

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

Name(s) shown on return

Identifying number

**Part I 2001 Passive Activity Loss**

**Caution:** See the instructions for Worksheets 1 and 2 on page 8 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** on page 3 of the instructions.)

- 1a Activities with net income (enter the amount from Worksheet 1, column (a)). . . . .
- 1b Activities with net loss (enter the amount from Worksheet 1, column (b)). . . . .
- 1c Prior years unallowed losses (enter the amount from Worksheet 1, column (c)). . . . .
- 1d Combine lines 1a, 1b, and 1c . . . . .

|           |   |   |  |
|-----------|---|---|--|
| <b>1a</b> |   |   |  |
| <b>1b</b> | ( | ) |  |
| <b>1c</b> | ( | ) |  |
| <b>1d</b> |   |   |  |

**All Other Passive Activities**

- 2a Activities with net income (enter the amount from Worksheet 2, column (a)). . . . .
- 2b Activities with net loss (enter the amount from Worksheet 2, column (b)). . . . .
- 2c Prior years unallowed losses (enter the amount from Worksheet 2, column (c)). . . . .
- 2d Combine lines 2a, 2b, and 2c . . . . .

|           |   |   |  |
|-----------|---|---|--|
| <b>2a</b> |   |   |  |
| <b>2b</b> | ( | ) |  |
| <b>2c</b> | ( | ) |  |
| <b>2d</b> |   |   |  |

- 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. Report the losses on the forms and schedules normally used.  
If this line and line 1d are losses, go to Part II. Otherwise, enter -0- on line 9 and go to line 10 . . . . .

|          |  |  |  |
|----------|--|--|--|
| <b>3</b> |  |  |  |
|----------|--|--|--|

**Part II Special Allowance for Rental Real Estate With Active Participation**

**Note:** Enter all numbers in Part II as positive amounts. See page 8 for examples.

**Note:** If your filing status is married filing separately and you lived with your spouse at any time during the year, **do not** complete Part II. Instead, enter -0- on line 9 and go to line 10.

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

|          |  |  |  |
|----------|--|--|--|
| <b>4</b> |  |  |  |
|----------|--|--|--|

- 5 Enter \$150,000. If married filing separately, see page 8 . . . . .

|          |  |  |  |
|----------|--|--|--|
| <b>5</b> |  |  |  |
|----------|--|--|--|

- 6 Enter modified adjusted gross income, but not less than zero (see page 8) . . . . .

|          |  |  |  |
|----------|--|--|--|
| <b>6</b> |  |  |  |
|----------|--|--|--|

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

- 7 Subtract line 6 from line 5 . . . . .

|          |  |  |  |
|----------|--|--|--|
| <b>7</b> |  |  |  |
|----------|--|--|--|

- 8 Multiply line 7 by 50% (.5). **Do not** enter more than \$25,000. If married filing separately, see page 9 . . . . .

|          |  |  |  |
|----------|--|--|--|
| <b>8</b> |  |  |  |
|----------|--|--|--|

- 9 Enter the **smaller** of line 4 or line 8 . . . . .

|          |  |  |  |
|----------|--|--|--|
| <b>9</b> |  |  |  |
|----------|--|--|--|

**Part III Total Losses Allowed**

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

|           |  |  |  |
|-----------|--|--|--|
| <b>10</b> |  |  |  |
|-----------|--|--|--|

- 11 **Total losses allowed from all passive activities for 2001.** Add lines 9 and 10. See page 11 to find out how to report the losses on your tax return . . . . .

|           |  |  |  |
|-----------|--|--|--|
| <b>11</b> |  |  |  |
|-----------|--|--|--|

**Caution:** *The worksheets are not required to be filed with your tax return and may be detached before filing Form 8582. Keep a copy of the worksheets for your records.*

**Worksheet 1—For Form 8582, Lines 1a, 1b, and 1c** (See page 8.)

| Name of activity  | Current year             |                        | Prior years                  | Overall gain or loss |          |
|---|--------------------------|------------------------|------------------------------|----------------------|----------|
|   | (a) Net income (line 1a) | (b) Net loss (line 1b) | (c) Unallowed loss (line 1c) | (d) Gain             | (e) Loss |
|   |                          |                        |                              |                      |          |
|   |                          |                        |                              |                      |          |
|   |                          |                        |                              |                      |          |
|   |                          |                        |                              |                      |          |
| <b>Total.</b> Enter on Form 8582, lines 1a, 1b, and 1c. . . . . ▶ |                          |                        |                              |                      |          |

**Worksheet 2—For Form 8582, Lines 2a, 2b, and 2c** (See page 8.)

| Name of activity  | Current year             |                        | Prior years                  | Overall gain or loss |          |
|---|--------------------------|------------------------|------------------------------|----------------------|----------|
|   | (a) Net income (line 2a) | (b) Net loss (line 2b) | (c) Unallowed loss (line 2c) | (d) Gain             | (e) Loss |
|   |                          |                        |                              |                      |          |
|   |                          |                        |                              |                      |          |
|   |                          |                        |                              |                      |          |
|   |                          |                        |                              |                      |          |
| <b>Total.</b> Enter on Form 8582, lines 2a, 2b, and 2c. . . . . ▶ |                          |                        |                              |                      |          |

**Worksheet 3—Use this worksheet if an amount is shown on Form 8582, line 9** (See page 9.)

| Name of activity         | Form or schedule to be reported on | (a) Loss | (b) Ratio | (c) Special allowance | (d) Subtract column (c) from column (a) |
|--------------------------|------------------------------------|----------|-----------|-----------------------|---|
|                          |                                    |          |           |                       |   |
|                          |                                    |          |           |                       |   |
|                          |                                    |          |           |                       |   |
|                          |                                    |          |           |                       |   |
| <b>Total</b> . . . . . ▶ |                                    |          | 1.00      |                       |   |

**Worksheet 4—Allocation of Unallowed Losses** (See page 9.)

| Name of activity         | Form or schedule to be reported on | (a) Loss | (b) Ratio | (c) Unallowed loss |
|--------------------------|------------------------------------|----------|-----------|--------------------|
|                          |                                    |          |           |                    |
|                          |                                    |          |           |                    |
|                          |                                    |          |           |                    |
|                          |                                    |          |           |                    |
| <b>Total</b> . . . . . ▶ |                                    |          | 1.00      |                    |

**Worksheet 5—Allowed Losses** (See page 9.)

| Name of activity         | Form or schedule to be reported on | (a) Loss | (b) Unallowed loss | (c) Allowed loss |
|--------------------------|------------------------------------|----------|--------------------|------------------|
|                          |                                    |          |                    |                  |
|                          |                                    |          |                    |                  |
|                          |                                    |          |                    |                  |
|                          |                                    |          |                    |                  |
| <b>Total</b> . . . . . ▶ |                                    |          |                    |                  |

**Worksheet 6—Activities With Losses Reported on Two or More Different Forms or Schedules** (See page 10.)

| Name of Activity:   | (a) | (b) | (c) Ratio   | (d) Unallowed loss | (e) Allowed loss |
|---|-----|-----|-------------|--------------------|------------------|
| <b>Form or Schedule To Be Reported on:</b> .....                            |     |     |             |                    |                  |
| <b>1a</b> Net loss plus prior year unallowed loss from form or schedule . ▶ |     |     |             |                    |                  |
| <b>b</b> Net income from form or schedule . . . . . ▶                       |     |     |             |                    |                  |
| <b>c</b> Subtract line 1b from line 1a. If zero or less, enter -0- ▶        |     |     |             |                    |                  |
| <b>Form or Schedule To Be Reported on:</b> .....                            |     |     |             |                    |                  |
| <b>1a</b> Net loss plus prior year unallowed loss from form or schedule . ▶ |     |     |             |                    |                  |
| <b>b</b> Net income from form or schedule . . . . . ▶                       |     |     |             |                    |                  |
| <b>c</b> Subtract line 1b from line 1a. If zero or less, enter -0- ▶        |     |     |             |                    |                  |
| <b>Form or Schedule To Be Reported on:</b> .....                            |     |     |             |                    |                  |
| <b>1a</b> Net loss plus prior year unallowed loss from form or schedule . ▶ |     |     |             |                    |                  |
| <b>b</b> Net income from form or schedule . . . . . ▶                       |     |     |             |                    |                  |
| <b>c</b> Subtract line 1b from line 1a. If zero or less, enter -0- ▶        |     |     |             |                    |                  |
| <b>Total</b> . . . . . ▶  |     |     | <b>1.00</b> |                    |                  |

