INSOLVENCY WORKSHEET

If you have cancelled debt for the year, whether you have received a 1099-A or 1099-C, you may not have to pay tax on the amount if you were insolvent the day before the debt was cancelled.

Insolvency is the difference between the total of all of your liabilities (debt) and the fair market value of all of your assets (earthly possessions). Please list the following information:

Total Amount of Cancelled debt shown on all 1099-C and other documents $_____

Debts:
Credit Cards_____
Student loans_____
Loans against your retirement accounts 401(k) or 403(b) _____
All other loans _____
Mortgage on house _____
Mortgage on rental property or second house _____
Home Equity Loan _____
Loans on cars _____
Loans against insurance policies _____
Medical bills not paid _____
Utility bills not paid _____
Other debts not paid _____
Taxes not paid _____
Property taxes due _____
Back child support/alimony due _____

Total Debt (A) $_____

Fair Market Value of Assets:
Cash and Savings on hand and in bank _____
Balance in retirement account 401(k) 403 (b) _____
Fair Market Value of your home _____
Fair Market Value of your rental property or second home _____
Kelley Blue Book value of vehicles, boats, motor homes, motorcycles _____
Market value of stocks, bonds, savings bonds _____
Thrift Shop Value of Furniture _____
Thrift Shop Value of Clothes _____
Thrift Shop Value of Computer, programs, games _____
Thrift Shop Value of Appliances _____
Value of Guns _____
Value of collections _____
Cash value of life insurance _____
Other Assets _____

Total Fair Market Value of All Assets (B) $_____

Total (A) minus (B) equals $ _____

If this amount is greater than the amount of debt cancelled, you are insolvent. You must report the amount of debt cancelled, but it is not taxable.

I verify that the information shown above is accurate and I have documentation to support all of the numbers shown.

Signed_____ Dated _____