

A Beginners Guide To The FBM Deduction

For Beginners:

You will need the following information to fill out the FBM Deduction Worksheet:

- _____ Total off-crew days (Supplied from your command)
- _____ Days of annual leave you took in 2008 (On your LES)
- _____ Days in refit (Ask the ships office or your best guess)
- _____ Miles from home to the office (Best guess using your odometer)
- _____ Miles from home to the Pier (Odometer again)

New: Your housing and meals are no longer deductible because you receive non-taxable allowances to pay for them.

Add up your average monthly cost for:

- _____ Electricity
- _____ Natural Gas
- _____ Propane
- _____ Water
- _____ Sewer
- _____ Trash pickup
- _____ Laundry (Keep records of all your deductions)

Once you have the above information, you can use the **NEW!** Interactive FBM Deduction Worksheet. Just plug the above numbers into the form and then print the form or you can use the standard FBM Deduction Worksheet.

Once the FBM worksheet is printed, transpose the answers (the numbers in the boxes) to the appropriate lines on your Form 2106-EZ or your Tax Software.

If filling out the forms by hand continue to the next page.

Blocks 2 and 3 of Form 2106-EZ will be blank. Total lines 1-5 on block 6.

Now finish filling out **Part II of the Form**.

Line 7 is January 1st 2008 or the same as last years Form 2106-EZ.

Line 8b is left blank.

Line 8c is the difference between line 8a and all the other miles you drove last year (your non-business miles).

Lines 9 and 10 – Only you can answer those.

Lines 11a and 11b are YES (The FBM deduction is your evidence).

The FBM Deduction and Form 2106-EZ are Done! Now finish Schedule A.

Transpose the amount on line 6 of your Form 2106-EZ to Schedule A. Then finish adding other items to Schedule A as appropriate.

Examples:

Line 6 **Real estate taxes** go on (listed on Form 1098 - Annual Mortgage Statement)

Line 7 **Ad valorem taxes** (Car taxes - when you last registered for your car tags)

A Beginners Guide To The FBM Deduction

Line 10 **Home Mortgage Interest** (listed on Form 1098 - Annual Mortgage Statement)

Line 16 **Charities / Church / Tithe**

Line 22 The amount of the donation you gave to **www.FBMdeduction.com**

Now you must work on **Form 1040** - you will need the amount from line 38 (of Form 1040) to place on Schedule A line 25.

- Hopefully you can fill out most of Form 1040 by yourself (Because I don't have the time or energy to do a sample walk-through for it).

Form 1040

Line 7 - Your income (See your W-2 received from your employer)

Line 8a - Interest from your bank account (see your 1099-INT received from your bank)

Complete Lines 22, 36, 37, and 38

Now put line 38 (Form 1040) on line 25 of your Schedule A.

Now finish Schedule A: Complete lines 26, 27 and 29. Hopefully line 29 is more than \$5,450 if you are single and \$10,900 if married. If not, throw away all these forms because you can not itemize and do the 1040EZ (single) or 1040A (if you have dependents).

Line 29 is more than \$5,450 (single) and \$10,900 (married). Then place that amount on Form 1040, line 40. Then finish up the form and congratulations! The FBM Deduction was helpful to you.