



Department of the Treasury
Internal Revenue Service

Publication 918

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Drafts of Worksheets in IRS Publications

For use in preparing

2005 Returns



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Introduction

This publication normally contains draft worksheets from IRS taxpayer information publications (TIPs) for tax year 2005. This publication is available only on the Internet.

The worksheet or table number shown on these worksheets relates to the publication that contains the worksheet. The status of the worksheet will be shown in the overlay. For example, the worksheet may show “PROOF AS OF JULY 25, 2005 (subject to change).”

A new version of a worksheet will be posted only if there is a change in the computation. When there is a final version of a worksheet, the draft version will be removed from this publication. To find the final version of a worksheet, see the publication containing the worksheet.

Publication 503

Worksheet A. Worksheet for 2004 Expenses Paid in 2005

(Note: Use this worksheet to figure the credit you may claim for 2004 expenses paid in 2005.)

1. Enter your 2004 qualified expenses paid in 2004 1. _____
2. Enter your 2004 qualified expenses paid in 2005 2. _____
3. Add the amounts on lines 1 and 2 3. _____
4. Enter \$3,000 if care was for one qualifying person (\$6,000 if for two or more) 4. _____
5. Enter any dependent care benefits received for 2004 and excluded from your income (from line 26 of 2004 Form 2441 or line 20 of 2004 Schedule 2 (Form 1040A)) 5. _____
6. Subtract amount on line 5 from amount on line 4 and enter the result 6. _____
7. Compare your earned income for 2004 and your spouse's earned income for 2004 and enter the smaller amount. 7. _____
8. Compare the amounts on lines 3, 6, and 7 and enter the smallest amount 8. _____
9. Enter the amount on which you figured the credit for 2004 (from line 6 of 2004 Form 2441 or Schedule 2 (Form 1040A)) 9. _____
10. Subtract amount on line 9 from amount on line 8 and enter the result. If zero or less, stop here. You cannot increase your credit by any previous year's expenses 10. _____
11. Enter your 2004 adjusted gross income (from line 37 of your 2004 Form 1040 or line 22 of your 2004 Form 1040A) 11. _____
12. Find your 2004 adjusted gross income in the table of percentages (shown below) and enter the corresponding decimal amount here 12. _____

IF your 2004 adjusted gross income is:			THEN the
Over:		But not over:	percentage is:
\$ 0	—	\$15,000	35%
15,000	—	17,000	34%
17,000	—	19,000	33%
19,000	—	21,000	32%
21,000	—	23,000	31%
23,000	—	25,000	30%
25,000	—	27,000	29%
27,000	—	29,000	28%
29,000	—	31,000	27%
31,000	—	33,000	26%
33,000	—	35,000	25%
35,000	—	37,000	24%
37,000	—	39,000	23%
39,000	—	41,000	22%
41,000	—	43,000	21%
43,000	—	No limit	20%

13. Multiply line 10 by line 12. Add this amount to your 2005 credit and enter the total on line 9 of your 2005 Form 2441 or Schedule 2 (Form 1040A). Write the following on the dotted line next to line 9 of Form 2441 or in the space to the left of line 9 on Schedule 2 (Form 1040A):
 - "CPYE"
 - The amount of this credit for a prior year's expenses
 - The name and taxpayer identification number of the person for whom you paid the prior year's expenses 13. _____

Publication 523

Worksheet 1. Adjusted Basis of Home Sold

Caution: See the Worksheet 1 Instructions before you use this worksheet.

1. Enter the purchase price of the home sold. (If you filed Form 2119 when you originally acquired that home to postpone gain on the sale of a previous home before May 7, 1997, enter the adjusted basis of the new home from that Form 2119.) 1. _____
2. Seller paid points for home bought after 1990. (See *Seller-paid points*.) Do not include any seller-paid points you already subtracted to arrive at the amount entered on line 1 2. _____
3. Subtract line 2 from line 1 3. _____
4. Settlement fees or closing costs. (See *Settlement fees or closing costs*.) If line 1 includes the adjusted basis of the new home from Form 2119, go to line 6.
 - a. Abstract and recording fees 4a. _____
 - b. Legal fees (including title search and preparing documents) 4b. _____
 - c. Surveys 4c. _____
 - d. Title insurance 4d. _____
 - e. Transfer or stamp taxes 4e. _____
 - f. Amounts that the seller owed that you agreed to pay (back taxes or interest, recording or mortgage fees, and sales commissions) 4f. _____
 - g. Other 4g. _____
5. Add lines 4a through 4g 5. _____
6. Cost of additions and improvements. Do not include any additions and improvements included on line 1 6. _____
7. Special tax assessments paid for local improvements, such as streets and sidewalks 7. _____
8. Other increases to basis 8. _____
9. Add lines 3, 5, 6, 7, and 8 9. _____
10. Depreciation, related to the business use or rental of the home, claimed (or allowable) 10. _____
11. Other decreases to basis (See *Decreases to basis*.) 11. _____
12. Add lines 10 and 11 12. _____
13. **Adjusted basis of home sold.** Subtract line 12 from line 9. Enter here and on *Worksheet 2*, line 4 13. _____

Worksheet 2. Gain or (Loss), Exclusion, and Taxable Gain

Part 1 – Gain or (Loss) on Sale

- | | | | |
|----|--|----|-------|
| 1. | Selling price of home | 1. | _____ |
| 2. | Selling expenses | 2. | _____ |
| 3. | Subtract line 2 from line 1 | 3. | _____ |
| 4. | Adjusted basis of home sold (from <i>Worksheet 1</i> , line 13) | 4. | _____ |
| 5. | Subtract line 4 from line 3. This is the gain or (loss) on the sale. If this is a loss, stop here | 5. | _____ |

Part 2 – Exclusion and Taxable Gain

- | | | | |
|-----|---|-----|-------|
| 6. | Enter any depreciation allowed or allowable on the property for periods after May 6, 1997. If none, enter zero | 6. | _____ |
| 7. | Subtract line 6 from line 5. (If the result is less than zero, enter zero.) | 7. | _____ |
| 8. | If you qualify to exclude gain on the sale, enter your maximum exclusion. (See <i>Maximum Exclusion</i> .) If you do not qualify to exclude gain, enter -0- | 8. | _____ |
| 9. | Enter the smaller of line 7 or line 8. This is your exclusion | 9. | _____ |
| 10. | Subtract line 9 from line 5. This is your taxable gain . Report it as described under <i>Reporting the Sale</i> . If the amount on this line is zero, do not report the sale or exclusion on your tax return. If the amount on line 6 is more than zero, complete line 11 | 10. | _____ |
| 11. | Enter the smaller of line 6 or line 10. Enter this amount on line 12 of the <i>Unrecaptured Section 1250 Gain Worksheet</i> in the instructions for Schedule D (Form 1040) | 11. | _____ |

Worksheet 3. Reduced Maximum Exclusion

Caution: Complete this worksheet only if you qualify for a reduced maximum exclusion. (See Reduced Maximum Exclusion.) Complete column (B) only if you are married filing a joint return.

	(A) You	(B) Your Spouse
1. Maximum amount	\$250,000.00	\$250,000.00
2a. Enter the number of days (or months) that you used the property as a main home during the 5-year period* ending on the date of sale. (If married filing jointly, fill in columns (A) and (B))	2a.	_____
b. Enter the number of days (or months) that you owned the property during the 5-year period* ending on the date of sale. If you used days on line 2a, you also must use days on this line and on lines 3 and 5. If you used months on line 2a, you also must use months on this line and on lines 3 and 5. (If married filing jointly and one spouse owned the property longer than the other spouse, both spouses are treated as owning the property for the longer period)	b.	_____
c. Enter the smaller of line 2a or 2b	c.	_____
3. Have you (or your spouse, if filing jointly) excluded gain from the sale of another home during the 2-year period ending on the date of this sale? NO. Skip line 3 and enter the number of days (or months) from line 2c on line 4. YES. Enter the number of days (or months) between the date of the most recent sale of another home on which you excluded gain and the date of sale of this home	3.	_____
4. Enter the smaller of line 2c or 3	4.	_____
5. Divide the amount on line 4 by 730 days (or 24 months). Enter the result as a decimal (rounded to at least 3 places). But do not enter an amount greater than 1.000	5.	_____
6. Multiply the amount on line 1 by the decimal amount on line 5	6.	_____
7. Add the amounts in columns (A) and (B) of line 6. This is your reduced maximum exclusion . Enter it here and on <i>Worksheet 2</i> , line 8	7.	_____

*If you were a member of the uniformed services or Foreign Service during the time you owned the home, see *Members of the uniformed services or Foreign Service to determine your 5-year period*.

Publication 527

Table 2. **Worksheet for Figuring the Limit on Rental Deductions for a Dwelling Unit Used as a Home**

Use this worksheet only if you answer "yes" to all of the following questions.

- Did you use the dwelling unit as a home this year? (See *Dwelling Unit Used as Home*.)
- Did you rent the dwelling unit 15 days or more this year?
- Is the total of your rental expenses and depreciation more than your rental income?

1.	Enter rents received		_____
2a.	Enter the rental portion of deductible home mortgage interest (see instructions)		_____
b.	Enter the rental portion of real estate taxes		_____
c.	Enter the rental portion of deductible casualty and theft losses (see instructions)		_____
d.	Enter direct rental expenses (see instructions)		_____
e.	Fully deductible rental expenses. Add lines 2a–2d		_____
3.	Subtract line 2e from line 1. If zero or less, enter zero		_____
4a.	Enter the rental portion of expenses directly related to operating or maintaining the dwelling unit (such as repairs, insurance, and utilities)		_____
b.	Enter the rental portion of excess mortgage interest (see instructions)		_____
c.	Add lines 4a and 4b		_____
d.	Allowable operating expenses. Enter the smaller of line 3 or line 4c		_____
5.	Subtract line 4d from line 3. If zero or less, enter zero		_____
6a.	Enter the rental portion of excess casualty and theft losses (see instructions)		_____
b.	Enter the rental portion of depreciation of the dwelling unit		_____
c.	Add lines 6a and 6b		_____
d.	Allowable excess casualty and theft losses and depreciation. Enter the smaller of line 5 or line 6c		_____
7a.	Operating expenses to be carried over to next year. Subtract line 4d from line 4c		_____
b.	Excess casualty and theft losses and depreciation to be carried over to next year. Subtract line 6d from line 6c		_____

Enter the amounts on lines 2e, 4d, and 6d on the appropriate lines of Schedule E (Form 1040), Part I.

Worksheet Instructions

Follow these instructions for the worksheet above. If you were unable to deduct all your expenses last year, because of the rental income limit, add these unused amounts to your expenses for this year.

Line 2a. Figure the mortgage interest on the dwelling unit that you could deduct on Schedule A (Form 1040) if you had not rented the unit. Do not include interest on a loan that did not benefit the dwelling unit. For example, do not include interest on a home equity loan used to pay off credit cards or other personal loans, buy a car, or pay college tuition. Include interest on a loan used to buy, build, or improve the dwelling unit, or to refinance such a loan. Enter the rental portion of this interest on line 2a of the worksheet.

Line 2c. Figure the casualty and theft losses related to the dwelling unit that you could deduct on Schedule A (Form 1040) if you had not rented the dwelling unit. To do this, complete Section A of Form 4684, Casualties and Thefts, treating the losses as personal losses. On line 17 of Form 4684, enter 10% of your adjusted gross income figured without your rental income and expenses from the dwelling unit. If your loss occurred after August 24, 2005, and was the result of Hurricane Katrina, enter zero on line 17. Enter the rental portion of the result from line 18 of Form 4684 on line 2c of this worksheet.

Note. Do not file this Form 4684 or use it to figure your personal losses on Schedule A. Instead, figure the personal portion on a separate Form 4684.

Line 2d. Enter the total of your rental expenses that are directly related only to the rental activity. These include interest on loans used for rental activities other than to buy, build, or improve the dwelling unit. Also include rental agency fees, advertising, office supplies, and depreciation on office equipment used in your rental activity.

Line 4b. On line 2a, you entered the rental portion of the mortgage interest you could deduct on Schedule A if you had not rented the dwelling unit. Enter on line 4b of this worksheet the rental portion of the mortgage interest you could not deduct on Schedule A because it is more than the limit on home mortgage interest. Do not include interest on a loan that did not benefit the dwelling unit (as explained in the line 2a instructions).

Line 6a. To find the rental portion of excess casualty and theft losses, use the Form 4684 you prepared for line 2c of this worksheet.

A. Enter the amount from line 10 of Form 4684 _____

B. Enter the rental portion of **A** _____

C. Enter the amount from line 2c of this worksheet _____

D. Subtract **C** from **B**. Enter the result here and on line 6a of this worksheet _____

Allocating the limited deduction. If you cannot deduct all of the amount on line 4c or 6c this year, you can allocate the allowable deduction in any way you wish among the expenses included on line 4c or 6c. Enter the amount you allocate to each expense on the appropriate line of Schedule E, Part I.

Publication 535

Worksheet 7-A. Self-Employed Health Insurance Deduction Worksheet (Keep for your records.)



1. Enter total payments made during the year for health insurance coverage established under your business for you, your spouse, and your dependents. (Do not include payments for any month you were eligible to participate in a health plan subsidized by your or your spouse's employer or any amount you claim on line 4 of Form 8885. Also, do not include payments for qualified long-term care insurance.)	1.	_____
2. For coverage under a qualified long-term care insurance contract, enter for each person covered the smaller of the following amounts.		
a) Total payments made for that person during the year.		
b) The amount shown below. (Use the person's age at the end of the year.)		
\$270—if that person is age 40 or younger		
\$510—if age 41 to 50		
\$1,020—if age 51 to 60		
\$2,720—if age 61 to 70		
\$3,400—if age 71 or older		
(Do not include payments for any month you were eligible to participate in a long-term care insurance plan subsidized by your or your spouse's employer.) If more than one person is covered, figure separately the amount to enter for each person. Then enter the total of those amounts	2.	_____
3. Add the total of lines 1 and 2	3.	_____
4. Enter your net profit* and any other earned income** from the trade or business under which the insurance plan is established. (If the business is an S corporation, skip to line 11.)	4.	_____
5. Enter the total of all net profits* from: line 31, Schedule C (Form 1040); line 3, Schedule C-EZ (Form 1040); line 36, Schedule F (Form 1040); or box 14, code A, Schedule K-1 (Form 1065); plus any other income allocable to the profitable businesses. See the instructions for Schedule SE (Form 1040). (Do not include any net losses shown on these schedules.)	5.	_____
6. Divide line 4 by line 5	6.	_____
7. Multiply Form 1040, line 27 by the percentage on line 6	7.	_____
8. Subtract line 7 from line 4	8.	_____
9. Enter the amount, if any, from Form 1040, line 28, attributable to the same trade or business in which the insurance plan is established	9.	_____
10. Subtract line 9 from line 8	10.	_____
11. Enter your wages from an S corporation in which you are a more-than-2% shareholder and in which the insurance plan is established	11.	_____
12. Enter the amount from Form 2555, line 43, attributable to the amount entered on line 4 or 11 above, or the amount from Form 2555-EZ, line 18, attributable to the amount entered on line 11 above	12.	_____
13. Subtract line 12 from line 10 or 11, whichever applies	13.	_____
14. Compare the amounts on lines 3 and 13 above. Enter the smaller of the two amounts here and on Form 1040, line 29. (Do not include this amount when figuring a medical expense deduction on Schedule A (Form 1040).)	14.	_____

* If you used either optional method to figure your net earnings from self-employment from any business, do not enter your net profit from the business. Instead, enter the amount attributable to that business from Schedule SE, line 4b.

** **Earned income** includes net earnings and gains from the sale, transfer, or licensing of property you created. It does not include capital gain income.

Publication 560

Rate Worksheet for Self-Employed

- 1) Plan contribution rate as a decimal (for example, $10\frac{1}{2}\% = 0.105$)
- 2) Rate in line 1 plus 1 (for example, $0.105 + 1 = 1.105$)
- 3) Self-employed rate as a decimal rounded to at least 3 decimal places (line 1 ÷ line 2)

Rate Table for Self-Employed

Column A If the plan contribution rate is: (shown as %)	Column B Your rate is: (shown as decimal)
1	.009901
2	.019608
3	.029126
4	.038462
5	.047619
6	.056604
7	.065421
8	.074074
9	.082569
10	.090909
11	.099099
12	.107143
13	.115044
14	.122807
15	.130435
16	.137931
17	.145299
18	.152542
19	.159664
20	.166667
21	.173554
22	.180328
23	.186992
24	.193548
25*	.200000*

*The deduction for annual employer contributions (other than elective deferrals) to a SEP plan, a profit-sharing plan, or a money purchase plan, cannot be more than 20% of your net earnings (figured without deducting contributions for yourself) from the business that has the plan.

Deduction Worksheet for Self-Employed

Step 1	Enter your net profit from line 31, Schedule C (Form 1040); line 3, Schedule C-EZ (Form 1040); line 36, Schedule F (Form 1040); or box 14, code A*, Schedule K-1 (Form 1065)	
	*General partners should reduce this amount by the same additional expenses subtracted from box 14, code A to determine the amount on line 1 or 2 of Schedule SE	
Step 2	Enter your deduction for self-employment tax from line 27, Form 1040	
Step 3	Net earnings from self-employment. Subtract step 2 from step 1	
Step 4	Enter your rate from the <i>Rate Table for Self-Employed</i> or <i>Rate Worksheet for Self-Employed</i>	
Step 5	Multiply step 3 by step 4	
Step 6	Multiply \$210,000 by your plan contribution rate (not the reduced rate)	
Step 7	Enter the smaller of step 5 or step 6	
Step 8	Contribution dollar limit	\$42,000
	<ul style="list-style-type: none"> • If you made any elective deferrals, go to step 9. • Otherwise, skip steps 9 through 18 and enter the smaller of step 7 or step 8 on step 19. 	
Step 9	Enter your allowable elective deferrals made during 2005. Do not enter more than \$14,000	
Step 10	Subtract step 9 from step 8	
Step 11	Subtract step 9 from step 3	
Step 12	Enter one-half of step 11	
Step 13	Enter the smallest of step 7, 10, or 12	
Step 14	Subtract step 13 from step 3	
Step 15	Enter the smaller of step 9 or step 14	
	<ul style="list-style-type: none"> • If you made catch-up contributions, go to step 16. • Otherwise, skip steps 16 through 18 and go to step 19. 	
Step 16	Subtract step 15 from step 14	
Step 17	Enter your catch-up contributions, if any. Do not enter more than \$4,000	
Step 18	Enter the smaller of step 16 or step 17	
Step 19	Add steps 13, 15, and 18. This is your maximum deductible contribution	
	Next: Enter this amount on line 28, Form 1040.	

Publication 571

Worksheet 1. Maximum Amount Contributable (MAC)

Note. Use this worksheet to figure your MAC.

Part I. Limit on Annual Additions		
1.	Enter your includible compensation for your most recent year of service	1. _____
2.	Maximum	2. <u>\$42,000</u>
3.	Enter the lesser of line 1 or line 2. This is your limit on annual additions	3. _____
<p>Caution: If you had only nonelective contributions, skip Part II and enter the amount from line 3 on line 16.</p>		
Part II. Limit on Elective Deferrals		
4.	Maximum contribution <ul style="list-style-type: none"> • For 2005, enter \$14,000 • For 2006, enter \$15,000 	4. _____
<p>Note. If you have at least 15 years of service with a qualifying organization, complete lines 5 through 15. If not, enter zero (-0-) on line 14 and go to line 15.</p>		
5.	Amount per year of service	5. <u>\$ 5,000</u>
6.	Enter your years of service	6. _____
7.	Multiply line 5 by line 6	7. _____
8.	Enter the total of all elective deferrals for prior years made for you by qualifying organizations	8. _____
9.	Subtract line 8 from line 7. If zero or less, enter zero (-0-)	9. _____
10.	Maximum increase in limit for long service	10. <u>\$15,000</u>
11.	Enter all prior year increases in the limit for long service	11. _____
12.	Subtract line 11 from line 10	12. _____
13.	Maximum additional contributions	13. <u>\$ 3,000</u>
14.	Enter the least of lines 9, 12, or 13. This is your increase in the limit for long service	14. _____
15.	Add lines 4 and 14. This is your limit on elective deferrals	15. _____
Part III. Maximum Amount Contributable		
16.	<ul style="list-style-type: none"> • If you had only nonelective contributions, enter the amount from line 3. This is your MAC. • If you had only elective deferrals, enter the lesser of lines 3 or 15. This is your MAC. • If you had both elective deferrals and nonelective contributions, enter the amount from line 3. This is your MAC. (Use the amount on line 15 to determine if you have excess elective deferrals as explained in chapter 7.) 	16. _____

Worksheet A. Cost of Incidental Life Insurance

Note. Use this worksheet to figure the cost of incidental life insurance included in your annuity contract. This amount will be used to figure includible compensation for your most recent year of service.

1.	Enter the value of the contract (amount payable upon your death)	1.	_____
2.	Enter the cash value in the contract at the end of the year	2.	_____
3.	Subtract line 2 from line 1. This is the value of your current life insurance protection	3.	_____
4.	Enter your age on your birthday nearest the beginning of the policy year	4.	_____
5.	Enter the 1-year term premium for \$1,000 of life insurance based on your age. (From Figure 3-1)	5.	_____
6.	Divide line 3 by \$1,000	6.	_____
7.	Multiply line 6 by line 5. This is the cost of your incidental life insurance	7.	_____

Worksheet B. Includible Compensation for Your Most Recent Year of Service*

Note. Use this worksheet to figure includible compensation for your most recent year of service.

1.	Enter your includible wages from the employer maintaining your 403(b) account for your most recent year of service	1.	_____
2.	Enter elective deferrals for your most recent year of service	2.	_____
3.	Enter amounts contributed or deferred by your employer under a cafeteria plan for your most recent year of service	3.	_____
4.	Enter amounts contributed or deferred by your employer to your 457 account (a nonqualified plan of a state or local government or of a tax-exempt organization) for your most recent year of service	4.	_____
5.	Enter the value of qualified transportation fringe benefits you received from your employer for your most recent year of service	5.	_____
6.	Enter your foreign earned income exclusion for your most recent year of service	6.	_____
7.	Add lines 1, 2, 3, 4, 5, and 6	7.	_____
8.	Enter the cost of incidental life insurance that is part of your annuity contract for your most recent year of service	8.	_____
9.	Enter compensation that was both : <ul style="list-style-type: none"> • Earned during your most recent year of service, and • Earned while your employer was not qualified to maintain a 403(b) plan 	9.	_____
10.	Add lines 8 and 9	10.	_____
11.	Subtract line 10 from line 7. This is your includible compensation for your most recent year of service	11.	_____

* Use estimated amounts if figuring includible compensation before the end of the year.

Worksheet C. Limit on Catch-Up Contributions

Note. If you will be age 50 or older by the end of the year, use this worksheet to figure your limit on catch-up contributions.

1.	Maximum catch-up contributions	
	• For 2005, enter \$4,000	
	• For 2006, enter \$5,000	1. _____
2.	Enter your includible compensation for your most recent year of service	2. _____
3.	Enter your elective deferrals	3. _____
4.	Subtract line 3 from line 2	4. _____
5.	Enter the lesser of line 1 or line 4. This is your limit on catch-up contributions	5. _____

Proof as of
10/13/2005

Publication 587

Worksheet To Figure the Deduction for Business Use of Your Home

Use this worksheet if you file Schedule F (Form 1040) or you are an employee or a partner.

PART 1—Part of Your Home Used for Business:			
1) Area of home used for business			1) _____
2) Total area of home			2) _____
3) Percentage of home used for business (divide line 1 by line 2 and show result as percentage)			3) _____ %
PART 2—Figure Your Allowable Deduction			
4) Gross income from business (see instructions)			4) _____
	(a) Direct Expenses	(b) Indirect Expenses	
5) Casualty losses	5) _____	_____	
6) Deductible mortgage interest	6) _____	_____	
7) Real estate taxes	7) _____	_____	
8) Total of lines 5 through 7	8) _____	_____	
9) Multiply line 8, column (b), by line 3		9) _____	
10) Add line 8, column (a), and line 9		10) _____	
11) Business expenses not from business use of home (see instructions)		11) _____	
12) Add lines 10 and 11			12) _____
13) Deduction limit. Subtract line 12 from line 4			13) _____
14) Excess mortgage interest	14) _____	_____	
15) Insurance	15) _____	_____	
16) Repairs and maintenance	16) _____	_____	
17) Utilities	17) _____	_____	
18) Other expenses	18) _____	_____	
19) Add lines 14 through 18	19) _____	_____	
20) Multiply line 19, column (b) by line 3		20) _____	
21) Carryover of operating expenses from prior year (see instructions)		21) _____	
22) Add line 19, column (a), line 20, and line 21			22) _____
23) Allowable operating expenses. Enter the smaller of line 13 or line 22			23) _____
24) Limit on excess casualty losses and depreciation. Subtract line 23 from line 13			24) _____
25) Excess casualty losses (see instructions)		25) _____	
26) Depreciation of your home from line 38 below		26) _____	
27) Carryover of excess casualty losses and depreciation from prior year (see instructions)		27) _____	
28) Add lines 25 through 27			28) _____
29) Allowable excess casualty losses and depreciation. Enter the smaller of line 24 or line 28			29) _____
30) Add lines 10, 23, and 29			30) _____
31) Casualty losses included on lines 10 and 29 (see instructions)			31) _____
32) Allowable expenses for business use of your home. (Subtract line 31 from line 30.) See instructions for where to enter on your return			32) _____
PART 3—Depreciation of Your Home			
33) Smaller of adjusted basis or fair market value of home (see instructions)			33) _____
34) Basis of land			34) _____
35) Basis of building (subtract line 34 from line 33)			35) _____
36) Business basis of building (multiply line 35 by line 3)			36) _____
37) Depreciation percentage (from applicable table or method)			37) _____ %
38) Depreciation allowable (multiply line 36 by line 37)			38) _____
PART 4—Carryover of Unallowed Expenses to Next Year			
39) Operating expenses. Subtract line 23 from line 22. If less than zero, enter -0-			39) _____
40) Excess casualty losses and depreciation. Subtract line 29 from line 28. If less than zero, enter -0-			40) _____

Publication 590

Worksheet 1-2. Figuring Your Reduced IRA Deduction for 2005

(Use only if you or your spouse is covered by an employer plan and your modified AGI falls between the two amounts shown below for your coverage situation and filing status.)

Note. If you were married and both you and your spouse contributed to IRAs, figure your deduction and your spouse's deduction separately.

IF you ...	AND your filing status is ...	AND your modified AGI is over ...	THEN enter on line 1 below ...
are covered by an employer plan	single or head of household	\$50,000	\$60,000
	married filing jointly or qualifying widow(er)	\$70,000	\$80,000
	married filing separately	\$0	\$10,000
are not covered by an employer plan, but your spouse is covered	married filing jointly	\$150,000	\$160,000
	married filing separately	\$0	\$10,000

1. Enter applicable amount from table above 1. _____
2. Enter your **modified AGI** (that of both spouses, if married filing jointly) 2. _____
Note. If line 2 is equal to or more than the amount on line 1, **stop here.**
Your IRA contributions are not deductible. See *Nondeductible Contributions*.
3. Subtract line 2 from line 1. **If line 3 is \$10,000 or more, stop here.** You can take a full IRA deduction for contributions of up to \$4,000 (\$4,500 if you are 50 or older) or 100% of your (and if married filing jointly, your spouse's) compensation, whichever is less 3. _____
4. Multiply line 3 by 40% (.40) (by 45% (.45) if you are 50 or older). If the result is not a multiple of \$10, round it to the next highest multiple of \$10. (For example, \$611.40 is rounded to \$620.) However, if the result is less than \$200, enter \$200 4. _____
5. Enter your compensation minus any deductions on Form 1040, line 27 (one-half of self-employment tax) and line 28 (self-employed SEP, SIMPLE, and qualified plans). If you are filing a joint return and your compensation is less than your spouse's, include your spouse's compensation reduced by his or her traditional IRA and Roth IRA contributions for this year. If you file Form 1040, do not reduce your compensation by any losses from self-employment 5. _____
6. Enter contributions made, or to be made, to your IRA for 2005 but **do not** enter more than \$4,000 (\$4,500 if you are 50 or older). If contributions are more than \$4,000 (\$4,500 if you are 50 or older), see *Excess Contributions*, later. 6. _____
7. **IRA deduction.** Compare lines 4, 5, and 6. Enter the smallest amount (or a smaller amount if you choose) here and on the Form 1040 or 1040A line for your IRA, whichever applies. If line 6 is more than line 7 and you want to make a nondeductible contribution, go to line 8 7. _____
8. **Nondeductible contribution.** Subtract line 7 from line 5 or 6, whichever is smaller. Enter the result here and on line 1 of your Form 8606 8. _____

Worksheet 1-5. Figuring the Taxable Part of Your IRA Distribution

Use only if you made contributions to a traditional IRA for 2005 and have to figure the taxable part of your 2005 distributions to determine your modified AGI. See *Limit If Covered By Employer Plan*. Form 8606 and the related instructions will be needed when using this worksheet.

Note. When used in this worksheet, the term **outstanding rollover** refers to an amount distributed from a traditional IRA as part of a rollover that, as of December 31, 2005, had not yet been reinvested in another traditional IRA, but was still eligible to be rolled over tax free.

1. Enter the basis in your traditional IRA(s) as of December 31, 2004	1.	_____
2. Enter the total of all contributions made to your traditional IRAs during 2005 and all contributions made during 2006 that were for 2005, whether or not deductible . Do not include rollover contributions properly rolled over into IRAs. Also, do not include certain returned contributions described in the instructions for line 7, Part I, of Form 8606.	2.	_____
3. Add lines 1 and 2	3.	_____
4. Enter the value of all your traditional IRA(s) as of December 31, 2005 (include any outstanding rollovers from traditional IRAs to other traditional IRAs)	4.	_____
5. Enter the total distributions from traditional IRAs (including amounts converted to Roth IRAs that will be shown on line 16 of Form 8606) received in 2005. (Do not include outstanding rollovers included on line 4 or any rollovers between traditional IRAs completed by December 31, 2005. Also, do not include certain returned contributions described in the instructions for line 7, Part I, of Form 8606.)	5.	_____
6. Add lines 4 and 5	6.	_____
7. Divide line 3 by line 6. Enter the result as a decimal (rounded to at least three places). If the result is 1.000 or more, enter 1.000	7.	_____
8. Nontaxable portion of the distribution. Multiply line 5 by line 7. Enter the result here and on lines 13 and 17 of Form 8606	8.	_____
9. Taxable portion of the distribution (before adjustment for conversions). Subtract line 8 from line 5. Enter the result here and if there are no amounts converted to Roth IRAs, stop here and enter the result on line 15 of Form 8606	9.	_____
10. Enter the amount included on line 9 that is allocable to amounts converted to Roth IRAs by December 31, 2005. (See <i>Note</i> at the end of this worksheet.) Enter here and on line 18 of Form 8606	10.	_____
11. Taxable portion of the distribution (after adjustments for conversions). Subtract line 10 from line 9. Enter the result here and on line 15 of Form 8606	11.	_____

Note. If the amount on line 5 of this worksheet includes an amount converted to a Roth IRA by December 31, 2005 you must determine the percentage of the distribution allocable to the conversion. To figure the percentage, divide the amount converted (from line 16 of Form 8606) by the total distributions shown on line 5. To figure the amounts to include on line 10 of this worksheet and on line 18, Part II of Form 8606, multiply line 9 of the worksheet by the percentage you figured.

Worksheet 1. Computation of Modified AGI

If you receive social security benefits, have taxable compensation, contribute to your traditional IRA, and you or your spouse is covered by an employer retirement plan, complete the following worksheets. (See *Are You Covered by an Employer Plan?* in chapter 1.)

Use Worksheet 1 to figure your modified adjusted gross income. This amount is needed in the computation of your IRA deduction, if any, which is figured using Worksheet 2.

The IRA deduction figured using Worksheet 2 is entered on your tax return.

Worksheet 1

Computation of Modified AGI

(For use only by taxpayers who receive social security benefits)

Filing Status — Check only one box:

- A.** Married filing jointly
- B.** Single, Head of Household, Qualifying Widow(er), or Married filing separately and **lived apart** from your spouse during the **entire year**
- C.** Married filing separately and **lived with** your spouse at **any time** during the year

1. Adjusted gross income (AGI) from Form 1040 or Form 1040A (not taking into account any social security benefits from Form SSA-1099 or RRB-1099, any deduction for contributions to a traditional IRA, any student loan interest deduction, any tuition and fees deduction, any domestic production activities deduction, or any exclusion of interest from savings bonds to be reported on Form 8815)	1.	_____
2. Enter the amount in box 5 of all Forms SSA-1099 and Forms RRB-1099	2.	_____
3. Enter one-half of line 2	3.	_____
4. Enter the amount of any foreign earned income exclusion, foreign housing exclusion, U.S. possessions income exclusion, exclusion of income from Puerto Rico you claimed as a bona fide resident of Puerto Rico, or exclusion of employer-provided adoption benefits	4.	_____
5. Enter the amount of any tax-exempt interest reported on line 8b of Form 1040 or 1040A	5.	_____
6. Add lines 1, 3, 4, and 5	6.	_____
7. Enter the amount listed below for your filing status.		
• \$32,000 if you checked box A above.		
• \$25,000 if you checked box B above.		
• \$0 if you checked box C above.	7.	_____
8. Subtract line 7 from line 6. If zero or less, enter 0	8.	_____
9. If line 8 is zero, stop here . None of your social security benefits are taxable. If line 8 is more than 0, enter the amount listed below for your filing status.		
• \$12,000 if you checked box A above.		
• \$9,000 if you checked box B above.		
• \$0 if you checked box C above	9.	_____
10. Subtract line 9 from line 8. If zero or less, enter 0	10.	_____
11. Enter the smaller of line 8 or line 9	11.	_____
12. Enter one-half of line 11	12.	_____
13. Enter the smaller of line 3 or line 12	13.	_____
14. Multiply line 10 by .85. If line 10 is zero, enter 0	14.	_____
15. Add lines 13 and 14	15.	_____
16. Multiply line 2 by .85	16.	_____
17. Taxable benefits to be included in modified AGI for traditional IRA deduction purposes. Enter the smaller of line 15 or line 16	17.	_____
18. Enter the amount of any employer-provided adoption benefits exclusion and any foreign earned income exclusion and foreign housing exclusion or deduction that you claimed	18.	_____
19. Modified AGI for determining your reduced traditional IRA deduction – add lines 1, 17, and 18. Enter here and on line 2 of Worksheet 2, next	19.	_____

Worksheet 2. Computation of Traditional IRA Deduction

Worksheet 2 Computation of Traditional IRA Deduction For 2005 (For use only by taxpayers who receive social security benefits)		
IF your filing status is ...	AND your modified AGI is over ...	THEN enter on line 1 below ...
married filing jointly AND		
•you are covered by a retirement plan at work, or	\$70,000*	\$80,000
•you are not covered by an employer plan but your spouse is	\$150,000*	\$160,000
single, or head of household	\$50,000*	\$60,000
married filing separately**	\$0*	\$10,000
qualifying widow(er)	\$70,000*	\$80,000
<p>*If your modified AGI is <u>not</u> over this amount, you can take an IRA deduction for your contributions of up to the lesser of \$4,000 (\$4,500 if you are 50 or older) or your taxable compensation. Skip this worksheet, proceed to Worksheet 3, and enter your IRA deduction on line 2 of Worksheet 3.</p> <p>**If you did <u>not</u> live with your spouse <u>at any time</u> during the year, consider your filing status as single.</p> <p>Note: If you were married and you or your spouse worked and you both contributed to IRAs, figure the deduction for each of you separately.</p>		
<p>1. Enter the applicable amount from above 1. _____</p> <p>2. Enter your modified AGI from Worksheet 1, line 19 2. _____</p> <p>Note: If line 2 is equal to or more than the amount on line 1, stop here; your traditional IRA contributions are not deductible. Proceed to Worksheet 3.</p> <p>3. Subtract line 2 from line 1 3. _____</p> <p>4. Multiply line 3 by 40% (.40) (by 45% (.45) if you are 50 or older). If the result is not a multiple of \$10, round it to the next highest multiple of \$10. (For example, \$611.40 is rounded to \$620.) However, if the result is less than \$200, enter \$200. 4. _____</p> <p>5. Enter your compensation minus any deductions on Form 1040, line 27(one-half of self-employment tax) and line 28 (self-employed SEP, SIMPLE, and qualified plans). (If you are the lower-income spouse, include your spouse's compensation reduced by his or her traditional IRA and Roth IRA contributions for this year.) 5. _____</p> <p>6. Enter contributions you made, or plan to make, to your traditional IRA for 2005, but do not enter more than \$4,000 (\$4,500 if you are 50 or older) 6. _____</p> <p>7. Deduction. Compare lines 4, 5, and 6. Enter the smallest amount here (or a smaller amount if you choose). Enter this amount on the Form 1040 or 1040A line for your IRA. (If the amount on line 6 is more than the amount on line 7, complete line 8.) 7. _____</p> <p>8. Nondeductible contributions. Subtract line 7 from line 5 or 6, whichever is smaller. Enter the result here and on line 1 of your Form 8606, <i>Nondeductible IRAs</i>. 8. _____</p>		

Worksheet 3. Computation of Taxable Social Security Benefits

Worksheet 3

Computation of Taxable Social Security Benefits

(For use by taxpayers who receive social security benefits and take a traditional IRA deduction)

Filing Status — Check only one box:

- A.** Married filing jointly
- B.** Single, Head of Household, Qualifying Widow(er), or Married filing separately and ***lived apart*** from your spouse during the ***entire year***
- C.** Married filing separately and ***lived with*** your spouse at ***any time*** during the year

1. Adjusted gross income (AGI) from Form 1040 or Form 1040A (not taking into account any IRA deduction, any student loan interest deduction, any tuition and fees deduction, any social security benefits from Form SSA-1099 or RRB-1099, any domestic production activities deduction, or any exclusion of interest from savings bonds to be reported on Form 8815)	1.	_____
2. Deduction(s) from line 7 of Worksheet(s) 2	2.	_____
3. Subtract line 2 from line 1	3.	_____
4. Enter amount in box 5 of all Forms SSA-1099 and Forms RRB-1099	4.	_____
5. Enter one-half of line 4	5.	_____
6. Enter the amount of any foreign earned income exclusion, foreign housing exclusion, exclusion of income from U.S. possessions, exclusion of income from Puerto Rico you claimed as a bona fide resident of Puerto Rico, or exclusion of employer-provided adoption benefits	6.	_____
7. Enter the amount of any tax-exempt interest reported on line 8b of Form 1040 or 1040A	7.	_____
8. Add lines 3, 5, 6, and 7	8.	_____
9. Enter the amount listed below for your filing status.		
• \$32,000 if you checked box A above.		
• \$25,000 if you checked box B above.		
• \$0 if you checked box C above.	9.	_____
10. Subtract line 9 from line 8. If zero or less, enter 0 on this line.	10.	_____
11. If line 10 is zero, stop here . None of your social security benefits are taxable. If line 10 is more than 0, enter the amount listed below for your filing status.		
• \$12,000 if you checked box A above.		
• \$9,000 if you checked box B above.		
• \$0 if you checked box C above.	11.	_____
12. Subtract line 11 from line 10. If zero or less, enter 0	12.	_____
13. Enter the smaller of line 10 or line 11	13.	_____
14. Enter one-half of line 13	14.	_____
15. Enter the smaller of line 5 or line 14	15.	_____
16. Multiply line 12 by .85. If line 12 is zero, enter 0	16.	_____
17. Add lines 15 and 16	17.	_____
18. Multiply line 4 by .85	18.	_____
19. Taxable social security benefits. Enter the smaller of line 17 or line 18	19.	_____

Publication 596

Worksheet 1. Investment Income If You Are Filing Form 1040

Interest and Dividends			
1.	Enter any amount from Form 1040, line 8a.	1.	_____
2.	Enter any amount from Form 1040, line 8b, plus any amount on Form 8814, line 1b.	2.	_____
3.	Enter any amount from Form 1040, line 9a.	3.	_____
4.	Enter the amount from Form 1040, line 21, that is from Form 8814 if you are filing that form to report your child's interest and dividend income on your return. (See instructions below for line 4 if your child received an Alaska Permanent Fund dividend.)	4.	_____
Capital Gain Net Income			
5.	Enter the amount from Form 1040, line 13. If the amount on that line is a loss, enter -0-.	5.	_____
6.	Enter any gain from Form 4797, Sales of Business Property, line 7. If the amount on that line is a loss, enter -0-. (But, if you completed lines 8 and 9 of Form 4797, enter the amount from line 9 instead.)	6.	_____
7.	Subtract line 6 of this worksheet from line 5 of this worksheet. (If the result is less than zero, enter -0-.)	7.	_____
Royalties and Rental Income from Personal Property			
8.	Enter any royalty income from Schedule E, line 4, plus any income from the rental of personal property shown on Form 1040, line 21.	8.	_____
9.	Enter any expenses from Schedule E, line 21, related to royalty income, plus any expenses from the rental of personal property deducted on Form 1040, line 36.	9.	_____
10.	Subtract the amount on line 9 of this worksheet from the amount on line 8. (If the result is less than zero, enter -0-.)	10.	_____
Passive Activities			
11.	Enter the total of any net income from passive activities (included on Schedule E, lines 26, 29a (col. (g)), 34a (col. (d)), and 40). (See instructions below for lines 11 and 12.)	11.	_____
12.	Enter the total of any losses from passive activities (included on Schedule E, lines 26, 29b (col. (f)), 34b (col. (c)), and 40). (See instructions below for lines 11 and 12.)	12.	_____
13.	Combine the amounts on lines 11 and 12 of this worksheet. (If the result is less than zero, enter -0-.)	13.	_____
14.	Add the amounts on lines 1, 2, 3, 4, 7, 10, and 13. Enter the total. This is your Investment Income.	14.	_____
15.	Is the amount on line 14 more than \$2,700? <input type="checkbox"/> Yes. You cannot take the credit. <input type="checkbox"/> No. Go to Question 5 in Step 2 of your Form 1040 instructions to find out if you can take the credit (unless you are using this publication to find out if you can take the credit; in that case, go to <i>Rule 7</i> , next).		

Instructions for line 4 if your child received Alaska Permanent Fund dividends. To figure the amount to enter on line 4, start with the amount on line 6 of Form 8814. Multiply that amount by a percentage that is equal to any Alaska Permanent Fund dividends divided by the total amount of interest and dividend income on lines 1a and 2 of Form 8814. Subtract the result from the amount on line 6 of Form 8814.

Example. Your 10-year-old child has taxable interest income of \$1,500 and an Alaska Permanent Fund dividend of \$1,100. You choose to report this income on your return. You enter \$1,500 on line 1a of Form 8814, \$1,100 on line 2, and \$2,600 on line 4. You enter \$1,000 on line 6 of Form 8814 and line 21 of Form 1040. You figure the amount to enter on line 4 of this worksheet as follows:
 $\$1,000 - (\$1,000 \times (\$1,100 \div \$2,600)) = \$577.$

Instructions for lines 11 and 12. In figuring the amount to enter on lines 11 and 12, do not take into account any royalty income (or loss) included on line 26 of Schedule E or any amount included in your earned income. To find out if the income on line 26 or line 40 of Schedule E is from a passive activity, see the Schedule E instructions. If any of the rental real estate income (or loss) included on Schedule E, line 26, is not from a passive activity, print "NPA" and the amount of that income (or loss) on the dotted line next to line 26.

Publication 721

Worksheet A. Simplified Method

Keep for Your Records



See the instructions in Part II of this publication under *Simplified Method*.

1. Enter the total annuity payments received this year. Also, add this amount to the total for Form 1040, line 16a, or Form 1040A, line 12a **1.** _____
2. Enter your cost in the plan at the annuity starting date plus any death benefit exclusion* **2.** _____
Note: If your annuity starting date was **before this year** and you completed this worksheet last year, skip line 3 and enter the amount from line 4 of last year's worksheet on line 4 below. Otherwise, go to line 3.
3. Enter the appropriate number from Table 1 or 2 below. Use Table 2 if your annuity starting date is after 1997 and payments are for your life **and** the life of your beneficiary. Otherwise use Table 1 . . . **3.** _____
4. Divide line 2 by line 3 **4.** _____
5. Multiply line 4 by the number of months for which this year's payments were made. If your annuity starting date was **before** 1987, enter this amount on line 8 below and skip lines 6, 7, 10, and 11. Otherwise go to line 6 **5.** _____
6. Enter any amounts previously recovered tax free in years after 1986 **6.** _____
7. Subtract line 6 from line 2 **7.** _____
8. Enter the **smaller** of line 5 or line 7 **8.** _____
9. **Taxable amount for year.** Subtract line 8 from line 1. Enter the result, but not less than zero. Also add this amount to the total for Form 1040, line 16b, or Form 1040A, line 12b. If your Form CSA 1099R or Form CSF 1099R shows a larger amount, use the amount on this line instead **9.** _____
10. Add lines 6 and 8 **10.** _____
11. **Balance of cost to be recovered.** Subtract line 10 from line 2 **11.** _____

Table 1 for Line 3 Above

IF the age at annuity starting date was . . .	AND your annuity starting date was—	
	before November 19, 1996, enter on line 3	after November 18, 1996, enter on line 3
55 or under	300	360
56–60	260	310
61–65	240	260
66–70	170	210
71 or over	120	160

Table 2 for Line 3 Above

IF the combined ages at annuity starting date were . . .	THEN enter on line 3
110 or under	410
111–120	360
121–130	310
131–140	260
141 or over	210

*A death benefit exclusion up to \$5,000 applied to certain benefits received by survivors of employees who died before August 21, 1996.

Worksheet B. **Lump-Sum Payment**

Keep for Your Records



See the instructions in Part II of this publication under *Alternative Annuity Option*.

1. Enter your lump-sum credit (your cost in the plan at the annuity starting date)	1.	_____
2. Enter the present value of your annuity contract	2.	_____
3. Divide line 1 by line 2	3.	_____
4. Tax-free amount. Multiply line 1 by line 3. (<i>Caution: Do not include this amount on line 6 of Worksheet A in this publication.</i>)	4.	_____
5. Taxable amount (net cost in the plan). Subtract line 4 from line 1. Include this amount in the total on line 16b of Form 1040 or line 12b of Form 1040A. Also, enter this amount on line 2 of Worksheet A in this publication.	5.	_____

Worksheet C. **Limited Taxable Amount for Nonresident Alien**



1. Enter the otherwise taxable amount of the CSRS or FERS annuity (from line 9 of Worksheet A) or TSP distributions	1.	_____
2. Enter the total U.S. Government basic pay other than tax-exempt pay for services performed outside the United States	2.	_____
3. Enter the total U.S. Government basic pay for all services	3.	_____
4. Divide line 2 by line 3	4.	_____
5. Limited taxable amount. Multiply line 1 by line 4. Enter this amount on Form 1040NR, line 17b	5.	_____

Worksheet D. **Lump-Sum Payment at End of Survivor Annuity**



1. Enter the lump-sum payment	1.	_____
2. Enter the amount of annuity previously received tax free	2.	_____
3. Add lines 1 and 2	3.	_____
4. Enter the employee's total cost	4.	_____
5. Taxable amount. Subtract line 4 from line 3. Enter the result, but not less than zero	5.	_____

Worksheet E. **Lump-Sum Payment to Estate or Other Beneficiary**



1. Enter the lump-sum payment	1.	_____
2. Enter the amount of annuity received tax free by the retiree	2.	_____
3. Add lines 1 and 2	3.	_____
4. Enter the total cost	4.	_____
5. Taxable amount. Subtract line 4 from line 3. Enter the result, but not less than zero	5.	_____

Publication 915

Worksheet 1. Figuring Your Taxable Benefits

Before you begin: Is your filing status *Married filing separately*?



No. Go to line 1 below.

Yes. Did you live apart from your spouse all year?

No. Go to line 1 below.

Yes. Do the following if you file:

Form 1040: Enter "D" to the right of the word "benefits" on line 20a, then go to line 1 below.

Form 1040A: Enter "D" to the right of the word "benefits" on line 14a, then go to line 1 below.

1. Enter the total amount from box 5 of ALL your Forms SSA-1099 and RRB-1099 **1.** _____
Note: If line 1 is zero or less, stop here; none of your benefits are taxable. Otherwise, go to line 2.
2. Enter one-half of line 1 **2.** _____
3. Enter the total of the amounts from:
Form 1040: Lines 7, 8a, 8b, 9a, 10-14, 15b, 16b, 17-19, and 21
Form 1040A: Lines 7, 8a, 8b, 9a, 10, 11b, 12b, and 13 **3.** _____
4. **Form 1040 filers:** Enter the total of any exclusions/adjustments for:
 - Qualified U.S. savings bond interest (Form 8815, line 14)
 - Adoption benefits (Form 8839, line 30)
 - Foreign earned income or housing (Form 2555, lines 43 and 48, or Form 2555-EZ, line 18)
 - Certain income of bona fide residents of American Samoa (Form 4563, line 15) or Puerto Rico, and
 - Domestic production activities (Form 8903, line 19)**Form 1040A filers:** Enter the total of any exclusions for:
 - Qualified U.S. savings bond interest (Form 8815, line 14)
 - Adoption benefits (Form 8839, line 30) **4.** _____
5. Add lines 2, 3, and 4 **5.** _____
6. **Form 1040 filers:** Enter the amount from Form 1040, line 36, minus any amounts on Form 1040, lines 33 and 34.
Form 1040A filers: Enter the amount from Form 1040A, line 20, minus any amounts on Form 1040A, lines 18 and 19 **6.** _____
7. Is the amount on line 6 less than the amount on line 5?
No. None of your social security benefits are taxable.
Yes. Subtract line 6 from line 5 **7.** _____
8. If you are:
 - Married filing jointly, enter \$32,000
 - Single, head of household, qualifying widow(er), or married filing separately and you **lived apart** from your spouse for all of 2005, enter \$25,000 **8.** _____**Note:** If you are married filing separately and you lived with your spouse at any time in 2005, skip lines 8 through 15; multiply line 7 by 85% (.85) and enter the result on line 16. Then go to line 17.
9. Is the amount on line 8 less than the amount on line 7?
No. None of your benefits are taxable. Do not enter any amounts on Form 1040, line 20a or 20b, or on Form 1040A, line 14a or 14b. But if you are married filing separately and you lived apart from your spouse for all of 2005, enter -0- on Form 1040, line 20b, or on Form 1040A, line 14b.
Yes. Subtract line 8 from line 7 **9.** _____
10. Enter \$12,000 if married filing jointly; \$9,000 if single, head of household, qualifying widow(er), or married filing separately and you **lived apart** from your spouse for all of 2005 **10.** _____
11. Subtract line 10 from line 9. If zero or less, enter -0- **11.** _____
12. Enter the **smaller** of line 9 or line 10 **12.** _____
13. Enter one-half of line 12 **13.** _____
14. Enter the **smaller** of line 2 or line 13 **14.** _____
15. Multiply line 11 by 85% (.85). If line 11 is zero, enter -0- **15.** _____
16. Add lines 14 and 15 **16.** _____
17. Multiply line 1 by 85% (.85) **17.** _____
18. **Taxable benefits.** Enter the **smaller** of line 16 or line 17 **18.** _____
 - Enter the amount from line 1 above on Form 1040, line 20a, or on Form 1040A, line 14a.
 - Enter the amount from line 18 above on Form 1040, line 20b, or on Form 1040A, line 14b.

Note: If you received a lump-sum payment in this year that was for an earlier year, also complete Worksheet 2 or 3 and Worksheet 4 to see whether you can report a lower taxable benefit.

Worksheet 2. **Figure Your Additional Taxable Benefits (From a Lump-Sum Payment for a Year After 1993)**



Enter earlier year _____

1. Enter the total amount from box 5 of ALL your Forms SSA-1099 and RRB-1099 for the earlier year, plus the lump-sum payment for the earlier year received after that year	1.	_____
Note: If line 1 is zero or less, skip lines 2 through 20 and enter -0- on line 21. Otherwise, go on to line 2.		
2. Enter one-half of line 1	2.	_____
3. Enter the adjusted gross income reported on your return for the earlier year	3.	_____
4. Enter the total of any exclusions/adjustments you claimed in the earlier year for:		
• Adoption benefits (Form 8839)		
• Qualified U.S. savings bond interest (Form 8815)		
• Student loan interest (Form 1040, page 1, or Form 1040A, page 1)		
• Tuition and fees (Form 1040, page 1, or Form 1040A, page 1)		
• Foreign earned income or housing (Form 2555 or Form 2555-EZ)		
• Certain income of bona fide residents of American Samoa (Form 4563) or Puerto Rico	4.	_____
5. Enter any tax-exempt interest received in the earlier year	5.	_____
6. Add lines 2, 3, 4, and 5	6.	_____
7. Enter taxable benefits reported on your return for the earlier year	7.	_____
8. Subtract line 7 from line 6	8.	_____
9. If for the earlier year you were:		
• Married filing jointly, enter \$32,000		
• Single, head of household, qualifying widow(er), married filing separately and lived apart from your spouse for all of the earlier year, enter \$25,000		
• Married filing separately and lived with your spouse at any time during the earlier year, enter -0-	9.	_____
10. Is the amount on line 8 more than the amount on line 9?		
No. Skip lines 10-20 and enter -0- on line 21.		
Yes. Subtract line 9 from line 8	10.	_____
11. Enter \$9,000 (\$12,000 if married filing jointly for the earlier year; \$0 if married filing separately for the earlier year and you lived with your spouse at any time during the year)	11.	_____
12. Subtract line 11 from line 10. If zero or less, enter -0-	12.	_____
13. Enter the smaller of line 10 or line 11	13.	_____
14. Enter one-half of line 13	14.	_____
15. Enter the smaller of line 2 or line 14	15.	_____
16. Multiply line 12 by 85% (.85). If line 12 is zero, enter -0-	16.	_____
17. Add lines 15 and 16	17.	_____
18. Multiply line 1 by 85% (.85)	18.	_____
19. Refigured taxable benefits. Enter the smaller of line 17 or line 18	19.	_____
20. Enter taxable benefits reported on your return for the earlier year (or as refigured due to a previous lump-sum payment for the year)	20.	_____
21. Additional taxable benefits. Subtract line 20 from line 19. Also enter this amount on line 19 of Worksheet 4	21.	_____

Note: Do not file an amended return for this earlier year. Complete a separate Worksheet 2 or Worksheet 3 for each earlier year for which you received a lump-sum payment in 2005.

Worksheet 3. Figure Your Additional Taxable Benefits (From a Lump-Sum Payment for a Year Before 1994)

Enter earlier year _____

1.	Enter the total amount from box 5 of ALL your Forms SSA-1099 and RRB-1099 for the earlier year, plus the lump-sum payment for the earlier year received after that year	1.	_____
Note: If line 1 is zero or less, skip lines 2 through 13 and enter -0- on line 14. Otherwise, go on to line 2.			
2.	Enter one-half of line 1	2.	_____
3.	Enter the adjusted gross income reported on your return for the earlier year	3.	_____
4.	Enter the total of any exclusions/adjustments you claimed in the earlier year for:		
	• Qualified U.S. savings bond interest (Form 8815)		
	• Foreign earned income or housing (Form 2555 or Form 2555-EZ)		
	• Certain income of bona fide residents of American Samoa (Form 4563) or Puerto Rico	4.	_____
5.	Enter any tax-exempt interest received in the earlier year	5.	_____
6.	Add lines 2, 3, 4, and 5	6.	_____
7.	Enter taxable benefits reported on your return for the earlier year	7.	_____
8.	Subtract line 7 from line 6	8.	_____
9.	Enter \$25,000 (\$32,000 if married filing jointly for the earlier year; \$0 if married filing separately for the earlier year and you lived with your spouse at any time during the year)	9.	_____
10.	Is line 8 more than line 9?		
	No. Skip lines 10–13 and enter -0- on line 14.		
	Yes. Subtract line 9 from line 8.	10.	_____
11.	Enter one-half of line 10	11.	_____
12.	Refigured taxable benefits. Enter the smaller of line 2 or line 11	12.	_____
13.	Enter taxable benefits reported on your return for the earlier year (or as refigured due to a previous lump-sum payment for the year)	13.	_____
14.	Additional taxable benefits. Subtract line 13 from line 12. Also enter this amount on line 19 of Worksheet 4	14.	_____

Note: Do not file an amended return for this earlier year. Complete a separate Worksheet 2 or Worksheet 3 for each earlier year for which you received a lump-sum payment in 2005.

**Worksheet 4. Figure Your Taxable Benefits Under the Lump-Sum Election Method
(Use With Worksheet 2 or 3)**

Complete Worksheet 1 and Worksheets 2 and 3 as appropriate before completing this worksheet.

1. Enter the total amount from box 5 of ALL your Forms SSA-1099 and RRB-1099 for 2005, minus the lump-sum payment for years before 2005 **1.** _____
Note: If line 1 is zero or less, enter zero on lines 2 and 11 and skip lines 3 through 10. Otherwise, go on to line 2.
 2. Enter one-half of line 1 **2.** _____
 3. Enter the amount from line 3 of Worksheet 1 **3.** _____
 4. Enter the amount from line 4 of Worksheet 1 **4.** _____
 5. Add lines 2, 3, and 4 **5.** _____
 6. Enter the amount from line 6 of Worksheet 1 **6.** _____
 7. Subtract line 6 from line 5 **7.** _____
 8. Enter the amount from line 8 of Worksheet 1. (Enter -0- if you are married filing separately and lived with your spouse at any time during 2005.) **8.** _____
 9. Is line 7 more than line 8?
No. Skip lines 9–17 and enter -0- on line 18.
Yes. Subtract line 8 from line 7 **9.** _____
 10. Enter the amount from line 10 of Worksheet 1. (Enter -0- if you are married filing separately and lived with your spouse at any time during 2005.) **10.** _____
 11. Subtract line 10 from line 9. If zero or less, enter -0- **11.** _____
 12. Enter the **smaller** of line 9 or line 10 **12.** _____
 13. Enter one-half of line 12 **13.** _____
 14. Enter the **smaller** of line 2 or line 13 **14.** _____
 15. Multiply line 11 by 85% (.85). If line 11 is zero, enter -0- **15.** _____
 16. Add lines 14 and 15 **16.** _____
 17. Multiply line 1 by 85% (.85) **17.** _____
 18. Enter the **smaller** of line 16 or line 17 **18.** _____
 19. Enter the total of the amounts from line 21 of Worksheet 2 and line 14 of Worksheet 3 for all earlier years for which the lump-sum payment was received **19.** _____
 20. **Taxable benefits under lump-sum election method.** Add lines 18 and 19 **20.** _____
- Next:** Is line 20 above smaller than line 18 of Worksheet 1?
No. You cannot use this method to figure your taxable benefits. Follow the instructions on Worksheet 1 to report your benefits.
Yes. You can elect to report your taxable benefits under this method. **To elect this method:**
- Make the following entries on your return:
On Form 1040, enter "LSE" to the left of line 20a.
On Form 1040A, enter "LSE" to the left of line 14a.
 - Enter the amount from line 1 of Worksheet 1 on Form 1040, line 20a, or on Form 1040A, line 14a. If you are married filing separately and you lived apart from your spouse for all of 2005, also make the entries described at the top of Worksheet 1.
 - If line 20 above is zero, follow the instructions in line 9 for "No" on Worksheet 1. Otherwise, enter the amount from line 20 above on Form 1040, line 20b, or on 1040A, line 14b.

Publication 929

Worksheet 1 for Line 11 of the Schedule D Tax Worksheet – 28% Rate Gain, (Line 9 Tax)

1. Enter the amount, if any, from the child's Schedule D, line 18. _____
If line 1 is zero or blank, skip lines 2 through 4, enter -0- on line 5, and go to line 6.
2. Enter the amount from the last
line of the child's completed
Line 5 Worksheet in the
instructions for Form 8615, line 8 _____
3. Enter the amount from line 2
of the child's completed
Line 5 Worksheet _____
4. Divide line 2 by line 3. Enter
the result as a decimal _____
5. Multiply line 1 by line 4 _____
6. If no other child has 28% rate gain, enter -0-. Otherwise, repeat lines 1 through 5 above
for each other child who has
28% rate gain and enter the total
of the line 5 amounts for those other children _____
7. Enter the amount, if any, from line 18 of the parent's Schedule D. _____
8. Add lines 5, 6, and 7. Also include this amount on the *Schedule D Tax Worksheet*, line
11. _____

Worksheet 2 for Line 11 of the Schedule D Tax Worksheet – Unrecaptured Section 1250 Gain, (Line 9 Tax)

1. Enter the amount, if any, from the child's Schedule D, line 19. _____
**If line 1 is zero or blank, skip lines 2 through 4, enter -0-
on line 5, and go to line 6.**
2. Enter the amount, if any, from
the last line of the child's
completed *Line 5 Worksheet* in the instructions for Form 8615, line 8 _____
3. Enter the amount from line 2 of the child's completed *Line 5 Worksheet* _____
4. Divide line 2 by line 3. Enter
the result as a decimal _____
5. Multiply line 1 by line 4 _____
6. If no other child has unrecaptured section 1250 gain, enter -0-. Otherwise, repeat lines 1
through 5 for each other child who has unrecaptured section 1250 gain and enter the
total of the line 5 amounts for those children _____
7. Enter the amount, if any, from line 19 of the parent's Schedule D _____
8. Add lines 5, 6, and 7. Also include this amount on the *Schedule D Tax Worksheet*, line
11. _____

**Alternate Worksheet
for Form 8615, Line 1**

- A.** Enter the amount from the child's Form 1040, line 22, or Form 1040NR, line 23 _____
- B.** Enter the total of any net loss from self-employment, any net operating loss deduction, any foreign earned income exclusion, and any foreign housing exclusion from the child's Form 1040 or Form 1040NR. Enter this total as a positive number (greater than zero) _____
- C.** Add line A and line B and enter the total. _____
- D.** Enter the child's earned income plus any amount from the child's Form 1040, line 27, or the child's Form 1040NR, line 29. _____
- Generally, the child's earned income is the total of the amounts reported on Form 1040, lines 7, 12, and 18 (if line 12 or 18 is a loss, use zero) or Form 1040NR, lines 8, 13, and 19 (if line 13 or 19 is a loss, use zero)
- E.** Subtract line D from line C. Enter the result here and on Form 8615, line 1 _____

Proof 25 of
10/13/2005

Publication 936

Table 1. Worksheet To Figure Your Qualified Loan Limit and Deductible Home Mortgage Interest For the Current Year

See the *Table 1 Instructions*.

(Keep for your records.)

Part I Qualified Loan Limit		
1.	Enter the average balance of all your grandfathered debt. See line 1 instructions . . .	1.
2.	Enter the average balance of all your home acquisition debt. See line 2 instructions . . .	2.
3.	Enter \$1,000,000 (\$500,000 if married filing separately)	3.
4.	Enter the larger of the amount on line 1 or the amount on line 3	4.
5.	Add the amounts on lines 1 and 2. Enter the total here	5.
6.	Enter the smaller of the amount on line 4 or the amount on line 5	6.
7.	Enter \$100,000 (\$50,000 if married filing separately). See the line 7 instructions for a limit that may apply	7.
8.	Add the amounts on lines 6 and 7. Enter the total. This is your qualified loan limit . .	8.
Part II Deductible Home Mortgage Interest		
9.	Enter the total of the average balances of all mortgages on all qualified homes. See line 9 instructions	9.
	<ul style="list-style-type: none"> • If line 8 is less than line 9, go on to line 10. • If line 8 is equal to or more than line 9, stop here. All of your interest on all the mortgages included on line 9 is deductible as home mortgage interest on Schedule A (Form 1040). 	
10.	Enter the total amount of interest that you paid. See line 10 instructions	10.
11.	Divide the amount on line 8 by the amount on line 9. Enter the result as a decimal amount (rounded to three places)	11.
12.	Multiply the amount on line 10 by the decimal amount on line 11. Enter the result. This is your deductible home mortgage interest. Enter this amount on Schedule A (Form 1040)	12.
13.	Subtract the amount on line 12 from the amount on line 10. Enter the result. This is not home mortgage interest. See line 13 instructions	13.

Publication 946

Depreciation Worksheet for Passenger Automobiles



Part I

1. MACRS system (GDS or ADS) _____
2. Property class _____
3. Date placed in service _____
4. Recovery period _____
5. Method and convention _____
6. Depreciation rate (from tables) _____

7. Maximum depreciation deduction for this year from the appropriate table _____
8. Business/investment-use percentage _____
9. Multiply line 7 by line 8. This is your adjusted maximum depreciation deduction _____
10. Section 179 deduction claimed this year (not more than line 9). Enter -0- if this is not the year you placed the car in service. _____

Note.

- 1) If line 10 is equal to line 9, stop here. Your combined section 179 and depreciation deduction (including your special depreciation allowance or Liberty Zone depreciation allowance) is limited to the amount on line 9.
- 2) If line 10 is less than line 9, complete Part II.

Part II

11. Subtract line 10 from line 9. This is the limit on the amount you can deduct for depreciation (including any special depreciation allowance or Liberty Zone depreciation allowance) _____
12. Cost or other basis (reduced by any section 179A deduction¹ or credit for electric vehicles²) _____
13. Multiply line 12 by line 8. This is your business/investment cost _____
14. Section 179 deduction claimed in the year you placed the car in service _____
15. Subtract line 14 from line 13. This is your tentative basis for depreciation _____
16. Multiply line 15 by .30 if the 30% special depreciation allowance (or Liberty Zone depreciation allowance) applies. Multiply line 15 by .50 if the 50% special depreciation allowance applies. This is your special depreciation allowance (or Liberty Zone depreciation allowance). Enter -0- if this is not the year you placed the car in service, the car is not qualified property (or Liberty Zone property), or you elected not to claim a special depreciation allowance (or Liberty Zone depreciation allowance). _____

Note.

- 1) If line 16 is equal to line 11, stop here. Your depreciation deduction (including your special depreciation allowance or Liberty Zone depreciation allowance) is limited to the amount on line 11.
- 2) If line 16 is less than line 11, complete Part III.

Part III

17. Subtract line 16 from line 11. This is the limit on the amount you can deduct for MACRS depreciation _____
18. Subtract line 16 from line 15. This is your basis for depreciation _____
19. Multiply line 18 by line 6. This is your tentative MACRS depreciation deduction _____
20. Enter the lesser of line 17 or line 19. This is your MACRS depreciation deduction _____

¹The section 179A deduction is for clean-fuel vehicles or clean-fuel vehicle refueling property. When figuring the amount to enter on line 12, do not reduce your cost or other basis by any section 179 deduction you claimed for your car.

²Reduce the basis by the lesser of \$4,000 or 10% of the cost of the vehicle even if the credit is less than that amount.

Publication 970

Worksheet 7-3. Coverdell ESA — Taxable Withdrawals and Basis

How to complete this worksheet.

- Complete Part I, lines A through H, on only one worksheet.
- Complete a separate Part II, lines 1 through 15, for each of your Coverdell ESAs.
- Complete Part III, the Summary (line 16), on only one worksheet.

Part I. Qualified Education Expenses (Complete for total expenses)

- | | |
|---|----------|
| A. Enter your total qualified education expenses for 2005 | A. _____ |
| B. Enter those qualified education expenses paid for with tax-free educational assistance (for example, tax-free scholarships, veterans' educational benefits, Pell grants, employer-provided educational assistance) | B. _____ |
| C. Enter those qualified higher education expenses deducted on Schedule C or C-EZ (Form 1040), Schedule F (Form 1040), or as a miscellaneous itemized deduction on Schedule A (Form 1040) | C. _____ |
| D. Enter those qualified higher education expenses on which a Hope or lifetime learning credit was based | D. _____ |
| E. Add lines B, C, and D | E. _____ |
| F. Subtract line E from line A. This is your adjusted qualified education expense for 2005 | F. _____ |
| G. Enter your total distributions from all Coverdell ESAs during 2005. Do not include rollovers or the return of excess contributions (see instructions) | G. _____ |
| H. Divide line F by line G. Enter the result as a decimal (rounded to at least 3 places). If the result is 1.000 or more, enter 1.000 | H. _____ |

Part II. Taxable Distributions and Basis (Complete separately for each account)

- | | |
|--|-----------|
| 1. Enter the amount contributed to this Coverdell ESA for 2005, including contributions made for 2005 from January 1, 2006, through April 17, 2006. Do not include rollovers or the return of excess contributions | 1. _____ |
| 2. Enter your basis in this Coverdell ESA as of December 31, 2004 (see instructions) | 2. _____ |
| 3. Add lines 1 and 2 | 3. _____ |
| 4. Enter the total distributions from this Coverdell ESA during 2005. Do not include rollovers or the return of excess contributions (see instructions) | 4. _____ |
| 5. Multiply line 4 by line H. This is the amount of adjusted qualified education expense attributable to this Coverdell ESA | 5. _____ |
| 6. Subtract line 5 from line 4 | 6. _____ |
| 7. Enter the total value of this Coverdell ESA as of December 31, 2005, plus any outstanding rollovers (see instructions) | 7. _____ |
| 8. Add lines 4 and 7 | 8. _____ |
| 9. Divide line 3 by line 8. Enter the result as a decimal (rounded to at least 3 places). If the result is 1.000 or more, enter 1.000 | 9. _____ |
| 10. Multiply line 4 by line 9. This is the amount of basis allocated to your distributions, and is tax free | 10. _____ |
| Note: If line 6 is zero, skip lines 11 through 13, enter -0- on line 14, and go to line 15. | |
| 11. Subtract line 10 from line 4 | 11. _____ |
| 12. Divide line 5 by line 4. Enter the result as a decimal (rounded to at least 3 places). If the result is 1.000 or more, enter 1.000 | 12. _____ |
| 13. Multiply line 11 by line 12. This is the amount of qualified education expenses allocated to your distributions, and is tax free | 13. _____ |
| 14. Subtract line 13 from line 11. This is the portion of the distributions from this Coverdell ESA in 2005 that you must include in income | 14. _____ |
| 15. Subtract line 10 from line 3. This is your basis in this Coverdell ESA as of December 31, 2005 | 15. _____ |

Part III. Summary (Complete only once)

- | | |
|--|-----------|
| 16. Taxable amount. Add together all amounts on line 14 for all your Coverdell ESAs. Enter here and include on Form 1040, line 21 , listing the type and amount of income on the dotted line | 16. _____ |
|--|-----------|

Child Tax Credit Worksheet

Keep for Your Records



To be a qualifying child for the child tax credit, the child must be **under age 17** at the end of 2005 and meet the other requirements listed on page 2.



Part 1

1. Number of qualifying children: _____ × \$1,000. Enter the result. **1**

1	
----------	--

2. Enter the amount from Form 1040, line 38, or Form 1040A, line 22.

2	
----------	--

3. **1040 Filers.** Enter the total of any—

- Exclusion of income from Puerto Rico, and
- Amounts from Form 2555, lines 43 and 48; Form 2555-EZ, line 18; and Form 4563, line 15.

1040A Filers. Enter -0-.

3	
----------	--

4. Add lines 2 and 3. Enter the total.

4	
----------	--

5. Enter the amount shown below for your filing status.

- Married filing jointly - \$110,000
- Single, head of household, or qualifying widow(er) - \$75,000
- Married filing separately - \$55,000

5	
----------	--

6. Is the amount on line 4 more than the amount on line 5?

No. Leave line 6 blank. Enter -0- on line 7.

Yes. Subtract line 5 from line 4.

If the result is not a multiple of \$1,000, increase it to the next multiple of \$1,000. For example, increase \$425 to \$1,000, increase \$1,025 to \$2,000, etc.

6	
----------	--

7. Multiply the amount on line 6 by 5% (.05). Enter the result.

7	
----------	--

8. Is the amount on line 1 more than the amount on line 7?

No.

You cannot take the child tax credit on Form 1040, line 52, or Form 1040A, line 33. You also cannot take the additional child tax credit on Form 1040, line 68, or Form 1040A, line 42. Complete the rest of your Form 1040 or 1040A.

Yes. Subtract line 7 from line 1. Enter the result.

Go to Part 2 on the next page.

8	
----------	--

Part 2

9. Enter the amount from Form 1040, line 46, or Form 1040A, line 28. 9

10. Add the amounts from—

Form 1040	or	Form 1040A	
Line 47			_____
Line 48		Line 29	+ _____
Line 49		Line 30	+ _____
Line 50		Line 31	+ _____
Line 51		Line 32	+ _____
Enter the total.			10

11. Are you claiming any of the following credits?

- Adoption credit, Form 8839
- Mortgage interest credit, Form 8396
- District of Columbia first-time homebuyer credit, Form 8859

No. Enter the amount from line 10.

Yes. Complete the Line 11 Worksheet on the next page to figure the amount to enter here.

} 11

12. Subtract line 11 from line 9. Enter the result. 12

13. Is the amount on line 8 of this worksheet more than the amount on line 12?

No. Enter the amount from line 8.

Yes. Enter the amount from line 12. See the **TIP** below.

} **This is your child tax credit.**

} 13

Enter this amount on Form 1040, line 52, or Form 1040A, line 33.



You may be able to take the **additional child tax credit** on Form 1040, line 68, or Form 1040A, line 42, only if you answered “Yes” on line 13.

- First, complete your Form 1040 through line 67, or Form 1040A through line 41a.
- Then, use Form 8812 to figure any additional child tax credit.

Before you begin: ✓ Complete the Taxable Earned Income Worksheet on page 8 or 9 that applies to you.



Use this worksheet only if you answered “Yes” on line 11 of the Child Tax Credit Worksheet on page 5.

1. Enter the amount from line 8 of the Child Tax Credit Worksheet on page 4.	1	
2. Enter your taxable earned income from the worksheet on page 8 or 9 that applies to you.	2	
3. Is the amount on line 2 more than \$11,000? <input type="checkbox"/> No. Leave line 3 blank, enter -0- on line 4, and go to line 5. <input type="checkbox"/> Yes. Subtract \$11,000 from the amount on line 2. Enter the result.	3	
4. Multiply the amount on line 3 by 15% (.15) and enter the result.	4	
5. Is the amount on line 1 of the Child Tax Credit Worksheet on page 4 \$3,000 or more? <input type="checkbox"/> No. If line 4 above is zero, stop. Do not complete the rest of this worksheet. Instead, go back to the Child Tax Credit Worksheet on page 5 and do the following. Enter the amount from line 10 on line 11 and complete lines 12 and 13. If line 4 above is more than zero, leave lines 6 through 9 blank, enter -0- on line 10, and go to line 11 on the next page. <input type="checkbox"/> Yes. If line 4 above is equal to or more than line 1 above, leave lines 6 through 9 blank, enter -0- on line 10, and go to line 11 on the next page. Otherwise, see <i>1040 filers</i> and <i>1040A filers</i> on page 7 and then go to line 6.		
6. Enter the total of the following amounts from Form(s) W-2: <ul style="list-style-type: none"> • Social security taxes from box 4, and • Medicare taxes from box 6. Railroad employees, see the bottom of page 7.	6	
7. 1040 filers. Enter the total of any— <ul style="list-style-type: none"> • Amounts from Form 1040, lines 27 and 59, and • Uncollected social security and Medicare or tier 1 RRTA taxes shown in box 12 of your Form(s) W-2 with codes A, B, M, and N. 1040A filers. Enter -0-.	7	
8. Add lines 6 and 7. Enter the total.	8	
9. 1040 filers. Enter the total of the amounts from Form 1040, lines 66a and 67. 1040A filers. Enter the total of any— <ul style="list-style-type: none"> • Amount from Form 1040A, line 41a, and • Excess social security and tier 1 RRTA taxes withheld that you entered to the left of Form 1040A, line 43. 	9	
10. Subtract line 9 from line 8. If the result is zero or less, enter -0-. <i>Go to line 11 on the next page.</i>	10	

If married filing jointly, include your spouse's amounts with yours when completing lines 6 and 7.

11. Enter the **larger** of line 4 or line 10.

11	
----	--

12. Is the amount on line 11 of this worksheet more than the amount on line 1?

No. Subtract line 11 from line 1. Enter the result.

Yes. Enter -0-.

12	
----	--

Next, figure the amount of any of the following credits that you are claiming. Use the amount from line 12 above when you are asked to enter the amount from Form 1040, line 52, or Form 1040A, line 33.

- Adoption credit, Form 8839
- Mortgage interest credit, Form 8396
- District of Columbia first-time homebuyer credit, Form 8859

Then, go to line 13.

13. Enter the total of the amounts from—

- Form 8839, line 18, and
- Form 8396, line 11, and
- Form 8859, line 11.

13	
----	--

14. Enter the amount from line 10 of the Child Tax Credit Worksheet on page 5.

14	
----	--

15. Add lines 13 and 14. Enter the total.

15	
----	--

Enter this amount on line 11 of the Child Tax Credit Worksheet on page 5.

1040 filers. Complete lines 59, 66a, and 67 of your return if they apply to you.

1040A filers. Complete line 41a of your return if it applies to you. If you, or your spouse if filing jointly, had more than one employer for 2005 and total wages of over \$90,000, figure any excess social security and railroad retirement (RRTA) taxes withheld. See the instructions for Form 1040A, line 43.

Railroad employees. Include the following taxes in the total on line 6 of the Line 11 Worksheet.

- ✓ Tier 1 tax withheld from your pay.
This tax should be shown in box 14 of your Form(s) W-2 and identified as “Tier 1 tax.”
- ✓ If you were an employee representative, 50% of the total Tier 1 tax and Tier 1 Medicare tax you paid for 2005.



1040 Filers - Taxable Earned Income Worksheet

Before you begin:

- ✓ Use this worksheet only if you were sent here from the Line 11 Worksheet on page 6 of this publication or line 4a of Form 8812, Additional Child Tax Credit.
- ✓ Disregard community property laws when figuring the amounts to enter on this worksheet.
- ✓ If married filing jointly, include your spouse's amounts with yours when completing this worksheet.

1. **a.** Enter the amount from Form 1040, line 7 **1a.** _____
- b.** Enter the amount of any nontaxable combat pay received. Also enter this amount on Form 8812, line 4b. This amount should be shown in Form(s) W-2, box 12, with code Q. **1b.** _____
Next, if you are filing Schedule C, C-EZ, F, or SE, or you received a Schedule K-1 (Form 1065 or Form 1065-B), go to line 2a. Otherwise, skip lines 2a through 2e and go to line 3.
2. **a.** Enter any statutory employee income reported on line 1 of Schedule C or C-EZ **2a.** _____
- b.** Enter any net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code K1.* Reduce this amount by any unreimbursed nonfarm partnership expenses you deducted on Schedule E. **Do not** include any statutory employee income or any other amounts exempt from self-employment tax. Options and commodities dealers must add any gain or subtract any loss (in the normal course of dealing in or trading section 1256 contracts) from section 1256 contracts or related property **2b.** _____
- c.** Enter any net farm profit or (loss) from Schedule F, line 36, and from farm partnerships, Schedule K-1 (Form 1065), box 14, code A.* Reduce this amount by any unreimbursed farm partnership expenses you deducted on Schedule E. **Do not** include any amounts exempt from self-employment tax **2c.** _____
- d.** If you used the farm optional method to figure net earnings from self-employment, enter the amount from Schedule SE, Section B, line 15. Otherwise, skip this line and enter on line 2e the amount from line 2c. **2d.** _____
- e.** If line 2c is a profit, enter the **smaller** of line 2c or line 2d. If line 2c is a (loss), enter the (loss) from line 2c. **2e.** _____
3. Combine lines 1a, 1b, 2a, 2b, and 2e. If zero or less, **stop**. Do not complete the rest of this worksheet. Instead, enter -0- on line 2 of the Line 11 Worksheet on page 6 or line 4a of Form 8812, whichever applies . . **3.** _____
4. Enter any amount included on line 1a that is:
 - a.** A scholarship or fellowship grant not reported on Form W-2 **4a.** _____
 - b.** For work done while an inmate in a penal institution (enter "PRI" and this amount on the dotted line next to line 7 of Form 1040) **4b.** _____
 - c.** A pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan (enter "DFC" and this amount on the dotted line next to line 7 of Form 1040). This amount may be shown in box 11 of your Form W-2. If you received such an amount but box 11 is blank, contact your employer for the amount received as a pension or annuity. **4c.** _____
5. **a.** Enter any amount included on line 3 that is also included on Form 2555, line 41, or Form 2555-EZ, line 18. **Do not** include any amount that is also included on line 4a, 4b, or 4c above **5a.** _____
- b.** Enter the amount, if any, from Form 2555, line 42, that is also deducted on Schedule C, C-EZ, or F, or included on Schedule E in partnership net income or (loss) **5b.** _____
- c.** Subtract line 5b from line 5a **5c.** _____
6. Enter the amount from Form 1040, line 27 **6.** _____
7. Add lines 4a through 4c, 5c, and 6 **7.** _____
8. Subtract line 7 from line 3 **8.** _____
 - If you were sent here from the Line 11 Worksheet on page 6, enter this amount on line 2 of that worksheet.
 - If you were sent here from Form 8812, enter this amount on line 4a of that form.

**If you have any Schedule K-1 amounts and you are not required to file Schedule SE, complete the appropriate line(s) of Schedule SE, Section A. Put your name and social security number on Schedule SE and attach it to your return.*



1040A Filers - Taxable Earned Income Worksheet

Before you begin:

- ✓ Use this worksheet only if you were sent here from the Line 11 Worksheet on page 6 of this publication.
- ✓ Disregard community property laws when figuring the amounts to enter on this worksheet.

1. a. Enter the amount from Form 1040A, line 7 **1a.** _____

b. Enter the amount of any nontaxable combat pay received. Also enter this amount on Form 8812, line 4b. This amount should be shown in Form(s) W-2, box 14, with code Q. **1b.** _____

c. Add lines 1a and 1b. **1c.** _____

2. Enter any amount included on line 1a that is:

a. A scholarship or fellowship grant not reported on Form W-2 **2a.** _____

b. For work done while an inmate in a penal institution (enter "PRI" and this amount next to line 7 of Form 1040A) **2b.** _____

c. A pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan (enter "DFC" and this amount next to line 7 of Form 1040A). This amount may be shown in box 11 of your Form W-2. If you received such an amount but box 11 is blank, contact your employer for the amount received as a pension or annuity **2c.** _____

3. Add lines 2a through 2c **3.** _____

4. Subtract line 3 from line 1c. Enter the result here and on line 2 of the Line 11 Worksheet on page 6 **4.** _____