General Description Booklet

for the

1986 INDIVIDUAL PUBLIC USE TAX FILE

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INTRODUCTION

The Internal Revenue Service 1986 Tax File (75,400 records) was selected as part of the Statistics of Income program that was designed to tabulate and present statistical information for the 103,045,186 Form 1040, Form 1040A, and Form 1040EZ Federal Individual Income Tax Returns filed for Tax Year 1986.

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 1986 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 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) 376-0216

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 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, and alimony received. Also, certain codes (number of age exemptions, marital status, and exemptions for children living at home) have been modified (see section on Code Definitions for specific changes).

Then, all of the high income returns have been sorted from largest to smallest for the field 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. The field for personal property tax deductions has also been blurred exactly as described above for all high income returns.

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.1/

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 sorted by State. After this sort, the records have been blurred for real estate tax deductions, alimony paid, alimony received, 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 each field by individual State with no records from two different states being combined when averaging a field over a series of records.

1/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 total miscellaneous deductions, other net income less loss and total taxes paid deductions have been deleted and marked as "reserved." General sales tax and general sales tax on motor vehicles have also been blurred for high income returns. 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:

General Services Administration
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.

CORE RECORD LAYOUT
(CODE AND AMOUNT ELEMENT DEFINITIONS)

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

1. AGEX
2. AGIR1
3. CGIND
4. CSAMP
5. CYCLE
6. RESERVED
7. EIC
8. ELECT
9. FDED
10. FLPDYR
11. FLPDMO
12. F2119
13. F2441
14. RESERVED
15. F6251
16. GENBUS
17. MARS
18. PREP
19. PSV
20. REGION 1/
21. F2555
22. SCHCF
23. SCHE
24. SCHW
25. SPECTX
26. STATE 1/
27. TFORM
28. TOTXSZ
29. TXNT
30. TXRT
31. TXST
32. RESERVED
33. XFPT 1/
34. XFST 1/
35. XOCAH
36. XOCAWH
37. XOODEP
38. XOPAR
39. XOTHER 1/
40. XTOT

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

1. ADJUSTED GROSS INCOME (DEFICIT) (AGI) (+/-)
2. SALARIES AND WAGES 2/
3. INTEREST RECEIVED
4. DIVIDENDS RECEIVED
5. DIVIDEND EXCLUSION
6. DIVIDENDS INCLUDED IN AGI
7. STATE INCOME TAX REFUNDS
8. ALIMONY RECEIVED 3/
9. BUSINESS OR PROFESSION (SCHEDULE C) NET PROFIT/LOSS (+/-)
10. NET CAPITAL GAIN OR LOSS (+/-)
11. CAPITAL GAIN DISTRIBUTIONS NOT REPORTED ON SCHEDULE D
12. SUPPLEMENTAL SCHEDULE NET GAIN OR LOSS (+/-)
13. PENSIONS AND ANNUITIES FULLY INCLUDED IN AGI
14. TOTAL PENSIONS AND ANNUITIES NOT FULLY INCLUDED IN AGI
15. PENSIONS AND ANNUITIES NOT FULLY INCLUDED IN AGI, THAT PART IN AGI
16. SCHEDULE E NET INCOME OR LOSS (+/-)
17. FARM (SCHEDULE F) NET PROFIT/LOSS (+/-)
18. GROSS UNEMPLOYMENT COMPENSATION
19. UNEMPLOYMENT COMPENSATION IN AGI
20. GROSS SOCIAL SECURITY BENEFITS
21. SOCIAL SECURITY BENEFITS IN AGI

Amount Fields (continued):

STATUTORY ADJUSTMENTS

22. MOVING EXPENSE
23. EMPLOYEE BUSINESS EXPENSE
24. PAYMENTS TO INDIVIDUAL RETIREMENT ACCOUNT (IRA)
25. PAYMENTS TO KEOGH ACCOUNTS
26. FORFEITED INTEREST PENALTY
27. ALIMONY PAID 3/
28. DEDUCTION FOR WORKING MARRIED COUPLE

29. TOTAL SELF-EMPLOYMENT INCOME
30. SELF-EMPLOYMENT INCOME, SECONDARY TAXPAYER
31. SELF-EMPLOYMENT TAX, PRIMARY TAXPAYER
32. SELF-EMPLOYMENT TAX, SECONDARY TAXPAYER
33. EXCESS ITEMIZED DEDUCTIONS (-) / UNUSED ZBA (+)
34. CHARITABLE CONTRIBUTIONS DEDUCTION FOR NON-ITEMIZERS
35. TAX TABLE INCOME BEFORE EXEMPTIONS
36. EXEMPTION AMOUNT
37. ZERO BRACKET AMOUNT (ZBA)
38. TAXABLE INCOME (OLD CONCEPT WITHOUT ZBA)
39. TAXABLE INCOME
40. TAX GENERATED
41. COMPUTED REGULAR TAX
42. INCOME TAX BEFORE CREDITS (SOI)
43. PREDETERMINED ESTIMATED TAX PENALTY
44. INCOME SUBJECT TO TAX

CREDITS

45. GENERAL BUSINESS
46. ELDERLY AND DISABLED
47. FOREIGN TAX
48. INVESTMENT (INCLUDED IN GENERAL BUSINESS CREDIT, TO CALCULATE TOTAL TAX CREDITS, ONLY USE THE GENERAL BUSINESS CREDIT)
49. POLITICAL CONTRIBUTIONS
50. CHILD CARE
51. JOBS (INCLUDED IN GENERAL BUSINESS CREDIT)
52. RESIDENTIAL ENERGY
53. RESEARCH AND EXPERIMENTATION
54. EIC USED TO OFFSET INCOME TAX BEFORE CREDITS
55. OTHER
56. TOTAL TAX CREDITS (SOI)

57. TOTAL TAX LIABILITY (SOI)
58. TOTAL INCOME TAX
59. INCOME TAX AFTER CREDITS (SOI)
60. MARGINAL TAX BASE
61. ALTERNATIVE MINIMUM TAX (SOI)
62. SELF-EMPLOYMENT TAX

Amount Fields (continued):

63. TAX FROM RECOMPUTING PRIOR YEAR INVESTMENT CREDIT
64. SOCIAL SECURITY TAX ON TIP INCOME
65. PENALTY TAX ON IRA
66. TOTAL TAX PAYMENTS (SOI)
67. INCOME TAX WITHHELD
68. ESTIMATED TAX PAYMENTS
69. AMOUNT PAID WITH FORM 4868
70. EXCESS FICA/RRTA
71. CREDIT FOR FEDERAL TAX ON SPECIAL FUELS AND OILS
72. REGULATED INVESTMENT COMPANY CREDIT
73. BALANCE DUE (OVERPAYMENT) (+/-)
74. CREDIT ELECT
75. EARNED INCOME FOR EARNED INCOME CREDIT (EIC)
76. EIC USED TO OFFSET ALL OTHER TAXES EXCEPT ADVANCE EIC
77. EIC REFUNDABLE PORTION

COMBINED SCHEDULE C INCOME AND SOME DEDUCTION ITEMS:

78. TOTAL INCOME OR LOSS (+/-)
79. NET RECEIPTS (+/-)
80. COST OF GOODS SOLD AND/OR OPERATIONS
81. BUSINESS RECEIPTS (+/-)
82. TOTAL DEDUCTIONS
83. BAD DEBTS
84. CAR AND TRUCK
85. DEPLETION
86. DEPRECIATION
87. COMMISSION
88. MORTGAGE

ITEMIZED DEDUCTIONS

MEDICAL AND DENTAL
EXPENSE DEDUCTIONS

89. TOTAL MEDICAL EXPENSE DEDUCTIONS
90. EXPENSES SUBJECT TO REDUCTION BY 5% OF AGI

TAXES PAID DEDUCTIONS:

91. RESERVED
92. STATE AND LOCAL INCOME TAXES 2/
93. REAL ESTATE TAX DEDUCTIONS 4/
94. GENERAL SALES TAX (COMBINATION OF MOTOR VEHICLE SALES TAX DEDUCTION AND GENERAL SALES TAX DEDUCTION) 2/
95. RESERVED
96. PERSONAL PROPERTY TAX 2/
97. OTHER

INTEREST PAID DEDUCTIONS

98. TOTAL INTEREST PAID DEDUCTION
99. HOME MORTGAGE INTEREST PAID DEDUCTION

Amount Fields (continued):

CHARITABLE CONTRIBUTIONS DEDUCTIONS
100. TOTAL CONTRIBUTIONS
101. CASH UNDER $3,000
102. CASH OF $3,000 OR MORE
103. OTHER THAN CASH
104. CARRYOVER

105. RESERVED
106. NET CASUALTY OR THEFT LOSS

107. TOTAL ITEMIZED DEDUCTIONS

CAPITAL GAINS (SCHEDULE D)
108. CURRENT SHORT-TERM GAINS
109. CURRENT SHORT-TERM LOSSES
110. POST 1969 SHORT-TERM LOSS CARRYOVER
111. RESIDENCE GAIN
112. CURRENT LONG-TERM GAINS
113. CURRENT LONG-TERM LOSSES
114. POST 1969 LONG-TERM LOSS CARRYOVER
115. SCHEDULE D LONG-TERM CAPITAL GAIN DISTRIBUTIONS
116. FORM 4797 GAINS

117. RESERVED

118. EXCLUDED LONG-TERM GAINS
119. COMBINED NET CAPITAL GAINS LESS LOSS (+/-)
120. COMBINED LONG-TERM GAINS INCLUDED IN AGI

SUPPLEMENTAL INCOME (SCHEDULE E)

RENT AND ROYALTIES
121. FARM RENT NET INCOME OR LOSS (+/-)
122. DEPRECIATION OR DEPLETION
123. RENT NET INCOME OR LOSS (+/-)
124. ROYALTY NET INCOME OR LOSS (+/-)

PARTNERSHIPS
125. TOTAL INCOME
126. TOTAL LOSS
127. EXPENSE DEDUCTION

ESTATE OR TRUST
128. TOTAL INCOME
129. TOTAL LOSS

SMALL BUSINESS CORPORATION
130. TOTAL INCOME
131. TOTAL LOSS

Amount Fields (continued):

132. WINDFALL PROFIT TAX REFUND
133. WINDFALL PROFIT TAX DEDUCTION

CHILD CARE CREDIT (FORM 2441)

134. QUALIFYING INDIVIDUALS' LIMITATION
135. EARNED INCOME
136. EARNED INCOME LIMITATION

137. RESERVED

DEDUCTION FOR MARRIED COUPLE

138. PRIMARY QUALIFIED EARNED INCOME
139. SELECTED QUALIFIED EARNED INCOME

FORM 6251

140. ALTERNATIVE MINIMUM TAX TOTAL DEDUCTIONS
141. TOTAL TAX PREFERENCES FROM FORM 6251
142. EXCLUDED LONG-TERM CAPITAL GAINS
143. ACCELERATED DEPRECIATION

COMBINED SCHEDULE C (DEDUCTIONS CONTINUED)

144. OTHER INTEREST
145. OFFICE EXPENSES
146. PENSIONS AND PROFIT SHARING PLANS
147. INSURANCE
148. RENT
149. EMPLOYEE BENEFIT PROGRAMS
150. RESERVED
151. NET WAGES

152. RESERVED
153. RESERVED
154. RESERVED
155. RESERVED
156. RETURN ID
157. RESERVED
158. RESERVED
159. DECIMAL WEIGHT
160. INTEGER WEIGHT

1/ Only for lower income returns (returns with AGI less than $200,000 and not in 100% sample)
2/ Blurred for high income returns (note: State and local income taxes is also blurred for low income returns in Wisconsin) see Introduction for a more complete explanation.
3/ Blurred for lower income returns, reserved for high income returns.
4/ Blurred for all returns.

CODE DEFINITIONS

AGEX	Age Exemptions (for high income returns, AGEX values of 2 or 3 have been changed to 1):	
	(A) No exemptions	0
	(B) One exemption (Primary only)	1
	(C) One exemption (Secondary only)	2
	(D) Two exemptions	3

AGIR1	Adjusted Gross Income Range B:	
	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 Corrected Sample Code:
- (A) Changed to high-income, taxable..08
- (B) High income, nontaxable..28
- (C) Business, high income/loss..38
- (D) Non-business, non-farm..40-48
- (E) Non-business, farm..50-58
- (F) Business..60-68
- (G) Forms 2555 and/or 1116 attached (foreign income/tax credit)......80-83

CYCLE Cycle Code..00-52

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
- (D) Only "no" boxes checked..8

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

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

GENBUS General Business Credit

(A) None of the components of the credit are present....................0
(B) Credit based on jobs credit only....................................1
(C) Credit based on alcohol fuel credit only............................2
(D) Credit based on investment credit only..............................3
(E) Credit based on ESOP credit only....................................4
(F) Credit based on research credit only................................5
(G) Credit based on low income housing credit only......................6
(H) Credit based on more than one of the above components...............7

MARS Marital Status (for high income returns, MARS = 5 has been changed to MARS = 2): delete

(A) Single..1
(B) Married filing a joint return.......................................2
(C) Married filing separately and <u>not</u> 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

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 (AGI) and 38 (Schedule C net income).................0
(B) Positive Amounts Total..1
(C) Negative Amounts Total..2
(D) Total Receipts..3
(E) Form 2555...4
(F) Form 1116...5

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
(H) Other Areas...8

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

SCHW Schedule W Indicator

(A) No Schedule W...0
(B) Primary Taxpayer Qualifying Income..................................1
(C) Secondary Taxpayer Qualifying Income................................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
(G) Any combination of Form 4972 and other taxes........................6
(H) Any combination of taxes excluding Form 4972........................7

STATE

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

TFORM Corrected Form of Return:

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

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 (for high income returns, XOCAH with values greater than 3 have been changed to 3):
Actual number entered.......................................0-99

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 or more..6

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

Element Number	Definition
54	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.
56	Total Tax Credits (SOI) 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.
58	Total Income Tax Element (59) plus element (61).
59	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.
60	Marginal Tax Base 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.
66	Total Tax Payments Total payments from 1040 or 1040A minus the total Earned Income Credit.
76-77	If Earned Income Credit (EIC) is greater than Income Tax Before Credits (E42), the following fields are computed: 76 - 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). 77 - Earned Income Credit Refundable Portion This equals EIC minus E54 minus E76 (see above for definitions and conditions).
118	Combined Capital Gains (Excluded Long-Term Gains). Sum of Line 22, Schedule D and 1.5 times Line 14, Form 1040.

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 two tapes and is UNLABELLED (EBCDIC) or LABELLED (ASCII).

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 IRS Data 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 IRS Data Center conducted an independent reprocessing of a small subsample of the returns previously processed for the study.1/

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

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

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

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

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 2/
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

Form 1040 U.S. Individual Income Tax Return 1986 (L)

Department of the Treasury—Internal Revenue Service

For the year January 1-December 31, 1986, or other tax year beginning , 1986, ending , 19 . OMB No. 1545-0074

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 | Your social security number

Present home address (number and street or rural route). (If you have a P.O. Box, see page 4 of Instructions.) | Spouse's social security number

City, town or post office, state, and ZIP code STATE | If this address is different from the one shown on your 1985 return, check here ▶

Presidential Election Campaign ▶ Do you want $1 to go to this fund? ELECT . . . Yes No
If joint return, does your spouse want $1 to go to this fund? . . . Yes No
Note: Checking "Yes" will not change your tax or reduce your refund.

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

Filing Status

Check only one box.

MARS

1 Single
2 Married filing joint return (even if only one had income)
3 Married filing separate return. Enter spouse's social security no. above and full name here.
4 Head of household (with qualifying person). (See page 5 of Instructions.) If the qualifying person is your unmarried child but not your dependent, enter child's name here.
5 Qualifying widow(er) with dependent child (year spouse died ▶ 19). (See page 6 of Instructions.)

Exemptions

Always check the box labeled Yourself. Check other boxes if they apply.

6a Yourself XFPT — 65 or over — Blind
b Spouse XFST — 65 or over — Blind
Enter number of boxes checked on 6a and b ▶

c First names of your dependent children who lived with you XOCAH
Enter number of children listed on 6c ▶

d First names of your dependent children who did not live with you (see page 6). XOCAWH (If pre-1985 agreement, check here ▶ ☐ .)
Enter number of children listed on 6d ▶

e Other dependents:

(1) Name	(2) Relationship	(3) Number of months lived in your home	(4) Did dependent have income of $1,080 or more?	(5) Did you provide more than one-half of dependent's support?
XOPAR				
XOODEP				

Enter number of other dependents ▶

f Total number of exemptions claimed (also complete line 36). . . . XTOT
Add numbers entered in boxes above ▶

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 4 of Instructions.

Please attach check or money order here.

7	Wages, salaries, tips, etc. *(attach Form(s) W-2)*	7	2
8	Interest income *(also attach Schedule B if over $400)*	8	3
9a	Dividends *(also attach Schedule B if over $400)* 4 , 9b Exclusion 5		
c	Subtract line 9b from line 9a and enter the result	9c	6
10	Taxable refunds of state and local income taxes, if any, from the worksheet on page 9 of Instructions.	10	7
11	Alimony received	11	8
12	Business income or (loss) *(attach Schedule C)*	12	9
13	Capital gain or (loss) *(attach Schedule D)*	13	10
14	40% of capital gain distributions not reported on line 13 (see page 9 of Instructions)	14	11
15	Other gains or (losses) *(attach Form 4797)*	15	12
16	Fully taxable pensions, IRA distributions, and annuities not reported on line 17 (see page 9).	16	13
17a	Other pensions and annuities, including rollovers. Total received 17a 14		
b	Taxable amount, if any, from the worksheet on page 10 of Instructions	17b	15
18	Rents, royalties, partnerships, estates, trusts, etc. *(attach Schedule E)*	18	16
19	Farm income or (loss) *(attach Schedule F)*	19	17
20a	Unemployment compensation (insurance). Total received 20a 18		
b	Taxable amount, if any, from the worksheet on page 10 of Instructions	20b	19
21a	Social security benefits (see page 10). 21a 20		
b	Taxable amount, if any, from worksheet on page 11. {Tax-exempt interest }	21b	21
22	Other income (list type and amount—see page 11 of Instructions)	22	
23	Add the amounts shown in the far right column for lines 7 through 22. This is your **total income** ▶	23	

Adjustments to Income

(See Instructions on page 11.)

24	Moving expenses *(attach Form 3903 or 3903F)*	24	22
25	Employee business expenses *(attach Form 2106)*	25	23
26	IRA deduction, from the worksheet on page 12	26	24
27	Keogh retirement plan and self-employed SEP deduction	27	25
28	Penalty on early withdrawal of savings	28	26
29	Alimony paid (recipient's last name and social security no.)	29	27
30	Deduction for a married couple when both work *(attach Schedule W)*	30	28
31	Add lines 24 through 30. These are your **total adjustments** ▶	31	

Adjusted Gross Income

32	Subtract line 31 from line 23. This is your **adjusted gross income.** *If this line is less than $11,000 and a child lived with you, see "Earned Income Credit" (line 58) on page 16 of Instructions. If you want IRS to figure your tax, see page 13 of Instructions* ▶	32	1

Form 1040 (1986) Page 2

Tax Computation (See Instructions on page 13.)	33	Amount from line 32 (adjusted gross income)			33	1
	34a	If you itemize, attach Schedule A (Form 1040) and enter the amount from Schedule A, line 26. **Caution:** If you have unearned income and can be claimed as a dependent on your parents' return, see page 13 of Instructions and check here ▶ ☐. Also see page 13 if you are married filing a separate return and your spouse itemizes deductions, or you are a dual-status alien.			34a	33
	b	If you do not itemize but you made charitable contributions, enter your cash contributions here. (If you gave $3,000 or more to any one organization, see page 14.)	34b			
	c	Enter your noncash contributions *(you must attach Form 8283 if over $500)*	34c			
	d	Add lines 34b and 34c. Enter the total			34d	34
	35	Subtract line 34a or line 34d, whichever applies, from line 33			35	35
	36	Multiply $1,080 by the total number of exemptions claimed on line 6f (see page 14)			36	36
	37	**Taxable income.** Subtract line 36 from line 35. Enter the result (but not less than zero)			37	39
	38	Enter tax here. Check if from ☐ Tax Table, ☐ Tax Rate Schedule X, Y, or Z, or ☐ Schedule G			38	40
	39	Additional taxes (see page 14 of Instructions). Enter here and check if from ☐ Form 4970, ☐ Form 4972, or ☐ Form 5544			39	
	40	Add lines 38 and 39. Enter the total ▶			40	42
Credits (See Instructions on page 14.)	41	Credit for child and dependent care expenses *(attach Form 2441)*	41	50		
	42	Credit for the elderly or for the permanently and totally disabled *(attach Schedule R)*	42	46		
	43	Partial credit for political contributions for which you have receipts	43	49		
	44	Add lines 41 through 43. Enter the total -- 52 --			44	
	45	Subtract line 44 from line 40. Enter the result (but not less than zero)			45	
	46	Foreign tax credit *(attach Form 1116)*	46	47 (includes 48, 51)		
	47	General business credit. Check if from ☐ Form 3800, ☐ Form 3468, ☐ Form 5884, ☐ Form 6478, or ☐ Form 6765	47	45		
	48	Add lines 46 and 47. Enter the total includes 53, 55			48	
	49	Subtract line 48 from line 45. Enter the result (but not less than zero) ▶			49	59
Other Taxes (Including Advance EIC Payments)	50	Self-employment tax *(attach Schedule SE)*			50	62
	51	Alternative minimum tax *(attach Form 6251)*			51	61
	52	Tax from recapture of investment credit *(attach Form 4255)*			52	63
	53	Social security tax on tip income not reported to employer *(attach Form 4137)*			53	64
	54	Tax on an IRA *(attach Form 5329)*			54	65
	55	Add lines 49 through 54. This is your **total tax** ▶			55	57
Payments Attach Forms W-2, W-2G, and W-2P to front.	56	Federal income tax withheld	56	67		
	57	1986 estimated tax payments and amount applied from 1985 return	57	68		
	58	Earned income credit (see page 16)	58	75		
	59	Amount paid with Form 4868	59	69		
	60	Excess social security tax and RRTA tax withheld (two or more employers)	60	70		
	61	Credit for Federal tax on gasoline and special fuels *(attach Form 4136)*	61	71		
	62	Regulated investment company credit *(attach Form 2439)*	62	72		
	63	Add lines 56 through 62. These are your **total payments** ▶			63	66
Refund or Amount You Owe	64	If line 63 is larger than line 55, enter amount **OVERPAID** ▶			64	73(-)
	65	Amount of line 64 to be **REFUNDED TO YOU** ▶			65	
	66	Amount of line 64 to be applied to your 1987 estimated tax ▶	66	74		
	67	If line 55 is larger than line 63, 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 "1986 Form 1040" on it ▶ Check ▶ ☐ if Form 2210 (2210F) is attached. See page 17. Penalty: $ -- 43 --			67	73(+)

Please Sign Here

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

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

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed ☐	Preparer's social security no.
Firm's name (or yours, if self-employed) and address		E.I. No.	
		ZIP code	

SCHEDULE D
(Form 1040)

Department of the Treasury
Internal Revenue Service (L)

Capital Gains and Losses and Reconciliation of Forms 1099-B

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

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

OMB No. 1545-0074

1986

Attachment Sequence No. 12

Name(s) as shown on Form 1040

Your social security number

1 Report here, the total sales of stocks, bonds, etc., reported for 1986 by your broker to you on Form(s) 1099-B or an equivalent substitute statement(s) 1

If this amount differs from the total of lines 2b and 9b, column (d), attach a statement explaining the difference. See the instructions for line 1, Schedule D (Form 1040) for examples.

Part I Short-term Capital Gains and Losses—Assets Held Six Months or Less

(a) Description of property (Example, 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) LOSS If (e) is more than (d), subtract (d) from (e)	(g) GAIN If (d) is more than (e), subtract (e) from (d)
2a Form 1099-B Transactions (Sales of Stocks, Bonds, etc.):						
2b Total (add column (d)) ▶						
2c Other Transactions:						

3 Short-term gain from sale or exchange of a principal residence from Form 2119, lines 6 or 12	3		
4 Short-term gain from installment sales from Form 6252, lines 22 or 30	4		
5 Net short-term gain or (loss) from partnerships, S corporations, and fiduciaries	5		
6 Short-term capital loss carryover from years beginning after 1969	6	110	
7 Add all of the transactions on lines 2a and 2c and lines 3 through 6 in columns (f) and (g)	7	(109 St loss	108 St gain
8 Net short-term gain or (loss), combine columns (f) and (g) of line 7	8		

Part II Long-term Capital Gains and Losses—Assets Held More Than Six Months

(a) Description of property	(b) Date acquired	(c) Date sold	(d) Sales price	(e) Cost or other basis	(f) LOSS	(g) GAIN
9a Form 1099-B Transactions (Sales of Stocks, Bonds, etc.):						
9b Total (add column (d)) ▶						
9c Other Transactions:						

10 Long-term gain from sale or exchange of a principal residence from Form 2119, lines 6, 8, or 12	10		111
11 Long-term gain from installment sales from Form 6252, lines 22 or 30	11		
12 Net long-term gain or (loss) from partnerships, S corporations, and fiduciaries	12		
13 Capital gain distributions	13		115
14 Enter gain from Form 4797, lines 6 or 8	14		116
15 Long-term capital loss carryover from years beginning after 1969	15	114	
16 Add all of the transactions on lines 9a and 9c and lines 10 through 15 in columns (f) and (g)	16	(113)	112 Lt gain
17 Net long-term gain or (loss), combine columns (f) and (g) of line 16	Lt loss 17		

Form **1040A**

Department of the Treasury—Internal Revenue Service

U.S. Individual Income Tax Return (L) 1986

Step 1 Name and address

Use the IRS mailing label. If you don't have one, print or type: OMB No. 1545-0085

Your first name and initial (if joint return, also give spouse's name and initial) | Last name | Your social security no.

Present home address (number and street). (If you have a P.O. Box, see page 7 of the instructions.) | Spouse's social security no.

City, town or post office, state, and ZIP code STATE | If this address is different from the one shown on your 1985 return, check here ☐

Presidential Election Campaign Fund

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

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. Write 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 unmarried child but not your dependent, write this child's name here. ______

Step 3 Figure your exemptions

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

Always check the exemption box labeled Yourself. Check other boxes if they apply.

XFPT 5a ☐ Yourself ☐ 65 or over ☐ Blind
XFST b ☐ Spouse ☐ 65 or over ☐ Blind — Write number of boxes checked on 5a and b ____

c First names of your dependent children who lived with you XOCAH — Write number of children listed on 5c ____

d First names of your dependent children who did not live with you (see page 11). (If pre-1985 agreement, check here ☐ .) XOCAWH — Write number of children listed on 5d ____

e Other dependents:

1. Name	2. Relationship	3. Number of months lived in your home.	4. Did dependent have income of $1,080 or more?	5. Did you provide more than one-half of dependent's support?
XOPAR				
XOODEP				

Write number of other dependents listed on 5e ____

f Total number of exemptions claimed. (Also complete line 18.) XTOT — Add numbers entered on lines above ☐

Step 4 Figure your total income

Attach check or money order here

6 Total wages, salaries, tips, etc. This should be shown in Box 10 of your W-2 form(s). (Attach Form(s) W-2.) — 6 — 2.

7 Interest income. (If the total is over $400, also attach Schedule 1, Part III.) — 7 — 3.

8a Dividends. (If the total is over $400, also attach Schedule 1, Part IV.) Total. 8a 4. **8b** Exclusion (see page 16). 8b 5 .

c Subtract line 8b from line 8a. Write the result on line 8c. — 8c — 6.

9a Unemployment compensation (insurance), from Form(s) 1099-G. Total received. 9a 18 .

b Taxable amount, if any, from the worksheet on page 17 of the instructions. — 9b — 19.

10 Add lines 6, 7, 8c, and 9b. Write the total. This is your **total income.** ▶ 10 — .

Step 5 Figure your adjusted gross income

11 Individual retirement arrangement (IRA) deduction, from the worksheet on page 19. 11 24 .

12 Deduction for a married couple when both work. Complete and attach Schedule 1, Part I. 12 28 .

13 Add lines 11 and 12. Write the total. These are your **total adjustments.** — 13 — .

14 Subtract line 13 from line 10. Write the result. This is your **adjusted gross income.** ▶ 14 — 1.

1986 Schedule 1 (Form 1040A)

OMB No. 1545-0085

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

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

- Claim the deduction for a working married couple (complete **Part I**)
- Claim the credit for child and dependent care expenses (complete **Part II**)
- Have over $400 of interest income (complete **Part III**)
- Have over $400 of dividend income (complete **Part IV**)

Part I

Deduction for a married couple (filing a joint return) when both work (see page 20)

Complete this part to figure the amount you can deduct on Form 1040A, line 12. Attach Schedule 1 to Form 1040A.

		(a) You	(b) Your spouse
1	Wages, salaries, tips, etc., from Form 1040A, line 6.	1 .	.
2	IRA deduction, if any, from Form 1040A, line 11.	2 − .	− .
3	Subtract line 2 from line 1. Write the result.	3 = 138 .	= .
4	Write the amount from line 3, column (a) or (b) above, whichever is smaller.		4 139 .
5	Percentage used to figure the deduction (10%).		5 × .10
6	Multiply the amount on line 4 by the percentage on line 5. Write your answer here and on Form 1040A, line 12.		6 = 28

Part II

Credit for child and dependent care expenses (see page 23)

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

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

1	Write the number of qualifying persons who were cared for in 1986. (See the instructions for the definition of a qualifying person.)	1	
2	Write the amount of **qualified** expenses you incurred and actually paid in 1986 for the care of the qualifying person. (See the instructions for which expenses qualify for the credit.) DO NOT write more than $2,400 ($4,800 if you paid for the care of two or more qualifying persons).	2	134 .
3 a	You **must** write your earned income on line 3a.	3a	.
b	If you are married, filing a joint return for 1986, you must write your spouse's earned income on line 3b.	3b	.
c	If you are married, compare the amounts on lines 3a and 3b, and write the **smaller** of the two amounts on line 3c.	3c	135.
4	• If you were unmarried at the end of 1986, compare the amounts on lines 2 and 3a, and write the **smaller** of the two amounts on line 4. • If you are married, filing a joint return for 1986, compare the amounts on lines 2 and 3c, and write the **smaller** of the two amounts on line 4.	4	136.
5	Write the percentage from the table below that applies to the amount on Form 1040A, line 15.	5	× .
6	Multiply the amount on line 4 by the percentage on line 5. Write the result here and on Form 1040A, line 21a.	6 =	50.

If line 15 is: Over—	But not over—	Percentage is:	If line 15 is: Over—	But not over—	Percentage is:
$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)			

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

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
1986
Attachment Sequence No. **07**

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

Medical and Dental Expenses (Do not include expenses reimbursed or paid by others.) (See Instructions on page 19.)	1	Prescription medicines and drugs; and insulin	1		
	2 a	Doctors, dentists, nurses, hospitals, insurance premiums you paid for medical and dental care, etc.	2a		
	b	Transportation and lodging	2b		
	c	Other (list—include hearing aids, dentures, eyeglasses, etc.) ▶	2c		
	3	Add lines 1 through 2c, and enter the total here	3	medi90	
	4	Multiply the amount on Form 1040, line 33, by 5% (.05)	4		
	5	Subtract line 4 from line 3. If zero or less, enter -0-. **Total** medical and dental ▶	5		89 medd
Taxes You Paid (See Instructions on page 20.)	6	State and local income taxes	6	92	
	7	Real estate taxes	7	93	
	8 a	General sales tax (see sales tax tables in instruction booklet)	8a	94	
	b	General sales tax on motor vehicles	8b		
	9	Other taxes (list—include personal property taxes) ▶ 96	9	97 oth	
	10	Add the amounts on lines 6 through 9. Enter the total here. **Total taxes** ▶	10		
Interest You Paid (See Instructions on page 20.)	11 a	Home mortgage interest paid to financial institutions (report deductible points on line 13)	11a	99	
	b	Home mortgage interest you paid to individuals (show that person's name and address) ▶	11b	99	
	12	Total credit card and charge account interest you paid	12		
	13	Other interest you paid (list payee's name and amount) ▶	13		
	14	Add the amounts on lines 11a through 13. Enter the total here. **Total** interest ▶	14		98
Contributions You Made (See Instructions on page 21.)	15 a	Cash contributions. (If you gave $3,000 or more to any one organization, report those contributions on line 15b.)	15a	101 under3	
	b	Cash contributions totaling $3,000 or more to any one organization. (Show to whom you gave and how much you gave.) ▶	15b	102 more3	
	16	Other than cash. (You must attach Form 8283 if over $500.)	16	103 assets	
	17	Carryover from prior year	17	104 carry	
	18	Add the amounts on lines 15a through 17. Enter the total here. **Total** contributions ▶	18		100
Casualty and Theft Losses	19	Total casualty or theft loss(es). (You must attach Form 4684 or similar statement.) (See page 21 of Instructions.) ▶	19		106
Miscellaneous Deductions (See Instructions on page 22.)	20	Union and professional dues	20		
	21	Tax return preparation fee	21		
	22	Other (list type and amount) ▶	22		
	23	Add the amounts on lines 20 through 22. Enter the total here. **Total** miscellaneous ▶	23		
Summary of Itemized Deductions (See Instructions on page 22.)	24	Add the amounts on lines 5, 10, 14, 18, 19, and 23. Enter your answer here.	24		107
	25	If you checked Form 1040 { Filing Status box 2 or 5, enter $3,670; Filing Status box 1 or 4, enter $2,480; Filing Status box 3, enter $1,835 }	25		37
	26	Subtract line 25 from line 24. Enter your answer here and on Form 1040, line 34a. (If line 25 is more than line 24, see the Instructions for line 26 on page 22.) ▶	26		33

(Form 1040)

Department of the Treasury
Internal Revenue Service (L)

and Reconciliation of Forms 1099-B

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

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

1986

Attachment Sequence No 12

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

1 Report here, the total sales of stocks, bonds, etc., reported for 1986 by your broker to you on Form(s) 1099-B or an equivalent substitute statement(s) | 1

If this amount differs from the total of lines 2b and 9b, column (d), attach a statement explaining the difference. See the instructions for line 1, Schedule D (Form 1040) for examples

Part I Short-term Capital Gains and Losses—Assets Held Six Months or Less

(a) Description of property Example: 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) LOSS If (e) is more than (d) subtract (d) from (e)	(g) GAIN If (d) is more than (e) subtract (e) from (d)
2a Form 1099-B Transactions (Sales of Stocks, Bonds, etc.):						
2b Total (add column (d)) ▶						
2c Other Transactions:						
3 Short-term gain from sale or exchange of a principal residence from Form 2119, lines 6 or 12				3		
4 Short-term gain from installment sales from Form 6252, lines 22 or 30				4		
5 Net short-term gain or (loss) from partnerships, S corporations, and fiduciaries				5		
6 Short-term capital loss carryover from years beginning after 1969				6	110	
7 Add all of the transactions on lines 2a and 2c and lines 3 through 6 in columns (f) and (g)				7	(109)	108
8 Net short-term gain or (loss), combine columns (f) and (g) of line 7					8	

Part II Long-term Capital Gains and Losses—Assets Held More Than Six Months

(a)	(b)	(c)	(d)	(e)	(f)	(g)
9a Form 1099-B Transactions (Sales of Stocks, Bonds, etc.):						
9b Total (add column (d)) ▶						
9c Other Transactions:						
10 Long-term gain from sale or exchange of a principal residence from Form 2119, lines 6, 8, or 12				10		111
11 Long-term gain from installment sales from Form 6252, lines 22 or 30				11		
12 Net long-term gain or (loss) from partnerships, S corporations, and fiduciaries				12		
13 Capital gain distributions				13		115
14 Enter gain from Form 4797, lines 6 or 8				14		116
15 Long-term capital loss carryover from years beginning after 1969				15	114	
16 Add all of the transactions on lines 9a and 9c and lines 10 through 15 in columns (f) and (g)				16	(113)	112
17 Net long-term gain or (loss), combine columns (f) and (g) of line 16					17	

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, S Corporations, Estates, or Trusts

If you report a loss below, and have amounts invested in that activity for which you are not at risk, you may have to file Form 6198. See Instructions

Partnerships and S Corporations

(a) Name	(b) Enter appropriate code	(c) Check if foreign partnership	(d) Employer identification number	(e) Net loss (see Instructions for at-risk limitations)	(f) Net income

Codes: P for partnership S for S corporation

27 Add amounts in columns (e) and (f) and enter the total(s) here P (126) 125, S 27 (131) 130

28 Combine amounts in columns (e) and (f), line 27, and enter the net income or (loss) here 28

29 Deduction for section 179 property (from Form 1065, Schedule K-1, and Form 1120S, Schedule K-1). (See Instructions for limitations.) 29 (127

30 Total partnership and S corporation income or (loss). Combine amounts on lines 28 and 29. Enter the total here and include in line 36 below 30

Estates and Trusts

(a) Name	(b)	(c)	(d) Employer identification number	(e) Net loss (see Instructions for at-risk limitations)	(f) Net income

31 Add amounts in columns (e) and (f) and enter the total(s) here 31 (129) 128

32 Total estate and trust income or (loss). Combine amounts in columns (e) and (f), line 31. Enter the total here and include in line 36 below 32

Part III Windfall Profit Tax Summary

33 Windfall profit tax credit or refund received in 1986 (see Instructions) 33 132

34 Windfall profit tax withheld in 1986 (see Instructions). 34 (133

35 Combine amounts on lines 33 and 34. Enter the total here and include in line 36 below 35

Part IV Summary

36 TOTAL income or (loss). Combine lines 26, 30, 32, and 35. Enter total here and on Form 1040, line 18 ▶ 36

37 Farmers and fishermen: Enter your share of GROSS FARMING AND FISHING INCOME applicable to Parts I and II (see Instructions) 37

Part V Optional Depreciation Worksheet.—You may use this worksheet to figure depreciation only on property placed in service before 1981. If you placed any property in service after 1980, you must use Form 4562 for all property.

	(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Depreciation allowed or allowable in prior years	(e) Depreciation method	(f) Life or rate	(g) Depreciation for this year
A							
	Total (Property A)						
B							
	Total (Property B)						
C							
	Total (Property C)						

Schedule W (Form 1040)

Department of the Treasury Internal Revenue Service (L)

Deduction for a Married Couple When Both Work

▶ For Paperwork Reduction Act Notice, see Form 1040 Instructions.

▶ Attach to Form 1040.

OMB No 1545-0074

1986

Attachment Sequence No 20

Names as shown on Form 1040

Your social security number

Step 1 Figure your earned income

		(a) You		(b) Your spouse
1 Wages, salaries, tips, etc., from Form 1040, line 7. (Do not include pensions or annuities reported on Form 1040, line 16 or lines 17a and 17b.)	1		1	
2 Net profit or (loss) from self-employment (from Schedules C and F (Form 1040), Schedule K-1 (Form 1065), and any other earned income)	2		2	
3 Add lines 1 and 2. This is your total earned income	3		3	

Step 2 Figure your qualified earned income

4 Add amounts entered on Form 1040, lines 25, 26, 27, and any repayment of supplemental unemployment benefits (sub-pay) included on line 31. Enter the total (see instructions below)	4		4	
5 Subtract line 4 from line 3. This is your qualified earned income. If the amount in column (a) or (b) is zero (-0-) or less, stop here. You may not take this deduction	5	138	5	

Step 3 Figure your deduction

6 Compare the amounts in columns (a) and (b) of line 5 above. Enter the **smaller** amount here. (Enter either amount if 5(a) and 5(b) are the same.) ***Do not enter more than $30,000***	6	139
7 Percentage used to figure the deduction (10%)	7	x .10
8 Multiply the amount on line 6 by the percentage on line 7. This is the amount of your deduction. Enter the answer here and on Form 1040, line 30 ▶	8	28

Instructions

Complete this schedule and attach it to your Form 1040 if you take the deduction for a married couple when both work. You may take the deduction if both you and your spouse:

- work and have qualified earned income, and
- file a joint return, and
- do not file **Form 2555** to exclude income or to exclude or deduct certain housing costs, and
- do not file **Form 4563** to exclude income.

There are three steps to follow in figuring the deduction on Schedule W.

Step 1 (lines 1, 2, and 3).—Figure earned income separately for yourself and your spouse.

Earned income.—This is generally income you receive for services you provide. It includes wages, salaries, tips, commissions, sub-pay, etc. (from Form 1040, line 7). It also includes income earned from self-employment (from Schedules C and F of Form 1040 and Schedule K-1 of Form 1065), and net earnings and gains (other than capital gains) from the disposition, transfer, or licensing of property that you created.

Earned income does not include interest, dividends, social security benefits, IRA distributions, unemployment compensation, deferred compensation, or nontaxable income. It also does not include any amount your spouse paid you.

Caution: *Do not consider community property laws in figuring your earned income.*

Step 2 (lines 4 and 5).—Figure qualified earned income separately for yourself and your spouse by subtracting certain adjustments from earned income.

Qualified earned income.—This is the amount on which the deduction is based. Figure it by subtracting the total of certain adjustments from earned income. These adjustments (and the related lines on Form 1040) are:

- Employee business expenses (from line 25).
- IRA deduction (from line 26).
- Keogh retirement plan and self-employed SEP deduction (from line 27).
- Repayment of sub-pay included in the total on line 31. See the instructions on repayment of sub-pay on page 12 of the Form 1040 Instructions.

Enter the total of any adjustments that apply to your or your spouse's earned income in the appropriate column of line 4.

Step 3 (lines 6, 7, and 8).—Figure the deduction based on the **smaller** of:

- the qualified earned income entered in column (a) or (b) of line 5, whichever is less, **OR**
- $30,000.

Example.—You earned a salary of $20,000 and had $3,000 of employee business expenses (Form 1040, line 25). Your spouse earned $17,000 and had an IRA deduction of $1,000 (Form 1040, line 26). Your qualified earned income is $17,000 ($20,000 minus $3,000) and your spouse's is $16,000 ($17,000 minus $1,000). Because your spouse's qualified earned income is less than yours, the deduction is figured on your spouse's income. Therefore, the deduction is $1,600 ($16,000 x .10).

Form **6251**

Department of the Treasury
Internal Revenue Service

Alternative Minimum Tax Computation

▶ **Attach to Forms 1040, 1040NR, 1041 or 990-T (Trust).**

1986

Attachment Sequence No. **32**

Name(s) as shown on tax return | Identifying number

1 Adjusted gross income (see instructions)			1	
2 Deductions (Individuals, attach Schedule A (Form 1040))(see instructions)				
a (1) Medical and dental expense from Schedule A, line 5	2a(1)			
(2) Multiply Form 1040, line 33, by 5% (.05)	2a(2)			
(3) Subtract line 2a(2) from line 2a(1). (If zero or less, enter zero.)		2a(3)		
b Contributions from Schedule A, line 18, **OR** Form 1040, line 34d		2b		
c Casualty and theft losses from Schedule A, line 19		2c		
d Qualified interest on property used as a residence (see instructions)		2d		
e (1) Interest, other than line 2d above, from Schedule A, line 14	2e(1)			
(2) Net investment income (If zero or less, enter zero)	2e(2)			
(3) Enter the smaller of line 2e(1) or line 2e(2)		2e(3)		
f Gambling losses to the extent of gambling winnings from Schedule A, line 22		2f		
g Estate tax allowable under section 691(c) from Schedule A		2g		
h Estates and trusts only: Charitable deduction and income distribution deduction		2h		
i Add lines 2a(3), b, c, d, e(3), f, g and h			2i	140*
3 Subtract line 2i from line 1			3	
4 Tax preference items				
a Dividend exclusion		4a		
b 60% capital gain deduction		4b 142*		
c Accelerated depreciation on nonrecovery real property or 15-, 18-, or 19-year real property		4c 143		
d Accelerated depreciation on leased personal property or leased recovery property other than 15-, 18-, or 19-year real property		4d 143		
e Amortization of certified pollution control facilities		4e		
f Mining exploration and development costs		4f		
g Circulation and research and experimental expenditures		4g		
h Reserves for losses on bad debts of financial institutions		4h		
i Depletion		4i		
j Incentive stock options		4j		
k Intangible drilling costs		4k		
l Add lines 4a through 4k			4l	141*
5 Alternative minimum taxable income (add lines 3 and 4(l)) (short period returns, see instructions)			5	
6 Enter $40,000, if married filing joint return or Qualifying widow(er); $30,000, if single or head of household; $20,000, if married filing separate return or estate or trust			6	
7 Subtract line 6 from line 5. If zero or less, do not complete the rest of this form			7	
8 Enter 20% of line 7			8	
9 Amount from Form 1040, line 49, or Form 1040NR, line 49. (Do not include Form 1040, line 39, or Form 1040NR, line 40.) (Estates and trusts, see instructions.)			9	
10 Subtract line 9 from line 8. If zero or less, enter zero			10	
11 Foreign tax credit			11	
12 ALTERNATIVE minimum tax (subtract line 11 from line 10). Enter on your tax return, on the line identified as alternative minimum tax			12	

Instructions

Section references are to the Internal Revenue Code)

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.

Who Must File.—File this form if: (a) You are liable for the alternative minimum tax; or (b) you have one or more tax preference items on lines 4c through 4k; or (c) your adjusted gross income is more than line 6 and you have an amount on line 2e(3), and line 2e(2) includes income other than interest and dividend income.

Individuals, estates or trusts may be liable if their adjusted gross income plus tax preference items listed on line 4 total more than line 6

For more information, see **Publication 909**, Alternative Minimum Tax

Minimum Tax Deferred From Earlier Year(s).—If a net operating loss carryover from an earlier year(s) reduces taxable income for 1986 and the net operating loss giving rise to the carryover resulted in the deferral of minimum tax in that earlier year(s), all or part of the deferred minimum tax may be includible as tax liability for 1986. Figure the deferred minimum tax in the worksheet in Publication 909 and enter it on Form 1040, line 51, or Form 1041, line 31. Write "Deferred Minimum Tax."

Partners, Beneficiaries, etc.—If you are a:

(1) Partner or shareholder of an S corporation, take into account separately your distributive share of items of income and deductions that enter into the computation of tax preference items

(2) Beneficiary of an estate or trust, see section 58(c) and the line 4(l) instructions

(3) Participant in a common trust fund, see section 58(e)

(4) Shareholder or holder of beneficial interest in a regulated investment company or a real estate investment trust, see section 58(f)

Carryback and Carryover of Unused Credits.—It may be necessary to figure the carryback or carryover of certain unused credits. See section 55(c)(3).

Note: *If you have an earned income credit, you must reduce that credit by any alternative minimum tax.*

Line-by-Line Instructions

Line 1. Estates and Trusts.—Adjusted gross income is figured in the same way as for an

*Computed for all returns whether or not Form 6251 was filed