2004 Instructions for Schedule C

Profit or Loss From Business

Use Schedule C (Form 1040) to report income or loss 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 21.

Small businesses and statutory employees with expenses of $5,000 or less may be able to file Schedule C-EZ instead of Schedule C. See Schedule C-EZ for details.

You may be subject to state and local taxes and other requirements such as business licenses and fees. Check with your state and local governments for more information.

Section references are to the Internal Revenue Code.

What’s New

• The maximum amount of business expenses you can have and qualify to file Schedule C-EZ is increased from $2,500 to $5,000 for 2004. For other requirements you must meet, see Schedule C-EZ.
• You can use up to four vehicles simultaneously in your business and use the standard mileage rate. For details, see the instructions for line 9 beginning on page C-3.
• For certain business start-up costs paid or incurred after October 22, 2004, you can elect to deduct up to $5,000. This limit is reduced by the amount by which your start-up costs exceed $50,000. Also, the amortization period for certain business start-up costs paid or incurred after October 22, 2004, has been increased to 15 years. For details, see Pub. 535.
• You can elect to deduct costs of certain qualified film and television productions that begin after October 22, 2004. For details, see Pub. 535.
• You can elect to deduct certain forestation and reforestation costs paid or incurred after October 22, 2004, instead of amortizing them over 84 months. This provision does not apply to estates and trusts. Also, the dollar limitation for amortization on certain forestation and reforestation costs paid or incurred after October 22, 2004, has been eliminated. For details, see Pub. 535.
• Schedule J to figure your tax by averaging your fishing income over the previous 3 years. Doing so may reduce your tax.
• 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 2004, to claim amortization that began in 2004, to make an election under section 179 to expense certain property, or to report information on listed property.
• Form 4684 to report a casualty or theft loss involving property used in your trade or business or income-producing property.
• Form 4797 to report sales, exchanges, and involuntary conversions (not from a casualty or theft) of trade or business property.
• Form 8271 if you are claiming or reporting on Schedule C or C-EZ any income, deduction, loss, credit, or other tax benefit from an interest purchased or otherwise acquired in a tax shelter required to be registered with the IRS.
• 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.
• 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.

General Instructions

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.

Reportable Transaction Disclosure Statement

Use Form 8886 to disclose information for each reportable transaction in which you participated. Form 8886 must be filed for each tax year that your federal income tax liability is affected by your participation in the transaction. You may have to pay a penalty if you are required to file Form 8886 but do not do so. The following are reportable transactions:

• Any transaction that is the same as or substantially similar to tax avoidance transactions identified by the IRS.
• Any transaction offered under conditions of confidentiality for which you paid an advisor a minimum fee.
• Any transaction for which you have contractual protection against disallowance of the tax benefits.
• Any transaction resulting in a loss of at least $2 million in any single tax year or $4 million in any combination of tax years. (At least $30,000 for a single tax year if the loss arose from a foreign currency transaction defined in section 988(c)(1), whether or not the loss flows through from an S corporation or partnership.)
• Any transaction resulting in a book-tax difference of more than $10 million on a gross basis.
• Any transaction resulting in a tax credit of more than $250,000, if you held the asset generating the credit for 45 days or less.

See the Instructions for Form 8886 for more details and exceptions.

Additional Information
See Pub. 334 for more information for small businesses.

Specific Instructions

Filers of Form 1041. Do not complete the block labeled “Social security number (SSN).” 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 D
You need an employer identification number (EIN) only if you had a qualified retirement plan or were required to file an employment, excise, estate, trust, or alcohol, tobacco, and firearms tax return. If you need an EIN, see the Instructions for Form 5339-SF. 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
Generally, you can use the cash method, accrual method, or any other method permitted by the Internal Revenue Code. In all cases, the method used must clearly reflect income. Unless you are a qualified taxpayer or a qualifying small business taxpayer, you must use the accrual method for sales or purchases of inventory, except as noted below. See the Part III instructions on page C-6 for the definition of a qualifying taxpayer and a qualifying small business taxpayer. Special rules apply to long-term contracts. See section 460 for details.

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. However, if the payment of an expenditure creates an asset having a useful life that extends substantially beyond the close of the year, it may not be deductible or may be deductible only in part for the year of the payment. See Pub. 535.

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. See Pub. 538.

To change your accounting method, you generally must file Form 3115. You may also have to make an adjustment to prevent amounts of income or expense from being duplicated or omitted. This is called a section 481(a) adjustment.

Example. You change to the cash method of accounting and choose to account for inventory items in the same manner as materials and supplies that are not incidental. You accrued sales in 2003 for which you received payment in 2004. You must report those sales in both years as a result of changing your accounting method and must make a section 481(a) adjustment to prevent duplication of income.

A net negative section 481(a) adjustment is taken into account entirely in the year of the change. A net positive section 481(a) adjustment is generally taken into account over a period of 4 years. Include any net positive section 481(a) adjustments on line 6. If the net section 481(a) adjustment is negative, report it in Part V.


Line G
If your business activity was not a rental activity and you met any of the material participation tests below or the exception for oil and gas applies (explained on page C-3), check the “Yes” box. Otherwise, check the “No” box. If you check the “No” box, your business is a passive activity. If you have a loss from this business, see Limit on losses on page C-3. 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.

Material participation. 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:
• Studying and reviewing financial statements or reports on the activity.
• Preparing or compiling summaries or analyses of the financial operations of the activity for your own use, and
• 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 whether you own an interest in the activity or whether the activity rules apply to long-term contracts. See section 460 for details.

For purposes of the passive activity rules, you materially participated in the operation of this trade or business during 2004 if you met 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 own an interest in the activity) for the tax year.
3. You participated in the activity for more than 500 hours during the tax year, and you participated at least as much as any other person for the tax year.
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.

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ing the tax year, and you did not materially participate under any of the material par-
ticipation tests (other than this test 4).

5. You materially participated in the ac-
tivity for any 5 of the prior 10 tax years.

6. The activity is a personal service ac-
tivity in which you materially participated
for any 3 prior tax years. A personal service
activity is an activity that involves perform-
ing personal services in the fields of health,
law, engineering, architecture, accounting,
actuarial science, performing arts, consult-
ing, or any other trade or business in which
capital is not a material income-producing
factor.

7. Based on all the facts and circum-
stances, 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) re-
ceived compensation for performing man-
agement services in connection with the
activity or (b) spent more hours during the
tax year than you spent performing man-
agement services in connection with the
activity (regardless of whether the person
was compensated for the services).

Rental of personal property. A rental ac-
tivity (such as long-term equipment leas-
ing) is a passive activity even if you ma-
terially participated in the activity.
However, if you met any of the five excep-
tions listed under Rental Activities in the
Instructions for Form 8582, the rental of the
property is not treated as a rental activity
and the material participation rules above
apply.

Exception for oil and gas. If you are
filing Schedule C to report income and deduc-
tions 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. The activity of own-
ing the working interest is not a passive
activity regardless of your participation.

Limit on losses. If you checked the “No”
box 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 activi-
ties. For details, see Pub. 925.

Line H
If you started or acquired this business in
2004, check the box on line H. Also check
the box if you are reopening or restart-
ing this business before closing it, and you did not file a 2003 Schedule C or
C-EZ for this business.

Part I. Income
Except as otherwise provided in the Inter-
nal Revenue Code, gross income includes
income from whatever source derived.

Gross income, however, does not include
extraterritorial income that is qualifying
foreign trade income. Use Form 8873 to
figure the extraterritorial income exclusion.

Report it on Schedule C as explained in the
Instructions for Form 8873.

Line 1
Enter gross receipts from your trade or busi-
ness. Include amounts you received in
your trade or business that were previously
shown on Forms 1099-MISC. If the total
amounts that were reported in box 7 of
Forms 1099-MISC are more than the total
you are reporting on line 1, attach a state-
manship explaining the difference.

Statutory employees. If you received a
Form W-2 and the “Statutory employee” box
in line 13 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 in-
clude full-time life insurance agents, cer-
tain agents or commission drivers, and
traveling salespersons, and certain home-
workers.

If you had both self-employment in-
come and statutory employee income, you
must file two Schedules C. You cannot use
Schedule C-EZ or combine these amounts
on a single Schedule C.

Installment sales. Generally, the install-
ment method cannot be used to report in-
come 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
can be used to report income from sales of
certain residential lots and timeshares if you
lend no interest in the property that
income after the year of sale. See sec-
ton 453(h)(3) for details. If you make
this election, include the interest on Form
1040, line 62. Also, enter “453(h)(3)” and
the amount of the interest on the dotted line
to the left of line 62.

If you use the installment method, at-
tach a schedule to your return. Show sepa-
ately for 2004 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.

Line 6
Report on line 6 amounts from finance re-
sources, sales, barter, and exchanges of
recovered, interest (such as on notes and
accounts receivable), state gasoline or fuel
tax refunds you got in 2004, credit for fed-
eral tax paid on gasoline or other fuels
claimed on your 2003 Form 1040, prizes
and awards related to your trade or busi-
ness, and other kinds of miscellaneous
business income. Include amounts you re-
ceived in your trade or business as shown
on Form 1099-PATR. Also, include any
recapture of the deduction for clean-fuel
vehicles used in your business and clean-fuel
vehicles refueling property. For details,
see Pub. 535.

If the business use percentage of any
listed property (defined in the instructions
for line 13 on page C-4) decreased to 50%
or less in 2004, report on this line any re-
capture of excess depreciation, including
any section 179 expense deduction. Use
Form 4797 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 inclu-
sion amount. See Pub. 946 to figure the
amount.

Part II. Expenses
Capitalizing costs of property. If you pro-
duced real or tangible personal property
acquired for resale, certain ex-
penses attributable to the property gener-
ally must be included in inventory costs or
capitalized. In addition to direct costs, pro-
ducers of inventory property generally must
capitalize part of certain indirect costs
in their inventory. Purchasers of per-
sonal property acquired for resale must in-
clude 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 tangi-
ble personal property constructed for use in
a trade or business, or noninventory prop-
erty produced for sale to customers. Re-
duce the amounts on lines 8 through 26 and
Part V by amounts capitalized. For details,
see Pub. 538.

Exception for certain producers. Produc-
ners who account for inventorable items in
the same manner as materials and supplies
that are not incidental can currently deduct
expenditures for direct labor and all indi-
rect costs that would otherwise be included
in inventory costs. See Cost of Goods Sold
on page C-6 for more details.

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 cre-
ate) the property. This exception does not
apply to any expense related to printing,
photographic plates, motion picture films,
video tapes, or similar items. These ex-
penses are subject to the capitalization
rules. For details, see Pub. 538.

Line 9
You can deduct the actual expenses of run-
ning your car or truck or take the standard
mileage rate. You must use the actual ex-

cpes if you used your vehicle for hire (such as a taxi cab) or you used more than four vehi-
cles simultaneously in your business (such
as in fleet operations). You cannot use ac-
tual expenses for a leased vehicle if you
previously used the standard mileage rate
for that vehicle.

You can take the standard mileage rate for
2004 only if you:
• Owned the vehicle and use the standard mileage rate for the first year you placed the vehicle in service.
• Leased the vehicle and are using the standard mileage rate for the entire lease period (except the period, if any, before 1998).

If you deduct actual expenses:
• Include on line 9 the business portion of expenses for gasoline, oil, repairs, insurance, license plates, etc.
• Show depreciation on line 13 and rent or lease payments on line 20a.

If you take the standard mileage rate, multiply the number of business miles by 37.5 cents. Add to this amount your parking fees and tolls, and enter the total on line 9. Do not deduct depreciation, rent or lease payments, or your actual operating expenses.

For details, see Pub. 463.

Information on your vehicle. If you claim any car and truck expenses, you must provide certain information on the use of your vehicle by completing one of the following:
• Schedule C, Part IV, or Schedule C-EZ, Part III, 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 for any other reason. If you used more than one vehicle during the year, attach your own schedule with the information requested in Schedule C, Part IV, or Schedule C-EZ, Part III, for each additional vehicle.
• Form 4562, Part V, 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).

Line 11
Enter the total cost of contract labor for the tax year. Do not include contract labor deduction elsewhere on your return such as contract labor that you included in Part III. Also, do not include salaries and wages paid to your employees, instead see line 26.

Line 12
Enter your deduction for depletion on this line. If you have multiple depletions, attach Form T. See Pub. 535 for details.

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 having a useful life substantially beyond the tax year. You can also depreciate improvements made to leased business property. However, stock in trade, inventories, and land are not depreciable. Generally, you allocate interest expenses for gasoline, oil, repairs, insurance, license plates, etc., and enter the total on line 9. Do not deduct depreciation, rent or lease payments, or your actual operating expenses.

Exceptions.
• Any property used for entertainment, recreation, or amusement (such as photographic, phonographic, communication, and video recording equipment); and
• Computers or peripheral equipment.

For purposes of these exceptions, a portion of your home is treated as a regular business establishment and owned by the person operating the establishment. It also does not include any computer or peripheral equipment used exclusively at a regular business establishment. For purposes of these exceptions, you are claiming depreciation on your vehicle by completing one of the following:
• Schedule C, Part IV, or Schedule C-EZ, Part III, 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 for any other reason. If you used more than one vehicle during the year, attach your own schedule with the information requested in Schedule C, Part IV, or Schedule C-EZ, Part III, for each additional vehicle.
• Form 4562, Part V, 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).

When to attach Form 4562. You must complete and attach Form 4562 only if:
• You are claiming depreciation on property placed in service during 2004;
• 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 claimed depreciation for the first time in 2004, see Pub. 946. 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, pickup trucks, etc.;
• Any property used for entertainment or recreational purposes (such as photographic, phonographic, communication, and video recording equipment); and
• Cellular telephones or other similar telecommunications equipment; and
• Computers or peripheral equipment.

For a property placed in service after 2004, see Pub. 535 for details. Do not include photographic, phonographic, communication, or video equipment used exclusively at a regular business establishment and owned by the person operating the 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 section 280A(c)(1) for deducting expenses for the business use of your home.

See the instructions for line 6 on page C-7 if the business use percentage of any listed property decreased to 50% or less in 2004.

Line 14
Deduct contributions to employee benefit programs that are not an incidental part of a personal service or profit-sharing plan included on line 19. Examples are accident and health plans, group-term life insurance, and dependent care assistance programs. If you made contributions on your behalf as a self-employed person to a dependent care assistance program, complete Form 2441, Parts I and III, to figure your deductible contributions to that program.

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 31, 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 instructions for Form 1040, line 31, for details.

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 details, see Pub. 535.

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. Generally, you allocate interest expense by tracing the proceeds of the loan were used. See Pub. 535 for details.

How to report. 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 2004 for that debt or other financial institution for which you received a Form 1098 (or similar statement). If you did not receive a Form 1098, enter the interest on line 16b.

If you paid more mortgage interest than is shown on Form 1098, see Pub. 535 to find out if you can deduct the additional interest. If you can, include the amount on line 16a. Attach a statement to your return explaining the difference and enter “See attached” in the 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, include 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 margin next to line 16b, enter “See attached.”

If you paid interest in 2004 that applies to future years, deduct only the part that applies to 2004.

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 included you as a self-employed person, enter contributions made as an employer on your behalf on Form 1040, line 32, not on Schedule C.

Generally, you must file the applicable form listed below 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. There is a penalty for failure to timely file these forms.

Form 590. File this form for a plan that is not a one-participant plan (see below).
Form 590-EZ. File this form for a one-participant plan. A one-participant plan is a plan that only covers you (or you and your spouse).

For details, see Pub. 560.

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. See Pub. 463 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 22
Generally, you can deduct the cost of supplies only to the extent you actually consumed and used them in your business during the tax year (unless you deducted them in a prior tax year). However, if you had incidental supplies on hand for which you kept no inventories or records of use, you can deduct the cost of supplies you actually purchased during the tax year, provided that method clearly reflects income.

Line 23
You can deduct the following taxes and licenses on line 23.
- 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.
- Estate and personal property taxes on business assets.
- Licenses and regulatory fees for your trade or business paid each year to state or local governments. But some licenses, such as liquor licenses, may have to be amortized. See Pub. 535 for details.
- Social security and Medicare taxes paid to match required withholding from your employees’ wages. Also, federal unemployment tax paid. Reduce your deduction by the amount shown on Form 8846, line 4.
- Federal highway use tax.
- Do not deduct the following on this line.
- Federal income taxes, including your self-employment tax. However, you can deduct one-half of your self-employment tax on Form 1040, line 30.
- 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 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 and license fees not related to your business.

Line 24a
Enter your expenses for lodging and transportation connected with overnight travel for business 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. Also, you cannot deduct travel expenses for your spouse, your dependent, or any other individual unless that person is your employee, the travel is for a bona fide business purpose, and the expenses would otherwise be deductible by that person.

Do not include expenses for meals and entertainment on this line. Instead, see the instructions for lines 24b and 24c in this page.

Instead of keeping records of your actual incidental expenses, you can use an optional method for deducting incidental expenses only if you did not pay or incur meal expenses on a day you were traveling away from your tax home. The amount of the deduction is $3 a day. Incidental expenses include fees and tips given to porters, baggage carriers, bellhops, hotel maids, stewards or stewardesses and others on ships, and hotel servants in foreign countries. They do not include expenses for laundry, cleaning and pressing of clothing, lodging taxes, or the costs of telegrams or telephone calls. You cannot use this method on any day that you use the standard meal allowance (as explained in the instructions for lines 24b and 24c).

You cannot deduct expenses for attending a foreign convention unless it is directly related to your trade or business and it is reasonable for the meeting to be held outside the North American area as within it. These expenses do not include employees. Other rules apply to luxury water travel.

For details, see Pub. 463.

Lines 24b and 24c
On line 24b, enter your total business meal and entertainment expenses. Include meal expenses while traveling away from home for business. Instead of the actual cost of your meals while traveling away from home, you can use the standard meal allowance for your daily meals and incidental expenses. Under this method, you deduct a specified amount, depending on where you travel, instead of keeping records of your actual meal expenses. However, you must still keep records to prove the time, place, and business purpose of your travel.

The standard meal allowance is the federal M&IE rate. You can find these rates on the Internet at wwwpolicyworks.gov/perdien. For locations outside the continental United States, the rates are paid monthly. You can find these rates on the Internet at www.state.gov.

See Pub. 463 for details on how to figure your deduction using the standard meal allowance, including special rules for partial days of travel.

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 extravag-ant, 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.

Also, you cannot deduct membership dues for any club organized for business, pleasure, recreation, or other social purpose. This includes country clubs, golf and athletic clubs, airline and hotel clubs, and clubs operated to provide meals under conditions favorable to business discussion. But it does not include civic or public serv-ice organizations, professional organizations (such as bar and medical associations), business leagues, trade as-sociations, chambers of commerce, boards of trade, and real estate boards, unless a principal purpose of the organization is to entertain, or provide entertainment facili-ties for, members or their guests.

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 can deduct only 50% of your business meal and entertainment expenses, including meals incurred while away from home on business. For individuals subject to the Department of Transportation (DOT) hours of service limits, that percentage is increased to 70% for business meals consumed during, or incident to, any period of travel while you are subject to those limits in effect. Individuals subject to the DOT hours of service limits include the following persons:

- Certain air transportation workers (such as pilots, crew, dispatchers, mechanics, and control tower operators) who are under Federal Aviation Administration regulations.
- Interstate truck operators who are under DOT regulations.
- Certain merchant mariners who are under Coast Guard regulations.

However, you can fully deduct meals,incidentals, and entertainment furnished or reimbursed to an employee if you properly treat the expense as wages subject to withholding. You can also fully deduct meals,incidents, 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. See Pub. 535 for details and other exceptions.

If you provide daycare in your home, subject to limitations. If you checked box 32b, see Form 6198 under Federal Aviation Administration regulations. Instructions for Form 8582. If your at-risk amount is zero or less, enter -0- on line 31. But if you answered “No” to Question G, you may need to complete Form 8582 to figure your deductible loss. See the Instructions for Form 8582 for details.

If you checked box 32b, see Form 6198 to determine the amount of your deductible loss. But if you answered “No” to Question G, your loss may be further limited. See the Instructions for Form 8582. If your at-risk amount is zero or less, enter -0- 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 return may be delayed.

Any loss from this business not allowed for 2004 because of the at-risk rules is treated as a deduction from your earned income for the year you paid for the raw materials or merchandise purchased in 2004. For details, see the instructions for Form 6198 and Pub. 925.

Part III. Cost of Goods Sold

Generally, if you engaged in a trade or business in which the production, purchase, or sale of merchandise was an income-producing factor, you must take inventories at the beginning and end of your tax year. Do not include salaries and wages paid to yourself. Reduce your deduction by the amounts claimed on:

- Form 8884, New York Liberty Zone Business Employee Credit, line 2.
- Form 8882, figure your deductible loss. See the Instructions for Form 8582 for details. If you answered “No” to Question G, you may need to complete Form 8582 to figure your deductible loss. See the Instructions for Form 8582 for details.

If you checked box 32b, see Form 6198 to determine the amount of your deductible loss. But if you answered “No” to Question G, your loss may be further limited. See the Instructions for Form 8582. If your at-risk amount is zero or less, enter -0- 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 return may be delayed.

Any loss from this business not allowed for 2004 because of the at-risk rules is treated as a deduction from your earned income for the year you paid for the raw materials or merchandise purchased in 2004. For details, see the instructions for Form 6198 and Pub. 925.

Line 30

Business use of your home. You may be able to deduct certain expenses for business use of your home, subject to limitations. You must attach Form 8829 if you claim this deduction. For SE, see the Instructions for Form 8829 and Pub. 587.

Line 31

If you have a loss, the amount of the loss is deductible this year may be limited. Go to line 32 before entering your loss on line 31. If you answered “No” to Schedule C, Question G, also see the Instructions for Form 8829. 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. Estates and trusts 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. See the instructions for Form 1040, lines 65a and 65b, for details.

Statutory employees. 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 complete Schedule SE (because of other self-employment income, the income from self-employment 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. See the instructions for Form 1040, lines 65a and 65b, for details.

Statutory employees. 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 complete Schedule SE (because of other self-employment income, the income from self-employment 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. See the instructions for Form 1040, lines 65a and 65b, for details.

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 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 guarantor, 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 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 G, you may need to complete Form 8582 to figure your deductible loss. See the Instructions for Form 8582 for details.

If you checked box 32b, see Form 6198 to determine the amount of your deductible loss. But if you answered “No” to Question G, your loss may be further limited. See the Instructions for Form 8582. If your at-risk amount is zero or less, enter -0- 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 return may be delayed.

Any loss from this business not allowed for 2004 because of the at-risk rules is treated as a deduction from your earned income for the year you paid for the raw materials or merchandise purchased in 2004. For details, see the instructions for Form 6198 and Pub. 925.

Part III. Cost of Goods Sold

Generally, if you engaged in a trade or business in which the production, purchase, or sale of merchandise was an income-producing factor, you must take inventories at the beginning and end of your tax year. However, if you are a qualifying taxpayer or a qualifying small business taxpayer, to the extent that you purchased or sold items in the same manner as materials and supplies that are not incidental. To change your accounting method, see the instructions for line F on page C-2.

A qualifying taxpayer is a taxpayer (a) whose average annual gross receipts for the 3 prior tax years are $1 million or less, and (b) whose business is not a tax shelter (as defined in section 448(d)(3)).

A qualifying small business taxpayer is a taxpayer (a) whose average annual gross receipts for the 3 prior tax years are more than $1 million but not more than $10 million, (b) whose business is not a tax shelter (as defined in section 448(d)(3)), and (c) whose principal business activity is not an ineligible activity as explained in Rev. Proc. 2002-28. You can find Rev. Proc. 2002-28 on page 815 of Internal Revenue Bulletin 2002-18 at www.irs.gov/pub/irs-urb/irb02-18.pdf.

Under this accounting method, inventory costs for raw materials purchased for use in producing finished goods and merchandise purchased for resale are deductible in the year the finished goods or merchandise are sold (but not before the year you paid for the raw materials or merchandise, if you are also using the cash method). Enter amounts paid for all raw materials and merchandise during 2004 on
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 48 and 27. Do not include the cost of business equipment or furniture, replacements or permanent improvements to property, or personal, living, or family expenses. Do not include charitable contributions. Also, you cannot deduct fines or penalties paid to a government to avoid violating any law. For details on business expenses, see Pub. 535.

Amortization. Include amortization in this part. For amortization that begins in 2004, you must complete and attach Form 4562.

You can amortize:
• The cost of pollution-control facilities.
• Amounts paid for research and experimental activities.
• Qualified revitalization expenditures.
• Amounts paid to acquire, protect, expand, register, or defend trademarks or trade names.
• Goodwill and certain other intangibles.

In general, you cannot amortize real property construction period interest and counting beginning with 2004, refigure last year's closing inventory using your new method of accounting and the refigured amount, attach an explanation and take it into account when figuring your section 48(a) adjustment. See the example on page C-2 for details.

Line 41

If you account for inventorable items in the same manner as materials and supplies that are not incidental, enter on line 41 the portion of your raw materials and merchandise purchased for resale that are included on line 40 and were not sold during the year.

Principal Business or Professional Activity Codes

These codes for the Principal Business or Professional Activity classify sole proprietorships by the type of activity they are engaged in to facilitate the selection of the correct code in the Internal Revenue Code. These six-digit codes are based on the North American Industry Classification System (NAICS).

Accommodation, Food Services, & Drinking Places

721210 Rooming & boarding houses
722110 RV (recreational vehicle) parks & recreational camps
721100 Travel accommodation (including hotels, motels, & bed & breakfast inns)
Food Services & Drinking Places
722410 Drinking places (alcoholic beverages)
722110 Full-service restaurants
722210 Limited-service eating places
722300 Special food services (including food service contractors & caterers)
722400 Full-service restaurants

Administrative & Support and Waste Management & Remediation Services

Administrative & Support Services
561430 Business service centers (including private mail centers & copy shops)
561440 Collection agencies
561450 Credit bureaus
561410 Document preparation services
561300 Employment services
561100 Extending & pest control services
561210 Facilities support (management services)
561600 Investigation & security services
561720 Janitorial services
561730 Landscaping services
561110 Office administrative services
telephone call centers (including telephone answering services & telemarketing services)
561420

561500 Travel arrangement & reservation services
561490 Other business support services (including repossession services, court reporting, & stenotype services)
561790 Other services to buildings & dwellings
561900 Other support services (including design, computer services, & exhibition services)

561520 Telephone call centers (including telephone answering services & telemarketing services)
561410 Document preparation services
561300 Employment services
561100 Extending & pest control services
561210 Facilities support (management services)
561600 Investigation & security services
561720 Janitorial services
561730 Landscaping services
561110 Office administrative services
telephone call centers (including telephone answering services & telemarketing services)
561420
<table>
<thead>
<tr>
<th>Principal Business or Professional Activities (Codes continued)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste Management &amp; Remediation Services</td>
</tr>
<tr>
<td>562000 Waste management &amp; remediation services</td>
</tr>
<tr>
<td>Agriculture, Forestry, Hunting, &amp; Fishing</td>
</tr>
<tr>
<td>112900 Animal production (including breeding of cats and dogs)</td>
</tr>
<tr>
<td>114110 Fishing</td>
</tr>
<tr>
<td>113000 Forestry &amp; logging (including forest nurseries &amp; timber</td>
</tr>
<tr>
<td>114210 Hunting &amp; trapping</td>
</tr>
<tr>
<td>Support Activities for Agriculture &amp; Forestry</td>
</tr>
<tr>
<td>115210 Support activities for animal production (including farmers)</td>
</tr>
<tr>
<td>115110 Support activities for crop production (including cotton ginning, soil preparation, planting, &amp; cultivation)</td>
</tr>
<tr>
<td>115110 Support activities for forestry</td>
</tr>
<tr>
<td>Arts, Entertainment, &amp; Recreation</td>
</tr>
<tr>
<td>713300 Amusement parks &amp; arcades</td>
</tr>
<tr>
<td>713200 Gambling industries</td>
</tr>
<tr>
<td>713000 Other amusement &amp; recreation services (including golf courses, skating facilities, marinas, fitness centers, bowling lanes, skating rinks, miniature golf courses)</td>
</tr>
<tr>
<td>Museums, Historical Sites, &amp; Similar Institutions</td>
</tr>
<tr>
<td>712100 Museums, historical sites, &amp; similar events</td>
</tr>
<tr>
<td>Performing Arts, Spectator Sports, &amp; Related Industries</td>
</tr>
<tr>
<td>711410 Agents &amp; managers for artists, athletes, entertainers, &amp; other public figures</td>
</tr>
<tr>
<td>711510 Independent artists, writers, &amp; performers</td>
</tr>
<tr>
<td>711100 Performing arts companies</td>
</tr>
<tr>
<td>711300 Promoters of performing arts, sports, &amp; similar events</td>
</tr>
<tr>
<td>711210 Spectator sports (including professional sports clubs &amp; (out-of-operation) operations)</td>
</tr>
<tr>
<td>Construction of Buildings</td>
</tr>
<tr>
<td>236200 Nonresidential building construction</td>
</tr>
<tr>
<td>236400 Residential building construction</td>
</tr>
<tr>
<td>Heavy and Civil Engineering Construction</td>
</tr>
<tr>
<td>237310 Highway, street, &amp; bridge construction</td>
</tr>
<tr>
<td>237210 Land subdivision</td>
</tr>
<tr>
<td>237100 Utility system construction</td>
</tr>
<tr>
<td>237990 General &amp; civil engineering construction</td>
</tr>
<tr>
<td>Specialty Trade Contractors</td>
</tr>
<tr>
<td>238310 Drywall &amp; insulation contractors</td>
</tr>
<tr>
<td>238310 Electrical contractors</td>
</tr>
<tr>
<td>238350 Finish carpenters</td>
</tr>
<tr>
<td>238330 Flooring contractors</td>
</tr>
<tr>
<td>238330 Painting &amp; wall covering contractors</td>
</tr>
<tr>
<td>238220 Plumbing, heating &amp; air-conditioning contractors</td>
</tr>
<tr>
<td>238110 Poured concrete foundation &amp; structure</td>
</tr>
<tr>
<td>238160 Roofing contractors</td>
</tr>
<tr>
<td>238170 Siding contractors</td>
</tr>
<tr>
<td>238910 Site preparation contractors</td>
</tr>
<tr>
<td>238120 Structural steel &amp; precast concrete construction contractors</td>
</tr>
<tr>
<td>238310 Tile &amp; terrazzo contractors</td>
</tr>
<tr>
<td>238260 Other building equipment contractors</td>
</tr>
<tr>
<td>238390 Other building finishing contractors</td>
</tr>
<tr>
<td>238190 Foundation, structure, &amp; building exterior contractors</td>
</tr>
<tr>
<td>238990 Oil well specialty trade contractors</td>
</tr>
<tr>
<td>Educational Services</td>
</tr>
<tr>
<td>610000 Educational services (including schs, colleges, universities)</td>
</tr>
<tr>
<td>Finance &amp; Insurance Credit Intermediation &amp; Related Activities</td>
</tr>
<tr>
<td>521200 Depositary credit intermediation (including commercial banking, savings institutions, &amp; credit unions)</td>
</tr>
<tr>
<td>522200 Nondeposit credit intermediation (including credit counseling &amp; consumer lending)</td>
</tr>
<tr>
<td>523200 Activities related to credit intermediation (including loan brokers)</td>
</tr>
<tr>
<td>Insurance Agents, Brokers, &amp; Related Activities</td>
</tr>
<tr>
<td>524100 Insurance agencies &amp; Title agents</td>
</tr>
<tr>
<td>524290 Other insurance related activities</td>
</tr>
<tr>
<td>Securities, Commodity Contracts, &amp; Other Financial Investment &amp; Related Activities</td>
</tr>
<tr>
<td>523140 Commodity contracts brokers</td>
</tr>
<tr>
<td>523130 Equity contract dealers</td>
</tr>
<tr>
<td>523120 Investment bankers &amp; securities dealers</td>
</tr>
<tr>
<td>523210 Securities &amp; commodity exchanges</td>
</tr>
<tr>
<td>523120 Security brokers</td>
</tr>
<tr>
<td>523900 Other financial investment activities (including investment advice)</td>
</tr>
<tr>
<td>Health Care &amp; Social Assistance</td>
</tr>
<tr>
<td>621610 Home health care services</td>
</tr>
<tr>
<td>621510 Medical &amp; diagnostic laboratories</td>
</tr>
<tr>
<td>623110 Officers of chiroprats</td>
</tr>
<tr>
<td>623110 Officers of dentists</td>
</tr>
<tr>
<td>623330 Officers of mental health practitioners (except physicians)</td>
</tr>
<tr>
<td>623120 Officers of optometrists</td>
</tr>
<tr>
<td>623130 Officers of podiatrists</td>
</tr>
<tr>
<td>621111 Officers of physicians (except mental health specialists)</td>
</tr>
<tr>
<td>621112 Officers of pharmacists, mental health specialists</td>
</tr>
<tr>
<td>623190 Officers of podiatrists</td>
</tr>
<tr>
<td>623199 Officers of all other miscellaneous health services</td>
</tr>
<tr>
<td>621400 Outpatient care centers</td>
</tr>
<tr>
<td>621900 Other ambulatory health care services (including ambulances service, blood, &amp; organ banks)</td>
</tr>
<tr>
<td>Hospitals</td>
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<tr>
<td>626200 Hospitals</td>
</tr>
<tr>
<td>625000 Nursing &amp; residential care facilities</td>
</tr>
<tr>
<td>625000 Nursing &amp; residential care facilities</td>
</tr>
<tr>
<td>Social Assistance</td>
</tr>
<tr>
<td>624410 Child day care services</td>
</tr>
<tr>
<td>624200 Community food &amp; housing, &amp; emergency &amp; other relief services</td>
</tr>
<tr>
<td>624100 Individual &amp; family services</td>
</tr>
<tr>
<td>624310 Vocational rehabilitation services</td>
</tr>
<tr>
<td>Information</td>
</tr>
<tr>
<td>511000 Publishing industries (except periodicals)</td>
</tr>
<tr>
<td>Broadcasting (except Internet) &amp; Telecommunications</td>
</tr>
<tr>
<td>515000 Broadcasting (except Internet)</td>
</tr>
<tr>
<td>Internet Publishing &amp; Broadcasting</td>
</tr>
<tr>
<td>516100 Internet publishing &amp; broadcasting</td>
</tr>
<tr>
<td>Internet Service Providers, Web Search Portals, &amp; Data Processing Services</td>
</tr>
<tr>
<td>518120 Internet publishing, hosting, &amp; related services</td>
</tr>
<tr>
<td>Motion Picture &amp; Sound recording</td>
</tr>
<tr>
<td>512200 Sound recording industries</td>
</tr>
<tr>
<td>Manufacturing</td>
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<tr>
<td>315000 Paper &amp; pulp mill</td>
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<tr>
<td>312000 Beverage &amp; tobacco product mill</td>
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<tr>
<td>333000 Computer &amp; electronic product mill</td>
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<tr>
<td>335000 Electrical &amp; electronic product mill</td>
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<tr>
<td>330000 Machinery mill</td>
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<tr>
<td>399100 Medical equipment &amp; supplies mill</td>
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<tr>
<td>322000 Paper mill</td>
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<tr>
<td>324100 Petroleum &amp; coal products mill</td>
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<tr>
<td>326000 Plastics &amp; rubber products mill</td>
</tr>
<tr>
<td>331000 Primary metal mill</td>
</tr>
<tr>
<td>323100 Printing &amp; related support activities</td>
</tr>
<tr>
<td>333000 Textile mills</td>
</tr>
<tr>
<td>336000 Transportation equipment &amp; materials</td>
</tr>
<tr>
<td>32100 Wood product mill</td>
</tr>
<tr>
<td>339000 Finishing &amp; polishing manuf. mill</td>
</tr>
<tr>
<td>Chemical Manufacturing</td>
</tr>
<tr>
<td>325100 Basic chemical mill</td>
</tr>
<tr>
<td>325500 Paint, coating, &amp; adhesive mill</td>
</tr>
<tr>
<td>325300 Pesticide, fertilizer, &amp; other agricultural chemical mill</td>
</tr>
<tr>
<td>325410 Pharmaceutical &amp; medical compound</td>
</tr>
<tr>
<td>325200 Resin, synthetic rubber, &amp; artificial &amp; synthetic fibers &amp; filsments mill</td>
</tr>
<tr>
<td>Other Services</td>
</tr>
<tr>
<td>Personal &amp; Laundry Services</td>
</tr>
<tr>
<td>812110 Barber shops</td>
</tr>
<tr>
<td>812112 Beauty salons</td>
</tr>
<tr>
<td>812220 Cemeteries &amp; crematoria</td>
</tr>
<tr>
<td>812310 Coin-operated laundries &amp; drycleaners</td>
</tr>
<tr>
<td>812320 Drycleaning &amp; laundry services (except coin-operated) (including laundry &amp; drycleaning operations)</td>
</tr>
<tr>
<td>812210 Funeral homes &amp; funeral services</td>
</tr>
<tr>
<td>812330 Linen &amp; uniform supply</td>
</tr>
<tr>
<td>812113 Nail salons</td>
</tr>
<tr>
<td>812230 Parking lots &amp; garages</td>
</tr>
<tr>
<td>812190 Pet care (except veterinary) services</td>
</tr>
<tr>
<td>812290 Photofinishing</td>
</tr>
<tr>
<td>812190 Other personal care services (including diet &amp; weight reduction centers)</td>
</tr>
<tr>
<td>Repair &amp; Maintenance</td>
</tr>
<tr>
<td>811120 Automotive body, paint, interior, &amp; glass repair</td>
</tr>
<tr>
<td>811110 Automotive mechanical &amp; electrical repair</td>
</tr>
<tr>
<td>811190 Other automotive repair &amp; maintenance (including oil change &amp; lubrication shops &amp; car washes)</td>
</tr>
</tbody>
</table>
Principal Business or Professional Activity Codes (continued)

811310 Commercial & industrial machinery & equipment (except automotive & electrical) repair & maintenance
812110 Electronic & precision & optical goods repair & maintenance
814430 Footwear & leather goods repair
814410 Home & garden equipment & appliance maintenance
814420 Refrigeration & surveying & furniture repair
814490 Other personal & household goods repair & maintenance

Professional, Scientific, & Technical Services
541100 Legal services
541111 Offices of certified public accountants
541120 Tax preparation services
541121 Offices of tax mobilization, & other services
541130 Computing & systems design services
541140 Other computer related services
541150 Systems design & related services
541160 Other professional, scientific, & technical services
541180 Advertising & other related services
541190 Management, scientific, & technical consulting services
541210 Market research & public opinion polling
541220 Photographic services
541230 Scientific research & development services
541240 Translation & interpretation services
541250 Veterinary services
541260 All other professional services

Real Estate & Rental & Leasing
531100 Lessors of real estate (including miniwarehouses & self-storage units)
531210 Offices of real estate agents & brokers
531220 Offices of real estate appraisers
531310 Real estate property managers
531390 Other activities related to real estate

Retail & Leasing Services
532100 Automotive equipment rental & lessin
532100 Commercial & industrial machinery & equipment rental & leasing
532110 Consumer electronics & appliances rental
532200 Formal wear & costume rental
532310 General rental centers
532320 Video tape & disc rental
532390 Other consumer goods rental

Religious, Grantmaking, Civic, Professional, & Similar Organizations
811300 Religious, grantmaking, civic, professional, & similar organizations

Retail Trade
Building Material & Garden Equipment & Supplies Dealers
444110 Hardware stores
444110 Home centers
444200 Lawn & garden equipment & supplies stores
444210 Paint & wallpaper stores
444910 Other building materials dealers
Clothing & Accessories Stores
448130 Children’s & infants’ clothing stores
448140 Clothing accessories stores
448140 Family clothing stores
448150 Jewelry stores
448190 Men’s & leather goods stores
448190 Men’s clothing stores
448210 Shoe stores
448210 Women’s clothing stores
448910 Shoe shining stores
Electronic & Appliance Stores
443130 Camera & photographic equipment stores
443140 Computer & software stores
443150 Household appliance stores
443160 Radio, television, & other electronics stores
Food & Beverage Stores
445130 Beer, wine, & liqueur stores
445210 Fish & seafood markets
445230 Fruit & vegetable markets
445310 Grocery stores (including supermarkets & convenience stores)
445310 Grocery stores
445510 Meat markets
445520 Other specialty food stores
Furniture & Home Furnishing Stores
442110 Furniture stores
442200 Home furnishings stores
Gasoline Stations
447100 Gasoline stations (including convenience stores with gas)
General Merchandise Stores
452000 General merchandise stores
Health & Personal Care Care Stores
464110 Cosmetics, beauty supplies, & perfume stores
464130 Optical goods stores
464140 Pharmaceuticals & drug stores

Motor Vehicle & Parts Dealers
441300 Automotive parts, accessories, & tire stores
441222 Boat dealers
441222 Motorcycle dealers
441130 New car dealers
441210 Recreational vehicle dealers (including motor home & travel trailer dealers)
441120 Used car dealers
441129 All other motor vehicle dealers
Selling Goods, Hobby, Book, & Music Stores
451211 Book stores
451220 Hobby, toy, & game stores
451210 Musical stores & supplies dealers
451212 Novelty & newstands
451220 Purranced tape, compact disc, & record stores
451130 Sewing, needlework, & related services
451110 Sporting goods stores
Miscellaneous Store Retailers
459200 Art dealers
459300 Architectural & building materials dealers
459300 Manufactured (mobile) home dealers
459310 Office supplies & stationery stores
459310 Used merchandise stores
45990 All other miscellaneous store retailers
Nonstore Retailers
454111 Electronic auctions
454111 Electronic shopping
454310 Fuel dealers
454311 Mail-order houses
454210 Vending machine operators
454900 Other direct selling establishments
485110 Charter bus industry
484110 General freight trucking, local
484120 General freight trucking, long distance
485210 Interurban & rural bus transportation
486000 Pipeline transportation
482110 Rail transportation
487000 Scenic & sightseeing transportation
485410 School & employee bus transportation
484200 Specialized freight trucking (including household moving vans)
485500 Taxi & limousine service
485110 Urban transit systems
485000 Water transportation
485990 Other transit & ground passenger transportation
488000 Support activities for transportation (except motor vehicle towing)

Utilities
221000 Utilities

Wholesale Trade
Merchant Wholesalers, Durable Goods
423000 Electronic & electrical goods
423200 Furniture & home furnishing
423400 Hardware & plumbing & heating equipment & supplies
423900 Jewelry, watch, precious stone, & precious metals
423300 Lumber & other construction materials
423800 Machinery, equipment, & supplies
423500 Metal & mineral (except petroleum)
423100 Motor vehicle & motor vehicle parts & supplies
423400 Consumer goods rental & leasing
423900 Recyclable materials
423900 Sporting & recreational goods & supplies
423920 Toy & hobby goods & supplies
423900 Other miscellaneous durable goods

Merchant Wholesalers, Nondurable Goods
424200 Apparel, piece goods, & notions
424200 Beer, wine, & distilled alcoholic beverages
424200 Books, periodicals, & newspapers
424200 Chemical & allied products
424200 Drugs & druggists’ sundries
424200 Farm product raw materials
424300 Flowers, nursery stock, & florists’ supplies
424400 Grocery & related products
424500 Paint, varnish, & supplies
424400 Paper & paper products
424700 Petroleum & products retailers
424800 Tobacco & tobacco products
424900 Other miscellaneous nondurable goods

Wholesale Electronic Markets and Agents & Brokers
454111 Business to business (including miniwarehouses & self-storage units)
454120 Wholesale trade agents & brokers

Unclassified establishments (unable to classify)