

**General Description Booklet**  
**for the**  
**1987 INDIVIDUAL PUBLIC USE TAX FILE**

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## INTRODUCTION

The Internal Revenue Service 1987 Tax File, formerly Tax Model file, (109,139 records) was selected as part of the Statistics of Income program that was designed to tabulate and present statistical information for the 106.9 million Form 1040, Form 1040A, and Form 1040EZ Federal Individual Income Tax Returns filed for Tax Year 1987.

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 similar 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 1987 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  
1111 Constitution Ave., N.W.  
Washington, D.C. 20224  
(202) 233-1741

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 no record can be identified with 100 percent certainty, 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 include: age and blindness indicators (for both primary and secondary taxpayers), total exemptions other than age or blindness, 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).

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.

Then, all of the high income returns have been sorted from largest to smallest for the field of state and local income tax deductions. In this field, for every three records, in descending order, the average state and local income tax 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 less than three, these records have been combined with the group of three immediately before it. This method of disguising data is called blurring.

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 is 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.<sup>2/</sup>

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 are sorted by State. After this sort, the records have been blurred for real estate tax deductions, and state and local income taxes (State of Wisconsin, only, for this last item) in the same manner as described above. The only difference between these records and 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.

<sup>2/</sup>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. (1987) "Protection of Taxpayer Confidentiality on the IRS Tax Model." Statistics of Income and Related Administrative Record Research: 1986, Internal Revenue Service.

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

The fields containing other net income or loss, total adjustment, 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).

Individual Tax Model Files for each of the Tax Years 1966 through 1978, and State Tax Model Files for Tax Years 1977 and 1978, are available through the National Archives and Records Service. Questions concerning cost, acquisition, and delivery of these historical tax model files, should be addressed to:

Machine Readable Archives Division  
National Archives and Records Service  
General Services Administration  
Washington, D.C. 20408  
(202) 523-3267

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 requestor 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.

1987 TAX FILE SAMPLE

<u>STATE</u>	<u>NUMBER OF RECORDS</u>	<u>WEIGHTED TOTAL*</u>
ALABAMA	1,065	1,492,532
ALASKA	255	332,954
ARIZONA	1,134	1,489,279
ARKANSAS	614	878,235
CALIFORNIA	10,297	12,555,491
COLORADO	1,193	1,475,654
CONNECTICUT	1,359	1,662,140
DELAWARE	241	314,835
DISTRICT OF COLUMBIA	243	317,610
FLORIDA	4,170	5,491,815
GEORGIA	1,992	2,690,341
HAWAII	386	527,231
IDAHO	256	350,789
ILLINOIS	3,781	4,952,792
INDIANA	1,718	2,399,806
IOWA	929	1,279,678
KANSAS	817	1,095,589
KENTUCKY	970	1,388,942
LOUISIANA	1,146	1,557,682
MAINE	388	546,732
MARYLAND	1,734	2,172,208
MASSACHUSETTS	2,214	2,848,633
MICHIGAN	2,997	3,988,751
MINNESOTA	1,462	1,937,599
MISSISSIPPI	612	896,165
MISSOURI	1,626	2,185,175
MONTANA	255	339,473
NEBRASKA	524	732,406
NEVADA	375	508,366
NEW HAMPSHIRE	391	518,460
NEW JERSEY	2,935	3,653,449
NEW MEXICO	442	610,494
NEW YORK	6,073	7,751,468
NORTH CAROLINA	1,877	2,646,684
NORTH DAKOTA	183	249,720
OHIO	3,382	4,645,751
OKLAHOMA	995	1,304,300
OREGON	889	1,191,253
PENNSYLVANIA	3,933	5,393,865
RHODE ISLAND	353	463,541
SOUTH CAROLINA	971	1,374,620
SOUTH DAKOTA	226	336,416
TENNESSEE	1,450	2,011,993
TEXAS	5,187	6,670,025
UTAH	473	612,552
VERMONT	180	260,965
VIRGINIA	2,143	2,751,498
WASHINGTON	1,516	1,968,080
WEST VIRGINIA	429	625,251
WISCONSIN	1,516	2,113,493
WYOMING	148	191,288
OTHER THAN ABOVE	976	693,765
HIGH INCOME	28,518	548,442
TOTAL	109,939	106,996,276

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**CORE RECORD LAYOUT**  
(CODE AND AMOUNT ELEMENT DEFINITIONS)

Codes: (all codes are 2 characters in length - PIC 99)

1. AGEX	21. F2555
2. AGIR1	22. SCHCF
3. CGIND	23. SCHE
4. CSAMP	24. F8606 <i>non-deductible contributions IRA</i>
5. CYCLE	25. SPECTX
6. DSI <i>dependent status indicator</i>	26. STATE
7. EIC	27. TFORM
8. ELECT	28. TOTXSZ
9. FDED	29. TXNT
10. FLPDYR	30. TXRT
11. FLPDMO	31. TXST
12. F2119	32. RESERVED
13. F2441	33. XFPT
14. F8582 <i>Passive Activity Loss Limitation</i>	34. XFST
15. F6251	35. XOCAH
16. RESERVED	36. XOCAWH
17. MARS	37. XOODDP
18. PREP	38. XOPAR
19. PSV	39. XOTHER
20. REGION	40. XTOT

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

1. ADJUSTED GROSS INCOME (DEFICIT) (AGI) (+/-)	<i>1006 (10n-9. 9)</i>
2. SALARIES AND WAGES	
3. INTEREST RECEIVED	
4. TAX-EXEMPT INTEREST INCOME* <i>- change in rule &amp; deduct?</i>	
5. DIVIDENDS INCLUDED IN AGI	
6. STATE INCOME TAX REFUNDS	
7. ALIMONY RECEIVED	
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. RESERVED	
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	
21. RESERVED	

**STATUTORY ADJUSTMENTS**

22. EMPLOYEE BUSINESS EXPENSE
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
27. ALIMONY PAID
28. RESERVED

Amount Fields (continued):

29. EXCESS ITEMIZED/UNUSED ZBA (PY) OR  
STANDARD DEDUCTION OR  
ITEMIZED DEDUCTIONS
30. EXEMPTION AMOUNT
- ✓ 31. TAXABLE INCOME
32. COMPUTED REGULAR TAX
33. INCOME TAX BEFORE CREDITS
34. INCOME SUBJECT TO TAX
35. MARGINAL TAX BASE
36. TAX GENERATED (TAX RATE TABLES)

CREDITS

37. TOTAL TAX CREDITS SOI
38. CHILD AND DEPENDENT CARE
- ✓ 39. ELDERLY AND DISABLED
- ✓ 40. FOREIGN TAX
41. GENERAL BUSINESS CREDIT
- ✓ 42. "INVESTMENT (INCLUDED IN GENERAL BUSINESS CREDIT)"
- ✓ 43. JOBS (INCLUDED IN GENERAL BUSINESS CREDIT)
44. ALCOHOL USED AS FUEL (INCLUDED IN GENERAL BUSINESS CREDIT)
45. RESEARCH AND EXPERIMENTATION (INCLUDED IN GENERAL BUSINESS CREDIT)
- + 46. LOW INCOME HOUSING (INCLUDED IN GENERAL BUSINESS CREDIT)
- + 47. OTHER
48. CREDIT FOR PRIOR YEAR MINIMUM TAX  
*per energy credit set to 0*
49. TOTAL INCOME TAX *(not started) can not be over*
50. INCOME TAX AFTER CREDITS (SOI)
51. ALTERNATIVE MINIMUM TAX (SOI)
52. SELF-EMPLOYMENT TAX
53. TAX FROM RECOMPUTING PRIOR YEAR INVESTMENT CREDIT
54. SOCIAL SECURITY TAX ON TIP INCOME
55. PENALTY TAX ON IRA
56. TOTAL TAX LIABILITY (SOI)
57. INCOME TAX WITHHELD
58. ESTIMATED TAX PAYMENTS
59. AMOUNT PAID WITH FORM 4868
60. EXCESS FICA/RRTA
61. CREDIT FOR FEDERAL TAX ON SPECIAL FUELS AND OILS
62. REGULATED INVESTMENT COMPANY CREDIT
63. TOTAL TAX PAYMENTS (SOI)
64. BALANCE DUE (OVERPAYMENT) (+/-)
65. CREDIT ELECT
66. PREDETERMINED ESTIMATED TAX PENALTY
67. EARNED INCOME FOR EARNED INCOME CREDIT (EIC)
68. EIC USED TO OFFSET INCOME TAX BEFORE CREDITS
69. EIC USED TO OFFSET ALL OTHER TAXES EXCEPT ADVANCE EIC
70. EIC REFUNDABLE PORTION



Amount Fields (continued):

401E  
10/1/82  
10/1/82

ITEMIZED DEDUCTIONS SCHEDULE A:

MEDICAL AND DENTAL EXPENSE DEDUCTIONS

- 71. TOTAL DEDUCTION
- 72.\* PRESCRIPTIONS AND MEDICAL CARE
- 73. MEDICAL TRANSPORTATION AND LODGING
- ✓74. MEDICAL AND DENTAL EXPENSES SUBJECT TO REDUCTION BY AGI LIMIT

TAXES PAID DEDUCTIONS

- 75. RESERVED
- ✓76. STATE AND LOCAL INCOME TAXES
- ✓77. REAL ESTATE TAX DEDUCTIONS
- 78. RESERVED

INTEREST PAID DEDUCTIONS

- ✓79. TOTAL INTEREST PAID DEDUCTION • 105 *227000.00*
- 80. TOTAL HOME MORTGAGE
- 81. HOME MORTGAGE FINANCIAL
- 82. DEDUCTIBLE POINTS
- ✓83. INVESTMENT INTEREST PAID *253*
- ✓84. PERSONAL INTEREST PAID *→ 52*

CHARITABLE CONTRIBUTIONS DEDUCTIONS

- 85. TOTAL CONTRIBUTIONS
- ✓86. CASH UNDER \$3,000
- ✓87. CASH OF \$3,000 OR MORE
- ✓88. OTHER THAN CASH
- ✓89. CARRYOVER
- ✓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 *include residence*
- ✓ 116. CURRENT LONG-TERM LOSSES
- ✓ 117. LONG-TERM LOSS CARRYOVER
- ✓ 118. SCHEDULE D CAPITAL GAIN DISTRIBUTIONS
- ✓ 119. FORM 4797 GAINS

**ALTERNATIVE TAX COMPUTATION**

- 120. SCHEDULE D GAIN SUBJECT TO 28% TAX RATE
- 121. TAXABLE INCOME LESS SCHEDULE D GAIN

**SUPPLEMENTAL INCOME (SCHEDULE E)**

**RENT AND ROYALTIES**

- ✓ 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 1987

154. RESERVED

155. RESERVED

156. RESERVED

157. INTEGER WEIGHT

158. DECIMAL WEIGHT

159. SAMPLE COUNT

160. POPULATION COUNT

CODE DEFINITIONS

AGEX\* Age Status

(A) None.....	0
(B) Primary only.....	1
(C) Secondary only.....	2
(D) Both Primary and Secondary.....	3

\*For high income returns records with values greater than 1 were 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 Gains 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 boxes checked.....	0
(B) One "yes" box checked.....	1
(C) Two "yes" boxes checked.....	2
FDED Form of Deduction Code:	
(A) Itemized deduction.....	1
(B) No zero bracket amount or itemized deductions.....	2
(C) Zero bracket amount (STANDARD)	
1. Without non-itemizer deduction.....	3
2. With non-itemizer deduction.....	4
3. The taxpayer had a zero bracket amount only (PY returns only)....	5
FLPD Filing Period: (Accounting Period)	
(A) YR - Calendar Year ended.....	66-87
(B) MO - Month Taxpayer's year ended.....	01-12
F2119 Sale or Exchange of Principal Residence:	
(A) No Form 2119 attached.....	0
(B) Form present.....	1
F2441 Child Care Credit:	
(A) No Form 2441 attached.....	0
(B) One qualifying individual.....	1
(C) Two or more qualifying individuals.....	2-9
F6251 Alternative Minimum Tax	
No Form 6251 attached to the return.....	0
Form 6251 attached to the return.....	1
F8582 Form 8582, Passive Activity Loss Limitation	
(A) No Form 8582 attached to return.....	0
(B) Form 8582 attached to return.....	1

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**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 were set equal to 2.

**PREP Tax Preparer**

- (A) No preparer other than taxpayer.....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 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) Form 5544 tax used.....3  
 (E) Form 5405 tax used.....4  
 (F) Section 72(m)(5) penalty tax used.....5

STATE

Code	<u>STATE NAME</u>	Code	<u>STATE NAME</u>
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	CP:IO
27	Montana	54	Guam
28	Nebraska	54	Virgin Islands

IFORM Corrected Form of Return:

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



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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 Returns:

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

TXRT Marginal Tax Rate.....11, 15, 28, 35, and 38.5

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
(H) Taxpayer used the income averaging method to compute tax.....	7

XFPT Primary Taxpayer Exemption:

(A) Regular.....	1
(B) Age.....	2
(C) Age and Blind.....	3
(D) Regular and Blind.....	4

XFST Secondary Taxpayer Exemption:

(A) No Secondary Taxpayer.....	0
(B) Regular.....	1
(C) Regular and Age.....	2
(D) Regular, Age and Blind.....	3
(E) Regular and Blind.....	4

XOCAH\* Exemptions for Children Living at Home:  
 Actual number entered.....0-99

\*For high income returns records with values greater than to 3 were 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

XOTHER Exemptions Other than Age or Blind

(A) One.....	1
(B) Two.....	2
(C) Three.....	3
(D) Four.....	4
(E) Five.....	5
(F) Six.....	6
(G) Seven.....	7
(H) Eight.....	8
(I) Nine.....	9
(J) Ten.....	10
(K) Eleven.....	11
(L) Twelve.....	12
(M) Thirteen.....	13
(N) Fourteen.....	14
(O) Fifteen.....	15
(P) Sixteen.....	16

XTOT Total Exemptions:  
 Actual number punched.....01-99

EXPLANATION OF ELEMENTS NOT ABSTRACTED DIRECTLY FROM TAX FORMS

The following explanations define data elements contained in the 1987 Individual Tax File that have not been abstracted directly from a specific line on Forms 1040, 1040A, 1040EZ, or the accompanying schedules and forms. Element 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 "1987 Federal Tax Forms" section of this booklet for further information.

<u>Element Number</u>	<u>Definition</u>
29	<b>Deductions</b> This is one of Excess Itemized Deduction / Unused ZBA (PY) or Total Standard Deduction or Total Itemized Deduction. Only one can appear on each return.
32	<b>Computed Regular Tax</b> 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.
34	<b>Income Subject to Tax</b> For taxpayers using the regular, alternative, or maximum tax computation methods, Income Subject to Tax was the same as Taxable Income. For taxpayers using the income averaging method (Schedule G), Income Subject to Tax was a reduced amount of Taxable Income computed for the statistics by working backwards from the tax itself.
35	<b>Marginal Tax Base</b> This is the amount of income subject to tax at the highest tax rate applicable to the return (TXRT), using the 1986 Tax Rate Schedules for all returns.
36	<b>Tax generated on income subject to tax.</b>
37	<b>Total Tax Credits (SOI)</b> Total credits from Form 1040 (line 44 plus line 49) or 1040A (line 22) plus the amount of Earned Income Credit used to offset Income Tax before Credits.
49	<b>Total Income Tax</b> Element (59) plus element (61).

<u>Element Number</u>	<u>Definition</u>
50	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.
56	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.
63	Total Tax Payments Total payments from 1040 or 1040A minus the total Earned Income Credit.
66	Predetermined estimated tax penalty.
67	Earned Income used to calculate the Earned Income Credit.
68	Earned Income Credit Used to Offset Income Tax Before Credits This amount was computed based on the lesser of: Earned Income Credit or Income Tax Before Credits minus all credits except the Earned Income Credit.
69-70	If Earned Income Credit (EIC) is greater than Income Tax Before Credits (E42), the following fields are computed:
	69 - Earned Income Credit used to offset all other taxes. This value depends on whether the difference between EIC and EIC used to offset Income Tax Before Credit (E54) is less than the value calculated by Total Tax Liability minus Income Tax After Credits minus Advance Earned Income Credit payments. If it is less than this value, this field equals EIC minus E54. Also, E77 equals 0. If this is not true, this field equals the value calculated by Total Tax Liability minus Income Tax After Credits minus Advance Earned Income Credit payments. Also, E77 is calculated (see below).
	70 - Earned Income Credit Refundable Portion This equals EIC minus E54 minus E76 (see above for definitions and conditions).
80	Sum of Home Mortgage Financial Schedule A line 9 (a) and Home mortgage Personal/Seller Schedule A line 9 (b).

Element  
Number

Definition

- 118 Combined Capital Gains (Excluded Long-Term Gains).  
Sum of Line 22, Schedule D and 1.5 times Line 14, Form 1040.
- 143 Total of Self-Employment Income primary and secondary taxpayers.
- 152 Total Passive Losses (Form 8582): The sum of Active Rental Net Loss before 10/23/86, Active Rental Net Loss after 10/22/86, Passive Activity Net Loss before 10/23/86, and Passive Activity Net Loss after 10/22/86.
- 157 Integer Weight: A method of estimation in which the decimal weight is converted to an integer weight and then applied to each return.
- 158 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. If used, divide 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 either a decimal or an integer weighting system.

The file is a single data set on a tape and is UNLABELLED (EBCDIC) or LABELLED (ASCII).

## INDIVIDUAL TAX FILE SAMPLE DESCRIPTION

### Sources of the Data

The data in the 1987 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 1987. The total sample of 109,939 returns was selected from a population of 106.9 million returns.

The estimates that could be obtained from this file are intended to represent all returns filed for Income Tax Year 1987. While most of the returns processed during 1988 were for Calendar Year 1987, a few were for prior years. Returns for prior years were used in place of 1987 returns received and processed after December 31, 1988. 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 1988.

All returns processed during 1988 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 Criteria and Selection

Form 1040, 1040A and 1040EZ returns filed and processed into the Internal Revenue Service's Individual Master File System at MCC during 1988 were stratified, by computer, into 33 sample strata based on: the presence or absence of a Schedule C, Profit (or Loss) from Business or Profession; presence of Schedule F, Profit (or Loss) from Farms; the larger of total income or loss, and the size of business plus farm receipts; size of Positive Amounts Total income (the sum of specified income amounts valued greater than zero) or the size of Negative Amounts Total income (the sum of loss amounts only). Returns were then selected from the sample strata using the coding digits of the Social Security Number (SSN) at rates ranging from 0.02 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. All decimal sampling weights were then converted to "integer weighting factors," which were placed on each sample return. For example, if a decimal weight of 44.24 was computed for a stratum, 24 percent

of the sample returns in the stratum were systematically given a weighting factor of 45, and 76 percent a weight of 44. The file can be weighted with either decimal or integer weights.

### 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.

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. Also, as a further check on processing, the Detroit Computing Center conducted an independent reprocessing of a small subsample of the returns previously processed for the study.<sup>1/</sup>

<sup>1/</sup> 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.



1987

**FEDERAL TAX FORMS  
(WITH ELEMENT 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. INTEREST RECEIVED
4. DIVIDENDS RECEIVED

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

---

8 Interest Income ----- 3

---

For the year Jan -Dec 31, 1987, or other tax year beginning 1987, ending

OMB No. 1545-0074

Label

Use IRS label. Otherwise, please print or type.

Your first name and initial (if joint return, also give spouse's name and initial) Last name Present home address (number and street or rural route) (If you have a P.O. Box, see page 6 of instructions.) City, town or post office, state, and ZIP code

Your social security number Spouse's social security number

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

Filing Status

Check only one box.

MARS

- 1 Single 2 Married filing joint return (even if only one had income) 3 Married filing separate returns. 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 (your spouse died in 19 ) (See page 7 of instructions.)

Exemptions

(See instructions on page 7.)

If more than 7 dependents, see instructions on page 7.

Caution: If you can be claimed as a dependent on another person's tax return (such as your parents' return), do not check box 6a. But be sure to check the box on line 32b on page 2.

6a Yourself X F P T 6b Spouse X F S T

Table with 5 columns: (1) Name (first, initial, and last name), (2) Check if under age 5, (3) If age 5 or over, dependent's social security number, (4) Relationship, (5) No. of months lived in your home in 1987.

No. of boxes checked on 6a and 6b No. of children on 6c who lived with you No. of children on 6c who didn't live with you due to divorce or separation No. of parents listed on 6c No. of other dependents listed on 6c Add numbers entered in boxes above

- 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 (also complete line 35)

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.

Adjustments to Income

(See instructions on page 12.)

Main income table with 22 rows for income items and 8 rows for adjustments. Includes items like Wages, interest, dividends, and adjustments like IRA deduction, health insurance, etc.

Tax Computation

Caution: If you checked any box on line 32a, b, or c and you don't itemize, see page 16 for the amount to enter on line 33b.

- 31 Amount from line 30 (adjusted gross income)
32a Check if: You were 65 or over, Blind, Spouse was 65 or over, Blind. Add the number of boxes checked and enter the total here.
b If you can be claimed as a dependent on another person's return, check here
c If you are married filing a separate return and your spouse itemizes deductions, or you are a dual-status alien, see page 15 and check here
33a Itemized deductions. See page 15 to see if you should itemize. If you don't itemize, enter zero. If you do itemize, attach Schedule A, enter the amount from Schedule A, line 26, AND skip line 33b
b Standard deduction. Read Caution to left. If it applies, see page 16 for the amount to enter. If Caution doesn't apply and your filing status from page 1 is: Single or Head of household, enter \$2,540; Married filing jointly or Qualifying widow(er), enter \$3,760; Married filing separately, enter \$1,880
34 Subtract line 33a or 33b, whichever applies, from line 31. Enter the result here
35 Multiply \$1,900 by the total number of exemptions claimed on line 6a or see chart on page 16
36 Taxable income. Subtract line 35 from line 34. Enter the result (but not less than zero)
Caution: If under age 14 and you have more than \$1,000 of investment income, check here and see page 16 to see if you have to use Form 8615 to figure your tax.
37 Enter tax. Check if from Tax Table, Tax Rate Schedules, Schedule D, or Form 8615
38 Additional taxes (see page 16). Check if from Form 4970 or Form 4972
39 Add lines 37 and 38. Enter the total

Table with columns for line numbers and values. Values include 29, 29, 30, 31, 33, 38, 39.

Credits

(See instructions on page 17.)

- 40 Credit for child and dependent care expenses (attach Form 2441)
41 Credit for the elderly or for the permanently and totally disabled (attach Schedule R)
42 Add lines 40 and 41. Enter the total
43 Subtract line 42 from line 39. Enter the result (but not less than zero)
44 Foreign tax credit (attach Form 1116)
45 General business credit. Check if from Form 3886, Form 3468, Form 5884, Form 6478, Form 6765, or Form 8585
46 Add lines 44 and 45. Enter the total (other 47) 48, 61 and 62
47 Subtract line 46 from line 43. Enter the result (but not less than zero)

Table with columns for line numbers and values. Values include 40, 41, 43, 44, 45, 46, 47.

Other Taxes

(Including Advance EIC Payments)

- 48 Self-employment tax (attach Schedule SE)
49 Alternative minimum tax (attach Form 6251)
50 Tax from recapture of investment credit (attach Form 4255)
51 Social security tax on tip income not reported to employer (attach Form 4137)
52 Tax on an IRA or a qualified retirement plan (attach Form 5329)
53 Add lines 47 through 52. This is your total tax

Table with columns for line numbers and values. Values include 52, 51, 53, 54, 55.

Payments

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

- 54 Federal income tax withheld (including tax shown on Form(s) 1099)
55 1987 estimated tax payments and amount applied from 1986 return
56 Earned income credit (see page 18)
57 Amount paid with Form 4868 (extension request)
58 Excess social security tax and RRTA tax withheld (see page 19)
59 Credit for Federal tax on gasoline and special fuels (attach Form 4130)
60 Regulated investment company credit (attach Form 2439)
61 Add lines 54 through 60. These are your total payments

Table with columns for line numbers and values. Values include 57, 58, 59, 60, 62.

Refund or Amount You Owe

- 62 If line 61 is larger than line 53, enter amount OVERPAID
63 Amount of line 62 to be REFUNDED TO YOU
64 Amount of line 62 to be applied to your 1988 estimated tax
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 "1987 Form 1040" on it.
Check:  if Page 2210 (2210P) is attached. See page 20. Penalty \$

Table with columns for line numbers and values. Values include 64, 65, 66.

Please Sign Here

Signature lines for taxpayer and spouse, including fields for date and occupation.

**Step 1**  
**abel**

Use IRS  
label.  
Otherwise,  
please print  
or type.

Your first name and initial (if joint return, also give spouse's name and initial) Last name  
Present home address (number and street). (If you have a P.O. Box, see page 9 of the instructions.)  
City, town or post office, state, and ZIP code

**STATE**

Your social security no.  
Spouse's social security no.  
For Privacy Act and  
Paperwork Reduction  
Act Notice, see page 31.

**Presidential Election Campaign Fund**

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

**ELECT**  
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.
- 4  Head of household (with qualifying person). If the qualifying person is your child but not your dependent, enter this child's name here.

**Step 3**  
**Figure your  
exemptions**  
(See page 12 of  
instructions.)

Caution: If you can be claimed as a dependent on another person's tax return (such as your parents' return), do not check box 5a. But be sure to check the box on line 14b on page 2.

5a  Yourself **X FST**      5b  Spouse **X FST**

6 Dependents	7. Check if under age 6	8. If age 6 or over, dependent's social security number	4. Relationship	5. No. of months lived in your home in 1987
1. Name (first, initial, and last name)				

No. of boxes checked on 5a and 5b  
No. of children on 5c who lived with you  
No. of children on 5c who didn't live with you due to divorce or separation  
No. of parents listed on 5c  
No. of other dependents listed on 5c

**XOCAN**  
**XOCANW**  
**XOPAR**  
**XODEP**

If more than 7 dependents, attach statement.

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

- 6 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. (Also complete line 16.)

Add numbers entered on lines above **X70T**

**Step 4**  
**Figure your  
total income**

Attach check or summary order here.

6	Wages, salaries, tips, etc. This should be shown in Box 10 of your W-2 form(s). (Attach Form(s) W-2.)	6	2
7a	Taxable interest income (see page 17). (If over \$400, also complete and attach Schedule I, Part II.)	7a	3
b	Tax-exempt interest income (see page 17). (DO NOT include on line 7a.)	7b	4
8	Dividends. (If over \$400, also complete and attach Schedule I, Part III.)	8	5
9	Unemployment compensation (insurance) from Form(s) 1099-G.	9	17
10	Add lines 6, 7a, 8, and 9. Enter the total. This is your total income.	10	

**Step 5**  
**Figure your  
adjusted  
gross  
income**

11a	Your IRA deduction from applicable Worksheet. New rules for IRAs begin on page 18.	11a	33
b	Spouse's IRA deduction from applicable Worksheet. New rules for IRAs begin on page 18.	11b	24
c	Add lines 11a and 11b. Enter the total. These are your total adjustments.	11c	
12	Subtract line 11c from line 10. Enter the result. This is your adjusted gross income. (If this line is less than \$15,432 and a child lived with you, see "Earned Income Credit" (line 21b) on page 27 of instructions.)	12	1

1987

Form 1040A

Step 6  
Figure your  
standard  
deduction.

13 Enter the amount from line 12. 13 | 1

14a Check if:  You were 65 or over  Blind  Spouse was 65 or over  Blind Enter number of boxes checked ▶ 14a

AGEX  
DSI

b If you can be claimed as a dependent on another person's return (such as your parents' return), check here ▶ 14b

c If you are married filing separately and your spouse files Form 1040 and itemizes deductions, check here ▶ 14c

d Standard deduction. If you checked a box on line 14a, b, or c, see page 22 for amount to enter on line 14d. If no box is checked, enter amount shown below for your filing status.

Filing status from page 1 { Single or Head of household, enter \$2,540  
Married filing joint return, enter \$3,760  
Married filing separate return, enter \$1,890 } 14d | 29

Exemption  
amount, and

15 Subtract line 14d from line 13. Enter the result. 15 |

16 Multiply \$1,900 by the total number of exemptions claimed on line 5e. Or, figure your exemption amount from the chart on page 24 of the instructions. 16 | 30

Taxable  
income

17 Subtract line 16 from line 15. Enter the result. This is your taxable income. ▶ 17 | 31

If You Want IRS To Figure Your Tax, See Page 24 of the Instructions.

Caution: If you are under age 14 and have more than \$1,000 of investment income, see page 24 of the instructions and check here

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

18 Find the tax on the amount on line 17. Check if from:  Tax Table (pages 32-37); or  Form 8615, Computation of Tax for Children Under Age 14 Who Have Investment Income of More Than \$1,000. 18 | 33

19 Credit for child and dependent care expenses. Complete and attach Schedule I, Part I. 19 | 38

20 Subtract line 19 from line 18. Enter the result. (If line 19 is more than line 18, enter -0- on line 20.) This is your total tax. ▶ 20 | 50

21a Total Federal income tax withheld. This should be shown in Box 9 of your W-2 form(s). (If line 6 is more than \$43,800, see page 26.) 21a | 57

b Earned income credit, from the worksheet on page 28 of the instructions. Also see page 27. 21b | 68

22 Add lines 21a and 21b. Enter the total. These are your total payments. ▶ 22 | 63

Step 8  
Figure your  
refund  
or amount  
you owe

23 If line 22 is larger than line 20, subtract line 20 from line 22. Enter the result. This is the amount of your refund. 23 | 64(-)

24 If line 20 is larger than line 22, subtract line 22 from line 20. 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 "1987 Form 1040A" on it. 24 | 64(+)

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 \_\_\_\_\_ Date \_\_\_\_\_ Your occupation \_\_\_\_\_

X  
Spouse's signature (if joint return, both must sign) \_\_\_\_\_ Date \_\_\_\_\_ Spouse's occupation \_\_\_\_\_

X

Paid  
preparer's  
use only

Preparer's signature \_\_\_\_\_ Date \_\_\_\_\_ Preparer's social security no. \_\_\_\_\_

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

**1987 Schedule 1 (Form 1040A)**

OMB No. 1545-0045

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 24 of the instructions)**

Complete this part to figure the amount of credit you can take on Form 1040A, line 19. 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.*

<b>1</b> Enter the number of qualifying persons who were cared for in 1987. (See the instructions for the definition of a qualifying person.)	<b>1</b>	
<b>2</b> Enter the amount of qualified expenses you incurred and actually paid in 1987 for the care of the qualifying person. (See the instructions for which expenses qualify for the credit.) DO NOT enter more than \$2,400 (\$4,800 if you paid for the care of two or more qualifying persons).	<b>2</b>	145
<b>3 a</b> You must enter your earned income on line 3a.	<b>3a</b>	
<b>b</b> If you are married, filing a joint return for 1987, 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 amount to enter on this line.)	<b>3b</b>	
<b>c</b> If you are married, compare the amounts on lines 3a and 3b, and enter the smaller of the two amounts on line 3c.	<b>3c</b>	146
<b>4</b> If you were unmarried at the end of 1987, 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 1987, compare the amounts on lines 2 and 3c, and enter the smaller of the two amounts on line 4.	<b>4</b>	147
<b>5</b> Enter the percentage from the table below that applies to the amount on Form 1040A, line 13.		

If line 13 is:	Percentage is:	If line 13 is:	Percentage is:
Over — But not over —		Over — But not over —	
\$0—10,000	30% (.30)	\$20,000—22,000	24% (.24)
10,000—12,000	29% (.29)	22,000—24,000	23% (.23)
12,000—14,000	28% (.28)	24,000—26,000	22% (.22)
14,000—16,000	27% (.27)	26,000—28,000	21% (.21)
16,000—18,000	26% (.26)	28,000	20% (.20)
18,000—20,000	25% (.25)		

<b>6</b> Multiply the amount on line 4 by the percentage on line 5. Enter the result here and on Form 1040A, line 19.	<b>6</b>	38
---	----------	----

Form 1040EZ

Department of the Treasury Internal Revenue Service

Income Tax Return for Single filers with no dependents (L) 1987

OMB No. 1545-0045

Name & address

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

Please print your numbers like this:

Print your name above (first, initial, last)
Present home address (number and street) (If you have a P.O. box, see instructions.)
City, town or post office, state and ZIP code

0 1 2 3 4 5 6 7 8 9

Your social security number

Grid for social security number

Please read the instructions for this form on the reverse side.

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. ELECT

Yes No

Grid for Yes/No

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

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

4 Can you be claimed as a dependent on another person's return?
Yes. Do worksheet on back; enter amount from line E here.
No. Enter 2,540 as your standard deduction. PSI 4

5 Subtract line 4 from line 3. 5

6 If you checked the "Yes" box on line 4, enter 0. If you checked the "No" box on line 4, enter 1,900. This is your personal exemption. 306

7 Subtract line 6 from line 5. If line 6 is larger than line 5, enter 0 on line 7. This is your taxable income. 317

Figure your tax.

8 Enter your Federal income tax withheld. This should be shown in Box 9 of your W-2 form(s). 578

9 Use the single column in the tax table on pages 32-37 of the Form 1040A instruction booklet to find the tax on the amount shown on line 7 above. Enter the amount of tax. 369

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. 646-70

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." 646-11

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.

Grid for IRS use

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



**SCHEDULES A&B**  
(Form 1040)

Department of the Treasury  
Internal Revenue Service (1)

Name(s) as shown on Form 1040

**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

**1987**  
Attachment  
Sequence No 07

Your social security number

**Medical and Dental Expenses**

(Do not include expenses reimbursed or paid by others.)

(See instructions on page 21.)

1a Prescription medicines and drugs, insulin, doctors, dentists, nurses, hospitals, insurance premiums you paid for medical and dental care, etc.

1a *drug x*  
73

b Transportation and lodging

1b *transp*  
73

c Other (list—include hearing aids, dentures, eyeglasses, etc.)

1c

2 Add lines 1a through 1c, and enter the total here

2 *med exp*  
77

3 Multiply the amount on Form 1040, line 31, by 7.5% (.075)

3

4 Subtract line 3 from line 2. If zero or less, enter -0-. Total medical and dental

4

71 *medd*

**Taxes You Paid**

(See instructions on page 22.)

Note: Sales taxes are no longer deductible.

5 State and local income taxes

5 *State tax*  
76

6 Real estate taxes

6 *prop tax*  
77

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 22.)

Note: If you borrowed any new amounts against your home after 8/16/86 and at any time in 1987 the total of all your mortgage debts was more than what you paid for your home plus improvements, attach Form 8598 and check here.

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

10 Deductible points

10 82

11 Deductible investment interest

11 83

12a Personal interest you paid (see page 22)

12a *84*

b Multiply the amount on line 12a by 65% (.65). Enter the result

12b

13 Add the amounts on lines 9a through 11, and 12b. Enter the total here. Total interest

13

79 *total pd*

**Contributions You Made**

(See instructions on page 23.)

14a Cash contributions. (If you gave \$3,000 or more to any one organization, report those contributions on line 14b.)

14a 86

b Cash contributions totaling \$3,000 or more to any one organization. (Show to whom you gave and how much you gave.) ▶

14b 87

15 Other than cash. (You must attach Form 8283 if over \$500.)

15 88

16 Carryover from prior year

16 89

17 Add the amounts on lines 14a through 16. Enter the total here. Total contributions

17

95 *control*

**Casualty and Theft Losses**

18 Casualty or theft loss(es) (attach Form 4684). (See page 23 of the instructions.)

18

90 *casual*

**Moving Expenses**

19 Moving expenses (attach Form 3903 or 3903F). (See page 24 of the instructions.)

19

91 *moving*

**Miscellaneous Deductions Subject to 2% AGI Limit**

(See instructions on page 24.)

20 Unreimbursed employee business expenses (attach Form 2106)

20 93

21 Other expenses (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 31, by 2% (.02). Enter the result here

23

24 Subtract line 23 from line 22. Enter the result (but not less than zero)

24

92 *misc*

**Other Miscellaneous Deductions**

25 Miscellaneous deductions not subject to 2% AGI limit (see page 24). (List type and amount.) ▶

25

**SCHEDULE C  
(Form 1040)**

**Profit or (Loss) From Business or Profession  
(Sole Proprietorship)**

OMB No. 1545-0074

**1987**

Department of the Treasury  
Internal Revenue Service (L)

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

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

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) ▶

**G** Was there any change in determining quantities, costs, or valuations between opening and closing inventory? (If "Yes," attach explanation) Yes No

**H** Are you deducting expenses for an office in your home? \_\_\_\_\_

**I** Did you file Form 941 for this business for any quarter in 1987? \_\_\_\_\_

**J** Did you "materially participate" in the operation of this business during 1987? (If "No," see instructions for limitations on losses.) \_\_\_\_\_

**K** Was this business in operation at the end of 1987? \_\_\_\_\_

**L** How many months was this business in operation during 1987? \_\_\_\_\_ ▶

**M** 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 and enter the balance here	1c	99
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 1987)	4	
5 Add lines 3 and 4. This is the gross income	5	96

**Part II Deductions**

6 Advertising		23 Repairs	
7 Bad debts from sales or services (see instructions.)		24 Supplies (not included in Part III)	
8 Bank service charges		25 Taxes	
9 Car and truck expenses	100	26 Travel, meals, and entertainment:	
10 Commissions	102	a Travel	
11 Depletion		b Total meals and entertainment	
12 Depreciation and section 179 deduction from Form 4562 (not included in Part III)	101	c Enter 20% of line 26b subject to limitations (see instructions)	
13 Dues and publications		d Subtract line 26c from 26b	
14 Employee benefit programs		27 Utilities and telephone	
15 Freight (not included in Part III)		28a Wages	
16 Insurance	106	b Jobs credit	
17 Interest:		c Subtract line 28b from 28a	108
a Mortgage (paid to financial institutions)	103	29 Other expenses (list type and amount):	
b Other	104		
18 Laundry and cleaning			
19 Legal and professional services			
20 Office expense	105		
21 Pension and profit-sharing plans			
22 Rent on business property	107		
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 13, and on Schedule SE, line 2 (or line 5 of Form 1041 or Form 1041S). If a loss, you <b>MUST</b> enter on line 32		31	



Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side)

Your social security number

**Part III Summary of Parts I and II**

18 Combine lines 8 and 17, and enter the net gain or (loss) here. If result is a gain, also enter the gain on Form 1040, line 14.

Note: If lines 17 and 18 are net gains and your taxable income is taxed over the 28% tax rate, see Part IV below. You may be able to reduce your tax if you qualify for the alternative tax computation.

18	
19	

19 If line 18 is a loss, enter here and as a loss on Form 1040, line 14, the smaller of:  
 a The amount on line 18; or b \$3,000 (\$1,500 if married filing a separate return)

**Part IV Alternative Tax Computation**  
 First complete Form 1040 through line 36.

Use Part IV if both lines 17 and 18 show net gains, AND:	
You checked filing status box: AND Form 1040, line 36 is over:	You checked filing status box: AND Form 1040, line 36 is over:
1 AND \$27,000	3 AND \$22,500
2 or 5 45,000	4 38,000

20 Enter amount from Form 1040, line 36	20	
21 Enter the smaller of the gain on line 17 or the gain on line 18	21	
22 Subtract line 21 from 20 and enter the result	22	
23 Enter: a \$16,800 if you checked filing status box 1; b \$28,000 if you checked filing status box 2 or 5; c \$14,000 if you checked filing status box 3; or d \$23,000 if you checked filing status box 4	23	
24 Enter the greater of line 22 or line 23	24	121
25 Subtract line 24 from line 20	25	120
26 Figure the amount of tax on line 24. Use the Tax Table or Tax Rate Schedules, whichever applies	26	
27 Multiply line 25 by 28% (.28) and enter the result	27	
28 Add lines 26 and 27. Enter the result here and on Form 1040, line 37 and check the box for Schedule D	28	

**Part V Computation of Capital Loss Carryovers From 1987 to 1988**

(Complete this part if the loss on line 18 is more than the loss on line 19.)

29 Enter the loss shown on line 8; if none, enter zero and skip lines 30 through 33	29	
30 Enter gain shown on line 17. If that line is blank or shows a loss, enter zero	30	
31 Subtract line 30 from line 29	31	
32 Enter the smaller of line 19 or 31	32	
33 Subtract line 32 from line 31. This is your short-term capital loss carryover from 1987 to 1988	33	
34 Enter loss from line 17; if none, enter zero and skip lines 35 through 38	34	
35 Enter gain shown on line 8. If that line is blank or shows a loss, enter zero	35	
36 Subtract line 35 from line 34	36	
37 Subtract line 32 from line 19. (Note: If you skipped lines 30 through 33, enter the amount from line 19.)	37	
38 Subtract line 37 from line 36. This is your long-term capital loss carryover from 1987 to 1988	38	

**Part VI Complete This Part Only if You Elect Out of the Installment Method and Report a Note or Other Obligation at Less Than Full Face Value**

39 Check here if you elect out of the installment method	<input type="checkbox"/>
40 Enter the face amount of the note or other obligation	
41 Enter the percentage of valuation of the note or other obligation	

**Part VII Reconciliation of Forms 1099-B for Bartering Transactions**

Complete this part if you received one or more Form(s) 1099-B or an equivalent substitute statement(s) reporting bartering income.

Amount of bartering income from Form 1099-B or equivalent statement reported on form or schedule

42 Form 1040, line 21	42	
43 Schedule C (Form 1040)	43	
44 Schedule D (Form 1040)	44	
45 Schedule E (Form 1040)	45	
46 Schedule F (Form 1040)	46	
47 Other (identify) (if not taxable, indicate reason—attach additional sheets if necessary)	47	

**SCHEDULE E**  
**(Form 1040)**

Department of the Treasury  
Internal Revenue Service (U)

Name(s) as shown on Form 1040

**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

**1987**

Attachment  
Sequence No **13**

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 property listed, did you or a member of your family use for personal purposes any of the properties for more than the greater of 14 days or 10% of the total days rented at fair rental value during the tax year? Yes No  
 3 For each rental real estate property listed, did you actively participate in the operation of the activity during the tax year? (See instructions.) Yes No

Property A					
Property B					
Property C					

Rental and Royalty Income	Properties			Totals (Add columns A, B, and C)
	A	B	C	
4 Rents received				4 123
5 Royalties received				5 124
<b>Rental and Royalty Expenses</b>				
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 financial institutions (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) ▶				
20 Total expenses other than depreciation and depletion. Add lines 6 through 19.	20			20
21 Depreciation expense (see instructions), or depletion (see Publication 535).	21			21 125
22 Total. Add lines 20 and 21.	22			22 126
23 Income or (loss) from rental or royalty properties. Subtract line 22 from line 4 (rents) or 5 (royalties).	23		SEEMS TO INCLUDE	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			24 127
25 Profits. Add rental and royalty profits from line 23, and enter the total profits here.	25			25
26 Losses. Add royalty losses from line 23 and rental losses from line 24, and enter the total (losses) here.	26			26 ( )
27 Combine amounts on lines 25 and 26, and enter the net profit or (loss) here.	27			27
28 Net farm rental profit or (loss) from Form 4835. (Also complete Part VI, line 43.)	28			28 122 ✓
29 Total rental or royalty income or (loss). Combine amounts on lines 27 and 28, and 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 17.	29			29

Name(s) as shown on Form 1040 (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 below and have amounts invested in that activity for which you are not at risk, you MUST check "Yes" in column (e) and attach Form 6198. Otherwise, you must check "No." See instructions.

	(a) Name	(b) Enter P for partnership S for S Corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Not at risk	
					Yes	No
A						
B						
C						
D						
E						
Passive Activities		Nonpassive Activities				
(f) Passive loss allowed from Form 8582	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 deduction	(j) 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 (g) and (j), line 30a. Enter total income here					31
32	Add amounts in columns (f), (h), and (i), 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	Passive Activities		Nonpassive Activities	
			(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 (loss) here					36 (x) 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 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 1987 (see instructions)	39 141
40	Windfall profit tax withheld in 1987 (see instructions)	40 ( 142 )
41	Combine amounts on lines 39 and 40. Enter the total here and include in line 42 below	41

**SCHEDULE SE  
(Form 1040)**

Department of the Treasury  
Internal Revenue Service (L)

**Computation of Social Security Self-Employment Tax**

▶ See Instructions for Schedule SE (Form 1040).

▶ Attach to Form 1040.

OMB No. 1545-0074

**1987**  
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 ▶

- A** 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, then DO NOT file Schedule SE. Instead, write "Exempt-Form 4361" on Form 1040, line 48. However, if you filed Form 4361, but have \$400 or more of other earnings subject to self-employment tax, continue with Part I and check here ▶
- B** If you filed Form 4029 and have received IRS approval, DO NOT file Schedule SE. Write "Exempt-Form 4029" on Form 1040, line 48
- C** If your only earnings subject to self-employment tax are wages from an electing church or church-controlled organization that is exempt from employer social security taxes and you are not a minister or a member of a religious order, skip lines 1-8. Enter zero on line 9. Continue with line 11a.

**Part I Regular Computation of Net Earnings From Self-Employment**

- 1** Net farm profit (or loss) from Schedule F (Form 1040), line 37, and farm partnerships, Schedule K-1 (Form 1065), line 14a
- 2** Net profit (or loss) from Schedule C (Form 1040), line 31, and Schedule K-1 (Form 1065), line 14a (other than farming). (See Instructions for other income to report.) Employees of an electing church or church-controlled organization DO NOT enter your Form W-2 wages on line 2. See the instructions.

**Part II Optional Computation of Net Earnings From Self-Employment (See "Who Can Use Schedule SE" in the Instructions)**

See Instructions for limitations. Generally, this part may be used only if you meet any of the following tests:

- A** Your gross farm income<sup>1</sup> was not more than \$2,400; or
- B** Your gross farm income<sup>1</sup> was more than \$2,400 and your net farm profits<sup>2</sup> were less than \$1,600; or
- C** Your net nonfarm profits<sup>3</sup> were less than \$1,600 and your net nonfarm profits<sup>3</sup> were also less than two-thirds (2/3) of your gross nonfarm income.<sup>4</sup>

Notes: If line 2 above is two-thirds (2/3) or more of your gross nonfarm income<sup>4</sup>, or, if line 2 is \$1,600 or more, you may not use the optional method.

<sup>1</sup>From Schedule F (Form 1040), line 12, and Schedule K-1 (Form 1065), line 14b. <sup>2</sup>From Schedule C (Form 1040), line 31, and Schedule K-1 (Form 1065), line 14a.

<sup>3</sup>From Schedule F (Form 1040), line 37, and Schedule K-1 (Form 1065), line 14a. <sup>4</sup>From Schedule C (Form 1040), line 5, and Schedule K-1 (Form 1065), line 14c.

- 3** Maximum income for optional methods
- 4** Farm Optional Method—If you meet test A or B above, enter the smaller of: two-thirds (2/3) of gross farm income from Schedule F (Form 1040), line 12, and farm partnerships, Schedule K-1 (Form 1065), line 14b; or \$1,600
- 5** Subtract line 4 from line 3
- 6** Nonfarm Optional Method—If you meet test C above, enter the smallest of: two-thirds (2/3) of gross nonfarm income from Schedule C (Form 1040), line 5, and Schedule K-1 (Form 1065), line 14c (other than farming); or \$1,600; or, if you elected the farm optional method, the amount on line 5.

**Part III Computation of Social Security Self-Employment Tax**

- 7** Enter the amount from Part I, line 1, or, if you elected the farm optional method, Part II, line 4
- 8** Enter the amount from Part I, line 2, or, if you elected the nonfarm optional method, Part II, line 6
- 9** Add lines 7 and 8. If less than \$400, do not file this schedule. (Exception: If you are an employee of an electing church or church-controlled organization and the total of lines 7 and 8 is less than \$400, enter zero and complete the rest of this schedule.)
- 10** The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement tax (tier 1) for 1987 is
- 11a** Total social security wages and tips from Forms W-2 and railroad retirement compensation (tier 1). Note: Medicare qualified government employees whose wages are only subject to the 1.45% medicare (hospital insurance benefits) tax and employees of certain church or church-controlled organizations should not include those wages on this line. (See Instructions.)
- b** Unreported tips subject to social security tax from Form 4137, line 9, or to railroad retirement tax (tier 1)
- c** Add lines 11a and 11b
- 12a** Subtract line 11c from line 10. (If zero or less, enter zero.)
- b** Enter your medicare qualified government wages if you are required to use the worksheet in Part III of the instructions.
- c** Enter your Form W-2 wages of \$100 or more from an electing church or church-controlled organization.
- d** Add lines 9 and 12c.
- 13** Enter the smaller of line 12a or line 12d.  
If line 13 is \$43,800, enter \$5,387.40 on line 14. Otherwise, multiply line 13 by .123 and enter the result on line 14.
- 14** Self-employment tax. Enter this amount on Form 1040, line 48.

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

**Credit for Child and Dependent Care Expenses**

OMB No 1545-0068

Department of the Treasury  
Internal Revenue Service (L)

▶ Attach to Form 1040.  
▶ See instructions below.

**1987**

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 1987. (See instructions for definition of qualifying persons.) ▶ 1

2 Enter the amount of qualified expenses you incurred and actually paid in 1987 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 1987, 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 e If you were unmarried at the end of 1987, compare the amounts on lines 2 and 3a, and enter the smaller of the two amounts on line 4.

4	147
---	-----

e 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.

5 Enter percentage from table below that applies to the adjusted gross income on Form 1040, line 31.

5	x
---	---

H line 31 is:		Percentage is:	H line 31 is:		Percentage is:
Over—	But not over—		Over—	But not over—	
	\$0-10,000	30% (.30)		\$20,000-22,000	24% (.24)
	10,000-12,000	29% (.29)		22,000-24,000	23% (.23)
	12,000-14,000	28% (.28)		24,000-26,000	22% (.22)
	14,000-16,000	27% (.27)		26,000-28,000	21% (.21)
	16,000-18,000	26% (.26)		28,000	20% (.20)
	18,000-20,000	25% (.25)			

6 Multiply the amount on line 4 by the percentage shown on line 5, and enter the result

6	
---	--

7 Multiply any child and dependent care expenses for 1986 that you paid in 1987 by the percentage that applies to the adjusted gross income on your 1986 Form 1040, line 33, or Form 1040A, line 15. 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	38
---	----

**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.

**What is the Child and Dependent Care Expenses Credit?**

You may be able to take a tax credit for amounts you paid someone to care for your child or other qualifying person so you could work or look for work in 1987. The most the credit may be is \$720 for the care of one qualifying person, or \$1,440 for the care of two or more qualifying persons.

**Additional information.**—For more details, please get Publication 903, Child and Dependent Care Credit, and Employment Taxes for Household Employers.

**Who is a Qualifying Person?**

A qualifying person is:

e Any person under age 15 whom you claim

e Your disabled spouse who is mentally or physically unable to care for himself or herself.

e 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 \$1,900 or more.

**Note:** You must have shared the same home with any person you claim as a qualifying person.

**Children of divorced or separated parents.**—If you were divorced, legally separated, or lived apart from your spouse during the last 6 months of 1987, 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 hereinafter.

for Child of Divorced or Separated Parents, or a similar statement, agreeing not to claim the child's exemption for 1987; 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 \$800 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:

1. You paid for the care so you (and your spouse if you were married) could work or look for work (but see the rules at the line 3 instructions for Spouse who is a full-time student or is disabled).
2. You and the qualifying person(s) lived in the same home.
3. You (and your spouse if you were married) paid over half the cost of keeping up your home. The cost includes: rent; mortgage interest; property taxes; utilities; home repairs; and food eaten at home.



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

**1987**

Attachment  
Sequence No. **32**

Name(s) as shown on Form 1040

Your social security number

1	Taxable income from Form 1040, line 36 (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 instructions before completing.)			
a	Standard deduction from Form 1040, line 33b	4a		
b	Medical and dental expense	4b		
c	Miscellaneous itemized deductions from Schedule A, line 24	4c		
d	Taxes from Schedule A, line 8	4d		
e	Interest from Schedule A, line 12b	4e		
f	Other interest adjustments	4f		
g	Depreciation of property placed in service after 1986	4g		
h	Circulation and research and experimental expenditures paid or incurred after 1986	4h		
i	Mining exploration and development costs paid or incurred after 1986	4i		
j	Long-term contracts entered into after 2/28/86	4j		
k	Pollution control facilities placed in service after 1986	4k		
l	Installment sales of certain property	4l		
m	Base adjustment	4m		
n	Certain loss limitations	4n		
o	Tax shelter farm loss	4o		
p	Passive activity loss	4p		
q	Beneficiaries of estates and trusts	4q		
r	Personal exemptions (see instructions)	4r		
s	Total adjustments (combine lines 4a through 4r)	4s	149	
5	Tax preference items: (See instructions before completing.)			
a	Accelerated depreciation of real property placed in service before 1987	5a	151	
b	Accelerated depreciation of leased personal property placed in service before 1987	5b		
c	Amortization of certified pollution control facilities placed in service before 1987	5c		
d	Appreciated property charitable deduction	5d		
e	Incentive stock options	5e		
f	Tax-exempt interest from private activity bonds issued after August 7, 1986	5f		
g	Intangible drilling costs	5g		
h	Depletion	5h		
i	Reserves for losses on bad debts of financial institutions	5i		
j	Total tax preference items (add lines 5a through 5i)	5j	150	
6	Combine lines 3, 4s, and 5j	6		
7	Alternative tax net operating loss deduction (Do not enter more than 90% of line 6.)	7		
8	Alternative minimum taxable income (subtract line 7 from line 6)	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 zero or less, enter zero	11		
12	Multiply line 11 by 25% (.25)	12		
13	Subtract line 12 from line 9. If zero or less, enter zero	13		
14	Subtract line 13 from line 8. If zero or less, enter zero	14		
15	Multiply line 14 by 21% (.21)	15		
16	Alternative minimum tax foreign tax credit	16		
17	Tentative minimum tax (subtract line 16 from line 15)	17		
18	Regular tax before credits (Form 1040, line 37) minus foreign tax credit (Form 1040, line 44)	18		
19	Alternative minimum tax (subtract line 18 from line 17). Enter on Form 1040, line 49	19	51	