

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.

2000

Attachment
Sequence No. **79**

Name(s) shown on return

Identifying number

- 1 Description of property ▶
- 2a Date acquired (month, day, year) ▶ / / b Date sold (month, day, year) ▶ / /
- 3 Was the property sold to a related party after May 14, 1980? See instructions. If "No," skip line 4 . . . Yes No
- 4 Was the property you sold to a related party a marketable security? If "Yes," complete Part III. If "No," complete Part III for the year of sale and the 2 years after the year of sale . . . Yes No

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

5	Selling price including mortgages and other debts. Do not include interest whether stated or unstated				5	
6	Mortgages and other debts the buyer assumed or took the property subject to, but not new mortgages the buyer got from a bank or other source	6				
7	Subtract line 6 from line 5	7				
8	Cost or other basis of property sold	8				
9	Depreciation allowed or allowable	9				
10	Adjusted basis. Subtract line 9 from line 8	10				
11	Commissions and other expenses of sale.	11				
12	Income recapture from Form 4797, Part III. See instructions	12				
13	Add lines 10, 11, and 12				13	
14	Subtract line 13 from line 5. If zero or less, stop here. Do not complete the rest of this form				14	
15	If the property described on line 1 above was your main home, enter the amount of your excluded gain. Otherwise, enter -0-. See instructions				15	
16	Gross profit. Subtract line 15 from line 14				16	
17	Subtract line 13 from line 6. If zero or less, enter -0-				17	
18	Contract price. Add line 7 and line 17				18	

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.

19	Gross profit percentage. Divide line 16 by line 18. For years after the year of sale, see instructions				19	
20	For year of sale only: Enter amount from line 17 above; otherwise, enter -0-				20	
21	Payments received during year. See instructions. Do not include interest, whether stated or unstated				21	
22	Add lines 20 and 21				22	
23	Payments received in prior years. See instructions. Do not include interest, whether stated or unstated	23				
24	Installment sale income. Multiply line 22 by line 19				24	
25	Part of line 24 that is ordinary income under recapture rules. See instructions				25	
26	Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797. See instructions				26	

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 resell or dispose of the property ("second disposition") during this tax year? . . . Yes No
- 29 If the answer to question 28 is "Yes," complete lines 30 through 37 below **unless one of the following conditions is met. Check the box that applies.**
- a The second disposition was more than 2 years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of disposition (month, day, year) ▶ / /
 - b The first disposition was a sale or exchange of stock to the issuing corporation.
 - c The second disposition was an involuntary conversion and the threat of conversion occurred after the first disposition.
 - d The second disposition occurred after the death of the original seller or buyer.
 - e It can be established to the satisfaction of the Internal Revenue Service that tax avoidance was not a principal purpose for either of the dispositions. If this box is checked, attach an explanation. See instructions.
- | | | | | | | |
|----|------------------------------------------------------------------------------------------------------|--|--|--|-----------|--|
| 30 | Selling price of property sold by related party | | | | 30 | |
| 31 | Enter contract price from line 18 for year of first sale | | | | 31 | |
| 32 | Enter the smaller of line 30 or line 31 | | | | 32 | |
| 33 | Total payments received by the end of your 2000 tax year. See instructions | | | | 33 | |
| 34 | Subtract line 33 from line 32. If zero or less, enter -0- | | | | 34 | |
| 35 | Multiply line 34 by the gross profit percentage on line 19 for year of first sale | | | | 35 | |
| 36 | Part of line 35 that is ordinary income under recapture rules. See instructions | | | | 36 | |
| 37 | Subtract line 36 from line 35. Enter here and on Schedule D or Form 4797. See instructions | | | | 37 | |

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., 18 min.
- Learning about the law or the form** 24 min.
- Preparing the form** 1 hr.
- Copying, 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.

