

**SCHEDULE C  
(Form 1040)**

**Profit or Loss From Business  
(Sole Proprietorship)**

OMB No. 1545-0074

**2005**

Attachment  
Sequence No. **09**

Department of the Treasury  
Internal Revenue Service (99)

► **Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.**  
► **Attach to Form 1040 or 1041.** ► **See Instructions for Schedule C (Form 1040).**

Name of proprietor \_\_\_\_\_ Social security number (SSN) \_\_\_\_\_

**A** Principal business or profession, including product or service (see page C-2 of the instructions) **B** Enter code from pages C-8, 9, & 10

**C** Business name. If no separate business name, leave blank. **D** Employer ID number (EIN), if any

**E** Business address (including suite or room no.) ► \_\_\_\_\_  
City, town or post office, state, and ZIP code \_\_\_\_\_

**F** Accounting method: (1)  Cash (2)  Accrual (3)  Other (specify) ► \_\_\_\_\_

**G** Did you "materially participate" in the operation of this business during 2005? If "No," see page C-3 for limit on losses  Yes  No

**H** If you started or acquired this business during 2005, check here

**Part I Income**

1	Gross receipts or sales. <b>Caution.</b> If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see page C-3 and check here	<input type="checkbox"/>	1		
2	Returns and allowances		2		
3	Subtract line 2 from line 1		3		
4	Cost of goods sold (from line 42 on page 2)		4		
5	<b>Gross profit.</b> Subtract line 4 from line 3.		5		
6	Other income, including Federal and state gasoline or fuel tax credit or refund (see page C-3)		6		
7	<b>Gross income.</b> Add lines 5 and 6		7		

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

8	Advertising	8		18	Office expense	18	
9	Car and truck expenses (see page C-3)	9		19	Pension and profit-sharing plans	19	
10	Commissions and fees	10		20	Rent or lease (see page C-5):	20a	
11	Contract labor (see page C-4)	11		a	Vehicles, machinery, and equipment	20b	
12	Depletion	12		b	Other business property	21	
13	Depreciation and section 179 expense deduction (not included in Part III) (see page C-4)	13		21	Repairs and maintenance	22	
14	Employee benefit programs (other than on line 19)	14		22	Supplies (not included in Part III)	23	
15	Insurance (other than health)	15		23	Taxes and licenses	24	
16	Interest:			24	Travel, meals, and entertainment:	24a	
a	Mortgage (paid to banks, etc.)	16a		a	Travel	24b	
b	Other	16b		b	Deductible meals and entertainment (see page C-5)	25	
17	Legal and professional services	17		25	Utilities	26	
				26	Wages (less employment credits)	27	
				27	Other expenses (from line 48 on page 2)		
28	<b>Total expenses</b> before expenses for business use of home. Add lines 8 through 27 in columns			28			
29	Tentative profit (loss). Subtract line 28 from line 7			29			
30	Expenses for business use of your home. Attach <b>Form 8829</b>			30			
31	<b>Net profit or (loss).</b> Subtract line 30 from line 29. • If a profit, enter on <b>Form 1040, line 12</b> , and also on <b>Schedule SE, line 2</b> (statutory employees, see page C-6). Estates and trusts, enter on Form 1041, line 3. • If a loss, you <b>must</b> go to line 32.			31			
32	If you have a loss, check the box that describes your investment in this activity (see page C-6). • If you checked 32a, enter the loss on <b>Form 1040, line 12</b> , and also on <b>Schedule SE, line 2</b> (statutory employees, see page C-6). Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you <b>must</b> attach <b>Form 6198</b> . Your loss may be limited.			32a	<input type="checkbox"/> All investment is at risk.	32b	<input type="checkbox"/> Some investment is not at risk.

**Part III Cost of Goods Sold** (see page C-6)

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		
36	Purchases less cost of items withdrawn for personal use . . . . .	36		
37	Cost of labor. Do not include any amounts paid to yourself . . . . .	37		
38	Materials and supplies . . . . .	38		
39	Other costs . . . . .	39		
40	Add lines 35 through 39 . . . . .	40		
41	Inventory at end of year . . . . .	41		
42	<b>Cost of goods sold.</b> Subtract line 41 from line 40. Enter the result here and on page 1, line 4 . . . . .	42		

**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-4 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 2005, enter the number of miles you used your vehicle for:  
a Business ..... b Commuting (see instructions) ..... c Other .....

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

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

47a 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.


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