

Form 1040 U.S. Individual Income Tax Return 2005

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

For the year Jan 1 - Dec 31, 2005, or other tax year beginning , 2005, ending , 20
Your first name MI Last name
John X Smith
OMB No. 1545-0074
Your social security number
123-56-7891
If a joint return, spouse's first name MI Last name
Mary - Smith
Spouse's social security number
567-89-1011
Home address (number and street). If you have a P.O. box, see instructions. Apartment no.
12345 Easy Street
You must enter your social security number(s) above.
City, town or post office. If you have a foreign address, see instructions. State ZIP code
Anytown XX 12345
Checking a box below will not change your tax or refund.
Check here if you, or your spouse if filing jointly, want \$3 to go to this fund? (see instructions) You Spouse

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

Exemptions
6a Yourself. If someone can claim you as a dependent, do not check box 6a.
6b Spouse
c Dependents:
(1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) if qualifying child for child tax credit (see instrs)
Boxes checked on 6a and 6b 2
No. of children on 6c who:
• lived with you
• did not live with you due to divorce or separation (see instrs)
Dependents on 6c not entered above
Add numbers on lines above 2
d Total number of exemptions claimed 2

Income
7 Wages, salaries, tips, etc. Attach Form(s) W-2 7 157,138.
8a Taxable interest. Attach Schedule B if required 8a 40,802.
8b Tax-exempt interest. Do not include on line 8a 8b 8,834.
9a Ordinary dividends. Attach Schedule B if required 9a 10,008.
9b Qualfd divs (see instrs) 9b 9,582.
10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions) 10 2,251.
11 Alimony received. 11
12 Business income or (loss). Attach Schedule C or C-EZ 12 14,165.
13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here 13 64,833.
14 Other gains or (losses). Attach Form 4797 14
15a IRA distributions 15a b Taxable amount (see instrs) 15b
16a Pensions and annuities 16a b Taxable amount (see instrs) 16b 3,824.
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 17 0.
18 Farm income or (loss). Attach Schedule F 18
19 Unemployment compensation 19
20a Social security benefits 20a b Taxable amount (see instrs) 20b
21 Other income 21
22 Add the amounts in the far right column for lines 7 through 21. This is your total income 22 293,021.

Adjusted Gross Income
23 Educator expenses (see instructions) 23
24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ 24
25 Health savings account deduction. Attach Form 8889 25
26 Moving expenses. Attach Form 3903 26
27 One-half of self-employment tax. Attach Schedule SE 27 1,001.
28 Self-employed SEP, SIMPLE, and qualified plans 28 2,633.
29 Self-employed health insurance deduction (see instructions) 29
30 Penalty on early withdrawal of savings 30
31a Alimony paid b Recipient's SSN 31a
32 IRA deduction (see instructions) 32
33 Student loan interest deduction (see instructions) 33
34 Tuition and fees deduction (see instructions) 34
35 Domestic production activities deduction. Attach Form 8903 35
36 Add lines 23 - 31a and 32 - 35 36 3,634.
37 Subtract line 36 from line 22. This is your adjusted gross income 37 289,387.

Tax and Credits

Table with 3 columns: Line number, Description, and Amount. Includes lines 38-57 covering tax and credit calculations.

Standard Deduction for - People who checked any box on line 39a or 39b or who can be claimed as a dependent, see instructions. All others: Single or Married filing separately, \$5,000. Married filing jointly or Qualifying widow(er), \$10,000. Head of household, \$7,300.

Other Taxes

Table with 3 columns: Line number, Description, and Amount. Includes lines 58-63 covering self-employment tax, social security, and other taxes.

Payments

If you have a qualifying child, attach Schedule EIC.

Table with 3 columns: Line number, Description, and Amount. Includes lines 64-71 covering federal income tax withheld, estimated tax payments, and earned income credit.

Refund

Direct deposit? See instructions and fill in 73b, 73c, and 73d.

Table with 3 columns: Line number, Description, and Amount. Includes lines 72-74 covering refund calculations and estimated tax application.

Amount You Owe

Table with 3 columns: Line number, Description, and Amount. Includes lines 75-76 covering amount owed and estimated tax penalty.

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? Yes. Complete the following. No

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.

Paid Preparer's Use Only

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

**SCHEDULE A
(Form 1040)**

Itemized Deductions

OMB No. 1545-0074

2005

Attachment
Sequence No. **07**

Department of the Treasury
Internal Revenue Service (99)

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

Name(s) shown on Form 1040

Your social security number

John X & Mary - Smith

123-56-7891

Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others.				
	1	Medical and dental expenses (see instructions)	1		
	2	Enter amount from Form 1040, line 38	2		
	3	Multiply line 2 by 7.5% (.075)	3		
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-		4	
Taxes You Paid (See instructions.)	5 State and local (check only one box):				
	a	<input checked="" type="checkbox"/> Income taxes, or	5	14,270.	
	b	<input type="checkbox"/> General sales taxes (see instructions)			
	6	Real estate taxes (see instructions)	6	2,010.	
	7	Personal property taxes	7	745.	
	8	Other taxes. List type and amount ▶ <u>Other taxes</u> 108.	8	108.	
	9	Add lines 5 through 8		9	17,133.
	Interest You Paid (See instructions.)	10	Home mtg interest and points reported to you on Form 1098	10	
		11	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying number, and address ▶ ----- ----- -----		
11			11		
12		Points not reported to you on Form 1098. See instrs for spl rules	12		
13		Investment interest. Attach Form 4952 if required. (See instrs.)	13		
	14	Add lines 10 through 13		14	
Gifts to Charity If you made a gift and got a benefit for it, see instructions.	15 a	Total gifts by cash or check. If you made any gift of \$250 or more, see instrs	15 a	1,234.	
	b	Gifts by cash or check after August 27, 2005, that you elect to treat as qualified contributions (see instructions).	15 b		
	16	Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500	16	745.	
	17	Carryover from prior year	17		
	18	Add lines 15a, 16, & 17		18	1,979.
Casualty and Theft Losses	19	Casualty or theft loss(es). Attach Form 4684. (See instructions.)		19	
Job Expenses and Certain Miscellaneous Deductions (See instructions.)	20	Unreimbursed employee expenses — job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶ ----- -----	20		
	21	Tax preparation fees	21		
	22	Other expenses — investment, safe deposit box, etc. List type and amount ▶ ----- -----	22		
	23	Add lines 20 through 22	23		
	24	Enter amount from Form 1040, line 38	24		
	25	Multiply line 24 by 2% (.02)	25		
	26	Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-		26	
Other Miscellaneous Deductions	27	Other — from list in the instructions. List type and amount ▶ ----- -----		27	
Total Itemized Deductions	28	Is Form 1040, line 38, over \$145,950 (over \$72,975 if MFS)? <input type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 40. <input checked="" type="checkbox"/> Yes. Your deduction may be limited. See instructions for the amount to enter.		28	14,809.
	29	If you elect to itemize deductions even though they are less than your standard deduction, check here ▶ <input type="checkbox"/>			

Itemized Deductions Limited per IRC Sec. 68.

SCHEDULE C
(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2005

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

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

Name of proprietor Mary Smith		Social security number (SSN) 567-89-1011
A Principal business or profession, including product or service (see instructions) Programming	B Enter code from instructions ► 541600	
C Business name. If no separate business name, leave blank. ProgrammersToGo	D Employer ID number (EIN), if any 11-1234567	
E Business address (including suite or room no.) ► 12345 Easy Street City, town or post office, state, and ZIP code Anytown, XX, 12345		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ►		
G Did you 'materially participate' in the operation of this business during 2005? If 'No,' see instructions for limit on losses <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
H If you started or acquired this business during 2005, check here <input type="checkbox"/>		

Part I Income

1 Gross receipts or sales. Caution. If this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, see the instructions and check here <input type="checkbox"/>	1	25,500.
2 Returns and allowances	2	
3 Subtract line 2 from line 1.	3	25,500.
4 Cost of goods sold (from line 42 on page 2).	4	0.
5 Gross profit. Subtract line 4 from line 3	5	25,500.
6 Other income, including Federal and state gasoline or fuel tax credit or refund	6	
7 Gross income. Add lines 5 and 6	7	25,500.

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

8 Advertising	8	0.	18 Office expense	18	1,825.
9 Car and truck expenses (see instructions)	9	149.	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10	0.	20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11	580.	a Vehicles, machinery, and equipment	20 a	261.
12 Depletion	12		b Other business property	20 b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	2,453.	21 Repairs and maintenance	21	0.
14 Employee benefit programs (other than on line 19)	14	204.	22 Supplies (not included in Part III)	22	397.
15 Insurance (other than health)	15	621.	23 Taxes and licenses	23	5.
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc)	16 a		a Travel	24 a	1,000.
b Other	16 b		b Deductible meals and entertainment	24 b	150.
17 Legal & professional services	17	785.	25 Utilities	25	660.
28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns.	28		26 Wages (less employment credits)	26	
29 Tentative profit (loss). Subtract line 28 from line 7.	29		27 Other expenses (from line 48 on page 2)	27	0.
30 Expenses for business use of your home. Attach Form 8829	30				
31 Net profit or (loss). Subtract line 30 from line 29.					

31 If a profit, enter on Form 1040, line 12 , and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.	31	14,165.
32 If you have a loss, check the box that describes your investment in this activity (see instructions).		
• If you checked 32a, enter the loss on Form 1040, line 12 , and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.	32 a	<input type="checkbox"/> All investment is at risk.
• If you checked 32b, you must attach Form 6198 . Your loss may be limited.	32 b	<input type="checkbox"/> Some investment is not at risk.

BAA For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule C (Form 1040) 2005

SCHEDULE C
(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2005

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

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

Name of proprietor Mary Smith		Social security number (SSN) 567-89-1011
A Principal business or profession, including product or service (see instructions) Programming	B Enter code from instructions ► 541600	
C Business name. If no separate business name, leave blank. ProgrammersToGo	D Employer ID number (EIN), if any 11-1234567	
E Business address (including suite or room no.) ► 12345 Easy Street City, town or post office, state, and ZIP code Anytown, XX, 12345		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ►		
G Did you 'materially participate' in the operation of this business during 2005? If 'No,' see instructions for limit on losses <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
H If you started or acquired this business during 2005, check here <input type="checkbox"/>		

Part I Income

1 Gross receipts or sales. Caution. If this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, see the instructions and check here <input type="checkbox"/>	1	25,500.
2 Returns and allowances	2	
3 Subtract line 2 from line 1.	3	25,500.
4 Cost of goods sold (from line 42 on page 2).	4	0.
5 Gross profit. Subtract line 4 from line 3	5	25,500.
6 Other income, including Federal and state gasoline or fuel tax credit or refund	6	
7 Gross income. Add lines 5 and 6	7	25,500.

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

8 Advertising	8	0.	18 Office expense	18	1,825.
9 Car and truck expenses (see instructions)	9	149.	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10	0.	20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11	580.	a Vehicles, machinery, and equipment	20 a	261.
12 Depletion	12		b Other business property	20 b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	2,453.	21 Repairs and maintenance	21	0.
14 Employee benefit programs (other than on line 19)	14	204.	22 Supplies (not included in Part III)	22	397.
15 Insurance (other than health)	15	621.	23 Taxes and licenses	23	5.
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc)	16 a		a Travel	24 a	1,000.
b Other	16 b		b Deductible meals and entertainment	24 b	150.
17 Legal & professional services	17	785.	25 Utilities	25	660.
28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns.	28		26 Wages (less employment credits)	26	
			27 Other expenses (from line 48 on page 2)	27	0.
			29 Tentative profit (loss). Subtract line 28 from line 7.	29	16,410.
			30 Expenses for business use of your home. Attach Form 8829	30	2,245.
			31 Net profit or (loss). Subtract line 30 from line 29.		

- If a profit, enter on **Form 1040, line 12**, and **also** on **Schedule SE, line 2** (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.
- If a loss, you **must** go to line 32.

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

- If you checked 32a, enter the loss on **Form 1040, line 12**, and **also** on **Schedule SE, line 2** (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.

- If you checked 32b, you **must** attach **Form 6198**. Your loss may be limited.

32 a All investment is at risk.

32 b Some investment is not at risk.

BAA For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule **C** (Form 1040) 2005

For the year Jan 1 - Dec 31, 2005, or other tax year beginning , 2005, ending , 20
Your first name MI Last name
John X Smith
OMB No. 1545-0074
Your social security number
123-56-7891
If a joint return, spouse's first name MI Last name
Mary - Smith
Spouse's social security number
567-89-1011
Home address (number and street). If you have a P.O. box, see instructions. Apartment no.
12345 Easy Street
You must enter your social security number(s) above.
City, town or post office. If you have a foreign address, see instructions. State ZIP code
Anytown XX 12345
Checking a box below will not change your tax or refund.
Check here if you, or your spouse if filing jointly, want \$3 to go to this fund? (see instructions) You Spouse

Filing Status

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

Exemptions

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

Income

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

Adjusted Gross Income

Table with 2 columns: Description and Amount. Rows include: 23 Educator expenses. 24 Certain business expenses of reservists, performing artists, and fee-basis government officials. 25 Health savings account deduction. 26 Moving expenses. 27 One-half of self-employment tax. 28 Self-employed SEP, SIMPLE, and qualified plans. 29 Self-employed health insurance deduction. 30 Penalty on early withdrawal of savings. 31a Alimony paid. 31b Recipient's SSN. 32 IRA deduction. 33 Student loan interest deduction. 34 Tuition and fees deduction. 35 Domestic production activities deduction. 36 Add lines 23 - 31a and 32 - 35. 37 Subtract line 36 from line 22. This is your adjusted gross income.

Tax and Credits

Table with 3 columns: Line number, Description, and Amount. Includes lines 38-57 covering tax and credit calculations.

Standard Deduction for - People who checked any box on line 39a or 39b or who can be claimed as a dependent, see instructions. All others: Single or Married filing separately, \$5,000. Married filing jointly or Qualifying widow(er), \$10,000. Head of household, \$7,300.

Other Taxes

Table with 3 columns: Line number, Description, and Amount. Includes lines 58-63 covering self-employment tax, social security, and other taxes.

Payments

If you have a qualifying child, attach Schedule EIC.

Table with 3 columns: Line number, Description, and Amount. Includes lines 64-71 covering federal income tax withheld, estimated tax payments, and earned income credit.

Refund

Direct deposit? See instructions and fill in 73b, 73c, and 73d.

Table with 3 columns: Line number, Description, and Amount. Includes lines 72-74 covering refund calculations and estimated tax application.

Amount You Owe

Table with 3 columns: Line number, Description, and Amount. Includes lines 75-76 covering amount owed and estimated tax penalty.

Third Party Designee

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

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, Daytime phone number, Spouse's signature, Date, Spouse's occupation.

Paid Preparer's Use Only

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

**SCHEDULE A
(Form 1040)**

Itemized Deductions

OMB No. 1545-0074

2005

Attachment
Sequence No. **07**

Department of the Treasury
Internal Revenue Service (99)

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

Name(s) shown on Form 1040

Your social security number

John X & Mary - Smith

123-56-7891

Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others.				
	1	Medical and dental expenses (see instructions)	1		
	2	Enter amount from Form 1040, line 38	2		
	3	Multiply line 2 by 7.5% (.075)	3		
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-		4	
Taxes You Paid (See instructions.)	5 State and local (check only one box):				
	a	<input checked="" type="checkbox"/> Income taxes, or	5	14,270.	
	b	<input type="checkbox"/> General sales taxes (see instructions)			
	6	Real estate taxes (see instructions)	6	2,010.	
	7	Personal property taxes	7	745.	
	8	Other taxes. List type and amount ▶ <u>Other taxes</u> 108.	8	108.	
	9	Add lines 5 through 8		9	17,133.
	Interest You Paid (See instructions.)	10	Home mtg interest and points reported to you on Form 1098	10	
		11	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying number, and address ▶ ----- ----- -----		
11			11		
12		Points not reported to you on Form 1098. See instrs for spl rules	12		
13		Investment interest. Attach Form 4952 if required. (See instrs.)	13		
	14	Add lines 10 through 13		14	
Gifts to Charity If you made a gift and got a benefit for it, see instructions.	15 a	Total gifts by cash or check. If you made any gift of \$250 or more, see instrs	15 a	1,234.	
	b	Gifts by cash or check after August 27, 2005, that you elect to treat as qualified contributions (see instructions).	15 b		
	16	Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500	16	745.	
	17	Carryover from prior year	17		
	18	Add lines 15a, 16, & 17		18	1,979.
Casualty and Theft Losses	19	Casualty or theft loss(es). Attach Form 4684. (See instructions.)		19	
Job Expenses and Certain Miscellaneous Deductions (See instructions.)	20	Unreimbursed employee expenses — job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶ ----- -----	20		
	21	Tax preparation fees	21		
	22	Other expenses — investment, safe deposit box, etc. List type and amount ▶ ----- -----	22		
	23	Add lines 20 through 22	23		
	24	Enter amount from Form 1040, line 38	24		
	25	Multiply line 24 by 2% (.02)	25		
	26	Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-		26	
Other Miscellaneous Deductions	27	Other — from list in the instructions. List type and amount ▶ ----- -----		27	
Total Itemized Deductions	28	Is Form 1040, line 38, over \$145,950 (over \$72,975 if MFS)? <input type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 40. <input checked="" type="checkbox"/> Yes. Your deduction may be limited. See instructions for the amount to enter.		28	14,809.
	29	If you elect to itemize deductions even though they are less than your standard deduction, check here ▶ <input type="checkbox"/>			

Itemized Deductions Limited per IRC Sec. 68.

SCHEDULE C
(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2005

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

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

Name of proprietor Mary Smith		Social security number (SSN) 567-89-1011
A Principal business or profession, including product or service (see instructions) Programming	B Enter code from instructions ► 541600	
C Business name. If no separate business name, leave blank. ProgrammersToGo	D Employer ID number (EIN), if any 11-1234567	
E Business address (including suite or room no.) ► 12345 Easy Street City, town or post office, state, and ZIP code Anytown, XX, 12345		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ►		
G Did you 'materially participate' in the operation of this business during 2005? If 'No,' see instructions for limit on losses <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
H If you started or acquired this business during 2005, check here <input type="checkbox"/>		

Part I Income

1 Gross receipts or sales. Caution. If this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, see the instructions and check here <input type="checkbox"/>	1	25,500.
2 Returns and allowances	2	
3 Subtract line 2 from line 1.	3	25,500.
4 Cost of goods sold (from line 42 on page 2).	4	0.
5 Gross profit. Subtract line 4 from line 3	5	25,500.
6 Other income, including Federal and state gasoline or fuel tax credit or refund	6	
7 Gross income. Add lines 5 and 6	7	25,500.

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

8 Advertising	8	0.	18 Office expense	18	1,825.
9 Car and truck expenses (see instructions)	9	149.	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10	0.	20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11	580.	a Vehicles, machinery, and equipment	20 a	261.
12 Depletion	12		b Other business property	20 b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	2,453.	21 Repairs and maintenance	21	0.
14 Employee benefit programs (other than on line 19)	14	204.	22 Supplies (not included in Part III)	22	397.
15 Insurance (other than health)	15	621.	23 Taxes and licenses	23	5.
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc)	16 a		a Travel	24 a	1,000.
b Other	16 b		b Deductible meals and entertainment	24 b	150.
17 Legal & professional services	17	785.	25 Utilities	25	660.
28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns.	28		26 Wages (less employment credits)	26	
			27 Other expenses (from line 48 on page 2)	27	0.
			28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns.	28	9,090.

29 Tentative profit (loss). Subtract line 28 from line 7.	29	16,410.
30 Expenses for business use of your home. Attach Form 8829	30	2,245.
31 Net profit or (loss). Subtract line 30 from line 29.		
• If a profit, enter on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.	31	14,165.
• If a loss, you must go to line 32.		
32 If you have a loss, check the box that describes your investment in this activity (see instructions).		
• If you checked 32a, enter the loss on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.	32 a	<input type="checkbox"/> All investment is at risk.
• If you checked 32b, you must attach Form 6198. Your loss may be limited.	32 b	<input type="checkbox"/> Some investment is not at risk.

BAA For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule C (Form 1040) 2005

Form 1040 U.S. Individual Income Tax Return 2005

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

For the year Jan 1 - Dec 31, 2005, or other tax year beginning , 2005, ending , 20
Your first name MI Last name John X Smith
Your social security number 123-56-7891
If a joint return, spouse's first name MI Last name Mary - Smith
Spouse's social security number 567-89-1011
Home address (number and street). If you have a P.O. box, see instructions. Apartment no. 12345 Easy Street
City, town or post office. If you have a foreign address, see instructions. State ZIP code Anytown XX 12345
Check here if you, or your spouse if filing jointly, want \$3 to go to this fund? (see instructions) You Spouse

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

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

Income
7 Wages, salaries, tips, etc. Attach Form(s) W-2 7 157,138.
8a Taxable interest. Attach Schedule B if required 8a 40,802.
8b Tax-exempt interest. Do not include on line 8a 8b 8,834.
9a Ordinary dividends. Attach Schedule B if required 9a 10,008.
9b Qualified divs (see instrs) 9b 9,582.
10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions) 10 2,251.
11 Alimony received. 11
12 Business income or (loss). Attach Schedule C or C-EZ 12 14,165.
13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here 13 64,833.
14 Other gains or (losses). Attach Form 4797 14
15a IRA distributions 15a b Taxable amount (see instrs) 15b
16a Pensions and annuities 16a b Taxable amount (see instrs) 16b 3,824.
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 17 0.
18 Farm income or (loss). Attach Schedule F 18
19 Unemployment compensation 19
20a Social security benefits 20a b Taxable amount (see instrs) 20b
21 Other income 21
22 Add the amounts in the far right column for lines 7 through 21. This is your total income 22 293,021.

Adjusted Gross Income
23 Educator expenses (see instructions) 23
24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ 24
25 Health savings account deduction. Attach Form 8889 25
26 Moving expenses. Attach Form 3903 26
27 One-half of self-employment tax. Attach Schedule SE 27 1,001.
28 Self-employed SEP, SIMPLE, and qualified plans 28 2,633.
29 Self-employed health insurance deduction (see instructions) 29
30 Penalty on early withdrawal of savings 30
31a Alimony paid b Recipient's SSN 31a
32 IRA deduction (see instructions) 32
33 Student loan interest deduction (see instructions) 33
34 Tuition and fees deduction (see instructions) 34
35 Domestic production activities deduction. Attach Form 8903 35
36 Add lines 23 - 31a and 32 - 35 36 3,634.
37 Subtract line 36 from line 22. This is your adjusted gross income 37 289,387.

Tax and Credits

Table with 3 columns: Line number, Description, and Amount. Includes lines 38-57 covering tax and credit calculations.

Standard Deduction for - People who checked any box on line 39a or 39b or who can be claimed as a dependent, see instructions. All others: Single or Married filing separately, \$5,000. Married filing jointly or Qualifying widow(er), \$10,000. Head of household, \$7,300.

Other Taxes

Table with 3 columns: Line number, Description, and Amount. Includes lines 58-63 covering self-employment tax, social security, and other taxes.

Payments

If you have a qualifying child, attach Schedule EIC.

Table with 3 columns: Line number, Description, and Amount. Includes lines 64-71 covering federal income tax withheld, estimated tax payments, and earned income credit.

Refund

Direct deposit? See instructions and fill in 73b, 73c, and 73d.

Table with 3 columns: Line number, Description, and Amount. Includes lines 72-74 covering refund calculations and estimated tax application.

Amount You Owe

Table with 3 columns: Line number, Description, and Amount. Includes lines 75-76 covering amount owed and estimated tax penalty.

Third Party Designee

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

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, Daytime phone number, Spouse's signature, Date, Spouse's occupation.

Paid Preparer's Use Only

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

**SCHEDULE A
(Form 1040)**

Itemized Deductions

OMB No. 1545-0074

2005

Attachment
Sequence No. **07**

Department of the Treasury
Internal Revenue Service (99)

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

Name(s) shown on Form 1040

Your social security number

John X & Mary - Smith

123-56-7891

Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others.				
	1	Medical and dental expenses (see instructions)	1		
	2	Enter amount from Form 1040, line 38	2		
	3	Multiply line 2 by 7.5% (.075)	3		
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-		4	
Taxes You Paid (See instructions.)	5 State and local (check only one box):				
	a	<input checked="" type="checkbox"/> Income taxes, or	5	14,270.	
	b	<input type="checkbox"/> General sales taxes (see instructions)			
	6	Real estate taxes (see instructions)	6	2,010.	
	7	Personal property taxes	7	745.	
	8	Other taxes. List type and amount ▶ <u>Other taxes</u> 108.	8	108.	
	9	Add lines 5 through 8		9	17,133.
	Interest You Paid (See instructions.)	10	Home mtg interest and points reported to you on Form 1098	10	
		11	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying number, and address ▶ ----- ----- -----		
11			11		
12		Points not reported to you on Form 1098. See instrs for spl rules	12		
13		Investment interest. Attach Form 4952 if required. (See instrs.)	13		
	14	Add lines 10 through 13		14	
Gifts to Charity If you made a gift and got a benefit for it, see instructions.	15 a	Total gifts by cash or check. If you made any gift of \$250 or more, see instrs	15 a	1,234.	
	b	Gifts by cash or check after August 27, 2005, that you elect to treat as qualified contributions (see instructions).	15 b		
	16	Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500	16	745.	
	17	Carryover from prior year	17		
	18	Add lines 15a, 16, & 17		18	1,979.
Casualty and Theft Losses	19	Casualty or theft loss(es). Attach Form 4684. (See instructions.)		19	
Job Expenses and Certain Miscellaneous Deductions (See instructions.)	20	Unreimbursed employee expenses — job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶ ----- -----	20		
	21	Tax preparation fees	21		
	22	Other expenses — investment, safe deposit box, etc. List type and amount ▶ ----- -----	22		
	23	Add lines 20 through 22	23		
	24	Enter amount from Form 1040, line 38	24		
	25	Multiply line 24 by 2% (.02)	25		
	26	Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-		26	
Other Miscellaneous Deductions	27	Other — from list in the instructions. List type and amount ▶ ----- -----		27	
Total Itemized Deductions	28	Is Form 1040, line 38, over \$145,950 (over \$72,975 if MFS)? <input type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 40. <input checked="" type="checkbox"/> Yes. Your deduction may be limited. See instructions for the amount to enter.		28	14,809.
	29	If you elect to itemize deductions even though they are less than your standard deduction, check here ▶ <input type="checkbox"/>			

Itemized Deductions Limited per IRC Sec. 68.

SCHEDULE C
(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2005

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

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

Name of proprietor Mary Smith		Social security number (SSN) 567-89-1011
A Principal business or profession, including product or service (see instructions) Programming	B Enter code from instructions ► 541600	
C Business name. If no separate business name, leave blank. ProgrammersToGo	D Employer ID number (EIN), if any 11-1234567	
E Business address (including suite or room no.) City, town or post office, state, and ZIP code ► 12345 Easy Street Anytown, XX, 12345		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ►		
G Did you 'materially participate' in the operation of this business during 2005? If 'No,' see instructions for limit on losses <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
H If you started or acquired this business during 2005, check here <input type="checkbox"/>		

Part I Income

1 Gross receipts or sales. Caution. If this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, see the instructions and check here <input type="checkbox"/>	1	25,500.
2 Returns and allowances	2	
3 Subtract line 2 from line 1.	3	25,500.
4 Cost of goods sold (from line 42 on page 2).	4	0.
5 Gross profit. Subtract line 4 from line 3	5	25,500.
6 Other income, including Federal and state gasoline or fuel tax credit or refund	6	
7 Gross income. Add lines 5 and 6	7	25,500.

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

8 Advertising	8	0.	18 Office expense	18	1,825.
9 Car and truck expenses (see instructions)	9	149.	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10	0.	20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11	580.	a Vehicles, machinery, and equipment	20 a	261.
12 Depletion	12		b Other business property	20 b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	2,453.	21 Repairs and maintenance	21	0.
14 Employee benefit programs (other than on line 19)	14	204.	22 Supplies (not included in Part III)	22	397.
15 Insurance (other than health)	15	621.	23 Taxes and licenses	23	5.
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc)	16 a		a Travel	24 a	1,000.
b Other	16 b		b Deductible meals and entertainment	24 b	150.
17 Legal & professional services	17	785.	25 Utilities	25	660.
28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns.	28		26 Wages (less employment credits)	26	
			27 Other expenses (from line 48 on page 2)	27	0.
29 Tentative profit (loss). Subtract line 28 from line 7.	29		28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns.	28	9,090.
30 Expenses for business use of your home. Attach Form 8829	30		29 Tentative profit (loss). Subtract line 28 from line 7.	29	16,410.
31 Net profit or (loss). Subtract line 30 from line 29.			30 Expenses for business use of your home. Attach Form 8829	30	2,245.
• If a profit, enter on Form 1040, line 12 , and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.			31 Net profit or (loss). Subtract line 30 from line 29.		14,165.
• If a loss, you must go to line 32.					
32 If you have a loss, check the box that describes your investment in this activity (see instructions).					
• If you checked 32a, enter the loss on Form 1040, line 12 , and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.					
• If you checked 32b, you must attach Form 6198 . Your loss may be limited.					

32 a All investment is at risk.

32 b Some investment is not at risk.

BAA For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule C (Form 1040) 2005

Form 1040 U.S. Individual Income Tax Return 2005

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

For the year Jan 1 - Dec 31, 2005, or other tax year beginning , 2005, ending , 20
Your first name MI Last name
John X Smith
OMB No. 1545-0074
Your social security number
123-56-7891
If a joint return, spouse's first name MI Last name
Mary - Smith
Spouse's social security number
567-89-1011
Home address (number and street). If you have a P.O. box, see instructions. Apartment no.
12345 Easy Street
You must enter your social security number(s) above.
City, town or post office. If you have a foreign address, see instructions. State ZIP code
Anytown XX 12345
Checking a box below will not change your tax or refund.
Check here if you, or your spouse if filing jointly, want \$3 to go to this fund? (see instructions) You Spouse

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

Exemptions
6a Yourself. If someone can claim you as a dependent, do not check box 6a.
6b Spouse
c Dependents:
(1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) if qualifying child for child tax credit (see instrs)
Boxes checked on 6a and 6b 2
No. of children on 6c who:
lived with you
did not live with you due to divorce or separation (see instrs)
Dependents on 6c not entered above
Add numbers on lines above 2
d Total number of exemptions claimed 2

Income
7 Wages, salaries, tips, etc. Attach Form(s) W-2 7 157,138.
8a Taxable interest. Attach Schedule B if required 8a 40,802.
8b Tax-exempt interest. Do not include on line 8a 8b 8,834.
9a Ordinary dividends. Attach Schedule B if required 9a 10,008.
9b Qualified dividends (see instrs) 9b 9,582.
10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions) 10 2,251.
11 Alimony received. 11
12 Business income or (loss). Attach Schedule C or C-EZ. 12 14,165.
13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here 13 64,833.
14 Other gains or (losses). Attach Form 4797 14
15a IRA distributions 15a b Taxable amount (see instrs) 15b
16a Pensions and annuities 16a b Taxable amount (see instrs) 16b 3,824.
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 17 0.
18 Farm income or (loss). Attach Schedule F 18
19 Unemployment compensation 19
20a Social security benefits 20a b Taxable amount (see instrs) 20b
21 Other income 21
22 Add the amounts in the far right column for lines 7 through 21. This is your total income 22 293,021.

Adjusted Gross Income
23 Educator expenses (see instructions) 23
24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ 24
25 Health savings account deduction. Attach Form 8889 25
26 Moving expenses. Attach Form 3903 26
27 One-half of self-employment tax. Attach Schedule SE 27 1,001.
28 Self-employed SEP, SIMPLE, and qualified plans 28 2,633.
29 Self-employed health insurance deduction (see instructions) 29
30 Penalty on early withdrawal of savings 30
31a Alimony paid b Recipient's SSN 31a
32 IRA deduction (see instructions) 32
33 Student loan interest deduction (see instructions) 33
34 Tuition and fees deduction (see instructions) 34
35 Domestic production activities deduction. Attach Form 8903 35
36 Add lines 23 - 31a and 32 - 35 36 3,634.
37 Subtract line 36 from line 22. This is your adjusted gross income 37 289,387.

Tax and Credits

Table with 3 columns: Line number, Description, and Amount. Includes lines 38-57 covering tax and credit calculations.

Standard Deduction for - People who checked any box on line 39a or 39b or who can be claimed as a dependent, see instructions. All others: Single or Married filing separately, \$5,000. Married filing jointly or Qualifying widow(er), \$10,000. Head of household, \$7,300.

Other Taxes

Table with 3 columns: Line number, Description, and Amount. Includes lines 58-63 covering self-employment tax, social security, and other taxes.

Payments

If you have a qualifying child, attach Schedule EIC.

Table with 3 columns: Line number, Description, and Amount. Includes lines 64-71 covering federal income tax withheld, estimated tax payments, and earned income credit.

Refund

Direct deposit? See instructions and fill in 73b, 73c, and 73d.

Table with 3 columns: Line number, Description, and Amount. Includes lines 72-74 covering refund calculations and estimated tax application.

Amount You Owe

Table with 3 columns: Line number, Description, and Amount. Includes lines 75-76 covering amount owed and estimated tax penalty.

Third Party Designee

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

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, Daytime phone number, Spouse's signature, Date, Spouse's occupation.

Paid Preparer's Use Only

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

**SCHEDULE A
(Form 1040)**

Itemized Deductions

OMB No. 1545-0074

2005

Attachment Sequence No. **07**

Department of the Treasury
Internal Revenue Service (99)

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

Name(s) shown on Form 1040

Your social security number

John X & Mary - Smith

123-56-7891

Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others.				
	1	Medical and dental expenses (see instructions)	1		
	2	Enter amount from Form 1040, line 38	2		
	3	Multiply line 2 by 7.5% (.075)	3		
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-		4	
Taxes You Paid (See instructions.)	5 State and local (check only one box):				
	a	<input checked="" type="checkbox"/> Income taxes, or	5	14,270.	
	b	<input type="checkbox"/> General sales taxes (see instructions)			
	6	Real estate taxes (see instructions)	6	2,010.	
	7	Personal property taxes	7	745.	
	8	Other taxes. List type and amount ▶ <u>Other taxes</u> 108.	8	108.	
	9	Add lines 5 through 8		9	17,133.
	Interest You Paid (See instructions.)	10	Home mtg interest and points reported to you on Form 1098	10	
		11	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying number, and address ▶ ----- ----- -----		
11			11		
12		Points not reported to you on Form 1098. See instrs for spl rules	12		
13		Investment interest. Attach Form 4952 if required. (See instrs.)	13		
	14	Add lines 10 through 13		14	
Gifts to Charity If you made a gift and got a benefit for it, see instructions.	15 a	Total gifts by cash or check. If you made any gift of \$250 or more, see instrs	15 a	1,234.	
	b	Gifts by cash or check after August 27, 2005, that you elect to treat as qualified contributions (see instructions).	15 b		
	16	Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500	16	745.	
	17	Carryover from prior year	17		
	18	Add lines 15a, 16, & 17		18	1,979.
Casualty and Theft Losses	19	Casualty or theft loss(es). Attach Form 4684. (See instructions.)		19	
Job Expenses and Certain Miscellaneous Deductions (See instructions.)	20	Unreimbursed employee expenses — job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶ ----- -----	20		
	21	Tax preparation fees	21		
	22	Other expenses — investment, safe deposit box, etc. List type and amount ▶ ----- -----	22		
	23	Add lines 20 through 22	23		
	24	Enter amount from Form 1040, line 38	24		
	25	Multiply line 24 by 2% (.02)	25		
	26	Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-		26	
Other Miscellaneous Deductions	27	Other — from list in the instructions. List type and amount ▶ ----- -----		27	
Total Itemized Deductions	28	Is Form 1040, line 38, over \$145,950 (over \$72,975 if MFS)? <input type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 40. <input checked="" type="checkbox"/> Yes. Your deduction may be limited. See instructions for the amount to enter.		28	14,809.
	29	If you elect to itemize deductions even though they are less than your standard deduction, check here ▶ <input type="checkbox"/>			

Itemized Deductions Limited per IRC Sec. 68.

SCHEDULE C
(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2005

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

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

Name of proprietor Mary Smith		Social security number (SSN) 567-89-1011
A Principal business or profession, including product or service (see instructions) Programming	B Enter code from instructions ► 541600	
C Business name. If no separate business name, leave blank. ProgrammersToGo	D Employer ID number (EIN), if any 11-1234567	
E Business address (including suite or room no.) ► 12345 Easy Street City, town or post office, state, and ZIP code Anytown, XX, 12345		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ►		
G Did you 'materially participate' in the operation of this business during 2005? If 'No,' see instructions for limit on losses <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
H If you started or acquired this business during 2005, check here <input type="checkbox"/>		

Part I Income

1 Gross receipts or sales. Caution. If this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, see the instructions and check here <input type="checkbox"/>	1	25,500.
2 Returns and allowances	2	
3 Subtract line 2 from line 1.	3	25,500.
4 Cost of goods sold (from line 42 on page 2).	4	0.
5 Gross profit. Subtract line 4 from line 3	5	25,500.
6 Other income, including Federal and state gasoline or fuel tax credit or refund	6	
7 Gross income. Add lines 5 and 6	7	25,500.

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

8 Advertising	8	0.	18 Office expense	18	1,825.
9 Car and truck expenses (see instructions)	9	149.	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10	0.	20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11	580.	a Vehicles, machinery, and equipment	20 a	261.
12 Depletion	12		b Other business property	20 b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	2,453.	21 Repairs and maintenance	21	0.
14 Employee benefit programs (other than on line 19)	14	204.	22 Supplies (not included in Part III)	22	397.
15 Insurance (other than health)	15	621.	23 Taxes and licenses	23	5.
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc)	16 a		a Travel	24 a	1,000.
b Other	16 b		b Deductible meals and entertainment	24 b	150.
17 Legal & professional services	17	785.	25 Utilities	25	660.
28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns.	28		26 Wages (less employment credits)	26	
			27 Other expenses (from line 48 on page 2)	27	0.
29 Tentative profit (loss). Subtract line 28 from line 7.	29		28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns.	28	9,090.
30 Expenses for business use of your home. Attach Form 8829	30		29 Tentative profit (loss). Subtract line 28 from line 7.	29	16,410.
31 Net profit or (loss). Subtract line 30 from line 29.			30 Expenses for business use of your home. Attach Form 8829	30	2,245.
• If a profit, enter on Form 1040, line 12 , and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.			31 Net profit or (loss). Subtract line 30 from line 29.	31	14,165.
• If a loss, you must go to line 32.					
32 If you have a loss, check the box that describes your investment in this activity (see instructions).					
• If you checked 32a, enter the loss on Form 1040, line 12 , and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.					
• If you checked 32b, you must attach Form 6198 . Your loss may be limited.					
			32 a <input type="checkbox"/> All investment is at risk.		
			32 b <input type="checkbox"/> Some investment is not at risk.		

BAA For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule C (Form 1040) 2005

Form 1040 U.S. Individual Income Tax Return 2005

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

For the year Jan 1 - Dec 31, 2005, or other tax year beginning , 2005, ending , 20
Your first name MI Last name John X Smith
Your social security number 123-56-7891
If a joint return, spouse's first name MI Last name Mary - Smith
Spouse's social security number 567-89-1011
Home address (number and street). If you have a P.O. box, see instructions. Apartment no. 12345 Easy Street
City, town or post office. If you have a foreign address, see instructions. State ZIP code Anytown XX 12345
Check here if you, or your spouse if filing jointly, want \$3 to go to this fund? (see instructions) You Spouse

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

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

Income
7 Wages, salaries, tips, etc. Attach Form(s) W-2 7 157,138.
8a Taxable interest. Attach Schedule B if required 8a 40,802.
8b Tax-exempt interest. Do not include on line 8a 8b 8,834.
9a Ordinary dividends. Attach Schedule B if required 9a 10,008.
9b Qualified divs (see instrs) 9b 9,582.
10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions) 10 2,251.
11 Alimony received. 11
12 Business income or (loss). Attach Schedule C or C-EZ 12 14,165.
13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here 13 64,833.
14 Other gains or (losses). Attach Form 4797 14
15a IRA distributions 15a b Taxable amount (see instrs) 15b
16a Pensions and annuities 16a b Taxable amount (see instrs) 16b 3,824.
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 17 0.
18 Farm income or (loss). Attach Schedule F 18
19 Unemployment compensation 19
20a Social security benefits 20a b Taxable amount (see instrs) 20b
21 Other income 21
22 Add the amounts in the far right column for lines 7 through 21. This is your total income 22 293,021.

Adjusted Gross Income
23 Educator expenses (see instructions) 23
24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ 24
25 Health savings account deduction. Attach Form 8889 25
26 Moving expenses. Attach Form 3903 26
27 One-half of self-employment tax. Attach Schedule SE 27 1,001.
28 Self-employed SEP, SIMPLE, and qualified plans 28 2,633.
29 Self-employed health insurance deduction (see instructions) 29
30 Penalty on early withdrawal of savings 30
31a Alimony paid b Recipient's SSN 31a
32 IRA deduction (see instructions) 32
33 Student loan interest deduction (see instructions) 33
34 Tuition and fees deduction (see instructions) 34
35 Domestic production activities deduction. Attach Form 8903 35
36 Add lines 23 - 31a and 32 - 35 36 3,634.
37 Subtract line 36 from line 22. This is your adjusted gross income 37 289,387.

Tax and Credits

Table with 3 columns: Line number, Description, and Amount. Includes lines 38-57 for Tax and Credits, and lines 58-63 for Other Taxes.

Standard Deduction for - People who checked any box on line 39a or 39b or who can be claimed as a dependent, see instructions. All others: Single or Married filing separately, \$5,000. Married filing jointly or Qualifying widow(er), \$10,000. Head of household, \$7,300.

Other Taxes

Table with 3 columns: Line number, Description, and Amount. Includes lines 58-63 for Other Taxes.

Payments

If you have a qualifying child, attach Schedule EIC.

Table with 3 columns: Line number, Description, and Amount. Includes lines 64-71 for Payments.

Refund

Direct deposit? See instructions and fill in 73b, 73c, and 73d.

Table with 3 columns: Line number, Description, and Amount. Includes lines 72-74 for Refund.

Amount You Owe

Table with 3 columns: Line number, Description, and Amount. Includes lines 75-76 for Amount You Owe.

Third Party Designee

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

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, Daytime phone number, Spouse's signature, Date, Spouse's occupation.

Paid Preparer's Use Only

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

**SCHEDULE A
(Form 1040)**

Itemized Deductions

OMB No. 1545-0074

2005

Attachment Sequence No. **07**

Department of the Treasury
Internal Revenue Service (99)

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

Name(s) shown on Form 1040

Your social security number

John X & Mary - Smith

123-56-7891

Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others.				
	1	Medical and dental expenses (see instructions)	1		
	2	Enter amount from Form 1040, line 38	2		
	3	Multiply line 2 by 7.5% (.075)	3		
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-		4	
Taxes You Paid (See instructions.)	5 State and local (check only one box):				
	a	<input checked="" type="checkbox"/> Income taxes, or	5	14,270.	
	b	<input type="checkbox"/> General sales taxes (see instructions)			
	6	Real estate taxes (see instructions)	6	2,010.	
	7	Personal property taxes	7	745.	
	8	Other taxes. List type and amount ▶ <u>Other taxes</u> 108.	8	108.	
	9	Add lines 5 through 8		9	17,133.
	Interest You Paid (See instructions.)	10	Home mtg interest and points reported to you on Form 1098	10	
		11	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying number, and address ▶ ----- ----- -----		
11			11		
12		Points not reported to you on Form 1098. See instrs for spl rules	12		
13		Investment interest. Attach Form 4952 if required. (See instrs.)	13		
	14	Add lines 10 through 13		14	
Gifts to Charity If you made a gift and got a benefit for it, see instructions.	15 a	Total gifts by cash or check. If you made any gift of \$250 or more, see instrs	15 a	1,234.	
	b	Gifts by cash or check after August 27, 2005, that you elect to treat as qualified contributions (see instructions).	15 b		
	16	Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500	16	745.	
	17	Carryover from prior year	17		
	18	Add lines 15a, 16, & 17		18	1,979.
Casualty and Theft Losses	19	Casualty or theft loss(es). Attach Form 4684. (See instructions.)		19	
Job Expenses and Certain Miscellaneous Deductions (See instructions.)	20	Unreimbursed employee expenses — job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶ ----- -----	20		
	21	Tax preparation fees	21		
	22	Other expenses — investment, safe deposit box, etc. List type and amount ▶ ----- -----	22		
	23	Add lines 20 through 22	23		
	24	Enter amount from Form 1040, line 38	24		
	25	Multiply line 24 by 2% (.02)	25		
	26	Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-		26	
Other Miscellaneous Deductions	27	Other — from list in the instructions. List type and amount ▶ ----- -----		27	
Total Itemized Deductions	28	Is Form 1040, line 38, over \$145,950 (over \$72,975 if MFS)? <input type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 40. <input checked="" type="checkbox"/> Yes. Your deduction may be limited. See instructions for the amount to enter.		28	14,809.
	29	If you elect to itemize deductions even though they are less than your standard deduction, check here ▶ <input type="checkbox"/>			

Itemized Deductions Limited per IRC Sec. 68.