

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.)

L Your first name and initial: **MICHAEL** Last name: **GIRARDI**

A If a joint return, spouse's first name and initial: _____ Last name: _____

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

E **333 BIRD BROWN RD**

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

H **FRANKLIN NC 28734**

RE You must enter your SSN(s) above.

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

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)
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>

d Total number of exemptions claimed **1**

Boxes checked on 6a and 6b: **1**

No. of children on 6c who: **1** lived with you, 0 did not live with you due to divorce or separation (see page 18)

Dependents on 6c not entered above: **0**

Add numbers on lines above: **1**

7 Wages, salaries, tips, etc. Attach Form(s) W-2	7	84,340
8a Taxable interest. Attach Schedule B if required	8a	6,500
b Tax-exempt interest. Do not include on line 8a	8b	
9a Ordinary dividends. Attach Schedule B if required	9a	450
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	
13 Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	14,600
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	1,516
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	107,406

Adjusted Gross Income	23	
24 Educator expenses (see page 28)	24	
25 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	25	
26 Health savings account deduction. Attach Form 8889	26	
27 Moving expenses. Attach Form 3903	27	
28 One-half of self-employment tax. Attach Schedule SE	28	
29 Self-employed SEP, SIMPLE, and qualified plans	29	
30 Self-employed health insurance deduction (see page 29)	30	
31a Penalty on early withdrawal of savings	31a	
b Recipient's SSN		
32 Alimony paid	32	
33 IRA deduction (see page 30)	33	
34 Student loan interest deduction (see page 33)	34	
35 Tuition and fees deduction. Attach Form 8917	35	
36 Domestic production activities deduction. Attach Form 8903	36	
37 Add lines 23 through 31a and 32 through 35	37	107,406
38 Subtract line 36 from line 22. This is your adjusted gross income	38	107,406

Table with 3 columns: Line number, Description, and Amount. Includes sections for Tax and Credits (lines 38-56), Other Taxes (lines 57-61), Payments (lines 62-71), Refund (lines 72-74), and Amount You Owe (lines 75-76).

Standard Deduction for—
• People who checked any box on line 39a, 39b, or 39c or who can be claimed as a dependent, see page 34.
• All others:
Single or Married filing separately, \$5,450
Married filing jointly or Qualifying widow(er), \$10,900
Head of household, \$8,000

Other Taxes

Payments
If you have a qualifying child, attach Schedule EIC.

Refund
Direct deposit? See page 63 and fill in 73b, 73c, and 73d, or Form 8888.

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 66)? [X] Yes. Complete the following. [] No
Designee's name: David
Phone no.: 828-524-8020
Personal identification number (PIN): 12345

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.
Your signature: 01807
Date: 01-15-2009
Your occupation: LAWYER
Daytime phone number: 828-222-2222

Paid Preparer's Use Only

Preparer's signature: David
Date: 04-13-2009
Check if self-employed: []
Preparer's SSN or PTIN: 444-55-6666
Firm's name (or yours if self-employed), address, and ZIP code: Drake Tax Service, 235 East Palmer Street, Franklin, NC 28734
EIN: 12-3456789
Phone no.: 828-524-8020

Name(s) shown on Form 1040. Do not enter name and social security number if shown on page 1.

Your social security number

MICHAEL GIRARDI

400-00-1807

Schedule B-Interest and Ordinary Dividends

Attachment Sequence No. **08**

		Amount
Part I Interest	1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see page B-1 and list this interest first. Also, show that buyer's social security number and address ▶	
	(See page B-1 and the instructions for Form 1040, line 8a.)	
	<u>CITI BANK</u>	6,500
2 Add the amounts on line 1	2 6,500	
3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815	3	
4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a ▶	4 6,500	

Note: If line 4 is over \$1,500, you must complete Part III.

		Amount
Part II Ordinary Dividends	5 List name of payer ▶	
	(See page B-1 and the instructions for Form 1040, line 9a.)	
	<u>HOMETOWN BANK</u>	450
6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9a ▶	6 450	

Note: If line 6 is over \$1,500, you must complete Part III.

		Yes	No
Part III Foreign Accounts and Trusts	You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; or (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.		
	7a At any time during 2008, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing requirements for Form TD F 90-22.1		
	b If "Yes," enter the name of the foreign country ▶		
(See page B-2.)	8 During 2008, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See page B-2		

SCHEDULE D

(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Capital Gains and Losses

▶ Attach to Form 1040 or Form 1040NR. ▶ See Instructions for Schedule D (Form 1040).
▶ Use Schedule D-1 to list additional transactions for lines 1 and 8.

OMB No. 1545-0074

2008

Attachment
Sequence No. **12**

Name(s) shown on return

MICHAEL GIRARDI

Your social security number

400-00-1807

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Yr., mo., day)	(c) Date sold (Yr., mo., day)	(d) Sales price (see page D-7 of the instructions)	(e) Cost or other basis (see page D-7 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
1					
2	Enter your short-term totals, if any, from Schedule D-1, line 2			2	
3	Total short-term sales price amounts. Add lines 1 and 2 in column (d)			3	
4	Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824				4
5	Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				5
6	Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet on page D-7 of the instructions				6 ()
7	Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f)				7

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Yr., mo., day)	(c) Date sold (Yr., mo., day)	(d) Sales price (see page D-7 of the instructions)	(e) Cost or other basis (see page D-7 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)	
8						
3700 SHARES ABC	20020112	20080613	55,500	44,400	11,100	
9	Enter your long-term totals, if any, from Schedule D-1, line 9			9		
10	Total long-term sales price amounts. Add lines 8 and 9 in column (d)			10	55,500	
11	Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824				11	
12	Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				12	
13	Capital gain distributions. See page D-2 of the instructions				13	3,500
14	Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet on page D-7 of the instructions				14 ()	
15	Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). Then go to Part III on page 2				15	14,600

Part III Summary

<p>16 Combine lines 7 and 15 and enter the result.</p> <p>If line 16 is: A gain, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below. A loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22. Zero, skip lines 17 through 21 below and enter -0- on Form 1040, line 13 or Form 1040NR, line 14. Then go to line 22.</p>	16	14,600
<p>17 Are lines 15 and 16 both gains? <input checked="" type="checkbox"/> Yes. Go to line 18. <input type="checkbox"/> No. Skip lines 18 through 21, and go to line 22.</p>		
<p>18 Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet on page D-8 of the instructions</p>	18	
<p>19 Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet on page D-9 of the instructions</p>	19	
<p>20 Are lines 18 and 19 both zero or blank? <input checked="" type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Qualified Dividends and Capital Gain Tax Worksheet on page 38 of the Instructions for Form 1040 (or in the Instructions for Form 1040NR). Do not complete lines 21 and 22 below. <input type="checkbox"/> No. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Schedule D Tax Worksheet on page D-10 of the instructions. Do not complete lines 21 and 22 below.</p>		
<p>21 If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the smaller of:</p> <ul style="list-style-type: none"> ● The loss on line 16 or ● (\$3,000), or if married filing separately, (\$1,500) <p style="margin-left: 150px;">}</p> <p>Note: When figuring which amount is smaller, treat both amounts as positive numbers.</p>	21	()
<p>22 Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b? <input type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Qualified Dividends and Capital Gain Tax Worksheet on page 38 of the Instructions for Form 1040 (or in the Instructions for Form 1040NR). <input type="checkbox"/> No. Complete the rest of Form 1040 or Form 1040NR.</p>		

**SCHEDULE E
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss
(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc.)

▶ Attach to Form 1040, 1040NR, or Form 1041. ▶ See Instructions for Schedule E (Form 1040).

OMB No. 1545-0074

2008

Attachment
Sequence No. **13**

Name(s) shown on return

Your social security number

MICHAEL GIRARDI

400-00-1807

Part I **Income or Loss From Rental Real Estate and Royalties** **Note.** If you are in the business of renting personal property, use **Schedule C or C-EZ** (see page E-3). If you are an individual, report farm rental income or loss from **Form 4835** on page 2, line 40.

1	List the type and address of each rental real estate property:	2	For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of:	Yes	No
A	HOUSE RENTAL 444 BLUEBIRD WAY HIGHLANDS NC 28741	<ul style="list-style-type: none"> • 14 days or • 10% of the total days rented at fair rental value? (See page E-3.)	A		X
B	RENTAL HOUSE 2 777 RED BIRD WAY HIGHLANDS NC 28741		B		X
C	RENTAL HOUSE 3 444 SNOW BRIDGE COURT HIGHLANDS NC 28		C		X

Income:		Properties			Totals (Add columns A, B, and C.)
		A	B	C	
3	Rents received	3 18,750	21,500	17,500	3 57,750
4	Royalties received	4			4
Expenses:					
5	Advertising	5		575	
6	Auto and travel (see page E-4)	6		340	
7	Cleaning and maintenance	7 1,400	1,400	1,500	
8	Commissions	8			
9	Insurance	9 1,100	1,100	1,100	
10	Legal and other professional fees	10 650	750	475	
11	Management fees	11 2,100	2,200		
12	Mortgage interest paid to banks, etc. (see page E-5)	12 4,100	5,600	3,225	12 12,925
13	Other interest	13			
14	Repairs	14 655	900	690	
15	Supplies	15 125	125	125	
16	Taxes	16 1,300	1,750	1,390	
17	Utilities	17 1,725	1,600	1,690	
18	Other (list) ▶	18			
19	Add lines 5 through 18	19 13,155	15,425	11,110	19 39,690
20	Depreciation expense or depletion (see page E-5)	20 5,636	4,545	6,363	20 16,544
21	Total expenses. Add lines 19 and 20	21 18,791	19,970	17,473	
22	Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see page E-5 to find out if you must file Form 6198	22 (41)	1,530	27	
23	Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See page E-5 to find out if you must file Form 8582 . Real estate professionals must complete line 43 on page 2	23 (41)			
24	Income. Add positive amounts shown on line 22. Do not include any losses	24			24 1,557
25	Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here	25			25 (41)
26	Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26			26 1,516

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
400-00-1807

MICHAEL GIRARDI

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

1	If filing Schedule A (Form 1040), enter the amount from Form 1040, line 41 (minus any amount on Form 8914, line 2), and go to line 2. Otherwise, enter the amount from Form 1040, line 38 (minus any amount on Form 8914, line 2), and go to line 7. (If less than zero, enter as a negative amount.)	1	107,406
2	Medical and dental. Enter the smaller of Schedule A (Form 1040), line 4, or 2.5% (.025) of Form 1040, line 38. If zero or less, enter -0-	2	
3	Taxes from Schedule A (Form 1040), line 9	3	
4	Enter the home mortgage interest adjustment, if any, from line 6 of the worksheet on page 2 of the instructions	4	
5	Miscellaneous deductions from Schedule A (Form 1040), line 27	5	
6	If Form 1040, line 38, is over \$159,950 (over \$79,975 if married filing separately), enter the amount from line 11 of the Itemized Deductions Worksheet on page A-10 of the instructions for Schedule A (Form 1040)	6	()
7	If claiming the standard deduction, enter any amount from Form 4684, line 18a, as a negative amount	7	()
8	Tax refund from Form 1040, line 10 or line 21	8	()
9	Investment interest expense (difference between regular tax and AMT)	9	
10	Depletion (difference between regular tax and AMT)	10	
11	Net operating loss deduction from Form 1040, line 21. Enter as a positive amount	11	
12	Interest from specified private activity bonds exempt from the regular tax	12	
13	Qualified small business stock (7% of gain excluded under section 1202)	13	
14	Exercise of incentive stock options (excess of AMT income over regular tax income)	14	
15	Estates and trusts (amount from Schedule K-1 (Form 1041), box 12, code A)	15	
16	Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box 6)	16	
17	Disposition of property (difference between AMT and regular tax gain or loss)	17	
18	Depreciation on assets placed in service after 1986 (difference between regular tax and AMT)	18	
19	Passive activities (difference between AMT and regular tax income or loss)	19	(1)
20	Loss limitations (difference between AMT and regular tax income or loss)	20	
21	Circulation costs (difference between regular tax and AMT)	21	
22	Long-term contracts (difference between AMT and regular tax income)	22	
23	Mining costs (difference between regular tax and AMT)	23	
24	Research and experimental costs (difference between regular tax and AMT)	24	
25	Income from certain installment sales before January 1, 1987	25	()
26	Intangible drilling costs preference	26	
27	Other adjustments, including income-based related adjustments	27	
28	Alternative tax net operating loss deduction	28	()
29	Alternative minimum taxable income. Combines lines 1 through 28. (If married filing separately and line 29 is more than \$214,900, see page 8 of the instructions.)	29	107,405

Part II Alternative Minimum Tax (AMT)

30	Exemption. (If you were under age 24 at the end of 2008, see page 8 of the instructions.) IF your filing status is . . . AND line 29 is not over . . . THEN enter on line 30 . . .		
	Single or head of household \$112,500 \$46,200		
	Married filing jointly or qualifying widow(er) 150,000 69,950	▶	30 46,200
	Married filing separately 75,000 34,975		
	If line 29 is over the amount shown above for your filing status, see page 8 of the instructions.		
31	Subtract line 30 from line 29. If more than zero, go to line 32. If zero or less, enter -0- here and on lines 34 and 36 and skip the rest of Part II	31	61,205
32	<ul style="list-style-type: none"> ● If you are filing Form 2555 or 2555-EZ, see page 9 of the instructions for the amount to enter. ● If you reported capital gain distributions directly on Form 1040, line 13; you reported qualified dividends on Form 1040, line 9b; or you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (as refigured for the AMT, if necessary), complete Part III on page 2 and enter the amount from line 55 here. ● All others: If line 31 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 31 by 26% (.26). Otherwise, multiply line 31 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result. 	▶	32 14,307
33	Alternative minimum tax foreign tax credit (see page 9 of the instructions)	33	
34	Tentative minimum tax. Subtract line 33 from line 32	34	14,307
35	Tax from Form 1040, line 44 (minus any tax from Form 4972 and any foreign tax credit from Form 1040, line 47). If you used Schedule J to figure your tax, the amount from line 44 of Form 1040 must be refigured without using Schedule J (see page 11 of the instructions)	35	19,653
36	AMT. Subtract line 35 from line 34. If zero or less, enter -0-. Enter here and on Form 1040, line 45	36	

Part III Tax Computation Using Maximum Capital Gains Rates

37	Enter the amount from Form 6251, line 31. If you are filing Form 2555 or 2555-EZ, enter the amount from line 3 of the worksheet on page 9 of the instructions		37	<u>61,205</u>
38	Enter the amount from line 6 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44, or the amount from line 13 of the Schedule D Tax Worksheet on page D-10 of the instructions for Schedule D (Form 1040), whichever applies (as refigured for the AMT, if necessary) (see page 11 of the instructions). If you are filing Form 2555 or 2555-EZ, see page 11 of the instructions for the amount to enter	38		<u>14,600</u>
39	Enter the amount from Schedule D (Form 1040), line 19 (as refigured for the AMT, if necessary) (see page 11 of the instructions). If you are filing Form 2555 or 2555-EZ, see page 11 of the instructions for the amount to enter	39		<u>0</u>
40	If you did not complete a Schedule D Tax Worksheet for the regular tax or the AMT, enter the amount from line 38. Otherwise, add lines 38 and 39, and enter the smaller of that result or the amount from line 10 of the Schedule D Tax Worksheet (as refigured for the AMT, if necessary). If you are filing Form 2555 or 2555-EZ, see page 11 of the instructions for the amount to enter	40		<u>14,600</u>
41	Enter the smaller of line 37 or line 40		41	<u>14,600</u>
42	Subtract line 41 from line 37		42	<u>46,605</u>
43	If line 42 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 42 by 26% (.26). Otherwise, multiply line 42 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result		43	<u>12,117</u>
44	Enter: <ul style="list-style-type: none"> ● \$65,100 if married filing jointly or qualifying widow(er), ● \$32,550 if single or married filing separately, or ● \$43,650 if head of household. 	44		<u>32,550</u>
45	Enter the amount from line 7 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44, or the amount from line 14 of the Schedule D Tax Worksheet on page D-10 of the instructions for Schedule D (Form 1040), whichever applies (as figured for the regular tax). If you did not complete either worksheet for the regular tax, enter -0-	45		<u>83,856</u>
46	Subtract line 45 from line 44. If zero or less, enter -0-	46		
47	Enter the smaller of line 37 or line 38	47		<u>14,600</u>
48	Enter the smaller of line 46 or line 47	48		
49	Subtract line 48 from line 47	49		<u>14,600</u>
50	Multiply line 49 by 15% (.15)		50	<u>2,190</u>
If line 39 is zero or blank, skip lines 51 and 52 and go to line 53. Otherwise, go to line 51.				
51	Subtract line 47 from line 41	51		
52	Multiply line 51 by 25% (.25)		52	
53	Add lines 43, 50, and 52		53	<u>14,307</u>
54	If line 37 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 37 by 26% (.26). Otherwise, multiply line 37 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result		54	<u>15,913</u>
55	Enter the smaller of line 53 or line 54 here and on line 32. If you are filing Form 2555 or 2555-EZ, do not enter this amount on line 32. Instead, enter it on line 4 of the worksheet on page 9 of the instructions		55	<u>14,307</u>

Depreciation and Amortization (Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions. ▶ Attach to your tax return.

2008
Attachment
Sequence No. **67**

Name(s) shown on return

Business or activity to which this form relates

Identifying number

MICHAEL GIRARDI

SCHEDULE E - 1

400-00-1807

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

	(a) Description of property	(b) Cost (business use only)	(c) Elected cost	
6				
7	Listed property. Enter the amount from line 29	7		
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7		8	
9	Tentative deduction. Enter the smaller of line 5 or line 8		9	
10	Carryover of disallowed deduction from line 13 of your 2007 Form 4562		10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)		11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11		12	
13	Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12	13		

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2008	17	16,544
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B - Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

	(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a	3-year property						
b	5-year property						
c	7-year property						
d	10-year property						
e	15-year property						
f	20-year property						
g	25-year property			25 yrs.		S/L	
h	Residential rental property			27.5 yrs.	MM	S/L	
i	Nonresidential real property			39 yrs.	MM	S/L	

Section C - Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

20a	Class life					S/L	
b	12-year			12 yrs.		S/L	
c	40-year			40 yrs.	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	16,544
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Name as shown on return

MICHAEL GIRARDI

Your Social Security Number

400-00-1807

Keep for Your Records

Interest and Dividends

- 1. Enter any amount from Form 1040, line 8a 1. 6,500
- 2. Enter any amount from Form 1040, line 8b, plus any amount on Form 8814, line 1b 2. _____
- 3. Enter any amount from Form 1040, line 9a 3. 450
- 4. Enter the amount from Form 1040, line 21, that is from Form 8814 if you are filing that form to report your child's interest and dividend income on your return. (If your child received an Alaska Permanent Fund dividend, use **Worksheet 2**, on the next page, to figure the amount to enter on this line.) 4. _____

Capital Gain Net Income

- 5. Enter the amount from Form 1040, line 13. If the amount on that line is a loss, enter zero 5. 14,600
- 6. Enter any gain from Form 4797, Sales of Business Property, line 7. If the amount on that line is a loss, enter -0-. (But, if you completed lines 8 and 9 of Form 4797, enter the amount from line 9 instead.) 6. _____
- 7. Subtract line 6 of this worksheet from line 5 of this worksheet. (If the result is less than zero, enter -0-.) 7. 14,600

Royalties and Rental Income from Personal Property

- 8. Enter any royalty income from Schedule E, line 4, plus any income from the rental of personal property shown on Form 1040, line 21, minus any expenses from Schedule E, line 21, related to royalty income, plus any expenses from the rental of personal property deducted on Form 1040, line 36 8. _____

Passive Activities

- 9. Enter the total of any net income from passive activities (included on Schedule E, lines 26, 29a (col. (g)), 34a (col. (d)), and 40) and the total of any losses from passive activities (included on Schedule E, lines 26, 29b (col. (f)), 34b (col. (c)), and 40). (See instructions below for line 9.) 9. 1,516
- 10. Adjustment from EIC screen 10. _____
- 11. Add the amounts on lines 1, 2, 3, 4, 7, 8, 9, and 10. Enter the total. **This is your Investment Income** 11. 23,066

- 12. Is the amount on line 11 more than **\$2,950**?
 - Yes.** You cannot take the credit.
 - No.** Go to Step 3 of the Form 1040 instructions for lines 64a and 64b to find out if you can take the credit (unless you are using this publication to find out if you can take the credit; in that case, go to Rule 7, next).

Instructions for line 9. In figuring the amount to enter on line 9, do not take into account any royalty income (or loss) included on line 26 of Schedule E or any amount included in your earned income. To find out if the income on line 26 or line 40 of Schedule E is from a passive activity, see the Schedule E instructions. If any of the rental real estate income (or loss) included on Schedule E, line 26, is not from a passive activity, print "NPA" and the amount of that income (or loss) on the dotted line next to line 26.

Qualified Dividends and Capital Gain Tax Worksheet Line 44 (Form 1040) Line 28 (Form 1040A)

(Keep for your records)

NAME MICHAEL GIRARDI	SSN 400-00-1807
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Before you begin:

- See the instructions for line 44 that begin on page 36 to see if you can use this worksheet to figure your tax.
- If you do not have to file Schedule D and you received capital gain distributions, be sure you checked the box on line 13 of Form 1040.

1. Enter the amount from Form 1040, line 43 (Form 1040A, line 27). However, if you are filing Form 2555 or 2555-EZ (relating to foreign earned income), enter the amount from line 3 of the worksheet on page 37	1.	98,456
2. Enter the amount from Form 1040, line 9b (Form 1040A, line 9b)*	2.	_____
3. Are you filing Schedule D?*		
<input checked="" type="checkbox"/> Yes. Enter the smaller of line 15 or 16 of Schedule D. If either line 15 or line 16 is a loss, enter -0-	3.	14,600
<input type="checkbox"/> No. Enter the amount from Form 1040, line 13 (or Form 1040A, line 10)		
4. Add lines 2 and 3	4.	14,600
5. If you are claiming investment interest expense on Form 4952, enter the amount from line 4g of that form. Otherwise, enter -0-	5.	_____
6. Subtract line 5 from line 4. If zero or less, enter -0-	6.	14,600
7. Subtract line 6 from line 1. If zero or less, enter -0-	7.	83,856
8. Enter the smaller of:		
• The amount on line 1, or		
• \$32,550 if single or married filing separately, \$65,100 if married filing jointly or qualifying widow(er), \$43,650 if head of household.	8.	32,550
9. Is the amount on line 7 equal to or more than the amount on line 8?		
<input checked="" type="checkbox"/> Yes. Skip lines 9 and 10; go to line 11 and check the "No" box.		
<input type="checkbox"/> No. Enter the amount from line 7	9.	_____
10. Subtract line 9 from line 8	10.	_____
11. Are the amounts on lines 6 and 10 the same?		
<input type="checkbox"/> Yes. Skip lines 11 through 14; go to line 15.		
<input checked="" type="checkbox"/> No. Enter the smaller of line 1 or line 6	11.	14,600
12. Enter the amount from line 10 (if line 10 is blank, enter -0-)	12.	_____
13. Subtract line 12 from line 11	13.	14,600
14. Multiply line 13 by 15% (.15)	14.	2,190
15. Figure the tax on the amount on line 7. Use the Tax Table or Tax Computation Worksheet, whichever applies	15.	17,463
16. Add lines 14 and 15	16.	19,653
17. Figure the tax on the amount on line 1. Use the Tax Table or Tax Computation Worksheet, whichever applies	17.	21,551
18. Tax on all taxable income. Enter the smaller of line 16 or line 17. Also include this amount on Form 1040, line 44 (Form 1040A, line 28). If you are filing Form 2555 or 2555-EZ, do not enter this amount on Form 1040, line 44 (or Form 1040A, line 28). Instead, enter it on line 4 of the worksheet on page 37	18.	19,653

*If you are filing Form 2555 or 2555-EZ, see the footnote in the worksheet on page 37 before completing this line.

Primary Residence Calculations

2008

Name

MICHAEL GIRARDI

SSN

400-00-1807

Worksheet 1. Adjusted Basis of Home

Caution: See the Worksheet 1 Instructions before you use this worksheet.

1. Enter the purchase price of the home. (If you filed Form 2119 when you originally acquired that home to postpone gain on the sale of a previous home before May 7, 1997, enter the adjusted basis of the new home from that Form 2119.)	1.	<u>90,000</u>
2. Seller-paid points for home bought after 1990 (see Seller-paid points). Do not include any seller-paid points you already subtracted to arrive at the amount entered on line 1	2.	<u> </u>
3. Subtract line 2 from line 1	3.	<u>90,000</u>
4. Settlement fees or closing costs (see Settlement fees or closing costs.) If line 1 includes the adjusted basis of the new home from Form 2119, skip lines 4a - 4g and 5; go to line 6.		
a. Abstract and recording fees	4a.	<u> </u>
b. Legal fees (including fees for title search and preparing documents)	4b.	<u> </u>
c. Survey fees	4c.	<u> </u>
d. Title insurance	4d.	<u> </u>
e. Transfer or stamp taxes	4e.	<u> </u>
f. Amounts that the seller owed that you agreed to pay (back taxes or interest, recording or mortgage fees, and sales commissions)	4f.	<u> </u>
g. Other	4g.	<u> </u>
5. Add lines 4a through 4g	5.	<u> </u>
6. Cost of additions and improvements. Do not include any additions and improvements included on line 1	6.	<u> </u>
7. Special tax assessments paid for local improvements, such as streets and sidewalks	7.	<u> </u>
8. Other increases to basis	8.	<u> </u>
9. Add lines 3, 5, 6, 7, and 8	9.	<u>90,000</u>
10. Depreciation allowed or allowable, related to the business use or rental of the home	10.	<u> </u>
11. Other decreases to basis (see Decreases to basis)	11.	<u> </u>
12. Add lines 10 and 11	12.	<u> </u>
13. Adjusted basis of home. Subtract line 12 from line 9. Enter here and on Worksheet 2, line 4	13.	<u>90,000</u>

Worksheet 2. Gain (or Loss), Exclusion, and Taxable Gain on Sale of Home

Part 1: Gain (or Loss) on Sale

1. Selling price of home	1.	<u>325,000</u>
2. Selling expenses (including commissions, advertising and legal fees, and seller-paid loan charges)	2.	<u>3,500</u>
3. Subtract line 2 from line 1. This is the amount realized	3.	<u>321,500</u>
4. Adjusted basis of home sold (from Worksheet 1, line 13)	4.	<u>90,000</u>
5. Gain or (loss) on the sale. Subtract line 4 from line 3. If this is a loss, stop here	5.	<u>231,500</u>

Part 2: Exclusion and Taxable Gain

6. Enter any depreciation allowed or allowable on the property for periods after May 6, 1997. If none, enter -0-	6.	<u> </u>
7. Subtract line 6 from line 5. If the result is less than zero, enter -0-	7.	<u>231,500</u>
8. If you qualify to exclude gain on the sale, enter your maximum exclusion (see Maximum Exclusion). If you do not qualify to exclude gain, enter -0-	8.	<u>250,000</u>
9. Exclusion. Enter the smaller of line 7 or line 8	9.	<u>231,500</u>
10. Taxable gain. Subtract line 9 from line 5. Report your taxable gain as described under Reporting the Sale. If the amount on this line is zero, do not report the sale or exclusion on your tax return. If the amount on line 6 is more than zero, complete line 11	10.	<u> </u>
11. Enter the smaller of line 6 or line 10. Enter this amount on line 12 of the Unrecaptured Section 1250 Gain Worksheet in the instructions for Schedule D (Form 1040)	11.	<u> </u>

Primary Residence Calculations

2008

Name MICHAEL GIRARDI	SSN 400-00-1807
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Worksheet 3. Reduced Maximum Exclusion

Caution: Complete this worksheet only if you qualify for a reduced maximum exclusion (see Reduced Maximum Exclusion.) Complete column (a).

	(a)	(b)
	You	Your Spouse
1. Maximum amount	1. \$250,000.00	\$250,000.00
2a. Enter the number of days (or months) that you used the property as a main home during the 5-year period* ending on the date of sale	2a. <u>1,825</u>	_____
b. Enter the number of days (or months) that you owned the property during the 5-year period* ending on the date of sale. If you used days on line 2a, you also must use days on this line and on lines 3 and 5. If you used months on line 2a, you also must use months on this line and on lines 3 and 5. (If married filing jointly and one spouse owned the property longer than the other spouse, both spouses are treated as owning the property for the longer period.)	b. <u>1,825</u>	_____
c. Enter the smaller of line 2a or 2b	c. <u>1,825</u>	_____
3. Have you (or your spouse, if filing jointly) excluded gain from the sale of another home during the 2-year period ending on the date of this sale? <input checked="" type="checkbox"/> No. Skip line 3 and enter the number of days (or months) from line 2c on line 4. <input type="checkbox"/> Yes. Enter the number of days (or months) between the date of the most recent sale of another home on which you excluded gain and date of sale of this home	3. _____	_____
4. Enter the smaller of line 2c or 3	4. <u>1,825</u>	_____
5. Divide the amount on line 4 by 730 days (or 24 months). Enter the result as a decimal (rounded to at least 3 places). But do not enter an amount greater than 1.000	5. <u>1.000</u>	_____
6. Multiply the amount on line 1 by the decimal amount on line 5	6. <u>250,000</u>	_____
7. Reduced maximum exclusion. Add the amounts in columns (a) and (b) of line 6. Enter it here and on Worksheet 2, line 8	7. <u>250,000</u>	_____

* If you were a member of the uniformed services or Foreign Service or an employee of the intelligence community during the time you owned the home, see Members of the uniformed services or Foreign Service or employees of the intelligence community to determine your 5-year period.

Form 6251, Line 18 - Passive Activities

2008

(Keep for your records)

Name(s) as shown on return

Your social security number

MICHAEL GIRARDI

400-00-1807

Description	Form/ Sch	AMT Inc/Loss	Regular Inc/Loss	Difference Line 18
RENTAL HOUSE 3	SCH E	<u>26</u>	<u>27</u>	<u>(1)</u>
	TOTALS	<u><u>26</u></u>	<u><u>27</u></u>	<u><u>(1)</u></u>

Depreciation Detail Listing

2008

PAGE 1

HOUSE RENTAL

For your records only

* Item was disposed
of during current year.

Name(s) as shown on return

MICHAEL GIRARDI

Social security number/EIN

400-00-1807

No.	Description	Date	Cost	Salvage	Business percentage	Section 179	Depreciation Basis	Life	Method	Rate	Current depr.	Accumulated Depreciation	Prior expense	Bonus depreciation	AMT Current
1	RENTAL HOUSE 1 BLUEBI	20010219	155,000		100.00		155,000	27.5	SL MM	3.636	5,636	48,847			5,636
Totals			155,000				155,000				5,636	48,847			5,636

Land Amount
Net Depreciable Cost

155,000

ST ADJ:

Depreciation Detail Listing

2008

PAGE 1

RENTAL HOUSE 2

For your records only

* Item was disposed
of during current year.

Name(s) as shown on return

MICHAEL GIRARDI

Social security number/EIN

400-00-1807

No.	Description	Date	Cost	Salvage	Business percentage	Section 179	Depreciation Basis	Life	Method	Rate	Current depr.	Accumulated Depreciation	Prior expense	Bonus depreciation	AMT Current
2	RENTAL HOUSE 2 REDBIR	20020412	125,000		100.00		125,000	27.5	SL MM	3.636	4,545	31,817			4,545
Totals			125,000				125,000				4,545	31,817			4,545

Land Amount
Net Depreciable Cost

125,000

ST ADJ:

Depreciation Detail Listing

2008

PAGE 1

RENTAL HOUSE 3

For your records only

* Item was disposed
of during current year.

Name(s) as shown on return

MICHAEL GIRARDI

Social security number/EIN

400-00-1807

No.	Description	Date	Cost	Salvage	Business percentage	Section 179	Depreciation Basis	Life	Method	Rate	Current depr.	Accumulated Depreciation	Prior expense	Bonus depreciation	AMT Current
3	RENTAL HOUSE 3 SNOW R	20030112	175,000		100.00		175,000	27.5	SL MM	3.636	6,363	38,181			6,364
Totals			175,000				175,000				6,363	38,181			6,364

Land Amount
Net Depreciable Cost

175,000

ST ADJ:

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

MICHAEL GIRARDI

400-00-1807

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	19,653
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

(Keep for your records)

Name(s) as shown on return

Your social security number

MICHAEL GIRARDI

400-00-1807

PAN 1 Activity HOUSE RENTAL Form SCH E 100% Disposed Of NO

Regular Tax Loss Calculations

	Prior Year Suspended Losses	Current Year Income/Loss	Utilized in Current Year	Losses Suspended To Next Year
Operating	_____	<u>(41)</u>	<u>(41)</u>	_____
Form 4797 - Part I	_____	_____	_____	_____
Form 4797 - Part II	_____	_____	_____	_____
TOTALS	_____	<u>(41)</u>	<u>(41)</u>	_____

Alternative Minimum Tax Loss Calculations

	Prior Year Suspended Losses	Current Year Income/Loss	Utilized in Current Year	Losses Suspended To Next Year
Operating	_____	<u>(41)</u>	<u>(41)</u>	_____
Form 4797 - Part I	_____	_____	_____	_____
Form 4797 - Part II	_____	_____	_____	_____
TOTALS	_____	<u>(41)</u>	<u>(41)</u>	_____

Modified Adjusted Gross Income (MAGI)
Form 8582, Line 7
 (Keep for your records)

2008

Name(s) as shown on return

Your social security number

MICHAEL GIRARDI

400-00-1807

Income	Regular tax	Alt Min Tax
Wages	<u>84,340</u>	<u>84,340</u>
Interest income before Series EE bond exclusion	<u>6,500</u>	<u>6,500</u>
Dividend income	<u>450</u>	<u>450</u>
Taxable state and local refunds	<u> </u>	<u> </u>
Alimony received	<u> </u>	<u> </u>
Nonpassive business income or (loss)	<u> </u>	<u> </u>
Capital gains or (losses)	<u>14,600</u>	<u>14,600</u>
Other gains or (losses)	<u> </u>	<u> </u>
Taxable IRA distributions	<u> </u>	<u> </u>
Taxable pensions and annuities	<u> </u>	<u> </u>
Nonpassive partnership income or (loss) (including overall PTP gains and sold PTP losses)	<u> </u>	<u> </u>
Nonpassive S corporation income or (loss)	<u> </u>	<u> </u>
Nonpassive estate and trust income or (loss)	<u> </u>	<u> </u>
Real Estate Mortgage Investment Conduits (REMICS)	<u> </u>	<u> </u>
Royalty Income	<u> </u>	<u> </u>
Net rental real estate gains for a real estate professional or non-passive rental	<u> </u>	<u> </u>
Overall loss from the entire disposition of a passive activity	<u> </u>	<u> </u>
Nonpassive farm income or (loss)	<u> </u>	<u> </u>
Unemployment compensation	<u> </u>	<u> </u>
Other income	<u> </u>	<u> </u>
Total income	<u>105,890</u>	<u>105,890</u>
 Adjustments		
Educator expenses	<u> </u>	<u> </u>
Certain business expenses of reservists, performing artists, and fee-based government officials	<u> </u>	<u> </u>
Health savings account deduction	<u> </u>	<u> </u>
Moving expenses	<u> </u>	<u> </u>
Self-employed SEP, SIMPLE, and qualified plans	<u> </u>	<u> </u>
Self-employed health insurance deduction	<u> </u>	<u> </u>
Penalty on early withdrawal of savings	<u> </u>	<u> </u>
Alimony paid	<u> </u>	<u> </u>
Other adjustments	<u> </u>	<u> </u>
Total adjustments	<u>0</u>	<u>0</u>
Subtract total adjustments from total income	<u>105,890</u>	<u>105,890</u>
MAGI adjustment from input screen E2	<u> </u>	<u> </u>
Modified adjusted gross income	<u>105,890</u>	<u>105,890</u>