

**SCHEDULE C  
(Form 1040)**

**Profit or Loss From Business**

(Sole Proprietorship)

OMB No. 1545-0074

**1997**

Attachment  
Sequence No. **09**

Department of the Treasury  
Internal Revenue Service (99)

▶ Partnerships, joint ventures, etc., must file Form 1065.

▶ Attach to Form 1040 or Form 1041. ▶ See Instructions for Schedule C (Form 1040).

Name of proprietor	Social security number (SSN)
A Principal business or profession, including product or service (see page C-1)	<b>B Enter principal business code</b> (see page C-6) ▶
C Business name. If no separate business name, leave blank.	<b>D Employer ID number (EIN), if any</b>
E Business address (including suite or room no.) ▶ City, town or post office, state, and ZIP code	
F Accounting method: (1) <input 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 1997? If "No," see page C-2 for limit on losses. <input type="checkbox"/> Yes <input type="checkbox"/> No	
H If you started or acquired this business during 1997, check here <input type="checkbox"/>	

**Part I Income**

1 Gross receipts or sales. <b>Caution:</b> If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see page C-2 and check here . . . . . ▶ <input type="checkbox"/>	1		
2 Returns and allowances . . . . .	2		
3 Subtract line 2 from line 1 . . . . .	3		
4 Cost of goods sold (from line 42 on page 2) . . . . .	4		
5 <b>Gross profit.</b> Subtract line 4 from line 3 . . . . .	5		
6 Other income, including Federal and state gasoline or fuel tax credit or refund (see page C-2) . . . . .	6		
7 <b>Gross income.</b> Add lines 5 and 6 . . . . . ▶	7		

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

8 Advertising . . . . .	8			19 Pension and profit-sharing plans	19		
9 Bad debts from sales or services (see page C-3) . . . . .	9			20 Rent or lease (see page C-4):			
10 Car and truck expenses (see page C-3) . . . . .	10			a Vehicles, machinery, and equipment . . . . .	20a		
11 Commissions and fees . . . . .	11			b Other business property . . . . .	20b		
12 Depletion . . . . .	12			21 Repairs and maintenance . . . . .	21		
13 Depreciation and section 179 expense deduction (not included in Part III) (see page C-3) . . . . .	13			22 Supplies (not included in Part III) . . . . .	22		
14 Employee benefit programs (other than on line 19) . . . . .	14			23 Taxes and licenses . . . . .	23		
15 Insurance (other than health) . . . . .	15			24 Travel, meals, and entertainment:			
16 Interest:				a Travel . . . . .	24a		
a Mortgage (paid to banks, etc.) . . . . .	16a			b Meals and entertainment . . . . .			
b Other . . . . .	16b			c Enter 50% of line 24b subject to limitations (see page C-4) . . . . .			
17 Legal and professional services . . . . .	17			d Subtract line 24c from line 24b . . . . .	24d		
18 Office expense . . . . .	18			25 Utilities . . . . .	25		
28 <b>Total expenses</b> before expenses for business use of home. Add lines 8 through 27 in columns . . . . . ▶				26 Wages (less employment credits) . . . . .	26		
29 Tentative profit (loss). Subtract line 28 from line 7 . . . . .				27 Other expenses (from line 48 on page 2) . . . . .	27		
30 Expenses for business use of your home. Attach <b>Form 8829</b> . . . . .				28	28		
31 <b>Net profit or (loss).</b> Subtract line 30 from line 29.				29	29		
• If a profit, enter on <b>Form 1040, line 12</b> , and ALSO on <b>Schedule SE, line 2</b> (statutory employees, see page C-5). Estates and trusts, enter on Form 1041, line 3.				30	30		
• If a loss, you <b>MUST</b> go on to line 32.				31	31		
32 If you have a loss, check the box that describes your investment in this activity (see page C-5).							
• If you checked 32a, enter the loss on <b>Form 1040, line 12</b> , and ALSO on <b>Schedule SE, line 2</b> (statutory employees, see page C-5). Estates and trusts, enter on Form 1041, line 3.							
• If you checked 32b, you <b>MUST</b> attach <b>Form 6198</b> .							
				32a <input type="checkbox"/> All investment is at risk.			
				32b <input type="checkbox"/> Some investment is not at risk.			

**Part III** Cost of Goods Sold (see page C-5)

<b>33</b> Method(s) used to value closing inventory: <b>a</b> <input type="checkbox"/> Cost <b>b</b> <input type="checkbox"/> Lower of cost or market <b>c</b> <input type="checkbox"/> Other (attach explanation)			
<b>34</b> Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation . . . . .		<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>35</b> Inventory at beginning of year. If different from last year's closing inventory, attach explanation . . . . .	<b>35</b>		
<b>36</b> Purchases less cost of items withdrawn for personal use . . . . .	<b>36</b>		
<b>37</b> Cost of labor. Do not include salary paid to yourself . . . . .	<b>37</b>		
<b>38</b> Materials and supplies . . . . .	<b>38</b>		
<b>39</b> Other costs . . . . .	<b>39</b>		
<b>40</b> Add lines 35 through 39 . . . . .	<b>40</b>		
<b>41</b> Inventory at end of year . . . . .	<b>41</b>		
<b>42</b> <b>Cost of goods sold.</b> Subtract line 41 from line 40. Enter the result here and on page 1, line 4 . . . . .	<b>42</b>		

**Part IV** Information on Your Vehicle. Complete this part **ONLY** if you are claiming car or truck expenses on line 10 and are not required to file Form 4562 for this business. See the instructions for line 13 on page C-3 to find out if you must file.

**43** When did you place your vehicle in service for business purposes? (month, day, year) ► ..... / ..... / .....

**44** Of the total number of miles you drove your vehicle during 1997, enter the number of miles you used your vehicle for:

**a** Business .....    **b** Commuting .....    **c** Other .....

**45** Do you (or your spouse) have another vehicle available for personal use? . . . . .  Yes     No

**46** Was your vehicle available for use during off-duty hours? . . . . .  Yes     No

**47a** Do you have evidence to support your deduction? . . . . .  Yes     No

**b** If "Yes," is the evidence written? . . . . .  Yes     No

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

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<b>48</b> Total other expenses. Enter here and on page 1, line 27 . . . . .	<b>48</b>		

