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This is an advance proof copy of an IRS tax form. It is subject to change and OMB approval before it is officially released. You can check the scheduled release date on our web site (www.irs.gov).

If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

Allocation of Individual Income Tax to the U.S. Virgin Islands

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040.

Name(s) shown on Form 1040

Your social security number

Part I Income From the U.S. Virgin Islands

1	Wages, salaries, tips, etc.								
2	Taxable interest								
3	Ordinary dividends								
4	Taxable refunds, credits, or offsets of local U.S. Virgin Islands income taxes								
5	Alimony received								
6	Business income or (loss)								
7	Capital gain or (loss)								
8	Other gains or (losses)								
9	IRA distributions (taxable amount)								
10	Pensions and annuities (taxable amount)								
11	Rental real estate, royalties, partnerships, S corporations, trusts, etc.								
12	Farm income or (loss)								
13	Unemployment compensation								
14	Social security benefits (taxable amount)								
15	Other income. List type and amount. ▶								
16	Add lines 1 through 15. This is your total income ▶								

Part II Adjusted Gross Income From the U.S. Virgin Islands

17	Archer MSA deduction								
18	Certain business expenses of reservists, performing artists, and fee-basis government officials								
19	Health savings account deduction								
20	Moving expenses								
21	One-half of self-employment tax								
22	Self-employed SEP, SIMPLE, and qualified plans								
23	Self-employed health insurance deduction								
24	Penalty on early withdrawal of savings								
25	IRA deduction								
26	Student loan interest deduction								
27	Jury duty pay you gave to your employer								
28	Add lines 17 through 27								
29	Subtract line 28 from line 16. This is your adjusted gross income ▶								

Part III Allocation of Tax to the U.S. Virgin Islands

30	Enter amount from Form 1040, line 63								
31	Enter the total of the amounts from Form 1040, lines 58, 59, 62, 66a, and 68. Include any uncollected social security and Medicare or tier 1 RRTA tax, tax on golden parachute payments, or excise tax on insider stock compensation reported on line 63. Also include any amount from Form 5329, Parts III, IV, V, VI, VII, or VIII reported on line 60								
32	Subtract line 31 from line 30								
33	Enter amount from Form 1040, line 38								
34	Divide line 29 above by line 33. Enter the result as a decimal (rounded to at least 3 places). Do not enter more than 1.000								
35	Multiply line 32 by line 34. This is your tax allocated to the U.S. Virgin Islands								

Part IV Payments of Income Tax to the U.S. Virgin Islands

36	Income tax withheld by the U.S. Virgin Islands								
37	2006 estimated tax payments and amount applied from 2005 return								
38	Amount paid with Form 4868 (extension request)								
39	Add lines 36 through 38. These are your total payments ▶								
40	Enter the smaller of line 35 or line 39. Also, include this amount in the total on Form 1040, line 72. On the dotted line next to line 72, enter "Form 8689" and show this amount								
41	Overpayment to the U.S. Virgin Islands. If line 39 is more than line 35, subtract line 35 from line 39								
42	Amount of line 41 you want refunded to you ▶								
43	Amount of line 41 you want applied to your 2007 estimated tax ▶								
44	Amount you owe to the U.S. Virgin Islands. Subtract line 39 from line 35. Enter the amount that you are paying here and on Form 1040, line 72. Next to line 72, enter "Form 8689" and the amount paid ▶								