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# U.S. Government Civilian Employees Stationed Abroad



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## Important Reminders

**Combat zone participants.** If you were a civilian who served in a combat zone or qualified hazardous duty area in support of the U.S. Armed Forces, you can get certain extensions of deadlines for filing tax returns, paying taxes, filing claims for refund, and doing certain other tax-related acts. For details, see Publication 3, *Armed Forces' Tax Guide*.

**Death due to terrorist or military action.** U.S. income taxes are forgiven for a U.S. Government civilian employee who dies as a result of wounds or injuries incurred while employed by the U.S. Government. The wounds or injuries must have been caused by terrorist or military action directed against the United States or its allies. The taxes are forgiven for the deceased employee's tax years beginning with the year immediately before the year in which the wounds or injury occurred and ending with the year of death.

If the deceased government employee and the employee's spouse filed a joint return, only the decedent's part of the joint tax liability is forgiven.

For additional details, see Publication 559, *Survivors, Executors, and Administrators*.

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## Introduction

If you are a U. S. citizen working for the U.S. Government, including the foreign service, and you are stationed abroad, your income tax filing requirements are generally the same as those for citizens and residents living in the United States. You are taxed on your worldwide income, even though you live and work abroad.

However, you may receive certain allowances and have certain expenses that you generally do not have while living in the United States. This publication explains:

- Many of the allowances, reimbursements, and property sales you are likely to have, and whether or not you must report them as income on your tax return, and
- Many of the expenses you are likely to have, such as moving expenses and foreign taxes, and whether or not you can deduct them on your tax return.

**U.S. possessions.** This publication does not cover the rules that apply if you are stationed in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, or Puerto Rico. That information is in Publication 570, *Tax Guide for Individuals With Income From U.S. Possessions*.

**Comments and suggestions.** We welcome your comments about this publication and your suggestions for future editions.

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You can write to us at the following address:

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Washington, DC 20224

We respond to many letters by telephone. Therefore, it would be helpful if you would include your daytime phone number, including the area code, in your correspondence.

## Useful Items

You may want to see:

### Publication

- 54** Tax Guide for U.S. Citizens and Resident Aliens Abroad
- 463** Travel, Entertainment, Gift, and Car Expenses
- 514** Foreign Tax Credit for Individuals
- 521** Moving Expenses
- 523** Selling Your Home

### Form (and Instructions)

- Schedule A** (Form 1040) Itemized Deductions
- 1116** Foreign Tax Credit
- 2106** Employee Business Expenses
- 2106-EZ** Unreimbursed Employee Business Expenses
- 3903** Moving Expenses

- 4868** Application for Automatic Extension of Time To File U.S. Individual Income Tax Return

- TD F 90-22.1** Report of Foreign Bank and Financial Accounts

See *How To Get Tax Help*, near the end of this publication, for information about getting these publications and forms.

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## Filing Information

If you are a U.S. citizen or resident living or traveling outside the United States, you are generally required to file income tax returns in the same way as those residing in the United States. However, the special rules explained in the following discussions may apply to you.

## When To File and Pay

Most individual tax returns cover a calendar year, January through December. The regular due date for these tax returns is April 15 of the following year. If April 15 falls on a Saturday, Sunday, or legal holiday, your tax return is considered timely filed if it is filed by the next business day that is not a Saturday, Sunday, or legal holiday. If you get an extension, you are allowed additional time to file and, in some circumstances, pay your tax. You must pay interest on any tax not paid by the regular due date.

Your return is considered filed on time if it is postmarked by the U.S. Postal Service, or dated by a designated delivery service, on or before the due date (including extensions). See your tax form instructions for a list of private delivery services that have been designated by the IRS to meet this "timely mailing as timely filing/paying" rule for tax returns and payments.

If your return is filed late, the postmark or delivery service date does not determine the date of filing. In that case, your return is considered filed when it is received by the IRS.

## Extensions

You may be able to get an extension of time to file your return and pay your tax.

**Automatic 2-month extension.** You can get an automatic 2-month extension (to June 15, for a calendar year return) to file your return and pay your tax if you are a U.S. citizen or resident and, on the regular due date of your return, you are living outside the United States and Puerto Rico and your main place of business or post of duty is outside the United States and Puerto Rico. To get this extension, you must attach a statement to your return explaining how you qualified.

**Married taxpayers.** If you file a joint return, either you or your spouse can qualify for the automatic extension. If you and your spouse file separate returns, the extension applies only to the spouse who qualifies.

**Automatic 4-month extension.** You can get an automatic 4-month extension (to August 15, for calendar year returns) to file your return by filing **Form 4868**. You must file **Form 4868** by the due date for your income tax return.

Generally, you must file it by April 15. However, if you qualify for the automatic 2-month extension, you generally must file **Form 4868** by June 15. Write "Taxpayer Abroad" across the top of **Form 4868**.

### Payment of tax

You should estimate and pay any additional tax you owe when you file **Form 4868** to avoid being charged a late-payment penalty. The late-payment penalty applies if, through withholding, etc., you paid less than 90% of your actual tax liability by the original due date of your income tax return. Even if the late-payment penalty does not apply, you will be charged interest on any unpaid tax liability from the original due date of the return until the tax is paid.

**Electronic filing.** You can file for the 4-month extension by phone, using tax software, or through a tax professional. See **Form 4868** for more information.

**Extension beyond 4 months.** If the automatic 4-month extension does not give you enough time, you may be able to get additional time to file.

You can apply for an extension beyond the 4-month period by writing a letter to the IRS or by filing **Form 2688**, *Application for Additional Extension of Time To File U.S. Individual Income Tax Return*. You should request the extension early so that, if your request is denied, you will still be able to file on time.

You generally cannot get a total extension of more than 6 months. However, if you are outside the United States and meet certain tests, you may be able to get a longer extension.

For more information see Publication 54.

## Foreign Bank Accounts

You must file **Form TD F 90-22.1** if at any time during the year you had an interest in, or signature or other authority over, a bank account, securities account, or other financial account in a foreign country. This applies if the combined assets in the account(s) were more than \$10,000. Do not include accounts in a U.S. military banking facility operated by a U.S. financial institution.

File the completed form, by June 30 of the following year, with the Department of the Treasury at the address shown on that form. Do **not** attach it to **Form 1040**.

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## Foreign Income

If you are a U.S. citizen or resident with income from sources outside the United States, you must report all that income on your tax return unless it is exempt by U.S. law. This applies to earned income (such as wages) as well as unearned income (such as interest, dividends, and capital gains).

**Foreign earned income exclusion and foreign housing exclusion and deduction.** Certain taxpayers can exclude or deduct income earned in foreign countries. However, the foreign earned income and housing exclusions and the foreign housing deduction do not apply to the income you receive as an employee of the U.S. Government.

**U.S. agency reimbursed by foreign country.** If you are a U.S. Government employee paid by a U.S. agency to perform services in a foreign country, your pay is from the U.S. Government and does not qualify for the exclusions or the deduction. This is true even if the U.S. agency is reimbursed by the foreign government.

**Employees of post exchanges, etc.** If you are an employee of an Armed Forces post exchange, officers' and enlisted personnel club, embassy commissary, or similar instrumentality of the U.S. Government, the earnings you receive are paid by the U.S. Government. This is true whether they are paid from appropriated or nonappropriated funds. These earnings are not eligible for the foreign earned income and housing exclusions or the foreign housing deduction.

**Other employment.** If you are a U.S. citizen or resident employed abroad by the U.S. Government and you also receive income from a private employer or self-employment, you may qualify to claim the exclusions or the deduction based on this other income. To qualify, you must meet either the bona fide residence test or the physical presence test. Your spouse who is a U.S. citizen or resident alien may also qualify if he or she earns income in a foreign country that is paid by a private employer or is from self-employment. If you are not a U.S. Government employee, amounts paid by the United States or its agencies to you may also qualify for the exclusions or the deduction.

**Additional information.** For more information on the foreign earned income and housing exclusions and foreign housing deduction, see Publication 54.

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## Allowances, Differentials, and Other Special Pay

Most payments received by U.S. Government civilian employees for working abroad, including pay differentials, are taxable. However, certain foreign areas allowances, cost of living allowances, and travel allowances are tax free. The following discussions explain the tax treatment of allowances, differentials, and other special pay you receive for employment abroad.

**Pay differentials.** Pay differentials you receive as financial incentives for employment abroad are taxable. Your employer should have included these differentials as wages on your Form W-2, *Wage and Tax Statement*.

Generally, pay differentials are given for employment under adverse conditions (such as severe climate) or because the post of duty is located in a hazardous or isolated area that may be outside the United States. The area **does not** have to be a qualified hazardous duty area as discussed in Publication 3. Pay differentials include:

- Post differentials,
- Special incentive differentials, and
- Danger pay.

**Foreign areas allowances.** Certain foreign areas allowances are tax free. Your employer should not have included these allowances as wages on your Form W-2.

Tax-free foreign areas allowances are allowances (other than post differentials) received under the following laws.

- 1) Title I, chapter 9, of the Foreign Service Act of 1980.
- 2) Section 4 of the Central Intelligence Act of 1949, as amended.
- 3) Title II of the Overseas Differentials and Allowances Act.
- 4) Subsection (e) or (f) of the first section of the Administrative Expenses Act of 1946, as amended, or section 22 of that Act.

These allowances cover such expenses as:

- Certain repairs to a leased home,
- Education of dependents in special situations,
- Motor vehicle shipment,
- Separate maintenance for dependents,
- Temporary quarters,
- Transportation for medical treatment, and
- Travel, moving, and storage.

Allowances received by foreign service employees for representation expenses are also tax free under the above provisions.

**Cost-of-living allowances.** If you are stationed outside the continental United States or in Alaska, your gross income does not include cost-of-living allowances (other than amounts received under Title II of the Overseas Differentials and Allowances Act) granted by regulations approved by the President of the United States. Cost-of-living allowances are not included on your Form W-2.

**Federal court employees.** If you are a federal court employee, the preceding paragraph also applies to you. The cost-of-living allowance must be granted by rules similar to regulations approved by the President.

**American Institute in Taiwan.** If you are an employee of the American Institute in Taiwan, allowances you receive are exempt from U.S. tax if they are equivalent to tax-exempt allowances received by civilian employees of the U.S. Government.

**Federal reemployment payments after serving with an international organization.** If you are a federal employee who is reemployed by a federal agency after serving with an international organization, you must include in income any reemployment payments you receive. These payments are equal to the difference between the pay, allowances, post differential, and other monetary benefits paid by the international organization and the pay and other benefits that would have been paid by the federal agency had you been **detailed** to the international agency.

**Allowances or reimbursements for travel and transportation expenses.** See *How To Report Business Expenses*, later, for a discussion on whether a reimbursement or allowance

for travel or transportation is included in your income.

**Lodging furnished to a principal representative of the United States.** If you are a principal representative of the United States stationed in a foreign country, you do not have to include in income the value of lodging (including utilities) provided to you as an official residence. However, amounts paid by the U.S. government for your usual costs of operating and maintaining your household are taxable. If amounts are withheld from your pay to cover these expenses, you can not exclude or deduct those amounts from your income.

**Peace Corps.** If you are a Peace Corps volunteer or volunteer leader, some allowances you receive are taxable and others are not.

**Taxable allowances.** The following allowances must be included on your Form W-2 and reported on your return as wages.

- 1) If you are a volunteer leader, allowances paid to your spouse and minor children while you are training in the United States.
- 2) The part of living allowances designated by the Director of the Peace Corps as basic compensation. This is the part for personal items such as domestic help, laundry and clothing maintenance, entertainment and recreation, transportation, and other miscellaneous expenses.
- 3) Leave allowances.
- 4) Readjustment allowances or "termination payments."

Taxable allowances are considered received by you when credited to your account.

**Example.** Gary Carpenter, a Peace Corps volunteer, gets \$175 a month during his period of service, to be paid to him in a lump sum at the end of his tour of duty. Although the allowance is not available to him until the end of his service, Gary must include it in his income on a monthly basis as it is credited to his account.

**Nontaxable allowances.** These generally include travel allowances and the part of living allowances for housing, utilities, food, clothing, and household supplies. These allowances should not be included on your Form W-2. These allowances are tax free whether paid by the U.S. Government or the foreign country in which you are stationed.

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## Other Taxable Income

Some other income items that may apply to U.S. Government civilian employees stationed abroad are discussed in this section.

**Republic of Panama.** Income earned by any citizen or resident of the United States is not exempt from U.S. tax by any section of the Panama Canal Treaty. See *Allowances, Differentials, and Other Special Pay*, earlier.

**Sale of personal property.** If you have a gain from the sale of your personal property (such as an automobile or a home appliance), whether directly or through a favorable exchange rate in converting the proceeds to U.S. dollars, the ex-



cess of the amount received in U.S. dollars over the cost or other basis of the property is a capital gain. Capital gains are reported on Schedule D (Form 1040), *Capital Gains and Losses*. However, losses from sales of your personal property, whether directly or through an unfavorable exchange rate, are not deductible.

**Sale of your home.** All or part of the gain on the sale of your main home, within or outside the United States, may be taxable. (Losses are not deductible).

You may be able to exclude from income any gain up to \$250,000 (\$500,000 on a joint return). Generally, you must have owned and used the home as your main residence for two of the five years preceding the date of sale.

For detailed information on selling your home, see Publication 523.

## Deductible Business Expenses

Deductions that may be of special interest to you are discussed here. They include travel expenses, transportation expenses, and other expenses connected to your employment.

### Travel Expenses

Subject to certain limits, you can deduct your unreimbursed ordinary and necessary expenses of traveling **away from home** in connection with the performance of your official duties. These expenses include such items as travel costs, meals, lodging, baggage charges, local transportation costs (such as taxi fares), tips, and dry cleaning and laundry fees.



*Your home for tax purposes (tax home) is your regular post of duty regardless of where you maintain your family home. Your tax home is not limited to the Embassy, consulate, or duty station. It includes the entire city or general area in which your principal place of employment is located.*

**Traveling away from home.** You are traveling away from home if you meet both of the following requirements.

- 1) Your duties require you to be away from the general area of your tax home substantially longer than an ordinary day's work.
- 2) You need to get sleep or rest to meet the demands of your work while away from home. This requirement is not satisfied by merely napping in your car.

You do not have to be away from your tax home for a whole day or from dusk to dawn as long as your relief from duty is long enough to get necessary sleep or rest.

**Temporary assignment.** If your assignment or job away from your tax home is **temporary**, your tax home does not change. You are considered to be away from home for the whole period, and your travel expenses are deductible. Generally, a temporary assignment in a single location is one that is realistically expected to last (and does in fact last) for one year or less.

However, if your assignment or job is **indefinite**, the location of the assignment or job becomes your new tax home and you cannot deduct your travel expenses while there. An assignment or job in a single location is considered indefinite if it is realistically expected to last for more than one year, whether or not it actually lasts for more than one year.

You must determine whether your assignment is temporary or indefinite when you start work. If you expect employment to last for one year or less, it is temporary unless there are facts and circumstances that indicate otherwise. Employment that is initially temporary may become indefinite due to changed circumstances. A series of assignments to the same location, all for short periods but that together cover a long period, may be considered an indefinite assignment.

**Exception for federal crime investigations or prosecutions.** If you are a federal employee participating in a federal crime investigation or prosecution, you may be able to deduct travel expenses even if you are away from your tax home for more than one year. This exception to the one-year rule applies if the Attorney General certifies that you are traveling for the federal government in a temporary duty status to prosecute, or provide support services for the investigation or prosecution of a federal crime.

**Limit on meals and entertainment.** You can generally deduct only 50% of the cost of your unreimbursed business-related meals and entertainment. However, the limit does not apply to expenses reimbursed under a U.S. Government expense allowance arrangement.

**Individuals subject to hours of service limits.** You can deduct a higher percentage of your unreimbursed business-related meal expenses if the meals take place during or incident to any period subject to the Department of Transportation's hours of service limits. The percentage increases to 80% by the year 2008, as shown in the following table.

| Year           | Percentage |
|----------------|------------|
| 2002–2003      | 65         |
| 2004–2005      | 70         |
| 2006–2007      | 75         |
| 2008 and later | 80         |

Individuals subject to the Department of Transportation's "hours of service" limits include the following persons.

- 1) Certain air transportation workers (such as pilots, crew, dispatchers, mechanics, and control tower operators) who are under Federal Aviation Administration regulations.
- 2) Interstate truck operators and bus drivers who are under Department of Transportation regulations.
- 3) Certain railroad employees (such as engineers, conductors, train crews, dispatchers, and control operations personnel) who are under Federal Railroad Administration regulations.
- 4) Certain merchant mariners who are under Coast Guard regulations.

**Primary purpose of trip must be for business.** If your trip was entirely for business,

your unreimbursed travel expenses are generally deductible. However, if you spend some of your time on nonbusiness activities, part of your expenses may not be deductible.

If your trip was mainly personal, you cannot deduct your travel expenses to and from your destination. This applies even if you engage in business activities while there. However, you can deduct any expenses while at your destination that are directly related to your business.

**Expenses paid for others.** You generally cannot deduct travel expenses of your spouse, dependents, or other individuals who go with you on a trip.

**Home leave.** The Foreign Service Act requires U.S. citizens who are members of the foreign service to take a leave of absence after completing 3 years of continuous service abroad. This period is called "home leave" and can be used to take care of certain personal matters such as medical and dental checkups, buying a new wardrobe, and visiting relatives.

The amounts paid for your travel, meals, and lodging while on home leave are deductible as travel or business expenses subject to the rules and limits discussed earlier. You must be able to verify these amounts in order to claim them. Amounts paid on behalf of your family while on home leave are personal living expenses and are not deductible.

**More information.** See chapter 1 of Publication 463 for more information on travel expenses.

### Transportation Expenses

You can deduct allowable transportation expenses that are directly related to your official duties. Transportation expenses include the cost of transportation by air, rail, bus, or taxi, and the cost of driving and maintaining your car. They do not include expenses you have when traveling away from home overnight. Those expenses are deductible as travel expenses and are discussed earlier.

**Use of your car.** Whether you own or lease your car, you generally can use either of two methods to figure your business car expenses: actual expenses or the standard mileage rate.

If you use your car for both personal and business purposes, you must divide your expenses between business and personal use. To determine the business percentage, divide the business miles driven by the total miles the car was driven for the year.

**Actual expenses.** Under this method, you figure deductible car expenses using the business percentage of your actual operating costs. These include depreciation or lease payments (subject to certain limits), gasoline, repairs, and similar expenses.

**Standard mileage rate.** Under this method, you use a set rate per mile for each business mile you drive. The rate is adjusted periodically for inflation. See your tax form instructions to find the rate for the year you claim the deduction.

If you want to use the standard mileage rate for a car, you must choose to use it in the first year the car is available for use in your business. Then in later years, you can choose to use the standard mileage rate or actual expenses.

You cannot use the standard mileage rate if you:

- 1) Use the car for hire (such as a taxi),
- 2) Operate two or more cars at the same time (as in fleet operations),
- 3) Claimed a depreciation deduction for the car in an earlier year using ACRS or MACRS,
- 4) Claimed a section 179 deduction for the car, or
- 5) Claimed actual car expenses after 1997 for a car you leased.

**Commuting.** You cannot deduct your transportation costs of going between your home and your regular business location. These costs are personal commuting expenses.

If you have one or more regular business locations but must work at a temporary location, you can deduct the costs of commuting to that temporary place of work.

If you work at two or more places in the same day, you can deduct your expenses of getting from one place of work to the other.

If your employment at a work location is realistically expected to last (and does in fact last) for one year or less, the employment is temporary unless there are facts and circumstances that would indicate otherwise. If your employment at a work location is realistically expected to last for more than one year, the employment is not temporary, regardless of whether it actually lasts for more than one year. If employment at a work location initially is realistically expected to last for one year or less, that employment will be treated as temporary until the date after your expectation changes, and you determine the employment will last more than one year.

**More information.** For more information on transportation expenses, see chapter 4 of Publication 463.

## Other Employee Business Expenses

You may be able to deduct other unreimbursed expenses that are connected with your employment.

**Membership dues.** Membership dues you pay to professional societies that relate to your business or profession are deductible.

**Subscriptions.** Subscriptions to professional publications that relate to your business or profession are deductible.

**Educational expenses.** Generally, educational expenses are considered to be personal expenses and are not deductible. However, under some circumstances, educational expenses are deductible as business expenses.

You can deduct educational expenses as business expenses if the education:

- 1) Maintains or improves skills needed in your present position, or
- 2) Meets the express requirements of your agency to keep your present position, salary, or status.

You cannot deduct educational expenses as business expenses if the education:

- 1) Is needed to enable you to meet minimum educational requirements for qualification in your present position,
- 2) Is a part of a program of study that can qualify you for a new position, or
- 3) Is for travel as a form of education.

These rules apply even if the education is required by your agency or it maintains or improves skills required in your work.

See Publication 970, *Tax Benefits for Education*, for more information on educational expenses.



*Educational expenses that are not work related, such as costs of sending children to college, are personal expenses that you cannot deduct. However, you may be eligible for other tax benefits such as the Hope and lifetime learning credits, contributions to a Coverdell education savings account or qualified tuition program, deduction for student loan interest, and exclusion from income of certain savings bond interest. These benefits are explained in Publication 970, Tax Benefits for Education.*

### Foreign service representation expenses.

If you are an employee of the U.S. Foreign Service and your position requires you to establish and maintain favorable relations in foreign countries, you may receive a nontaxable allowance for representation expenses. If your expenses are more than the allowance you receive, you can deduct the excess expenses as an itemized deduction on Schedule A (Form 1040) if you meet one of the following conditions.

- 1) You have a certificate from the Secretary of State attesting that the expenses were incurred for the benefit of the United States, and would be reimbursable under appropriate legislation if the agency had sufficient funds for these reimbursements.
- 2) The expenses, while specifically not reimbursable under State Department regulations, were ordinary and necessary business expenses incurred in the performance of your official duties.



*To deduct any expenses for travel, entertainment, and gifts, including those certified by the Secretary of State, you must meet the rules for recordkeeping and accounting to your employer. These rules are explained in Publication 463.*

**Representation expenses.** These are expenses that further the interest of the United States abroad. They include certain entertainment, gifts, costs of official functions, and rental of ceremonial dress. They generally do not include costs of passenger vehicles (such as cars or aircraft), printing or engraving, membership fees, or amounts a principal representative must pay personally to cover the usual costs of operating and maintaining an official residence.

Chapters 300 and 400 of the *Standardized Regulations (Government Civilians, Foreign Area)* provide more detail on what expenses are allowable as representation expenses. These

regulations are available on the Internet at [www.state.gov/m/a/ais](http://www.state.gov/m/a/ais). Click on "Table of Allowances, Section 920". Publication 463 and Publication 529, *Miscellaneous Deductions*, provide more detail on what expenses are allowable as ordinary and necessary business expenses.

**Impairment-related work expenses.** If you are an employee with a physical or mental disability, you can deduct attendant-care services at your place of work and other expenses in connection with work that are necessary for you to be able to work. Attendant care includes a reader for a blind person and a helper for a person with a physical disability. These expenses are reported on Form 2106 or 2106-EZ and carried to Schedule A (Form 1040). They are not subject to the 2%-of-adjusted-gross-income limit on miscellaneous itemized deductions.

### Loss on conversion of U.S. dollars into foreign currency.

The conversion of U.S. dollars into foreign currency at an official rate of exchange that is not as favorable as the free market rate does **not** result in a deductible loss.

## Recordkeeping Rules

If you claim a deduction for unreimbursed business expenses, you must keep timely and adequate records of all your business expenses.

For example, you must keep records and supporting evidence to prove the following elements about deductions for travel expenses (including meals and lodging while away from home).

- 1) The amount of each separate expense for travel away from home, such as the cost of your transportation, lodging, or meals. You may total your incidental expenses if you list them in reasonable categories such as daily meals, gasoline and oil, and taxi fares.
- 2) For each trip away from home, the dates you left and returned and the number of days spent on business.
- 3) The destination or area of your travel, described by the name of the city, town, or similar designation.
- 4) The business reason for your travel or the business benefit gained or expected to be gained from your travel.

**How to record your expenses.** Records for proof of your expenses should be kept in an account book, diary, statement of expense, or similar record. They should be supported by other records, such as receipts or canceled checks, in sufficient detail to establish the elements for these expenses. You do not need to duplicate information in an account book or diary that is shown on a receipt as long as your records and receipts complement each other in an orderly manner.

Each expense should be recorded separately in your records. However, some items can be totaled in reasonable categories. You can make one daily entry for categories such as taxi fares, telephone calls, meals while away from home, gas and oil, and other incidental costs of

travel. You may record tips separately or with the cost of the service.



Documentary evidence generally is required to support all lodging expenses while traveling away from home. It is also required for any other expense of \$75 or more, except transportation charges if the evidence is not readily available. Documentary evidence is a receipt, paid bill, or similar proof sufficient to support an expense. It ordinarily will be considered adequate if it shows the amount, date, place, and essential business character of the expense.



*A canceled check by itself does not prove a business cost. You must have other evidence to show that the check was used for a business purpose.*

**Your records must be timely.** Record the elements for the expense in your account book or other record at or near the time of the expense. A timely-kept record has more value than statements prepared later when, generally, there is a lack of accurate recall.

**Confidential information.** You do not need to put confidential information relating to an element of a deductible expense (such as the place, business purpose, or business relationship) in your account book, diary, or other record. However, you do have to record the information elsewhere at or near the time of the expense and have it available to fully prove that element of the expense.

## How To Report Business Expenses

As a U.S. Government employee, your business expense reimbursements are generally paid under an accountable plan and are not included in your wages on your Form W-2. If your expenses are not more than the reimbursements, you do not need to show your expenses or reimbursements on your return.

However, if you do not account to your employer for a travel advance or if you do not return any excess advance within a reasonable period of time, the advance (or excess) will be included in your wages on your Form W-2.



*If you are entitled to a reimbursement from your employer but you do not claim it, you cannot deduct the expenses to which that unclaimed reimbursement applies.*

**Form 2106 or Form 2106-EZ.** You must complete Form 2106 or 2106-EZ to deduct your expenses. Also, if your actual expenses are more than your reimbursements, you can complete Form 2106 or 2106-EZ to deduct your excess expenses. You must generally include all of your expenses and reimbursements on Form 2106 or 2106-EZ and carry your allowable expense to Schedule A (Form 1040). Your allowable expense is then generally subject to the 2%-of-adjusted-gross-income limit.

**Form 2106-EZ.** You may be able to use Form 2106-EZ instead of the more complex Form 2106 for reporting unreimbursed employee business expenses. You can use Form

2106-EZ if you meet both of the following conditions.

- You are not reimbursed by your employer for any expenses. (Amounts your employer included in your wages on your Form W-2 are not considered reimbursements.)
- If you claim car expenses, you use the standard mileage rate.

## Other Deductible Expenses

In addition to deductible business expenses, you may be entitled to deduct certain other expenses.

### Moving Expenses

If you changed job locations or started a new job, you may be able to deduct the reasonable expenses of moving yourself, your family, and your household goods and personal effects to your new home. However, you cannot deduct any expenses for which you received a tax-free allowance as a U.S. Government employee.

To deduct moving expenses, your move must be closely related to the start of work and you must meet the distance test and the time test.

**Closely related to the start of work.** The move must be closely related, both in time and in place, to the start of work at the new location. In general, you must have incurred your moving expenses within one year from the time you first report to your new job or business.

A move generally is not considered closely related *in place* to the start of work if the distance from your new home to the new job location is more than the distance from your former home to the new job location. A move that does not meet this requirement may qualify if you can show that you must live at the new home as a condition of employment, or you will spend less time or money commuting from the new home to the new job.

**Distance test.** Your new main job location must be at least 50 miles farther from your former home than your old main job location was. If you did not have an old job location, your new job location must be at least 50 miles from your former home.

**Time test.** If you are an employee, you must work full time for at least 39 weeks during the first 12 months after you arrive in the general area of your new job location.

**Deductible moving expenses.** Moving expenses that can be deducted include the reasonable costs of:

- 1) Moving household goods and personal effects (including packing, crating, in-transit storage, and insurance) of both you and members of your household, and
- 2) Transportation and lodging for yourself and members of your household for one trip from your former home to your new

home (including costs of getting passports).



*The cost of your meals is not a deductible moving expense.*

The costs of moving household goods include the reasonable expenses of moving household goods and personal effects to and from storage. For a foreign move, the costs also include expenses of storing the goods and effects for part or all of the period that your new job location abroad continues to be your main job location.

**Expenses must be reasonable.** You can deduct only those expenses that are reasonable for the circumstances of your move. For example, the costs of traveling from your former home to your new one should be by the shortest, most direct route available by conventional transportation.

**Members of your household.** A member of your household includes anyone who has both your former home and new home as his or her home. It does not include a tenant or employee unless you can claim that person as a dependent.

**Retirees.** You can deduct the costs of moving to the United States when you permanently retire if both your former main job location and former home were outside the United States and its possessions. You do not have to meet the time test described earlier.

**Survivors.** You can deduct moving expenses for a move to the United States if you are the spouse or dependent of a person whose main job location at the time of death was outside the United States and its possessions. The move must begin within 6 months after the decedent's death. It must be from the decedent's former home outside the United States, and that home must also have been your home. You do not have to meet the time test described earlier.

**How to report moving expenses.** Use **Form 3903** to report your moving expenses and figure your allowable deduction. Claim the deduction as an adjustment to income on Form 1040. (You cannot deduct moving expenses on Form 1040A or Form 1040EZ.)

**Reimbursements.** Generally, you must include reimbursements of, or payments for, non-deductible moving expenses in gross income for the year paid. You must also include in gross income reimbursements paid to you under a nonaccountable plan. However, there is an exception for the tax-free foreign areas allowances described earlier under *Allowances, Differentials, and Other Special Pay*

**Additional information.** For additional information about moving expenses, see Publication 521.

## Other Itemized Deductions

You may be able to claim other itemized deductions not connected to your employment.

**Contributions.** You can deduct contributions to qualified organizations created or organized in or under the laws of the United States or its possessions. You cannot deduct contributions



you make directly to foreign organizations (except for certain Canadian, Israeli, and Mexican charities), churches, and governments. For more information, see Publication 526, *Charitable Contributions*.

#### **Real estate tax and home mortgage interest.**

If you receive a tax-free housing allowance, your itemized deductions for real estate taxes and home mortgage interest are limited. You must reduce the amount of each deduction that would otherwise be allowable by the amount of each expense that is related to the tax-free allowance.

**Example.** Adam is an IRS employee working overseas who receives a \$6,300 tax-free housing and utility allowance. During the year, Adam used the allowance, with other funds, to provide a home for himself. His expenses for this home totaled \$8,400 and consisted of mortgage principal (\$500), insurance (\$400), real estate taxes (\$1,400), mortgage interest (\$4,000), and utility costs (\$2,100). Adam did not have any other expenses related to providing a home for himself.

Adam must reduce his deductions for home mortgage interest and real estate taxes. He figures a reasonable way to reduce them is to multiply them by a fraction: its numerator is \$6,300 (the total housing and utility allowance) and its denominator is \$8,400 (the total of all payments to which the housing and utility allowance applies). The result is  $\frac{3}{4}$ . Adam reduces his otherwise allowable home mortgage interest deduction by \$3,000 (the \$4,000 he paid  $\times \frac{3}{4}$ ) and his otherwise allowable real estate tax deduction by \$1,050 (the \$1,400 he paid  $\times \frac{3}{4}$ ). He can deduct \$1,000 of his mortgage interest (\$4,000 - \$3,000) and \$350 of his real estate taxes (\$1,400 - \$1,050) when he itemizes his deductions.

**Exception to the reduction.** If you receive a tax-free housing allowance as a member of the military or the clergy, you do not have to reduce your deductions for real estate tax and home mortgage interest expenses you are otherwise entitled to deduct.

**Required statement.** If you receive a tax-free housing allowance and have real estate tax or home mortgage interest expenses, attach a statement to your tax return. The statement must contain all of the following information.

- 1) The amount of each type of tax-free income you received, such as a tax-free housing allowance or tax-free representation allowance.
- 2) The amount of otherwise deductible expenses attributable to each type of tax-free income.
- 3) The amount attributable to each type of tax-free income that was not directly attributable to that type.
- 4) An explanation of how you determined the amounts not directly attributable to each type of tax-free income.

The statement must also indicate that none of the amounts deducted on your return are in any way attributable to tax-free income.

## Foreign Taxes

If you pay or accrue taxes to a foreign government, you generally can choose to either claim them as a credit against your U.S. income tax liability or deduct them as an itemized deduction when figuring your taxable income.



*Do not include the foreign taxes paid or accrued as withheld income taxes in the Payments section of Form 1040.*

**Foreign tax credit.** Your foreign tax credit is subject to a limit based on your taxable income from foreign sources. If you choose to figure a credit against your U.S. tax liability for the foreign taxes, you must generally complete **Form 1116** and attach it to your U.S. income tax return.

You cannot claim a credit for foreign taxes paid on amounts excluded from gross income under the foreign earned income or housing exclusions. If all your foreign income is exempt from U.S. tax, you will not be able to claim a foreign tax credit.

If the foreign taxes you paid or incurred during the year exceed the limit on your credit for the current year, you can carry back the unused foreign taxes as credits to the 2 preceding years and then carry forward any remaining unused foreign taxes to the 5 succeeding tax years.

**Exemption from limit.** You can elect to not be subject to the foreign tax limit if you meet all the following conditions.

- 1) Your only foreign income is passive income, such as interest, dividends, and royalties.
- 2) The total of all your foreign taxes is not more than \$300 (\$600 for joint tax returns).
- 3) The foreign income and taxes are reported to you on a payee statement, such as Form 1099-DIV, *Dividends and Distributions*, or 1099-INT, *Interest Income*.

If you make the election, you can claim a foreign tax credit without filing Form 1116. However, you cannot carry back or carry over any unused foreign tax to or from this year. See the instructions for the appropriate line in the *Tax and Credits* section of Form 1040.

**Foreign tax deduction.** If you choose to deduct all foreign income taxes on your U.S. income tax return, itemize the deduction on Schedule A (Form 1040). You cannot deduct foreign taxes paid on income you exclude under the foreign earned income or housing exclusions.

**Example.** Dennis and Christina are married and live and work in Country X. Dennis works for the U.S. Government and Christina is employed by a private company. They pay income tax to Country X on Christina's income only.

Dennis and Christina file a joint tax return and exclude all of Christina's income. They cannot claim a foreign tax credit or take a deduction for the taxes paid to Country X.

**Deduction for other foreign taxes.** The deduction for foreign taxes other than foreign income taxes is not related to the foreign tax credit. You can take deductions for these mis-

cellaneous foreign taxes and also claim the foreign tax credit for income taxes paid to a foreign country.

You can deduct real property taxes you pay that are imposed on you by a foreign country. You take this deduction on Schedule A (Form 1040). You cannot deduct other foreign taxes, such as personal property taxes, unless you incurred the expenses in a trade or business or in the production of income.

**More information.** The foreign tax credit and deduction, their limits, and carryback and carryover provisions are discussed in detail in Publication 514.

## How To Get Tax Help

You can get help with unresolved tax issues, order free publications and forms, ask tax questions, and get more information from the IRS in several ways. By selecting the method that is best for you, you will have quick and easy access to tax help. Access to most of these services depends on whether you are inside or outside the United States.

### Services Available Inside the United States

To find out what free services are available, get Publication 910, *Guide to Free Tax Services*. It contains a list of free tax publications and an index of tax topics. It also describes other free tax information services, including tax education and assistance programs and a list of TeleTax topics.

**Contacting your Taxpayer Advocate.** If you have attempted to deal with an IRS problem unsuccessfully, you should contact your Taxpayer Advocate.

The Taxpayer Advocate represents your interests and concerns within the IRS by protecting your rights and resolving problems that have not been fixed through normal channels. While Taxpayer Advocates cannot change the tax law or make a technical tax decision, they can clear up problems that resulted from previous contacts and ensure that your case is given a complete and impartial review.

To contact your Taxpayer Advocate:

- Call the Taxpayer Advocate at **1-877-777-4778**.
- Call the IRS at **1-800-829-1040**.
- Call, write, or fax the Taxpayer Advocate office in your area.
- Call **1-800-829-4059** if you are a TTY/TDD user.

For more information, see Publication 1546, *The Taxpayer Advocate Service of the IRS*.



**Personal computer.** With your personal computer and modem, you can access the IRS on the Internet at [www.irs.gov](http://www.irs.gov). While visiting our web site, you can select:

- *Frequently Asked Tax Questions* (located under *Taxpayer Help & Ed*) to find answers to questions you may have.
- *Forms & Pubs* to download forms and publications or search for forms and publications by topic or keyword.
- *Fill-in Forms* (located under *Forms & Pubs*) to enter information while the form is displayed and then print the completed form.
- *Tax Info For You* to view Internal Revenue Bulletins published in the last few years.
- *Tax Regs in English* to search regulations and the Internal Revenue Code (under *United States Code (USC)*).
- *Digital Dispatch and IRS Local News Net* (both located under *Tax Info For Business*) to receive our electronic newsletters on hot tax issues and news.
- *Small Business Corner* (located under *Tax Info For Business*) to get information on starting and operating a small business.

You can also reach us with your computer using File Transfer Protocol at <ftp.irs.gov>.



**TaxFax Service.** Using the phone attached to your fax machine, you can receive forms and instructions by calling **703-368-9694**. Follow the directions from the prompts. When you order forms, enter the catalog number for the form you need. The items you request will be faxed to you.



**Phone.** Many services are available by phone.

- *Ordering forms, instructions, and publications.* Call **1-800-829-3676** to order current and prior year forms, instructions, and publications.
- *Asking tax questions.* Call the IRS with your tax questions at **1-800-829-1040**.
- *TTY/TDD equipment.* If you have access to TTY/TDD equipment, call **1-800-829-4059** to ask tax questions or to order forms and publications.
- *TeleTax topics.* Call **1-800-829-4477** to listen to pre-recorded messages covering various tax topics.

**Evaluating the quality of our telephone services.** To ensure that IRS representatives give accurate, courteous, and professional answers, we evaluate the quality of our telephone services in several ways.

- A second IRS representative sometimes monitors live telephone calls. That person only evaluates the IRS assistor and does not keep a record of any taxpayer's name or tax identification number.
- We sometimes record telephone calls to evaluate IRS assistors objectively. We hold these recordings no longer than one week and use them only to measure the quality of assistance.
- We value our customers' opinions. Throughout this year, we will be surveying

our customers for their opinions on our service.



**Walk-in.** You can walk in to many post offices, libraries, and IRS offices to pick up certain forms, instructions, and publications. Also, some libraries and IRS offices have:

- An extensive collection of products available to print from a CD-ROM or photocopy from reproducible proofs.
- The Internal Revenue Code, regulations, Internal Revenue Bulletins, and Cumulative Bulletins available for research purposes.



**Mail.** You can send your order for forms, instructions, and publications to the Distribution Center nearest to you and receive a response within 10 workdays after your request is received. Find the address that applies to your part of the country.

- **Western part of U.S.:**  
Western Area Distribution Center  
Rancho Cordova, CA 95743-0001
- **Central part of U.S.:**  
Central Area Distribution Center  
P.O. Box 8903  
Bloomington, IL 61702-8903
- **Eastern part of U.S. and foreign addresses:**  
Eastern Area Distribution Center  
P.O. Box 85074  
Richmond, VA 23261-5074



**CD-ROM.** You can order IRS Publication 1796, *Federal Tax Products on CD-ROM*, and obtain:

- Current tax forms, instructions, and publications.
- Prior-year tax forms, instructions, and publications.
- Popular tax forms which may be filled in electronically, printed out for submission, and saved for recordkeeping.
- Internal Revenue Bulletins.

The CD-ROM can be purchased from National Technical Information Service (NTIS) by calling **1-877-233-6767** or on the Internet at [www.irs.gov/cdorders](http://www.irs.gov/cdorders). The first release is available in mid-December and the final release is available in late January.

IRS Publication 3207, *Small Business Resource Guide*, is an interactive CD-ROM that contains information important to small businesses. It is available in mid-February. You can get one free copy by calling **1-800-829-3676**.

## Services Available Outside the United States

During the filing period (January to mid-June), you can get the necessary federal tax forms and publications from U.S. Embassies and consulates. You can request Package 1040-7 for

Overseas Filers, which contains special forms with instructions and Publication 54.

Also during the filing season, the IRS conducts an overseas taxpayer assistance program. To find out if IRS personnel will be in your area, you should contact the consular office at the nearest U.S. Embassy.



**Phone.** You can also call your nearest U.S. Embassy, consulate, or IRS office listed below to find out when and where assistance will be available. These IRS telephone numbers include the country and city codes required if you are outside the local dialing area.

|   |                                  |
|---|----------------------------------|
| Berlin, Germany                               | (49) (30) 8305-1136<br>8305-1140 |
| London, England                               | (44) (20) 7408-8077              |
| Mexico City, Mexico<br>(Until September 2003) | (52) (55) 5080-2000<br>Ext. 2191 |
| Paris, France                                 | (33) (1) 4312-2555               |
| Rome, Italy                                   | (39) (06) 4674-2560              |
| Tokyo, Japan                                  | (81) (3) 3224-5466               |

Overseas taxpayers can also call the IRS Philadelphia Service Center for help at **01-215-516-2000** from 6 a.m. to 2 a.m. Eastern Standard Time.

If you are hearing impaired, you can generally dial the IRS TTY 800 toll free numbers from overseas by using the U.S. country code and the 10 digit number. The U.S. country code for most countries is 001. This code may not work in all foreign countries.

If you are in Guam, the Bahamas, U.S. Virgin Islands, or Puerto Rico, you can call the IRS at **1-800-829-1040**.



**Mail.** For answers to technical or account questions, you can write to:

Internal Revenue Service  
International Returns Section  
P.O. Box 920  
Bensalem, PA 19020-8518.



**Personal computer.** With your personal computer and modem, you can access the IRS on the Internet at [www.irs.gov](http://www.irs.gov). For more information on the website, see *Personal computer* under *Services Available Inside the United States*, earlier.

**Contacting your Taxpayer Advocate.** If you have attempted to deal with an IRS problem unsuccessfully, you should contact your Taxpayer Advocate.

The Taxpayer Advocate represents your interests and concerns within the IRS by protecting your rights and resolving problems that have not been fixed through normal channels. While Taxpayer Advocates cannot change the tax law or make a technical tax decision, they can clear up problems that resulted from previous contacts and ensure that your case is given a complete and impartial review.



**Mail.** Persons living outside the United States may contact the Taxpayer Advocate at:

Internal Revenue Service  
Taxpayer Advocate  
P.O. Box 193479  
San Juan, PR 00919.





**Phone.** You can call the Taxpayer Advocate at **877-777-4778**. When outside the United States, call the Taxpayer Advocate at **01-787-622-8930**, or call **787-622-8940** if you need to speak to someone in Spanish. You can also contact one of the IRS offices located abroad, listed earlier.



**Fax.** You can fax the Taxpayer Advocate at **787-622-8933**.



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## Tax Publications for Individual Taxpayers

See *How To Get Tax Help* for a variety of ways to get publications, including by computer, phone, and mail.

### General Guides

- 1 Your Rights as a Taxpayer
- 17 Your Federal Income Tax (For Individuals)
- 334 Tax Guide for Small Business (For Individuals Who Use Schedule C or C-EZ)
- 509 Tax Calendars for 2004
- 553 Highlights of 2003 Tax Changes
- 910 Guide to Free Tax Services

### Specialized Publications

- 3 Armed Forces' Tax Guide
- 54 Tax Guide for U.S. Citizens and Residents Aliens Abroad
- 225 Farmer's Tax Guide
- 378 Fuel Tax Credits and Refunds
- 463 Travel, Entertainment, Gift, and Car Expenses
- 501 Exemptions, Standard Deduction, and Filing Information
- 502 Medical and Dental Expenses (Including the Health Insurance Credit)
- 503 Child and Dependent Care Expenses
- 504 Divorced or Separated Individuals
- 505 Tax Withholding and Estimated Tax
- 514 Foreign Tax Credit for Individuals
- 516 U.S. Government Civilian Employees Stationed Abroad
- 517 Social Security and Other Information for Members of the Clergy and Religious Workers
- 519 U.S. Tax Guide for Aliens
- 521 Moving Expenses
- 523 Selling Your Home
- 524 Credit for the Elderly or the Disabled
- 525 Taxable and Nontaxable Income
- 526 Charitable Contributions
- 527 Residential Rental Property
- 529 Miscellaneous Deductions
- 530 Tax Information for First-Time Homeowners
- 531 Reporting Tip Income

- 533 Self-Employment Tax
- 536 Net Operating Losses (NOLs) for Individuals, Estates, and Trusts
- 537 Installment Sales
- 541 Partnerships
- 544 Sales and Other Dispositions of Assets
- 547 Casualties, Disasters, and Thefts
- 550 Investment Income and Expenses
- 551 Basis of Assets
- 552 Recordkeeping for Individuals
- 554 Older Americans' Tax Guide
- 555 Community Property
- 556 Examination of Returns, Appeal Rights, and Claims for Refund
- 559 Survivors, Executors, and Administrators
- 561 Determining the Value of Donated Property
- 564 Mutual Fund Distributions
- 570 Tax Guide for Individuals With Income From U.S. Possessions
- 571 Tax-Sheltered Annuity Plans (403(b) Plans)
- 575 Pension and Annuity Income
- 584 Casualty, Disaster, and Theft Loss Workbook (Personal-Use Property)
- 587 Business Use of Your Home (Including Use by Day-Care Providers)
- 590 Individual Retirement Arrangements (IRAs)
- 593 Tax Highlights for U.S. Citizens and Residents Going Abroad
- 594 What You Should Know About the IRS Collection Process
- 595 Tax Highlights for Commercial Fishermen
- 596 Earned Income Credit (EIC)
- 721 Tax Guide to U.S. Civil Service Retirement Benefits
- 901 U.S. Tax Treaties
- 907 Tax Highlights for Persons with Disabilities

- 908 Bankruptcy Tax Guide
- 911 Direct Sellers
- 915 Social Security and Equivalent Railroad Retirement Benefits
- 919 How Do I Adjust My Tax Withholding?
- 925 Passive Activity and At-Risk Rules
- 926 Household Employer's Tax Guide
- 929 Tax Rules for Children and Dependents
- 936 Home Mortgage Interest Deduction
- 946 How To Depreciate Property
- 947 Practice Before the IRS and Power of Attorney
- 950 Introduction to Estate and Gift Taxes
- 967 The IRS Will Figure Your Tax
- 968 Tax Benefits for Adoption
- 969 Medical Savings Accounts (MSAs)
- 970 Tax Benefits for Education
- 971 Innocent Spouse Relief
- 972 Child Tax Credit (For Individuals Sent Here From the Instructions for Forms 1040, 1040A, and 8812)
- 1542 Per Diem Rates
- 1544 Reporting Cash Payments of Over \$10,000 (Received in a Trade or Business)
- 1546 The Taxpayer Advocate Service of the IRS

### Spanish Language Publications

- 1SP Derechos del Contribuyente
- 579SP Cómo Preparar la Declaración de Impuesto Federal
- 594SP Comprendiendo el Proceso de Cobro
- 596SP Crédito por Ingreso del Trabajo
- 850 English-Spanish Glossary of Words and Phrases Used in Publications Issued by the Internal Revenue Service
- 1544SP Informe de Pagos en Efectivo en Exceso de \$10,000 (Recibidos en una Ocupación o Negocio)

## Commonly Used Tax Forms

See *How To Get Tax Help* for a variety of ways to get forms, including by computer, fax, phone, and mail. For fax orders only, use the catalog number when ordering.

| Form Number and Title   | Catalog Number | Form Number and Title  | Catalog Number |
|---|----------------|--|----------------|
| 1040 U.S. Individual Income Tax Return                                  | 11320          | 2106 Employee Business Expenses  | 11700          |
| Sch A&B Itemized Deductions & Interest and Ordinary Dividends           | 11330          | 2106-EZ Unreimbursed Employee Business Expenses  | 20604          |
| Sch C Profit or Loss From Business                                      | 11334          | 2210 Underpayment of Estimated Tax by Individuals, Estates, and Trusts                     | 11744          |
| Sch C-EZ Net Profit From Business                                       | 14374          | 2441 Child and Dependent Care Expenses   | 11862          |
| Sch D Capital Gains and Losses  | 11338          | 2848 Power of Attorney and Declaration of Representative                                   | 11980          |
| Sch D-1 Continuation Sheet for Schedule D                               | 10424          | 3903 Moving Expenses   | 12490          |
| Sch E Supplemental Income and Loss                                      | 11344          | 4562 Depreciation and Amortization   | 12906          |
| Sch EIC Earned Income Credit  | 13339          | 4868 Application for Automatic Extension of Time To File U.S. Individual Income Tax Return | 13141          |
| Sch F Profit or Loss From Farming                                       | 11346          | 4952 Investment Interest Expense Deduction   | 13177          |
| Sch H Household Employment Taxes  | 12187          | 5329 Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts   | 13329          |
| Sch J Farm Income Averaging   | 25513          | 6251 Alternative Minimum Tax—Individuals   | 13600          |
| Sch R Credit for the Elderly or the Disabled                            | 11359          | 8283 Noncash Charitable Contributions  | 62299          |
| Sch SE Self-Employment Tax  | 11358          | 8582 Passive Activity Loss Limitations   | 63704          |
| 1040A U.S. Individual Income Tax Return                                 | 11327          | 8606 Nondeductible IRAs  | 63966          |
| Sch 1 Interest and Ordinary Dividends for Form 1040A Filers             | 12075          | 8812 Additional Child Tax Credit   | 10644          |
| Sch 2 Child and Dependent Care Expenses for Form 1040A Filers           | 10749          | 8822 Change of Address   | 12081          |
| Sch 3 Credit for the Elderly or the Disabled for Form 1040A Filers      | 12064          | 8829 Expenses for Business Use of Your Home  | 13232          |
| 1040EZ Income Tax Return for Single and Joint Filers With No Dependents | 11329          | 8863 Education Credits   | 25379          |
| 1040-ES Estimated Tax for Individuals                                   | 11340          | 9465 Installment Agreement Request   | 14842          |
| 1040X Amended U.S. Individual Income Tax Return                         | 11360          |  |                |



## Tax Publications for Business Taxpayers

See *How To Get Tax Help* for a variety of ways to get publications, including by computer, phone, and mail.

### General Guides

- 1** Your Rights as a Taxpayer
- 17** Your Federal Income Tax (For Individuals)
- 334** Tax Guide for Small Business (For Individuals Who Use Schedule C or C-EZ)
- 509** Tax Calendars for 2003
- 553** Highlights of 2002 Tax Changes
- 910** Guide to Free Tax Services

### Employer's Guides

- 15** Circular E, Employer's Tax Guide
- 15-A** Employer's Supplemental Tax Guide
- 15-B** Employer's Tax Guide to Fringe Benefits
- 51** Circular A, Agricultural Employer's Tax Guide
- 80** Circular SS, Federal Tax Guide For Employers in the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands
- 179** Circular PR Guía Contributiva Federal Para Patronos Puertorriqueños
- 926** Household Employer's Tax Guide

### Specialized Publications

- 225** Farmer's Tax Guide
- 378** Fuel Tax Credits and Refunds
- 463** Travel, Entertainment, Gift, and Car Expenses

- 505** Tax Withholding and Estimated Tax
- 510** Excise Taxes for 2003
- 515** Withholding of Tax on Nonresident Aliens and Foreign Entities
- 517** Social Security and Other Information for Members of the Clergy and Religious Workers
- 527** Residential Rental Property
- 533** Self-Employment Tax
- 534** Depreciating Property Placed in Service Before 1987
- 535** Business Expenses
- 536** Net Operating Losses (NOLs) for Individuals, Estates, and Trusts
- 537** Installment Sales
- 538** Accounting Periods and Methods
- 541** Partnerships
- 542** Corporations
- 544** Sales and Other Dispositions of Assets
- 551** Basis of Assets
- 556** Examination of Returns, Appeal Rights, and Claims for Refund
- 560** Retirement Plans for Small Business (SEP, SIMPLE, and Qualified Plans)
- 561** Determining the Value of Donated Property
- 583** Starting a Business and Keeping Records
- 587** Business Use of Your Home (Including Use by Day-Care Providers)
- 594** The IRS Collection Process
- 595** Tax Highlights for Commercial Fishermen

- 597** Information on the United States-Canada Income Tax Treaty
- 598** Tax on Unrelated Business Income of Exempt Organizations
- 686** Certification for Reduced Tax Rates in Tax Treaty Countries
- 901** U.S. Tax Treaties
- 908** Bankruptcy Tax Guide
- 911** Direct Sellers
- 925** Passive Activity and At-Risk Rules
- 946** How To Depreciate Property
- 947** Practice Before the IRS and Power of Attorney
- 954** Tax Incentives for Empowerment Zones and Other Distressed Communities
- 1544** Reporting Cash Payments of Over \$10,000
- 1546** The Taxpayer Advocate Service of the IRS

### Spanish Language Publications

- 1SP** Derechos del Contribuyente
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| Form Number and Title   | Catalog Number | Form Number and Title  | Catalog Number |
|---|----------------|--|----------------|
| <b>W-2</b> Wage and Tax Statement   | 10134          | <b>1120S</b> U.S. Income Tax Return for an S Corporation   | 11510          |
| <b>W-4</b> Employee's Withholding Allowance Certificate*                    | 10220          | <b>Sch D</b> Capital Gains and Losses and Built-In Gains   | 11516          |
| <b>940</b> Employer's Annual Federal Unemployment (FUTA) Tax Return*        | 11234          | <b>Sch K-1</b> Shareholder's Share of Income, Credits, Deductions, etc.                            | 11520          |
| <b>940-EZ</b> Employer's Annual Federal Unemployment (FUTA) Tax Return*     | 10983          | <b>2106</b> Employee Business Expenses*  | 11700          |
| <b>941</b> Employer's Quarterly Federal Tax Return                          | 17001          | <b>2106-EZ</b> Unreimbursed Employee Business Expenses*  | 20604          |
| <b>1040</b> U.S. Individual Income Tax Return*                              | 11320          | <b>2210</b> Underpayment of Estimated Tax by Individuals, Estates, and Trusts*                     | 11744          |
| <b>Sch A &amp; B</b> Itemized Deductions & Interest and Ordinary Dividends* | 11330          | <b>2441</b> Child and Dependent Care Expenses*   | 11862          |
| <b>Sch C</b> Profit or Loss From Business*                                  | 11334          | <b>2848</b> Power of Attorney and Declaration of Representative*                                   | 11980          |
| <b>Sch C-EZ</b> Net Profit From Business*                                   | 14374          | <b>3800</b> General Business Credit  | 12392          |
| <b>Sch D</b> Capital Gains and Losses*                                      | 11338          | <b>3903</b> Moving Expenses*   | 12490          |
| <b>Sch D-1</b> Continuation Sheet for Schedule D                            | 10424          | <b>4562</b> Depreciation and Amortization*   | 12906          |
| <b>Sch E</b> Supplemental Income and Loss*                                  | 11344          | <b>4797</b> Sales of Business Property*  | 13086          |
| <b>Sch F</b> Profit or Loss From Farming*                                   | 11346          | <b>4868</b> Application for Automatic Extension of Time To File U.S. Individual Income Tax Return* | 13141          |
| <b>Sch H</b> Household Employment Taxes*                                    | 12187          | <b>5329</b> Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts    | 13329          |
| <b>Sch J</b> Farm Income Averaging*   | 25513          | <b>6252</b> Installment Sale Income*   | 13601          |
| <b>Sch R</b> Credit for the Elderly or the Disabled*                        | 11359          | <b>8283</b> Noncash Charitable Contributions*  | 62299          |
| <b>Sch SE</b> Self-Employment Tax*  | 11358          | <b>8300</b> Report of Cash Payments Over \$10,000 Received in a Trade or Business*                 | 62133          |
| <b>1040-ES</b> Estimated Tax for Individuals*                               | 11340          | <b>8582</b> Passive Activity Loss Limitations*   | 63704          |
| <b>1040X</b> Amended U.S. Individual Income Tax Return*                     | 11360          | <b>8606</b> Nondeductible IRAs*  | 63966          |
| <b>1065</b> U.S. Return of Partnership Income                               | 11390          | <b>8822</b> Change of Address*   | 12081          |
| <b>Sch D</b> Capital Gains and Losses                                       | 11393          | <b>8829</b> Expenses for Business Use of Your Home*  | 13232          |
| <b>Sch K-1</b> Partner's Share of Income, Credits, Deductions, etc.         | 11394          |  |                |
| <b>1120</b> U.S. Corporation Income Tax Return                              | 11450          |  |                |
| <b>1120-A</b> U.S. Corporation Short-Form Income Tax Return                 | 11456          |  |                |