

**Lines 9 and 10 - Application of Itemized Deduction
Limitations on Deductions Properly Allocable to
Investment Income Worksheet - *continued***

Form 8960

(Keep for your records)

2021

Name(s) as shown on return

Tax ID Number

Part III - Application of Section 68 to Deductions Properly Allocable to Investment Income (Individuals Only)

1. Enter the amount of Miscellaneous Itemized Deductions properly allocable to investment income from column (C) of Part II:

	<u>Description</u>	<u>Line</u>	<u>Amount</u>
(a)	_____	_____	_____
(b)	_____	_____	_____

2. Enter the amount of state, local, and foreign income taxes that are properly allocable to investment income **2.** _____

3. Enter the amounts of other Itemized Deductions subject to the section 68 limitation and properly allocable to investment income before any itemized deduction limitations (description and Form 8960 line number where they'll be reported):

	<u>Description</u>	<u>Line</u>	<u>Amount</u>
(a)	_____	_____	_____
(b)	_____	_____	_____

4. Enter the total deductions properly allocable to investment income subject to the section 68 limitation. Enter the sum of lines 1 through 3 **4.** _____

5. Enter the amount of total itemized deductions reported on Form 1040 or 1040-SR **5.** _____

6. Enter all other itemized deductions allowed but not subject to the section 68 deduction limitation:

- (a) Investment Interest Expense _____
- (b) Casualty Losses (other than losses described in section 165(c)(1)) _____
- (c) Medical Expenses _____
- (d) Gambling Losses _____
- (e) Total of lines 6(a) through 6(d) **6e.** _____

7. Subtract line 6e from line 5 **7.** _____

8. Enter the lesser of line 7 or line 4 **8.** _____

TIP *This is the amount of itemized deductions that are properly allocable to investment income after the application of the sections 67 and 68 deduction limitations. Use Part IV of this worksheet to reconcile this amount to the individual deduction amounts reported on Form 8960, lines 9 and 10.*