

▶ 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

| | | |
|------|--|---|
| 1a | | |
| 1b (| |) |
| 1c (| |) |
| 1d | | |

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

| | | |
|------|--|---|
| 2a | | |
| 2b (| |) |
| 2c (| |) |
| 2d | | |

- 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 .

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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

4

- 5 Enter \$150,000. If married filing separately, see page 8
 - 6 Enter modified adjusted gross income, but not less than zero (see page 8)
- 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.

| | | |
|---|--|--|
| 5 | | |
| 6 | | |
| 7 | | |

- 7 Subtract line 6 from line 5
- 8 Multiply line 7 by 50% (.5). **Do not** enter more than \$25,000. If married filing separately, see page 9

8

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

9

Part III Total Losses Allowed

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

10

- 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

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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 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Total. 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 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Total. 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) |
|--------------------------|------------------------------------|----------|-----------|-----------------------|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Total ▶ | | | 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 |
|--------------------------|------------------------------------|----------|-----------|--------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total ▶ | | | 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 |
|--------------------------|------------------------------------|----------|--------------------|------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total ▶ | | | | |

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 |
|---|-----|-----|-------------|--------------------|------------------|
| Form or Schedule To Be Reported on: | | | | | |
| 1a Net loss plus prior year unallowed loss from form or schedule . ▶ | | | | | |
| b Net income from form or schedule ▶ | | | | | |
| c Subtract line 1b from line 1a. If zero or less, enter -0- ▶ | | | | | |
| Form or Schedule To Be Reported on: | | | | | |
| 1a Net loss plus prior year unallowed loss from form or schedule . ▶ | | | | | |
| b Net income from form or schedule ▶ | | | | | |
| c Subtract line 1b from line 1a. If zero or less, enter -0- ▶ | | | | | |
| Form or Schedule To Be Reported on: | | | | | |
| 1a Net loss plus prior year unallowed loss from form or schedule . ▶ | | | | | |
| b Net income from form or schedule ▶ | | | | | |
| c Subtract line 1b from line 1a. If zero or less, enter -0- ▶ | | | | | |
| Total ▶ | | | 1.00 | | |

