
Publication 1438-A (Supplement)

1041 *e-file* Program

U.S. Income Tax Return for Estates and Trusts

for Tax Year 2007



Department of the Treasury
Internal Revenue Service

www.irs.gov

Publication 1438-A (12-2007)
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The IRS Mission

Provide America's Taxpayers top quality service by helping them understand and meet their tax responsibilities, and by applying the tax law with integrity and fairness to all.

Introduction

Publication 1438-A (Supplement) Tax Year 2007

This publication is a supplement to Publication 1438, and should be used in conjunction with that document. It contains a list of the forms accepted electronically when filed through the 1041 e-file program, and an exhibit of each form. The exhibit of each form reflects a field number that corresponds with the field number in the Record Layouts found in Publication 1438. The exhibits are helpful in resolving error conditions identified in the Acknowledgement Error Record, and in locating specific fields on a particular form or schedule.

DISCLAIMER

Note: In an attempt to make this document available to you as soon as possible, we have used draft versions of the various forms and schedules. In some cases, the draft we used is earlier than later published drafts of the forms or schedules. However, if the form or schedule did not change from the earlier draft, we did not replace the earlier draft. In general, the drafts in this publication represent what we believe the forms/schedules will reflect in the final version. In some cases, we have included drafts of forms that reflect changes we expect to be included in the final version. We urge you to compare the drafts in this publication to the latest forms released to the public by the Internal Revenue Service. Also, recent and/or subsequent legislative changes may necessitate a later revision of some forms or schedules.

FORMS, SCHEDULES AND STATEMENTS ACCEPTED ELECTRONICALLY

1. **Form 1041** (U.S. Income Tax Return for Estates and Trusts)
2. **Schedule C (Form 1040)** (Profit or Loss From Business)
3. **Schedule C-EZ (Form 1040)** (Net Profit From Business)
4. **Schedule D (Form 1041)** (Capital Gains and Losses)
5. **Schedule E (Form 1040)** (Supplemental Income and Loss)
6. **Schedule F (Form 1040)** (Profit or Loss From Farming)
7. **Schedule H (Form 1040)** (Household Employment Taxes)
8. **Schedule J (Form 1041)** (Trust Allocation of an Accumulation Distribution)
9. **Schedule K-1 (Form 1041)** (Beneficiary's Share of Income, Deductions, Credits, etc.)
10. **Form 1116** (Foreign Tax Credit)
11. **Form 2210** (Underpayment of Estimated Tax by Individuals, Estates and Trusts)
12. **Form 2210F** (Underpayment of Estimated Tax by Farmers and Fishermen)
13. **Form 2439** (Notice to Shareholder of Undistributed Long-Term Capital Gains)
14. **Form 3468** (Investment Credit)
15. **Form 3800** (General Business Credit)
16. **Form 4136** (Credit for Federal Tax Paid on Fuels)
17. **Form 4255** (Recapture of Investment Credit)
18. **Form 4562** (Depreciation and Amortization)
19. **Form 4684** (Casualties and Theft)
20. **Form 4797** (Sale of Business Property)
21. **Form 4835** (Farm Rental Income and Expenses)
22. **Form 4952** (Investment Interest Expense Deduction)

**FORMS, SCHEDULES AND STATEMENTS ACCEPTED ELECTRONICALLY
(CONTINUED)**

23. **Form 4970** (Tax on Accumulation Distribution of Trusts)
24. **Form 4972** (Tax on Lump-Sum Distributions)
25. **Form 5884** (Work Opportunity Credit, and related Instructions)
26. **Form 5884-A** (Hurricane Katrina Employer Retention Credit)
27. **Form 6198** (At Risk Limitation)
28. **Form 6252** (Installment Sale Income)
29. **Form 6478** (Credit for Alcohol use as Fuel)
30. **Form 6765** (Credit for Increasing Research Activities)
31. **Form 8082** (Notice of Inconsistent Treatment or Administrative Adjustment Request)
32. **Form 8271** (Investor Reporting of Tax Shelter Registration Number)
33. **Form 8275** (Disclosure Statement)
34. **Form 8275-R** (Regulatory Disclosure Statement)
35. **Form 8582** (Passive Activity Loss Limitation)
36. **Form 8582** (Worksheets)
37. **Form 8582-CR** (Passive Activity Credit Limitations)
38. **Form 8586** (Low-Income Housing Credit)
39. **Form 8609-A** (Annual Statement for Low-Income Housing Credit)
40. **Form 8801** (Credit for Prior Year Minimum Tax Individuals, Estates and Trusts)
41. **Form 8820** (Orphan Drug Credit)
42. **Form 8824** (Like Kind Exchanges)
43. **Form 8829** (Expenses for Business Use of Your Home)
44. **Form 8830** (Enhanced Oil Recovery Credit) (Not applicable for TY 2006)

**FORMS, SCHEDULES AND STATEMENTS ACCEPTED ELECTRONICALLY
(CONTINUED)**

- 45. **Form 8860** (Qualified Zone Academy Bond Credit)
- 46. **Form 8864** (Biodiesel Fuels Credit)
- 47. **Form 8874** (New Markets Credit)
- 48. **Form 8881** (Credit for Small Employer Pension Plan Startup Costs)
- 49. **Form 8882** (Credit for Employer-Provided Childcare Facilities and Services)
- 50. **Form 8886** (Reportable Transaction Disclosure Statement)
- 51. **Form 8896** (Low Sulfur Diesel Fuel Production Credit)
- 52. **Form 8913** (Credit for Federal Telephone Excise Tax Paid)

NOTE:

The records listed below are not exhibited in this publication since they are not actual federal tax forms. See Publication 1438, Section B, Record Layouts for detailed information on the records listed below.

- 53. **Statement (“STMbnn”)** Statement Records for forms and/or schedules other than Schedule K-1 (Form 1041) or Schedule K-1 in ascending numeric order.
- 54. **Optional Preparer Records**
 - Preparer’s Note
 - Election Explanation
 - Regulatory Explanation
- 55. **Schedule K-1 (Form 1041)** Statements (STMb99) – if applicable, must be transmitted in ascending numeric sequence and immediately follow the Schedule K-1 Record to which they correspond.
- 56. **Payment Record Electronic Funds Withdrawal** (Direct Debit) Payment Record.
- 57. **Summary Record**
- 58. **State Return Record** (New York State only)

A Type of entity (see instr.): For calendar year 2007 or fiscal year beginning _____, 2007, and ending _____, 20

Decedent's estate
 Simple trust
 Complex trust
 Qualified disability trust
 ESBT (S portion only)
 Grantor type trust
 Bankruptcy estate—Ch. 7
 Bankruptcy estate—Ch. 11
 Pooled income fund

Name of estate or trust (If a grantor type trust, see page 14 of the instructions.)

Name and title of fiduciary

Number, street, and room or suite no. (If a P.O. box, see page 14 of the instructions.)

City or town, state, and ZIP code

C Employer identification number

D Date entity created

E Nonexempt charitable and split-interest trusts, check applicable boxes (see page 15 of the instr.):

Described in section 4947(a)(1)
 Not a private foundation
 Described in section 4947(a)(2)

B Number of Schedules K-1 attached (see instructions) ▶

F Check applicable boxes: Initial return Final return Amended return Change in trust's name
 Change in fiduciary Change in fiduciary's name Change in fiduciary's address

G Check here if the estate or filing trust made a section 645 election

Income	1 Interest income	1	
	2a Total ordinary dividends	2a	
	b Qualified dividends allocable to: (1) Beneficiaries (2) Estate or trust		
	3 Business income or (loss). Attach Schedule C or C-EZ (Form 1040)	3	
	4 Capital gain or (loss). Attach Schedule D (Form 1041)	4	
	5 Rents, royalties, partnerships, other estates and trusts, etc. Attach Schedule E (Form 1040)	5	
	6 Farm income or (loss). Attach Schedule F (Form 1040)	6	
	7 Ordinary gain or (loss). Attach Form 4797	7	
	8 Other income. List type and amount	8	
9 Total income. Combine lines 1, 2a, and 3 through 8 ▶	9		
Deductions	10 Interest. Check if Form 4952 is attached ▶ <input type="checkbox"/>	10	
	11 Taxes	11	
	12 Fiduciary fees	12	
	13 Charitable deduction (from Schedule A, line 7)	13	
	14 Attorney, accountant, and return preparer fees	14	
	15a Other deductions not subject to the 2% floor (attach schedule)	15a	
	b Allowable miscellaneous itemized deductions subject to the 2% floor	15b	
	16 Add lines 10 through 15b ▶	16	
	17 Adjusted total income or (loss). Subtract line 16 from line 9 17		
	18 Income distribution deduction (from Schedule B, line 15). Attach Schedules K-1 (Form 1041)	18	
	19 Estate tax deduction including certain generation-skipping taxes (attach computation)	19	
20 Exemption	20		
21 Add lines 18 through 20 ▶	21		
Tax and Payments	22 Taxable income. Subtract line 21 from line 17. If a loss, see page 22 of the instructions	22	
	23 Total tax (from Schedule G, line 7)	23	
	24 Payments: a 2007 estimated tax payments and amount applied from 2006 return	24a	
	b Estimated tax payments allocated to beneficiaries (from Form 1041-T)	24b	
	c Subtract line 24b from line 24a	24c	
	d Tax paid with Form 7004 (see page 23 of the instructions)	24d	
	e Federal income tax withheld. If any is from Form(s) 1099, check <input type="checkbox"/>	24e	
	Other payments: f Form 2439 ; g Form 4136 ; Total ▶	24h	
	25 Total payments. Add lines 24c through 24e, and 24h ▶	25	
	26 Estimated tax penalty (see page 23 of the instructions)	26	
27 Tax due. If line 25 is smaller than the total of lines 23 and 26, enter amount owed	27		
28 Overpayment. If line 25 is larger than the total of lines 23 and 26, enter amount overpaid	28		
29 Amount of line 28 to be: a Credited to 2008 estimated tax ▶ ; b Refunded ▶	29		

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

Signature of fiduciary or officer representing fiduciary _____ Date _____ EIN of fiduciary if a financial institution _____

May the IRS discuss this return with the preparer shown below (see instr.)? Yes No

Paid Preparer's Use Only

Preparer's signature _____ Date _____ Check if self-employed Preparer's SSN or PTIN _____

Firm's name (or yours if self-employed), address, and ZIP code _____ EIN _____ Phone no. () _____

Schedule A Charitable Deduction. Do not complete for a simple trust or a pooled income fund.

1	Amounts paid or permanently set aside for charitable purposes from gross income (see page 23)	1		
2	Tax-exempt income allocable to charitable contributions (see page 24 of the instructions)	2		
3	Subtract line 2 from line 1	3		
4	Capital gains for the tax year allocated to corpus and paid or permanently set aside for charitable purposes	4		
5	Add lines 3 and 4	5		
6	Section 1202 exclusion allocable to capital gains paid or permanently set aside for charitable purposes (see page 24 of the instructions)	6		
7	Charitable deduction. Subtract line 6 from line 5. Enter here and on page 1, line 13	7		

Schedule B Income Distribution Deduction

1	Adjusted total income (see page 24 of the instructions)	1		
2	Adjusted tax-exempt interest	2		
3	Total net gain from Schedule D (Form 1041), line 15, column (1) (see page 24 of the instructions)	3		
4	Enter amount from Schedule A, line 4 (minus any allocable section 1202 exclusion)	4		
5	Capital gains for the tax year included on Schedule A, line 1 (see page 24 of the instructions)	5		
6	Enter any gain from page 1, line 4, as a negative number. If page 1, line 4, is a loss, enter the loss as a positive number	6		
7	Distributable net income. Combine lines 1 through 6. If zero or less, enter -0-	7		
8	If a complex trust, enter accounting income for the tax year as determined under the governing instrument and applicable local law	8		
9	Income required to be distributed currently	9		
10	Other amounts paid, credited, or otherwise required to be distributed	10		
11	Total distributions. Add lines 9 and 10. If greater than line 8, see page 26 of the instructions	11		
12	Enter the amount of tax-exempt income included on line 11	12		
13	Tentative income distribution deduction. Subtract line 12 from line 11	13		
14	Tentative income distribution deduction. Subtract line 2 from line 7. If zero or less, enter -0-	14		
15	Income distribution deduction. Enter the smaller of line 13 or line 14 here and on page 1, line 18	15		

Schedule G Tax Computation (see page 26 of the instructions)

1 Tax:	a	Tax on taxable income (see page 26 of the instructions)	1a			1d
	b	Tax on lump-sum distributions. Attach Form 4972	1b			
	c	Alternative minimum tax (from Schedule I, line 56)	1c			
	d	Total. Add lines 1a through 1c				
2a	a	Foreign tax credit. Attach Form 1116	2a			3
	b	Other nonbusiness credits (attach schedule)	2b			
	c	General business credit. Enter here and check which forms are attached: <input type="checkbox"/> Form 3800 <input type="checkbox"/> Forms (specify) ▶	2c			
	d	Credit for prior year minimum tax. Attach Form 8801	2d			
3	Total credits. Add lines 2a through 2d					3
4	Subtract line 3 from line 1d. If zero or less, enter -0-					4
5	Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611					5
6	Household employment taxes. Attach Schedule H (Form 1040)					6
7	Total tax. Add lines 4 through 6. Enter here and on page 1, line 23					7

Other Information

	Yes	No
1 Did the estate or trust receive tax-exempt income? If "Yes," attach a computation of the allocation of expenses Enter the amount of tax-exempt interest income and exempt-interest dividends ▶ \$		
2 Did the estate or trust receive all or any part of the earnings (salary, wages, and other compensation) of any individual by reason of a contract assignment or similar arrangement?		
3 At any time during calendar year 2007, did the estate or trust have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 28 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶		
4 During the tax year, did the estate or trust receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the estate or trust may have to file Form 3520. See page 28 of the instructions		
5 Did the estate or trust receive, or pay, any qualified residence interest on seller-provided financing? If "Yes," see page 28 for required attachment		
6 If this is an estate or a complex trust making the section 663(b) election, check here (see page 28) ▶ <input type="checkbox"/>		
7 To make a section 643(e)(3) election, attach Schedule D (Form 1041), and check here (see page 28) ▶ <input type="checkbox"/>		
8 If the decedent's estate has been open for more than 2 years, attach an explanation for the delay in closing the estate, and check here ▶ <input type="checkbox"/>		
9 Are any present or future trust beneficiaries skip persons? See page 28 of the instructions		

Schedule I Alternative Minimum Tax (AMT) (see pages 28 through 35 of the instructions)

Part I—Estate's or Trust's Share of Alternative Minimum Taxable Income

1	Adjusted total income or (loss) (from page 1, line 17)	1		
2	Interest	2		
3	Taxes	3		
4	Miscellaneous itemized deductions (from page 1, line 15b)	4		
5	Refund of taxes	5	()
6	Depletion (difference between regular tax and AMT)	6		
7	Net operating loss deduction. Enter as a positive amount	7		
8	Interest from specified private activity bonds exempt from the regular tax	8		
9	Qualified small business stock (see page 30 of the instructions)	9		
10	Exercise of incentive stock options (excess of AMT income over regular tax income)	10		
11	Other estates and trusts (amount from Schedule K-1 (Form 1041), box 12, code A)	11		
12	Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box 6)	12		
13	Disposition of property (difference between AMT and regular tax gain or loss)	13		
14	Depreciation on assets placed in service after 1986 (difference between regular tax and AMT)	14		
15	Passive activities (difference between AMT and regular tax income or loss)	15		
16	Loss limitations (difference between AMT and regular tax income or loss)	16		
17	Circulation costs (difference between regular tax and AMT)	17		
18	Long-term contracts (difference between AMT and regular tax income)	18		
19	Mining costs (difference between regular tax and AMT)	19		
20	Research and experimental costs (difference between regular tax and AMT)	20		
21	Income from certain installment sales before January 1, 1987	21	()
22	Intangible drilling costs preference	22		
23	Other adjustments, including income-based related adjustments	23		
24	Alternative tax net operating loss deduction (See the instructions for the limitation that applies.)	24	()
25	Adjusted alternative minimum taxable income. Combine lines 1 through 24	25		
Note: Complete Part II below before going to line 26.				
26	Income distribution deduction from Part II, line 44	26		
27	Estate tax deduction (from page 1, line 19)	27		
28	Add lines 26 and 27	28		
29	Estate's or trust's share of alternative minimum taxable income. Subtract line 28 from line 25	29		

If line 29 is:

- \$22,500 or less, stop here and enter -0- on Schedule G, line 1c. The estate or trust is not liable for the alternative minimum tax.
- Over \$22,500, but less than \$165,000, go to line 45.
- \$165,000 or more, enter the amount from line 29 on line 51 and go to line 52.

Part II—Income Distribution Deduction on a Minimum Tax Basis

30	Adjusted alternative minimum taxable income (see page 34 of the instructions)	30		
31	Adjusted tax-exempt interest (other than amounts included on line 8)	31		
32	Total net gain from Schedule D (Form 1041), line 15, column (1). If a loss, enter -0-	32		
33	Capital gains for the tax year allocated to corpus and paid or permanently set aside for charitable purposes (from Schedule A, line 4)	33		
34	Capital gains paid or permanently set aside for charitable purposes from gross income (see page 34 of the instructions)	34		
35	Capital gains computed on a minimum tax basis included on line 25	35	()
36	Capital losses computed on a minimum tax basis included on line 25. Enter as a positive amount	36		
37	Distributable net alternative minimum taxable income (DNAMTI). Combine lines 30 through 36. If zero or less, enter -0-	37		
38	Income required to be distributed currently (from Schedule B, line 9)	38		
39	Other amounts paid, credited, or otherwise required to be distributed (from Schedule B, line 10)	39		
40	Total distributions. Add lines 38 and 39	40		
41	Tax-exempt income included on line 40 (other than amounts included on line 8)	41		
42	Tentative income distribution deduction on a minimum tax basis. Subtract line 41 from line 40	42		
43	Tentative income distribution deduction on a minimum tax basis. Subtract line 31 from line 37. If zero or less, enter -0-	43		
44	Income distribution deduction on a minimum tax basis. Enter the smaller of line 42 or line 43. Enter here and on line 26	44		

Part III—Alternative Minimum Tax

45	Exemption amount			45	\$22,500	00
46	Enter the amount from line 29	46				
47	Phase-out of exemption amount	47	\$75,000	00		
48	Subtract line 47 from line 46. If zero or less, enter -0-	48				
49	Multiply line 48 by 25% (.25)					
50	Subtract line 49 from line 45. If zero or less, enter -0-					
51	Subtract line 50 from line 46					
52	Go to Part IV of Schedule I to figure line 52 if the estate or trust has qualified dividends or has a gain on lines 14a and 15 of column (2) of Schedule D (Form 1041) (as refigured for the AMT, if necessary). Otherwise, if line 51 is— <ul style="list-style-type: none"> • \$175,000 or less, multiply line 51 by 26% (.26). • Over \$175,000, multiply line 51 by 28% (.28) and subtract \$3,500 from the result 					
53	Alternative minimum foreign tax credit (see page 34 of the instructions)					
54	Tentative minimum tax. Subtract line 53 from line 52					
55	Enter the tax from Schedule G, line 1a (minus any foreign tax credit from Schedule G, line 2a)					
56	Alternative minimum tax. Subtract line 55 from line 54. If zero or less, enter -0-. Enter here and on Schedule G, line 1c					

Part IV—Line 52 Computation Using Maximum Capital Gains Rates

Caution: If you did not complete Part V of Schedule D (Form 1041), the Schedule D Tax Worksheet, or the Qualified Dividends Tax Worksheet, see page 35 of the instructions before completing this part.

57	Enter the amount from line 51				57	
58	Enter the amount from Schedule D (Form 1041), line 22, line 13 of the Schedule D Tax Worksheet, or line 4 of the Qualified Dividends Tax Worksheet, whichever applies (as refigured for the AMT, if necessary)	58				
59	Enter the amount from Schedule D (Form 1041), line 14b, column (2) (as refigured for the AMT, if necessary). If you did not complete Schedule D for the regular tax or the AMT, enter -0-	59				
60	If you did not complete a Schedule D Tax Worksheet for the regular tax or the AMT, enter the amount from line 58. Otherwise, add lines 58 and 59 and enter the smaller of that result or the amount from line 10 of the Schedule D Tax Worksheet (as refigured for the AMT, if necessary)	60				
61	Enter the smaller of line 57 or line 60				61	
62	Subtract line 61 from line 57				62	
63	If line 62 is \$175,000 or less, multiply line 62 by 26% (.26). Otherwise, multiply line 62 by 28% (.28) and subtract \$3,500 from the result				63	
64	Maximum amount subject to the 5% rate	64	\$2,150	00		
65	Enter the amount from line 23 of Schedule D (Form 1041), line 14 of the Schedule D Tax Worksheet, or line 5 of the Qualified Dividends Tax Worksheet, whichever applies (as figured for the regular tax). If you did not complete Schedule D or either worksheet for the regular tax, enter -0-	65				
66	Subtract line 65 from line 64. If zero or less, enter -0-	66				
67	Enter the smaller of line 57 or line 58	67				
68	Enter the smaller of line 66 or line 67	68				
69	Multiply line 68 by 5% (.05)				69	
70	Subtract line 68 from line 67	70				
71	Multiply line 70 by 15% (.15)				71	
72	If line 59 is zero or blank, skip lines 72 and 73 and go to line 74. Otherwise, go to line 72.	72				
73	Subtract line 67 from line 61				73	
74	Multiply line 72 by 25% (.25)				74	
75	Add lines 63, 69, 71, and 73				75	
76	If line 57 is \$175,000 or less, multiply line 57 by 26% (.26). Otherwise, multiply line 57 by 28% (.28) and subtract \$3,500 from the result				76	
77	Enter the smaller of line 74 or line 75 here and on line 52					

**SCHEDULE C
(Form 1040)**

Profit or Loss From Business

(Sole Proprietorship)

OMB No. 1545-0074

2007

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

▶ Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.

▶ Attach to Form 1040, 1040NR, or 1041. ▶ See Instructions for Schedule C (Form 1040).

Name of proprietor		Social security number (SSN)
A Principal business or profession, including product or service (see page C-2 of the instructions)	B Enter code from pages C-8, 9, & 10	
C Business name. If no separate business name, leave blank.	D Employer ID number (EIN), if any	
E Business address (including suite or room no.) ▶ City, town or post office, state, and ZIP code		
F Accounting method: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶		
G Did you "materially participate" in the operation of this business during 2007? If "No," see page C-3 for limit on losses <input type="checkbox"/> Yes <input type="checkbox"/> No		
H If you started or acquired this business during 2007, check here <input type="checkbox"/>		

Part I Income

1 Gross receipts or sales. Caution. If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see page C-3 and check here <input type="checkbox"/>	1		
2 Returns and allowances	2		
3 Subtract line 2 from line 1	3		
4 Cost of goods sold (from line 42 on page 2)	4		
5 Gross profit. Subtract line 4 from line 3.	5		
6 Other income, including federal and state gasoline or fuel tax credit or refund (see page C-3).	6		
7 Gross income. Add lines 5 and 6	7		

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8			18 Office expense	18		
9 Car and truck expenses (see page C-4)	9			19 Pension and profit-sharing plans	19		
10 Commissions and fees	10			20 Rent or lease (see page C-5):			
11 Contract labor (see page C-4)	11			a Vehicles, machinery, and equipment	20a		
12 Depletion	12			b Other business property	20b		
13 Depreciation and section 179 expense deduction (not included in Part III) (see page C-4)	13			21 Repairs and maintenance	21		
14 Employee benefit programs (other than on line 19).	14			22 Supplies (not included in Part III)	22		
15 Insurance (other than health)	15			23 Taxes and licenses	23		
16 Interest:				24 Travel, meals, and entertainment:			
a Mortgage (paid to banks, etc.)	16a			a Travel	24a		
b Other	16b			b Deductible meals and entertainment (see page C-6)	24b		
17 Legal and professional services	17			25 Utilities	25		
				26 Wages (less employment credits)	26		
				27 Other expenses (from line 48 on page 2)	27		
28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns					28		
29 Tentative profit (loss). Subtract line 28 from line 7					29		
30 Expenses for business use of your home. Attach Form 8829					30		
31 Net profit or (loss). Subtract line 30 from line 29.					31		
• If a profit, enter on both Form 1040, line 12 , and Schedule SE, line 2 , or on Form 1040NR, line 13 (statutory employees, see page C-7). Estates and trusts, enter on Form 1041, line 3.							
• If a loss, you must go to line 32.							
32 If you have a loss, check the box that describes your investment in this activity (see page C-7).							
• If you checked 32a, enter the loss on both Form 1040, line 12 , and Schedule SE, line 2 , or on Form 1040NR, line 13 (statutory employees, see page C-7). Estates and trusts, enter on Form 1041, line 3.							
• If you checked 32b, you must attach Form 6198 . Your loss may be limited.							
				32a <input type="checkbox"/> All investment is at risk.			
				32b <input type="checkbox"/> Some investment is not at risk.			

**SCHEDULE C-EZ
(Form 1040)**

Department of the Treasury
Internal Revenue Service

Net Profit From Business
(Sole Proprietorship)

▶ **Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.**
▶ **Attach to Form 1040, 1040NR, or 1041. ▶ See instructions on back.**

OMB No. 1545-0074

2007

Attachment
Sequence No. **09A**

Name of proprietor

Social security number (SSN)

Part I General Information

**You May Use
Schedule C-EZ
Instead of
Schedule C
Only If You:**

- Had business expenses of \$5,000 or less.
- Use the cash method of accounting.
- Did not have an inventory at any time during the year.
- Did not have a net loss from your business.
- Had only one business as either a sole proprietor or statutory employee.

And You:

- Had no employees during the year.
- Are not required to file **Form 4562**, Depreciation and Amortization, for this business. See the instructions for Schedule C, line 13, on page C-4 to find out if you must file.
- Do not deduct expenses for business use of your home.
- Do not have prior year unallowed passive activity losses from this business.

A Principal business or profession, including product or service	B Enter code from pages C-8, 9, & 10 ▶
C Business name. If no separate business name, leave blank.	D Employer ID number (EIN), if any
E Business address (including suite or room no.). Address not required if same as on page 1 of your tax return. City, town or post office, state, and ZIP code	

Part II Figure Your Net Profit

1 Gross receipts. Caution. If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see Statutory Employees in the instructions for Schedule C, line 1, on page C-3 and check here <input type="checkbox"/>	1		
2 Total expenses (see instructions). If more than \$5,000, you must use Schedule C.	2		
3 Net profit. Subtract line 2 from line 1. If less than zero, you must use Schedule C. Enter on both Form 1040, line 12 , and Schedule SE, line 2 , or on Form 1040NR, line 13 . (Statutory employees do not report this amount on Schedule SE, line 2. Estates and trusts, enter on Form 1041, line 3.)	3		

Part III Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 2.

- 4** When did you place your vehicle in service for business purposes? (month, day, year) ▶ / /
- 5** Of the total number of miles you drove your vehicle during 2007, enter the number of miles you used your vehicle for:
- a** Business **b** Commuting (see instructions) **c** Other
- 6** Do you (or your spouse) have another vehicle available for personal use? **Yes** **No**
- 7** Was your vehicle available for personal use during off-duty hours? **Yes** **No**
- 8a** Do you have evidence to support your deduction? **Yes** **No**
- b** If "Yes," is the evidence written? **Yes** **No**

**SCHEDULE D
(Form 1041)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ **Attach to Form 1041, Form 5227, or Form 990-T. See the separate instructions for Form 1041 (also for Form 5227 or Form 990-T, if applicable).**

OMB No. 1545-0092

2007

Name of estate or trust

Employer identification number

Note: Form 5227 filers need to complete *only* Parts I and II.

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

(a) Description of property (Example: 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see page 39)	(f) Gain or (Loss) for the entire year Subtract (e) from (d)
1a					
b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b					1b
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824					2
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts					3
4 Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2006 Capital Loss Carryover Worksheet					4 ()
5 Net short-term gain or (loss). Combine lines 1a through 4 in column (f). Enter here and on line 13, column (3) on the back ▶					5

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

(a) Description of property (Example: 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see page 39)	(f) Gain or (Loss) for the entire year Subtract (e) from (d)
6a					
b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b.					6b
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824					7
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts					8
9 Capital gain distributions					9
10 Gain from Form 4797, Part I					10
11 Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2006 Capital Loss Carryover Worksheet					11 ()
12 Net long-term gain or (loss). Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on the back ▶					12

Part III Summary of Parts I and II		(1) Beneficiaries' (see page 40)	(2) Estate's or trust's	(3) Total
Caution: Read the instructions <i>before</i> completing this part.				
13	Net short-term gain or (loss)	13		
14	Net long-term gain or (loss):			
a	Total for year	14a		
b	Unrecaptured section 1250 gain (see line 18 of the wrksht.)	14b		
c	28% rate gain	14c		
15	Total net gain or (loss). Combine lines 13 and 14a . ▶	15		

Note: If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4. If lines 14a and 15, column (2), are net gains, go to Part V, and do not complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary.

Part IV Capital Loss Limitation

16	Enter here and enter as a (loss) on Form 1041, line 4, the smaller of: a The loss on line 15, column (3) or b \$3,000	16	()
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If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22, is a loss, complete the **Capital Loss Carryover Worksheet** on page 42 of the instructions to figure your capital loss carryover.

Part V Tax Computation Using Maximum Capital Gains Rates

(Complete this part **only** if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22 is more than zero.) **Caution:** Skip this part and complete the worksheet on page 38 of the instructions if:

- Either line 14b, col. (2) or line 14c, col. (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.

17	Enter taxable income from Form 1041, line 22	17			
18	Enter the smaller of line 14a or 15 in column (2) but not less than zero	18			
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2)	19			
20	Add lines 18 and 19	20			
21	If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0- . ▶	21			
22	Subtract line 21 from line 20. If zero or less, enter -0-	22			
23	Subtract line 22 from line 17. If zero or less, enter -0-	23			
24	Enter the smaller of the amount on line 17 or \$2,150	24			
25	Is the amount on line 23 equal to or more than the amount on line 24? <input type="checkbox"/> Yes. Skip lines 25 through 27; go to line 28 and check the "No" box. <input type="checkbox"/> No. Enter the amount from line 23	25			
26	Subtract line 25 from line 24	26			
27	Multiply line 26 by 5% (.05)	27			
28	Are the amounts on lines 22 and 26 the same? <input type="checkbox"/> Yes. Skip lines 28 thru 31; go to line 32. <input type="checkbox"/> No. Enter the smaller of line 17 or line 22	28			
29	Enter the amount from line 26 (If line 26 is blank, enter -0-).	29			
30	Subtract line 29 from line 28	30			
31	Multiply line 30 by 15% (.15)	31			
32	Figure the tax on the amount on line 23. Use the 2007 Tax Rate Schedule on page 26 of the instructions	32			
33	Add lines 27, 31, and 32	33			
34	Figure the tax on the amount on line 17. Use the 2007 Tax Rate Schedule on page 26 of the instructions	34			
35	Tax on all taxable income. Enter the smaller of line 33 or line 34 here and on line 1a of Schedule G, Form 1041	35			

**SCHEDULE E
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss

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

▶ Attach to Form 1040, 1040NR, or Form 1041. ▶ See Instructions for Schedule E (Form 1040).

OMB No. 1545-0074

2007

Attachment
Sequence No. **13**

Name(s) shown on return

Your social security number

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 page E-3). If you are an individual, report farm rental income or loss from **Form 4835** on page 2, line 40.

1	List the type and location of each rental real estate property:	2	For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of:	
			Yes	No
A	• 14 days or • 10% of the total days rented at fair rental value? (See page E-3)	A	
B		B	
C		C	

Income:	Properties			Totals
	A	B	C	(Add columns A, B, and C.)
3 Rents received	3			3
4 Royalties received	4			4
Expenses:	5			
5 Advertising	6			
6 Auto and travel (see page E-4)	7			
7 Cleaning and maintenance	8			
8 Commissions	9			
9 Insurance	10			
10 Legal and other professional fees	11			
11 Management fees	12			12
12 Mortgage interest paid to banks, etc. (see page E-4)	13			
13 Other interest	14			
14 Repairs	15			
15 Supplies	16			
16 Taxes	17			
17 Utilities	18			
18 Other (list) ▶				
19 Add lines 5 through 18	19			19
20 Depreciation expense or depletion (see page E-5)	20			20
21 Total expenses. Add lines 19 and 20	21			
22 Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see page E-5 to find out if you must file Form 6198	22			
23 Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See page E-5 to find out if you must file Form 8582 . Real estate professionals must complete line 43 on page 2	23	()	()	()
24 Income. Add positive amounts shown on line 22. Do not include any losses	24			
25 Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here.	25	()	()	()
26 Total rental real estate and royalty income or (loss). 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 Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26			

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

Your social security number

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 from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See page E-1.

27 Are you reporting any loss not allowed in a prior year due to the at-risk 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? Yes No If you answered "Yes," see page E-6 before completing this section.

Table with 5 columns: (a) Name, (b) Enter P for partnership; S for S corporation, (c) Check if foreign partnership, (d) Employer identification number, (e) Check if any amount is not at risk. Rows A, B, C, D.

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

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Farming

▶ Attach to Form 1040, Form 1040NR, Form 1041, Form 1065, or Form 1065-B.

▶ See Instructions for Schedule F (Form 1040).

OMB No. 1545-0074

2007
Attachment
Sequence No. **14**

Name of proprietor	Social security number (SSN)
A Principal product. Describe in one or two words your principal crop or activity for the current tax year.	B Enter code from Part IV ▶
C Accounting method: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual	D Employer ID number (EIN), if any

E Did you "materially participate" in the operation of this business during 2007? If "No," see page F-2 for limit on passive losses. Yes No

Part I Farm Income—Cash Method. Complete Parts I and II (Accrual method. Complete Parts II and III, and Part I, line 11.)
Do not include sales of livestock held for draft, breeding, sport, or dairy purposes. Report these sales on Form 4797.

1 Sales of livestock and other items you bought for resale	1			
2 Cost or other basis of livestock and other items reported on line 1	2			
3 Subtract line 2 from line 1			3	
4 Sales of livestock, produce, grains, and other products you raised			4	
5a Cooperative distributions (Form(s) 1099-PATR)	5a		5b Taxable amount	5b
6a Agricultural program payments (see page F-3)	6a		6b Taxable amount	6b
7 Commodity Credit Corporation (CCC) loans (see page F-3):				
a CCC loans reported under election			7a	
b CCC loans forfeited	7b		7c Taxable amount	7c
8 Crop insurance proceeds and federal crop disaster payments (see page F-3):				
a Amount received in 2007	8a		8b Taxable amount	8b
c If election to defer to 2008 is attached, check here ▶ <input type="checkbox"/>			8d Amount deferred from 2006	8d
9 Custom hire (machine work) income			9	
10 Other income, including federal and state gasoline or fuel tax credit or refund (see page F-3)			10	
11 Gross income. Add amounts in the right column for lines 3 through 10. If you use the accrual method, enter the amount from Part III, line 51			11	

Part II Farm Expenses—Cash and Accrual Method.

Do not include personal or living expenses such as taxes, insurance, or repairs on your home.

12 Car and truck expenses (see page F-4). Also attach Form 4562	12				25 Pension and profit-sharing plans	25		
13 Chemicals	13				26 Rent or lease (see page F-6):			
14 Conservation expenses (see page F-4)	14				a Vehicles, machinery, and equipment	26a		
15 Custom hire (machine work)	15				b Other (land, animals, etc.)	26b		
16 Depreciation and section 179 expense deduction not claimed elsewhere (see page F-5)	16				27 Repairs and maintenance	27		
17 Employee benefit programs other than on line 25	17				28 Seeds and plants	28		
18 Feed	18				29 Storage and warehousing	29		
19 Fertilizers and lime	19				30 Supplies	30		
20 Freight and trucking	20				31 Taxes	31		
21 Gasoline, fuel, and oil	21				32 Utilities	32		
22 Insurance (other than health)	22				33 Veterinary, breeding, and medicine	33		
23 Interest:					34 Other expenses (specify):			
a Mortgage (paid to banks, etc.)	23a				a	34a		
b Other	23b				b	34b		
24 Labor hired (less employment credits)	24				c	34c		
					d	34d		
					e	34e		
					f	34f		

35 Total expenses. Add lines 12 through 34f. If line 34f is negative, see instructions	35			
36 Net farm profit or (loss). Subtract line 35 from line 11. • If a profit, enter the profit on Form 1040, line 18 , and also on Schedule SE, line 1 . If you file Form 1040NR, enter the profit on Form 1040NR, line 19 . • If a loss, you must go to line 37. Estates, trusts, and partnerships, see page F-6.	36			
37 If you have a loss, you must check the box that describes your investment in this activity (see page F-7). • If you checked 37a, enter the loss on Form 1040, line 18 , and also on Schedule SE, line 1 . If you file Form 1040NR, enter the loss on Form 1040NR, line 19 . • If you checked 37b, you must attach Form 6198 . Your loss may be limited.			37a <input type="checkbox"/> All investment is at risk.	37b <input type="checkbox"/> Some investment is not at risk.

Part III Farm Income—Accrual Method (see page F-7).

Do not include sales of livestock held for draft, breeding, sport, or dairy purposes. Report these sales on Form 4797 and do not include this livestock on line 46 below.

38	Sales of livestock, produce, grains, and other products			38		
39a	Cooperative distributions (Form(s) 1099-PATR)	39a		39b	Taxable amount	39b
40a	Agricultural program payments	40a		40b	Taxable amount	40b
41	Commodity Credit Corporation (CCC) loans:					
a	CCC loans reported under election			41a		
b	CCC loans forfeited	41b		41c	Taxable amount	41c
42	Crop insurance proceeds			42		
43	Custom hire (machine work) income			43		
44	Other income, including federal and state gasoline or fuel tax credit or refund			44		
45	Add amounts in the right column for lines 38 through 44			45		
46	Inventory of livestock, produce, grains, and other products at beginning of the year	46				
47	Cost of livestock, produce, grains, and other products purchased during the year	47				
48	Add lines 46 and 47	48				
49	Inventory of livestock, produce, grains, and other products at end of year	49				
50	Cost of livestock, produce, grains, and other products sold. Subtract line 49 from line 48*			50		
51	Gross income. Subtract line 50 from line 45. Enter the result here and on Part I, line 11			51		

*If you use the unit-livestock-price method or the farm-price method of valuing inventory and the amount on line 49 is larger than the amount on line 48, subtract line 48 from line 49. Enter the result on line 50. Add lines 45 and 50. Enter the total on line 51 and on Part I, line 11.

Part IV Principal Agricultural Activity Codes



File Schedule C (Form 1040) or Schedule C-EZ (Form 1040) instead of Schedule F if (a) your principal source of income is from providing agricultural services such as soil preparation, veterinary, farm labor, horticultural, or management for a fee or on a contract basis, or (b) you are engaged in the business of breeding, raising, and caring for dogs, cats, or other pet animals.

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 page 1, 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 H
(Form 1040)**

Department of the Treasury
Internal Revenue Service

Household Employment Taxes

(For Social Security, Medicare, Withheld Income, and Federal Unemployment (FUTA) Taxes)

▶ **Attach to Form 1040, 1040NR, 1040-SS, or 1041.**

▶ **See separate instructions.**

OMB No. 1545-1971

2007

Attachment
Sequence No. **44**

Name of employer	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Social security number</td> </tr> <tr> <td style="text-align: center;"> </td> </tr> <tr> <td style="text-align: center;">Employer identification number</td> </tr> <tr> <td style="text-align: center;"> </td> </tr> </table>	Social security number		Employer identification number	
Social security number					
Employer identification number					

- A** Did you pay **any one** household employee cash wages of \$1,500 or more in 2007? (If any household employee was your spouse, your child under age 21, your parent, or anyone under age 18, see the line A instructions on page H-3 before you answer this question.)
- Yes.** Skip lines B and C and go to line 1.
 No. Go to line B.
- B** Did you withhold federal income tax during 2007 for any household employee?
- Yes.** Skip line C and go to line 5.
 No. Go to line C.
- C** Did you pay **total** cash wages of \$1,000 or more in **any** calendar **quarter** of 2006 or 2007 to **all** household employees? (**Do not** count cash wages paid in 2006 or 2007 to your spouse, your child under age 21, or your parent.)
- No. Stop.** Do not file this schedule.
 Yes. Skip lines 1-9 and go to line 10 on the back. (Calendar year taxpayers having no household employees in 2007 **do not** have to complete this form for 2007.)

Part I Social Security, Medicare, and Income Taxes

1 Total cash wages subject to social security taxes (see page H-4)	1			
2 Social security taxes. Multiply line 1 by 12.4% (.124)	2			
3 Total cash wages subject to Medicare taxes (see page H-4)	3			
4 Medicare taxes. Multiply line 3 by 2.9% (.029)	4			
5 Federal income tax withheld, if any	5			
6 Total social security, Medicare, and income taxes. Add lines 2, 4, and 5	6			
7 Advance earned income credit (EIC) payments, if any	7			
8 Net taxes (subtract line 7 from line 6)	8			

- 9** Did you pay **total** cash wages of \$1,000 or more in **any** calendar **quarter** of 2006 or 2007 to all household employees? (**Do not** count cash wages paid in 2006 or 2007 to your spouse, your child under age 21, or your parent.)
- No. Stop.** Enter the amount from line 8 above on Form 1040, line 62. If you are not required to file Form 1040, see the line 9 instructions on page H-4.
- Yes.** Go to line 10 on the back.

Part II Federal Unemployment (FUTA) Tax

	Yes	No
10 Did you pay unemployment contributions to only one state?	10	
11 Did you pay all state unemployment contributions for 2007 by April 15, 2008? Fiscal year filers, see page H-4	11	
12 Were all wages that are taxable for FUTA tax also taxable for your state's unemployment tax?	12	

Next: If you checked the "Yes" box on **all** the lines above, complete Section A.

If you checked the "No" box on **any** of the lines above, skip Section A and complete Section B.

Section A

13 Name of the state where you paid unemployment contributions ▶			
14 State reporting number as shown on state unemployment tax return ▶			
15 Contributions paid to your state unemployment fund (see page H-5)	15		
16 Total cash wages subject to FUTA tax (see page H-5)		16	
17 FUTA tax. Multiply line 16 by .008. Enter the result here, skip Section B, and go to line 26		17	

Section B

18 Complete all columns below that apply (if you need more space, see page H-5):

(a) Name of state	(b) State reporting number as shown on state unemployment tax return	(c) Taxable wages (as defined in state act)	(d) State experience rate period		(e) State experience rate	(f) Multiply col. (c) by .054	(g) Multiply col. (c) by col. (e)	(h) Subtract col. (g) from col. (f). If zero or less, enter -0-.	(i) Contributions paid to state unemployment fund
			From	To					
19 Totals							19		
20 Add columns (h) and (i) of line 19						20			
21 Total cash wages subject to FUTA tax (see the line 16 instructions on page H-5)							21		
22 Multiply line 21 by 6.2% (.062)							22		
23 Multiply line 21 by 5.4% (.054)						23			
24 Enter the smaller of line 20 or line 23							24		
25 FUTA tax. Subtract line 24 from line 22. Enter the result here and go to line 26							25		

Part III Total Household Employment Taxes

26 Enter the amount from line 8. If you checked the "Yes" box on line C of page 1, enter -0-	26		
27 Add line 17 (or line 25) and line 26 (see page H-5)	27		
28 Are you required to file Form 1040? <input type="checkbox"/> Yes. Stop. Enter the amount from line 27 above on Form 1040, line 62. Do not complete Part IV below. <input type="checkbox"/> No. You may have to complete Part IV. See page H-5 for details.			

Part IV Address and Signature—Complete this part only if required. See the line 28 instructions on page H-5.

Address (number and street) or P.O. box if mail is not delivered to street address	Apt., room, or suite no.
City, town or post office, state, and ZIP code	

Under penalties of perjury, I declare that I have examined this schedule, including accompanying statements, and to the best of my knowledge and belief, it is true, correct, and complete. No part of any payment made to a state unemployment fund claimed as a credit was, or is to be, deducted from the payments to employees.

Employer's signature	Date
----------------------	------

**SCHEDULE J
(Form 1041)**

Accumulation Distribution for Certain Complex Trusts

OMB No. 1545-0092

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1041.
▶ See the Instructions for Form 1041.

2007

Name of trust	Employer identification number
---------------	--------------------------------

Part I Accumulation Distribution in 2007

Note: See the Form 4970 instructions for certain income that minors may exclude and special rules for multiple trusts.

1 Other amounts paid, credited, or otherwise required to be distributed for 2007 (from Schedule B of Form 1041, line 10)	1	
2 Distributable net income for 2007 (from Schedule B of Form 1041, line 7)	2	
3 Income required to be distributed currently for 2007 (from Schedule B of Form 1041, line 9)	3	
4 Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Accumulation distribution for 2007. Subtract line 4 from line 1	5	

Part II Ordinary Income Accumulation Distribution (Enter the applicable throwback years below.)

Note: If the distribution is thrown back to more than five years (starting with the earliest applicable tax year beginning after 1968), attach additional schedules. (If the trust was a simple trust, see Regulations section 1.665(e)-1A(b).)

		Throwback year ending -----	Throwback year ending -----	Throwback year ending -----	Throwback year ending -----	Throwback year ending -----
6 Distributable net income (see page 44 of the instructions)	6					
7 Distributions (see page 44 of the instructions)	7					
8 Subtract line 7 from line 6	8					
9 Enter amount from page 2, line 25 or line 31, as applicable	9					
10 Undistributed net income Subtract line 9 from line 8	10					
11 Enter amount of prior accumulation distributions thrown back to any of these years	11					
12 Subtract line 11 from line 10	12					
13 Allocate the amount on line 5 to the earliest applicable year first. Do not allocate an amount greater than line 12 for the same year (see page 44 of the instructions)	13					
14 Divide line 13 by line 10 and multiply result by amount on line 9	14					
15 Add lines 13 and 14	15					
16 Tax-exempt interest included on line 13 (see page 45 of the instructions)	16					
17 Subtract line 16 from line 15	17					

Part III Taxes Imposed on Undistributed Net Income (Enter the applicable throwback years below.) (See page 45 of the instructions.)

Note: If more than five throwback years are involved, attach additional schedules. If the trust received an accumulation distribution from another trust, see Regulations section 1.665(d)-1A.

If the trust elected the alternative tax on capital gains (repealed for tax years beginning after 1978), skip lines 18 through 25 and complete lines 26 through 31.	Throwback year ending	Throwback year ending	Throwback year ending	Throwback year ending	Throwback year ending

18 Regular tax	18				
19 Trust's share of net short-term gain	19				
20 Trust's share of net long-term gain	20				
21 Add lines 19 and 20	21				
22 Taxable income	22				
23 Enter percent. Divide line 21 by line 22, but do not enter more than 100%	23	%	%	%	%
24 Multiply line 18 by the percentage on line 23.	24				
25 Tax on undistributed net income. Subtract line 24 from line 18. Enter here and on page 1, line 9	25				
Do not complete lines 26 through 31 unless the trust elected the alternative tax on long-term capital gain.					
26 Tax on income other than long-term capital gain	26				
27 Trust's share of net short-term gain	27				
28 Trust's share of taxable income less section 1202 deduction	28				
29 Enter percent. Divide line 27 by line 28, but do not enter more than 100%	29	%	%	%	%
30 Multiply line 26 by the percentage on line 29.	30				
31 Tax on undistributed net income. Subtract line 30 from line 26. Enter here and on page 1, line 9	31				

Part IV Allocation to Beneficiary

Note: Be sure to complete Form 4970, Tax on Accumulation Distribution of Trusts.

Beneficiary's name		Identifying number		
Beneficiary's address (number and street including apartment number or P.O. box)		(a) This beneficiary's share of line 13	(b) This beneficiary's share of line 14	(c) This beneficiary's share of line 16
City, state, and ZIP code				
32 Throwback year	32			
33 Throwback year	33			
34 Throwback year	34			
35 Throwback year	35			
36 Throwback year	36			
37 Total. Add lines 32 through 36. Enter here and on the appropriate lines of Form 4970.	37			

Final K-1

Amended K-1

**Schedule K-1
(Form 1041)**

2007

Department of the Treasury
Internal Revenue Service

For calendar year 2007,
or tax year beginning _____, 2007
and ending _____, 20____

**Beneficiary's Share of Income, Deductions,
Credits, etc.**

▶ See back of form and instructions.

Part I Information About the Estate or Trust

A Estate's or trust's employer identification number

B Estate's or trust's name

C Fiduciary's name, address, city, state, and ZIP code

D Check if Form 1041-T was filed and enter the date it was filed
_____/_____/_____

E Check if this is the final Form 1041 for the estate or trust

Part II Information About the Beneficiary

F Beneficiary's identifying number

G Beneficiary's name, address, city, state, and ZIP code

H Domestic beneficiary Foreign beneficiary

**Part III Beneficiary's Share of Current Year Income,
Deductions, Credits, and Other Items**

1	Interest income	11	Final year deductions
2a	Ordinary dividends		
2b	Qualified dividends		
3	Net short-term capital gain		
4a	Net long-term capital gain		
4b	28% rate gain	12	Alternative minimum tax adjustment
4c	Unrecaptured section 1250 gain		
5	Other portfolio and nonbusiness income		
6	Ordinary business income		
7	Net rental real estate income	13	Credits and credit recapture
8	Other rental income		
9	Directly apportioned deductions		
		14	Other information
10	Estate tax deduction		

*See attached statement for additional information.
Note: A statement must be attached showing the beneficiary's share of income and directly apportioned deductions from each business, rental real estate, and other rental activity.

For IRS Use Only

Foreign Tax Credit
 (Individual, Estate, or Trust)

▶ Attach to Form 1040, 1040NR, 1041, or 990-T.
 ▶ See separate instructions.

Name _____ Identifying number as shown on page 1 of your tax return _____

Use a separate Form 1116 for each category of income listed below. See **Categories of Income** beginning on page 3 of the instructions. Check only one box on each Form 1116. Report all amounts in U.S. dollars except where specified in Part II below.

- a Passive category income c Section 901(j) income e Lump-sum distributions
 b General category income d Certain income re-sourced by treaty

f Resident of (name of country) ▶ _____

Note: If you paid taxes to only one foreign country or U.S. possession, use column A in Part I and line A in Part II. If you paid taxes to more than one foreign country or U.S. possession, use a separate column and line for each country or possession.

Part I Taxable Income or Loss From Sources Outside the United States (for Category Checked Above)

	Foreign Country or U.S. Possession			Total (Add cols. A, B, and C.)
	A	B	C	
g Enter the name of the foreign country or U.S. possession ▶				
1a Gross income from sources within country shown above and of the type checked above (see page 14 of the instructions):				1a
b Check if line 1a is compensation for personal services as an employee, your total compensation from all sources is \$250,000 or more, and you used an alternative basis to determine its source (see instructions) ▶ <input type="checkbox"/>				
Deductions and losses (Caution: See pages 14 and 15 of the instructions):				
2 Expenses definitely related to the income on line 1a (attach statement)				
3 Pro rata share of other deductions not definitely related:				
a Certain itemized deductions or standard deduction (see instructions)				
b Other deductions (attach statement)				
c Add lines 3a and 3b				
d Gross foreign source income (see instructions)				
e Gross income from all sources (see instructions)				
f Divide line 3d by line 3e (see instructions)				
g Multiply line 3c by line 3f.				
4 Pro rata share of interest expense (see instructions):				
a Home mortgage interest (use worksheet on page 14 of the instructions)				
b Other interest expense				
5 Losses from foreign sources				
6 Add lines 2, 3g, 4a, 4b, and 5				6
7 Subtract line 6 from line 1a. Enter the result here and on line 14, page 2 ▶				7

Part II Foreign Taxes Paid or Accrued (see page 16 of the instructions)

Country	Credit is claimed for taxes (you must check one) (h) <input type="checkbox"/> Paid (i) <input type="checkbox"/> Accrued	Foreign taxes paid or accrued							
		In foreign currency				In U.S. dollars			
		Taxes withheld at source on:				Taxes withheld at source on:			
		(j) Date paid or accrued	(k) Dividends	(l) Rents and royalties	(m) Interest	(n) Other foreign taxes paid or accrued	(o) Dividends	(p) Rents and royalties	(q) Interest
A									
B									
C									
8	Add lines A through C, column (s). Enter the total here and on line 9, page 2 ▶								

Part III Figuring the Credit

9	Enter the amount from line 8. These are your total foreign taxes paid or accrued for the category of income checked above Part I	9		
10	Carryback or carryover (attach detailed computation)	10		
11	Add lines 9 and 10.	11		
12	Reduction in foreign taxes (see pages 16 and 17 of the instructions)	12		
13	Subtract line 12 from line 11. This is the total amount of foreign taxes available for credit			13
14	Enter the amount from line 7. This is your taxable income or (loss) from sources outside the United States (before adjustments) for the category of income checked above Part I (see page 17 of the instructions)	14		
15	Adjustments to line 14 (see pages 17 and 18 of the instructions)	15		
16	Combine the amounts on lines 14 and 15. This is your net foreign source taxable income. (If the result is zero or less, you have no foreign tax credit for the category of income you checked above Part I. Skip lines 17 through 21. However, if you are filing more than one Form 1116, you must complete line 19.)	16		
17	Individuals: Enter the amount from Form 1040, line 41. If you are a nonresident alien, enter the amount from Form 1040NR, line 38. Estates and trusts: Enter your taxable income without the deduction for your exemption. Caution: If you figured your tax using the lower rates on qualified dividends or capital gains, see page 18 of the instructions.	17		
18	Divide line 16 by line 17. If line 16 is more than line 17, enter "1"			18
19	Individuals: Enter the amount from Form 1040, line 44, minus any amounts from lines 47 through 50, and any mortgage interest credit (from Form 8396, line 11) and District of Columbia first-time homebuyer credit (from Form 8859, line 11). If you are a nonresident alien, enter the amount from Form 1040NR, line 41, minus any amounts from lines 44 through 45, and any mortgage interest credit (from Form 8396, line 11) and District of Columbia first-time homebuyer credit (from Form 8859, line 11). Estates and trusts: Enter the amount from Form 1041, Schedule G, line 1a, or the total of Form 990-T, lines 36 and 37 Caution: If you are completing line 19 for separate category e (lump-sum distributions), see page 20 of the instructions.			19
20	Multiply line 19 by line 18 (maximum amount of credit)			20
21	Enter the smaller of line 13 or line 20. If this is the only Form 1116 you are filing, skip lines 22 through 26 and enter this amount on line 27. Otherwise, complete the appropriate line in Part IV (see page 20 of the instructions) ▶			21

Part IV Summary of Credits From Separate Parts III (see page 20 of the instructions)

22	Credit for taxes on passive category income	22		
23	Credit for taxes on general category income	23		
24	Credit for taxes on certain income re-sourced by treaty	24		
25	Credit for taxes on lump-sum distributions	25		
26	Add lines 22 through 25			26
27	Enter the smaller of line 19 or line 26			27
28	Reduction of credit for international boycott operations. See instructions for line 12 beginning on page 16			28
29	Subtract line 28 from line 27. This is your foreign tax credit . Enter here and on Form 1040, line 51; Form 1040NR, line 46; Form 1041, Schedule G, line 2a; or Form 990-T, line 40a ▶			29

**Underpayment of
Estimated Tax by Individuals, Estates, and Trusts**

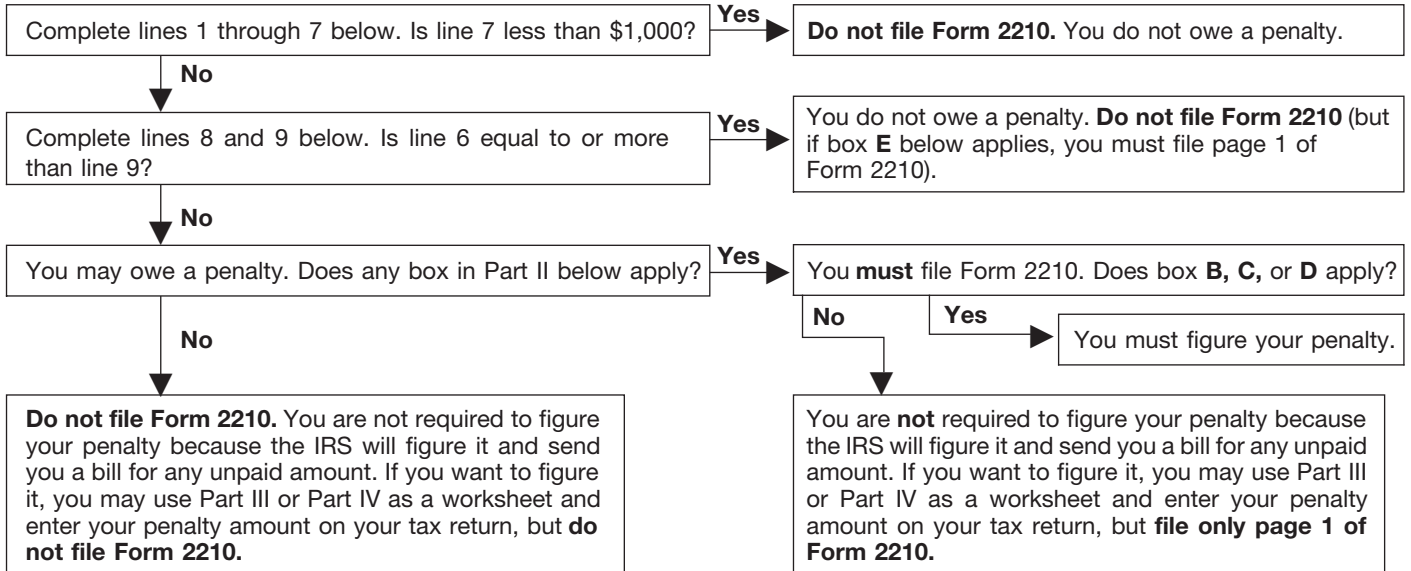
▶ See separate instructions.

▶ Attach to Form 1040, 1040A, 1040NR, 1040NR-EZ, or 1041.

Name(s) shown on tax return

Identifying number

Do You Have To File Form 2210?



Part I Required Annual Payment (see page 2 of the instructions)

1	Enter your 2007 tax after credits from Form 1040, line 57 (or comparable line of your return)		
2	Other taxes, including self-employment tax (see page 2 of the instructions)		
3	Refundable credits. Enter the total of your earned income credit, additional child tax credit, credit for federal tax paid on fuels, health coverage tax credit, and refundable credit for prior year minimum tax		
4	Current year tax. Combine lines 1, 2, and 3. If less than \$1,000, you do not owe a penalty; do not file Form 2210		
5	Multiply line 4 by 90% (.90)	5	
6	Withholding taxes. Do not include estimated tax payments. (see page 2 of the instructions)		
7	Subtract line 6 from line 4. If less than \$1,000, you do not owe a penalty; do not file Form 2210		
8	Maximum required annual payment based on prior year's tax (see page 2 of the instructions)		
9	Required annual payment. Enter the smaller of line 5 or line 8		

Next: Is line 9 more than line 6?

- No.** You **do not** owe a penalty. **Do not file Form 2210** unless box **E** below applies.
- Yes.** You may owe a penalty, but **do not file Form 2210** unless one or more boxes in Part II below applies.
 - If box **B, C, or D** applies, you must figure your penalty and file Form 2210.
 - If only box **A or E** (or both) applies, file only page 1 of Form 2210. You are **not** required to figure your penalty; the IRS will figure it and send you a bill for any unpaid amount. If you want to figure your penalty, you may use Part III or IV as a worksheet and enter your penalty on your tax return, but **file only page 1 of Form 2210**.

Part II Reasons for Filing. Check applicable boxes. If none apply, **do not file Form 2210**.

- A** You request a **waiver** (see page 1 of the instructions) of your entire penalty. You must check this box and file page 1 of Form 2210, but you are not required to figure your penalty.
- B** You request a **waiver** (see page 1 of the instructions) of part of your penalty. You must figure your penalty and waiver amount and file Form 2210.
- C** Your income varied during the year and your penalty is reduced or eliminated when figured using the **annualized income installment method**. You must figure the penalty using Schedule AI and file Form 2210.
- D** Your penalty is lower when figured by treating the federal income tax withheld from your income as paid on the dates it was actually withheld, instead of in equal amounts on the payment due dates. You must figure your penalty and file Form 2210.
- E** You filed or are filing a joint return for either 2006 or 2007, but not for both years, and line 8 above is smaller than line 5 above. You must file page 1 of Form 2210, but you are **not** required to figure your penalty (unless box **B, C, or D** applies).

Part III Short Method

You may use the short method if:

- You made no estimated tax payments (or your only payments were withheld federal income tax), **or**
- You paid the same amount of estimated tax on each of the four payment due dates.

You must use the regular method (Part IV) instead of the short method if:

- You made any estimated tax payments late,
- You checked box **C** or **D** in Part II, **or**
- You are filing Form 1040NR or 1040NR-EZ and you did not receive wages as an employee subject to U.S. income tax withholding.



You do not need to file Form 2210 unless you checked a box in Part II on page 1.

Note: *If any payment was made earlier than the due date, you may use the short method, but using it may cause you to pay a larger penalty than the regular method. If the payment was only a few days early, the difference is likely to be small.*

10	Enter the amount from Form 2210, line 9				10		
11	Enter the amount, if any, from Form 2210, line 6	11					
12	Enter the total amount, if any, of estimated tax payments you made	12					
13	Add lines 11 and 12				13		
14	Total underpayment for year. Subtract line 13 from line 10. If zero or less, stop here; you do not owe the penalty. Do not file Form 2210 unless you checked box E on page 1				14		
15	Multiply line 14 by .0XXXX				15		
16	<ul style="list-style-type: none"> ● If the amount on line 14 was paid on or after 4/15/08, enter -0-. ● If the amount on line 14 was paid before 4/15/08, make the following computation to find the amount to enter on line 16. 						
	Amount on line 14 × Number of days paid before 4/15/08 × .000XX 				16		
17	Penalty. Subtract line 16 from line 15. Enter the result here and on Form 1040, line 77; Form 1040A, line 47; Form 1040NR, line 75; Form 1040NR-EZ, line 26; or Form 1041, line 26 . . . ▶				17		

Part IV Regular Method (See page 2 of the instructions if you are filing Form 1040NR or 1040NR-EZ.)

Section A—Figure Your Underpayment		Payment Due Dates			
		(a) 4/15/07	(b) 6/15/07	(c) 9/15/07	(d) 1/15/08
19	Required installments. If box C in Part II applies, enter the amounts from Schedule AI, line 25. Otherwise, enter 25% (.25) of line 9, Form 2210, in each column	18			
		19			
	20 Enter the amount, if any, from line 26 in the previous column	20			
	21 Add lines 19 and 20	21			
	22 Add the amounts on lines 24 and 25 in the previous column	22			
	23 Subtract line 22 from line 21. If zero or less, enter -0-. For column (a) only, enter the amount from line 19	23			
24 If line 23 is zero, subtract line 21 from line 22. Otherwise, enter -0-	24				
25 Underpayment. If line 18 is equal to or more than line 23, subtract line 23 from line 18. Then go to line 20 of the next column. Otherwise, go to line 26	25				
26 Overpayment. If line 23 is more than line 18, subtract line 18 from line 23. Then go to line 20 of the next column	26				

Section B—Figure the Penalty (Complete lines 27 through 30 of one column before going to the next column.)

		4/15/07	6/15/07	9/15/07	1/15/08
Rate Period 1	April 16, 2007—December 31, 2007				
	27 Number of days from the date shown above line 27 to the date the amount on line 25 was paid or 12/31/07, whichever is earlier	<i>Days:</i>	<i>Days:</i>	<i>Days:</i>	
	28 Underpayment on line 25 (see page 4 of the instructions) × $\frac{\text{Number of days on line 27}}{365} \times .08$	28 \$	\$	\$	
Rate Period 2	January 1, 2008—April 15, 2008				
	29 Number of days from the date shown above line 29 to the date the amount on line 25 was paid or 4/15/08, whichever is earlier	<i>Days:</i>	<i>Days:</i>	<i>Days:</i>	<i>Days:</i>
	30 Underpayment on line 25 (see page 4 of the instructions) × $\frac{\text{Number of days on line 29}}{366} \times .0X$	30 \$	\$	\$	\$
31	Penalty. Add all amounts on lines 28 and 30 in all columns. Enter the total here and on Form 1040, line 77; Form 1040A, line 47; Form 1040NR, line 75; Form 1040NR-EZ, line 26; or Form 1041, line 26; but do not file Form 2210 unless you checked a box in Part II	31	\$		

Schedule AI—Annualized Income Installment Method (See pages 4, 5, and 6 of the instructions.)

Estates and trusts, **do not** use the period ending dates shown to the right. Instead, use the following: 2/28/07, 4/30/07, 7/31/07, and 11/30/07.

	(a) 1/1/07–3/31/07	(b) 1/1/07–5/31/07	(c) 1/1/07–8/31/07	(d) 1/1/07–12/31/07
--	-----------------------	-----------------------	-----------------------	------------------------

Part I Annualized Income Installments

1 Enter your adjusted gross income for each period (see instructions). (Estates and trusts, enter your taxable income without your exemption for each period.)				
2 Annualization amounts. (Estates and trusts, see instructions.)	4	2.4	1.5	1
3 Annualized income. Multiply line 1 by line 2				
4 Enter your itemized deductions for the period shown in each column. If you do not itemize, enter -0- and skip to line 7. (Estates and trusts, enter -0-, skip to line 9, and enter the amount from line 3 on line 9.)				
5 Annualization amounts	4	2.4	1.5	1
6 Multiply line 4 by line 5 (see instructions if line 3 is more than \$78,200)				
7 In each column, enter the full amount of your standard deduction from Form 1040, line 40, or Form 1040A, line 24 (Form 1040NR or 1040NR-EZ filers, enter -0-. Exception: Indian students and business apprentices, enter standard deduction from Form 1040NR, line 37, or Form 1040NR-EZ, line 11.)				
8 Enter the larger of line 6 or line 7				
9 Subtract line 8 from line 3				
10 In each column, multiply \$3,400 by the total number of exemptions claimed (see instructions if line 3 is more than \$117,300). (Estates and trusts and Form 1040NR or 1040NR-EZ filers, enter the exemption amount shown on your tax return.)				
11 Subtract line 10 from line 9				
12 Figure your tax on the amount on line 11 (see instructions)				
13 Self-employment tax from line 34 below (complete Part II)				
14 Enter other taxes for each payment period (see instructions)				
15 Total tax. Add lines 12, 13, and 14				
16 For each period, enter the same type of credits as allowed on Form 2210, lines 1 and 3 (see instructions)				
17 Subtract line 16 from line 15. If zero or less, enter -0-				
18 Applicable percentage	22.5%	45%	67.5%	90%
19 Multiply line 17 by line 18				
Complete lines 20–25 of one column before going to line 20 of the next column.				
20 Enter the total of the amounts in all previous columns of line 25				
21 Subtract line 20 from line 19. If zero or less, enter -0-				
22 Enter 25% (.25) of line 9 on page 1 of Form 2210 in each column				
23 Subtract line 25 of the previous column from line 24 of that column				
24 Add lines 22 and 23				
25 Enter the smaller of line 21 or line 24 here and on Form 2210, line 18 ▶				

Part II Annualized Self-Employment Tax (Form 1040 filers only)

26 Net earnings from self-employment for the period (see instructions)				
27 Prorated social security tax limit	\$24,375	\$40,625	\$65,000	\$97,500
28 Enter actual wages for the period subject to social security tax or the 6.2% portion of the 7.65% railroad retirement (tier 1) tax				
29 Subtract line 28 from line 27. If zero or less, enter -0-				
30 Annualization amounts	0.496	0.2976	0.186	0.124
31 Multiply line 30 by the smaller of line 26 or line 29				
32 Annualization amounts	0.116	0.0696	0.0435	0.029
33 Multiply line 26 by line 32				
34 Add lines 31 and 33. Enter here and on line 13 above ▶				

**Underpayment of Estimated Tax by
Farmers and Fishermen**

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040, Form 1040NR, or Form 1041.
▶ See instructions on back.

Attachment
Sequence No. **06A**

Name(s) shown on tax return

Identifying number

In most cases, you do not need to file Form 2210-F. The IRS will figure any penalty you owe and send you a bill. File Form 2210-F only if one or both of the boxes in Part I apply to you. If you do not need to file Form 2210-F, you still can use it to figure your penalty. Enter the amount from line 21 on the penalty line of your return but do not attach Form 2210-F.

Part I Reasons for Filing—If box 1a below applies to you, you may be able to lower or eliminate your penalty. But you **must** check that box and file Form 2210-F with your tax return. If box 1b below applies to you, check that box and file Form 2210-F with your tax return.

- 1 Check whichever boxes apply (if neither applies, see the text above Part I and **do not file Form 2210-F**):
- a You request a **waiver**. In certain circumstances, the IRS will waive all or part of the penalty. See Waiver of Penalty on page 2.
 - b Your required annual payment (line 16 below) is based on your 2006 tax and you filed, or are filing, a joint return for either 2006 or 2007 but not for both years.

Part II Figure Your Underpayment

2	Enter your 2007 tax after credits from Form 1040, line 57; Form 1040NR, line 52; or Form 1041, Schedule G, line 4				2		
3	Other taxes, including self-employment tax (see instructions)				3		
4	Add lines 2 and 3. If less than \$1,000, you do not owe a penalty; do not file Form 2210-F				4		
5	Earned income credit	5					
6	Additional child tax credit	6					
7	Credit for federal tax paid on fuels	7					
8	Health coverage tax credit	8					
9	Refundable credit for prior year minimum tax	9					
10	Add lines 5, 6, 7, 8, and 9				10		
11	Current year tax. Subtract line 10 from line 4. If less than \$1,000, you do not owe a penalty; do not file Form 2210-F				11		
12	Multiply line 11 by 66⅔% (.667)	12					
13	Withholding taxes. Do not include any estimated tax payments on this line (see instructions)				13		
14	Subtract line 13 from line 11. If less than \$1,000, you do not owe a penalty; do not file Form 2210-F				14		
15	Enter the tax shown on your 2006 tax return. Caution: See instructions				15		
16	Required annual payment. Enter the smaller of line 12 or line 15 Note: If line 13 is equal to or more than line 16, stop here; you do not owe the penalty. Do not file Form 2210-F unless you checked box 1b above.				16		
17	Enter the estimated tax payments you made by January 15, 2008, and any federal income tax and excess social security or tier 1 railroad retirement tax withheld during 2007				17		
18	Underpayment. Subtract line 17 from line 16. If the result is zero or less, stop here; you do not owe the penalty. Do not file Form 2210-F unless you checked box 1b above				18		

Part III Figure the Penalty

19	Enter the date the amount on line 18 was paid or April 15, 2008, whichever is earlier . . .	19	/	/	08
20	Number of days from January 15, 2008, to the date on line 19	20			
21	Penalty. Underpayment on line 18 × $\frac{\text{Number of days on line 20}}{366}$ × .08 ▶	21			

- Form 1040 filers, enter the amount from line 21 on Form 1040, line 77.
- Form 1040NR filers, enter the amount from line 21 on Form 1040NR, line 75.
- Form 1041 filers, enter the amount from line 21 on Form 1041, line 26.

VOID CORRECTED

(99)

Name, address, and ZIP code of RIC or REIT	OMB No. 1545-0145 2007 Form 2439	<p>Notice to Shareholder of Undistributed Long-Term Capital Gains</p> <p>For calendar year 2007, or other tax year of the regulated investment company (RIC) or the real estate investment trust (REIT) beginning, 2007, and ending, 20</p>	
Identification number of RIC or REIT	1a Total undistributed long-term capital gains		<p>Copy A</p> <p>Attach to Form 1120-RIC or Form 1120-REIT</p>
Shareholder's identifying number	1b Unrecaptured section 1250 gain		
Shareholder's name, address, and ZIP code	1c Section 1202 gain	1d Collectibles (28%) gain	<p>For Instructions and Paperwork Reduction Act Notice, see back of Copies A and D.</p>
	2 Tax paid by the RIC or REIT on the box 1a gains		

Form **2439**

Cat. No. 11858E

Department of the Treasury - Internal Revenue Service

Investment Credit

▶ **Attach to your tax return. See instructions.**

Name(s) shown on return

Identifying number

- 1** Rehabilitation credit (see instructions for requirements that must be met):
 - a** Check this box if you are electing under section 47(d)(5) to take your qualified rehabilitation expenditures into account for the tax year in which paid (or, for self-rehabilitated property, when capitalized). See instructions. **Note:** *This election applies to the current tax year and to all later tax years. You may not revoke this election without IRS consent* ▶
 - b** Enter the date on which the 24- or 60-month measuring period begins ____/____/____ and ends ____/____/____
 - c** Enter the adjusted basis of the building as of the beginning date above (or the first day of your holding period, if later) \$ _____
 - d** Enter the amount of the qualified rehabilitation expenditures incurred, or treated as incurred, during the period on line 1b above \$ _____
 Enter the amount of qualified rehabilitation expenditures and multiply by the percentage shown:
 - e** Pre-1936 buildings located in the Gulf Opportunity Zone \$ _____ × 13% (.13)
 - f** Other pre-1936 buildings \$ _____ × 10% (.10)
 - g** Certified historic structures located in the Gulf Opportunity Zone \$ _____ × 26% (.26)
 - h** Other certified historic structures \$ _____ × 20% (.20)

For properties identified on lines 1g or 1h, complete lines 1i and 1j

 - i** Enter the assigned NPS project number or the pass-through entity's employer identification number (see instructions) _____
 - j** Enter the date that the NPS approved the Request for Certification of Completed Work (see instructions) ____/____/____
 - k** Rehabilitation credit from an electing large partnership (Schedule K-1 (Form 1065-B), box 9)
- 2** Energy credit:
 - a** Basis of property using geothermal energy placed in service during the tax year (see instructions) \$ _____ × 10% (.10)
 - b** Basis of property using solar illumination or solar energy placed in service during the tax year (see instructions) \$ _____ × 30% (.30)

Qualified fuel cell property (see instructions):

 - c** Basis of property installed during the tax year \$ _____ × 30% (.30)
 - d** Kilowatt capacity of property in **c** above . . . ▶ _____ × \$1,000
 - e** Enter the lesser of line 2c or 2d

Qualified microturbine property (see instructions):

 - f** Basis of property installed during the tax year \$ _____ × 10% (.10)
 - g** Kilowatt capacity of property in **f** above . . . ▶ _____ × \$200
 - h** Enter the lesser of line 2f or 2g
 - i** Total. Add lines 2a, 2b, 2e, and 2h
- 3** Qualifying advanced coal project credit (see instructions):
 - a** Basis of qualified investment in integrated gasification combined cycle property placed in service during the tax year \$ _____ × 20% (.20)
 - b** Basis of qualified investment in property other than in **a** above placed in service during the tax year ▶ \$ _____ × 15% (.15)
 - c** Total. Add lines 3a and 3b
- 4** Qualifying gasification project credit (see instructions). Basis of qualified investment in property placed in service during the tax year ▶ \$ _____ × 20% (.20)
- 5** Credit from cooperatives. Enter the unused investment credit from cooperatives
- 6** Add lines 1e through 1h, 1k, 2i, 3c, 4, and 5. Report this amount on the applicable line of Form 3800 (e.g., line 1a of the 2006 Form 3800)

1e		
1f		
1g		
1h		
1k		
2a		
2b		
2c		
2d		
2e		
2f		
2g		
2h		
2i		
3a		
3b		
3c		
4		
5		
6		

General Business Credit

▶ See separate instructions.
 ▶ Attach to your tax return.

Name(s) shown on return

Identifying number

Part I Current Year Credit

Important: You may not be required to complete and file a separate credit form (shown in parentheses below) to claim the credit. For details, see the instructions.

1a Investment credit (attach Form 3468)	1a	
b Welfare-to-work credit (Form 8861)	1b	
c Credit for increasing research activities (Form 6765)	1c	
d Low-income housing credit (Form 8586) (enter EIN if claiming this credit from a pass-through entity: -)	1d	
e Disabled access credit (Form 8826) (do not enter more than \$5,000)	1e	
f Renewable electricity production credit (Form 8835, Section A only)	1f	
g Indian employment credit (Form 8845)	1g	
h Orphan drug credit (Form 8820)	1h	
i New markets credit (Form 8874) (enter EIN if claiming this credit from a pass-through entity: -)	1i	
j Credit for small employer pension plan startup costs (Form 8881) (do not enter more than \$500)	1j	
k Credit for employer-provided child care facilities and services (Form 8882) (enter EIN if claiming this credit from a pass-through entity: -)	1k	
l Qualified railroad track maintenance credit (Form 8900)	1l	
m Biodiesel and renewable diesel fuels credit (attach Form 8864)	1m	
n Low sulfur diesel fuel production credit (Form 8896)	1n	
o Distilled spirits credit (Form 8906)	1o	
p Nonconventional source fuel credit (Form 8907)	1p	
q Energy efficient home credit (Form 8908)	1q	
r Energy efficient appliance credit (Form 8909)	1r	
s Alternative motor vehicle credit (Form 8910)	1s	
t Alternative fuel vehicle refueling property credit (Form 8911)	1t	
u Hurricane Katrina housing credit (only from S corporations, partnerships, estates, and cooperatives)	1u	
v Mine rescue team training credit (Form 8923)	1v	
w Credit for contributions to selected community development corporations (Form 8847)	1w	
x General credits from an electing large partnership (Schedule K-1 (Form 1065-B))	1x	
2 Add lines 1a through 1x	2	
3 Passive activity credits included on line 2 (see instructions)	3	
4 Subtract line 3 from line 2	4	
5 Passive activity credits allowed for 2007 (see instructions)	5	
6 Carryforward of general business credit to 2007. See instructions for the schedule to attach	6	
7 Carryback of general business credit from 2008 (see instructions)	7	
8 Current year credit. Add lines 4 through 7	8	

Part II Allowable Credit

<p>9 Regular tax before credits:</p> <ul style="list-style-type: none"> ● Individuals. Enter the amount from Form 1040, line 44 or Form 1040NR, line 41 ● Corporations. Enter the amount from Form 1120, Schedule J, line 2; or the applicable line of your return ● Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b, or the amount from the applicable line of your return 		9		
<p>10 Alternative minimum tax:</p> <ul style="list-style-type: none"> ● Individuals. Enter the amount from Form 6251, line 35 ● Corporations. Enter the amount from Form 4626, line 14 ● Estates and trusts. Enter the amount from Form 1041, Schedule I, line 56 		10		
<p>11 Add lines 9 and 10</p>		11		
<p>12a Credits from Form 1040, lines 47 through 50 and lines 52 through 54 (or Form 1040NR, lines 44, 45, and 47 through 49)</p>	12a			
<p>b Foreign tax credit</p>	12b			
<p>c Credits from Forms 5735 and 8834</p>	12c			
<p>d Non-business alternative motor vehicle credit (Form 8910, line 18)</p>	12d			
<p>e Non-business alternative fuel vehicle refueling property credit (Form 8911, line 19)</p>	12e			
<p>f Add lines 12a through 12e</p>		12f		
<p>13 Net income tax. Subtract line 12f from line 11. If zero, skip lines 14 through 17 and enter -0- on line 18</p>		13		
<p>14 Net regular tax. Subtract line 12f from line 9. If zero or less, enter -0-</p>	14			
<p>15 Enter 25% (.25) of the excess, if any, of line 14 over \$25,000 (see instructions)</p>	15			
<p>16 Tentative minimum tax:</p> <ul style="list-style-type: none"> ● Individuals. Enter the amount from Form 6251, line 33 ● Corporations. Enter the amount from Form 4626, line 12 ● Estates and trusts. Enter the amount from Form 1041, Schedule I, line 54 	16			
<p>17 Enter the greater of line 15 or line 16</p>		17		
<p>18 Subtract line 17 from line 13. If zero or less, enter -0-</p>		18		
<p>19 Credit allowed for the current year. Enter the smaller of line 8 or line 18. Individuals, estates, and trusts: See the instructions for line 19 if claiming the research credit. C corporations: See the line 19 instructions if there has been an ownership change, acquisition, or reorganization. Report the amount from line 19 (if smaller than line 8, see instructions) as indicated below or on the applicable line of your return:</p> <ul style="list-style-type: none"> ● Individuals. Form 1040, line 55 or Form 1040NR, line 50 ● Corporations. Form 1120, Schedule J, line 5c ● Estates and trusts. Form 1041, Schedule G, line 2c 		19		

Department of the Treasury
Internal Revenue Service

▶ See the separate instructions.
▶ Attach this form to your income tax return.

2007
Attachment
Sequence No. **23**

Name (as shown on your income tax return)

Taxpayer identification number

Caution. Claimant has the name and address of the person who sold the fuel to the claimant and the dates of purchase. For claims on lines 1c and 2b (type of use 13 and 14), 3d, 4c, and 5, claimant has not waived the right to make the claim. For claims on lines 1c and 2b (type of use 13 and 14), claimant certifies that a certificate has not been provided to the credit card issuer.

1 Nontaxable Use of Gasoline

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Off-highway business use	\$.183	}	\$	362
b	Use on a farm for farming purposes	.183			
c	Other nontaxable use (see Caution above line 1)	.183			
d	Exported	.184			411

2 Nontaxable Use of Aviation Gasoline

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Use in commercial aviation (other than foreign trade) Caution. This credit is not available for aviation gasoline taxed at \$.044 (purchased after November 16, 2007).	\$.15/.000*		\$	354
b	Other nontaxable use (see Caution above line 1)	.193/.043*			324
c	Exported	.194/.044*			412

*This rate applies after November 16, 2007.

3 Nontaxable Use of Undyed Diesel Fuel

Claimant certifies that the diesel fuel did not contain visible evidence of dye.

Exception. If any of the diesel fuel included in this claim **did** contain visible evidence of dye, attach an explanation and check here

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Nontaxable use	\$.243	}	\$	360
b	Use on a farm for farming purposes	.243			
c	Use in trains	.243			
d	Use in certain intercity and local buses (see Caution above line 1)	.17			350
e	Exported	.244			413

4 Nontaxable Use of Undyed Kerosene (Other Than Kerosene Used in Aviation)

Claimant certifies that the kerosene did not contain visible evidence of dye.

Exception. If any of the kerosene included in this claim **did** contain visible evidence of dye, attach an explanation and check here

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Nontaxable use taxed at \$.244	\$.243	}	\$	346
b	Use on a farm for farming purposes	.243			
c	Use in certain intercity and local buses (see Caution above line 1)	.17			
d	Exported	.244			414
e	Nontaxable use taxed at \$.044	.043			377
f	Nontaxable use taxed at \$.219	.218			369

5 Kerosene Used in Aviation (see **Caution** above line 1)

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Kerosene used in commercial aviation (other than foreign trade) taxed at \$.244	\$.200		\$	417
b	Kerosene used in commercial aviation (other than foreign trade) taxed at \$.219/.044* Caution. <i>This credit is not available for kerosene taxed at \$.044 (purchased after November 16, 2007).</i>	.175/.000*			355
c	Nontaxable use (other than use by state or local government) taxed at \$.244	.243			346
d	Nontaxable use (other than use by state or local government) taxed at \$.219/.044*	.218/.043*			369

*This rate applies after November 16, 2007.

6 Sales by Registered Ultimate Vendors of Undyed Diesel Fuel **Registration No. ▶**

Claimant certifies that it sold the diesel fuel at a tax-excluded price, repaid the amount of tax to the buyer, or has obtained the written consent of the buyer to make the claim. Claimant certifies that the diesel fuel did not contain visible evidence of dye.

Exception. If any of the diesel fuel included in this claim **did** contain visible evidence of dye, attach an explanation and check here . . . ▶

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Use by a state or local government	\$.243		\$	360
b Use in certain intercity and local buses	.17			350

7 Sales by Registered Ultimate Vendors of Undyed Kerosene (Other Than Kerosene For Use in Aviation) **Registration No. ▶**

Claimant certifies that it sold the kerosene at a tax-excluded price, repaid the amount of tax to the buyer, or has obtained the written consent of the buyer to make the claim. Claimant certifies that the kerosene did not contain visible evidence of dye.

Exception. If any of the kerosene included in this claim **did** contain visible evidence of dye, attach an explanation and check here . . . ▶

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Use by a state or local government	\$.243	}	\$	346
b Sales from a blocked pump	.243			
c Use in certain intercity and local buses	.17			347

8 Sales by Registered Ultimate Vendors of Kerosene For Use in Aviation **Registration No. ▶**

Claimant sold the kerosene for use in aviation at a tax-excluded price and has not collected the amount of tax from the buyer, repaid the amount of tax to the buyer, or has obtained the written consent of the buyer to make the claim. See the instructions for additional information to be submitted.

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Use in commercial aviation (other than foreign trade) taxed at \$.219/.044* Caution. <i>This credit is not available for kerosene taxed at \$.044 (purchased after November 16, 2007).</i>	\$.175/.000*		\$	355
b	Use in commercial aviation (other than foreign trade) taxed at \$.244	.200			417
c	Nonexempt use in noncommercial aviation	.025/.200*			418
d	Other nontaxable uses taxed at \$.244	.243			346
e	Other nontaxable uses taxed at \$.219/.044*	.218/.043*			369

*This rate applies after November 16, 2007.

9 Alcohol Fuel Mixture Credit**Registration No. ►**

Claimant produced an alcohol fuel mixture by mixing taxable fuel with alcohol. The alcohol fuel mixture was sold by the claimant to any person for use as a fuel or was used as a fuel by the claimant.

	(b) Rate	(c) Gallons of alcohol	(d) Amount of credit	(e) CRN
a Alcohol fuel mixtures containing ethanol	\$.51		\$	393
b Alcohol fuel mixtures containing alcohol (other than ethanol)	.60			394

10 Biodiesel or Renewable Diesel Mixture Credit**Registration No. ►**

Biodiesel mixtures. Claimant produced a mixture by mixing biodiesel with diesel fuel. The biodiesel used to produce the mixture met ASTM D6751 and met EPA's registration requirements for fuels and fuel additives. The mixture was sold by the claimant to any person for use as a fuel or was used as a fuel by the claimant. Claimant has attached the Certificate for Biodiesel and, if applicable, the Statement of Biodiesel Reseller. **Renewable diesel mixtures.** Claimant produced a mixture by mixing renewable diesel with diesel fuel (other than renewable diesel). The renewable diesel used to produce the renewable diesel mixture was derived from biomass (as defined in section 45K(c)(3)) using a thermal depolymerization process, met EPA's registration requirements for fuels and fuel additives, and met ASTM D975 or D396. The mixture was sold by the claimant to any person for use as a fuel or was used as a fuel by the claimant. Claimant has attached the Certificate for Biodiesel and, if applicable, the Statement of Biodiesel Reseller, both of which have been edited as discussed in the Instructions for Form 4136. See the instructions for line 10 for details.

	(b) Rate	(c) Gallons of biodiesel or renewable diesel	(d) Amount of credit	(e) CRN
a Biodiesel (other than agri-biodiesel) mixtures	\$.50		\$	388
b Agri-biodiesel mixtures	1.00			390
c Renewable diesel mixtures	1.00			307

11 Nontaxable Use of Alternative Fuel

Caution. There is a reduced credit rate for use in certain intercity and local buses (type of use 5). See page 5 in the Instructions for Form 4136 for the credit rate.

	(a) Type of use	(b) Rate	(c) Gallons or gasoline gallon equivalents (GGE)	(d) Amount of credit	(e) CRN
a Liquefied petroleum gas (LPG)		\$.183		\$	419
b "P Series" fuels		.183			420
c Compressed natural gas (CNG) (GGE = 126.67 cu. ft.)		.183			421
d Liquefied hydrogen		.183			422
e Any liquid fuel derived from coal (including peat) through the Fischer-Tropsch process		.243			423
f Liquid hydrocarbons derived from biomass		.243			424
g Liquefied natural gas (LNG)		.243			425

12 Alternative Fuel Credit and Alternative Fuel Mixture Credit**Registration No. ►**

	(b) Rate	(c) Gallons or gasoline gallon equivalents (GGE)	(d) Amount of credit	(e) CRN
a Liquefied petroleum gas (LPG)	\$.50		\$	426
b "P Series" fuels	.50			427
c Compressed natural gas (CNG) (GGE = 121 cu. ft.)	.50			428
d Liquefied hydrogen	.50			429
e Any liquid fuel derived from coal (including peat) through the Fischer-Tropsch process	.50			430
f Liquid hydrocarbons derived from biomass	.50			431
g Liquefied natural gas (LNG)	.50			432

13 Registered Credit Card Issuers

Registration No. ►

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Diesel fuel sold for the exclusive use of a state or local government	\$.243		\$	360
b Kerosene sold for the exclusive use of a state or local government	.243			346
c Kerosene for use in aviation sold for the exclusive use of a state or local government taxed at \$.219/.044*	.218/.043*			369

*This rate applies after November 16, 2007.

14 Nontaxable Use of a Diesel-Water Fuel Emulsion

Caution. There is a reduced credit rate for use in certain intercity and local buses (type of use 5). See page 6 in the Instructions for Form 4136 for the credit rate.

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Nontaxable use		\$.197		\$	309
b Exported		.198			306

15 Diesel-Water Fuel Emulsion Blending

Registration No. ►

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
Blender credit	\$.046		\$	310

16 Exported Dyed Fuels

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Exported dyed diesel fuel	\$.001		\$	415
b Exported dyed kerosene	.001			416
17 Total income tax credit claimed. Add lines 1 through 16, column (d). Enter here and on Form 1040, line 70 (also check box b on line 70); Form 1120, line 32f(2); Form 1120S, line 23c; Form 1041, line 24g; or the proper line of other returns. ►			17 \$	

Recapture of Investment Credit

▶ **Attach to your income tax return.**

Name(s) as shown on return	Identifying number
----------------------------	--------------------

Properties	Type of property—State whether rehabilitation, energy, reforestation, qualifying advanced coal project, or qualifying gasification project property. (See the Instructions for Form 3468 for the year the investment credit property was placed in service for definitions.) If rehabilitation property, also show type of building. If energy property, show type.
A	
B	
C	
D	

Original Investment Credit

Computation Steps: (see Specific Instructions)	Properties			
	A	B	C	D
1 Original rate of credit	1			
2 Cost or other basis	2			
3 Original credit. Multiply line 2 by the percentage on line 1	3			
4 Date property was placed in service	4	/ /	/ /	/ /
5 Date property ceased to be qualified investment credit property	5	/ /	/ /	/ /
6 Number of full years between the date on line 4 and the date on line 5	6			

Recapture Tax

7 Recapture percentage (see instructions)	7				
8 Tentative recapture tax. Multiply line 3 by the percentage on line 7	8				
9 Add all the amounts on line 8				9	
10 Enter the recapture tax from property for which there was an increase in nonqualified nonrecourse financing (attach separate computation)				10	
11 Add lines 9 and 10				11	
12 Portion of original credit (line 3) not used to offset tax in any year, plus any carryback and carryforward of credits you now can apply to the original credit year because you have freed up tax liability in the amount of the tax recaptured. Do not enter more than line 11—see instructions				12	
13 Total increase in tax. Subtract line 12 from line 11. Enter here and on the appropriate line of your tax return. See section 45K(b)(4) if you claim the nonconventional source fuel credit. Electing large partnerships, see instructions				13	

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Use Form 4255 to figure the increase in tax for the recapture of investment credit claimed.

Who Must Refigure the Investment Credit

Generally, you must refigure the investment credit and may have to recapture all or part of it if any of the following apply.

- You disposed of investment credit property before the end of 5 full years after the property was placed in service (recapture period).

- You changed the use of the property before the end of the recapture period so that it no longer qualifies as investment credit property.
- The business use of the property decreased before the end of the recapture period so that it no longer qualifies (in whole or in part) as investment credit property.
- Any building to which section 47(d) applies will no longer be a qualified rehabilitated building when placed in service.
- Any property to which section 48(b) applies will no longer qualify as investment credit property when placed in service.
- Before the end of the recapture period, your proportionate interest was reduced by more than one-third in a partnership, S corporation, estate, or trust that allocated

the cost or other basis of property to you for which you claimed a credit.

- You returned leased property (on which you claimed a credit) to the lessor before the end of the recapture period.
- A net increase in the amount of nonqualified nonrecourse financing occurred for any property to which section 49(a)(1) applied. For more details, see the instructions for line 10.

Exceptions to recapture. Recapture of the investment credit does not apply to the following.

- A transfer because of the death of the taxpayer.
- A transfer between spouses or incident to divorce under section 1041. However, a later disposition by the transferee is subject to recapture to the same extent as

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? **Yes** **No** **24b** If "Yes," is the evidence written? **Yes** **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special allowance for qualified Gulf Opportunity Zone property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						25		
26 Property used more than 50% in a qualified business use:		%						
		%						
		%						
27 Property used 50% or less in a qualified business use:		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1.							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1.								29

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are **not** more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2007 tax year (see instructions):					
43 Amortization of costs that began before your 2007 tax year.					43
44 Total. Add amounts in column (f). See the instructions for where to report.					44

Casualties and Thefts

- ▶ See separate instructions.
- ▶ Attach to your tax return.
- ▶ Use a separate Form 4684 for each casualty or theft.

Name(s) shown on tax return _____

Identifying number _____

SECTION A—Personal Use Property (Use this section to report casualties and thefts of property **not** used in a trade or business or for income-producing purposes.)

1 Description of properties (show type, location, and date acquired for each property). Use a separate line for each property lost or damaged from the same casualty or theft.

- Property **A** _____
- Property **B** _____
- Property **C** _____
- Property **D** _____

		Properties					
		A	B	C	D		
2	Cost or other basis of each property						
3	Insurance or other reimbursement (whether or not you filed a claim) (see instructions)						
4	Gain from casualty or theft. If line 3 is more than line 2, enter the difference here and skip lines 5 through 9 for that column. See instructions if line 3 includes insurance or other reimbursement you did not claim, or you received payment for your loss in a later tax year.						
5	Fair market value before casualty or theft						
6	Fair market value after casualty or theft						
7	Subtract line 6 from line 5						
8	Enter the smaller of line 2 or line 7						
9	Subtract line 3 from line 8. If zero or less, enter -0-						
10	Casualty or theft loss. Add the amounts on line 9 in columns A through D					10	
11	Enter the smaller of line 10 or \$100					11	
12	Subtract line 11 from line 10					12	
13	Caution: Use only one Form 4684 for lines 13 through 18.					13	
14	Add the amounts on line 12 of all Forms 4684					14	
15	<ul style="list-style-type: none"> • If line 14 is more than line 13, enter the difference here and on Schedule D. Do not complete the rest of this section (see instructions). • If line 14 is less than line 13, enter -0- here and go to line 16. • If line 14 is equal to line 13, enter -0- here. Do not complete the rest of this section. 					15	
16	If line 14 is less than line 13, enter the difference					16	
17	Enter 10% of your adjusted gross income from Form 1040, line 38, or Form 1040NR, line 36. Estates and trusts, see instructions					17	
18	Subtract line 17 from line 16. If zero or less, enter -0-. Also enter the result on Schedule A (Form 1040), line 20, or Schedule A (Form 1040NR), line 8. Estates and trusts, enter the result on the "Other deductions" line of your tax return					18	

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

Identifying number

SECTION B—Business and Income-Producing Property

Part I Casualty or Theft Gain or Loss (Use a separate Part I for each casualty or theft.)

19 Description of properties (show type, location, and date acquired for each property). Use a separate line for each property lost or damaged from the same casualty or theft.

- Property A
Property B
Property C
Property D

Table with columns for Properties A, B, C, D and rows 20-28 for cost, insurance, gain, market value, and loss.

Part II Summary of Gains and Losses (from separate Parts I)
(a) Identify casualty or theft
(b) Losses from casualties or thefts
(c) Gains from casualties or thefts includible in income

Casualty or Theft of Property Held One Year or Less
Table with rows 29-32 for totals and net gain/loss.

Casualty or Theft of Property Held More Than One Year
Table with rows 33-39 for gains, losses, and net gain/loss.

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

▶ **Attach to your tax return.** ▶ See separate instructions.

Name(s) shown on return	Identifying number
-------------------------	--------------------

1 Enter the gross proceeds from sales or exchanges reported to you for 2007 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions).	1
---	---

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
2						

3 Gain, if any, from Form 4684, line 39	3	
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37	4	
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824	5	
6 Gain, if any, from line 32, from other than casualty or theft	6	
7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:	7	
<p>Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.</p> <p>Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.</p>		
8 Nonrecaptured net section 1231 losses from prior years (see instructions)	8	
9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions).	9	

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):	

11 Loss, if any, from line 7	11	()
12 Gain, if any, from line 7 or amount from line 8, if applicable	12	
13 Gain, if any, from line 31	13	
14 Net gain or (loss) from Form 4684, lines 31 and 38a	14	
15 Ordinary gain from installment sales from Form 6252, line 25 or 36	15	
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824	16	
17 Combine lines 10 through 16	17	
18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:		
<p>a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions</p>	18a	
<p>b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14</p>	18b	

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255
(see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:		(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)		
A					
B					
C					
D					
These columns relate to the properties on lines 19A through 19D. ►		Property A	Property B	Property C	Property D
20	Gross sales price (Note: See line 1 before completing.)	20			
21	Cost or other basis plus expense of sale	21			
22	Depreciation (or depletion) allowed or allowable	22			
23	Adjusted basis. Subtract line 22 from line 21	23			
24	Total gain. Subtract line 23 from line 20	24			
25 If section 1245 property:					
a	Depreciation allowed or allowable from line 22	25a			
b	Enter the smaller of line 24 or 25a	25b			
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a	Additional depreciation after 1975 (see instructions)	26a			
b	Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b			
c	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c			
d	Additional depreciation after 1969 and before 1976	26d			
e	Enter the smaller of line 26c or 26d	26e			
f	Section 291 amount (corporations only)	26f			
g	Add lines 26b, 26e, and 26f	26g			
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).					
a	Soil, water, and land clearing expenses	27a			
b	Line 27a multiplied by applicable percentage (see instructions)	27b			
c	Enter the smaller of line 24 or 27b	27c			
28 If section 1254 property:					
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions)	28a			
b	Enter the smaller of line 24 or 28a	28b			
29 If section 1255 property:					
a	Applicable percentage of payments excluded from income under section 126 (see instructions)	29a			
b	Enter the smaller of line 24 or 29a (see instructions)	29b			

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24	30	
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(see instructions)

		(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years	33	
34	Recomputed depreciation (see instructions)	34	
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35	

Investment Interest Expense Deduction

▶ Attach to your tax return.

Name(s) shown on return	Identifying number
-------------------------	--------------------

Part I Total Investment Interest Expense			
1	Investment interest expense paid or accrued in 2007 (see instructions)	1	
2	Disallowed investment interest expense from 2006 Form 4952, line 7	2	
3	Total investment interest expense. Add lines 1 and 2	3	
Part II Net Investment Income			
4a	Gross income from property held for investment (excluding any net gain from the disposition of property held for investment)	4a	
4b	Qualified dividends included on line 4a	4b	
4c	Subtract line 4b from line 4a	4c	
4d	Net gain from the disposition of property held for investment	4d	
4e	Enter the smaller of line 4d or your net capital gain from the disposition of property held for investment (see instructions)	4e	
4f	Subtract line 4e from line 4d	4f	
4g	Enter the amount from lines 4b and 4e that you elect to include in investment income (see instructions)	4g	
4h	Investment income. Add lines 4c, 4f, and 4g	4h	
5	Investment expenses (see instructions)	5	
6	Net investment income. Subtract line 5 from line 4h. If zero or less, enter -0-	6	
Part III Investment Interest Expense Deduction			
7	Disallowed investment interest expense to be carried forward to 2008. Subtract line 6 from line 3. If zero or less, enter -0-	7	
8	Investment interest expense deduction. Enter the smaller of line 3 or 6. See instructions.	8	

Section references are to the Internal Revenue Code unless otherwise noted.

General Instructions

Purpose of Form

Use Form 4952 to figure the amount of investment interest expense you can deduct for 2007 and the amount you can carry forward to future years. Your investment interest expense deduction is limited to your net investment income.

For more information, see Pub. 550, Investment Income and Expenses.

Who Must File

If you are an individual, estate, or a trust, you must file Form 4952 to claim a deduction for your investment interest expense.

Exception. You do not have to file Form 4952 if all of the following apply.

- Your investment income from interest and ordinary dividends minus any qualified dividends is more than your investment interest expense.
- You do not have any other deductible investment expenses.
- You do not have any carryover of disallowed investment interest expense from 2006.

Allocation of Interest Expense

If you paid or accrued interest on a loan and used the loan proceeds for more than one purpose, you may have to allocate the interest. This is necessary because different

rules apply to investment interest, personal interest, trade or business interest, home mortgage interest, and passive activity interest. See Pub. 535, Business Expenses.

Specific Instructions

Part I—Total Investment Interest Expense

Line 1

Enter the investment interest expense paid or accrued during the tax year, regardless of when you incurred the indebtedness. Investment interest expense is interest paid or accrued on a loan or part of a loan that is allocable to property held for investment (as defined on this page).

Include investment interest expense reported to you on Schedule K-1 from a partnership or an S corporation. Include amortization of bond premium on taxable bonds purchased after October 22, 1986, but before January 1, 1988, unless you elected to offset amortizable bond premium against the interest payments on the bond. A taxable bond is a bond on which the interest is includible in gross income.

Investment interest expense does not include any of the following:

- Home mortgage interest.
- Interest expense that is properly allocable to a passive activity. Generally, a passive activity is any trade or business activity in which you do not materially participate and any rental activity. See the Instructions for Form 8582, Passive Activity Loss Limitations, for details.

- Any interest expense that is capitalized, such as construction interest subject to section 263A.

- Interest expense related to tax-exempt interest income under section 265.

- Interest expense, disallowed under section 264, on indebtedness with respect to life insurance, endowment, or annuity contracts issued after June 8, 1997, even if the proceeds were used to purchase any property held for investment.

Property held for investment. Property held for investment includes property that produces income, not derived in the ordinary course of a trade or business, from interest, dividends, annuities, or royalties. It also includes property that produces gain or loss, not derived in the ordinary course of a trade or business, from the disposition of property that produces these types of income or is held for investment. However, it does not include an interest in a passive activity.

Exception. A working interest in an oil or gas property that you held directly or through an entity that did not limit your liability is property held for investment, but only if you did not materially participate in the activity.

Part II—Net Investment Income

Line 4a

Gross income from property held for investment includes income, unless derived in the ordinary course of a trade or business, from interest, ordinary dividends (except Alaska Permanent Fund dividends), annuities, and royalties. Include investment income

Department of the Treasury
Internal Revenue Service

▶ **Attach to beneficiary's tax return.**

2007
Attachment
Sequence No. **73**

▶ **See instructions on back.**

A Name(s) as shown on return		B Social security number
C Name and address of trust		D Employer identification number
E Type of trust (see instructions) <input type="checkbox"/> Domestic <input type="checkbox"/> Foreign	F Beneficiary's date of birth	G Enter number of trusts from which you received accumulation distributions in this tax year ▶

Part I Average Income and Determination of Computation Years

1 Amount of current distribution that is considered distributed in earlier tax years (from Schedule J (Form 1041), line 37, column (a))	1				
2 Distributions of income accumulated before you were born or reached age 21	2				
3 Subtract line 2 from line 1	3				
4 Taxes imposed on the trust on amounts from line 3 (from Schedule J (Form 1041), line 37, column (b))	4				
5 Total (add lines 3 and 4)	5				
6 Tax-exempt interest included on line 5 (from Schedule J (Form 1041), line 37, column (c))	6				
7 Taxable part of line 5 (subtract line 6 from line 5)	7				
8 Number of trust's earlier tax years in which amounts on line 7 are considered distributed	8				
9 Average annual amount considered distributed (divide line 3 by line 8)	9				
10 Multiply line 9 by .25	10				
11 Number of earlier tax years to be taken into account (see instructions)	11				
12 Average amount for recomputing tax (divide line 7 by line 11). Enter here and in each column on line 15	12				
13 Enter your taxable income before this distribution for the 5 immediately preceding tax years.	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) 2002

Part II Tax Attributable to the Accumulation Distribution

		(a) -----	(b) -----	(c) -----
14 Enter the amounts from line 13, eliminating the highest and lowest taxable income years	14			
15 Enter amount from line 12 in each column	15			
16 Recomputed taxable income (add lines 14 and 15)	16			
17 Income tax on amounts on line 16	17			
18 Income tax before credits on line 14 income	18			
19 Additional tax before credits (subtract line 18 from line 17)	19			
20 Tax credit adjustment	20			
21 Subtract line 20 from line 19	21			
22 Alternative minimum tax adjustments	22			
23 Combine lines 21 and 22	23			
24 Add columns (a), (b), and (c), line 23	24			
25 Divide the line 24 amount by 3	25			
26 Multiply the amount on line 25 by the number of years on line 11.	26			
27 Enter the amount from line 4	27			
28 Partial tax attributable to the accumulation distribution (subtract line 27 from 26) (If zero or less, enter -0-)	28			

Tax on Lump-Sum Distributions
 (From Qualified Plans of Participants Born Before January 2, 1936)

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

Name of recipient of distribution

Identifying number

Part I Complete this part to see if you can use Form 4972

	Yes	No
1 Was this a distribution of a plan participant's entire balance (excluding deductible voluntary employee contributions and certain forfeited amounts) from all of an employer's qualified plans of one kind (pension, profit-sharing, or stock bonus)? If "No," do not use this form	1	
2 Did you roll over any part of the distribution? If "Yes," do not use this form	2	
3 Was this distribution paid to you as a beneficiary of a plan participant who was born before January 2, 1936?	3	
4 Were you (a) a plan participant who received this distribution, (b) born before January 2, 1936, and (c) a participant in the plan for at least 5 years before the year of the distribution? If you answered "No" to both questions 3 and 4, do not use this form.	4	
5a Did you use Form 4972 after 1986 for a previous distribution from your own plan? If "Yes," do not use this form for a 2007 distribution from your own plan	5a	
b If you are receiving this distribution as a beneficiary of a plan participant who died, did you use Form 4972 for a previous distribution received for that participant after 1986? If "Yes," do not use the form for this distribution	5b	

Part II Complete this part to choose the 20% capital gain election (see instructions)

6 Capital gain part from Form 1099-R, box 3	6	
7 Multiply line 6 by 20% (.20) ▶	7	
If you also choose to use Part III, go to line 8. Otherwise, include the amount from line 7 in the total on Form 1040, line 44, Form 1040NR, line 41, or Form 1041, Schedule G, line 1b, whichever applies.		

Part III Complete this part to choose the 10-year tax option (see instructions)

8 Ordinary income from Form 1099-R, box 2a minus box 3. If you did not complete Part II, enter the taxable amount from Form 1099-R, box 2a	8	
9 Death benefit exclusion for a beneficiary of a plan participant who died before August 21, 1996	9	
10 Total taxable amount. Subtract line 9 from line 8	10	
11 Current actuarial value of annuity from Form 1099-R, box 8. If none, enter -0-	11	
12 Adjusted total taxable amount. Add lines 10 and 11. If this amount is \$70,000 or more, skip lines 13 through 16, enter this amount on line 17, and go to line 18	12	
13 Multiply line 12 by 50% (.50), but do not enter more than \$10,000	13	
14 Subtract \$20,000 from line 12. If line 12 is \$20,000 or less, enter -0-	14	
15 Multiply line 14 by 20% (.20)	15	
16 Minimum distribution allowance. Subtract line 15 from line 13	16	
17 Subtract line 16 from line 12	17	
18 Federal estate tax attributable to lump-sum distribution	18	
19 Subtract line 18 from line 17. If line 11 is zero, skip lines 20 through 22 and go to line 23	19	
20 Divide line 11 by line 12 and enter the result as a decimal (rounded to at least three places)	20	
21 Multiply line 16 by the decimal on line 20	21	
22 Subtract line 21 from line 11	22	
23 Multiply line 19 by 10% (.10)	23	
24 Tax on amount on line 23. Use the Tax Rate Schedule in the instructions	24	
25 Multiply line 24 by ten (10). If line 11 is zero, skip lines 26 through 28, enter this amount on line 29, and go to line 30	25	
26 Multiply line 22 by 10% (.10)	26	
27 Tax on amount on line 26. Use the Tax Rate Schedule in the instructions	27	
28 Multiply line 27 by ten (10)	28	
29 Subtract line 28 from line 25. Multiple recipients, see instructions ▶	29	
30 Tax on lump-sum distribution. Add lines 7 and 29. Also include this amount in the total on Form 1040, line 44, Form 1040NR, line 41, or Form 1041, Schedule G, line 1b, whichever applies ▶	30	

Department of the Treasury
Internal Revenue Service

► **Attach to your tax return.**

Name(s) shown on return

Identifying number

Part I Current Year Credit

1	Enter on the applicable line below the total qualified first- or second-year wages paid or incurred during the tax year, and multiply by the percentage shown, for services of employees who are certified (if required) as members of a targeted group.		
a	Qualified first-year wages of employees who worked for you at least 120 hours but fewer than 400 hours \$ _____ × 25% (.25)	1a	
b	Qualified first-year wages of employees who worked for you at least 400 hours \$ _____ × 40% (.40)	1b	
c	Qualified second-year wages of employees certified as long-term family assistance recipients \$ _____ × 50% (.50)	1c	
2	Add lines 1a, 1b, and 1c. See instructions for the adjustment you must make for salaries and wages.	2	
3	Work opportunity credit from partnerships, S corporations, cooperatives, estates, and trusts.	3	
4	Add lines 2 and 3. Partnerships and S corporations, report this amount on Schedule K; all others, go to line 5	4	
5	Work opportunity credit included on line 4 from passive activities (see instructions)	5	
6	Subtract line 5 from line 4	6	
7	Work opportunity credit allowed for 2007 from a passive activity (see instructions)	7	
8	Carryforward from 2006 of the New York Liberty Zone business employee credit and carryback from 2008 of the work opportunity credit (see instructions)	8	
9	Add lines 6 through 8. Cooperatives, estates, and trusts, continue on to line 10. All others, use this amount to complete Part II	9	
10	Amount allocated to patrons of the cooperative or beneficiaries of the estate or trust (see instructions)	10	
11	Cooperatives, estates, and trusts, subtract line 10 from line 9. Use this amount to complete Part II	11	

Part II Allowable Credit

12	Regular tax before credits (see instructions)	12	
13	Alternative minimum tax (see instructions)	13	
14	Add lines 12 and 13	14	
15a	Credits from Form 1040, lines 47 through 50 and 52 through 54 (or Form 1040NR, lines 44, 45, and 47 through 49)	15a	
b	Foreign tax credit	15b	
c	Credits from Forms 5735 and 8834	15c	
d	Non-business alternative motor vehicle credit (Form 8910, line 18)	15d	
e	Non-business alternative fuel vehicle refueling property credit (Form 8911, line 19)	15e	
f	Add lines 15a through 15e	15f	
16	Net income tax. Subtract line 15f from line 14. If zero, skip lines 17 through 20 and enter -0- on line 21	16	
17	Net regular tax. Subtract line 15f from line 12. If zero or less, enter -0-	17	
18	Enter 25% (.25) of the excess, if any, of line 17 over \$25,000 (see instructions)	18	
19	Subtract line 18 from line 16. If zero or less, enter -0-	19	
20a	General business credit (Form 3800, line 19)	20a	
b	Empowerment zone and renewal community employment credit (Form 8844, line 26)	20b	
c	Add lines 20a and 20b	20c	
21	Subtract line 20c from line 19. If zero or less, enter -0-	21	
22	Credit allowed for the current year. Cooperatives, estates, and trusts. Enter the smaller of line 11 or 21. Report this amount on Form 1120-C, Schedule J, line 5c; or Form 1041, Schedule G, line 2c. If line 21 is smaller than line 11, see instructions. All others. Enter the smaller of line 9 or 21. Report this amount on Form 1040, line 55; Form 1040NR, line 50; Form 1120, Schedule J, line 5c; or the applicable line of your return. If line 21 is smaller than line 9, see instructions	22	

At-Risk Limitations

- ▶ Attach to your tax return.
- ▶ See separate instructions.

Name(s) shown on return

Identifying number

Description of activity (see page 2 of the instructions)

Part I Current Year Profit (Loss) From the Activity, Including Prior Year Nondeductible Amounts
(see page 2 of the instructions).

1	Ordinary income (loss) from the activity (see page 2 of the instructions)	1		
2	Gain (loss) from the sale or other disposition of assets used in the activity (or of your interest in the activity) that you are reporting on:			
a	Schedule D	2a		
b	Form 4797	2b		
c	Other form or schedule	2c		
3	Other income and gains from the activity, from Schedule K-1 of Form 1065, Form 1065-B, or Form 1120S, that were not included on lines 1 through 2c	3		
4	Other deductions and losses from the activity, including investment interest expense allowed from Form 4952, that were not included on lines 1 through 2c	4	()
5	Current year profit (loss) from the activity. Combine lines 1 through 4. See page 3 of the instructions before completing the rest of this form	5		

Part II Simplified Computation of Amount At Risk. See page 3 of the instructions before completing this part.

6	Adjusted basis (as defined in section 1011) in the activity (or in your interest in the activity) on the first day of the tax year. Do not enter less than zero	6		
7	Increases for the tax year (see page 3 of the instructions)	7		
8	Add lines 6 and 7	8		
9	Decreases for the tax year (see page 4 of the instructions)	9		
10a	Subtract line 9 from line 8	10a		
b	If line 10a is more than zero, enter that amount here and go to line 20 (or complete Part III). Otherwise, enter -0- and see Pub. 925 for information on the recapture rules	10b		

Part III Detailed Computation of Amount At Risk. If you completed Part III of Form 6198 for 2006, see page 4 of the instructions.

11	Investment in the activity (or in your interest in the activity) at the effective date. Do not enter less than zero	11		
12	Increases at effective date	12		
13	Add lines 11 and 12	13		
14	Decreases at effective date	14		
15	Amount at risk (check box that applies):			
a	<input type="checkbox"/> At effective date. Subtract line 14 from line 13. Do not enter less than zero.	15		
b	<input type="checkbox"/> From 2006 Form 6198, line 19b. Do not enter the amount from line 10b of the 2006 form.			
16	Increases since (check box that applies):	16		
a	<input type="checkbox"/> Effective date	17		
b	<input type="checkbox"/> The end of your 2006 tax year			
17	Add lines 15 and 16			
18	Decreases since (check box that applies):			
a	<input type="checkbox"/> Effective date	18		
b	<input type="checkbox"/> The end of your 2006 tax year			
19a	Subtract line 18 from line 17	19a		
b	If line 19a is more than zero, enter that amount here and go to line 20. Otherwise, enter -0- and see Pub. 925 for information on the recapture rules	19b		

Part IV Deductible Loss

20	Amount at risk. Enter the larger of line 10b or line 19b	20		
21	Deductible loss. Enter the smaller of the line 5 loss (treated as a positive number) or line 20. See page 7 of the instructions to find out how to report any deductible loss and any carryover.	21	()

Note: If the loss is from a passive activity, see the Instructions for **Form 8582, Passive Activity Loss Limitations**, or the Instructions for **Form 8810, Corporate Passive Activity Loss and Credit Limitations**, to find out if the loss is allowed under the passive activity rules. If only part of the loss is subject to the passive activity loss rules, report only that part on Form 8582 or Form 8810, whichever applies.

Installment Sale Income

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

Name(s) shown on return	Identifying number
-------------------------	--------------------

- 1** Description of property ▶
- 2a** Date acquired (month, day, year) ▶ [] / [] / [] **b** Date sold (month, day, year) ▶ [] / [] / []
- 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.

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

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.

19 Gross profit percentage. Divide line 16 by line 18. For years after the year of sale, see instructions				19	
20 If this is the year of sale, enter the amount from line 17. Otherwise, enter -0-				20	
21 Payments received during year (see instructions). Do not include interest, whether stated or unstated				21	
22 Add lines 20 and 21				22	
23 Payments received in prior years (see instructions). Do not include interest, whether stated or unstated	23				
24 Installment sale income. Multiply line 22 by line 19				24	
25 Enter the part of line 24 that is ordinary income under the recapture rules (see instructions)				25	
26 Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797 (see instructions)				26	

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

- 27** Name, address, and taxpayer identifying number of related party
- 28** Did the related party 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 (month, day, year) ▶ [] / [] / []
 - 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 Internal Revenue Service that tax avoidance was not 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) | | | | 30 | |
| 31 Enter contract price from line 18 for year of first sale | | | | 31 | |
| 32 Enter the smaller of line 30 or line 31 | | | | 32 | |
| 33 Total payments received by the end of your 2007 tax year (see instructions) | | | | 33 | |
| 34 Subtract line 33 from line 32. If zero or less, enter -0- | | | | 34 | |
| 35 Multiply line 34 by the gross profit percentage on line 19 for year of first sale | | | | 35 | |
| 36 Enter the part of line 35 that is ordinary income under the recapture rules (see instructions) | | | | 36 | |
| 37 Subtract line 36 from line 35. Enter here and on Schedule D or Form 4797 (see instructions) | | | | 37 | |

Credit for Alcohol Used as Fuel

► Attach to your tax return.

Name(s) shown on return

Identifying number

Caution: You cannot claim any amounts on Form 6478 that you claimed (or will claim) on Schedule C (Form 720), Form 8849, or Form 4136.

Part I Current Year Credit

Type of Alcohol Fuel	(a) Number of Gallons of Alcohol Sold or Used	(b) Rate *	(c) Column (a) x Column (b)
1 Qualified ethanol fuel production (in gallons) (see instructions for election)	1	\$.10	
2 Alcohol 190 proof or greater and alcohol 190 proof or greater in fuel mixtures	2	\$.51	
3 Alcohol less than 190 proof but at least 150 proof and alcohol less than 190 proof but at least 150 proof in fuel mixtures	3	\$.3778	
4 Add the amounts in column (c) on lines 1, 2, and 3. Include this amount in your income for 2007 (see instructions)			4
5 Alcohol fuel credit from a partnership, S corporation, cooperative, estate, or trust (see instructions)			5
6 Add lines 4 and 5. Partnerships and S corporations, report this amount on Schedule K. All others, go to line 7			6
7 Alcohol fuel credit included on line 6 from passive activities (see instructions)			7
8 Subtract line 7 from line 6			8
9 Alcohol fuel credit allowed for 2007 from a passive activity (see instructions)			9
10 Carryforward from 2006 and carryback from 2008 of the alcohol fuel credit (see instructions)			10
11 Add lines 8 through 10. Cooperatives, estates, and trusts, go to line 12. All others, use this amount to complete Part II			11
12 Amount allocated to patrons of the cooperative or beneficiaries of the estate or trust (see instructions)			12
13 Cooperatives, estates, and trusts. Subtract line 12 from line 11. Use this amount to complete Part II			13

*Only the rate for ethanol is shown. See instructions for lines 2 and 3 for rates for alcohol other than ethanol.

Part II Allowable Credit

14 Regular tax before credits (see instructions)			14
15 Alternative minimum tax (see instructions)			15
16 Add lines 14 and 15			16
17a Credits from Form 1040, lines 47 through 50 and 52 through 54 (or Form 1040NR, lines 44, 45, and 47 through 49)	17a		17f
b Foreign tax credit	17b		
c Credits from Forms 5735 and 8834	17c		
d Non-business alternative motor vehicle credit (Form 8910, line 18)	17d		
e Non-business alternative fuel vehicle refueling property credit (Form 8911, line 19)	17e		
f Add lines 17a through 17e.			
18 Net income tax. Subtract line 17f from line 16. If zero, skip lines 19 through 22 and enter -0- on line 23			18
19 Net regular tax. Subtract line 17f from line 14. If zero or less, enter -0-	19		20
20 Enter 25% (.25) of the excess, if any, of line 19 over \$25,000 (see instructions)			
21 Subtract line 20 from line 18. If zero or less, enter -0-			21
22a General business credit (Form 3800, line 19)	22a		22d
b Empowerment zone and renewal community employment credit (Form 8844, line 26)	22b		
c Work opportunity credit (Form 5884, line 22)	22c		
d Add lines 22a through 22c.			
23 Subtract line 22d from line 21. If zero or less, enter -0-			23
24 Credit allowed for the current year. Cooperatives, estates, and trusts. Enter the smaller of line 13 or 23. Report this amount on Form 1120-C, Schedule J, line 5c; or Form 1041, Schedule G, line 2c. If line 23 is smaller than line 13, see instructions. All others. Enter the smaller of line 11 or 23. Report this amount on Form 1040, line 55; Form 1040NR, line 50; Form 1120, Schedule J, line 5c; or the applicable line of your return. If line 23 is smaller than line 11, see instructions			24

Credit for Increasing Research Activities

▶ Attach to your tax return.

Identifying number

Section A—Regular Credit. Skip this section and go to Section B or C if you are electing or previously elected (and are not revoking) the alternative incremental credit or the alternative simplified credit, respectively.

1	Certain amounts paid or incurred to energy consortia (see instructions)			1	
2	Basic research payments to qualified organizations (see instructions)				
3	Qualified organization base period amount				
4	Subtract line 3 from line 2. If zero or less, enter -0-			4	
5	Wages for qualified services (do not include wages used in figuring the work opportunity credit)				
6	Cost of supplies				
7	Rental or lease costs of computers (see instructions)				
8	Enter the applicable percentage of contract research expenses (see instructions)				
9	Total qualified research expenses. Add lines 5 through 8				
10	Enter fixed-base percentage, but not more than 16% (see instructions)		%		
11	Enter average annual gross receipts (see instructions)				
12	Multiply line 11 by the percentage on line 10				
13	Subtract line 12 from line 9. If zero or less, enter -0-				
14	Multiply line 9 by 50% (.50)				
15	Enter the smaller of line 13 or line 14			15	
16	Add lines 1, 4, and 15			16	
17	Are you electing the reduced credit under Section 280C? ▶ Yes <input type="checkbox"/> No <input type="checkbox"/>				
	If "Yes," multiply line 16 by 13% (.13). If "No," multiply line 16 by 20% (.20) and see the instructions for the schedule that must be attached. Members of controlled groups or businesses under common control: see instructions for the schedule that must be attached			17	

Section B—Alternative Incremental Credit. Skip this section if you are completing Section A or C.

18	Certain amounts paid or incurred to energy consortia (see the line 1 instructions)			18	
19	Basic research payments to qualified organizations (see the line 2 instructions)				
20	Qualified organization base period amount (see the line 3 instructions)				
21	Subtract line 20 from line 19. If zero or less, enter -0-			21	
22	Add lines 18 and 21			22	
23	Multiply line 22 by 20% (.20)			23	
24	Wages for qualified services (do not include wages used in figuring the work opportunity credit)				
25	Cost of supplies				
26	Rental or lease costs of computers (see the line 7 instructions)				
27	Enter the applicable percentage of contract research expenses (see the line 8 instructions)				
28	Total qualified research expenses. Add lines 24 through 27				
29	Enter average annual gross receipts (see the line 11 instructions)				
30	Multiply line 29 by 1% (.01)				
31	Subtract line 30 from line 28. If zero or less, enter -0-				
32	Multiply line 29 by 1.5% (.015)				
33	Subtract line 32 from line 28. If zero or less, enter -0-				
34	Subtract line 33 from line 31				
35	Multiply line 29 by 2% (.02)				
36	Subtract line 35 from line 28. If zero or less, enter -0-				
37	Subtract line 36 from line 33				

Section B—Alternative Incremental Credit *(continued)*

38	Multiply line 34 by 3% (.03)	38		
39	Multiply line 37 by 4% (.04)	39		
40	Multiply line 36 by 5% (.05)	40		
41	Add lines 23, 38, 39, and 40	41		
42	Are you electing the reduced credit under Section 280C? ► Yes <input type="checkbox"/> No <input type="checkbox"/> If "Yes," multiply line 41 by 65% (.65). If "No," enter the amount from line 41 and see the line 17 instructions for the schedule that must be attached. Members of controlled groups or businesses under common control: see instructions for the schedule that must be attached	42		

Section C—Alternative Simplified Credit. Skip this section if you are completing Section A or B.

43	Certain amounts paid or incurred to energy consortia (see the line 1 instructions)	43		
44	Basic research payments to qualified organizations (see the line 2 instructions)	44		
45	Qualified organization base period amount (see the line 3 instructions)	45		
46	Subtract line 45 from line 44. If zero or less, enter -0-	46		
47	Add lines 43 and 46	47		
48	Multiply line 47 by 20% (.20)	48		
49	Wages for qualified services (do not include wages used in figuring the work opportunity credit)	49		
50	Cost of supplies	50		
51	Rental or lease costs of computers (see the line 7 instructions)	51		
52	Enter the applicable percentage of contract research expenses (see the line 8 instructions)	52		
53	Total qualified research expenses. Add lines 49 through 52	53		
54	Enter your total qualified research expenses for the prior 3 tax years. If you had no qualified research expenses in any one of those years, skip lines 55 and 56	54		
55	Divide line 54 by 6.0	55		
56	Subtract line 55 from line 53. If zero or less, enter -0-	56		
57	Multiply line 56 by 12% (.12). If you skipped lines 55 and 56, multiply line 53 by 6% (.06)	57		
58	Add lines 48 and 57	58		
59	Are you electing the reduced credit under Section 280C? ► Yes <input type="checkbox"/> No <input type="checkbox"/> If "Yes," multiply line 58 by 65% (.65). If "No," enter the amount from line 58 and see the line 17 instructions for the schedule that must be attached. Members of controlled groups or businesses under common control: see instructions for the schedule that must be attached	59		

Section D—Summary

60	Credit for increasing research activities from partnerships, S corporations, estates, and trusts	60		
61	Add line 17, line 42, or line 59 (whichever applies) to line 60. Estates and trusts go to line 62; partnerships and S corporations, report this amount on Schedule K; all others, report this amount on line 1c of Form 3800	61		
62	Amount allocated to beneficiaries of the estate or trust (see instructions)	62		
63	Estates and trusts: subtract line 62 from line 61. Report the credit on line 1c of Form 3800	63		

Disclosure Statement

Do not use this form to disclose items or positions that are contrary to Treasury regulations. Instead, use Form 8275-R, Regulation Disclosure Statement. See separate instructions.

▶ **Attach to your tax return.**

Name(s) shown on return

Identifying number shown on return

Part I General Information (see instructions)

(a) Rev. Rul., Rev. Proc., etc.	(b) Item or Group of Items	(c) Detailed Description of Items	(d) Form or Schedule	(e) Line No.	(f) Amount
1					
2					
3					

Part II Detailed Explanation (see instructions)

1

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2

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3

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.....

Part III Information About Pass-Through Entity. To be completed by partners, shareholders, beneficiaries, or residual interest holders.

Complete this part only if you are making adequate disclosure for a pass-through item.

Note: A pass-through entity is a partnership, S corporation, estate, trust, regulated investment company (RIC), real estate investment trust (REIT), or real estate mortgage investment conduit (REMIC).

<p>1 Name, address, and ZIP code of pass-through entity</p>	<p>2 Identifying number of pass-through entity</p> <hr/> <p>3 Tax year of pass-through entity</p> <p style="text-align: center;">/ / to / /</p> <hr/> <p>4 Internal Revenue Service Center where the pass-through entity filed its return</p>
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Regulation Disclosure Statement

Use this form only to disclose items or positions that are contrary to Treasury regulations.
For other disclosures, use Form 8275, Disclosure Statement. See separate instructions.

▶ Attach to your tax return.

Name(s) shown on return

Identifying number shown on return

Part I General Information (See instructions.)

(a) Regulation Section	(b) Item or Group of Items	(c) Detailed Description of Items	(d) Form or Schedule	(e) Line No.	(f) Amount
1					
2					
3					

Part II Detailed Explanation (See instructions.)

1

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2

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3

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Part III Information About Pass-Through Entity. To be completed by partners, shareholders, beneficiaries, or residual interest holders.

Complete this part only if you are making adequate disclosure for a pass-through item.

Note: A pass-through entity is a partnership, S corporation, estate, trust, regulated investment company (RIC), real estate investment trust (REIT), or real estate mortgage investment conduit (REMIC).

1 Name, address, and ZIP code of pass-through entity	2 Identifying number of pass-through entity
	3 Tax year of pass-through entity / / to / /
	4 Internal Revenue Service Center where the pass-through entity filed its return

Passive Activity Loss Limitations

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.
▶ Attach to Form 1040 or Form 1041.

Name(s) shown on return

Identifying number

Part I 2007 Passive Activity Loss

Caution: Complete Worksheets 1, 2, and 3 on page 2 before completing Part I.

Rental Real Estate Activities With Active Participation (For the definition of active participation, see **Special Allowance for Rental Real Estate Activities** on page 3 of the instructions.)

1a Activities with net income (enter the amount from Worksheet 1, column (a))	1a			
b Activities with net loss (enter the amount from Worksheet 1, column (b))	1b	()
c Prior years unallowed losses (enter the amount from Worksheet 1, column (c))	1c	()
d Combine lines 1a, 1b, and 1c.	1d			

Commercial Revitalization Deductions From Rental Real Estate Activities

2a Commercial revitalization deductions from Worksheet 2, column (a)	2a	()
b Prior year unallowed commercial revitalization deductions from Worksheet 2, column (b)	2b	()
c Add lines 2a and 2b.	2c	()

All Other Passive Activities

3a Activities with net income (enter the amount from Worksheet 3, column (a))	3a			
b Activities with net loss (enter the amount from Worksheet 3, column (b))	3b	()
c Prior years unallowed losses (enter the amount from Worksheet 3, column (c))	3c	()
d Combine lines 3a, 3b, and 3c.	3d			

4 Combine lines 1d, 2c, and 3d. If the result is net income or zero, all losses are allowed, including any prior year unallowed losses entered on line 1c, 2b, or 3c. **Do not** complete Form 8582. Report the losses on the forms and schedules normally used

- If line 4 is a loss and:
- Line 1d is a loss, go to Part II.
 - Line 2c is a loss (and line 1d is zero or more), skip Part II and go to Part III.
 - Line 3d is a loss (and lines 1d and 2c are zero or more), skip Parts II and III and go to line 15.

Caution: If your filing status is married filing separately and you lived with your spouse at any time during the year, **do not** complete Part II or Part III. Instead, go to line 15.

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

Note: Enter all numbers in Part II as positive amounts. See page 8 of the instructions for an example.

5 Enter the smaller of the loss on line 1d or the loss on line 4	5			
6 Enter \$150,000. If married filing separately, see page 8	6			
7 Enter modified adjusted gross income, but not less than zero (see page 8)	7			
Note: If line 7 is greater than or equal to line 6, skip lines 8 and 9, enter -0- on line 10. Otherwise, go to line 8.				
8 Subtract line 7 from line 6	8			
9 Multiply line 8 by 50% (.5). Do not enter more than \$25,000. If married filing separately, see page 8	9			
10 Enter the smaller of line 5 or line 9.	10			

If line 2c is a loss, go to Part III. Otherwise, go to line 15.

Part III Special Allowance for Commercial Revitalization Deductions From Rental Real Estate Activities

Note: Enter all numbers in Part III as positive amounts. See the example for Part II on page 8 of the instructions.

11 Enter \$25,000 reduced by the amount, if any, on line 10. If married filing separately, see instructions	11			
12 Enter the loss from line 4	12			
13 Reduce line 12 by the amount on line 10	13			
14 Enter the smallest of line 2c (treated as a positive amount), line 11, or line 13	14			

Part IV Total Losses Allowed

15 Add the income, if any, on lines 1a and 3a and enter the total.	15			
16 Total losses allowed from all passive activities for 2007. Add lines 10, 14, and 15. See page 10 of the instructions to find out how to report the losses on your tax return.	16			

Caution: *The worksheets must be filed with your tax return. Keep a copy for your records.*

Worksheet 1—For Form 8582, Lines 1a, 1b, and 1c (See pages 7 and 8 of the instructions.)

Name of activity	Current year		Prior years	Overall gain or loss	
	(a) Net income (line 1a)	(b) Net loss (line 1b)	(c) Unallowed loss (line 1c)	(d) Gain	(e) Loss
Total. Enter on Form 8582, lines 1a, 1b, and 1c ▶					

Worksheet 2—For Form 8582, Lines 2a and 2b (See page 8 of the instructions.)

Name of activity	(a) Current year deductions (line 2a)	(b) Prior year unallowed deductions (line 2b)	(c) Overall loss
Total. Enter on Form 8582, lines 2a and 2b ▶			

Worksheet 3—For Form 8582, Lines 3a, 3b, and 3c (See page 8 of the instructions.)

Name of activity	Current year		Prior years	Overall gain or loss	
	(a) Net income (line 3a)	(b) Net loss (line 3b)	(c) Unallowed loss (line 3c)	(d) Gain	(e) Loss
Total. Enter on Form 8582, lines 3a, 3b, and 3c ▶					

Worksheet 4—Use this worksheet if an amount is shown on Form 8582, line 10 or 14 (See page 9 of the instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Special allowance	(d) Subtract column (c) from column (a)
Total ▶			1.00		

Worksheet 5—Allocation of Unallowed Losses (See page 9 of the instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Unallowed loss
Total ▶			1.00	

Worksheet 6—Allowed Losses (See pages 9 and 10 of the instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Unallowed loss	(c) Allowed loss
Total ▶				

Worksheet 7—Activities With Losses Reported on Two or More Forms or Schedules (See page 10 of the instructions.)

Name of Activity:	(a)	(b)	(c) Ratio	(d) Unallowed loss	(e) Allowed loss
Form or schedule and line number to be reported on (see instructions):					
1a Net loss plus prior year unallowed loss from form or schedule. ▶					
b Net income from form or schedule ▶					
c Subtract line 1b from line 1a. If zero or less, enter -0- ▶					
Form or schedule and line number to be reported on (see instructions):					
1a Net loss plus prior year unallowed loss from form or schedule. ▶					
b Net income from form or schedule ▶					
c Subtract line 1b from line 1a. If zero or less, enter -0- ▶					
Form or schedule and line number to be reported on (see instructions):					
1a Net loss plus prior year unallowed loss from form or schedule. ▶					
b Net income from form or schedule ▶					
c Subtract line 1b from line 1a. If zero or less, enter -0- ▶					
Total ▶			1.00		

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
▶ Attach to Form 1040 or 1041.

Name(s) shown on return

Identifying number

Part I 2007 Passive Activity Credits

Caution: If you have credits from a publicly traded partnership, see **Publicly Traded Partnerships (PTPs)** on page 15 of the instructions.

Credits From Rental Real Estate Activities With Active Participation (Other Than Rehabilitation Credits and Low-Income Housing Credits) (See Lines 1a through 1c on page 9.)			
1a	Credits from Worksheet 1, column (a)	1a	
b	Prior year unallowed credits from Worksheet 1, column (b)	1b	
c	Add lines 1a and 1b	1c	
Rehabilitation Credits From Rental Real Estate Activities and Low-Income Housing Credits for Property Placed in Service Before 1990 (or From Pass-Through Interests Acquired Before 1990) (See Lines 2a through 2c on page 9.)			
2a	Credits from Worksheet 2, column (a)	2a	
b	Prior year unallowed credits from Worksheet 2, column (b)	2b	
c	Add lines 2a and 2b	2c	
Low-Income Housing Credits for Property Placed in Service After 1989 (See Lines 3a through 3c on page 9.)			
3a	Credits from Worksheet 3, column (a)	3a	
b	Prior year unallowed credits from Worksheet 3, column (b)	3b	
c	Add lines 3a and 3b	3c	
All Other Passive Activity Credits (See Lines 4a through 4c on page 9.)			
4a	Credits from Worksheet 4, column (a)	4a	
b	Prior year unallowed credits from Worksheet 4, column (b)	4b	
c	Add lines 4a and 4b	4c	
5	Add lines 1c, 2c, 3c, and 4c	5	
6	Enter the tax attributable to net passive income (see page 9)	6	
7	Subtract line 6 from line 5. If line 6 is more than or equal to line 5, enter -0- and see page 10	7	
Note: If your filing status is married filing separately and you lived with your spouse at any time during the year, do not complete Part II, III, or IV. Instead, go to line 37.			

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

Note: Complete this part only if you have an amount on line 1c. Otherwise, go to Part III.

8	Enter the smaller of line 1c or line 7	8	
9	Enter \$150,000. If married filing separately, see page 10	9	
10	Enter modified adjusted gross income, but not less than zero (see page 10). If line 10 is equal to or more than line 9, skip lines 11 through 15 and enter -0- on line 16	10	
11	Subtract line 10 from line 9	11	
12	Multiply line 11 by 50% (.50). Do not enter more than \$25,000. If married filing separately, see page 11	12	
13a	Enter the amount, if any, from line 10 of Form 8582	13a	
b	Enter the amount, if any, from line 14 of Form 8582	13b	
c	Add lines 13a and 13b	13c	
14	Subtract line 13c from line 12	14	
15	Enter the tax attributable to the amount on line 14 (see page 11)	15	
16	Enter the smaller of line 8 or line 15	16	

Part III Special Allowance for Rehabilitation Credits From Rental Real Estate Activities and Low-Income Housing Credits for Property Placed in Service Before 1990 (or From Pass-Through Interests Acquired Before 1990)

Note: Complete this part only if you have an amount on line 2c. Otherwise, go to Part IV.

17	Enter the amount from line 7				17		
18	Enter the amount from line 16				18		
19	Subtract line 18 from line 17. If zero, enter -0- here and on lines 30 and 36, and then go to Part V				19		
20	Enter the smaller of line 2c or line 19				20		
21	Enter \$250,000. If married filing separately, see page 12. (See page 12 to find out if you can skip lines 21 through 26.)			21			
22	Enter modified adjusted gross income, but not less than zero. (See instructions for line 10 on page 10.) If line 22 is equal to or more than line 21, skip lines 23 through 29 and enter -0- on line 30			22			
23	Subtract line 22 from line 21			23			
24	Multiply line 23 by 50% (.50). Do not enter more than \$25,000. If married filing separately, see page 12			24			
25a	Enter the amount, if any, from line 10 of Form 8582	25a					
b	Enter the amount, if any, from line 14 of Form 8582	25b					
c	Add lines 25a and 25b			25c			
26	Subtract line 25c from line 24			26			
27	Enter the tax attributable to the amount on line 26 (see page 12)			27			
28	Enter the amount, if any, from line 18			28			
29	Subtract line 28 from line 27				29		
30	Enter the smaller of line 20 or line 29				30		

Part IV Special Allowance for Low-Income Housing Credits for Property Placed in Service After 1989

Note: Complete this part only if you have an amount on line 3c. Otherwise, go to Part V.

31	If you completed Part III, enter the amount from line 19. Otherwise, subtract line 16 from line 7				31		
32	Enter the amount from line 30				32		
33	Subtract line 32 from line 31. If zero, enter -0- here and on line 36				33		
34	Enter the smaller of line 3c or line 33				34		
35	Tax attributable to the remaining special allowance (see page 12)				35		
36	Enter the smaller of line 34 or line 35				36		

Part V Passive Activity Credit Allowed

37	Passive Activity Credit Allowed. Add lines 6, 16, 30, and 36. See page 12 to find out how to report the allowed credit on your tax return and how to allocate allowed and unallowed credits if you have more than one credit or credits from more than one activity. If you have any credits from a publicly traded partnership, see Publicly Traded Partnerships (PTPs) on page 15				37		
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Part VI Election To Increase Basis of Credit Property

38	If you disposed of your entire interest in a passive activity or former passive activity in a fully taxable transaction, and you elect to increase your basis in credit property used in that activity by the unallowed credit that reduced your basis in the property, check this box. See page 16 <input type="checkbox"/>						
39	Name of passive activity disposed of ►						
40	Description of the credit property for which the election is being made ►						
41	Amount of unallowed credit that reduced your basis in the property ► \$						

Low-Income Housing Credit

OMB No. 1545-0984

▶ **Attach to your tax return.**

Attachment
Sequence No. **36a**

Name(s) shown on return	Identifying number
1 Number of Forms 8609-A attached ▶ 2 Has there been a decrease in the qualified basis of any buildings since the close of the preceding tax year? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," enter the building identification numbers (BINs) of the buildings that had a decreased basis. If you need more space, attach a schedule. (i) (ii) (iii) (iv)	
3 Current year credit from attached Form(s) 8609-A (see instructions)	3
4 Low-income housing credit from partnerships, S corporations, estates, and trusts	4
5 Add lines 3 and 4. Estates and trusts, go to line 6; partnerships and S corporations, report this amount on Schedule K; all others, report this amount on the applicable line of Form 3800 (e.g., line 1e of the 2006 Form 3800)	5
6 Amount allocated to beneficiaries of the estate or trust (see instructions)	6
7 Estates and trusts. Subtract line 6 from line 5. Report this amount on the applicable line of Form 3800 (e.g., line 1e of the 2006 Form 3800)	7

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

- The tax liability limit is no longer figured on this form; instead, it must be figured on Form 3800, General Business Credit.
- Taxpayers that are not partnerships, S corporations, estates, or trusts, and whose only source of this credit is from those pass-through entities, are not required to complete or file this form. Instead, they can report this credit directly on line 1e of Form 3800.
- The IRS will revise this December 2006 version of the form only when necessary. Continue to use this version for tax years beginning after 2005 until a new revision is issued.

Purpose of Form

Use Form 8586 to claim the low-income housing credit. This general business credit is allowed for each new qualified low-income building placed in service after 1986. Generally, it is taken over a 10-year credit period.

Qualified Low-Income Housing Project

The credit cannot exceed the amount allocated to the building. See section 42(h)(1) for details.

The low-income housing credit can only be claimed for residential rental buildings in low-income housing projects that meet one of the minimum set-aside tests. For details, see the instructions for Form 8609, Part II, line 10c.

Except for buildings financed with certain tax-exempt bonds, you may not take a low-income housing credit on a building if it has not received an allocation from the housing credit agency. No allocation is needed when 50% or more of the aggregate basis of the building and the land on which the building is located is financed with certain tax-exempt bonds issued after 1989 for buildings placed in service after 1989. The owner still must get a Form 8609 from the appropriate housing credit agency (with the applicable items completed, including an assigned BIN). "Land on which the building is located" includes only land that is functionally related and subordinate to the qualified low-income building (see Regulations sections 1.103-8(a)(3) and 1.103-8(b)(4)(iii)).

Recapture of Credit

There is a 15-year compliance period during which the residential rental building must continue to meet certain requirements. If, as of the close of any tax year in this period, there is a reduction in the qualified basis of the building from the previous year, you may have to recapture a part of the credit you have taken. Similarly, you may have to recapture part of the credits taken in previous years upon certain dispositions of the building or interests therein. If you must recapture credits, use Form 8611, Recapture of Low-Income Housing Credit. See section 42(j) for details.

Recordkeeping

Keep a copy of this Form 8586 together with all Forms 8609, Schedules A (Form 8609) (and successor Forms 8609-A), and Forms 8611 for 3 years after the 15-year compliance period ends.

Name(s) shown on return	Identifying number
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Part I Compliance Information

		Yes	No
A Building identification number (BIN) ►			
B This Form 8609-A is for (check the box) ► a newly constructed or existing building <input type="checkbox"/> section 42(e) rehabilitation expenditures <input type="checkbox"/>			
C Do you have in your records the original Form 8609 (or a copy thereof) signed and issued by the housing credit agency for the building in A ? If "No," see the instructions and stop here—do not go to Part II.			
D Did the building in A qualify as a part of a qualified low-income housing project and meet the requirements of section 42 as of the end of the tax year for which this form is being filed? If "No," see the instructions and stop here—do not go to Part II.			
E Was there a decrease in the qualified basis of the building in A for the tax year for which this form is being filed? If "Yes," see the instructions. If "No," and the entire credit has been claimed in prior tax years, stop here—do not go to Part II.			

Part II Computation of Credit

1 Eligible basis of building	1		
2 Low-income portion (smaller of unit fraction or floor space fraction) (if first year of the credit period, see instructions)	2	.	
3 Qualified basis of low-income building. Multiply line 1 by line 2 (see instructions for exceptions)	3		
4 Part-year adjustment for disposition or acquisition during the tax year	4		
5 Credit percentage	5	.	
6 Multiply line 3 or line 4 by the percentage on line 5	6		
7 Additions to qualified basis, if any	7		
8 Part-year adjustment for disposition or acquisition during the tax year	8		
9 Credit percentage. Enter one-third of the percentage on line 5	9	.	
10 Multiply line 7 or line 8 by the percentage on line 9	10		
11 Section 42(f)(3)(B) modification	11		
12 Add lines 10 and 11	12		
13 Credit for building before line 14 reduction. Subtract line 12 from line 6	13		
14 Disallowed credit due to federal grants (see instructions).	14		
15 Credit allowed for building for tax year. Subtract line 14 from line 13, but do not enter more than the amount shown on Form 8609, Part I, line 1b	15		
16 Taxpayer's proportionate share of credit for the year (see instructions)	16		
17 Adjustments for deferred first-year credit (see instructions)	17		
18 Taxpayer's credit. Combine lines 16 and 17. Enter here and on Form 8586	18		

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Note. Some of the line numbers on the December 1988, March 1991, and November 2003 revisions of Form 8609, Low-Income Housing Credit Allocation Certification, and December 2005, December 2006, and December 2007 revisions of Form 8609, Low-Income Housing Credit Allocation and Certification, differ from other revisions. In these cases, the line references are shown in parentheses in these instructions.

Purpose of Form

Form 8609-A is filed by a building owner to report compliance with the low-income housing provisions and calculate the

low-income housing credit. After 2004, Form 8609-A must be filed by the building owner for each year of the 15-year compliance period. File one Form 8609-A for the allocation(s) for the acquisition of an existing building and a separate Form 8609-A for the allocation(s) for rehabilitation expenditures.

If the building owner is a partnership, S corporation, estate, or trust (pass-through entity), the entity will complete Form 8609 and Form 8609-A. The entity will attach Form 8609-A to its tax return. If you are a partner, shareholder, or beneficiary in the pass-through entity that owns the building, file only Form 8586, Low-Income Housing Credit, to claim the credit using the information that the entity furnishes you on Schedule K-1.

Recapture of Credit

If the qualified basis of the building has decreased from the qualified basis at the close of the previous tax year, you may have to recapture parts of the credits allowed in previous years. See Form 8611, Recapture of Low-Income Housing Credit.

Sale of Building

Upon a change of ownership, the seller should give the new owner a copy of the Form 8609 (Parts I and II complete). This form allows the new owner to substantiate the credit.

**Credit for Prior Year Minimum Tax—
 Individuals, Estates, and Trusts**

▶ See separate instructions.
 ▶ Attach to Form 1040, 1040NR, or 1041.

2007

Attachment
 Sequence No. **74**

Name(s) shown on return	Identifying number
-------------------------	--------------------

Part I Net Minimum Tax on Exclusion Items

1 Combine lines 1, 6, and 10 of your 2006 Form 6251. Estates and trusts, see instructions . . .	1	
2 Enter adjustments and preferences treated as exclusion items (see instructions)	2	
3 Minimum tax credit net operating loss deduction (see instructions)	3	()
4 Combine lines 1, 2, and 3. If more than zero or you filed Form 2555 or 2555-EZ for 2006, go to line 5. If zero or less and you did not file Form 2555 or 2555-EZ for 2006, enter -0- here and on line 15 and go to Part II. If more than \$200,100 and you were married filing separately for 2006, see instructions	4	
5 Enter: \$62,550 if married filing jointly or qualifying widow(er) for 2006; \$42,500 if single or head of household for 2006; or \$31,275 if married filing separately for 2006. Estates and trusts, enter \$22,500	5	
6 Enter: \$150,000 if married filing jointly or qualifying widow(er) for 2006; \$112,500 if single or head of household for 2006; or \$75,000 if married filing separately for 2006. Estates and trusts, enter \$75,000	6	
7 Subtract line 6 from line 4. If zero or less, enter -0- here and on line 8 and go to line 9 . . .	7	
8 Multiply line 7 by 25% (.25)	8	
9 Subtract line 8 from line 5. If zero or less, enter -0-. If this form is for a child under age 18, see instructions	9	
10 Subtract line 9 from line 4. If more than zero or you filed Form 2555 or 2555-EZ for 2006, go to line 11. If zero or less and you did not file Form 2555 or 2555-EZ for 2006, enter -0- here and on line 15 and go to Part II. Form 1040NR filers, see instructions	10	
11 • If for 2006 you filed Form 2555 or 2555-EZ, see page 2 of the instructions for the amount to enter. • If for 2006 you reported capital gain distributions directly on Form 1040, line 13; you reported qualified dividends on Form 1040, line 9b (Form 1041, line 2b(2)); or you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (lines 14a and 15, column (2), of Schedule D (Form 1041)), complete Part III of Form 8801 and enter the amount from line 48 here. • All others: If line 10 is \$175,000 or less (\$87,500 or less if married filing separately for 2006), multiply line 10 by 26% (.26). Otherwise, multiply line 10 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately for 2006) from the result.	11	
12 Minimum tax foreign tax credit on exclusion items (see instructions)	12	
13 Tentative minimum tax on exclusion items. Subtract line 12 from line 11	13	
14 Enter the amount from your 2006 Form 6251, line 34, or 2006 Form 1041, Schedule I, line 55	14	
15 Net minimum tax on exclusion items. Subtract line 14 from line 13. If zero or less, enter -0-	15	

Part II Current Year Nonrefundable and Refundable Credits and Carryforward to 2008

16 Enter the amount from your 2006 Form 6251, line 35, or 2006 Form 1041, Schedule I, line 56	16	
17 Enter the amount from line 15 above	17	
18 Subtract line 17 from line 16. If less than zero, enter as a negative amount	18	
19 2006 minimum tax credit carryforward. Enter the amount from your 2006 Form 8801, line 26	19	
20 Enter your 2006 unallowed qualified electric vehicle credit (see instructions)	20	
21 Combine lines 18, 19, and 20. If zero or less, stop here and see instructions	21	
22 Enter your 2007 regular income tax liability minus allowable credits (see instructions) . . .	22	
23 Enter the amount from your 2007 Form 6251, line 33, or 2007 Form 1041, Schedule I, line 54 .	23	
24 Subtract line 23 from line 22. If zero or less, enter -0-	24	
25 Current year nonrefundable credit. Enter the smaller of line 21 or line 24. Also enter this amount on your 2007 Form 1040, line 55; Form 1040NR, line 50; or Form 1041, Schedule G, line 2d	25	
26 • Estates and trusts: Leave lines 26 and 27 blank and go to line 28. • Individuals: Did you have a minimum tax credit carryforward to 2005 (on your 2004 Form 8801, line 26)? <input type="checkbox"/> No. Leave lines 26 and 27 blank and go to line 28. <input type="checkbox"/> Yes. Complete Part IV of Form 8801 to figure the amount to enter	26	
27 Is line 26 more than line 25? <input type="checkbox"/> No. Leave line 27 blank and go to line 28. <input type="checkbox"/> Yes. Subtract line 25 from line 26. This is your current year refundable credit. Enter the result here and on your 2007 Form 1040, line 71, or Form 1040NR, line 69	27	
28 Credit carryforward to 2008. Subtract the larger of line 25 or line 26 from line 21. Keep a record of this amount because you may use it in future years	28	

Part III Tax Computation Using Maximum Capital Gains Rates

Caution. If you did not complete the 2006 Qualified Dividends and Capital Gain Tax Worksheet, the 2006 Schedule D Tax Worksheet, or Part V of the 2006 Schedule D (Form 1041), see the instructions before completing this part.

29	Enter the amount from Form 8801, line 10			29	
30	Enter the amount from line 6 of your 2006 Qualified Dividends and Capital Gain Tax Worksheet, the amount from line 13 of your 2006 Schedule D Tax Worksheet, or the amount from line 22 of the 2006 Schedule D (Form 1041), whichever applies*	30			
If you figured your 2006 tax using the 2006 Qualified Dividends and Capital Gain Tax Worksheet, skip line 31 and enter the amount from line 30 on line 32. Otherwise, go to line 31.					
31	Enter the amount from line 19 of your 2006 Schedule D (Form 1040), or line 14b, column (2), of the 2006 Schedule D (Form 1041)	31			
32	Add lines 30 and 31, and enter the smaller of that result or the amount from line 10 of your 2006 Schedule D Tax Worksheet	32			
33	Enter the smaller of line 29 or line 32			33	
34	Subtract line 33 from line 29			34	
35	If line 34 is \$175,000 or less (\$87,500 or less if married filing separately for 2006), multiply line 34 by 26% (.26). Otherwise, multiply line 34 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately for 2006) from the result ▶			35	
36	Enter: <ul style="list-style-type: none"> • \$61,300 if married filing jointly or qualifying widow(er) for 2006, • \$30,650 if single or married filing separately for 2006, • \$41,050 if head of household for 2006, or • \$2,050 for an estate or trust 	36			
37	Enter the amount from line 7 of your 2006 Qualified Dividends and Capital Gain Tax Worksheet, the amount from line 14 of your 2006 Schedule D Tax Worksheet, or the amount from line 23 of the 2006 Schedule D (Form 1041), whichever applies. If you did not complete either worksheet or Part V of the 2006 Schedule D (Form 1041), enter -0-	37			
38	Subtract line 37 from line 36. If zero or less, enter -0-	38			
39	Enter the smaller of line 29 or line 30	39			
40	Enter the smaller of line 38 or line 39	40			
41	Multiply line 40 by 5% (.05) ▶			41	
42	Subtract line 40 from line 39	42			
43	Multiply line 42 by 15% (.15) ▶			43	
If line 31 is zero or blank, skip lines 44 and 45 and go to line 46. Otherwise, go to line 44.					
44	Subtract line 39 from line 33	44			
45	Multiply line 44 by 25% (.25) ▶			45	
46	Add lines 35, 41, 43, and 45			46	
47	If line 29 is \$175,000 or less (\$87,500 or less if married filing separately for 2006), multiply line 29 by 26% (.26). Otherwise, multiply line 29 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately for 2006) from the result			47	
48	Enter the smaller of line 46 or line 47 here and on line 11			48	

* The 2006 Qualified Dividends and Capital Gain Tax Worksheet is on page 38 of the 2006 Instructions for Form 1040. The 2006 Schedule D Tax Worksheet is on page D-10 of the 2006 Instructions for Schedule D (Form 1040) (page 38 of the 2006 Instructions for Form 1041).

Part IV Tentative Refundable Credit

49	Enter the amount from line 21			49	
50	Enter the total of lines 18 and 20 from your 2005 Form 8801. If zero or less, enter -0-	50			
51	Enter the total of lines 18 and 20 from your 2006 Form 8801. If zero or less, enter -0-	51			
52	Enter the total of lines 18 and 20 from your 2007 Form 8801. If zero or less, enter -0-	52			
53	Add lines 50 through 52			53	
54	Long-term unused minimum tax credit. Subtract line 53 from line 49 (If zero or less, stop ; enter -0- on line 26. Do not complete the rest of Part IV)			54	
55	If line 54 is: <ul style="list-style-type: none"> • Less than \$5,000, enter the amount from line 54 • At least \$5,000, but not more than \$25,000, enter \$5,000 • More than \$25,000, multiply line 54 by 20% (.20) 			55	
56	Enter the amount from Form 1040, line 38, or Form 1040NR, line 36 (If you are filing Form 2555, 2555-EZ, or 4563, or you are excluding income from sources within Puerto Rico, see instructions for the amount to enter)	56			
57	Is line 56 more than the amount shown below for your filing status? <ul style="list-style-type: none"> • Single—\$156,400 • Married filing jointly or qualifying widow(er)—\$234,600 • Married filing separately—\$117,300 • Head of Household—\$195,500 <input type="checkbox"/> No. Stop; enter the amount from line 55 above on line 26. Do not complete the rest of Part IV. <input type="checkbox"/> Yes. Enter the amount shown above for your filing status	57			
58	Subtract line 57 from line 56	58			
59	Is line 58 more than \$122,500 (\$61,250 if married filing separately)? <input type="checkbox"/> Yes. Stop; enter -0- on line 26. Do not complete the rest of Part IV. <input type="checkbox"/> No. Divide line 58 by \$2,500 (\$1,250 if married filing separately). If the result is not a whole number, increase it to the next higher whole number (for example, increase 0.0004 to 1)	59			
60	Multiply line 59 by 2% (.02) and enter the result as a decimal (rounded to at least three places)			60	
61	Multiply line 55 by line 60			61	
62	Subtract line 61 from line 55. Enter the result here and on line 26			62	

Orphan Drug Credit

▶ Attach to your tax return.

Name(s) shown on return	Identifying number	
1 Qualified clinical testing expenses paid or incurred during the tax year	1	
2 Current year credit. Multiply line 1 by 50% (.50) (see instructions)	2	
3 Orphan drug credit from partnerships, S corporations, estates, or trusts	3	
4 Add lines 2 and 3. Estates and trusts go to line 5. Partnerships and S corporations, report this amount on Schedule K. All others, report this amount on the applicable line of Form 3800 (e.g., line 1k of the 2006 Form 3800)	4	
5 Amount allocated to the beneficiaries of the estate or trust (see instructions)	5	
6 Estates and trusts. Subtract line 5 from line 4. Report this amount on the applicable line of Form 3800 (e.g., line 1k of the 2006 Form 3800)	6	

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

- The tax liability limit is no longer figured on this form; instead, it must be figured on Form 3800, General Business Credit.
- Taxpayers that are not partnerships, S corporations, estates, or trusts, and whose only source of this credit is from those pass-through entities, are not required to complete or file this form. Instead, they can report this credit directly on line 1k of Form 3800.
- The IRS will revise this December 2006 version of the form only when necessary. Continue to use this version for tax years beginning after 2005 until a new revision is issued.

Purpose of Form

Use Form 8820 to claim the orphan drug credit. The credit is 50% of qualified clinical testing expenses paid or incurred during the tax year. See section 45C and Regulations section 1.28-1 for details.

Definitions

Qualified clinical testing expenses.

Generally, qualified clinical testing expenses are amounts paid or incurred by the taxpayer that would be described as qualified research expenses under section 41, with two modifications:

- In sections 41(b)(2) and (3), "clinical testing" is substituted for "qualified research" and

- 100% (instead of 65% or 75%) of contract research expenses are treated as clinical testing expenses.

Qualified clinical testing expenses do not include expenses to the extent they are funded by a grant, contract, or otherwise by a governmental entity or another person.

Clinical testing. Generally, clinical testing means any human clinical testing that meets all four of the following conditions.

1. The testing is carried out under an exemption for a drug being tested for a rare disease or condition under section 505(i) of the Federal Food, Drug, and Cosmetic Act (Act).
2. The testing occurs after the date the drug is designated under Act section 526 and before the date on which an application for the drug is approved under Act section 505(b) (or, if the drug is a biological product, before the date the drug is licensed under section 351 of the Public Health Service Act).
3. The testing is conducted by or for the taxpayer to whom the designation under Act section 526 applies.
4. The testing relates to the use of the drug for the rare disease or condition for which it was designated under Act section 526.

Rare disease or condition. A rare disease or condition is one which afflicts:

- 200,000 or fewer persons in the United States or

- More than 200,000 persons in the United States, but for which there is no reasonable expectation of recovering the cost of developing and making available a drug in the United States for the disease from sales of the drug in the United States.

The above determinations are made as of the date the drug is designated under Act section 526.

Testing Not Eligible for the Credit

The credit is not allowed for clinical testing conducted outside the United States unless there is an insufficient U.S. testing population and the testing is conducted by a U.S. person or by another person not related to the taxpayer. Testing conducted either inside or outside the United States by a corporation to which section 936 applies is not eligible for the orphan drug credit.

Coordination With the Research Credit

Qualified clinical testing expenses used to figure the orphan drug credit cannot also be used to figure the credit for increasing research activities. However, any of these expenses that are also qualified research expenses must be included in base period research expenses when figuring the credit for increasing research activities in a later tax year.

Like-Kind Exchanges
 (and section 1043 conflict-of-interest sales)

▶ **Attach to your tax return.**

Name(s) shown on tax return	Identifying number
-----------------------------	--------------------

Part I Information on the Like-Kind Exchange

Note: If the property described on line 1 or line 2 is real or personal property located outside the United States, indicate the country.

1 Description of like-kind property given up ▶

2 Description of like-kind property received ▶

3 Date like-kind property given up was originally acquired (month, day, year)	3	/	/
--	----------	---	---

4 Date you actually transferred your property to other party (month, day, year)	4	/	/
--	----------	---	---

5 Date like-kind property you received was identified by written notice to another party (month, day, year). See instructions for 45-day written notice requirement	5	/	/
--	----------	---	---

6 Date you actually received the like-kind property from other party (month, day, year). See instructions	6	/	/
--	----------	---	---

7 Was the exchange of the property given up or received made with a related party, either directly or indirectly (such as through an intermediary)? See instructions. If "Yes," complete Part II. If "No," go to Part III . . . **Yes** **No**

Part II Related Party Exchange Information

8 Name of related party	Relationship to you	Related party's identifying number
--------------------------------	---------------------	------------------------------------

Address (no., street, and apt., room, or suite no., city or town, state, and ZIP code)

9 During this tax year (and before the date that is 2 years after the last transfer of property that was part of the exchange), did the related party directly or indirectly (such as through an intermediary) sell or dispose of any part of the like-kind property received from you in the exchange? **Yes** **No**

10 During this tax year (and before the date that is 2 years after the last transfer of property that was part of the exchange), did you sell or dispose of any part of the like-kind property you received? **Yes** **No**

*If both lines 9 and 10 are "No" and this is the year of the exchange, go to Part III. If both lines 9 and 10 are "No" and this is **not** the year of the exchange, stop here. If either line 9 or line 10 is "Yes," complete Part III and report on this year's tax return the deferred gain or (loss) from line 24 **unless** one of the exceptions on line 11 applies.*

- 11** If one of the exceptions below applies to the disposition, check the applicable box:
- a** The disposition was after the death of either of the related parties.
 - b** The disposition was an involuntary conversion, and the threat of conversion occurred after the exchange.
 - c** You can establish to the satisfaction of the IRS that neither the exchange nor the disposition had tax avoidance as its principal purpose. If this box is checked, attach an explanation (see instructions).

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

Part III Realized Gain or (Loss), Recognized Gain, and Basis of Like-Kind Property Received

Caution: If you transferred **and** received (a) more than one group of like-kind properties or (b) cash or other (not like-kind) property, see **Reporting of multi-asset exchanges** in the instructions.

Note: Complete lines 12 through 14 **only** if you gave up property that was not like-kind. Otherwise, go to line 15.

12	Fair market value (FMV) of other property given up	12			
13	Adjusted basis of other property given up	13			
14	Gain or (loss) recognized on other property given up. Subtract line 13 from line 12. Report the gain or (loss) in the same manner as if the exchange had been a sale	14			
Caution: If the property given up was used previously or partly as a home, see Property used as home in the instructions.					
15	Cash received, FMV of other property received, plus net liabilities assumed by other party, reduced (but not below zero) by any exchange expenses you incurred (see instructions)	15			
16	FMV of like-kind property you received	16			
17	Add lines 15 and 16	17			
18	Adjusted basis of like-kind property you gave up, net amounts paid to other party, plus any exchange expenses not used on line 15 (see instructions)	18			
19	Realized gain or (loss). Subtract line 18 from line 17	19			
20	Enter the smaller of line 15 or line 19, but not less than zero	20			
21	Ordinary income under recapture rules. Enter here and on Form 4797, line 16 (see instructions)	21			
22	Subtract line 21 from line 20. If zero or less, enter -0-. If more than zero, enter here and on Schedule D or Form 4797, unless the installment method applies (see instructions)	22			
23	Recognized gain. Add lines 21 and 22	23			
24	Deferred gain or (loss). Subtract line 23 from line 19. If a related party exchange, see instructions	24			
25	Basis of like-kind property received. Subtract line 15 from the sum of lines 18 and 23	25			

Part IV Deferral of Gain From Section 1043 Conflict-of-Interest Sales

Note: This part is to be used **only** by officers or employees of the executive branch of the Federal Government or judicial officers of the Federal Government for reporting nonrecognition of gain under section 1043 on the sale of property to comply with the conflict-of-interest requirements. This part can be used **only** if the cost of the replacement property is more than the basis of the divested property.

26	Enter the number from the upper right corner of your certificate of divestiture. (Do not attach a copy of your certificate. Keep the certificate with your records.)				
27	Description of divested property ▶				
28	Description of replacement property ▶				
29	Date divested property was sold (month, day, year)	29		/	/
30	Sales price of divested property (see instructions)	30			
31	Basis of divested property	31			
32	Realized gain. Subtract line 31 from line 30	32			
33	Cost of replacement property purchased within 60 days after date of sale	33			
34	Subtract line 33 from line 30. If zero or less, enter -0-	34			
35	Ordinary income under recapture rules. Enter here and on Form 4797, line 10 (see instructions)	35			
36	Subtract line 35 from line 34. If zero or less, enter -0-. If more than zero, enter here and on Schedule D or Form 4797 (see instructions)	36			
37	Deferred gain. Subtract the sum of lines 35 and 36 from line 32	37			
38	Basis of replacement property. Subtract line 37 from line 33	38			

Expenses for Business Use of Your Home

▶ **File only with Schedule C (Form 1040). Use a separate Form 8829 for each home you used for business during the year.**

Department of the Treasury
Internal Revenue Service (99)

▶ **See separate instructions.**

Name(s) of proprietor(s)	Your social security number : : :
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Part I Part of Your Home Used for Business

1 Area used regularly and exclusively for business, regularly for daycare, or for storage of inventory or product samples (see instructions)	1	
2 Total area of home	2	
3 Divide line 1 by line 2. Enter the result as a percentage	3	%
For daycare facilities not used exclusively for business, go to line 4. All others go to line 7.		
4 Multiply days used for daycare during year by hours used per day	4	hr.
5 Total hours available for use during the year (365 days × 24 hours) (see instructions)	5	8,760 hr.
6 Divide line 4 by line 5. Enter the result as a decimal amount	6	
7 Business percentage. For daycare facilities not used exclusively for business, multiply line 6 by line 3 (enter the result as a percentage). All others, enter the amount from line 3. ▶	7	%

Part II Figure Your Allowable Deduction

8 Enter the amount from Schedule C, line 29, plus any net gain or (loss) derived from the business use of your home and shown on Schedule D or Form 4797. If more than one place of business, see instructions See instructions for columns (a) and (b) before completing lines 9-21.	8			
		(a) Direct expenses	(b) Indirect expenses	
9 Casualty losses (see instructions)	9			
10 Deductible mortgage interest (see instructions)	10			
11 Real estate taxes (see instructions)	11			
12 Add lines 9, 10, and 11	12			
13 Multiply line 12, column (b) by line 7	13			
14 Add line 12, column (a) and line 13	14			
15 Subtract line 14 from line 8. If zero or less, enter -0-	15			
16 Excess mortgage interest (see instructions)	16			
17 Insurance	17			
18 Rent	18			
19 Repairs and maintenance	19			
20 Utilities	20			
21 Other expenses (see instructions)	21			
22 Add lines 16 through 21	22			
23 Multiply line 22, column (b) by line 7	23			
24 Carryover of operating expenses from 2006 Form 8829, line 42	24			
25 Add line 22 in column (a), line 23, and line 24	25			
26 Allowable operating expenses. Enter the smaller of line 15 or line 25	26			
27 Limit on excess casualty losses and depreciation. Subtract line 26 from line 15	27			
28 Excess casualty losses (see instructions)	28			
29 Depreciation of your home from Part III below	29			
30 Carryover of excess casualty losses and depreciation from 2006 Form 8829, line 43	30			
31 Add lines 28 through 30	31			
32 Allowable excess casualty losses and depreciation. Enter the smaller of line 27 or line 31	32			
33 Add lines 14, 26, and 32	33			
34 Casualty loss portion, if any, from lines 14 and 32. Carry amount to Form 4684 , Section B	34			
35 Allowable expenses for business use of your home. Subtract line 34 from line 33. Enter here and on Schedule C, line 30. If your home was used for more than one business, see instructions ▶	35			

Part III Depreciation of Your Home

36 Enter the smaller of your home's adjusted basis or its fair market value (see instructions)	36	
37 Value of land included on line 36	37	
38 Basis of building. Subtract line 37 from line 36	38	
39 Business basis of building. Multiply line 38 by line 7	39	
40 Depreciation percentage (see instructions)	40	%
41 Depreciation allowable (see instructions). Multiply line 39 by line 40. Enter here and on line 29 above	41	

Part IV Carryover of Unallowed Expenses to 2008

42 Operating expenses. Subtract line 26 from line 25. If less than zero, enter -0-	42	
43 Excess casualty losses and depreciation. Subtract line 32 from line 31. If less than zero, enter -0-	43	

Qualified Zone Academy Bond Credit

▶ Attach to your tax return.

2007

Attachment
 Sequence No. **133**

Name	Employer identification number
------	--------------------------------

Part I Current Year Credit

(a) Bond issuer's name, city or town, and state	(b) Month and year bond issued	(c) Outstanding principal amount of bond	(d) Credit rate	(e) Credit ((c) x (d))
1				

2a Qualified zone academy bond credit from an S corporation (see instructions)	2a	
b Enter the S corporation's employer identification number (EIN) ----- - -----		
3 Current year credit. Add line 2a and all amounts on line 1, column (e). Caution. Holders of bonds, see the instructions for how and when to report the credit amount as interest income	3	

Note: S corporations—stop here—do not complete Part II (see instructions).

Part II Allowable Credit

4 Regular tax before credits:			
<ul style="list-style-type: none"> • Individuals. Enter the amount from Form 1040, line 44 • Corporations. Enter the amount from Form 1120, Schedule J, line 2, or the applicable line of your return • Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b, or the amount from the applicable line of your return 	}	4	
5 Alternative minimum tax:			
<ul style="list-style-type: none"> • Individuals. Enter the amount from Form 6251, line 35 • Corporations. Enter the amount from Form 4626, line 14 • Estates and trusts. Enter the amount from Form 1041, Schedule I, line 56 	}	5	
6 Add line 4 and line 5		6	
7a Credits from Form 1040, lines 47 through 50 and 52 through 54	7a		
b Foreign tax credit	7b		
c Credits from Forms 5735 and 8834	7c		
d Alternative motor vehicle credit (Form 8910, line 18)	7d		
e Alternative fuel vehicle refueling property credit (Form 8911, line 19)	7e		
f General business credit (see instructions)	7f		
g Credit for prior year minimum tax	7g		
h Add lines 7a through 7g		7h	
8 Net income tax. Subtract line 7h from line 6		8	
9 Credit allowed for the current year. Enter the smaller of line 3 or line 8 here and on Form 1040, line 55; Form 1120, Schedule J, line 5e; Form 1041, Schedule G, line 3; or the applicable line of your return. Caution. If line 9 is smaller than line 3, you generally should deduct the unallowed credit in figuring your taxable income for this tax year. Because this deduction will affect the allowable credit, refigure the unallowed credit until it equals the deduction. However, you may be able to deduct the unallowed credit attributable to bonds sold after September 25, 2000, in the next tax year (see instructions)		9	

Name(s) shown on return	Identifying number
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Caution: You cannot claim any amounts on Form 8864 that you claimed (or will claim) on Schedule C (Form 720), Form 8849, or Form 4136.

Claimant has a certificate from the producer or importer of biodiesel or renewable diesel reported on lines 1 through 6 below and, if applicable, claimant also has a statement from the reseller. Claimant has no reason to believe that the information in the certificate or statement is false. Claimant may need to attach a copy of the certificate and statement. See *Certification* below.

Type of Fuel	(a) Number of Gallons Sold or Used	(b) Rate	(c) Column (a) x Column (b)
1 Biodiesel (other than agri-biodiesel)	1	\$.50	
2 Agri-biodiesel	2	\$1.00	
3 Renewable diesel	3	\$1.00	
4 Biodiesel (other than agri-biodiesel) included in a biodiesel mixture	4	\$.50	
5 Agri-biodiesel included in a biodiesel mixture	5	\$1.00	
6 Renewable diesel included in a renewable diesel mixture	6	\$1.00	
7 Qualified agri-biodiesel production (gallons sold)	7	\$.10	
8 Add lines 1 through 7. Include this amount in your income for 2007 (see instructions)			8
9 Biodiesel and renewable diesel fuels credit from partnerships, S corporations, cooperatives, estates, and trusts			9
10 Add lines 8 and 9. Cooperatives, estates, and trusts, go to line 11; partnerships and S corporations, report this amount on Schedule K; all others, report this amount on Form 3800, line 1m			10
11 Amount allocated to patrons of the cooperative or beneficiaries of the estate or trust			11
12 Cooperatives, estates, and trusts. Subtract line 11 from line 10. Report this amount on Form 3800, line 1m			12

General Instructions

Section references are to the Internal Revenue Code.

Purpose of Form

Use Form 8864 to figure your biodiesel and renewable diesel fuels credit. Claim the credit for the tax year in which the sale or use occurs. This credit consists of the:

- Biodiesel credit,
- Renewable diesel credit,
- Biodiesel mixture credit,
- Renewable diesel mixture credit, and
- Small agri-biodiesel producer credit.

The tax liability limit is no longer figured on this form; instead, it must be figured on Form 3800, General Business Credit.

Definitions and Special Rules

Certification

To claim a credit on lines 1 through 6, you generally must attach the Certificate for Biodiesel and, if applicable, Statement of Biodiesel Reseller, to Form 8864. To claim a credit on lines 3 or 6, the certificate must indicate at all appropriate locations that the fuel to which it relates is renewable diesel and state that the fuel meets the requirements discussed under *Renewable Diesel* on page 2.

However, if the certificate or statement was attached to a previously filed claim, attach a separate sheet with the following information.

- Certificate identification number.
- Total gallons of agri-biodiesel, biodiesel other than agri-biodiesel, or renewable diesel on the certificate.
- Total gallons claimed on Schedule 3 (Form 8849).
- Total gallons claimed on Schedule C (Form 720).
- Total gallons claimed on Form 4136.

See Notice 2005-62 on page 443 of Internal Revenue Bulletin 2005-35 or Pub. 510, Excise Taxes, for the model certificate and statement.

Biodiesel

Biodiesel means the monoalkyl esters of long chain fatty acids derived from plant or animal matter which meet the registration requirements for fuels and fuel additives established by the Environmental Protection Agency (EPA) under section 211 of the Clean Air Act, and the requirements of the American Society of Testing and Materials (ASTM) D6751.

Biodiesel includes both agri-biodiesel and biodiesel other than agri-biodiesel.

Agri-Biodiesel

Agri-biodiesel means biodiesel derived solely from virgin oils, including esters derived from virgin vegetable oils from corn, soybeans, sunflower seeds, cottonseeds, canola, crambe, rapeseeds, safflowers, flaxseeds, rice bran, and mustard seeds, and from animal fats.

New Markets Credit

▶ Attach to your tax return.

Name(s) shown on return					Identifying number	
(a) Name and address of the qualified community development entity (CDE)	(b) Employer identification number of CDE	(c) Date of initial investment	(d) Amount of qualified equity investment	(e) Credit rate	(f) Credit ((d) × (e))	
1				%		
				%		
				%		
				%		
				%		
				%		
2	New markets credit from partnerships and S corporations			2		
3	Add lines 1 and 2. Partnerships and S corporations, report this amount on Schedule K; all others, report this amount on the applicable line of Form 3800, (e.g., line 11 of the 2006 Form 3800)			3		

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

- The tax liability limit is no longer figured on this form. Instead, it must be figured on Form 3800, General Business Credit.
- Taxpayers that are not partnerships or S corporations, and whose only source of this credit is from those pass-through entities, are not required to complete or file this form. Instead, they can report this credit directly on line 11 of Form 3800.
- The IRS will revise the January 2007 version of the form only when necessary. Continue to use this version for tax years beginning after 2005 until a new revision is issued.

Purpose of Form

Use Form 8874 to claim the new markets credit for qualified equity investments made in qualified community development entities (CDEs). This credit is part of the general business credit.

Definitions

Qualified CDE

A qualified CDE is a domestic corporation or partnership that meets the following requirements.

- Its primary mission is serving, or providing investment capital for, low-income communities or persons.
- It maintains accountability to residents of low-income communities through their representation on any governing board or advisory board of the entity.
- It is certified as a qualified CDE by the Community Development Financial Institutions (CDFI) Fund of the Department of the Treasury.

Qualified CDEs also include specialized small business investment companies and community development financial institutions. See section 45D(c)(2).

Qualified Equity Investment

A qualified equity investment is an interest in a qualified CDE in the form of stock (other than nonqualified preferred stock) in a corporation or a capital interest in a partnership that meets all of the following requirements.

- You acquired the investment solely for cash at its original issue (or from a taxpayer for whom the investment was a qualified equity investment). The cash may be from borrowed funds, including a nonrecourse loan.
- Substantially all (at least 85%) of the cash is used to make qualified low-income community investments. The 85% requirement is reduced to 75% for the seventh year of the 7-year credit period.
- The investment was designated as a qualified equity investment by the CDE on its books and records for purposes of the new markets credit.

Generally, a qualified CDE can designate an equity investment as a qualified equity investment only if it applied for and received a new markets credit allocation and entered into an allocation agreement with the CDFI Fund **before** the equity investment was made.



Qualified CDEs must provide taxpayers holding a qualified equity investment with a completed Form 8874-A when a qualified equity investment is acquired.

Exceptions. An equity investment in an entity that otherwise qualifies as a qualified equity investment is eligible to be designated as a qualified equity investment if made prior to an allocation agreement only if either of the following applies.

- The equity investment was made on or after April 20, 2001, and the designation of the equity investment as a qualified equity investment is made for a credit allocation received under an allocation application submitted to the CDFI Fund no later than August 29, 2002. If the entity in which the equity investment is made does not receive an allocation under an allocation application submitted no later than August 29, 2002, the equity investment will not be eligible to be designated as a qualified equity investment. For details, see Regulations sections 1.45D-1(c)(3)(ii)(A) and 1.45D-1(c)(3)(iii).

**Credit for Small Employer Pension Plan
 Startup Costs**

OMB No. 1545-1810

Attachment
 Sequence No. **130**

▶ **Attach to your tax return.**

Name(s) shown on return	Identifying number		
1 Qualified startup costs incurred during the tax year. Do not enter more than \$1,000	1		
2 Enter one-half of line 1	2		
3 Credit for small employer pension plan startup costs from partnerships and S corporations	3		
4 Add lines 2 and 3	4		
5 Enter the smaller of line 4 or \$500 . Partnerships and S corporations, report this amount on Schedule K; all others report this amount on the applicable line of Form 3800, (e.g., line 1m of the 2006 Form 3800)	5		

General Instructions

Section references are to the Internal Revenue Code.

What's New

- The tax liability limit is no longer figured on this form. Instead, it must be figured on Form 3800, General Business Credit.
- Taxpayers that are not partnerships or S corporations, and whose only source of this credit is from those pass-through entities, are not required to complete or file this form. Instead, they can report this credit directly on line 1m of Form 3800.
- The IRS will revise this December 2006 version of the form only when necessary. Continue to use this version for tax years beginning after 2005 until a new revision is issued.

Purpose of Form

Eligible small employers use Form 8881 to claim the credit for qualified startup costs incurred in establishing or administering an eligible employer plan.

The credit is allowed under section 45E and is part of the general business credit. You may elect, however, to have section 45E not apply for the tax year the credit is available by not claiming it on your tax return for that year.

How To Figure the Credit

For an eligible small employer, the credit is 50% of the qualified startup costs paid or incurred during the tax year. The credit is limited to \$500 per year for the first credit year and each of the following 2 tax years. No credit is allowed for any other tax year.

Eligible small employer. To be an eligible small employer, you must have had no more than 100 employees during the tax year preceding the first credit year who received at least \$5,000 of compensation from you during that tax year. However, you are not an eligible small employer if, during the 3 tax years preceding the first credit year, you established or maintained a qualified employer plan with respect to which contributions were made, or benefits were accrued, for substantially the same employees as are in the new qualified employer plan. See section 45E(c) for rules for controlled groups and predecessor employers.

Qualified startup costs. Qualified startup costs are expenses paid or incurred in connection with: **(a)** establishing or administering an eligible employer plan; or **(b)** the retirement-related education of employees about the plan.

Eligible employer plan. An eligible employer plan is a qualified employer plan (as defined in section 4972(d)) with at least one employee eligible to participate who is not a highly compensated employee. All eligible employer plans of the same employer are treated as one eligible employer plan.

First credit year. The first credit year generally is your tax year that includes the date that the eligible employer plan becomes effective. However, you may elect to have the preceding tax year be the first credit year, and claim the credit for qualified startup costs paid or incurred during that tax year. For example, a calendar-year eligible small employer whose eligible plan is first effective on January 1, 2007, may elect to treat 2006 as the first credit year and claim the credit on its 2006 tax return for qualified startup costs incurred in 2006.

No Deduction Allowed for Credit Amount

You must reduce your otherwise allowable deduction for startup costs by the credit amount on line 2.

Controlled Groups

For purposes of figuring the credit, all members of a controlled group of corporations (as defined in section 52(a)), all members of a group of businesses under common control (as defined in section 52(b)), and all members of an affiliated service group (as defined in section 414(m)), are treated as a single employer. As a member, compute your credit based on your proportionate share of qualified startup costs giving rise to the group's credit for small employer pension plan startup costs. Enter your share of the credit on line 2. Attach a statement showing how your share of the credit was figured, and write "See Attached" next to the entry space for line 2.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is approved under OMB control number 1545-0074 and is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is shown below.

- Recordkeeping** 5 hr., 58 min.
- Learning about the law or the form** 53 min.
- Preparing and sending the form to the IRS** 1 hr., 1 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

Credit for Employer-Provided Childcare Facilities and Services

▶ Attach to your tax return.

Name(s) shown on return		Identifying number	
1 Qualified childcare facility expenditures paid or incurred	1		
2 Enter 25% (.25) of line 1		2	
3 Qualified childcare resource and referral expenditures paid or incurred	3		
4 Enter 10% (.10) of line 3		4	
5 Credit for employer-provided childcare facilities and services from partnerships, S corporations, estates, and trusts		5	
6 Add lines 2, 4, and 5		6	
7 Enter the smaller of line 6 or \$150,000 . Estates and trusts, go to line 8. All others report this amount as follows: partnerships and S corporations, report this amount on Schedule K; all others, report the credit on the applicable line of Form 3800, (e.g., line 1n of the 2006 Form 3800)		7	
8 Amount allocated to beneficiaries of the estate or trust (see instructions)		8	
9 Estates and trusts. Subtract line 8 from line 7. Report the credit on the applicable line of Form 3800 (e.g., line 1n of the 2006 Form 3800)		9	

General Instructions

Section references are to the Internal Revenue Code.

What's New

- The tax liability limit is no longer figured on this form. Instead, it must be figured on Form 3800, General Business Credit.
- Taxpayers that are not partnerships, S corporations, estates, or trusts, and whose only source of this credit is from those pass-through entities, are not required to complete or file this form. Instead, they can report this credit directly on line 1n of Form 3800.
- The IRS will revise this December 2006 version of the form only when necessary. Continue to use this version for tax years beginning after 2005 until a new revision is issued.

Purpose of Form

Employers use Form 8882 to claim the credit for qualified childcare facility and resource and referral expenditures. The credit is part of the general business credit. You may claim the credit any time within 3 years from the due date of your return on either an original or amended return.

For details, see section 45F.

How To Figure the Credit

The credit is 25% of the qualified childcare facility expenditures plus 10% of the qualified childcare resource and referral expenditures paid or incurred during the tax year. The credit is limited to \$150,000 per tax year.

Qualified childcare expenditures are amounts paid or incurred:

- To acquire, construct, rehabilitate, or expand property that:
 1. Is to be used as part of a qualified childcare facility of the taxpayer,
 2. Is depreciable (or amortizable) property, and
 3. Is not part of the principal residence of the taxpayer or any employee of the taxpayer;
- For the operating expenses of a qualified childcare facility of the taxpayer, including expenses for training of employees, scholarship programs, and providing increased compensation to employees with higher levels of childcare training; or
- Under a contract with a qualified childcare facility to provide childcare services to employees of the taxpayer.

Note. Any expenses for childcare included in qualified childcare facility expenditures may not exceed the fair market value of such care.

A *qualified childcare facility* is a facility that meets the requirements of all applicable laws and regulations of the state or local government in which it is located, including the licensing of the facility as a childcare facility. The following conditions must also be met.

- The principal use of the facility must be to provide childcare (unless the facility is also the personal residence of the person operating the facility).
- Enrollment in the facility must be open to employees of the taxpayer during the tax year.

Reportable Transaction Disclosure Statement

▶ **Attach to your tax return.**
 ▶ **See separate instructions.**

Name(s) shown on return (individuals enter last name, first name, middle initial) _____ **Identifying number** _____

Number, street, and room or suite no. _____

City or town, state, and ZIP code _____

A If you are filing more than one Form 8886 with your tax return, sequentially number each Form 8886 and enter the statement number for this Form 8886 ▶ Statement number _____ of _____

B Enter the form number of the tax return to which this form is attached or related ▶ _____
 Enter the year of the tax return identified above ▶ _____

Is this Form 8886 being filed with an amended tax return? Yes No

C Check the box(es) that apply (see instructions). Initial year filer Protective disclosure

1a Name of reportable transaction _____

1b Initial year participated in transaction _____	1c Reportable transaction or tax shelter registration number (9 digits or 11 digits) _____
--	---

2 Identify the type of reportable transaction. Check all boxes that apply (see instructions).
a Listed **c** Contractual protection **e** Brief asset holding period
b Confidential **d** Loss **f** Transaction of interest

3 If you checked box 2a or 2f, enter the published guidance number for the listed transaction or transaction of interest ▶ _____

4 Enter the number of "same as or substantially similar" transactions reported on this form ▶ _____

5 If you participated in the transaction through another entity, check all applicable boxes and provide the information below for the entity (see instructions). (Attach additional sheets, if necessary.)

a Type of entity: <input type="checkbox"/> Partnership <input type="checkbox"/> S corporation <input type="checkbox"/> Trust <input type="checkbox"/> Foreign	<input type="checkbox"/> Partnership <input type="checkbox"/> S corporation <input type="checkbox"/> Trust <input type="checkbox"/> Foreign
b Name ▶ _____	
c Employer identification number (EIN), if known ▶ _____	
d Date Schedule K-1 received from entity (enter "none" if Schedule K-1 not received) ▶ _____	

6 Enter below the name and address of each individual or entity to whom you paid a fee with regard to the transaction if that individual or entity promoted, solicited, or recommended your participation in the transaction, or provided tax advice related to the transaction. (Attach additional sheets, if necessary.)

a Name	Identifying number (if known)	Fees paid
Number, street, and room or suite no.		\$
City or town, state, and ZIP code		

b Name	Identifying number (if known)	Fees paid
Number, street, and room or suite no.		\$
City or town, state, and ZIP code		

7 Facts

a Identify the type of tax benefit generated by the transaction. Check all the boxes that apply (see instructions).

- | | | | |
|--|---|--|--------------------------------------|
| <input type="checkbox"/> Deductions | <input type="checkbox"/> Exclusions from gross income | <input type="checkbox"/> Tax credits | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Capital loss | <input type="checkbox"/> Nonrecognition of gain | <input type="checkbox"/> Deferral | |
| <input type="checkbox"/> Ordinary loss | <input type="checkbox"/> Adjustments to basis | <input type="checkbox"/> Absence of adjustments to basis | |

b Further describe the amount and nature of the expected tax treatment and expected tax benefits generated by the transaction for all affected years. Include facts of each step of the transaction that relate to the expected tax benefits including the amount and nature of your investment. Include in your description your participation in the transaction and all related transactions regardless of the year in which they were entered into. Also, include a description of any tax result protection with respect to the transaction.

8 Identify all tax-exempt, foreign, and related entities and individuals involved in the transaction. Check the appropriate box(es) (see instructions). Include their name(s), identifying number(s), address(es), and a brief description of their involvement. For each foreign entity, identify its country of incorporation or existence. For each related entity, explain how it is related. (Attach additional sheets, if necessary.)

a Type of entity: Tax-exempt Foreign Related

	Identifying number
Name	
Address	
Description	

b Type of entity: Tax-exempt Foreign Related

	Identifying number
Name	
Address	
Description	

Low Sulfur Diesel Fuel Production Credit

▶ Attach to your tax return.

Name(s) shown on return	Identifying number
1 Low sulfur diesel fuel produced (in gallons)	1
2 Multiply line 1 by \$.05	2
3 Qualified capital costs limitation (see instructions)	3
4 Total low sulfur diesel fuel production credits allowed for all prior tax years	4
5 Subtract line 4 from line 3	5
6 Enter the smaller of line 5 or line 2	6
7 Low sulfur diesel fuel production credit from partnerships, S corporations, and cooperatives	7
8 Add lines 6 and 7. Cooperatives go to line 9; partnerships and S corporations, report this amount on Schedule K; all others, report this amount on the applicable line of Form 3800 (e.g., line 1q of the 2006 Form 3800)	8
9 Amount allocated to the patrons of the cooperative	9
10 Subtract line 9 from line 8. Report this amount on the applicable line of Form 3800 (e.g., line 1q of the 2006 Form 3800)	10

General Instructions

Section references are to the Internal Revenue Code.

What's New

- The tax liability limit is no longer figured on this form; instead, it must be figured on Form 3800, General Business Credit.
- Taxpayers that are not partnerships, S corporations, or cooperatives, and whose only source of this credit is from those pass-through entities, are not required to complete or file this form. Instead, they can report this credit directly on line 1q of Form 3800.
- The IRS will revise this December 2006 version of the form only when necessary. Continue to use this version for tax years beginning after 2005 until a new revision is issued.

Purpose of Form

Use Form 8896 to claim the low sulfur diesel fuel production credit.

The credit generally is 5 cents for every gallon of low sulfur diesel fuel produced by a qualified small business refiner during the tax year. However, the total credits allowed for all tax years cannot be more than the refiner's qualified capital costs limitation on line 3. This credit is part of the general business credit.

Definitions

Low Sulfur Diesel Fuel

This is diesel fuel with a sulfur content of 15 parts per million or less.

Small Business Refiner

A small business refiner generally is a refiner of crude oil with an average daily domestic refinery run or average retained production for all facilities that

did not exceed 205,000 barrels for the 1-year period ending on December 31, 2002. To figure the average daily domestic refinery run or retained production, only include refineries that were refineries of the refiner or a related person (within the meaning of section 613A(d)(3)) on April 1, 2003. However, a refiner is not a small business refiner for a tax year if more than 1,500 individuals are engaged in the refinery operations of the business on any day during the tax year.

Qualified Capital Costs

For each facility, qualified capital costs are costs paid or incurred to comply with the highway diesel fuel sulfur control requirements of the Environmental Protection Agency (EPA) during the period beginning January 1, 2003, and ending on the earlier of:

- The date 1 year after the date on which the refiner must comply with these EPA requirements with respect to such facility or
- December 31, 2009.

Qualified capital costs include costs for the construction of new process operation units or the dismantling and reconstruction of existing process units to be used in the production of low sulfur diesel fuel, associated adjacent or offsite equipment (including tankage, catalyst, and power supply), engineering, construction period interest, and site work.

In addition, the small business refiner must obtain certification from the IRS (which will consult with the EPA) that the taxpayer's qualified capital costs will result in compliance with the applicable EPA regulations. This certification must be obtained not later than the date that is 30 months after the first day of the first tax year in which the credit is determined.

Additional Information

For more details, including basis reduction, see section 45H.

Specific Instructions

Use lines 1 through 6 to figure any low sulfur diesel fuel production credit from your own trade or business.

Cooperative Election To Allocate Credit to Patrons

A cooperative described in section 1381(a) can elect to allocate any part of the low sulfur diesel fuel production credit among the patrons of the cooperative. To make the election, attach a statement to the effect that the cooperative elects to allocate the credit among the patrons eligible to share in patronage dividends on the basis of the quantity or value of business done with or for the patrons for the tax year.

The election is not effective unless:

- Made on a timely filed return (including extensions). However, if the cooperative made an election on a tax return for a tax year ending after December 31, 2002, and filed before June 15, 2006, but failed to attach the required statement, the cooperative may attach that statement to the first federal income tax return it files after June 14, 2006.
- The cooperative designates the apportionment in a written notice mailed to its patrons during the payment period described in section 1382(d).

If you timely file your return without making an election, you can still make the election by filing an amended return with the statement within 6 months of the due date of the return (excluding