

**ATS Test Scenario 3**  
**Taxpayer: Lynette Heather**  
**SSN: 400-00-1035**

**Test Scenario 3 includes the following forms:**

- **Form 1040**
- **Form 1099-R**
- **Form 1040 Schedule 1**
- **Form 1040 Schedule 4**
- **Schedule D**
- **Schedule E**
- **Schedule F**
- **Schedule SE**
- **Form 4835**
- **Form 6252**

**Identity Protection PIN: 876534**

**Taxpayer's Date of Birth = October 29, 1954**

**Taxpayer elects not to income average**

**Other Withholding Statement: Form 1099-R**

**Taxpayer is a patron in a specified agricultural cooperative.**

Filing status:  Single  Married filing jointly  Married filing separately  Head of household  Qualifying widow(er)

Your first name and initial: **Lynette** Last name: **Heather** Your social security number: **400 00 1035**

Your standard deduction:  Someone can claim you as a dependent  You were born before January 2, 1954  You are blind

If joint return, spouse's first name and initial: \_\_\_\_\_ Last name: \_\_\_\_\_ Spouse's social security number: \_\_\_\_\_

Spouse standard deduction:  Someone can claim your spouse as a dependent  Spouse was born before January 2, 1954  Full-year health care coverage or exempt (see inst.)  
 Spouse is blind  Spouse itemizes on a separate return or you were dual-status alien

Home address (number and street). If you have a P.O. box, see instructions. **2525 Juniper St** Apt. no. \_\_\_\_\_ Presidential Election Campaign (see inst.)  You  Spouse

City, town or post office, state, and ZIP code. If you have a foreign address, attach Schedule 6. **Paul, ID** If more than four dependents, see inst. and  here

Dependents (see instructions):		(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see inst.):	
(1) First name	Last name			Child tax credit	Credit for other dependents
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

**Sign Here** Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Joint return? See instructions. Keep a copy for your records.  Your signature: \_\_\_\_\_ Date: \_\_\_\_\_ Your occupation: \_\_\_\_\_ If the IRS sent you an Identity Protection PIN, enter it here (see inst.) **8 7 6 5 3 4**  
 Spouse's signature. If a joint return, **both** must sign. Date: \_\_\_\_\_ Spouse's occupation: \_\_\_\_\_ If the IRS sent you an Identity Protection PIN, enter it here (see inst.) \_\_\_\_\_

**Paid Preparer Use Only** Preparer's name: \_\_\_\_\_ Preparer's signature: \_\_\_\_\_ PTIN: \_\_\_\_\_ Firm's EIN: \_\_\_\_\_ Check if:  3rd Party Designee  Self-employed  
 Firm's name ▶ \_\_\_\_\_ Phone no.: \_\_\_\_\_  
 Firm's address ▶ \_\_\_\_\_

Attach Form(s) W-2. Also attach Form(s) W-2G and 1099-R if tax was withheld.

**Standard Deduction for —**

- Single or married filing separately, \$12,000
- Married filing jointly or Qualifying widow(er), \$24,000
- Head of household, \$18,000
- If you checked any box under Standard deduction, see instructions.

<b>1</b>	Wages, salaries, tips, etc. Attach Form(s) W-2	<b>1</b>	
<b>2a</b>	Tax-exempt interest	<b>2a</b>	
<b>3a</b>	Qualified dividends	<b>3a</b>	
<b>4a</b>	IRAs, pensions, and annuities	<b>4a</b>	34,450
<b>5a</b>	Social security benefits	<b>5a</b>	
<b>6</b>	Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22	<b>6</b>	
<b>7</b>	Adjusted gross income. If you have no adjustments to income, enter the amount from line 6; otherwise, subtract Schedule 1, line 36, from line 6	<b>7</b>	
<b>8</b>	<b>Standard deduction or itemized deductions</b> (from Schedule A)	<b>8</b>	
<b>9</b>	Qualified business income deduction (see instructions)	<b>9</b>	
<b>10</b>	Taxable income. Subtract lines 8 and 9 from line 7. If zero or less, enter -0-	<b>10</b>	
<b>11</b>	<b>a</b> Tax (see inst.) (check if any from: <b>1</b> <input type="checkbox"/> Form(s) 8814 <b>2</b> <input type="checkbox"/> Form 4972 <b>3</b> <input type="checkbox"/> )	<b>11</b>	
<b>12</b>	<b>b</b> Add any amount from Schedule 2 and check here <input type="checkbox"/>	<b>12</b>	
<b>13</b>	<b>a</b> Child tax credit/credit for other dependents <b>b</b> Add any amount from Schedule 3 and check here <input type="checkbox"/>	<b>13</b>	
<b>14</b>	Subtract line 12 from line 11. If zero or less, enter -0-	<b>14</b>	
<b>15</b>	Other taxes. Attach Schedule 4	<b>15</b>	
<b>16</b>	Total tax. Add lines 13 and 14	<b>16</b>	
<b>17</b>	Federal income tax withheld from Forms W-2 and 1099	<b>17</b>	
<b>18</b>	Refundable credits: <b>a</b> EIC (see inst.) <b>b</b> Sch 8812 <b>c</b> Form 8863	<b>18</b>	
<b>19</b>	Add any amount from Schedule 5	<b>19</b>	
<b>20a</b>	Add lines 16 and 17. These are your total payments	<b>20a</b>	
<b>21</b>	If line 18 is more than line 15, subtract line 15 from line 18. This is the amount you <b>overpaid</b>	<b>21</b>	
<b>22</b>	Amount of line 19 you want <b>refunded to you</b> . If Form 8888 is attached, check here <input type="checkbox"/>	<b>22</b>	
<b>23</b>	<b>b</b> Routing number 2 2 1 2 7 7 7 3 5 <b>c</b> Type: <input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings	<b>23</b>	
<b>24</b>	<b>d</b> Account number 0 6 5 4 2 1 5 3	<b>24</b>	
<b>25</b>	Amount of line 19 you want <b>applied to your 2019 estimated tax</b>	<b>25</b>	
<b>26</b>	<b>Amount you owe</b> . Subtract line 18 from line 15. For details on how to pay, see instructions	<b>26</b>	
<b>27</b>	Estimated tax penalty (see instructions)	<b>27</b>	

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and phone no.  Primrose Retirement Fund 1231 Juniper St Paul, ID 83347			<b>1</b> Gross distribution \$ 34,450		OMB No. 1545-0119  <b>2018</b>  Form <b>1099-R</b>	<b>Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</b>		
			<b>2a</b> Taxable amount \$ 21,675					
			<b>2b</b> Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>			
PAYER'S TIN  00-0000009		RECIPIENT'S TIN  400-00-1035		<b>3</b> Capital gain (included in box 2a) \$		<b>4</b> Federal income tax withheld \$ 5,185		
RECIPIENT'S name  Lynette Heather  Street address (including apt. no.)  2525 Juniper St  City or town, state or province, country, and ZIP or foreign postal code Paul, ID 83347			<b>5</b> Employee contributions/ Designated Roth contributions or insurance premiums \$		<b>6</b> Net unrealized appreciation in employer's securities \$			
			<b>7</b> Distribution code(s) 7		IRA/SEP/SIMPLE <input type="checkbox"/>			
			<b>8</b> Other \$ %					
			<b>9a</b> Your percentage of total distribution %		<b>9b</b> Total employee contributions \$			
<b>10</b> Amount allocable to IRR within 5 years \$		<b>11</b> 1st year of desig. Roth contrib.	FATCA filing requirement <input type="checkbox"/>	<b>12</b> State tax withheld \$		<b>13</b> State/Payer's state no.		
						<b>14</b> State distribution \$		
Account number (see instructions)			Date of payment		<b>15</b> Local tax withheld \$		<b>16</b> Name of locality	
							<b>17</b> Local distribution \$	

**Copy B**  
**Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.**

This information is being furnished to the IRS.

**SCHEDULE 1**  
**(Form 1040)**

**Additional Income and Adjustments to Income**

OMB No. 1545-0074

**2018**  
Attachment  
Sequence No. **01**

Department of the Treasury  
Internal Revenue Service

▶ **Attach to Form 1040.**

▶ **Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.**

Name(s) shown on Form 1040

Lynette Heather

Your social security number

400-00-1035

<b>Additional Income</b>		<b>1-9b</b>		<b>1-9b</b>	
	Reserved				
<b>10</b>	Taxable refunds, credits, or offsets of state and local income taxes	<b>10</b>		369	
<b>11</b>	Alimony received	<b>11</b>			
<b>12</b>	Business income or (loss). Attach Schedule C or C-EZ	<b>12</b>			
<b>13</b>	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	<b>13</b>			
<b>14</b>	Other gains or (losses). Attach Form 4797	<b>14</b>			
<b>15a</b>	Reserved	<b>15b</b>			
<b>16a</b>	Reserved	<b>16b</b>			
<b>17</b>	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	<b>17</b>			
<b>18</b>	Farm income or (loss). Attach Schedule F	<b>18</b>			
<b>19</b>	Unemployment compensation	<b>19</b>			
<b>20a</b>	Reserved	<b>20b</b>			
<b>21</b>	Other income. List type and amount ▶	<b>21</b>			
<b>22</b>	Combine the amounts in the far right column. If you don't have any adjustments to income, enter here and include on Form 1040, line 6. Otherwise, go to line 23	<b>22</b>			
<b>Adjustments to Income</b>		<b>23</b>		<b>23</b>	
<b>23</b>	Educator expenses	<b>23</b>			
<b>24</b>	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	<b>24</b>			
<b>25</b>	Health savings account deduction. Attach Form 8889	<b>25</b>			
<b>26</b>	Moving expenses for members of the Armed Forces. Attach Form 3903	<b>26</b>			
<b>27</b>	Deductible part of self-employment tax. Attach Schedule SE	<b>27</b>			
<b>28</b>	Self-employed SEP, SIMPLE, and qualified plans	<b>28</b>			
<b>29</b>	Self-employed health insurance deduction	<b>29</b>			
<b>30</b>	Penalty on early withdrawal of savings	<b>30</b>			
<b>31a</b>	Alimony paid <b>b</b> Recipient's SSN ▶	<b>31a</b>			
<b>32</b>	IRA deduction	<b>32</b>			
<b>33</b>	Student loan interest deduction	<b>33</b>			
<b>34</b>	Reserved	<b>34</b>			
<b>35</b>	Reserved	<b>35</b>			
<b>36</b>	Add lines 23 through 35	<b>36</b>			

For Paperwork Reduction Act Notice, see your tax return instructions.

Cat. No. 71479F

Schedule 1 (Form 1040) 2018

**SCHEDULE 4  
(Form 1040)**

**Other Taxes**

OMB No. 1545-0074

**2018**  
Attachment  
Sequence No. **04**

Department of the Treasury  
Internal Revenue Service

▶ **Attach to Form 1040.**

▶ **Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.**

Name(s) shown on Form 1040

Lynette Heather

Your social security number

400-00-1035

**Other  
Taxes**

<b>57</b>	Self-employment tax. Attach Schedule SE . . . . .	<b>57</b>	
<b>58</b>	Unreported social security and Medicare tax from: Form <b>a</b> <input type="checkbox"/> 4137 <b>b</b> <input type="checkbox"/> 8919	<b>58</b>	
<b>59</b>	Additional tax on IRAs, other qualified retirement plans, and other tax-favored accounts. Attach Form 5329 if required . . . . .	<b>59</b>	
<b>60a</b>	Household employment taxes. Attach Schedule H . . . . .	<b>60a</b>	
<b>b</b>	Repayment of first-time homebuyer credit from Form 5405. Attach Form 5405 if required . . . . .	<b>60b</b>	
<b>61</b>	Health care: individual responsibility (see instructions) . . . . .	<b>61</b>	
<b>62</b>	Taxes from: <b>a</b> <input type="checkbox"/> Form 8959 <b>b</b> <input type="checkbox"/> Form 8960 <b>c</b> <input type="checkbox"/> Instructions; enter code(s)	<b>62</b>	
<b>63</b>	Section 965 net tax liability installment from Form 965-A . . . . .	<b>63</b>	
<b>64</b>	Add the amounts in the far right column. These are your <b>total other taxes</b> . Enter here and on Form 1040, line 14 . . . . .	<b>64</b>	

For Paperwork Reduction Act Notice, see your tax return instructions.

Cat. No. 71481R

Schedule 4 (Form 1040) 2018

**SCHEDULE D  
(Form 1040)**

**Capital Gains and Losses**

OMB No. 1545-0074

**2018**

Attachment  
Sequence No. **12**

Department of the Treasury  
Internal Revenue Service (99)

▶ **Attach to Form 1040 or Form 1040NR.**  
▶ **Go to [www.irs.gov/ScheduleD](http://www.irs.gov/ScheduleD) for instructions and the latest information.**  
▶ **Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9, and 10.**

Name(s) shown on return

Lynette Heather

Your social security number

400-00-1035

**Part I Short-Term Capital Gains and Losses—Generally Assets Held One Year or Less** (see instructions)

See instructions for how to figure the amounts to enter on the lines below.  
This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
<b>1a</b> Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b . . . . .	8,372	5,444		2,928
<b>1b</b> Totals for all transactions reported on Form(s) 8949 with <b>Box A</b> checked . . . . .				
<b>2</b> Totals for all transactions reported on Form(s) 8949 with <b>Box B</b> checked . . . . .				
<b>3</b> Totals for all transactions reported on Form(s) 8949 with <b>Box C</b> checked . . . . .				
<b>4</b> Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824 . . . . .				<b>4</b>
<b>5</b> Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1 . . . . .				<b>5</b>
<b>6</b> Short-term capital loss carryover. Enter the amount, if any, from line 8 of your <b>Capital Loss Carryover Worksheet</b> in the instructions . . . . .				<b>6</b> ( )
<b>7 Net short-term capital gain or (loss).</b> Combine lines 1a through 6 in column (h). If you have any long-term capital gains or losses, go to Part II below. Otherwise, go to Part III on the back . . . . .				<b>7</b>

**Part II Long-Term Capital Gains and Losses—Generally Assets Held More Than One Year** (see instructions)

See instructions for how to figure the amounts to enter on the lines below.  
This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
<b>8a</b> Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b . . . . .	6,850	4,015		2,835
<b>8b</b> Totals for all transactions reported on Form(s) 8949 with <b>Box D</b> checked . . . . .				
<b>9</b> Totals for all transactions reported on Form(s) 8949 with <b>Box E</b> checked . . . . .				
<b>10</b> Totals for all transactions reported on Form(s) 8949 with <b>Box F</b> checked . . . . .				
<b>11</b> Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824 . . . . .				<b>11</b>
<b>12</b> Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1 . . . . .				<b>12</b>
<b>13</b> Capital gain distributions. See the instructions . . . . .				<b>13</b>
<b>14</b> Long-term capital loss carryover. Enter the amount, if any, from line 13 of your <b>Capital Loss Carryover Worksheet</b> in the instructions . . . . .				<b>14</b> ( )
<b>15 Net long-term capital gain or (loss).</b> Combine lines 8a through 14 in column (h). Then go to Part III on the back . . . . .				<b>15</b>

**Part III Summary**

<p><b>16</b> Combine lines 7 and 15 and enter the result . . . . .</p> <ul style="list-style-type: none"> <li>• If line 16 is a <b>gain</b>, enter the amount from line 16 on Schedule 1 (Form 1040), line 13, or Form 1040NR, line 14. Then go to line 17 below.</li> <li>• If line 16 is a <b>loss</b>, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22.</li> <li>• If line 16 is <b>zero</b>, skip lines 17 through 21 below and enter -0- on Schedule 1 (Form 1040), line 13, or Form 1040NR, line 14. Then go to line 22.</li> </ul>	<b>16</b>	
<p><b>17</b> Are lines 15 and 16 <b>both</b> gains?</p> <p><input type="checkbox"/> <b>Yes.</b> Go to line 18.</p> <p><input type="checkbox"/> <b>No.</b> Skip lines 18 through 21, and go to line 22.</p>		
<p><b>18</b> If you are required to complete the <b>28% Rate Gain Worksheet</b> (see instructions), enter the amount, if any, from line 7 of that worksheet . . . . . ▶</p>	<b>18</b>	0
<p><b>19</b> If you are required to complete the <b>Unrecaptured Section 1250 Gain Worksheet</b> (see instructions), enter the amount, if any, from line 18 of that worksheet . . . . . ▶</p>	<b>19</b>	0
<p><b>20</b> Are lines 18 and 19 <b>both</b> zero or blank?</p> <p><input type="checkbox"/> <b>Yes.</b> Complete the <b>Qualified Dividends and Capital Gain Tax Worksheet</b> in the instructions for Form 1040, line 11a (or in the instructions for Form 1040NR, line 42). <b>Don't</b> complete lines 21 and 22 below.</p> <p><input type="checkbox"/> <b>No.</b> Complete the <b>Schedule D Tax Worksheet</b> in the instructions. <b>Don't</b> complete lines 21 and 22 below.</p>		
<p><b>21</b> If line 16 is a loss, enter here and on Schedule 1 (Form 1040), line 13, or Form 1040NR, line 14, the <b>smaller</b> of:</p> <ul style="list-style-type: none"> <li>• The loss on line 16; or</li> <li>• (\$3,000), or if married filing separately, (\$1,500) } . . . . .</li> </ul> <p><b>Note:</b> When figuring which amount is smaller, treat both amounts as positive numbers.</p>	<b>21</b> ( )	
<p><b>22</b> Do you have qualified dividends on Form 1040, line 3a, or Form 1040NR, line 10b?</p> <p><input type="checkbox"/> <b>Yes.</b> Complete the <b>Qualified Dividends and Capital Gain Tax Worksheet</b> in the instructions for Form 1040, line 11a (or in the instructions for Form 1040NR, line 42).</p> <p><input type="checkbox"/> <b>No.</b> Complete the rest of Form 1040 or Form 1040NR.</p>		

DRAFT AS OF August 21, 2018 DO NOT FILE

**SCHEDULE E  
(Form 1040)**

**Supplemental Income and Loss**

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

OMB No. 1545-0074

**2018**

Attachment  
Sequence No. **13**

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to Form 1040, 1040NR, or Form 1041.

▶ Go to [www.irs.gov/ScheduleE](http://www.irs.gov/ScheduleE) for instructions and the latest information.

Name(s) shown on return

Your social security number

Lynette Heather

400-00-1035

**Part I Income or Loss From Rental Real Estate and Royalties** Note: If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

**A** Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions)  **Yes**  **No**

**B** If "Yes," did you or will you file required Forms 1099?  **Yes**  **No**

<b>1a</b>	Physical address of each property (street, city, state, ZIP code)				
<b>A</b>					
<b>B</b>					
<b>C</b>					
<b>1b</b>	Type of Property (from list below)	<b>2</b> For each rental real estate property listed above, report the number of fair rental and personal use days. Check the <b>QJV</b> box only if you meet the requirements to file as a qualified joint venture. See instructions.	Fair Rental Days	Personal Use Days	QJV
<b>A</b>			<b>A</b>		<input type="checkbox"/>
<b>B</b>			<b>B</b>		<input type="checkbox"/>
<b>C</b>			<b>C</b>		<input type="checkbox"/>

**Type of Property:**

- 1 Single Family Residence
- 2 Multi-Family Residence
- 3 Vacation/Short-Term Rental
- 4 Commercial
- 5 Land
- 6 Royalties
- 7 Self-Rental
- 8 Other (describe)

Income:	Properties:	A	B	C
<b>3</b> Rents received	<b>3</b>			
<b>4</b> Royalties received	<b>4</b>			
<b>Expenses:</b>				
<b>5</b> Advertising	<b>5</b>			
<b>6</b> Auto and travel (see instructions)	<b>6</b>			
<b>7</b> Cleaning and maintenance	<b>7</b>			
<b>8</b> Commissions	<b>8</b>			
<b>9</b> Insurance	<b>9</b>			
<b>10</b> Legal and other professional fees	<b>10</b>			
<b>11</b> Management fees	<b>11</b>			
<b>12</b> Mortgage interest paid to banks, etc. (see instructions)	<b>12</b>			
<b>13</b> Other interest	<b>13</b>			
<b>14</b> Repairs	<b>14</b>			
<b>15</b> Supplies	<b>15</b>			
<b>16</b> Taxes	<b>16</b>			
<b>17</b> Utilities	<b>17</b>			
<b>18</b> Depreciation expense or depletion	<b>18</b>			
<b>19</b> Other (list) ▶	<b>19</b>			
<b>20</b> Total expenses. Add lines 5 through 19	<b>20</b>			
<b>21</b> Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	<b>21</b>			
<b>22</b> Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	<b>22</b>	( )	( )	( )
<b>23a</b> Total of all amounts reported on line 3 for all rental properties	<b>23a</b>			
<b>b</b> Total of all amounts reported on line 4 for all royalty properties	<b>23b</b>			
<b>c</b> Total of all amounts reported on line 12 for all properties	<b>23c</b>			
<b>d</b> Total of all amounts reported on line 18 for all properties	<b>23d</b>			
<b>e</b> Total of all amounts reported on line 20 for all properties	<b>23e</b>			
<b>24</b> <b>Income.</b> Add positive amounts shown on line 21. Do not include any losses	<b>24</b>			
<b>25</b> <b>Losses.</b> Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here	<b>25</b>	( )		
<b>26</b> <b>Total rental real estate and royalty income or (loss).</b> Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Schedule 1 (Form 1040), line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2.	<b>26</b>			

Name(s) shown on return. Do not enter name and social security number if shown on other side.

Your social security number

Lynette Heather

400-00-1035

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations - Note: If you report a loss, receive a distribution, dispose of stock, or receive a loan repayment from an S corporation, you must check the box in column (e) on line 28 and attach the required basis computation. If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (f) on line 28 and attach Form 6198 (see instructions).

27 Are you reporting any loss not allowed in a prior year due to the at-risk, excess farm loss, or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered "Yes," see instructions before completing this section. Yes No

Table with 6 columns: (a) Name, (b) Enter P for partnership; S for S corporation, (c) Check if foreign partnership, (d) Employer identification number, (e) Check if basis computation is required, (f) Check if any amount is not at risk. Rows A, B, C, D.

Table with 5 columns: (g) Passive loss allowed, (h) Passive income from Schedule K-1, (i) Nonpassive loss from Schedule K-1, (j) Section 179 expense deduction from Form 4562, (k) Nonpassive income from Schedule K-1. Rows A, B, C, D, 29a Totals, 29b Totals, 30, 31, 32.

Part III Income or Loss From Estates and Trusts

Table with 2 columns: (a) Name, (b) Employer identification number. Rows A, B.

Table with 4 columns: (c) Passive deduction or loss allowed, (d) Passive income from Schedule K-1, (e) Deduction or loss from Schedule K-1, (f) Other income from Schedule K-1. Rows A, B, 34a Totals, 34b Totals, 35, 36, 37.

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) - Residual Holder

Table with 5 columns: (a) Name, (b) Employer identification number, (c) Excess inclusion from Schedules Q, line 2c, (d) Taxable income (net loss) from Schedules Q, line 1b, (e) Income from Schedules Q, line 3b. Rows 38, 39.

Part V Summary

Table with 2 columns: Description, Amount. Rows 40, 41, 42, 43.

**SCHEDULE F  
(Form 1040)**

**Profit or Loss From Farming**

OMB No. 1545-0074

**2018**  
Attachment  
Sequence No. **14**

Department of the Treasury  
Internal Revenue Service (99)

▶ **Attach to Form 1040, Form 1040NR, Form 1041, Form 1065, or Form 1065-B.**  
▶ **Go to [www.irs.gov/ScheduleF](http://www.irs.gov/ScheduleF) for instructions and the latest information.**

Name of proprietor <b>Lynette Heather</b>		Social security number (SSN) <b>400-00-1035</b>	
<b>A</b> Principal crop or activity <b>Floral Plants</b>	<b>B</b> Enter code from Part IV 1   1   1   4   0   0	<b>C</b> Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual	<b>D</b> Employer ID number (EIN), (see instr)
<b>E</b> Did you "materially participate" in the operation of this business during 2018? If "No," see instructions for limit on passive losses		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>F</b> Did you make any payments in 2018 that would require you to file Form(s) 1099 (see instructions)?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>G</b> If "Yes," did you or will you file required Forms 1099?		<input type="checkbox"/> Yes <input type="checkbox"/> No	

**Part I Farm Income—Cash Method.** Complete Parts I and II (Accrual method. Complete Parts II and III, and Part I, line 9.)

<b>1a</b> Sales of livestock and other resale items (see instructions)	<b>1a</b>	<b>6,900</b>	
<b>b</b> Cost or other basis of livestock or other items reported on line 1a	<b>1b</b>	<b>0</b>	
<b>c</b> Subtract line 1b from line 1a			
<b>2</b> Sales of livestock, produce, grains, and other products purchased			<b>2</b>
<b>3a</b> Cooperative distributions (Form(s) 1099-PA*)	<b>3a</b>		<b>3b</b> Taxable amount
<b>4a</b> Agricultural program payments (see instructions)	<b>4a</b>		<b>4b</b> Taxable amount
<b>5a</b> Commodity Credit Corporation (CCC) loans reported under election			<b>5a</b>
<b>b</b> CCC loans forfeited	<b>5b</b>		<b>5c</b> Taxable amount
<b>6</b> Crop insurance proceeds and federal crop disaster payments (see instructions)			
<b>a</b> Amount received in 2018	<b>6a</b>		<b>6b</b> Taxable amount
<b>c</b> If election to defer to 2019 is attached, check here <input type="checkbox"/>			<b>6d</b> Amount deferred from 2017
<b>7</b> Custom hire (machine work) income			<b>7</b>
<b>8</b> Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)			<b>8</b>
<b>9</b> <b>Gross income.</b> Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions			<b>9</b>

**Part II Farm Expenses—Cash and Accrual Method.** Do not include personal or living expenses. See instructions.

<b>10</b> Car and truck expenses (see instructions). Also attach <b>Form 4562</b>	<b>10</b>		<b>23</b> Pension and profit-sharing plans	<b>23</b>	
<b>11</b> Chemicals	<b>11</b>		<b>24</b> Rent or lease (see instructions):		
<b>12</b> Conservation expenses (see instructions)	<b>12</b>		<b>a</b> Vehicles, machinery, equipment	<b>24a</b>	
<b>13</b> Custom hire (machine work)	<b>13</b>		<b>b</b> Other (land, animals, etc.)	<b>24b</b>	
<b>14</b> Depreciation and section 179 expense (see instructions)	<b>14</b>		<b>25</b> Repairs and maintenance	<b>25</b>	
<b>15</b> Employee benefit programs other than on line 23	<b>15</b>		<b>26</b> Seeds and plants	<b>26</b>	
<b>16</b> Feed	<b>16</b>	<b>450</b>	<b>27</b> Storage and warehousing	<b>27</b>	
<b>17</b> Fertilizers and lime	<b>17</b>	<b>300</b>	<b>28</b> Supplies	<b>28</b>	<b>275</b>
<b>18</b> Freight and trucking	<b>18</b>		<b>29</b> Taxes	<b>29</b>	<b>380</b>
<b>19</b> Gasoline, fuel, and oil	<b>19</b>	<b>600</b>	<b>30</b> Utilities	<b>30</b>	<b>675</b>
<b>20</b> Insurance (other than health)	<b>20</b>	<b>350</b>	<b>31</b> Veterinary, breeding, and medicine	<b>31</b>	
<b>21</b> Interest (see instructions)			<b>32</b> Other expenses (specify):		
<b>a</b> Mortgage (paid to banks, etc.)	<b>21a</b>		<b>a</b> -----	<b>32a</b>	
<b>b</b> Other	<b>21b</b>		<b>b</b> -----	<b>32b</b>	
<b>22</b> Labor hired (less employment credits)	<b>22</b>		<b>c</b> -----	<b>32c</b>	
			<b>d</b> -----	<b>32d</b>	
			<b>e</b> -----	<b>32e</b>	
			<b>f</b> -----	<b>32f</b>	
<b>33</b> <b>Total expenses.</b> Add lines 10 through 32f. If line 32f is negative, see instructions				<b>33</b>	
<b>34</b> <b>Net farm profit or (loss).</b> Subtract line 33 from line 9				<b>34</b>	
If a profit, stop here and see instructions for where to report. If a loss, complete lines 35 and 36.					
<b>35</b> Reserved for future use.					
<b>36</b> Check the box that describes your investment in this activity and see instructions for where to report your loss.					
<b>a</b> <input type="checkbox"/> All investment is at risk.			<b>b</b> <input type="checkbox"/> Some investment is not at risk.		

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11346H

Schedule F (Form 1040) 2018

**Part III Farm Income—Accrual Method** (see instructions).

<b>37</b>	Sales of livestock, produce, grains, and other products (see instructions)			<b>37</b>	
<b>38a</b>	Cooperative distributions (Form(s) 1099-PATR)	<b>38a</b>		<b>38b</b>	Taxable amount
<b>39a</b>	Agricultural program payments	<b>39a</b>		<b>39b</b>	Taxable amount
<b>40</b>	Commodity Credit Corporation (CCC) loans:				
<b>a</b>	CCC loans reported under election			<b>40a</b>	
<b>b</b>	CCC loans forfeited	<b>40b</b>		<b>40c</b>	Taxable amount
<b>41</b>	Crop insurance proceeds				
<b>42</b>	Custom hire (machine work) income			<b>42</b>	
<b>43</b>	Other income (see instructions)			<b>43</b>	
<b>44</b>	Add amounts in the right column for lines 37 through 43 (lines 37, 38b, 39b, 40a, 40c, 41, 42, and 43)			<b>44</b>	
<b>45</b>	Inventory of livestock, produce, grains, and other products at beginning of the year. Do not include sales reported on Form 4797		<b>45</b>		
<b>46</b>	Cost of livestock, produce, grains, and other products purchased during the year		<b>46</b>		
<b>47</b>	Add lines 45 and 46		<b>47</b>		
<b>48</b>	Inventory of livestock, produce, grains, and other products at end of year		<b>48</b>		
<b>49</b>	Cost of livestock, produce, grains, and other products sold. Subtract line 48 from line 47*			<b>49</b>	
<b>50</b>	<b>Gross income.</b> Subtract line 49 from line 44. Enter the result here and on Part I, line 9			<b>50</b>	

\*If you use the unit-livestock-price method or the farm-price method of valuing inventory and the amount on line 48 is larger than the amount on line 47, subtract line 47 from line 48. Enter the result on line 49. Add lines 44 and 49. Enter the total on line 50 and on Part I, line 9.

**Part IV Principal Agricultural Activity Codes**



Do not file Schedule F (Form 1040) to report the following.

- Income from providing agricultural services such as soil preparation, veterinary, farm labor, horticultural, or management for a fee or on a contract basis. Instead file Schedule C (Form 1040) or Schedule C-EZ (Form 1040).
- Income from breeding, raising, or caring for dogs, cats, or other pet animals. Instead file Schedule C (Form 1040) or Schedule C-EZ (Form 1040).
- Sales of livestock held for draft, breeding, sport, or dairy purposes. Instead file Form 4797.

These codes for the Principal Agricultural Activity classify farms by their primary activity to facilitate the administration of the Internal Revenue Code. These six-digit codes are based on the North American Industry Classification System (NAICS).

Select the code that best identifies your primary farming activity and enter the six-digit number on line B.

**Crop Production**

- 111100 Oilseed and grain farming
- 111210 Vegetable and melon farming

- 111300 Fruit and tree nut farming
- 111400 Greenhouse, nursery, and floriculture production
- 111900 Other crop farming

**Animal Production**

- 112111 Beef cattle ranching and farming
- 112112 Cattle feedlots
- 112120 Dairy cattle and milk production
- 112210 Hog and pig farming
- 112300 Poultry and egg production
- 112400 Sheep and goat farming
- 112510 Aquaculture
- 112900 Other animal production

**Forestry and Logging**

- 113000 Forestry and logging (including forest nurseries and timber tracts)

**SCHEDULE SE  
(Form 1040)**

**Self-Employment Tax**

OMB No. 1545-0074

**2018**  
Attachment  
Sequence No. **17**

Department of the Treasury  
Internal Revenue Service (99)

► Go to [www.irs.gov/ScheduleSE](http://www.irs.gov/ScheduleSE) for instructions and the latest information.  
► Attach to Form 1040 or Form 1040NR.

Name of person with **self-employment** income (as shown on Form 1040 or Form 1040NR)  
Lynette Heather

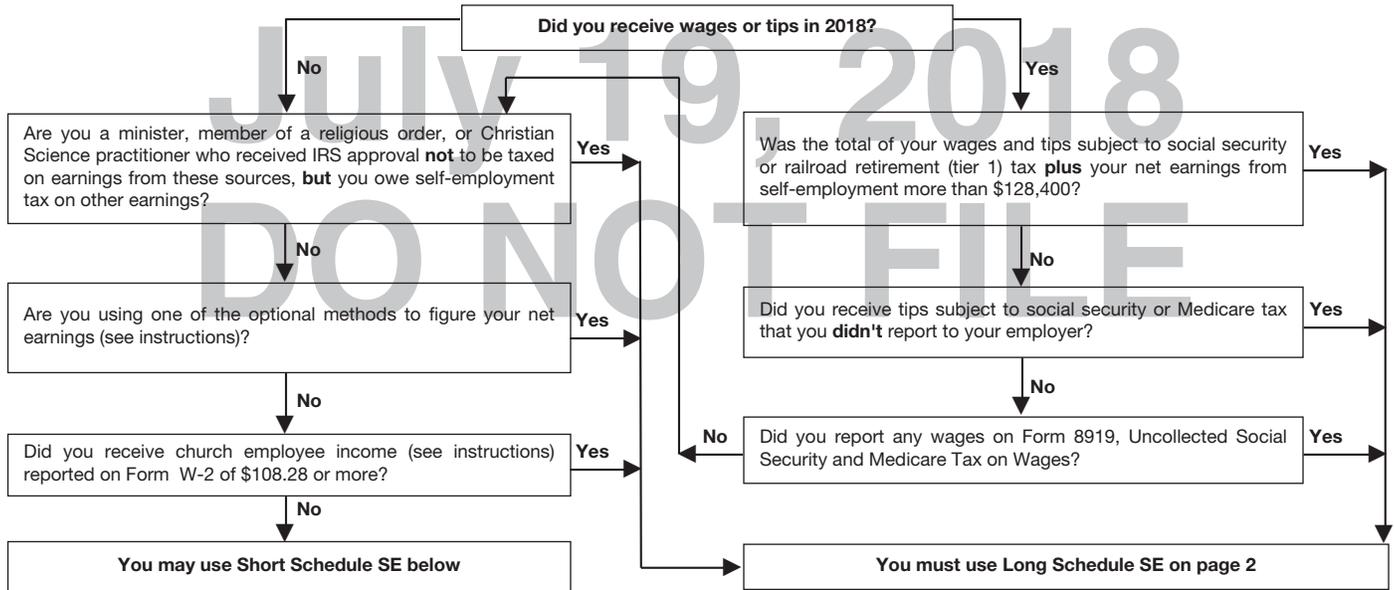
Social security number of person  
with **self-employment** income ►

400-00-1035

**Before you begin:** To determine if you must file Schedule SE, see the instructions.

**May I Use Short Schedule SE or Must I Use Long Schedule SE?**

**Note:** Use this flowchart **only** if you must file Schedule SE. If unsure, see *Who Must File Schedule SE* in the instructions.



**Section A—Short Schedule SE. Caution:** Read above to see if you can use Short Schedule SE.

<b>1a</b>	Net farm profit or (loss) from Schedule F, line 34, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A . . . . .	<b>1a</b>		
<b>b</b>	If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included on Schedule F, line 4b, or listed on Schedule K-1 (Form 1065), box 20, code AH . . . . .	<b>1b</b>	(	)
<b>2</b>	Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. Ministers and members of religious orders, see instructions for types of income to report on this line. See instructions for other income to report . . . . .	<b>2</b>		
<b>3</b>	Combine lines 1a, 1b, and 2 . . . . .	<b>3</b>		
<b>4</b>	Multiply line 3 by 92.35% (0.9235). If less than \$400, you don't owe self-employment tax; <b>don't</b> file this schedule unless you have an amount on line 1b. . . . . ►	<b>4</b>		
<b>5</b>	<b>Self-employment tax.</b> If the amount on line 4 is: • \$128,400 or less, multiply line 4 by 15.3% (0.153). Enter the result here and on <b>Schedule 4 (Form 1040), line 57, or Form 1040NR, line 55</b> • More than \$128,400, multiply line 4 by 2.9% (0.029). Then, add \$15,921.60 to the result. Enter the total here and on <b>Schedule 4 (Form 1040), line 57, or Form 1040NR, line 55</b> . . .	<b>5</b>		
<b>6</b>	<b>Deduction for one-half of self-employment tax.</b> Multiply line 5 by 50% (0.50). Enter the result here and on <b>Schedule 1 (Form 1040), line 27, or Form 1040NR, line 27</b> . . .	<b>6</b>		

Name of person with self-employment income (as shown on Form 1040 or Form 1040NR)

Social security number of person with self-employment income

Section B—Long Schedule SE

Part I Self-Employment Tax

Note: If your only income subject to self-employment tax is church employee income, see instructions. Also see instructions for the definition of church employee income.

Form I: Self-Employment Tax. Lines 1a-13. Includes instructions for church employee income, net farm profit, and self-employment tax calculations. Line 7 shows 128,400.00.

Part II Optional Methods To Figure Net Earnings (see instructions)

Form II: Optional Methods To Figure Net Earnings. Lines 14-17. Includes instructions for Farm and Nonfarm optional methods. Line 14 shows 5,280.00.

1 From Sch. F, line 9, and Sch. K-1 (Form 1065), box 14, code B.

2 From Sch. F, line 34, and Sch. K-1 (Form 1065), box 14, code A—minus the amount you would have entered on line 1b had you not used the optional method.

3 From Sch. C, line 31; Sch. C-EZ, line 3; Sch. K-1 (Form 1065), box 14, code A; and Sch. K-1 (Form 1065-B), box 9, code J1.

4 From Sch. C, line 7; Sch. C-EZ, line 1; Sch. K-1 (Form 1065), box 14, code C; and Sch. K-1 (Form 1065-B), box 9, code J2.

**Farm Rental Income and Expenses**  
(Crop and Livestock Shares (Not Cash) Received by Landowner (or Sub-Lessor))  
(Income not subject to self-employment tax)

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to Form 1040 or Form 1040NR.  
▶ Go to [www.irs.gov/Form4835](http://www.irs.gov/Form4835) for the latest information.

Name(s) shown on tax return  
Lynette Heather

Your social security number  
400-00-1035

Employer ID number (EIN), if any

**A** Did you actively participate in the operation of this farm during 2018? See instructions  Yes  No

**Part I Gross Farm Rental Income—Based on Production.** Include amounts converted to cash or the equivalent.

<b>1</b>	Income from production of livestock, produce, grains, and other crops . . . . .	<b>1</b>	8,200
<b>2a</b>	Cooperative distributions (Form(s) 1099-PATR)	<b>2a</b>	0
		<b>2b</b> Taxable amount	
<b>3a</b>	Agricultural program payments (see instructions)	<b>3a</b>	0
		<b>3b</b> Taxable amount	
<b>4</b>	Commodity Credit Corporation (CCC) loans (see instructions):		
<b>a</b>	CCC loans reported under election . . . . .	<b>4a</b>	0
<b>b</b>	CCC loans forfeited . . . . .	<b>4b</b>	0
		<b>4c</b> Taxable amount	
<b>5</b>	Crop insurance proceeds and federal crop disaster payments (see instructions):		
<b>a</b>	Amount received in 2018 . . . . .	<b>5a</b>	0
		<b>5b</b> Taxable amount	
<b>c</b>	If election to defer to 2019 is attached, check here <input type="checkbox"/> <b>5d</b> Amount deferred from 2017	<b>5d</b>	
<b>6</b>	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	<b>6</b>	0
<b>7</b>	<b>Gross farm rental income.</b> Add amounts in the right column for lines 1 through 6. Enter the total here and on Schedule E (Form 1040), line 42. ▶	<b>7</b>	

**Part II Expenses—Farm Rental Property.** Do not include personal or living expenses.

<b>8</b>	Car and truck expenses (see Schedule F (Form 1040) instructions). Also attach <b>Form 4562</b>	<b>8</b>		<b>21</b>	Pension and profit-sharing plans . . . . .	<b>21</b>	
<b>9</b>	Chemicals . . . . .	<b>9</b>		<b>22</b>	Rent or lease:		
<b>10</b>	Conservation expenses (see instructions) . . . . .	<b>10</b>		<b>a</b>	Vehicles, machinery, and equipment (see instructions) . . . . .	<b>22a</b>	
<b>11</b>	Custom hire (machine work) . . . . .	<b>11</b>		<b>b</b>	Other (land, animals, etc.)	<b>22b</b>	
<b>12</b>	Depreciation and section 179 expense deduction not claimed elsewhere . . . . .	<b>12</b>		<b>23</b>	Repairs and maintenance	<b>23</b>	
<b>13</b>	Employee benefit programs other than on line 21 (see Schedule F (Form 1040) instructions). . . . .	<b>13</b>		<b>24</b>	Seeds and plants . . . . .	<b>24</b>	
<b>14</b>	Feed . . . . .	<b>14</b>		<b>25</b>	Storage and warehousing	<b>25</b>	
<b>15</b>	Fertilizers and lime . . . . .	<b>15</b>		<b>26</b>	Supplies . . . . .	<b>26</b>	
<b>16</b>	Freight and trucking . . . . .	<b>16</b>		<b>27</b>	Taxes . . . . .	<b>27</b>	475
<b>17</b>	Gasoline, fuel, and oil . . . . .	<b>17</b>	850	<b>28</b>	Utilities . . . . .	<b>28</b>	
<b>18</b>	Insurance (other than health). . . . .	<b>18</b>	720	<b>29</b>	Veterinary, breeding, and medicine . . . . .	<b>29</b>	
<b>19</b>	Interest (see instructions):			<b>30</b>	Other expenses (specify):		
<b>a</b>	Mortgage (paid to banks, etc.)	<b>19a</b>	1,600	<b>a</b>	-----	<b>30a</b>	
<b>b</b>	Other . . . . .	<b>19b</b>		<b>b</b>	-----	<b>30b</b>	
<b>20</b>	Labor hired (less employment credits) (see Schedule F (Form 1040) instructions) . . . . .	<b>20</b>		<b>c</b>	-----	<b>30c</b>	
				<b>d</b>	-----	<b>30d</b>	
				<b>e</b>	-----	<b>30e</b>	
				<b>f</b>	-----	<b>30f</b>	
				<b>g</b>	-----	<b>30g</b>	
<b>31</b>	<b>Total expenses.</b> Add lines 8 through 30g. See instructions . . . . . ▶	<b>31</b>		<b>31</b>			
<b>32</b>	<b>Net farm rental income or (loss).</b> Subtract line 31 from line 7. If the result is income, enter it here and on Schedule E (Form 1040), line 40. If the result is a loss, you <b>must</b> go to line 34. See instructions . . . . .	<b>32</b>		<b>32</b>			
<b>33</b>	Reserved for future use . . . . .	<b>33</b>		<b>33</b>			
<b>34</b>	If line 32 is a loss, check the box that describes your investment in this activity. See instructions . . . . .	<b>34a</b>	<input type="checkbox"/> All investment is at risk.	<b>34b</b>	<input type="checkbox"/> Some investment is not at risk.		
<b>c</b>	You may have to complete <b>Form 8582</b> to determine your deductible loss, regardless of which box you checked. If you checked box 34b, you <b>must</b> complete <b>Form 6198</b> before going to Form 8582. In either case, enter the <b>deductible loss</b> here and on Schedule E (Form 1040), line 40. See instructions . . . . .	<b>34c</b>		<b>34c</b>			

**Installment Sale Income**

Department of the Treasury  
Internal Revenue Service

▶ **Attach to your tax return.**  
▶ **Use a separate form for each sale or other disposition of property on the installment method.**  
▶ **Go to [www.irs.gov/Form6252](http://www.irs.gov/Form6252) for the latest information.**

**2018**  
Attachment  
Sequence No. **79**

Name(s) shown on return

Lynette Heather

Identifying number

400-00-1035

- 1** Description of property ▶ Land
- 2a** Date acquired (mm/dd/yyyy) ▶ 10/01/2004 **b** Date sold (mm/dd/yyyy) ▶ 10/01/2010
- 3** Was the property sold to a related party (see instructions) after May 14, 1980? If "No," skip line 4 . . . . .  Yes  No
- 4** Was the property you sold to a related party a marketable security? If "Yes," complete Part III. If "No," complete Part III for the year of sale and the 2 years after the year of sale . . . . .  Yes  No

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

<b>5</b>	Selling price including mortgages and other debts. <b>Don't</b> include interest, whether stated or unstated	<b>5</b>	
<b>6</b>	Mortgages, debts, and other liabilities the buyer assumed or took the property subject to (see instructions)	<b>6</b>	
<b>7</b>	Subtract line 6 from line 5	<b>7</b>	
<b>8</b>	Cost or other basis of property sold	<b>8</b>	
<b>9</b>	Depreciation allowed or allowable	<b>9</b>	
<b>10</b>	Adjusted basis. Subtract line 9 from line 8	<b>10</b>	
<b>11</b>	Commissions and other expenses of sale	<b>11</b>	
<b>12</b>	Income recapture from Form 4797, Part III (see instructions)	<b>12</b>	
<b>13</b>	Add lines 10, 11, and 12	<b>13</b>	
<b>14</b>	Subtract line 13 from line 5. If zero or less, <b>don't</b> complete the rest of this form (see instructions)	<b>14</b>	
<b>15</b>	If the property described on line 1 above was your main home, enter the amount of your excluded gain (see instructions). Otherwise, enter -0-	<b>15</b>	
<b>16</b>	<b>Gross profit.</b> Subtract line 15 from line 14	<b>16</b>	
<b>17</b>	Subtract line 13 from line 6. If zero or less, enter -0-	<b>17</b>	
<b>18</b>	<b>Contract price.</b> Add line 7 and line 17	<b>18</b>	

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

<b>19</b>	Gross profit percentage (expressed as a decimal amount). Divide line 16 by line 18. (For years after the year of sale, see instructions)	<b>19</b>	.40
<b>20</b>	If this is the year of sale, enter the amount from line 17. Otherwise, enter -0-	<b>20</b>	0
<b>21</b>	Payments received during year (see instructions). <b>Don't</b> include interest, whether stated or unstated	<b>21</b>	5,500
<b>22</b>	Add lines 20 and 21	<b>22</b>	
<b>23</b>	Payments received in prior years (see instructions). <b>Don't</b> include interest, whether stated or unstated	<b>23</b>	12,000
<b>24</b>	<b>Installment sale income.</b> Multiply line 22 by line 19	<b>24</b>	
<b>25</b>	Enter the part of line 24 that is ordinary income under the recapture rules (see instructions)	<b>25</b>	0
<b>26</b>	Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797 (see instructions).	<b>26</b>	

**Part III Related Party Installment Sale Income.** **Don't** complete if you received the final payment this tax year.

- 27** Name, address, and taxpayer identifying number of related party \_\_\_\_\_
- 28** Did the related party resell or dispose of the property ("second disposition") during this tax year? . . . . .  Yes  No
- 29** If the answer to question 28 is "Yes," complete lines 30 through 37 below unless one of the following conditions is met. Check the box that applies.
  - a**  The second disposition was more than 2 years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of disposition (mm/dd/yyyy). . . ▶ \_\_\_\_\_
  - b**  The first disposition was a sale or exchange of stock to the issuing corporation.
  - c**  The second disposition was an involuntary conversion and the threat of conversion occurred after the first disposition.
  - d**  The second disposition occurred after the death of the original seller or buyer.
  - e**  It can be established to the satisfaction of the IRS that tax avoidance wasn't a principal purpose for either of the dispositions. If this box is checked, attach an explanation (see instructions).
- 30** Selling price of property sold by related party (see instructions)
- 31** Enter contract price from line 18 for year of first sale
- 32** Enter the **smaller** of line 30 or line 31
- 33** Total payments received by the end of your 2018 tax year (see instructions)
- 34** Subtract line 33 from line 32. If zero or less, enter -0-
- 35** Multiply line 34 by the gross profit percentage on line 19 for year of first sale
- 36** Enter the part of line 35 that is ordinary income under the recapture rules (see instructions)
- 37** Subtract line 36 from line 35. Enter here and on Schedule D or Form 4797 (see instructions).