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If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

**SCHEDULE J
(Form 1040)**

Farm Income Averaging

OMB No. 1545-0074

2004
Attachment
Sequence No. **20**

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040.

▶ See Instructions for Schedule J (Form 1040).

Name(s) shown on Form 1040

Social security number (SSN)

1	Enter the taxable income from your 2004 Form 1040, line 42		1	
2	Enter your elected farm income (see page J-1). Do not enter more than the amount on line 1		2	
3	Subtract line 2 from line 1		3	
4	Figure the tax on the amount on line 3. Use the 2004 Tax Table, Tax Computation Worksheet, Qualified Dividends and Capital Gain Tax Worksheet, or the Schedule D Tax Worksheet, whichever applies		4	
5	If you used Schedule J to figure your tax for 2003, enter the amount from line 11 of your 2003 Schedule J. If you used Schedule J for 2002 but not 2003, enter the amount from line 15 of your 2002 Schedule J. If you used Schedule J for 2001 but not 2002 nor 2003, enter the amount from line 3 of your 2001 Schedule J. Otherwise, enter the taxable income from your 2001 Form 1040, line 39; Form 1040A, line 25; or Form 1040EZ, line 6. If zero or less, see page J-2		5	
6	Divide the amount on line 2 by 3.0		6	
7	Combine lines 5 and 6. If zero or less, enter -0-		7	
8	Figure the tax on the amount on line 7 using 2001 tax rates (see page J-3)		8	
9	If you used Schedule J to figure your tax for 2003, enter the amount from line 15 of your 2003 Schedule J. If you used Schedule J for 2002 but not 2003, enter the amount from line 3 of your 2002 Schedule J. Otherwise, enter the taxable income from your 2002 Form 1040, line 41; Form 1040A, line 27; or Form 1040EZ, line 6. If zero or less, see page J-4		9	
10	Enter the amount from line 6		10	
11	Combine lines 9 and 10. If less than zero, enter as a negative amount		11	
12	Figure the tax on the amount on line 11 using 2002 tax rates (see page J-5)		12	
13	If you used Schedule J to figure your tax for 2003, enter the amount from line 3 of your 2003 Schedule J. Otherwise, enter the taxable income from your 2003 Form 1040, line 40; Form 1040A, line 27; or Form 1040EZ, line 6. If zero or less, see page J-7		13	
14	Enter the amount from line 6		14	
15	Combine lines 13 and 14. If less than zero, enter as a negative amount		15	
16	Figure the tax on the amount on line 15 using 2003 tax rates (see page J-8)		16	
17	Add lines 4, 8, 12, and 16		17	
18	If you used Schedule J to figure your tax for 2003, enter the amount from line 12 of your 2003 Schedule J. If you used Schedule J for 2002 but not 2003, enter the amount from line 16 of your 2002 Schedule J. If you used Schedule J for 2001 but not 2002 nor 2003, enter the amount from line 4 of your 2001 Schedule J. Otherwise, enter the tax from your 2001 Form 1040, line 40*; Form 1040A, line 26*; or Form 1040EZ, line 11		18	
19	If you used Schedule J to figure your tax for 2003, enter the amount from line 16 of your 2003 Schedule J. If you used Schedule J for 2002 but not 2003, enter the amount from line 4 of your 2002 Schedule J. Otherwise, enter the tax from your 2002 Form 1040, line 42*; Form 1040A, line 28*; or Form 1040EZ, line 10		19	
20	If you used Schedule J to figure your tax for 2003, enter the amount from line 4 of your 2003 Schedule J. Otherwise, enter the tax from your 2003 Form 1040, line 41*; Form 1040A, line 28*; or Form 1040EZ, line 10		20	
	*Do not include tax from Form 4972 or 8814 or from recapture of an education credit. Also, do not include alternative minimum tax from Form 1040A.			
21	Add lines 18 through 20		21	
22	Subtract line 21 from line 17. Also include this amount on Form 1040, line 43		22	
	Caution. Your tax may be less if you figure it using the 2004 Tax Table, Tax Computation Worksheet, Qualified Dividends and Capital Gain Tax Worksheet, or the Schedule D Tax Worksheet. Attach Schedule J only if you are using it to figure your tax.			