including residential 5553 Operators &amp; lessors of other real property 5520 Real estate agents &amp; brokers 5579 Real estate property managers 5710 Subdividers &amp; developers, except cemeteries 6155 Title abstract offices</p>	<p><b>Hotels &amp; Other Lodging Places</b> 7237 Camps &amp; camping parks 7096 Hotels, motels, &amp; tourist homes 7211 Rooming &amp; boarding houses <b>Laundry &amp; Cleaning Services</b> 7450 Carpet &amp; upholstery cleaning 7419 Coin-operated laundries &amp; dry cleaning 7435 Full-service laundry, dry cleaning, &amp; garment service 7476 Janitorial &amp; related services (building, house, &amp; window cleaning)</p>	<p>3079 Eating places, meals &amp; snacks 3210 Grocery stores (general line) 3251 Liquor stores 3236 Specialized food stores (meat, produce, candy, health food, etc.) <b>Furniture &amp; General Merchandise</b> 3988 Computer &amp; software stores 3970 Furniture stores 4317 Home furnishings stores (china, floor coverings, drapes) 4119 Household appliance stores 4333 Music &amp; record stores 3996 TV, audio &amp; electronic stores 3715 Variety stores 3731 Other general merchandise stores</p>
<p><b>Construction</b> 0018 Operative builders (for own account) <b>Building Trade Contractors, Including Repairs</b> 0414 Carpentering &amp; flooring 0455 Concrete work 0273 Electrical work 0299 Masonry, dry wall, stone, &amp; tile 0257 Painting &amp; paper hanging 0232 Plumbing, heating, &amp; air conditioning 0430 Roofing, siding, &amp; sheet metal 0885 Other building trade contractors (excavation, glazing, etc.) <b>General Contractors</b> 0075 Highway &amp; street construction 0059 Nonresidential building 0034 Residential building 3889 Other heavy construction (pipe laying, bridge construction, etc.)</p>	<p><b>Services: Personal, Professional, &amp; Business Services</b> <b>Amusement &amp; Recreational Services</b> 9670 Bowling centers 9688 Motion picture &amp; tape distribution &amp; allied services 9597 Motion picture &amp; video production 9639 Motion picture theaters 8557 Physical fitness facilities 9696 Professional sports &amp; racing, including promoters &amp; managers 9811 Theatrical performers, musicians, agents, producers, &amp; related services 9613 Video tape rental 9837 Other amusement &amp; recreational services</p>	<p><b>Medical &amp; Health Services</b> 9274 Chiropractors 9233 Dentist's office or clinic 9217 Doctor's (M.D.) office or clinic 9456 Medical &amp; dental laboratories 9472 Nursing &amp; personal care facilities 9290 Optometrists 9258 Osteopathic physicians &amp; surgeons 9241 Podiatrists 9415 Registered &amp; practical nurses 9431 Offices &amp; clinics of other health practitioners (dietitians, midwives, speech pathologists, etc.) 9886 Other health services <b>Miscellaneous Repair, Except Computers</b> 9019 Audio equipment &amp; TV repair 9035 Electrical &amp; electronic equipment repair, except audio &amp; TV 9050 Furniture repair &amp; reupholstery 2881 Other equipment repair</p>	<p><b>Miscellaneous Retail Stores</b> 4812 Boat dealers 5017 Book stores, excluding newsstands 4853 Camera &amp; photo supply stores 3277 Drug stores 5058 Fabric &amp; needlework stores 4655 Florists 5090 Fuel dealers (except gasoline) 4630 Gift, novelty, &amp; souvenir shops 4838 Hobby, toy, &amp; game shops 4671 Jewelry stores 4895 Luggage &amp; leather goods stores 5074 Mobile home dealers 4879 Optical goods stores 4697 Sporting goods &amp; bicycle shops 5033 Stationery stores 4614 Used merchandise &amp; antique stores (except motor vehicle parts) 5884 Other retail stores</p>
<p><b>Finance, Insurance, &amp; Related Services</b> 6064 Brokers &amp; dealers of securities 6080 Commodity contracts brokers &amp; dealers; security &amp; commodity exchanges 6148 Credit institutions &amp; mortgage bankers 5702 Insurance agents or brokers 5744 Insurance services (appraisal, consulting, inspection, etc.) 6130 Investment advisors &amp; services 5777 Other financial services</p>	<p><b>Automotive Services</b> 8813 Automotive rental or leasing, without driver 8953 Automotive repairs, general &amp; specialized 8839 Parking, except valet 8896 Other automotive services (wash, towing, etc.) <b>Business &amp; Personal Services</b> 7658 Accounting &amp; bookkeeping 7716 Advertising, except direct mail 7682 Architectural services 8318 Barber shop (or barber) 8110 Beauty shop (or beautician) 8714 Child day care 7872 Computer programming, processing, data preparation &amp; related services 7922 Computer repair, maintenance, &amp; leasing 7286 Consulting services 7799 Consumer credit reporting &amp; collection services 8755 Counseling (except health practitioners) 7732 Employment agencies &amp; personnel supply 7518 Engineering services 7773 Equipment rental &amp; leasing (except computer or automotive) 8532 Funeral services &amp; crematories 7633 Income tax preparation 7914 Investigative &amp; protective services 7617 Legal services (or lawyer) 7856 Mailing, reproduction, commercial art, photography, &amp; stenographic services 7245 Management services 8771 Ministers &amp; chaplains 8334 Photographic studios 7260 Public relations 8733 Research services 7708 Surveying services 8730 Teaching or tutoring 7880 Other business services 6882 Other personal services</p>	<p><b>Trade, Retail—Selling Goods to Individuals &amp; Households</b> 3038 Catalog or mail order 3012 Selling door to door, by telephone or party plan, or from mobile unit 3053 Vending machine selling <b>Selling From Showroom, Store, or Other Fixed Location</b> <b>Apparel &amp; Accessories</b> 3921 Accessory &amp; specialty stores &amp; furriers for women 3939 Clothing, family 3772 Clothing, men's &amp; boys' 3913 Clothing, women's 3756 Shoe stores 3954 Other apparel &amp; accessory stores <b>Automotive &amp; Service Stations</b> 3558 Gasoline service stations 3319 New car dealers (franchised) 3533 Tires, accessories, &amp; parts 3335 Used car dealers 3517 Other automotive dealers (motorcycles, recreational vehicles, etc.) <b>Building, Hardware, &amp; Garden Supply</b> 4416 Building materials dealers 4457 Hardware stores 4473 Nurseries &amp; garden supply stores 4432 Paint, glass, &amp; wallpaper stores <b>Food &amp; Beverages</b> 0612 Bakeries selling at retail 3086 Catering services 3095 Drinking places (bars, taverns, pubs, saloons, etc.)</p>	<p><b>Trade, Wholesale—Selling Goods to Other Businesses, etc.</b> <b>Durable Goods, Including Machinery Equipment, Wood, Metals, etc.</b> 2634 Agent or broker for other firms—more than 50% of gross sales on commission 2618 Selling for your own account <b>Nondurable Goods, Including Food, Fiber, Chemicals, etc.</b> 2675 Agent or broker for other firms—more than 50% of gross sales on commission 2659 Selling for your own account</p>
<p><b>Manufacturing, Including Printing &amp; Publishing</b> 0679 Apparel &amp; other textile products 1115 Electric &amp; electronic equipment 1073 Fabricated metal products 0638 Food products &amp; beverages 0810 Furniture &amp; fixtures 0695 Leather footwear, handbags, etc. 0836 Lumber &amp; other wood products 1099 Machinery &amp; machine shops 0877 Paper &amp; allied products 1057 Primary metal industries 0851 Printing &amp; publishing 1032 Stone, clay, &amp; glass products 0653 Textile mill products 1883 Other manufacturing industries</p>	<p>7245 Management services 8771 Ministers &amp; chaplains 8334 Photographic studios 7260 Public relations 8733 Research services 7708 Surveying services 8730 Teaching or tutoring 7880 Other business services 6882 Other personal services</p>	<p><b>Transportation, Communications, Public Utilities, &amp; Related Services</b> 6619 Air transportation 6312 Bus &amp; limousine transportation 6676 Communication services 6395 Courier or package delivery 6361 Highway passenger transportation (except chartered service) 6536 Public warehousing 6114 Taxicabs 6510 Trash collection without own dump 6635 Travel agents &amp; tour operators 6338 Trucking (except trash collection) 6692 Utilities (dumps, snow plowing, road cleaning, etc.) 6551 Water transportation 6650 Other transportation services 8888 <b>Unable to classify</b></p>	<p><b>Transportation, Communications, Public Utilities, &amp; Related Services</b> 6619 Air transportation 6312 Bus &amp; limousine transportation 6676 Communication services 6395 Courier or package delivery 6361 Highway passenger transportation (except chartered service) 6536 Public warehousing 6114 Taxicabs 6510 Trash collection without own dump 6635 Travel agents &amp; tour operators 6338 Trucking (except trash collection) 6692 Utilities (dumps, snow plowing, road cleaning, etc.) 6551 Water transportation 6650 Other transportation services 8888 <b>Unable to classify</b></p>
<p><b>Mining &amp; Mineral Extraction</b> 1537 Coal mining 1511 Metal mining 1552 Oil &amp; gas 1719 Quarrying &amp; nonmetallic mining</p>			

# Instructions for Schedule D, Capital Gains and Losses

**Additional Information.** Get **Pub. 544**, *Sales and Other Dispositions of Assets*, and **Pub. 550**, *Investment Income and Expenses*, for more details.

## General Instructions

### Changes To Note

- Schedule D has been simplified for 1993. We hope you will find it easier to use. We no longer ask for information on the election not to use the installment method and have also discontinued the requirement to reconcile on Schedule D bartering income reported on Forms 1099-B. In addition, the computation of tax using the maximum capital gains rate and carryovers of short-term and long-term capital losses are no longer figured on page 2 of Schedule D. Instead, we have added worksheets on page D-4 that you can use to make these computations. As a result of these changes, we were able to use page 2 of Schedule D as a continuation sheet for transactions reported on lines 1 and 9. The continuation sheet used in previous years, Schedule D-1 (Form 1040), is now obsolete.
- If you sold publicly traded securities at a gain after August 9, 1993, you may be able to postpone all or part of the gain if you bought stock or a partnership interest in a specialized small business investment company during the 60-day period that began on the day you sold the securities. For more details, see page D-2.

### Purpose of Schedule

Use Schedule D to report:

- The sale or exchange of a capital asset.
- Gains from involuntary conversions (other than from casualty or theft) of capital assets not held for business or profit.
- Capital gain distributions not reported on Form 1040, line 14.
- Nonbusiness bad debts.

### Other Forms You May Have To File

Use **Form 4797**, *Sales of Business Property*, to report the following:

- The sale or exchange of property used in a trade or business; depreciable and amortizable property; oil, gas, geothermal, or other mineral property; and section 126 property.
- The involuntary conversion (other than from casualty or theft) of property used in a trade or business and capital assets held for business or profit.
- The disposition of noncapital assets other than inventory or property held primarily for sale to customers in the ordinary course of your trade or business.

Use **Form 4684**, *Casualties and Thefts*, to report involuntary conversions of property due to casualty or theft.

Use **Form 8824**, *Like-Kind Exchanges*, if you made one or more like-kind exchanges. See **Exchange of Like-Kind Property** on page D-2.

### Capital Asset

Most property you own and use for personal purposes, pleasure, or investment is a capital asset. For example, your house, furniture, car, stocks, and bonds are capital assets.

A capital asset is any property held by you **except** the following:

1. Stock in trade or other property included in inventory or held for sale to customers.
2. Accounts or notes receivable for services performed in the ordinary course of your trade or business or as an employee, or from the sale of any property described in 1.
3. Depreciable property used in your trade or business even if it is fully depreciated.
4. Real property (real estate) used in your trade or business.
5. Copyrights, literary, musical, or artistic compositions, letters or memoranda, or similar property: (a) created by your personal efforts; (b) prepared or produced for you (in the case of letters, memoranda, or similar property); or (c) that you received from someone who created them or for whom they were created, as mentioned in (a) or (b), in a way (such as by gift) that entitled you to the basis of the previous owner.
6. U.S. Government publications, including the Congressional Record, that you received from the government, other than by purchase at the normal sales price, or that you got from someone who had received it in a similar way, if your basis is determined by reference to the previous owner's basis.

### Short-Term or Long-Term

Separate your capital gains and losses according to how long you held or owned the property. The holding period for long-term capital gains and losses is more than 1 year. The holding period for short-term capital gains and losses is 1 year or less.

To figure the holding period, begin counting on the day after you received the property and include the day you disposed of it. Use the trade dates for date acquired and date sold for stocks and bonds traded on an exchange or over-the-counter market.

If you disposed of property that you acquired by inheritance, report the disposition as a long-term gain or loss, regardless of how long you held the property.

A nonbusiness bad debt must be treated as a short-term capital loss. See Pub. 550

under **Nonbusiness Bad Debts** for what qualifies as a nonbusiness bad debt and how to enter it on Schedule D.

### Limit on Capital Losses

For 1993, you may deduct capital losses up to the amount of your capital gains plus \$3,000 (\$1,500 if married filing separately). Capital losses that exceed this amount are carried forward to later years.

### Losses That Are Not Deductible

Do not deduct a loss from the direct or indirect sale or exchange of property between any of the following.

- Members of a family.
- A corporation and an individual owning more than 50% of the corporation's stock (unless the loss is from a distribution in complete liquidation of a corporation).
- A grantor and a fiduciary of a trust.
- A fiduciary and a beneficiary of the same trust.
- A fiduciary and a beneficiary of another trust created by the same grantor.
- An individual and a tax-exempt organization controlled by the individual or the individual's family.

See Pub. 544 for more details on sales and exchanges between related parties.

If you dispose of (a) an asset used in an activity to which the at-risk rules apply, or (b) any part of your interest in an activity to which the at-risk rules apply, and you have amounts in the activity for which you are not at risk, get the instructions for **Form 6198**, *At-Risk Limitations*. If the loss is allowable under the at-risk rules, it may then be subject to the passive activity rules. Get **Form 8582**, *Passive Activity Loss Limitations*, and its instructions to see how to report capital gains and losses from a passive activity.

### Items for Special Treatment and Special Cases

The following items may require special treatment:

- Transactions by a securities dealer.
- Wash sales of stock or securities (including contracts or options to acquire or sell stock or securities). See Pub. 550 for details.
- Bonds and other debt instruments. See Pub. 550 for details.
- Certain real estate subdivided for sale which may be considered a capital asset.
- Gain on the sale of depreciable property to a more than 50% owned entity, or to a trust of which you are a beneficiary.

- Gain on the disposition of stock in an Interest Charge Domestic International Sales Corporation.
- Gain on the sale or exchange of stock in certain foreign corporations.
- Transfer of property to a foreign corporation as paid-in surplus or as a contribution to capital, or to a foreign trust or partnership.
- Transfer of property to a partnership that would be treated as an investment company if it were incorporated.
- Sales of stock received under a qualified public utility dividend reinvestment plan. See Pub. 550 for details.
- Transfer of appreciated property to a political organization.
- Loss on the sale, exchange, or worthlessness of small business (section 1244) stock.
- In general, no gain or loss is recognized on the transfer of property from an individual to a spouse or a former spouse if the transfer is incident to a divorce. Get **Pub. 504**, Divorced or Separated Individuals.
- Amounts received on the retirement of a debt instrument generally are treated as received in exchange for the debt instrument.
- Any loss on the disposition of converted wetland or highly erodible cropland that is first used for farming after March 1, 1986, is reported as long-term capital loss on Schedule D, but any gain is reported as ordinary income on Form 4797.
- Gifts of property and inherited property. See Pub. 544.
- Amounts received by shareholders in corporate liquidations.
- Cash received in lieu of fractional shares of stock as a result of a stock split or stock dividend. See Pub. 550.
- Mutual fund load charges may not be taken into account in determining gain or loss on certain dispositions of stock in mutual funds if reinvestment rights were exercised. For details, get **Pub. 564**, Mutual Fund Distributions.
- Deferral of gain on conflict-of-interest dispositions by certain members of the Executive Branch of the Federal Government under section 1043. See Form 8824.

## Short Sales

A short sale is a contract to sell property you borrowed for delivery to a buyer. At a later date, you either buy substantially identical property and deliver it to the lender or deliver property that you held but did not want to transfer at the time of the sale. Usually, your holding period is the amount of time you actually held the property eventually delivered to the lender to close the short sale. However, if you held substantially identical property for 1 year or less on the date of the short sale, or if you acquire property substantially identical to the property sold short after the short sale but on or before the date you close the short sale, your gain when closing the short sale is a short-term capital gain. If you held substantially identical property for more than 1 year on the date of a short sale, any loss realized on the short sale is a long-term capital loss, even if the property used to close the short sale was held 1 year or less.

## Gain or Loss From Options

Report on Schedule D gain or loss from the closing or expiration of an option that is not a section 1256 contract, but that is a capital asset in your hands.

If a purchased option expired, enter the expiration date in column (c), and write “**EXPIRED**” in column (d).

If an option that was granted (written) expired, enter the expiration date in column (b), and write “**EXPIRED**” in column (e).

Fill in the other columns as appropriate. See Pub. 550 for more details.

## Exchange of Like-Kind Property

A “like-kind exchange” occurs when you exchange business or investment property for property of a like kind. Complete and attach Form 8824 to your return for each exchange.

For exchanges of capital assets, include the gain or loss from Form 8824, if any, on line 4 or line 12 in column (f) or (g).

## Sale or Exchange of Capital Assets Held for Personal Use

Gain from the sale or exchange of this property is a capital gain. Report it on Schedule D, Part I or Part II. Loss from the sale or exchange of this property is not deductible. But if you had a loss from the sale or exchange of real estate held for personal use (other than your main home), you must report the transaction on Schedule D even though the loss is not deductible.

For example, you have a loss on the sale of a vacation home that is not your main home. Report it on line 1 or 9, depending on how long you owned the home. Complete columns (a) through (e). Because the loss is not deductible, write “Personal Loss” across columns (f) and (g).

## Rollover of Gain From the Sale of Publicly Traded Securities Into Specialized Small Business Investment Companies

If you sold publicly traded securities after August 9, 1993, you may be able to postpone all or part of the gain on that sale if you bought common stock or a partnership interest in a specialized small business investment company (SSBIC) during the 60-day period that began on the day of the sale. An SSBIC is any partnership or corporation licensed by the Small Business Administration under section 301(d) of the Small Business Investment Act of 1958. You must recognize gain on the sale to the extent the proceeds from the sale exceed the cost of your SSBIC stock or partnership interest purchased during the 60-day period that began on the date of the sale (and not previously taken into account). The gain you postpone is limited to \$50,000 a year and \$500,000 during your lifetime. (Reduce these dollar amounts by one-half if you are married filing separately.) The basis of your SSBIC stock or partnership interest is reduced by any postponed gain.

If you choose to postpone gain, report the entire gain realized on the sale on line 1 or 9. Directly below the line on which you reported the gain, enter in column (a) “SSBIC Rollover” and in column (f) the amount of the postponed gain. Also attach a schedule showing (a) how you figured the postponed gain, (b) the name of the SSBIC in which you purchased common stock or a partnership interest, (c) the date of that purchase, and (d) your new basis in that SSBIC stock or partnership interest.

## Disposition of Partnership Interest

A sale or other disposition of an interest in a partnership may result in ordinary income. Get **Pub. 541**, Tax Information on Partnerships.

## Long-Term Capital Gains From Regulated Investment Companies

Include on line 12 the amount on **Form 2439**, Notice to Shareholder of Undistributed Long-Term Capital Gains, that represents your share of the undistributed capital gains of a regulated investment company. Enter on Form 1040, line 59, the tax paid by the company shown on Form 2439. Add to the basis of your stock the excess of the amount included in income over the amount of the credit. See Pub. 550 for more details.

## Capital Gain Distributions

Enter on line 14 capital gain distributions paid to you during the year as a long-term capital gain, regardless of how long you held your investment. See Pub. 550 for more details.

## Sale of Your Home

Use **Form 2119**, Sale of Your Home, to report the sale of your main home whether or not you bought another one. You must file Form 2119 for the year in which you sell your main home, even if you have a loss or you postpone or defer all or part of your gain.

## Installment Sales

If you sold property (other than publicly traded stocks or securities) at a gain and you will receive a payment in a tax year after the year of sale, you must report the sale on the installment method unless you elect not to do so.

Use **Form 6252**, Installment Sale Income, to report the sale on the installment method. Also use Form 6252 to report any payment received in 1993 from a sale made in an earlier year that you reported on the installment method.

To elect out of the installment method, report the full amount of the gain on Schedule D on a timely filed return (including extensions).

## Section 1256 Contracts and Straddles

Use **Form 6781**, Gains and Losses From Section 1256 Contracts and Straddles, to report these transactions. Include the amounts from Form 6781 on lines 4 and 12.



## Form 1099-A, Acquisition or Abandonment of Secured Property

If you received a Form 1099-A from your lender, you may have gain or loss to report because of the acquisition or abandonment. See Pub. 544 for details.

## Specific Instructions

### Parts I and II

#### Column (b)

##### Date Acquired

Enter in this column the date the asset was acquired. Use the trade date for stocks and bonds traded on an exchange or over-the-counter market. For stock or other property sold short, enter the date the stock or property was delivered to the broker or lender to close the short sale.

If you disposed of property that you acquired by inheritance, report it on line 9 and write **"INHERITED"** in column (b) instead of the date you acquired the property.

If you sold a block of stock (or similar property) that was acquired through several different purchases, you may report the sale on one line and write **"VARIOUS"** in column (b). However, you still must report the short-term gain or loss on the sale in Part I and the long-term gain or loss on the sale in Part II.

#### Column (c)

##### Date Sold

Enter in this column the date the asset was sold. Use the trade date for stocks and bonds traded on an exchange or over-the-counter market. For stock or other property sold short, enter the date you sold the stock or property you borrowed to open the short sale transaction.

#### Column (d)

##### Sales Price

Enter in this column either the gross sales price or the net sales price from the sale. If you sold stocks or bonds and you received a Form 1099-B or similar statement from your broker that shows gross sales price, enter that amount in column (d). But if Form 1099-B (or your broker) indicates that gross proceeds minus commissions and option premiums were reported to the IRS, enter that net amount in column (d). If the net amount is entered in column (d), do not include the commissions and option premiums in column (e).

You should not have received a Form 1099-B (or substitute statement) for a transaction merely representing the return of your original investment in a nontransferable obligation, such as a savings bond or a certificate of deposit. But if you did, report the amount shown on Form 1099-B (or substitute statement) in both columns (d) and (e).

**Caution:** Be sure to add all sales price entries on lines 1 and 9, column (d), to amounts on

lines 2 and 10, column (d). Enter the totals on lines 3 and 11.

#### Column (e)

##### Cost or Other Basis

In general, the cost or other basis is the cost of the property plus purchase commissions and improvements, minus depreciation, amortization, and depletion. If you inherited the property, got it as a gift, or received it in a tax-free exchange, involuntary conversion, or "wash sale" of stock, you may not be able to use the actual cost as the basis. If you do not use the actual cost, attach an explanation of your basis.

You should not have received a Form 1099-B (or substitute statement) for a transaction merely representing the return of your original investment in a nontransferable obligation, such as a savings bond or a certificate of deposit. But if you did, report the amount shown on Form 1099-B (or substitute statement) in both columns (d) and (e).

When selling stock, adjust your basis by subtracting all the nontaxable distributions you received before the sale. Also adjust your basis for any stock splits. See Pub. 550 for details on how to figure your basis in stock that split while you owned it.

The basis of property acquired by gift is generally the basis of the property in the hands of the donor. The basis of property acquired from a decedent is generally the fair market value at the date of death.

Increase the cost or other basis of an original issue discount (OID) debt instrument by the amount of OID that has been included in gross income for that instrument.

If a charitable contribution deduction is allowed because of a bargain sale of property to a charitable organization, the adjusted basis for purposes of determining gain from the sale is the amount which has the same ratio to the adjusted basis as the amount realized has to the fair market value.

Increase your cost or other basis by any expense of sale, such as broker's fees, commissions, state and local transfer taxes, and option premiums before making an entry in column (e), unless you reported the net sales price in column (d).

For more details, get **Pub. 551**, Basis of Assets.

#### Lines 1 and 9

Enter all sales and exchanges of capital assets, including stocks, bonds, etc., and real estate (if not reported on Form 2119, 4684, 4797, 6252, 6781, or 8824). Include these transactions even if you did not receive a Form 1099-B or 1099-S (or substitute statement) for the transaction. You can use abbreviations to describe the property as long as the abbreviations are based on the descriptions of the property as shown on Form 1099-B or 1099-S (or substitute statement).

Use lines 20 and 22 on page 2 of Schedule D if you need more space to list transactions for lines 1 and 9. You may use as many copies of page 2 of Schedule D as you need. Enter on Schedule D, lines 2 and 10, columns (d), (f), and (g) the combined totals of all your copies of page 2 of Schedule D.

**Caution:** Add the following amounts reported to you for 1993 on Forms 1099-B and 1099-S (or on substitute statements):

1. Proceeds from transactions involving stocks, bonds, and other securities, and
2. Gross proceeds from real estate transactions not reported on another form or schedule.

If this total is **more** than the total of lines 3 and 11, attach a statement explaining the difference.

## Part III

### Line 18

The maximum tax rate on net capital gain (the smaller of line 17 or 18 of Schedule D) that you did not elect to treat as investment income on Form 4952, line 4e, is 28%. If both lines 17 and 18 are gains, and Form 1040, line 37, is over \$89,150 (\$53,500 if single; \$76,400 if head of household; \$44,575 if married filing separately), use the **Schedule D Tax Worksheet** on this page to figure your tax; otherwise, use the Tax Table or Tax Rate Schedules, whichever applies.

### Line 19

If line 18 is a (loss), enter on line 19 and as a (loss) on Form 1040, line 13, the **smaller** of these losses: **(a)** the (loss) on line 18; **or (b)** (\$3,000) or, if your filing status is married filing separately, (\$1,500). For example, if the (loss) on line 18 is (\$1,000), you would enter (\$1,000) on Form 1040, line 13, because that is the smaller loss.

If the loss on line 19 is a smaller loss than the loss on line 18, **or** Form 1040, line 35, is a loss, use the **Capital Loss Carryover Worksheet** on this page to figure your short-term and long-term capital loss carryovers to 1994. You will need these amounts to complete your 1994 Schedule D, so be sure to keep the worksheet for your records.

### Schedule D Tax Worksheet (keep for your records)

Use this worksheet to figure your tax **only** if both lines 17 and 18 of Schedule D are gains, **and**:

Your filing status is:	AND	Form 1040, line 37, is over:	Your filing status is:	AND	Form 1040, line 37, is over:
Single . . . . .		\$53,500	Married filing separately . . . . .		\$44,575
Married filing jointly or qualifying widow(er) . . . . .		\$89,150	Head of household . . . . .		\$76,400

1. Enter the amount from Form 1040, line 37 . . . . . **1.** \_\_\_\_\_
2. **Net capital gain.** Enter the **smaller** of Schedule D, line 17 or line 18 . . . . . **2.** \_\_\_\_\_
3. If you are filing Form 4952, enter the amount from Form 4952, line 4e . . . . . **3.** \_\_\_\_\_
4. Subtract line 3 from line 2. If zero or less, stop here; you cannot use this worksheet to figure your tax. Instead, use the Tax Table or Tax Rate Schedules, whichever applies . . . . . **4.** \_\_\_\_\_
5. Subtract line 4 from line 1 . . . . . **5.** \_\_\_\_\_
6. Enter: \$22,100 if single; \$36,900 if married filing jointly or qualifying widow(er); \$18,450 if married filing separately; or \$29,600 if head of household . . . . . **6.** \_\_\_\_\_
7. Enter the **greater** of line 5 or line 6 . . . . . **7.** \_\_\_\_\_
8. Subtract line 7 from line 1 . . . . . **8.** \_\_\_\_\_
9. Figure the tax on the amount on line 7. Use the Tax Table or Tax Rate Schedules, whichever applies . . . . . **9.** \_\_\_\_\_
10. Multiply line 8 by 28% (.28) . . . . . **10.** \_\_\_\_\_
11. Add lines 9 and 10 . . . . . **11.** \_\_\_\_\_
12. Figure the tax on the amount on line 1. Use the Tax Table or Tax Rate Schedules, whichever applies . . . . . **12.** \_\_\_\_\_
13. **Tax.** Enter the **smaller** of line 11 or line 12 here and on Form 1040, line 38. Check the box for Schedule D Tax Worksheet. **13.** \_\_\_\_\_

### Capital Loss Carryover Worksheet (keep for your records)

Use this worksheet to figure your capital loss carryovers from 1993 to 1994 if Schedule D, line 19, is a loss and **(a)** that loss is a smaller loss than the loss on Schedule D, line 18, **or (b)** Form 1040, line 35, is a loss.

1. Enter the amount from Form 1040, line 35. If a loss, enclose the amount in parentheses . . . . . **1.** \_\_\_\_\_
2. Enter the loss from Schedule D, line 19, as a positive amount . . . . . **2.** \_\_\_\_\_
3. Combine lines 1 and 2. If zero or less, enter -0- . . . . . **3.** \_\_\_\_\_
4. Enter the **smaller** of line 2 or line 3 . . . . . **4.** \_\_\_\_\_
- Note:** If line 8 of Schedule D is a loss, go to line 5; otherwise, skip lines 5 through 9.
5. Enter the loss from Schedule D, line 8, as a positive amount . . . . . **5.** \_\_\_\_\_
6. Enter the gain, if any, from Schedule D, line 17 . . . . . **6.** \_\_\_\_\_
7. Enter the amount from line 4 . . . . . **7.** \_\_\_\_\_
8. Add lines 6 and 7 . . . . . **8.** \_\_\_\_\_
9. **Short-term capital loss carryover to 1994.** Subtract line 8 from line 5. If zero or less, enter -0- . . . . . **9.** \_\_\_\_\_
- Note:** If line 17 of Schedule D is a loss, go to line 10; otherwise, skip lines 10 through 14.
10. Enter the loss from Schedule D, line 17, as a positive amount . . . . . **10.** \_\_\_\_\_
11. Enter the gain, if any, from Schedule D, line 8 . . . . . **11.** \_\_\_\_\_
12. Subtract line 5 from line 4. If zero or less, enter -0- . . . . . **12.** \_\_\_\_\_
13. Add lines 11 and 12 . . . . . **13.** \_\_\_\_\_
14. **Long-term capital loss carryover to 1994.** Subtract line 13 from line 10. If zero or less, enter -0- . . . . . **14.** \_\_\_\_\_

# Instructions for Schedule E, Supplemental Income and Loss

Use Schedule E to report income or loss from rental real estate, royalties, partnerships, S corporations, estates, trusts, and residual interests in REMICs.

If you attach your own schedule(s) to report income or loss from any of these sources, use the same format as on Schedule E. Enter separately on Schedule E the total income and the total loss for each part. Enclose loss figures in (parentheses).

## Part I. Income or Loss From Rental Real Estate and Royalties

Use Part I to report income and expenses from rentals of real estate (including personal property leased with real estate). Also, use Part I to report royalty income and expenses. See the instructions for lines 3 and 4 to determine when rental real estate and royalty income should be reported on **Schedule C** or **C-EZ**, or **Form 4835**, Farm Rental Income and Expenses, instead.

**Do not** use Schedule E to report income and expenses from the rental of personal property, such as equipment or vehicles. Instead, use Schedule C or C-EZ if you are in the business of renting personal property. Your rental of personal property is a business if the primary purpose for renting the property is income or profit and you are involved in the rental activity with continuity and regularity. If your rental of personal property is not a business, see the instructions for Form 1040, lines 22 and 30, to find out how to report the income and expenses.

If you own a part interest in a rental real estate property, report only your part of the income and expenses on Schedule E.

If you have more than three rental real estate or royalty properties, complete and attach as many Schedules E as you need to list them. Complete lines 1 and 2 for each property. But fill in the "Totals" column only on one Schedule E. The figures in the "Totals" column on that Schedule E should be the combined totals of all Schedules E.

If you also need to use page 2 of Schedule E, use the same Schedule E on which you entered the combined totals in Part I.

## Filers of Form 1041

Enter your employer identification number in the block for "Your social security number."

## Line 1

For rental real estate property only, show the kind of property you rented out, for example, "brick duplex." Give the street address, city or town, and state. You do not have to give the ZIP code. If you own a part interest in the property, show your percentage of ownership.

## Line 2

If you rented out a dwelling unit and also used it as a home during the year, you may not be able to deduct all the expenses for the rental part. A dwelling unit (unit) means a house, apartment, condominium, mobile home, boat, or like property. Check the "Yes" or "No" box on line 2, whichever applies, to show whether you or your family used the property for personal purposes in 1993.

If the property is not a dwelling unit, check "No."

If the property is a dwelling unit, check "Yes" if you or your family used the unit for personal use more than the greater of:

- 14 days; or
- 10% of the total days it was rented to others at a fair rental price.

**What Is Personal Use?** A day of personal use is any day, or part of a day, that the unit was used by:

- You for personal purposes.
- Any other person for personal purposes, if that person owns part of the unit (unless rented to that person under a "shared equity" financing agreement).
- Anyone in your family or in the family of someone else who owns part of the unit. The day is not treated as personal if the unit is rented at a fair rental price to that person as his or her main home.
- Anyone under an agreement that lets you use some other unit.
- Anyone who pays less than a fair rental price for the unit.

If you checked "No," you can deduct all your expenses for the rental part, subject to the **At-Risk Rules** and the **Passive Activity Loss Rules** explained on pages E-2 and E-3.

If you checked "Yes" and rented the unit out for fewer than 15 days, do not report the rental income and do not deduct any rental expenses. But if you itemize deductions on **Schedule A** (Form 1040), you may deduct allowable interest, taxes, and casualty losses.

If you checked "Yes" and rented the unit out for at least 15 days, you may NOT be able to deduct all your rental expenses. You can deduct your mortgage interest, real estate taxes, and casualty losses for the rental part on Schedule E. You can also deduct your other rental expenses that are not related to your use of the unit as a home, such as advertising expenses and realtors' fees. If any income is left after deducting

these expenses, you can then deduct other expenses. But you cannot deduct more than the income that is left. Carry amounts you cannot deduct to 1994. Get **Pub. 527**, Residential Rental Property (Including Rental of Vacation Homes), for more details.

## Line 3

If you were not in the real estate sales business but you received rent from real estate (including personal property leased with real estate), report it on line 3. Include room and other space rentals. If you received services or property instead of money as rent, report its fair market value. Be sure to enter your total rents in the "Totals" column even if you have only one property.

If you provided significant services to the renter or sold real estate as a business, do not use Schedule E. Instead, report the income on Schedule C or C-EZ.

For more information, call Tele-Tax (see page 30) and listen to topic 414 or see Pub. 527.

**Rental Income From Farm Production or Crop Shares.** Report farm rental income and expenses on Form 4835 if **(a)** you received rental income based on crops or livestock produced by the tenant, **and (b)** you did not manage or operate the farm to any great extent.

If you use Form 4835, enter on line 39 of Schedule E the net farm rental income or loss from Form 4835. Also, include the gross farm rents from Form 4835, line 7, on Schedule E, line 41.

**Note:** For estimated tax purposes, income received from your share of crops and rental based on farm production is considered income from farming.

## Line 4

Report on line 4 **royalties** from oil, gas, or mineral properties (not including operating oil, gas, or mineral interests); copyrights; and patents. Enter your total royalties in the "Totals" column. If you received \$10 or more in royalties during 1993, you should receive a **Form 1099-MISC**, or similar statement, showing them. The payer must send this statement to you by January 31, 1994.

If you are in business as a self-employed writer, inventor, artist, etc., report your income and expenses on Schedule C or C-EZ. You may be able to treat amounts received as "royalties" for transfer of a patent or amounts received on the disposal of coal and iron ore as the sale of a capital asset.

For details, get **Pub. 544**, Sales and Other Dispositions of Assets.

If state or local taxes were withheld from oil or gas payments you received, enter on line 4 the gross amount of royalties. Include the taxes withheld by the producer on line 16.

**Caution:** If you received a credit or refund of overpaid windfall profit tax in 1993, see the instructions for line 40.

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## Lines 5 through 21

Enter your rental and royalty expenses for each property in the appropriate columns. Also, enter your total expenses for mortgage interest (line 12), total expenses before depreciation expense or depletion (line 19), and depreciation expense or depletion (line 20) in the "Totals" column even if you have only one property. You can deduct an amount for the depreciation of rental property and all ordinary and necessary expenses, such as taxes, interest, repairs, insurance, maintenance, management fees, and agents' commissions.

Do not deduct the value of your own labor, capital investments, or capital improvements.

**Renting Out Part of Your Home.** If you rent out only part of your home or other property, deduct the part of your expenses that apply to the rented part.

**Credit for Expenses To Rehabilitate Low-Income Housing.** You may be able to claim a tax credit for costs you paid or incurred to rehabilitate qualified low-income housing. Get **Form 8586**, Low-Income Housing Credit, and **Form 8582-CR**, Passive Activity Credit Limitations. Also, get **Pub. 925**, Passive Activity and At-Risk Rules, to learn how the passive activity loss rules apply to low-income housing.

**Credit or Deduction for Access Expenditures.** You may be able to claim a tax credit of up to \$5,000 for eligible expenditures paid or incurred in 1993 to provide access to your business for individuals with disabilities. Get **Form 8826**, Disabled Access Credit, for more details.

You can also deduct up to \$15,000 of costs paid or incurred in 1993 to remove architectural or transportation barriers to individuals with disabilities and the elderly.

You cannot take both the credit and the deduction for the same expenditures. Get **Pub. 535**, Business Expenses, and **Pub. 907**, Information for Persons with Disabilities, for details.

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## Line 6

You may deduct ordinary and necessary auto and travel expenses related to your rental activities. If you use your auto in connection with your rental activities, you can either deduct your actual expenses or take the standard mileage rate. You **must** use actual expenses if you do not own the auto you use in your rental activities **or** if you use more than one vehicle simultaneously (as in fleet operations).

If you deduct actual auto expenses, include on line 6 the rental activity portion of the cost of gasoline, oil, repairs, insurance, tires, license plates, etc. Show auto rental or

lease payments on line 18 and depreciation on line 20.

If you want to take the standard mileage rate, multiply the number of miles you drove your auto in connection with your rental activities by 28 cents a mile. Add to this amount your parking fees and tolls. Include the total on line 6.

If you claim any auto expenses (actual or the standard mileage rate), you must provide the information requested in Part V of **Form 4562**, Depreciation and Amortization, and attach Form 4562 to your return.

For more details, get Pub. 527; **Pub. 463**, Travel, Entertainment, and Gift Expenses; and **Pub. 917**, Business Use of a Car.

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## Line 10

Include on this line fees for tax advice related to your rental real estate or royalty properties and for preparation of the tax forms related to those properties.

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## Lines 12 and 13

In general, to determine the interest expense allocable to your rental activities, you will have to keep records to show how the proceeds of each debt were used. Specific tracing rules apply for allocating debt proceeds and repayment of the debt. See Pub. 535 for details.

If you have a mortgage on your rental property, enter on line 12 the interest you paid for 1993 to banks or other financial institutions. Be sure to fill in the "Totals" column.

If you paid \$600 or more in interest on this mortgage, the recipient should send you a **Form 1098**, Mortgage Interest Statement, or similar statement, by January 31, 1994, showing the total interest received from you during 1993. If you paid more mortgage interest than is shown on your Form 1098 or similar statement, see Pub. 535 to find out if you can deduct the additional interest. If you can, enter the amount on line 12. Attach a statement to your return explaining the difference. Write "See attached" in the left margin next to line 12.

**Note:** If the recipient was not a financial institution or you did not receive a Form 1098 from the recipient, report your deductible mortgage interest on line 13.

If you and at least one other person (other than your spouse if you file a joint return) were liable for and paid interest on the mortgage, and the other person received Form 1098, report your share of the interest on line 13. Attach a statement to your return showing the name and address of the person who received Form 1098. In the left margin next to line 13, write "See attached."

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## Line 17

The base rate (including taxes) for local telephone service for the first telephone line to any residence is a personal expense and is not deductible.

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## Line 20

Depreciation is the annual deduction allowed to recover the cost or other basis of business

or investment property with a useful life of more than one year. Land is not depreciable.

Depreciation starts when you first use the property in your business or for the production of income. It ends when you take the property out of service, deduct all your depreciable cost or other basis, or no longer use the property in your business or for the production of income.

For property placed in service after 1980, see the Instructions for Form 4562 to figure the amount of depreciation to enter on line 20. For property placed in service before 1981, figure depreciation from your own books and records and enter the total on line 20. Be sure to fill in the "Totals" column.

You must complete and attach Form 4562 **only** if:

- You are claiming depreciation on property placed in service during 1993, or
- You are claiming depreciation on listed property (defined in the Instructions for Form 4562), including a vehicle, regardless of the date it was placed in service, or
- You are claiming a section 179 expense deduction or amortization of costs that began in 1993.

If you acquired depreciable property for the first time in 1993, get **Pub. 946**, How To Begin Depreciating Your Property. For a more comprehensive guide to depreciation, get **Pub. 534**, Depreciation.

If you own mineral property or an oil, gas, or geothermal well, you may be able to take a deduction for depletion. See Pub. 535 for details.

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## Line 22

### At-Risk Rules

Generally, if you have (a) a loss from an activity carried on as a trade or business or for the production of income, and (b) amounts in the activity for which you are not at risk, you will have to complete **Form 6198**, At-Risk Limitations, to figure your allowable loss.

The at-risk rules generally limit the amount of loss (including loss on the disposition of assets) you can claim to the amount you could actually lose in the activity. However, if you acquired your interest in the activity before 1987, the at-risk rules do not apply to losses from an activity of holding real property placed in service before 1987. The activity of holding mineral property does not qualify for this exception.

In most cases, you are not at risk for amounts such as:

- Nonrecourse loans used to finance the activity, to acquire property used in the activity, or to acquire your interest in the activity that are not secured by your own property (other than property used in the activity). There is an exception for certain nonrecourse financing borrowed by you in connection with holding real property. See **Qualified non-recourse financing** below.
- Cash, property, or borrowed amounts used in the activity (or contributed to the activity, or used to acquire your interest in the activity) that are protected against loss by a guarantee, stop-loss agreement, or other similar arrangement (excluding casual-

ty insurance and insurance against tort liability).

- Amounts borrowed for use in the activity from a person who has an interest in the activity, other than as a creditor, or who is related, under Internal Revenue Code section 465(b)(3), to a person (other than you) having such an interest.

**Qualified nonrecourse financing** secured by real property used in an activity of holding real property that is subject to the at-risk rules is treated as an amount at risk. Qualified nonrecourse financing is financing for which no one is personally liable for repayment and is:

- Borrowed by you in connection with holding real property,
- Not convertible from a debt obligation to an ownership interest, **and**
- Loaned or guaranteed by any Federal, state, or local government, or borrowed by you from a qualified person.

A **qualified person** is a person who actively and regularly engages in the business of lending money, such as a bank or savings and loan association. A qualified person is **not**:

- A person related to you (although a person related to you may be a qualified person if the nonrecourse financing is commercially reasonable and on the same terms as loans involving unrelated persons), or
- The seller of the property (or a person related to the seller), or
- A person who receives a fee due to your investment in real property (or a person related to that person).

If you have amounts for which you are not at risk in a rental or royalty activity, get Form 6198 to determine the amount of your deductible loss and enter that amount in the appropriate column of Schedule E, line 22. In the space to the left of line 22, write "Form 6198." Be sure to attach Form 6198 to your return.

## Line 23

Enter on line 23 your deductible rental loss. If your rental loss is from a passive activity (defined below), you may need to complete **Form 8582**, Passive Activity Loss Limitations, to figure the amount of loss, if any, to enter on line 23. But see the following exception.

**Exception for Certain Rental Real Estate Activities.** If you had losses from rental real estate activities, you **do not** have to complete Form 8582 to figure the amount of loss you can deduct on line 23 if you meet **ALL THREE** of the following conditions:

1. Rental real estate activities are your only passive activities.
2. You do not have any prior year unallowed losses from any passive activities.
3. **All** of the following apply if you have an overall net loss from these activities:
  - You actively participated (defined later) in all of the rental real estate activities; **and**
  - If married filing separately, you lived apart from your spouse all year; **and**
  - Your overall net loss from these activities is \$25,000 or less (\$12,500 or less if married filing separately); **and**

- You have no current or prior year unallowed credits from passive activities; **and**

- Your modified adjusted gross income, defined later, is \$100,000 or less (\$50,000 or less if married filing separately).

If you meet **ALL THREE** of the conditions listed above, your rental real estate losses are not limited by the passive activity rules. Enter the loss from line 22 on line 23.

If you **do not** meet **ALL THREE** of the conditions listed above, see the Instructions for Form 8582 to find out if you must complete and attach Form 8582.

**Active Participation.** You can meet the active participation requirement without regular, continuous, and substantial involvement in operations. But you must have participated in making management decisions or arranging for others to provide services (such as repairs), in a significant and bona fide sense.

Management decisions that are relevant in this context include approving new tenants, deciding on rental terms, approving capital or repair expenditures, and other similar decisions.

You are not considered to actively participate if, at any time during the tax year, your interest (including your spouse's interest) in the activity was less than 10% (by value) of all interests in the activity.

**Modified Adjusted Gross Income.** This is your adjusted gross income from Form 1040, line 31, without taking into account any passive activity loss, taxable social security or equivalent railroad retirement benefits, deductible contributions to an IRA or certain other qualified retirement plans under Internal Revenue Code section 219, or the deduction for one-half of self-employment tax. If you file **Form 8815**, Exclusion of Interest From Series EE U.S. Savings Bonds Issued After 1989, include in your modified adjusted gross income the interest excluded on line 14 of that form.

## Passive Activity Loss Rules

The passive activity loss rules may limit the amount of losses you can deduct. They apply to losses in Parts I, II, and III, and on line 39 of Schedule E. Losses from passive activities may be first subject to the at-risk rules. Losses deductible under the at-risk rules are then subject to the passive activity rules.

You can generally deduct losses from passive activities only to the extent of income from passive activities. An exception applies to certain rental real estate activities (as previously explained).

**Passive Activity.** A passive activity is any business activity in which you **do not** materially participate and any rental activity regardless of participation. See the Instructions for Form 8582 to determine whether you materially participated in a business activity. If you are a limited partner, you are generally not treated as having materially participated in the partnership's activity for the year.

The rental of real or personal property is generally a rental activity under the passive activity loss rules, but exceptions apply to this rule. If your rental of property is not treated as a rental activity, you must determine whether it is a trade or business activity, and, if so, whether you materially participated in

the activity for the tax year. See the Instructions for Form 8582 for the material participation tests and the definition of "rental activity." See Pub. 925 for special rules that apply to rentals of (a) substantially nondepreciable property, (b) property incidental to development activities, and (c) property to activities in which you materially participate.

The rental of your home that you also used for personal purposes is not a passive activity. See the instructions for line 2.

A working interest in an oil or gas well that you hold directly or through an entity that does not limit your liability is not a passive activity even if you do not materially participate.

Royalty income not derived in the ordinary course of a trade or business reported on Schedule E is generally not considered income from a passive activity.

For more details on passive activities, see the Instructions for Form 8582 and Pub. 925.

## Parts II and III. Income or Loss From Partnerships, S Corporations, Estates, or Trusts

If you are a member of more than one partnership, a shareholder in more than one S corporation, or a beneficiary of more than one estate or trust, do not report information from more than one entity on the same line.

If you need more space in Parts II and III to list your income or losses, attach a continuation sheet using the same format as shown in Parts II and III. However, be sure to complete the "Totals" columns for lines 28a and 28b, or lines 33a and 33b, as appropriate. If you also completed Part I on more than one Schedule E, use the same Schedule E on which you entered the combined totals in Part I.

**Tax Shelter Registration Number.** If you are claiming or you are reporting any deduction, loss, credit, or other tax benefit, or reporting income from an interest purchased or otherwise acquired in a tax shelter, you must complete and attach **Form 8271**, Investor Reporting of Tax Shelter Registration Number. This reports the name, tax shelter registration number, and identifying number of the tax shelter. There is a \$250 penalty if you fail to report this number on your tax return.

**Tax Preference Items.** If you are a partner, a shareholder in an S corporation, or a beneficiary of an estate or trust, you must take into account your share of tax preference items and adjustments from these entities on **Form 6251**, Alternative Minimum Tax—Individuals, or Schedule H of **Form 1041**, U.S. Fiduciary Income Tax Return, for estates and trusts.

## Partnerships and S Corporations

If you are a member of a partnership or joint venture or a shareholder in an S corporation, use Part II to report your share of the partnership or S corporation income (even if not received) or loss. You should receive a **Schedule K-1** from the partnership or the S

corporation. Do not attach Schedules K-1 to your return. Keep them for your records. You should also receive a copy of the Partner's or Shareholder's Instructions for Schedule K-1. If you did not receive these instructions with your Schedule K-1, you can get a copy at most IRS offices. Your copy of Schedule K-1 and its instructions will tell you where on your return to report your share of the items.

**Special rules apply that limit losses.** Please note the following:

- If you have a current year loss or a prior year unallowed loss from a partnership or an S corporation, see **At-Risk Rules** on page E-2 and **Passive Activity Loss Rules** on page E-3.

Partners and S corporation shareholders should get a separate statement of income, expenses, deductions, and credits for each activity engaged in by the partnership and S corporation. If you are subject to the at-risk rules for any activity, use Form 6198 to figure the amount of any deductible loss. If the activity is nonpassive, enter the deductible loss, if any, from Form 6198 in Part II, column (i), of Schedule E.

- If you have a passive activity loss, you generally need to complete Form 8582 to figure the amount of the allowable loss to enter in Part II, column (g), for that activity. But if you are a **general** partner or an S corporation shareholder reporting your share of a partnership or an S corporation loss from a rental real estate activity, **and** you meet **ALL THREE** of the conditions listed in the instructions for line 23, you do not have to complete Form 8582. Instead, enter your allowable loss in Part II, column (g).

- If you have passive activity income, complete Part II, column (h), for that activity.
- If you have nonpassive income or losses, complete Part II, columns (i) through (k), as appropriate.

If you are treating items on your tax return differently from the way the partnership or S corporation treated them on its return, you may have to file **Form 8082**, Notice of Inconsistent Treatment or Amended Return.

## Partnerships

See the Schedule K-1 instructions before entering on your return other partnership items from a passive activity or income or loss from any publicly traded partnership.

If you have other partnership items, such as depletion, from a nonpassive activity, show each item on a separate line in Part II. You may deduct unreimbursed ordinary and necessary expenses you paid on behalf of the partnership if you were required to pay these expenses under the partnership agreement. Enter deductible unreimbursed partnership expenses from nonpassive activities on a separate line in column (i) of Part II. Enter on Schedule A any unreimbursed partnership expenses deductible as itemized deductions. Report allowable interest expense paid or incurred from debt-financed acquisitions in Part II, or on Schedule A, depending on the type of expenditure to which the interest is allocated. See Pub. 535 for details.

If you claimed a credit for Federal tax on gasoline or other fuels on your 1992 Form 1040 (based on information received from the partnership), enter as income in column (h) or column (k), whichever applies, the amount of the credit claimed in 1992.

Part or all of your share of partnership income or loss from the operation of the business may be considered net earnings from self-employment that must be reported on **Schedule SE** (Form 1040). Enter the amount from Schedule K-1 (Form 1065), line 15a, on Schedule SE, after you reduce this amount by any allowable expenses attributable to that income.

If you have losses or deductions from a prior year that you could not deduct because of the at-risk or basis rules, and the amounts are now deductible, do not combine the prior year amounts with any current year amounts to arrive at a net figure to report on Schedule E. Instead, report the prior year amounts and the current year amounts on separate lines of Schedule E.

## S Corporations

Your share of the net income is NOT subject to self-employment tax. Distributions of prior year accumulated earnings and profits of S corporations are dividends and are reported on Form 1040, line 9. For details, get **Pub. 589**, Tax Information on S Corporations.

Interest expense relating to the acquisition of shares in an S corporation may be fully deductible on Schedule E. For details, see Pub. 535.

As a shareholder in an S corporation, your share of the corporation's aggregate losses and deductions (combined income, losses, and deductions) is limited to the adjusted basis of your corporate stock and any debt the corporation owes you. Any loss or deduction not allowed this year because of the basis limitation may be carried forward and deducted in a later year subject to the basis limitation for that year. If you are claiming a deduction for your share of an aggregate loss, attach to your return a computation of the adjusted basis of your corporate stock and of any debt the corporation owes you. See Pub. 589 for more information.

After applying the basis limitation, the deductible amount of your aggregate losses and deductions may be further reduced by the at-risk rules and the passive activity loss rules explained earlier.

If you have losses or deductions from a prior year that you could not deduct because of the basis or at-risk limitations, and the amounts are now deductible, do not combine the prior year amounts with any current year amounts to arrive at a net figure to report on Schedule E. Instead, report the prior year amounts and the current year amounts on separate lines of Schedule E.

## Estates and Trusts

If you are a beneficiary of an estate or trust, use Part III to report your part of the income (even if not received) or loss. You should receive a **Schedule K-1** (Form 1041) from the fiduciary. Do not attach that schedule to your return. Keep it for your records. Your copy of Schedule K-1 and its instructions will tell you where on your return to report the items from Schedule K-1.

If you have estimated taxes credited to you from a trust (Schedule K-1, line 13a), write "ES payment claimed" and the amount on the dotted line next to line 36. **Do not** include this amount in the total on line 36. Instead, enter the amount on Form 1040, line 55.

A U.S. person who transferred property to a foreign trust may have to include in income the income received by the trust as a result of the transferred property if, during 1993, the trust had a U.S. beneficiary. For more information, get **Form 3520-A**, Annual Return of Foreign Trust With U.S. Beneficiaries.

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## Part IV. Income or Loss From REMICs

If you are the holder of a residual interest in a Real Estate Mortgage Investment Conduit (REMIC), use Part IV to report your total share of the REMIC's taxable income or loss for each quarter included in your tax year. You should receive **Schedule Q** (Form 1066) and instructions from the REMIC for each quarter. Do not attach the schedule(s) to your return. Keep them for your records.

REMIC income or loss reported on Schedule E is not income or loss from a passive activity.

**Note:** If you are the holder of a regular interest in a REMIC, do not use Schedule E to report the income you received. Instead, report it on Form 1040, line 8a.

If you are the holder of a residual interest in more than one REMIC, attach a continuation sheet using the same format as in Part IV. Enter the totals of columns (d) and (e) on line 38 of Schedule E. If you also completed Part I on more than one Schedule E, use the same Schedule E on which you entered the combined totals in Part I.

If you are treating REMIC items on your tax return differently from the way the REMIC reported them on its return, you may have to file Form 8082.

**Column (c).** Report the total of the amounts shown on Schedule(s) Q, line 2c, in Part IV, column (c). This is the smallest amount of taxable income you may report on Form 1040, line 37, for 1993. If the taxable income you would show on Form 1040, line 37, is **smaller** than the total reported in column (c), you **must** enter the amount from column (c) on Form 1040, line 37. Write "Sch. Q" next to line 37 on Form 1040.

**Caution:** Do not include the amount shown in column (c) in the total on line 38 of Schedule E.

**Column (e).** Report the total of the amounts shown on Schedule(s) Q, line 3b, in Part IV, column (e). If you itemize your deductions on Schedule A, include this amount on line 20.

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## Part V. Summary

### Line 40

Include any windfall profit tax credit or refund received in 1993 in the total on line 40 if you deducted the tax withheld on Schedule E in an earlier year and received a tax benefit for it on your tax return. On the dotted line next to this total, write "OWPT" and show the amount.

### Line 41

Enter on line 41 your total share of gross farming and fishing income as shown on

Form 4835, line 7; Schedule K-1 (Form 1065), line 15b; Schedule K-1 (Form 1120S), line 23; and Schedule K-1 (Form 1041), line 13.

You will not be charged a penalty for underpayment of estimated tax if you meet the following tests:

1. Your gross farming or fishing income for 1992 or 1993 is at least two-thirds of your gross income, and
  2. You file your 1993 tax return and pay the tax due by March 1, 1994.
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# Instructions for Schedule EIC, Earned Income Credit

Use Schedule EIC to figure the earned income credit. If you can take the credit, subtract it from the tax you owe. You can get a refund of the credit even if you don't owe any tax.

**Note:** If you qualify, you may be able to get part of the credit added to your pay. For details, get **Form W-5** from your employer or call 1-800-829-3676.

**Additional Information.** Get **Pub. 596, Earned Income Credit**, for more details.

## Changes To Note

• **Basic Credit.** This credit can be as much as \$1,434 for one qualifying child. For two qualifying children, it can be as much as \$1,511. This is the maximum amount of this credit even if you had more than two qualifying children.

• **Health Insurance Credit.** This credit can be as much as \$465. If you paid for health insurance that covered a qualifying child, you may be able to take this credit. If you itemize deductions on Schedule A or you were self-employed, see **Special Rules** below.

• **Extra Credit for Child Born in 1993.** If you have a qualifying child born in 1993, you may also be able to take this credit. It can be as much as \$388. This is the maximum amount of this credit even if you had more than one qualifying child born in 1993 (for example, twins). If you paid someone to care for your child born in 1993 so you could work, see **Special Rules** next.

## Special Rules

**Health Insurance Credit.** If you take the health insurance credit, you must subtract the amount of this credit from any medical and dental expenses you claim on Schedule A.

If you were self-employed, you must subtract the amount of this credit from any amount used to figure the self-employed health insurance deduction on Form 1040, line 26. See Pub. 596 for details on how to figure the self-employed health insurance deduction and the health insurance credit.

**Extra Credit for Child Born in 1993.** If you take this extra credit, you **can't** take the credit for child care expenses or the exclusion of dependent care benefits on **Form 2441** for the same child. To help you decide if it would be better to take the extra credit or the credit or exclusion on Form 2441, see **A Change To Note** in the Instructions for Form 2441.

If you choose to take the credit or exclusion on Form 2441 for your qualifying child born in 1993, you can still take the **basic credit** and, if it applies, the **health insurance credit** for that child.

**Ministers and Members of Religious Orders.** If you are filing **Schedule SE, Self-Employment Tax**, and the amount on line 2 of that schedule includes an amount that was also reported on Form 1040, line 7, follow these special rules. First, write "Clergy" at the top of Schedule EIC. If you received a housing allowance or were provided housing, **do not** include the allowance or rental value of the parsonage as nontax-

able earned income on Schedule EIC, line 2 or line 5, whichever applies. This income should be included on Schedule SE, line 2.

Then, if you are figuring the earned income credit yourself, determine how much of the income reported on Form 1040, line 7, was also reported on Schedule SE, line 2. Next, subtract that income from the amount on Form 1040, line 7. Then, enter only the result on Schedule EIC, line 4. Last, be sure to use the worksheet on page EIC-3 to figure the amount to enter on Schedule EIC, line 6.

## General Information

### Who Can Take the Earned Income Credit

You can take this credit if your adjusted gross income (Form 1040, line 31) is less than \$23,050 and you meet **all five** of the following requirements.

1. You worked and the total of your **taxable and nontaxable earned income** (see page EIC-2) is less than \$23,050. To see if you meet this requirement, you can fill in lines 4 through 7 on page 2 of Schedule EIC.

2. Your filing status is Single, Married filing jointly, Head of household, or Qualifying widow(er).

3. You have at least one qualifying child. If the child was married or is also a qualifying child of another person, special rules apply. For details, see **Married Child and Qualifying Child of More Than One Person** on page EIC-2.

4. You are not a qualifying child of another person.

5. You don't file **Form 2555, Foreign Earned Income**, or **Form 2555-EZ, Foreign Earned Income Exclusion**.

Do you meet **all five** of the above requirements?

• **Yes.** Fill in the lines on Schedule EIC that apply to you.

• **No.** Enter "No" on the dotted line next to line 56 of Form 1040.

**Effect of Credit on Certain Welfare Benefits.** Any refund you receive as the result of claiming the earned income credit will not be used to determine if you are eligible for the following benefit programs, or how much you can receive from them.

• Aid to Families With Dependent Children (AFDC).

• Medicaid and Supplemental Security Income (SSI).

• Food stamps and low-income housing.

## Do You Want the IRS To Figure the Credit for You?

If you do, fill in page 1 of Schedule EIC and attach it to your return. Be sure to enter the amount from Form 1040, line 31, in the space provided below line 1. On Form 1040, enter "EIC" on the dotted line next to line 56. Make sure you fill in line 54 for Federal income tax withheld. Read lines 57 through 59. Fill in the lines that apply to you. Sign and date your return, enter your occupation, and mail it. If you are filing a joint return, your spouse must also sign. If you are due a refund, we will send it to you. If you owe tax, we will send you a bill.

## Qualifying Child

A child must meet one condition from each of the three boxes on page 1 of Schedule EIC to be a qualifying child. A child doesn't have to be your dependent in most cases. But if the child was married, special rules apply. See **Married Child** on page EIC-2.

**Example.** You are divorced and have a 7-year-old son. Although you had custody of your son, he is claimed as a dependent on his other parent's 1993 tax return. Your son is your qualifying child because he meets one condition from each box on page 1 of Schedule EIC. Your son is not a qualifying child of his other parent because he did not live with the other parent for more than half of 1993.

The following explains some of the terms used on page 1 of Schedule EIC.

• A **foster child** is any child you cared for as your own child. For example, if you cared for your niece as your own child, she is considered your foster child.

• A child placed with you by an authorized placement agency for legal adoption is an **adopted child** even if the adoption isn't final.

• A **grandchild** is any descendant of your son, daughter, or adopted child. For example, a grandchild includes your great-grandchild, great-great-grandchild, etc.

To find out if your child qualifies as a **student**, see the instructions for line 1, column (c), on page EIC-2.

To find out who is considered **permanently and totally disabled**, see the instructions for line 1, column (d), on page EIC-2.



**Exception.** The child, including a foster child, is considered to have lived with you for all of 1993 if **both** of the following apply.

1. The child was born or died in 1993.
2. Your home was the child's home for the entire time he or she was alive.

Temporary absences (such as for school, vacation, or medical care) count as time lived in the home.

**Married Child.** If your child was married at the end of 1993, that child is a qualifying child only if you can claim him or her as your dependent on Form 1040, line 6c. But if this child's other parent claimed him or her as a dependent under the rules on page 14 for **Children of Divorced or Separated Parents**, this child is your qualifying child.

**Qualifying Child of More Than One Person.** If a child meets the conditions to be a qualifying child of more than one person, only the person who had the **highest** adjusted gross income for 1993 may treat that child as a qualifying child. If the other person is your spouse and you are filing a joint return, this rule doesn't apply. If you cannot take the earned income credit because of this rule, enter "No" on the dotted line next to line 56 of Form 1040.

**Example.** You and your 5-year-old daughter moved in with your mother in April 1993. You are not a qualifying child of your mother. Your daughter meets the conditions to be a qualifying child for both you and your mother. Your adjusted gross income for 1993 was \$7,000 and your mother's was \$14,000. Since your mother's adjusted gross income was higher, your daughter is your mother's qualifying child.

## Taxable Earned Income

This is usually the total of the amount reported on Form 1040, line 7, plus your earnings from self-employment. (See the instructions for line 6 on page EIC-3 to figure your earnings from self-employment.) But if you received a taxable scholarship or fellowship grant that wasn't reported on a W-2 form, see the instructions for line 4 on page EIC-3.

## Nontaxable Earned Income

Certain earned income is not taxable, but it must be included on Schedule EIC to see if you can take the earned income credit. It is also used to figure the amount of your credit. It includes anything of value (money, goods, or services) that is not taxable which you received from your employer for your work. Some examples of nontaxable earned income are—

- Basic quarters and subsistence allowances and the value of in-kind quarters and subsistence received from the U.S. military. This amount may be shown on your last Leave and Earnings Statement for 1993. If it isn't or you need additional help, contact your legal assistance office or unit tax advisor.
- Combat zone excluded pay. If you served in Operation Desert Storm, contact your legal assistance office or unit tax advisor to find out the amount of combat zone excluded pay you received in 1993.

- Housing allowance or rental value of a parsonage for clergy members. But if you are filing Schedule SE, see **Ministers and Members of Religious Orders** on page EIC-1.

- Meals and lodging provided for the convenience of your employer.

- Voluntary salary deferrals. If you chose to have your employer contribute part of your pay to certain retirement plans (such as a 401(k) plan or the Federal Thrift Savings Plan) instead of having it paid to you, the "Deferred compensation" box in box 15 of your W-2 form should be checked. The amount deferred should be shown in box 13 of your W-2 form.

- Excludable dependent care benefits from Form 2441, line 19.

- Voluntary salary reductions, such as under a cafeteria plan, unless they are included in box 1 of your W-2 form(s). For details, see Pub. 596.

## Information About Your Qualifying Child or Children

If you had a qualifying child, fill in columns (a) through (g) on line 1. If you don't give all the information asked for, it may take us longer to process your return and issue your refund. If you had **more than two qualifying children**, you need to list only two to get the maximum credit.

### Line 1, Column (a)

Enter each qualifying child's name. If you had more than two qualifying children, list only the two youngest children.

If you had a qualifying child born in 1993, list that child even if you chose to claim the credit or exclusion for child care expenses for this child on Form 2441.

### Line 1, Column (c)

If your child was born **before 1975** but was under age 24 at the end of 1993 and a student, put a checkmark in column (c).

Your child was a **student** if he or she—

- Was enrolled as a full-time student at a school during any 5 months of 1993, or
- Took a full-time, on-farm training course during any 5 months of 1993. The course had to be given by a school or a state, county, or local government agency.

A **school** includes technical, trade, and mechanical schools. It does not include on-the-job training courses or correspondence schools.

### Line 1, Column (d)

If your child was born **before 1975** and was permanently and totally disabled during any part of 1993, put a checkmark in column (d).

A person is **permanently and totally disabled** if **both** of the following apply.

1. He or she cannot engage in any substantial gainful activity because of a physical or mental condition.

2. A doctor determines the condition has lasted or can be expected to last continuously for at least a year or can lead to death.

### Line 1, Column (e)

If your child was born **before 1993**, you must enter his or her social security number in column (e). If your child doesn't have a number, apply for one by filing **Form SS-5** with your local Social Security Administration (SSA) office. It usually takes about 2 weeks to get a number.

If your child won't have a number by the time you are ready to file your return, ask the SSA to give you a receipt. When you file your return, enter "Applied for" in column (e). If the SSA gave you a receipt, attach a copy of it to your return.

### Line 1, Column (g)

Enter the number of months your child lived with you in your home in the United States during 1993. Do not enter more than 12. Count temporary absences such as for school or vacation as time lived in your home. If the child lived with you for more than half of 1993 but less than 7 months, enter "7" in this column.

If the **Exception** at the top of column 1 on this page applies to your child, enter "12" in this column.

## Other Information

Fill in lines 2 and 3 only if you want the IRS to figure the earned income credit for you.

### Line 2

If you received any earned income that is not taxable, enter the total of that income on line 2. List the type and amount of this income on the dotted line next to line 2. If you need more space, attach a statement. See **Nontaxable Earned Income** on this page.

### Line 3

Enter the total amount you paid in 1993 for health insurance that covered at least one of your qualifying children even if the insurance covered you and other members of your family.

**Example 1.** You had health insurance at work that covered you, your spouse, and your qualifying child. You paid part of the cost for the insurance and your employer paid part. Your pay statements for 1993 show that you paid a total of \$500 for the health insurance. You should enter \$500 on line 3.

**Example 2.** You paid \$700 for health insurance in 1993. The insurance covered you and your spouse for the first 6 months and you, your spouse, and your qualifying child for the last 6 months. The total amount you paid for health insurance for the last 6 months of 1993 was \$350. You should enter \$350 on line 3.

**Do not** include on line 3—

- The Medicare tax withheld from your pay or the Medicare tax paid as part of the self-employment tax.

- Amounts paid to doctors, dentists, hospitals, etc.
- Amounts paid for prescription medicines and drugs.
- Amounts contributed under a cafeteria plan unless they are included in box 1 of your W-2 form(s).
- Any amount paid, reimbursed, or subsidized by Federal, state, or local governments or their subsidiary agencies or offices unless you must include that amount in your income.

## Figure Your Total Earned Income Credit

### Line 4

If the total on Form 1040, line 7, includes an amount for a taxable scholarship or fellowship grant that wasn't reported on a W-2 form, subtract that amount from the total on line 7. Enter the result on line 4 of Schedule EIC. Also, enter "SCH" and the amount you subtracted on the dotted line next to line 4.

### Line 5

If you received any earned income that was not taxable, enter the total of that income on line 5. List the type and amount of this income on the dotted lines next to line 5. If you need more space, attach a statement. See **Nontaxable Earned Income** on page EIC-2.

### Line 6

If you were self-employed or you reported your income and expenses on Schedule C or C-EZ as a statutory employee, use the worksheet on this page to figure the amount to enter on line 6. If you are filing a joint return and your spouse was also self-employed or reported income and expenses on Schedule C or C-EZ as a statutory employee, add your spouse's amounts to yours to figure the amount to enter on line 6.

**Statutory Employee.** If you were a statutory employee, the "Statutory employee" box in box 15 of your W-2 form should be checked.

### Lines 8-11

The amount of the basic credit depends on whether you listed one qualifying child or two qualifying children on line 1 of Schedule EIC. If you had more than two qualifying children, you need to list only two to get the maximum basic credit.

If you listed a qualifying child who was born in 1993, you can use that child to figure your basic credit even if you are also using that child to take the extra credit for a child born in 1993.

**Self-Employed Filers.** If you used the worksheet in Pub. 596 to figure your self-employed health insurance deduction and your health insurance credit, be sure to enter "HIC" next to line 9.

### Lines 12-16

If you paid for health insurance in 1993 and the insurance covered at least one of your qualifying children, you can also take the health insurance credit.

**Line 15.** Enter the total amount you paid in 1993 for health insurance even if the insurance covered you and other members of your family.

**Example 1.** You had health insurance at work that covered you, your spouse, and your qualifying child. You paid part of the cost for the insurance and your employer paid part. Your pay statements for 1993 show that you paid a total of \$500 for the health insurance. You should enter \$500 on line 15.

**Example 2.** You paid \$700 for health insurance in 1993. The insurance covered you and your spouse for the first 6 months and you, your spouse, and your qualifying child for the last 6 months. The total amount you paid for health insurance for the last 6 months of 1993 was \$350. You should enter \$350 on line 15.

**Do not** include on line 15—

- The Medicare tax withheld from your pay or the Medicare tax paid as part of the self-employment tax.
- Amounts paid to doctors, dentists, hospitals, etc.
- Amounts paid for prescription medicines and drugs.

• Amounts contributed under a cafeteria plan unless they are included in box 1 of your W-2 form(s).

• Any amount paid, reimbursed, or subsidized by Federal, state, or local governments or their subsidiary agencies or offices unless you must include that amount in your income.

### Lines 17-19

You can take this **extra credit** ONLY if:

- You listed on line 1 of Schedule EIC a child born in 1993, AND
- You did not take the credit for child care expenses or the exclusion of dependent care benefits on Form 2441 for the same child.

If you had more than one qualifying child born in 1993 (for example, twins), the amount of this credit does not change.

### Line 20

Add lines 11, 16, and 19. Enter the total on line 20 and on Form 1040, line 56. But if you owe the alternative minimum tax (Form 1040, line 48), first subtract that tax from the amount on line 20 of Schedule EIC. Next, enter the result (if more than zero) on Form 1040, line 56. Then, replace the amount on Schedule EIC, line 20, with the amount entered on Form 1040, line 56.

### Worksheet for Line 6 (keep for your records)

<b>1. If you are filing Schedule SE:</b>	
a. Enter the amount from Schedule SE, Section A, line 3, or Section B, line 3, whichever applies . . . . .	<b>1a.</b> _____
b. Enter the amount, if any, from Schedule SE, Section B, line 4b. . . . .	<b>1b.</b> _____
c. Add lines 1a and 1b . . . . .	<b>1c.</b> _____
d. Enter the amount from Form 1040, line 25 . . . . .	<b>1d.</b> _____
e. Subtract line 1d from line 1c . . . . .	<b>1e.</b> _____
<b>2. If you are NOT filing Schedule SE because your net earnings from self-employment were less than \$400 or you had a net (loss), complete lines 2a through 2c. But do not include on these lines any amount exempt from self-employment tax as the result of the filing and approval of Form 4029 or Form 4361.</b>	
a. Enter any net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), line 15a . . . . .	<b>2a.</b> _____
b. Enter any net profit or (loss) from Schedule C, line 31, Schedule C-EZ, line 3, and Schedule K-1 (Form 1065), line 15a (other than farming) . . . . .	<b>2b.</b> _____
c. Add lines 2a and 2b. Enter the total even if a loss. . . . .	<b>2c.</b> _____
<b>3. If you are filing Schedule C or C-EZ as a statutory employee, enter the amount from line 1 of that Schedule C or C-EZ . . . . .</b>	<b>3.</b> _____
<b>4. Add lines 1e, 2c, and 3. Enter the total here and on Schedule EIC, line 6, even if a loss. If the result is a loss, enter it in parentheses and read the Caution below . . . . .</b>	<b>4.</b> _____

**Caution:** If line 6 of Schedule EIC is a loss, subtract it from the total of lines 4 and 5 and enter the result on line 7. If the result is zero or less, you **can't** take the earned income credit.

# TABLE A—Basic Credit 1993 Earned Income Credit

**Caution:** This is **not** a tax table.

**To find your basic credit:** First, read down the “At least — But less than” columns and find the line that includes the amount you entered on line 7 or line 9 of Schedule EIC. Next, read across to the column that includes the number of qualifying children you listed on Schedule EIC. Then, enter the credit from that column on Schedule EIC, line 8 or line 10, whichever applies.

If the amount on Schedule EIC, line 7 or line 9, is—		And you listed—		If the amount on Schedule EIC, line 7 or line 9, is—		And you listed—		If the amount on Schedule EIC, line 7 or line 9, is—		And you listed—		If the amount on Schedule EIC, line 7 or line 9, is—		And you listed—	
At least	But less than	One child	Two children	At least	But less than	One child	Two children	At least	But less than	One child	Two children	At least	But less than	One child	Two children
\$1	\$50	\$5	\$5	2,800	2,850	523	551	5,600	5,650	1,041	1,097	12,800	12,850	1,351	1,424
50	100	14	15	2,850	2,900	532	561	5,650	5,700	1,050	1,107	12,850	12,900	1,345	1,417
100	150	23	24	2,900	2,950	541	570	5,700	5,750	1,059	1,116	12,900	12,950	1,338	1,410
150	200	32	34	2,950	3,000	550	580	5,750	5,800	1,068	1,126	12,950	13,000	1,331	1,403
200	250	42	44	3,000	3,050	560	590	5,800	5,850	1,078	1,136	13,000	13,050	1,325	1,396
250	300	51	54	3,050	3,100	569	600	5,850	5,900	1,087	1,146	13,050	13,100	1,318	1,389
300	350	60	63	3,100	3,150	578	609	5,900	5,950	1,096	1,155	13,100	13,150	1,312	1,382
350	400	69	73	3,150	3,200	587	619	5,950	6,000	1,105	1,165	13,150	13,200	1,305	1,375
400	450	79	83	3,200	3,250	597	629	6,000	6,050	1,115	1,175	13,200	13,250	1,298	1,368
450	500	88	93	3,250	3,300	606	639	6,050	6,100	1,124	1,185	13,250	13,300	1,292	1,362
500	550	97	102	3,300	3,350	615	648	6,100	6,150	1,133	1,194	13,300	13,350	1,285	1,355
550	600	106	112	3,350	3,400	624	658	6,150	6,200	1,142	1,204	13,350	13,400	1,279	1,348
600	650	116	122	3,400	3,450	634	668	6,200	6,250	1,152	1,214	13,400	13,450	1,272	1,341
650	700	125	132	3,450	3,500	643	678	6,250	6,300	1,161	1,224	13,450	13,500	1,265	1,334
700	750	134	141	3,500	3,550	652	687	6,300	6,350	1,170	1,233	13,500	13,550	1,259	1,327
750	800	143	151	3,550	3,600	661	697	6,350	6,400	1,179	1,243	13,550	13,600	1,252	1,320
800	850	153	161	3,600	3,650	671	707	6,400	6,450	1,189	1,253	13,600	13,650	1,246	1,313
850	900	162	171	3,650	3,700	680	717	6,450	6,500	1,198	1,263	13,650	13,700	1,239	1,306
900	950	171	180	3,700	3,750	689	726	6,500	6,550	1,207	1,272	13,700	13,750	1,232	1,299
950	1,000	180	190	3,750	3,800	698	736	6,550	6,600	1,216	1,282	13,750	13,800	1,226	1,292
1,000	1,050	190	200	3,800	3,850	708	746	6,600	6,650	1,226	1,292	13,800	13,850	1,219	1,285
1,050	1,100	199	210	3,850	3,900	717	756	6,650	6,700	1,235	1,302	13,850	13,900	1,212	1,278
1,100	1,150	208	219	3,900	3,950	726	765	6,700	6,750	1,244	1,311	13,900	13,950	1,206	1,271
1,150	1,200	217	229	3,950	4,000	735	775	6,750	6,800	1,253	1,321	13,950	14,000	1,199	1,264
1,200	1,250	227	239	4,000	4,050	745	785	6,800	6,850	1,263	1,331	14,000	14,050	1,193	1,257
1,250	1,300	236	249	4,050	4,100	754	795	6,850	6,900	1,272	1,341	14,050	14,100	1,186	1,250
1,300	1,350	245	258	4,100	4,150	763	804	6,900	6,950	1,281	1,350	14,100	14,150	1,179	1,243
1,350	1,400	254	268	4,150	4,200	772	814	6,950	7,000	1,290	1,360	14,150	14,200	1,173	1,236
1,400	1,450	264	278	4,200	4,250	782	824	7,000	7,050	1,300	1,370	14,200	14,250	1,166	1,229
1,450	1,500	273	288	4,250	4,300	791	834	7,050	7,100	1,309	1,380	14,250	14,300	1,160	1,222
1,500	1,550	282	297	4,300	4,350	800	843	7,100	7,150	1,318	1,389	14,300	14,350	1,153	1,215
1,550	1,600	291	307	4,350	4,400	809	853	7,150	7,200	1,327	1,399	14,350	14,400	1,146	1,208
1,600	1,650	301	317	4,400	4,450	819	863	7,200	7,250	1,337	1,409	14,400	14,450	1,140	1,201
1,650	1,700	310	327	4,450	4,500	828	873	7,250	7,300	1,346	1,419	14,450	14,500	1,133	1,194
1,700	1,750	319	336	4,500	4,550	837	882	7,300	7,350	1,355	1,428	14,500	14,550	1,127	1,187
1,750	1,800	328	346	4,550	4,600	846	892	7,350	7,400	1,364	1,438	14,550	14,600	1,120	1,180
1,800	1,850	338	356	4,600	4,650	856	902	7,400	7,450	1,374	1,448	14,600	14,650	1,113	1,173
1,850	1,900	347	366	4,650	4,700	865	912	7,450	7,500	1,383	1,458	14,650	14,700	1,107	1,166
1,900	1,950	356	375	4,700	4,750	874	921	7,500	7,550	1,392	1,467	14,700	14,750	1,100	1,160
1,950	2,000	365	385	4,750	4,800	883	931	7,550	7,600	1,401	1,477	14,750	14,800	1,094	1,153
2,000	2,050	375	395	4,800	4,850	893	941	7,600	7,650	1,411	1,487	14,800	14,850	1,087	1,146
2,050	2,100	384	405	4,850	4,900	902	951	7,650	7,700	1,420	1,497	14,850	14,900	1,080	1,139
2,100	2,150	393	414	4,900	4,950	911	960	7,700	7,750	1,429	1,506	14,900	14,950	1,074	1,132
2,150	2,200	402	424	4,950	5,000	920	970	7,750	12,200	1,434	1,511	14,950	15,000	1,067	1,125
2,200	2,250	412	434	5,000	5,050	930	980	12,200	12,250	1,430	1,508	15,000	15,050	1,061	1,118
2,250	2,300	421	444	5,050	5,100	939	990	12,250	12,300	1,424	1,501	15,050	15,100	1,054	1,111
2,300	2,350	430	453	5,100	5,150	948	999	12,300	12,350	1,417	1,494	15,100	15,150	1,047	1,104
2,350	2,400	439	463	5,150	5,200	957	1,009	12,350	12,400	1,411	1,487	15,150	15,200	1,041	1,097
2,400	2,450	449	473	5,200	5,250	967	1,019	12,400	12,450	1,404	1,480	15,200	15,250	1,034	1,090
2,450	2,500	458	483	5,250	5,300	976	1,029	12,450	12,500	1,397	1,473	15,250	15,300	1,028	1,083
2,500	2,550	467	492	5,300	5,350	985	1,038	12,500	12,550	1,391	1,466	15,300	15,350	1,021	1,076
2,550	2,600	476	502	5,350	5,400	994	1,048	12,550	12,600	1,384	1,459	15,350	15,400	1,014	1,069
2,600	2,650	486	512	5,400	5,450	1,004	1,058	12,600	12,650	1,378	1,452	<i>(This table continues on next page)</i>			
2,650	2,700	495	522	5,450	5,500	1,013	1,068	12,650	12,700	1,371	1,445				
2,700	2,750	504	531	5,500	5,550	1,022	1,077	12,700	12,750	1,364	1,438				
2,750	2,800	513	541	5,550	5,600	1,031	1,087	12,750	12,800	1,358	1,431				

**1993 Earned Income Credit TABLE A—Basic Credit** *Continued*

If the amount on Schedule EIC, line 7 or line 9, is—		And you listed—		If the amount on Schedule EIC, line 7 or line 9, is—		And you listed—		If the amount on Schedule EIC, line 7 or line 9, is—		And you listed—	
		One child	Two children			One child	Two children			One child	Two children
At least	But less than	Your basic credit is—		At least	But less than	Your basic credit is—		At least	But less than	Your basic credit is—	
15,400	15,450	1,008	1,062	18,400	18,450	611	644	21,400	21,450	215	226
15,450	15,500	1,001	1,055	18,450	18,500	605	637	21,450	21,500	209	219
15,500	15,550	995	1,048	18,500	18,550	598	630	21,500	21,550	202	212
15,550	15,600	988	1,041	18,550	18,600	592	623	21,550	21,600	195	205
15,600	15,650	981	1,034	18,600	18,650	585	616	21,600	21,650	189	198
15,650	15,700	975	1,027	18,650	18,700	578	609	21,650	21,700	182	191
15,700	15,750	968	1,020	18,700	18,750	572	602	21,700	21,750	175	184
15,750	15,800	961	1,013	18,750	18,800	565	595	21,750	21,800	169	177
15,800	15,850	955	1,006	18,800	18,850	559	588	21,800	21,850	162	170
15,850	15,900	948	999	18,850	18,900	552	581	21,850	21,900	156	164
15,900	15,950	942	992	18,900	18,950	545	574	21,900	21,950	149	157
15,950	16,000	935	985	18,950	19,000	539	567	21,950	22,000	142	150
16,000	16,050	928	978	19,000	19,050	532	561	22,000	22,050	136	143
16,050	16,100	922	971	19,050	19,100	526	554	22,050	22,100	129	136
16,100	16,150	915	964	19,100	19,150	519	547	22,100	22,150	123	129
16,150	16,200	909	958	19,150	19,200	512	540	22,150	22,200	116	122
16,200	16,250	902	951	19,200	19,250	506	533	22,200	22,250	109	115
16,250	16,300	895	944	19,250	19,300	499	526	22,250	22,300	103	108
16,300	16,350	889	937	19,300	19,350	493	519	22,300	22,350	96	101
16,350	16,400	882	930	19,350	19,400	486	512	22,350	22,400	90	94
16,400	16,450	876	923	19,400	19,450	479	505	22,400	22,450	83	87
16,450	16,500	869	916	19,450	19,500	473	498	22,450	22,500	76	80
16,500	16,550	862	909	19,500	19,550	466	491	22,500	22,550	70	73
16,550	16,600	856	902	19,550	19,600	460	484	22,550	22,600	63	66
16,600	16,650	849	895	19,600	19,650	453	477	22,600	22,650	57	59
16,650	16,700	843	888	19,650	19,700	446	470	22,650	22,700	50	52
16,700	16,750	836	881	19,700	19,750	440	463	22,700	22,750	43	45
16,750	16,800	829	874	19,750	19,800	433	456	22,750	22,800	37	38
16,800	16,850	823	867	19,800	19,850	426	449	22,800	22,850	30	31
16,850	16,900	816	860	19,850	19,900	420	442	22,850	22,900	24	24
16,900	16,950	810	853	19,900	19,950	413	435	22,900	22,950	17	17
16,950	17,000	803	846	19,950	20,000	407	428	22,950	23,000	10	10
17,000	17,050	796	839	20,000	20,050	400	421	23,000	23,050	4	3
17,050	17,100	790	832	20,050	20,100	393	414	<div style="border: 1px solid black; border-radius: 50%; padding: 10px; display: inline-block;"> <b>\$23,050 or more—you may not take the credit</b> </div>			
17,100	17,150	783	825	20,100	20,150	387	407				
17,150	17,200	777	818	20,150	20,200	380	400				
17,200	17,250	770	811	20,200	20,250	374	393				
17,250	17,300	763	804	20,250	20,300	367	386				
17,300	17,350	757	797	20,300	20,350	360	379				
17,350	17,400	750	790	20,350	20,400	354	372				
17,400	17,450	744	783	20,400	20,450	347	366				
17,450	17,500	737	776	20,450	20,500	341	359				
17,500	17,550	730	769	20,500	20,550	334	352				
17,550	17,600	724	763	20,550	20,600	327	345				
17,600	17,650	717	756	20,600	20,650	321	338				
17,650	17,700	711	749	20,650	20,700	314	331				
17,700	17,750	704	742	20,700	20,750	308	324				
17,750	17,800	697	735	20,750	20,800	301	317				
17,800	17,850	691	728	20,800	20,850	294	310				
17,850	17,900	684	721	20,850	20,900	288	303				
17,900	17,950	677	714	20,900	20,950	281	296				
17,950	18,000	671	707	20,950	21,000	275	289				
18,000	18,050	664	700	21,000	21,050	268	282				
18,050	18,100	658	693	21,050	21,100	261	275				
18,100	18,150	651	686	21,100	21,150	255	268				
18,150	18,200	644	679	21,150	21,200	248	261				
18,200	18,250	638	672	21,200	21,250	242	254				
18,250	18,300	631	665	21,250	21,300	235	247				
18,300	18,350	625	658	21,300	21,350	228	240				
18,350	18,400	618	651	21,350	21,400	222	233				

# TABLE B—Health Insurance Credit

## 1993 Earned Income Credit

Caution: This is not a tax table.

To find your health insurance credit: First, read down the "At least—But less than" columns and find the line that includes the amount you entered on line 7 or line 9 of Schedule EIC. Next, read across and find the credit. Then, enter the credit on Schedule EIC, line 12 or line 13, whichever applies.

If the amount on Schedule EIC, line 7 or line 9, is—		Your health insurance credit is—	If the amount on Schedule EIC, line 7 or line 9, is—		Your health insurance credit is—	If the amount on Schedule EIC, line 7 or line 9, is—		Your health insurance credit is—	If the amount on Schedule EIC, line 7 or line 9, is—		Your health insurance credit is—			
At least	But less than		At least	But less than		At least	But less than		At least	But less than				
\$1	\$50	\$2	3,800	3,850	230	7,600	7,650	458	15,800	15,850	310	19,600	19,650	147
50	100	5	3,850	3,900	233	7,650	7,700	461	15,850	15,900	308	19,650	19,700	145
100	150	8	3,900	3,950	236	7,700	7,750	464	15,900	15,950	305	19,700	19,750	143
150	200	11	3,950	4,000	239	7,750	12,200	465	15,950	16,000	303	19,750	19,800	140
200	250	14	4,000	4,050	242	12,200	12,250	464	16,000	16,050	301	19,800	19,850	138
250	300	17	4,050	4,100	245	12,250	12,300	462	16,050	16,100	299	19,850	19,900	136
300	350	20	4,100	4,150	248	12,300	12,350	460	16,100	16,150	297	19,900	19,950	134
350	400	23	4,150	4,200	251	12,350	12,400	458	16,150	16,200	295	19,950	20,000	132
400	450	26	4,200	4,250	254	12,400	12,450	455	16,200	16,250	293	20,000	20,050	130
450	500	29	4,250	4,300	257	12,450	12,500	453	16,250	16,300	290	20,050	20,100	128
500	550	32	4,300	4,350	260	12,500	12,550	451	16,300	16,350	288	20,100	20,150	125
550	600	35	4,350	4,400	263	12,550	12,600	449	16,350	16,400	286	20,150	20,200	123
600	650	38	4,400	4,450	266	12,600	12,650	447	16,400	16,450	284	20,200	20,250	121
650	700	41	4,450	4,500	269	12,650	12,700	445	16,450	16,500	282	20,250	20,300	119
700	750	44	4,500	4,550	272	12,700	12,750	443	16,500	16,550	280	20,300	20,350	117
750	800	47	4,550	4,600	275	12,750	12,800	440	16,550	16,600	278	20,350	20,400	115
800	850	50	4,600	4,650	278	12,800	12,850	438	16,600	16,650	275	20,400	20,450	113
850	900	53	4,650	4,700	281	12,850	12,900	436	16,650	16,700	273	20,450	20,500	110
900	950	56	4,700	4,750	284	12,900	12,950	434	16,700	16,750	271	20,500	20,550	108
950	1,000	59	4,750	4,800	287	12,950	13,000	432	16,750	16,800	269	20,550	20,600	106
1,000	1,050	62	4,800	4,850	290	13,000	13,050	430	16,800	16,850	267	20,600	20,650	104
1,050	1,100	65	4,850	4,900	293	13,050	13,100	428	16,850	16,900	265	20,650	20,700	102
1,100	1,150	68	4,900	4,950	296	13,100	13,150	425	16,900	16,950	263	20,700	20,750	100
1,150	1,200	71	4,950	5,000	299	13,150	13,200	423	16,950	17,000	260	20,750	20,800	98
1,200	1,250	74	5,000	5,050	302	13,200	13,250	421	17,000	17,050	258	20,800	20,850	95
1,250	1,300	77	5,050	5,100	305	13,250	13,300	419	17,050	17,100	256	20,850	20,900	93
1,300	1,350	80	5,100	5,150	308	13,300	13,350	417	17,100	17,150	254	20,900	20,950	91
1,350	1,400	83	5,150	5,200	311	13,350	13,400	415	17,150	17,200	252	20,950	21,000	89
1,400	1,450	86	5,200	5,250	314	13,400	13,450	413	17,200	17,250	250	21,000	21,050	87
1,450	1,500	89	5,250	5,300	317	13,450	13,500	410	17,250	17,300	248	21,050	21,100	85
1,500	1,550	92	5,300	5,350	320	13,500	13,550	408	17,300	17,350	245	21,100	21,150	83
1,550	1,600	95	5,350	5,400	323	13,550	13,600	406	17,350	17,400	243	21,150	21,200	80
1,600	1,650	98	5,400	5,450	326	13,600	13,650	404	17,400	17,450	241	21,200	21,250	78
1,650	1,700	101	5,450	5,500	329	13,650	13,700	402	17,450	17,500	239	21,250	21,300	76
1,700	1,750	104	5,500	5,550	332	13,700	13,750	400	17,500	17,550	237	21,300	21,350	74
1,750	1,800	107	5,550	5,600	335	13,750	13,800	398	17,550	17,600	235	21,350	21,400	72
1,800	1,850	110	5,600	5,650	338	13,800	13,850	395	17,600	17,650	233	21,400	21,450	70
1,850	1,900	113	5,650	5,700	341	13,850	13,900	393	17,650	17,700	230	21,450	21,500	68
1,900	1,950	116	5,700	5,750	344	13,900	13,950	391	17,700	17,750	228	21,500	21,550	65
1,950	2,000	119	5,750	5,800	347	13,950	14,000	389	17,750	17,800	226	21,550	21,600	63
2,000	2,050	122	5,800	5,850	350	14,000	14,050	387	17,800	17,850	224	21,600	21,650	61
2,050	2,100	125	5,850	5,900	353	14,050	14,100	385	17,850	17,900	222	21,650	21,700	59
2,100	2,150	128	5,900	5,950	356	14,100	14,150	383	17,900	17,950	220	21,700	21,750	57
2,150	2,200	131	5,950	6,000	359	14,150	14,200	380	17,950	18,000	218	21,750	21,800	55
2,200	2,250	134	6,000	6,050	362	14,200	14,250	378	18,000	18,050	215	21,800	21,850	53
2,250	2,300	137	6,050	6,100	365	14,250	14,300	376	18,050	18,100	213	21,850	21,900	50
2,300	2,350	140	6,100	6,150	368	14,300	14,350	374	18,100	18,150	211	21,900	21,950	48
2,350	2,400	143	6,150	6,200	371	14,350	14,400	372	18,150	18,200	209	21,950	22,000	46
2,400	2,450	146	6,200	6,250	374	14,400	14,450	370	18,200	18,250	207	22,000	22,050	44
2,450	2,500	149	6,250	6,300	377	14,450	14,500	368	18,250	18,300	205	22,050	22,100	42
2,500	2,550	152	6,300	6,350	380	14,500	14,550	365	18,300	18,350	203	22,100	22,150	40
2,550	2,600	155	6,350	6,400	383	14,550	14,600	363	18,350	18,400	200	22,150	22,200	38
2,600	2,650	158	6,400	6,450	386	14,600	14,650	361	18,400	18,450	198	22,200	22,250	35
2,650	2,700	161	6,450	6,500	389	14,650	14,700	359	18,450	18,500	196	22,250	22,300	33
2,700	2,750	164	6,500	6,550	392	14,700	14,750	357	18,500	18,550	194	22,300	22,350	31
2,750	2,800	167	6,550	6,600	395	14,750	14,800	355	18,550	18,600	192	22,350	22,400	29
2,800	2,850	170	6,600	6,650	398	14,800	14,850	353	18,600	18,650	190	22,400	22,450	27
2,850	2,900	173	6,650	6,700	401	14,850	14,900	350	18,650	18,700	188	22,450	22,500	25
2,900	2,950	176	6,700	6,750	404	14,900	14,950	348	18,700	18,750	185	22,500	22,550	23
2,950	3,000	179	6,750	6,800	407	14,950	15,000	346	18,750	18,800	183	22,550	22,600	20
3,000	3,050	182	6,800	6,850	410	15,000	15,050	344	18,800	18,850	181	22,600	22,650	18
3,050	3,100	185	6,850	6,900	413	15,050	15,100	342	18,850	18,900	179	22,650	22,700	16
3,100	3,150	188	6,900	6,950	416	15,100	15,150	340	18,900	18,950	177	22,700	22,750	14
3,150	3,200	191	6,950	7,000	419	15,150	15,200	338	18,950	19,000	175	22,750	22,800	12
3,200	3,250	194	7,000	7,050	422	15,200	15,250	335	19,000	19,050	173	22,800	22,850	10
3,250	3,300	197	7,050	7,100	425	15,250	15,300	333	19,050	19,100	170	22,850	22,900	8
3,300	3,350	200	7,100	7,150	428	15,300	15,350	331	19,100	19,150	168	22,900	22,950	5
3,350	3,400	203	7,150	7,200	431	15,350	15,400	329	19,150	19,200	166	22,950	23,000	3
3,400	3,450	206	7,200	7,250	434	15,400	15,450	327	19,200	19,250	164	23,000	23,050	1
3,450	3,500	209	7,250	7,300	437	15,450	15,500	325	19,250	19,300	162			
3,500	3,550	212	7,300	7,350	440	15,500	15,550	323	19,300	19,350	160			
3,550	3,600	215	7,350	7,400	443	15,550	15,600	320	19,350	19,400	158			
3,600	3,650	218	7,400	7,450	446	15,600	15,650	318	19,400	19,450	155			
3,650	3,700	221	7,450	7,500	449	15,650	15,700	316	19,450	19,500	153			
3,700	3,750	224	7,500	7,550	452	15,700	15,750	314	19,500	19,550	151			
3,750	3,800	227	7,550	7,600	455	15,750	15,800	312	19,550	19,600	149			

**\$23,050 or more—you may not take the credit**

# TABLE C—Extra Credit for Child Born in 1993 1993 Earned Income Credit

Caution: This is not a tax table.

To find your extra credit for a child born in 1993: First, read down the "At least—But less than" columns and find the line that includes the amount you entered on line 7 or line 9 of Schedule EIC. Next, read across and find the credit. Then, enter the credit on Schedule EIC, line 17 or line 18, whichever applies.

If the amount on Schedule EIC, line 7 or line 9, is—			Your credit for a child born in 1993 is—			If the amount on Schedule EIC, line 7 or line 9, is—			Your credit for a child born in 1993 is—			If the amount on Schedule EIC, line 7 or line 9, is—			Your credit for a child born in 1993 is—			If the amount on Schedule EIC, line 7 or line 9, is—			Your credit for a child born in 1993 is—								
At least	But less than		At least	But less than		At least	But less than		At least	But less than		At least	But less than		At least	But less than		At least	But less than		At least	But less than							
\$1	\$50	\$1	3,800	3,850	191	7,600	7,650	381	15,800	15,850	258	19,600	19,650	122	\$1	\$50	\$1	3,800	3,850	191	7,600	7,650	381	15,800	15,850	258	19,600	19,650	122
50	100	4	3,850	3,900	194	7,650	7,700	384	15,850	15,900	256	19,650	19,700	121	50	100	4	3,850	3,900	194	7,650	7,700	384	15,850	15,900	256	19,650	19,700	121
100	150	6	3,900	3,950	196	7,700	7,750	386	15,900	15,950	255	19,700	19,750	119	100	150	6	3,900	3,950	196	7,700	7,750	386	15,900	15,950	255	19,700	19,750	119
150	200	9	3,950	4,000	199	7,750	12,200	388	15,950	16,000	253	19,750	19,800	117	150	200	9	3,950	4,000	199	7,750	12,200	388	15,950	16,000	253	19,750	19,800	117
200	250	11	4,000	4,050	201	12,200	12,250	387	16,000	16,050	251	19,800	19,850	115	200	250	11	4,000	4,050	201	12,200	12,250	387	16,000	16,050	251	19,800	19,850	115
250	300	14	4,050	4,100	204	12,250	12,300	385	16,050	16,100	249	19,850	19,900	114	250	300	14	4,050	4,100	204	12,250	12,300	385	16,050	16,100	249	19,850	19,900	114
300	350	16	4,100	4,150	206	12,300	12,350	383	16,100	16,150	247	19,900	19,950	112	300	350	16	4,100	4,150	206	12,300	12,350	383	16,100	16,150	247	19,900	19,950	112
350	400	19	4,150	4,200	209	12,350	12,400	381	16,150	16,200	246	19,950	20,000	110	350	400	19	4,150	4,200	209	12,350	12,400	381	16,150	16,200	246	19,950	20,000	110
400	450	21	4,200	4,250	211	12,400	12,450	379	16,200	16,250	244	20,000	20,050	108	400	450	21	4,200	4,250	211	12,400	12,450	379	16,200	16,250	244	20,000	20,050	108
450	500	24	4,250	4,300	214	12,450	12,500	378	16,250	16,300	242	20,050	20,100	106	450	500	24	4,250	4,300	214	12,450	12,500	378	16,250	16,300	242	20,050	20,100	106
500	550	26	4,300	4,350	216	12,500	12,550	376	16,300	16,350	240	20,100	20,150	105	500	550	26	4,300	4,350	216	12,500	12,550	376	16,300	16,350	240	20,100	20,150	105
550	600	29	4,350	4,400	219	12,550	12,600	374	16,350	16,400	238	20,150	20,200	103	550	600	29	4,350	4,400	219	12,550	12,600	374	16,350	16,400	238	20,150	20,200	103
600	650	31	4,400	4,450	221	12,600	12,650	372	16,400	16,450	237	20,200	20,250	101	600	650	31	4,400	4,450	221	12,600	12,650	372	16,400	16,450	237	20,200	20,250	101
650	700	34	4,450	4,500	224	12,650	12,700	371	16,450	16,500	235	20,250	20,300	99	650	700	34	4,450	4,500	224	12,650	12,700	371	16,450	16,500	235	20,250	20,300	99
700	750	36	4,500	4,550	226	12,700	12,750	369	16,500	16,550	233	20,300	20,350	97	700	750	36	4,500	4,550	226	12,700	12,750	369	16,500	16,550	233	20,300	20,350	97
750	800	39	4,550	4,600	229	12,750	12,800	367	16,550	16,600	231	20,350	20,400	96	750	800	39	4,550	4,600	229	12,750	12,800	367	16,550	16,600	231	20,350	20,400	96
800	850	41	4,600	4,650	231	12,800	12,850	365	16,600	16,650	230	20,400	20,450	94	800	850	41	4,600	4,650	231	12,800	12,850	365	16,600	16,650	230	20,400	20,450	94
850	900	44	4,650	4,700	234	12,850	12,900	363	16,650	16,700	228	20,450	20,500	92	850	900	44	4,650	4,700	234	12,850	12,900	363	16,650	16,700	228	20,450	20,500	92
900	950	46	4,700	4,750	236	12,900	12,950	362	16,700	16,750	226	20,500	20,550	90	900	950	46	4,700	4,750	236	12,900	12,950	362	16,700	16,750	226	20,500	20,550	90
950	1,000	49	4,750	4,800	239	12,950	13,000	360	16,750	16,800	224	20,550	20,600	89	950	1,000	49	4,750	4,800	239	12,950	13,000	360	16,750	16,800	224	20,550	20,600	89
1,000	1,050	51	4,800	4,850	241	13,000	13,050	358	16,800	16,850	222	20,600	20,650	87	1,000	1,050	51	4,800	4,850	241	13,000	13,050	358	16,800	16,850	222	20,600	20,650	87
1,050	1,100	54	4,850	4,900	244	13,050	13,100	356	16,850	16,900	221	20,650	20,700	85	1,050	1,100	54	4,850	4,900	244	13,050	13,100	356	16,850	16,900	221	20,650	20,700	85
1,100	1,150	56	4,900	4,950	246	13,100	13,150	354	16,900	16,950	219	20,700	20,750	83	1,100	1,150	56	4,900	4,950	246	13,100	13,150	354	16,900	16,950	219	20,700	20,750	83
1,150	1,200	59	4,950	5,000	249	13,150	13,200	353	16,950	17,000	217	20,750	20,800	81	1,150	1,200	59	4,950	5,000	249	13,150	13,200	353	16,950	17,000	217	20,750	20,800	81
1,200	1,250	61	5,000	5,050	251	13,200	13,250	351	17,000	17,050	215	20,800	20,850	80	1,200	1,250	61	5,000	5,050	251	13,200	13,250	351	17,000	17,050	215	20,800	20,850	80
1,250	1,300	64	5,050	5,100	254	13,250	13,300	349	17,050	17,100	213	20,850	20,900	78	1,250	1,300	64	5,050	5,100	254	13,250	13,300	349	17,050	17,100	213	20,850	20,900	78
1,300	1,350	66	5,100	5,150	256	13,300	13,350	347	17,100	17,150	212	20,900	20,950	76	1,300	1,350	66	5,100	5,150	256	13,300	13,350	347	17,100	17,150	212	20,900	20,950	76
1,350	1,400	69	5,150	5,200	259	13,350	13,400	346	17,150	17,200	210	20,950	21,000	74	1,350	1,400	69	5,150	5,200	259	13,350	13,400	346	17,150	17,200	210	20,950	21,000	74
1,400	1,450	71	5,200	5,250	261	13,400	13,450	344	17,200	17,250	208	21,000	21,050	72	1,400	1,450	71	5,200	5,250	261	13,400	13,450	344	17,200	17,250	208	21,000	21,050	72
1,450	1,500	74	5,250	5,300	264	13,450	13,500	342	17,250	17,300	206	21,050	21,100	71	1,450	1,500	74	5,250	5,300	264	13,450	13,500	342	17,250	17,300	206	21,050	21,100	71
1,500	1,550	76	5,300	5,350	266	13,500	13,550	340	17,300	17,350	205	21,100	21,150	69	1,500	1,550	76	5,300	5,350	266	13,500	13,550	340	17,300	17,350	205	21,100	21,150	69
1,550	1,600	79	5,350	5,400	269	13,550	13,600	338	17,350	17,400	203	21,150	21,200	67	1,550	1,600	79	5,350	5,400	269	13,550	13,600	338	17,350	17,400	203	21,150	21,200	67
1,600	1,650	81	5,400	5,450	271	13,600	13,650	337	17,400	17,450	201	21,200	21,250	65	1,600	1,650	81	5,400	5,450	271	13,600	13,650	337	17,400	17,450	201	21,200	21,250	65
1,650	1,700	84	5,450	5,500	274	13,650	13,700	335	17,450	17,500	199	21,250	21,300	64	1,650	1,700	84	5,450	5,500	274	13,650	13,700	335	17,450	17,500	199	21,250	21,300	64
1,700	1,750	86	5,500	5,550	276	13,700	13,750	333	17,500	17,550	197	21,300	21,350	62	1,700	1,750	86	5,500	5,550	276	13,700	13,750	333	17,500	17,550	197	21,300	21,350	62
1,750	1,800	89	5,550	5,600	279	13,750	13,800	331	17,550	17,600	196	21,350	21,400	60	1,750	1,800	89	5,550	5,600	279	13,750	13,800	331	17,550	17,600	196	21,350	21,400	60
1,800	1,850	91	5,600	5,650	281	13,800	13,850	329	17,600	17,650	194	21,400	21,450	58	1,800	1,850	91	5,600	5,650	281	13,800	13,850	329	17,600	17,650	194	21,400	21,450	58
1,850	1,900	94	5,650	5,700	284	13,850	13,900	328	17,650	17,700	192	21,450	21,500	56	1,850	1,900	94	5,650	5,700	284	13,850	13,900	328	17,650	17,700	192	21,450	21,500	56
1,900	1,950	96	5,700	5,750	286	13,900	13,950	326	17,700	17,750	190	21,500	21,550	55	1,900	1,950	96	5,700	5,750	286	13,900	13,950	326	17,700	17,750	190	21,500	21,550	55
1,950	2,000	99	5,750	5,800	289	13,950	14,000	324	17,750	17,800	188	21,550	21,600	53	1,950	2,000	99	5,750	5,800	289	13,950	14,000	324	17,750	17,800	188	21,550	21,600	53

# Instructions for Schedule F, Profit or Loss From Farming

Use Schedule F to report farm income and expenses. File it with Form 1040, 1041, or 1065.

This activity may subject you to state and local taxes and other requirements such as business licenses and fees. Check with your state and local governments for more information.

**Additional Information.** Pub. 225, *Farmer's Tax Guide*, has samples of filled-in forms and schedules, and lists important dates that apply to farmers.

## General Instructions

### A Change To Note

**Deduction for Clean-Fuel Vehicle Refueling Property.** A deduction may be claimed on Schedule F, line 34, for part of the cost of qualified clean-fuel vehicle refueling property placed in service after June 30, 1993. See Pub. 535, *Business Expenses*, for more details.

### Other Schedules and Forms You May Have To File

**Schedule E** to report rental income from pastureland that is based on a flat charge. Report this income in Part I of Schedule E. But report on line 10 of Schedule F pasture income received from taking care of someone else's livestock.

**Schedule SE** to pay self-employment tax on income from any trade or business.

**Form 4562** to claim depreciation on assets placed in service in 1993, to claim amortization that began in 1993, or to report information on vehicles and other listed property.

**Form 4684** to report a casualty or theft gain or loss involving farm business property, including livestock held for draft, breeding, sport, or dairy purposes.

See Pub. 225 for more information on how to report various farm losses, such as losses due to death of livestock or damage to crops or other farm property.

**Form 4797** to report sales, exchanges, or involuntary conversions (other than from a casualty or theft) of certain farm property. Also use this form to report sales of livestock held for draft, breeding, sport, or dairy purposes.

**Form 4835** to report rental income based on farm production or crop shares if you did not materially participate (for self-employment tax purposes) in the management or operation of the farm. This income is not subject to self-employment tax. See Pub. 225.

**Form 8824** to report like-kind exchanges.

### Heavy Vehicle Use Tax

If you use certain highway trucks, truck-trailers, tractor-trailers, or buses in your trade or business, you may have to pay a Federal highway motor vehicle use tax. Get **Form 2290**, Heavy Vehicle Use Tax Return, to see if you owe this tax.

### Information Returns

You may have to file information returns for wages paid to employees, certain payments of fees and other nonemployee compensa-

tion, interest, rents, royalties, annuities, and pensions. You may also have to file an information return if you sold \$5,000 or more of consumer products to a person on a buy-sell, deposit-commission, or other similar basis for resale. For more information, get the **Instructions for Forms 1099, 1098, 5498, and W-2G**.

If you received cash of more than \$10,000 in one or more related transactions in your farming business, you may have to file **Form 8300**. For details, get **Pub. 1544**, Reporting Cash Payments of Over \$10,000.

### Estimated Tax

If you had to make estimated tax payments in 1993 and you underpaid your estimated tax, you will not be charged a penalty if **both** of the following apply:

1. Your gross farming or fishing income for 1992 or 1993 is at least two-thirds of your gross income.
2. You file your 1993 tax return and pay the tax due by March 1, 1994.

For more details, see Pub. 225.

## Specific Instructions

### Filers of Forms 1041 and 1065

**Do not** complete the block labeled "Social security number (SSN)." Instead, enter your employer identification number (EIN) on line D.

### Lines A and B

On line A, enter your principal crop or activity for the current year.

On line B, enter one of the 15 principal agricultural activity codes listed in Part IV on page 2 of Schedule F. Select the code that best describes the source of most of your income. **Field crop** includes the production of grains such as wheat, rice, feed corn, soybeans, barley, rye, and lentils; and nongrains such as cotton, tobacco, sugar, and Irish potatoes.

### Line C

Under the **cash method**, include all income in the year you actually get it. Generally, deduct expenses when you pay them. If you use the cash method, check the box labeled "Cash." Complete Parts I and II of Schedule F.

Under the **accrual method**, include income in the year you earn it. It does not matter when you get it. Deduct expenses

when you incur them. If you use the accrual method, check the box labeled "Accrual." Complete Parts II, III, and line 11 of Schedule F.

Other rules apply that determine the timing of deductions based on economic performance. Get **Pub. 538**, *Accounting Periods and Methods*, for details.

**Farming syndicates** cannot use the cash method of accounting. A farming syndicate may be a partnership, any other noncorporate group, or an S corporation if:

1. The interests in the business have ever been for sale in a way that would require registration with any Federal or state agency, or
2. More than 35% of the loss during any tax year is shared by limited partners or limited entrepreneurs. A **limited partner** is one who can lose only the amount invested or required to be invested in the partnership. A **limited entrepreneur** is a person who does not take any active part in managing the business.

### Line D

You need an employer identification number (EIN) only if you had a Keogh plan or were required to file an employment, excise, fiduciary, partnership, or alcohol, tobacco, or firearms tax return. If you need an EIN, file **Form SS-4**, Application for Employer Identification Number.

If you do not have an EIN, leave line D blank. **Do not** enter your SSN.

### Line E

**Material Participation.** For the definition of material participation for purposes of the passive activity rules, see the instructions for **Schedule C** (Form 1040), line I, on page C-2.

If you meet any of the material participation tests described in the line I instructions for Schedule C, check the "Yes" box.

If you are a retired or disabled farmer, you are treated as materially participating in a farming business if you materially participated 5 of the 8 years preceding your retirement or disability. Also, a surviving spouse is treated as materially participating in a farming activity if the real property used for farming meets the estate tax rules for special valuation of farm property passed from a qualifying decedent, and the surviving spouse actively manages the farm.

Check the "No" box if you did not materially participate. If you checked "No" and you have a loss from this business, see **Limit on Losses** on page F-2. If you have a profit from this business activity but have current year losses from other passive activities or

prior year unallowed passive activity losses, see the instructions for **Form 8582**, Passive Activity Loss Limitations.

**Limit on Losses.** If you checked the "No" box on line E and you have a loss from this business, you may have to use Form 8582 to figure your allowable loss, if any, to enter on Schedule F, line 36. Generally, you can deduct losses from passive activities only to the extent of income from passive activities.

For more details, get **Pub. 925**, Passive Activity and At-Risk Rules.

## Part I. Farm Income—Cash Method

In Part I, show income received for items listed on lines 1 through 10. Count both the cash actually or constructively received and the fair market value of goods or other property received for these items.

Income is constructively received when it is credited to your account or set aside for you to use.

If you ran the farm yourself and received rents based on farm production or crop shares, report these rents as income on line 4.

### Sales of Livestock Because of Drought

If you sold livestock because of a drought, you can count the income from the sale in the year after the drought, instead of the year of the sale. You can do this if **all** of the following apply:

- Your main business is farming.
- You can show that you sold the livestock only because of the drought.
- Your area qualified for Federal aid.

### Information Returns

If you received information returns (Forms 1099 or CCC-1099-G) showing amounts paid to you, first determine if the amounts are to be included with farm income. Then, use the following chart to determine where to report the income on Schedule F. Include the Form 1099 or CCC-1099-G amounts with any other income reported on that line.

Information return	Where To report
Form 1099-PATR . . . . .	Line 5a
Form 1099-A . . . . .	Line 7b
Form 1099-MISC (for crop insurance) . . . . .	Line 8a
Forms 1099-G or CCC-1099-G (for disaster payments) . . . . .	Line 8a
Forms 1099-G or CCC-1099-G (for other agricultural program payments) . . . . .	Line 6a

You may also receive **Form 1099-MISC** for other types of income. In this case, report it on whichever line best describes the income. For example, if you received a Form 1099-MISC for custom farming work, include

this amount on line 9, "Custom hire (machine work) income."

### Lines 1 and 2

On line 1, show amounts received from sales of livestock and other items bought for resale. On line 2, show the cost or other basis of the livestock and other items you actually sold.

### Line 4

Show amounts received from sales of livestock, produce, grains, and other products you raised.

### Lines 5a and 5b

If you received distributions from a cooperative in 1993, you should receive **Form 1099-PATR**. On line 5a, show your total distributions from cooperatives. This includes patronage dividends, nonpatronage distributions, per-unit retain allocations, and redemption of nonqualified notices and per-unit retain allocations.

Show patronage dividends (distributions) received in cash, and the dollar amount of qualified written notices of allocation. If you received property as patronage dividends, report the fair market value of the property as income. Include cash advances received from a marketing cooperative. If you received per-unit retains in cash, show the amount of cash. If you received qualified per-unit retain certificates, show the stated dollar amount of the certificate.

Do not include as income on line 5b patronage dividends from buying personal or family items, capital assets, or depreciable assets. Enter these amounts on line 5a only. If you do not report patronage dividends from these items as income, you must subtract the amount of the dividend from the cost or other basis of these items.

### Lines 6a and 6b

Enter on line 6a the TOTAL of the following amounts. These are government payments you received, usually reported to you on **Form 1099-G**. You may also receive Form CCC-1099-G from the Department of Agriculture showing the amounts and types of payments made to you.

- Price support payments.
- Diversion payments.
- Cost-share payments (sight drafts).
- Payments in the form of materials (such as fertilizer or lime) or services (such as grading or building dams).
- Face value of commodity credit certificates (often called "generic" or "PIK" certificates).

On line 6b, report only the taxable amount. For example, if you qualify to exclude payments received under certain cost-sharing conservation programs (see Pub. 225), do not include these payments on line 6b.

### Lines 7a through 7c

**Commodity Credit Corporation (CCC) Loans.** Generally, you do not report CCC loan proceeds as income. However, if you pledge part or all of your production to

secure a CCC loan, you may elect to report the loan proceeds as income in the year you receive them, instead of the year you sell the crop. If you make this election (or made the election in a prior year), report loan proceeds you received in 1993 on line 7a and attach a statement to your return showing the details of the loan(s).

**What If I Forfeited a CCC Loan?** Include the full amount forfeited on line 7b, even if you reported the loan proceeds as income.

If you **did not** elect to report the loan proceeds as income, also include the forfeited amount on line 7c.

If you did elect to report the loan proceeds as income, you generally will not have an entry on line 7c. But if the amount forfeited is different from your basis in the commodity, you may have an entry on line 7c.

**What If I Repaid a CCC Loan With CCC Certificates?** Include on line 7b the amount of any CCC loan you repaid with certificates, even if you reported the loan proceeds as income.

If you **did not** elect to report the CCC loan proceeds as income, include on line 7c the amount of the loan you repaid with the certificates minus your basis in those certificates. Your basis in certificates is the face value of the certificates you included as income, or the amount you paid for them.

If you elected to report the loan proceeds as income, do not include on line 7c the amount of the loan you repaid with the certificates.

For more information on the tax consequences of electing to report CCC loan proceeds as income, forfeiting CCC loans, and repaying CCC loans with certificates, see Pub. 225.

### Lines 8a through 8d

In general, you must report crop insurance proceeds in the year you receive them. Federal crop disaster payments are treated as crop insurance proceeds. However, if 1993 was the year of damage, you may elect to include certain proceeds in income for 1994. To make this election, check the box on line 8c and attach a statement to your return. See Pub. 225 for a description of the proceeds for which an election may be made and for what you must include in your statement.

Generally, if you elect to defer any eligible crop insurance proceeds, you must defer all such crop insurance proceeds (including Federal disaster payments).

Enter on line 8a the TOTAL crop insurance proceeds you received in 1993, even if you elect to include them in income for 1994.

Enter on line 8b the taxable amount of the proceeds you received in 1993. Do not include proceeds you elect to include in income for 1994.

Enter on line 8d the amount, if any, of crop insurance proceeds you received in 1992 and elected to include in income for 1993.

### Line 9

Enter on this line the income you received for custom hire (machine work).



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## Line 10

Use this line to report income not shown on lines 1 through 9. For example, include the following income items on line 10:

- Illegal Federal irrigation subsidies. See Pub. 225.
- Bartering income.
- Income from discharge of indebtedness. Generally, if a debt is canceled or forgiven, you must include the canceled amount in income. However, certain solvent farmers may exclude from income discharged qualified farm indebtedness. For information on whether you must include in income any discharge of indebtedness, see Pub. 225.
- State gasoline or fuel tax refund you got in 1993.
- The amount of credit for Federal tax paid on fuels claimed on your 1992 Form 1040.
- The amount of credit for alcohol used as a fuel that was entered on **Form 6478**.
- Any recapture of excess depreciation, including any section 179 expense deduction, if the business use percentage of any listed property decreased to 50% or less in 1993. Use **Form 4797**, Sales of Business Property, to figure the recapture. See the instructions for **Schedule C** (Form 1040), line 13, on page C-3 for the definition of listed property.
- The inclusion amount on leased listed property (other than vehicles) when the business use percentage drops to 50% or less. Get **Pub. 534**, Depreciation, to figure the amount.

Report the gain or loss on the sale of commodity futures contracts on this line if the contracts were made to protect you from price changes. These are a form of business insurance and are considered hedges. If you had a loss in a closed futures contract, enclose it in parentheses.

**Caution:** For property acquired and hedging positions established, you must clearly identify on your books and records that the transaction was a hedging transaction.

Purchase or sales contracts are not true hedges if they offset losses that already occurred. If you bought or sold commodity futures with the hope of making a profit due to favorable price changes, do not report the profit or loss on this line. Report it on **Form 6781**.

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## Part II. Farm Expenses

**Do not** deduct:

- Personal or living expenses (such as taxes, insurance, or repairs on your home) that do not produce farm income.
- Expenses of raising anything you or your family used.
- The value of animals you raised that died.
- Loss of inventory.
- Personal losses.

If you were repaid for any part of an expense, you must subtract the amount you were repaid from the deduction.

**Capitalizing Costs of Property.** If you produced real or tangible personal property or acquired property for resale, certain expenses must be included in inventory costs

or capitalized. These expenses include the direct costs of the property and the share of any indirect costs allocable to that property. However, these rules generally do not apply to:

1. Expenses of raising animals,
2. Expenses of producing any plant that has a preproductive period of 2 years or less, or
3. Expenses of replanting certain crops if they were lost or damaged by reason of freezing temperatures, disease, drought, pests, or casualty.

**Note:** *Exceptions 1 and 2 above do not apply to tax shelters, farm syndicates, or partnerships required to use the accrual method of accounting under Internal Revenue Code section 447 or 448.*

But you may be able to deduct rather than capitalize the expenses of producing a plant with a preproductive period of more than 2 years. See **Election To Deduct Certain Preproductive Period Expenses** below.

Do not reduce your deductions on lines 12 through 34e by the preproductive period expenses you are required to capitalize. Instead, enter the total amount capitalized in parentheses on line 34f. See **Preproductive Period Expenses** on page F-5 for more details.

**If you revoked a prior election** to deduct preproductive period expenses for animals, you must continue to apply the alternative depreciation rules to property placed in service while your election was in effect. Also, the expenses you previously chose to deduct will have to be recaptured as ordinary income when you dispose of the animals. If you revoked a prior election to use the simplified method of capitalizing the costs of raising female beef or dairy cattle, you must continue to amortize the costs capitalized in tax years beginning before 1989.

**Election To Deduct Certain Preproductive Period Expenses.** If the preproductive period of any plant you produce is more than 2 years, you may choose to currently deduct the expenses rather than capitalize them. But you may not make this election for the costs of planting or growing citrus or almond groves that are incurred before the end of the 4th tax year beginning with the tax year you planted them in their permanent grove. By deducting the preproductive period expenses for which you may make this election, you are treated as having made the election.

**Note:** *In the case of a partnership or S corporation, the election must be made by the partner or shareholder. This election may not be made by tax shelters, farm syndicates, or partners in partnerships required to use the accrual method of accounting under Internal Revenue Code section 447 or 448.*

If you make the election to deduct preproductive expenses for plants, any gain you realize when disposing of the plants is ordinary income up to the amount of the preproductive expenses you deducted. Also, the alternative depreciation rules apply to property placed in service in any tax year your election is in effect. Unless you obtain the consent of the IRS, you must make this election for the first tax year in which you engage in a farming business involving the production of property subject to the capitalization rules. You may not revoke this election without the consent of the IRS.

For more information, see Pub. 225.

**Prepaid Farming Expenses.** Generally, if you use the cash method of accounting and your prepaid expenses are more than 50% of your other deductible farming expenses, your expenses for feed, seed, fertilizer, and other similar farm supplies are deductible only in the year that you actually use them. The cost of poultry bought for use in the business must be spread over 12 months or the useful life of the poultry, whichever is less. The cost of poultry bought for resale is deductible in the year the poultry is sold or otherwise disposed of. For an exception to this rule and additional information on prepaid expenses, see Pub. 225.

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## Line 12

You can deduct the actual cost of running your car or truck, or take the standard mileage rate. You **must** use actual costs if you did not own the vehicle or if you used more than one vehicle simultaneously in your business (such as in fleet operations).

If you deduct actual costs, include on line 12 the business portion of expenses for gasoline, oil, repairs, insurance, tires, license plates, etc. Show depreciation on line 16 and rent or lease payments on line 26a.

If you want to take the standard mileage rate, multiply the number of business miles by 28 cents a mile. Add to this amount your parking fees and tolls, and enter the total on line 12.

If you claim any car or truck expenses (actual or the standard mileage rate), you must provide the information requested in Part V of Form 4562 and attach Form 4562 to your return.

For more details, get **Pub. 917**, Business Use of a Car.

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## Line 14

Amounts you spent to conserve soil or water, or to prevent erosion of your land, can be deducted only if the expenses are consistent with a conservation plan approved by the Soil Conservation Service (SCS) of the Department of Agriculture for the area in which your land is located. If no plan exists, the expenses must be consistent with a plan of a comparable state agency. You cannot deduct the expenses if they were paid or incurred for land used in farming in a foreign country. You must attach **Form 8645**, Soil and Water Conservation Plan Certification, to your return if you claim this deduction.

Do not deduct expenses you pay or incur to drain or fill wetlands or to prepare land for center pivot irrigation systems.

The amount you deduct may not exceed 25% of your gross income from farming (excluding certain gains from selling assets such as farm machinery and land). If your conservation expenses are more than the limit, the excess may be carried forward and deducted in later tax years. However, the amount deductible for any 1 year may not exceed the 25% gross income limit for that year. Attach a copy of the original Form 8645 to your return for each carryover year you claim the deduction.

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## Line 15

Enter amounts paid for custom hire or machine work (the machine operator furnished the equipment). Do not include amounts paid for rental or lease of equipment that you operated yourself; report those amounts on line 26a.

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## Line 16

You can deduct depreciation of buildings, improvements, cars and trucks, machinery, and other farm equipment of a permanent nature.

Do not deduct depreciation on your home, furniture, or other personal items, land, livestock you bought or raised for resale, or other property in your inventory.

You may also choose under Internal Revenue Code section 179 to expense a portion of the cost of certain tangible property you bought in 1993 for use in your business.

For more details, including when you must complete and attach **Form 4562**, see the instructions for **Schedule C** (Form 1040), line 13, on page C-3.

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## Line 17

Deduct contributions to employee benefit programs that are not an incidental part of a pension or profit-sharing plan included on line 25. Examples are accident and health plans, group-term life insurance, and dependent care assistance programs.

Do not include on line 17 any contributions you made on your behalf as a self-employed person to an accident and health plan or for group-term life insurance. You may be able to deduct on Form 1040, line 26, part of the amount you paid for health insurance on behalf of yourself, your spouse, and dependents, even if you do not itemize your deductions. See the Form 1040 instructions on page 22, for more details.

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## Line 18

Generally, you cannot currently deduct expenses for feed to be consumed by your livestock in a later tax year. See **Prepaid Farming Expenses** on page F-3.

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## Line 20

Do not include as freight paid the cost of transportation incurred in purchasing livestock held for resale. Instead, add these costs to the cost of the livestock, and deduct them when the livestock are sold.

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## Line 22

Deduct premiums paid for farm business insurance on line 22. Deduct on line 17 amounts paid for employee accident and health insurance.

Do not deduct amounts credited to a reserve for self-insurance or premiums paid for a policy that pays for your lost earnings due to sickness or disability.

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## Lines 23a and 23b

**Interest Allocation Rules.** The tax treatment of interest expense differs depending on its

type. For example, home mortgage interest and investment interest are treated differently. "Interest allocation" rules require you to allocate (classify) your interest expense so it is deducted on the correct line of your return and gets the right tax treatment. These rules could affect how much interest you are allowed to deduct on Schedule F.

Generally, you allocate interest expense by tracing how the proceeds of the loan are used. Get **Pub. 535**, Business Expenses, for details.

If you paid interest on a debt secured by your main home, and any of the proceeds from that debt were used in your farming business, see Pub. 535 to figure the amount that is deductible on Schedule F.

If you have a mortgage on real property used in your farming business (other than your main home), enter on line 23a the interest you paid for 1993 to banks or other financial institutions for which you received a **Form 1098**, Mortgage Interest Statement.

**Note:** *If the recipient was not a financial institution or you did not receive a Form 1098 from the recipient, report your mortgage interest on line 23b.*

If you paid \$600 or more of interest on this mortgage, the recipient should send you a Form 1098 or similar statement showing the total interest received from you during 1993. This statement must be sent to you by January 31, 1994. If you paid more mortgage interest to financial institutions than is shown on Form 1098 or similar statement, see Pub. 535 to find out if you can deduct the additional interest. If you can, enter the amount on line 23a. Attach a statement to your return explaining the difference and write "See attached" in the left margin next to line 23a.

If you and at least one other person (other than your spouse if you file a joint return) were liable for and paid interest on the mortgage and the other person received the Form 1098, report your share of the interest on line 23b. Attach a statement to your return showing the name and address of the person who received the Form 1098. In the left margin, next to line 23b, write "See attached."

On line 23b, enter the interest on other loans related to this farm. Do not deduct interest you prepaid in 1993 for later years; include only the part that applies to 1993.

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## Line 24

Enter amounts you paid for farm labor minus the amount of any jobs credit you claimed on **Form 5884**, Jobs Credit. Do not include amounts paid to yourself.

Count the cost of boarding farm labor but not the value of any products they used from the farm. Count only what you paid household help to care for farm laborers.

**Caution:** *If you provided taxable fringe benefits to your employees, such as personal use of a car, do not include in farm labor the amounts you depreciated or deducted elsewhere.*

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## Line 25

Enter your deduction for contributions to employee pension, profit-sharing, or annuity plans. If the plan included you as a self-employed person, see the instructions for

**Schedule C** (Form 1040), line 19, on page C-4.

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## Lines 26a and 26b

If you rented or leased vehicles, machinery, or equipment, enter on line 26a the business portion of your rental cost. But if you leased a vehicle for a term of 30 days or more, you may have to reduce your deduction by an **inclusion amount**. For details, see the instructions for **Schedule C** (Form 1040), line 20a, on page C-4.

Enter on line 26b amounts paid to rent or lease other property such as pasture or farm land.

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## Line 27

Enter amounts you paid for repairs and maintenance of farm buildings, machinery, and equipment. You can also include what you paid for tools of short life or minimal cost, such as shovels and rakes.

**Do not** deduct repairs or maintenance on your home.

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## Line 31

You may deduct the following taxes:

- Real estate and personal property taxes on farm business assets.
- Social security and Medicare taxes you paid to match what you are required to withhold from farm employees' wages and any Federal unemployment tax paid. To deduct one-half of your self-employment tax, see the Instructions for Form 1040, line 25, on page 21.
- Federal highway use tax.

**Do not** deduct:

- Federal income taxes.
- Estate and gift taxes.
- Taxes assessed for improvements, such as paving and sewers.
- Taxes on your home or personal use property.
- State and local sales taxes on property purchased for use in your farm business. Instead, treat these taxes as part of the cost of the property.
- Other taxes not related to the farm business.

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## Line 32

Enter amounts you paid for gas, electricity, water, etc., for business use on the farm. Do not include personal utilities.

You cannot deduct the base rate (including taxes) of the first telephone line into your residence, even if you use it for business. See the instructions for **Schedule C** (Form 1040), line 25, on page C-5.

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## Lines 34a through 34f

Include all ordinary and necessary farm expenses not deducted elsewhere on Schedule F, such as advertising, office supplies, etc.

**Amortization.** You can amortize qualifying forestation and reforestation costs over an 84-month period. You can also amortize certain business startup costs over a period of

at least 60 months. For more details, get Pub. 535. For amortization that begins in 1993, you must complete and attach **Form 4562**.

**At-Risk Loss Deduction.** Any loss from this activity that was not allowed as a deduction last year because of the at-risk rules is treated as a deduction allocable to this activity in 1993.

**Bad Debts.** Cash method taxpayers can deduct bad debts only if the amount was previously included in income. See the instructions for **Schedule C** (Form 1040), line 9, on page C-3.

**Business Use of Your Home.** You may be able to deduct certain expenses for business use of your home, subject to limitations. Use the worksheet in **Pub. 587**, Business Use of Your Home, to figure your allowable deduction. **Do not** use **Form 8829**, Expenses for Business Use of Your Home.

**Legal and Professional Fees.** You can deduct on this line fees for tax advice related to your farm business and for preparation of the tax forms related to your farm business.

**Travel, Meals, and Entertainment.** Generally, you can deduct expenses for farm business travel and 80% of your business meals and entertainment. But there are exceptions and limitations. See the instructions for **Schedule C** (Form 1040), lines 24a through 24c, beginning on page C-4.

**Preproductive Period Expenses.** Enter in parentheses on line 34f, preproductive period expenses that are capitalized. If you had preproductive period expenses in 1993 and you decided to capitalize these expenses, you **MUST** enter the total of these expenses in parentheses on line 34f and write "263A" in the space to the left of the total.

If you entered an amount in parentheses on line 34f because you have preproductive period expenses you are capitalizing, subtract the amount on line 34f from the total of lines 12 through 34e. Enter the result on line 35.

For more information, see **Capitalizing Costs of Property** on page F-3 and Pub. 225.

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## Line 36

If you have a loss, the amount of loss you can deduct this year may be limited. Go on to line 37 before entering your loss on line 36. If you answered "No" to Question E on Schedule F, also see the instructions for **Form 8582**. Enter the net profit or **deductible** loss here and on Form 1040, line 19, and Schedule SE, line 1. Fiduciaries should enter the net profit or deductible loss here and on Form 1041, line 6. Partnerships should stop here and enter the profit or loss on this line and on Form 1065, line 5.

If you have a net profit on line 36, this amount is earned income and may qualify you for the earned income credit if you meet certain conditions. See page EIC-1 for more details.

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## Line 37

**At-Risk Rules.** Generally, if you have (a) a loss from a farming activity, and (b) amounts in the activity for which you are **not at risk**, you will have to complete **Form 6198**, At-

Risk Limitations, to figure your allowable loss.

The at-risk rules generally limit the amount of loss (including loss on the disposition of assets) you can claim to the amount you could actually lose in the activity.

Check **box 37b** if you have amounts for which you are not at risk in this activity, such as the following:

- Nonrecourse loans used to finance the activity, to acquire property used in the activity, or to acquire the activity, that are not secured by your own property (other than property used in the activity). However, there is an exception for certain nonrecourse financing borrowed by you in connection with holding real property.

- Cash, property, or borrowed amounts used in the activity (or contributed to the activity, or used to acquire the activity) that are protected against loss by a guarantee, stop-loss agreement, or other similar arrangement (excluding casualty insurance and insurance against tort liability).

- Amounts borrowed for use in the activity from a person who has an interest in the activity, other than as a creditor, or who is related, under Internal Revenue Code section 465(b)(3), to a person (other than you) having such an interest.

If all amounts are at risk in this business, check **box 37a** and enter your loss on line 36. But if you answered "No" to Question E, you may need to complete **Form 8582** to figure your allowable loss to enter on line 36. See the Instructions for Form 8582 for more details.

If you checked **box 37b**, get Form 6198 to determine the amount of your deductible loss and enter that amount on line 36. But if you answered "No" to Question E, your loss may be further limited. See the Instructions for Form 8582. If your at-risk amount is zero or less, enter zero on line 36. Be sure to attach Form 6198 to your return. If you checked box 37b and you fail to attach Form 6198, processing of your tax return may be delayed.

Any loss from this activity not allowed for 1993 because of the at-risk rules is treated as a deduction allocable to the activity in 1994.

For more details, get **Pub. 925**, Passive Activity and At-Risk Rules. Also see the Instructions for Form 6198.

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## Part III. Farm Income—Accrual Method

If you use the accrual method, report farm income when you earn it, not when you receive it. Generally, you must include animals and crops in your inventory if you use this method. Get **Pub. 538**, Accounting Periods and Methods, for exceptions, inventory methods, how to change methods of accounting, and for rules that require certain costs to be capitalized or included in inventory.

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## Line 38

Enter the amount earned from the sale of livestock, produce, grains, and other products you raised.

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## Lines 39a through 41c

See the instructions for lines 5a through 7c, on page F-2.

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## Lines 43 and 44

See the instructions for lines 9 and 10, beginning on page F-2.

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# Instructions for Schedule SE, Self-Employment Tax

Use Schedule SE to figure the tax due on net earnings from self-employment. The Social Security Administration uses the information from Schedule SE to figure your benefits under the social security program. This tax applies no matter how old you are, and even if you are already getting social security or Medicare benefits.

**Additional Information.** Get **Pub. 533, Self-Employment Tax**, for more details.

## General Instructions

### A Change To Note

For 1993, the maximum amount of self-employment income subject to social security tax is \$57,600. The maximum amount subject to Medicare tax for 1993 is \$135,000.

### Who Must File Schedule SE

You must file Schedule SE if:

1. You were self-employed, and your net earnings from self-employment from other than church employee income were \$400 or more (or you had church employee income of \$108.28 or more—see **Employees of Churches and Church Organizations** on this page), AND
2. You did not have wages (and tips) of \$135,000 or more that were subject to social security and Medicare tax (or railroad retirement tax).

### Who Is Subject to Self-Employment Tax?

#### Self-Employed Persons

You are subject to SE tax if you had net earnings as a self-employed person. If you are in business for yourself, or you are a farmer, for example, you are self-employed.

Your share of certain partnership income and your guaranteed payments are also subject to SE tax. See **Partnership Income or Loss** on page SE-2.

#### Employees of Churches and Church Organizations

If you had church employee income of \$108.28 or more, you may be subject to SE tax. **Church employee income** is wages you received as an employee (other than as a minister or member of a religious order) from a church or qualified church-controlled organization that has a certificate in effect electing exemption from employer social security and Medicare taxes.

#### Ministers and Members of Religious Orders

You are subject to SE tax on salaries and other income for services you performed as a minister or member of a religious order, unless you received approval from the IRS for an exemption from SE tax. See **Who Is Not Subject to Self-Employment Tax?** on this page. If you are subject to SE tax, include this income on line 2 of either Short or

Long Schedule SE. But do not report it on line 5a of Long Schedule SE; it is not considered church employee income. Also include on line 2:

- The rental value of a home or an allowance for a home furnished to you (including payments for utilities), and
- The value of meals and lodging provided to you, your spouse, and your dependents for your employer's convenience.

If you were a duly ordained minister who was an employee of a church and you are subject to SE tax, the unreimbursed business expenses that you incurred as a church employee are allowed only as an itemized deduction for income tax purposes. Subtract the allowable amount from your SE earnings when figuring SE tax.

If you were a U.S. citizen or resident alien serving outside the United States as a minister or member of a religious order and you are subject to SE tax, you may not reduce your net earnings by the foreign housing exclusion or deduction.

For more details, get **Pub. 517, Social Security and Other Information for Members of the Clergy and Religious Workers**.

#### U.S. Citizens Employed by Foreign Governments or International Organizations

You are subject to SE tax if you are a U.S. citizen employed by a foreign government (or, in certain cases, by a wholly-owned instrumentality of a foreign government or an international organization under the International Organizations Immunities Act) in the United States, Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Virgin Islands. Report income from this employment on Schedule SE (Section A or B), line 2. If you are employed elsewhere by a foreign government or an international organization, those earnings are not subject to SE tax.

#### U.S. Citizens or Resident Aliens Living Outside the United States

If you are a self-employed U.S. citizen or resident alien living outside the United States, in most cases you are subject to SE tax. You may not reduce your foreign earnings from self-employment by your foreign earned income exclusion.

#### Who Is Not Subject to Self-Employment Tax?

In most cases, you are subject to SE tax on net earnings you received as a minister, a

member of a religious order who has not taken a vow of poverty, or a Christian Science practitioner. But you will not be subject to SE tax on those net earnings if you filed **Form 4361, Application for Exemption From Self-Employment Tax for Use by Ministers, Members of Religious Orders and Christian Science Practitioners**, and you received approval from the IRS for an exemption from paying SE tax. In this case, if you have no other income subject to SE tax, write "Exempt-Form 4361" on Form 1040, line 47. However, if you have other earnings of \$400 or more subject to SE tax, see line A at the top of Long Schedule SE.

**Note:** If you have ever filed Form 2031 to elect social security coverage on your earnings as a minister, you cannot revoke that election now.

If you have conscientious objections to social security insurance because of your membership in and belief in the teachings of a religious sect recognized as being in existence at all times since December 31, 1950, and which has provided a reasonable level of living for its dependent members, you are not subject to SE tax if you got IRS approval by filing **Form 4029, Application for Exemption From Social Security and Medicare Taxes and Waiver of Benefits**. In this case, do not file Schedule SE. Instead, write "Form 4029" on Form 1040, line 47.

See Pub. 517 for more details.

#### More Than One Business

If you were a farmer and had at least one other business or you had two or more businesses, your net earnings from self-employment are the combined net earnings from all of your businesses. If you had a loss in one business, it reduces the income from another. Figure the combined SE tax on one Schedule SE.

#### Joint Returns

Show the name of the spouse with SE income on Schedule SE. If both spouses have SE income, each must file a separate Schedule SE. If one spouse qualifies to use Short Schedule SE, and the other has to use Long Schedule SE, both can use one Schedule SE. One spouse should complete the front and the other the back.

Include the total profits or losses from all businesses on Form 1040, as appropriate. Enter the combined SE tax on Form 1040, line 47.

## Community Income

In most cases, if any of the income from a business (including farming) is community income, all of the income from that business is SE earnings of the spouse who carried on the business. The facts in each case will determine which spouse carried on the business. If you and your spouse are partners in a partnership, see **Partnership Income or Loss** below.

If you and your spouse had community income and file separate returns, attach Schedule SE to the return of the spouse with the SE income. Also attach Schedule(s) C, C-EZ, or F.

**Caution:** Community income included on Schedule(s) C, C-EZ, or F must be divided for income tax purposes on the basis of the community property laws.

## Fiscal Year Filers

If your tax year is a fiscal year, use the tax rate and earnings base that apply at the time the fiscal year begins. Do not prorate the tax or earnings base for a fiscal year that overlaps the date of a rate or earnings base change.

## Specific Instructions

Read the chart on page 1 of Schedule SE to see if you can use **Section A**, Short Schedule SE, or if you must use **Section B**, Long Schedule SE. For either section, you need to know what to include as net earnings from self-employment. Read the instructions below to see what to include as net earnings and how to fill in lines 1 and 2 of either Short or Long Schedule SE. Enter all negative amounts in parentheses.

## Net Earnings From Self-Employment

### What Is Included in Net SE Earnings?

In most cases, net earnings include your net profit from a farm or nonfarm business. If you were a partner in a partnership, see the instructions below.

### Partnership Income or Loss

If you were a general or limited partner in a partnership, include on line 1 or line 2, whichever applies, the amount from line 15a of Schedule K-1 (Form 1065). If you were a general partner, reduce this amount before entering it on Schedule SE by any section 179 expense deduction claimed, unreimbursed partnership expenses claimed, and depletion claimed on oil and gas properties. If you reduce the amount you enter on Schedule SE, attach an explanation.

If you were a general partner, the amount reported by the partnership on line 15a of Schedule K-1 should include your share of partnership income or loss subject to SE tax and any guaranteed payments the partnership made to you for services or for the use of capital. If you were a limited partner, the amount reported on line 15a of Schedule K-1 should include only guaranteed payments

for services you actually rendered to or on behalf of the partnership.

Income or loss from a partnership engaged solely in the operation of a group investment program is not included in net SE earnings for either a general or limited partner.

If you were married and both you and your spouse were partners in a partnership, each of you is subject to SE tax on your own share of the partnership income. Each of you must file a Schedule SE and report the partnership income or loss on **Schedule E** (Form 1040), Part II, for income tax purposes.

SE income belongs to the person who is the member of the partnership and cannot be treated as SE income by the nonmember spouse even in community property states.

If a partner dies and the partnership continues, include in SE income the deceased's distributive share of the partnership's ordinary income or loss through the end of the month in which he or she dies. See Internal Revenue Code section 1402(f).

### Share Farming

You are considered self-employed if you produced crops or livestock on someone else's land for a share of the crops or livestock produced (or a share of the proceeds from the sale of them). This applies even if you paid another person (an agent) to do the actual work or management for you. Report your net earnings for income tax purposes on **Schedule F** (Form 1040) and for SE tax purposes on Schedule SE. For more details, get **Pub. 225**, Farmer's Tax Guide.

### Other Income and Losses Included in Net Earnings From Self-Employment

- Rental income from a farm if, as landlord, you participated materially in the production or management of the production of farm products on this land. This income is farm earnings. To determine whether you participated materially in farm management or production, do not consider the activities of any agent who acted for you. The material participation tests are explained in Pub. 225.
- Cash or a payment-in-kind from the Department of Agriculture for participating in a land diversion program.
- Payments for the use of rooms or other space when you also provided substantial services. Examples are hotel rooms, boarding houses, tourist camps or homes, parking lots, warehouses, and storage garages.
- Income from the retail sale of newspapers and magazines if you were age 18 or older and kept the profits.
- Amounts received by current or former self-employed insurance agents that are:
  1. Paid after retirement but calculated as a percentage of commissions received from the paying company before retirement;
  2. Renewal commissions; or
  3. Deferred commissions paid after retirement for sales made before retirement.
- Income as a crew member of a fishing vessel with a crew of normally fewer than 10 people. See Pub. 595.
- Fees as a state or local government employee if you were paid only on a fee basis and the job was not covered under a

Federal-state social security coverage agreement.

- Interest received in the course of any trade or business, such as interest on notes or accounts receivable.
- Fees and other payments received by you for services as a director of a corporation.
- Recapture amounts under sections 179 and 280F that you included in gross income because the business use of the property dropped to 50% or less. Do not include amounts you recaptured on the disposition of property. See **Form 4797**, Sales of Business Property.
- Fees you received as a professional fiduciary. This may also apply to fees paid to you as a nonprofessional fiduciary if the fees relate to active participation in the operation of the estate's business, or the management of an estate that required extensive management activities over a long period of time.
- Gain or loss from section 1256 contracts or related property by an options or commodities dealer in the normal course of dealing in or trading section 1256 contracts.

### Income and Losses Not Included in Net Earnings From Self-Employment

- Salaries, fees, etc., subject to social security or Medicare tax that you received for performing services as an employee, including services performed as a public official (except as a fee basis government employee as explained earlier under **Other Income and Losses Included in Net Earnings From Self-Employment**) or as an employee or employee representative under the railroad retirement system.
  - Income you received as a retired partner under a written partnership plan that provides for lifelong periodic retirement payments if you had no other interest in the partnership and did not perform services for it during the year.
  - Income from real estate rentals (including rentals paid in crop shares), if you did not receive the income in the course of a trade or business as a real estate dealer. This includes cash and crop shares received from a tenant or sharefarmer. Report this income on Schedule E.
  - Dividends on shares of stock and interest on bonds, notes, etc., if you did not receive the income in the course of your trade or business as a dealer in stocks or securities.
  - Gain or loss from:
    1. The sale or exchange of a capital asset;
    2. The sale, exchange, involuntary conversion, or other disposition of property unless the property is stock in trade or other property that would be includible in inventory, or held primarily for sale to customers in the ordinary course of the business; or
    3. Certain transactions in timber, coal, or domestic iron ore.
  - Net operating losses from other years.
- Statutory Employee Income.** If you were a statutory employee (see page 14 for a definition) and filed Schedule C or C-EZ to report your income and expenses, **do not** include the net profit or (loss) from line 31 of that Schedule C (or the net profit from line 3 of Schedule C-EZ) on line 2 of Short or Long Schedule SE. But if you file Long Schedule

SE, be sure to include statutory employee social security wages and tips from Form W-2 on line 8a, and statutory employee Medicare wages and tips from Form W-2 on line 12a.

## Optional Methods

### How Can the Optional Methods Help You?

**Social Security Coverage.** The optional methods may give you credit toward your social security coverage even though you have a loss or a small amount of income from self-employment.

**Earned Income Credit.** Using the optional methods may qualify you to claim the earned income credit or give you a larger credit if your net SE earnings (determined without using the optional methods) are less than \$1,600. Figure the earned income credit with and without using the optional methods to see if the optional methods will benefit you.

**Child and Dependent Care Credit.** The optional methods may also help you qualify for this credit or give you a larger credit if your net SE earnings (determined without using the optional methods) are less than \$1,600. Figure this credit with and without using the optional methods to see if the optional methods will benefit you.

**Note:** *Using the optional methods may give you the benefits described above but they may also increase your self-employment tax.*

### Farm Optional Method

You may use this method to figure your net earnings from farm self-employment if your gross farm income was \$2,400 or less **OR** your gross farm income was more than \$2,400 but your net farm profits (defined below) were less than \$1,733. There is no limit on how many years you can use this method.

Under this method, you report on line 17, Part II, two-thirds of your gross farm income, up to \$1,600, as your net earnings. This method can increase or decrease your net SE farm earnings even if the farming business resulted in a loss.

You may change the method after you file your return. For example, you can change from the regular to the optional method or from the optional to the regular method.

For a farm partnership, figure your share of gross income based on the partnership agreement. With guaranteed payments, your share of the partnership's gross income is your guaranteed payments plus your share of the gross income after it is reduced by all guaranteed payments of the partnership. If you are a limited partner, include only guaranteed payments for services you actually rendered to or on behalf of the partnership.

**Net farm profits** is the total of the amounts from Schedule F (Form 1040), line 36, and Schedule K-1 (Form 1065), line 15a, from farm partnerships.

### Nonfarm Optional Method

You may be able to use this method to figure your net earnings from nonfarm self-employment if your nonfarm profits (defined below) were less than \$1,733, and also less than 72.189% of your gross nonfarm income. To use this method, you also must be regularly self-employed. You meet this

requirement if your actual net earnings from self-employment were \$400 or more in 2 of the 3 years preceding the year you use the nonfarm method. The net earnings of \$400 or more could be from either farm or nonfarm earnings or both. The net earnings include your distributive share of partnership income or loss subject to SE tax. Use of the nonfarm optional method from nonfarm self-employment is limited to 5 years. The 5 years do not have to be consecutive.

Under this method, you report on line 19, Part II, two-thirds of your gross nonfarm income, up to \$1,600, as your net earnings. **But you may not report less than your actual net earnings** from nonfarm self-employment.

You may change the method after you file your return. For example, you can change from the regular to the optional method or from the optional to the regular method.

Figure your share of gross income from a nonfarm partnership in the same manner as a farm partnership. See **Farm Optional Method** above for details.

**Net nonfarm profits** is the total of the amounts from Schedule C (Form 1040), line 31 (or Schedule C-EZ (Form 1040), line 3), and Schedule K-1 (Form 1065), line 15a, from other than farm partnerships.

### Using Both Optional Methods

If you can use both methods, you may report less than your total actual net earnings from farm and nonfarm income, but you **cannot** report less than your actual net earnings from nonfarm SE income alone.

If you use both methods to figure net earnings, you **cannot** report more than \$1,600 of net SE earnings.

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\* These items may not be included in this package. We've sent you only the forms you may need based on what you filed last year to reduce printing costs.

## Major Categories of Federal Income and Outlays for Fiscal Year 1992

On or before the first Monday in February of each year, the President is required by law to submit to the Congress a budget proposal for the fiscal year that begins the following October. The budget plan sets forth the President's proposed receipts, spending, and the deficit for the Federal government. The plan includes recommendations for new legislation as well as recommendations to change, eliminate, and add programs. After receipt of the President's proposal, the Congress reviews the proposal and makes changes. It first passes a budget resolution setting its own targets for receipts, outlays, and the deficit. Individual spending and revenue bills are then enacted consistent with the goals of the budget resolution.

In fiscal year 1992 (which began on October 1, 1991, and ended on September 30, 1992), Federal income was \$1,090.5 billion and outlays were \$1,380.9 billion, leaving a deficit of \$290.4 billion.

### Federal Income

Income and social insurance taxes are, by far, the largest source of receipts. In 1992, individuals paid \$476 billion in income taxes and corporations paid \$100.3 billion. Social security and other insurance and retirement contributions were \$413.7 billion. Excise taxes were \$45.6 billion. The remaining \$55.0 billion of receipts were from Federal Reserve deposits, customs duties, estate and gift taxes, and other miscellaneous receipts. (These figures do not total to \$1,090.5 billion due to rounding.)

### Federal Outlays

About 79% of total outlays were financed by tax receipts and the remaining 21% were financed by borrowing. Government receipts and borrowing finance a wide range of public services. The following is the breakdown of total outlays for fiscal year 1992\*:

**1. Social security, Medicare, and other retirement:** \$469.7 billion. These programs were 33% of total outlays. These programs provide income support for the retired and disabled and medical care for the elderly.

**2. National defense, veterans, and foreign affairs:** \$348.6 billion. About 21% of outlays were to equip, modernize, and pay our armed forces and to fund other national defense activities; about 2% went for veterans benefits and services; and about 1% went for international activities, including military and economic assistance to foreign countries and the maintenance of United States embassies abroad.

**3. Net interest:** \$199.4 billion. About 14% of total outlays were for net interest payments on the public debt.

**4. Physical, human, and community development:** \$139.5 billion. About 10% of total outlays were for agriculture, natural resources and environmental programs; transportation programs; aid for elementary and secondary education and direct assistance to college students; job training programs; deposit insurance, commerce and housing credit, and community development; and space, energy, and general science programs.

**5. Social programs:** \$235.6 billion. The Federal government spent 10% of total outlays to fund medicaid, food stamps, aid

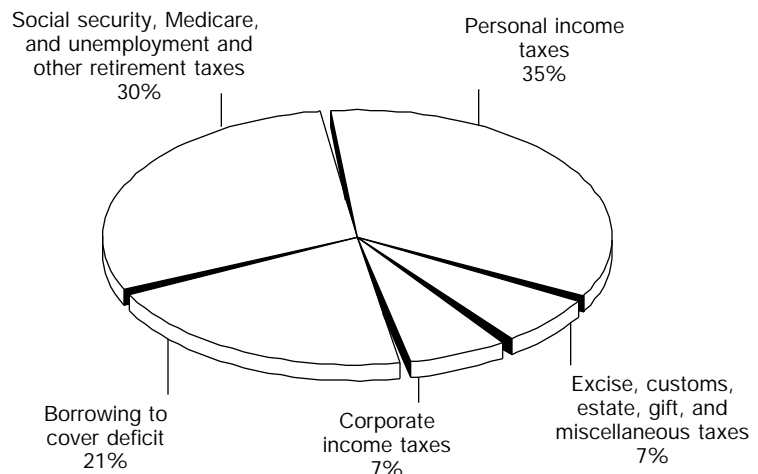
to families with dependent children, supplemental security income, and related programs. About 7% was spent for health research and public health programs, unemployment compensation, assisted housing, and social services.

**6. Law enforcement and general government:** \$27.4 billion. About 2% of total outlays were for judicial activities, Federal law enforcement, and prisons; and to provide for the general costs of the Federal government, including the collection of taxes and legislative activities.

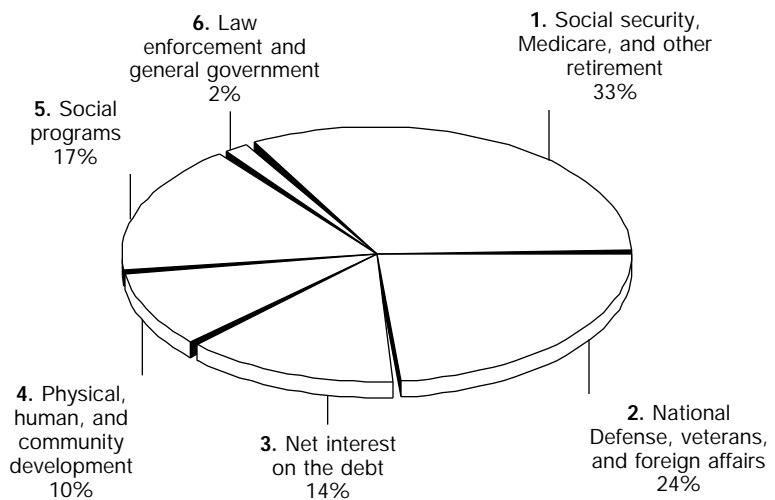
These pie charts show the relative sizes of the major categories of Federal income and outlays for fiscal year 1992.

### Income and Outlays

#### Where the Income Came From:



#### What the Outlays Were:



\* The percentages on this page exclude undistributed offsetting receipts, which were -\$39.3 billion in fiscal year 1992. In the budget, these receipts are offset against spending in figuring the outlay totals shown above. These receipts are primarily for the U.S. Government's share of its employee retirement programs and rents and royalties on the Outer Continental Shelf.