



**1099-R (Pensions, IRAs, SEPs, KEOGHs, Annuities, etc.)** See p.13 for pension/annuity info

**PREPARER WILL COMPLETE THIS SECTION**

PAYOR									
PAYOR TIN									
C or S and Code		Code		Code		Code		Code	
TOTAL									
TAXABLE									
FEDERAL W/H									
STATE W/H									
IRA <input type="checkbox"/> QCD <input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OTHER (Local w/h)									

**INTEREST INCOME** (1<sup>st</sup> column J- Joint; C-Client; S- Spouse)

FIRST – List Seller Financed Mortgages [List BUYER'S SOCIAL SECURITY # and ADDRESS on page 14]

SOURCE	TYPE	AMOUNT

SOURCE	TYPE	AMOUNT

Total TEI subject to AMT (e.g., private activity bond interest): \_\_\_\_\_

- Report income of Child **under 18** on parents' return (**Form 8814**) (\$>1,900 tax at parent's rate)
- 2008**: Child under 18 or dependent full time student under 24 at parent's rate (**Form 8615**) (\$>1,900)
- Post 1989 EE Sav Bonds for edu exp (+ \$529 plans & Coverdell ESA contr.) (**Form 8815**) (MAGI phaseout)

**DIVIDEND INCOME** (Bring all 1099s) \*\*\*\*\*PREPARER WILL COMPLETE THIS PART\*\*\*\*\*

SOURCE	Tot DIV	Qual DIV 60 Day Rule	Tot CG	Note 1	#	FrnTax	Fed Int

**Note 1:** Enter Sec 1250; Sec 1202; or 28% Collectible **#:** Enter "A" if Sec 1250; "B" if Sec 1202; "C" if 28% Coll. Foreign Account Y  N

**OTHER SOURCES OF INCOME**

**2008 STATE RETURN:** (PAID \_\_\_\_\_ ) REFUND \_\_\_\_\_

Prior year \_\_\_\_\_ Filing status \_\_\_\_\_ Total Sch. A deducted \_\_\_\_\_

If you received a refund or paid an additional amount for a year prior to 2008, (e.g., you filed a prior year late, filed an amended return, or were audited) please furnish this information in the margin.

**ALIMONY:** Amount \_\_\_\_\_

If you are uncertain whether the amount you received is taxable as Alimony, bring a copy of your Agreement or Court Decree setting forth the payments due. Many persons mistakenly include Alimony that is not required to be included; especially in the first year of payments.

**SCHEDULE C:** Income from SELF EMPLOYMENT (list on page 9) . . . . .

**SCHEDULE D:** Sale of Stocks, Bonds, Real Estate, or Personal Property (List on page 10) . . . . .

Please remember to inform us of:

- Installment sales from prior years . . . . .
- Bad Debts . . . . .
- Carryover of Capital Losses . . . . .
- Worthless Securities . . . . .
- Like Kind Exchanges (Form 8824) . . . . .

**SCHEDULE E:** (See page 13 regarding Passive Loss) . . .

- RENTAL PROPERTIES (List on page 11) . . . . .
- Royalties (List on page 11) . . . . .
- PARTNERSHIPS, include LLCs (Bring K-1) . . . . .
- Subchapter S Corp. (Bring K-1) . . . . .
- TRUSTS or ESTATES (Bring K-1) . . . . .
- R/E Mortgage Investment Conduit (Bring 1099) . . . . .

**SCHEDULE F - FARMING** (or **Form 4835**--Rental of Farm Land)

Bring list of all income, expenses, & depreciable property. Use page 14 to list income / expenses.

**NET OPERATING LOSSES** from prior years (5 year carryback / 2 year carryback / carryforward).

**UNEMPLOYMENT COMPENSATION** (exclude 2,400). . . (C/S?)

**SOCIAL SECURITY BENEFITS** (Bring statement) (85% MAY BE TAXABLE)

		FIT
C		FIT
S		FIT

**TIPS/GRATUITIES** not on your W-2 . . . . . (C/S?)

**PRIZES, AWARDS, GAMBLING WINNINGS** . . . . . (C/S?)

**OTHER:** (Note: **Foreign Earned Income Exclusion** is \$91,400; 250.41/day; **Housing Allow** is amount > 14,624; calc / day; max 27,420)

**Cancellation of debt (Form 982)** (C/S?)

\_\_\_\_\_ (C/S?)

\_\_\_\_\_ (C/S?)

Note: Tax rate increase on those claiming Foreign Earned Income exclusion.

**ESTIMATED TAXES** (Include Sch H) Safe Harbor – 100%; 110% (if AGI > 150,000) / **STATE TAX INFO SCH A**

<b>Jan 2009 state payments for 2008</b>			VA		State2	
<b>Paid state in 2009 with Extension for 2008</b>			VA		State2	
<b>Paid state in 2009 for 2008 Return / other yr</b>			VA	See page 3	State2	See page 3
<b>Applied from 2008 return</b>		Fed	VA		State2	
<b>1<sup>st</sup> Qtr</b>	Date:	Fed	VA		State2	
<b>2<sup>nd</sup> Qtr</b>	Date:	Fed	VA		State2	
<b>3<sup>rd</sup> Qtr</b>	Date:	Fed	VA		State2	
<b>4<sup>th</sup> Qtr</b>	Date:	Fed	VA		State2	
<b>Extension</b>	Date:	Fed	VA		State2	
<b>Other</b>	Date:	Fed	VA		State2	

**DEDUCTIONS FROM GROSS INCOME**

	C	S		C	S
Educator expense (\$250)			<b>MSA; LTC-1099</b> (Form 8853)		
§2106 (reservist, artist, govt Eee)			Health Sav Acct (Form 8889)		
Trad IRA (5000/1000)			Self Empl Health Ins (100%)		
Roth IRA (5000/1000)			KEOGH / SEP / SIMPLE		
IRA nondeductible cont. 87-08			CD Early W/draw penalty		
Student Loan int (\$2,500)			Alimony paid		
<b>Tuition &amp; Fees</b> deduct or credit			Recipient Soc Sec #		
<b>Dependent:</b> Yr:			<b>Retired Pub Safety Officer</b>		
<b>Dependent:</b> Yr:			Moving expenses	See below	
(student loan interest to student, if parent phased out) New Am Opp Credit (Hope on steroids) Phaseouts for both credit & deduction			<b>Domestic Prod. Activity (6%)</b>		

**MOVING EXPENSE**

	C	S
Date to <input type="checkbox"/> / from <input type="checkbox"/> State:		
Distance Test > 50 Miles	Old to New	
	Old to Old	
Time Test (Eee 39 / 52; Eor 78 / 104)	Y <input type="checkbox"/> N <input type="checkbox"/>	
<b>Cost to move possessions:</b>		
Moving Co / Truck rental		
Miles _____ 24¢ / mi		
Other:		
<b>Costs to move persons/pets:</b>		
Travel		
Lodging		
Other:		
Other:		
Meals (not deductible after 1994)		

**Comments: Re Income, ES Tax, Deductions**

- Note:** Cannot claim tuition deduction & credit for same student.
  - Note:** SIMPLE max is \$11,500 / \$2,500 additional if 50 yrs old.
  - Note:** SEP & KEOGH now can be 25% to max \$49,000.
  - Note:** 401k / 403b max is \$16,500 / \$5,500 additional if 50 yrs old.
  - New:** Hero Act IRA Contribution for prior year
- Remember ROTH 401(k) and ROTH 403(b) options**
- In 2010,** no \$100,000 AGI limit for converting a TradIRA to RothIRA. Some taxpayers may consider making nondeductible TradIRA contributions in 2006 – 2009 & converting to RothIRA in 2010. Caveat: Must look at potential tax: may not be OK if you currently have a TradIRA (depends on amount).
- FYI: Annual Gift Tax Exclusion is \$13,000 / recipient.**



**EMPLOYEE BUSINESS EXPENSES**

Comments: reservists, performing artists, & fee base  
 govt. officials are above the line.


**TRAVEL EXPENSE** Employee  or Self Employed

	C	S
Parking, tolls		
Local transportation		
Air fare		
Lodging (actual cost / CONUS)		
Auto rental		
Other:		

**OTHER \*\*\*EMPLOYEE\*\*\* BUSINESS EXPENSE**

**SELF EMPLOYED: use Sch C on page 9**

Dues (professional / union)		
Gifts (< \$25 /person)		
License / Fees / Insurance		
Phone 100% <input type="checkbox"/> long dist. <input type="checkbox"/>		
Printing / Copying		
Rent (not home office)		
Stationery / Supplies		
Subscriptions (pubs, books)		
Tools / Safety equipment		
Uniforms / Cleaning		
Utilities (not home office)		
Other:		
Other:		

**MEALS/ ENTERTAINMENT** ( \$39/ 46/ List; 50% / 80% )

Enter amount @ 100%		
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**REIMBURSEMENT:**

Travel exp. / in W – 2 <input type="checkbox"/>		
Other exp. / in W – 2 <input type="checkbox"/>		
Ent.or meals / in W – 2 <input type="checkbox"/>		

**AUTO EXPENSE** Employee  or Self Employed

Identify vehicle	C <input type="checkbox"/> S <input type="checkbox"/>		
Date in service			
Total Miles (entire year)			
Business Miles 55¢			
Average daily commuting			
Total commuting for year			
Other personal use car available	Y ___	N ___	
If Eor auto, off-hour private use	Y ___	N ___	
Evidence of business use	Y ___	N ___	
Is the evidence written	Y ___	N ___	
Gas			
Repairs / Maint / Washes			
Insurance / Auto Club			
License / Inspections			
Other (P/P tax):			
Other:			
Lease/rental payments			
If leasing – FMV of car if new			
Inclusion amount			
Reimbursed / in W-2 <input type="checkbox"/>			
Depreciation (See page 12)			

**INTEREST & TAXES** – Employees deduct taxes on Sch. A.  
 Self employed: interest to Sch. C / taxes split Sch. A / Sch. C.

**OFFICE IN HOME** Self Employed

Sq. footage of office			
Total Sq. footage of home			
Percentage			
Rent (if renting home)			
Mortgage interest			
R/E Taxes			
Insurance: Hazard / PMI			
Electric / Gas			
Water / Trash			
Maintenance			
Other:			
Reimbursed / in W-2 <input type="checkbox"/>			
Depreciation (See page 13)			

**CASUALTY LOSS** (Each loss > 500; > 10% AGI)

I.D.	Date acq:
Date of event	Cost
FMV Before	After
Ins reimburse Y <input type="checkbox"/> N <input type="checkbox"/>	Amt
Police report Y <input type="checkbox"/> (# ) N <input type="checkbox"/>	

**TAX CREDITS**

FOREIGN TAX CREDIT	Income	Tax paid
Country		
Country		

**CHILD & DEPENDENT CARE CREDIT [Sch H]?**

# qual persons (disabled or < 13)	1 <input type="checkbox"/> (3,000)	2 <input type="checkbox"/> (6,000)
Total amount paid by employers (see p.1)		

**Provider #1**

In your home (Soc Sec – 1,700 / yr; FUTA – 1,000 / qtr) Y <input type="checkbox"/> N <input type="checkbox"/>
Address
Soc Sec # (or Tax ID #)
Amount Paid

**Provider #2**

In your home (Soc Sec – 1,700 / yr; FUTA – 1,000 / qtr) Y <input type="checkbox"/> N <input type="checkbox"/>
Address
Soc Sec # (or Tax ID #)
Amount Paid

**Provider #3**

In your home (Soc Sec – 1,700 / yr; FUTA – 1,000 / qtr) Y <input type="checkbox"/> N <input type="checkbox"/>
Address
Soc Sec # (or Tax ID #)
Amount Paid

**ELDERLY CREDIT** (>65; AGI < 25,000) Sch. R**DISABILITY CREDIT** (permanent & total) Sch. R**TAX CREDITS (cont.)****CHILD TAX CREDIT (\$1000 / Qchild < 17; Form 8901)**

AGI phaseout / Additional Child Tax Credit available; this credit is refundable (if earned income &gt; 3,000) ( Form 8812)

**EDUCATION CREDITS** (Form 8863 / 8917) (See p. 4)**Am Opp / Hope:** 100% of 1st 2,000. 25% of next 2,000. 40% refundable; phaseout MFJ 160K - 180K; S 80K - 90K, MFS - NANow 1<sup>st</sup> 4 yrs Midwest Relief**Lifetime Learning:** (20% of 1st 10,000) Phaseout MFJ 100K - 120K S 50K - 60K MFS - NA**RETIREMENT SAV CONTR CREDIT (Form 8880)**Credit is 10%, 20%, or 50% of first \$2,000 to qualified plan; AGI phaseout. **See below.**

C – amount of qualified contribution

S – amount of qualified contribution

**ALT. MOTOR VEHICLE CREDIT** (Form 8910)

I.D.

**ENERGY CREDITS return (1,500) (Form 5695)**

I.D.

I.D.

I.D.

**ADOPTION CREDIT** (Form 8839) (Max 12,150)Year Final: \_\_\_\_\_ Special Needs Child 

Child's Name:

Soc Sec #: Amount

**MORTGAGE INTEREST CREDIT** (Form 8396)

Generally, not in Virginia (limited to max \$2,000) Certificate rate X mortgage interest

**HEALTH INS CREDIT** Displaced workers 65% of premium Form 8885**HOME BUYER CREDIT (Form 5405) (Copy HUD-1)**10% cost to max 1<sup>st</sup> time \$8,000 (1/1/09 – 04/30/10 Contract) Repeat: \$6,500. (11/07/09 – 04/30/10 Contract) MAGI Phaseout. May elect tax year to report. No recapture. Remember to recapture the "old" 7,500 credit beg 2010.**EARNED INCOME CREDIT**Remember combat pay election. Y  N **OTHER CREDITS:**

Other credits exist (i.e. fuel credit [Form 4136], low income housing credit, research credits, etc). Generally our clients will only incur these on a Schedule K-1 from a partnership or LLC.

I.D.

I.D.

The "Credit For Qualified Retirement Savings Contributions" cannot be claimed if :

Your AGI is greater than \$27,750 (S; MFS); \$41,625 (HH); \$55,000 (MFJ).

You are not age 18 or older. You are a full time student (definition on Form 8880 instructions).

You are claimed as a dependent on another's return (i.e., your parents).

Distribution from retirement savings after 2006 and before the due date of the return may reduce or eliminate this credit.

MISCELLANEOUS		
<b>Alternative Minimum Tax</b> (Form 6251) <input type="checkbox"/>		
<b>Minimum Tax Credit</b> (Form 8801- See below**) <input type="checkbox"/>		
<b>Soc Sec Tax on Tips</b> C <input type="checkbox"/> S <input type="checkbox"/>		
<b>AGI</b> last year's return		
<b>Total Tax</b> last year's return		
<b>ES TAXES</b> next yr	Fed	C <input type="checkbox"/> S <input type="checkbox"/>
	State	C <input type="checkbox"/> S <input type="checkbox"/>
STATE ADJUSTMENTS		
<b>Age 62/65 deduction phaseout</b>		
Charitable Mileage adjustment		
Consumer Use Tax		
Fed interest exclusion		
Long Term Care Health Insurance		
LTC Credit (post 12/31/05 contracts 15% prem)		
Lump sum distribution, if 10yr averaging		
Political Contribution		
TEI inclusion (other state muni bonds)		
VCPS (VPEP/VEST) tuition plans		
Other: (Military spouse now exempt)		
<b>VA AGI</b> last year's return		
<b>TOTAL TAX</b> last year's return		

IRA Information		C	S
Participant in Employer plan			
2009 Trad IRA deductible (5,000/1000)			
2009 Trad IRA nondeductible “			
2009 Roth IRA (5,000 / 1000)			
Trad IRA to Roth IRA Conversion			
2009 IRA distribution w/o rollover			
'87-'08 Trad IRA nondeductible cont.			
Fill in the year end values for your IRAs if:			
(i) you received a distribution from a Trad IRA and in any year you made a nondeductible Trad IRA contribution, or			
(ii) you have (or may establish) a Roth IRA.			
	TYPE	12/31/08 value	12/31/09 value
	All Traditional IRAs	C	
	All Traditional IRAs	S	
	All ROTH IRAs	C	
	All ROTH IRAs	S	
	Roth 5 yr hld period Y <input type="checkbox"/> N <input type="checkbox"/>	C	
	Roth 5 yr hld period Y <input type="checkbox"/> N <input type="checkbox"/>	S	

**\*\*If Taxpayer has a Minimum Tax Credit in 2009, then also check if Form 8801 was filed 2006 - 2008.**

### MORTGAGE INTEREST

If you purchased your Residence and/or 2nd home after 10/13/87 and the total cost is more than **\$1,000,000** [**\$500,000** if Married Filing Separately (MFS)], complete the following:

	Residence	2nd Home
<b>1st Mortgage balance on date of purchase</b>		
<b>2nd Mortgage balance on date of purchase</b>		
<b>3rd Mortgage balance on date of purchase</b>		

Did you refinance or take or increase a home equity loan after 10/13/87? Yes

If yes, have you borrowed more than **\$100,000** (**\$50,000** if MFS) against the property since the later of:  
(i) the date of purchase, or (ii) 10/13/87? \*\* Yes

\*\*Whether or not a loan has been or is being repaid is not relevant!

If yes, please inform us of the entire loan history of your Residence or 2<sup>nd</sup> Home. We need to know the date of each loan (or increase, if a line of credit), and the amount of each loan (or increase). This history is to begin on the later of (i) the date of purchase or (ii) 10/14/87. If the purchase occurred before 10/14/87, begin with the loan balance of all notes secured by the property on 10/14/87.

**AMT: qualified mortgage interest from cashout refi, HEQ, or 2<sup>nd</sup> trust does not qualify for mortgage deduction under AMT.**



## SCHEDULE D / FORM 4797

15% or 0% LTCG (>12 mos) rate; 28% Collectibles; 14% §1202 QSB stock; 25% §1250 depreciation recap.  
Long Term Capital Gain Qualified Small Business Stock

**STOCKS, BONDS, SECURITIES:** Bring all 1099-B Forms 1099-B TOTAL \_\_\_\_\_

J/C/S	Description	Acq Date	Sale Date	Sales Price	Cost/Basis	Comments

**Beginning 2008: 0% Capital Gains tax rate for low income taxpayers (taxable income in 15% or lower tax bracket)**  
**Effective 08/10/93:** Qualified small business stock is taxed at only 14%, if held 5 yrs. Also, tax-free rollover of gains on publicly traded securities, if all proceeds from sale are used to purchase SSBIC (Specialized Small Business Investment Co.) stock.

**PERSONALTY:**

	Description	Acq. Date	Sale Date	Sales Price	Cost/Basis	Improvements	Depreciation

**REAL ESTATE:** Bring settlement sheets for purchase & sale of the property (also a list of improvements for the property). For sale of a residence, if part of the gain may be taxable, bring a copy of the tax return for the year that you purchased the residence being sold.

**05/07/97: New Sale of Residence Rules:** exclude gain up to \$250,000 (\$500,000 if filing MFJ), if you own & occupy the property as your primary residence 24 months out of last 60 months. **2008 change:** 500,000 exclusion for surviving spouse, if sell within 2 yrs of DOD.  
**New rules if your residence was converted from property used in like kind exchange or used after 12/31/08 as other than residence.**

This column for sale of residence	Description or Address					
24 Mo own	C <input type="checkbox"/> S <input type="checkbox"/>	Acquisition Date				
24 Mo occupy	C <input type="checkbox"/> S <input type="checkbox"/>	Sale Date				
8/5/97 - 8/5/99	C <input type="checkbox"/> S <input type="checkbox"/>	Sale Price				
Employment	C <input type="checkbox"/> S <input type="checkbox"/>	Selling Expense				
Health	C <input type="checkbox"/> S <input type="checkbox"/>	Cost Basis (incl. land)				
Date last exclusion		Settle / Acq. Costs				
Elect to exclude	Y <input type="checkbox"/> N <input type="checkbox"/>	Improvements				
Pre 8/6/97 Contract	Y <input type="checkbox"/> N <input type="checkbox"/>	Depreciation				
DEPR post 5/6/97		Excess Depreciation				

Remember (i) passive loss rules, (ii) depreciation recapture, (iii) ITC ( investment tax credit ) recapture, and (iv) all installment sale rules.  
 Remember Sec. 1231 asset rules (capital gain / ordinary loss); **and recapture of Sec. 1231 losses within last five years.**  
 Remember Sec. 1244 stock (small business stock) rules.  
 Remember to use **Form 8824** for like - kind exchanges (e.g. autos, real estate).

**COMMENTS: INCLUDE:**

Installment Sales from prior years	<input type="checkbox"/>	Bad Debts	<input type="checkbox"/>
Carry-over of Losses from prior year	<input type="checkbox"/>	Worthless Securities	<input type="checkbox"/>

## SCHEDULE E - RENTAL INCOME & EXPENSES

List depreciable items on page 12. Bring settlement sheet for new properties or old properties being rented for the first time. If converting a former residence to rental property, bring the tax return from the year you purchased the former residence.

**REAL ESTATE PROFESSIONALS** ( i.e., real estate agents, developers, etc) **WHO OWN RENTAL PROPERTIES MAY ELECT TO HAVE THE RENTAL PROPERTY EXEMPTED FROM THE "PASSIVE LOSS RULE" LIMITATIONS.**

Property	ADDRESS	MGT.		
1				
2				
3				
4				
FORM 6198 <input type="checkbox"/>	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>
RENT				
ROYALTIES				
ADVERTISING				
AUTO \$ or MILES				
TRAVEL:      AIRFARE				
LODGING				
MEALS @ 100%				
CLEANING / MAINTENANCE				
COMMISSIONS				
INS.    (HAZARD)				
PMI				
Legal / Prof Fees (% Tax Prep)				
MANAGEMENT FEES				
MORTGAGE INT. 1ST				
2ND				
OTHER INTEREST				
REPAIRS				
SUPPLIES				
TAXES				
UTILITIES				
OTHER: Condo fees/HOA				
Telephone				

Is any property a "**VACATION HOME**" (rental property also used by client/family, etc.)?      Y     N

If Vacation Home:    Days occupied by Family \_\_\_\_\_    Other @ > FMV \_\_\_\_\_    Other @ < FMV \_\_\_\_\_

Is property used by client / family / etc. greater than 14 days or 10% of rental period?      Y     N

## MACRS / ACRS / DEPRECIATION / SEC. 179

For property already set up for depreciation, please bring last year's tax return.

For new items this tax year, you need only fill in "description" & "date acquired / converted" columns below. For (i) new property or (ii) personal use property converted to business use in this tax year, please bring the bill of sale for personal property or the settlement sheet for real estate, or other information to determine cost or basis.

Listed property (autos, computers, cameras, videos, etc.): written evidence of business use?    Y  N

UNDER METHOD USED:

If Acrs write the # of years followed by "A" (e.g., 3A, 5A, 10A, 15A, 18A, 19A).

If Alternate Acrs method is elected or required, write the # of years followed by "ASL."

Macrs is written as Acrs replacing (i) "A" with an "M" or (ii) "ASL" with "MSL" or "ADS." (as of 5/13/93 31.5M to 39M)

If pre-1981 property and not Macrs, use "SL" "200DB" "150DB" or "125DB."

\*\*\*\*\* Sec. 179 property amount is \$250,000 (off the shelf software qualifies) (Max SUV > 6,000 lbs – \$25,000)

2009: 50% Bonus Depreciation for new property. This is mandatory unless you elect out.

FOR LISTED PROPERTY:    If business use is less than 50%, then no Sec. 179 and only "ASL" or "ADS."  
Also Macrs/Acrs is limited by ceiling amounts

FILL OUT FIRST TWO COLUMNS ONLY

THE PREPARER WILL COMPLETE THE TABLE

PREPARER: REMEMBER RECAPTURE RULES!    Also, remember to determine if investment credit was taken.

DESCRIPTION OF PROPERTY	DATE ACQUIRED/ CONVERTED	COST OR OTHER BASIS	ADJUST OR LAND VALUE	% BUS. USE	METHOD USED	RATE (%) OR LIFE	PRIOR YRS AMT DEPR.	PRIOR YEARS DEPR.	FORM
<b>TOTAL</b>									

PREPARER: REMEMBER DEPRECIATION ALLOWED OR ALLOWABLE RULES

Comments:

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## PASSIVE ACTIVITIES

Losses from passive activities can only be used as a deduction against income from passive activities. Passive activities are (i) any Trade or Business in which the taxpayer does not materially participate, (i.e., the taxpayer generally has the position of an investor), (ii) each Rental Property ( real estate professional election ) and (iii) each Limited Partnership interest (Certain oil / gas interests excepted).

Exception to the general rule limiting the deductibility of passive losses: Up to **\$25,000** (reduced by 50% of the amount your AGI exceeds **\$100,000**) of losses on residential rental properties may be deducted against nonpassive income (e.g., wages, interest); provided that you actively participate in the management of the property.

## PENSIONS & ANNUITIES

If you received pension / annuity payments that may not be fully taxable and the **1099-R** or other statement does not accurately set forth the taxable amount, complete the following:

<b>Name of payor</b>			
<b>Name of recipient</b>			
<b>Birthdate of recipient</b>			
<b>Pension / Annuity starting date</b>			
<b>Monthly amount</b>			
<b>Total amount received in current year</b>			
<b>Total received in full year, if current year isn't full year.</b>			
<b>Your cost or contribution</b>			
<b>Cost or contribution received in prior years</b>			
<b>Excludable amount, if known</b>			
<b>If survivorship rights, birthdate of survivor</b>			
<b>Monthly amount of survivorship pension/annuity</b>			

**Amount excluded is investment in contract:**

(Pre 7/2/86 - three year rule) (CSRS Lump Sum: [Reg annuity - Reduced annuity] / Reg annuity = Non-tax %)

**Simplified method for ANNUITIES** (Excludable amount is **investment in contract / number of payments**).

**Starting 7/2/86:** Number of payments = (300 if under 56; 260 if 56-60; 240 if 61-65; 170 if 66-70; 120 if 71 or over).

**Starting 11/19/96:** Number of payments = (360 if under 56; 310 if 56-60; 260 if 61-65; 240 if 66-70; 160 if 71 or over).

**Starting 1/1/98, if joint lives:** Number of payments = (410 if under 111; 360 if 111-120; 310 if 121-130; 260 if 131-140; 210 if 141 or over).

If "investment in contract" includes the **death benefit exclusion** (up to **\$5,000**), then a **signed statement must be attached to the return.**  
**DEATH BENEFIT EXCLUSION HAS BEEN REPEALED FOR PAYMENTS AFTER AUG 20, 1996.**

## LUMP SUM DISTRIBUTION AVERAGING

If you received a lump sum distribution from a retirement plan or a tax shelter annuity that may be eligible for lump sum averaging, complete the following:

**[10 year averaging, if age 50 before '86 (born before 1936)] [5 YEAR AVERAGING REPEALED AFTER 1999]**

<b>Name of payor</b>			
<b>Name of recipient</b>			
<b>Birthdate of recipient</b>			
<b>Reason distribution was received</b>			
<b>Member of plan 5 years before year of distribution</b>			
<b>Did you rollover any part of distribution</b>			
<b>Have you averaged a distribution in prior year</b>			
<b>Election regarding unrealized appreciation</b>			

