
Schedule C - Meals Detail - Line 24B

Ireland 8 days x \$142	1,136.00	1,136.00
Ireland 8 days x \$35	280.00	280.00
Phoenix 3 days x \$59	177.00	177.00
Lunch NYC	42.00	42.00
NYC 2 days x \$64	128.00	128.00
Other professional meals	401.00	401.00
	<hr/>	<hr/>
	2,164.00	2,164.00
	<hr/>	<hr/>

Schedule C Travel Detail - Line 24A

Ireland - Airline	1,108.00	1,108.00
Ireland - Hotel 8 days x 304	2,432.00	2,432.00
Ireland - Transportation	844.00	844.00
Phoenix - Airline	348.00	348.00
Phoenix - Hotel 3 days	423.00	423.00
	<hr/>	<hr/>
	5,155.00	5,155.00
	<hr/>	<hr/>

www.artstaxinfo.com

Label (See instructions on page 14.) Use the IRS label. Otherwise, please print or type. Presidential Election Campaign	LABEL HERE	For the year Jan. 1-Dec. 31, 2008, or other tax year beginning _____, 2008, ending _____, 20	OMB No. 1545-0074	
		Your first name and initial Liz	Last name Brushstroke	Your social security number 333 44 5555
		If a joint return, spouse's first name and initial	Last name	Spouse's social security number
		Home address (number and street). If you have a P.O. box, see page 14. Commonwealth Ave		Apt. no.
City, town or post office, state, and ZIP code. If you have a foreign address, see page 14. Boston, MA 02467			Checking a box below will not change your tax or refund.	

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 14) You Spouse

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). If the qualifying person is a child but not your dependent, enter this child's name here. ▶

5 Qualifying widow(er) with dependent child (see page 16)

Exemptions

6a Yourself. If someone can claim you as a dependent, do not check box 6a

b Spouse

c Dependents:

(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 page 17)

d Total number of exemptions claimed **1**

Income

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	53,211.
8a	Taxable interest. Attach Schedule B if required	8a	
b	Tax-exempt interest. Do not include on line 8a	8b	
9a	Ordinary dividends. Attach Schedule B if required	9a	
b	Qualified dividends (see page 21)	9b	
10	Taxable refunds, credits, or offsets of state and local income taxes	10	
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	907.
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	
14	Other gains or (losses). Attach Form 4797	14	
15a	IRA distributions	15a	
b	Taxable amount	15b	
16a	Pensions and annuities	16a	
b	Taxable amount	16b	
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 page 26)	20b	
21	Other income. List type and amount (see page 28)	21	
22	Add the amounts in the far right column for lines 7 through 21. This is your total income	22	54,118.

Adjusted Gross Income

23	Educator expenses (see page 28)	23	
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
25	Health savings account deduction. Attach Form 8889	25	
26	Moving expenses. Attach Form 3903	26	
27	One-half of self-employment tax. Attach Schedule SE	27	64.
28	Self-employed SEP, SIMPLE, and qualified plans	28	
29	Self-employed health insurance deduction (see page 29)	29	
30	Penalty on early withdrawal of savings	30	
31a	Alimony paid	31a	
b	Recipient's SSN		
32	IRA deduction (see page 30)	32	
33	Student loan interest deduction (see page 33)	33	
34	Tuition and fees deduction. Attach Form 8917	34	
35	Domestic production activities deduction. Attach Form 8903	35	
36	Add lines 23 through 31a and 32 through 35	36	64.
37	Subtract line 36 from line 22. This is your adjusted gross income	37	54,054.

Tax and Credits

38 Amount from line 37 (adjusted gross income) 38 54,054.
39a Check if: [] You were born before January 2, 1944, [] Blind. Total boxes checked ... 39a
b If your spouse itemizes on a separate return or you were a dual-status alien, see page 34 and check here ... 39b []
c Check if standard deduction includes real estate taxes or disaster loss (see page 34) ... 39c []
40 Itemized deductions (from Schedule A) or your standard deduction (see left margin) Stmt 1 40 5,450.
41 Subtract line 40 from line 38 41 48,604.
42 If line 38 is over \$119,975, or you provided housing to a Midwestern displaced individual, see page 36. Otherwise, multiply \$3,500 by the total number of exemptions claimed on line 6d ... 42 3,500.
43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- ... 43 45,104.
44 Tax. Check if any tax is from: a [] Form(s) 8814 b [] Form 4972 44 7,625.
45 Alternative minimum tax. Attach Form 6251 45 0.
46 Add lines 44 and 45 46 7,625.
47 Foreign tax credit. Attach Form 1116 if required 47
48 Credit for child and dependent care expenses. Attach Form 2441 48
49 Credit for the elderly or the disabled. Attach Schedule R 49
50 Education credits. Attach Form 8863 50
51 Retirement savings contributions credit. Attach Form 8880 51
52 Child tax credit (see page 42). Attach Form 8901 if required 52
53 Credits from Form: a [] 8396 b [] 8839 c [] 5695 53
54 Other credits from Form: a [] 3800 b [] 8801 c [] 54
55 Add lines 47 through 54. These are your total credits 55
56 Subtract line 55 from line 46. If line 55 is more than line 46, enter -0- 56 7,625.

Other Taxes

57 Self-employment tax. Attach Schedule SE 57 128.
58 Unreported social security and Medicare tax from Form: a [] 4137 b [] 8919 58
59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required 59
60 Additional taxes: a [] AEIC payments b [] Household employment taxes. Attach Schedule H 60
61 Add lines 56 through 60. This is your total tax 61 7,753.

Payments

62 Federal income tax withheld from Forms W-2 and 1099 62 7,144.
63 2008 estimated tax payments and amount applied from 2007 return 63
64a Earned income credit (EIC) 64a
b Nontaxable combat pay election 64b
65 Excess social security and tier 1 RRTA tax withheld (see page 61) 65
66 Additional child tax credit. Attach Form 8812 66
67 Amount paid with request for extension to file (see page 61) 67
68 Credits from Form: a [] 2439 b [] 4136 c [] 8801 d [] 8885 68
69 First-time homebuyer credit. Attach Form 5405 69
70 Recovery rebate credit (see worksheet on pages 62 and 63) 70
71 Add lines 62 through 70. These are your total payments 71 7,144.

Refund

72 If line 71 is more than line 61, subtract line 61 from line 71. This is the amount you overpaid 72
73a Amount of line 72 you want refunded to you. If Form 8888 is attached, check here 73a
b Routing number [] c Type: [] Checking [] Savings d Account number []
74 Amount of line 72 you want applied to your 2009 estimated tax 74

Amount You Owe

75 Amount you owe. Subtract line 71 from line 61. For details on how to pay, see page 65 75 609.
76 Estimated tax penalty (see page 65) 76

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 66)? [X] Yes. Complete the following. [] No
Designee's name Preparer 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 Peter Jason Riley, CPA Date 12/13/09 Check if self-employed Preparer's SSN or PTIN P00413102
Firm's name (or yours if self-employed), address, and ZIP code Riley & Associates, P.C. EIN 04 3577120
P.O. Box 157 Phone no 978-463-9350
Newburyport, MA 01950-0157

**SCHEDULE C
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business

(Sole Proprietorship)

Partnerships, joint ventures, etc., generally must file Form 1065 or 1065-B.

Attach to Form 1040, 1040NR, or 1041.

See Instructions for Schedule C (Form 1040).

OMB No. 1545-0074

2008

Attachment
Sequence No. **09**

Name of proprietor

Liz Brushstroke

Social security number (SSN)

333-44-5555

A Principal business or profession, including product or service (see page C-3)

Visual Arts

B Enter code from pages C-9, 10, & 11

711510

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

Liz Brushstroke Art Studio

D Employer ID number (EIN), if any

E Business address (including suite or room no.) **Commonwealth Ave.**

City, town or post office, state, and ZIP code **Boston, MA 02467**

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

G Did you "materially participate" in the operation of this business during 2008? If "No," see page C-4 for limit on losses Yes No

H If you started or acquired this business during 2008, check here

Part I Income

1 Gross receipts or sales. Caution. See page C-4 and check the box if: <ul style="list-style-type: none"> This income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, or You are a member of a qualified joint venture reporting only rental real estate income not subject to self-employment tax. Also see page C-4 for limit on losses. 	<input type="checkbox"/>	1	29,540.
2 Returns and allowances		2	
3 Subtract line 2 from line 1		3	29,540.
4 Cost of goods sold (from line 42 on page 2)		4	10,500.
5 Gross profit. Subtract line 4 from line 3		5	19,040.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see page C-4) See Statement 2		6	100.
7 Gross income. Add lines 5 and 6		7	19,140.

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8		18 Office expense	18	104.
9 Car and truck expenses (see page C-5)	9	2,335.	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see page C-6):		
11 Contract labor (see page C-5)	11		a Vehicles, machinery, and equipment	20a	
12 Depletion	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see page C-5)	13	972.	21 Repairs and maintenance	21	
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	207.
15 Insurance (other than health)	15		23 Taxes and licenses	23	
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	5,155.
b Other	16b		b Deductible meals and entertainment (see page C-7)	24b	1,082.
17 Legal and professional services	17	250.	25 Utilities	25	
			26 Wages (less employment credits)	26	
			27 Other expenses (from line 48 on page 2)	27	5,460.
28 Total expenses before expenses for business use of home. Add lines 8 through 27	28		28	28	15,565.
29 Tentative profit or (loss). Subtract line 28 from line 7	29		29	29	3,575.
30 Expenses for business use of your home. Attach Form 8829	30		30	30	2,668.
31 Net profit or (loss). Subtract line 30 from line 29. <ul style="list-style-type: none"> If a profit, enter on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (if you checked the box on line 1, see page C-7). Estates and trusts, enter on Form 1041, line 3. If a loss, you must go to line 32. 			31	31	907.
32 If you have a loss, check the box that describes your investment in this activity (see page C-8). <ul style="list-style-type: none"> If you checked 32a, enter the loss on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (if you checked the box on line 1, see the line 31 instructions on page C-7). Estates and trusts, enter on Form 1041, line 3. If you checked 32b, you must attach Form 6198. Your loss may be limited. 			32a	<input type="checkbox"/> All investment is at risk.	
			32b	<input type="checkbox"/> Some investment is not at risk.	

LHA For Paperwork Reduction Act Notice, see page C-9 of the instructions.

Schedule C (Form 1040) 2008

Part III Cost of Goods Sold (see page C-8)

33 Method(s) used to value closing inventory: a Cost b Lower of cost or market c Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35	5,000.
36	Purchases less cost of items withdrawn for personal use	36	3,000.
37	Cost of labor. Do not include any amounts paid to yourself	37	
38	Materials and supplies	38	
39	Other costs See Statement 4	39	8,000.
40	Add lines 35 through 39	40	16,000.
41	Inventory at end of year	41	5,500.
42	Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4	42	10,500.

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 on page C-5 to find out if you must file Form 4562.

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 2008, enter the number of miles you used your vehicle for:

a Business _____ b Commuting _____ c Other _____

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

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

47 a 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.

See Statement 3 5,460.

48 **Total other expenses.** Enter here and on page 1, line 27 48 5,460.

2008 DEPRECIATION AND AMORTIZATION REPORT

Liz Brushstroke Art Studio

SCHEDULE C- 1

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1	Website Costs	070108		36M	42	1,945.			1,945.			324.
2	Flat Files	122808	200DB	7.00	19C	1,650.			1,650.			59.
4	Digital Camera	122708	200DB	5.00	19B	399.		399.	0.		399.	399.
6	Notebook Computer	070106	200DB	5.00	17	1,644.			1,644.	855.		316.
8	Studio Vent & Installation	070108	200DB	7.00	19C	1,844.			1,844.			198.
	Total Sch C Depr. & Amortization					7,482.		399.	7,083.	855.	399.	1,296.
	Current Year Activity											
	Beginning balance					1,644.		0.	1,644.	855.		
	Acquisitions					5,838.		399.	5,439.	0.		
	Dispositions					0.		0.	0.	0.		
	Ending balance					7,482.		399.	7,083.	855.		

**SCHEDULE SE
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Self-Employment Tax

OMB No. 1545-0074

2008

Attachment
Sequence No. **17**

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

Name of person with self-employment income (as shown on Form 1040) Liz Brushstroke	Social security number of person with self-employment income ▶	333 44 5555
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Who Must File Schedule SE

You must file Schedule SE if:

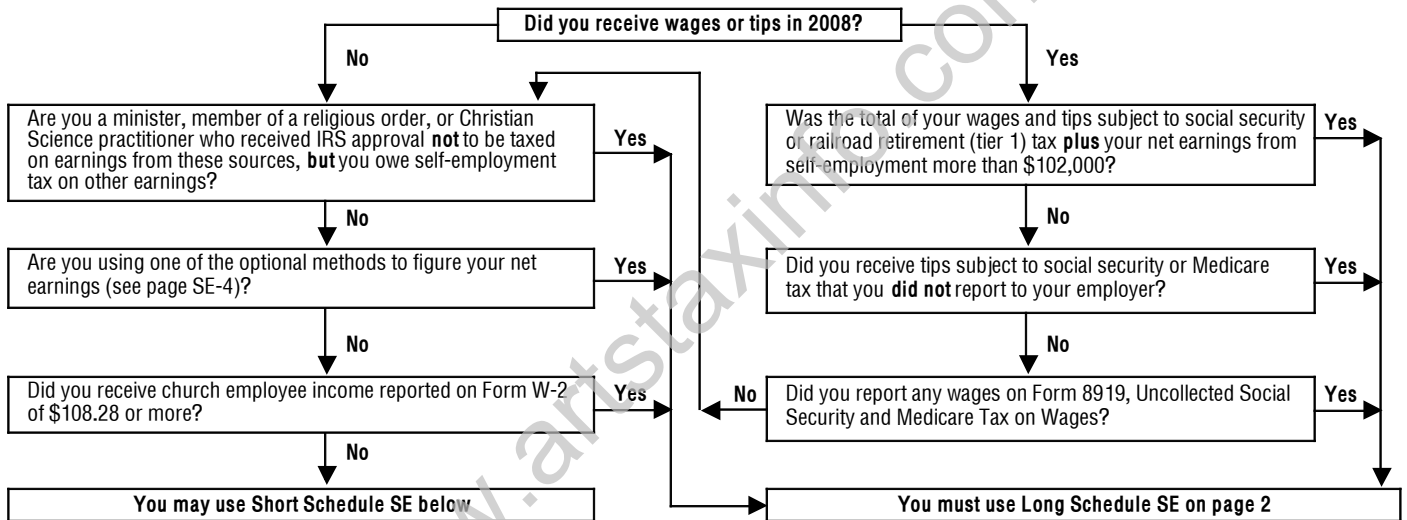
- You had net earnings from self-employment from **other than** church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more, **or**
- You had church employee income of \$108.28 or more. Income from services you performed as a minister or a member of a religious order **is not** church employee income (see page SE-1).

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 page SE-4).

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 57.

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

Note. Use this flowchart **only** if you must file Schedule SE. If unsure, see *Who Must File Schedule SE*, above.



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

1a Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A	1a	
b If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included on Schedule F, line 6b, or listed on Schedule K-1 (Form 1065), box 20, code X	1b	
2 Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. Ministers and members of religious orders, see pg SE-1 for types of income to report on this line. See pg SE-3 for other income to report Stmt 5	2	907.
3 Combine lines 1a, 1b, and 2	3	907.
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	838.
5 Self-employment tax. If the amount on line 4 is: ● \$102,000 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 57. ● More than \$102,000, multiply line 4 by 2.9% (.029). Then, add \$12,648 to the result. Enter the total here and on Form 1040, line 57	5	128.
6 Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.5). Enter the result here and on Form 1040, line 27	6	64.

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

Schedule SE (Form 1040) 2008

Form **6251**

Alternative Minimum Tax - Individuals

2008

Department of the Treasury
Internal Revenue Service (99)

▶ **Attach to Form 1040 or Form 1040NR.**

Attachment
Sequence No. **32**

Name(s) shown on Form 1040 or Form 1040NR

Your social security number

Liz Brushstroke

333 44 5555

Part I Alternative Minimum Taxable Income

1	If filing Schedule A (Form 1040), enter the amount from Form 1040, line 41 (minus any amount on Form 8914, line 2), and go to line 2. Otherwise, enter the amount from Form 1040, line 38 (minus any amount on Form 8914, line 2), and go to line 7. (If less than zero, enter as a negative amount.)	1	54,054.
2	Medical and dental. Enter the smaller of Schedule A (Form 1040), line 4, or 2.5% (.025) of Form 1040, line 38. If zero or less, enter -0-	2	
3	Taxes from Schedule A (Form 1040), line 9	3	
4	Enter the home mortgage interest adjustment, if any, from line 6 of the worksheet on page 2 of the instructions	4	
5	Miscellaneous deductions from Schedule A (Form 1040), line 27	5	
6	If Form 1040, line 38, is over \$159,950 (over \$79,975 if married filing separately), enter the amount from line 11 of the Itemized Deductions Worksheet on page A-10 of the instructions for Schedule A (Form 1040)	6	
7	If claiming the standard deduction, enter any amount from Form 4684, line 18a, as a negative amount	7	
8	Tax refund from Form 1040, line 10 or line 21	8	
9	Investment interest expense (difference between regular tax and AMT)	9	
10	Depletion (difference between regular tax and AMT)	10	
11	Net operating loss deduction from Form 1040, line 21. Enter as a positive amount	11	
12	Interest from specified private activity bonds exempt from the regular tax	12	
13	Qualified small business stock (7% of gain excluded under section 1202)	13	
14	Exercise of incentive stock options (excess of AMT income over regular tax income)	14	
15	Estates and trusts (amount from Schedule K-1 (Form 1041), box 12, code A)	15	
16	Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box 6)	16	
17	Disposition of property (difference between AMT and regular tax gain or loss)	17	
18	Depreciation on assets placed in service after 1986 (difference between regular tax and AMT) Stmt 6	18	88.
19	Passive activities (difference between AMT and regular tax income or loss)	19	
20	Loss limitations (difference between AMT and regular tax income or loss)	20	
21	Circulation costs (difference between regular tax and AMT)	21	
22	Long-term contracts (difference between AMT and regular tax income)	22	
23	Mining costs (difference between regular tax and AMT)	23	
24	Research and experimental costs (difference between regular tax and AMT)	24	
25	Income from certain installment sales before January 1, 1987	25	
26	Intangible drilling costs preference	26	
27	Other adjustments, including income-based related adjustments	27	
28	Alternative tax net operating loss deduction	28	
29	Alternative minimum taxable income. Combine lines 1 through 28. (If married filing separately and line 29 is more than \$214,900, see instructions)	29	54,142.

Part II Alternative Minimum Tax (AMT)

30	Exemption. (If you were under age 24 at the end of 2008, see instructions.) IF your filing status is ... AND line 29 is not over ... THEN enter on line 30 ... Single or head of household \$112,500 \$46,200 Married filing jointly or qualifying widow(er) 150,000 69,950 Married filing separately 75,000 34,975 If line 29 is over the amount shown above for your filing status, see instructions.	30	46,200.
31	Subtract line 30 from line 29. If more than zero, go to line 32. If zero or less, enter -0- here and on lines 34 and 36 and skip the rest of Part II	31	7,942.
32	• If you are filing Form 2555 or 2555-EZ, see page 9 of the instructions for the amount to enter. • If you reported capital gain distributions directly on Form 1040, line 13; you reported qualified dividends on Form 1040, line 9b; or you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (as figured for the AMT, if necessary), complete Part III on page 2 and enter the amount from line 55 here. • All others: If line 31 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 31 by 26% (.26). Otherwise, multiply line 31 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result.	32	2,065.
33	Alternative minimum tax foreign tax credit (see instructions)	33	
34	Tentative minimum tax. Subtract line 33 from line 32	34	2,065.
35	Tax from Form 1040, line 44 (minus any tax from Form 4972 and any foreign tax credit from Form 1040, line 47). If you used Sch J to figure your tax, the amount from line 44 of Form 1040 must be refigured without using Sch J	35	7,625.
36	AMT. Subtract line 35 from line 34. If zero or less, enter -0-. Enter here and on Form 1040, line 45	36	0.

Part III Tax Computation Using Maximum Capital Gains Rates

37	Enter the amount from Form 6251, line 31. If you are filing Form 2555 or 2555-EZ, enter the amount from line 3 of the worksheet in the instructions		37
38	Enter the amount from line 6 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44, or the amount from line 13 of the Schedule D Tax Worksheet on page D-10 of the instructions for Schedule D (Form 1040), whichever applies (as refigured for the AMT, if necessary) (see the instructions). If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter	38	
39	Enter the amount from Schedule D (Form 1040), line 19 (as refigured for the AMT, if necessary) (see instructions). If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter	39	
40	If you did not complete a Schedule D Tax Worksheet for the regular tax or the AMT, enter the amount from line 38. Otherwise, add lines 38 and 39, and enter the smaller of that result or the amount from line 10 of the Schedule D Tax Worksheet (as refigured for the AMT, if necessary). If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter	40	
41	Enter the smaller of line 37 or line 40		41
42	Subtract line 41 from line 37		42
43	If line 42 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 42 by 26% (.26). Otherwise, multiply line 42 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result		43
44	Enter: <ul style="list-style-type: none"> • \$65,100 if married filing jointly or qualifying widow(er), • \$32,550 if single or married filing separately, or • \$43,650 if head of household. 	44	
45	Enter the amount from line 7 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44, or the amount from line 14 of the Schedule D Tax Worksheet on page D-10 of the instructions for Schedule D (Form 1040), whichever applies (as figured for the regular tax). If you did not complete either worksheet for the regular tax, enter -0-	45	
46	Subtract line 45 from line 44. If zero or less, enter -0-	46	
47	Enter the smaller of line 37 or line 38	47	
48	Enter the smaller of line 46 or line 47	48	
49	Subtract line 48 from line 47	49	
50	Multiply line 49 by 15% (.15)		50
If line 39 is zero or blank, skip lines 51 and 52 and go to line 53. Otherwise, go to line 51.			
51	Subtract line 47 from line 41	51	
52	Multiply line 51 by 25% (.25)		52
53	Add lines 43, 50, and 52		53
54	If line 37 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 37 by 26% (.26). Otherwise, multiply line 37 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result		54
55	Enter the smaller of line 53 or line 54 here and on line 32. If you are filing Form 2555 or 2555-EZ, do not enter this amount on line 32. Instead, enter it on line 4 of the worksheet in the instructions		55

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.**

Name(s) of proprietor(s) **Liz Brushstroke** Your social security number
333-44-5555

Part I Part of Your Home Used for Business

1 Area used regularly and exclusively for business, regularly for daycare, or for storage of inventory or product samples	1	190
2 Total area of home	2	1,085
3 Divide line 1 by line 2. Enter the result as a percentage	3	17.5115%
For daycare facilities not used exclusively for business, go to line 4. All others go to line 7.		
4 Multiply days used for daycare during year by hours used per day	4	hr.
5 Total hours available for use during the year (366 days x 24 hours)	5	hr.
6 Divide line 4 by line 5. Enter the result as a decimal amount	6	
7 Business percentage. For daycare 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	17.5115%

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. See instructions for columns (a) and (b) before completing lines 9-21.	8	3,575.
		(a) Direct expenses (b) Indirect expenses
9 Casualty losses	9	
10 Deductible mortgage interest	10	
11 Real estate taxes	11	
12 Add lines 9, 10, and 11	12	
13 Multiply line 12, column (b) by line 7	13	
14 Add line 12, column (a) and line 13	14	
15 Subtract line 14 from line 8. If zero or less, enter -0-	15	3,575.
16 Excess mortgage interest	16	
17 Insurance	17	308.
18 Rent	18	13,850.
19 Repairs and maintenance	19	
20 Utilities	20	1,077.
21 Other expenses	21	
22 Add lines 16 through 21	22	15,235.
23 Multiply line 22, column (b) by line 7	23	2,668.
24 Carryover of operating expenses from 2007 Form 8829, line 42	24	
25 Add line 22 column (a), line 23, and line 24	25	2,668.
26 Allowable operating expenses. Enter the smaller of line 15 or line 25	26	2,668.
27 Limit on excess casualty losses and depreciation. Subtract line 26 from line 15	27	907.
28 Excess casualty losses	28	
29 Depreciation of your home from line 41 below	29	
30 Carryover of excess casualty losses and depreciation from 2007 Form 8829, line 43	30	
31 Add lines 28 through 30	31	
32 Allowable excess casualty losses and depreciation. Enter the smaller of line 27 or line 31	32	0.
33 Add lines 14, 26, and 32	33	2,668.
34 Casualty loss portion, if any, from lines 14 and 32. Carry amount to Form 4684, Section B	34	0.
35 Allowable expenses for business use of your home. Subtract line 34 from line 33. Enter here and on Schedule C, line 30. If your home was used for more than one business, see instructions	35	2,668.

Part III Depreciation of Your Home

36 Enter the smaller of your home's adjusted basis or its fair market value	36	
37 Value of land included on line 36	37	
38 Basis of building. Subtract line 37 from line 36	38	
39 Business basis of building. Multiply line 38 by line 7	39	
40 Depreciation percentage	40	%
41 Depreciation allowable. Multiply line 39 by line 40. Enter here and on line 29 above	41	

Part IV Carryover of Unallowed Expenses to 2009

42 Operating expenses. Subtract line 26 from line 25. If less than zero, enter -0-	42	
43 Excess casualty losses and depreciation. Subtract line 32 from line 31. If less than zero, enter -0-	43	

SCHEDULE C- 1
Depreciation and Amortization
 (Including Information on Listed Property)

2008

Attachment
 Sequence No. **67**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return Liz Brushstroke	Business or activity to which this form relates Liz Brushstroke Art Studio	Identifying number 333-44-5555
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Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount. See the instructions for a higher limit for certain businesses	1	250,000.
2 Total cost of section 179 property placed in service (see instructions)	2	3,893.
3 Threshold cost of section 179 property before reduction in limitation	3	800,000.
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	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	5	250,000.
6 (a) Description of property (b) Cost (business use only) (c) Elected cost		
Digital Camera	399.	399.
7 Listed property. Enter the amount from line 29	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	399.
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	399.
10 Carryover of disallowed deduction from line 13 of your 2007 Form 4562	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	54,517.
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	399.
13 Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14 Special depreciation for qualified property (other than listed property) placed in service during the tax year	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2008	17	316.
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	<input type="checkbox"/>	

Section B - Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(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
19a 3-year property						
b 5-year property						
c 7-year property		3,494.	7 Yrs.	MQ	200DB	257.
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	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21 Listed property. Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	972.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No **24b** If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
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25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use **25**

26 Property used more than 50% in a qualified business use:

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	:	%						
	:	%						
	:	%						

27 Property used 50% or less in a qualified business use:

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	010107	25.91 %				S/L -		
	:	%				S/L -		
	:	%				S/L -		

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 **28**

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 **29**

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle 1		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles)							4,210					
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven							12,041					
33 Total miles driven during the year. Add lines 30 through 32							16,251					
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2008 tax year:					
Website Costs	070108	1,945.		36M	324.
	:				

43 Amortization of costs that began before your 2008 tax year **43**

44 Total. Add amounts in column (f). See the instructions for where to report **44** 324.

Form 1040 Standard Deduction Worksheet Statement 1

1. Enter the amount shown below for your filing status.
 - Single or married filing separately - \$5,450
 - Married filing jointly or Qualifying widow(er) - \$10,900 5,450.
 - Head of household - \$8,000
2. Can you (or your spouse if filing jointly) be claimed as a dependent?
 - No. Skip line 3; enter the amount from line 1 on line 4
 - Yes. Go to line 3.
3. Is your earned income* more than \$600?
 - Yes. Add \$300 to your earned income.
 - Enter the total
 - No. Enter \$900
4. Enter the smaller of line 1 or line 3 5,450.
5. If born before January 2, 1944, or blind, multiply the number on Form 1040, line 39a by \$1,050 (\$1,350 if single or head of household). Otherwise, enter -0-
6. Enter any net disaster loss from Form 4684, line 18a. If more than zero, check the box on Form 1040, line 39c
7. Enter the state and local real estate taxes you paid that would be deductible on Schedule A, line 6, if you were itemizing your deductions. See the instructions for Schedule A, line 6. Do not include foreign real estate taxes
8. Enter \$500 (\$1,000 if married filing jointly). 500.
9. Enter the smaller of line 7 or line 8. If more than zero, check the box on Form 1040, line 39c 0.
10. Add lines 4, 5, 6 and 9. Enter the total here and on Form 1040, line 40 5,450.

Schedule C Other Income Statement 2

Description	Amount
Juror Stipend	100.
Total to Schedule C, line 6	100.

Schedule C	Other Expenses	Statement	3
<u>Description</u>		<u>Amount</u>	
Graphics Design Fee		395.	
Printing		498.	
Photo Costs		525.	
Film & Slide Processing		314.	
ISP		304.	
Cell Phone		241.	
Museum Memberships		220.	
Gallery Costs		89.	
Shipping & Postage		1,341.	
Publications		177.	
Dues & Memberships		215.	
Show Entry Fees		195.	
Art History Masterclass - Education (Ireland)		622.	
Amortization		324.	
Total to Schedule C, line 48		<u>5,460.</u>	

Schedule C	Other Costs of Goods Sold	Statement	4
<u>Description</u>		<u>Amount</u>	
Printing		2,000.	
Framing		6,000.	
Total to Schedule C, line 39		<u>8,000.</u>	

Schedule SE	Non-Farm Income	Statement	5
<u>Description</u>		<u>Amount</u>	
Visual Arts		907.	
Total to Schedule SE, line 2		<u>907.</u>	

