

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

Use IRS label. Otherwise, please print or type.

Your first name and initial (if joint return, also give spouse's name and initial) **NICHOLAS CALABRESE** Last name

Present home address (number and street or rural route). (If you have a P.O. Box, see page 4 of Instructions.) **7168 W. COATLAND** spouse's social security number

City, town or post office, state, and ZIP code

If this address is different from the one shown on your 1985 return, check here

Presidential Election Campaign  Do you want \$1 to go to this fund?  Yes  No **Note: Checking "Yes" will not change your tax or reduce your refund.**

If joint return, does your spouse want \$1 to go to this fund?  Yes  No

Filing Status

1  Single

2  Married filing joint return (even if only one had income)

3  Married filing separate return. Enter spouse's social security no. above and full name here. **NOREEN**

4  Head of household (with qualifying person). (See page 5 of Instructions.) If the qualifying person is your unmarried child but not your dependent, enter child's name here

5  Qualifying widow(er) with dependent child (year spouse died  $\triangleright$  19 ). (See page 6 of Instructions.)

Exemptions

6a  Yourself  65 or over  Blind

b  Spouse  65 or over  Blind

c First names of your dependent children who lived with you **MICHELE**

d First names of your dependent children who did not live with you (see page 6). (If pre-1985 agreement, check here  )

e Other dependents:

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

f. Total number of exemptions claimed (also complete line 36). **2**

Income	7	8	9a	9b	9c	10	11	12	13	14	15	16	17a	17b	18	19	20a	20b	21a	21b	22	23
Wages, salaries, tips, etc. (attach Form(s) W-2)		15,347.65																				
Interest income (also attach Schedule B if over \$400)																						
Dividends (also attach Schedule B if over \$400)																						
Subtract line 9b from line 9a and enter the result																						
Taxable refunds of state and local income taxes, if any, from the worksheet on page 9 of Instructions.																						
Alimony received																						
Business income or (loss) (attach Schedule C)																						
Capital gain or (loss) (attach Schedule D)																						
40% of capital gain distributions not reported on line 13 (see page 9 of Instructions)																						
Other gains or (losses) (attach Form 4797)																						
Fully taxable pensions, IRA distributions, and annuities not reported on line 17 (see page 9).																						
Other pensions and annuities, including rollovers. Total received	17a																					
Taxable amount, if any, from the worksheet on page 10 of Instructions	17b																					
Rents, royalties, partnerships, estates, trusts, etc. (attach Schedule E)	18														11,986.85							
Farm income or (loss) (attach Schedule F)	19																					
Unemployment compensation (insurance). Total received	20a																					
Taxable amount, if any, from the worksheet on page 10 of Instructions	20b																					
Social security benefits (see page 10)	21a																					
Taxable amount, if any, from worksheet on page 11. Tax-exempt interest	21b																					
Other income (list type and amount—see page 11 of Instructions)	22														GAMBLING INCOME						2,000.00	
Add the amounts shown in the far right column for lines 7 through 22. This is your total income	23																					9,043.39

Adjusted Gross Income **32** Subtract line 31 from line 23. This is your adjusted gross income. If this line is less than \$11,000 and a child lived with you, see "Earned Income Credit" (line 58) on page 16 of Instructions. If you want IRS to figure your tax, see page 13 of Instructions. **9,043.39**

<b>Tax Computation</b>  (See Instructions on page 13.)	33	Amount from line 32 (adjusted gross income)	33	9,043.39
	34a	If you itemize, attach Schedule A (Form 1040) and enter the amount from Schedule A, line 26. <b>Caution:</b> If you have unearned income and can be claimed as a dependent on your parents' return, see page 13 of Instructions and check here <input type="checkbox"/> . Also see page 13 if you are married filing a separate return and your spouse itemizes deductions, or you are a dual-status alien.	34a	
	b	If you do not itemize but you made charitable contributions, enter your cash contributions here. (If you gave \$3,000 or more to any one organization, see page 14.)	34b	50.00
	c	Enter your noncash contributions (you must attach Form 8283 if over \$500)	34c	
	d	Add lines 34b and 34c. Enter the total	34d	50.00
	35	Subtract line 34a or line 34d, whichever applies, from line 33	35	8,993.39
	36	Multiply \$1,080 by the total number of exemptions claimed on line 6f (see page 14)	36	2,160.00
	37	<b>Taxable income.</b> Subtract line 36 from line 35. Enter the result (but not less than zero)	37	6,833.39
	38	Enter tax here. Check if from <input type="checkbox"/> Tax Table, <input type="checkbox"/> Tax Rate Schedule X, Y, or Z, or <input type="checkbox"/> Schedule G	38	650.00
	39	Additional taxes (see page 14 of Instructions). Enter here and check if from <input type="checkbox"/> Form 4970, <input type="checkbox"/> Form 4972, or <input type="checkbox"/> Form 5544	39	
40	Add lines 38 and 39. Enter the total	40	650.00	
<b>Credits</b>  (See Instructions on page 14.)	41	Credit for child and dependent care expenses (attach Form 2441)	41	
	42	Credit for the elderly or for the permanently and totally disabled (attach Schedule R)	42	
	43	Partial credit for political contributions for which you have receipts	43	
	44	Add lines 41 through 43. Enter the total	44	
	45	Subtract line 44 from line 40. Enter the result (but not less than zero)	45	650.00
	46	Foreign tax credit (attach Form 1116)	46	
	47	General business credit. Check if from <input type="checkbox"/> Form 3800, <input type="checkbox"/> Form 3468, <input type="checkbox"/> Form 5884, <input type="checkbox"/> Form 6478, or <input type="checkbox"/> Form 6765	47	
	48	Add lines 46 and 47. Enter the total	48	
	49	Subtract line 48 from line 45. Enter the result (but not less than zero)	49	650.00
<b>Other Taxes</b>  (Including Advance EIC Payments)	50	Self-employment tax (attach Schedule SE)	50	
	51	Alternative minimum tax (attach Form 6251)	51	
	52	Tax from recapture of investment credit (attach Form 4255)	52	
	53	Social security tax on tip income not reported to employer (attach Form 4137)	53	
	54	Tax on an IRA (attach Form 5329)	54	
	55	Add lines 49 through 54. This is your total tax	55	650.00
<b>Payments</b>  Attach Forms W-2, W-2G, and W-2P to front.	56	Federal income tax withheld	56	1,178.98
	57	1986 estimated tax payments and amount applied from 1985 return	57	
	58	Earned income credit (see page 16)	58	
	59	Amount paid with Form 4868	59	
	60	Excess social security tax and RRTA tax withheld (two or more employers)	60	
	61	Credit for Federal tax on gasoline and special fuels (attach Form 4136)	61	
	62	Regulated investment company credit (attach Form 2439)	62	
	63	Add lines 56 through 62. These are your total payments	63	1,178.98
<b>Refund or Amount You Owe</b>	64	If line 63 is larger than line 55, enter amount OVERPAID	64	528.98
	65	Amount of line 64 to be REFUNDED TO YOU	65	528.98
	66	Amount of line 64 to be applied to your 1987 estimated tax	66	
	67	If line 55 is larger than line 63, enter AMOUNT YOU OWE. Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number, daytime phone number, and "1986 Form 1040" on it. Check <input type="checkbox"/> If Form 2210 (2210F) is attached. See page 17. Penalty: \$	67	

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.

Please Sign Here

Your signature	Date	Your occupation
<i>Nicholas Corabian</i>	4/19/87	Inspector
Spouse's signature (if joint return, BOTH must sign)	Date	Spouse's occupation

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed
<i>Alphonse A. Talaraico</i>	4/19/87	<input checked="" type="checkbox"/>
Firm's name (or yours, if self-employed) and address	E.I. No.	ZIP code
<i>Alphonse A. Talaraico</i> 3000 S. PRINCETON AVE CHICAGO, ILL		60616

Name(s) as shown on Form 1040. (Do not enter name and social security number if shown on other side.)

NICHOLAS CALABRESE

Schedule B—Interest and Dividend Income

Attachment Sequence No. 08

Part I Interest Income

If you received more than \$400 in interest income, you must complete Part I and list ALL interest received. If you received, as a nominee, interest that actually belongs to another person, or you received or paid accrued interest on securities transferred between interest payment dates, see page 22.

(See Instructions on pages 8 and 22.)

Also complete Part III.

Table with columns: Interest Income, Amount. Rows include: 1 Interest income from seller-financed mortgages, 2 Other interest income (list name of payer), 3 Add the amounts on lines 1 and 2. Total: 3,682.59

Part II Dividend Income

If you received more than \$400 in gross dividends and/or other distributions on stock, complete Part II. If you received, as a nominee, dividends that actually belong to another person, see page 23.

(See Instructions on pages 8 and 22.)

Also complete Part III.

Table with columns: Dividend Income, Amount. Rows include: 4 Dividend income (list name of payer), 5 Add the amounts on line 4, 6 Capital gain distributions, 7 Nontaxable distributions, 8 Add the amounts on lines 6 and 7, 9 Subtract line 8 from line 5.

\*If you received capital gain distributions for the year and you do not need Schedule D to report any other gains or losses, do not file that schedule. Instead, enter 40% of your capital gain distributions on Form 1040, line 14.

Part III Foreign Accounts and Foreign Trusts

If you received more than \$400 of interest or dividends, OR if you had a foreign account or were a grantor of, or a transferor to, a foreign trust, you must answer both questions in Part III.

Table with columns: Question, Yes, No. Rows include: 10 At any time during the tax year, did you have an interest in or a signature or other authority over a financial account in a foreign country... 11 Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year...

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule B (Form 1040) 1986

**SCHEDULES A&B  
(Form 1040)**

**Schedule A—Itemized Deductions**

(Schedule B is on back)

OMB No. 1545-0074

**1986**

Attachment Sequence No. 07

Department of the Treasury  
Internal Revenue Service (O)

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

Name(s) as shown on Form 1040

Your social security number

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

**SCHEDULE E**  
**(Form 1040)**

**Supplemental Income Schedule**

OMB No. 1545-0074

**1986**

Department of the Treasury  
Internal Revenue Service (01)

(From rents and royalties, partnerships, estates, trusts, etc.)

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

Attachment  
Sequence No. **13**

Name(s) as shown on Form 1040

**NICHOLAS CALABRESE**

**Part I Rental and Royalty Income or (Loss)**

- 1 In the space provided below, show the kind and location of each rental property.
- 2 For each property listed, did you or a member of your family use for personal purposes any of the properties for more than the greater of 14 days or 10% of the total days rented at fair rental value during the tax year?

	Yes	No
Property A <b>6250 W. GRAND AVENUE - CHGO. ILL.</b>		<input checked="" type="checkbox"/>
Property B <b>TOWNHOUSE #17, SOUTH POINT, FLORIDA</b>		<input checked="" type="checkbox"/>
Property C		

Rental and Royalty Income	Properties			Totals (Add columns A, B, and C)
	A	B	C	
3a Rents received	14,950.00	1,707.34	=	3 17,357.34
b Royalties received	1,200.00		=	
<b>Rental and Royalty Expenses</b>				
4 Advertising				
5 Auto and travel				
6 Cleaning and maintenance		185.00		
7 Commissions		158.00		
8 Insurance	2,800.00	443.00		
9 Legal and other professional fees				
10 Mortgage interest paid to financial institutions (see Instructions)	5,581.09	4,120.81	=	10 9,701.98
11 Other interest				
12 Repairs				
13 Supplies				
14 Taxes (Do not include windfall profit tax here. See Part III, line 34.)	7,057.00	733.50		
15 Utilities	2,703.62	24.97		
16 Wages and salaries				
17 Other (list) ▶				
<b>SCAVENGER</b>		61.12		
<b>ASSOCIATION FEES</b>		395.00		
18 Total expenses other than depreciation and depletion. Add lines 4 through 17	18 18,141.71	6,121.48	=	18 24,263.19
19 Depreciation expense (see Part V Instructions), or depletion (see Publication 535)	19 3,431.00	2,150.00	=	19 5,581.00
20 Total. Add lines 18 and 19	20 21,572.71	8,271.48	=	
21 Income or (loss) from rental or royalty properties. Subtract line 20 from line 3a (rents) or 3b (royalties)	21 <del>5,422.71</del>	<del>(6,564.14)</del>	=	
22 Add properties with profits on line 21, and enter the total profits here				22
23 Add properties with losses on line 21, and enter the total (losses) here				23 (11,986.85)
24 Combine amounts on lines 22 and 23, and enter the net profit or (loss) here				24 (11,986.85)
25 Net farm rental profit or (loss) from Form 4835, line 34				25
26 Total rental or royalty income or (loss). Combine amounts on lines 24 and 25, and enter the total here. If Parts II and III on page 2 do not apply to you, enter the amount from line 26 on Form 1040, line 18. Otherwise, include the amount from line 26 in line 36 on page 2 of Schedule E				26 (11,986.85)

For Paperwork Reduction Act Notice, see Form 1040 Instructions.



Form **2106**

**Employee Business Expenses**

OMB No. 1545-0139

Department of the Treasury  
Internal Revenue Service (0)

- ▶ See instructions on back.
- ▶ Attach to Form 1040.

**1986**  
Attachment  
Sequence No. 54

Your name NICHOLAS CALABRESE Serial security number \_\_\_\_\_ Occupation in which expenses were incurred INSPECTOR

**Part I Employee Business Expenses Deductible in Figuring Adjusted Gross Income**

1 Vehicle expenses from Part II, lines 15 or 22	1	3,052.35
2 Parking fees, tolls, and business portion of certain interest and taxes (see instructions)	2	
3 Local transportation including train, cabs, bus, airplane, etc.	3	
4 Travel expenses while away from home overnight including meals, lodging, airplane, car rental, taxi, etc.	4	
5 Employees who are not outside salespersons: Enter your expenses, not included on lines 1 through 4, for entertainment, gifts, and other business expenses, up to the amount you were reimbursed by your employer. Use Schedule A (Form 1040) for these expenses that were more than your reimbursement	5	
6 Outside salesperson's expenses: Enter your total expenses for entertainment, gifts, and other business expenses not included on lines 1 through 4	6	
7 Add lines 1 through 6	7	3,052.35
8 Enter reimbursements from employer on this line if the reimbursements were not included on Form W-2	8	3,300.00
9 If line 7 is more than line 8, enter difference here and on Form 1040, line 25	9	
10 If line 8 is more than line 7, enter difference here and include it on Form 1040, line 7	10	247.65

**Part II Vehicle Expenses (Use either your actual expenses or the standard mileage rate.)**

**Section A.—General Information**

	Vehicle 1	Vehicle 2
1 Enter the date vehicle was placed in service	1/3/84	/ /
2 Total mileage vehicle was used during 1986	21,560 miles	
3 Miles included on line 2 that vehicle was used for business	14,535 miles	
4 Percent of business use (divide line 3 by line 2)	67 %	
5 Average daily round trip commuting distance		
6 Miles included on line 2 that vehicle was used for commuting		
7 Other personal mileage (subtract line 6 plus line 3 from line 2)	7,025 miles	
8 Do you (or your spouse) have another vehicle available for personal purposes?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
9 If your employer provided you with a vehicle, is personal use during off duty hours permitted?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable	
10 Do you have evidence to support your deduction? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No. If yes, is the evidence written? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

**Section B.—Standard Mileage Rate (Do not use this section unless you own the vehicle.)**

11 Enter the smaller of Part II, line 3 or 15,000 miles	11	14,535 miles
12 Subtract line 11 from Part II, line 3.	12	
13 Multiply line 11 by 21¢ (.21) (see instructions for a fully depreciated vehicle)	13	3,052.35
14 Multiply line 12 by 11¢ (.11)	14	
15 Add lines 13 and 14. Enter total here and on Part I, line 1	15	3,052.35

**Section C.—Actual Expenses**

	Vehicle 1	Vehicle 2
16 Gasoline, oil, repairs, vehicle insurance, etc.	16	
17 Vehicle rentals	17	
18 Value of employer-provided vehicle (applies only if included on Form W-2 at 100% fair rental value, see instructions)	18	
19 Add lines 16 through 18	19	
20 Multiply line 19 by the percentage on Part II, line 4	20	
21 Depreciation from Section D, column (f) (see instructions)	21	
22 Add lines 20 and 21. Enter total here and on Part I, line 1	22	

**Section D.—Depreciation of Vehicles (Depreciation can only be claimed for a vehicle you own. If a vehicle is used 50 percent or less in a trade or business, the Section 179 deduction is not allowed and depreciation must be taken using the straight line method over 5 years. For other limitations, see instructions.)**

	Cost or other basis (a)	Basis for depreciation (Business use only—see instructions) (b)	Method of figuring depreciation (c)	Depreciation deduction (d)	Section 179 expense (e)	Total column (d) + column (e) (f)
Vehicle 1						
Vehicle 2						



## Items You Should Note:

- If you are an employee and claim any deduction for the business use of a vehicle, you must use Form 2106 and complete Part II, Section A, including questions 8 through 10.
- If the vehicle was used more than 50 percent for business in the first year it was placed in service, and used 50 percent or less in a later year, part of the depreciation, Section 179 deduction, and investment credit will have to be recaptured in the later year. Figure the amount of depreciation and Section 179 deduction to be recaptured on Form 4797, Gains and Losses From Sales or Exchanges Of Assets Used in a Trade or Business and Involuntary Conversions. Figure the amount of investment credit to be recaptured on Form 4255, Recapture of Investment Credit.
- Recent legislation provides a new method that reduces the allowable depreciation deduction for automobiles placed in service after 12/31/86. However, you may elect to use that method for automobiles placed in service after 7/31/86. See Publication 534, Depreciation, for more information.

## Instructions

**Paperwork Reduction Act Notice.**—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

**Who Must File.**—File this form if you are an employee and are deducting the following expenses attributable to your job:

- Outside salesperson expenses.
- Travel and transportation expenses.
- For employees, other than outside salespersons, any other business expenses, but only up to the amount of employer reimbursements.

**Exception:** You need not complete this form if you account to your employer by means of an account book, diary or similar statement, and your business expenses are equal to your reimbursement.

For deduction of education expenses as a business expense, including transportation, see Publication 508, Educational Expenses.

## Line-by-Line Instructions

### Part I

For lines 1 through 4 and 6, enter the total expenses applicable to each of those lines. For line 5, only enter the expenses up to the amount of your employer's reimbursement.

**Line 2.**—Enter any parking fees or tolls you paid in connection with using your vehicle for business. If you purchased the vehicle this year, and paid sales tax, multiply Part II, line 4 by the total sales tax, and include the result on this line. If you paid interest on the vehicle, multiply Part II, line 4 by that interest and include the result on this line. The remaining sales tax and interest should be deducted on Schedule A (Form 1040).

**Line 3.**—If you use transportation for business such as a taxicab, bus, or train, enter the cost. Also, enter any airplane fares that did not involve overnight travel. Do not include transportation while commuting to and from work.

**Line 4.**—Enter your meals, lodging, and transportation expenses paid while traveling away from your tax home overnight on business including temporary business assignments.

Instead of actual cost, you may include your expenses for meals at \$14 a day when you are in one general area less than 30 days and at \$9 a day for all the days, if you are in one general area 30 days or more. Get Publication 463, Travel, Entertainment, and Gift Expenses, for more details.

**Lines 5 and 6.**—You are an outside salesperson if you do your selling away from your employer's place of business. You are not an outside salesperson if your main duties are service and delivery or if you sell at your employer's place of business. If you are reimbursed by your employer one amount to cover travel or transportation expenses as well as other business expenses, allocate your reimbursement for purposes of line 5. Do this by dividing the expenses reportable on line 5 by your total expenses, and multiplying the result by your reimbursement.

**Line 8.**—Do not include reimbursements on this line if included on Form W-2.

### Part II

If you used 2 vehicles for business during the year, use a separate column for each vehicle in Sections A and C. If you used more than 2, attach a computation following the format in Sections A, C, and D.

**Line 1.**—Date placed in service is the date you first start using your car for any purpose, whether personal or business. For example, if you first start using a car for personal use in February and convert it to business use in October, the car is considered placed in service in February, even though you cannot start depreciating it until October.

**Line 2.**—Enter the total mileage each vehicle was driven for all purposes during the year.

**Caution:** If you changed jobs during the year to one in which you first started using a vehicle in your job, enter only the total mileage for the months the vehicle was used in your job. After entering your business miles on line 3, figure your percentage of business use by dividing line 3 by line 2. Multiply that percentage by the number of months the car was used in your job, and divide the result by 12. Enter this percentage on line 4.

**Line 3.**—Do not include commuting mileage on this line.

**Line 5.**—Enter your average daily round trip commuting distance. If you go to a different business location each day, figure the average. Commuting mileage is the mileage from home to your first stop and from your last stop to home even if you do not go to the same location each day, or whether or not you are self-employed.

**Line 6.**—You may figure your total commuting mileage by multiplying line 5 by the number of days during the year you used each vehicle to and from work.

**Section B—Standard mileage rate.**—You may use the standard mileage rate instead of using actual expenses in figuring the deductible costs of operating a passenger car, including a van, pick-up or panel truck. You cannot use the standard mileage rate if you ever took depreciation on that car using a method other than straight line. You may not use the standard mileage rate unless you used that method the first year you start using the car for business. If you listed more than one vehicle on line 3, get Publication 917, Business Use of a Car.

**Line 13.**—If your vehicle is fully depreciated, multiply line 11 by 11¢ a mile (.11) instead of 21¢. A vehicle is considered fully depreciated after 60,000 miles of business use at the maximum standard mileage rate.

**Line 16.**—Enter your total expenses for the year, for gasoline, oil, repairs, insurance, tires, license plates, or similar items.

**Line 17.**—If you rented or leased a vehicle during the year instead of using one that you own, enter the cost of renting. However, you may have to include an amount in income. See Publication 917. Also, include on this line any temporary vehicle rentals, such as when your car was being repaired.

**Line 18.**—If your employer provided you a vehicle during the year that you used for business, and included the value on your Form W-2 at 100 percent of the fair rental value, enter that amount on this line. If less than the full rental value was included on your W-2, such as where your employer reduced the value for business use based on your records, do not include any amount on this line, but see Publication 917.

### Section D.—Depreciation

Depreciation is an amount you can deduct over a certain number of years. In some cases, you may elect to expense, under Internal Revenue Code Section 179, part of your vehicle in the year of purchase. For more information on depreciation and the Section 179 deduction, including the limitations and their effective dates, get Publication 917.

**Limitations.**—For purposes of figuring the amounts to enter in columns (d), (e), and (f):

● **Vehicles placed in service after April 2, 1985.**—Depreciation plus Section 179 deduction is limited to \$3,200 the first year, multiplied by the percent of business use (line 4, Part II), and \$4,800 the second year multiplied by Part II, line 4.

● **Vehicles placed in service after June 18, 1984 and before April 3, 1985.**—Depreciation is limited to \$6,200 (\$6,000 placed in service before January 1, 1985) the second and third year, multiplied by Part II, line 4.

**Column (a).**—Enter the vehicle's actual cost or other basis. If you traded in your vehicle, see Publication 917 for the computation of basis. Reduce your basis by any diesel fuel tax credit.

**Column (b).**—Multiply column (a) by the percentage in Part II, line 4. From that result, subtract any Section 179 expense, and one-half of investment credit taken (if applicable, unless you took the reduced credit).

**Column (c).**—Use one of the following methods for figuring depreciation under ACRS:

**Method 1.** Enter "ACRS" and 25%, the first year placed in service; 38%, the second year; and 37%, the third year; or

**Method 2.** Enter "SL" and your choice of 3, 5, or 12 years; or

**Method 3.** You must use this method if the vehicle was placed in service after June 18, 1984, and Part II, line 4 shows 50% or less. Enter "SL" and 10%, the first year; and 20%, the second and third year.

**Column (d).**—Multiply column (b) by column (c) unless you used method 2 above. In that case divide column (b) by column (c), and if this is the first or last year of depreciating the vehicle, divide the result by 2.

**Column (e).**—If this is the first year the vehicle was placed in service, and you are taking deduction under Section 179, enter the multiplied by Part II, line 4, but not more than \$3,200 multiplied by Part II, line 4. If Part II, line 4 shows 50 percent or less, enter zero.

**Column (f).**—Add columns (d) and (e), but do not enter more than the limitation listed above. If you sold or exchanged your vehicle during the year, enter zero in column (f) for that vehicle.



**Depreciation and Amortization**

Department of the Treasury  
Internal Revenue Service (0)

▶ See separate instructions.  
▶ Attach this form to your return.

**1986**  
Attachment  
Sequence No. 67

Name(s) as shown on return  
**NICHOLAS CALABRESE**

Identifying number

Business or activity to which this form relates  
**SCHEDULE (E) PROPERTY (B)**

**Part I** Depreciation (Do not use this part for automobiles, certain other vehicles, computers, and property used for entertainment, recreation, or amusement. Instead, use Part III.)  
See instructions under Items. You Should Note for new rules for certain assets placed in service after July 31, 1986.

**Section A.—Election To Expense Recovery Property (Section 179)**

(a) Class of property	(b) Cost	(c) Expense deduction
1		
2 Listed property—Enter total from Part III, Section A, column (h).		
3 Total (see instructions for limitations). (Partnerships or S corporations—see the Schedule K and Schedule K-1 Instructions of Form 1065 or 1120S)		

**Section B.—Depreciation of Recovery Property**

(a) Class of property	(b) Date placed in service	(c) Basis for depreciation (Business use only—see instructions)	(d) Recovery period	(e) Method of figuring depreciation	(f) Deduction
4 Accelerated Cost Recovery System (ACRS) (see instructions): For assets placed in service ONLY during tax year beginning in 1986					
a 3-year property					
b 5-year property					
c 10-year property					
d 15-year public utility property					
e Low-income housing					
f 15-year real property					
g 18-year real property					
h 19-year real property					
5 Listed property—Enter total from Part III, Section A, column (g).					
6 ACRS deduction for assets placed in service prior to 1986 (see instructions)					<b>2,150.00</b>

**Section C.—Depreciation of Nonrecovery Property**

7 Property subject to section 168(e)(2) election (see instructions)	
8 Other depreciation (see instructions)	

**Section D.—Summary**

9 Depreciation from Form 4562A (see instructions)	
10 Total (add deductions on lines 3 through 9). Enter here and on the Depreciation line of your return (Partnerships and S corporations—Do NOT include any amounts entered on line 3.)	

**Part II Amortization**

(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
1 Amortization for property placed in service only during tax year beginning in 1986					
2 Amortization for property placed in service prior to 1986					
3 Total. Enter here and on Other Deductions or Other Expenses line of your return					

Part III Automobiles, Certain Other Vehicles, Computers, and Property Used for Entertainment, Recreation, or Amusement (Listed Property)

If you are using the standard mileage rate or deducting vehicle lease expense, complete columns (a) through (d) of Section A, all of Section B, and Section C if applicable.

Section A.—Depreciation (If automobiles and other listed property placed in service after June 18, 1984, are used 50% or less in a trade or business, the Section 179 deduction is not allowed and depreciation must be taken using the straight line method over 5 years. For other limitations, see instructions.)

Table with 8 columns: (a) Type of property, (b) Date placed in service, (c) Business use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Depreciation method and recovery period, (g) Depreciation deduction, (h) Section 179 expense. Includes a 'Do you have evidence to support the business use claimed?' header with Yes/No options and a 'Total' row at the bottom.

Section B.—Information Regarding Use of Vehicles

Complete this section as follows, if you deduct expenses for vehicles:

- Always complete this section for vehicles used by a sole proprietor, partner, or other more than 5% owner or related person.
If you provided vehicles to employees, first answer the questions in Section C to see if you meet an exception to completing this section for those items.

Table for Section B with columns for Vehicle 1 through Vehicle 6 and rows for 1-7: Total miles driven during the year, Total business miles driven during the year, Total commuting miles driven during the year, Total other personal (noncommuting) miles driven, Was the vehicle available for personal use during off-duty hours?, Was the vehicle used primarily by a more than 5% owner or related person?, Is another vehicle available for personal use?.

Section C.—Questions for Employers Who Provide Vehicles for Use by Employees.

(Answer these questions to determine if you meet an exception to completing Section B. Note: Section B must always be completed for vehicles used by sole proprietors, partners, or other more than 5% owners or related persons.)

Table for Section C with columns for Yes/No and rows for 8-12: Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? Do you treat all use of vehicles by employees as personal use? Do you provide more than five vehicles to your employees and retain the information received from your employees concerning the use of the vehicles? Do you meet the requirements concerning fleet vehicles or qualified automobile demonstration use (see instructions)?

Form **4562**

**Depreciation and Amortization**

OMB No. 1545-0172

Department of the Treasury  
Internal Revenue Service (O)

▶ See separate instructions.  
▶ Attach this form to your return.

**1986**  
Attachment  
Sequence No. 67

Name(s) as shown on return  
**NICHOLAI CALABRESE**

Identifying number

Business or activity to which this form relates  
**SCHEDULE (E) PROPERTY A**

**Part I** Depreciation (Do not use this part for automobiles, certain other vehicles, computers, and property used for entertainment, recreation, or amusement. Instead, use Part III.)  
See instructions under Items You Should Note for new rules for certain assets placed in service after July 31, 1986.

**Section A.—Election To Expense Recovery Property (Section 179)**

(a) Class of property	(b) Cost	(c) Expense deduction
1		
2 Listed property—Enter total from Part III, Section A, column (h).		
3 Total (see instructions for limitations). (Partnerships or S corporations—see the Schedule K and Schedule K-1 Instructions of Form 1065 or 1120S)		

**Section B.—Depreciation of Recovery Property**

(a) Class of property	(b) Date placed in service	(c) Basis for depreciation (Business use only—see instructions)	(d) Recovery period	(e) Method of figuring depreciation	(f) Deduction
4 Accelerated Cost Recovery System (ACRS) (see instructions): For assets placed in service ONLY during tax year beginning in 1986					
a 3-year property					
b 5-year property					
c 10-year property					
d 15-year public utility property					
e Low-income housing					
f 15-year real property					
g 18-year real property					
h 19-year real property					
5 Listed property—Enter total from Part III, Section A, column (g).					
6 ACRS deduction for assets placed in service prior to 1986 (see instructions)					<b>3,431.00</b>

**Section C.—Depreciation of Nonrecovery Property**

7 Property subject to section 168(e)(2) election (see instructions)	
8 Other depreciation (see instructions)	

**Section D.—Summary**

9 Depreciation from Form 4562A (see instructions)	
10 Total (add deductions on lines 3 through 9). Enter here and on the Depreciation line of your return (Partnerships and S corporations—Do NOT include any amounts entered on line 3.)	

**Part II Amortization**

(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
1 Amortization for property placed in service only during tax year beginning in 1986					
2 Amortization for property placed in service prior to 1986					
3 Total. Enter here and on Other Deductions or Other Expenses line of your return					

See Paperwork Reduction Act Notice on page 1 of the separate instructions.

Form **4562** (1986)

Part III Automobiles, Certain Other Vehicles, Computers, and Property Used for Entertainment, Recreation, or Amusement (Listed Property).

If you are using the standard mileage rate or deducting vehicle lease expense, complete columns (a) through (d) of Section A, all of Section B, and Section C if applicable.

Section A.—Depreciation (If automobiles and other listed property placed in service after June 18, 1984, are used 50% or less in a trade or business, the Section 179 deduction is not allowed and depreciation must be taken using the straight line method over 5 years. For other limitations, see instructions.)

Table with 8 columns: (a) Type of property, (b) Date placed in service, (c) Business use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Depreciation method and recovery period, (g) Depreciation deduction, (h) Section 179 expense. Includes 'Do you have evidence to support the business use claimed?' and 'If yes, is the evidence written?' checkboxes.

Section B.—Information Regarding Use of Vehicles

Complete this section as follows, if you deduct expenses for vehicles:

- Always complete this section for vehicles used by a sole proprietor, partner, or other more than 5% owner or related person.
If you provided vehicles to employees, first answer the questions in Section C to see if you meet an exception to completing this section for those items.

Table for Section B with columns for Vehicle 1 through Vehicle 6 and rows for: 1 Total miles driven during the year, 2 Total business miles driven during the year, 3 Total commuting miles driven during the year, 4 Total other personal (noncommuting) miles driven, 5 Was the vehicle available for personal use during off-duty hours?, 6 Was the vehicle used primarily by a more than 5% owner or related person?, 7 Is another vehicle available for personal use?.

Section C.—Questions for Employers Who Provide Vehicles for Use by Employees.

(Answer these questions to determine if you meet an exception to completing Section B. Note: Section B must always be completed for vehicles used by sole proprietors, partners, or other more than 5% owners or related persons.)

Table for Section C with 2 columns: Yes, No. Rows include: 8 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?, 9 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees?, 10 Do you treat all use of vehicles by employees as personal use?, 11 Do you provide more than five vehicles to your employees and retain the information received from your employees concerning the use of the vehicles?, 12 Do you meet the requirements concerning fleet vehicles or qualified automobile demonstration use (see instructions)?