

What Is Form 1040-V and Do You Have To Use It?

It is a statement you send with your check or money order for any balance due on line 73 of your **2002 Form 1040**. Using Form 1040-V allows us to process your payment more accurately and efficiently. We strongly encourage you to use Form 1040-V, but there is no penalty if you do not.

How To Fill In Form 1040-V

Line 1. Enter your social security number (SSN). If you are filing a joint return, enter the SSN shown **first** on your return.

Line 2. If you are filing a joint return, enter the SSN shown **second** on your return.

Line 3. Enter the amount you are paying by check or money order.

Line 4. Enter your name(s) and address **exactly** as shown on your return. Please print clearly.

How To Prepare Your Payment

- Make your check or money order payable to the **"United States Treasury."** Do not send cash.
- Make sure your name and address appear on your check or money order.
- Enter "2002 Form 1040," your daytime phone number, and your SSN on your check or money order. If you are filing a joint return, enter the SSN shown **first** on your return.
- To help process your payment, enter the amount on the right side of your check like this: \$ XXX.XX. **Do not** use dashes or lines (for example, do not enter "\$ XXX- " or "\$ XXX ^{xx}/₁₀₀ ").

How To Send In Your 2002 Tax Return, Payment, and Form 1040-V

- Detach Form 1040-V along the dotted line.
- **Do not** staple or otherwise attach your payment or Form 1040-V to your return or to each other. Instead, just put them loose in the envelope.
- Mail your 2002 tax return, payment, and Form 1040-V in the envelope that came with your 2002 Form 1040 instruction booklet.

Note. If you do not have that envelope or you moved or used a paid preparer, mail your return, payment, and Form 1040-V to the Internal Revenue Service at the address shown on page 2 that applies to you.

Paperwork Reduction Act Notice. We ask for the information on Form 1040-V to help us carry out the Internal Revenue laws of the United States. If you use Form 1040-V, you must provide the requested information. Your cooperation will help us ensure that we are collecting the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Internal Revenue Code section 6103.

The time needed to complete and mail Form 1040-V will vary depending on individual circumstances. The estimated average time is 19 minutes. If you have comments about the accuracy of this time estimate or suggestions for making Form 1040-V simpler, we would be happy to hear from you. See the Instructions for Form 1040.

▼ Detach Here and Mail With Your Payment and Return ▼

Form **1040-V** (2002)

Form 1040-V Department of the Treasury Internal Revenue Service (99)		Payment Voucher		OMB No. 1545-0074	
		▶ Do not staple or attach this voucher to your payment or return.		2002	
1 Your social security number (SSN) 146-12-4512	2 If a joint return, SSN shown second on your return 405-30-5318	3 Amount you are paying by check or money order	Dollars	Cents	1,252.00
4 Your first name and initial David B		Last name Hughes			
If a joint return, spouse's first name and initial Yvonne D		Last name Hughes			
Home address (number and street) 34 Langhorne Circle				Apt. no.	
City, town or post office, state, and ZIP code Newport News, VA 23606					

For the year Jan. 1- Dec. 31, 2002, or other tax year beginning _____, 2002, ending _____, 20 OMB No. 1545-0074

Use the IRS label. Otherwise, please print or type.

David B. Hughes
Yvonne D. Hughes
34 Langhorne Circle
Newport News, VA 23606

Your social security number
146-12-4512
 Spouse's social security no.
405-30-5318
 ▲ You must enter your SSN(s) above. ▲

Presidential Election Campaign 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 Single
 2 Married filing jointly (even if only one had income)
 3 Married filing separately. Enter spouse's SSN above and full name here.▶ _____
 4 Head of household (with qualifying person). (See inst.) If qualifying person is a child but not your dependent, enter child's name here.▶ _____
 5 Qualifying widow(er) with dependent child (year spouse died ▶ _____). (See instructions.)

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 No. of boxes checked on 6a and 6b **2**
 b Spouse No. of children on 6c who:
 ● lived with you **0**
 ● did not live with you due to divorce or separation (see inst.) **0**
 Dependents on 6c not entered above **0**
 Add numbers on lines above ▶ **2**

(1) First name	Last name	(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 inst.)

c Dependents: If more than five dependents, see inst.

d Total number of exemptions claimed. **2**

Income
 7 Wages, salaries, tips, etc. Attach Form(s) W-2 _____ **7**
 Attach Forms W-2 and W-2G here. Also attach Form(s) 1099-R if tax was withheld.
 8a Taxable interest. Attach Schedule B if required **8a**
 b Tax-exempt interest. Do not include on line 8a **8b**
 9 Ordinary dividends. Attach Schedule B if required. **9** **1.**
 10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions) **10**
 11 Alimony received **11**
 12 Business income or (loss). Attach Schedule C or C-EZ. **12** **8,549.**
 13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ **13**
 14 Other gains or (losses). Attach Form 4797. **14**
 15a IRA distributions. **15a** b Taxable amount (see inst.) **15b**
 16a Pensions and annuities **16a** b Taxable amount (see inst.) **16b** **9,600.**
 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E **17**
 18 Farm income or (loss). Attach Schedule F **18**
 19 Unemployment compensation **19**
 20a Social security benefits **20a** b Taxable amount (see inst.) **20b**
 21 Other income. **21**
 22 Add the amounts in the far right column for lines 7 through 21. This is your **total income** ▶ **22** **18,150.**

Adjusted Gross Income
 23 Educator expenses (see instructions) **23**
 24 IRA deduction (see instructions) **24**
 25 Student loan interest deduction (see instructions) **25**
 26 Tuition and fees deduction (see instructions) **26**
 27 Archer MSA deduction. Attach Form 8853. **27**
 28 Moving expenses. Attach Form 3903. **28**
 29 One-half of self-employment tax. Attach Schedule SE **29** **604.**
 30 Self-employed health insurance deduction (see instructions) **30**
 31 Self-employed SEP, SIMPLE, and qualified plans. **31**
 32 Penalty on early withdrawal of savings. **32**
 33a Alimony paid b Recipient's SSN ▶ _____ **33a**
 34 Add lines 23 through 33a. **34** **604.**
 35 Subtract line 34 from line 22. This is your **adjusted gross income** ▶ **35** **17,546.**

Tax and Credits	36 Amount from line 35 (adjusted gross income)	36	17,546.
	37a Check if: <input checked="" type="checkbox"/> You were 65/older, <input type="checkbox"/> Blind; <input checked="" type="checkbox"/> Spouse was 65 or older, <input type="checkbox"/> Blind. Add the number of boxes checked above and enter the total here ▶ 37a 2		
	b If you are married filing separately and your spouse itemizes deductions, or you were a dual-status alien, see instructions and check here ▶ 37b <input type="checkbox"/>		
	38 Itemized deductions (from Schedule A) or your standard deduction (see left margin)	38	11,317.
	39 Subtract line 38 from line 36.	39	6,229.
	40 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	40	6,000.
	41 Taxable income. Subtract line 40 from line 39. If line 40 is more than line 39, enter -0-	41	229.
	42 Tax (see inst.). Check if any tax is from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972	42	24.
	43 Alternative minimum tax (see instructions). Attach Form 6251	43	
	44 Add lines 42 and 43. ▶	44	24.
	45 Foreign tax credit. Attach Form 1116 if required	45	
	46 Credit for child & dependent care expenses. Attach Form 2441	46	
	47 Credit for the elderly or the disabled. Attach Schedule R.	47	
	48 Education credits. Attach Form 8863	48	
	49 Retirement savings contributions credit. Attach Form 8880	49	
	50 Child tax credit (see instructions)	50	
	51 Adoption credit. Attach Form 8839	51	
	52 Credits from: a <input type="checkbox"/> Form 8396 b <input type="checkbox"/> Form 8859	52	
	53 Other credits. Check applicable box(es): a <input type="checkbox"/> Form 3800 b <input type="checkbox"/> Form 8801 c <input type="checkbox"/> Specify	53	
	54 Add lines 45 through 53. These are your total credits	54	0.
	55 Subtract line 54 from line 44. If line 54 is more than line 44, enter -0- ▶	55	24.
Other Taxes	56 Self-employment tax. Attach Schedule SE.	56	1,208.
	57 Social security and Medicare tax on tip income not reported to employer. Attach Form 4137	57	
	58 Tax on qualified plans, including IRAs, & other tax-favored accts. Attach Form 5329 if required	58	
	59 Advance earned income credit payments from Form(s) W-2	59	
	60 Household employment taxes. Attach Schedule H.	60	
	61 Add lines 55 through 60. This is your total tax ▶	61	1,232.
Payments	62 Federal income tax withheld from Forms W-2 and 1099	62	
	63 2002 estimated tax payments & amt. applied from 2001 return	63	
	64 Earned income credit (EIC) NO	64	
	65 Excess social security and tier 1 RRTA tax withheld (see inst.)	65	
	66 Additional child tax credit. Attach Form 8812	66	
	67 Amount paid with request for extension to file (see instructions)	67	
	68 Other payments from: a <input type="checkbox"/> Form 2439 b <input type="checkbox"/> Form 4136 c <input type="checkbox"/> Form 8885	68	
	69 Add lines 62 through 68. These are your total payments ▶	69	0.
Refund	70 If line 69 is more than line 61, subtract line 61 from line 69. This is the amount you overpaid	70	0.
	71a Amount of line 70 you want refunded to you ▶	71a	0.
	▶ b Routing no. <input type="text"/> ▶ c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	▶ d Account no. <input type="text"/>		
	72 Amt. of line 70 you want applied to your 2003 estimated tax ▶ 72 <input type="text"/>		
	73 Amount you owe. Subtract line 69 from line 61. For details on how to pay, see instructions	73	1,252.
Amount You Owe	74 Estimated tax penalty (see instructions)	74	20.

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 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 ▶

Spouse's signature. If a joint return, **both** must sign. ▶ Date ▶ Spouse's occupation ▶

Paid Preparer's Use Only Preparer's signature ▶ Date ▶ Check if self-employed Preparer's SSN or PTIN ▶

Firm's name (or yours if self-employed), address, & ZIP code ▶ EIN ▶ Phone no. ▶

**SCHEDULE A
(Form 1040)**

Schedule A -- Itemized Deductions

OMB No. 1545-0074

2002

Attachment
Sequence No. **07**

Department of the Treasury
Internal Revenue Service (99)

▶ **Attach to Form 1040.** ▶ See Instructions for Schedule A (Form 1040).

Name(s) shown on Form 1040: **David B and Yvonne D Hughes** Your social security no. **146-12-4512**

Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others.			
	1	Medical and dental expenses _____	1	3,925.
	2	Enter amount from Form 1040, line 36 .. 2 17,546.		
	3	Multiply line 2 by 7.5% (.075)	3	1,316.
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4	2,609.

Taxes You Paid (See instructions.)	5	State and local income taxes	5	
	6	Real estate taxes (see instructions)	6	994.
	7	Personal property taxes	7	
	8	Other taxes. ▶ _____	8	
	9	Add lines 5 through 8	9	994.

Interest You Paid (See instructions.)	10	Home mortgage interest and points reported to you on Form 1098 ..	10	7,714.
	11	Home mortgage interest not reported to you on Form 1098. If paid to seller, show that person's name, ID no., & address ▶ _____	11	
	12	Points not reported to you on Fm. 1098. See inst. for special rules . . .	12	
	13	Investment interest. Attach Form 4952 if required. (See instructions.)	13	
	14	Add lines 10 through 13	14	7,714.

Gifts to Charity If you made a gift and got a benefit for it, see instructions.	15	Gifts by cash or check. _____	15	
	16	Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500.	16	
	17	Carryover from prior year	17	
	18	Add lines 15 through 17	18	0.

19	Casualty or theft loss(es). Attach Form 4684. (See instructions.)	19	0.
-----------	---	-----------	-----------

Job Expenses and Most Other Miscellaneous Deductions (See inst. for expenses to deduct here.)	20	Unreimbursed empl. exp. You must attach Form 2106 or 2106-EZ if required. ▶ _____	20	
	21	Tax preparation fees	21	
	22	Other expenses ▶ _____	22	
	23	Add lines 20 through 22	23	
	24	Enter amount from Form 1040, line 36 .. 24 _____	24	
	25	Multiply line 24 by 2% (.02)	25	
	26	Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-	26	0.

Other Miscellaneous Deductions	27	Other -- from list in instructions. List type and amount ▶ _____	27	0.
---------------------------------------	-----------	--	-----------	-----------

Total Itemized Deductions	28	Is Form 1040, line 36, over \$137,300 (over \$68,650 if married filing separately)? <input checked="" type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 38. ▶ ▶ <input type="checkbox"/> Yes. Your deduction may be limited. See instructions for the amount to enter.	28	11,317.
----------------------------------	-----------	--	-----------	----------------

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Preparers Edition Schedule A (Form 1040) 2002

**SCHEDULE C
(Form 1040)**

Profit or Loss From Business

(Sole Proprietorship)

OMB No. 1545-0074

2002

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

▶ Partnerships, joint ventures, etc., must file Form 1065 or Form 1065-B.
▶ Attach to Form 1040 or Form 1041. ▶ See Instructions for Schedule C (Form 1040).

Name of proprietor
David B Hughes

Social security number (SSN)
146-12-4512

A Principal business or profession, including product or service (see the instructions)
Internet Services

B Enter code from instructions ▶
541990

C Business name. If no separate business name, leave blank.
CyberActive Solutions

D Employer ID no. (EIN), if any

E Business address, City, state, ZIP ▶ **34 Langhorne Circle
Newport News, VA, 23606**

F Accounting method: (1) Cash (2) Accrual (3) Other (specify) ▶

G Did you "materially participate" in the operation of this business during 2002? If "No," see instructions for limit on losses Yes No

H If you started or acquired this business during 2002, check here ▶ Yes No

Part I Income			
1	Gross receipts or sales. Caution. If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see instructions and check here ▶ <input type="checkbox"/>	1	31,486.
2	Returns and allowances.	2	
3	Subtract line 2 from line 1	3	31,486.
4	Cost of goods sold (from line 42 on page 2)	4	
5	Gross profit. Subtract line 4 from line 3	5	31,486.
6	Other income, including Federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7	Gross income. Add lines 5 and 6 ▶	7	31,486.

Part II Expenses. Enter expenses for business use of your home only on line 30.			
8	Advertising.	8	4,140.
9	Bad debts from sales or services (see instructions)	9	
10	Car and truck expenses (see instructions)	10	
11	Commissions and fees.	11	
12	Depletion	12	
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	
14	Employee benefit programs (other than on line 19)	14	
15	Insurance (other than health)	15	
16	Interest:		
	a Mortgage (paid to banks, etc.)	16a	
	b Other	16b	
17	Legal and professional services	17	
18	Office expense.	18	568.
19	Pension & profit-sharing plans	19	
20	Rent or lease (see instructions):		
	a Vehicles, machinery, and equipment	20a	
	b Other business property	20b	
21	Repairs and maintenance	21	345.
22	Supplies (not included in Part III)	22	1,600.
23	Taxes and licenses	23	35.
24	Travel, meals, & entertainment:		
	a Travel	24a	
	b Meals and entertainment		
	c Enter nondeductible amount included on line 24b (see instructions)		
	d Subtract line 24c from line 24b	24d	
25	Utilities.	25	1,320.
26	Wages (less employment credits)	26	
27	Other expenses (from line 48 on page 2)	27	8,886.
28	Total expenses before expenses for business use of home. Add lines 8 through 27 in columns ▶	28	16,894.
29	Tentative profit (loss). Subtract line 28 from line 7	29	14,592.
30	Expenses for business use of your home. Attach Form 8829	30	6,043.
31	Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on Form 1040, line 12 , and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.	31	8,549.
32	If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on Form 1040, line 12 , and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 6198 .	32a	<input type="checkbox"/> All investment is at risk.
		32b	<input type="checkbox"/> Some investment is not at risk.

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule C (Form 1040) 2002

Part III Cost of Goods Sold (see instructions)

33	Method(s) used to value closing inventory: a <input type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)		
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation	<input type="checkbox"/> Yes	<input type="checkbox"/> No
35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation.	35	
36	Purchases less cost of items withdrawn for personal use	36	
37	Cost of labor. Do not include any amounts paid to yourself	37	
38	Materials and supplies	38	
39	Other costs.	39	
40	Add lines 35 through 39	40	
41	Inventory at end of year	41	
42	Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4	42	0.

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

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

44 Of the total number of miles you drove your vehicle during 2002, enter the number of miles you used your vehicle for:

a Business 0 **b** Commuting 0 **c** Other 0

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

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

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

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

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

Point to Point T1 (high speed internet)	
Channelized T1 (24 digital lines)	
Dedicated Server Rental	3,786.
Wholesale Dialup Internet Accounts	5,100.

48 Total other expenses. Enter here and on page 1, line 27	48	8,886.
---	-----------	---------------

**SCHEDULE SE
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Self-Employment Tax

▶ **Attach to Form 1040.** ▶ **See Instructions for Schedule SE (Form 1040).**

OMB No. 1545-0074

2002

Attachment
Sequence No. **17**

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

David B Hughes

Social security number of person
with **self-employment** income ▶

146-12-4512

Who Must File Schedule SE

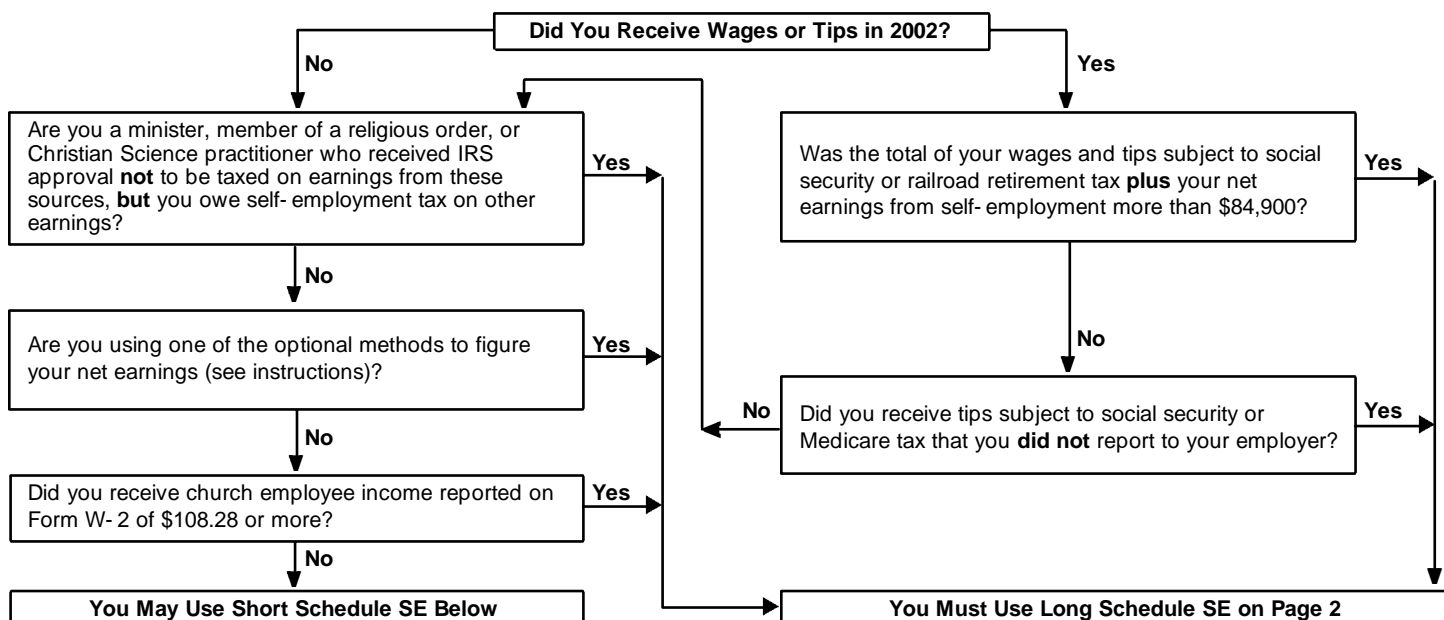
You must file Schedule SE if:

- You had net earnings from self-employment from **other than** church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more **or**
- You had church employee income of \$108.28 or more. Income from services you performed as a minister or a member of a religious order is **not** church employee income. See instructions.

Note. Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either "optional method" in Part II of Long Schedule SE. See instructions.

Exception. If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner **and** you filed Form 4361 and received IRS approval not to be taxed on those earnings, **do not** file Schedule SE. Instead, write "Exempt - - Form 4361" on Form 1040, line 56.

May I Use Short Schedule SE or Must I Use Long Schedule SE?



Section A -- Short Schedule SE. Caution. Read above to see if you can use Short Schedule SE.

1	Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), line 15a	1	
2	Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), line 15a (other than farming); and Schedule K-1 (Form 1065-B), box 9. Ministers and members of religious orders, see instructions for amounts to report on this line. See instructions for other income to report.	2	8,549.
3	Combine lines 1 and 2.	3	8,549.
4	Net earnings from self-employment. Multiply line 3 by 92.35% (.9235). If less than \$400, do not file this schedule; you do not owe self-employment tax	4	7,895.
5	Self-employment tax. If the amount on line 4 is: • \$84,900 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 56. • More than \$84,900, multiply line 4 by 2.9% (.029). Then, add \$10,527.60 to the result. Enter the total here and on Form 1040, line 56.	5	1,208.
6	Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.5). Enter the result here and on Form 1040, line 29	6	604.

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule SE (Form 1040) 2002

Expenses for Business Use of Your Home
 ▶ File only with Schedule C (Form 1040). Use a separate Form 8829 for each home you used for business during the year.
 ▶ See separate instructions.

Name(s) of proprietor(s) **David B Hughes** Your social security no. **146-12-4512**

Part I Part of Your Home Used for Business

1	Area used regularly and exclusively for business, regularly for day care, or for storage of inventory or product samples (see instructions)	1	864
2	Total area of home	2	3600
3	Divide line 1 by line 2. Enter the result as a percentage	3	24.00%
• For day-care facilities not used exclusively for business, also complete lines 4-6. • All others, skip lines 4-6 and enter the amount from line 3 on line 7.			
4	Multiply days used for day care during year by hours used per day	4	0 hr.
5	Total hours available for use during the year (365 days x 24 hours) (see instructions)	5	8,760 hr.
6	Divide line 4 by line 5. Enter the result as a decimal amount	6	
7	Business percentage. For day-care facilities not used exclusively for business, multiply line 6 by line 3 (enter the result as a percentage). All others, enter the amount from line 3 ▶	7	24.00%

Part II Figure Your Allowable Deduction

8	Enter the amount from Schedule C, line 29, plus any net gain or (loss) derived from the business use of your home and shown on Schedule D or Form 4797. If more than one place of business, see instructions.	8	14,592.
See instructions for columns (a) and (b) before completing lines 9-20.			
9	Casualty losses (see instructions)	9	
10	Deductible mortgage interest (see instructions)	10	10,150.
11	Real estate taxes (see instructions)	11	1,308.
12	Add lines 9, 10, and 11	12	11,458.
13	Multiply line 12, column (b) by line 7	13	2,750.
14	Add line 12, column (a) and line 13	14	2,750.
15	Subtract line 14 from line 8. If zero or less, enter -0-	15	11,842.
16	Excess mortgage interest (see instructions)	16	
17	Insurance	17	660.
18	Repairs and maintenance	18	325.
19	Utilities	19	1,320.
20	Other expenses (see instructions)	20	
21	Add lines 16 through 20	21	1,645.
22	Multiply line 21, column (b) by line 7	22	1,285.
23	Carryover of operating expenses from 2001 Form 8829, line 41	23	
24	Add line 21 in column (a), line 22, and line 23	24	2,930.
25	Allowable operating expenses. Enter the smaller of line 15 or line 24	25	2,930.
26	Limit on excess casualty losses and depreciation. Subtract line 25 from line 15	26	8,912.
27	Excess casualty losses (see instructions)	27	
28	Depreciation of your home from Part III below	28	363.
29	Carryover of excess casualty losses and depr. from 2001 Form 8829, line 42	29	
30	Add lines 27 through 29	30	363.
31	Allowable excess casualty losses and depreciation. Enter the smaller of line 26 or line 30	31	363.
32	Add lines 14, 25, and 31	32	6,043.
33	Casualty loss portion, if any, from lines 14 and 31. Carry amount to Form 4684, Section B	33	
34	Allowable expenses for business use of your home. Subtract line 33 from line 32. Enter here and on Schedule C, line 30. If your home was used for more than one business, see instructions ▶	34	6,043.

Part III Depreciation of Your Home

35	Enter the smaller of your home's adjusted basis or its fair market value (see instructions)	35	103,000.
36	Value of land included on line 35	36	44,000.
37	Basis of building. Subtract line 36 from line 35	37	59,000.
38	Business basis of building. Multiply line 37 by line 7	38	14,160.
39	Depreciation percentage (see instructions)	39	02.56%
40	Depreciation allowable (see instructions). Multiply line 38 by line 39. Enter here and on line 28 above	40	363.

Part IV Carryover of Unallowed Expenses to 2003

41	Operating expenses. Subtract line 25 from line 24. If less than zero, enter -0-	41	0.
42	Excess casualty losses and depreciation. Subtract line 31 from line 30. If less than zero, enter -0-	42	0.

For Paperwork Reduction Act Notice, see separate instructions.