

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

OMB No. 1545-1031

Attachment  
Sequence No. **97**

▶ See separate instructions. ▶ Please print or type.

For the filing year beginning \_\_\_\_\_, and ending \_\_\_\_\_ . See page 3 of the instructions.

<p>Name _____</p>	<p><b>A Identifying number</b></p>
<p><b>Fill In Your Address Only If You Are Filing This Form Separately and Not With Your Tax Return</b></p> <p>Number, street, and apt., room, or suite no. If a P.O. box, see page 3 of the instructions. _____ City or town, state, and ZIP code _____</p>	<p><b>B Check applicable box to show type of taxpayer:</b></p> <p><input type="checkbox"/> Corporation      <input type="checkbox"/> S corporation <input type="checkbox"/> Individual        <input type="checkbox"/> Partnership <input type="checkbox"/> Estate or trust</p>

**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

	Date of each prior year to which interest computation relates:			(d) Totals (Add columns (a), (b), and (c).)
	(a) Year ended mo. .... yr. ....	(b) Year ended mo. .... yr. ....	(c) Year ended mo. .... yr. ....	
<p><b>1</b> Taxable income (or loss) for the prior year(s) 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 page 3 of the instructions. If you were required to file Form 8697 for an earlier year, enter adjusted taxable income for the prior year(s) from line 3, Form 8697, for the most recent filing year that affects the prior year(s)</p>				
<p><b>2</b> Adjustment 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 page 3 of the 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 . . . . .</p>				
<p><b>3</b> Adjusted taxable income for look-back purposes. Combine lines 1 and 2 . . . . .</p>				
<p><b>4</b> Income tax liability on line 3 amount using tax rates in effect for the prior year(s). See page 3 of the instructions. . . . .</p>				
<p><b>5</b> Income tax liability shown on return (or as previously adjusted) for the prior year(s). See page 3 of the 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 year(s) . . . . .</p>				
<p><b>6</b> Increase (or decrease) in tax for the prior year(s) on which interest is due (or is to be refunded). Line 4 minus line 5 . . . . .</p>				
<p><b>7</b> Interest due on increase, if any, shown on line 6. See page 3 of the instructions for computation . . . . .</p>				
<p><b>8</b> Interest to be refunded on decrease, if any, shown on line 6. See page 3 of the instructions for computation . . . . .</p>				
<p><b>9</b> Net amount of <b>INTEREST TO BE REFUNDED TO YOU</b>. If line 8, column (d), exceeds line 7, column (d), enter the excess. File Form 8697 separately; DO NOT attach it to your tax return. See page 4 of the instructions . . . . .</p>				
<p><b>10</b> Net amount of <b>INTEREST YOU OWE</b>. If line 7, column (d), exceeds line 8, column (d), enter the excess. Attach Form 8697 to your tax return. See page 4 of the instructions for where to include this amount on your return . . . . .</p>				

**Part II Simplified Marginal Impact Method**

	Date of each prior year to which interest computation relates:			(d) Totals (Add columns (a), (b), and (c).)
	(a) Year ended mo. .... yr. ....	(b) Year ended mo. .... yr. ....	(c) Year ended mo. .... yr. ....	
1 Adjustment to regular taxable income to reflect the difference between: (a) the amount of such income required to be allocated for post-February 1986 contracts completed or adjusted during the tax year based on <b>actual</b> contract price and costs, and (b) the amount of such income reported for such contracts based on <b>estimated</b> contract price and costs. See page 5 of the 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 . . . . .				
2 Increase (or decrease) in regular tax for prior year(s). Multiply line 1 in each column by the applicable regular tax rate. See page 5 of the instructions . . . . . <b>Note:</b> For prior years beginning before 1987, skip lines 3 and 4 and enter on line 5 the amount from line 2.				
3 Adjustment to alternative minimum taxable income to reflect the difference between: (a) the amount of such income required to be allocated for post-February 1986 contracts completed or adjusted during the tax year based on <b>actual</b> contract price and costs, and (b) the amount of such income reported for such contracts based on <b>estimated</b> contract price and costs. See page 5 of the 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 . . . . .				
4 Increase (or decrease) in alternative minimum tax (AMT) for prior year(s). Multiply line 3 in each column by the applicable AMT rate. See page 5 of the instructions. . . . .				
5 Enter the amount from line 2 or line 4, whichever is greater. See page 5 of the instructions if either amount is negative <b>Pass-through entities:</b> Skip line 6 and enter on line 7 the amount from line 5.				
6 Overpayment ceiling. For each column in which line 5 is a negative number, enter your total tax liability for the prior year, as adjusted for past applications of the look-back method, and after net operating loss, capital loss, and credit carryovers and carrybacks to that year. For each column in which line 5 is a positive number, leave line 6 blank and enter on line 7 the amount from line 5 . . . . .				
7 Increase (or decrease) in tax for the prior year(s) on which interest is due (or is to be refunded). Enter the amount from line 5 or line 6, whichever is smaller. Treat both numbers as positive when making this comparison, but enter the amount as a negative number . . . . .				
8 Interest due on increase, if any, shown on line 7. See page 5 of the instructions for computation . . . . .				
9 Interest to be refunded on decrease, if any, shown on line 7. See page 5 of the instructions for computation . . . . .				
10 Net amount of <b>INTEREST TO BE REFUNDED TO YOU</b> . If line 9, column (d), exceeds line 8, column (d), enter the excess. File Form 8697 separately; DO NOT attach it to your tax return. See page 5 of the instructions . . . . .				
11 Net amount of <b>INTEREST YOU OWE</b> . If line 8, column (d), exceeds line 9, column (d), enter the excess. Attach Form 8697 to your tax return. See page 5 of the instructions for where to include this amount on your return . . . . .				

**Sign Here Only If You Are Filing This Form Separately and Not With Your Tax Return**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature(s) \_\_\_\_\_ Date \_\_\_\_\_

<b>Paid Preparer's Use Only</b>	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's social security number
	Firm's name (or yours if self-employed) and address	EIN		ZIP code

