

Organizational Costs and Start-Up Costs: Statement of Election to Amortize

Attach a separate statement for each election (See *Start-Up Costs/Organizational Costs*, page 8-21, *The TaxBook*, 1040 Edition/Deluxe Edition.)

Name of Business:

EIN:

Deduction and amortization. Costs paid or incurred in 2022 are allowed as a current deduction in the year the active trade or business begins, up to \$5,000 for organizational costs and \$5,000 for start-up costs. The current deduction allowed for organizational costs is reduced dollar-for-dollar by the amount of total organizational costs that exceed \$50,000. The current deduction allowed for start-up costs is reduced dollar-for-dollar by the amount of total start-up costs that exceed \$50,000. Any remaining costs that cannot be deducted currently are amortized ratably over 180 months. If no amortization is taken because organizational and/or start-up costs do not exceed the limits, and a full deduction is allowed, this statement is not required.

Organizational Costs

Business organizational costs are amounts paid or incurred to create a corporation or partnership business entity.

☐ Partnership Organizational Costs

This partnership hereby elects to amortize, under IRC section 709, its organizational expenses over a period of 180 months for expenditures incurred in organizing the business which began on _____ (enter date).

☐ Corporation Organizational Costs

This corporation hereby elects to amortize, under IRC section 248, its organizational expenses over a period of 180 months for expenditures incurred in organizing the business which began on _____ (enter date).

Description of Organizational Cost	Date Incurred	Amount
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Total costs. If total is \$55,000 or greater, STOP HERE. Taxpayer cannot take a current year deduction. Use this amount to determine amortization in Part VI, Form 4562

Current deduction. If total is \$50,000 or less, enter the lesser of \$5,000 or the actual costs. If total is greater than \$50,000 but less than \$55,000, subtract the total from \$55,000 and enter result here

Total amortizable costs. Subtract current deduction from total costs and use this amount to determine amortization in Part VI, Form 4562

Start-Up Costs

Business start-up costs are amounts paid or incurred prior to the business start date, for investigating or creating an active trade or business that would be deductible if paid or incurred by an existing business.

☐ Business Start-Up Costs

This business hereby elects to amortize, under IRC section 195, its start-up costs over a period of 180 months for expenditures incurred in starting the business which began on _____ (enter date).

Description of Start-Up Cost	Date Incurred	Amount
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Total costs. If total is \$55,000 or greater, STOP HERE. Taxpayer cannot take a current year deduction. Use this amount to determine amortization in Part VI, Form 4562

Current deduction. If total is \$50,000 or less, enter the lesser of \$5,000 or the actual costs. If total is greater than \$50,000 but less than \$55,000, subtract the total from \$55,000 and enter result here

Total amortizable costs. Subtract current deduction from total costs and use this amount to determine amortization in Part VI, Form 4562