

**FORM 6 FULL AND PUBLIC DISCLOSURE OF 2005**

Please print or type your name, mailing address, agency name, and position below:

**FINANCIAL INTERESTS**

**RECEIVED**

LAST NAME — FIRST NAME — MIDDLE NAME:

Cathi Martin

FOR OFFICE USE ONLY: 2006 JUL 17 PM 2:19

MAILING ADDRESS:

2441 Commack Ct

KURT S. ARONOWICZ  
SUPERVISOR OF ELECTIONS  
NEW PORT RICHEY, FLORIDA  
ID Code

New Port Richey FL 34655 Pasco

CITY: ZIP: COUNTY:

District School Board of Pasco County

NAME OF AGENCY:

NAME OF OFFICE OR POSITION HELD OR SOUGHT:

School Board Member, District 3

ID No.

Conf. Code

P. Req. Code

CHECK IF THIS IS A FILING BY A CANDIDATE

**PART A -- NET WORTH**

Please enter the value of your net worth as of December 31, 2005, or a more current date. [Note: Net worth is not calculated by subtracting your reported liabilities from your reported assets, so please see the instructions on page 3.]

My net worth as of December 31, 2006 was \$ 505,500.00

**PART B -- ASSETS**

**HOUSEHOLD GOODS AND PERSONAL EFFECTS:**

Household goods and personal effects may be reported in a lump sum if their aggregate value exceeds \$1,000. This category includes any of the following, if not held for investment purposes: jewelry; collections of stamps, guns, and numismatic items; art objects; household equipment and furnishings; clothing; other household items; and vehicles for personal use.

The aggregate value of my household goods and personal effects (described above) is \$ 120,000.00

**ASSETS INDIVIDUALLY VALUED AT OVER \$1,000:**

DESCRIPTION OF ASSET (specific description is required - see instructions p.4)

VALUE OF ASSET

DESCRIPTION OF ASSET (specific description is required - see instructions p.4)	VALUE OF ASSET
Home 2441 Commack Ct NRR FL 34655	900,000.00
Checking Acct/SunTrust	500.00
'81 Chevy Corvette	15,000.00
Retirement Account/New England Securities	60,000.00

**PART C -- LIABILITIES**

**LIABILITIES IN EXCESS OF \$1,000:**

NAME AND ADDRESS OF CREDITOR

AMOUNT OF LIABILITY

NAME AND ADDRESS OF CREDITOR	AMOUNT OF LIABILITY
Home: Home Equitable	460,000.00
Home: Mercantile	125,000.00
credit cards	10,000.00

**JOINT AND SEVERAL LIABILITIES NOT REPORTED ABOVE:**

NAME AND ADDRESS OF CREDITOR

AMOUNT OF LIABILITY

N/A

**PART D – INCOME**

You may **EITHER** (1) file a complete copy of your 2005 federal income tax return, including all attachments, **OR** (2) file a sworn statement identifying each separate source and amount of income which exceeds \$1,000, including secondary sources of income, by completing the remainder of Part D, below.

I elect to file a copy of my 2005 federal income tax return. [If you check this box and attach a copy of your 2005 tax return, you need not complete the remainder of Part D.]

**PRIMARY SOURCES OF INCOME:**

NAME OF SOURCE OF INCOME EXCEEDING \$1,000	ADDRESS OF SOURCE OF INCOME	AMOUNT
N/A		

**SECONDARY SOURCES OF INCOME** [Major customers, clients, etc., of businesses owned by reporting person--see instructions]:

NAME OF BUSINESS ENTITY	NAME OF MAJOR SOURCES OF BUSINESS' INCOME	ADDRESS OF SOURCE	PRINCIPAL BUSINESS ACTIVITY OF SOURCE
N/A			

**PART E – INTERESTS IN SPECIFIED BUSINESSES**

	BUSINESS ENTITY # 1	BUSINESS ENTITY # 2	BUSINESS ENTITY # 3
NAME OF BUSINESS ENTITY			
ADDRESS OF BUSINESS ENTITY	N/A		
PRINCIPAL BUSINESS ACTIVITY			
POSITION HELD WITH ENTITY			
I OWN MORE THAN A 5% INTEREST IN THE BUSINESS			
NATURE OF MY OWNERSHIP INTEREST			

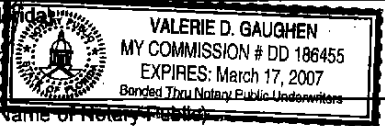
IF ANY OF PARTS A THROUGH E ARE CONTINUED ON A SEPARATE SHEET, PLEASE CHECK HERE

**OATH**

I, the person whose name appears at the beginning of this form, do depose on oath or affirmation and say that the information disclosed on this form and any attachments hereto is true, accurate, and complete.

STATE OF FLORIDA  
 COUNTY OF Duval  
 Sworn to (or affirmed) and subscribed before me this 17<sup>th</sup> day of

July, 2006 by Cathi Martin

Valerie D. Gaughen  
 (Signature of Notary Public--State of Florida)  
  
 (Print, Type, or Stamp Commissioned Name of Notary Public)

Cathi Martin  
 SIGNATURE OF REPORTING OFFICIAL OR CANDIDATE

Personally Known \_\_\_\_\_ OR Produced Identification X  
 Type of Identification Produced Florida License

FILING INSTRUCTIONS for when and where to file this form are located at the top of page 3.  
 INSTRUCTIONS on who must file this form and how to fill it out begin on page 3.  
 OTHER FORMS you may need to file are described on page 6.

Form 1040 Department of the Treasury - Internal Revenue Service U.S. Individual Income Tax Return 2005

(99) IRS Use Only - Do not write or staple in this space.

Label (See instructions on page 16.) Use the IRS label. Otherwise, please print or type.

Form header section containing tax year (2005), OMB No. 1545-0074, and personal information for KENNETH E. MARTIN and CATHERINE E. MARTIN, including their home address at 2441 COMMACK COURT, NEW PORT RICHEY, FL 34655.

COPY

Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 16) [ ] You [ ] Spouse

Filing Status 1 [ ] Single 2 [X] Married filing jointly (even if only one had income) 3 [ ] Married filing separately. Enter spouse's SSN above and full name here. 4 [ ] Head of household (with qualifying person). (See page 17.) If the qualifying person is a child but not your dependent, enter this child's name here. 5 [ ] Qualifying widow(er) with dependent child (see page 17)

Exemptions 6a [X] Yourself. If someone can claim you as a dependent, do not check box 6a. 6b [X] Spouse. 6c Dependents: (1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) Ck. if qual. child for child tax cr. (see pg. 19) CORBIN MARTIN Son 1. Boxes checked on 6a and 6b: 2. No. of children on 6c who: 1. lived with you 2. did not live with you due to divorce or separation (see page 20) 3. Dependents on 6c not entered above. Add numbers on lines above: 3.

Income 7 Wages, salaries, tips, etc. Attach Form(s) W-2 7 193,368 8a Taxable interest. Attach Schedule B if required 8a 12,677 8b Tax-exempt interest. Do not include on line 8a 8b 9a Ordinary dividends. Attach Schedule B if required 9a 9b Qualified dividends (see page 23) 9b 10 Taxable refunds, credits, or offsets of state and local income taxes (see page 23) 10 11 Alimony received 11 12 Business income or (loss). Attach Schedule C or C-EZ 12 13 Capital gain or (loss). Attach Schedule D if required. If not required, check here [ ] 13 48,922 14 Other gains or (losses). Attach Form 4797 14 15a IRA distributions 15a 15b Taxable amount (see page 25) 15b 16a Pensions and annuities 16a 16b Taxable amount (see page 25) 16b 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 17 -26,184 18 Farm income or (loss). Attach Schedule F 18 19 Unemployment compensation 19 20a Social security benefits 20a 20b Taxable amount (see page 27) 20b 21 Other income. List type and amt. (see page 29) 21 22 Add the amounts in the far right column for lines 7 through 21. This is your total income 22 228,783

Adjusted Gross Income 23 Educator expenses (see page 29) 23 24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ 24 25 Health savings account deduction. Attach Form 8889 25 26 Moving expenses. Attach Form 3903 26 27 One-half of self-employment tax. Attach Schedule SE 27 28 Self-employed SEP, SIMPLE, and qualified plans 28 29 Self-employed health insurance deduction (see page 30) 29 30 Penalty on early withdrawal of savings 30 31a Alimony paid b Recipient's SSN 31a 32 IRA deduction (see page 31) 32 33 Student loan interest deduction (see page 33) 33 34 Tuition and fees deduction (see page 34) 34 35 Domestic production activities deduction. Attach Form 8903 35 36 Add lines 23 through 31a and 32 through 35 36 37 Subtract line 36 from line 22. This is your adjusted gross income 37 228,783

<b>Tax and Credits</b>	38	Amount from line 37 (adjusted gross income)	38	228,783
	39a	Check <input type="checkbox"/> You were born before January 2, 1941, <input type="checkbox"/> Blind. <input type="checkbox"/> Spouse was born before January 2, 1941, <input type="checkbox"/> Blind. Total boxes checked <input type="checkbox"/> 39a		
	b	If your spouse itemizes on a separate return or you were a dual-status alien, see page 35 and check here <input type="checkbox"/> 39b		
<b>Standard Deduction for-</b> People who checked any box on line 39a or 39b or who can be claimed as a dependent, see page 36. All others: Single or Married filing separately, \$5,000 Married filing jointly or Qualifying widow(er), \$10,000 Head of household, \$7,300	40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	49,454
	41	Subtract line 40 from line 38	41	179,329
	42	If line 38 is over \$109,475, or you provided housing to a person displaced by Hurricane Katrina, see page 37. Otherwise, multiply \$3,200 by the total number of exemptions claimed on line 6d	42	8,832
	43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	170,497
	44	Tax (see page 37). Check if any tax is from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972	44	31,111
	45	Alternative minimum tax (see page 39). Attach Form 6251	45	
	46	Add lines 44 and 45	46	31,111
	47	Foreign tax credit. Attach Form 1116 if required	47	
	48	Credit for child and dependent care expenses. Attach Form 2441	48	
	49	Credit for the elderly or the disabled. Attach Schedule R	49	
	50	Education credits. Attach Form 8863	50	
	51	Retirement savings contributions credit. Attach Form 8880	51	
	52	Child tax credit (see page 41). Attach Form 8901 if required	52	
	53	Adoption credit. Attach Form 8839	53	
	54	Credits from: a <input type="checkbox"/> Form 8396 b <input type="checkbox"/> Form 8859	54	
55	Other credits. Check applicable box(es): a <input type="checkbox"/> Form 3800 b <input type="checkbox"/> Form 8801 c <input type="checkbox"/> Form	55		
56	Add lines 47 through 55. These are your total credits	56		
57	Subtract line 56 from line 46. If line 56 is more than line 46, enter -0-	57	31,111	
<b>Other Taxes</b>	58	Self-employment tax. Attach Schedule SE	58	
	59	Social security and Medicare tax on tip income not reported to employer. Attach Form 4137	59	
	60	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	60	
	61	Advance earned income credit payments from Form(s) W-2	61	
<b>Payments</b>	62	Household employment taxes. Attach Schedule H	62	
	63	Add lines 57 - 62. This is your total tax	63	31,111
	64	Federal income tax withheld from Forms W-2 and 1099	64	38,991
	65	2005 estimated tax payments and amount applied from 2004 return	65	
If you have a qualifying child, attach Schedule EIC.	66a	Earned income credit (EIC)	66a	
	b	Nontaxable combat pay election <input type="checkbox"/> 66b		
	67	Excess social security and tier 1 RRTA tax withheld (see page 59)	67	
	68	Additional child tax credit. Attach Form 8812	68	
69	Amount paid with request for extension to file (see page 59)	69		
70	Payments from: a <input type="checkbox"/> Form 2439 b <input type="checkbox"/> Form 4136 c <input type="checkbox"/> Form 8885	70		
71	Add ln. 64, 65, 66a, & 67 - 70. These are your total payments	71	38,991	
<b>Refund</b>	72	If line 71 is more than line 63, subtract line 63 from line 71. This is the amount you overpaid	72	7,880
Direct deposit? See page 59 and fill in 73b, 73c, and 73d.	73a	Amount of line 72 you want refunded to you	73a	7,880
	b	Routing number	c	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
	d	Account number		
74	Amount of line 72 you want applied to your 2006 estimated tax	74		
<b>Amount You Owe</b>	75	Amount you owe. Subtract line 71 from line 63. For details on how to pay, see page 60	75	
	76	Estimated tax penalty (see page 60)	76	
<b>Third Party Designee</b>	Do you want to allow another person to discuss this return with the IRS (see page 61)? <input checked="" type="checkbox"/> Yes. Complete the following. <input type="checkbox"/> No			
	Designee's name <b>Preparer</b>	Personal identification number (PIN)		
		Phone no.		
<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
Joint return? See page 17. Keep a copy for your records.	Your signature	Date	Your occupation <b>DENTIST</b>	Daytime phone number
	Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation <b>HOUSEWIFE</b>	
<b>Paid Preparer's Use Only</b>	Preparer's signature	Date <b>2/07/06</b>	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code <b>LARRY C. SCHALLES, CPA, PA 5320 MAIN STREET NEW PORT RICHEY FL 34652</b>	EIN <b>59-3155692</b>	Phone no. <b>727-847-2277</b>	

SCHEDULES A&B (Form 1040)

Schedule A-Itemized Deductions

(Schedule B is on back)

OMB No. 1545-0074

2005

Attachment Sequence No. 07

Department of the Treasury Internal Revenue Service (99)

Attach to Form 1040. See Instructions for Schedules A & B (Form 1040).

Name(s) shown on Form 1040

Your social security number

KENNETH E. & CATHERINE E MARTIN

Caution. Do not include expenses reimbursed or paid by others.

<b>Medical and Dental Expenses</b>	1 Medical and dental expenses (see page A-2)	1		
	2 Enter amt. from Form 1040, line 38	2		
	3 Multiply line 2 by 7.5% (.075)	3		
	4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-			4
<b>Taxes You Paid</b> (See page A-2.)	5 State and local (check only one box):	5	1,940	
	a <input type="checkbox"/> Income taxes, or			
	b <input checked="" type="checkbox"/> General sales taxes (see page A-3)	6	4,539	
	7 Real estate taxes (see page A-5)	7		
	8 Other taxes. List type and amount	8		
	9 Add lines 5 through 8			9 6,479
<b>Interest You Paid</b> (See page A-5.)	10 Home mortgage interest and points reported to you on Form 1098	10	44,610	
	11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-6 and show that person's name, identifying no., and address	11		
	12 Points not reported to you on Form 1098. See page A-6 for special rules	12		
	13 Investment interest. Attach Form 4952 if required. (See page A-6.)	13		
	14 Add lines 10 through 13			14 44,610
<b>Gifts to Charity</b> If you made a gift and got a benefit for it, see page A-7.	15a Total gifts by cash or check. If you made any gift of \$250 or more, see page A-7	15a	350	
	15b Gifts by cash or check after August 27, 2005, that you elect to treat as qualified contributions (see page A-7)	15b		
	16 Other than by cash or check. If any gift of \$250 or more, see page A-7. You must attach Form 8283 if over \$500	16	500	
	17 Carryover from prior year	17		
	18 Add lines 15a, 16, and 17			18 850
<b>Casualty and Theft Losses</b>	19 Casualty or theft loss(es). Attach Form 4684. (See page A-8.)			19
<b>Job Expenses and Certain Miscellaneous Deductions</b> (See page A-8.)	20 Unreimbursed employee expenses-job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-8.)	20		
	21 Tax preparation fees	21		
	22 Other expenses-investment, safe deposit box, etc. List type and amount	22		
	23 Add lines 20 through 22	23		
	24 Enter amt. from Form 1040, line 38	24		
	25 Multiply line 24 by 2% (.02)	25		
	26 Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-			26
<b>Other Miscellaneous Deductions</b>	27 Other-from list on page A-9. List type and amount			27
<b>Total Itemized Deductions</b>	28 Is Form 1040, line 38, over \$145,950 (over \$72,975 if married filing separately)? <input type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 40. <input checked="" type="checkbox"/> Yes. Your deduction may be limited. See page A-9 for the amount to enter.			28 49,454
	29 If you elect to itemize deductions even though they are less than your standard deduction, check here <input type="checkbox"/>			

For Paperwork Reduction Act Notice, see Form 1040 instructions.

\* Limited by AGI

Schedule A (Form 1040) 2005

Schedules A&B (Form 1040) 2005

Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side.

Your social security number

KENNETH E. & CATHERINE E. MARTIN

Schedule B-Interest and Ordinary Dividends

Attachment Sequence No. 08

		Amount
<b>Part I Interest</b>	1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see page B-1 and list this interest first. Also, show that buyer's social security number and address <b>SUNCOAST SMILE SAVERS, PA 59-3090190</b>	12,677
	2 Add the amounts on line 1	12,677
	3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815	
	4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a	12,677

		Amount
<b>Part II Ordinary Dividends</b>	5 List name of payer	
	6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9a	

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; or (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.		Yes	No
<b>Part III Foreign Accounts and Trusts</b>	7a At any time during 2005, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing requirements for Form TD F 90-22.1		X
	b If "Yes," enter the name of the foreign country		
	8 During 2005, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See page B-2		X

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

**SCHEDULE D  
(Form 1040)**

**Capital Gains and Losses**

OMB No. 1545-0074

**2005**

Attachment Sequence No. **12**

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to Form 1040.

▶ See Instructions for Schedule D (Form 1040).

▶ Use Schedule D-1 to list additional transactions for lines 1 and 8.

Name(s) shown on Form 1040

**KENNETH E. & CATHERINE E MARTIN**

Your social security number

**Part I Short-Term Capital Gains and Losses-Assets Held One Year or Less**

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-6 of the instructions)	(e) Cost or other basis (see page D-6 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)	
1						
2	Enter your short-term totals, if any, from Schedule D-1, line 2		2			
3	Total short-term sales price amounts. Add lines 1 and 2 in column (d)		3			
4	Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824				4	
5	Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				5	
6	Short-term capital loss carryover. Enter the amount, if any, from line 8 of your <b>Capital Loss Carryover Worksheet</b> on page D-6 of the instructions				6	
7	Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f)				7	0

**Part II Long-Term Capital Gains and Losses-Assets Held More Than One Year**

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-6 of the instructions)	(e) Cost or other basis (see page D-6 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)	
8						
9	Enter your long-term totals, if any, from Schedule D-1, line 9		9			
10	Total long-term sales price amounts. Add lines 8 and 9 in column (d)		10			
11	Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824				11	48,922
12	Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				12	
13	Capital gain distributions. See page D-1 of the instructions				13	
14	Long-term capital loss carryover. Enter the amount, if any, from line 13 of your <b>Capital Loss Carryover Worksheet</b> on page D-6 of the instructions				14	
15	Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). Then go to Part III on the back				15	48,922

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule D (Form 1040) 2005

**KENNETH E. & CATHERINE E MARTIN**

Schedule D (Form 1040) 2005

**Part III Summary**

<p>16 Combine lines 7 and 15 and enter the result. If line 16 is a loss, skip lines 17 through 20, and go to line 21. If a gain, enter the gain on Form 1040, line 13, and then go to line 17 below</p>	16	48,922
<p>17 Are lines 15 and 16 both gains?  <input checked="" type="checkbox"/> Yes. Go to line 18.  <input type="checkbox"/> No. Skip lines 18 through 21, and go to line 22.</p>		
<p>18 Enter the amount, if any, from line 7 of the <b>28% Rate Gain Worksheet</b> on page D-7 of the instructions</p>	18	
<p>19 Enter the amount, if any, from line 18 of the <b>Unrecaptured Section 1250 Gain Worksheet</b> on page D-8 of the instructions</p>	19	
<p>20 Are lines 18 and 19 both zero or blank?  <input checked="" type="checkbox"/> Yes. Complete Form 1040 through line 43, and then complete the <b>Qualified Dividends and Capital Gain Tax Worksheet</b> on page 38 of the Instructions for Form 1040. Do not complete lines 21 and 22 below.  <input type="checkbox"/> No. Complete Form 1040 through line 43, and then complete the <b>Schedule D Tax Worksheet</b> on page D-9 of the instructions. Do not complete lines 21 and 22 below.</p>		
<p>21 If line 16 is a loss, enter here and on Form 1040, line 13, the smaller of:  <ul style="list-style-type: none"> <li>• The loss on line 16 or</li> <li>• (\$3,000), or if married filing separately, (\$1,500)</li> </ul> <p><b>Note.</b> When figuring which amount is smaller, treat both amounts as positive numbers.</p> </p>	21	
<p>22 Do you have qualified dividends on Form 1040, line 9b?  <input type="checkbox"/> Yes. Complete Form 1040 through line 43, and then complete the <b>Qualified Dividends and Capital Gain Tax Worksheet</b> on page 38 of the Instructions for Form 1040.  <input type="checkbox"/> No. Complete the rest of Form 1040.</p>		



Schedule E (Form 1040) 2005

Name(s) shown on return. Do not enter name and social security number if shown on other side.

Your social security number

**KENNETH E. & CATHERINE E MARTIN**

Caution. The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

**Part II Income or Loss From Partnerships and S Corporations** Note. If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See page E-1.

27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses?  Yes  No  
If you answered "Yes," see page E-6 before completing this section.

28	(a) Name	(b) Enter P for partnership; S for S corp.	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	SUNCOAST SMILE SAVERS, PA	S			
B					
C					
D					

Passive Income and Loss		Nonpassive Income and Loss		
(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562	(j) Nonpassive income from Schedule K-1
A	0	26,184		
B				
C				
D				
29a	Totals	26,184		
b	Totals			0
30	Add columns (g) and (j) of line 29a			30
31	Add columns (f), (h), and (i) of line 29b			31
32	Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below			32
				-26,184

**Part III Income or Loss From Estates and Trusts**

33	(a) Name	(b) Employer identification number
A		
B		

Passive Income and Loss		Nonpassive Income and Loss	
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1
A			
B			
34a	Totals		
b	Totals		
35	Add columns (d) and (f) of line 34a		35
36	Add columns (c) and (e) of line 34b		36
37	Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below		37

**Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)-Residual Holder**

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see page E-6)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below				39

**Part V Summary**

40	Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40	
41	Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17	41	-26,184
42	Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code N; and Schedule K-1 (Form 1041), line 14, code F (see page E-7)	42	
43	Reconciliation for real estate professionals. If you were a real estate professional (see page E-1), enter the net income or (loss) you reported anywhere on Form 1040 from all rental real estate activities in which you materially participated under the passive activity loss rules	43	

Form **4797**

Department of the Treasury  
Internal Revenue Service (99)

**Sales of Business Property**  
**(Also Involuntary Conversions and Recapture Amounts**  
**Under Sections 179 and 280F(b)(2))**

▶ **Attach to your tax return.** ▶ **See separate instructions.**

OMB No. 1545-0184

**2005**

Attachment  
Sequence No. **27**

Name(s) shown on return

Identifying number

**KENNETH E. & CATHERINE E MARTIN**

1 Enter the gross proceeds from sales or exchanges reported to you for 2005 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)

1

**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)**

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
<b>From K1</b>						
<b>2</b>						<b>48,922</b>

3	Gain, if any, from Form 4684, line 42	3	
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37	4	
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824	5	
6	Gain, if any, from line 32, from other than casualty or theft	6	
7	Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: <b>Partnerships (except electing large partnerships) and S corporations.</b> Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. <b>Individuals, partners, S corporation shareholders, and all others.</b> If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.	7	<b>48,922</b>
8	Nonrecaptured net section 1231 losses from prior years (see instructions)	8	
9	Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions)	9	

**Part II Ordinary Gains and Losses (see instructions)**

10 Ordinary gains and losses not included on lines 11 through 16 (Include property held 1 year or less):

--	--	--	--	--	--	--

11	Loss, if any, from line 7	11	( )
12	Gain, if any, from line 7 or amount from line 8, if applicable	12	
13	Gain, if any, from line 31	13	
14	Net gain or (loss) from Form 4684, lines 34 and 41a	14	
15	Ordinary gain from installment sales from Form 6252, line 25 or 36	15	
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824	16	
17	Combine lines 10 through 16	17	
18	For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:		
a	If the loss on line 11 includes a loss from Form 4684, line 38, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "Form 4797, line 18a." See instructions	18a	
b	Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14	18b	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4797** (2005)

**There are no amounts for Page 2**

Form <b>1040</b>	<b>Qualified Dividends and Capital Gain Tax Worksheet</b>	<b>2005</b>
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Name <b>KENNETH E. &amp; CATHERINE E MARTIN</b>	Taxpayer Identification Number
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If you do not have to use the Schedule D Tax Worksheet use this worksheet to figure your tax if any of the following applies:

- You reported qualified dividends on Form 1040, line 9b
- You do not have to file Schedule D and you reported capital gain distributions on Form 1040, line 13.  
You do not have to file Schedule D if both of the following apply:
  - The only amounts you have to report on Schedule D are capital gain distributions from Form(s) 1099-DIV, box 2a, or substitute statement(s)
  - None of the Forms 1099-DIV or substitute statements have an amount in box 2b (unrecaptured section 1250 gain), box 2c (section 1202 gain), or box 2d (collectibles (28%) gain).
- You are filing Schedule D and Schedule D, lines 15 and 16, are both more than zero.

**Qualified Dividends and Capital Gain Tax Worksheet - Form 1040, Line 44**

1. Enter the amount from Form 1040, line 43	1.	170,497	
2. Enter the amount from Form 1040, line 9b	2.		
3. Are you filing Schedule D? <input checked="" type="checkbox"/> Yes. Enter the <b>smaller</b> of line 15 or 16 of Schedule D, but do not enter less than -0- <input type="checkbox"/> No. Enter the amount from Form 1040, line 13	3.	48,922	
4. Add lines 2 and 3	4.	48,922	
5. If you are claiming investment interest expense on Form 4952, enter the amount from line 4g of that form. Otherwise, enter -0-	5.		
6. Subtract line 5 from line 4. If zero or less, enter -0-	6.	48,922	
7. Subtract line 6 from line 1. If zero or less, enter -0-	7.	121,575	
8. Enter the <b>smaller</b> of: ● The amount on line 1, or ● \$29,700 if single or married filing separately ● \$59,400 if married filing jointly or qualifying widow(e), or ● \$39,800 if head of household	8.	59,400	
9. Is the amount on line 7 equal to or more than the amount on line 8? <input checked="" type="checkbox"/> Yes. Skip lines 9 through 11; go to line 12 and check the "No" box <input type="checkbox"/> No. Enter the amount from line 7	9.		
10. Subtract line 9 from line 8	10.		
11. Multiply line 10 by 5% (.05)	11.		
12. Are the amounts on lines 6 and 10 the same? <input type="checkbox"/> Yes. Skip lines 12 through 15; go to line 16 <input checked="" type="checkbox"/> No. Enter the <b>smaller</b> of line 1 or line 6	12.	48,922	
13. Enter the amount from line 10 (if line 10 is blank, enter -0-)	13.		
14. Subtract line 13 from line 12	14.	48,922	
15. Multiply line 14 by 15% (.15)	15.	7,338	
16. Figure the tax on the amount on line 7. Use the Tax Table or Tax Computation Worksheet, whichever applies	16.	23,773	
17. Add lines 11, 15, and 16	17.	31,111	
18. Figure the tax on the amount on line 1. Use the Tax Table or Tax Computation Worksheet, whichever applies	18.	37,471	
19. Tax on all taxable income. Enter the <b>smaller</b> of line 17 or line 18. Also include this amount on Form 1040, line 44	19.	31,111	

Form **1040**

**General Sales Tax Deduction Worksheet**

**2005**

Name as shown on return

Taxpayer Identification Number

**KENNETH E. & CATHERINE E MARTIN**

State of  
**Florida**

Locality of

**General Sales Tax from IRS Tables**

- |   |    |                |
|---|----|----------------|
| 1. Enter the amount of adjusted gross income (AGI) from Form 1040, Line 37 .....  | 1. | <u>228,783</u> |
| 2. Add the nontaxable amounts from Form 1040, lines 8b, 15a, 16a, 20a .....   | 2. | _____          |
| 3. Add the nontaxable amounts from combat pay, public assistance, veteran's benefits, unemployment compensation .....             | 3. | _____          |
| 4. Add lines 1 through 3, this is income for general sales tax table purposes .....   | 4. | <u>228,783</u> |
| 5. Enter the amount from the sales tax table in the Schedule A instructions. ....   | 5. | <u>1,940</u>   |
| Part-year residents, complete lines 6 - 8; Full-year residents skip lines 6 - 8 and enter the amount from line 5 on line 9        |    |                |
| 6. Enter the number of days of residence in state .....   | 6. | _____          |
| 7. Total days in year .....   | 7. | <u>365</u>     |
| 8. Divide line 6 by line 7 (rounded to at least 3 decimal places) .....   | 8. | _____          |
| 9. Multiply line 5 by line 8, this is the deductible general sales tax using the IRS table from the Schedule A instructions. .... | 9. | <u>1,940</u>   |

**Local Sales Tax Using IRS Tables**

- |  |     |            |
|--|-----|------------|
| 10. Enter the amount from the sales tax table in the Schedule A instructions. ....   | 10. | _____      |
| 11. If you are a resident of Alaska, Arizona, Arkansas (Texarkana only), California (Los Angeles County only), Colorado, Georgia, Illinois, Louisiana, New York (New York City only, or North Carolina, enter the amount from the applicable Optional Local Sales Tax Table in the Schedule A instructions. .... | 11. | _____      |
| 12. Enter the local general sales tax rate (exclude statewide local sales tax rate) .....  | 12. | _____      |
| 13. Enter the state general sales tax rate (include statewide local sales tax rate) .....  | 13. | _____      |
| 14. Divide line 12 by line 13 (rounded to at least 3 decimal places) .....   | 14. | _____      |
| 15. If you entered an amount on line 11, multiply line 11 by line 12. This is the local sales tax using the optional local sales tax tables. ....  |     |            |
| Part-year residents, complete lines 16 - 18; Full-year residents skip lines 16 - 18 and enter the amount from line 15 on line 19   |     |            |
| If you did not enter an amount on line 11, multiply line 10 by line 14. This is the local sales tax using the optional state and certain local sales tax tables. ....  |     |            |
| Part-year residents, complete lines 16 - 18; Full-year residents skip lines 16 - 18 and enter the amount from line 15 on line 19   |     |            |
| 16. Enter the number of days of residence in locality .....  | 16. | _____      |
| 17. Total days in year .....   | 17. | <u>365</u> |
| 18. Divide line 16 by line 17 (rounded to at least 3 decimal places) .....   | 18. | _____      |
| 19. Multiply line 15 by line 18. This is the deductible general local sales tax using the IRS tables. ....   | 19. | _____      |

**General Sales Tax Summary**

- |   |     |              |
|---|-----|--------------|
| 20. Enter the sum of line 9 from all General Sales Tax Deduction Worksheets .....     | 20. | <u>1,940</u> |
| 21. Enter the sum of line 19 from all General Sales Tax Deduction Worksheets .....    | 21. | _____        |
| 22. Add lines 20 and 21, this is the total General Sales taxes using the tables ..... | 22. | <u>1,940</u> |
| 23. Enter the actual state and local general sales taxes paid .....                   | 23. | _____        |
| 24. Enter the greater of line 22 or line 23 .....                                     | 24. | <u>1,940</u> |
| 25. Enter the state and local taxes paid on specified items (Major purchases) .....   | 25. | _____        |
| 26. Add lines 24 and 25, this is the deductible General Sales tax .....               | 26. | <u>1,940</u> |
| 27. Enter total state and local income taxes paid .....                               | 27. | _____        |

Enter the greater of line 26 or 27 on Schedule A line 5. If line 26 is greater, mark Schedule A line 5b. If line 27 is greater, mark Schedule A line 5a.

Form <b>1040</b>	<b>K-1 Reconciliation Worksheet</b>	<b>2005</b>
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Name <b>KENNETH E. &amp; CATHERINE E MARTIN</b>	Taxpayer Identification Number
Activity <b>SUNCOAST SMILE SAVERS, PA</b>	EIN _____ Form <b>K1</b> Unit <b>1</b>
Type <b>No limitation</b>	Entire disposition of activity

	K1 & K1T input	At-Risk adjustment	Suspended PAL	PAL disallowed	Tax Return
<b>Schedule E pg 2</b>					
Ordinary income (loss)	-26,184				
Rental RE income (loss)					
Other rental inc (loss)					
Intangible drilling costs					
Depletion					
Invest int exp (Sch E)					
Depreciation / Sec. 179					
Disallowed Sec. 179 exp					
Other expenses *					
Auto expenses					
Home office expenses					
Other inc (loss), Sch E					
Total Schedule E pg 2	-26,184				-26,184
Guaranteed payments					
<b>Schedule E pg 1</b>					
Royalties					
Production expense					
Total Schedule E pg 1					
<b>Schedule B</b>					
Interest income	12,677				12,677
Dividend income					
Tax-exempt interest inc					
<b>Schedule D</b>					
ST capital gain (loss)					
LT capital gain (loss)					
<b>Form 4797</b>					
Part I gain (loss)	48,922				48,922
Part II gain (loss)					
Section 179 recapture					
<b>Schedule A</b>					
Charitable contrib	350				350
Misc subj to 2% AGI					
Misc not subj. to 2% AGI					
<b>Form 4952</b>					
Investment int expense					
Investment income adj					
<b>Credits &amp; Payments</b>					
Low inc housing pre '90					
Low inc housing post '89					
Rehabilitation credit					
Work opportunity cr					
Nonconv. source fuel					
Enhanced oil recovery					
Fed income Tax pymnts					
<b>Form 6251</b>					
Post 86 depreciation adj	910				910
Adjusted gain (loss)					
Depletion					
Pre 87 depreciation adj					
Intangible drilling costs					
Beneficiary's AMT adj					

\*Includes unreimbursed partner expense, debt financed interest and allowed prior year basis loss

Name **KENNETH E. & CATHERINE E MARTIN** Taxpayer Identification Number \_\_\_\_\_

**Exemptions Worksheet**

1. Multiply \$3,200 by the total number of exemptions claimed on Form 1040, line 6d	1.	9,600
2. Enter the amount from Form 1040, line 38	2.	228,783
3. Enter on line 3 the amount shown below for your filing status:		
<ul style="list-style-type: none"> <li>• Single - \$145,950</li> <li>• Married filing jointly or Qualifying widow(er) - \$218,950</li> <li>• Married filing separately - \$109,475</li> <li>• Head of household - \$182,450</li> </ul>	3.	218,950
4. Subtract line 3 from line 2. If zero or less, <b>stop here</b> ; enter the amount from line 1 above on Form 1040, line 42	4.	9,833
<b>Note:</b> If line 4 is more than \$122,500 (more than \$61,250 if married filing separately), <b>stop here</b> ; you cannot take a deduction for exemptions. Enter -0- on Form 1040, line 42.		
5. Divide line 4 by \$2,500 (\$1,250 if married filing separately). If the result is not a whole number, round it up to the next higher whole number (for example, increase 0.0004 to 1)	5.	4
6. Multiply line 5 by 2% (.02) and enter the result as a decimal amount	6.	0.08
7. Multiply line 1 by line 6	7.	768
8. <b>Deduction for exemptions.</b> Subtract line 7 from line 1. Enter the result here and on Form 1040, line 42	8.	8,832

**Itemized Deductions Worksheet**

1. Enter the total of the amounts from Schedule A, lines 4, 9, 14, 18, 19, 26, and 27	1.	51,939
2. Enter the total of the amounts from Schedule A, lines 4, 13, 15b and 19, plus any gambling and casualty or theft losses included on line 27.	2.	_____
<b>Caution:</b> Be sure your total gambling and casualty or theft losses are clearly identified on the dotted line next to line 27.		
3. Subtract line 2 from line 1. If the result is zero, <b>stop here</b> ; enter the amount from line 1 above on Schedule A, line 28	3.	51,939
4. Multiply line 3 by 80% (.80)	4.	41,551
5. Enter the amount from Form 1040, line 38	5.	228,783
6. Enter \$145,950 (\$72,975 if married filing separately)	6.	145,950
7. Subtract line 6 from line 5. If the result is zero or less, <b>stop here</b> ; enter the amount from line 1 above on Schedule A, line 28	7.	82,833
8. Multiply line 7 by 3% (.03)	8.	2,485
9. Enter the <b>smaller</b> of line 4 or line 8	9.	2,485
10. <b>Total itemized deductions.</b> Subtract line 9 from line 1. Enter the result here and on Schedule A, line 28	10.	49,454

**Standard Deduction Worksheet for Dependents**

1. Earned income more than \$550?		
<input type="checkbox"/> Yes. Add \$250 to your earned income. Enter the total <input type="checkbox"/> No. Enter \$800	1.	_____
2. Enter the amount shown below for your filing status:		
<ul style="list-style-type: none"> <li>• Single - \$5,000</li> <li>• Married filing separately - \$5,000</li> <li>• Married filing jointly or qualifying widow(er) - \$10,000</li> <li>• Head of household - \$7,300</li> </ul>	2.	_____
3. <b>Standard deduction.</b>		
a. Enter the <b>smaller</b> of line 1 or line 2. If under 65 and not blind, <b>stop here</b> and enter this amount on Form 1040, line 40 (Form 1040A, line 24). <b>Otherwise</b> , go to line 5b	3a.	_____
b. Check if: <input type="checkbox"/> You were 65 or older, <input type="checkbox"/> Blind; <input type="checkbox"/> Spouse was 65 or older, <input type="checkbox"/> Blind. Total boxes checked <input type="checkbox"/>	3b.	_____
If 65 or older or blind, multiply \$1,000 (\$1,250 if single or head of household) by the number in the box above	3b.	_____
c. Add lines 3a and 3b. Enter the total here and on Form 1040, line 40 (Form 1040A, line 24)	3c.	_____

THE NELCO COMPANIES

Form W-2, Box 12

Description	Amount
Section 401(k) contributions	\$ 15,353
Total	\$ 15,353

**Schedule A, Line 5b - State and local general sales taxes**

<u>Description</u>	<u>Amount</u>
General Sales Tax	\$ 1,940
Total	<u>\$ 1,940</u>

**Schedule A, Line 10 - Home Mortgage Interest From Form 1098**

<u>Description</u>	<u>Amount</u>
CHASE	\$ 29,308
SUNTRUST	5,202
FREMONT	6,561
HOMEQ	2,628
MERCANTILE	911
Total	<u>\$ 44,610</u>

**Schedule A, Line 15a - Charitable Contributions by Cash or Check**

<u>Description</u>	<u>Amount</u>	<u>Qualified Contribution (Made after 8/27/05)</u>
50% Cash contrib from K-1s	\$ 350	
Total	<u>\$ 350</u>	



Form **1040** **Salaries & Wages Report** **2005**

Name **KENNETH E. & CATHERINE E MARTIN** Taxpayer Identification Number \_\_\_\_\_

T/S	Employer	Federal Wages	Federal Withheld	Soc Sec Wages
A	DISTRICT SCHOOL BOARD OF PASCO CO	35,247	3,356	35,247
B	THE NELCO COMPANIES	158,121	35,635	90,000
C				
D				
E				
F				
G				
H				
I				
J				
K				
L				
M				
	<b>Taxpayer</b>	<b>158,121</b>	<b>35,635</b>	<b>90,000</b>
	<b>Spouse</b>	<b>35,247</b>	<b>3,356</b>	<b>35,247</b>
	<b>Totals</b>	<b>193,368</b>	<b>38,991</b>	<b>125,247</b>

	Soc Sec Withheld	Medicare Wages	Medicare Withheld	Allocated Tips	Advanced EIC	Dep Care Ben	Other, Box 14
A	2,185	35,247	511				
B	5,580	173,474	2,515				
C							
D							
E							
F							
G							
H							
I							
J							
K							
L							
M							
	<b>Taxpayer</b>	<b>5,580</b>	<b>173,474</b>	<b>2,515</b>			
	<b>Spouse</b>	<b>2,185</b>	<b>35,247</b>	<b>511</b>			
	<b>Totals</b>	<b>7,765</b>	<b>208,721</b>	<b>3,026</b>			

	State	State Wages	State Withheld	Name of Locality	Local Wages	Local Withheld
A		35,247				
B		158,121				
C						
D						
E						
F						
G						
H						
I						
J						
K						
L						
M						
	<b>Taxpayer</b>	<b>158,121</b>				
	<b>Spouse</b>	<b>35,247</b>				
	<b>Totals</b>	<b>193,368</b>				