

1997

Label (See instructions on page 10.) Use the IRS label. Otherwise, please print or type.

For the year Jan. 1-Dec. 31, 1997, or other tax year beginning , 1997, ending , 19 OMB No. 1545-0074

LABEL HERE	Your first name and initial ROY E	Last name BARNES	Your social security number [REDACTED]
	If a joint return, spouse's first name and initial MARIE	Last name BARNES	Spouse's social security number [REDACTED]
	Home address (number and street). If you have a P.O. box, see page 10. 4841 BROOKWOOD		Apt. no.,
	City, town or post office, state, and ZIP code. If you have a foreign address, see page 10. MABLETON, GA 30059		For help in finding line instructions, see pages 2 and 3 in the booklet.

Presidential Election Campaign (See page 10.) Do you want \$3 to go to this fund?
If a joint return, does your spouse want \$3 to go to this fund?

Yes **No** **Note:** Checking "Yes" will not change your tax or reduce your refund.

Filing Status

1 ☐ Single
2 ☒ Married filing joint return (even if only one had income)
3 ☐ Married filing separate return. Enter spouse's soc. sec. no. above and full name here.
4 ☐ Head of household (with qualifying person). If the qualifying person is a child but not your dependent, enter this child's name here.
5 ☐ Qualifying widow(er) with dependent child (year spouse died **19**).

Exemptions

6a ☒ Yourself. If your parent (or someone else) can claim you as a dependent on his or her tax return, do not check box 6a. **2**
b ☒ Spouse **2**
c **Dependents:**

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) No. of months lived in your home in 1997
MARTHA ALLISON	BARNES	[REDACTED]	DAUGHTER	12
MARY ALYSSA	BARNES	[REDACTED]	DAUGHTER	12

d Total number of exemptions claimed **4**

Income

7 Wages, salaries, tips, etc. Attach Form(s) W-2 **12,038.**
8a Taxable interest. Attach Schedule B if required **5,616.**
b Tax-exempt interest. DO NOT include on line 8a **267.**
9 Dividends. Attach Schedule B if required **44,594.**
10 Taxable refunds, credits, or offsets of state and local income taxes
11 Alimony received
12 Business income or (loss). Attach Schedule C or C-EZ
13 Capital gain or (loss). Attach Schedule D **<3,000.>**
14 Other gains or (losses). Attach Form 4797
15a Total IRA distributions **15a** **b Taxable amount (see page 13)**
16a Total pensions and annuities **16a** **b Taxable amount (see page 13)**
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E **593,778.**
18 Farm income or (loss). Attach Schedule F
19 Unemployment compensation
20a Social security benefits **20a** **b Taxable amount (see page 14)**
21 Other income. List type and amount - see page 15
DIRECTOR FEES
J. MARSHALL LAW SCHOOL
0.
22 Add the amounts in the far right column for lines 7 through 21. This is your total income **653,026.**

Adjusted Gross Income

23 IRA deduction (see page 16) **23**
24 Medical savings account deduction. Attach Form 8853 **24**
25 Moving expenses. Attach Form 3903 or 3903-F **25**
26 One-half of self-employment tax. Attach Schedule SE **10,959.**
27 Self-employed health insurance deduction (see page 17) **422.**
28 Keogh & self-employed SEP plans and SIMPLE plans
29 Penalty on early withdrawal of savings
30a Alimony paid b Recipient's SSN **30a**
31 Add lines 23 through 30a. **11,381.**
32 Subtract line 31 from line 22. This is your adjusted gross income. **641,645.**

Tax	33	Amount from line 32 (adjusted gross income)	33	641,645.
Computation	34a	Check if: <input type="checkbox"/> You were 65 or older, <input type="checkbox"/> Blind; <input type="checkbox"/> Spouse was 65 or older, <input type="checkbox"/> Blind. Add the number of boxes checked above and enter the total here	34a	
	b	If you are married filing separately and your spouse itemizes deductions or you were a dual-status alien, see page 18 and check here	34b	<input type="checkbox"/>
	35	Enter the larger of your: Itemized deductions from Schedule A, line 28, OR Standard deduction shown below for your filing status. But see page 18 if you checked any box on line 34a or 34b or someone can claim you as a dependent. • Single - \$4,150 • Married filing jointly or Qualifying widow(er) - \$6,900 • Head of household - \$6,050 • Married filing separately - \$3,450	35	126,145.
	36	Subtract line 35 from line 33	36	515,500.
	37	If line 33 is \$90,900 or less, multiply \$2,650 by the total number of exemptions claimed on line 6d. If line 33 is over \$90,900, see the worksheet on page 19 for the amount to enter	37	0.
	38	Taxable income. Subtract line 37 from line 36. If line 37 is more than line 36, enter -0-	38	515,500.
	39	Tax. See page 19. Check if any tax from a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972	39	178,449.
Credits	40	Credit for child and dependent care expenses. Attach Form 2441	40	
	41	Credit for the elderly or the disabled. Attach Schedule R	41	
	42	Adoption credit. Attach Form 8839	42	
	43	Foreign tax credit. Attach Form 1116	43	
	44	Other. Check if from a <input type="checkbox"/> Form 3800 b <input type="checkbox"/> Form 8396 c <input type="checkbox"/> Form 8801 d <input type="checkbox"/> Form (specify)	44	
	45	Add lines 40 through 44	45	
	46	Subtract line 45 from line 39. If line 45 is more than line 39, enter -0-	46	178,449.
Other Taxes	47	Self-employment tax. Attach Schedule SE	47	21,917.
	48	Alternative minimum tax. Attach Form 6251	48	
	49	Social security and Medicare tax on tip income not reported to employer. Attach Form 4137	49	
	50	Tax on qualified retirement plans (including IRAs) and MSAs. Attach Form 5329 if required	50	
	51	Advance earned income credit payments from Form(s) W-2	51	
	52	Household employment taxes. Attach Schedule H	52	960.
	53	Add lines 46 through 52. This is your total tax	53	201,326.
Payments	54	Federal income tax withheld from Forms W-2 and 1099	54	1,558.
	55	1997 estimated tax payments and amount applied from 1996 return	55	210,000.
	56a	Earned income credit. Attach Schedule EIC if you have a qualifying child	56a	
	b	Nontaxable earned income: amount and type		
	57	Amount paid with Form 4868 (request for extension)	57	
	58	Excess social security and RRTA tax withheld (see page 27)	58	
	59	Other payments. Check if from a <input type="checkbox"/> Form 2439 b <input type="checkbox"/> Form 4136	59	
	60	Add lines 54, 55, 56a, 57, 58, and 59. These are your total payments	60	211,558.
Refund	61	If line 60 is more than line 53, subtract line 53 from line 60. This is the amount you OVERPAID	61	10,232.
	62a	Amount of line 61 you want REFUNDED TO YOU	62a	
	b	Routing number c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	63	Amount of line 61 you want APPLIED TO YOUR 1998 ESTIMATED TAX	63	10,232.
Amount You Owe	64	If line 53 is more than line 60, subtract line 60 from line 53. This is the AMOUNT YOU OWE. For details on how to pay, see page 27	64	
	65	Estimated tax penalty. Also include on line 64	65	0.
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		Date	Your occupation
	Spouse's signature. If a joint return, BOTH must sign.		Date	Spouse's occupation
Paid	Preparer's signature		Date	Preparer's social security no.
	Firm's name (or yours if self-employed) and address		EIN	
	ZIP code			

Underpayment of Estimated Tax by Individuals, Estates, and Trusts

OMB No. 1545-0140

1997

Attachment
Sequence No. 06

▶ See separate instructions.

▶ Attach to Form 1040, 1040A, 1040NR, 1040NR-EZ, or 1041.

Name(s) shown on tax return

Identifying number

ROY E & MARIE BARNES

Note: In most cases, you do not need to file Form 2210. The IRS will figure any penalty you owe and send you a bill. File Form 2210 **only** if one or more boxes in Part I apply to you. If you do not need to file Form 2210, you still may use it to figure your penalty. Enter the amount from line 20 or line 32 on the penalty line of your return, but do not attach Form 2210.

Part I Reasons for Filing - If 1a, b, or c below applies to you, you may be able to lower or eliminate your penalty. But you **MUST** check the boxes that apply and file Form 2210 with your tax return. If 1d below applies to you, check that box and file Form 2210 with your tax return.

1 Check whichever boxes apply (if none apply, see the Note above):

- a ☐ You request a **waiver**. In certain circumstances, the IRS will waive all or part of the penalty.
See **Waiver of Penalty** on page 1 of the instructions.
- b ☒ You use the **annualized income installment method**. If your income varied during the year, this method may reduce the amount of one or more required installments. See page 4 of the instructions.
- c ☐ You had Federal income tax withheld from wages and, for estimated tax purposes, you treat the withheld tax as paid on the dates it was actually withheld, instead of in equal amounts on the payments on the payment due dates. See the instructions for line 22 on page 3.
- d ☐ Your required annual payment (line 13 below) is based on your 1996 tax and you filed or are filing a joint return for either 1996 or 1997 but not for both years.

Part II Required Annual Payment

2	Enter your 1997 tax after credits (see page 2 of the instructions) Caution: Also see page 2 for a special rule if claiming the research credit	2	178,449.
3	Other taxes (see page 2 of the instructions)	3	21,917.
4	Add lines 2 and 3	4	200,366.
5	Earned income credit	5	
6	Credit for Federal tax paid on fuels	6	
7	Add lines 5 and 6	7	
8	Current year tax. Subtract line 7 from line 4	8	200,366.
9	Multiply line 8 by 90% (.90)	9	180,329.
10	Withholding taxes. Do not include any estimated tax payments on this line (see page 2 of the instructions)	10	1,558.
11	Subtract line 10 from line 8. If less than \$500, stop here; do not complete or file this form. You do not owe the penalty	11	198,808.
12	Enter the tax shown on your 1996 tax return (110% of that amount if the adjusted gross income shown on that return is more than \$150,000, or if married filing separately for 1997, more than \$75,000). Caution: See instructions.	12	432,434.
13	Required annual payment. Enter the smaller of line 9 or line 12	13	180,329.

Note: If line 10 is equal to or more than line 13, stop here; you do not owe the penalty. Do not file Form 2210 unless you checked box 1d above.

Part III Short Method (Caution: See page 2 of the instructions to find out if you can use the short method. If you checked box 1b or c in Part I, skip this part and go to Part IV.)

14	Enter the amount, if any, from line 10 above	14	
15	Enter the total amount, if any, of estimated tax payments you made	15	
16	Add lines 14 and 15	16	
17	Total underpayment for year. Subtract line 16 from line 13. If zero or less, stop here; you do not owe the penalty. Do not file Form 2210 unless you checked box 1d above	17	
18	Multiply line 17 by .05986	18	
19	<ul style="list-style-type: none"> • If the amount on line 17 was paid on or after 4/15/98, enter -0-. • If the amount on line 17 was paid before 4/15/98, make the following computation to find the amount to enter on line 19. 		
	<div style="display: flex; justify-content: space-around;"> <div>Amount on line 17</div> <div>x</div> <div>Number of days paid before 4/15/98</div> <div>x</div> <div>.00025</div> </div>	19	
20	PENALTY. Subtract line 19 from line 18. Enter the result here and on Form 1040, line 65; Form 1040A, line 34; Form 1040NR, line 65; Form 1040NR-EZ, line 26; or Form 1041, line 27	20	

LHA For Paperwork Reduction Act Notice, see page 1 of separate instructions.

Form **2210** (1997)

Part IV Regular Method**Payment Due Dates**

Section A - Figure Your Underpayment		Payment Due Dates				
		(a) 4/15/97	(b) 6/15/97	(c) 9/15/97	(d) 1/15/98	
21	Required installments. If box 1b applies, enter the amounts from Schedule AI, line 26. Otherwise, enter 1/4 of line 13, Form 2210, in each column	21	38,979.	10,053.	82,085.	49,212.
22	Estimated tax paid and tax withheld. For column (a) only, also enter the amount from line 22 on line 26. If line 22 is equal to or more than line 21 for all payment periods, stop here; you do not owe the penalty. Do not file Form 2210 unless you checked a box in Part 1	22	45,390.	10,390.	85,390.	70,388.
Complete lines 23 through 29 of one column before going to the next column.						
23	Enter amount, if any, from line 29 of previous column ...	23		6,411.	6,748.	10,053.
24	Add lines 22 and 23	24		16,801.	92,138.	80,441.
25	Add amounts on lines 27 and 28 of the previous column	25				
26	Subtract line 25 from line 24. If zero or less, enter -0-. For column (a) only, enter the amount from line 22	26	45,390.	16,801.	92,138.	80,441.
27	If the amount on line 26 is zero, subtract line 24 from line 25. Otherwise, enter -0-	27		0.	0.	
28	Underpayment. If line 21 is equal to or more than line 26, subtract line 26 from line 21. Then go to line 23 of next column. Otherwise, go to line 29	28				
29	Overpayment. If line 26 is more than line 21, subtract line 21 from line 26. Then go to line 23 of next column ...	29	6,411.	6,748.	10,053.	31,229.

Section B - Figure the Penalty (Complete lines 30 and 31 of one column before going to the next column.)

		4/15/97	6/15/97	9/15/97	1/15/98
30	Number of days FROM the date shown above line 30 TO the date the amount on line 28 was paid or 4/15/98, whichever is earlier	30	Days:	Days:	Days:
31	Underpayment on line 28 \times $\frac{\text{Number of days on line 30}}{365} \times .09$	31	\$	\$	\$
32	PENALTY. Add the amounts in each column on line 31. Enter the total here and on Form 1040, line 65; Form 1040A, line 34; Form 1040NR, line 65; Form 1040NR-EZ, line 26; or Form 1041, line 27	32	\$ 0.		

Schedule AI - Annualized Income Installment Method (see instructions)

Estates and trusts, do not use the period ending dates shown to the right. Instead, use the following: 2/28/97, 4/30/97, 7/31/97, and 11/30/97.

(a)
1/1/97 - 3/31/97(b)
1/1/97 - 5/31/97(c)
1/1/97 - 8/31/97(d)
1/1/97 - 12/31/97**Part I Annualized Income Installments** Caution: Complete lines 20-26 of one column before going to the next column.

1 Enter your adjusted gross income for each period (see instructions). (Estates and trusts, enter your taxable income without your exemption for each period.)	1	143,786.	173,977.	417,763.	641,645.
2 Annualization amounts. (Estates and trusts, see instructions.)	2	4	2.4	1.5	1
3 Annualized income. Multiply line 1 by line 2	3	575,144.	417,545.	626,645.	641,645.
4 Enter your itemized deductions for the period shown in each column. If you do not itemize, enter -0- and skip to line 7. (Estates and trusts, enter -0-, skip to line 9, and enter the amount from line 3 on line 9.)	4	32,036.	55,362.	84,397.	126,145.
5 Annualization amounts	5	4	2.4	1.5	1
6 Multiply line 4 by line 5 (see instructions if line 3 is more than \$60,600)	6	128,144.	132,869.	126,596.	126,145.
7 In each column, enter the full amount of your standard deduction from Form 1040, line 35; or Form 1040A, line 19 (Form 1040NR OR 1040NR-EZ filers, enter -0-. Exception: Indian students and business apprentices, enter standard deduction from Form 1040NR, line 34 or Form 1040NR-EZ, line 10.)	7	0.	0.	0.	0.
8 Enter the larger of line 6 or line 7	8	128,144.	132,869.	126,596.	126,145.
9 Subtract line 8 from line 3	9	447,000.	284,676.	500,049.	515,500.
10 In each column, multiply \$2,650 by the total number of exemptions claimed (see instructions if line 3 is more than line \$90,900). (Estates and trusts and Form 1040NR or 1040NR-EZ filers, enter the exemption amount shown on your tax return.)	10	0.	0.	0.	0.
11 Subtract line 10 from line 9	11	447,000.	284,676.	500,049.	515,500.
12 Figure your tax on the amount on line 11 (see instructions)	12	151,323.	87,042.	172,330.	178,449.
13 Form 1040 filers only, enter your self-employment tax from line 35 below	13	21,917.	21,917.	21,917.	21,917.
14 Enter other taxes for each payment period (see instructions)	14	0.	0.	0.	0.
15 Total tax. Add lines 12, 13, and 14	15	173,240.	108,959.	194,247.	200,366.
16 For each period, enter the same type of credits as allowed on Form 2210, lines 2, 5, and 6 (see instructions)	16	0.	0.	0.	0.
17 Subtract line 16 from line 15. If zero or less, enter -0-	17	173,240.	108,959.	194,247.	200,366.
18 Applicable percentage	18	22.5%	45%	67.5%	90%
19 Multiply line 17 by line 18	19	38,979.	49,032.	131,117.	180,329.
20 Add the amounts in all preceding columns of line 26	20		38,979.	49,032.	131,117.
21 Subtract line 20 from line 19. If zero or less, enter -0-	21	38,979.	10,053.	82,085.	49,212.
22 Enter 1/4 of line 13 on page 1 of Form 2210 in each column	22	45,082.	45,082.	45,082.	45,083.
23 Enter amount from line 25 of the preceding column of this schedule	23		6,103.	41,132.	4,129.
24 Add lines 22 and 23 and enter the total	24	45,082.	51,185.	86,214.	49,212.
25 Subtract line 21 from line 24. If zero or less, enter -0-	25	6,103.	41,132.	4,129.	
26 Enter the smaller of line 21 or line 24 here and on Form 2210, line 21	26	38,979.	10,053.	82,085.	49,212.

Part II Annualized Self-Employment Tax

27a Net earnings from self-employment for the period (see instructions)	27a				
b Annualization amounts	27b	4	2.4	1.5	1
c Multiply line 27a by line 27b	27c				
28 Social security tax limit	28	\$65,400	\$65,400	\$65,400	\$65,400
29 Enter actual wages subject to social security tax or the 6.2% portion of the 7.65% railroad retirement (tier 1) tax	29				
30 Annualization amounts	30	4	2.4	1.5	1
31 Multiply line 29 by line 30	31				
32 Subtract line 31 from line 28. If zero or less, enter -0-	32				
33 Multiply the smaller of line 27c or line 32 by .124	33				
34 Multiply line 27c by .029	34				
35 Add lines 33 and 34. Enter the result here and on line 13 above	35				

SCHEDULES A&B
(Form 1040)

Department of the Treasury
Internal Revenue Service

Name(s) shown on Form 1040

Schedule A - Itemized Deduction

(Schedule B is on page 2)

▶ Attach to Form 1040.

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

OMB No. 1545-0074

1997

Attachment
Sequence No. 07

Your social security number

ROY E & MARIE BARNES

**Medical
and
Dental
Expenses**

Caution: Do not include expenses reimbursed or paid by others.

- 1 Medical and dental expenses (see page A-1) **SEE STATEMENT 7** 1 633.
2 Enter amount from Form 1040, line 33 2 641,645.
3 Multiply line 2 above by 7.5% (.075) 3 48,123.
4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0- 4 0.

**Taxes You
Paid**

(See
page A-2.)

- 5 State and local income taxes **SEE STATEMENT 4** 5 28,489.
6 Real estate taxes (see page A-2) 6 3,923.
7 Personal property taxes 7
8 Other taxes. List type and amount
8
9 Add lines 5 through 8 9 32,412.

**Interest
You Paid**
(See
page A-2.)

- 10 Home mortgage interest and points reported to you on Form 1098 10 2,605.
11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-3 and show that person's name, identifying no., and address
11
12 Points not reported to you on Form 1098. See page A-3 12
13 Investment interest. Attach Form 4952 if required. (See page A-3.) **STMT 6** 13 50,210.
14 Add lines 10 through 13 14 52,815.

Note:
Personal
interest is
not
deductible.

**Gifts to
Charity**

If you made a
gift and got a
benefit for it,
see page A-3.

- 15 Gifts by cash or check. If you made any gift of \$250 or more, see page A-3 **SEE STATEMENT 5** 15 56,531.
16 Other than by cash or check. If any gift of \$250 or more, see page A-3. You **MUST** attach Form 8283 if over \$500 16
17 Carryover from prior year 17
18 Add lines 15 through 17 18 56,531.

**Casualty and
Theft Losses**

- 19 Casualty or theft loss(es). Attach Form 4684. (See page A-4.) 19

**Job Expenses
and Most
Other
Miscellaneous
Deductions**

(See
page A-5 for
expenses to
deduct here.)

- 20 Unreimbursed employee expenses - job travel, union dues, job education, etc. You **MUST** attach Form 2106 or 2106-EZ if required. (See page A-4.)
20
21 Tax preparation fees 21
22 Other expenses - investment, safe deposit box, etc. List type and amount
▶ **IRA FEE**
22
23 Add lines 20 through 22 23
24 Enter amount from Form 1040, line 33 24
25 Multiply line 24 above by 2% (.02) 25
26 Subtract line 25 from line 23. If line 25 is more than line 23, enter -0- 26

**Other
Miscellaneous
Deductions**

- 27 Other - from list on page A-5. List type and amount
▶
27

**Total
Itemized
Deductions**

- 28 Is Form 1040, line 33, over \$121,200 (over \$60,600 if married filing separately)? **STMT 8**
NO. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter on Form 1040, line 35, the **larger** of this amount or your standard deduction. } 28 126,145.
YES. Your deduction may be limited. See page A-5 for the amount to enter.

Name(s) shown on Form 1040. Do not enter name and social

security number if shown on page 1.

Your social security number

ROY E & MARIE BARNES

Schedule B - Interest and Dividend Income

Attachment
Sequence No. 08

Part I

Note: If you had over \$400 in taxable interest income, you must also complete Part III.

Interest
Income

- 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 ▶

GEORGIA STATE BANK

GEORGIA STATE BANK

GEORGIA STATE BANK

FROM K-1 - LAWYERS REALTY ASSOC.

Amount

316.

146.

4,319.

835.

1

- 2 Add the amounts on line 1

2

5,616.

- 3 Excludable interest on series EE U.S. savings bonds issued after 1989 from Form 8815, line 14. You MUST attach Form 8815 to Form 1040

3

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

4

5,616.

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.

Part II
Dividend
Income

Note: If you had over \$400 in gross dividends and/or other distributions on stock, you must also complete Part III.

- 5 List name of payer. Include gross dividends and/or other distributions on stock here. Any capital gain distributions and nontaxable distributions will be deducted on lines 7 and 8 ▶

ETOWAH BANK

DEAN WITTER

JBC BANCSHARES

WHEAT FIRST SECURITIES

WILLIAMS ALEXANDER & WALKER

JONQUILL INVESTORS

GEORGIA STATE BANK

GEORGIA STATE BANK

Amount

7,290.

36.

432.

14,250.

451.

3,000.

19,085.

50.

5

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 total dividends shown on that form.

- 6 Add the amounts on line 5

6

44,594.

- 7 Capital gain distributions. Enter here and on Schedule D

7

- 8 Nontaxable distributions.

8

- 9 Add lines 7 and 8

9

- 10 Subtract line 9 from line 6. Enter the result here and on Form 1040, line 9

10

44,594.

Part III
Foreign
Accounts
and
Trusts

You must complete this part if you (a) had over \$400 of interest or dividends; (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

- 11a At any time during 1997, 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?

Yes

No

X

- b If "Yes," enter the name of the foreign country ▶

- 12 During 1997, 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 or 926. See page B-2

X

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

Schedule B (Form 1040) 1997

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 for more space to list transactions for lines 1 and 8.

OMB No. 1545-0074

1997

Attachment
Sequence No. 12

Name(s) shown on Form 1040

Your social security number

ROY E & MARIE BARNES

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	(d) Sales price (See page D-3)	(e) Cost or other basis (See page D-4)	(f) GAIN or (LOSS) FOR ENTIRE YEAR Subtract (e) from (d)
	(c) Date sold			
1				
2 Enter your short-term totals, if any, from Schedule D-1, line 2	2			
3 Total short-term sales price amounts. Add column (d) of lines 1 and 2	3			
4 Short-term gain from Forms 2119 and 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 9 of your 1996 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 sh. XYZ Co.)	(b) Date acquired	(d) Sales price (See page D-3)	(e) Cost or other basis (See page D-4)	(f) GAIN or (LOSS) FOR ENTIRE YEAR Subtract (e) from (d)	(g) 28% RATE GAIN or (LOSS) * (see instr. below)
	(c) Date sold				
8 CCFH, INC.	07/24/95 07/25/97	66,528.	40,000.	26,528.	
9 Enter your long-term totals, if any, from Schedule D-1, line 9	9				
10 Total long-term sales price amounts. Add column (d) of lines 8 and 9	10	66,528.			
11 Gain from Form 4797, Part I; long-term gain from Forms 2119, 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	13				
14 Long-term capital loss carryover. Enter in both columns (f) and (g) the amount, if any, from line 14 of your 1996 Capital Loss Carryover Worksheet	14			255,599.	255,599.
15 Combine lines 8 through 14 in column (g)	15				<255,599.>
16 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f)	16			<229,071.>	

* 28% Rate Gain or Loss includes all gains and losses in Part II, column (f) from sales, exchanges, conversions (including installment payments received) either:

- Before May 7, 1997, or
- After July 28, 1997, for assets held more than 1 year but not more than 18 months.

It also includes ALL "collectibles gains and losses" (as defined on page D-4).

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

Schedule D (Form 1040) 1997

Part III Summary of Parts I and II

17 Combine lines 7 and 16. If a loss, go to line 18. If a gain, enter the gain on Form 1040, line 13

Next: Complete Form 1040 through line 38. Then, go to **Part IV** to figure your tax if:

- Both lines 16 and 17 are gains, and
- Form 1040, line 38, is more than zero.

18 If line 17 is a loss, enter here and as a (loss) on Form 1040, line 13, the **smaller** of these losses:

- The loss on line 17; or
- (3,000) or, if married filing separately, (1,500)

Next: Complete Form 1040 through line 36. Then, complete the **Capital Loss Carryover Worksheet** on page D-4 if:

- The loss on line 17 exceeds the loss on line 18, or
- Form 1040, line 36, is a loss

SEE STATEMENT 9

17 <229,071.>

18 (3,000.)

Part IV Tax Computation Using Maximum Capital Gains Rates

19 Enter your taxable income from Form 1040, line 38.....	19	
20 Enter the smaller of line 16 or line 17	20	
21 If you are filing Form 4952, enter the amount from Form 4952, line 4e.....	21	
22 Subtract line 21 from line 20. If zero or less, enter -0-	22	
23 Combine line 7 and 15. If zero or less, enter -0-.....	23	
24 Enter the smaller of line 15 or line 23, but not less than zero	24	
25 Enter your unrecaptured section 1250 gain, if any (see page D-4)	25	
26 Add lines 24 and 25	26	
27 Subtract line 26 from line 22. If zero or less, enter -0-	27	
28 Subtract line 27 from line 19. If zero or less, enter -0-	28	
29 Enter the smaller of line 19 or \$41,200 (\$24,650 if single; \$20,600 if married filing separately; \$33,050 if head of household)	29	
30 Enter the smaller of line 28 or line 29	30	
31 Subtract line 22 from line 19. If zero or less, enter -0-	31	
32 Enter the larger of line 30 or line 31	32	
33 Figure the tax on the amount on line 32. Use the Tax Table or Tax Rate Schedules, whichever applies	33	
34 Enter the amount from line 29	34	
35 Enter the amount from line 28	35	
36 Subtract line 35 from line 34. If zero or less, enter -0-	36	
37 Multiply line 36 by 10% (.10)	37	
38 Enter the smaller of line 19 or line 27	38	
39 Enter the amount from line 36	39	
40 Subtract line 39 from line 38. If zero or less, enter -0-	40	
41 Multiply line 40 by 20% (.20)	41	
42 Enter the smaller of line 22 or line 25	42	
43 Add lines 22 and 32	43	
44 Enter the amount from line 19	44	
45 Subtract line 44 from line 43. If zero or less, enter -0-	45	
46 Subtract line 45 from line 42. If zero or less, enter -0-	46	
47 Multiply line 46 by 25% (.25)	47	
48 Enter the amount from line 19	48	
49 Add lines 32, 36, 40, and 46	49	
50 Subtract line 49 from line 48	50	
51 Multiply line 50 by 28% (.28)	51	
52 Add lines 33, 37, 41, 47, and 51	52	
53 Figure the tax on the amount on line 19. Use the Tax Table or Tax Rate Schedules, whichever applies	53	
54 Tax. Enter the smaller of line 52 or line 53 here and on Form 1040, line 39	54	

(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

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

▶ Attach to Form 1040 or Form 1041.

► See instructions for Schedule E (Form 1040).

OMB No. 1545-0074

1997

Attachment
Sequence No. 13

Name(s) shown on return

Your social security number

ROY E & MARIE BARNES

Part I **Income or Loss From Rental Real Estate and Royalties** Note: Report income and expenses from your business of renting personal property on **Schedule C** or **C-EZ**. Report farm rental income or loss from **Form 4835** on page 2, line 39.

1 Show the kind and location of each rental real estate property:			
A	RENTAL BUILDINGS & HOUSES		
B			
C			

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	14 days or		X
B	10% of the total days rented at fair rental value?		
C	(See page E-1.)		

Income:		Properties			Totals	
		A	B	C	(Add columns A, B, and C.)	
3	Rents received	3	65,692.		3	65,692.
4	Royalties received	4			4	
Expenses:						
5	Advertising	5				
6	Auto and travel (see page E-2)	6				
7	Cleaning and maintenance	7				
8	Commissions	8				
9	Insurance	9	3,134.			
10	Legal and other professional fees	10				
11	Management fees	11				
12	Mortgage interest paid to banks, etc. (see page E-2) ...	12	14,317.		12	14,317.
13	Other interest	13				
14	Repairs	14	10,308.			
15	Supplies	15	5,157.			
16	Taxes	16	7,529.			
17	Utilities	17	3,151.			
18	Other (list) ►					
	SEE STATEMENT 10		5,199.			
		18				
19	Add lines 5 through 18	19	48,795.		19	48,795.
20	Depreciation expense or depletion (see page E-2)	20	21,160.		20	21,160.
21	Total expenses. Add lines 19 and 20	21	69,955.			
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-3 to find out if you must file Form 6198	22	<4,263.>			
23	Deductible rental real estate loss. Caution: Your rental real estate loss on line 22 may be limited. See page E-3 to find out if you must file Form 8582. Real estate professionals must complete line 42 on page 2	23	0.			
24	Income. Add positive amounts shown on line 22. Do not include any losses	24			24	0.
25	Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter the total losses here	25			25	(0.)
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 39 on page 2 do not apply to you, also enter this amount on Form 1040, line 17. Otherwise, include this amount in the total on line 40 on page 2	26			26	0.

Names shown on return. Do not enter name and social se

number if shown on Page 1.

Your social security number

ROY E & MARIE BARNES

Note: If you report amounts from farming or fishing on Schedule E, you must enter your gross income from those activities on line 41 below.

Real Estate professionals must complete line 42 below.

Part II Income or Loss From Partnerships and S Corporations Note: If you report a loss from an at-risk activity, you MUST check either column (e) or (f) of line 27 to describe your investment in the activity. If you check column (f) you must attach Form 6198.

27	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	Investment At Risk?
					(e) All is at risk (f) Some is not at risk
A	LAWYERS REALTY ASSOC.	P			X
B	BARNES BROWNING TANKSLEY & CASUR	P			X
C	ARC ENTERPRISES	P			X
D					
E					

Passive Income and Loss		Nonpassive Income and Loss		
(g) Passive loss allowed (attach Form 8582 if required)	(h) Passive income from Schedule K-1	(i) Nonpassive loss from Schedule K-1	(j) Section 179 expense deduction from Form 4562	(k) Nonpassive income from Schedule K-1
A				18,858.
B		5,581.	3,644.	584,145.
C	0.			
D				
E				
28a Totals				603,003.
b Totals		5,581.	3,644.	
29 Add columns (h) and (k) of line 28a				603,003.
30 Add columns (g), (i), and (j) of line 28b				(9,225.)
31 Total partnership and S corporation income or (loss). Combine lines 29 and 30. Enter the result here and include in the total on line 40 below				593,778.

Part III Income or Loss From Estates and Trusts

32	(a) Name	(b) Employer identification number
A		
B		
Passive Income and Loss		Nonpassive Income and Loss
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1
A		
B		
33a Totals		
b Totals		
34 Add columns (d) and (f) of line 33a		
35 Add columns (c) and (e) of line 33b		
36 Total estate and trust income or (loss). Combine lines 34 and 35. Enter the result here and include in the total on line 40 below		

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) - Residual Holder

37	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
38	Combine columns (d) and (e) only. Enter the result here and include in the total on line 40 below				38

Part V Summary

39	Net farm rental income or (loss) from Form 4835. Also, complete line 41 below	39	
40	TOTAL income or (loss). Combine lines 26, 31, 36, 38, and 39. Enter the result here and on Form 1040, line 17	40	593,778.
41	Reconciliation of Farming and Fishing Income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), line 15b; Schedule K-1 (Form 1120S), line 23; and Schedule K-1 (Form 1041), line 14 (see page E-5)	41	
42	Reconciliation for Real Estate Professionals. If you were a real estate professional, enter the net income or (loss) you reported anywhere on Form 1040 from all rental real estate activities in which you materially participated under the passive activity loss rules	42	

97 Income from Passthrough

LAWYERS REALTY ASSOC..

I.D. NUMBER: [REDACTED]

TYPE: PARTNERSHIP

ACTIVITY INFORMATION:

LAWYERS REALTY ASSOC.

TRADE OR BUSINESS - MATERIAL PARTICIPATION

RENTAL REAL ESTATE INCOME (LOSS)	18,858
----------------------------------	--------

SCHEDULE E ACTIVITY INCOME (LOSS)	18,858
-----------------------------------	--------

TAX PREFERENCE ITEMS:

OTHER K-1 INFORMATION:

INTEREST

835

1997 Income from Passthroughs

BARNES BROWNING TANKSLEY & CASUR

I.D. NUMBER: [REDACTED]

TYPE: PARTNERSHIP

TAXABLE INCOME (LOSS) SUMMARY:

NONPASSIVE LOSS ALLOWED	-5,581
SECTION 179 DEDUCTION	-3,644
NONPASSIVE INCOME	584,145
	<hr/>
NET INCOME (LOSS) FOR PASSTHROUGH ENTITY	574,920
	<hr/> <hr/>

ACTIVITY INFORMATION:

ACTIVITY NO. 1

TRADE OR BUSINESS - MATERIAL PARTICIPATION

ACTIVITY NO. 10002

TRADE OR BUSINESS - MATERIAL PARTICIPATION

FROM STATEMENT SBE

-5,581

SCHEDULE E ACTIVITY INCOME (LOSS)

-5,581

ACTIVITY NO. 30005

TRADE OR BUSINESS - MATERIAL PARTICIPATION

BARNES BROWNING TANKSLEY & CASUR

TRADE OR BUSINESS - MATERIAL PARTICIPATION

ORDINARY INCOME (LOSS)

584,145

SCHEDULE E ACTIVITY INCOME (LOSS)

584,145

OTHER K-1 INFORMATION:

CONTRIBUTIONS - 50% LIMITATION
HEALTH INSURANCE PREMIUMS
SELF-EMPLOYMENT EARNINGS (LOSS)

4,681
1,055
580,501

1997 Income from Passthroughs

ARC ENTERPRISES
I.D. NUMBER: [REDACTED]
TYPE: PARTNERSHIP

ACTIVITY INFORMATION:

ARC ENTERPRISES

RENTAL REAL ESTATE - ACTIVE PARTICIPATION

RENTAL REAL ESTATE INCOME (LOSS) -4,172

SCHEDULE E ACTIVITY INCOME (LOSS) -4,172

DISALLOWED LOSS FROM FORM 8582 4,172

ALLOWABLE PASSIVE LOSS FROM FORM 8582 0

1997 Income from Passthroughs

SUMMARY OF K-1 INFORMATION FOR ALL PASSTHROUGHS

OTHER K-1 INFORMATION:

INTEREST	835
SELF-EMPLOYMENT EARNINGS (LOSS) (CALCULATED)	571,276

DEDUCTIONS:

CONTRIBUTIONS - 50% LIMITATION	4,681
HEALTH INSURANCE PREMIUMS	1,055

TAX PREFERENCE ITEMS:

Depreciation and Amortization De RENTAL BUILDINGS & HOUSES

E- 1

Asset Number	Description of property							
	Date placed in service	Method/ IRC sec.	Life or rate	Line No.	Cost or other basis	Basis reduction	Accumulated depreciation/amortization	Current year deduction
1	FURNACE							
	01/01/85	PRE	5.00	19	1,300.		1,300.	0.
2	FENCE							
	01/01/86	PRE	5.00	19	240.		240.	0.
3	FURN & FIX							
	01/01/86	PRE	5.00	19	363.		363.	0.
4	BLDG							
	02/01/84	PRE	15.00	19	115,000.		103,500.	5,750.
5	HOUSE (LOT 8000)							
	09/01/81	PRE	15.00	19	46,345.		46,345.	0.
6	HOUSE (LOT 12,000)							
	11/28/86	PRE	19.00	19	40,000.		25,080.	1,680.
7	CARPET							
	07/01/87	SL	27.50	17	1,600.		549.	58.
8	APPLIANCE							
	07/01/87	SL	27.50	17	729.		255.	27.
9	FENCE							
	07/01/87	SL	27.50	17	845.		293.	31.
10	668 BARNES DRIVE (LOT 5000)							
	01/01/88	SL	27.50	17	45,908.		14,952.	1,669.
11	HVAC							
	07/01/92	200DB	7.00	17	2,820.		2,191.	252.
12	HVAC							
	07/01/93	200DB	7.00	17	5,225.		3,593.	466.
13	HOLLY SPRINGS HOUSE							
	07/01/94	SL	27.50	17	93,089.		8,321.	3,385.
14	LOT							
		L			10,000.			0.
15	IMP MARAN LANE							
	06/01/95	SL	27.50	19	25,616.		1,474.	931.
17	REMODELING MABLE LAKE							
	07/01/96	SL	27.50	19	32,625.		593.	1,186.
18	HV AC AUSTELL APTS							
	07/01/96	SL	27.50	19	2,256.		41.	82.
19	CARPET MORAN LANE							
	07/04/96	SL	5.00	19	1,299.		130.	260.
20	MABLE LAKE DRIVE							
	04/15/96	SL	27.50	19	40,000.		970.	1,455.
21	MABLE LAKE DRIVE LOT							
		L			5,000.			0.
22	581 MARAN LANE							
	10/25/96	SL	27.50	19	40,000.		243.	1,455.
23	581 MARAN LANE LOT							
		L			5,000.			0.
24	5342 FLOYD ROAD							
	09/01/96	SL	27.50	19	68,000.		824.	2,473.
25	5342 FLOYD ROAD LOT							
		L			7,000.			0.
	TOTAL SCH E DEPRECIATION							
					590,260.		211,257.	21,160.

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

ROY E BARNES

Social security number of
person with self-employment
income

Section B - Long Schedule SE

Part I Self-Employment Tax

Note: If your only income subject to self-employment tax is church employee income, skip lines 1 through 4b. Enter -0- on line 4c and go to line 5a. Income from services you performed as a minister or a member of a religious order is not church employee income. See page SE-1.

A If you are a minister, member of a religious order, or Christian Science practitioner and you filed Form 4361, but you had \$400 or more of other net earnings from self-employment, check here and continue with Part I <input type="checkbox"/>		
1	Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), line 15a. Note: Skip this line if you use the farm optional method. See page SE-3	1
2	Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; and Schedule K-1 (Form 1065), line 15a (other than farming). Ministers and members of religious orders, see page SE-1 for amounts to report on this line. See page SE-2 for other income to report. Note: Skip this line if you use the nonfarm optional method. See page SE-3	2
3	Combine lines 1 and 2	3
4a	If line 3 is more than zero, multiply line 3 by 92.35% (.9235). Otherwise, enter amount from line 3	4a
4b	If you elected one or both of the optional methods, enter the total of lines 15 and 17 here	4b
4c	Combine lines 4a and 4b. If less than \$400, do not file this schedule; you do not owe self-employment tax. Exception. If less than \$400 and you had church employee income, enter -0- and continue.	4c
5a	Enter your church employee income from Form W-2. Caution: See page SE-1 for definition of church employee income	5a
5b	Multiply line 5a by 92.35% (.9235). If less than \$100, enter -0-	5b
6	Net earnings from self-employment. Add lines 4c and 5b	6
7	Maximum amount of combined wages and self-employment earnings subject to social security tax or the 6.2% portion of the 7.65% railroad retirement (tier 1) tax for 1997	7
8a	Total social security wages and tips (total of boxes 3 and 7 on Form(s) W-2) and railroad retirement (tier 1) compensation	8a
8b	Unreported tips subject to social security tax (from Form 4137, line 9)	8b
8c	Add lines 8a and 8b	8c
9	Subtract line 8c from line 7. If zero or less, enter -0- here and on line 10 and go to line 11	9
10	Multiply the smaller of line 6 or line 9 by 12.4% (.124)	10
11	Multiply line 6 by 2.9% (.029)	11
12	Self-employment tax. Add lines 10 and 11. Enter here and on Form 1040, line 47	12
13	Deduction for one-half of self-employment tax. Multiply line 12 by 50% (.5). Enter the result here and on Form 1040, line 26	13

Part II Optional Methods To Figure Net Earnings (See page SE-3.)

Farm Optional Method. You may use this method only if:

- Your gross farm income¹ was not more than \$2,400 or
- Your gross farm income¹ was more than \$2,400 and your net farm profits² were less than \$1,733.

14	Maximum income for optional methods	14
15	Enter the smaller of: two-thirds (2/3) of gross farm income ¹ (not less than zero) or \$1,600. Also, include this amount on line 4b above	15

Nonfarm Optional Method. You may use this method only if:

- Your net nonfarm profits³ were less than \$1,733 and also less than 72.189% of your gross nonfarm income,⁴ and
- You had net earnings from self-employment of at least \$400 in 2 of the prior 3 years.

Caution: You may use this method no more than five times.

16	Subtract line 15 from line 14	16
17	Enter the smaller of: two-thirds (2/3) of gross nonfarm income ⁴ (not less than zero) or the amount on line 16. Also, include this amount on line 4b above	17

¹ From Schedule F, line 11, and Schedule K-1 (Form 1065), line 15b.² From Schedule F, line 36, and Schedule K-1 (Form 1065), line 15a.³ From Schedule C, line 31; Schedule C-EZ, line 3; and Schedule K-1 (Form 1065), line 15a.⁴ From Schedule C, line 7; Schedule C-EZ, line 1; and Schedule K-1 (Form 1065), line 15c.

LHA For Paperwork Reduction Act Notice, see Form 1040 Instructions.

2000

28161
0-07-97

SCHEDULE H
(Form 1040)

Department of the Treasury
Internal Revenue Service

Household Employment Taxes

(For Social Security, Medicare, Withheld Income, and Federal Unemployment (FUTA) Taxes)

▶ Attach to Form 1040, 1040A, 1040NR, 1040NR-EZ, 1040-SS, or 1041.

▶ See separate instructions.

OMB No. 1545-0074

1997

Attachment
Sequence No. **44**

Name of employer

Social security number

Employer identification number

ROY E & MARIE BARNES

A Did you pay **any one** household employee cash wages of \$1,000 or more in 1997? (If any household employee was your spouse, your child under age 21, your parent, or anyone under age 18, see the line A instructions on page 3 before you answer this question.)

- ☒ **Yes.** Skip questions B and C and go to line 1.
☐ **No.** Go to question B.

B Did you withhold Federal income tax during 1997 for any household employee?

- ☐ **Yes.** Skip question C and go to line 5.
☐ **No.** Go to question C.

C Did you pay **total** cash wages of \$1,000 or more in **any calendar quarter** of 1996 or 1997 to household employees? (Do not count cash wages paid in 1996 or 1997 to your spouse, your child under age 21, or your parent.)

- ☐ **No.** Stop. Do not file this schedule.
☐ **Yes.** Skip lines 1-9 and go to line 10 on page 2.

Part I Social Security, Medicare, and Income Taxes

1	Total cash wages subject to social security taxes (see page 3)	1	5,960.	
2	Social security taxes. Multiply line 1 by 12.4% (.124)	2		739.
3	Total cash wages subject to Medicare taxes (see page 3)	3	5,960.	
4	Medicare taxes. Multiply line 3 by 2.9% (.029)	4		173.
5	Federal income tax withheld, if any	5		
6	Add lines 2, 4, and 5	6		912.
7	Advance earned income credit (EIC) payments, if any	7		
8	Total social security, Medicare, and income taxes. Subtract line 7 from line 6	8		912.

9 Did you pay **total** cash wages of \$1,000 or more in **any calendar quarter** of 1996 or 1997 to household employees? (Do not count cash wages paid in 1996 or 1997 to your spouse, your child under age 21, or your parent.)

- ☐ **No.** Stop. Enter the amount from line 8 above on Form 1040, line 52, or Form 1040A, line 27. If you are not required to file Form 1040 or 1040A, see the line 9 instructions on page 4.
☒ **Yes.** Go to line 10 on page 2.

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

Schedule H (Form 1040) 1997

Part II Federal Unemployment (FUTA) Tax

10 Did you pay unemployment contributions to only one state?	X	
11 Did you pay all state unemployment contributions for 1997 by April 15, 1998?	X	
12 Were all wages that are taxable for FUTA tax also taxable for your state's unemployment tax?	X	

Next: If you answered "Yes" to all of the questions above, complete Section A.

If you answered "No" to any of the questions above, skip Section A and complete Section B.

Section A

13 Name of the state where you paid unemployment contributions	GA		
14 State reporting number as shown on state unemployment tax return			
15 Contributions paid to your state unemployment fund (see page 4)	15	24	
16 Total cash wages subject to FUTA tax (see page 4)	16		5,960.
17 FUTA tax. Multiply line 16 by .008. Enter the result here, skip Section B, and go to line 26	17		48.

Section B

18 Complete all columns below that apply (if you need more space, see page 4):

(a) Name of state	(b) State reporting number as shown on state unemployment tax return	(c) Taxable wages (as defined in state act)	(d) State experience rate period		(e) State experience rate	(f) Multiply col. (c) by .054	(g) Multiply col. (c) by col. (e)	(h) Subtract col. (g) from col. (f). If zero or less, enter -0-	(i) Contributions paid to state unemployment fund
			From	To					
19 Totals.....								19	
20 Add columns (h) and (i) of line 19						20			
21 Total cash wages subject to FUTA tax (see the line 16 instructions on page 4)								21	
22 Multiply line 21 by 6.2% (.062).....								22	
23 Multiply line 21 by 5.4% (.054).....						23			
24 Enter the smaller of line 20 or line 23								24	
25 FUTA tax. Subtract line 24 from line 22. Enter the result here and go to line 26								25	

Part III Total Household Employment Taxes

26 Enter the amount from line 8.....	26	912.
27 Add line 17 (or line 25) and line 26	27	960.

28 Are you required to file Form 1040 or 1040A?

X Yes. **Stop.** Enter the amount from line 27 above on Form 1040, line 52, or Form 1040A, line 27. Do not complete Part IV below.

☐ No. You may have to complete Part IV. See page 4 for details.

Part IV **Address and Signature** - Complete this part **only** if required. See the line 28 instructions on page 4.

Address (number and street) or P.O. box If mail is not delivered to street address		Apt., room, or suite no.
City, town or post office, state, and ZIP code		

Under penalties of perjury, I declare that I have examined this schedule, including accompanying statements, and to the best of my knowledge and belief, it is true, correct, and complete. No part of any payment made to a state unemployment fund claimed as a credit was, or is to be, deducted from the payments to employees.

Employer's signature

Date _____

Statement SBE Supplemental Business Expenses

1997

Your name

Social security number

Business in which expenses were incurred

ROY E BARNES

ATTORNEY

Part I Business Expenses and Reimbursements

STEP 1 Enter Your Expenses

	Column A Other Than Meals and Entertainment	Column B Meals and Entertainment
1 Vehicle expense from line 22 or line 29	1 4,725.	
2 Parking fees, tolls, and transportation, including train, bus, etc., that did not involve overnight travel	2	
3 Travel expense while away from home overnight, including lodging, airplane, car rental, etc. Do not include meals and entertainment	3	
4 Business expenses not included on lines 1 through 3. Do not include meals and entertainment SEE STATEMENT 12	4 856.	
5 Meals and entertainment expenses.	5	
6 Total expenses. In Column A, add lines 1 through 4 and enter the result. In Column B, enter the amount from line 5	6 5,581.	

NOTE: If you were not reimbursed for any expenses in Step 1, skip line 7 and enter the amount from line 6 on line 8.

STEP 2 Reimbursements for Expenses Listed In STEP 1

7 Enter amounts that were not reported to you in box 1 of Form W-2. Include any amount reported under code "L" in box 13 of your Form W-2.....	7	
---	---	--

STEP 3 Figure Expenses Subject to the 50% Limitation

8 Subtract line 7 from line 6	8 5,581.	
9 In Column A, enter the amount from line 8. In Column B, multiply the amount on line 8 by 50% (.50). (If zero or less, enter -0-)	9 5,581.	
10 Add the amounts on line 9 of both columns and enter the total here. This is your supplemental business expense	10	5,581.

Part II Vehicle Expenses**Section A. - General Information**

	(a) Vehicle 1	(b) Vehicle
11 Enter the date vehicle was placed in service	11 01/01/86	
12 Total miles vehicle was driven during 1997	12 24,000 miles	miles
13 Business miles included on line 12	13 15,000 miles	miles
14 Percent of business use. Divide line 13 by line 12	14 62.50 %	%
15 Average daily round trip commuting distance	15 miles	miles
16 Commuting miles included on line 12	16 miles	miles
17 Other personal miles. Add lines 13 and 16 and subtract the total from line 12	17 9,000 miles	miles
18 Do you (or your spouse) have another vehicle available for personal purposes?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
19 If you are provided 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	
20 Do you have evidence to support your deduction?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
21 If "Yes," is the evidence written?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Section B. - Standard Mileage Rate (Use this section only if you own the vehicle.)

22 Multiply line 13 by 31 1/2¢ (.315). Enter the result here and on line 1. 22 4,725.

Section C. - Actual Expenses

	(a) Vehicle	(b) Vehicle
23 Gasoline, oil, repairs, vehicle insurance, etc.	23	
24a Vehicle rentals	24a	
b Inclusion amount	24b	
c Subtract line 24b from line 24a	24c	
25 Value of employer-provided vehicle (applies only if 100% of annual lease value was included on Form W-2.)	25	
26 Add lines 23, 24c, and 25	26	
27 Multiply line 26 by the percentage on line 14	27	
28 Depreciation. Enter amount from line 38 below ...	28	
29 Add lines 27 and 28. Enter total here and on line 1	29	

Section D. - Depreciation of Vehicles (Use this section only if you own the vehicle.)

	(a) Vehicle	(b) Vehicle
30 Enter cost or other basis	30	
31 Enter amount of section 179 deduction	31	
32 Multiply line 30 by line 14	32	
33 Enter depreciation method and percentage	33	
34 Multiply line 32 by the percentage on line 33	34	
35 Add lines 31 and 34	35	
36 Enter the limitation amount from the table in the line 36 instructions	36	
37 Multiply line 36 by the percentage on line 14	37	
38 Enter the smaller of line 35 or line 37. Also, enter this amount on line 28 above	38	

Depreciation and Amortization

(Including Information on Listed Property)

SUMMARY

▶ Attach this form to your return.

OMB No. 1545-0172

1997

Attachment
Sequence No. 67

ROY E & MARIE BARNES

ALL BUSINESS ACTIVITIES

Part I Election To Expense Certain Tangible Property (Section 179) (Note: If you have any "listed property," complete Part V before you complete Part I.)

- | | | |
|---|---|-----------|
| 1 | Maximum dollar limitation. If an enterprise zone business, see instructions | 18,000. |
| 2 | Total cost of section 179 property placed in service | 0. |
| 3 | Threshold cost of section 179 property before reduction in limitation | \$200,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 0. |
| 5 | Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions | 18,000. |

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
	TOTAL ALLOWABLE PASS-THROUGH SECTION 179 EXPENSE		3,644.

- | | | | | |
|----|---|----|--|---------|
| 7 | Listed property. Enter amount from line 27 | 7 | | |
| 8 | Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | | 3,644. |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8 | 9 | | 3,644. |
| 10 | Carryover of disallowed deduction from 1996 | 10 | | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 | 11 | | 18,000. |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 | 12 | | 3,644. |
| 13 | Carryover of disallowed deduction to 1998. Add lines 9 and 10, less line 12 | 13 | | |

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

Part II MACRS Depreciation For Assets Placed in Service ONLY During Your 1997 Tax Year (Do Not Include Listed Property.)

Section A - General Asset Account Election

- 14** If you are making the election under section 168(f)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See instructions ☐

Section B - General Depreciation System (GDS) (See instructions.)

(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
15 a 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	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/			MM	S/L	
	/			MM	S/L	

Section C - Alternative Depreciation System (ADS) (See instructions.)

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

Part III	Other Depreciation (Do Not Include Listed Property.) (See instructions.)
-----------------	---

- | | | |
|---|----|--|
| 17 GDS and ADS deductions for assets placed in service in tax years beginning before 1997 | 17 | |
| 18 Property subject to section 168(f)(1) election | 18 | |
| 19 ACRS and other depreciation | 19 | |

Part IV Summary (See instructions.)

- | | | | |
|----|--|----|--|
| 20 | Listed property. Enter amount from line 26 | 20 | |
| 21 | Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions | 21 | |
| 22 | For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs | 22 | |

LHA For Paperwork Reduction Act Notice, see the separate instructions.

Form 4562 (1997)

Investment Interest Expense Deduction

▶ Attach to your tax return.

OMB No. 1545-0191

1997Attachment
Sequence No. **72**

Name(s) shown on return

Identifying number

ROY E & MARIE BARNES

Part I Total Investment Interest Expense

1	Investment interest expense paid or accrued in 1997.	SEE STATEMENT 13	1	29,075.
2	Disallowed investment interest expense from 1996 Form 4952, line 7		2	57,767.
3	Total investment interest expense. Add lines 1 and 2		3	86,842.

Part II Net Investment Income

4a	Gross income from property held for investment (excluding any net gain from the disposition of property held for investment)	SEE STATEMENT 14	4a	50,210.
b	Net gain from the disposition of property held for investment	4b		
c	Net capital gain from the disposition of property held for investment	4c		
d	Subtract line 4c from line 4b. If zero or less, enter -0-		4d	
e	Enter all or part of the amount on line 4c that you elect to include in investment income. Do not enter more than the amount on line 4b		4e	
f	Investment income. Add lines 4a, 4d, and 4e		4f	50,210.
5	Investment expenses		5	
6	Net investment income. Subtract line 5 from line 4f. If zero or less, enter -0-		6	50,210.

Part III Investment Interest Expense Deduction

7	Disallowed investment interest expense to be carried forward to 1998. Subtract line 6 from line 3. If zero or less, enter -0-	SEE STATEMENT 15	7	36,632.
8	Investment interest expense deduction. Enter the smaller of line 3 or 6		8	50,210.

Passive Activity Loss Limitations

► See separate instructions.
► Attach to Form 1040 or Form 1041.

1997

Attachment
Sequence No. 88

Name(s) shown on return

Identifying number

ROY E & MARIE BARNES

Part I 1997 Passive Activity Loss

Caution: See the instructions for Worksheets 1 and 2 on page 7 before completing Part I.

Rental Real Estate Activities With Active Participation (For the definition of active participation see Active Participation in a Rental Real Estate Activity in the instructions.)

1a Activities with net income (enter the amount from Worksheet 1, column (a))

1a

b Activities with net loss (enter the amount from Worksheet 1, column (b))

1b

<8,435.>

c Prior years unallowed losses (enter the amount from Worksheet 1, column (c))

1c

d Combine lines 1a, 1b, and 1c

1d

<8,435.>

All Other Passive Activities

2a Activities with net income (enter the amount from Worksheet 2, column (a))

2a

b Activities with net loss (enter the amount from Worksheet 2, column (b))

2b

c Prior year unallowed losses (enter the amount from Worksheet 2, column (c))

2c

d Combine lines 2a, 2b, and 2c

2d

3 Combine lines 1d and 2d. If the result is net income or zero, all losses are allowed, including any prior year unallowed losses entered on line 1c or 2c. Do not complete Form 8582. Take the losses to the form or schedule you normally report them on.

If this line and line 1d are losses, go to line 4. Otherwise, enter -0- on line 9 and go to line 10

3

<8,435.>

Part II Special Allowance for Rental Real Estate With Active Participation

Note: Enter all numbers in Part II as positive amounts. See page 7 of the instructions for examples.

4 Enter the smaller of the loss on line 1d or the loss on line 3

4

8,435.

5 Enter \$150,000. If married filing separately, see the instructions

5

150,000.

STATEMENT 20

6 Enter modified adjusted gross income, but not less than zero

6

652,604.

Note: If line 6 is equal to or greater than line 5, skip lines 7 and 8, enter -0- on line 9, and then go to line 10. Otherwise, go to line 7.

7 Subtract line 6 from line 5

7

0.

8 Multiply line 7 by 50% (.5). Do not enter more than \$25,000. If married filing separately, see instructions

8

9 Enter the smaller of line 4 or line 8

9

Part III Total Losses Allowed

10 Add the income, if any, on lines 1a and 2a and enter the total

10

11 Total losses allowed from all passive activities for 1997. Add lines 9 and 10. See the instructions to find out how to report the losses on your tax return

11

0.

LHA For Paperwork Reduction Act Notice, see separate instructions.

Form 8582 (1997)

ALTERNATIVE MINIMUM TAX
Passive Activity Loss Limitations▶ See separate instructions.
▶ Attach to Form 1040 or Form 1041.

1997

Attachment
Sequence No. 88

Name(s) shown on return

Identifying number

ROY E & MARIE BARNES

Part I 1997 Passive Activity Loss

Caution: See the instructions for Worksheets 1 and 2 on page 7 before completing Part I.

Rental Real Estate Activities With Active Participation (For the definition of active participation see Active Participation in a Rental Real Estate Activity in the instructions.)

1a Activities with net income (enter the amount from Worksheet 1, column (a))

1a

b Activities with net loss (enter the amount from Worksheet 1, column (b))

1b

<6,804.>

c Prior years unallowed losses (enter the amount from Worksheet 1, column (c))

1c

d Combine lines 1a, 1b, and 1c

1d

<6,804.>

All Other Passive Activities

2a Activities with net income (enter the amount from Worksheet 2, column (a))

2a

b Activities with net loss (enter the amount from Worksheet 2, column (b))

2b

c Prior year unallowed losses (enter the amount from Worksheet 2, column (c))

2c

d Combine lines 2a, 2b, and 2c

2d

3 Combine lines 1d and 2d. If the result is net income or zero, all losses are allowed, including any prior year unallowed losses entered on line 1c or 2c. Do not complete Form 8582. Take the losses to the form or schedule you normally report them on.

3

<6,804.>

If this line and line 1d are losses, go to line 4. Otherwise, enter -0- on line 9 and go to line 10.

Part II Special Allowance for Rental Real Estate With Active Participation

Note: Enter all numbers in Part II as positive amounts. See page 7 of the instructions for examples.

4 Enter the smaller of the loss on line 1d or the loss on line 3

4

6,804.

5 Enter \$150,000. If married filing separately, see the instructions

5

150,000.

6 Enter modified adjusted gross income, but not less than zero

6

652,604.

Note: If line 6 is equal to or greater than line 5, skip lines 7 and 8, enter -0- on line 9, and then go to line 10. Otherwise, go to line 7.

7 Subtract line 6 from line 5

7

0.

8 Multiply line 7 by 50% (.5). Do not enter more than \$25,000. If married filing separately, see instructions

8

9 Enter the smaller of line 4 or line 8

9

Part III Total Losses Allowed

10 Add the income, if any, on lines 1a and 2a and enter the total

10

11 Total losses allowed from all passive activities for 1997. Add lines 9 and 10. See the instructions to find out how to report the losses on your tax return

11

0.

LHA For Paperwork Reduction Act Notice, see separate instructions.

Form 8582 (1997)

FORM 1040

PERSONAL EXEMPTION WORKSHEET

STATEMENT 1

1. IS THE AMOUNT ON FORM 1040, LINE 33, MORE THAN THE AMOUNT SHOWN ON LINE 4 BELOW FOR YOUR FILING STATUS?
 NO. STOP. MULTIPLY \$2,650 BY THE TOTAL NUMBER OF EXEMPTIONS CLAIMED ON FORM 1040, LINE 6D, AND ENTER THE RESULT ON LINE 37.
 YES. GO TO LINE 2.
2. MULTIPLY \$2,650 BY THE TOTAL NUMBER OF EXEMPTIONS CLAIMED ON FORM 1040, LINE 6D 10,600.
3. ENTER THE AMOUNT FROM FORM 1040, LINE 33 641,645.
4. ENTER THE AMOUNT FOR YOUR FILING STATUS 181,800.
 MARRIED FILING SEPARATE \$ 90,900
 SINGLE \$121,200
 HEAD OF HOUSEHOLD \$151,500
 MARRIED FILING JOINT OR WIDOW(ER) \$181,800
5. SUBTRACT LINE 4 FROM LINE 3 459,845.
 IF LINE 5 IS MORE THAN \$122,500 (\$61,250 IF MARRIED FILING SEPARATE) ENTER ZERO ON FORM 1040, LINE 37.
6. DIVIDE LINE 5 BY \$2,500 (\$1,250 IF MFS)
7. MULTIPLY LINE 6 BY 2% (.02) AND ENTER THE RESULT AS A DECIMAL
8. MULTIPLY LINE 2 BY LINE 7
9. SUBTRACT LINE 8 FROM LINE 2. TOTAL TO FORM 1040, LINE 37. 0.

FORM 1040

TAX-EXEMPT INTEREST

STATEMENT 2

NAME OF PAYER	AMOUNT
GEORGIA MUNICIPALS	267.
TOTAL TO FORM 1040, LINE 8B	267.

FORM 1040

WAGES RECEIVED AND TAXES WITHHELD

STATEMENT 3

T S EMPLOYER'S NAME	AMOUNT PAID	FEDERAL TAX WITHHELD	STATE TAX WITHHELD	CITY SDI TAX W/H	FICA TAX	MEDICARE TAX
T GENERAL ASSY. OF GA	9,038.	958.	217.		560.	131.
T GENERAL ASSY. OF GA	3,000.	600.	120.		186.	44.
TOTALS	12,038.	1,558.	337.		746.	175.

SCHEDULE A	STATE AND LOCAL INCOME TAXES	STATEMENT	4
DESCRIPTION		AMOUNT	
GENERAL ASSY. OF GA		217.	
GENERAL ASSY. OF GA		120.	
GEORGIA TAX PAYMENTS		28,152.	
TOTAL TO SCHEDULE A, LINE 5		28,489.	

SCHEDULE A	CASH CONTRIBUTIONS	STATEMENT	5
DESCRIPTION	AMOUNT 50% LIMIT	AMOUNT 30% LIMIT	
UNION HILL UNITED METHODIST	1,000.		
CANDLER SCHOOL OF THEOLOGY	5,000.		
CASTLEWOOD BAPTIST CHURCH	2,500.		
FIRST UNITED METH. CHURCH	25,000.		
SOUTH COBB SENIOR CITIZENS CENTER	1,000.		
MISCELLANEOUS ORGANIZED CHARITIES	250.		
MUST MINISTRIES	10,000.		
UNIV OF GEORGIA FOUNDATION	1,000.		
GEORGIA STUDENT EDUCATION FOUNDATION	3,600.		
NANCY BARNES MEM FD-COBB COUNTY SCHOOLS	2,500.		
FROM K-1 - BARNES BROWNING TANKSLEY & CASUR	4,681.		
SUBTOTALS	56,531.		
TOTAL TO SCHEDULE A, LINE 15		56,531.	

SCHEDULE A	INVESTMENT INTEREST	STATEMENT	6
DESCRIPTION		AMOUNT	
BANKERS BANK		17,383.	
COLUMBUS BANK AND TRUST		3,052.	
DOUGLAS COUNTY BANK		8,640.	
DISALLOWED INVESTMENT INTEREST PRIOR YEARS		57,767.	
DISALLOWED INVESTMENT INTEREST C/O		<36,632.>	
TOTAL TO SCHEDULE A, LINE 13		50,210.	



SCHEDULE A	MEDICAL AND DENTAL EXPENSES	STATEMENT	7
------------	-----------------------------	-----------	---

DESCRIPTION	AMOUNT
SELF-EMPLOYED HEALTH INSURANCE	633.
TOTAL TO SCHEDULE A, LINE 1	633.

SCHEDULE A	ITEMIZED DEDUCTIONS WORKSHEET	STATEMENT	8
1.	ADD THE AMOUNTS ON SCHEDULE A, LINES 4, 9, 14, 18, 19, 26, AND 27	141,758.	
2.	ADD THE AMOUNTS ON SCHEDULE A, LINES 4, 13, AND 19, PLUS ANY GAMBLING LOSSES INCLUDED ON LINE 27	50,210.	
3.	SUBTRACT LINE 2 FROM LINE 1. IF THE RESULT IS ZERO, STOP HERE; ENTER THE AMOUNT FROM LINE 1 ABOVE ON SCHEDULE A, LINE 28	91,548.	
4.	MULTIPLY LINE 3 ABOVE BY 80% (.80)	73,238.	
5.	ENTER THE AMOUNT FROM FORM 1040, LINE 32.	641,645.	
6.	ENTER \$121,200 (\$60,600 IF MARRIED FILING SEPARATELY)	121,200.	
7.	SUBTRACT LINE 6 FROM LINE 5. IF THE RESULT IS ZERO OR LESS, STOP HERE; ENTER THE AMOUNT FROM LINE 1 ABOVE ON SCHEDULE A, LINE 28	520,445.	
8.	MULTIPLY LINE 7 ABOVE BY 3% (.03)	15,613.	
9.	ENTER THE SMALLER OF LINE 4 OR LINE 8	15,613.	
10.	TOTAL ITEMIZED DEDUCTIONS. SUBTRACT LINE 9 FROM LINE 1. ENTER THE RESULT HERE AND ON SCHEDULE A, LINE 28	126,145.	

SCHEDULE D	CAPITAL LOSS CARRYOVER	STATEMENT	9
1. ENTER THE AMOUNT FROM FORM 1040, LINE 36		515,500.	
2. ENTER THE LOSS FROM SCHEDULE D, LINE 18, AS A POSITIVE AMOUNT.		3,000.	
3. COMBINE LINES 1 AND 2. IF ZERO OR LESS, ENTER -0-		518,500.	
4. ENTER THE SMALLER OF LINE 2 OR LINE 3		3,000.	
5. ENTER THE LOSS FROM SCHEDULE D, LINE 7, AS A POSITIVE AMOUNT .			
6. ENTER THE GAIN, IF ANY, FROM SCHEDULE D, LINE 16			
7. ADD LINES 4 AND 6			
8. SHORT-TERM CAPITAL LOSS CARRYOVER TO 1998.			
SUBTRACT LINE 7 FROM LINE 5. IF ZERO OR LESS, ENTER -0- . . .			
9. ENTER THE LOSS FROM SCHEDULE D, LINE 16, AS A POSITIVE AMOUNT.		229,071.	
10. ENTER THE GAIN, IF ANY, FROM SCHEDULE D, LINE 7			
11. SUBTRACT LINE 5 FROM LINE 4. IF ZERO OR LESS, ENTER -0-		3,000.	
12. ADD LINES 10 AND 11		3,000.	
13. LONG-TERM CAPITAL LOSS CARRYOVER TO 1998.			
SUBTRACT LINE 12 FROM LINE 9. IF ZERO OR LESS, ENTER -0- . .		226,071.	

SCHEDULE E	OTHER EXPENSES	STATEMENT	10
RENTAL BUILDINGS & HOUSES			
DESCRIPTION		AMOUNT	
PEST CONTROL		1,130.	
LAWN CARE		2,205.	
GARBAGE SERVICE		1,498.	
REPLACEMENTS		366.	
TOTAL TO SCHEDULE E, PAGE 1, LINE 18		5,199.	

SCHEDULE SE	NON-FARM INCOME	STATEMENT	11
DESCRIPTION		AMOUNT	
FROM K-1		571,276.	
TOTAL TO SCHEDULE SE, LINE 2		571,276.	

FORM 2106/SBE OTHER BUSINESS EXPENSES STATEMENT 12

ATTORNEY

DESCRIPTION	AMOUNT
LEGAL & ACCOUNTING	300.
INSURANCE	556.
TOTAL TO FORM 2106/SBE, PART I, LINE 4	856.

FORM 4952 INVESTMENT INTEREST EXPENSE STATEMENT 13

DESCRIPTION	CURRENT	CARRYOVER
BANKERS BANK	17,383.	
COLUMBUS BANK AND TRUST	3,052.	
	0.	
DOUGLAS COUNTY BANK	8,640.	
DISALLOWED INVESTMENT INTEREST PRIOR YEARS		57,767.
TOTALS TO FORM 4952	29,075.	57,767.

FORM 4952 INCOME FROM PROPERTY HELD FOR INVESTMENT STATEMENT 14

DESCRIPTION	AMOUNT
INTEREST INCOME	5,616.
DIVIDEND INCOME	44,594.
TOTAL TO FORM 4952, LINE 4A	50,210.

FORM 4952 DISALLOWED INVESTMENT INTEREST EXPENSE STATEMENT 15

DESCRIPTION	AMOUNT
SCHEDULE A - C/O	36,632.
TOTAL TO FORM 4952, LINE 7	36,632.

FORM 8582

ACTIVE RENTAL OF REAL ESTATE - WORKSHEET 1

STATEMENT 16

NAME OF ACTIVITY	CURRENT YEAR		PRIOR YEAR UNALLOWED LOSS	OVERALL GAIN OR LOSS	
	NET INCOME	NET LOSS		GAIN	LOSS
ARC ENTERPRISES	0.	<4,172.>			<4,172.>
RENTAL BUILDINGS & HOUSES	0.	<4,263.>			<4,263.>
TOTALS	0.	<8,435.>			<8,435.>

FORM 8582

ALLOCATION OF UNALLOWED LOSSES - WORKSHEET 4

STATEMENT 17

NAME OF ACTIVITY	FORM OR SCHEDULE	LOSS	RATIO	UNALLOWED LOSS
ARC ENTERPRISES	SCH E	4,172.	.494605809	4,172.
RENTAL BUILDINGS & HOUSES	SCH E	4,263.	.505394191	4,263.
TOTALS		8,435.	1.000000000	8,435.

FORM 8582

ALLOWED LOSSES - WORKSHEET 5

STATEMENT 18

NAME OF ACTIVITY	FORM OR SCHEDULE	LOSS	UNALLOWED LOSS	ALLOWED LOSS
ARC ENTERPRISES	SCH E	4,172.	4,172.	
RENTAL BUILDINGS & HOUSES	SCH E	4,263.	4,263.	
TOTALS		8,435.	8,435.	

FORM 8582

SUMMARY OF PASSIVE ACTIVITIES

STATEMENT 19

R R E A NAME	FORM OR SCHEDULE	GAIN/LOSS	PRIOR YEAR C/O	NET GAIN/LOSS	UNALLOWED LOSS	ALLOWED LOSS
X ARC ENTERPRISES	SCH E	<4,172.>		<4,172.>	4,172.	
X RENTAL BUILDINGS & HOUSES	SCH E	<4,263.>		<4,263.>	4,263.	
TOTALS		<8,435.>		<8,435.>	8,435.	

PRIOR YEAR CARRYOVERS ALLOWED DUE TO CURRENT YEAR NET ACTIVITY INCOME

TOTAL TO FORM 8582, LINE 11

FORM 8582

MODIFIED AGI

STATEMENT 20

INCOME

WAGES, SALARIES, TIPS ETC.		12,038.
DIVIDEND INCOME		44,594.
TAXABLE REFUNDS		
ALIMONY RECEIVED		
TAXABLE IRA DISTRIBUTIONS		
TAXABLE PENSIONS AND ANNUITIES		
UNEMPLOYMENT COMPENSATION		
OTHER INCOME		
INTEREST INCOME	5,616.	
ADD: SERIES EE EXCLUSION		
		5,616.
BUSINESS INCOME OR LOSS		
ADD: PASSIVE LOSSES		
SUBTRACT: PASSIVE INCOME		
SALE OF ASSETS (BEFORE CAPITAL LOSS LIMITATION)	<229,071.>	
ADD: PASSIVE/RREA PROFESSIONAL LOSSES		
SUBTRACT: PASSIVE INCOME		
	LIMITED	<3,000.>
RENTAL, ROYALTY OR PASSTHROUGH INCOME OR LOSS	593,778.	
ADD: PASSIVE/RREA PROFESSIONAL LOSSES		
SUBTRACT: PASSIVE INCOME		
		593,778.
FARM OR FARM RENTAL INCOME OR LOSS		
ADD: PASSIVE/RREA PROFESSIONAL LOSSES		
SUBTRACT: PASSIVE INCOME		
TOTAL INCOME		653,026.

ADJUSTMENTS

MOVING EXPENSES		
SELF-EMPLOYED HEALTH INSURANCE DEDUCTION	422.	
PENALTY ON EARLY WITHDRAWAL OF SAVINGS		
ALIMONY PAID		
KEOGH/SEP DEDUCTION		
OTHER ADJUSTMENTS		
TOTAL ADJUSTMENTS		422.
TOTAL TO FORM 8582, LINE 6		652,604.

FORM 8582

ALTERNATIVE MINIMUM TAX
ACTIVE RENTAL OF REAL ESTATE - WORKSHEET 1

STATEMENT 21

NAME OF ACTIVITY	CURRENT YEAR		PRIOR YEAR UNALLOWED LOSS	OVERALL GAIN OR LOSS	
	NET INCOME	NET LOSS		GAIN	LOSS
ARC ENTERPRISES	0.	<4,172.>			<4,172.>
RENTAL BUILDINGS & HOUSES	0.	<2,632.>			<2,632.>
TOTALS	0.	<6,804.>			<6,804.>

FORM 8582

ALTERNATIVE MINIMUM TAX
ALLOCATION OF UNALLOWED LOSSES - WORKSHEET 4

STATEMENT 22

NAME OF ACTIVITY	FORM OR SCHEDULE	LOSS	RATIO	UNALLOWED LOSS
ARC ENTERPRISES	SCH E	4,172.	.613168724	4,172.
RENTAL BUILDINGS & HOUSES	SCH E	2,632.	.386831276	2,632.
TOTALS		6,804.	1.000000000	6,804.

FORM 8582

ALTERNATIVE MINIMUM TAX
ALLOWED LOSSES - WORKSHEET 5

STATEMENT 23

NAME OF ACTIVITY	FORM OR SCHEDULE	LOSS	UNALLOWED LOSS	ALLOWED LOSS
ARC ENTERPRISES	SCH E	4,172.	4,172.	
RENTAL BUILDINGS & HOUSES	SCH E	2,632.	2,632.	
TOTALS		6,804.	6,804.	

FORM 8582AMT

SUMMARY OF PASSIVE ACTIVITIES - AMT

STATEMENT 24

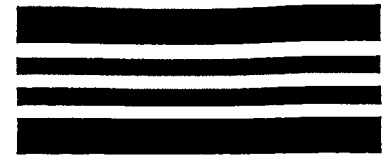
NAME	FORM OR SCHEDULE	GAIN/LOSS	PRIOR YEAR C/O	NET GAIN/LOSS	UNALLOWED LOSS	ALLOWED LOSS
X ARC ENTERPRISES	SCH E	<4,172.>		<4,172.>	4,172.	
X RENTAL BUILDINGS & HOUSES	SCH E	<2,632.>		<2,632.>	2,632.	
TOTALS		<6,804.>		<6,804.>	6,804.	

PRIOR YEAR CARRYOVERS ALLOWED DUE TO CURRENT YEAR NET ACTIVITY INCOME

TOTAL TO FORM 8582AMT, LINE 11

1997

Page 1



Fiscal Year

Beginning:

Ending:

Mo. Day Yr.

ATTACH GEORGIA COPY OF WITHHOLDING STATEMENT(S) HERE
ALSO, IF TAX IS DUE, ATTACH CHECK ON TOP OF W-2 FORM(S)

STEP 1
USE GEORGIA LABEL IF CORRECT
OTHERWISE PRINT OR TYPE

YOUR FIRST NAME INITIAL
1. ROY E
L YOUR LAST NAME SUFFIX
A BARNES
B SPOUSE'S FIRST NAME INITIAL
E MARIE
L SPOUSE'S LAST NAME SUFFIX
BARNES

DEPARTMENT USE
ONLY

YOUR SOCIAL SECURITY NUMBER

SPOUSE'S SOCIAL SECURITY NUMBER

Del Ext

USE BLACK INK.

CHECK IF
FOREIGN ADDRESS

ADDRESS LINE 2 OR APARTMENT NUMBER

2. ADDRESS LINE 1

4841 BROOKWOOD

3. CITY

STATE

ZIP CODE

COUNTRY IF FOREIGN

MABLETON

GA

30059

4. Use one number only and enter in the Residency Code box. PART YEAR RESIDENTS AND NONRESIDENTS MUST OMIT LINES 8 THROUGH 14 OF STEPS 3 AND 4 AND USE SCHEDULE 3 ON FORM 500 SCHEDULE, PAGE 4.

RESIDENCY
CODE

1. FULL-YEAR RESIDENT 2. PART-YEAR RESIDENT FROM TO 3. NON-RESIDENT

1

5. Fill in Filing Status Block with appropriate letter. (Must be same status as used on your Federal Return.)

FILING
STATUS

A. SINGLE

C. MARRIED FILING SEPARATE, SPOUSE'S SOCIAL SECURITY NO. MUST BE ENTERED ABOVE

B. MARRIED FILING JOINT

D. HEAD OF HOUSEHOLD OR QUALIFYING WIDOW(ER)

B

6a. Yourself

6a

1,500.

b. Spouse, if B married filing jointly is used enter 1500

6b

1,500.

c. Enter number of dependents listed on Federal return 2 X 2500 DO NOT INCLUDE SELF AND SPOUSE =

6c

5,000.

7. Total of Lines 6a, 6b, and 6c. Enter here and on Line 14

7

8,000.

If the amount on line 8 is \$40,000 or more, or your adjusted gross income is less than your W-2s, you are required to attach a copy of your Federal 1040 pages 1 and 2. Do not attach other Federal Schedules.

8. Federal adjusted gross income (From Federal Form 1040 or 1040A or 1040EZ)
Do not use Federal Taxable Income.

8

641,645.

9. Adjustments from Schedule 1. (See instructions on page 5, Line 9)

9

10. Georgia adjusted gross income (Net total of Line 8 and Line 9)

10

641,645.

11. STANDARD Deduction (SEE INSTRUCTIONS-Line 11)
Do not use Federal Standard Deduction.

11a

b. Are YOU 65 or over blind SPOUSE 65 or over blind X 700 =

11b

c. TOTAL STANDARD deduction (Line 11a + Line 11b)

11c

Use EITHER
Line 11c or Line 12
(DO NOT WRITE ON BOTH)

12. TOTAL ITEMIZED deductions used in computing federal taxable income

Schedule A - form 1040

126,145.

Less: See Line 12 instructions Page 6

12=

126,145.

13. Subtract either Line 11c or Line 12 from Line 10; enter balance

13

515,500.

14. Enter exemption Total from Line 7

14

8,000.

15. Georgia taxable income (Line 13 less Line 14 or Line 14, Schedule 3)

15

507,500.

STEP 4
DEDUCTIONS

STEP 2
EXEMPTIONS
AND DEPENDENTS

RES



Social Security Number [REDACTED]

Georgia Taxable Income (Amount from Line 15) 507,500.

STEP 5
TAX COMPUTATIONS

16. Tax (Use Tax Table on page 7)	▶ 16	<u>30,190.</u>
17. Credits (Enter total but not more than the amount shown on Line 16) From Schedule 2 page 3	▶ 17	_____
18. Balance (Line 16 less Line 17) If zero or less than zero enter zero	18	<u>30,190.</u>
19. GEORGIA INCOME TAX WITHHELD (attach withholding statement(s))	▶ 19	<u>337.</u>
20. Estimated tax for 1997 and Form 560	▶ 20	<u>37,000.</u>
21c. Low Income Credit (See worksheet after page 8) ▶ 21a _____ X 21b _____	▶ 21c	_____
22. Department use only	▶ 22	_____
23. Total prepayment credits (Add Lines 19, 20, and 21c)	▶ 23	<u>37,337.</u>
24. If Line 18 exceeds Line 23 enter BALANCE DUE STATE	▶ 24	_____
25. If Line 23 exceeds Line 18 enter OVERPAYMENT amount	▶ 25	<u>7,147.</u>
26. Amount to be credited to 1998 ESTIMATED TAX	▶ 26	<u>7,147.</u>
27. Georgia Nongame-Endangered Wildlife Conservation Fund (No gift of less than \$1.00 can be processed)	▶ 27	_____
28. Georgia Children and Elderly Fund (No gift of less than \$1.00 can be processed)	▶ 28	_____
29. Form 500 UET (Estimated Tax Penalty)	▶ 29	_____
30. Add Lines 24, 27, 28, and 29 (Balance due)	30	_____
Make check payable for this amount to GEORGIA INCOME TAX DIVISION		
31. Amount to be refunded. Line 25 minus Lines 26, 27, 28, and 29 if applicable	31	<u>0.</u>

OVERPAYMENTS

GEORGIA INCOME TAX DIVISION
P.O. BOX 740380
ATLANTA, GEORGIA 30374-0380

PAYMENTS AND OTHER

GEORGIA INCOME TAX DIVISION
P.O. BOX 740399
ATLANTA, GEORGIA 30374-0399

Under penalty of perjury, I declare that I examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct and complete. If prepared by a person other than the taxpayer, this declaration is based on all information of which the preparer has any knowledge.

YOUR SIGNATURE

X _____

DATE

HOME PHONE NUMBER

SPOUSE'S SIGNATURE

X _____

DATE

SIGN
HERE

SIGNATURE OF PREPARER IF OTHER THAN TAXPAYER

X C. Frank Moore

DATE

SOCIAL SECURITY OR FEI NUMBER
OF PREPARER

4/14/98
MOORE & CUBBEDGE, LLP
MARIETTA, GA 30064

Name: BARNES, ROY E & MARIESocial Security Number: [REDACTED]**SCHEDULE 1 ADJUSTMENTS TO INCOME BASED ON GEORGIA LAW (see page 5 of instructions)****ADDITIONS TO INCOME**

1. Interest on Non-Georgia Municipal and State Bonds \$ _____
2. Lump Sum Distributions \$ _____
3. Other (specify) FIDUCIARY ADDITION \$ _____
4. Total Additions (enter sum of lines 1-3 here) \$ _____

SUBTRACTIONS FROM INCOME

5. Retirement Income Exclusion

A. Self: Date of Birth _____

Type of Disability: _____

Date of Disability: _____

\$ _____

B. Spouse: Date of Birth _____

Type of Disability: _____

Date of Disability: _____

\$ _____

6. Social Security Benefits (Taxable Portion) \$ _____
7. Railroad Retirement Benefits (Taxable Portion) \$ _____
8. Interest on United States Obligations \$ _____
9. Other (specify) \$ _____
10. Total Subtractions (enter sum of Lines 5-9 here) \$ _____
11. Net Adjustments (Line 4 less Line 10, enter net total here on Line 9 of Page 1) (+ or -) \$ _____

SCHEDULE 2 CREDITS FOR LINE 17 PAGE 2

1. Other State Credit \$ _____
2. Rural Physicians Credit \$ _____
Pass Through Credits from Ownership of S Corporation or Partnership Interest
3. Employer's Credit for Basic Skills Education \$ _____
4. Employer's Credit for Approved Employee Retraining \$ _____
5. Employer's New Jobs Credit \$ _____
6. Employer's Credit for Providing or Sponsoring Child Care for Employees \$ _____
7. Investment Tax Credit \$ _____
8. Optional Investment Tax Credit \$ _____
9. Enter the Total of Lines 1 through 8 here and on Line 17 page 2 \$ _____

Social Security Number: [REDACTED]
SCHEDULE 3 COMPUTATION OF GEORGIA TAXABLE INCOME FOR PART-YEAR RESIDENTS AND NONRESIDENTS
 Income earned in another state as a Georgia resident is taxable. See other state credit, page 6, line 17, and page 8.

DO NOT USE LINES 8 THROUGH 14-PAGE 1, FORM 500

	Federal Income as shown on Return COLUMN A	Income Not Taxable to Georgia COLUMN B	Georgia Income COLUMN C
1. Wages, Salaries, Tips, Etc.	_____	_____	_____
2. Interest and Dividends	_____	_____	_____
3. Business Income or (loss)	_____	_____	_____
4. Other Income or (loss)	_____	_____	_____
5. Total Income: Total Lines 1 through 4	_____	_____	_____
Adjustments to Income:			
6. Total from Federal Form 1040	_____	_____	_____
7. Total from Form 500 Schedule 1 page 3 (see instructions Line 9, page 5)	_____	_____	_____
8. Adjusted Gross Income: Line 5 plus or minus Lines 6 and 7	_____	_____	_____
9. RATIO: Divide Line 8, Column C by Line 8 Column A Enter percentage	_____	_____	Not to exceed 100%
10. Itemized or Standard Deduction (see instructions for Line 10, page 9)	_____	_____	_____
11. Personal Exemption from Form 500 page 1, line 7	_____	_____	_____
12. Total Deductions and Exemptions: Add Lines 10 and 11	_____	_____	_____
13. Multiply Line 12 by Ratio on Line 9 and enter result	_____	_____	_____
14. Georgia Taxable Income: Subtract Line 13 from Line 8. Enter here and on Line 15, Page 1 of Form 500	_____	_____	_____

Georgia Public Revenue Code Section 48-2-31 stipulates that taxes shall be paid in lawful money of the United States, free of any expense to the State of Georgia.

Passive Activity Loss Limitations

► See separate instructions.
► Attach to Form 1040 or Form 1041.

1997

Attachment
Sequence No. 88

Name(s) shown on return

Identifying number

ROY E & MARIE BARNES

Part I 1997 Passive Activity Loss

Caution: See the instructions for Worksheets 1 and 2 on page 7 before completing Part I.

Rental Real Estate Activities With Active Participation (For the definition of active participation see Active Participation in a Rental Real Estate Activity in the instructions.)

1a Activities with net income (enter the amount from Worksheet 1, column (a))

1a

b Activities with net loss (enter the amount from Worksheet 1, column (b))

1b

<8,435.>

c Prior years unallowed losses (enter the amount from Worksheet 1, column (c))

1c

d Combine lines 1a, 1b, and 1c

1d

<8,435.>

All Other Passive Activities

2a Activities with net income (enter the amount from Worksheet 2, column (a))

2a

b Activities with net loss (enter the amount from Worksheet 2, column (b))

2b

c Prior year unallowed losses (enter the amount from Worksheet 2, column (c))

2c

d Combine lines 2a, 2b, and 2c

2d

3 Combine lines 1d and 2d. If the result is net income or zero, all losses are allowed, including any prior year unallowed losses entered on line 1c or 2c. Do not complete Form 8582. Take the losses to the form or schedule you normally report them on.
If this line and line 1d are losses, go to line 4. Otherwise, enter -0- on line 9 and go to line 10

3

<8,435.>

Part II Special Allowance for Rental Real Estate With Active Participation

Note: Enter all numbers in Part II as positive amounts. See page 7 of the instructions for examples.

4 Enter the smaller of the loss on line 1d or the loss on line 3

4

8,435.

5 Enter \$150,000. If married filing separately, see the instructions

5

150,000.

6 Enter modified adjusted gross income, but not less than zero

6

652,604.

Note: If line 6 is equal to or greater than line 5, skip lines 7 and 8, enter -0- on line 9, and then go to line 10. Otherwise, go to line 7.

7 Subtract line 6 from line 5

7

0.

8 Multiply line 7 by 50% (.5). Do not enter more than \$25,000. If married filing separately, see instructions

8

9 Enter the smaller of line 4 or line 8

9

Part III Total Losses Allowed

10 Add the income, if any, on lines 1a and 2a and enter the total

10

11 Total losses allowed from all passive activities for 1997. Add lines 9 and 10. See the instructions to find out how to report the losses on your tax return

11

0.

LHA For Paperwork Reduction Act Notice, see separate instructions.

Form 8582 (1997)

500 U E T Department of Revenue Income Tax Division Rev 8/95	GEORGIA UNDERPAYMENT OF ESTIMATED TAX BY INDIVIDUALS/FIDUCIARY (Attach this form to Form 500 or 501)	1997 YEAR		
NAME(S) AS SHOWN ON FORM 500/501		SOCIAL SECURITY OR I.D. NUMBER		
BARNES, ROY E & MARIE				
HOW TO FIGURE YOUR UNDERPAYMENT (Complete lines 1 through 4) If you meet any of the exceptions which avoid the underpayment for all quarters go directly to line 10				
1. Year <u>1997</u> tax (from Form 500 line 16 or Form 501 line 8)	30,190			
2. Other Credits				
3. Balance (Line 1 less Line 2)	30,190			
4. Enter 70% of the amount shown on Line 3	21,133			
5. Divide amount on line 4 by the number of installments required for the year (See instruction B). Enter the results in appropriate columns	DUE DATE OF INSTALLMENTS			
	April 15, 1997	June 15, 1997	Sept. 15, 1997	Jan. 15, 1998
	5,283	5,283	5,283	5,284
6. Amounts paid on estimate for each period and tax withheld	5,084	5,084	15,084	12,085
7. Overpayment of previous installment (See Instruction E)				9,801
8. Total (Add lines 6 and 7)	5,084	5,084	15,084	21,886
9. Underpayment (line 5 less line 8) or Overpayment (line 8 less line 5)	199	199	<9,801>	<16,602>
EXCEPTIONS WHICH AVOID THE PENALTY (See Instruction D) (Farmers and fishermen see Instruction G for special exception)				
10. Total amount paid and withheld from January 1, through the installment date indicated	5,084	10,168	25,252	37,337
11. Exception 1. - Prior Years Tax \$ <u>58,460.</u>	14,615	29,230	43,845	58,460
12. Exception 2. - Tax on prior years income using current year rates and exemptions				
13. Exception 3. - Tax on annualized current year income <u>SEE STATEMENT 5</u>	612	2,153	13,392	NOT
14. Exception 4. - Tax on current years income over 3, 5, 8, month periods	290	1,918	15,082	APPLICABLE
HOW TO FIGURE THE PENALTY (Complete lines 15 through 19 for installments not avoided by an exception)				
15. Amount of underpayment (from line 9)				
16. Date of payment or April 15, 19 <u>98</u> whichever is earlier (See Instruction F)				
17. Number of days from due date of installment to date shown on line 16				
18. Penalty (9 percent a year on amount shown on line 15 for the number of days shown on line 17)				
19. Penalty (Add amounts on line 18) show this amount in the space provided on Form 500 or 501				0

FORM 8582 ACTIVE RENTAL OF REAL ESTATE - WORKSHEET 1 STATEMENT 1

NAME OF ACTIVITY	CURRENT YEAR		PRIOR YEAR UNALLOWED LOSS	OVERALL GAIN OR LOSS	
	NET INCOME	NET LOSS		GAIN	LOSS
ARC ENTERPRISES	0.	<4,172.>			<4,172.>
RENTAL BUILDINGS & HOUSES	0.	<4,263.>			<4,263.>
TOTALS	0.	<8,435.>			<8,435.>

FORM 8582 ALLOCATION OF UNALLOWED LOSSES - WORKSHEET 4 STATEMENT 2

NAME OF ACTIVITY	FORM OR SCHEDULE	LOSS	RATIO	UNALLOWED LOSS
ARC ENTERPRISES	SCH E	4,172.	.494605809	4,172.
RENTAL BUILDINGS & HOUSES	SCH E	4,263.	.505394191	4,263.
TOTALS		8,435.	1.000000000	8,435.

FORM 8582 ALLOWED LOSSES - WORKSHEET 5 STATEMENT 3

NAME OF ACTIVITY	FORM OR SCHEDULE	LOSS	UNALLOWED LOSS	ALLOWED LOSS
ARC ENTERPRISES	SCH E	4,172.	4,172.	
RENTAL BUILDINGS & HOUSES	SCH E	4,263.	4,263.	
TOTALS		8,435.	8,435.	

FORM 8582

SUMMARY OF PASSIVE ACTIVITIES

STATEMENT 4

NAME	FORM OR SCHEDULE	PRIOR YEAR C/O	NET GAIN/LOSS	UNALLOWED LOSS	ALLOWED LOSS
X ARC ENTERPRISES	SCH E	<4,172.>	<4,172.>	4,172.	
X RENTAL BUILDINGS & HOUSES	SCH E	<4,263.>	<4,263.>	4,263.	
TOTALS		<8,435.>	<8,435.>	8,435.	

GA 500 UET

COMPUTATION OF EXCEPTIONS 3 AND 4

STATEMENT 5

EXCEPTION 3		FIRST 3 MONTHS	FIRST 5 MONTHS	FIRST 8 MONTHS
1	ADJUSTED GROSS INCOME	143,794	173,990	417,784
2	DEDUCTIONS	126,145	126,145	126,145
3	ANNUALIZED AMOUNTS	4.0	2.4	1.5
4	ANNUALIZED INCOME	70,596	114,828	437,458
5	EXEMPTIONS	8,000	8,000	8,000
6	NET INCOME (LINE 4 MINUS LINE 5)	62,596	106,828	429,458
7	TAX	3,496	6,150	25,508
8	ALLOWABLE CREDITS	0	0	0
9	TAX AFTER CREDITS (LINE 7 MINUS LINE 8)	3,496	6,150	25,508
10	APPLICABLE PERCENTAGE	.175	.350	.525
11	EXCEPTION 3 TAX	612	2,153	13,392
EXCEPTION 4				
1	ADJUSTED GROSS INCOME	143,794	173,990	417,784
2	DEDUCTIONS	126,145	126,145	126,145
3	EXEMPTIONS	8,000	8,000	8,000
4	NET INCOME (LINE 1 MINUS LINES 2 & 3)	9,649	39,845	283,639
5	TAX	322	2,131	16,758
6	ALLOWABLE CREDITS	0	0	0
7	TAX AFTER CREDITS (LINE 4 MINUS 5)	322	2,131	16,758
8	APPLICABLE PERCENT	.90	.90	.90
9	EXCEPTION 4 TAX	290	1,918	15,082