

DESCRIPTION OF MAJOR CHANGES FOR INST FOR FORM 1040-C

What's New has been updated for 2009. Added items for new expatriation rules (PL 110-245, sec 301; IRC 877A), IRAs (IR-2008-118), sale of main home (PL 110-289, sec 3092(a); IRC 121(b)(4), and new \$500 limit for personal casualty and theft losses (PL 110-343, Div C, sec 706(c)).

Two paragraphs referring to the now defunct Question A and the accompanying checkboxes have been removed. This revision is necessary to reflect certain policy procedures that have been changed by a multifunctional task force.

Instructions have been added and the Deduction for Exemptions Worksheet on page 8 was revised to account for the special personal exemption rules for individuals providing housing to Midwestern displaced individuals added by PL 110-343, sec. 702.

Add instructions for the add'l standard deductions for real estate taxes and net disaster loss to conform to Form 1040 instructions. PL 110-343, Div C, sec 204 and sec 706(b)

Added instructions for recapture of an education credit under Lines 6 and 14 to conform to Form 1040 instructions. Reg. 1.25A-5(f)(3).

The exemption amount and exemption phaseout minimum amount used for Schedule D, line 4, and Schedule D, line 12, have been updated to reflect Revenue Procedure 2008-66, sec. 3.19.

The itemized deduction phaseout minimum amount used for Schedule C, line 2, has been updated to reflect Revenue Procedure 2008-66, sec. 3.11.

The tax rate schedules on page 9 have been updated per RP 2008-66, sec 3.01.

The Instructions have been updated to reflect the recapture of the first-time homebuyer credit prescribed by IRC 36(f) added by PL 110-289, sec 3011(a) in 2008.

The Instructions have been updated to include the following provisions of PL 111-5, signed by the President on Feb. 17, 2009.

- > Make Work Pay Credit (Sec. 1001 of the Act; IRC 36A)
- > Unemployment Comp. partly nontaxable (Sec. 1007 of the Act; IRC 85)
- > Addt'l Child Tax Credit revised (Sec. 1003 of the Act; IRC 24(d))
- > Certain sales & excise taxes deductible (Sec. 1008 of the Act; IRC 164(a); IRC 63(c))