

For the year Jan. 1-Dec. 31, 2008, or other tax year beginning _____, 2008, ending _____, 20

OMB No. 1545-0074

Label (See instructions on page 14.)

Use the IRS label. Otherwise, please print or type.

Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 14) You Spouse

Filing Status Check only one box.

1 Single

2 Married filing jointly (even if only one had income)

3 Married filing separately. Enter spouse's SSN above and full name here.

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

5 Qualifying widow(er) with dependent child (see page 16)

Exemptions

6a Yourself. If someone can claim you as a dependent, do not check box 6a

b Spouse

c Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) Check if qualifying child for child tax credit (see pg 17)
JOSHUA	JEROME	400-00-7009	SON	<input checked="" type="checkbox"/>
MARY	JEROME	400-00-7010	DAUGHTER	<input checked="" type="checkbox"/>

d Total number of exemptions claimed **4**

Home address (number and street). If you have a P.O. box, see page 14. Apt. no.

234 BRIGHT DAWN LANE

City, town or post office, state, and ZIP code. If you have a foreign address, see page 14.

AMITY AR 71921

Your social security number **400-00-1810**

Spouse's social security number **400-00-7008**

You must enter your SSN(s) above.

Checking a box below will not change your tax or refund.

7	Wages, salaries, tips, etc. Attach Form 1040-SS	7	80,000
8a	Taxable interest. Attach Schedule B if required	8a	
b	Tax-exempt interest. Do not include on line 8a	8b	
9a	Ordinary dividends. Attach Schedule B if required	9a	
b	Qualified dividends (see page 21)	9b	
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 22)	10	
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	4,529
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here	13	
14	Other gains or (losses). Attach Form 4797	14	
15a	IRA distributions	15a	
b	Taxable amount (see page 23)	15b	
16a	Pensions and annuities	16a	
b	Taxable amount (see page 24)	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
18	Farm income or (loss). Attach Schedule F	18	
19	Unemployment compensation	19	
20a	Social security benefits	20a	
b	Taxable amount (see page 26)	20b	
21	Other income.	21	
22	Add the amounts in the far right column for lines 7 through 21. This is your total income	22	84,529

23	Educator expenses (see page 28)	23	
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
25	Health savings account deduction. Attach Form 8889	25	
26	Moving expenses. Attach Form 3903	26	
27	One-half of self-employment tax. Attach Schedule SE	27	2,982
28	Self-employed SEP, SIMPLE, and qualified plans	28	
29	Self-employed health insurance deduction (see page 29)	29	
30	Penalty on early withdrawal of savings	30	
31a	Alimony paid b Recipient's SSN	31a	
32	IRA deduction (see page 30)	32	
33	Student loan interest deduction (see page 33)	33	
34	Tuition and fees deduction. Attach Form 8917	34	
35	Domestic production activities deduction. Attach Form 8903	35	
36	Add lines 23 through 31a and 32 through 35	36	2,982
37	Subtract line 36 from line 22. This is your adjusted gross income	37	81,547

SCHEDULES A&B
(Form 1040)

Schedule A - Itemized Deductions

OMB No. 1545-0074

2008

Attachment
Sequence No. **07**

Department of the Treasury
Internal Revenue Service (99)

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

Name(s) shown on Form 1040

Your social security number

AL & SHERRY JEROME

400-00-1810

Caution. Do not include expenses reimbursed or paid by others.					
Medical and Dental Expenses	1	Medical and dental expenses (see page A-1)	1	8,584	
	2	Enter amount from Form 1040, line 38 2 81,547			
	3	Multiply line 2 by 7.5% (.075)	3	6,116	
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4		2,468
Taxes You Paid					
5 State and local (check only one box):					
	a	<input checked="" type="checkbox"/> Income taxes, or	5	5,800	
	b	<input type="checkbox"/> General sales taxes }			
	6	Real estate taxes (see page A-5)	6		
	7	Personal property taxes	7		
	8	Other taxes. List type and amount ▶	8		
	9	Add lines 5 through 8	9		5,800
Interest You Paid					
	10	Home mortgage interest and points reported to you on Form 1098	10	7,300	
	11	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-6 and show that person's name, identifying no., and address ▶	11		
	12	Points not reported to you on Form 1098. See page A-6 for special rules	12		
	13	Qualified mortgage insurance premiums (see page A-6)	13		
	14	Investment interest. Attach Form 4952 if required. (See page A-6.)	14		
	15	Add lines 10 through 14	15		7,300
Gifts to Charity					
	16	Gifts by cash or check. If you made any gift of \$250 or more, see page A-7	16	4,902	
	17	Other than by cash or check. If any gift of \$250 or more, see page A-8. You must attach Form 8283 if over \$500	17		
	18	Carryover from prior year	18		
	19	Add lines 16 through 18	19		4,902
Casualty and Theft Losses					
	20	Casualty or theft loss(es). Attach Form 4684. (See page A-8.)	20		
Job Expenses and Certain Miscellaneous Deductions					
	21	Unreimbursed employee expenses - job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-9.) ▶	21	8,060	
		FORM 2106-EZ 8,060			
	22	Tax preparation fees	22	150	
	23	Other expenses - investment, safe deposit box, etc. List type and amount ▶	23		
	24	Add lines 21 through 23	24	8,210	
	25	Enter amount from Form 1040, line 38 25 81,547			
	26	Multiply line 25 by 2% (.02)	26	1,631	
	27	Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-	27		6,579
Other Miscellaneous Deductions					
	28	Other - from list on page A-10. List type and amount ▶	28		
Total Itemized Deductions					
	29	Is Form 1040, line 38, over \$159,950 (over \$79,975 if married filing separately)?			
		<input checked="" type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40. }	29		27,049
		<input type="checkbox"/> Yes. Your deduction may be limited. See page A-10 for the amount to enter. }			
	30	If you elect to itemize deductions even though they are less than your standard deduction, check here			

**SCHEDULE C
(Form 1040)**

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

OMB No. 1545-0074

2008

Department of the Treasury
Internal Revenue Service (99)

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

Attachment
Sequence No. **09**

Name of proprietor AL JEROME		Social security number (SSN) 400-00-1810
A Principal business or profession, including product or service (see page C-3 of the instructions) MINISTER		B Enter code from pages C-9, 10, & 11 813000
C Business name. If no separate business name, leave blank. AL JEROME		D Employer ID number (EIN), if any
E Business address (including suite or room no.) ▶ 234 BRIGHT DAWN LANE City, town or post office, state, and ZIP code AMITY AR 71921		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶		
G Did you "materially participate" in the operation of this business during 2008? If "No," see page C-4 for limit on losses . . . <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
H If you started or acquired this business during 2008, check here ▶ <input type="checkbox"/>		

Part I Income

1 Gross receipts or sales. Caution. See page C-4 and check the box if: <ul style="list-style-type: none"> ● This income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, or ● You are a member of a qualified joint venture reporting only rental real estate income not subject to self-employment tax. Also see page C-4 for limit on losses. 	▶ <input type="checkbox"/>	1	5,000
2 Returns and allowances		2	
3 Subtract line 2 from line 1		3	5,000
4 Cost of goods sold (from line 42 on page 2)		4	
5 Gross profit. Subtract line 4 from line 3		5	5,000
6 Other income, including federal and state gasoline or fuel tax credit or refund (see page C-4)		6	
7 Gross income. Add lines 5 and 6		7	5,000

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

8 Advertising	8	18 Office expense	18	450
9 Car and truck expenses (see page C-5)	9	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10	20 Rent or lease (see page C-6):		
11 Contract labor (see page C-5)	11	a Vehicles, machinery, and equipment	20a	
12 Depletion	12	b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see page C-5)	13	21 Repairs and maintenance	21	
14 Employee benefit programs (other than on line 19)	14	22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15	23 Taxes and licenses	23	
16 Interest:		24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc.)	16a	a Travel	24a	
b Other	16b	b Deductible meals and entertainment (see page C-7)	24b	
17 Legal and professional services	17	25 Utilities	25	
		26 Wages (less employment credits)	26	
		27 Other expenses (from line 48 on page 2)	27	162

28 Total expenses before expenses for business use of home. Add lines 8 through 27	28	612
29 Tentative profit or (loss). Subtract line 28 from line 7	29	4,388
30 Expenses for business use of your home. Attach Form 8829	30	
31 Net profit or (loss). Subtract line 30 from line 29. <ul style="list-style-type: none"> ● If a profit, enter on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (if you checked the box on line 1, see page C-7). Estates and trusts, enter on Form 1041, line 3. ● If a loss, you must go to line 32. 	31	4,529

SEE CLERGY ATTACHMENT

32 If you have a loss, check the box that describes your investment in this activity (see page C-8). <ul style="list-style-type: none"> ● If you checked 32a, enter the loss on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (if you checked the box on line 1, see the line 31 instructions on page C-7). Estates and trusts, enter on Form 1041, line 3. ● If you checked 32b, you must attach Form 6198. Your loss may be limited. 	32a <input type="checkbox"/>	32b <input type="checkbox"/>	All investment is at risk. Some investment is not at risk.
--	------------------------------	------------------------------	---

Name(s) AL JEROME

SSN 400-00-1810

Part III Cost of Goods Sold (see page C-8)

Table with 2 columns: Description (lines 33-41) and Amount (lines 35-41). Line 42 is the total cost of goods sold.

Part IV Information on Your Vehicle. Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business.

Form with questions 43-47 regarding vehicle use, including questions about service dates, miles driven, and availability for personal use.

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

Table listing other expenses: MARRIAGE BOOKS (94), BAPTISMAL CERTIFICATES (68), and a total of 162 on line 48.

48 Total other expenses. Enter here and on page 1, line 27 162

SCHEDULE SE
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Self-Employment Tax

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

OMB No. 1545-0074

2008

Attachment
Sequence No. **17**

Name of person with **self-employment** income (as shown on Form 1040)

AL JEROME

Social security number of person
with **self-employment** income ▶

400-00-1810

Who Must File Schedule SE

You must file Schedule SE if:

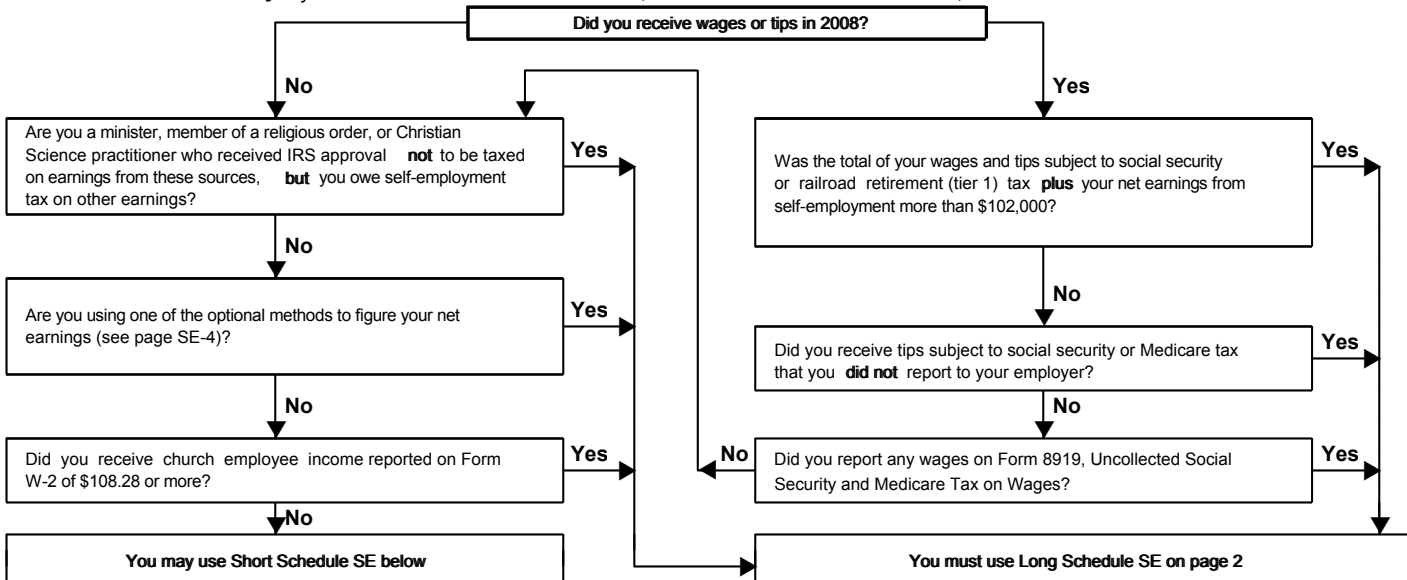
- You had net earnings from self-employment from **other than** church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more, **or**
- You had church employee income of \$108.28 or more. Income from services you performed as a minister or a member of a religious order **is not** church employee income (see page SE-1).

Note: Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either "optional method" in Part II of Long Schedule SE (see page SE-4).

Exception. If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner **and** you filed Form 4361 and received IRS approval not to be taxed on those earnings, **do not** file Schedule SE. Instead, write "Exempt-Form 4361" on Form 1040, line 57.

May I Use Short Schedule SE or Must I Use Long Schedule SE?

Note. Use this flowchart **only if** you must file Schedule SE. If unsure, see Who Must File Schedule SE, above.



Section A - Short Schedule SE. Caution. Read above to see if you can use Short Schedule SE.

1a Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A	1a	
b If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included on Schedule F, line 6b, or listed on Schedule K-1 (Form 1065), box 20, code X	1b ()
2 Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. Ministers and members of religious orders, see page SE-1 for types of income to report on this line. See page SE-3 for other income to report	2	42,209
3 Combine lines 1a, 1b, and 2	3	42,209
4 Net earnings from self-employment. Multiply line 3 by 92.35% (.9235). If less than \$400, do not file this schedule; you do not owe self-employment tax ▶	4	38,980
5 Self-employment tax. If the amount on line 4 is: ● \$102,000 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 57. ● More than \$102,000, multiply line 4 by 2.9% (.029). Then, add \$12,648 to the result. Enter the total here and on Form 1040, line 57	5	5,964
6 Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.5). Enter the result here and on Form 1040, line 27	6	2,982

Child and Dependent Care Expenses

OMB No. 1545-0074

Form **2441**

▶ Attach to Form 1040 or Form 1040NR.

2008

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.

Attachment
Sequence No. **21**

Name(s) shown on return

Your social security number

AL & SHERRY JEROME

400-00-1810

Part I **Persons or Organizations Who Provided the Care** - You must complete this part.

(If you have more than two care providers, see the instructions.)

1 (a) Care provider's name	(b) Address (number, street, apt. no., city, state, and ZIP code)	(c) Identifying number (SSN or EIN)	(d) Amount paid (see instructions)
ADVENTURE HOUSE	444 EVENING SUNSET AVE AMITY, AR 71921	88-4444444	5,000

Did you receive dependent care benefits?

No → Complete only Part II below.
 Yes → Complete Part III on page 2 next.

Caution. If the care was provided in your home, you may owe employment taxes. See the instructions for Form 1040, line 60, or Form 1040NR, line 56.

Part II **Credit for Child and Dependent Care Expenses**

2 Information about your **qualifying person(s)**. If you have more than two qualifying persons, see the instructions.

(a) Qualifying person's name		(b) Qualifying person's social security number	(c) Qualified expenses you incurred and paid in 2008 for the person listed in column (a)
First	Last		
JOSHUA	JEROME	400-00-7009	2,500
MARY	JEROME	400-00-7010	2,500

3 Add the amounts in column (c) of line 2. Do not enter more than \$3,000 for one qualifying person or \$6,000 for two or more persons. If you completed Part III, enter the amount from line 35	3	5,000																																																												
4 Enter your earned income . See instructions	4	40,227																																																												
5 If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions); all others , enter the amount from line 4	5	44,000																																																												
6 Enter the smallest of line 3, 4, or 5	6	5,000																																																												
7 Enter the amount from Form 1040, line 38, or Form 1040NR, line 36	7	81,547																																																												
8 Enter on line 8 the decimal amount shown below that applies to the amount on line 7																																																														
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3">If line 7 is:</th> <th colspan="3">If line 7 is:</th> </tr> <tr> <th style="border-bottom: 1px solid black;">Over</th> <th style="border-bottom: 1px solid black;">But not over</th> <th style="border-bottom: 1px solid black;">Decimal amount is</th> <th style="border-bottom: 1px solid black;">Over</th> <th style="border-bottom: 1px solid black;">But not over</th> <th style="border-bottom: 1px solid black;">Decimal amount is</th> </tr> </thead> <tbody> <tr> <td>\$0 - 15,000</td> <td></td> <td style="text-align: center;">.35</td> <td>\$29,000 - 31,000</td> <td></td> <td style="text-align: center;">.27</td> </tr> <tr> <td>15,000 - 17,000</td> <td></td> <td style="text-align: center;">.34</td> <td>31,000 - 33,000</td> <td></td> <td style="text-align: center;">.26</td> </tr> <tr> <td>17,000 - 19,000</td> <td></td> <td style="text-align: center;">.33</td> <td>33,000 - 35,000</td> <td></td> <td style="text-align: center;">.25</td> </tr> <tr> <td>19,000 - 21,000</td> <td></td> <td style="text-align: center;">.32</td> <td>35,000 - 37,000</td> <td></td> <td style="text-align: center;">.24</td> </tr> <tr> <td>21,000 - 23,000</td> <td></td> <td style="text-align: center;">.31</td> <td>37,000 - 39,000</td> <td></td> <td style="text-align: center;">.23</td> </tr> <tr> <td>23,000 - 25,000</td> <td></td> <td style="text-align: center;">.30</td> <td>39,000 - 41,000</td> <td></td> <td style="text-align: center;">.22</td> </tr> <tr> <td>25,000 - 27,000</td> <td></td> <td style="text-align: center;">.29</td> <td>41,000 - 43,000</td> <td></td> <td style="text-align: center;">.21</td> </tr> <tr> <td>27,000 - 29,000</td> <td></td> <td style="text-align: center;">.28</td> <td>43,000 - No limit</td> <td></td> <td style="text-align: center;">.20</td> </tr> </tbody> </table>	If line 7 is:			If line 7 is:			Over	But not over	Decimal amount is	Over	But not over	Decimal amount is	\$0 - 15,000		.35	\$29,000 - 31,000		.27	15,000 - 17,000		.34	31,000 - 33,000		.26	17,000 - 19,000		.33	33,000 - 35,000		.25	19,000 - 21,000		.32	35,000 - 37,000		.24	21,000 - 23,000		.31	37,000 - 39,000		.23	23,000 - 25,000		.30	39,000 - 41,000		.22	25,000 - 27,000		.29	41,000 - 43,000		.21	27,000 - 29,000		.28	43,000 - No limit		.20	8	x . 20
If line 7 is:			If line 7 is:																																																											
Over	But not over	Decimal amount is	Over	But not over	Decimal amount is																																																									
\$0 - 15,000		.35	\$29,000 - 31,000		.27																																																									
15,000 - 17,000		.34	31,000 - 33,000		.26																																																									
17,000 - 19,000		.33	33,000 - 35,000		.25																																																									
19,000 - 21,000		.32	35,000 - 37,000		.24																																																									
21,000 - 23,000		.31	37,000 - 39,000		.23																																																									
23,000 - 25,000		.30	39,000 - 41,000		.22																																																									
25,000 - 27,000		.29	41,000 - 43,000		.21																																																									
27,000 - 29,000		.28	43,000 - No limit		.20																																																									
9 Multiply line 6 by the decimal amount on line 8. If you paid 2007 expenses in 2008, see the instructions	9	1,000																																																												
10 Enter the amount from Form 1040, line 46, or Form 1040NR, line 43	10	5,269																																																												
11 Enter the amount from Form 1040, line 47, or Form 1040NR, line 44	11																																																													
12 Subtract line 11 from line 10. If zero or less, stop . You cannot take the credit	12	5,269																																																												
13 Credit for child and dependent care expenses. Enter the smaller of line 9 or line 12 here and on Form 1040, line 48, or Form 1040NR, line 45	13	1,000																																																												

For Paperwork Reduction Act Notice, see page 4 of the instructions.

EEA

Form **2441** (2008)

Alternative Minimum Tax - Individuals

2008

Department of the Treasury Internal Revenue Service (99)

See separate instructions. Attach to Form 1040 or Form 1040NR.

Attachment Sequence No. 32

Name(s) shown on Form 1040 or Form 1040NR

Your social security number 400-00-1810

AL & SHERRY JEROME

Part I Alternative Minimum Taxable Income (See instructions for how to complete each line.)

Table with 29 rows for Alternative Minimum Taxable Income. Columns include line number, description, and amount. Total amount for line 29 is 68,916.

Part II Alternative Minimum Tax (AMT)

Table with 11 rows for Alternative Minimum Tax (AMT). Includes exemption table for line 30, calculation for line 31, and final AMT calculation for line 36. Total amount for line 36 is 0.

Unreimbursed Employee Business Expenses

2008
Attachment
Sequence No. **129A**

Department of the Treasury
Internal Revenue Service (99)

▶ **Attach to Form 1040 or Form 1040NR.**

Your name AT. JEROME	Occupation in which you incurred expenses MINISTER	Social security number 400-00-1810
--------------------------------	--	--

You May Use This Form Only if All of the Following Apply.

- You are an employee deducting ordinary and necessary expenses attributable to your job. An ordinary expense is one that is common and accepted in your field of trade, business, or profession. A necessary expense is one that is helpful and appropriate for your business. An expense does not have to be required to be considered necessary.
- You **do not** get reimbursed by your employer for any expenses (amounts your employer included in box 1 of your Form W-2 are not considered reimbursements for this purpose).
- If you are claiming vehicle expense, you are using the standard mileage rate for 2008.

Caution: You can use the standard mileage rate for 2008 **only if:** (a) you owned the vehicle and used the standard mileage rate for the first year you placed the vehicle in service, or (b) you leased the vehicle and used the standard mileage rate for the portion of the lease period after 1997.

Part I Figure Your Expenses

1 Vehicle expense using the standard mileage rate. Complete Part II and then go to line 1a below.			
a Multiply business miles driven before July 1, 2008, by 50.5 cents (.505)	1a	3,434	
b Multiply business miles driven after June 30, 2008, by 58.5 cents (.585)	1b	5,382	
c Add lines 1a and 1b	1c		8,816
2 Parking fees, tolls, and transportation, including train, bus, etc., that did not involve overnight travel or commuting to and from work	2		
3 Travel expense while away from home overnight, including lodging, airplane, car rental, etc. Do not include meals and entertainment	3		1,450
4 Business expenses not included on lines 1c through 3. Do not include meals and entertainment	4		
5 Meals and entertainment expenses: \$ <u>425</u> x 50% (.50). (Employees subject to Department of Transportation (DOT) hours of service limits: Multiply meal expenses incurred while away from home on business by 80% (.80) instead of 50%. For details, see instructions.)	5		213
6 Total expenses. Add lines 1c through 5. Enter here and on Schedule A (Form 1040), line 21 (or on Schedule A (Form 1040NR), line 9). (Armed Forces reservists, fee-basis state or local government officials, qualified performing artists, and individuals with disabilities: See the instructions for special rules on where to enter this amount.)	6	SEE CLERGY ATTACHMENT	8,060

Part II Information on Your Vehicle. Complete this part **only** if you are claiming vehicle expense on line 1.

- 7 When did you place your vehicle in service for business use? (year, month, day) ▶ 2003-03-01
- 8 Of the total number of miles you drove your vehicle during 2008, enter the number of miles you used your vehicle for:
- a Business 16,000 b Commuting (see instructions) _____ c Other 8,000
- 9 Was your vehicle available for personal use during off-duty hours? **Yes** **No**
- 10 Do you (or your spouse) have another vehicle available for personal use? **Yes** **No**
- 11a Do you have evidence to support your deduction? **Yes** **No**
- b If "Yes," is the evidence written? **Yes** **No**

Worksheets 1 and 2

2008

(Keep for your records)

Name(s) as shown on return

Your social security number

AL JEROME

400-00-1810

Worksheet 1. Figuring the Percentage of Tax-Free Income

Note. For each line, enter the appropriate amount in all boxes that are not shaded.

	Source of Income		(a) Taxable	(b) Tax-free	(c) Total
1	W-2 salary as a minister (from box 1 of Form W-2)	1	35,000		35,000
2	Gross income from weddings, baptisms, writing, lecturing, etc. (from line 1 of Schedule C or C-EZ)	2	5,000		5,000
Note. Complete either lines 3a-3e or lines 4a-4i.					
● If your church provides you with a parsonage, complete lines 3a-3e.					
● If, instead of providing a parsonage, your church provides you with a rental or parsonage allowance, complete lines 4a-4i.					
3a	FRV* of parsonage provided by church	3a			
b	Utility allowance, if any	3b			
c	Actual expenses for utilities	3c			
d	Enter the smaller of line 3b or 3c	3d			
e	Excess utility allowance (subtract line 3d from line 3b)	3e			
4a	Parsonage or rental allowance	4a	11,600		
b	Utility allowance, if separate	4b	1,700		
c	Total allowance (add lines 4a and 4b)	4c	13,300		
d	Actual expenses for parsonage	4d	10,800		
e	Actual expenses for utilities	4e	1,500		
f	Total actual expenses for parsonage and utilities (add lines 4d and 4e)	4f	12,300		
g	FRV* of home, plus the cost of utilities	4g	12,500		
h	Enter the smaller of line 4c, 4f, or 4g	4h		12,300	12,300
i	Excess allowance (Subtract line 4h from line 4c)	4i	1,000		1,000
5	Ministerial income (for columns (a), (b), and (c), add lines 1 through 4i)	5	41,000	12,300	53,300
6	Percentage of tax-free income:		Total Tax-Free income \$ 12,300	=	0.2308 % **
			Total income \$ 53,300		

* FRV (Fair Rental Value): As determined objectively and between unrelated parties, what it would cost to rent a comparable home (including furnishings) in a similar location.

** This percentage of your ministerial expenses will not be deductible. Use Worksheets 2 and 3 to figure your allowable deductions.

Worksheet 2. Figuring the Allowable Deduction for Schedule C or C-EZ Expenses

1	Percentage of expenses that are nondeductible (from Worksheet 1, line 6):	0.2308	%
2a	Business use of car: miles x 50.5 cents (.505)	2a	
2b	Business use of car: miles x 58.5 cents (.585)	2b	
3	Meals and entertainment: \$ x 50% (.50)	3	
4	Other expenses (list item and amount)		
a	Office expense	4a	450
b	MARRIAGE BOOKS	4b	94
c	BAPTISMAL CERTIFICATES	4c	68
d		4d	
e		4e	
f	Total other expenses (add lines 4a through 4e)	4f	612
5	Total Schedule C or C-EZ expenses (add lines 2, 3, and 4f)	5	612
6	Nondeductible part of Schedule C or C-EZ expenses (multiply line 5 by the percent in line 1)	6	141
7	Deduction allowed.* Subtract line 6 from line 5. Enter the result here and on Schedule C, line 27, or Schedule C-EZ, line 2.	7	471

* None of the other deductions claimed in this return are allocable to tax-free income.

Worksheets 3 and 4

2008

(Keep for your records)

Name(s) as shown on return

Your social security number

AL JEROME

400-00-1810

Worksheet 3. Figuring the Allowable Deduction for Form 2106 or 2106-EZ Expenses

1	Percentage of expenses that are nondeductible (from Worksheet 1, line 6):	0.2308	%
2a	Use of car for church business: 6,800 miles x 50.5 cents (.505)	2a	3,434
2b	Use of car for church business: 9,200 miles x 58.5 cents (.585)	2b	5,382
3	Meals and entertainment: \$ 425 x 50% (.50)	3	213
4	Other expenses (list item and amount)		
a	Travel Expense Away From Home	4a	1,450
b		4b	
c		4c	
d		4d	
e		4e	
f	Total other expenses (add lines 4a through 4e)	4f	1,450
5	Total Form 2106 or 2106-EZ expenses (add lines 2, 3, and 4f)	5	10,479
6	Reimbursement not included in box 1 of Form W-2	6	
7	Total unreimbursed Form 2106 or 2106-EZ expenses (subtract line 6 from line 5)	7	10,479
8	Nondeductible part of Form 2106 or 2106-EZ expenses (multiply line 7 by the percent in line 1)	8	2,419
9	Ministerial employee business expense deduction allowed.* Subtract line 8 from line 7. Enter the result here and on Form 2106, line 10, or Form 2106-EZ, line 6.	9	8,060

* None of the other deductions claimed in this return are allocable to tax-free income.

Worksheet 4. Figuring Net Self-Employment Income for Schedule SE (Form 1040)

1	W-2 salary as a minister (from box 1 of Form W-2)	1	35,000
2	Net profit from Schedule C, line 31, or Schedule C-EZ, line 3	2	4,529
3a	Parsonage allowance (from Worksheet 1, line 3a or 4a)	3a	11,600
b	Utility allowance (from Worksheet 1, line 3b or 4b)	3b	1,700
c	Total allowance (add lines 3a and 3b)	3c	13,300
4	Add lines 1, 2, and 3c	4	52,829
5	Schedule C or C-EZ expenses allocable to tax-free income (from Worksheet 2, line 6)	5	141
6	Unreimbursed ministerial employee business expenses (from Worksheet 3, line 7)	6	10,479
7	Total business expenses not deducted in lines 1 and 2 above (add lines 5 and 6)	7	10,620
8	Net self-employment income. Subtract line 7 from line 4. Enter here and on Schedule SE, Section A, line 2, or Section B, line 6.	8	42,209

Keep for Your Records

Name(s) as shown on return

Your social security number

AL JEROME

400-00-1810

Use this worksheet if you answered "Yes" to Step 5, question 3, on page 48, and you do not elect to use your 2007 earned income to figure your EIC (see page 48).

- Complete the parts below (Parts 1 through 3) that apply to you. Then, continue to Part 4.
- If you are married filing a joint return, include your spouse's amounts, if any, with yours to figure the amounts to enter in Parts 1 through 3.

<p>Part 1</p> <p>Self-Employed, Members of the Clergy, and People With Church Employee Income Filing Schedule SE</p>	<p>1a. Enter the amount from Schedule SE, Section A, line 3, or Section B, line 3, whichever applies.</p> <p>1b. Enter any amount from Schedule SE, Section B, line 4b, and line 5a.</p> <p>1c. Combine lines 1a and 1b.</p> <p>1d. Enter the amount from Schedule SE, Section A, line 6, or Section B, line 13, whichever applies.</p> <p>1e. Subtract line 1d from 1c.</p>	<table border="1"> <tr> <td style="width: 30px;">1a</td> <td style="width: 100px; text-align: right;">42,209</td> </tr> <tr> <td>+</td> <td>1b</td> </tr> <tr> <td>=</td> <td>1c</td> </tr> <tr> <td></td> <td style="text-align: right;">42,209</td> </tr> <tr> <td>-</td> <td>1d</td> </tr> <tr> <td></td> <td style="text-align: right;">2,982</td> </tr> <tr> <td>=</td> <td>1e</td> </tr> <tr> <td></td> <td style="text-align: right; border: 2px solid black;">39,227</td> </tr> </table>	1a	42,209	+	1b	=	1c		42,209	-	1d		2,982	=	1e		39,227
1a	42,209																	
+	1b																	
=	1c																	
	42,209																	
-	1d																	
	2,982																	
=	1e																	
	39,227																	
<p>Part 2</p> <p>Self-Employed NOT Required To File Schedule SE</p> <p>For example, your net earnings from self-employment were less than \$400.</p>	<p>2. Do not include on these lines any statutory employee income, any net profit from services performed as a notary public, or any amount exempt from self-employment tax as the result of the filing and approval of Form 4029 or Form 4361.</p> <p>a. Enter any net farm profit or (loss) from Schedule F, line 36, and from farm partnerships, Schedule K-1 (Form 1065), box 14, code A*.</p> <p>b. Enter any net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1*.</p> <p>c. Combine lines 2a and 2b.</p> <p>*Reduce any Schedule K-1 amounts by any partnership section 179 expense deduction claimed, unreimbursed partnership expenses claimed, and depletion claimed on oil and gas properties. If you have any Schedule K-1 amounts, complete the appropriate line(s) of Schedule SE, Section A. Enter your name and social security number on Schedule SE and attach it to your return.</p>	<table border="1"> <tr> <td style="width: 30px;">2a</td> <td style="width: 100px;"></td> </tr> <tr> <td>+</td> <td>2b</td> </tr> <tr> <td>=</td> <td>2c</td> </tr> <tr> <td></td> <td style="border: 2px solid black;"></td> </tr> </table>	2a		+	2b	=	2c										
2a																		
+	2b																	
=	2c																	
<p>Part 3</p> <p>Statutory Employees Filing Schedule C or C-EZ</p>	<p>3. Enter the amount from Schedule C, line 1, or Schedule C-EZ, line 1, that you are filing as a statutory employee.</p>	<table border="1"> <tr> <td style="width: 30px;">3</td> <td style="width: 100px; border: 2px solid black;"></td> </tr> </table>	3															
3																		
<p>Part 4</p> <p>All Filers Using Worksheet B</p>	<p>4a. Combine lines 1e, 2c, and 3. This is your total self-employed income.</p>	<table border="1"> <tr> <td style="width: 30px;">4a</td> <td style="width: 100px; text-align: right; border: 2px solid black;">39,227</td> </tr> </table>	4a	39,227														
4a	39,227																	

Name(s) as shown on return AL & SHERRY JEROME	Your social security number 400-00-1810
---	---

CAUTION! To be a qualifying child for the child tax credit, the child must be **under age 17** at the end of 2008 and meet the other requirements listed in instructions.

Part 1

1. Number of qualifying children: 2 X \$1,000. Enter the result. 1 2,000

2. Enter the amount from Form 1040, line 38; Form 1040A, line 22; or Form 1040NR, line 36. 2 81,547

3. **1040 Filers.** Enter the total of any -

- Exclusion of income from Puerto Rico, and
- Amounts from Form 2555, lines 45 and 50; Form 2555-EZ, line 18; and Form 4563, line 15.

1040A and 1040NR Filers. Enter -0-.

} 3 _____

4. Add lines 2 and 3. Enter the total. 4 81,547

5. Enter the amount shown below for your filing status.

- Married filing jointly - \$110,000
- Single, head of household, or qualifying widow(er) - \$75,000
- Married filing separately - \$55,000

} 5 110,000

6. Is the amount on line 4 more than the amount on line 5?

No. Leave line 6 blank. Enter -0- on line 7.

Yes. Subtract line 5 from line 4. 6 _____

If the result is not a multiple of \$1,000, increase it to the next multiple of \$1,000.
For example, increase \$425 to \$1,000, increase \$1,025 to \$2,000, etc.

7. Multiply the amount on line 6 by 5% (.05). Enter the result. 7 0

8. Is the amount on line 1 more than the amount on line 7?

No. STOP

You cannot take the child tax credit on Form 1040, line 52; Form 1040A, line 33; or Form 1040NR, line 47. You also cannot take the additional child tax credit on Form 1040, line 66; Form 1040A, line 41; or Form 1040NR, line 61. Complete the rest of your Form 1040, 1040A, or Form 1040NR.

Yes. Subtract line 7 from line 1. Enter the result. Go to Part 2. 8 2,000

Part 2

9. Enter the amount from Form 1040, line 46, Form 1040A, line 28, or Form 1040NR, line 43. 9 5,269

10. Add the amounts from -

Form 1040	or	Form 1040A	or	Form 1040NR	
Line 47		_____		Line 44	_____
Line 48		Line 29		Line 45	+ <u>1,000</u>
Line 49		Line 30		_____	+ _____
Line 50		Line 31		_____	+ _____
Line 51		Line 32		Line 46	+ _____
Enter the total.					10 <u>1,000</u>

11. Are you claiming any of the following credits?

- Mortgage interest credit, Form 8396
- Adoption credit, Form 8839
- Residential energy efficient property credit, Form 5695
- District of Columbia first-time homebuyer credit, Form 8859

No. Enter the amount from line 10. 11 1,000

Yes. Complete the Line 11 Worksheet on the next page to figure the amount to enter here.

12. Subtract line 11 from line 9. Enter the result. 12 4,269

13. Is the amount on line 8 of this worksheet more than the amount on line 12?

No. Enter the amount from line 8. 13 2,000

Yes. Enter the amount from line 12. See the **TIP** below. 13 2,000

TIP You may be able to take the **additional child tax credit** on Form 1040, line 66; Form 1040A, line 41; or Form 1040NR, line 61, only if you answered "Yes" on line 13.

- First, complete your Form 1040 through line 65, Form 1040A through line 40a, or Form 1040NR through line 60.
- Then, use Form 8812 to figure any additional child tax credit.

Enter this amount on Form 1040, line 52; Form 1040A, line 33; or Form 1040NR, line 47.

Carryover Worksheet

List of items that will carryover to the 2009 tax return

2008

(Keep for your records)

Name(s) as shown on return

Your social security number

AL & SHERRY JEROME

400-00-1810

Itemized Deductions

Carryover Amount

Contributions subject to 100% of AGI limitations	
Contributions subject to 50% of AGI limitations	
Contributions subject to 30% of AGI limitations (50% capital gains appreciated property)	
Contributions subject to 30% of AGI limitations	
Contributions subject to 20% of AGI limitations (30% capital gains appreciated property)	
Taxable state refund to Form 1040, line 10	
State/local taxes paid in 2009 to flow to the Schedule A	
Preparer Fee to flow to the Schedule A	
State donations and contributions carryover	
State overpayment applied to next year	

Expenses

Office in home operating expenses	
Office in home excess casualty losses and depreciation	
Disallowed investment interest expense	
Section 179 expense	
Operating expenses, from Form WK_E, Sch E - Rental limitation on deductions when used for personal use	

Losses

Short-term capital loss	
Long-term capital loss	
Net operating loss	
Nonrecaptured net section 1231 losses	

Credits

Mortgage interest credit	
General business credit (should be carried back before being carried forward)	
Credit for prior year minimum tax	
Foreign Tax credit	
District of Columbia first time home owner's credit	
Adoption credit	
First-time homebuyer Credit	

Other

Overpayment applied to next year's estimates	
Federal tax liability for 2210 calculation	8,233
State tax liability for state 2210 calculation	
IRA basis Taxpayer _____ Spouse _____	
Excess depreciation, from Form WK_E, Sch E - Rental limitation on deductions when used for personal use	

Passive Activity

At Risk Limitations

Schedule A, Charitable Miles

2008

(Keep for your records)

Name(s) as shown on return

Your social security number

AL & SHERRY JEROME

400-00-1810

Regular charitable miles	<u>730</u>	X 14 cents =	<u>102</u>
Midwestern disaster relief miles before July 1	_____	X 36 cents =	_____
Midwestern disaster relief miles after June 30	_____	X 41 cents =	_____
Total charitable mileage expense			<u>102</u>