

Form **1040****U.S. Individual Income Tax Return 2002**

(99)

IRS use only — Do not write or staple in this space.

**Label**  
(See instructions.)**Use the IRS label.**  
Otherwise, please print or type.**Presidential Election Campaign**  
(See instructions.)

For the year Jan 1 - Dec 31, 2002, or other tax year beginning , 2002, ending , 20		OMB No. 1545-0074
Your first name <b>Bob</b>	MI Last name <b>Smith</b>	<b>Your social security number</b> 555-45-5555
If a joint return, spouse's first name <b>Betty</b>	MI Last name <b>Smith</b>	<b>Spouse's social security number</b> 555-33-3333
Home address (number and street). If you have a P.O. box, see instructions. <b>123 Lakeview</b>		<b>▲ Important! ▲</b> You must enter your social security number(s) above.
City, town or post office. If you have a foreign address, see instructions. <b>Lakeview</b>		
Apartment no. State ZIP code <b>WA 99999</b>		

**Note:** Checking 'Yes' will not change your tax or reduce your refund.  
Do you, or your spouse if filing a joint return, want \$3 to go to this fund? . . . . . ☐ Yes ☒ No ☐ Yes ☒ No

**Filing Status**

1 <input type="checkbox"/> Single	4 <input type="checkbox"/> Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here . . . . .
2 <input checked="" type="checkbox"/> Married filing jointly (even if only one had income)	5 <input type="checkbox"/> Qualifying widow(er) with dependent child (year spouse died . . . . .). (See instructions.)
3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above & full name here . . . . .	

Check only one box.

**Exemptions**

6a <input checked="" type="checkbox"/> <b>Yourself.</b> If your parent (or someone else) can claim you as a dependent on his or her tax return, <b>do not</b> check box 6a . . . . .	No. of boxes checked on 6a and 6b . . . . . <b>2</b>																														
b <input checked="" type="checkbox"/> <b>Spouse</b> . . . . .	No. of children on 6c who:																														
<table border="1"> <thead> <tr> <th>c Dependents:</th> <th>(2) Dependent's social security number</th> <th>(3) Dependent's relationship to you</th> <th>(4) <input checked="" type="checkbox"/> if qualifying child for child tax credit (see instrs)</th> <th> <input type="checkbox"/> lived with you . . .  <input type="checkbox"/> did not live with you due to divorce or separation (see instrs) . .            Dependents on 6c not entered above . .            Add numbers on lines above . . . . . <b>2</b> </th> </tr> </thead> <tbody> <tr> <td>(1) First name Last name</td> <td></td> <td></td> <td><input type="checkbox"/></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> <td></td> </tr> </tbody> </table>		c Dependents:	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if qualifying child for child tax credit (see instrs)	<input type="checkbox"/> lived with you . . . <input type="checkbox"/> did not live with you due to divorce or separation (see instrs) . . Dependents on 6c not entered above . . Add numbers on lines above . . . . . <b>2</b>	(1) First name Last name			<input type="checkbox"/>					<input type="checkbox"/>					<input type="checkbox"/>					<input type="checkbox"/>					<input type="checkbox"/>	
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			<input type="checkbox"/>																												
			<input type="checkbox"/>																												
			<input type="checkbox"/>																												
			<input type="checkbox"/>																												
d Total number of exemptions claimed . . . . .	<b>2</b>																														

If more than five dependents, see instructions.

**Income****Attach Forms W-2 and W-2G here. Also attach Form(s) 1099-R if tax was withheld.**

If you did not get a W-2, see instructions.

Enclose, but do not attach, any payment. Also, please use **Form 1040-V.**

7 Wages, salaries, tips, etc. Attach Form(s) W-2 . . . . .	<b>7</b>	
8a <b>Taxable</b> interest. Attach Schedule B if required . . . . .	<b>8a</b>	100,000.
b <b>Tax-exempt</b> interest. <b>Do not</b> include on line 8a . . . . .	<b>8b</b>	
9 Ordinary dividends. Attach Schedule B if required . . . . .	<b>9</b>	
10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions) . . . . .	<b>10</b>	
11 Alimony received. . . . .	<b>11</b>	
12 Business income or (loss). Attach Schedule C or C-EZ . . . . .	<b>12</b>	
13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here . . . . . <input type="checkbox"/>	<b>13</b>	660,000.
14 Other gains or (losses). Attach Form 4797 . . . . .	<b>14</b>	
15a IRA distributions . . . . . <b>15a</b>	<b>15b</b> Taxable amount (see instrs) . . . . .	
16a Pensions and annuities . . . . . <b>16a</b>	<b>16b</b> Taxable amount (see instrs) . . . . .	
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E . . . . .	<b>17</b>	
18 Farm income or (loss). Attach Schedule F . . . . .	<b>18</b>	
19 Unemployment compensation . . . . .	<b>19</b>	
20a Social security benefits . . . . . <b>20a</b>	<b>20b</b> Taxable amount (see instrs) . . . . .	
21 Other income . . . . .	<b>21</b>	
22 Add the amounts in the far right column for lines 7 through 21. This is your <b>total income</b> . . . . .	<b>22</b>	760,000.

**Adjusted Gross Income**

23 Educator expenses (see instructions) . . . . .	<b>23</b>	
24 IRA deduction (see instructions) . . . . .	<b>24</b>	
25 Student loan interest deduction (see instructions) . . . . .	<b>25</b>	
26 Tuition and fees deduction (see instructions) . . . . .	<b>26</b>	
27 Archer MSA deduction. Attach Form 8853 . . . . .	<b>27</b>	
28 Moving expenses. Attach Form 3903 . . . . .	<b>28</b>	
29 One-half of self-employment tax. Attach Schedule SE . . . . .	<b>29</b>	
30 Self-employed health insurance deduction (see instructions) . . . . .	<b>30</b>	
31 Self-employed SEP, SIMPLE, and qualified plans . . . . .	<b>31</b>	
32 Penalty on early withdrawal of savings . . . . .	<b>32</b>	
33a Alimony paid b Recipient's SSN . . . . . <b>33a</b>		
34 Add lines 23 through 33a . . . . .	<b>34</b>	
35 Subtract line 34 from line 22. This is your <b>adjusted gross income</b> . . . . .	<b>35</b>	760,000.

**Tax and Credits****Standard Deduction for —**

• People who checked any box on line 37a or 37b or who can be claimed as a dependent, see instructions.

• All others: Single, \$4,700

Head of household, \$6,900

Married filing jointly or Qualifying widow(er), \$7,850

Married filing separately, \$3,925

<b>36</b>	Amount from line 35 (adjusted gross income)	<b>36</b>	760,000.
<b>37a</b>	Check if: <input checked="" type="checkbox"/> You were 65/older, <input type="checkbox"/> Blind; <input checked="" type="checkbox"/> Spouse was 65/older, <input type="checkbox"/> Blind. Add the number of boxes checked above and enter the total here	<b>37a</b>	2
<b>b</b>	If you are married filing separately and your spouse itemizes deductions, or you were a dual-status alien, see instructions and check here	<b>37b</b>	<input type="checkbox"/>
<b>38</b>	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	<b>38</b>	9,650.
<b>39</b>	Subtract line 38 from line 36	<b>39</b>	750,350.
<b>40</b>	If line 36 is \$103,000 or less, multiply \$3,000 by the total number of exemptions claimed on line 6d. If line 36 is over \$103,000, see the worksheet in the instructions	<b>40</b>	0.
<b>41</b>	Taxable income. Subtract line 40 from line 39. If line 40 is more than line 39, enter -0-	<b>41</b>	750,350.
<b>42</b>	Tax (see instrs). Check if any tax is from <b>a</b> <input type="checkbox"/> Form(s) 8814 <b>b</b> <input type="checkbox"/> Form 4972	<b>42</b>	150,197.
<b>43</b>	Alternative minimum tax (see instructions). Attach Form 6251	<b>43</b>	7,803.
<b>44</b>	Add lines 42 and 43	<b>44</b>	158,000.
<b>45</b>	Foreign tax credit. Attach Form 1116 if required	<b>45</b>	
<b>46</b>	Credit for child and dependent care expenses. Attach Form 2441	<b>46</b>	
<b>47</b>	Credit for the elderly or the disabled. Attach Schedule R	<b>47</b>	
<b>48</b>	Education credits. Attach Form 8863	<b>48</b>	
<b>49</b>	Retirement savings contributions credit. Attach Form 8880	<b>49</b>	
<b>50</b>	Child tax credit (see instructions)	<b>50</b>	
<b>51</b>	Adoption credit. Attach Form 8839	<b>51</b>	
<b>52</b>	Credits from: <b>a</b> <input type="checkbox"/> Form 8396 <b>b</b> <input type="checkbox"/> Form 8859	<b>52</b>	
<b>53</b>	Other credits. Check applicable box(es): <b>a</b> <input type="checkbox"/> Form 3800 <b>b</b> <input type="checkbox"/> Form 8801 <b>c</b> <input type="checkbox"/> Specify	<b>53</b>	
<b>54</b>	Add lines 45 through 53. These are your total credits	<b>54</b>	
<b>55</b>	Subtract line 54 from line 44. If line 54 is more than line 44, enter -0-	<b>55</b>	158,000.
<b>56</b>	Self-employment tax. Attach Schedule SE	<b>56</b>	
<b>57</b>	Social security and Medicare tax on tip income not reported to employer. Attach Form 4137	<b>57</b>	
<b>58</b>	Tax on qualified plans, including IRAs, and other tax-favored accounts. Attach Form 5329 if required	<b>58</b>	
<b>59</b>	Advance earned income credit payments from Form(s) W-2	<b>59</b>	
<b>60</b>	Household employment taxes. Attach Schedule H	<b>60</b>	
<b>61</b>	Add lines 55-60. This is your total tax	<b>61</b>	158,000.

**Other Taxes****Payments**

If you have a qualifying child, attach Schedule EIC.

<b>62</b>	Federal income tax withheld from Forms W-2 and 1099	<b>62</b>	
<b>63</b>	2002 estimated tax payments and amount applied from 2001 return	<b>63</b>	142,200.
<b>64</b>	Earned income credit (EIC)	<b>64</b>	
<b>65</b>	Excess social security and tier 1 RRTA tax withheld (see instructions)	<b>65</b>	
<b>66</b>	Additional child tax credit. Attach Form 8812	<b>66</b>	
<b>67</b>	Amount paid with request for extension to file (see instructions)	<b>67</b>	
<b>68</b>	Other pmts from: <b>a</b> <input type="checkbox"/> Form 2439 <b>b</b> <input type="checkbox"/> Form 4136 <b>c</b> <input type="checkbox"/> Form 8885	<b>68</b>	
<b>69</b>	Add lines 62 through 68. These are your total payments	<b>69</b>	

**Refund**

Direct deposit? See instructions and fill in 71b, 71c, and 71d.

<b>70</b>	If line 69 is more than line 61, subtract line 61 from line 69. This is the amount you overpaid	<b>70</b>	
<b>71a</b>	Amount of line 70 you want refunded to you	<b>71a</b>	
<b>b</b>	Routing number	<b>c</b>	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
<b>d</b>	Account number		
<b>72</b>	Amount of line 70 you want applied to your 2003 estimated tax	<b>72</b>	

**Amount You Owe**

<b>73</b>	Amount you owe. Subtract line 69 from line 61. For details on how to pay, see instructions	<b>73</b>	15,800.
<b>74</b>	Estimated tax penalty (see instructions)	<b>74</b>	

**Third Party Designee**

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☐ Yes. Complete the following. ☒ No

Designee's name	Phone no.	Personal identification number (PIN)
-----------------	-----------	--------------------------------------

**Sign Here**

Joint return? See instructions.

Keep a copy for your records.

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	Date	Your occupation	Daytime phone number
		retired	
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	
		retired	

**Paid Preparer's Use Only**

Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code	Self-Prepared		EIN
			Phone no.

Schedule B – Interest and Ordinary Dividends

08

Part I  
Interest

(See instructions for Form 1040, line 8a.)

Note. If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

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 the instructions and list this interest first. Also, show that buyer's social security number and address . . . . . ▶  
Interest

Amount

100,000.00

2

Add the amounts on line 1 . . . . . ▶

2

100,000.00

3

Excludable interest on series EE and I U.S. savings bonds issued after 1989 from Form 8815, line 14. You **must** attach Form 8815 . . . . . ▶

3

4

Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a. . . . . ▶

4

100,000.00

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

Part II  
Ordinary Dividends

(See instructions for Form 1040, line 9.)

Note. If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

5

List name of payer. Include only ordinary dividends. If you received any capital gain distributions, see the instructions for Form 1040, line 13 . . . . ▶

Amount

6

Add the amounts on line 5. Enter the total here and on Form 1040, line 9. . . . . ▶

6

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

Part III  
Foreign Accounts and Trusts

(See instructions.)

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.

7 a

At any time during 2002, 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 instructions for exceptions and filing requirements for Form TD F 90-22.1 . . . . .

Yes

No

X

7 b

If 'Yes,' enter the name of the foreign country. . . ▶

Yes

No

8

During 2002, 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 instructions. . . . .

Yes

No

X

BAA For Paperwork Reduction Act Notice, see Form 1040 instructions.

FDIA0401 10/25/02

Schedule B (Form 1040) 2002

## SCHEDULE D

(Form 1040)

Department of the Treasury  
Internal Revenue Service (99)

## Capital Gains and Losses

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

OMB No. 1545-0074

2002

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Name(s) shown on Form 1040

Bob &amp; Betty Smith

Your social security number

555-45-5555

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

(a) Description of property (Example: 100 shares XYZ Co)	(b) Date acquired (Mo, day, yr)	(c) Date sold (Mo, day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see 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 2001 Capital Loss Carryover Worksheet . . . . .	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 shares XYZ Co)	(b) Date acquired (Mo, day, yr)	(c) Date sold (Mo, day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)	(g) 28% rate gain or (loss) * (see instructions below)
8 Home Sale Gain Realized	01/01/75	01/01/02	1,500,000.00	340,000.00	1,160,000.00	
Section 121 Exclusion					-500,000.00	
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	1,500,000.				
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 instrs. . . . .	13					
14 Long-term capital loss carryover. Enter in both columns (f) and (g) the amount, if any, from line 13 of your 2001 Capital Loss Carryover Worksheet . . . . .	14					
15 Combine lines 8 through 14 in column (g) . . . . .	15					
16 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f) . . . . .	16		660,000.			

Next: Go to Part III on page 2.

\* 28% rate gain or loss includes all 'collectibles gains and losses' (as defined in the instructions) and up to 50% of the eligible gain on qualified small business stock (see instructions).

**Part III Taxable Gain or Deductible Loss**

<b>17</b>	Combine lines 7 and 16 and enter the result. If a loss, go to line 18. If a gain, enter the gain on Form 1040, line 13, and complete Form 1040 through line 41 . . . . .	<b>17</b>	660,000.
<b>Next:</b> • If both lines 16 and 17 are gains <b>and</b> Form 1040, line 41, is more than zero, complete Part IV below. • Otherwise, skip the rest of Schedule D and complete Form 1040.			
<b>18</b>	If line 17 is a loss, enter here and on Form 1040, line 13, the <b>smaller</b> of (a) that loss or (b) (\$3,000) (or, if married filing separately, (\$1,500)). Then complete Form 1040 through line 39 . . . . .	<b>18</b>	
<b>Next:</b> • If the loss on line 17 is more than the loss on line 18 <b>or</b> if Form 1040, line 39, is less than zero, skip <b>Part IV</b> below and complete the <b>Capital Loss Carryover Worksheet</b> in the instructions before completing the rest of Form 1040. • Otherwise, skip <b>Part IV</b> below and complete the rest of Form 1040.			

**Part IV Tax Computation Using Maximum Capital Gains Rates**

<b>19</b>	Enter your unrecaptured Section 1250 gain, if any, from line 17 of the worksheet in the instructions . . . . .	<b>19</b>	
<b>If line 15 or line 19 is more than zero, complete the worksheet in the instructions to figure the amount to enter on lines 22, 29, and 40 below, and skip all other lines below. Otherwise, go to line 20.</b>			
<b>20</b>	Enter your taxable income from Form 1040, line 41 . . . . .	<b>20</b>	750,350.
<b>21</b>	Enter the <b>smaller</b> of line 16 or line 17 of Schedule D. . . . .	<b>21</b>	660,000.
<b>22</b>	If you are deducting investment interest expense on Form 4952, enter the amount from Form 4952, line 4e. Otherwise, enter -0- . . . . .	<b>22</b>	0.
<b>23</b>	Subtract line 22 from line 21. If zero or less, enter -0- . . . . .	<b>23</b>	660,000.
<b>24</b>	Subtract line 23 from line 20. If zero or less, enter -0- . . . . .	<b>24</b>	90,350.
<b>25</b>	Figure the tax on the amount on line 24. Use the Tax Table or Tax Rate Schedules, whichever applies . . . . .	<b>25</b>	18,197.
<b>26</b>	Enter the <b>smaller</b> of: • The amount on line 20 <b>or</b> • \$46,700 if married filing jointly or qualifying widow(er); \$27,950 if single; \$37,450 if head of household; or \$23,350 if married filing separately	<b>26</b>	46,700.
<b>If line 26 is greater than line 24, go to line 27. Otherwise, skip lines 27 through 33 and go to line 34.</b>			
<b>27</b>	Enter the amount from line 24 . . . . .	<b>27</b>	
<b>28</b>	Subtract line 27 from line 26. If zero or less, enter -0- and go to line 34 . . . . .	<b>28</b>	
<b>29</b>	Enter your qualified 5-year gain, if any, from line 8 of the worksheet in the instructions . . . . .	<b>29</b>	
<b>30</b>	Enter the <b>smaller</b> of line 28 or line 29. . . . .	<b>30</b>	
<b>31</b>	Multiply line 30 by 8% (.08) . . . . .	<b>31</b>	
<b>32</b>	Subtract line 30 from line 28 . . . . .	<b>32</b>	
<b>33</b>	Multiply line 32 by 10% (.10) . . . . .	<b>33</b>	
<b>If the amounts on lines 23 and 28 are the same, skip lines 34 through 37 and go to line 38.</b>			
<b>34</b>	Enter the <b>smaller</b> of line 20 or line 23. . . . .	<b>34</b>	660,000.
<b>35</b>	Enter the amount from line 28 (if line 28 is blank, enter -0-) . . . . .	<b>35</b>	0.
<b>36</b>	Subtract line 35 from line 34 . . . . .	<b>36</b>	660,000.
<b>37</b>	Multiply line 36 by 20% (.20) . . . . .	<b>37</b>	132,000.
<b>38</b>	Add lines 25, 31, 33, and 37 . . . . .	<b>38</b>	150,197.
<b>39</b>	Figure the tax on the amount on line 20. Use the Tax Table or Tax Rate Schedules, whichever applies . . . . .	<b>39</b>	260,394.
<b>40</b>	<b>Tax on all taxable income (including capital gains).</b> Enter the <b>smaller</b> of line 38 or line 39 here and on Form 1040, line 42 . . . . .	<b>40</b>	150,197.

## Alternative Minimum Tax — Individuals

2002

32

Department of the Treasury  
Internal Revenue Service (99)▶ See separate instructions.  
▶ Attach to Form 1040 or Form 1040NR.

Name(s) shown on Form 1040

Your social security number

Bob &amp; Betty Smith

555-45-5555

**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 39, and go to line 2. Otherwise, enter the amount from Form 1040, line 36, and go to line 7. (If zero or less, enter as a negative amount.) . . . . .	1	760,000.
2	Medical and dental. Enter the <b>smaller</b> of Schedule A (Form 1040), line 4 <b>or</b> 2-1/2% of Form 1040, line 36 . . . . .	2	
3	Taxes from Schedule A (Form 1040), line 9 . . . . .	3	
4	Certain interest on a home mortgage <b>not</b> used to buy, build, or improve your home . . . . .	4	
5	Miscellaneous deductions from Schedule A (Form 1040), line 26 . . . . .	5	
6	If Form 1040, line 36, is over \$137,300 (over \$68,650 if married filing separately), enter the amount from line 9 of the worksheet for Schedule A (Form 1040), line 28 . . . . .	6	
7	Tax refund from Form 1040, line 10 or line 21 . . . . .	7	
8	Investment interest expense (difference between regular tax and AMT) . . . . .	8	
9	Depletion (difference between regular tax and AMT) . . . . .	9	
10	Net operating loss deduction from Form 1040, line 21. Enter as a positive amount . . . . .	10	
11	Interest from specified private activity bonds exempt from the regular tax . . . . .	11	
12	Qualified small business stock (42% of gain excluded under section 1202) . . . . .	12	
13	Exercise of incentive stock options (excess of AMT income over regular tax income) . . . . .	13	
14	Estates and trusts (amount from Schedule K-1 (Form 1041), line 9) . . . . .	14	
15	Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box 6) . . . . .	15	
16	Disposition of property (difference between AMT and regular tax gain or loss) . . . . .	16	
17	Depreciation on assets placed in service after 1986 (difference between regular tax and AMT) . . . . .	17	
18	Passive activities (difference between AMT and regular tax income or loss) . . . . .	18	
19	Loss limitations (difference between AMT and regular tax income or loss) . . . . .	19	
20	Circulation costs (difference between regular tax and AMT) . . . . .	20	
21	Long-term contracts (difference between AMT and regular tax income) . . . . .	21	
22	Mining costs (difference between regular tax and AMT) . . . . .	22	
23	Research and experimental costs (difference between regular tax and AMT) . . . . .	23	
24	Income from certain installment sales before January 1, 1987 . . . . .	24	
25	Intangible drilling costs preference . . . . .	25	
26	Other adjustments, including income-based related adjustments . . . . .	26	
27	Alternative tax net operating loss deduction . . . . .	27	
28	<b>Alternative minimum taxable income.</b> Combine lines 1 through 27. (If married filing separately and line 28 is more than \$173,000, see instructions.) . . . . .	28	760,000.

**Part II Alternative Minimum Tax**

29	Exemption. (If this form is for a child under age 14, see instructions.)		
	<p><b>IF your filing status is . . .</b></p> <p>Single or head of household . . . . . \$112,500 . . . . . \$35,750</p> <p>Married filing jointly or qualifying widow(er) . . . . . 150,000 . . . . . 49,000</p> <p>Married filing separately . . . . . 75,000 . . . . . 24,500</p> <p>If line 28 is <b>over</b> the amount shown above for your filing status, see instructions.</p>	29	0.
30	Subtract line 29 from line 28. If zero or less, enter -0- here and on lines 33 and 35 and stop here . . . . .	30	760,000.
31	<p>• If you reported capital gain distributions directly on Form 1040, line 13, <b>or</b> you had a gain on both lines 16 and 17 of Schedule D (Form 1040) (as figured for the AMT, if necessary), complete Part III on page 2 and enter the amount from line 57 here.</p> <p>• <b>All others:</b> If line 30 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 30 by 26% (.26). Otherwise, multiply line 30 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result.</p>	31	158,000.
32	Alternative minimum tax foreign tax credit (see instructions) . . . . .	32	
33	Tentative minimum tax. Subtract line 32 from line 31 . . . . .	33	158,000.
34	Tax from Form 1040, line 42 (minus any tax from Form 4972 and any foreign tax credit from Form 1040, line 45) . . . . .	34	150,197.
35	<b>Alternative minimum tax.</b> Subtract line 34 from line 33. If zero or less, enter -0-. Enter here and on Form 1040, line 43 . . . . .	35	7,803.

BAA For Paperwork Reduction Act Notice, see separate instructions.

Form 6251 (2002)

**Part III Tax Computation Using Maximum Capital Gains Rates****Caution:** If you **did not** complete Part IV of Schedule D (Form 1040), see the instructions before you complete this part.

<b>36</b>	Enter the amount from Form 6251, line 30 . . . . .	<b>36</b>	760,000.
<b>37</b>	Enter the amount from Schedule D (Form 1040), line 23, or line 9 of the Schedule D Tax Worksheet in the instructions for Schedule D (Form 1040), whichever applies (as refigured for the AMT, if necessary) (see instructions) . . . . .	<b>37</b>	660,000.
<b>38</b>	Enter the amount from Schedule D (Form 1040), line 19 (as refigured for the AMT, if necessary) (see instructions) . . . . .	<b>38</b>	0.
<b>39</b>	If you did not complete a Schedule D Tax Worksheet for the regular tax or the AMT, enter the amount from line 37. Otherwise, add lines 37 and 38, and enter the <b>smaller</b> of that result or the amount from line 4 of the Schedule D Tax Worksheet (as refigured for the AMT, if necessary) . . . . .	<b>39</b>	660,000.
<b>40</b>	Enter the <b>smaller</b> of line 36 or line 39. . . . .	<b>40</b>	660,000.
<b>41</b>	Subtract line 40 from line 36 . . . . .	<b>41</b>	100,000.
<b>42</b>	If line 41 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 41 by 26% (.26). Otherwise, multiply line 41 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result . . . . .	<b>42</b>	26,000.
<b>43</b>	Enter the amount from Schedule D (Form 1040), line 28, or line 16 of the Schedule D Tax Worksheet on page D-9 of the instructions for Schedule D (Form 1040), whichever applies (as figured for the regular tax) (see instructions) . . . . .	<b>43</b>	
<b>44</b>	Enter the <b>smaller</b> of line 36 or line 37. . . . .	<b>44</b>	660,000.
<b>45</b>	Enter the <b>smaller</b> of line 43 or line 44. If zero, go to line 51 . . . . .	<b>45</b>	0.
<b>46</b>	Enter your qualified 5-year gain, if any, from Schedule D (Form 1040), line 29 (as refigured for the AMT, if necessary) (see instructions) . . . . .	<b>46</b>	
<b>47</b>	Enter the <b>smaller</b> of line 45 or line 46. . . . .	<b>47</b>	
<b>48</b>	Multiply line 47 by 8% (.08) . . . . .	<b>48</b>	
<b>49</b>	Subtract line 47 from line 45 . . . . .	<b>49</b>	
<b>50</b>	Multiply line 49 by 10% (.10) . . . . .	<b>50</b>	
<b>51</b>	Subtract line 45 from line 44 . . . . .	<b>51</b>	660,000.
<b>52</b>	Multiply line 51 by 20% (.20) . . . . .	<b>52</b>	132,000.
<b>If line 38 is zero or blank, skip lines 53 and 54 and go to line 55. Otherwise, go to line 53.</b>			
<b>53</b>	Subtract line 44 from line 40 . . . . .	<b>53</b>	
<b>54</b>	Multiply line 53 by 25% (.25) . . . . .	<b>54</b>	
<b>55</b>	Add lines 42, 48, 50, 52, and 54 . . . . .	<b>55</b>	158,000.
<b>56</b>	If line 36 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 36 by 26% (.26). Otherwise, multiply line 36 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result . . . . .	<b>56</b>	209,300.
<b>57</b>	Enter the <b>smaller</b> of line 55 or line 56 here and on line 31 . . . . .	<b>57</b>	158,000.

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