

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.
▶ Attach to Form 1040 or Form 1041.

Name(s) shown on return

Identifying number

Part I 2001 Passive Activity Loss

Caution: See the instructions for Worksheets 1 and 2 on page 8 before completing Part I.

Rental Real Estate Activities With Active Participation (For the definition of active participation see **Active Participation in a Rental Real Estate Activity** on page 3 of the instructions.)

1a Activities with net income (enter the amount from Worksheet 1, column (a)).	1a		
b Activities with net loss (enter the amount from Worksheet 1, column (b)).	1b	()
c Prior years unallowed losses (enter the amount from Worksheet 1, column (c)).	1c	()
d Combine lines 1a, 1b, and 1c	1d		

All Other Passive Activities

2a Activities with net income (enter the amount from Worksheet 2, column (a)).	2a		
b Activities with net loss (enter the amount from Worksheet 2, column (b)).	2b	()
c Prior years unallowed losses (enter the amount from Worksheet 2, column (c)).	2c	()
d Combine lines 2a, 2b, and 2c	2d		

3 Combine lines 1d and 2d. If the result is net income or zero, all losses are allowed, including any prior year unallowed losses entered on line 1c or 2c. **Do not** complete Form 8582. Report the losses on the forms and schedules normally used.
If this line and line 1d are losses, go to Part II. Otherwise, enter -0- on line 9 and go to line 10 .

Part II Special Allowance for Rental Real Estate With Active Participation

Note: Enter all numbers in Part II as positive amounts. See page 8 for examples.

Note: If your filing status is married filing separately and you lived with your spouse at any time during the year, **do not** complete Part II. Instead, enter -0- on line 9 and go to line 10.

4 Enter the smaller of the loss on line 1d or the loss on line 3	4		
5 Enter \$150,000. If married filing separately, see page 8	5		
6 Enter modified adjusted gross income, but not less than zero (see page 8)	6		
Note: If line 6 is greater than or equal to line 5, skip lines 7 and 8, enter -0- on line 9, and go to line 10. Otherwise, go to line 7.			
7 Subtract line 6 from line 5	7		
8 Multiply line 7 by 50% (.5). Do not enter more than \$25,000. If married filing separately, see page 9	8		
9 Enter the smaller of line 4 or line 8	9		

Part III Total Losses Allowed

10 Add the income, if any, on lines 1a and 2a and enter the total	10		
11 Total losses allowed from all passive activities for 2001. Add lines 9 and 10. See page 11 to find out how to report the losses on your tax return	11		

Caution: *The worksheets are not required to be filed with your tax return and may be detached before filing Form 8582. Keep a copy of the worksheets for your records.*

Worksheet 1—For Form 8582, Lines 1a, 1b, and 1c (See page 8.)

Name of activity	Current year		Prior years	Overall gain or loss	
	(a) Net income (line 1a)	(b) Net loss (line 1b)	(c) Unallowed loss (line 1c)	(d) Gain	(e) Loss
Total. Enter on Form 8582, lines 1a, 1b, and 1c. ▶					

Worksheet 2—For Form 8582, Lines 2a, 2b, and 2c (See page 8.)

Name of activity	Current year		Prior years	Overall gain or loss	
	(a) Net income (line 2a)	(b) Net loss (line 2b)	(c) Unallowed loss (line 2c)	(d) Gain	(e) Loss
Total. Enter on Form 8582, lines 2a, 2b, and 2c. ▶					

Worksheet 3—Use this worksheet if an amount is shown on Form 8582, line 9 (See page 9.)

Name of activity	Form or schedule to be reported on	(a) Loss	(b) Ratio	(c) Special allowance	(d) Subtract column (c) from column (a)
Total ▶			1.00		

Worksheet 4—Allocation of Unallowed Losses (See page 9.)

Name of activity	Form or schedule to be reported on	(a) Loss	(b) Ratio	(c) Unallowed loss
Total ▶			1.00	

Worksheet 5—Allowed Losses (See page 9.)

Name of activity	Form or schedule to be reported on	(a) Loss	(b) Unallowed loss	(c) Allowed loss
Total ▶				