Form **1040** Department of the Treasury - Internal Revenue Service

U.S. Individual Income Tax Return 2004

(99) IRS Use Only-Do not write or staple in this space.

For the year Jan. 1-Dec. 31, 2004, or other tax year beginning , 2004, ending , 20 OMB. No. 1545-0074

Label (See instructions on page 16.) **Use the IRS label.** Otherwise, please print or type. LABEL HERE

Your first name and initial	Last name	Your social security number
TEST T	LIVINGWATERS	400-00-7529
If a joint return, spouse's first name and initial	Last name	Spouse's social security number
ISABEL H	LIVINGWATERS	400-00-7567
Home address (number and street). If you have a P.O. box, see page 16.	Apt. no.	
341 RONALD RD		
City, town or post office, state, and ZIP code. If you have a foreign address, see page 16.		
HULL	IL 62343	

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

Presidential Election Campaign (See page 16.) **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 [X] Yes [ ] No Spouse [X] Yes [ ] No

Filing Status Check only one box.

1 [ ] Single
2 [X] 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

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

b [X] **Spouse**

Boxes checked on 6a and 6b: 2

c **Dependents:**

(1) First name Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) Check if qualifying child for child tax credit (see pg18)
			[ ]
			[ ]
			[ ]
			[ ]

If more than four dependents, see page 18.

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

d Total number of exemptions claimed

Add numbers on lines above ▶ 2

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.**

7	Wages, salaries, tips, etc. Attach Form(s) W-2		7	
8a	**Taxable** interest. Attach Schedule B if required		8a	
b	**Tax-exempt** interest. **Do not** include on line 8a	8b		
9a	Ordinary dividends. Attach Schedule B if required		9a	
b	Qualified dividends (see page 20)	9b		
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 20)		10	
11	Alimony received		11	
12	Business income or (loss). Attach Schedule C or C-EZ		12	
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ [ ]		13	1,000
14	Other gains or (losses). Attach Form 4797		14	3,588
15a	IRA distributions	15a	b Taxable amount (see page 22)	15b
16a	Pensions and annuities	16a	b Taxable amount (see page 22)	16b
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E		17	
18	Farm income or (loss). Attach Schedule F		18	18,139
19	Unemployment compensation		19	
20a	Social security benefits	20a	b Taxable amount (see page 24)	20b
21	Other income.		21	
22	Add the amounts in the far right column for lines 7 through 21. This is your **total income** ▶		22	22,727

Adjusted Gross Income

23	Educator expenses (see page 26)	23		
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24		
25	IRA deduction (see page 26)	25		
26	Student loan interest deduction (see page 28)	26		
27	Tuition and fees deduction (see page 29)	27		
28	Health savings account deduction. Attach Form 8889	28		
29	Moving expenses. Attach Form 3903	29		
30	One-half of self-employment tax. Attach Schedule SE	30	1,282	
31	Self-employed health insurance deduction (see page 30)	31		
32	Self-employed SEP, SIMPLE, and qualified plans	32		
33	Penalty on early withdrawal of savings	33		
34a	Alimony paid b Recipient's SSN ▶	34a		
35	Add lines 23 through 34a		35	1,282
36	Subtract line 35 from line 22. This is your **adjusted gross income** ▶		36	21,445

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see page 75.

EEA

Tax and Credits

Standard Deduction for—

- People who checked any box on line 38a or 38b **or** who can be claimed as a dependent, see page 31.
- All others:

Single or Married filing separately, $4,850

Married filing jointly or Qualifying widow(er), $9,700

Head of household, $7,150

37	Amount from line 36 (adjusted gross income)	37	21,445
38a	Check if: [X] **You** were born before January 2, 1940, [X] Blind. [X] **Spouse** was born before January 2, 1940, [ ] Blind. **Total boxes checked** ▶38a 3		
b	If your spouse itemizes on a separate return or you were a dual-status alien, see pg 31 & check here ▶38b [ ]		
39	**Itemized deductions** (from Schedule A) **or** your **standard deduction** (see left margin)	39	12,550
40	Subtract line 39 from line 37	40	8,895
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	41	6,200
42	**Taxable income.** Subtract line 41 from line 40. If line 41 is more than line 40, enter -0-	42	2,695
43	**Tax** (see page 33). Check if any tax is from: a [ ] Form(s) 8814 b [ ] Form 4972	43	269
44	**Alternative minimum tax** (see page 35). Attach Form 6251	44	
45	Add lines 43 and 44 ▶	45	269
46	Foreign tax credit. Attach Form 1116 if required — 46		
47	Credit for child and dependent care expenses. Attach Form 2441 — 47		
48	Credit for the elderly or the disabled. Attach Schedule R — 48		
49	Education credits. Attach Form 8863 — 49		
50	Retirement savings contributions credit. Attach Form 8880 — 50		
51	Child tax credit (see page 37) — 51		
52	Adoption credit. Attach Form 8839 — 52		
53	Credits from: a [ ] Form 8396 b [ ] Form 8859 — 53		
54	Other credits. Check applicable box(es): a [ ] Form 3800 b [ ] Form 8801 c [ ] Specify _____ — 54		
55	Add lines 46 through 54. These are your **total credits**	55	
56	Subtract line 55 from line 45. If line 55 is more than line 45, enter -0- ▶	56	269

Other Taxes

ICR 2,000
FMSR 518

57	Self-employment tax. Attach Schedule SE	57	2,563
58	Social security and Medicare tax on tip income not reported to employer. Attach Form 4137	58	
59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59	
60	Advance earned income credit payments from Form(s) W-2	60	
61	Household employment taxes. Attach Schedule H	61	
62	Add lines 56 through 61. This is your **total tax** ▶	62	5,350

Payments

If you have a qualifying child, attach Schedule EIC.

63	Federal income tax withheld from Forms W-2 and 1099 — 63		
64	2004 estimated tax payments and amount applied from 2003 return — 64 3,000		
65a	**Earned income credit (EIC)** — 65a		
b	Nontaxable combat pay election ▶ 65b		
66	Excess social security and tier 1 RRTA tax withheld (see page 54) — 66		
67	Additional child tax credit. Attach Form 8812 — 67		
68	Amount paid with request for extension to file (see page 54) — 68		
69	Other payments from: a [ ] Form 2439 b [ ] Form 4136 c [ ] Form 8885 — 69		
70	Add lines 63, 64, 65a, and 66 through 69. These are your **total payments** ▶	70	3,000

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**	71	
72a	Amount of line 71 you want **refunded to you** ▶	72a	
▶ b	Routing number ▶c Type: [ ] Checking [ ] Savings		
▶ d	Account number		
73	Amount of line 71 you want **applied to your 2005 estimated tax** ▶ 73		

Amount You Owe

74	**Amount you owe.** Subtract line 70 from line 62. For details on how to pay, see page 55 ▶	74	2,352
75	Estimated tax penalty (see page 55) — 75 2		

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 56)? [ ] **Yes.** Complete the following. [X] **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
		RETIRED	
Spouse's signature. If a joint return, **both** must sign.	Date	Spouse's occupation	
		FARMER	

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.

Form **2210-F**

Department of the Treasury
Internal Revenue Service

Underpayment of Estimated Tax by Farmers and Fishermen

▶ **Attach to Form 1040, Form 1040NR, or Form 1041.**

▶ **See instructions.**

OMB No. 1545-0140

2004

Attachment Sequence No. **06A**

Name(s) shown on tax return: TEST T & ISABEL H LIVINGWATERS

Identifying number: 400-00-7529

In most cases, you do not need to file Form 2210-F. The IRS will figure any penalty you owe and send you a bill. File Form 2210-F only if one or both of the boxes in Part I apply to you. If you do not need to file Form 2210-F, you still can use it to figure your penalty. Enter the amount from line 20 on the penalty line of your return but do not attach Form 2210-F.

Part I Reasons for Filing -

If box 1a below applies to you, you may be able to lower or eliminate your penalty. But you **must** check that box and file Form 2210-F with your tax return. If box 1b below applies to you, check that box and file Form 2210-F with your tax return.

1 Check whichever boxes apply (if neither applies, see the text above Part I and **do not file Form 2210-F**):

a ☐ You request a **waiver**. In certain circumstances, the IRS will waive all or part of the penalty. See the instructions for **Waiver of Penalty.**

b ☒ Your required annual payment (line 15 below) is based on your 2003 tax and you filed or are filing a joint return for either 2003 or 2004 but not for both years.

Part II Figure Your Underpayment

2	Enter your 2004 tax after credits from Form 1040, line 56; Form 1040NR, line 51; or Form 1041, Schedule G, line 4			2	269
3	Other taxes (see instructions)			3	4,563
4	Add lines 2 and 3			4	4,832
5	Earned income credit	5			
6	Additional child tax credit	6			
7	Credit for Federal tax paid on fuels	7			
8	Health coverage tax credit	8			
9	Add lines 5, 6, 7, and 8			9	
10	Current year tax. Subtract line 9 from line 4			10	4,832
11	Multiply line 10 by 66 2/3%	11	3,221		
12	Withholding taxes. **Do not** include any estimated tax payments on this line (see instructions)			12	
13	Subtract line 12 from line 10. If less than $1,000, stop here; you do not owe the penalty. **Do not file Form 2210-F**			13	4,832
14	Enter the tax shown on your 2003 tax return. **Caution:** See instructions			14	3,270
15	**Required annual payment.** Enter the **smaller** of line 11 or line 14			15	3,221
	Note: If line 12 is equal to or more than line 15, stop here; you do not owe the penalty. **Do not file Form 2210-F unless you checked box 1b above.**				
16	Enter the estimated tax payments you made by January 15, 2005, and any Federal income tax and excess social security or tier 1 railroad retirement tax withheld during 2004			16	3,000
17	**Underpayment.** Subtract line 16 from line 15. If the result is zero or less, stop here; you do not owe the penalty. **Do not file Form 2210-F unless you checked box 1b above**			17	221

Part III Figure the Penalty

18	Enter the date the amount on line 17 was paid or April 15, 2005, whichever is earlier	18	2005-04-15
19	Number of days **from** January 15, 2005, **to** the date on line 18	19	90
20	**Penalty.** Underpayment on line 17 x Number of days on line 19 / 365 X .0X ▶	20	2

- Form 1040 filers, enter the amount from line 20 on Form 1040, line 75.
- Form 1040NR filers, enter the amount from line 20 on Form 1040NR, line 73.
- Form 1041 filers, enter the amount from line 20 on Form 1041, line 26.

SCHEDULE D (Form 1040)

Department of the Treasury
Internal Revenue Service (99)

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**

Name(s) shown on Form 1040: TEST T & ISABEL H LIVINGWATERS

Your social security numbe: 400-00-7529

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 (Yr., mo., day)	(c) Date sold (Yr., mo., day)	(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	2		
3	**Total short-term sales price amounts.** Add lines 1 and 2 in column (d)	3		
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 (Yr., mo., day)	(c) Date sold (Yr., mo., day)	(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	ANTIQUES	19840521	20040913	4,500	3,500	1,000

9	Enter your long-term totals, if any, from Schedule D-1, line 9	9		
10	**Total long-term sales price amounts.** Add lines 8 and 9 in column (d)	10	4,500	
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 page 2		15	1,000

Part III Summary

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 **16** 1,000

17 Are lines 15 and 16 **both** gains?

[X] **Yes.** Go to line 18.

[ ] **No.** Skip lines 18 through 21, and go to line 22.

18 Enter the amount, if any, from line 7 of the **28% Rate Gain Worksheet** on page D-7 of the instructions . . . . . ▶ **18** 1,000

19 Enter the amount, if any, from line 18 of the **Unrecaptured Section 1250 Gain Worksheet** on page D-8 of the instructions . . . . . ▶ **19**

20 Are lines 18 and 19 **both** zero or blank?

[ ] **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.

[X] **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.

21 If line 16 is a loss, enter here and on Form 1040, line 13, the **smaller** of:

- The loss on line 16 or
- ($3,000), or if married filing separately, ($1,500)

▶ . . . . . **21** ( )

Note: When figuring which amount is smaller, treat both amounts as positive numbers.

22 Do you have qualified dividends on Form 1040, line 9b?

[ ] **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.

[ ] **No.** Complete the rest of Form 1040.

SCHEDULE F (Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Farming

▶ Attach to Form 1040, Form 1041, Form 1065, or Form 1065-B.

▶ See Instructions for Schedule F (Form 1040).

OMB No. 1545-0074

2004

Attachment Sequence No. **14**

Name of proprietor: ISABEL H LIVINGWATERS

Social security number (SSN): 400-00-7567

A Principal product. Describe in one or two words your principal crop or activity for the current tax year: WHEAT

B Enter code from Part IV ▶ 111100

C Accounting method: (1) ☐ Cash (2) ☒ Accrual

D Employer ID number (EIN), if any: 37-3012345

E Did you "materially participate" in the operation of this business during 2004? If "No," see page F-2 for limit on passive losses. ☒ Yes ☐ No

Part I Farm Income - Cash Method. Complete Parts I and II (Accrual method taxpayers complete Parts II & III, & line 11 of Part I.) Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797.

1	Sales of livestock and other items you bought for resale	1					
2	Cost or other basis of livestock and other items reported on line 1	2					
3	Subtract line 2 from line 1					3	
4	Sales of livestock, produce, grains, and other products you raised					4	
5a	Total cooperative distributions (Form(s) 1099-PATR)	5a		5b	Taxable amount	5b	
6a	Agricultural program payments (see page F-2)	6a		6b	Taxable amount	6b	
7	Commodity Credit Corporation (CCC) loans (see page F-3):						
a	CCC loans reported under election					7a	
b	CCC loans forfeited	7b		7c	Taxable amount	7c	
8	Crop insurance proceeds and certain disaster payments (see page F-3):						
a	Amount received in 2004	8a		8b	Taxable amount	8b	
c	If election to defer to 2005 is attached, check here ▶ ☐			8d	Amount deferred from 2003	8d	
9	Custom hire (machine work) income					9	
10	Other income, including Federal and state gasoline or fuel tax credit or refund (see page F-3)					10	
11	**Gross income**. Add amounts in the right column for lines 3 through 10. If accrual method taxpayer, enter the amount from page 2, line 51 ▶					11	74,635

Part II Farm Expenses - Cash and Accrual Method. Do not include personal or living expenses such as taxes, insurance, repairs, etc., on your home.

12	Car and truck expenses (see pg. F-4 - also attach **Form 4562**)	12	2,500	25	Pension and profit-sharing plans	25	
13	Chemicals	13	500	26	Rent or lease (see page F-5):		
14	Conservation expenses (see page F-4)	14		a	Vehicles, machinery, and equipment	26a	1,500
15	Custom hire (machine work)	15	250	b	Other (land, animals, etc.)	26b	
16	Depreciation and section 179 expense deduction not claimed elsewhere (see page F-4)	16	20,633	27	Repairs and maintenance	27	750
				28	Seeds and plants purchased	28	644
				29	Storage and warehousing	29	1,200
17	Employee benefit programs other than on line 25	17	1,562	30	Supplies purchased	30	1,980
				31	Taxes	31	1,054
18	Feed purchased	18		32	Utilities	32	2,518
19	Fertilizers and lime	19	800	33	Veterinary, breeding, and medicine	33	
20	Freight and trucking	20	1,020	34	Other expenses (specify):		
21	Gasoline, fuel, and oil	21	4,000	a	SUBSCRIPTIONS	34a	95
22	Insurance (other than health)	22	1,200	b		34b	
23	Interest:			c		34c	
a	Mortgage (paid to banks, etc.)	23a	1,890	d		34d	
b	Other	23b		e		34e	
24	Labor hired (less employment credits)	24	12,400	f		34f	

35	**Total expenses.** Add lines 12 through 34f ▶	35	56,496
36	**Net farm profit or (loss).** Subtract line 35 from line 11. If a profit, enter on **Form 1040, line 18,** and **also** on **Schedule SE, line 1.** If a loss, you **must** go on to line 37 (estates, trusts, and partnerships, see page F-6)	36	18,139

37 If you have a loss, you **must** check the box that describes your investment in this activity (see page F-6).
- If you checked 37a, enter the loss on **Form 1040, line 18,** and **also** on **Schedule SE, line 1.**
- If you checked 37b, you **must** attach **Form 6198.**

▶ 37a ☐ All investment is at risk.
37b ☐ Some investment is not at risk.

Part III Farm Income - Accrual Method (see page F-6)

Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797 and do not include this livestock on line 46 below.

38	Sales of livestock, produce, grains, and other products during the year					38	71,030
39a	Total cooperative distributions (Form(s) 1099-PATR)	39a	1,400	39b	Taxable amount	39b	1,400
40a	Agricultural program payments	40a	230	40b	Taxable amount	40b	230
41	Commodity Credit Corporation (CCC) loans:						
a	CCC loans reported under election					41a	
b	CCC loans forfeited	41b		41c	Taxable amount	41c	
42	Crop insurance proceeds					42	350
43	Custom hire (machine work) income					43	1,400
44	Other income, including Federal and state gasoline or fuel tax credit or refund					44	980
45	Add amounts in the right column for lines 38 through 44					45	75,390
46	Inventory of livestock, produce, grains, and other products at beginning of the year	46	16,010				
47	Cost of livestock, produce, grains, and other products purchased during the year	47	4,400				
48	Add lines 46 and 47	48	20,410				
49	Inventory of livestock, produce, grains, and other products at end of year	49	19,655				
50	Cost of livestock, produce, grains, and other products sold. Subtract line 49 from line 48*					50	755
51	**Gross income.** Subtract line 50 from line 45. Enter the result here and on page 1, line 11 ▶					51	74,635

* If you use the unit-livestock-price method or the farm-price method of valuing inventory and the amount on line 49 is larger than the amount on line 48, subtract line 48 from line 49. Enter the result on line 50. Add lines 45 and 50. Enter the total on line 51.

Part IV Principal Agricultural Activity Codes

CAUTION! File **Schedule C** (Form 1040), Profit or Loss From Business, or **Schedule C-EZ** (Form 1040), Net Profit From Business, instead of Schedule F if:

Your principal source of income is from providing agricultural services such as soil preparation, veterinary, farm labor, horticultural, or management for a fee or on a contract basis or

You are engaged in the business of breeding, raising, and caring for dogs, cats, or other pet animals.

These codes for the Principal Agricultural Activity classify farms by the type of activity they are engaged in to facilitate the administration of the Internal Revenue Code. These six-digit codes are based on the North American Industry Classification System (NAICS).

Select one of the following codes and enter the six-digit number on page 1, line B.

Crop Production

111100 Oilseed and grain farming
111210 Vegetable and melon farming
111300 Fruit and tree nut farming
111400 Greenhouse, nursery, and floriculture production
111900 Other crop farming

Animal Production

112111 Beef cattle ranching and farming
112112 Cattle feedlots
112120 Dairy cattle and milk production
112210 Hog and pig farming
112300 Poultry and egg production
112400 Sheep and goat farming
112510 Animal aquaculture
112900 Other animal production

Forestry and Logging

113000 Forestry and logging (including forest nurseries and timber tracts)

SCHEDULE SE (Form 1040)

Department of the Treasury
Internal Revenue Service

Self-Employment Tax

▶ **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): ISABEL H LIVINGWATERS

Social security number of person with **self-employment** income ▶ 400-00-7567

Who Must File Schedule SE

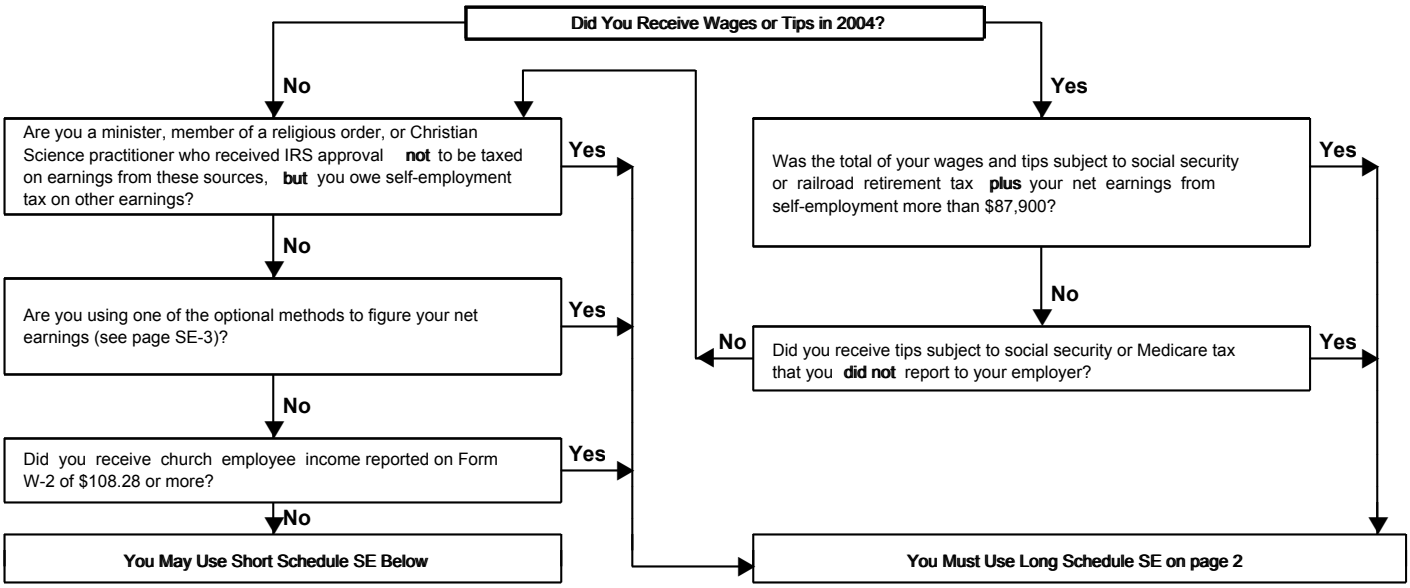
You must file Schedule SE if:

- 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	1	18,139
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	2	
3	Combine lines 1 and 2	3	18,139
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 ▶	4	16,751
5	**Self-employment tax.** If the amount on line 4 is: ● $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.**	5	2,563
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	1,282

Form **4797**

Department of the Treasury
Internal Revenue Service (99)

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return. ▶ See separate instructions.

OMB No. 1545-0184

2004

Attachment Sequence No. **27**

Name(s) shown on return: TEST T & ISABEL H LIVINGWATERS

Identifying number: 400-00-7529

1 Enter the gross proceeds from sales or exchanges reported to you for 2004 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) . . . 1

Part I **Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft -- Most Property Held More Than 1 Year** (see instructions)

	(a) Description of property	(b) Date acquired (yr., mo., day)	(c) Date sold (yr., mo., day)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
2							

3	Gain, if any, from Form 4684, line 39	3	
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37	4	
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824	5	
6	Gain, if any, from line 32, from other than casualty or theft	6	
7	Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:	7	

Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

All others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on Schedule D and skip lines 8, 9, 11, and 12 below.

8	Nonrecaptured net section 1231 losses from prior years (see instructions)	8	
9	Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on Schedule D (see instructions)	9	

Part II **Ordinary Gains and Losses**

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

11	Loss, if any, from line 7	11	( )
12	Gain, if any, from line 7 or amount from line 8, if applicable	12	
13	Gain, if any, from line 31	13	3,588
14	Net gain or (loss) from Form 4684, lines 31 and 38a	14	
15	Ordinary gain from installment sales from Form 6252, line 25 or 36	15	
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824	16	
17	Combine lines 10 through 16	17	3,588
18	For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:		
a	If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "Form 4797, line 18a." See instructions	18a	
b	Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14	18b	3,588

For Paperwork Reduction Act Notice, see page 8 of the instructions.

EEA

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (yr., mo., day)	(c) Date sold (yr., mo., day)
A SOLAR POWER COLLECTOR	2003-04-01	2004-04-15
B		
C		
D		

These columns relate to the properties on lines 19A through 19D. ▶		Property A	Property B	Property C	Property D
20 Gross sales price (**Note:** See line 1 before completing.)	20	21,747			
21 Cost or other basis plus expense of sale	21	25,000			
22 Depreciation (or depletion) allowed or allowable	22	6,841			
23 Adjusted basis. Subtract line 22 from line 21	23	18,159			
24 Total gain. Subtract line 23 from line 20	24	3,588			
25 **If section 1245 property:**					
a Depreciation allowed or allowable from line 22	25a	6,841			
b Enter the **smaller** of line 24 or 25a	25b	3,588			
26 **If section 1250 property:** If straight line depreciation was used, enter-0- on line 26g, except for a corporation subject to section 291.					
a Additional depreciation after 1975 (see instructions)	26a				
b Applicable percentage multiplied by the **smaller** of line 24 or line 26a (see instructions)	26b				
c Subtract line 26a from line 24. If residential rental property **or** line 24 is not more than line 26a, skip lines 26d and 26e	26c				
d Additional depreciation after 1969 and before 1976	26d				
e Enter the **smaller** of line 26c or 26d	26e				
f Section 291 amount (corporations only)	26f				
g Add lines 26b, 26e, and 26f	26g				
27 **If section 1252 property:** Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).					
a Soil, water, and land clearing expenses	27a				
b Line 27a multiplied by applicable percentage (see instr.)	27b				
c Enter the **smaller** of line 24 or 27b	27c				
28 **If section 1254 property:**					
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions)	28a				
b Enter the **smaller** of line 24 or 28a	28b				
29 **If section 1255 property:**					
a Applicable percentage of payments excluded from income under section 126 (see instructions)	29a				
b Enter the **smaller** of line 24 or 29a (see instructions)	29b				

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30 Total gains for all properties. Add property columns A through D, line 24	30	3,588
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	3,588
32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less

(see instructions)

		(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years	33		
34 Recomputed depreciation. See instructions	34		
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35		

SCHEDULE J (Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Income Averaging for Farmers and Fishermen

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

OMB No. 1545-0074

2004

Attachment Sequence No. **20**

Name(s) shown on Form 1040: TEST T & ISABEL H LIVINGWATERS

Social security number (SSN): 400-00-7529

1	Enter the taxable income from your 2004 Form 1040, line 42		1	2,695
2	Enter your **elected farm income** (see page J-1). **Do not** enter more than the amount on line 1		2	6,064
3	Subtract line 2 from line 1		3	0
4	Figure the tax on the amount on line 3. Use the **2004** Tax Table, Tax Computation Worksheet, Qualified Dividends and Capital Gain Tax Worksheet, or the Schedule D Tax Worksheet, whichever applies		4	
5	If you used Schedule J to figure your tax for 2003, enter the amount from line 11 of your 2003 Schedule J. If you used Schedule J for 2002 but not 2003, enter the amount from line 15 of your 2002 Schedule J. If you used Schedule J for 2001 but not 2002 nor 2003, enter the amount from line 3 of your 2001 Schedule J. Otherwise, enter the taxable income from your **2001** Form 1040, line 39; Form 1040A, line 25; or Form 1040EZ, line 6. If zero or less, see page J-2	5	200	
6	Divide the amount on **line 2** by 3.0	6	2,021	
7	Combine lines 5 and 6. If zero or less, enter -0-	7	2,221	
8	Figure the tax on the amount on line 7 using **2001** tax rates (see page J-4)		8	333
9	If you used Schedule J to figure your tax for 2003, enter the amount from line 15 of your 2003 Schedule J. If you used Schedule J for 2002 but not 2003, enter the amount from line 3 of your 2002 Schedule J. Otherwise, enter the taxable income from your **2002** Form 1040, line 41; Form 1040A, line 27; or Form 1040EZ, line 6. If zero or less, see page J-4	9	2,005	
10	Enter the amount from line 6	10	2,021	
11	Combine lines 9 and 10. If less than zero, enter as a negative amount	11	4,026	
12	Figure the tax on the amount on line 11 using **2002** tax rates (see page J-5)		12	403
13	If you used Schedule J to figure your tax for 2003, enter the amount from line 3 of your 2003 Schedule J. Otherwise, enter the taxable income from your **2003** Form 1040, line 40; Form 1040A, line 27; or Form 1040EZ, line 6. If zero or less, see page J-6	13	(2,000)	
14	Enter the amount from line 6	14	2,021	
15	Combine lines 13 and 14. If less than zero, enter as a negative amount	15	21	
16	Figure the tax on the amount on line 15 using **2003** tax rates (see page J-6)		16	2
17	Add lines 4, 8, 12, and 16		17	738
18	If you used Schedule J to figure your tax for 2003, enter the amount from line 12 of your 2003 Schedule J. If you used Schedule J for 2002 but not 2003, enter the amount from line 16 of your 2002 Schedule J. If you used Schedule J for 2001 but not 2002 nor 2003, enter the amount from line 4 of your 2001 Schedule J. Otherwise, enter the tax from your **2001** Form 1040, line 40*; Form 1040A, line 26*; or Form 1040EZ, line 11	18	32	
19	If you used Schedule J to figure your tax for 2003, enter the amount from line 16 of your 2003 Schedule J. If you used Schedule J for 2002 but not 2003, enter the amount from line 4 of your 2002 Schedule J. Otherwise, enter the tax from your **2002** Form 1040, line 42*; Form 1040A, line 28*; or Form 1040EZ, line 10	19	201	
20	If you used Schedule J to figure your tax for 2003, enter the amount from line 4 of your 2003 Schedule J. Otherwise, enter the tax from your **2003** Form 1040, line 41*; Form 1040A, line 28*; or Form 1040EZ, line 10	20		
	* **Do not** include tax from Form 4972 or 8814 or from recapture of an education credit. Also, **do not** include alternative minimum tax from Form 1040A.			
21	Add lines 18 through 20		21	233
22	Subtract line 21 from line 17. Also include this amount on Form 1040, line 43		22	505

Caution. Your tax may be less if you figure it using the 2004 Tax Table, Tax Computation Worksheet, Qualified Dividends and Capital Gain Tax Worksheet, or the Schedule D Tax Worksheet. Attach Schedule J only if you are using it to figure your tax.

REGULAR TAX BETTER; DO NOT FILE SCH J.

Form **8828**
(Rev. November 1998)
Department of the Treasury
Internal Revenue Service

Recapture of Federal Mortgage Subsidy

▶Attach to Form 1040. ▶See separate Instructions.

OMB No. 1545-1288

Attachment Sequence No. **64**

Name(s): TEST T & ISABEL H LIVINGWATERS

Social security number (as shown on page 1 of your tax return): 400-00-7529

Part I Description of Home Subject to Federally Subsidized Debt

1 Address of property (number and street, city or town, state, and ZIP code)

128 SOUTH MACON AVE HULL, IL 62343

2 Check the box that describes the type of Federal subsidy you had on the loan for your home.

a ☐ Mortgage loan from the proceeds of a tax-exempt bond

b ☒ Mortgage credit certificate

Note: If neither box applies, you are not subject to recapture tax on the sale or other disposition of your home. **DO NOT** complete this form.

3 Name of the bond or certificate issuer: IL (State) ALAMANCE (Political subdivision (city, county, etc.)) FMHA (Agency, if any)

4 Name and address of original lending institution: SECOND BANK
255 MONEY LENDING ST HULL, IL 62343

5 Date of closing of the original loan . . . . . 2000-10-25 (Year Month Day)

Note: If the date of closing of the loan was before January 1, 1991, recapture tax does not apply. **DO NOT** complete this form. If you (1) checked the box on line 2b (mortgage credit certificate), (2) refinanced your home, and (3) received a reissued mortgage credit certificate, see **Refinancing your home** on page 1 of the instructions.

6 Date of sale or other disposition of your interest in the home . . . . . 2004-04-25 (Year Month Day)

7 Number of years and full months between original closing date (line 5) and date of sale or disposition (line 6): 3 Years 6 Full months

8 Date of full repayment of the original loan including a refinancing other than one for which a replacement mortgage credit certificate was issued (see instructions) . . . . . 2004-04-25 (Year Month Day)

Part II Computation of Recapture Tax

9	Sales price of your interest in the home sold or disposed of (see instructions)	9	180,000
10	Expenses of sale. Include sales commissions, advertising, legal fees, etc.	10	9,000
11	Amount realized. Subtract line 10 from line 9	11	171,000
12	Adjusted basis of your interest in the home sold or disposed of (see instructions)	12	69,700
13	Gain or (loss) from sale or disposition. Subtract line 12 from line 11. If a loss, **stop** here and attach this form to your Form 1040. You **do not** owe recapture tax	13	101,300
14	Multiply line 13 by 50% (.50)	14	50,650
15	Modified adjusted gross income (see instructions)	15	21,445
16	Adjusted qualifying income (see instructions)	16	18,000
17	Subtract line 16 from line 15. If zero or less, **stop** here and attach this form to your Form 1040. You **do not** owe recapture tax	17	3,445
18	Income percentage. If the amount on line 17 is $5,000 or more, enter "100." Otherwise, divide the amount on line 17 by $5,000 and enter the result as a percentage. Round to the nearest whole percentage	18	69 %
19	Federally subsidized amount (see instructions)	19	3,750
20	Holding period percentage (see instructions)	20	20 %
21	Multiply line 19 by the percentage on line 20	21	750
22	Recapture amount. Multiply line 21 by the percentage on line 18	22	518
23	Tax. Enter the **smaller** of line 14 or line 22. Also, include this amount on the line for total tax on Form 1040. For details, see the instructions for Form 1040	23	518

Form **4255**
(Rev. August 2000)
Department of the Treasury
Internal Revenue Service

Recapture of Investment Credit

▶ **Attach to your income tax return.**

OMB No. 1545-0166
Attachment Sequence No. **65**

Name(s) as shown on return: TEST T & ISABEL H LIVINGWATERS

Identifying number: 400-00-7529

Properties	Type of property - State whether rehabilitation, energy, reforestation, or transition property. (See the Instructions for Form 3468 for the year the investment credit property was placed in service for definitions.) If rehabilitation property, also show type of building. If energy property, show type.
A	SOLAR POWER COLLECTOR
B	
C	
D	

Original Investment Credit

Computation Steps: (see Specific Instructions)		**Properties** A	B	C	D
1 Original rate of credit	1	10			
2 Cost or other basis	2	25,000			
3 Original credit. Multiply line 2 by the percentage on line 1	3	2,500			
4 Date property was placed in service	4	2003-04-01			
5 Date property ceased to be qualified investment credit property	5	2004-04-15			
6 Number of full years between the date on line 4 and the date on line 5	6	1			

Recapture Tax

7 Recapture percentage (see instructions)	7	80.00				
8 Tentative recapture tax. Multiply line 3 by the percentage on line 7	8	2,000				
9 Add all the amounts on line 8					9	2,000
10 Enter the recapture tax from property for which there was an increase in nonqualified nonrecourse financing (attach separate computation)					10	
11 Add lines 9 and 10					11	2,000
12 Portion of original credit (line 3) not used to offset tax in any year, plus any carryback and carryforward of credits you now can apply to the original credit year because you have freed up tax liability in the amount of the tax recaptured. Do not enter more than line 11 - see instructions					12	
13 Total increase in tax. Subtract line 12 from line 11. Enter here and on the appropriate line of your tax return. See section 29(b)(4) if you claim the nonconventional source fuel credit. Electing large partnerships, see instructions					13	2,000

EEA

Form **4562**

Department of the Treasury
Internal Revenue Service

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172

2004
Attachment Sequence No. **67**

Name(s) shown on return	Business or activity to which this form relates	Identifying number
TEST T & ISABEL H LIVINGWATERS	SCHEDULE F - 1	400-00-7529

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See page 2 of the instructions for a higher limit for certain businesses	1	$102,000
2	Total cost of section 179 property placed in service (see page 3 of the instructions)	2	25,000
3	Threshold cost of section 179 property before reduction in limitation	3	$410,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 3 of the instructions	5	102,000

	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6	POLLUTION CONTROL EQUIP	10,000	10,000

7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	10,000
9	Tentative deduction. Enter the **smaller** of line 5 or line 8	9	10,000
10	Carryover of disallowed deduction from line 13 of your 2003 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	102,000
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	10,000
13	Carryover of disallowed deduction to 2005. Add lines 9 and 10, less line 12 ▶	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Deduction Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see page 3 of the instructions)	14	
15	Property subject to section 168(f)(1) election (see page 4 of the instructions)	15	
16	Other depreciation (including ACRS) (see page 4 of the instructions)	16	

Part III MACRS Depreciation (Do not include listed property.) (See page 5 of the instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2004	17	8,383
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B - Assets Placed in Service During 2004 Tax Year Using the General Depreciation System

	(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a	3-year property						
b	5-year property		15,000	5	HY	150 DB	2,250
c	7-year property						
d	10-year property						
e	15-year property						
f	20-year property						
g	25-year property			25 yrs.		S/L	
h	Residential rental			27.5 yrs.	MM	S/L	
	property			27.5 yrs.	MM	S/L	
i	Nonresidential real			39 yrs.	MM	S/L	
	property				MM	S/L	

Section C - Assets Placed in Service During 2004 Tax Year Using the Alternative Depreciation System

20a	Class life					S/L	
b	12-year			12 yrs.		S/L	
c	40-year			40 yrs.	MM	S/L	

Part IV Summary (see page 7 of the instructions)

21	Listed property. Enter amount from line 28	21	
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr	22	20,633
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See page 8 of the instructions for limits for passenger automobiles.**)**

24a Do you have evidence to support the business/investment use claimed? X **Yes** **No** **24b** If "Yes," is the evidence written? X **Yes** **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see page 8 of the instructions)						25		
26 Property used more than 50% in a qualified business use (see page 8 of the instructions):								
TRUCK	19960318	100 %						
		%						
		%						
27 Property used 50% or less in a qualified business use (see page 8 of the instructions):								
		%				S/L-		
		%				S/L-		
		%				S/L-		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1						28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29	

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles - see page 2 of the instructions)	6,000											
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32	6,000											
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
34 Was the vehicle available for personal use during off-duty hours?		X										
35 Was the vehicle used primarily by a more than 5% owner or related person?	X											
36 Is another vehicle available for personal use?	X											

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see page 10 of the instructions).

	Yes	**No**
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 10 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See page 10 of the instructions.)		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2004 tax year (see page 11 of the instructions):					
43 Amortization of costs that began before your 2004 tax year				43	
44 **Total.** Add amounts in column (f). See page 12 of the instructions for where to report				44	

Form PMT ACH Payment 2004

Name(s) shown on return	Taxpayer's SSN
TEST T & ISABEL H LIVINGWATERS	400-00-7529
	Spouse's SSN
	400-00-7567

Routing Transit Number
012456778

Bank Account Number
111-333-6543

Type of Account:
1 Checking

Amount of Tax Payment
3,333

Requested Payment Date
20050415

Taxpayer's Daytime Phone Number
618-555-1020

Type of Form being filed
1040E

Taxpayer's Signature	Date
Spouse's Signature	Date

Declaration Control Number (DCN)

0 0 – 5 6 1 3 3 2 – 0 7 5 2 9 – 5

IRS Use Only - Do not write or staple in this space.

Form **8453**

Department of the Treasury
Internal Revenue Service

U.S. Individual Income Tax Declaration for an IRS e-file Return

For the year January 1-December 31, 2004

▶ **See instructions.**

OMB No. 1545-0936

2004

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

LABEL HERE

Your first name and initial	Last name	Your social security number
TEST T	LIVINGWATERS	400-00-7529
If a joint return, spouse's first name and initial	Last name	Spouse's social security number
ISABEL H	LIVINGWATERS	400-00-7567
Home address (number and street). If you have a P.O. box, see instructions.	Apt. no.	
341 RONALD RD		
City, town or post office, state, and ZIP code		
HULL, IL 62343		

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

Daytime phone number

Part I Tax Return Information (Whole dollars only)

1	Adjusted gross income (Form 1040, line 37; Form 1040A, line 22; Form 1040EZ, line 4)	1	21,445
2	Total tax (Form 1040, line 62; Form 1040A, line 38; Form 1040EZ, line 10)	2	5,350
3	Federal income tax withheld (Form 1040, line 63; Form 1040A, line 39; Form 1040EZ, line 7)	3	
4	Refund (Form 1040, line 72a; Form 1040A, line 45a; Form 1040EZ, line 11a)	4	
5	Amount you owe (Form 1040, line 74; Form 1040A, line 47; Form 1040EZ, line 12)	5	2,352

Part II Declaration of Taxpayer (Sign only after Part I is completed.) **Be sure to keep a copy of your tax return.**

6a ☐ I consent that my refund be directly deposited as designated in the electronic portion of my 2004 Federal income tax return. If I have filed a joint return, this is an irrevocable appointment of the other spouse as an agent to receive the refund.

b ☐ I do not want direct deposit of my refund **or** I am not receiving a refund.

c ☒ 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 in the tax preparation software for payment of my Federal taxes owed on this return and/or a payment of estimated tax. I further understand that this authorization may apply to subsequent Federal tax payments that I direct to be debited through the Electronic Federal Tax Payment System (EFTPS). In order for me to initiate subsequent payments, I request that the IRS send me a personal identification number (PIN) to access EFTPS. 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.

If I have filed a balance due return, I understand that if the IRS does not receive full and timely payment of my tax liability, I will remain liable for the tax liability and all applicable interest and penalties. If I have filed a joint Federal and state tax return and there is an error on my state return, I understand my Federal return will be rejected.

Under penalties of perjury, I declare that I have examined a copy of my electronic individual income tax return and accompanying schedules and statements for the tax year ending December 31, 2004, and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of my electronic income tax return. I consent to allow my electronic return originator (ERO) to send my return to the IRS and to receive from the IRS **(a)** an acknowledgment of receipt or reason for rejection of the transmission, **(b)** an indication of any refund offset, **(c)** the reason for any delay in processing the return, and **(d)** the date of any refund.

Sign Here ▶ Your signature | Date | ▶ Spouse's signature. If a joint return, **both** must sign. | Date

Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer (See instructions.)

I declare that I have reviewed the above taxpayer's return and that the entries on Form 8453 are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The taxpayer will have signed this form before I submit the return. I will give the taxpayer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in **Pub. 1345,** Handbook for Authorized IRS e-file Providers. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above taxpayer's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

ERO's Use Only

ERO's signature ▶	Date	Check if also paid preparer ☐	Check if self-employed ☐	ERO's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code ▶	EIN
DRAKE SOFTWARE 235 E PALMER STREET FRANKLIN, NC 28734	56-1494243 Phone no. 828-524-8020

Under penalties of perjury, I declare that I have examined the above taxpayer's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This declaration is based on all information of which I have any knowledge.

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.

For Paperwork Reduction Act Notice, see instructions.

EEA

Form 8453 (2004)

Illinois Department of Revenue
2004 Form IL-1040
Individual Income Tax Return

www.ILtax.com

or for fiscal year ending _____ / 0 5

Do not write above this line.

Step 1: Personal Information

400-00-7529 400-00-7567

TEST T LIVINGWATERS
ISABEL H LIVINGWATERS
341 RONALD RD
HULL, IL 62343

C Filing status (check one)
☐ Single or head of household ☒ Married filing jointly ☐ Married filing separately ☐ Widowed

Step 2: Income

1 Federal adjusted gross income from your U.S. 1040, Line 36; U.S. 1040A, Line 21; U.S. 1040EZ, Line 4; or U.S. TeleFile Tax Record, Line I. 1 21,445.00

2 Federally tax-exempt interest and dividend income from your U.S. 1040 or 1040A, Line 8b; or U.S. 1040EZ 2 _____

-New- Complete Schedule M.

3 Other additions to your income. **Attach** Schedule M. 3 _____

4 Add Lines 1 through 3. This is your total income. 4 21,445.00

Staple W-2 and 1099 forms here

Step 3: Base Income

5 Income received from Social Security benefits and certain retirement plans if included in Step 2, Line 1. **Attach** federal page 1, Form W-2, 1099-R. 5 _____

6 Military pay earned if included in Step 2, Line 1. **Attach** military W-2. 6 _____

7 Illinois Income Tax overpayment included in U.S. 1040, Line 10 7 _____

8 U.S. Treasury bonds, bills, notes, savings bonds, and U.S. agency interest from U.S. 1040, Schedule B, or U.S.1040A, Schedule 1 8 _____

-New- Complete Schedule M.

9 Other subtractions to your income. **Attach** Schedule M. 9 _____
Check if Line 9 includes any amount from Schedule 1299-C. ☐

10 Add Lines 5 through 9. This is the total of your subtractions. 10 _____

11 Subtract Line 10 from Line 4. This is your Illinois **base income.** 11 21,445.00

Step 4: Exemptions

See instructions before completing this step.

12 a Number of exemptions from your federal return. 2 X $2,000 a 4,000.00

b If someone else claimed you or your spouse as a dependent on their return, see instructions to figure the number to write here. ___ X $2,000 b _____

c Check if 65 or older: ☒ You + ☒ Spouse = 2 X $1,000 c 2,000

d Check if legally blind: ☒ You + ☐ Spouse = 1 X $1,000 d 1,000

Add Lines a through d. This is your total Illinois exemption allowance. 12 7,000

Staple your check

Step 5: Net income

13 **Residents only:** Subtract Line 12 from Line 11. This is your net income. Skip Line 14. 13 14,445

14 **Nonresidents and part-year residents only:**
Check the box that applies to you during the year 2004. ☐ Nonresident ☐ Part-year resident
Illinois base income from Schedule NR. **Attach** Schedule NR. 14 _____

Step 6: Tax

15 **Residents:** Multiply Line 13 by 3% (.03). Write the result here. This is your **tax.**
Nonresidents and part-year residents: Write the tax from Schedule NR.
This amount may not be less than zero. 15 433.00

This form is authorized as outlined by the Illinois Income Tax Act. Disclosure of this information is REQUIRED. Failure to provide information could result in a penalty. This form has been approved by the Forms Management Center. IL-492-0065

16 Tax amount from Page 1, Step 6, Line 15 — 16 433.00

Step 7: Payments and Credits

17 Illinois Income Tax withheld. **Attach** W-2 and 1099 forms. — 17 _____

18 Estimated payments from Forms IL-505-I and IL-1040-ES, including overpayment applied from 2003 return — 18 _____

19 Income tax paid to another state while an Illinois resident. **Attach** Schedule CR and other states' returns. — 19 _____

20 Illinois Property Tax credit. **You must complete PT Worksheet in instructions.**
PT Worksheet Line 3 amount — 20a _____
PT Worksheet Line 8 amount — 20b _____

21 Education expense credit. **You must complete ED Worksheet in instructions or Schedule ED. Attach** receipt or Schedule ED.
ED Worksheet or Schedule ED Line 1 amount — 21a _____
ED Worksheet or Schedule ED Line 10 amount — 21b _____

22 Earned Income Credit. **You must complete EIC Worksheet in instructions.**
EIC Worksheet Line 1 amount — 22a _____
EIC credit amount from the EIC Worksheet — 22b _____
Check if you have a qualifying child (living with you) born after 12/31/86. ☐

23 Income tax credit amount from Schedule 1299-C. **Attach** Schedule 1299-C. — 23 _____

24 Add Lines 17, 18, 19, 20b, 21b, 22b, and 23. This is the total of your payments and credits. — 24 _____

Nonresidents may not claim a credit on Lines 19, 20, or 21.

The total of Lines 19, 20b, and 21b may not exceed the tax amount on Line 16.

Step 8: Overpayment or Tax Due

25 If Line 24 is greater than Line 16, subtract Line 16 from Line 24. This is your **overpayment**. — 25 _____

26 If Line 16 is greater than Line 24, subtract Line 24 from Line 16. This is your **tax due**. — 26 433.00

Step 9: Penalty

27 Late-payment penalty for underpayment of estimated tax — 27 _____

a Check if you annualized your income on Form IL-2210, Step 6, or if you are 65 or older and permanently living in a nursing home. **Attach** Form IL-2210. ☐

b Check if at least two-thirds of your federal gross income is from farming . . . . . ☐

Step 10: Donations

Any donation will reduce your refund or increase the amount you owe

28 Amount you wish to donate to one or more of the following voluntary contribution funds

Wildlife Preservation	a _____	Multiple Sclerosis	f _____
Child Abuse Prevention	b _____	Military Family Relief	g _____
Alzheimer's Research	c _____	Lou Gehrig's Disease	h _____
Homeless Assistance	d _____	Illinois Veterans' Home	i _____
Breast Cancer Research	e _____		

Add Lines **a** through **i**. This is your donations total. — 28 _____

29 Add Line 27 and Line 28. This is your total penalty and donations. — 29 _____

Step 11: Refund or Amount You Owe

30 If you have an overpayment on Line 25 and this amount is greater than Line 29, subtract Line 29 from Line 25. — 30 _____

31 **Amount from Line 30 that you want applied to 2005 estimated tax** — 31 _____

32 Subtract Line 31 from Line 30. This is your **refund**. — 32 _____

Direct Deposit →

33 Complete to direct deposit your refund
Routing number _____ ☐ Checking or ☐ Savings
Account number _____

34 If you have tax due on Line 26, add Lines 26 and 29. **or**
If you have an overpayment on Line 25 and this amount is less than Line 29, subtract Line 25 from Line 29. This is the **amount you owe**. — 34 433.00

See instructions for payment options.

Step 12: Sign and Date

Under penalties of perjury, I state that I have examined this return, and, to the best of my knowledge, it is true, correct, and complete.

Your signature _____ Date _____ Daytime phone number _____ Your spouse's signature _____ Date _____

Paid preparer's signature 11-11-2004 Date _____ Preparer's phone number _____ Preparer's FEIN, SSN, or PTIN _____

If no payment enclosed, mail to: **ILLINOIS DEPARTMENT OF REVENUE SPRINGFIELD IL 62719-0001**

If payment enclosed, mail to: **ILLINOIS DEPARTMENT OF REVENUE SPRINGFIELD IL 62726-0001**

DR _____ AP _____ CA ME NS PR RV WA WV ZZ ID _____ _____

Illinois Department of Revenue
IL-1040-V Payment Voucher for Individual Income Tax **2004**
ID: 3107

400-00-7529 400-00-7567

Your payment is due April 15, 200

TEST T & ISABEL H LIVINGWAT
341 RONALD RD
HULL, IL 62343

$ 433.00

Print your payment amount.

Mail to: Illinois Department of Revenue
Springfield IL 62726-0001

Write your Social Security number on your check.

Preparer's phone number _____

104081204 1 2 400007529 3 12092209 6 000043300

Schedule D Tax Worksheet

(Keep for your records)

2004

Name(s) as shown on return: TEST T & ISABEL H LIVINGWATERS

Your social security number: 400-00-7529

Complete this worksheet only if line 18 or line 19 of Schedule D is more than zero. Otherwise, complete the Qualified Dividends and Capital Gain Tax Worksheet on page xx of the Instructions for Form 1040 to figure your tax.

Exception: Do not use the Qualified Dividends and Capital Gain Tax Worksheet **or** this worksheet to figure your tax if:

- Line 15 or line 16 of Schedule D is zero or less **and** you have no qualified dividends on Form 1040, line 9b, **or**
- Form 1040, line 42, is zero or less.

Instead, see the instructions for Form 1040, line 43

1.	Enter your taxable income from Form 1040, line 42				**1.** 2,695
2.	Enter your qualified dividends from Form 1040, line 9b	**2.**			
3.	Enter the amount from Form 4952, line 4g	**3.**			
4.	Enter the amount from Form 4952, line 4e*	**4.**			
5.	Subtract line 4 from line 3. If zero or less, enter -0-	**5.**			
6.	Subtract line 5 from line 2. If zero or less, enter -0-		**6.**		
7.	Enter the **smaller** of line 15 or line 16 of Schedule D	**7.** 1,000			
8.	Enter the **smaller** of line 3 or line 4	**8.**			
9.	Subtract line 8 from line 7. If zero or less, enter -0-		**9.** 1,000		
10.	Add lines 6 and 9			**10.** 1,000	
11.	Add lines 18 and 19 of Schedule D		**11.** 1,000		
12.	Enter the **smaller** of line 9 or line 11			**12.** 1,000	
13.	Subtract line 12 from line 10				**13.**
14.	Subtract line 13 from line 1. If zero or less, enter -0-				**14.** 2,695
15.	Enter the **smaller** of: • The amount on line 1 **or** • $29,050 if single or married filing separately; $58,100 if married filing jointly or qualifying widow(er); or $38,900 if head of household.		**15.** 2,695		
16.	Enter the **smaller** of line 14 or line 15		**16.** 2,695		
17.	Subtract line 10 from line 1. If zero or less, enter -0-	**17.** 1,695			
18.	Enter the **larger** of line 16 or line 17			▶ **18.** 2,695	
	If lines 15 and 16 are the same, skip lines 19 and 20 and go to line 21. Otherwise, go to line 19.				
19.	Subtract line 16 from line 15			▶ **19.**	
20.	Multiply line 19 by 5% (.05)				**20.**
	If lines 1 and 15 are the same, skip lines 21 through 33 and go to line 34. Otherwise, go to line 21.				
21.	Enter the **smaller** of line 1 or line 13		**21.**		
22.	Enter the amount from line 19 (if line 19 is blank, enter -0-)		**22.**		
23.	Subtract line 22 from line 21. If zero or less, enter -0-			▶ **23.**	
24.	Multiply line 23 by 15% (.15)				**24.**
	If Schedule D, line 19, is zero or blank, skip lines 25 through 30 and go to line 31. Otherwise, go to line 25.				
25.	Enter the **smaller** of line 9 above or Schedule D, line 19		**25.**		
26.	Add lines 10 and 18	**26.**			
27.	Enter the amount from line 1 above	**27.**			
28.	Subtract line 27 from line 26. If zero or less, enter -0-		**28.**		
29.	Subtract line 28 from line 25. If zero or less, enter -0-			▶ **29.**	
30	Multiply line 29 by 25% (.25)				**30.**
	If Schedule D, line 18, is zero or blank, skip lines 31 through 33 and go to line 34. Otherwise, go to line 31.				
31.	Add lines 18, 19, 23, and 29			**31.**	
32.	Subtract line 31 from line 1			**32.**	
33.	Multiply line 32 by 28% (.28)				**33.**
34.	Figure the tax on the amount on **line 18.** Use the Tax Table or Tax Computation Worksheet, whichever applies				**34.** 269
35.	Add lines 20, 24, 30, 33, and 34				**35.** 269
36.	Figure the tax on the amount on **line 1.** Use the Tax Table or Tax Computation Worksheet, whichever applies				**36.** 269
37.	**Tax on all taxable income (including capital gains and qualified dividends).** Enter the **smaller** of line 35 or line 36. Also enter this amount on Form 1040, line 43				**37.** 269

*If applicable, enter instead the smaller amount you entered on the dotted line next to line 4e of Form 4952.

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(Form 1040) 2003

Capital Gain Tax Worksheet (Schedule J)

(Keep for your records)

2004

Name(s) as shown on return: TEST T & ISABEL H LIVINGWATERS

Your social security number: 400-00-7529

Part IV Tax Computation Using Maximum Capital Gains Rates

If line 16 or line 17a is zero or less, skip lines 19 and 20 and go to line 21. Otherwise, go to line 19.

19	Enter your unrecaptured section 1250 gain, if any, from line 17 of the worksheet on page D-6			19	
20	Enter your 28% rate gain, if any, from line 7 of the worksheet on page D-9 of the instructions			20	1,000

If lines 19 and 20 are zero, go to line 21. Otherwise, complete the worksheet on page D-10 of the instructions to figure the amount to enter on lines 35 and 53 below, and skip all other lines below.

21	Enter your taxable income from Schedule J, line 15			21	
22	Enter the **smaller** of line 16 or line 17a, but not less than zero		22		
23	Enter your qualified dividends from Form 1040, line 9b		23		
24	Add lines 22 and 23		24		
25	Amount from line 4g of Form 4952 (investment interest expense)		25		
26	Subtract line 25 from line 24. If zero or less, enter -0-			26	
27	Subtract line 26 from line 21. If zero or less, enter -0-			27	
28	Enter the **smaller** of line 21 **or:** ● $56,800 if married filing jointly or qualifying widow(er); ● $28,400 if single or married filing separately; or ● $38,050 if head of household		28		
	If line 27 is more than line 28, skip lines 29-39 and go to line 40.				
29	Enter the amount from line 27		29		
30	Subtract line 29 from line 28. If zero or less, go to line 40		30		
31	Add lines 17b and 23*	31			
32	Enter the **smaller** of line 30 or line 31		32		
33	Multiply line 32 by 5% (.05)			33	
	If lines 30 and 32 are the same, skip lines 34-39 and go to line 40.				
34	Subtract line 32 from line 30		34		
35	Enter your qualified 5-year gain, if any, from line 8 of the worksheet on page D-8	35			
36	Enter the **smaller** of line 34 or line 35		36		
37	Multiply line 36 by 8% (.08)			37	
38	Subtract line 36 from line 34		38		
39	Multiply line 38 by 10% (.10)			39	
	If lines 26 and 30 are the same, skip lines 40-49 and go to line 50.				
40	Enter the **smaller** of line 21 or line 26		40		
41	Enter the amount from line 30 (if line 30 is blank, enter -0-)		41		
42	Subtract line 41 from line 40		42		
43	Add lines 17b and 23*	43			
44	Enter the amount from line 32 (if line 32 is blank, enter -0-)	44			
45	Subtract line 44 from line 43	45			
46	Enter the **smaller** of line 42 or line 45		46		
47	Multiply line 46 by 15% (.15)			47	
48	Subtract line 46 from line 42		48		
49	Multiply line 48 by 20% (.20)			49	
50	Figure the tax on the amount on **line 27.** Use the Tax Table or Tax Rate Schedules, whichever applies			50	
51	Add lines 33, 37, 39, 47, 49, and 50			51	
52	Figure the tax on the amount on **line 21.** Use the Tax Table or Tax Rate Schedules, whichever applies			52	
53	**Tax on all taxable income.** Enter the **smaller** of line 51 or line 52 here and on Schedule J, line 16			53	

*If line 25 is more than zero, see instructions for amount to enter.

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Worksheet B
Form 1040

Earned Income Credit (EIC)--Line 63

(Keep for Your Records)

2004

Name(s) as shown on return: ISABEL H LIVINGWATERS

Your social security number: 400-00-7567

Part 1

Self-Employed, Members of the Clergy, and People With Church Employee Income Filing Schedule SE

1a. Enter the amount from Schedule SE, Section A, line 3, or Section B, line 3, whichever applies.		1a	18,139
b. Enter any amount from Schedule SE, Section B, line 4b and line 5a.	+	1b	
c. Combine lines 1a and 1b.	=	1c	18,139
d. Enter the amount from Schedule SE, Section A, line 6, or Section B, line 13, whichever applies.	-	1d	1,282
e. Subtract line 1d from 1c.	=	1e	16,857

Part 2

Self-Employed NOT Required To File Schedule SE

For example, your net earnings from self-employment were less than $400.

2. Do not include on these lines any statutory employee income or any amount exempt from self-employment tax as the result of the filing and approval of Form 4029 or Form 4361.

a. Enter any net farm profit or (loss) from Schedule F, line 36, and from farm partnerships, Schedule K-1 (Form 1065), line 15a*.		2a	
b. Enter any net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), line 15a (other than farming); and Schedule K-1 (Form 1065-B), box 9*.	+	2b	
c. Combine lines 2a and 2b.	=	2c	

*If you have any Schedule K-1 amounts, complete the appropriate line(s) of Schedule SE, Section A. Put your name and social security number on Schedule SE and attach it to your return.

Part 3

Statutory Employees Filing Schedule C or C-EZ

3. Enter the amount from Schedule C, line 1, or Schedule C-EZ, line 1, that you are filing as a statutory employee.	3	

Part 4

All Filers Using Worksheet B

Note. If line 4a includes income on which you should have paid self-employment tax but did not, we may reduce your credit by the amount of self-employment tax not paid.

4a. Combine lines 1e, 2c, 3 and 4a. **This is your total earned income.**	4a	16,857

Qualified 5-Year Gain Worksheet
Line 35
(Keep for Your Records)

2004

Name(s) as shown on return	Your social security number
TEST T & ISABEL H LIVINGWATERS	400-00-7529

1. Enter the total of all gains that you reported on line 8, column (f), of Schedules D and D-1 from property held more than 5 years and disposed of before May 6, 2004. **Do not** reduce these gains by any losses . . . . . 1. _____

2. Enter the total of all gains from property held more than 5 years and disposed of before May 6, 2004, from Form 4797, Part I, but **only** if Form 4797, line 7, column (g), is more than zero. **Do not** reduce these gains by any losses . 2. _____

3. Enter the total of all capital gains from property held more than 5 years and disposed of before May 6, 2004, from Form 4684, line 4, but **only** if Form 4684, line 15, is more than zero. **Do not** reduce these gains by any losses . . . 3. _____

4. Enter the total of all capital gains from property held more than 5 years and disposed of before May 6, 2004, from Form 6252; Form 6781, Part II; and Form 8824. **Do not** reduce these gains by any losses . . . . . 4. _____

5. Enter the total of any qualified 5-year gain reported to you on:
   - Form 1099-DIV, box 2c;
   - Form 2439, box 1c; and
   - Schedule K-1 from a partnership, S corporation, estate, or trust (**do not** include gains from section 1231 property; take them into account on line 2 above, but **only** if Form 4797, line 7, column (g), is more than zero).

   ▶ . . . . . 5. _____

6. Add lines 1 through 5 . . . . . 6. _____

7. Enter the part, if any, of the gain on line 6 that is:
   - Attributable to 28% rate gain **or**
   - Included on line 6, 10, 11, or 12 of the **Unrecaptured Section 1250 Gain Worksheet** on page D-7.

   ▶ 7. 1,000

8. **Qualified 5-year gain.** Subtract line 7 from line 6. Enter the result here and on Schedule D, line 35 . . . . . 8. (1,000)