INSTRUCTIONS:

Complete a separate workbook for each discharge!

Use the tabs across the bottom to move to the other worksheets.

   If tabs are not visible, try reducing the program from full screen size to partial screen size.

Worksheets 1, 2, and 3 are required for each discharge, but worksheets 4 and 5

    are only required once per taxpayer per year.

Make input only in the yellow highlighted cells.

Most computations will be made automatically.

Numbers in blue cells are carried automatically, but may require adjustment.

Attach all worksheets to the return (as .pdf files for electronically filed returns).

Send an e-mail to Education@BrassTax.com to report needed corrections or comments (attach your sheets for reference).

PRINTING INSTRUCTIONS:

Print area is set to print only the worksheet.

If page prints on more than one page, click on "Page Layout", "Page Setup" or "Scale to Fit", and

   "Fit to 1 page wide by 1 page tall".

If worksheet 3 divides the two pages in the wrong place, click on "View", "Page Break, "Preview", and move the break.

HOW TO UNLOCK WORKSHEETS:

For those of you with Excel knowledge who want to unlock the worksheets

   so that you can change or enhance them, the password to unprotect worksheets is "Lisa".

Name	

RETURN PREPARATION CHECKLIST

For each COD event

	Gather info on "Property Information" sheet
	Determine if transfer of property has occurred (check county recorder records)
	Complete "Identifiable Event Flowchart" (last tab) to determine if COD occurred
	Complete Worksheet "1 COD & Sale"
	Carry taxes, interest, etc. from Lines 1a, 1b, 8, 14a, 14b, and 18 to Form 1040
	Complete Worksheet "2 Exclusions"
	Carry gain/loss on sale to appropriate line on tax return (include costs of sale)
	Free up passive losses on this property
	Make state adjustments if needed (basis difference)
	If 1099-A received, make add'l entry if needed to avoid CP-2000 on sale
	Carry any taxable COD to appropriate line on tax return
	Make state adjustments to COD if needed (different exclusions apply)
	If 1099-C received, make additional entry if needed to avoid CP-2000 for COD
	If Qualified Residence Exclusion used, reduce basis in home if still owned after discharge
	Make notes in permanent file regarding debts not yet discharged (skeletons)
	Carry any excluded COD to Form 982 Line 2 and check appropriate box
	Complete separate state Form 982 if needed (if state does not recognize QPRI, etc.)

Return can be filed electronically, but if insolvency, bankruptcy, business real property, or farm exclusion was used attach worksheets to return as a .pdf.

Once for each tax return

(Only needed if COD excluded using insolvency, bankruptcy, business real property, or farm exclusions.)

	Complete tax return for current year
	Carry back any NOL created in current year (use it before you have to lose it)
	If Business Real Property Debt Exclusion used, reduce basis in dep. real prop (beinning of next year)
	Be sure all basis information is entered on Worksheets 3 and 5
	Complete Worksheet 4 to calculate federal attribute reductions (insolvency, bankruptcy, farm)
	Complete Worksheet 4 to calculate state attribute reductions (insolvency, bankruptcy, farm)
	Complete Worksheet 5 to calculate federal basis reductions if required
	Complete Worksheet 5 to calculate state basis reductions if required
	Complete Part 2 of Form 982 showing attribute reductions (from Worksheet 4)
	Make state adjustments on separate state Form 982 if needed
	Make note to enter federal basis adjustments into software in following tax year
	(Enter as prior depreciation and change calculation method to "Formula")
	Make note to enter state basis adjustments into software in following tax year
	Note in permanent file to recapture basis adj. as ordinary income when sold
	Make note in permanent file regarding basis reductions to personal assets
	Make note to adjust federal carryovers next year (NOL used or attributes lost)
	Make note to adjust state carryovers next year (NOL used or attributes lost)
	Attach Worksheets 1 - 5 as a .pdf to file with the electronic return

To unlock any cell to override, click on "Review", Unprotect Sheet", and type in the password "Lisa".

Property Information Sheet for COD
Do NOT attach this sheet to return

	Taxpayer's Name			
	ID#			
1	Property Address			
2	Type (rental, home)			
3	Docs received			
*4	Transaction Type (enter code from below)			
	Short sale	1	Sales price from HUD1 (complete lines 11-13)	
	Deed-in-lieu	2	FMV from 1099 or other convincing proof	
	Loan modification	3	COD from 1099 (do not include interest if deductible)	
	Credit card or similar debt	4	COD from 1099 (includes interest, penalties, etc)	
	Foreclosure	5	Sales price (Trustee's Deed or other)	
5	Date abandoned			
*6	Actual date of sale (from Trustee's deed)			
*7	**1st mtge balance** that is Recourse (principal only, no add-ons)			
*7a	**1st mtge balance** that is Nonrecourse			
8	Real estate taxes due (County tax collector)			
9a	Interest credit by bank before principal			
	(bank usually issues a 1098 if they credit interest)			
9b	Accrued interest due (mtge stmt or estimate)			
10	Unpaid debt with costs (from Trustee's Deed)			
11	Costs of foreclosure (Line 10-7,8,9)			-
12	Costs of short sale (from HUD1)			
13	HOA dues and other misc. (if short sale)			
14	Agreed payoff to junior lienholders			
	Bank proceeds from short sale should equal sale price minus lines 7-14			
*16	Discharged? (state law,1099-C,credit report)		Enter 1 for yes or 2 for no	
*17	**2nd mtge balance** (no add-ons)			
*18	Recourse or Nonrecourse		Enter 1 for recourse, 2 for nonrecourse	
*19	Discharged? (state law,1099-C,credit report)		Enter 1 for yes or 2 for no	
*20	**Other debt amount**			
*21	Recourse or Nonrecourse		Enter 1 for recourse, 2 for nonrecourse	
*22	Discharged? (state law,1099-C,credit report)		Enter 1 for yes or 2 for no	
*23	Acquisition date			
*24	Adjusted basis			
25	If prin. res., cash out amount			
26	Bankruptcy - filing date			
27	- discharge date			
28	Insolvency (estimate)			
29	Equity (or neg.) in real estate			
30	Retirement assets (accessible)			
31	Other assets			
32	Other debt			
33	Notes:			

	Entries on these lines are used to calculate expenses of sale, real estate tax deductions, etc.
*	Lines with an * **MUST** have entries to complete basic calculations (but some deductions may be missed).

🟨	Requires an entry
🟦	Information carried from another sheet, but may require double checking and adjustment
	To unlock any cell to override entries, click on "Review", "Unprotect Sheet", and enter the password "Lisa"

Name		ID#		Sale Date	
①	Description of Transaction/Property	0			

CALCULATION OF COD AND SALE

RECOURSE LOANS (If Nonrecourse loan, see below)		1st Mtge	2nd Mtge	Other Debt
1a Foreclosure - Expenses paid before principal				
Property taxes	**Deduct**	0		
Interest if you know bank credited it as paid (Form 1098)	**Deduct**	0		
Foreclosure costs (carries to Line 12)		0		
Total	1a	0		
1b Short Sale - Expenses paid before principal				
Property taxes	**Deduct**	0		
Interest (from HUD-1 and/or Form 1098)	**Deduct**	0		
Costs of Sale (carries to Line 12)		0		
HOA dues and other	**Deduct (if business)**	0		
Junior Lienholders (reduce principal amount of that loan)		0		
Total	1b	0		
2 Principal outstanding immed. before transfer	2		0	0
3 Excess proceeds from Line 18 below		0		
3a Amount for which debtor remains liable	3	0	0	0
4 Debt eliminated (Line 1a or 1b + 2 minus Line 3	4	0	0	0
5 FMV (or Foreclosure or SS sale price)	5	0	enter in 1st column only	
6 Income from Cancellation of Debt (Line 4-Line 5.If<0, enter 0)				
Carry to COD Exclusions Worksheet (if these totals do not match 1099-C, check for real estate taxes, etc included by the bank in the principal balance)	6	**0**	**0**	**0**
7 Smaller of Line 4 or Line 5	7	0		
8 Excess proceeds (Deduct interest paid, reduce bal of 2nd if pai	8	0		
9 Excess proceeds rec'd by debtor from the sale	9	🟨		
10 Selling Price (Add Lines 7, 8, and 9)	10	0		
11 Adjusted basis of transferred property				
(Caution: If Qualified Business Real Property, reduce basis first)	11	0		
12 Costs included in Line 1a or 1b above	12	0		
13 Gain or Loss on Disposition (Line 10 less Line 11 and 12)				
Carry to Sch D or 4797 or use §121 exclusio	13	**0**		

NONRECOURSE LOANS

		1st Mtge	2nd Mtge	Other Debt
14a Foreclosure - Expenses paid before principal				
Property taxes (deduct) & foreclosure costs (enter on Line 22)		0		
Interest if you know bank credited it (Form 1098) (deduct)		0		
Foreclosure costs (carries to Line 22)		0		
Total	14a	0		
14b Short Sale - Expenses paid before principal				
Property taxes (deduct)		0		
Interest (from HUD-1 and Form 1098) (deduct)		0		
Costs of Sale (carries to Line 22)		0		
HOA dues and other (deduct if business)		0		
Junior Lienholders (reduce principal amount of that loan)		0		
Total	14b	0		
15 Principal outstanding immed. before transfer	15		0	0
16 Amount for which debtor remains liable	16	🟨	🟨	🟨
17 Debt eliminated (Line 14a+14b+15 minus 16)	17	0	0	0
18 Excess proceeds (Transfer to Line 3 above, or deduct as interest if applicable, or reduce balance of 2nd if pd)	18	0		
19 Excess proceeds rec'd by debtor from the sale	19	🟨		
20 Selling Price (Add Lines 17, 18, and 19)	20	0		
21 Adjusted basis of transferred property	21	0		
22 Costs included in Line 14a or 14b above	22	0		
23 Gain/Loss on Disposition (Line 20 minus Lines 21 & 22)				
Carry to Sch D, 4797, or exclude using §1	23	**0**		

N		ID#		Date	
			0		

Description of Transaction/Property

	2021 COD EXCLUSIONS		FEDERAL		CALIFORNIA
A.	COD INCOME FROM WORKSHEET 1, OR		0		0
B.	COD INCOME FROM FORM 1099-C OR OTHER (Loan Modification)		0		0

BANKRUPTCY - Mandatory

			FEDERAL		CALIFORNIA
1.	Excludable amount discharged by order of a bankruptcy court.				
	Carry to Form 982 Line 2 & Reduction of Tax Attributes worksheet Line 1	1.			
2.	COD not yet excluded (Line D minus Line 1) *Carry to Line 3.*	2.	0		0

QUALIFIED PRINCIPAL RESIDENCE EXCLUSION (May elect insolvency instead) - Election (make no entries if NOT electing)

			FEDERAL		CALIFORNIA
3.	COD Income (From Line 2 above)	3.	0		
4.	Total amount of loans (principal only)	4.	0		
5	Qualified Principal Res. Debt (Acquisition debt + debt for improve.) IF ELECTING	5a.			
5.	IF MARRIED FILING SEPARATE ENTER A 1 IN THE BOX				No CA
5c	Limit - Do not enter > than: Fed $750,000/375,000 if MFS.	5c			exclusion
6.	Excess (Line 4 minus Line 5c)	6.	0		allowed
7	Line 3 minus Line 6 but not < 0.	7a.	0		
7b	Excludable amt:				
	Enter on Form 982 Line 2 & reduce basis in house if still owned	7b.	0		
8.	COD not yet excluded (Line 3 minus Line 7) *Carry to Line 9*	8.	0		

INSOLVENCY EXCLUSION - Mandatory

			FEDERAL		CALIFORNIA
9.	COD Income (from Line 8 above)	9.	0		0
1 0	Amt of Insolvency from Insolvency Worksheet 3 (Enter as positive #)	10.	0		0
1 1	Excludable amount. (Lesser of Line 9 or 10) ***Enter on Form 982*** ***Line 2 and on Reduction of Tax Attributes worksheet Line 1***	11.	0		0
12	COD not yet excluded (Line 9 - Line 11) *Carry to Line 13*	12.	0		0

QUALIFIED REAL PROPERTY BUSINESS DEBT EXCLUSION - Election (make no entries if NOT electing)

			FEDERAL		CALIFORNIA
	IF LINE 12 IS QUALIFIED BUSINESS DEBT & ELECTING TO USE THIS EXCLUSION, ENTER A 1 IN THE BOX				
1 3	COD Income (from Line 12 above)	13.	0		0
1 4	Principal amt of Qualified Real Property Business debt discharged	14.			
1 5	FMV of the business property securing debt (net of selling costs)	15.			
1 6	Principal amount of any other debts secured by same property	16.			
1 7	Line 15 minus Line 16 (If less than 0, enter 0.)	17.	0		0
1 8	Line 14 minus Line 17 (If < 0, this exclusion does not apply.)	18.	0		0
1 9	Lesser of Line 13 or Line 18	19.	0		0
2 0	Adj basis of all *dep* real prop held before discharge (minus current year dep.)	20.			
2 1	Excludable amount (Lesser of Line 19 or 20) ***Enter on Form 982*** ***Line 2 & reduce basis in depreciable real property***	21.			
2 2	COD not yet excluded (Line 13 minus Line 21) ***Carry to Line 23***	22.	0		0

QUALIFIED FARM INDEBTEDNESS - Election (make no entries if NOT electing)

Reduce tax attributes for amount excluded under insolvency before completing this worksheet.

			FEDERAL		CALIFORNIA
	IF LINE 22 IS QUALIFIED FARM DEBT & ELECTING TO USE THIS EXCLUSION, ENTER A 1 IN THE BOX				
2 3	COD Income (from Line 22 above)	23.	0		0
2 4	Tax Attributes on Worksheet 4 Lines 2,3,4,5,6a(bus/inv only),7a&b,8 (Cr x9 for CA)	24.	0		0
2 5	Excludable amount (Lesser of Line 23 or 24) ***Enter on Form 982*** ***Line 2 & carry to Reduction of Tax Attributes worksheet Line 1***	25.	0		0
2 6	Taxable amount of COD (Line 23 minus Line 25) **Report as shown below:**	26.	0		0

Taxable COD amounts that do not qualify for any exclusion are reported on:

Nonbusiness Debt - Schedule 1 Line 8 Other Income; Business Debt - Sch C (subject to SE); Rental Debt - Sch E (passive)
Farm Rental - Form 4835; Farm Debt - Sch F (subject to SE); Investment Debt - Sch D? (treatment is gray area)

N	ID#		Date						ID#		Date		
3 Description of Property/Transaction	0						5 Description of Property/Transaction		0				

| **INSOLVENCY WORKSHEET** | | | | | | | **BASIS REDUCTION WORKSHEET** | | | | | | |

ASSET	FMV IMMED. BEFORE DISCHARGE	DEBT IMMED BEFORE DISCHARGE	DEBT IMMED AFTER DISCHARGE	FED BASIS IMMED AFTER DISCHARGE	STATE BASIS AFTER DISCHARGE		ASSET	FED BASIS BEGIN OF NEXT YEAR	STATE BASIS BEGIN OF NEXT YEAR	FED BASIS REDUCTION	STATE BASIS REDUCTION	FED REDUCED BASIS	STATE REDUCED BASIS
							Basis reduction required			0	0		
1. *Business real property securing debt*							1. *Business real property securing debt*						
2. *Business personal prop securing debt*							2. *Business personal prop securing debt*						
3. *Rentals, Business, & Investment Property*							3. *Rentals, Business & Investment Property*						
Real estate - Building (Entire property debt on this line)	*	*	0				Real estate - Building			0	0	0	0
Land (List interest, taxes, HOA dues etc as liab.)							Land			0	0	0	0
Real estate - Building (Entire property debt on this line)	*	*					Real estate - Building			0	0	0	0
Land (list interest, taxes, HOA dues etc as liab.)							Land			0	0	0	0
Real estate - Building (Entire property debt on this line)	*	*	0				Real estate - Building			0	0	0	0
Land (list interest, taxes, HOA dues etc as liab.)							Land			0	0	0	0
Real estate - Building (Entire property debt on this line)	*	*	0				Real estate - Building			0	0	0	0
Land (list interest, taxes, HOA dues etc as liab.)							Land			0	0	0	0
Leases (current value of future payments)							Leases (current value of future payments)						
Business equipment, etc							Business equipment, etc			0	0	0	0
Goodwill & intangibles							Goodwill & intangibles			0	0	0	0
Payroll, Income, Sales, other taxes							Payroll, Income, Sales, other taxes						
Partnership or LLC interests							Partnership or LLC interests			0	0	0	0
Stock, bonds, mutual funds							Stock, bonds, mutual funds			0	0	0	0
Basis reduction remaining							**Basis reduction remaining**			0	0		
4. *Inventory, A/R, N/R, A/P, N/P*							4. *Inventory,A/R, N/R, A/P, N/P*						
Inventory for sale to customers							Inventory for sale to customers			0	0	0	0
Accounts & Notes receivable/payable							Accounts receivable/payable			0	0	0	0
Basis reduction remaining							**Basis reduction remaining**			0	0		
5. *Personal*							5. *Personal*						
Cash, Checking, Savings							Cash, Checking, Savings						
Annuities, Cash value of life insurance							Annuities, Cash value of life insurance			0	0	0	0
IRAs/Retirement Accounts/401k plans**							IRAs/Retirement Accounts/401k plans			0	0	0	0
Education accounts (§529 plans)							Education accounts (§529 plans)			0	0	0	0
Security deposits (landlords, utilities)							Security deposits (landlords, utilities)			0	0	0	0
Cars							Cars			0	0	0	0
RV, boat, airplane, etc.							RV, boat, airplane, etc.			0	0	0	0
Personal residence	*	*	*				Personal residence			0	0	0	0
Interest, real estate taxes, HOA dues							Accrued interest						
Utilities (water, gas, electric, phone, cell)							Past-due utilities (water, gas, electric)						
Leases (Current value of future payments)							Leases(Current value of future payments)						
Vacation or 2nd homes/time shares							Vacation or 2nd homes/time shares			0	0	0	0
Interest, real estate taxes, HOA dues							Interest, real estate taxes, HOA dues						
Computers, tools, jewelry, clothing							Computers, tools, jewelry, clothing			0	0	0	0
Furniture, appliances, electronics							Furniture, appliances, electronics			0	0	0	0
Jewelry, coins, art, collectibles							Jewelry, coins, art, collectibles			0	0	0	0
Other personal use assets							Other personal use assets			0	0	0	0
Credit Cards							Credit Cards						
Student loans							Student loans						
Medical bills, child care, taxes							Medical bills						
TOTAL	0	0	0	0	0		**TOTAL**	0	0	0	0		
NET WORTH/(INSOLVENCY)		0											

*If debt is nonrecourse, amount is limited to FMV of property, unless the debt was discharged. After discharge-Include all.

**Only amounts available to pay an immediate tax liability need to be included.

	ID#		Date	
	0			

REDUCTION OF TAX ATTRIBUTES - BANKRUPTCY, INSOLVENCY, AND FARM DEBT

Prepare AFTER completing tax return for the current year!

Carry COD from all events to the worksheet for the last event.

May **elect** to reduce basis of depreciable property first. See separate instructions.

For Bankruptcy, include only attributes that existed on the date of the bankruptcy filing.

For Qualified Principal Residence Debt, skip this worksheet and reduce basis in residence.

For Qualified Real Property Business Debt, skip this worksheet and reduce basis in depreciable real property.

For Qualified Farm Indebtedness, include basis only in business and investment assets on Line 6a.

	(A) Attributes on 1-1 of Next Year	(B) Exclusion Value of Attribute	(C) Exclusion Offset (not > prior row Col. (D))	**Form 982 Line#**	(D) Excluded Balance (subtract Column (C))
1. Excludable amount from last discharge					0
Excludable amts from other discharges					
Excludable amts from other discharges					
Excludable amts from other discharges					
Excludable amts from other discharges					
Excludable amts from other discharges					
Excludable amts from other discharges					
Excludable amts from other discharges					
TOTAL excludable amount					0
2. Net Operating Loss				6	0
3. General Business Credit	x3=	0	0	7	0
4. Minimum Tax Credit	x3=	0	0	8	0
5. Capital Loss				9	0

6. Calculation of Basis Insolvency Limit (Usually not required if bankruptcy exclusion used)

   a. Basis

     If Insolvent: Immed after discharge

     If Farm exclusion: 1-1 next year)   0

   b. Money immediately after cancellation

   c. IRAs, life ins, pensions: FMV > basis   0

   d. Total (Add Lines 6a, 6b, and 6c)   0

   e. Liab. immed. after the discharge

     from Insolvency Worksheet   0

   f. Basis > Liab immed after (Line 6d - 6e)   0

   g. Basis red'n req'd (< Line 6a or 6f)

	(A)	(B)	(C)	Form 982 Line#	(D)
Carry to Basis Reduction Worksheet 5		0	0	10a	0
7a. Passive activity losses				12	0
7b. Passive activity credits	x3=	0	0	12	0
8. Foreign Tax Credit	x3=	0	0	13	0

Reduce carryforward amounts in your tax software by the amounts in Column C.

For California Purposes Only

	ID#		Date	
Description of Property/Transaction	12/30/1899			

CALIFORNIA REDUCTION OF TAX ATTRIBUTES

4 **Prepare AFTER completing tax return for current year!**

Carry COD from all events to the worksheet for the last event.

May **elect** to reduce basis of depreciable property first. See separate instructions.

For Qualified Principal Residence Debt, skip this worksheet and reduce basis in residence.

For Qualified Real Property Business Debt, skip this worksheet and reduce basis in depreciable real property.

For Qualified Farm Indebtedness, include basis only in business and investment assets on Line 6a.

	(A) Attributes on 1-1 of Next Year	(B) Exclusion Value of Attribute	(C) Exclusion Offset (not > prior row Col. (D))	For m982 Line #	(D) Excluded Balance (subtract Column (C))
IF DISCHARGE IN '07 OR '08, ENTER A 1 IN BOX.					
1. Excludable amounts from last discharge					0
Excludable amts from other discharges					
Excludable amts from other discharges					
Excludable amts from other discharges					
Excludable amts from other discharges					
Excludable amts from other discharges					
Excludable amts from other discharges					
Excludable amts from other discharges					
TOTAL excludable amount					0
2. Net Operating Loss				6	0
3. General Business Credit	x9=	0	0	7	0
4. Minimum Tax Credit	x9=	0	0	8	0
5. Capital Loss				9	0
6. Calculation of Basis Insolvency Limit					
a. Basis (If Insolvent:immed after. If Farm exclusion: 1-1 next year)	0				
If not Insolvent, enter Line 6a on 6j					
b. Money immediately after cancellation					
c. IRAs, life ins, pensions: FMV > basis	0				
d. Total (Add Lines 6a, 6b, and 6c)	0				
e. Liab. immed. after the discharge From Insolvency Worksheet	0				
f. Basis > Liab immed after (Line 6d - 6h.)	0				
g. Basis red'n req'd (< Line 6a or 6i)		0	0	10a	0
7a. Passive activity losses				12	0
7b. Passive activity credits	x9=	0	0	12	0
8. Foreign Tax Credit	x9=	0	0	13	0

Bankruptcy Worksheet

Date filed	
Date discharged	

Loans Specifically Excluded from Bankruptcy

Later COD - If COD income results later from the discharge these loans, the bankruptcy exclusion CANNOT be used.

Exempt Property

Property Description	Associated Attributes Retained by Debtor

Abandoned Property

Basis reduction - If the bankruptcy exclusion was used (on Form 1040 or Form 1041) do not reduce basis in any exempt property, or reduce basis in any abandoned property if the debtor is basis insolvent (excluding exempt assets from the calculation).

Later COD - If COD income results later from the discharge of loans secured by this property, that were in place at the time of the bankruptcy (made unenforceable by the bankruptcy court), the bankruptcy exclusion CAN be used.

Debts Discharged in Estate (Does not include secured debts on abandoned or exempt real estate)

Description	Amount
Credit Cards	
Other:	
Other:	
Other:	
Discharge of taxes does NOT create COD. Do NOT include it here.	
Total (Reduce attributes below)	0

Attributes in the Estate - Include only attributes that existed BEFORE the bankruptcy!!!

If no short-year election, attributes on January 1 of the year the petition was filed.

If a short-year election was made, attributes on the day the petition was filed.

	Federal			State		
	Available	Reduction	Remaining	Available	Reduction	Remaining
Net Operating Loss (carry back before surrendering them to the estate)		0	0		0	0
General Business Credits x 3 (9 for CA)		0	0		0	0
Minimum Tax Credits x 3 (9 for CA)		0	0		0	0
Capital Losses		0	0		0	0
Basis (but not if debts exceed basis)		0	0		0	0
Passive Activity Losses & Credits	Returned to debtor with abandoned assets					
Foreign Tax Credits x 3		0	0		0	0
Reduce attributes in the order listed. Any amount remaining is returned to the debtor.						

NET OPERATING LOSS WORKSHEET				
Income Allocation				
Item	**Amount**	**Disposition**	**Business**	**Nonbusiness**
Wages		Business		
Taxable Interest		Nonbusiness		
Ordinary dividends		Nonbusiness		
Taxable refunds		*Allocate*		
Alimony		Nonbusiness		
Business income (loss) Sch C		Business		
Capital gains/losses		*Allocate*	See Below	See Below
Form 4797 gain (loss)		Business		
Taxable IRA distributions		Nonbusiness		
Taxable pensions		Nonbusiness		
Rents, royalties, partnerships		Usually business		
Farm income (loss)		Business		
Unemployment comp.		No guidance		
Taxable social security		Nonbusiness		
Other income		*Allocate*		
Total	0		0	0
Deduction Allocation				
Educator expenses		Business		
Reservists, artists, and gov't		Business		
Health Savings Accounts		Nonbusiness		
Moving expenses		Business		
SE tax deduction		Business		
SEP, SIMPLE, & qual. plans		Nonbusiness		
SE health insurance		Business		
Penalty for early withdrawal		Nonbusiness		
Alimony		Nonbusiness		
IRA deduction		Nonbusiness		
Student loan interest ded.		Nonbusiness		
Tuition & fees deduction		Nonbusiness		
Domestic production activities		Business		
Standard deduction		Nonbusiness		
Medical		Nonbusiness		
Taxes		*Allocate2*		
Interest		Nonbusiness		
Contributions		Nonbusiness		
Casualty		Business		
Miscellaneous Itemized Ded.		*Allocate*		
Total	0		0	0
Capital Gains/Losses Allocation				
Capital Gains		*Allocate*		
Capital Losses		*Allocate*		
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