

Table of Contents

Filing and Income	1
Responsibility for filing the return	1
Transferee liability	5
Signing the return	6
Married decedent's filing status.....	7
Married filing separately.....	7
Married filing jointly	8
Qualifying surviving spouse	8
Personal exemption	9
Standard deduction	9
Estimated tax	10
Refunds.....	10
Decedent's income	12
Matching issues	12
Title to assets.....	15
Interest.....	25
Series E, EE, H, HH and I Bonds.....	26
Dividends	31
Capital gains and losses.....	32
Tax refunds	33
Alimony received	33
Schedule C business income	34
Farm income	34
Rental real estate	35
Partnership interests	37
S corporation income.....	41
Trust income	43
Medical savings accounts	45

Health savings account	45
Coverdell education savings account	46
Section 529 qualified tuition programs.....	46
Accelerated death benefits.....	47
Social Security death benefit	47
Stock options.....	47
Installment sales.....	49
Death from terrorist, military actions or as an astronaut	49
Deductions, Credits and Wrapping Up	56
Decedent's deductions	56
Date of payment	56
Deductions in respect of a decedent	56
Medical expenses	57
Decedent's carryovers	60
Alimony payments.....	61
IRA contributions.....	62
Moving expenses	62
Annuity contracts	63
Mortgage interest and costs.....	63
Tax credits.....	64
Earned income tax credit	64
Elderly or the disabled credit	65
Child tax credit and other dependent credit.....	66
Credit carryovers.....	66
Wrapping up	68
Request for prompt assessment of tax.....	69
Request for discharge of personal liability.....	71
Comprehensive Example	73
Completed example — Final 1040	77

Appendix 93
 Appendix A: Sample Election to Accrue Savings Bond Interest 93
 Appendix B: Election to Waive the Right to Medical Expenses on the
 Decedent's Estate Tax Return..... 94
Index..... 95