

## Interest Computation Under the Look-Back Method for Completed Long-Term Contracts

▶ Go to [www.irs.gov/Form8697](http://www.irs.gov/Form8697) for instructions and latest information.

For the filing year beginning _____, and ending _____		. See instructions.
Type or Print	Name	A Identifying number
	Number, street, and apt., room, or suite no. If a P.O. box, see instructions.	B Check applicable box to show type of taxpayer: <input type="checkbox"/> Corporation <input type="checkbox"/> S corporation <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Estate or trust
	City or town, state, and ZIP code	

**C** If you were an owner of an interest in a pass-through entity (such as a partnership or an S corporation) that holds one or more long-term contracts to which this interest computation relates, enter the name and employer identification number of the entity. Attach a schedule if there is more than one such entity.

Name of entity	Employer identification number
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**Part I Regular Method** (see instructions)

	Filing Year	Redetermination Years		(c) Totals
	Year ended	(a)	(b)	(Add columns (a) and (b).)
		mo. yr.	mo. yr.	
<b>1</b> Taxable income or loss for the prior years shown on tax return (or as previously adjusted) before net operating loss or capital loss carrybacks (other than carrybacks that must be taken into account to properly compute interest under section 460) (see instructions). If you were required to file Form 8697 for an earlier year, enter adjusted taxable income for the prior years from line 3, Form 8697, for the most recent filing year that affects the prior years . . . . .				
<b>2</b> Adjustments to income to reflect the difference between: (a) the amount of income required to be allocated for post-February 1986 contracts completed or adjusted during the tax year based on the <b>actual</b> contract price and costs, and (b) the amount of income reported for such contracts based on <b>estimated</b> contract price and costs. See instructions and attach a schedule listing each separate contract, unless you were an owner of an interest in a pass-through entity reporting this amount from Schedule K-1 or a similar statement . . . . .				
<b>3</b> Adjusted taxable income for look-back purposes. Combine lines 1 and 2. If line 3 is a negative amount, see instructions . . . . .				
<b>4</b> Income tax liability on line 3 amount using tax rates in effect for the prior years (see instructions) . . . . .				
<b>5</b> Income tax liability shown on return (or as previously adjusted) for the prior years (see instructions). If you were required to file Form 8697 for an earlier year, enter the amount required to be reported on line 4, Form 8697, for the most recent filing year that affects the prior years . . . . .				
<b>6</b> Increase or decrease in tax for the prior years on which interest is due (or is to be refunded). Subtract line 5 from line 4 . . . . .				
<b>7</b> Interest due on increase, if any, shown on line 6 (see instructions) . . . . .				
<b>8</b> Interest to be refunded on decrease, if any, shown on line 6 (see instructions) . . . . .				
<b>9</b> Net amount of <b>interest to be refunded to you</b> . If line 8, column (c), exceeds line 7, column (c), enter the excess. File Form 8697 separately; <b>do not</b> attach to your tax return (see instructions) . . . . .				
<b>10</b> Net amount of <b>interest you owe</b> . If line 7, column (c), exceeds line 8, column (c), enter the excess. Attach Form 8697 to your tax return. See instructions for where to include this amount on your return . . . . .				