General Description Booklet

for the

1988 INDIVIDUAL PUBLIC USE TAX FILE

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TABLE OF CONTENTS

INTRODUCTION.. 1

DISCLOSURE AVOIDANCE PROCEDURES............................... 2

1988 TAX FILE SAMPLE.. 4

CORE RECORD LAYOUT.. 5

CODE DEFINITIONS.. 10

EXPLANATION OF FIELDS NOT ABSTRACTED DIRECTLY FROM

TAX FORMS... 17

TECHNICAL DESCRIPTION OF THE FILE.............................. 20

INDIVIDUAL TAX FILE SAMPLE DESCRIPTION......................... 21

1988 FEDERAL TAX FORMS (WITH FIELD NUMBERS REFERENCED)......... 23

INTRODUCTION

The Internal Revenue Service 1988 Tax File, formerly Tax Model file, (95,713 records) was selected as part of the Statistics of Income program that was designed to tabulate and present statistical information for the 109.7 million Form 1040, Form 1040A, and Form 1040EZ Federal Individual Income Tax Returns filed for Tax Year 1988.

The Tax Files which have been produced since 1960 consist of detailed information taken from actual tax returns. The public use versions of these sample files are purchased in an unidentifiable form, with names, Social Security Numbers (SSN), and other identifying information omitted. The primary uses made of these files have been to simulate the administrative and revenue impact of tax law changes, as well as to provide general statistical tabulations relating to sources of income and taxes paid by individuals.

The Individual Tax File is designed for making national level estimates. The 1988 Tax File can be purchased through the Internal Revenue Service, Statistics of Income Division. Any questions concerning the cost and acquisition of the current tax model file should be directed to:

Dr. Fritz Scheuren, Director
Statistics of Income Division R:S
Internal Revenue Service
P.O. BOX 2608
Washington, DC 20013-2608
(202) 233-1741

Individual Tax Files for each of the Tax Years 1960, 1962, and 1966 through 1978 are available through the National Archives and Records Administration. Questions concerning cost, acquisition, and delivery of these historical tax files, should be addressed to:

Reference Services
Center for Electronic Records, (NNXA)
National Archives and Records Administration
Washington, D.C. 20408
(202) 501-5579

The Archives order number for any of the above-mentioned historical Tax Model Files is 374-109-(A). In addition to the order number, the requester should also specify the tax year and version (Individual or State) of the file under consideration.

Please refer to the sections of this booklet titled "Individual Tax File Sample Description" for a more detailed discussion of the Tax File.

DISCLOSURE AVOIDANCE PROCEDURES

In order to preserve the character of the microdata file while also protecting the identity of individuals, we have incorporated the following procedural changes in the Individual Tax File.

First, in order to make sure that it will be impossible to ascertain whether a given taxpayer is represented in the sample, we have subsampled our 100 percent sample 1/ at a 33 percent rate.

Second, those records that remain in our file from the 100 percent sample have been combined with other high income returns (returns with an adjusted gross income of $200,000 or more) for the following processing changes:

> As in past years, the State codes and all other geographic indicators have been removed for all high income records. Other codes and fields that have been removed for these returns include: age and blindness indicators (for both primary and secondary taxpayers), alimony paid, alimony received, and personal property tax. Also, certain codes (age status, marital status, and exemptions for children living at home) have been modified (see section on Code Definitions for specific changes).
>
> Then, all of the high income returns have been sorted from largest to smallest for the field "State and local income taxes deductions". In this field, for every three records, in descending order, the <u>average</u> State and local income taxes deduction has been determined and that value has been placed in the State and local income tax deduction field for each of the three records. This has been done over that part of the sample containing non-zero values in these fields. If the last group of records contains fewer than three, these records have been combined with the group of three immediately before it. This method of disguising data is called "blurring".

1/Returns sampled at 100 percent include those with total income or loss of $5,000,000 or more; those with business plus farm receipts of $50,000,000 or more; those with foreign earned income or a foreign tax credit and total income or loss of $2,000,000 or more; and nontaxable returns with adjusted gross incomes of $200,000 or more.

High income returns have then been separated into 35 different classes based on age, marital status, the number of children living at home, and the size of salaries and wages. Within each of these 35 classes, returns have been sorted on salaries and wages. This field has then been blurred over consecutive records as described above for State and local income tax deductions. However, records have only been averaged with other records in the same class. Therefore, records within one of the 35 classes have not been averaged with records in any of the other 34 classes. The file was then sorted on real estate tax deductions (again, within the 35 classes), and the same blurring procedure has been repeated for real estate tax deductions.[2/]

Third, all lower income returns (records with an adjusted gross income of less than $200,000 and not from our 100 percent sample) have been blurred, nationally, for alimony paid and alimony received. Then, all lower income returns were sorted by State. After this sort, the records were blurred for real estate tax deductions, and State and local income taxes deduction (State of Wisconsin, only, for this last item) in the same manner as described above. The only difference between the processing of these records and that of the high income returns is that the lower income returns have been sorted for real estate tax deduction by individual state with no records from two different States being combined when averaging a field over a series of records.

Fourth, for all records on the file, the following changes have been made:

The fields containing other net income or loss, total adjustments, foreign housing adjustment, total taxes paid, personal property tax, industry code, primary social security number, and secondary social security number have been deleted and marked as "reserved." Also, all fields on the file have been rounded to the four most significant digits (e.g. $14,371 = $14,370 and $228,867 = $228,900).

[2/]For greater details on this and other disclosure protection techniques used by the Statistics of Income Division, see:

Strudler, Michael; Oh, H. Lock; and Scheuren, Fritz. "Protection of Taxpayer Confidentiality on the IRS Tax Model." <u>Statistics of Income and Related Administrative Record Research: 1986</u>, Internal Revenue Service.

1988 TAX FILE SAMPLE

STATE	NUMBER OF RECORDS	WEIGHTED TOTAL
TOTAL	95,713	109,707,700
ALABAMA	809	1,607,505
ALASKA	179	291,593
ARIZONA	835	1,540,924
ARKANSAS	440	872,547
CALIFORNIA	7,892	13,104,570
COLORADO	870	1,534,138
CONNECTICUT	1,019	1,667,422
DELAWARE	194	366,043
DISTRICT OF COLUMBIA	180	315,084
FLORIDA	2,998	5,552,854
GEORGIA	1,460	2,769,663
HAWAII	268	509,794
IDAHO	193	358,183
ILLINOIS	2,783	5,109,820
INDIANA	1,223	2,401,133
IOWA	632	1,241,192
KANSAS	595	1,082,957
KENTUCKY	732	1,501,065
LOUISIANA	881	1,642,179
MAINE	281	557,563
MARYLAND	1,325	2,318,441
MASSACHUSETTS	1,603	2,830,260
MICHIGAN	2,126	3,974,182
MINNESOTA	1,081	1,943,052
MISSISSIPPI	463	969,062
MISSOURI	1,150	2,191,250
MONTANA	173	313,197
NEBRASKA	380	728,335
NEVADA	305	584,420
NEW HAMPSHIRE	284	520,054
NEW JERSEY	2,226	3,699,240
NEW MEXICO	337	632,473
NEW YORK	4,358	7,703,298
NORTH CAROLINA	1,406	2,853,214
NORTH DAKOTA	135	243,974
OHIO	2,384	4,817,377
OKLAHOMA	721	1,331,427
OREGON	654	1,236,310
PENNSYLVANIA	2,762	5,392,173
RHODE ISLAND	239	452,953
SOUTH CAROLINA	705	1,430,002
SOUTH DAKOTA	164	336,415
TENNESSEE	1,046	2,034,917
TEXAS	3,953	7,028,460
UTAH	334	621,662
VERMONT	132	281,316
VIRGINIA	1,553	2,701,733
WASHINGTON	1,124	2,065,871
WEST VIRGINIA	311	663,521
WISCONSIN	1,080	2,143,866
WYOMING	103	177,042
OTHER THAN ABOVE	391	731,915
HIGH INCOME	36,241	730,057

1988 CORE RECORD LAYOUT
(CODE AND AMOUNT FIELD DEFINITIONS)

Codes: (all codes are 2 characters in length - PIC 99)
(*Indicates change from 1987 specifications)

1. AGEX
2. AGIR1
3. CGIND
4. CSAMP
5. CYCLE
6. DSI
7. EIC
8. ELECT
9. FDED
10. FLPDYR
11. FLPDMO
12. EFI*
13. F2441
14. F8582
15. F6251
16. F3800*
17. MARS
18. PREP
19. PSV
20. REGION 1/
21. F2555
22. SCHCF
23. SCHE
24. F8606
25. SPECTX
26. STATE 1/
27. TFORM
28. TOTXSZ
29. TXNT
30. TXRT
31. TXST
32. SCHB*
33. XFPT 1/
34. XFST 1/
35. XOCAH
36. XOCAWH
37. XOODEP
38. XOPAR
39. RESERVED
40. XTOT

Amount Fields: (all amount fields are 10 characters in length - PIC S9(10))

1. ADJUSTED GROSS INCOME (DEFICIT) (AGI) (+/-)
2. SALARIES AND WAGES 2/
3. TAXABLE INTEREST INCOME
4. TAX-EXEMPT INTEREST INCOME3
5. DIVIDENDS INCLUDED IN AGI
6. STATE INCOME TAX REFUNDS
7. ALIMONY RECEIVED 3/
8. BUSINESS OR PROFESSION (SCHEDULE C) NET PROFIT/LOSS (+/-)
9. NET CAPITAL GAIN OR LOSS (+/-)

10. CAPITAL GAIN DISTRIBUTIONS NOT REPORTED ON SCHEDULE D
11. SUPPLEMENTAL SCHEDULE NET GAIN OR LOSS (+/-)
12. TAXABLE IRA DISTRIBUTION
13. TOTAL PENSIONS AND ANNUITIES RECEIVED
14. PENSIONS AND ANNUITIES INCLUDED IN AGI
15. SCHEDULE E NET INCOME OR LOSS (+/-)
16. FARM (SCHEDULE F) NET PROFIT/LOSS (+/-)
17. UNEMPLOYMENT COMPENSATION IN AGI
18. GROSS SOCIAL SECURITY BENEFITS
19. SOCIAL SECURITY BENEFITS IN AGI
20. RESERVED

STATUTORY ADJUSTMENTS

21. RESERVED
22. EMPLOYEE BUSINESS EXPENSES
23. PAYMENTS TO INDIVIDUAL RETIREMENT ACCOUNT (IRA) (PRIMARY)
24. PAYMENTS TO INDIVIDUAL RETIREMENT ACCOUNT (IRA) (SECONDARY)
25. PAYMENTS TO KEOGH ACCOUNTS
26. FORFEITED INTEREST PENALTY

Amount Fields (continued):

27. ALIMONY PAID [4/]
28. SE HEALTH INSURANCE DEDUCTION*
29. RESERVED
30. EXCESS ITEMIZED/UNUSED ZBA (PY) OR
    STANDARD DEDUCTION OR
    ITEMIZED DEDUCTIONS
31. EXEMPTION AMOUNT
32. TAXABLE INCOME
33. COMPUTED INCOME TAX
34. INCOME TAX BEFORE CREDITS
35. INCOME SUBJECT TO TAX
36. MARGINAL TAX BASE
37. TAX GENERATED (TAX RATE TABLES)

CREDITS

38. TOTAL TAX CREDITS (SOI)
39. CHILD AND DEPENDENT CARE
40. ELDERLY AND DISABLED
41. FOREIGN TAX
42. GENERAL BUSINESS CREDIT
43. INVESTMENT (INCLUDED IN GENERAL BUSINESS CREDIT)
44. JOBS (INCLUDED IN GENERAL BUSINESS CREDIT) CREDIT
45. ALCOHOL USED AS FUEL (INCLUDED IN GENERAL BUSINESS CREDIT)
46. RESEARCH AND EXPERIMENTATION (INCLUDED IN GENERAL BUSINESS CREDIT)
47. LOW INCOME HOUSING (INCLUDED IN GENERAL BUSINESS CREDIT)
48. OTHER CREDIT
49. CREDIT FOR PRIOR YEAR MINIMUM TAX

50. TOTAL INCOME TAX
51. INCOME TAX AFTER CREDITS (SOI)
52. ALTERNATIVE MINIMUM TAX (SOI)
53. SELF-EMPLOYMENT TAX
54. TAX FROM RECOMPUTING PRIOR YEAR INVESTMENT CREDIT
55. SOCIAL SECURITY TAX ON TIP INCOME
56. PENALTY TAX ON IRA
57. TOTAL TAX LIABILITY (SOI)
58. INCOME TAX WITHHELD
59. ESTIMATED TAX PAYMENTS
60. AMOUNT PAID WITH FORM 4868
61. EXCESS FICA/RRTA
62. CREDIT FOR FEDERAL TAX ON SPECIAL FUELS AND OILS
63. REGULATED INVESTMENT COMPANY CREDIT
64. TOTAL TAX PAYMENTS (SOI)
65. BALANCE DUE (OVERPAYMENT) (+/-)
66. CREDIT ELECT
67. PREDETERMINED ESTIMATED TAX PENALTY
68. EARNED INCOME FOR EARNED INCOME CREDIT (EIC)
69. EIC USED TO OFFSET INCOME TAX BEFORE CREDITS
70. EIC USED TO OFFSET ALL OTHER TAXES EXCEPT ADVANCE EIC
71. EIC REFUNDABLE PORTION

Amount Fields (continued):

ITEMIZED DEDUCTIONS SCHEDULE A:
MEDICAL AND DENTAL EXPENSE DEDUCTIONS
72. TOTAL DEDUCTION
73. PRESCRIPTIONS AND MEDICAL CARE
74. MEDICAL AND DENTAL EXPENSES SUBJECT TO REDUCTION BY AGI LIMIT

TAXES PAID DEDUCTIONS
75. RESERVED
76. STATE AND LOCAL INCOME TAXES 2/
77. REAL ESTATE TAX DEDUCTIONS 5/
78. RESERVED

INTEREST PAID DEDUCTIONS
79. TOTAL INTEREST PAID DEDUCTION
80. TOTAL HOME MORTGAGE
81. HOME MORTGAGE FINANCIAL
82. DEDUCTIBLE POINTS
83. INVESTMENT INTEREST PAID
84. PERSONAL INTEREST PAID

85. CONTRIBUTIONS DEDUCTION, TOTAL
86. CARRYOVER
87. NON-LIMITED MISCELLANEOUS DEDUCTIONS*
88. OTHER THAN CASH
89. CASH CONTRIBUTIONS*
90. NET CASUALTY OR THEFT LOSS
91. MOVING EXPENSES

MISCELLANEOUS DEDUCTIONS (SUBJECT TO 2% LIMITATION)
92. NET LIMITED MISCELLANEOUS DEDUCTIONS
93. UNREIMBURSED EMPLOYEE BUSINESS EXPENSE
94. TAX PREPARATION FEE
95. MISCELLANEOUS DEDUCTIONS SUBJECT TO AGI LIMITATION, TOTAL

COMBINED SCHEDULE C INCOME AND SOME DEDUCTION ITEMS
96. TOTAL INCOME OR LOSS (+/-)
97. NET RECEIPTS (+/-)
98. COST OF GOODS SOLD AND/OR OPERATIONS
99. TOTAL DEDUCTIONS
100. CAR AND TRUCK
101. DEPRECIATION
102. COMMISSIONS
103. MORTGAGE INTEREST
104. OTHER INTEREST
105. OFFICE EXPENSES
106. INSURANCE
107. RENT
108. NET WAGES
109. BUSINESS RECEIPTS (+/-)
110. RESERVED

Amount Fields (continued):

CAPITAL GAINS (SCHEDULE D)
111. SHORT-TERM GAINS
112. SHORT-TERM LOSSES
113. SHORT-TERM LOSS CARRYOVER
114. RESIDENCE GAIN
115. CURRENT LONG-TERM GAIN
116. CURRENT LONG-TERM LOSSES
117. LONG-TERM LOSS CARRYOVER
118. SCHEDULE D CAPITAL GAIN DISTRIBUTIONS
119. FORM 4797 GAINS

SUPPLEMENTAL INCOME (SCHEDULE E)
RENT AND ROYALTIES
120. RENT/ROYALTY NET INCOME*
121. RENT/ROYALTY NET LOSS*
122. FARM RENT NET INCOME OR LOSS (+/-)
123. TOTAL RENTS RECEIVED
124. TOTAL ROYALTIES RECEIVED
125. ROYALTY DEPLETION
126. RENTAL DEPRECIATION
127. DEDUCTIBLE RENTAL LOSS
128. RENT NET INCOME OR LOSS (+/-)
129. ROYALTY NET INCOME OR LOSS (+/-)

PARTNERSHIPS
130. TOTAL PASSIVE INCOME
131. TOTAL NON-PASSIVE INCOME
132. TOTAL PASSIVE LOSS
133. TOTAL NON-PASSIVE LOSS

SMALL BUSINESS CORPORATION
134. TOTAL PASSIVE INCOME
135. TOTAL NON-PASSIVE INCOME
136. TOTAL PASSIVE LOSS
137. TOTAL NON-PASSIVE LOSS

138. COMBINED PARTNERSHIP AND S CORPORATION NET INCOME/LOSS (+/-)

ESTATE OR TRUST
139. TOTAL INCOME
140. TOTAL LOSS
141. WINDFALL PROFIT TAX REFUND
142. WINDFALL PROFIT TAX DEDUCTION

SELF EMPLOYMENT INCOME (SCHEDULE SE)
143. TOTAL SELF-EMPLOYMENT INCOME
144. SELF-EMPLOYMENT INCOME, SECONDARY TAXPAYER

Amount Fields (continued):

CHILD CARE CREDIT (FORM 2441)
145. QUALIFYING INDIVIDUALS' LIMITATION
146. EARNED INCOME
147. EARNED INCOME LIMITATION

ALTERNATIVE MINIMUM TAX COMPUTATION (FORM 6251)
148. TAXABLE INCOME PLUS NET OPERATING LOSS
149. ALTERNATIVE MINIMUM TAX TOTAL ADJUSTMENTS
150. TOTAL TAX PREFERENCES
151. ACCELERATED DEPRECIATION ON REAL PROPERTY

PASSIVE ACTIVITY LOSS LIMITATION (FORM 8582)
152. TOTAL PASSIVE LOSSES
153. TOTAL LOSSES ALLOWED FROM ALL PASSIVE ACTIVITIES FOR 1988

154. RETURN ID
155. RESERVED
156. RESERVED
157. DECIMAL WEIGHT
158. RESERVED
159. SAMPLE COUNT
160. POPULATION COUNT

1/ Only for lower income returns (returns with AGI less than $200,000 and not in 100% sample).
2/ Blurred for high income returns (note: State and local income taxes deduction is also blurred for low income returns in Wisconsin); see the section on Disclosure Avoidance Procedures for a more complete explanation.
3/ After processing was completed, an error was found in Field 4 on the record with return I.D. 116560. On this record only, the amount in Field 4 should be changed to 7817 from 781724.
4/ Blurred for lower income returns, reserved for high income returns.
5/ Blurred for all returns

CODE DEFINITIONS

AGEX* Age or Blindness Status:

(A)	No Age or Blindness Status	0
(B)	Only primary taxpayer claims Age or Blindness Status	1
(C)	Only secondary taxpayer claims Age or Blindness Status	2
(D)	Both spouses claim Age or Blindness Status	3

*For high income returns records with values greater than 1, this code was set equal to 1.

AGIR1 Adjusted Gross Income Range 1:

NO ADJUSTED GROSS INCOME	00
$ 1 under $ 1,000	01
$ 1,000 under $ 2,000	02
$ 2,000 under $ 3,000	03
$ 3,000 under $ 4,000	04
$ 4,000 under $ 5,000	05
$ 5,000 under $ 6,000	06
$ 6,000 under $ 7,000	07
$ 7,000 under $ 8,000	08
$ 8,000 under $ 9,000	09
$ 9,000 under $ 10,000	10
$ 10,000 under $ 11,000	11
$ 11,000 under $ 12,000	12
$ 12,000 under $ 13,000	13
$ 13,000 under $ 14,000	14
$ 14,000 under $ 15,000	15
$ 15,000 under $ 16,000	16
$ 16,000 under $ 17,000	17
$ 17,000 under $ 18,000	18
$ 18,000 under $ 19,000	19
$ 19,000 under $ 20,000	20
$ 20,000 under $ 25,000	21
$ 25,000 under $ 30,000	22
$ 30,000 under $ 40,000	23
$ 40,000 under $ 50,000	24
$ 50,000 under $ 75,000	25
$ 75,000 under $ 100,000	26
$ 100,000 under $ 200,000	27
$ 200,000 under $ 500,000	28
$ 500,000 under $1,000,000	29
$1,000,000 or more	30

CGIND Capital Gain Indicator:

(A)	No capital gain/loss	0
(B)	Capital gain present	1
(C)	Capital loss present	2

CSAMP Computed Sampled Code:

(A)	PSAMP EQ 28; Return is not a High Income Nontaxable	08
(B)	High Income Nontaxable	28
(C)	Business High Income/Loss	38
(D)	Nonbusiness Non-farm (NBNF)	40-48

(E) Nonbusiness Farm (NBF)....................................50-58
(F) Business (B)..60-68
(G) Forms 2555..80-84
(H) Forms 1116..90-94

CYCLE Cycle Code..00-52

DSI Dependent Status Indicator:

(A) Taxpayer not being claimed.......................................0
(B) Taxpayer claimed...1

EIC Earned Income Credit:

(A) Not present..0
(B) Present..1

ELECT President Elect Campaign Fund:

(A) No "yes" boxes checked...0
(B) One "yes" box checked (or both "yes" and "no" boxes checked)....1
(C) Two "yes" boxes checked..2

FDED Form of Deduction Code:

(A) Itemized deduction...1
(B) Standard deduction...2
(C) Taxpayer did not itemize or claim standard deduction.............3
(D) Taxpayer did not itemize or have a zero bracket amount (PY returns)..4
(E) The taxpayer had a zero bracket amount only (PY returns only)........5

FLPD Filing Period: (Accounting Period):

(A) YR - Calendar Year ended......................................66-89
(B) MO - Month Taxpayer's year ended..............................01-12

EFI Electronic Filing Indicator:

(A) Return not filed electronically..................................0
(B) Return filed electronically......................................1

F2441 Child care credit:

(A) No Form 2441 attached to return..................................0
(B) Number of qualifying individuals...............................1-9

F8582 Passive Activity Loss Limitation:

(A) No Form 8582 attached to return..................................0
(B) Form 8582 attached to return.....................................1

F6251 Alternative Minimum Tax:

(A) No Form 6251 attached to the return..............................0
(B) Form 6251 attached to the return.................................1

F3800 General Business credit:

(A) No Form 3800 attached..0
(B) Form 3800 attached to return...1

MARS* Marital Status:

(A) Single...1
(B) Married filing a joint return...2
(C) Married filing separately and not claiming a spouse exemption........3
(D) Unmarried head of household...4
(E) Widow(er) with dependent child (surviving spouse)....................5
(F) Married filing separately and claiming a spouse exemption............6

*For high income returns records with a value equal to 5, this code was set equal to 2.

PREP Tax Preparer:

(A) No preparer other than taxpayer indicated on the form................0
(B) Return prepared by paid tax preparer.....................................1
(C) IRS prepared return...2
(D) IRS reviewed return...3
(E) Voluntary Income Tax Assistance prepared return.......................4
(F) Self help..5
(G) Tax Counseling for the elderly...6
(H) Outreach program..7

PSV Primary Stratifying Variable:

(A) Sample Code 28 (HINT) or 38 (High Schedule C Net Profit/Loss)........0
(B) Positive Amounts Total.(PAT)..1
(C) Negative Amounts Total.(NAT)...2
(D) Total Receipts...3

REGION IRS Regions:

(A) Central...1
(B) Mid-Atlantic...2
(C) Midwest..3
(D) North Atlantic...4
(E) Southeast..5
(F) Southwest..6
(G) Western..7

F2555 Foreign Earned Income:

(A) No Form 2555 attached to the return.................................0
(B) Form 2555 attached to the return....................................1

SCHCF Schedule C or F Indicator:

(A) Neither Schedule C or F present.....................................0
(B) Schedule C present only...1
(C) Schedule F present only...2
(D) Schedule C and F present
Schedule C Gross Receipts Larger....................................3
(E) Schedule C and F present
Schedule F Gross Receipts Larger....................................4

SCHE Schedule E Indicator:

(A) No Schedule E Present...0
(B) Schedule E Present..1

F8606 Form 8606, Nondeductible IRA Contributions:

(A) No Form 8606 attached to return.....................................0
(B) Number of Forms 8606 attached to return...........................1-2

SPECTX Special Tax Computation:

(A) No entry..0
(B) Form 4970 tax used..1
(C) Form 4972 tax used..2
(D) Any combination of Form 4972 and other taxes........................3
(E) Any combination of the above taxes or type not determinable.........4

STATE:

Code	STATE NAME	Code	STATE NAME
1	Alabama	29	Nevada
2	Alaska	30	New Hampshire
3	Arizona	31	New Jersey
4	Arkansas	32	New Mexico
5	California	33	New York
6	Colorado	34	North Carolina
7	Connecticut	35	North Dakota
8	Delaware	36	Ohio
9	District of Columbia	37	Oklahoma
10	Florida	38	Oregon
11	Georgia	39	Pennsylvania
12	Hawaii	40	Rhode Island
13	Idaho	41	South Carolina
14	Illinois	42	South Dakota
15	Indiana	43	Tennessee
16	Iowa	44	Texas
17	Kansas	45	Utah
18	Kentucky	46	Vermont
19	Louisiana	47	Virginia
20	Maine	48	Washington
21	Maryland	49	West Virginia
22	Massachusetts	50	Wisconsin
23	Michigan	51	Wyoming
24	Minnesota	52	APO/FPO
25	Mississippi	53	Puerto Rico
26	Missouri	54	U.S. Citizens Abroad
27	Montana	54	Guam
28	Nebraska	54	Virgin Islands

TFORM Corrected Form of Return:

(A) 1040 Return....................0
(B) 1040A Return....................1
(C) 1040EZ Return....................2

TOTXSZ Size of Total Income Tax:

Returns with no total income tax..........00
$1 under $50..........01
$50 under $100..........02
$100 under $200..........03
$200 under $300..........04
$300 under $400..........05
$400 under $500..........06
$500 under $600..........07
$600 under $700..........08
$700 under $800..........09
$800 under $900..........10
$900 under $1,000..........11
$1,000 under $1,250..........12
$1,250 under $1,500..........13
$1,500 under $1,750..........14
$1,750 under $2,000..........15
$2,000 under $2,250..........16
$2,250 under $2,500..........17
$2,500 under $2,750..........18
$2,750 under $3,000..........19
$3,000 under $3,500..........20
$3,500 under $4,000..........21
$4,000 under $5,000..........22
$5,000 under $7,500..........23
$7,500 under $10,000..........24
$10,000 under $25,000..........25
$25,000 under $50,000..........26
$50,000 or more..........27

TXNT Taxable/Nontaxable Return:

(A) Taxable Return..........1
(B) Nontaxable Return..........0

TXRT Marginal Tax Rate..........15, 28, and 33

TXST TAX STATUS:

(A) No tax owed and IRS did not compute tax..........0
(B) All other returns..........1
(C) Taxes are owed and IRS computed tax..........2
(D) No taxes due and computed by IRS..........3
(E) Schedule D tax has entry, Form 8615 does not..........4
(F) Form 8615 has entry and Schedule D does not..........5
(G) Both Form 8615 and Schedule D have entries..........6

SCHB Schedule B Indicator:

(A) No Schedule B attached to return..........0
(B) Schedule B attached to return..........1

XFPT Primary Taxpayer Exemption:

(A) No exemption for primary taxpayer (dependent of another taxpayer)...0
(B) Regular taxpayer exemption..1

XFST Secondary Taxpayer Exemption:

(A) No secondary taxpayer or joint return filed by dependents...........0
(B) Secondary taxpayer exemption......................................1

XOCAH* Exemptions for Children Living at Home:

Actual number entered..0-99

*For high income returns records with values greater than 3, this code was set equal to 3.

XOCAWH Exemptions for Children Living Away from Home:

Actual number entered..0-99

XOODEP Exemptions of Other Dependents:

Actual number claimed..0-99

XOPAR Exemptions for Parents Living at Home or Away from Home:

Actual number entered..0-9

XTOT Total Exemptions:

Actual number punched...01-99

EXPLANATION OF FIELDS NOT ABSTRACTED DIRECTLY FROM TAX FORMS

The following explanations define data fields contained in the 1988 Individual Tax File that have not been abstracted directly from a specific line on Forms 1040, 1040A, 1040EZ, or the accompanying schedules and forms. Field numbers not appearing in this section have been entered on the specific lines on the forms or schedules from which the data were abstracted. Refer to the "1988 Federal Tax Forms" section of this booklet for further information.

Field Number	Definition
30	Deductions This is one of Total Standard Deduction or Total Itemized Deduction or Excess Itemized Deduction / Unused ZBA (PY). Only one can appear on each return.
33	Computed Regular Tax This is a computed amount arrived at by applying the Tax Rate Schedules to Taxable Income, without regard to the type of computation used by the taxpayer.
35	Income Subject to Tax For taxpayers filing current year returns, "income subject to tax" is identical to taxable income except for those upper income taxpayers paying 28% average and marginal tax and those dependents paying "kiddie" tax from Form 8615. For the upper income taxpayers the deduction for personal exemptions is phased out and their "income subject to tax" becomes taxable income plus the exemption amount. For dependents filing Form 8615 (TXST = 5 or 6), this is the income taxed at child's rate. For prior year returns, "income subject to tax" is computed by using the tax rate schedule to impute a hypothetical taxable income amount necessary to yield the given amount of tax reported.
36	Marginal Tax Base This is the amount of income subject to tax at the highest tax rate applicable to the return (TXRT), using the 1988 Tax Rate Schedules for all returns.
37	Tax generated (from tax rate tables) on income subject to tax.
38	Total Tax Credits (SOI) Total credits from Form 1040 (line 46) or 1040A (line 21) plus the amount of Earned Income Credit used to offset Income Tax before Credits.
50	Total Income Tax Income Tax After Credits (F51) plus Alternative Minimum Tax (F52).

Field Number	Definition
51	Income Tax After Credits (SOI) Income Tax after Credits from Form 1040 or 1040A minus the amount of Earned Income Credit used to offset Income Tax Before Credits. For Form 1040EZ, which does not allow for any credits or any other taxes, this is the same as "Total Tax Liability."
57	Total Tax Liability (SOI) Total tax liability (form) minus Advance Earned Income Credit payments minus EIC used to offset Income Tax Before Credits minus EIC used to offset all other taxes except advance EIC.
64	Total Tax Payments Total payments shown on the tax form, minus the total Earned Income Credit.
68	Earned Income used to calculate the Earned Income Credit For returns with the Earned Income Credit, the sum of salaries and wages and net earnings from self-employment.
69	Earned Income Credit Used to Offset Income Tax Before Credits This amount is the lesser of: Total Earned Income Credit or Income Tax Before Credits (F34) minus all credits except the Earned Income Credit.
70-71	If Total Earned Income Credit (EIC) is greater than Income Tax Before Credits (reduced by all credits except the Earned Income Credit), the following fields are computed: 70 - Earned Income Credit Used to Offset All Other Taxes Except Advance EIC, which is the lesser of: 1. Total EIC minus Earned Income Credit used to offset Income Tax Before Credits (F69); or 2. The sum of all other taxes (fields 52 through 56). 71 - Earned Income Credit Refundable Portion which equals EIC minus F69 minus F70 (see above for definitions and conditions).
80	Total Home Mortgage Sum of Deductible home mortgage interest paid to financial institution(s), Schedule A line 9 (a), and deductible home mortgage interest, paid to individual(s), Schedule A line 9 (b).

Field Number	Definition
143	Total of Self-Employment Income The sum of amounts shown for primary and secondary taxpayers on their individual Schedule SE.
152	Total Passive Losses (Form 8582) This is the combined amounts of line 1b, 1e, 2b, 2e, losses from Rental Real Estate Activities (with active participants) before 10/23/86, losses from Rental Real Estate Activities (with active participants) after 10/22/86, losses from All Other Passive Activities before 10/23/86, and losses from All Other Passive Activities after 10/22/86.
157	Decimal Weight A method of estimation by dividing the computer population count of returns in a sample stratum by the number of sample returns for that stratum (carried to 2 decimal places). The decimal place is implied. All estimates derived with the help of this weight must be divided by 100.

TECHNICAL DESCRIPTION OF THE FILE

Each "data record" in the file, representing one tax return, is composed of 1,680 characters. Blocks are made up of 6 data records and are separated by a 3/4 inch "inter record gap" (IRG). There is no special indication at the end of a block other than the IRG, and no indication of the end of a data record.

Tape characters are recorded in either EBCDIC or ASCII on standard 2,400 foot, 1/2 inch, nine-track tape, and a density of 6,250 bytes per inch (BPI). In this mode, a 1-bit and 0-bit are recorded as signals of opposite polarity in ODD parity (a parity bit is set to 1 or 0 so that there is always an ODD number of 1-bits in a nine-bit character).

Each code and data field is numeric and defined in character format. All codes are unsigned. The data fields are signed positive or negative, whichever is appropriate, in the last character position of the field.

Codes are defined as 2 characters in length. The largest decimal value is 99 with leading zeroes. The fields in the file are 10 characters in length with leading zeroes. Weight factors are provided to accommodate a decimal weighting system.

The file is a single data set on a tape and is UNLABELLED (EBCDIC). It can also be produced in ASCII at the user's request.

INDIVIDUAL TAX FILE SAMPLE DESCRIPTION

Sources of the Data

The data in the 1988 Individual Tax File were compiled from a stratified probability sample of unaudited individual income tax returns, Forms 1040, 1040A, and 1040EZ, filed by U.S. citizens and residents. The sample was designated at the Martinsburg Computing Center and was processed in each of the ten Internal Revenue Service Centers during Calendar Year 1989. The total sample of 95,713 returns was selected from a population of 109.7 million returns.

The estimates that are obtained from this file are intended to represent all returns filed for Income Tax Year 1988. While most of the returns processed during 1989 were for Calendar Year 1988, a few were for prior years. Returns for prior years were used in place of 1988 returns received and processed after December 31, 1989. This was done on the assumption that the characteristics of returns not yet filed could best be represented by the returns for previous income years that were processed in 1989.

All returns processed during 1989 were subjected to sampling except tentative and amended returns. Tentative returns were not subjected to sampling because the revised returns may have been sampled later on, while amended returns were excluded because the original returns had already been subjected to sampling.

Sample Design and Selection Criteria

Data from Forms 1040, 1040A, and 1040EZ processed to the IRS Individual Master File System at the National Computing Center during Calendar Year 1989 were classified, by computer, into 39 sample strata. These strata were based on the larger of total income or total loss amounts and the size of business receipts. In addition, the strata were based on the presence or absence of a Form 2555, Foreign Earned Income; a Form 1116, Computation of Foreign Tax Credit; a Schedule C, Profit or (Loss) from Business or Profession; a Schedule F, Farm Income and Expense; and Form 4835, Farm Rental Income and Expenses. Twenty variables were used to derived the Total Income and Loss amounts.

Returns were then selected from the sample strata using two methodologies. One method used certain ending digits of the social security number (SSN), and the second method used ending digits of numbers generated from transformations of the SSN. The sampling rates for the various strata ranged from 0.03 percent to 100 percent.

Method of Estimation

Sampling weights were obtained by dividing the computer population count of returns filed per sample stratum by the number of sample returns actually received for that stratum (computation carried to two implied decimal places). The file can be weighted with decimal weights by dividing each weight by 100.

Processing and Management of the Sample

While the sample was being selected, the selection process was monitored by applying prescribed sampling rates for each stratum to the population count for that stratum. A follow-up was required to reconcile differences between the actual number of returns selected and the expected number.

In transcribing and tabulating the information from the returns in the sample, checks were imposed to improve the quality of the resulting estimates. Incorrect or missing entries on the sampled record were altered during statistical editing to make them consistent with other entries on the return and accompanying schedules. Data were also adjusted during editing in an attempt to achieve consistent statistical definitions. For example, a taxpayer may report director's fees on the other income line of the Form 1040 return. If this situation had been detected during statistical editing, the amount of director's fees would have been entered into the salaries and wages field to the sample record (Note: Less editing is done on the Level III sample).

Quality of the basic data abstracted was controlled at the processing centers by means of a continuous verification system that used computer tests to check for mathematical errors and inconsistencies in the data. These tests were performed while the returns were still available to aid in resolving the error conditions. Prior to tabulation of the data at the Detroit Computing Center, additional computer tests were applied to each return record to determine the need for adjustments to the data.1/

1/ For more details on the techniques used to process the returns in the sample, particularly those steps designed to ensure the quality of the statistical data, see:

Kilss, Beth and Scheuren, Fritz. "Statistics from Individual Income Tax Returns: Quality Issues," 1982 Proceedings, American Statistical Association, Section on Survey Research Methods, pp. 271-277.

Sailer, Peter; Hicks, Charles; Watson, David; and Trevors, Dan, "Results of Coverage and Processing Changes to the 1980 Individual Statistics of Income Program," 1982 Proceedings, American Statistical Association, Section on Survey Research Methods, pp. 452-458.

Durkin, Thomas M. and Schwartz, Otto, "The SOI Quality Control Program," 1981 Proceedings, American Statistical Association, Section on Survey Research Methods, pp. 478-483.

1988

FEDERAL TAX FORMS
(WITH FIELD NUMBERS REFERENCED)

FIELD NUMBERS

Field Numbers presented on the tax forms and schedules lines can be used to cross reference to the Core Record Layout. An example of this is line 7 on the Form 1040 which has a field number of 2.

---

7 Wages, salaries, tips, etc.------------------ 2

On the Core Record Layout it would appear as 2 to the left of the Salaries and Wages line. See example below.

-- Core Record Layout --

1. ADJUSTED GROSS INCOME (DEFICIT) (AGI) (+/-)
2. SALARIES AND WAGES
3. TAXABLE INTEREST INCOME
4. TAX-EXEMPT INTEREST INCOME

Another example, Line 8a, Taxable Interest Income, on the Form 1040 (see below) has a field number of 3. This field number is cross referenced to the Taxable Interest income line on the 1988 Core Record Layout, which contains the number 3 to the left of the line (see above).

8a Taxable Interest Income ----------------------------- 3

Form **1040** Department of the Treasury—Internal Revenue Service
U.S. Individual Income Tax Return 1988

For the year Jan.–Dec. 31, 1988, or other tax year beginning , 1988, ending FLPD , 19 . OMB No. 1545-0074

Label

Use IRS label. Otherwise, please print or type.

LABEL HERE

Your first name and initial (if joint return, also give spouse's name and initial) | Last name | Your social security number

Present home address (number, street, and apt. no. or rural route). (If a P.O. Box, see page 6 of Instructions.) | Spouse's social security number

City, town or post office, state, and ZIP code STATE

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Presidential Election Campaign ▶ Do you want $1 to go to this fund? ELECT Yes No

If joint return, does your spouse want $1 to go to this fund? Yes No

Note: Checking "Yes" will not change your tax or reduce your refund.

Filing Status

Check only one box.

1 Single
2 Married filing joint return (even if only one had income) MARS
3 Married filing separate return. Enter spouse's social security no. above and full name here.
4 Head of household (with qualifying person). (See page 7 of Instructions.) If the qualifying person is your child but not your dependent, enter child's name here.
5 Qualifying widow(er) with dependent child (year spouse died ▶ 19). (See page 7 of Instructions.)

Exemptions

(See Instructions on page 8.)

6a Yourself XFPT If someone (such as your parent) can claim you as a dependent, do not check box 6a. But be sure to check the box on line 33b on page 2.

b Spouse XFST

No. of boxes checked on 6a and 6b

c Dependents:

(1) Name (first, initial, and last name)	(2) Check if under age 5	(3) If age 5 or older, dependent's social security number	(4) Relationship	(5) No. of months lived in your home in 1988

If more than 6 dependents, see Instructions on page 8.

No. of your children on 6c who:
- lived with you XOCAH
- didn't live with you due to divorce or separation XOCAWH

No. of other dependents listed on 6c XOPAR XOODEP

d If your child didn't live with you but is claimed as your dependent under a pre-1985 agreement, check here ▶

e Total number of exemptions claimed

Add numbers entered on lines above ▶ XTOT

Income

Please attach Copy B of your Forms W-2, W-2G, and W-2P here.

If you do not have a W-2, see page 6 of Instructions.

Please attach check or money order here.

7	Wages, salaries, tips, etc. *(attach Form(s) W-2)*	7	2
8a	Taxable interest income *(also attach Schedule B if over $400)*	8a	3
b	Tax-exempt interest income (see page 11). DON'T include on line 8a — 8b 4		
9	Dividend income *(also attach Schedule B if over $400)*	9	5
10	Taxable refunds of state and local income taxes, if any, from worksheet on page 11 of Instructions	10	6
11	Alimony received	11	7
12	Business income or (loss) *(attach Schedule C)*	12	8
13	Capital gain or (loss) *(attach Schedule D)*	13	9
14	Capital gain distributions not reported on line 13 (see page 11)	14	10
15	Other gains or (losses) *(attach Form 4797)*	15	11
16a	Total IRA distributions 16a — 16b Taxable amount (see page 11)	16b	12
17a	Total pensions and annuities 17a 13 — 17b Taxable amount (see page 12)	17b	14
18	Rents, royalties, partnerships, estates, trusts, etc. *(attach Schedule E)*	18	15
19	Farm income or (loss) *(attach Schedule F)*	19	16
20	Unemployment compensation (insurance) (see page 13)	20	17
21a	Social security benefits (see page 13) 21a 18		
b	Taxable amount, if any, from the worksheet on page 13	21b	19
22	Other income (list type and amount—see page 13)	22	
23	Add the amounts shown in the far right column for lines 7 through 22. This is your **total income** ▶	23	

Adjustments to Income

(See Instructions on page 13.)

24	Reimbursed employee business expenses from Form 2106, line 13	24	22
25a	Your IRA deduction, from applicable worksheet on page 14 or 15	25a	23
b	Spouse's IRA deduction, from applicable worksheet on page 14 or 15	25b	24
26	Self-employed health insurance deduction, from worksheet on page 15	26	28
27	Keogh retirement plan and self-employed SEP deduction	27	25
28	Penalty on early withdrawal of savings	28	26
29	Alimony paid (recipient's last name and social security no.)	29	27
30	Add lines 24 through 29. These are your **total adjustments** ▶	30	

Adjusted Gross Income

31 Subtract line 30 from line 23. This is your **adjusted gross income.** *If this line is less than $18,576 and a child lived with you, see "Earned Income Credit" (line 56) on page 19 of the Instructions. If you want IRS to figure your tax, see page 16 of the Instructions.* ▶ 31 1

Tax Computation

32 Amount from line 31 (adjusted gross income) | 32 | 1

33a Check if: ☐ You were 65 or older ☐ Blind; ☐ Spouse was 65 or older ☐ Blind.
Add the number of boxes checked and enter the total here AGEX ▶ 33a

b If someone (such as your parent) can claim you as a dependent, check here DSI ▶ 33b ☐

c If you are married filing a separate return and your spouse itemizes deductions, or you are a dual-status alien, see page 16 and check here ▶ 33c ☐

34 Enter the larger of:
- Your **standard deduction** (from page 17 of the instructions), OR
- Your **itemized deductions** (from Schedule A, line 26). If you itemize, attach Schedule A and check here ▶ ☐

| 34 | 30

35 Subtract line 34 from line 32. Enter the result here | 35

36 Multiply $1,950 by the total number of exemptions claimed on line 6e | 36 | 31

37 **Taxable income.** Subtract line 36 from line 35. Enter the result (if less than zero, enter zero) | 37 | 32

Caution: If under age 14 and you have more than $1,000 of investment income, check here ▶ ☐ and see page 17 to see if you have to use Form 8615 to figure your tax.

38 Enter tax. Check if from: ☐ Tax Table, ☐ Tax Rate Schedules, or ☐ Form 8615 | 38

39 Additional taxes (see page 17). Check if from: ☐ Form 4970 ☐ Form 4972 | 39

40 Add lines 38 and 39. Enter the total ▶ | 40 | 34

Credits

(See Instructions on page 18.)

41 Credit for child and dependent care expenses *(attach Form 2441)* | 41 | 39

42 Credit for the elderly or the disabled *(attach Schedule R)* | 42 | 40

43 Foreign tax credit *(attach Form 1116)* | 43 | 41

44 General business credit. Check if from: ☐ Form 3800 or ☐ Form (specify) ________ | 44 | 42 (includes 43, 44, 45, 46 and 47)

45 Credit for prior year minimum tax *(attach Form 8801)* | 45 | 49

46 Add lines 41 through 45. Enter the total. | 46

47 Subtract line 46 from line 40. Enter the result (if less than zero, enter zero) ▶ | 47

Other Taxes

(Including Advance EIC Payments)

48 Self-employment tax *(attach Schedule SE)* | 48 | 53

49 Alternative minimum tax *(attach Form 6251)* | 49 | 52

50 Recapture taxes (see page 18). Check if from: ☐ Form 4255 ☐ Form 8611 | 50 | 54

51 Social security tax on tip income not reported to employer *(attach Form 4137)* | 51 | 55

52 Tax on an IRA or a qualified retirement plan *(attach Form 5329)* | 52 | 56

53 Add lines 47 through 52. This is your **total tax** ▶ | 53

Payments

Attach Forms W-2, W-2G, and W-2P to front.

54 Federal income tax withheld (If any is from Form(s) 1099, check ▶ ☐) | 54 | 58

55 1988 estimated tax payments and amount applied from 1987 return | 55 | 59

56 Earned income credit (see page 19) | 56

57 Amount paid with Form 4868 (extension request) | 57 | 60

58 Excess social security tax and RRTA tax withheld (see page 20) | 58 | 61

59 Credit for Federal tax on fuels *(attach Form 4136)* | 59 | 62

60 Regulated investment company credit *(attach Form 2439)* | 60 | 63

61 Add lines 54 through 60. These are your **total payments** ▶ | 61

Refund or Amount You Owe

62 If line 61 is larger than line 53, enter amount **OVERPAID** ▶ | 62 | 65(-)

63 Amount of line 62 to be **REFUNDED TO YOU** ▶ | 63

64 Amount of line 62 to be applied to your 1989 estimated tax ▶ | 64 | 66

65 If line 53 is larger than line 61, enter **AMOUNT YOU OWE.** Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number, daytime phone number, and "1988 Form 1040" on it | 65 | 65(+)

Check ▶ ☐ if Form 2210 (2210F) is attached. See page 21. Penalty: $ 67

Please Sign Here

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

▶ Spouse's signature (if joint return, BOTH must sign) | Date | Spouse's occupation

Paid Preparer's Use Only

Preparer's signature ▶ | Date | Check if self-employed ☐ | Preparer's social security no.

Firm's name (or yours if self-employed) and address ▶ | E.I. No. | ZIP code

SCHEDULES A&B
(Form 1040)
Department of the Treasury
Internal Revenue Service

Schedule A—Itemized Deductions

(Schedule B is on back)

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

OMB No. 1545-0074
1988
Attachment Sequence No. 07

Name(s) as shown on Form 1040

Your social security number

Medical and Dental Expenses (Do not include expenses reimbursed or paid by others.) (See Instructions on page 23.)	1a	Prescription medicines and drugs, insulin, doctors, dentists, nurses, hospitals, medical insurance premiums you paid, etc.	1a	73		
	b	Other (list—include hearing aids, dentures, eyeglasses, transportation and lodging, etc.) ▶	1b			
	2	Add lines 1a and 1b, and enter the total here	2	74		
	3	Multiply the amount on Form 1040, line 32, by 7.5% (.075)	3			
	4	Subtract line 3 from line 2. If zero or less, enter -0-. Total medical and dental ▶			4	72
Taxes You Paid (See Instructions on page 23.)	5	State and local income taxes	5	76		
	6	Real estate taxes	6	77 84		
	7	Other taxes (list—include personal property taxes) ▶	7			
	8	Add the amounts on lines 5 through 7. Enter the total here. Total taxes ▶			8	
Interest You Paid (See Instructions on page 24.)		**Note:** *New rules apply to the home mortgage interest deduction. See Instructions.*				
	9a	Deductible home mortgage interest you paid to financial institutions (report deductible points on line 10)	9a	81		
	b	Deductible home mortgage interest you paid to individuals (show that person's name and address) ▶	9b	82		
	10	Deductible points. (See Instructions for special rules.)	10			
	11	Deductible investment interest (see page 24)	11	83		
	12a	Personal interest you paid (see page 24) 12a 84				
	b	Multiply the amount on line 12a by 40% (.40). Enter the result	12b			
	13	Add the amounts on lines 9a through 11, and 12b. Enter the total here. Total interest ▶			13	79
Gifts to Charity (See Instructions on page 25.)	14	Contributions by cash or check. (If you gave $3,000 or more to any one organization, show to whom you gave and how much you gave.) ▶	14	89		
	15	Other than cash or check. (You must attach Form 8283 if over $500.)	15	88		
	16	Carryover from prior year	16	86		
	17	Add the amounts on lines 14 through 16. Enter the total here. Total contributions ▶			17	85
Casualty and Theft Losses	18	Casualty or theft loss(es) (attach Form 4684). (See page 25 of the Instructions.) ▶			18	90
Moving Expenses	19	Moving expenses (attach Form 3903 or 3903F). (See page 26 of the Instructions.) ▶			19	91
Job Expenses and Most Other Miscellaneous Deductions (See page 26 for expenses to deduct here.)	20	Unreimbursed employee expenses—job travel, union dues, job education, etc. (You MUST attach Form 2106 in some cases. See Instructions.) ▶	20	93		
	21	Other expenses (investment, tax preparation, safe deposit box, etc.). List type and amount ▶	21	94		
	22	Add the amounts on lines 20 and 21. Enter the total.	22	95		
	23	Multiply the amount on Form 1040, line 32, by 2% (.02). Enter the result here	23			
	24	Subtract line 23 from line 22. Enter the result (if zero or less, enter zero) ▶			24	92
Other Miscellaneous Deductions	25	Other (from list on page 26 of Instructions). Enter type and amount ▶			25	97
Total Itemized Deductions	26	Add the amounts on lines 4, 8, 13, 17, 18, 19, 24, and 25. Enter the total here. Then enter on Form 1040, line 34, the LARGER of this total or your standard deduction from page 17 of the Instructions ▶			26	30

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule A (Form 1040) 1988

SCHEDULE C (Form 1040)

Department of the Treasury Internal Revenue Service (L)

Profit or Loss From Business
(Sole Proprietorship)

Partnerships, Joint Ventures, Etc., Must File Form 1065.

▶ Attach to Form 1040, Form 1041, or Form 1041S. ▶ See Instructions for Schedule C (Form 1040).

OMB No. 1545-0074

1988

Attachment Sequence No. 09

Name of proprietor | Social security number (SSN)

A Principal business or profession, including product or service (see instructions) | B Principal business code (from Part IV) ▶

C Business name and address ▶ .... | D Employer ID number (Not SSN)

E Method(s) used to value closing inventory:
(1) ☐ Cost (2) ☐ Lower of cost or market (3) ☐ Other (attach explanation)

F Accounting method: (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶ ....

	Yes	No
G Was there any change in determining quantities, costs, or valuations between opening and closing inventory? (If "Yes," attach explanation.)		
H Are you deducting expenses for business use of your home? (If "Yes," see Instructions for limitations.)		
I Did you "materially participate" in the operation of this business during 1988? (If "No," see Instructions for limitations on losses.)		

J If this schedule includes a loss, credit, deduction, income, or other tax benefit relating to a tax shelter required to be registered, check here ▶ ☐
If you check this box, you MUST attach Form 8271.

Part I Income

1a Gross receipts or sales	1a	
b Less: Returns and allowances	1b	
c Subtract line 1b from line 1a. Enter the result here	1c	97
2 Cost of goods sold and/or operations (from Part III, line 8)	2	98
3 Subtract line 2 from line 1c and enter the gross profit here	3	
4 Other income (including windfall profit tax credit or refund received in 1988)	4	
5 Add lines 3 and 4. This is the gross income ▶	5	96

Part II Deductions

6 Advertising	6		23 Repairs	23	
7 Bad debts from sales or services (see Instructions)	7		24 Supplies (not included in Part III)	24	
8 Bank service charges	8		25 Taxes	25	
9 Car and truck expenses	9	100	26 Travel, meals, and entertainment:		
10 Commissions	10	102	a Travel	26a	
11 Depletion	11		b Meals and entertainment		
12 Depreciation and section 179 deduction from Form 4562 (not included in Part III)	12	101	c Enter 20% of line 26b subject to limitations (see Instructions)		
13 Dues and publications	13		d Subtract line 26c from 26b	26d	
14 Employee benefit programs	14		27 Utilities and telephone	27	
15 Freight (not included in Part III)	15		28a Wages		
16 Insurance	16	106	b Jobs credit		
17 Interest:			c Subtract line 28b from 28a	28c	108
a Mortgage (paid to banks, etc.)	17a	103	29 Other expenses (list type and amount):		
b Other	17b	104	....		
18 Laundry and cleaning	18		....		
19 Legal and professional services	19		....		
20 Office expense	20	105	....		
21 Pension and profit-sharing plans	21		....		
22 Rent on business property	22	107		29	

30 Add amounts in columns for lines 6 through 29. These are the total deductions ▶	30	99
31 Net profit or (loss). Subtract line 30 from line 5. If a profit, enter here and on Form 1040, line 12, and on Schedule SE, line 2. If a loss, you MUST go on to line 32. (Fiduciaries, see instructions.)	31	

32 If you have a loss, you MUST check the box that describes your investment in this activity (see Instructions) 32a ☐ All investment is at risk. 32b ☐ Some investment is not at risk.

If you checked 32a, enter the loss on Form 1040, line 12, and Schedule SE, line 2. If you checked 32b, you MUST attach Form 6198.

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule C (Form 1040) 1988

SCHEDULE D
(Form 1040)

Department of the Treasury
Internal Revenue Service (L)

Capital Gains and Losses
(And Reconciliation of Forms 1099-B)

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

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

OMB No. 1545-0074

1988

Attachment Sequence No. **12**

Name(s) as shown on Form 1040

Your social security number

1 Report here the total sales of stocks, bonds, etc., reported for 1988 to you on Form(s) 1099-B or on equivalent substitute statement(s). If this amount differs from the total of lines 2b and 9b, column (d), attach a statement explaining the difference. See the Instructions for line 1 for examples . . . 1

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less (6 months or less if acquired before 1/1/88)

(a) Description of property (Example, 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see Instructions)	(e) Cost or other basis (see Instructions)	(f) LOSS If (e) is more than (d), subtract (d) from (e)	(g) GAIN If (d) is more than (e), subtract (e) from (d)
2a Stocks, Bonds, and Other Securities (Include all Form 1099-B transactions. See Instructions.)						
2b Total (add column (d)) . . . . . 2b▶						
2c Other Transactions (Include Real Estate Transactions From Forms 1099-S)						

		(f) LOSS	(g) GAIN
3 Short-term gain from sale or exchange of your home from Form 2119, line 8a or 14	3		
4 Short-term gain from installment sales from Form 6252, line 22 or 30	4		
5 Net short-term gain or (loss) from partnerships, S corporations, and fiduciaries .	5		
6 Short-term capital loss carryover	6	113	
7 Add all of the transactions on lines 2a and 2c and lines 3 through 6 in columns (f) and (g)	7	(112)	111
8 Net short-term gain or (loss), combine columns (f) and (g) of line 7	8		

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year (more than 6 months if acquired before 1/1/88)

(a) Description of property	(b) Date acquired	(c) Date sold	(d) Sales price	(e) Cost or other basis	(f) LOSS	(g) GAIN
9a Stocks, Bonds, and Other Securities (Include all Form 1099-B transactions. See Instructions.)						
9b Total (add column (d)) . . . . 9b▶						
9c Other Transactions (Include Real Estate Transactions From Forms 1099-S)						

		(f) LOSS	(g) GAIN
10 Long-term gain from sale or exchange of your home from Form 2119, line 8a, 10, or 14	10		114
11 Long-term gain from installment sales from Form 6252, line 22 or 30	11		
12 Net long-term gain or (loss) from partnerships, S corporations, and fiduciaries .	12		
13 Capital gain distributions	13		118
14 Enter gain from Form 4797, line 7 or 9	14		119
15 Long-term capital loss carryover	15	117	
16 Add all of the transactions on lines 9a and 9c and lines 10 through 15 in columns (f) and (g) . .	16	(116)	115
17 Net long-term gain or (loss), combine columns (f) and (g) of line 16 . . .	17		

Schedule D (Form 1040) 1988

SCHEDULE E (Form 1040)

Department of the Treasury
Internal Revenue Service (L)

Supplemental Income Schedule

(From rents, royalties, partnerships, estates, trusts, REMICs, etc.)
▶ Attach to Form 1040, Form 1041, or Form 1041S.
▶ See Instructions for Schedule E (Form 1040).

OMB No. 1545-0074
1988
Attachment Sequence No. 13

Name(s) as shown on return | Your social security number

Part I Rental and Royalty Income or Loss **Caution:** *Your rental loss may be limited. See Instructions.*

1 In the space provided below, show the kind and location of each rental property.

2 For each rental property listed, did you or a member of your family use it for personal purposes for more than the greater of 14 days or 10% of the total days rented at fair rental value during the tax year?

3 For each rental real estate property listed in item 1, did you actively participate in its operation during the tax year? (See Instructions.)

	2 Yes	2 No		3 Yes	3 No
Property A ▶			Property A ▶		
Property B ▶			Property B ▶		
Property C ▶			Property C ▶		

		Properties A	Properties B	Properties C		Totals (Add columns A, B, and C)
Rental and Royalty Income						
4 Rents received					4	123
5 Royalties received					5	124
Rental and Royalty Expenses						
6 Advertising	6					
7 Auto and travel	7					
8 Cleaning and maintenance	8					
9 Commissions	9					
10 Insurance	10					
11 Legal and other professional fees	11					
12 Mortgage interest paid to banks, etc. (see Instructions)	12				12	
13 Other interest	13					
14 Repairs	14					
15 Supplies	15					
16 Taxes (Do not include windfall profit tax here. See Part V, line 40.)	16					
17 Utilities	17					
18 Wages and salaries	18					
19 Other (list) ▶	19					
20 Total expenses other than depreciation and depletion. Add lines 6 through 19.	20				20	
21 Depreciation expense (see Instructions), or depletion (see Pub. 535)	21				21	125 126
22 Total. Add lines 20 and 21	22					
23 Income or (loss) from rental or royalty properties. Subtract line 22 from line 4 (rents) or 5 (royalties)	23			128 129		
24 Deductible rental loss. **Caution:** *Your rental loss on line 23 may be limited. See Instructions to determine if you must file Form 8582, Passive Activity Loss Limitations*	24			127		

25 **Profits.** Add rental and royalty profits from line 23. Enter the total profits here	25	120
26 **Losses.** Add royalty losses from line 23 and rental losses from line 24. Enter the total (losses) here	26	(121)
27 Combine amounts on lines 25 and 26. Enter the net profit or (loss) here	27	
28 Net farm rental profit or loss from Form 4835. (Also complete Part VI, line 43.)	28	122
29 Total rental or royalty income or (loss). Combine amounts on lines 27 and 28. Enter the total here. If Parts II, III, IV, and V on page 2 do not apply to you, enter the amount from line 29 on Form 1040, line 18. Otherwise, include the amount from line 29 in line 42 on page 2 of Schedule E	29	

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule E (Form 1040) 1988

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

Part II Income or Loss From Partnerships and S Corporations

If you report a loss from an at-risk activity, you MUST check either column (e) or (f) to describe your investment in the activity. See Instructions. If you check column (f), you must attach **Form 6198.**

	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	Investment At Risk? (e) All is at risk	(f) Some is not at risk
A						
B						
C						
D						
E						

	Passive Income and Loss		Nonpassive Income and Loss		
	(g) Passive loss allowed from Form 8582	(h) Passive income from Schedule K-1	(i) Nonpassive loss from Schedule K-1	(j) Section 179 deduction (see Instructions for limits)	(k) Nonpassive income from Schedule K-1
A					
B					
C					
D					
E					
30a Totals		130/134			131/135
b Totals	132/136		133/137		

31 Add amounts in columns (h) and (k), line 30a. Enter total income here	31	
32 Add amounts in columns (g), (i), and (j), line 30b. Enter total here	32	( )
33 Total partnership and S corporation income or (loss). Combine amounts on lines 31 and 32. Enter the total here and include in line 42 below	33	138

Part III Income or Loss From Estates and Trusts

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

	Passive Income and Loss		Nonpassive Income and Loss	
	(c) Passive deduction or loss allowed from Form 8582	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1
A				
B				
C				
34a Totals				
b Totals				

35 Add amounts in columns (d) and (f), line 34a. Enter total income here	35	139
36 Add amounts in columns (c) and (e), line 34b. Enter total here	36	(140)
37 Total estate and trust income or (loss). Combine amounts on lines 35 and 36. Enter the total here and include in line 42 below	37	

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

(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see Instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b

38 Combine amounts in columns (d) and (e) only. Enter the total here and include in line 42 below	38	

Part V Windfall Profit Tax Summary

39 Windfall profit tax credit or refund received in 1988 (see Instructions)	39	141
40 Windfall profit tax withheld in 1988 (see Instructions)	40	(142)
41 Combine amounts on lines 39 and 40. Enter the total here and include in line 42 below	41	

Part VI Summary

42 TOTAL income or (loss). Combine amounts on lines 29, 33, 37, 38, and 41. Enter the total here and on Form 1040, line 18 ▶	42	
43 Farmers and fishermen: Enter your share of GROSS FARMING AND FISHING INCOME applicable to Parts I, II, and III (see Instructions) 43		

SCHEDULE SE
(Form 1040)
Department of the Treasury
Internal Revenue Service (L)

Social Security Self-Employment Tax

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

OMB No. 1545-0074
1988
Attachment Sequence No. 18

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

Who Must File Schedule SE

You must file Schedule SE if:

- Your net earnings from self-employment were $400 or more (or you had wages of $100 or more from an electing church or church organization); AND
- You did not have wages (subject to social security or railroad retirement tax) of $45,000 or more.

For more information about Schedule SE, see the Instructions.

Note: *Most taxpayers can now use the new short Schedule SE on this page. But, you may have to use the longer Schedule SE that is on the back.*

Who MUST Use the Long Schedule SE (Section B)

You must use Section B if ANY of the following applies:

- You choose the "optional method" to figure your self-employment tax. See Section B, Part II;
- You are a minister, member of a religious order, or Christian Science practitioner and received IRS approval (from Form 4361) not to be taxed on your earnings from these sources, but you owe self-employment tax on other earnings;
- You are an employee of a church or church organization that chose by law not to pay employer social security taxes;
- You have tip income that is subject to social security tax, but you did not report those tips to your employer; OR
- You are a government employee with wages subject ONLY to the 1.45% medicare part of the social security tax.

Section A—Short Schedule SE

(Read above to see if you must use the long Schedule SE on the back (Section B).)

1	Net farm profit or (loss) from Schedule F (Form 1040), line 39, and farm partnerships, Schedule K-1 (Form 1065), line 14a	1		
2	Net profit or (loss) from Schedule C (Form 1040), line 31, and Schedule K-1 (Form 1065), line 14a (other than farming). See the Instructions for other income to report	2		
3	Add lines 1 and 2. Enter the total. If the total is less than $400, do not file this schedule	3		
4	The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement tax (tier 1) for 1988 is	4	$45,000	00
5	Total social security wages and tips from Forms W-2 and railroad retirement compensation (tier 1)	5		
6	Subtract line 5 from line 4. Enter the result. (If the result is zero or less, do not file this schedule.)	6		
7	Enter the smaller of line 3 or line 6	7	144	
	If line 7 is $45,000, enter $5,859 on line 8. Otherwise, multiply line 7 by .1302 and enter the result on line 8		x.1302	
8	Self-employment tax. Enter this amount on Form 1040, line 48	8		

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule SE (Form 1040) 1988

Form **2441**

Department of the Treasury
Internal Revenue Service (L)

Credit for Child and Dependent Care Expenses

▶ Attach to Form 1040.
▶ See instructions below.

OMB No 1545-0068

1988

Attachment Sequence No 23

Name(s) as shown on Form 1040

Your social security number

Note: *If you paid cash wages of $50 or more in a calendar quarter to an individual for services performed in your home, you must file an employment tax return. Get* ***Form 942*** *for details.*

1	Enter number of qualifying persons who were cared for in 1988. (See instructions for definition of qualifying persons.) ▶ **Caution:** *To qualify, the person(s)* ***must*** *have shared the same home with you in 1988.*	1	
2	Enter the amount of **qualified** expenses you incurred and actually paid in 1988 for the care of the qualifying person. (See **What Are Qualified Expenses?** in the instructions.) **Do not** enter more than $2,400 ($4,800 if you paid for the care of two or more qualifying persons)	2	145
3a	You **must** enter your earned income on line 3a. See line 3 instructions for definition of earned income	3a	
b	If you are married, filing a joint return for 1988, you must enter your spouse's earned income on line 3b. (If spouse is a full-time student or is disabled, see the line 3 instructions for amount to enter.)	3b	
c	If you are married filing a joint return, compare the amounts on lines 3a and 3b, and enter the **smaller** of the two amounts on line 3c	3c	146
4	• If you were unmarried at the end of 1988, compare the amounts on lines 2 and 3a, and enter the **smaller** of the two amounts on line 4. • If you are married filing a joint return, compare the amounts on lines 2 and 3c, and enter the **smaller** of the two amounts on line 4.	4	147
5	Enter decimal amount from table below that applies to the adjusted gross income on Form 1040, line 31	5	x .

If line 31 is: Over—	But not over—	Decimal amount is:	If line 31 is: Over—	But not over—	Decimal amount is:
$0–	10,000	.30	$20,000–	22,000	.24
10,000–	12,000	.29	22,000–	24,000	.23
12,000–	14,000	.28	24,000–	26,000	.22
14,000–	16,000	.27	26,000–	28,000	.21
16,000–	18,000	.26	28,000		.20
18,000–	20,000	.25			

6	Multiply the amount on line 4 by the decimal amount on line 5, and enter the result	6	
7	Multiply any child and dependent care expenses for 1987 that you paid in 1988 by the percentage that applies to the adjusted gross income on your 1987 Form 1040, line 31, or Form 1040A, line 13. Enter the result. (See line 7 instructions for the required statement.)	7	
8	Add amounts on lines 6 and 7. See the worksheet in the instructions for line 8 for the amount of credit you can claim	8	39

General Instructions

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

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

Recordkeeping	20 minutes
Learning about the law or the form	11 minutes
Preparing the form	16 minutes
Copying, assembling, and sending the form to IRS	17 minutes

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to either IRS or the Office of Management and Budget at the addresses listed in the instructions of Form 1040.

What Is the Child and Dependent Care Expenses Credit?

You may be able to take this credit if you paid someone to care for your child or other qualifying person so you could work or look for work in 1988. The credit may be as much as $720 ($1,440 if two or more qualifying persons were cared for).

Additional Information.—For more details, please get **Pub. 503,** Child and Dependent Care Credit.

Who Is a Qualifying Person?

A qualifying person is:

- Any person under age 15 whom you claim as a dependent (but see **Children of divorced or separated parents**).
- Your disabled spouse who is mentally or physically unable to care for himself or herself.
- Any disabled person who is mentally or physically unable to care for himself or herself and whom you claim as a dependent, or could claim as a dependent except that he or she had income of $1,950 or more.

Children of divorced or separated parents.—If you were divorced, legally separated, or lived apart from your spouse during the last 6 months of 1988, you may be able to claim the credit even if your child is not your dependent. If your child is not your dependent, he or she is a qualifying person if **all five** of the following apply:

1. You had custody of the child for the longer period during the year; and

2. The child received over half of his or her support from one or both of the parents; and

3. The child was in the custody of one or both of the parents over half of the year; and

4. The child was under age 15, or was physically or mentally unable to care for himself or herself; and

5. The child is not your dependent because—

a. As the custodial parent, you have signed **Form 8332**, or a similar statement, agreeing not to claim the child's exemption for 1988; or

b. You were divorced or separated before 1985 and your divorce decree or written agreement states that the other parent can claim the child's exemption, and the other parent provides at least $600 in child support during the year. **Note:** *This rule does not apply if your decree or agreement was changed after 1984 to specify that the other parent cannot claim the child's exemption.*

Who May Take the Credit?

To claim the credit, **all five** of the following must apply:

(Continued on back)

Form **3800**

Department of the Treasury
Internal Revenue Service

General Business Credit

▶ Attach to your tax return.

OMB No. 1545-0895

1988

Attachment Sequence No. 24

Name(s) as shown on return | Identifying number

Part I **Tentative Credit**

1	Investment credit (Form 3468, line 8)	1	43
2	Jobs credit (Form 5884, line 6)	2	44
3	Credit for alcohol used as fuel (Form 6478, line 11)	3	45
4	Credit for increasing research activities (Form 6765, line 25)	4	46
5	Low-income housing credit (Form 8586, line 6)	5	47
6	**Current year general business credit**—Add lines 1 through 5	6	
7	Carryforward of general business credit (investment (see instructions), WIN, jobs, alcohol fuel, research, ESOP, or low-income housing credits)	7	
8	Carryback of general business credit to 1988	8	
9	Tentative general business credit—Add lines 6, 7, and 8	9	

Part II **Tax Liability Limitations**

10a	Individuals—From Form 1040, enter amount from line 40		
b	Corporations—From Form 1120, Schedule J, enter tax from line 3 (or Form 1120-A, Part I, line 1)		
c	Other filers—Enter income tax before credits from return	10	
11a	Individuals—From Form 1040, enter credits from lines 41, 42, and 43, plus any orphan drug credit, mortgage interest credit, and nonconventional source fuel credit included on line 46		
b	Corporations—From Form 1120, Schedule J, enter credits from lines 4a through 4d (Form 1120-A filers, enter zero)		
c	Other filers—See instructions for line 11c	11	
12	Income tax liability as adjusted—Subtract line 11 from line 10	12	
13	Tentative minimum tax—		
a	Individuals—From Form 6251, enter amount from line 17		
b	Corporations—From Form 4626, enter amount from line 13		
c	Estates and Trusts—From Form 8656, enter amount from Part III, line 10	13	
14	Net income tax—		
a	Individuals—Enter the sum of line 12, above, and line 19 of Form 6251		
b	Corporations—Enter the sum of line 12, above, and line 16 of Form 4626		
c	Other filers—See instructions for line 14c	14	
15	If line 12 is more than $25,000—Enter 25% of the excess	15	
16	Enter—Line 14 less whichever is greater, line 13 or line 15 (if less than zero, enter zero)	16	
17	General business credit—Enter the smaller of line 9, or line 16 (corporations, see instructions) here and on Form 1040, line 44; Form 1120, Schedule J, line 4e; Form 1120-A, Part I, line 2a; or the proper line on other returns	17	

For Paperwork Reduction Act Notice, see page 1 of the separate instructions to this form.

Form **3800** (1988)

Form **6251**

Department of the Treasury
Internal Revenue Service

Alternative Minimum Tax—Individuals

▶ See separate instructions.

▶ Attach to Form 1040 or Form 1040NR. Estates and trusts, use Form 8656.

OMB No. 1545 0227

1988

Attachment Sequence No. 32

Name(s) as shown on Form 1040 | Your social security number

1	Taxable income from Form 1040, line 37 (can be less than zero)			1	
2	Net operating loss deduction. (Do not enter as a negative amount.)			2	
3	Add lines 1 and 2			3	148
4	**Adjustments:** (See line-by-line instructions before completing.)				
a	Standard deduction from Form 1040, line 34	4a			
b	Personal exemption amount from Form 1040, line 36	4b			
c	Medical and dental expense	4c			
d	Miscellaneous itemized deductions from Schedule A, line 24	4d			
e	Taxes from Schedule A, line 8	4e			
f	Refund of taxes	4f	( )		
g	Interest from Schedule A, line 12b	4g			
h	Other interest adjustments	4h			
i	Combine lines 4a through 4h			4i	
j	Depreciation of property placed in service after 1986	4j			
k	Circulation and research and experimental expenditures paid or incurred after 1986	4k			
l	Mining exploration and development costs paid or incurred after 1986	4l			
m	Long-term contracts entered into after 2/28/86	4m			
n	Pollution control facilities placed in service after 1986	4n			
o	Installment sales of certain property	4o			
p	Adjusted gain or loss	4p			
q	Certain loss limitations	4q			
r	Tax shelter farm loss	4r			
s	Passive activity loss	4s			
t	Beneficiaries of estates and trusts	4t			
u	Combine lines 4j through 4t			4u	149
5	**Tax preference items:** (See line-by-line instructions before completing.)				
a	Appreciated property charitable deduction	5a			
b	Tax-exempt interest from private activity bonds issued after August 7, 1986	5b			
c	Depletion	5c			
d	Add lines 5a through 5c			5d	
e	Accelerated depreciation of real property placed in service before 1987	5e	> 151		
f	Accelerated depreciation of leased personal property placed in service before 1987	5f			
g	Amortization of certified pollution control facilities placed in service before 1987	5g			
h	Incentive stock options. See instructions	5h			
i	Intangible drilling costs	5i			
j	Reserves for losses on bad debts of financial institutions	5j			
k	Add lines 5e through 5j			5k	150
6	Combine lines 3, 4i, 4u, 5d, and 5k			6	
7	Alternative tax net operating loss deduction. (Do not enter more than 90% of line 6.) See instructions			7	
8	Alternative minimum taxable income (subtract line 7 from line 6) If married filing separate returns, see instructions			8	
9	Enter: $40,000 ($20,000 if married filing separately; $30,000 if single or head of household)			9	
10	Enter: $150,000 ($75,000 if married filing separately; $112,500 if single or head of household)			10	
11	Subtract line 10 from line 8. If -0- or less, enter -0- here and on line 12 and go to line 13. If this line is more than -0-, go to line 12			11	
12	Multiply line 11 by 25% (.25)			12	
13	Subtract line 12 from line 9. If -0- or less, enter -0-			13	
14	Subtract line 13 from line 8. If -0- or less, enter -0- here and on line 19. If this line is more than -0-, go to line 15			14	
15	Multiply line 14 by 21% (.21)			15	
16	Alternative minimum tax foreign tax credit. See instructions			16	
17	Tentative minimum tax (subtract line 16 from line 15)			17	
18	Regular tax before credits (Form 1040, line 38) minus foreign tax credit (Form 1040, line 43). See instructions			18	
19	Alternative minimum tax (subtract line 18 from line 17). Enter on Form 1040, line 49. If -0- or less, enter -0-			19	

For Paperwork Reduction Act Notice, see separate Instructions. Form **6251** (1988)

Form **8582**

Department of the Treasury
Internal Revenue Service

Passive Activity Loss Limitations

▶ See separate instructions.
▶ Attach to Form 1040 or 1041.

OMB No. 1545-1008
1988
Attachment Sequence No. **88**

Name(s) as shown on return | Social security or employer identification number

Part I **Computation of 1988 Passive Activity Loss**
Caution: *See the instructions for Worksheet I before completing Part I*

Rental Real Estate Activities With Active Participation (See the definition of active participation under **Rental Activities** in the instructions.)

	Activities acquired before 10-23-86 (Pre-enactment):				
1a	Activities with net income, Worksheet 1, Part 1, column (a)	1a			
1b	Activities with net loss, Worksheet 1, Part 1, column (b)	1b	152		
1c	Combine lines 1a and 1b	1c			
	Activities acquired after 10-22-86 (Post-enactment):				
1d	Activities with net income, Worksheet 1, Part 2, column (a)	1d			
1e	Activities with net loss, Worksheet 1, Part 2, column (b)	1e	152		
1f	Combine lines 1d and 1e	1f			
1g	Net income or (loss). Combine lines 1c and 1f.			1g	
1h	Prior year unallowed losses from 1987, Worksheet 1, Parts 1 and 2, column (c)			1h	
1i	Combine lines 1g and 1h			1i	

All Other Passive Activities (See the instructions for lines 2a through 2h.)

	Activities acquired before 10-23-86 (Pre-enactment):				
2a	Activities with net income, Worksheet 2, Part 1, column (a)	2a			
2b	Activities with net loss, Worksheet 2, Part 1, column (b)	2b	152		
2c	Combine lines 2a and 2b	2c			
	Activities acquired after 10-22-86 (Post-enactment):				
2d	Activities with net income, Worksheet 2, Part 2, column (a)	2d			
2e	Activities with net loss, Worksheet 2, Part 2, column (b)	2e	152		
2f	Combine lines 2d and 2e	2f			
2g	Net income or (loss). Combine lines 2c and 2f.			2g	
2h	Prior year unallowed losses from 1987, Worksheet 2, Parts 1 and 2, column (c)			2h	
2i	Combine lines 2g and 2h			2i	
3	Combine lines 1i and 2i. If the result is net income or -0-, see the instructions for line 3. If this line and line 1c or line 1i are losses, go to line 4. Otherwise, enter -0- on lines 8 and 9 and go to line 10			3	

Computation of the Special Allowance for Rental Real Estate With Active Participation
Note: *Before completing Parts II and III, see the instructions for how to treat numbers as if they were all positive.*

4	Enter the smaller of the loss on line 1i or the loss on line 3. If line 1i is -0- or net income, enter -0- and complete lines 5 through 9			4	
5	Enter $150,000. If married filing separately, see instructions.	5			
6	Enter modified adjusted gross income, but not less than -0- (see instructions). If line 6 is equal to or greater than line 5, skip line 7, enter -0- on lines 8 and 9, and then go to line 10. Otherwise, go to line 7	6			
7	Subtract line 6 from line 5	7			
8	Multiply line 7 by 50% (.5). Do not enter more than $25,000. If married filing separately, see instructions			8	
9	Enter the smaller of line 4 or line 8			9	

Computation of Passive Activity Loss Allowed

10	Combine lines 1c and 2c and enter the result. If the result is -0- or net income, skip to line 16. (See instructions.)	10	
11	If line 1c shows income, has no entry, or shows -0-, enter -0- on line 11. Otherwise, enter the smaller of line 1c or line 8	11	
12	Subtract line 11 from line 10. If line 11 is equal to or greater than line 10, enter -0-	12	
13	Subtract line 9 from line 3	13	
14	Enter the smaller of line 12 or line 13	14	
15	Multiply line 14 by 40% (.4) and enter the result	15	
16	Enter the amount from line 9	16	
17	**Passive Activity Loss Allowed for 1988.** Add lines 15 and 16	17	
18	Add the income, if any, on lines 1a, 1d, 2a, and 2d and enter the result	18	
19	**Total losses allowed from all passive activities for 1988.** Add lines 17 and 18. See the instructions to see how to report the losses on your tax return	19	153

For Paperwork Reduction Act Notice, see separate instructions.

Form **8582** (1988)

Form **1040A**

Department of the Treasury—Internal Revenue Service

U.S. Individual Income Tax Return 1988

FLPD

OMB No. 1545-0085

Step 1 Label

Use IRS label. Otherwise, please print or type.

LABEL HERE

Your first name and initial (if joint return, also give spouse's name and initial) | Last name

Your social security no.

Present home address (number, street, and apt. no.) (If you have a P.O. Box, see page 13 of the instructions.)

Spouse's social security no.

City, town or post office, state, and ZIP code

STATE

For Privacy Act and Paperwork Reduction Act Notice, see page 3.

Presidential Election Campaign Fund

ELECT

Do you want $1 to go to this fund? ☐ Yes ☐ No

If joint return, does your spouse want $1 to go to this fund? ☐ Yes ☐ No

Note: Checking "Yes" will not change your tax or reduce your refund.

Step 2 Check your filing status (Check only one)

1 ☐ Single (See if you can use Form 1040EZ.)

2 ☐ Married filing joint return (even if only one had income)

3 ☐ Married filing separate return. Enter spouse's social security number above and spouse's full name here. MARS

4 ☐ Head of household (with qualifying person). (See page 15.) If the qualifying person is your child but not your dependent, enter this child's name here.

5 ☐ Qualifying widow(er) with dependent child (year spouse died ▶ 19____). (See page 16.)

Step 3 Figure your exemptions (See page 16 of instructions.)

XFPT 6a ☐ **Yourself** If someone (such as your parent) can claim you as a dependent on his or her tax return, do not check box 6a. But be sure to check the box on line 15b on page 2.

XFST 6b ☐ **Spouse**

No. of boxes checked on 6a and 6b

c **Dependents:**

1. Name (first, initial, and last name)	2. Check if under age 5	3. If age 5 or older, dependent's social security number	4. Relationship	5. No. of months lived in your home in 1988

If more than 7 dependents, see page 19.

No. of your children on 6c who:

● lived with you XOCAH

● didn't live with you due to divorce or separation (see page 19) XOCAW

No. of other dependents listed on 6c XOPAR XODEI

Attach Copy B of Form(s) W-2 here.

d If your child didn't live with you but is claimed as your dependent under a pre-1985 agreement, check here ▶ ☐

e Total number of exemptions claimed.

Add numbers entered on lines above XT 07

Step 4 Figure your total income

Attach check or money order here.

7 Wages, salaries, tips, etc. This should be shown in Box 10 of your W-2 form(s). (Attach Form(s) W-2.) 7 — 2

8a **Taxable** interest income (see page 22). (If over $400, also complete and attach Schedule 1, Part II.) 8a — 3

b **Tax-exempt** interest income (see page 23). (DO NOT include on line 8a.) 8b — 4

9 Dividends. (If over $400, also complete and attach Schedule 1, Part III.) 9 — 5

10 Unemployment compensation (insurance) from Form(s) 1099-G. 10 — 17

11 Add lines 7, 8a, 9, and 10. Enter the total. This is your **total income**. ▶ 11

Step 5 Figure your adjusted gross income

12a Your IRA deduction from applicable worksheet. Rules for IRAs begin on page 24. 12a — 23

b Spouse's IRA deduction from applicable worksheet. Rules for IRAs begin on page 24. 12b — 24

c Add lines 12a and 12b. Enter the total. These are your **total adjustments**. 12c

13 Subtract line 12c from line 11. Enter the result. This is your **adjusted gross income**. (If this line is less than $18,576 and a child lived with you, see "Earned Income Credit" (line 23b) on page 34 of instructions.) ▶ 13 — 1

Form **1040A** (1988)

Step 6
Figure your standard deduction, exemption amount, and taxable income

14 Enter the amount from line 13. 14

15a Check if: ☐ You were 65 or older ☐ Blind ☐ Spouse was 65 or older ☐ Blind — Enter number of boxes checked ▶ 15a ☐ AGEX

b If someone (such as your parent) can claim you as a dependent, check here ▶ 15b ☐ DSI

c If you are married filing separately and your spouse files Form 1040 and itemizes deductions, see page 28 and check here ▶ 15c ☐

16 **Standard deduction.** See pages 28–29 for the amount to enter. 16 30

17 Subtract line 16 from line 14. Enter the result. (If line 16 is more than line 14, enter -0-.) 17

18 Multiply $1,950 by the total number of exemptions claimed on line 6e. 18 31

19 Subtract line 18 from line 17. Enter the result. (If line 18 is more than line 17, enter -0-.) This is your **taxable income**. ▶ 19 32

Step 7
Figure your tax, credits, and payments (including advance EIC payments)

If You Want IRS To Figure Your Tax, See Page 29 of the Instructions.

Caution: If you are under age 14 and have more than $1,000 of investment income, check here ▶ ☐
Also see page 30 to see if you have to use Form 8615 to figure your tax.

20 Find the tax on the amount on line 19. Check if from: ☐ Tax Table (pages 37–42) or ☐ Form 8615 20 34

21 Credit for child and dependent care expenses. Complete and attach Schedule 1, Part I. 21 39

22 Subtract line 21 from line 20. Enter the result. (If line 21 is more than line 20, enter -0-.) This is your **total tax**. ▶ 22 51

23a Total Federal income tax withheld—from Box 9 of your W-2 form(s). (If any is from Form(s) 1099, check here ▶ ☐ .) 23a 58

b Earned income credit, from the worksheet on page 35 of the instructions. Also see page 34. 23b

Amount paid with Form 4868 60

24 Add lines 23a and 23b. Enter the total. These are your **total payments**. ▶ 24

Step 8
Figure your refund or amount you owe

25 If line 24 is more than line 22, subtract line 22 from line 24. Enter the result. This is the **amount of your refund**. 25 65(+)

26 If line 22 is more than line 24, subtract line 24 from line 22. Enter the result. This is the **amount you owe**. Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number, daytime phone number, and "1988 Form 1040A" on it. 26 65(-)

Step 9
Sign your return

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 the taxpayer) is based on all information of which the preparer has any knowledge.

Your signature x Date Your occupation

Spouse's signature (if joint return, both must sign) x Date Spouse's occupation

Paid preparer's use only

Preparer's signature x Date Preparer's social security no.

Firm's name (or yours if self-employed) Employer identification no.

Address and ZIP code Check if self-employed ☐

1988 Schedule 1 (Form 1040A) OMB No. 1545-0085

Name(s) as shown on Form 1040A | Your social security number

You MUST complete and attach Schedule 1 to Form 1040A only if you:

- Claim the credit for child and dependent care expenses (complete **Part I**)
- Have over $400 of taxable interest income (complete **Part II**)
- Have over $400 of dividend income (complete **Part III**)

Part I

Credit for child and dependent care expenses (see page 30 of the instructions)

Complete this part to figure the amount of credit you can take on Form 1040A, line 21. Attach Schedule 1 to Form 1040A.

Note: *If you paid cash wages of $50 or more in a calendar quarter to an individual for services performed in your home, you must file an employment tax return. Get* **Form 942** *for details.*

1 Enter the number of qualifying persons who were cared for in 1988. You must have shared the same home with any person you claim. (See the instructions for the definition of a qualifying person.) — 1

2 Enter the amount of qualified expenses you incurred and actually paid in 1988 for the care of the qualifying person. (See the instructions to find out which expenses qualify.) DO NOT enter more than $2,400 ($4,800 if you paid for the care of two or more qualifying persons). — 2

3 a You **must** enter your earned income on line 3a (see page 32). — 3a — 146

b If you are married, filing a joint return for 1988, you must enter your spouse's earned income on line 3b. (If spouse is a full-time student or is disabled, see the instructions for the amount to enter on this line.) — 3b

c If you are married, compare the amounts on lines 3a and 3b, and enter the **smaller** of the two amounts on line 3c. — 3c

4 • If you were unmarried at the end of 1988, compare the amounts on lines 2 and 3a, and enter the **smaller** of the two amounts on line 4.
• If you are married, filing a joint return for 1988, compare the amounts on lines 2 and 3c, and enter the **smaller** of the two amounts on line 4. — 4 — 147

5 Enter the decimal amount from the table below that applies to the amount on Form 1040A, line 14.

If line 14 is: Over— But not over—	Decimal amount is:	If line 14 is: Over— But not over—	Decimal amount is:
$0—10,000	.30	$20,000—22,000	.24
10,000—12,000	.29	22,000—24,000	.23
12,000—14,000	.28	24,000—26,000	.22
14,000—16,000	.27	26,000—28,000	.21
16,000—18,000	.26	28,000	.20
18,000—20,000	.25		

5 × .

6 Multiply the amount on line 4 by the decimal amount on line 5. Enter the result here and on Form 1040A, line 21. — 6 = 39

Department of the Treasury - Internal Revenue Service

Form **1040EZ** **Income Tax Return for Single filers with no dependents** (L) **1988** FLPD OMB No. 1545-0675

Name & address

Use the IRS mailing label. If you don't have one, please print.

LABEL HERE

Print your name above (first, initial, last)

Present home address (number, street, and apt. no.). (If you have a P.O. box, see back.)

City, town, or post office, state, and ZIP code STATE

Please print your numbers like this: 0123456789

Your social security number

Please read the instructions on the back of this form. Also, see page 13 of the booklet for a helpful checklist.

Presidential Election Campaign Fund
Do you want $1 to go to this fund?

Note: Checking "Yes" will not change your tax or reduce your refund.

Yes No ELECT

Dollars Cents

Report your income

1 Total wages, salaries, and tips. This should be shown in Box 10 of your W-2 form(s). (Attach your W-2 form(s).) 2 1

Attach Copy B of Form(s) W-2 here

2 Taxable interest income of $400 or less. If the total is more than $400, you cannot use Form 1040EZ. 3 2

3 Add line 1 and line 2. This is your **adjusted gross income.** 1 3

Note: You must check Yes or No.

4 Can your parents or someone else claim you on their return?
☐ **Yes.** Do worksheet on back; enter amount from line E here.
☐ **No.** Enter 3,000 as your standard deduction. DSI 4

5 Subtract line 4 from line 3. If line 4 is larger than line 3, enter 0. 5

6 If you checked the "Yes" box on line 4, enter 0.
If you checked the "No" box on line 4, enter 1,950.
This is your **personal exemption.** 31 6

7 Subtract line 6 from line 5. If line 6 is larger than line 5, enter 0. This is your **taxable income.** 32 7

Figure your tax

8 Enter your Federal income tax withheld from Box 9 of your W-2 form(s). Excess FICA/RRTA 61 58 8

9 Use the **single column** in the tax table on pages 37-42 of the Form 1040A/1040EZ booklet to find the **tax** on the amount shown on line 7 above. Enter the amount of tax. 37 9

Refund or amount you owe

10 If line 8 is larger than line 9, subtract line 9 from line 8. Enter the **amount of your refund.** (65-) 10

Attach tax payment here

11 If line 9 is larger than line 8, subtract line 8 from line 9. Enter the **amount you owe.** Attach check or money order for the full amount, payable to "Internal Revenue Service." (65+) 11

Sign your return

I have read this return. Under penalties of perjury, I declare that to the best of my knowledge and belief, the return is true, correct, and complete.

Your signature Date

For IRS Use Only—Please do not write in boxes below.

For Privacy Act and Paperwork Reduction Act Notice, see page 3. Form **1040EZ** (1988)