

Installment Sale Income

Department of the Treasury Internal Revenue Service

See separate instructions. Attach to your tax return. Use a separate form for each sale or other disposition of property on the installment method.

1999 Attachment Sequence No. 79

Name(s) shown on return Identifying number

- 1 Description of property
2a Date acquired (month, day, year)
3 Was the property sold to a related party after May 14, 1980?
4 Was the property you sold to a related party a marketable security?

Part I Gross Profit and Contract Price. Complete this part for the year of sale only.

Table with 18 rows for Part I. Columns include line numbers and descriptions: 5 Selling price including mortgages and other debts, 6 Mortgages and other debts the buyer assumed, 7 Subtract line 6 from line 5, 8 Cost or other basis of property sold, 9 Depreciation allowed or allowable, 10 Adjusted basis, 11 Commissions and other expenses of sale, 12 Income recapture, 13 Add lines 10, 11, and 12, 14 Subtract line 13 from line 5, 15 Excluded gain, 16 Gross profit, 17 Subtract line 13 from line 6, 18 Contract price.

Part II Installment Sale Income. Complete this part for the year of sale and any year you receive a payment or have certain debts you must treat as a payment on installment obligations.

Table with 6 rows for Part II. Columns include line numbers and descriptions: 19 Gross profit percentage, 20 For year of sale only, 21 Payments received during year, 22 Add lines 20 and 21, 23 Payments received in prior years, 24 Installment sale income, 25 Part of line 24 that is ordinary income, 26 Subtract line 25 from line 24.

Part III Related Party Installment Sale Income. Do not complete if you received the final payment this tax year.

- 27 Name, address, and taxpayer identifying number of related party
28 Did the related party, during this tax year, resell or dispose of the property?
29 If the answer to question 28 is "Yes," complete lines 30 through 37 below unless one of the following conditions is met.
30 Selling price of property sold by related party
31 Enter contract price from line 18 for year of first sale
32 Enter the smaller of line 30 or line 31
33 Total payments received by the end of your 1999 tax year
34 Subtract line 33 from line 32
35 Multiply line 34 by the gross profit percentage on line 19
36 Part of line 35 that is ordinary income
37 Subtract line 36 from line 35

Paperwork Reduction Act Notice.

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect 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 file this form will vary depending on individual circumstances. The estimated average time is:

- Recordkeeping** . . . 1 hr., 25 min.
- Learning about the law or the form** 40 min.
- Preparing the form** 56 min.
- Copy, assembling, and sending the form to the IRS** 20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

