
2004

Publication 3194

Laminated Tax Forms



The IRS Mission

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

Reproducible Copies of Federal Tax Forms

Publication 3194 contains reproducible copies of tax forms. These forms may be reproduced and filed with the Internal Revenue Service.

The following products are included in this publication:

Publication 2053-B, *Join in the Programs*

Form 1040, *U.S. Individual Income Tax Return*

Form 1040A, *U.S. Individual Income Tax Return*

Form 1040EZ, *Income Tax Return for Single and Joint Filers With No Dependents*

Form 1040 Sch. A&B, *Itemized Deductions/Interest and Ordinary Dividends*

Form 1040 Sch. C, *Profit or Loss From Business*

Form 1040 Sch. D, *Capital Gains and Losses*

Form 1040 Sch. E, *Supplemental Income and Loss*

Form 1040 Sch. EIC, *Earned Income Credit*

Form 1040 Sch. SE, *Self-Employment Tax*

Form 1040X, *Amended U.S. Individual Income Tax Return*

Form 2106, *Employee Business Expenses*

Form 2441, *Child and Dependent Care Expenses*

Form 4868, *Application for Automatic Extension of Time to File U.S. Individual Income Tax Return*

Form 6251, *Alternative Minimum Tax - Individuals*

Form 8822, *Change of Address*

Form 8863, *Education Credits (Hope and Lifetime Learning Credits)*

Helpful Hints

- To obtain clean, clear copies, follow the machine instructions completely.
- Do not tear or destroy the original copy.
- Handle all originals with care.
- Do not remove the publication or original from this location.

Quick and Easy Access To Tax Products

To obtain products that are not included in this publication, see inside for additional information about other sources for tax material and assistance.

Don't guess whether you qualify for the EITC. Know!

I'll qualify



I won't

The EITC is a tax credit for people who work hard and don't make much money. You must meet certain requirements to be eligible.

There's a lot to know about qualifying for the Earned Income Tax Credit. But the most important thing to know is you can get help figuring it all out.

Find out if you qualify for the EITC. Call 1-800-829-3676 for the free IRS Publication 596, *Earned Income Credit*. Visit us on the web at www.irs.gov/eitc, call 1-800-TAX-1040 or ask your tax preparer if you qualify. When it comes to getting help claiming everything you honestly deserve, **consider it done!**

Join In The Programs

Community Based Outlet Programs

The Internal Revenue Service and local community businesses and government across the United States are working together to increase accessibility of tax materials to the public.



Copy Center Program

Through this program, copy centers can offer taxpayers a wide variety of IRS forms with instructions for photocopying.



Credit Union Program

The IRS provides credit unions with a variety of reproducible tax materials to make available to their members.



Grocery Store/Pharmacy Program

Grocery stores and pharmacies are provided laminated tax forms, which they may attach to a self-service photocopy machine.



City and County Governments Program

City and County government agencies are provided a variety of tax products so that the community will have easy access to federal tax materials and information.



Corporate Partnership Program

This program provides employers, of 100 or more employees, with a free copy of the **Publication 1796, Federal Tax Products** on CD-ROM. The employer can load this information on their Intranet or local area network so employees can access information.

- For further information on any of the above programs contact our Customer Service Representative at 1-916-636-7705.



Post Office Program

The IRS supplies various tax materials to over 16,000 post offices nationwide. These include individual forms, schedules and instructions.



Library Program

Participating libraries make available forms, schedules and instructions in either reproducible format, or bulk forms. Currently over 11,000 libraries participate in this program.

- Post offices and libraries may contact the IRS at 1-800-829-2765.

General Assistance Information

Earned Income Tax Credit

Find out if you're eligible. Call 1-800-829-3676 for our free IRS **Publication 596, Earned Income Credit**, or visit our web site at www.irs.gov.



consider it done

61 Million People Know the Quick, Easy, Smart Way to Get Their Taxes DONE!

IRS *e-file* is the fastest, easiest and most convenient way to file your income tax return. So easy, millions of people prefer to e-file over filing a paper tax return. You can e-file through a tax professional, a personal computer, or if you receive a TeleFile Tax Package, over the telephone. With **IRS e-file**, your return is quickly checked for errors or other missing information and you receive a receipt that your return was accepted for processing within 48 hours. You also get your refund in half the time as paper filers do and even faster with Direct Deposit. Sign your return electronically and file a completely paperless return. And if you have a balance due, you can file early and authorize an electronic funds withdrawal from your checking or savings account or pay by credit card up to and including April 15, 2005. Millions of taxpayers are eligible to use **FREE FILE** services accessible through IRS.gov. **FREE FILE** allows you to use free online commercial tax preparation software and e-file services to file your federal income tax return. If you don't qualify for **FREE FILE** other low-cost electronic filing options are available on our Partners Page located on IRS.gov.

For more information about this fast, convenient filing method, visit www.irs.gov.

**Do more than surf the web with your computer.
Do your taxes that way too.**

Taxpayer Advocacy Panel (TAP)

The IRS Taxpayer Advocacy Panel is an independent volunteer advisory group appointed by the Secretary of the Treasury. The TAP assists the IRS in identifying ways and methodologies of improving service and customer satisfaction. For more information, visit their web site at www.improveirs.org.

Taxpayer Advocate Service

If you have an ongoing issue with the IRS that has not been resolved through normal channels, or are about to suffer a significant hardship as a result of the application of the tax laws, contact the Taxpayer Advocate Service for assistance at 1-877-777-4778.



Quick and Easy Access to IRS Tax Help and Tax Products



Personal Computer

You can access the IRS website 24 hours a day, 7 days a week, at www.irs.gov to:

- Access commercial tax preparation and *e-file* services available for FREE to eligible taxpayers
- Check the status of your 2004 refund
- Download forms, instructions, and publications
- Order IRS products online
- See answers to frequently asked tax questions
- Search publications online by topic or keyword
- Figure your withholding allowances using our Withholding Calculator
- Send us comments or request help by email
- Sign up to receive local and national tax news by email



Mail

Send your order for tax products to the Distribution Center nearest you. You should receive your products within 10 days after we receive your order.

- **Western part of U.S.**
Western Area Distribution Center
Rancho Cordova, CA 95743-0001
- **Central part of U.S.**
Central Area Distribution Center
P.O. Box 8903
Bloomington, IL 61702-8903
- **Eastern part of U.S. and foreign addresses:**
Eastern Area Distribution Center
P.O. Box 85074
Richmond, VA 23261-5074



IRS TaxFax Service

Dial **703-368-9694** from your fax machine to get up to 3 items per call. Long-distance charges may apply. Follow the directions of the prompts and your items will be immediately faxed back to you.

For help with transmission problems, call the FedWorld Help Desk at **(703) 487-4608**.



Phone

Obtain forms, instructions, and publications by calling:

1-800-829-3676 to order current year forms, instructions, and publications and prior year forms and instructions. You should receive your order within 10 days.



Walk-In

Pick up certain forms, instructions and publications at many post offices, libraries and IRS offices. Some grocery stores, copy centers, city and county government offices, credit unions and office supply stores have a collection of reproducible tax forms available to photocopy or print from a CD-ROM.



CD-ROM

Order IRS Publication 1796, Federal Tax Products on CD-ROM, and obtain:

- Current tax forms, instructions, and publications
- Prior-year tax forms and instructions
- Popular tax forms which may be filled-in electronically, printed out for submission, and saved for recordkeeping
- Internal Revenue Bulletin

Purchase the CD-ROM via Internet at <http://www.irs.gov/cdorders> from the National Technical Information Service (NTIS) for \$22 (no handling fee). Order by phone at 1-877-CDFORMS (1-877-233-6767) for \$22 (plus \$5 handling fee).

Availability: First release—early January
Final release—late February

Minimum System Requirements:

The 2004 Federal Tax Products CD-ROM can be used with the following operating systems (Windows 98SE, NT 4 (w/ SP 6), ME, 2000 (w/ SP 2), XP; Mac OS X v.10.2.2-10.3). It requires a minimum of 64 MB RAM, 128 MB RAM recommended; and a minimum of 120 MB available hard drive space. System requires either an Intel® Pentium® processor or PowerPC® G3 processor. Software is provided to view, search, **fill-in and save forms** using the free Adobe® Reader® 6.02. IRS applies document rights to their PDF forms so they can be filled in and saved locally using the free Adobe Reader. Some forms on the CD-ROM are intended as information only and may not be filled in and submitted as an official IRS form (e.g., Forms 1099, W-2, and W-3). **Additionally, this CD-ROM does not support electronic filing.**



Label

(See instructions on page 16.)

Use the IRS label.

Otherwise, please print or type.

Presidential Election Campaign (See page 16.)

Label Here

For the year Jan. 1–Dec. 31, 2004, or other tax year beginning , 2004, ending , 20
Your first name and initial Last name
If a joint return, spouse's first name and initial Last name
Home address (number and street). If you have a P.O. box, see page 16. Apt. no.
City, town or post office, state, and ZIP code. If you have a foreign address, see page 16.

OMB No. 1545-0074
Your social security number
Spouse's social security number

Important! You must enter your SSN(s) above.

You Spouse
Yes No Yes No

Note. Checking "Yes" will not change your tax or reduce your refund. Do you, or your spouse if filing a joint return, want \$3 to go to this fund?

Filing Status

Check only one box.

- 1 Single
2 Married filing jointly (even if only one had income)
3 Married filing separately. Enter spouse's SSN above and full name here.
4 Head of household (with qualifying person). (See page 17.) If the qualifying person is a child but not your dependent, enter this child's name here.
5 Qualifying widow(er) with dependent child (see page 17)

Exemptions

If more than four dependents, see page 18.

6a Yourself. If someone can claim you as a dependent, do not check box 6a
6b Spouse
6c Dependents: (1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) if qualifying child for child tax credit (see page 18)
6d Total number of exemptions claimed

Boxes checked on 6a and 6b
No. of children on 6c who:
lived with you
did not live with you due to divorce or separation (see page 18)
Dependents on 6c not entered above
Add numbers on lines above

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see page 19.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

Table with 2 columns: Description and Amount. Rows include: 7 Wages, salaries, tips, etc. Attach Form(s) W-2; 8a Taxable interest; 8b Tax-exempt interest; 9a Ordinary dividends; 9b Qualified dividends; 10 Taxable refunds, credits, or offsets of state and local income taxes; 11 Alimony received; 12 Business income or (loss); 13 Capital gain or (loss); 14 Other gains or (losses); 15a IRA distributions; 15b Taxable amount; 16a Pensions and annuities; 16b Taxable amount; 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc.; 18 Farm income or (loss); 19 Unemployment compensation; 20a Social security benefits; 20b Taxable amount; 21 Other income; 22 Total income.

Adjusted Gross Income

Table with 2 columns: Description and Amount. Rows include: 23 Educator expenses; 24 Certain business expenses of reservists, performing artists, and fee-basis government officials; 25 IRA deduction; 26 Student loan interest deduction; 27 Tuition and fees deduction; 28 Health savings account deduction; 29 Moving expenses; 30 One-half of self-employment tax; 31 Self-employed health insurance deduction; 32 Self-employed SEP, SIMPLE, and qualified plans; 33 Penalty on early withdrawal of savings; 34a Alimony paid; 34b Recipient's SSN; 35 Total adjusted gross income; 36 Adjusted gross income after deductions.

Tax and Credits

37 Amount from line 36 (adjusted gross income)
38a Check [] You were born before January 2, 1940, [] Blind. Total boxes checked 38a
if: [] Spouse was born before January 2, 1940, [] Blind.
b If your spouse itemizes on a separate return or you were a dual-status alien, see page 31 and check here 38b
39 Itemized deductions (from Schedule A) or your standard deduction (see left margin)
40 Subtract line 39 from line 37
41 If line 37 is \$107,025 or less, multiply \$3,100 by the total number of exemptions claimed on line 6d. If line 37 is over \$107,025, see the worksheet on page 33
42 Taxable income. Subtract line 41 from line 40. If line 41 is more than line 40, enter -0-
43 Tax (see page 33). Check if any tax is from: a [] Form(s) 8814 b [] Form 4972
44 Alternative minimum tax (see page 35). Attach Form 6251
45 Add lines 43 and 44
46 Foreign tax credit. Attach Form 1116 if required
47 Credit for child and dependent care expenses. Attach Form 2441
48 Credit for the elderly or the disabled. Attach Schedule R
49 Education credits. Attach Form 8863
50 Retirement savings contributions credit. Attach Form 8880
51 Child tax credit (see page 37)
52 Adoption credit. Attach Form 8839
53 Credits from: a [] Form 8396 b [] Form 8859
54 Other credits. Check applicable box(es): a [] Form 3800 b [] Form 8801 c [] Specify
55 Add lines 46 through 54. These are your total credits
56 Subtract line 55 from line 45. If line 55 is more than line 45, enter -0-

Other Taxes

57 Self-employment tax. Attach Schedule SE
58 Social security and Medicare tax on tip income not reported to employer. Attach Form 4137
59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required
60 Advance earned income credit payments from Form(s) W-2
61 Household employment taxes. Attach Schedule H
62 Add lines 56 through 61. This is your total tax

Payments

If you have a qualifying child, attach Schedule EIC.

63 Federal income tax withheld from Forms W-2 and 1099
64 2004 estimated tax payments and amount applied from 2003 return
65a Earned income credit (EIC)
b Nontaxable combat pay election 65b
66 Excess social security and tier 1 RRTA tax withheld (see page 54)
67 Additional child tax credit. Attach Form 8812
68 Amount paid with request for extension to file (see page 54)
69 Other payments from: a [] Form 2439 b [] Form 4136 c [] Form 8885
70 Add lines 63, 64, 65a, and 66 through 69. These are your total payments

Refund

Direct deposit? See page 54 and fill in 72b, 72c, and 72d.

71 If line 70 is more than line 62, subtract line 62 from line 70. This is the amount you overpaid
72a Amount of line 71 you want refunded to you
b Routing number
c Type: [] Checking [] Savings
d Account number
73 Amount of line 71 you want applied to your 2005 estimated tax

Amount You Owe

74 Amount you owe. Subtract line 70 from line 62. For details on how to pay, see page 55
75 Estimated tax penalty (see page 55)

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 56)? [] Yes. Complete the following. [] No
Designee's name Phone no. Personal identification number (PIN)

Sign Here

Joint return? See page 17. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.
Your signature Date Your occupation Daytime phone number
Spouse's signature. If a joint return, both must sign. Date Spouse's occupation

Paid Preparer's Use Only

Preparer's signature Date Check if self-employed [] Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code EIN Phone no.

Label
(See page 18.)

Use the IRS label.
Otherwise, please print or type.

LABEL HERE	Your first name and initial	Last name	
	If a joint return, spouse's first name and initial	Last name	
	Home address (number and street). If you have a P.O. box, see page 18.		Apt. no.
	City, town or post office, state, and ZIP code. If you have a foreign address, see page 18.		

OMB No. 1545-0085

Your social security number

Spouse's social security number

▲ Important! ▲
You must enter your SSN(s) above.

Presidential Election Campaign
(See page 18.)

Note. Checking "Yes" will not change your tax or reduce your refund. Do you, or your spouse if filing a joint return, want \$3 to go to this fund? . . .

You Yes No Spouse Yes No

Filing status
Check only one box.

- 1 Single
- 2 Married filing jointly (even if only one had income)
- 3 Married filing separately. Enter spouse's SSN above and full name here. ▶
- 4 Head of household (with qualifying person). (See page 19.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
- 5 Qualifying widow(er) with dependent child (see page 19)

Exemptions

6a **Yourself.** If someone can claim you as a dependent, **do not check** box 6a.

b **Spouse**

c **Dependents:**

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if qualifying child for child tax credit (see page 21)
				<input type="checkbox"/>

d Total number of exemptions claimed. Add numbers on lines above ▶

If more than six dependents, see page 20.

Income

Attach Form(s) W-2 here. Also attach Form(s) 1099-R if tax was withheld.

If you did not get a W-2, see page 22.

Enclose, but do not attach, any payment.

7 Wages, salaries, tips, etc. Attach Form(s) W-2.	7
8a Taxable interest. Attach Schedule 1 if required.	8a
b Tax-exempt interest. Do not include on line 8a.	8b
9a Ordinary dividends. Attach Schedule 1 if required.	9a
b Qualified dividends (see page 23).	9b
10 Capital gain distributions (see page 23).	10
11a IRA distributions.	11a
11b Taxable amount (see page 23).	11b
12a Pensions and annuities.	12a
12b Taxable amount (see page 24).	12b
13 Unemployment compensation and Alaska Permanent Fund dividends.	13
14a Social security benefits.	14a
14b Taxable amount (see page 26).	14b
15 Add lines 7 through 14b (far right column). This is your total income .	15
16 Educator expenses (see page 26).	16
17 IRA deduction (see page 26).	17
18 Student loan interest deduction (see page 29).	18
19 Tuition and fees deduction (see page 29).	19
20 Add lines 16 through 19. These are your total adjustments .	20
21 Subtract line 20 from line 15. This is your adjusted gross income .	21

Adjusted gross income

Label (See page 11.) Use the IRS label. Otherwise, please print or type.

Label Here

Form fields for name, address, and social security numbers.

Your social security number
Spouse's social security number

Important! You must enter your SSN(s) above.

Presidential Election Campaign (page 11)

Note. Checking "Yes" will not change your tax or reduce your refund. Do you, or your spouse if a joint return, want \$3 to go to this fund?

Income

Attach Form(s) W-2 here. Enclose, but do not attach, any payment.

Table with 3 columns: Line number, Description, and Amount. Lines 1-6 covering wages, interest, unemployment, adjusted gross income, and taxable income.

Note. You must check Yes or No.

Payments and tax

Table with 3 columns: Line number, Description, and Amount. Lines 7-10 covering federal income tax withheld, EIC, total payments, and tax.

Refund

Have it directly deposited! See page 18 and fill in 11b, 11c, and 11d.

Table with 3 columns: Line number, Description, and Amount. Line 11a for refund and routing/account numbers.

Amount you owe

Table with 3 columns: Line number, Description, and Amount. Line 12 for amount you owe.

Third party designee

Form for third party designee with fields for name, phone, and PIN.

Sign here

Joint return? See page 11. Keep a copy for your records.

Signature area with fields for signature, date, occupation, and phone number for both taxpayer and spouse.

Paid preparer's use only

Form for paid preparer with fields for signature, date, self-employed status, SSN/PTIN, firm name, EIN, and phone number.

Use this form if

- Your filing status is single or married filing jointly. If you are not sure about your filing status, see page 11.
- You (and your spouse if married filing jointly) were under age 65 and not blind at the end of 2004. If you were born on January 1, 1940, you are considered to be age 65 at the end of 2004.
- You do not claim any dependents. For information on dependents, use TeleTax topic 354 (see page 6).
- Your taxable income (line 6) is less than \$100,000.
- You do not claim any adjustments to income. For information on adjustments to income, use TeleTax topics 451-458 (see page 6).
- The only tax credit you can claim is the earned income credit. For information on credits, use TeleTax topics 601-608 and 610 (see page 6).
- You had only wages, salaries, tips, taxable scholarship or fellowship grants, unemployment compensation, or Alaska Permanent Fund dividends, and your taxable interest was not over \$1,500. But if you earned tips, including allocated tips, that are not included in box 5 and box 7 of your Form W-2, you may not be able to use Form 1040EZ (see page 12). If you are planning to use Form 1040EZ for a child who received Alaska Permanent Fund dividends, see page 13.
- You did not receive any advance earned income credit payments. If you cannot use this form, use TeleTax topic 352 (see page 6).

Filling in your return

For tips on how to avoid common mistakes, see page 20.

If you received a scholarship or fellowship grant or tax-exempt interest income, such as on municipal bonds, see the booklet before filling in the form. Also, see the booklet if you received a Form 1099-INT showing federal income tax withheld or if federal income tax was withheld from your unemployment compensation or Alaska Permanent Fund dividends.

Remember, you must report all wages, salaries, and tips even if you do not get a Form W-2 from your employer. You must also report all your taxable interest, including interest from banks, savings and loans, credit unions, etc., even if you do not get a Form 1099-INT.

Worksheet for dependents who checked "Yes" on line 5

(keep a copy for your records)

Use this worksheet to figure the amount to enter on line 5 if someone can claim you (or your spouse if married filing jointly) as a dependent, even if that person chooses not to do so. To find out if someone can claim you as a dependent, use TeleTax topic 354 (see page 6).

A. Amount, if any, from line 1 on front	_____		
	+ 250.00	Enter total ►	A. _____
B. Minimum standard deduction			B. _____ 800.00
C. Enter the larger of line A or line B here			C. _____
D. Maximum standard deduction. If single , enter \$4,850; if married filing jointly , enter \$9,700			D. _____
E. Enter the smaller of line C or line D here. This is your standard deduction			E. _____
F. Exemption amount.			}
● If single, enter -0-.			
● If married filing jointly and— —both you and your spouse can be claimed as dependents, enter -0-. —only one of you can be claimed as a dependent, enter \$3,100.			
G. Add lines E and F. Enter the total here and on line 5 on the front			G. _____

If you checked "No" on line 5 because no one can claim you (or your spouse if married filing jointly) as a dependent, enter on line 5 the amount shown below that applies to you.

- Single, enter \$7,950. This is the total of your standard deduction (\$4,850) and your exemption (\$3,100).
- Married filing jointly, enter \$15,900. This is the total of your standard deduction (\$9,700), your exemption (\$3,100), and your spouse's exemption (\$3,100).

Mailing return

Mail your return by **April 15, 2005**. Use the envelope that came with your booklet. If you do not have that envelope or if you moved during the year, see the back cover for the address to use.

SCHEDULES A&B
(Form 1040)

Schedule A—Itemized Deductions

OMB No. 1545-0074

2004

Attachment
Sequence No. **07**

Department of the Treasury
Internal Revenue Service (J)

(Schedule B is on back)

▶ **Attach to Form 1040.** ▶ **See Instructions for Schedules A and B (Form 1040).**

Name(s) shown on Form 1040

Your social security number

Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others.			
	1 Medical and dental expenses (see page A-2)	1		
	2 Enter amount from Form 1040, line 37 2	2		
	3 Multiply line 2 by 7.5% (.075)	3		
4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-			4	
Taxes You Paid (See page A-2.)	5 State and local (check only one box):	5		
	a <input type="checkbox"/> Income taxes, or			
	b <input type="checkbox"/> General sales taxes (see page A-2)			
	6 Real estate taxes (see page A-3)	6		
	7 Personal property taxes	7		
8 Other taxes. List type and amount ▶	8			
9 Add lines 5 through 8			9	
Interest You Paid (See page A-3.)	10 Home mortgage interest and points reported to you on Form 1098	10		
	11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-4 and show that person's name, identifying no., and address ▶	11		
	12 Points not reported to you on Form 1098. See page A-4 for special rules	12		
	13 Investment interest. Attach Form 4952 if required. (See page A-4.)	13		
14 Add lines 10 through 13			14	
Gifts to Charity If you made a gift and got a benefit for it, see page A-4.	15 Gifts by cash or check. If you made any gift of \$250 or more, see page A-4	15		
	16 Other than by cash or check. If any gift of \$250 or more, see page A-4. You must attach Form 8283 if over \$500	16		
	17 Carryover from prior year	17		
	18 Add lines 15 through 17			18
Casualty and Theft Losses	19 Casualty or theft loss(es). Attach Form 4684. (See page A-5.)			19
Job Expenses and Most Other Miscellaneous Deductions (See page A-5.)	20 Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-6.) ▶	20		
	21 Tax preparation fees	21		
	22 Other expenses—investment, safe deposit box, etc. List type and amount ▶	22		
	23 Add lines 20 through 22	23		
	24 Enter amount from Form 1040, line 37 24	24		
	25 Multiply line 24 by 2% (.02)	25		
26 Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-			26	
Other Miscellaneous Deductions	27 Other—from list on page A-6. List type and amount ▶			27
Total Itemized Deductions	28 Is Form 1040, line 37, over \$142,700 (over \$71,350 if married filing separately)?			28
	<input type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 39.			
	<input type="checkbox"/> Yes. Your deduction may be limited. See page A-6 for the amount to enter.			

**SCHEDULE C
(Form 1040)**

Profit or Loss From Business

(Sole Proprietorship)

OMB No. 1545-0074

2004

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (J)

► **Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.**
► **Attach to Form 1040 or 1041.** ► **See Instructions for Schedule C (Form 1040).**

Name of proprietor _____ Social security number (SSN) _____

A Principal business or profession, including product or service (see page C-2 of the instructions) **B** Enter code from pages C-7, 8, & 9

C Business name. If no separate business name, leave blank. **D** Employer ID number (EIN), if any

E Business address (including suite or room no.) ► _____
City, town or post office, state, and ZIP code _____

F Accounting method: (1) Cash (2) Accrual (3) Other (specify) ► _____

G Did you "materially participate" in the operation of this business during 2004? If "No," see page C-3 for limit on losses Yes No

H If you started or acquired this business during 2004, check here

Part I Income

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

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

8	Advertising	8			19		
9	Car and truck expenses (see page C-3)	9			20		
10	Commissions and fees	10			20a		
11	Contract labor (see page C-4)	11			20b		
12	Depletion	12			21		
13	Depreciation and section 179 expense deduction (not included in Part III) (see page C-4)	13			22		
14	Employee benefit programs (other than on line 19)	14			23		
15	Insurance (other than health)	15			24		
16	Interest:				24a		
a	Mortgage (paid to banks, etc.)	16a					
b	Other	16b					
17	Legal and professional services	17			24b		
18	Office expense	18			24c		
19	Pension and profit-sharing plans	19			24d		
20	Rent or lease (see page C-5):				25		
a	Vehicles, machinery, and equipment	20a			26		
b	Other business property	20b			27		
21	Repairs and maintenance	21					
22	Supplies (not included in Part III)	22					
23	Taxes and licenses	23					
24	Travel, meals, and entertainment:						
a	Travel	24a					
b	Meals and entertainment						
c	Enter nondeductible amount included on line 24b (see page C-5)						
d	Subtract line 24c from line 24b	24d					
25	Utilities	25					
26	Wages (less employment credits)	26					
27	Other expenses (from line 48 on page 2)	27					
28	Total expenses before expenses for business use of home. Add lines 8 through 27 in columns	28					
29	Tentative profit (loss). Subtract line 28 from line 7	29					
30	Expenses for business use of your home. Attach Form 8829	30					
31	Net profit or (loss). Subtract line 30 from line 29.	31					
	<ul style="list-style-type: none"> • If a profit, enter on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see page C-6). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32. 						
32	If you have a loss, check the box that describes your investment in this activity (see page C-6).						
	<ul style="list-style-type: none"> • If you checked 32a, enter the loss on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see page C-6). Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 6198. 				32a	<input type="checkbox"/>	All investment is at risk.
					32b	<input type="checkbox"/>	Some investment is not at risk.

**SCHEDULE D
(Form 1040)**

Department of the Treasury
Internal Revenue Service (J)
Name(s) shown on Form 1040

Capital Gains and Losses

▶ Attach to Form 1040. ▶ See Instructions for Schedule D (Form 1040).
▶ Use Schedule D-1 to list additional transactions for lines 1 and 8.

OMB No. 1545-0074

2004

Attachment
Sequence No. **12**

Your social security number

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

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-6 of the instructions)	(e) Cost or other basis (see page D-6 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
1					
2 Enter your short-term totals, if any, from Schedule D-1, line 2					
3 Total short-term sales price amounts. Add lines 1 and 2 in column (d)					
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824					4
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1					5
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet on page D-6 of the instructions					6 ()
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f)					7

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

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-6 of the instructions)	(e) Cost or other basis (see page D-6 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
8					
9 Enter your long-term totals, if any, from Schedule D-1, line 9					
10 Total long-term sales price amounts. Add lines 8 and 9 in column (d)					
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824					11
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1					12
13 Capital gain distributions. See page D-1 of the instructions					13
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet on page D-6 of the instructions					14 ()
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). Then go to Part III on the back					15

Part III Summary

<p>16 Combine lines 7 and 15 and enter the result. If line 16 is a loss, skip lines 17 through 20, and go to line 21. If a gain, enter the gain on Form 1040, line 13, and then go to line 17 below . . .</p>	16		
<p>17 Are lines 15 and 16 both gains? <input type="checkbox"/> Yes. Go to line 18. <input type="checkbox"/> No. Skip lines 18 through 21, and go to line 22.</p>			
<p>18 Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet on page D-7 of the instructions ▶</p>	18		
<p>19 Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet on page D-8 of the instructions ▶</p>	19		
<p>20 Are lines 18 and 19 both zero or blank? <input type="checkbox"/> Yes. Complete Form 1040 through line 42, and then complete the Qualified Dividends and Capital Gain Tax Worksheet on page 34 of the Instructions for Form 1040. Do not complete lines 21 and 22 below. <input type="checkbox"/> No. Complete Form 1040 through line 42, and then complete the Schedule D Tax Worksheet on page D-9 of the instructions. Do not complete lines 21 and 22 below.</p>			
<p>21 If line 16 is a loss, enter here and on Form 1040, line 13, the smaller of:</p> <ul style="list-style-type: none"> • The loss on line 16 or • (\$3,000), or if married filing separately, (\$1,500) } 	21	()	
<p>Note. When figuring which amount is smaller, treat both amounts as positive numbers.</p>			
<p>22 Do you have qualified dividends on Form 1040, line 9b? <input type="checkbox"/> Yes. Complete Form 1040 through line 42, and then complete the Qualified Dividends and Capital Gain Tax Worksheet on page 34 of the Instructions for Form 1040. <input type="checkbox"/> No. Complete the rest of Form 1040.</p>			

**SCHEDULE E
(Form 1040)**

Department of the Treasury
Internal Revenue Service (J)

Name(s) shown on return

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

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

OMB No. 1545-0074

2004

Attachment
Sequence No. **13**

Your social security number
: : :
: : :

Part I Income or Loss From Rental Real Estate and Royalties **Note.** If you are in the business of renting personal property, use **Schedule C or C-EZ** (see page E-3). Report farm rental income or loss from **Form 4835** on page 2, line 40.

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

Income:	Properties			Totals (Add columns A, B, and C.)
	A	B	C	
3 Rents received	3			3
4 Royalties received	4			4
Expenses:	5			
5 Advertising	5			
6 Auto and travel (see page E-4)	6			
7 Cleaning and maintenance	7			
8 Commissions	8			
9 Insurance	9			
10 Legal and other professional fees	10			
11 Management fees	11			
12 Mortgage interest paid to banks, etc. (see page E-4)	12			12
13 Other interest	13			
14 Repairs	14			
15 Supplies	15			
16 Taxes	16			
17 Utilities	17			
18 Other (list) ▶	18			
.....				
.....				
19 Add lines 5 through 18	19			19
20 Depreciation expense or depletion (see page E-4)	20			20
21 Total expenses. Add lines 19 and 20	21			
22 Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see page E-4 to find out if you must file Form 6198	22			
23 Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See page E-4 to find out if you must file Form 8582 . Real estate professionals must complete line 43 on page 2	23	()	()	()
24 Income. Add positive amounts shown on line 22. Do not include any losses	24			
25 Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here	25	()	()	()
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17. Otherwise, include this amount in the total on line 41 on page 2	26			

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

Your social security number

Caution. The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations **Note.** If you report a loss from an at-risk activity for which **any** amount is **not** at risk, you **must** check column (e) on line 28 and attach **Form 6198**. See page E-1.

27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? **Yes** **No**
If you answered "Yes," see page E-6 before completing this section.

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A					
B					
C					
D					

Passive Income and Loss				Nonpassive Income and Loss						
(f) Passive loss allowed (attach Form 8582 if required)		(g) Passive income from Schedule K-1		(h) Nonpassive loss from Schedule K-1		(i) Section 179 expense deduction from Form 4562		(j) Nonpassive income from Schedule K-1		
A										
B										
C										
D										
29a Totals										
b Totals										
30	Add columns (g) and (j) of line 29a								30	
31	Add columns (f), (h), and (i) of line 29b								31	()
32	Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below								32	

Part III Income or Loss From Estates and Trusts

33	(a) Name	(b) Employer identification number
A		
B		

Passive Income and Loss				Nonpassive Income and Loss				
(c) Passive deduction or loss allowed (attach Form 8582 if required)		(d) Passive income from Schedule K-1		(e) Deduction or loss from Schedule K-1		(f) Other income from Schedule K-1		
A								
B								
34a Totals								
b Totals								
35	Add columns (d) and (f) of line 34a						35	
36	Add columns (c) and (e) of line 34b						36	()
37	Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below						37	

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)—Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q , line 2c (see page E-6)	(d) Taxable income (net loss) from Schedules Q , line 1b	(e) Income from Schedules Q , line 3b	
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below				39	

Part V Summary

40	Net farm rental income or (loss) from Form 4835 . Also, complete line 42 below				40	
41	Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17 ▶				41	
42	Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code N; and Schedule K-1 (Form 1041), line 14 (see page E-6)				42	
43	Reconciliation for real estate professionals. If you were a real estate professional (see page E-1), enter the net income or (loss) you reported anywhere on Form 1040 from all rental real estate activities in which you materially participated under the passive activity loss rules . . .				43	

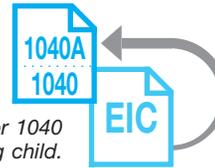
SCHEDULE EIC
(Form 1040A or 1040)

Department of the Treasury
Internal Revenue Service (J)

Name(s) shown on return

Earned Income Credit
Qualifying Child Information

Complete and attach to Form 1040A or 1040
only if you have a qualifying child.



OMB No. 1545-0074

2004

Attachment
Sequence No. **43**

Your social security number

Before you begin: See the instructions for Form 1040A, lines 41a and 41b, or Form 1040, lines 65a and 65b, to make sure that **(a)** you can take the EIC and **(b)** you have a qualifying child.



- If you take the EIC even though you are not eligible, you may not be allowed to take the credit for up to 10 years. See back of schedule for details.
- It will take us longer to process your return and issue your refund if you do not fill in all lines that apply for each qualifying child.
- Be sure the child's name on line 1 and social security number (SSN) on line 2 agree with the child's social security card. Otherwise, at the time we process your return, we may reduce or disallow your EIC. If the name or SSN on the child's social security card is not correct, call the Social Security Administration at 1-800-772-1213.

Qualifying Child Information

Child 1

Child 2

	First name	Last name	First name	Last name
1 Child's name If you have more than two qualifying children, you only have to list two to get the maximum credit.				
2 Child's SSN The child must have an SSN as defined on page 42 of the Form 1040A instructions or page 44 of the Form 1040 instructions unless the child was born and died in 2004. If your child was born and died in 2004 and did not have an SSN, enter "Died" on this line and attach a copy of the child's birth certificate.				
3 Child's year of birth	Year _____ <i>If born after 1985, skip lines 4a and 4b; go to line 5.</i>		Year _____ <i>If born after 1985, skip lines 4a and 4b; go to line 5.</i>	
4 If the child was born before 1986—				
a Was the child under age 24 at the end of 2004 and a student?	<input type="checkbox"/> Yes. <i>Go to line 5.</i>	<input type="checkbox"/> No. <i>Continue</i>	<input type="checkbox"/> Yes. <i>Go to line 5.</i>	<input type="checkbox"/> No. <i>Continue</i>
b Was the child permanently and totally disabled during any part of 2004?	<input type="checkbox"/> Yes. <i>Continue</i>	<input type="checkbox"/> No. The child is not a qualifying child.	<input type="checkbox"/> Yes. <i>Continue</i>	<input type="checkbox"/> No. The child is not a qualifying child.
5 Child's relationship to you (for example, son, daughter, grandchild, niece, nephew, foster child, etc.)				
6 Number of months child lived with you in the United States during 2004				
<ul style="list-style-type: none"> • If the child lived with you for more than half of 2004 but less than 7 months, enter "7." • If the child was born or died in 2004 and your home was the child's home for the entire time he or she was alive during 2004, enter "12." 	_____ months <i>Do not enter more than 12 months.</i>		_____ months <i>Do not enter more than 12 months.</i>	



You may also be able to take the additional child tax credit if your child **(a)** was under age 17 at the end of 2004, **(b)** is claimed as your dependent on line 6c of Form 1040A or Form 1040, **and (c)** is a U.S. citizen or resident alien. For more details, see the instructions for line 42 of Form 1040A or line 67 of Form 1040.

Purpose of Schedule

The purpose of this schedule is to give the IRS information about your qualifying child after you have figured your earned income credit (EIC).

To figure the amount of your credit or to have the IRS figure it for you, see the instructions for Form 1040A, lines 41a and 41b, or Form 1040, lines 65a and 65b.

Taking the EIC when not eligible. If you take the EIC even though you are not eligible and it is determined that your error is due to reckless or intentional disregard of the EIC rules, you will not be allowed to take the credit for 2 years even if you are otherwise eligible to do so. If you fraudulently take the EIC, you will not be allowed to take the credit for 10 years. You may also have to pay penalties.

Qualifying Child

A qualifying child is a child who is your . . .

Son, daughter, adopted child, stepchild, or a descendant of any of them (for example, your grandchild)

or

Brother, sister, stepbrother, stepsister, or a descendant of any of them (for example, your niece or nephew), whom you cared for as you would your own child

or

Foster child (any child placed with you by an authorized placement agency whom you cared for as you would your own child)

AND

was at the end of 2004 . . .

Under age 19

or

Under age 24 and a student

or

Any age and permanently and totally disabled

AND

who . . .

Lived with you in the United States for more than half of 2004. If the child did not live with you for the required time, see *Exception to "time lived with you" condition* on page 41 of the Form 1040A instructions or page 44 of the Form 1040 instructions.



If the child was married or meets the conditions to be a qualifying child of another person (other than your spouse if filing a joint return), special rules apply. For details, see page 42 of the Form 1040A instructions or page 44 of the Form 1040 instructions.



Do you want part of the EIC added to your take-home pay in 2005? To see if you qualify, get Form W-5 from your employer, call the IRS at 1-800-TAX-FORM (1-800-829-3676), or go to www.irs.gov.

SCHEDULE SE
(Form 1040)

Department of the Treasury
Internal Revenue Service

Self-Employment Tax

(J)

▶ **Attach to Form 1040.** ▶ See Instructions for Schedule SE (Form 1040).

OMB No. 1545-0074

2004

Attachment
Sequence No. **17**

Name of person with **self-employment** income (as shown on Form 1040)

Social security number of person
with **self-employment** income ▶

Who Must File Schedule SE

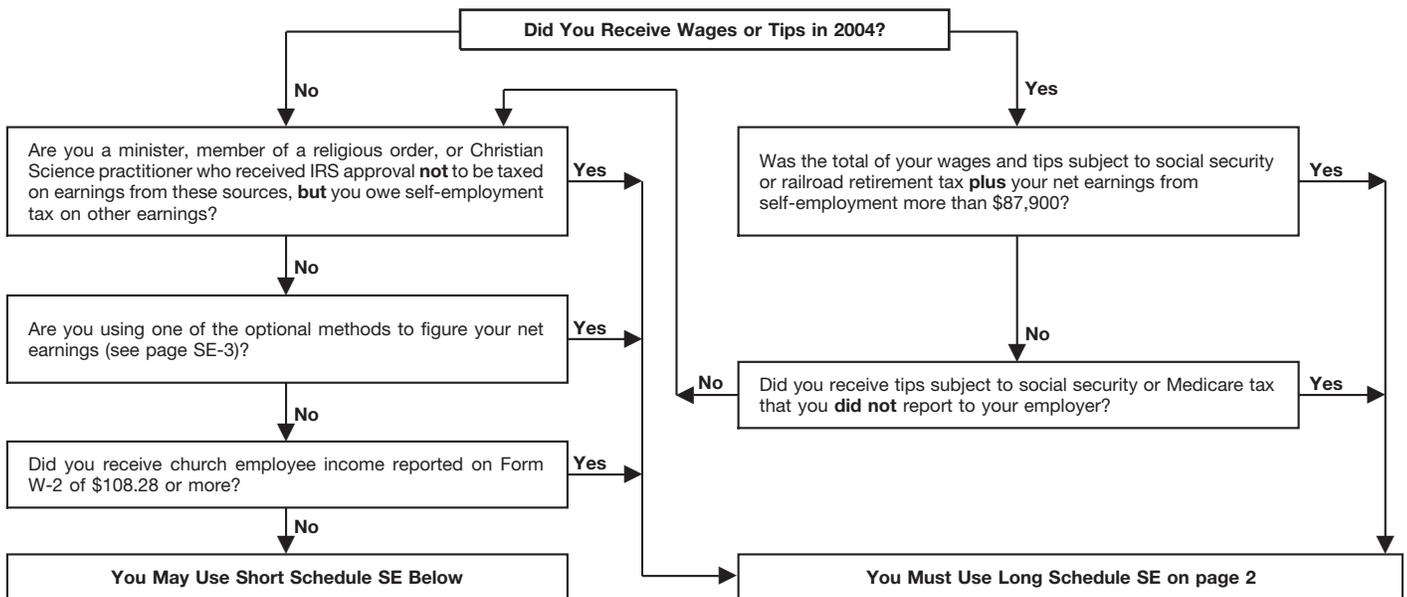
You must file Schedule SE if:

- You had net earnings from self-employment from **other than** church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more **or**
- You had church employee income of \$108.28 or more. Income from services you performed as a minister or a member of a religious order **is not** church employee income (see page SE-1).

Note. Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either "optional method" in Part II of Long Schedule SE (see page SE-3).

Exception. If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner **and** you filed Form 4361 and received IRS approval not to be taxed on those earnings, **do not** file Schedule SE. Instead, write "Exempt-Form 4361" on Form 1040, line 57.

May I Use Short Schedule SE or Must I Use Long Schedule SE?



Section A—Short Schedule SE. Caution. Read above to see if you can use Short Schedule SE.

1	Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A		
2	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. Ministers and members of religious orders, see page SE-1 for amounts to report on this line. See page SE-2 for other income to report		
3	Combine lines 1 and 2		
4	Net earnings from self-employment. Multiply line 3 by 92.35% (.9235). If less than \$400, do not file this schedule; you do not owe self-employment tax ▶		
5	Self-employment tax. If the amount on line 4 is: <ul style="list-style-type: none"> • \$87,900 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 57. • More than \$87,900, multiply line 4 by 2.9% (.029). Then, add \$10,899.60 to the result. Enter the total here and on Form 1040, line 57. 		
6	Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.5). Enter the result here and on Form 1040, line 30	6	

Name of person with self-employment income (as shown on Form 1040)	Social security number of person with self-employment income ▶
---	---

Section B—Long Schedule SE

Part I Self-Employment Tax

Note. If your only income subject to self-employment tax is **church employee income**, skip lines 1 through 4b. Enter -0- on line 4c and go to line 5a. Income from services you performed as a minister or a member of a religious order **is not** church employee income. See page SE-1.

A	If you are a minister, member of a religious order, or Christian Science practitioner and you filed Form 4361, but you had \$400 or more of other net earnings from self-employment, check here and continue with Part I. ▶ <input type="checkbox"/>			
1	Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A. Note. Skip this line if you use the farm optional method (see page SE-4)			
2	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. Ministers and members of religious orders, see page SE-1 for amounts to report on this line. See page SE-2 for other income to report. Note. Skip this line if you use the nonfarm optional method (see page SE-4)			
3	Combine lines 1 and 2			
4a	If line 3 is more than zero, multiply line 3 by 92.35% (.9235). Otherwise, enter amount from line 3			
4b	If you elect one or both of the optional methods, enter the total of lines 15 and 17 here			
4c	Combine lines 4a and 4b. If less than \$400, stop ; you do not owe self-employment tax. Exception. If less than \$400 and you had church employee income , enter -0- and continue. ▶			
5a	Enter your church employee income from Form W-2. See page SE-1 for definition of church employee income	5a		
5b	Multiply line 5a by 92.35% (.9235). If less than \$100, enter -0-			
6	Net earnings from self-employment. Add lines 4c and 5b			
7	Maximum amount of combined wages and self-employment earnings subject to social security tax or the 6.2% portion of the 7.65% railroad retirement (tier 1) tax for 2004		87,900	00
8a	Total social security wages and tips (total of boxes 3 and 7 on Form(s) W-2) and railroad retirement (tier 1) compensation. If \$87,900 or more, skip lines 8b through 10, and go to line 11	8a		
8b	Unreported tips subject to social security tax (from Form 4137, line 9)	8b		
8c	Add lines 8a and 8b			
9	Subtract line 8c from line 7. If zero or less, enter -0- here and on line 10 and go to line 11 ▶			
10	Multiply the smaller of line 6 or line 9 by 12.4% (.124)			
11	Multiply line 6 by 2.9% (.029)			
12	Self-employment tax. Add lines 10 and 11. Enter here and on Form 1040, line 57			
13	Deduction for one-half of self-employment tax. Multiply line 12 by 50% (.5). Enter the result here and on Form 1040, line 30	13		

Part II Optional Methods To Figure Net Earnings (see page SE-3)

	<p>Farm Optional Method. You may use this method only if (a) your gross farm income¹ was not more than \$2,400 or (b) your net farm profits² were less than \$1,733.</p>			
14	Maximum income for optional methods		1,600	00
15	Enter the smaller of: two-thirds (2/3) of gross farm income ¹ (not less than zero) or \$1,600. Also include this amount on line 4b above			
	<p>Nonfarm Optional Method. You may use this method only if (a) your net nonfarm profits³ were less than \$1,733 and also less than 72.189% of your gross nonfarm income⁴ and (b) you had net earnings from self-employment of at least \$400 in 2 of the prior 3 years.</p>			
	<p>Caution. You may use this method no more than five times.</p>			
16	Subtract line 15 from line 14			
17	Enter the smaller of: two-thirds (2/3) of gross nonfarm income ⁴ (not less than zero) or the amount on line 16. Also include this amount on line 4b above			

¹ From Sch. F, line 11, and Sch. K-1 (Form 1065), box 14, code B.

³ From Sch. C, line 31; Sch. C-EZ, line 3; Sch. K-1 (Form 1065), box 14, code A; and Sch. K-1 (Form 1065-B), box 9.

² From Sch. F, line 36, and Sch. K-1 (Form 1065), box 14, code A.

⁴ From Sch. C, line 7; Sch. C-EZ, line 1; Sch. K-1 (Form 1065), box 14, code C; and Sch. K-1 (Form 1065-B), box 9.

Amended U.S. Individual Income Tax Return

▶ See separate instructions.

This return is for calendar year ▶ , or fiscal year ended ▶

Please print or type	Your first name and initial	Last name	Your social security number
	If a joint return, spouse's first name and initial	Last name	Spouse's social security number
	Home address (no. and street) or P.O. box if mail is not delivered to your home		Apt. no.
	City, town or post office, state, and ZIP code. If you have a foreign address, see page 2 of the instructions.		Phone number ()
			For Paperwork Reduction Act Notice, see page 6.

- A** If the name or address shown above is different from that shown on the original return, check here
- B** Has the original return been changed or audited by the IRS or have you been notified that it will be? . . . Yes No
- C** Filing status. Be sure to complete this line. **Note.** You cannot change from joint to separate returns after the due date.
- On original return ▶ Single Married filing jointly Married filing separately Head of household Qualifying widow(er)
- On this return ▶ Single Married filing jointly Married filing separately Head of household* Qualifying widow(er)
- * If the qualifying person is a child but not your dependent, see page 2.

Use Part II on the back to explain any changes		A. Original amount or as previously adjusted (see page 3)	B. Net change—amount of increase or (decrease)—explain in Part II	C. Correct amount
Income and Deductions (see pages 2–6)				
	1 Adjusted gross income (see page 3)	1		
	2 Itemized deductions or standard deduction (see page 3)	2		
	3 Subtract line 2 from line 1	3		
	4 Exemptions. If changing, fill in Parts I and II on the back	4		
	5 Taxable income. Subtract line 4 from line 3	5		
Tax Liability	6 Tax (see page 4). Method used in col. C	6		
	7 Credits (see page 4)	7		
	8 Subtract line 7 from line 6. Enter the result but not less than zero	8		
	9 Other taxes (see page 4)	9		
	10 Total tax. Add lines 8 and 9	10		
Payments	11 Federal income tax withheld and excess social security and tier 1 RRTA tax withheld. If changing, see page 4	11		
	12 Estimated tax payments, including amount applied from prior year's return	12		
	13 Earned income credit (EIC)	13		
	14 Additional child tax credit from Form 8812	14		
	15 Credits from Form 2439, Form 4136, or Form 8885	15		
	16 Amount paid with request for extension of time to file (see page 5)	16		
	17 Amount of tax paid with original return plus additional tax paid after it was filed	17		
	18 Total payments. Add lines 11 through 17 in column C	18		
Refund or Amount You Owe				
	19 Overpayment, if any, as shown on original return or as previously adjusted by the IRS	19		
	20 Subtract line 19 from line 18 (see page 5)	20		
	21 Amount you owe. If line 10, column C, is more than line 20, enter the difference and see page 5	21		
	22 If line 10, column C, is less than line 20, enter the difference	22		
	23 Amount of line 22 you want refunded to you	23		
	24 Amount of line 22 you want applied to your estimated tax 24	24		

Sign Here

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

Joint return? See page 2. Keep a copy for your records.

Your signature _____ Date _____ Spouse's signature. If a joint return, **both** must sign. _____ Date _____

Paid Preparer's Use Only

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

Firm's name (or yours if self-employed), address, and ZIP code _____ EIN _____

Phone no. () _____

Department of the Treasury
Internal Revenue Service (J)

▶ See separate instructions.

▶ Attach to Form 1040.

Your name

Occupation in which you incurred expenses

Social security number

Part I Employee Business Expenses and Reimbursements

Step 1 Enter Your Expenses	Column A			Column B		
	Other Than Meals and Entertainment			Meals and Entertainment		
1 Vehicle expense from line 22 or line 29. (Rural mail carriers: See instructions.)	1					
2 Parking fees, tolls, and transportation, including train, bus, etc., that did not involve overnight travel or commuting to and from work	2					
3 Travel expense while away from home overnight, including lodging, airplane, car rental, etc. Do not include meals and entertainment.	3					
4 Business expenses not included on lines 1 through 3. Do not include meals and entertainment.	4					
5 Meals and entertainment expenses (see instructions)	5					
6 Total expenses. In Column A, add lines 1 through 4 and enter the result. In Column B, enter the amount from line 5	6					

Note: If you were not reimbursed for any expenses in Step 1, skip line 7 and enter the amount from line 6 on line 8.

Step 2 Enter Reimbursements Received From Your Employer for Expenses Listed in Step 1

7 Enter reimbursements received from your employer that were not reported to you in box 1 of Form W-2. Include any reimbursements reported under code "L" in box 12 of your Form W-2 (see instructions)	7					
--	---	--	--	--	--	--

Step 3 Figure Expenses To Deduct on Schedule A (Form 1040)

8 Subtract line 7 from line 6. If zero or less, enter -0-. However, if line 7 is greater than line 6 in Column A, report the excess as income on Form 1040, line 7	8					
Note: If both columns of line 8 are zero, you cannot deduct employee business expenses. Stop here and attach Form 2106 to your return.						
9 In Column A, enter the amount from line 8. In Column B, multiply line 8 by 50% (.50). (Employees subject to Department of Transportation (DOT) hours of service limits: Multiply meal expenses incurred while away from home on business by 70% (.70) instead of 50%. For details, see instructions.)	9					
10 Add the amounts on line 9 of both columns and enter the total here. Also, enter the total on Schedule A (Form 1040), line 20. (Reservists, qualified performing artists, fee-basis state or local government officials, and individuals with disabilities: See the instructions for special rules on where to enter the total.) ▶	10					

Part II Vehicle Expenses

Section A—General Information (You must complete this section if you are claiming vehicle expenses.)		(a) Vehicle 1	(b) Vehicle 2
11	Enter the date the vehicle was placed in service	/ /	/ /
12	Total miles the vehicle was driven during 2004	miles	miles
13	Business miles included on line 12	miles	miles
14	Percent of business use. Divide line 13 by line 12	%	%
15	Average daily roundtrip commuting distance.	miles	miles
16	Commuting miles included on line 12	miles	miles
17	Other miles. Add lines 13 and 16 and subtract the total from line 12.	miles	miles
18	Do you (or your spouse) have another vehicle available for personal use?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
19	Was your vehicle available for personal use during off-duty hours?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
20	Do you have evidence to support your deduction?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
21	If "Yes," is the evidence written?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

Section B—Standard Mileage Rate (See the instructions for Part II to find out whether to complete this section or Section C.)

22	Multiply line 13 by 37.5¢ (.375)	22	
-----------	--	-----------	--

Section C—Actual Expenses		(a) Vehicle 1		(b) Vehicle 2	
23	Gasoline, oil, repairs, vehicle insurance, etc.				
24a	Vehicle rentals				
24b	b Inclusion amount (see instructions)				
24c	c Subtract line 24b from line 24a				
25	Value of employer-provided vehicle (applies only if 100% of annual lease value was included on Form W-2—see instructions)				
26	Add lines 23, 24c, and 25				
27	Multiply line 26 by the percentage on line 14				
28	Depreciation (see instructions)				
29	Add lines 27 and 28. Enter total here and on line 1				

Section D—Depreciation of Vehicles (Use this section only if you owned the vehicle and are completing Section C for the vehicle.)

		(a) Vehicle 1		(b) Vehicle 2	
30	Enter cost or other basis (see instructions)				
31	Enter section 179 deduction and special allowance (see instructions)				
32	Multiply line 30 by line 14 (see instructions if you claimed the section 179 deduction or special allowance)				
33	Enter depreciation method and percentage (see instructions)				
34	Multiply line 32 by the percentage on line 33 (see instructions)				
35	Add lines 31 and 34				
36	Enter the applicable limit explained in the line 36 instructions				
37	Multiply line 36 by the percentage on line 14				
38	Enter the smaller of line 35 or line 37. Also enter this amount on line 28 above				

Child and Dependent Care Expenses

▶ Attach to Form 1040.
 ▶ See separate instructions.

Your social security number
 : :
 : :

Before you begin: You need to understand the following terms. See **Definitions** on page 1 of the instructions.

- **Dependent Care Benefits**
- **Qualifying Person(s)**
- **Qualified Expenses**

Part I **Persons or Organizations Who Provided the Care—You must complete this part.**
 (If you need more space, use the bottom of page 2.)

1	(a) Care provider's name	(b) Address (number, street, apt. no., city, state, and ZIP code)	(c) Identifying number (SSN or EIN)	(d) Amount paid (see instructions)

Did you receive dependent care benefits?

No → Complete only Part II below.
 Yes → Complete Part III on the back next.

Caution. If the care was provided in your home, you may owe employment taxes. See the instructions for Form 1040, line 61.

Part II **Credit for Child and Dependent Care Expenses**

2 Information about your **qualifying person(s)**. If you have more than two qualifying persons, see the instructions.

(a) Qualifying person's name		(b) Qualifying person's social security number	(c) Qualified expenses you incurred and paid in 2004 for the person listed in column (a)
First	Last		

3 Add the amounts in column (c) of line 2. Do not enter more than \$3,000 for one qualifying person or \$6,000 for two or more persons. If you completed Part III, enter the amount from line 32	3																																																													
4 Enter your earned income . See instructions	4																																																													
5 If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions); all others , enter the amount from line 4	5																																																													
6 Enter the smallest of line 3, 4, or 5	6																																																													
7 Enter the amount from Form 1040, line 37 7																																																														
8 Enter on line 8 the decimal amount shown below that applies to the amount on line 7																																																														
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3">If line 7 is:</th> <th colspan="3">If line 7 is:</th> </tr> <tr> <th style="border-bottom: 1px solid black;">Over</th> <th style="border-bottom: 1px solid black;">But not over</th> <th style="border-bottom: 1px solid black;">Decimal amount is</th> <th style="border-bottom: 1px solid black;">Over</th> <th style="border-bottom: 1px solid black;">But not over</th> <th style="border-bottom: 1px solid black;">Decimal amount is</th> </tr> </thead> <tbody> <tr> <td>\$0—15,000</td> <td></td> <td style="text-align: center;">.35</td> <td>\$29,000—31,000</td> <td></td> <td style="text-align: center;">.27</td> </tr> <tr> <td>15,000—17,000</td> <td></td> <td style="text-align: center;">.34</td> <td>31,000—33,000</td> <td></td> <td style="text-align: center;">.26</td> </tr> <tr> <td>17,000—19,000</td> <td></td> <td style="text-align: center;">.33</td> <td>33,000—35,000</td> <td></td> <td style="text-align: center;">.25</td> </tr> <tr> <td>19,000—21,000</td> <td></td> <td style="text-align: center;">.32</td> <td>35,000—37,000</td> <td></td> <td style="text-align: center;">.24</td> </tr> <tr> <td>21,000—23,000</td> <td></td> <td style="text-align: center;">.31</td> <td>37,000—39,000</td> <td></td> <td style="text-align: center;">.23</td> </tr> <tr> <td>23,000—25,000</td> <td></td> <td style="text-align: center;">.30</td> <td>39,000—41,000</td> <td></td> <td style="text-align: center;">.22</td> </tr> <tr> <td>25,000—27,000</td> <td></td> <td style="text-align: center;">.29</td> <td>41,000—43,000</td> <td></td> <td style="text-align: center;">.21</td> </tr> <tr> <td>27,000—29,000</td> <td></td> <td style="text-align: center;">.28</td> <td>43,000—No limit</td> <td></td> <td style="text-align: center;">.20</td> </tr> </tbody> </table>	If line 7 is:			If line 7 is:			Over	But not over	Decimal amount is	Over	But not over	Decimal amount is	\$0—15,000		.35	\$29,000—31,000		.27	15,000—17,000		.34	31,000—33,000		.26	17,000—19,000		.33	33,000—35,000		.25	19,000—21,000		.32	35,000—37,000		.24	21,000—23,000		.31	37,000—39,000		.23	23,000—25,000		.30	39,000—41,000		.22	25,000—27,000		.29	41,000—43,000		.21	27,000—29,000		.28	43,000—No limit		.20	8	X .
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9 Multiply line 6 by the decimal amount on line 8. If you paid 2003 expenses in 2004, see the instructions	9																																																													
10 Enter the amount from Form 1040, line 45, minus any amount on Form 1040, line 46	10																																																													
11 Credit for child and dependent care expenses. Enter the smaller of line 9 or line 10 here and on Form 1040, line 47.	11																																																													

Part III Dependent Care Benefits

12	Enter the total amount of dependent care benefits you received in 2004. Amounts you received as an employee should be shown in box 10 of your Form(s) W-2. Do not include amounts reported as wages in box 1 of Form(s) W-2. If you were self-employed or a partner, include amounts you received under a dependent care assistance program from your sole proprietorship or partnership	12		
13	Enter the amount forfeited, if any (see the instructions)	13		
14	Subtract line 13 from line 12	14		
15	Enter the total amount of qualified expenses incurred in 2004 for the care of the qualifying person(s)	15		
16	Enter the smaller of line 14 or 15	16		
17	Enter your earned income . See instructions	17		
18	Enter the amount shown below that applies to you. <ul style="list-style-type: none"> ● If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions for line 5). ● If married filing separately, see the instructions for the amount to enter. ● All others, enter the amount from line 17. 	18		
19	Enter the smallest of line 16, 17, or 18	19		
20	Enter the amount from line 12 that you received from your sole proprietorship or partnership. If you did not receive any such amounts, enter -0-	20		
21	Subtract line 20 from line 14	21		
22	Enter \$5,000 (\$2,500 if married filing separately and you were required to enter your spouse's earned income on line 18)	22		
23	Deductible benefits. Enter the smallest of line 19, 20, or 22. Also, include this amount on the appropriate line(s) of your return (see the instructions)	23		
24	Enter the smaller of line 19 or 22	24		
25	Enter the amount from line 23	25		
26	Excluded benefits. Subtract line 25 from line 24. If zero or less, enter -0-	26		
27	Taxable benefits. Subtract line 26 from line 21. If zero or less, enter -0-. Also, include this amount on Form 1040, line 7. On the dotted line next to line 7, enter "DCB"	27		

To claim the child and dependent care credit, complete lines 28-32 below.

28	Enter \$3,000 (\$6,000 if two or more qualifying persons)	28		
29	Add lines 23 and 26	29		
30	Subtract line 29 from line 28. If zero or less, stop . You cannot take the credit. Exception. If you paid 2003 expenses in 2004, see the instructions for line 9	30		
31	Complete line 2 on the front of this form. Do not include in column (c) any benefits shown on line 29 above. Then, add the amounts in column (c) and enter the total here	31		
32	Enter the smaller of line 30 or 31. Also, enter this amount on line 3 on the front of this form and complete lines 4-11	32		

**Application for Automatic Extension of Time
 To File U.S. Individual Income Tax Return**

2004



**It's Convenient,
 Safe, and Secure**

IRS e-file is the IRS's electronic filing program. You can get an automatic extension of time to file your tax return by filing Form 4868 electronically. You will receive an electronic acknowledgment or confirmation number once you complete the transaction. Keep it with your records. Do not send in Form 4868 if you file electronically.

Complete Form 4868 to use as a worksheet. If you think you may owe tax when you file your return, you will need to estimate your total tax liability and subtract how much you have already paid (lines 4, 5, and 6 below).

If you think you may owe tax and wish to make a payment, you may pay by electronic funds withdrawal using option 1 or 2 below or you may pay by credit card using option 3.

1 **E-file by Phone—February 7–April 15**
 Call toll free **1-888-796-1074**

Anyone who filed a tax return for 2003 can file Form 4868 by phone. The telephone system will accept extensions any time from February 7 through April 15, 2005, and your extension will be good through August 15, 2005. Filing by telephone is advantageous because it is free and you get a confirmation number.

If you wish to make a payment by electronic funds withdrawal, you will be asked for the adjusted gross income (AGI) from your 2003 tax return. The AGI for your 2003 tax return is located on your Form 1040, line 34; Form 1040A, line 21; Form 1040EZ, line 4; Form 1040NR, line 33; Form 1040NR-EZ, line 10; or your TeleFile Tax Record, line I. If you choose, you may also file your extension by phone and mail a payment to the address shown in the middle column on page 4.

2 **E-file Using Your Personal
 Computer or Through a Tax
 Professional**

Refer to your tax software package or tax preparer for ways to file electronically. Be sure to have a copy of your 2003 tax return

— you will be asked to provide information from the return for taxpayer verification. If you wish to make a payment, you can pay by electronic funds withdrawal (see page 4) or send your payment to the address shown in the middle column on page 4.

3 **E-file and Pay by Credit
 Card**

You can get an extension if you pay part or all of your estimate of income tax due by using a credit card (American Express® Card, Discover® Card, MasterCard® card, or Visa® card). Your payment must be at least \$1. You may pay by phone or over the Internet through one of the service providers listed below.

Each service provider will charge a convenience fee based on the amount of the tax payment you are making. Fees may vary between service providers. You will be told what the fee is during the transaction and will have the option to continue or cancel the transaction. You may also obtain the convenience fee by calling the providers' toll-free automated customer service numbers or visiting their websites. Do not add the convenience fee to your tax payment.

Official Payments Corporation
 1-800-2PAY-TAXSM
 (1-800-272-9829)
 1-877-754-4413 (Customer Service)
www.officialpayments.com

Link2Gov Corporation
 1-888-PAY-1040SM
 (1-888-729-1040)
 1-888-658-5465 (Customer Service)
www.PAY1040.com

File a Paper Form 4868

If you wish to file on paper instead of electronically, fill in the Form 4868 below and mail it to the address shown on page 4.

▼ DETACH HERE ▼

**Application for Automatic Extension of Time
 To File U.S. Individual Income Tax Return**

2004

Part I Identification		Part II Individual Income Tax	
1 Your name(s) (see instructions)		4 Estimate of total tax liability for 2004 . \$ _____	
Address (see instructions)		5 Total 2004 payments _____	
City, town or post office, state, and ZIP code		6 Balance due. Subtract 5 from 4 _____	
2 Your social security number	3 Spouse's social security number	7 Amount you are paying. ► _____	
		Confirmation Number	
		If you file electronically, you will receive a confirmation number telling you that your Form 4868 has been accepted. Enter the confirmation number here and keep it for your records ► _____	

General Instructions

What's New

Form 4868 no longer contains entries for a gift or GST tax payment. See *Gift or generation-skipping transfer (GST) tax return (Form 709)* below for details on paying gift or GST tax.

Purpose of Form

Use Form 4868 to apply for 4 more months to file Form 1040, 1040A, 1040EZ, 1040NR, or 1040NR-EZ.

To get the extra time you must:

- Properly estimate your 2004 tax liability using the information available to you,
- Enter your total tax liability on line 4 of Form 4868, and
- File Form 4868 by the regular due date of your return.



Although you are not required to make a payment of the tax you estimate as due, Form 4868 does not extend the time to pay taxes. If you do not pay the amount due by the regular due date, you will owe interest. You may also be charged penalties. For more details, see Interest on this page and Late Payment Penalty on page 3. Any remittance you make with your application for extension will be treated as a payment of tax.

You do not have to explain why you are asking for the extension. We will contact you only if your request is denied.

Do not file Form 4868 if you want the IRS to figure your tax or you are under a court order to file your return by the regular due date.

If you need an additional extension, see *If You Need Additional Time* on this page.

Gift or generation-skipping transfer (GST) tax return (Form 709). An extension of time to file your 2004 calendar year income tax return also extends the time to file Form 709 for 2004. However, it does not extend the time to pay any gift or GST tax you may owe for 2004. To make a payment of gift or GST tax, see Form 8892. If you do not pay the amount due by the regular due date for Form 709, you will owe interest and may also be charged penalties. If the donor died during 2004, see the instructions for Forms 709 and 8892.

When To File Form 4868

File Form 4868 by April 15, 2005. Fiscal year taxpayers, file Form 4868 by the regular due date of the return.

If you are a U.S. citizen or resident "out of the country" (defined on this page) on the regular due date of your return, you are allowed 2 extra months to file your return. For a calendar year return, this is June 15, 2005. File this form if you need an additional 2 months to file your return. Write "Taxpayer Abroad" across the top of Form 4868.

Out of the country means either:

1. You live outside the United States and Puerto Rico and your main place of work is outside the United States and Puerto Rico or
2. You are in military or naval service outside the United States and Puerto Rico.

If you qualify as being "out of the country," you will still be eligible for the extension, even if you are physically present in the United States or Puerto Rico on the regular due date of the return.

If You Need Additional Time

If the automatic 4-month extension (until August 15, 2005, for most calendar year taxpayers) does not give you enough time, you can ask for additional time later. But you will have to give a good reason, and it must be approved by the IRS. To ask for the additional time, you must either:

1. File Form 2688, Application for Additional Extension of Time To File U.S. Individual Income Tax Return or
2. Explain your reason in a letter. Mail it to the address in the right column under *Where To File a Paper Form 4868* on page 4.

File Form 4868 before you file Form 2688 or write a letter asking for more time. Only in cases of undue hardship will the IRS approve your request for an additional extension without receiving Form 4868 first. Ask early for this extra time. Then, you can still file your return on time if your request is not approved.

Filing Your Tax Return

You may file your tax return any time before the extension expires.

Do not attach a copy of Form 4868 to your return.

Interest

You will owe interest on any tax not paid by the regular due date of your return. The interest runs until you pay the tax. Even if you had a good reason for not paying on time, you will still owe interest.

Late Payment Penalty

The penalty is usually $\frac{1}{2}$ of 1% of any tax (other than estimated tax) not paid by the regular due date. It is charged for each month or part of a month the tax is unpaid. The maximum penalty is 25%.

The late payment penalty will not be charged if you can show reasonable cause for not paying on time. Attach a statement to your return fully explaining the reason. Do not attach the statement to Form 4868.

You are considered to have "reasonable cause" for the period covered by this automatic extension if at least 90% of your actual 2004 tax liability is paid before the regular due date of your return through withholding, estimated tax payments, or with Form 4868.

Late Filing Penalty

A penalty is usually charged if your return is filed after the due date (including extensions). The penalty is usually 5% of the amount due for each month or part of a month your return is late. Generally, the maximum penalty is 25%. If your return is more than 60 days late, the minimum penalty is \$100 or the balance of the tax due on your return, whichever is smaller. You might not owe the penalty if you have a good reason for filing late. Attach a statement to your return

fully explaining the reason. Do not attach the statement to Form 4868.

How To Claim Credit for Payment Made With This Form

When you file your 2004 return, include the amount of any payment you made with Form 4868 on the appropriate line of your tax return.

The instructions for the following line of your tax return will tell you how to report the payment.

- Form 1040, line 68.
- Form 1040A, line 43.
- Form 1040EZ, line 9.
- Form 1040NR, line 62.
- Form 1040NR-EZ, line 21.

If you and your spouse each filed a separate Form 4868 but later file a joint return for 2004, enter the total paid with both Forms 4868 on the appropriate line of your joint return.

If you and your spouse jointly file Form 4868 but later file separate returns for 2004, you may enter the total amount paid with Form 4868 on either of your separate returns. Or you and your spouse may divide the payment in any agreed amounts. Be sure each separate return has the social security numbers of both spouses.

Specific Instructions

How To Complete Form 4868**Part I—Identification**

Enter your name(s) and address. If you plan to file a joint return, include both spouses' names in the order in which they will appear on the return.

If you want correspondence regarding this extension to be sent to you at an address other than your own or to an agent acting for you, include the agent's name, if any, and enter that address instead.

If you changed your name after you filed your last return because of marriage, divorce, etc., be sure to report this to your local Social Security Administration office before filing Form 4868. This prevents delays in processing your extension request.

If you changed your mailing address after you filed your last return, you should use Form 8822, Change of Address, to notify the IRS of the change. Showing a new address on Form 4868 will not update your record. You can get IRS forms by calling 1-800-TAX-FORM (1-800-829-3676). You can also download forms from the IRS website at www.irs.gov.

If you plan to file jointly, enter on line 2 the social security number (SSN) that you will show first on your return. Enter your spouse's SSN on line 3.

If you are filing Form 1040NR or 1040NR-EZ, and do not have (and are not eligible to obtain) an SSN, enter your IRS-issued individual taxpayer identification number (ITIN). For information on obtaining an ITIN, see Form W-7, Application for IRS Individual Taxpayer Identification Number.

Part II—Individual Income Tax**Line 4—Estimate of Total Tax Liability for 2004**

Enter on line 4 the total tax liability you expect to report on your 2004:

- Form 1040, line 62.
- Form 1040A, line 38.
- Form 1040EZ, line 10.
- Form 1040NR, line 57.
- Form 1040NR-EZ, line 17.

If you expect this amount to be zero, enter -0-.



Make your estimate as accurate as you can with the information you have. If we later find that the estimate was not reasonable, the extension will be null and void.

Line 5—Total 2004 Payments

Enter on line 5 the total payments from:

- Form 1040, line 70 (excluding line 68).
- Form 1040A, line 43.
- Form 1040EZ, line 9.
- Form 1040NR, line 68 (excluding line 62).
- Form 1040NR-EZ, line 21.



For Forms 1040A, 1040EZ, and 1040NR-EZ, do not include on line 5 the amount you are paying with this Form 4868.

Line 6—Balance Due

Subtract line 5 from line 4. If line 5 is more than line 4, enter -0-.

Line 7—Amount You Are Paying

If you find you cannot pay the amount shown on line 6, you can still get the extension. But you should pay as much as you can to limit the amount of interest you will owe. Also, you may be charged the late payment penalty on the unpaid tax from the regular due date of your return. See *Late Payment Penalty* on this page.

How To Make a Payment With Your Extension

Paying by Electronic Funds Withdrawal

You can *e-file* Form 4868 using IRS *e-file* option 1 or 2 on page 1 and make a payment by authorizing an electronic funds withdrawal from your checking or savings account. Check with your financial institution to make sure that an electronic funds withdrawal is allowed and to get the correct routing and account numbers.

If you owe tax and wish to have the money electronically withdrawn from your account, you will be asked to make the following declaration:

I authorize the U.S. Treasury and its designated Financial Agent to initiate an ACH electronic funds withdrawal entry to the financial institution account indicated for payment of my federal taxes owed, and the financial institution to debit the entry to this account. This authorization is to remain in full force and effect until I notify the U.S. Treasury Financial Agent to terminate the authorization. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

Note. This is your written copy of the electronic funds withdrawal authorization you made to have the amount you owe withdrawn. Keep it for your records.

Paying by Credit Card

You can *e-file* Form 4868 using IRS *e-file* option 3 on page 1 and pay by credit card.

Paying by Check or Money Order

- When paying by check or money order with Form 4868, use the addresses in the middle column under *Where To File a Paper Form 4868* below.
- Make your check or money order payable to the "United States Treasury." Do not send cash.
- Write your social security number, daytime phone number, and "2004 Form 4868" on your check or money order.
- Do not staple or attach your payment to the form.

Where To File a Paper Form 4868

If you live in:

Alabama, Florida, Georgia, Mississippi, North Carolina, Rhode Island, South Carolina, West Virginia

And you are making a payment, send Form 4868 with your payment to IRS:

P.O. Box 105050 Atlanta, GA 30348-5050

And you are not making a payment, send Form 4868 to Internal Revenue Service Center:

Atlanta, GA 39901-0002

Maine, Massachusetts, New Hampshire, New York, Vermont

P.O. Box 37003 Hartford, CT 06176-0003

Andover, MA 05501-0002

District of Columbia, Maryland, New Jersey, Pennsylvania

P.O. Box 80109 Cincinnati, OH 45280-0009

Philadelphia, PA 19255-0002

Arkansas, Colorado, Kentucky, Louisiana, New Mexico, Oklahoma, Tennessee, Texas

P.O. Box 660575 Dallas, TX 75266-0575

Austin, TX 73301-0002

Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Virginia, Washington, Wyoming

P.O. Box 7122 San Francisco, CA 94120-7122

Fresno, CA 93888-0002

Connecticut, Delaware, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Wisconsin

P.O. Box 970028 St. Louis, MO 63197-0028

Kansas City, MO 64999-0002

Ohio

P.O. Box 105073 Atlanta, GA 30348-5073

Memphis, TN 37501-0002

American Samoa or Puerto Rico (or if excluding income under Internal Revenue Code section 933); are a nonpermanent resident of Guam or the Virgin Islands; have an APO, FPO, or foreign address; are a dual-status alien; or file Form 2555, 2555-EZ, or 4563

P.O. Box 80109 Cincinnati, OH 45280-0009

Philadelphia, PA 19255-0215

Guam:

Permanent residents

Send Form 4868 and payments to:

Department of Revenue and Taxation
Government of Guam
P.O. Box 23607 GMF, GU 96921

Virgin Islands:

Permanent residents

Send Form 4868 and payments to:

V.I. Bureau of Internal Revenue
9601 Estate Thomas
Charlotte Amalie, St. Thomas, VI 00802

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. We need this information so that our records will reflect your intention to file your individual income tax return within 4 months after the regular due date. If you choose to apply for an automatic extension of time to file, you are required by Internal Revenue Code section 6081 to provide the information requested on this form. Under section 6109, you must disclose your social security number (SSN) or individual taxpayer identification number (ITIN). Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, or to federal and state agencies to enforce federal nontax criminal laws and to combat terrorism. If you fail to provide this information in a timely manner or provide incomplete or false information, you may be liable for penalties and interest.

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

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping**, 26 min.; **Learning about the law or the form**, 13 min.; **Preparing the form**, 11 min.; and **Copying, assembling, and sending the form to the IRS**, 10 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to us at the following address: Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, Washington, DC 20224. Do not send the form to this address. Instead, see *Where To File a Paper Form 4868* above.

Department of the Treasury
Internal Revenue Service (J)

▶ See separate instructions.

▶ Attach to Form 1040 or Form 1040NR.

Name(s) shown on Form 1040

Your social security number

Part I Alternative Minimum Taxable Income (See instructions for how to complete each line.)

1	If filing Schedule A (Form 1040), enter the amount from Form 1040, line 40, and go to line 2. Otherwise, enter the amount from Form 1040, line 37, and go to line 7. (If less than zero, enter as a negative amount.)	1		
2	Medical and dental. Enter the smaller of Schedule A (Form 1040), line 4, or 2½% of Form 1040, line 37 .	2		
3	Taxes from Schedule A (Form 1040), line 9	3		
4	Enter the home mortgage interest adjustment, if any, from line 6 of the worksheet on page 2 of the instructions	4		
5	Miscellaneous deductions from Schedule A (Form 1040), line 26	5		
6	If Form 1040, line 37, is over \$142,700 (over \$71,350 if married filing separately), enter the amount from line 9 of the Itemized Deductions Worksheet on page B-1 of the Instructions for Schedules A & B (Form 1040)	6	()
7	Tax refund from Form 1040, line 10 or line 21	7	()
8	Investment interest expense (difference between regular tax and AMT)	8		
9	Depletion (difference between regular tax and AMT)	9		
10	Net operating loss deduction from Form 1040, line 21. Enter as a positive amount	10		
11	Interest from specified private activity bonds exempt from the regular tax	11		
12	Qualified small business stock (7% of gain excluded under section 1202)	12		
13	Exercise of incentive stock options (excess of AMT income over regular tax income)	13		
14	Estates and trusts (amount from Schedule K-1 (Form 1041), line 9)	14		
15	Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box 6)	15		
16	Disposition of property (difference between AMT and regular tax gain or loss)	16		
17	Depreciation on assets placed in service after 1986 (difference between regular tax and AMT)	17		
18	Passive activities (difference between AMT and regular tax income or loss)	18		
19	Loss limitations (difference between AMT and regular tax income or loss)	19		
20	Circulation costs (difference between regular tax and AMT)	20		
21	Long-term contracts (difference between AMT and regular tax income)	21		
22	Mining costs (difference between regular tax and AMT)	22		
23	Research and experimental costs (difference between regular tax and AMT)	23		
24	Income from certain installment sales before January 1, 1987	24	()
25	Intangible drilling costs preference	25		
26	Other adjustments, including income-based related adjustments	26		
27	Alternative tax net operating loss deduction	27	()
28	Alternative minimum taxable income. Combine lines 1 through 27. (If married filing separately and line 28 is more than \$191,000, see page 6 of the instructions.)	28		

Part II Alternative Minimum Tax

29	Exemption. (If this form is for a child under age 14, see page 6 of the instructions.)			
	IF your filing status is	AND line 28 is not over	THEN enter on line 29	
	Single or head of household	\$112,500	\$40,250	}
	Married filing jointly or qualifying widow(er)	150,000	58,000	
	Married filing separately	75,000	29,000	
	If line 28 is over the amount shown above for your filing status, see page 6 of the instructions.			
30	Subtract line 29 from line 28. If zero or less, enter -0- here and on lines 33 and 35 and stop here			30
31	<ul style="list-style-type: none"> If you reported capital gain distributions directly on Form 1040, line 13; you reported qualified dividends on Form 1040, line 9b; or you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (as refigured for the AMT, if necessary), complete Part III on the back and enter the amount from line 55 here. All others: If line 30 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 30 by 26% (.26). Otherwise, multiply line 30 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result. 			}
32	Alternative minimum tax foreign tax credit (see page 7 of the instructions)			
33	Tentative minimum tax. Subtract line 32 from line 31			32
34	Tax from Form 1040, line 43 (minus any tax from Form 4972 and any foreign tax credit from Form 1040, line 46). If you used Schedule J to figure your tax, the amounts for lines 43 and 46 of Form 1040 must be refigured without using Schedule J (see page 8 of the instructions)			33
35	Alternative minimum tax. Subtract line 34 from line 33. If zero or less, enter -0-. Enter here and on Form 1040, line 44			34
				35

Part III Tax Computation Using Maximum Capital Gains Rates

36	Enter the amount from Form 6251, line 30			36
37	Enter the amount from line 6 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 43, or the amount from line 13 of the Schedule D Tax Worksheet on page D-9 of the instructions for Schedule D (Form 1040), whichever applies (as refigured for the AMT, if necessary) (see page 8 of the instructions)	37		
38	Enter the amount from Schedule D (Form 1040), line 19 (as refigured for the AMT, if necessary) (see page 8 of the instructions)	38		
39	If you did not complete a Schedule D Tax Worksheet for the regular tax or the AMT, enter the amount from line 37. Otherwise, add lines 37 and 38, and enter the smaller of that result or the amount from line 10 of the Schedule D Tax Worksheet (as refigured for the AMT, if necessary)	39		
40	Enter the smaller of line 36 or line 39			40
41	Subtract line 40 from line 36			41
42	If line 41 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 41 by 26% (.26). Otherwise, multiply line 41 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result ▶			42
43	Enter: <ul style="list-style-type: none"> • \$58,100 if married filing jointly or qualifying widow(er), • \$29,050 if single or married filing separately, or • \$38,900 if head of household. }	43		
44	Enter the amount from line 7 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 43, or the amount from line 14 of the Schedule D Tax Worksheet on page D-9 of the instructions for Schedule D (Form 1040), whichever applies (as figured for the regular tax). If you did not complete either worksheet for the regular tax, enter -0-	44		
45	Subtract line 44 from line 43. If zero or less, enter -0-	45		
46	Enter the smaller of line 36 or line 37	46		
47	Enter the smaller of line 45 or line 46	47		
48	Multiply line 47 by 5% (.05) ▶			48
49	Subtract line 47 from line 46	49		
50	Multiply line 49 by 15% (.15) ▶			50
	If line 38 is zero or blank, skip lines 51 and 52 and go to line 53. Otherwise, go to line 51.			
51	Subtract line 46 from line 40	51		
52	Multiply line 51 by 25% (.25) ▶			52
53	Add lines 42, 48, 50, and 52			53
54	If line 36 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 36 by 26% (.26). Otherwise, multiply line 36 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result			54
55	Enter the smaller of line 53 or line 54 here and on line 31			55

Purpose of Form

You may use Form 8822 to notify the Internal Revenue Service if you changed your home or business mailing address or your business location. If this change also affects the mailing address for your children who filed income tax returns, complete and file a separate Form 8822 for each child. If you are a representative signing for the taxpayer, attach to Form 8822 a copy of your power of attorney.

Changing Both Home and Business Addresses? If you are, use a separate Form 8822 to show each change.

Prior Name(s)

If you or your spouse changed your name because of marriage, divorce, etc., complete line 5. Also, be sure to notify the **Social Security Administration** of your new name so that it has the same name in its records that you have on your tax return. This prevents delays in processing your return and issuing refunds. It also safeguards your future social security benefits.

Addresses

Be sure to include any apartment, room, or suite number in the space provided.

P.O. Box

Enter your box number instead of your street address **only** if your post office does not deliver mail to your street address.

Foreign Address

Enter the information in the following order: city, province or state, and country. Follow the country's practice for entering the postal code. Please **do not** abbreviate the country name.

Signature

If you are completing Part II, the owner, an officer, or a representative must sign. An officer is the president, vice president, treasurer, chief accounting officer, etc. A representative is a person who has a valid power of attorney to handle tax matters or is otherwise authorized to sign tax returns for the business.

Where To File

Send this form to the **Internal Revenue Service Center** shown next that applies to you.



If you checked the box on line 2, see **Filers Who Checked the Box on Line 2 or Completed Part II** for where to file this form.

Filers Who Checked the Box on Line 1 and Completed Part I

IF your old home mailing address was in . . .	THEN use this address . . .
Alabama, Florida, Georgia, Mississippi, North Carolina, Rhode Island, South Carolina, West Virginia	Atlanta, GA 39901
Arkansas, Colorado, Kentucky, Louisiana, New Mexico, Oklahoma, Tennessee, Texas	Austin, TX 73301
Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington, Wyoming	Fresno, CA 93888
Maine, Massachusetts, New Hampshire, New York, Vermont	Andover, MA 05501
Delaware, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Wisconsin	Kansas City, MO 64999
Ohio, Virginia	Memphis, TN 37501
Connecticut, District of Columbia, Maryland, New Jersey, Pennsylvania	Philadelphia, PA 19255
American Samoa	Philadelphia, PA 19255 Department of Revenue and Taxation
Guam: Permanent residents	Government of Guam P.O. Box 23607 GMF, GU 96921
Guam: Nonpermanent residents Puerto Rico (or if excluding income under Internal Revenue Code section 933)	Philadelphia, PA 19255
Virgin Islands: Nonpermanent residents	V. I. Bureau of Internal Revenue 9601 Estate Thomas Charlotte Amalie St. Thomas, VI 00802
Foreign country: U.S. citizens and those filing Form 2555, Form 2555-EZ, or Form 4563 Dual-status aliens All APO and FPO addresses	Philadelphia, PA 19255

Filers Who Checked the Box on Line 2 or Completed Part II

IF your old business address was in . . .	THEN use this address . . .
Connecticut, Delaware, District of Columbia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, Wisconsin	Cincinnati, OH 45999

Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming	Ogden, UT 84201
Outside the United States	Philadelphia, PA 19255

Privacy Act and Paperwork Reduction Act Notice.

We ask for the information on this form to carry out the Internal Revenue laws of the United States. We may give the information to the Department of Justice and to other Federal agencies, as provided by law. We may give it to cities, states, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. We may give it to foreign governments because of tax treaties they have with the United States. We may also give this information to Federal and state agencies to enforce Federal nontax criminal laws and to combat terrorism.

Our legal right to ask for information is Internal Revenue Code sections 6001 and 6011, which require you to file a statement with us for any tax for which you are liable. Section 6109 requires that you provide your social security number on what you file. This is so we know who you are, and can process your form and other papers.

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

The use of this form is voluntary. However, if you fail to provide the Internal Revenue Service with your current mailing address, you may not receive a notice of deficiency or a notice and demand for tax. Despite the failure to receive such notices, penalties and interest will continue to accrue on the tax deficiencies.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is 16 minutes.

If you have comments concerning the accuracy of this time estimate or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Products Coordinating Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **Do not** send the form to this address. Instead, see **Where To File** on this page.



Education Credits
(Hope and Lifetime Learning Credits)
 ▶ See instructions.
 ▶ Attach to Form 1040 or Form 1040A.

Caution: You **cannot** take both an education credit and the tuition and fees deduction (Form 1040, line 27, or Form 1040A, line 19) for the **same student** in the same year.

Part I Hope Credit. Caution: You **cannot** take the Hope credit for more than **2** tax years for the **same student**.

1	(a) Student's name (as shown on page 1 of your tax return) First name Last name	(b) Student's social security number (as shown on page 1 of your tax return)	(c) Qualified expenses (see instructions). Do not enter more than \$2,000 for each student.	(d) Enter the smaller of the amount in column (c) or \$1,000	(e) Subtract column (d) from column (c)	(f) Enter one-half of the amount in column (e)

2 Add the amounts in columns (d) and (f) **2**

3 Tentative Hope credit. Add the amounts on line 2, columns (d) and (f). If you are taking the lifetime learning credit for another student, go to Part II; otherwise, go to Part III ▶ **3**

Part II Lifetime Learning Credit

4	Caution: You cannot take the Hope credit and the lifetime learning credit for the same student in the same year.	(a) Student's name (as shown on page 1 of your tax return) First name Last name	(b) Student's social security number (as shown on page 1 of your tax return)	(c) Qualified expenses (see instructions)

5 Add the amounts on line 4, column (c), and enter the total **5**

6 Enter the **smaller** of line 5 or \$10,000 **6**

7 Tentative lifetime learning credit. Multiply line 6 by 20% (.20) and go to Part III . . ▶ **7**

Part III Allowable Education Credits

8	Tentative education credits. Add lines 3 and 7	8	
9	Enter: \$105,000 if married filing jointly; \$52,000 if single, head of household, or qualifying widow(er)	9	
10	Enter the amount from Form 1040, line 37*, or Form 1040A, line 22	10	
11	Subtract line 10 from line 9. If zero or less, stop ; you cannot take any education credits	11	
12	Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er)	12	
13	If line 11 is equal to or more than line 12, enter the amount from line 8 on line 14 and go to line 15. If line 11 is less than line 12, divide line 11 by line 12. Enter the result as a decimal (rounded to at least three places)	13	× .
14	Multiply line 8 by line 13 ▶	14	
15	Enter the amount from Form 1040, line 45, or Form 1040A, line 28	15	
16	Enter the total, if any, of your credits from Form 1040, lines 46 through 48, or Form 1040A, lines 29 and 30	16	
17	Subtract line 16 from line 15. If zero or less, stop ; you cannot take any education credits ▶	17	
18	Education credits. Enter the smaller of line 14 or line 17 here and on Form 1040, line 49, or Form 1040A, line 31 ▶	18	

* If you are filing Form 2555, 2555-EZ, or 4563 or you are excluding income from Puerto Rico, see Pub. 970 for the amount to enter.

General Instructions

Purpose of Form

Use Form 8863 to figure and claim your education credits. The education credits are:

- The Hope credit and
- The lifetime learning credit.

Who Can Take the Credits

You may be able to take the credits if you, your spouse, or a dependent you claim on your tax return was a student enrolled at or attending an eligible educational institution. The credits are based on the amount of qualified expenses paid for the student in 2004 for academic periods beginning in 2004 and the first 3 months of 2005.



Qualified expenses must be reduced by any expenses paid directly or indirectly using tax-free educational assistance. See Tax-Free Educational Assistance and Refunds of Qualified Expenses on this page.

Note. If a student is claimed as a dependent on another person's tax return, only the person who claims the student as a dependent can claim the credits for the student's qualified expenses. If a student is not claimed as a dependent on another person's tax return, only the student can claim the credits.

Generally, qualified expenses paid on behalf of the student by someone other than the student (such as a relative) are treated as paid by the student. Also, qualified expenses paid (or treated as paid) by a student who is claimed as a dependent on your tax return are treated as paid by you. Therefore, you are treated as having paid expenses that were paid from your dependent student's earnings, gifts, inheritances, savings, etc.

You cannot take the education credits if any of the following apply.

- You are claimed as a dependent on another person's tax return, such as your parent's return (but see the *Note* above).
- Your filing status is married filing separately.
- Your adjusted gross income on Form 1040, line 37, or Form 1040A, line 22, is (a) \$105,000 or more if married filing jointly, or (b) \$52,000 or more if single, head of household, or qualifying widow(er).
- You are taking a deduction for tuition and fees on Form 1040, line 27, or Form 1040A, line 19, for the same student.
- You (or your spouse) were a nonresident alien for any part of 2004 and the nonresident alien did not elect to be treated as a resident alien.

Additional Information

See Pub. 970, Tax Benefits for Education, for more information about these credits.

Rules That Apply to Both Credits

What Expenses Qualify?

Generally, qualified expenses are amounts paid in 2004 for tuition and fees required for the student's enrollment or attendance at an eligible educational institution. It does not matter whether the expenses were paid in cash, by check, by credit card, or with borrowed funds.

Qualified expenses do not include amounts paid for:

- Room and board, insurance, medical expenses (including student health fees), transportation, or other similar personal, living, or family expenses.

- Course-related books, supplies, equipment, and nonacademic activities, except for fees required to be paid to the institution as a condition of enrollment or attendance.
- Any course or other education involving sports, games, or hobbies, unless such course or other education is part of the student's degree program or (for the lifetime learning credit only) helps the student to acquire or improve job skills.

If you or the student take a deduction for higher education expenses, such as on Schedule A or Schedule C (Form 1040), you cannot use those expenses when figuring your education credits.



Any qualified expenses used to figure the education credits cannot be taken into account in determining the amount of a distribution from a Coverdell ESA or a qualified tuition program that is excluded from gross income.

Tax-Free Educational Assistance and Refunds of Qualified Expenses

Tax-free educational assistance includes a tax-free scholarship or Pell grant or tax-free employer-provided educational assistance.

You must reduce the total of your qualified expenses by any tax-free educational assistance and by any refunds of qualified expenses. If the refund or tax-free assistance is received in the same year in which the expenses were paid or in the following year before you file your tax return, reduce your qualified expenses by the amount received and figure your education credits using the reduced amount of qualified expenses. If the refund or tax-free assistance is received after you file your return for the year in which the expenses were paid, you must figure the amount by which your education credits would have been reduced if the refund or tax-free assistance had been received in the year for which you claimed the education credits. Include that amount as an additional tax for the year the refund or tax-free assistance was received on the tax line of your 2004 tax return (Form 1040, line 43, or Form 1040A, line 28). Enter the amount and "ECR" next to that line.

Example. You paid \$2,250 tuition on December 26, 2003, and your child began college on January 27, 2004. You filed your 2003 tax return on February 2, 2004, and claimed a Hope credit of \$1,500. After you filed your return, your child dropped two courses (but maintained one-half of a full-time workload), and you received a refund of \$750. You must refigure your 2003 Hope credit using \$1,500 of qualified expenses instead of \$2,250. The refigured credit is \$1,250. You must include the difference of \$250 on your 2004 Form 1040, line 43, or Form 1040A, line 28.

Prepaid Expenses

Qualified expenses paid in 2004 for an academic period that begins in the first 3 months of 2005 can be used in figuring your 2004 education credits. For example, if you pay \$2,000 in December 2004 for qualified tuition for the 2005 winter quarter that begins in January 2005, you can use that \$2,000 in figuring your 2004 education credits (if you meet all the other requirements).



You cannot use any amount paid in 2003 or 2005 to figure your 2004 education credits.

What Is an Eligible Educational Institution?

An eligible educational institution is generally any accredited public, nonprofit, or proprietary (private) college, university, vocational school, or other postsecondary institution. Also, the institution must be eligible to participate in a student aid program administered by the Department of Education. Virtually all accredited postsecondary institutions meet this definition.

Specific Instructions

Part I Hope Credit

You may be able to take a credit of up to \$1,500 for qualified expenses (defined earlier) paid for each student who qualifies for the Hope credit. You can take the Hope credit for a student if all of the following apply.

- As of the beginning of 2004, the student had not completed the first 2 years of postsecondary education (generally, the freshman and sophomore years of college), as determined by the eligible educational institution. For this purpose, do not include academic credit awarded solely because of the student's performance on proficiency examinations.
- The student was enrolled in 2004 in a program that leads to a degree, certificate, or other recognized educational credential.
- The student was taking at least one-half the normal full-time workload for his or her course of study for at least one academic period beginning in 2004.
- The Hope credit was not claimed for that student's expenses in more than one prior tax year.
- The student has not been convicted of a felony for possessing or distributing a controlled substance.



If a student does not meet all of the above conditions, you may be able to take the lifetime learning credit for part or all of that student's qualified expenses instead.

Line 1

Complete columns (a) through (f) on line 1 for each student who qualifies for and for whom you elect to take the Hope credit.

Column (c)

Enter only qualified expenses paid for the student in 2004 for academic periods beginning after 2003 but before April 1, 2005, as explained earlier. If the student's expenses are more than \$2,000, enter \$2,000.

Note. If you have more than three students who qualify for the Hope credit, enter "See attached" next to line 1 and attach a statement with the required information for each additional student. Include the totals from line 1, columns (d) and (f), for all students in the amount you enter on line 2, columns (d) and (f).

Part II Lifetime Learning Credit

The maximum lifetime learning credit for 2004 is \$2,000, regardless of the number of students.



You cannot take the lifetime learning credit for any student for whom you are taking the Hope credit.

Line 4

Complete columns (a) through (c) for each student for whom you are taking the lifetime learning credit.

Column (c)

Enter only qualified expenses paid for the student in 2004 for academic periods beginning after 2003 but before April 1, 2005, as explained earlier.

Note. If you are taking the lifetime learning credit for more than three students, enter "See attached" next to line 4 and attach a statement with the required information for each additional student. Include the totals from line 4, column (c), for all students in the amount you enter on line 5.

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

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

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping**, 12 min.; **Learning about the law or the form**, 8 min.; **Preparing the form**, 32 min.; **Copying, assembling, and sending the form to the IRS**, 33 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the Instructions for Form 1040 or Form 1040A.

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