

Label Use the IRS label. Otherwise, please print or type.

For the year Jan. 1-Dec. 31, 2007, or other tax year beginning 2007, ending 2007, ending 20
TODD PALIN
SARAH PALIN
WASILLA, AK 99654

OMB No. 1545-0074
Your social security number
Spouse's social security number
You MUST enter your SSN(s) above
Checking a box below will not change your tax or refund.

Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 12)
You Spouse

Filing Status 1 Single 4 Head of household (with qualifying person). (See page 13.)
2 Married filing jointly (even if only one had income)
3 Married filing separately. Enter spouse's SSN above & full name below.
5 Qualifying widow(er) with dependent child (see page 14)

Exemptions 6a X Yourself. If someone can claim you as a dependent, do not check box 6a
b X Spouse
c Dependents: (1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) If qual. child for child tax cr.
TRACK PALIN SON
BRISTOL PALIN DAUGHTER
WILLOW PALIN DAUGHTER
PIPER PALIN DAUGHTER
d Total number of exemptions claimed 6

Income 7 Wages, salaries, tips, etc. Attach Form(s) W-2 151,556.
8a Taxable interest. Attach Schedule B if required 478.
8b Tax-exempt interest. Do not include on line 8a
9a Ordinary dividends. Attach Schedule B if required 279.
9b Qualified dividends (see page 19) 279.
10 Taxable refunds, credits, or offsets of state and local income taxes (see page 20)
11 Alimony received
12 Business income or (loss). Attach Schedule C or C-EZ 5,874.
13 Capital gain/(loss). Attach Sch D. If not required, check here 2,219.
14 Other gains or (losses). Attach Form 4797 2,781.
15a IRA distributions 15a b Taxable amt 15b
16a Pensions and annuities 16a b Taxable amt 16b
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 17
18 Farm income or (loss). Attach Schedule F 18
19 Unemployment compensation 19
20a Social security benefits 20a b Taxable amt 20b
21 Other income. List type and amount (see page 24) ALASKA PERM DIV 3,308. 3,308.
22 Add the amounts in the far right column for lines 7 through 21. This is your total income 166,495.

Adjusted Gross Income 23 Educator expenses (see page 26) 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 415. 27
28 Self-employed SEP, SIMPLE, and qualified plans 28
29 Self-employed health insurance deduction (see page 26) 29
30 Penalty on early withdrawal of savings 30
31a Alimony paid b Recipient's SSN 31a
32 IRA deduction (see page 27) 32
33 Student loan interest deduction (see page 30) 33
34 Tuition and fees deduction. Attach Form 8917 34
35 Domestic production activities deduction. Attach Form 8903 35
36 Add lines 23 through 31a and 32 through 35 415.
37 Subtract line 36 from line 22. This is your adjusted gross income 166,080.

Tax and Credits

38 Amount from line 37 (adjusted gross income). 38 166,080.

39a Check You were born before January 2, 1943, Blind, Total boxes
 if Spouse was born before January 2, 1943, Blind. checked 39a

b If your spouse itemizes on a separate return or you were a dual-status alien, see pg 31 & check here 39b

40 Itemized deductions (from Schedule A) or your standard deduction (see left margin). 40 20,759.

41 Subtract line 40 from line 38. 41 145,321.

42 If line 38 is \$117,300 or less, multiply \$3,400 by the total number of exemptions claimed on line 6d. If line 38 is over \$117,300, see the worksheet on page 33. 42 20,400.

43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-. 43 124,921.

44 Tax. Check if any tax is from: a Form(s) 8814 b Form 4972 c Form(s) 8889 44 23,908.

45 Alternative minimum tax (see page 36). Attach Form 6251. 45

46 Add lines 44 and 45. 46 23,908.

47 Credit for child and dependent care expenses. Attach Form 2441. 47

48 Credit for the elderly or the disabled. Attach Schedule R. 48

49 Education credits. Attach Form 8863. 49

50 Residential energy credits. Attach Form 5695. 50

51 Foreign tax credit. Attach Form 1116 if required. 51

52 Child tax credit (see page 39). Attach Form 8901 if required. 52

53 Retirement savings contributions credit. Attach Form 8880. 53

54 Credits from: a Form 8396 b Form 8859 c Form 8839. 54

55 Other credits: a Form 3800 b Form 8801 c 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 23,908.

Standard Deduction for -

- People who checked any box on line 39a or 39b or who can be claimed as a dependent, see page 31.
- All others:
 - Single or Married filing separately, \$5,350
 - Married filing jointly or Qualifying widow(er), \$10,700
 - Head of household, \$7,850

Other Taxes

58 Self-employment tax. Attach Schedule SE. 58 830.

59 Unreported social security and Medicare tax from: a Form 4137 b Form 8919. 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, box 9. 61

62 Household employment taxes. Attach Schedule H. 62

63 Add lines 57 through 62. This is your total tax. 63 24,738.

Payments

If you have a qualifying child, attach Schedule EIC.

64 Federal income tax withheld from Forms W-2 and 1099. 64 20,721.

65 2007 estimated tax payments and amount applied from 2006 return. 65

66a Earned income credit (EIC). 66a

b Nontaxable combat pay election 66b. 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 2,000.

70 Payments from: a Form 2438 b Form 4136 c Form 8885. 70

71 Refundable credit for prior year minimum tax from Form 8801, line 27. 71

72 Add lines 64, 65, 68a, & 67 through 71. These are your total payments. 72 22,721.

Refund

Direct deposit? See page 59 and fill in 74b, 74c, and 74d, or Form 8888.

73 If line 72 is more than line 63, subtract line 63 from line 72. This is the amount you overpaid. 73

74a Amount of line 73 you want refunded to you. If Form 8888 is attached, check here . 74a

b Routing number c Type: Checking Savings

d Account number

75 Amount of line 73 you want applied to your 2008 estimated tax 75

Amount You Owe

76 Amount you owe. Subtract line 72 from line 63. For details on how to pay, see page 60. 76 2,017.

77 Estimated tax penalty (see page 61). 77

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 61)? Yes. Complete the following. No

Designee's name HR BLOCK Phone no. Personal ID number (PIN)

Sign Here

Joint return? See page 13. Keep a copy for your records.

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.

Your signature	Date	Your occupation	Daytime phone number
For Info Only-Do not file		OILFIELD	
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	
For Info Only-Do not file		PUBLIC SERVICE	

Paid Preparer's Use Only

Preparer's signature HR BLOCK Date 9/3/2008 Check if self-employed Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code EIN Phone no.

**SCHEDULE A
(Form 1040)**

Department of the Treasury
Internal Revenue Service

Schedule A - Itemized Deductions

OMB No. 1545-0074

2007

Attachment
Sequence No. **07**

▶ Attach to Form 1040. ▶ See Instructions for Schedule A (Form 1040).

Name(s) shown on Form 1040

TODD & SARAH PALIN

Your social security number

Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others.			
	1	Medical and dental expenses (see page A-1)		
	2	Enter amount from Form 1040, line 38		
	3	Multiply line 2 by 7.5% (.075)		
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-		
Taxes You Paid (See page A-2.)	5 State and local (check only one box):			
	a	<input type="checkbox"/> Income taxes, or		
	b	<input checked="" type="checkbox"/> General sales taxes		
	6	Real estate taxes (see page A-5) PROPERTY TAXES	373.	5,923.
	7	Personal property taxes		465.
	8	Other taxes. List type and amount ▶ SUI	151.	151.
	9	Add lines 5 through 8		
				7,424.
Interest You Paid (See page A-5.) Note. Personal interest is not deductible.	10	Home mortgage interest and points reported to you on Form 1098		10,203.
	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 ▶		
	12	Points not reported to you on Form 1098. See page A-6 for special rules.		
	13	Qualified mortgage insurance premiums (See page A-7.)		
	14	Investment interest. Attach Form 4952 if required. (See page A-7.)		
	15	Add lines 10 through 14		
				10,203.
Gifts to Charity If you made a gift and got a benefit for it, see page A-8.	16	Gifts by cash or check. If you made any gift of \$250 or more, see page A-8 VARIOUS	2,500.	2,500.
	17	Other than by cash or check. If any gift of \$250 or more, see page A-8. You must attach Form 8283 if over \$500		825.
	18	Carryover from prior year		
	19	Add lines 16 through 18		
				3,325.
Casualty and Theft Losses	20	Casualty or theft loss(es). Attach Form 4684. (See page A-9.)		
Job Expenses and Certain Miscellaneous Deductions (See page A-9.)	21	Unreimbursed employee expenses - job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-9.) ▶ UNION DUES	204.	204.
	22	Tax preparation fees		178.
	23	Other expenses - investment, safe deposit box, etc. List type and amount ▶		
	24	Add lines 21 through 23		382.
	25	Enter amount from Form 1040, line 38	166,080.	
	26	Multiply line 25 by 2% (.02)		3,322.
	27	Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-		
				0.
Other Miscellaneous Deductions	28	Other - from list on page A-10. List type and amount ▶		
Total Itemized Deductions	29	Is Form 1040, line 38, over \$156,400 (over \$78,200 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 28. Also, enter this amount on Form 1040, line 40. <input checked="" type="checkbox"/> Yes. Your deduction may be limited. See page A-10 for the amount to enter.		20,759.
	30	If you elect to itemize deductions even though they are less than your standard deduction, check here ▶ <input type="checkbox"/>		

**SCHEDULE C
(Form 1040)**

Profit or Loss From Business

(Sole Proprietorship)

OMB No. 1545-0074

2007

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (29)

Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.
Attach to Form 1040, 1040NR, or 1041. See instructions for Schedule C (Form 1040).

Name of proprietor
TODD PALIN

Social security number (SSN)

A Principal business or profession, including product or service (see page C-2 of the instructions)
FISHING : FISH

B Enter code from pages C-8, 9, & 10
114110

C Business name. If no separate business name, leave blank.
TODD M PALIN

D Employer ID number (EIN), if any

E Business address (including suite or room no.)
City, town or post office, state, and ZIP code **WASILLA, AK 99654**

F Accounting method: (1) Cash (2) Accrual (3) Other (specify)

G Did you "materially participate" in the operation of this business during 2007? If "No," see page C-3 for limit on losses. Yes No

H If you started or acquired this business during 2007, check here Yes No

Part I Income		
1	Gross receipts or sales. Caution. If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see page C-3 and check here.	49,893.
2	Returns and allowances	
3	Subtract line 2 from line 1	49,893.
4	Cost of goods sold (from line 42 on page 2)	
5	Gross profit. Subtract line 4 from line 3	49,893.
6	Other income, including federal and state gasoline or fuel tax credit or refund (see page C-3)	
7	Gross income. Add lines 5 and 6	49,893.

Part II Expenses. Enter expenses for business use of your home only on line 30.		
8	Advertising	
9	Car and truck expenses (see page C-4)	2,953.
10	Commissions and fees	
11	Contract labor (see page C-4)	
12	Depletion	
13	Depreciation and section 179 expense deduction (not included in Part III) (see page C-4)	5,866.
14	Employee benefit programs (other than on line 19)	
15	Insurance (other than health)	
16	Interest:	
a	Mortgage (paid to banks, etc.)	
b	Other	
17	Legal and professional services	200.
18	Office expense	
19	Pension and profit-sharing plans	
20	Rent or lease (see page C-5):	
a	Vehicles, machinery, and equipment	
b	Other business property	300.
21	Repairs and maintenance	
22	Supplies (not included in Part III)	4,181.
23	Taxes and licenses	
24	Travel, meals, and entertainment:	
a	Travel	2,194.
b	Deductible meals and entertainment (see page C-6)	680.
25	Utilities	
26	Wages (less employment credits)	
27	Other expenses (from line 48 on page 2)	16,605.
28	Total expenses before expenses for business use of home. Add lines 8 through 27 in columns	32,979.
29	Tentative profit (loss). Subtract line 28 from line 7.	16,914.
30	Expenses for business use of your home. Attach Form 8829	1,401.
31	Net profit or (loss). Subtract line 30 from line 29. * If a profit, enter on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (statutory employees, see page C-7). Estates and trusts, enter on Form 1041, line 3. * If a loss, you must go to line 32.	15,513.
32	If you have a loss, check the box that describes your investment in this activity (see page C-7). * If you checked 32a, enter the loss on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (statutory employees, see page C-7). Estates and trusts, enter on Form 1041, line 3. * If you checked 32b, you must attach Form 6198. Your loss may be limited.	
32a	<input type="checkbox"/> All investment is at risk.	
32b	<input type="checkbox"/> Some investment is not at risk.	

KBA For Paperwork Reduction Act Notice, see page C-8 of the instructions.

Schedule C (Form 1040) 2007

**SCHEDULE C
(Form 1040)**

Profit or Loss From Business

(Sole Proprietorship)

OMB No. 1545-0074

2007

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

▶ Partnerships, joint ventures, etc. must file Form 1065 or 1065-B.

▶ Attach to Form 1040, 1040NR, or 1041. ▶ See instructions for Schedule C (Form 1040).

Name of proprietor

TODD PALIN

Social security number (SSN)

A Principal business or profession, including product or service (see page C-2 of the instructions)

RACING : SNOW MACHINE RACING

B Enter code from pages C-8, 9, & 10

▶ **999999**

C Business name. If no separate business name, leave blank.

TODD M PALIN

D Employer ID number (EIN), if any

E Business address (including suite or room no.) ▶

City, town or post office, state, and ZIP code **WASILLA, AK 99654**

F Accounting method: (1) Cash (2) Accrual (3) Other (specify) ▶

G Did you "materially participate" in the operation of this business during 2007? If "No," see page C-3 for limit on losses.

Yes No

H If you started or acquired this business during 2007, check here

Part I Income

1 Gross receipts or sales. Caution. If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see page C-3 and check here	1	17,000.
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	17,000.
4 Cost of goods sold (from line 42 on page 2)	4	
5 Gross profit. Subtract line 4 from line 3	5	17,000.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see page C-3)	6	
7 Gross income. Add lines 5 and 6	7	17,000.

Part II Expenses. Enter expenses for business use of your home only on line 30.

8 Advertising	8		18 Office expense	18	
9 Car and truck expenses (see page C-4)	9	2,425.	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see page C-5):		
11 Contract labor (see page C-4)	11		a Vehicles, machinery, and equipment	20a	
12 Depletion	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see page C-4)	13	10,858.	21 Repairs and maintenance	21	
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	1,559.
15 Insurance (other than health)	15		23 Taxes and licenses	23	
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	192.
b Other	16b		b Deductible meals and entertainment (see page C-6)	24b	
17 Legal and professional services	17	200.	25 Utilities	25	
			26 Wages (less employment credits)	26	
			27 Other expenses (from line 48 on page 2)	27	11,405.
28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns	28				26,639.
29 Tentative profit (loss). Subtract line 28 from line 7	29				(9,639.)
30 Expenses for business use of your home. Attach Form 8829	30				
31 Net profit or (loss). Subtract line 30 from line 29.	31				(9,639.)

* If a profit, enter on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (statutory employees, see page C-7). Estates and trusts, enter on Form 1041, line 3.

* If a loss, you must go to line 32.

32 If you have a loss, check the box that describes your investment in this activity (see page C-7).

* If you checked 32a, enter the loss on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (statutory employees, see page C-7). Estates and trusts, enter on Form 1041, line 3.

* If you checked 32b, you must attach Form 6198. Your loss may be limited.

32a All investment is at risk.

32b Some investment is not at risk.

KBA For Paperwork Reduction Act Notice, see page C-8 of the instructions.

Schedule C (Form 1040) 2007

Part III Cost of Goods Sold (see page C-7)

33 Method(s) used to value closing inventory: a Cost b Lower of cost or market c Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation 35

36 Purchases less cost of items withdrawn for personal use 36

37 Cost of labor. Do not include any amounts paid to yourself 37

38 Materials and supplies 38

39 Other costs 39

40 Add lines 35 through 39 40

41 Inventory at end of year 41

42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4 42

Part IV Information on Your Vehicle. Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 on page C-4 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ _____

44 Of the total number of miles you drove your vehicle during 2007, enter the number of miles you used your vehicle for:
 a Business _____ b Commuting (see instructions) _____ c Other _____

45 Do you (or your spouse) have another vehicle available for personal use? Yes No

46 Was your vehicle available for personal use during off-duty hours? Yes No

47a Do you have evidence to support your deduction? Yes No
 b If "Yes," is the evidence written? Yes No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

EQUIP PARTS REP MAIN	4,608.
SNOWMACHINE FUEL	2,960.
ENTRY FEES	1,830.
CELL PHONE	320.
SPONSORSHIP APPREC	745.
GEAR	192.
MEMBERSHIPS	750.
48 Total other expenses. Enter here and on page 1, line 27	11,405.

**SCHEDULE D
(Form 1040)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1040 or Form 1040NR. ▶ See instructions for Schedule D (Form 1040).

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

OMB No. 1545-0074

2007

Attachment
Sequence No. 12

Name(s) shown on return

TODD & SARAH PALIN

Your social security number

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

1	(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-7 of the instructions)	(e) Cost or other basis (see page D-7 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)	
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 10 of your Capital Loss Carryover Worksheet on page D-7 of the instructions					6	()
7	Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f)					7	

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

8	(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-7 of the instructions)	(e) Cost or other basis (see page D-7 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)	
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	2,219.
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-2 of the instructions					13	
14	Long-term capital loss carryover. Enter the amount, if any, from line 15 of your Capital Loss Carryover Worksheet on page D-7 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 page 2					15	2,219.

KBA For Paperwork Reduction Act Notice, see Form 1040 or Form 1040NR instructions.

Schedule D (Form 1040) 2007

Part III Summary

16 Combine lines 7 and 15 and enter the result 16 2,219.

If line 16 is:

- A gain, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below.
A loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22.
Zero, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22.

17 Are lines 15 and 16 both gains?

- X Yes. Go to line 18.
No. Skip lines 18 through 21, and go to line 22.

18 Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet on page D- 8 of the instructions

19 Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet on page D- 9 of the Instructions

20 Are lines 18 and 19 both zero or blank?

- X Yes. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Qualified Dividends and Capital Gain Tax Worksheet on page 35 of the Instructions for Form 1040 (or in the Instructions for Form 1040NR). Do not complete lines 21 and 22 below.
No. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Schedule D Tax Worksheet on page D- 10 of the instructions. Do not complete lines 21 and 22 below.

21 If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the smaller of:

- The loss on line 16 or
(\$3,000), or if married filing separately, (\$1,500)

Note. When figuring which amount is smaller, treat both amounts as positive numbers.

22 Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b?

- Yes. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Qualified Dividends and Capital Gain Tax Worksheet on page 35 of the Instructions for Form 1040 (or in the Instructions for Form 1040NR).
No. Complete the rest of Form 1040 or Form 1040NR.

SCHEDULE SE
(Form 1040)

Self-Employment Tax

OMB No. 1545-0074

2007

Attachment
Sequence No. **17**

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040. ▶ See Instructions for Schedule SE (Form 1040).

Name of person with self-employment income (as shown on Form 1040)
TODD PALIN

Social security number of person
with self-employment income ▶

Who Must File Schedule SE

You must file Schedule SE if:

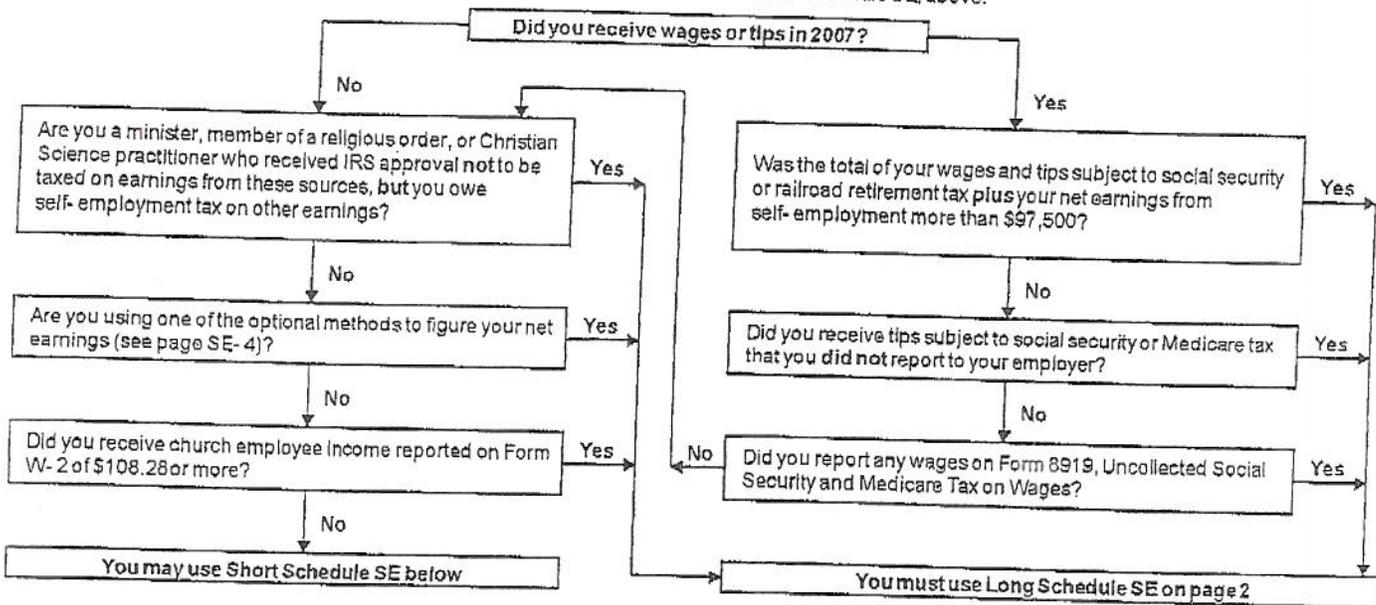
- You had net earnings from self-employment from other than church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more, or
- You had church employee income of \$108.28 or more. Income from services you performed as a minister or a member of a religious order is not church employee income (see page SE-1).

Note. Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either "optional method" in Part II of Long Schedule SE (see page SE-4).

Exception. If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner and you filed Form 4361 and received IRS approval not to be taxed on those earnings, do not file Schedule SE. Instead, write "Exempt- Form 4361" on Form 1040, line 58.

May I Use Short Schedule SE or Must I Use Long Schedule SE?

Note. Use this flowchart only if you must file Schedule SE. If unsure, see Who Must File Schedule SE, above.



Section A - Short Schedule SE. Caution. Read above to see if you can use Short Schedule SE.

1	Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A	1	0.
2	Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. Ministers and members of religious orders, see page SE-1 for amounts to report on this line. See page SE-3 for other income to report	2	5,874.
3	Combine lines 1 and 2	3	5,874.
4	Net earnings from self-employment. Multiply line 3 by 92.35% (.9235). If less than \$400, do not file this schedule; you do not owe self-employment tax	4	5,425.
5	Self-employment tax. If the amount on line 4 is: • \$97,500 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 58. • More than \$97,500, multiply line 4 by 2.9% (.029). Then, add \$12,090 to the result. Enter the total here and on Form 1040, line 58	5	830.
6	Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.5). Enter the result here and on Form 1040, line 27	6	415.

KBA For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule SE (Form 1040) 2007

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

Department of the Treasury
Internal Revenue Service (99)

2007

Attachment
Sequence No. **27**

Name(s) shown on return

TODD & SARAH PALIN

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

Identifying number

1 Enter the gross proceeds from sales or exchanges reported to you for 2007 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)

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)
2						

- 3 Gain, if any, from Form 4684, line 39
- 4 Section 1231 gain from installment sales from Form 6252, line 26 or 37
- 5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824
- 6 Gain, if any, from line 32, from other than casualty or theft
- 7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:

3	
4	
5	
6	2,219
7	2,219

Partnerships (except electing large partnerships) and S corporations. 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.

Individuals, partners, S corporation shareholders, and all others. 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.

- 8 Nonrecaptured net section 1231 losses from prior years (see instructions)
- 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)

8	
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.
- 12 Gain, if any, from line 7 or amount from line 8, if applicable.
- 13 Gain, if any, from line 31.
- 14 Net gain or (loss) from Form 4684, lines 31 and 36a.
- 15 Ordinary gain from installment sales from Form 6252, line 25 or 36.
- 16 Ordinary gain or (loss) from like-kind exchanges from Form 8824.
- 17 Combine lines 10 through 16.
- 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 35, 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 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions.
 - 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.

11	()
12	
13	2,781
14	
15	
16	
17	2,781
18a	
18b	2,781

KBA For Paperwork Reduction Act Notice, see separate instructions.

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255
(see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A 2006 ARCTIC CAT	06/01/2005	12/31/2007
B		
C		
D		

These columns relate to the properties on lines 19A - 19D. ▶		Property A	Property B	Property C	Property D
20	Gross sales price (Note: See line 1 before completing.)	20 5,000			
21	Cost or other basis plus expense of sale	21 2,781			
22	Depreciation (or depletion) allowed or allowable	22 2,781			
23	Adjusted basis. Subtract line 22 from line 21	23 0			
24	Total gain. Subtract line 23 from line 20	24 5,000			
25 If section 1245 property:					
a	Depreciation allowed or allowable from line 22	25a 2,781			
b	Enter the smaller of line 24 or 25a	25b 2,781			
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a	Additional depreciation after 1975 (see instructions)	26a			
b	Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b			
c	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c			
d	Additional depreciation after 1969 and before 1976	26d			
e	Enter the smaller of line 26c or 26d	26e			
f	Section 291 amount (corporations only)	26f			
g	Add lines 26b, 26e, and 26f	26g			
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).					
a	Soil, water, and land clearing expenses	27a			
b	Line 27a multiplied by applicable percentage (see inst)	27b			
c	Enter the smaller of line 24 or 27b	27c			
28 If section 1254 property:					
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions)	28a			
b	Enter the smaller of line 24 or 28a	28b			
29 If section 1255 property:					
a	Applicable percentage of payments excluded from income under section 126 (see instructions)	29a			
b	Enter the smaller of line 24 or 29a (see instructions)	29b			

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24	30 5,000
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31 2,781
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32 2,219

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(see instructions)

	(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years	33
34	Recomputed depreciation (see instructions)	34
35	Recapture amount. Subtract line 34 from line 33. See the Instructions for where to report	35

**Parents' Election To Report
Child's Interest and Dividends**

Department of the Treasury
Internal Revenue Service

▶ See instructions.
▶ Attach to parents' Form 1040 or Form 1040NR.

2007
Attachment
Sequence No. **40**

Name(s) shown on your return

TODD & SARAH PALIN

Your social security number

Caution. The federal income tax on your child's income, including qualified dividends and capital gain distributions, may be less if you file a separate tax return for the child instead of making this election. This is because you cannot take certain tax benefits that your child could take on his or her own return. For details, see **Tax benefits you cannot take** on page 2.

A Child's name (first, initial, and last)

PIPER PALIN

B Child's social security no.

C If more than one Form 8814 is attached, check here

Part I Child's Interest and Dividends To Report on Your Return

1a	Enter your child's taxable interest. If this amount is different from the amounts shown on the child's Forms 1099-INT and 1099-OID, see the instructions	1a	
b	Enter your child's tax-exempt interest. Do not include this amount on line 1a	1b	
2a	Enter your child's ordinary dividends, including any Alaska Permanent Fund dividends, if your child received any ordinary dividends as a nominee, see the instructions	2a	1,654.
b	Enter your child's qualified dividends included on line 2a. See the instructions	2b	
3	Enter your child's capital gain distributions. If your child received any capital gain distributions as a nominee, see the instructions	3	
4	Add lines 1a, 2a, and 3. If the total is \$1,700 or less, skip lines 5 through 12 and go to line 13. If the total is \$8,500 or more, do not file this form. Your child must file his or her own return to report the income	4	1,654.
5	Base amount	5	1,700.
6	Subtract line 5 from line 4. If both lines 2b and 3 are zero or blank, skip lines 7 through 10, enter -0- on line 11, and go to line 12. Otherwise, go to line 7.	6	
7	Divide line 2b by line 4. Enter the result as a decimal (rounded to at least three places)	7	
8	Divide line 3 by line 4. Enter the result as a decimal (rounded to at least three places)	8	
9	Multiply line 6 by line 7. Enter the result here. See the instructions for where to report this amount on your return	9	
10	Multiply line 6 by line 8. Enter the result here. See the instructions for where to report this amount on your return	10	
11	Add lines 9 and 10	11	
12	Subtract line 11 from line 6. Include this amount in the total on Form 1040, line 21, or Form 1040NR, line 21. In the space next to line 21, enter "Form 8814" and show the amount. If you checked the box on line C above, see the instructions. Go to line 13 below	12	

Part II Tax on the First \$1,700 of Child's Interest and Dividends

13	Amount not taxed	13	850.
14	Subtract line 13 from line 4. If the result is zero or less, enter -0-	14	804.
15	Tax. Is the amount on line 14 less than \$850? <input type="checkbox"/> No. Enter \$85 here and see the Note below. <input checked="" type="checkbox"/> Yes. Multiply line 14 by 10% (.10). Enter the result here and see the Note below.	15	80.

Note. If you checked the box on line C above, see the instructions. Otherwise, include the amount from line 15 in the tax you enter on Form 1040, line 44, or Form 1040NR, line 41. Be sure to check box a on Form 1040, line 44, or Form 1040NR, line 41.

Expenses for Business Use of Your Home

▶ **File only with Schedule C (Form 1040). Use a separate Form 8829 for each home you used for business during the year.**

2007

Attachment Sequence No. **66**

Department of the Treasury
Internal Revenue Service (89)

▶ See separate instructions.

Name(s) of proprietor(s)

TODD PALIN

Your social security number

Part I Part of Your Home Used for Business

1 Area used regularly and exclusively for business, regularly for daycare, or for storage of inventory or product samples (see instructions)	1	
2 Total area of home	2	168
3 Divide line 1 by line 2. Enter the result as a percentage	3	3,600
For daycare facilities not used exclusively for business, go to line 4. All others go to line 7.		
4 Multiply days used for daycare during year by hours used per day	4	4.67%
5 Total hours available for use during the year (365 days x 24 hours) (see instructions)	5	
6 Divide line 4 by line 5. Enter the result as a decimal amount	6	8,760 hr.
7 Business percentage. For daycare facilities not used exclusively for business, multiply line 6 by line 3 (enter the result as a percentage). All others, enter the amount from line 3	7	4.67%

Part II Figure Your Allowable Deduction

8 Enter the amount from Schedule C, line 29, plus any net gain or (loss) derived from the business use of your home and shown on Schedule D or Form 4797. If more than one place of business, see instructions. See instructions for columns (a) and (b) before completing lines 9-21.	8	
(a) Direct expenses (b) Indirect expenses		
9 Casualty losses (see instructions)	9	
10 Deductible mortgage interest (see instructions)	10	
11 Real estate taxes (see instructions)	11	10,703.
12 Add lines 9, 10, and 11	12	5,822.
13 Multiply line 12, column (b) by line 7.	13	16,525.
14 Add line 12, column (a) and line 13	14	772.
15 Subtract line 14 from line 8. If zero or less, enter -0-	15	16,142.
16 Excess mortgage interest (see instructions)	16	
17 Insurance	17	
18 Rent	18	1,300.
19 Repairs and maintenance	19	
20 Utilities	20	800.
21 Other expenses (see instructions)	21	3,480.
22 Add lines 16 through 21	22	5,580.
23 Multiply line 22, column (b) by line 7.	23	261.
24 Carryover of operating expenses from 2006 Form 8829, line 42	24	
25 Add line 22 in column (a), line 23, and line 24	25	261.
26 Allowable operating expenses. Enter the smaller of line 15 or line 25	26	261.
27 Limit on excess casualty losses and depreciation. Subtract line 26 from line 15	27	15,881.
28 Excess casualty losses (see instructions)	28	
29 Depreciation of your home from Part III below	29	368.
30 Carryover of excess casualty losses and depreciation from 2006 Form 8829, line 43	30	
31 Add lines 28 through 30	31	368.
32 Allowable excess casualty losses and depreciation. Enter the smaller of line 27 or line 31	32	368.
33 Add lines 14, 26, and 32	33	1,401.
34 Casualty loss portion, if any, from lines 14 and 32. Carry amount to Form 4684, Section B	34	
35 Allowable expenses for business use of your home. Subtract line 34 from line 33. Enter here and on Schedule C, line 30. If your home was used for more than one business, see instructions	35	1,401.

Part III Depreciation of Your Home

36 Enter the smaller of your home's adjusted basis or its fair market value (see instructions)	36	357,700.
37 Value of land included on line 36	37	50,000.
38 Basis of building. Subtract line 37 from line 36	38	307,700.
39 Business basis of building. Multiply line 38 by line 7	39	14,370.
40 Depreciation percentage (see instructions)	40	2.564%
41 Depreciation allowable (see instructions). Multiply line 39 by line 40. Enter here and on line 29 above	41	368.

Part IV Carryover of Unallowed Expenses to 2008

42 Operating expenses. Subtract line 26 from line 25. If less than zero, enter -0-	42	0.
43 Excess casualty losses and depreciation. Subtract line 32 from line 31. If less than zero, enter -0-	43	0.

KBA For Paperwork Reduction Act Notice, see page 4 of separate instructions.

Depreciation and Amortization
 (Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.
 Name(s) shown on return: **TODD PALIN**
 Business or activity to which this form relates: **Sch C TODD M PALIN FISHING**

Part I Election To Expense Certain Property Under Section 179
 Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	\$125,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$500,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2006 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2008. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instr.)

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) and cellulosic biomass ethanol plant property placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2007	17	4,989
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B - Assets Placed in Service During 2007 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property		387	10HY		200DB	39
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			27.5 yrs.	MM	S/L	
			39 yrs.	MM	S/L	

Section C - Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	1,206
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	6,234
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed?		<input checked="" type="checkbox"/> Yes		No		24b If "Yes," is the evidence written?		<input checked="" type="checkbox"/> Yes		No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost			
25 Special allowance for qualified Gulf Opportunity Zone property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)									25		
26 Property used more than 50% in a qualified business use:											
1992 TRUCK	01/01/05	100.0%	5,968	5,968	5	200DBHY	1,146				
1975 FORD	06/01/96	100.0%									
CELL PHONE	01/01/99	100.0%	133	133	5	200DBHY					
27 Property used 50% or less in a qualified business use:											
2006 DODGE	01/01/07	9.38%				S/L-					
COMPUTER	01/01/04	30.00%	1,000	300	5	S/L-HY	60				
							S/L-				
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	1,206			
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29				

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No										
30 Total business/investment miles driven during the year (do not include commuting miles)	800		1500		800							
31 Total commuting miles driven during the year	0		0		0							
32 Total other personal (noncommuting) miles driven	0		14500		0							
33 Total miles driven during the year. Add lines 30 through 32	800		16000		800							
34 Was the vehicle available for personal use during off-duty hours?	X		X		X							
35 Was the vehicle used primarily by a more than 5% owner or related person?	X		X		X							
36 Is another vehicle available for personal use?	X		X		X							

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2007 tax year (see instructions):					
43 Amortization of costs that began before your 2007 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

Depreciation and Amortization
(Including Information on Listed Property)

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

Name(s) shown on return

TODD PALIN

Business or activity to which this form relates

Sch C TODD M PALIN RACING

Identifying number

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	\$125,000
2	Total cost of section 179 property placed in service (see Instructions)	2	8,016
3	Threshold cost of section 179 property before reduction in limitation	3	\$500,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	125,000

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6	2 F6 SLEDS	7,460	7,460
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	7,460
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	7,460
10	Carryover of disallowed deduction from line 13 of your 2006 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	125,000
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	7,460
13	Carryover of disallowed deduction to 2008. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instr.)

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) and cellulosic biomass ethanol plant property placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2007	17	3,319
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B - Assets Placed in Service During 2007 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property		556	7YR		200DB	79
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	

Section C - Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	10,858
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

KBA For Paperwork Reduction Act Notice, see separate instructions.

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? [X] Yes [] No 24b If "Yes," is the evidence written? [X] Yes [] No
(a) Type of property (list vehicles first) (b) Date placed in service (c) Business/investment use percentage (d) Cost or other basis (e) Basis for depreciation (business/investment use only) (f) Recovery period (g) Method/Convention (h) Depreciation deduction (i) Elected section 179 cost
25 Special allowance for qualified Gulf Opportunity Zone property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) 25
26 Property used more than 50% in a qualified business use: % % %
27 Property used 50% or less in a qualified business use: 2006 DODGE 01/01/07 31.25% S/L- S/L- S/L-
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 28
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (do not include commuting miles) 5000
31 Total commuting miles driven during the year 0
32 Total other personal (noncommuting) miles driven 11000
33 Total miles driven during the year. Add lines 30 through 32 16000
34 Was the vehicle available for personal use during off-duty hours? [X] Yes [] No [] Yes [] No [] Yes [] No [] Yes [] No
35 Was the vehicle used primarily by a more than 5% owner or related person? [X] Yes [] No [] Yes [] No [] Yes [] No [] Yes [] No
36 Is another vehicle available for personal use? [X] Yes [] No [] Yes [] No [] Yes [] No [] Yes [] No

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? Yes No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners
39 Do you treat all use of vehicles by employees as personal use?
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs (b) Date amortization begins (c) Amortizable amount (d) Code section (e) Amortization period or percentage (f) Amortization for this year
42 Amortization of costs that begins during your 2007 tax year (see instructions):
43 Amortization of costs that began before your 2007 tax year 43
44 Total. Add amounts in column (f). See the instructions for where to report 44

Noncash Charitable Contributions

▶ Attach to your tax return if you claimed a total deduction of over \$500 for all contributed property.
 ▶ See separate instructions.

OMB No. 1545-0908

Attachment Sequence No. **155**
 Identifying number

Name(s) shown on your income tax return
TODD & SARAH PALIN

Note: Figure the amount of your contribution deduction before completing this form. See your tax return instructions.

Section A - Donated Property of \$5,000 or Less and Certain Publicly Traded Securities - List in this section only items (or groups of similar items) for which you claimed a deduction of \$5,000 or less. Also, list certain publicly traded securities even if the deduction is over \$5,000 (see Instr.).

Part I Information on Donated Property - If you need more space, attach a statement.

1	(a) Name and address of the donee organization	(b) Description of donated property <small>(For a donated vehicle, enter the year, make, model, condition, and mileage, and attach Form 1098-C if required.)</small>
A	SALVATION ARMY PARKS HIGHWAY WASILLA AK 99654	WASILLA ALASKA
B		
C		
D		
E		

Note: If the amount you claimed as a deduction for an item is \$500 or less, you do not have to complete columns (d), (e), and (f).

	(c) Date of the contribution	(d) Date acquired by donor (mo., yr.)	(e) How acquired by donor	(f) Donor's cost or adjusted basis	(g) Fair market value (see instr.)	(h) Method used to determine the fair market value
A	12/31/2007	VARIOUS	PURCHASE	2,000.	825.	THRIFT STORE VALUE
B						
C						
D						
E						

Part II Partial Interest and Restricted Use Property - Complete lines 2a through 2e if you gave less than an entire interest in a property listed in Part I. Complete lines 3a through 3c if conditions were placed on a contribution listed in Part I; also attach the required statement (see Instr.).

- 2a Enter the letter from Part I that identifies the property for which you gave less than an entire interest if Part II applies to more than one property, attach a separate statement. ▶ _____
- b Total amount claimed as a deduction for the property listed in Part I: (1) For this tax year ▶ _____
 (2) For any prior tax years ▶ _____
- c Name and address of each organization to which any such contribution was made in a prior year (complete only if different from the donee organization above):
 Name of charitable organization (donee) _____
 Address (number, street, and room or suite no.) _____
 City or town, state, and ZIP code _____
- d For tangible property, enter the place where the property is located or kept ▶ _____
- e Name of any person, other than the donee organization, having actual possession of the property ▶ _____

	Yes	No
3a Is there a restriction, either temporary or permanent, on the donee's right to use or dispose of the donated property?		
b Did you give to anyone (other than the donee organization or another organization participating with the donee organization in cooperative fundraising) the right to the income from the donated property or to the possession of the property, including the right to vote donated securities, to acquire the property by purchase or otherwise, or to designate the person having such income, possession, or right to acquire?		
c Is there a restriction limiting the donated property for a particular use?		

KBA For Paperwork Reduction Act Notice, see separate instructions.

Name: TODD & SARAH PALIN

Supporting Schedules

2007

SSN:

Schedule A

Line 17 - Gifts by Other Than Cash or Check

Description

Amount

FORM 8283

Total

825

825

SCHEDULE C - TODD M PALIN

PAGE 2 PART V - OTHER EXPENSES

Description

Amount

CREW SHARES

TELEPHONE AND UTILIT

PLANE FUEL

PROPERTY TAXES

HARBOR FEES

DMV FEES

LICENSES

FREIGHT

PLANE REPAIRS ANNUAL

FUEL

12,245

500

210

416

140

170

224

421

325

1,954

TOTAL

16,605

Vehicle - 1 - 1975 FORD

SUPPLEMENTAL SCHEDULE FOR DEPR AND MILEAGE RECORDS

Prior Years	Business Percent	Business Mileage	Depr. Actually Claimed	Other Basis Adjustment
-------------	------------------	------------------	------------------------	------------------------

1999 100 800

2000 100 800

2001 100 800

2002 100 800

2003 100 1500

2004 100 900

2005 66 900

2006 100 500

Schedule Total

7000

Sch C TODD M PALIN FISHING

1 Wages, tips, other comp. 43518.67		2 Federal income tax withheld 6161.67	
3 Social security wages 46611.96		4 Social security tax withheld 2889.94	
5 Medicare wages and tips 46611.96		6 Medicare tax withheld 675.87	
d Control number 0000001496 WRT7	Dept. MI76	Employer use only 834	
c Employer's name, address, and ZIP code BP EXPLORATION ALASKA INC 2601 RESEARCH FOREST DR. THE WOODLANDS, TX 77381-4250			
b Employer's FED ID number		a Employee's SSA number	
7 Social security tips		8 Allocated tips	
9 Advance EIC payment		10 Dependent care benefits	
11 Nonqualified plans		12a See instructions for box 12 C 66.00	
14 Other 150.50 AK SUI		12b D 3093.29	
		12c	
		13 Stat emp. Ret. plan <input checked="" type="checkbox"/> Third-party sick pay	
e/f Employee's name, address, and ZIP code TODD M PALIN WASILLA, AK 99654-6910			
15 State	Employer's state ID no.	16 State wages, tips, etc.	
17 State income tax		18 Local wages, tips, etc.	
18 Local income tax		20 Locality name	
Federal Filing Copy W-2 Wage and Tax Statement 2007 <small>OMB No. 1545-0048</small> Copy B to be filed with employee's Federal Income Tax Return.			

Form **W-2** Wage and Tax Statement 10549 2007

Department of the Treasury—Internal Revenue Service
 OMB No. 1545-0048

Copy B - To Be Filed With Employer's FEDERAL Tax Return.
 This information is being furnished to the Internal Revenue Service.

c Employer's name, address, and ZIP code STATE OF ALASKA DEPARTMENT OF ADMINISTRATION P.O. BOX 110204 JUNEAU AK 99811-0204		1 Wages, tips, other compensation 107987.00		2 Federal income tax withheld 14559.18	
a Employee's name, address, and ZIP code SARAH H PALIN WASILLA AK 99654-6910		7 Social security tips		3 Social security wages	
		8 Allocated tips		4 Social security tax withheld	
		9 Advance EIC payment		5 Medicare wages and tips 122401.43	
		12a See instructions for box 12 P 356.00		6 Medicare tax withheld 1774.85	
		12b		10 Dependent care benefits	
		12c		11 Nonqualified plans	
		12d		13 Statutory emp. Retirement plan <input checked="" type="checkbox"/> Third-party sick pay	
		b Employer identification number (EIN)		14 Other	
				e Employee's social security number	
15 State	Employer's state ID number	16 State wages, tips, etc.		17 State income tax	
		18 Local wages, tips, etc.		19 Local income tax	
				20 Locality name	

IRS e-file Signature Authorization

Department of the Treasury Internal Revenue Service

Do not send to the IRS. This is not a tax return. Keep this form for your records. See instructions.

2007

Declaration Control Number (DCN)

Taxpayer's name

TODD PALIN

Social security number

Spouse's name

SARAH PALIN

Spouse's social security number

Tax Return Information - Tax Year Ending December 31, 2007 (Whole Dollars Only)

1	Adjusted gross income (Form 1040, line 36; Form 1040A, line 22; Form 1040EZ, line 4)	1	156,080
2	Total tax (Form 1040, line 63; Form 1040A, line 37; Form 1040EZ, line 10)	2	24,738
3	Federal income tax withheld (Form 1040, line 64; Form 1040A, line 38; Form 1040EZ, line 7)	3	20,721
4	Refund (Form 1040, line 74a; Form 1040A, line 44e; Form 1040EZ, line 11a; Form 1040-SS, Part I, line 12a)	4	
5	Amount you owe (Form 1040, line 78; Form 1040A, line 46; Form 1040EZ, line 12)	5	2,017

Taxpayer Declaration and Signature Authorization (Be sure you get and keep a copy of your return)

Under penalties of perjury, I declare that I have examined a copy of my electronic individual income tax return and accompanying schedules and statements for the tax year ending December 31, 2007, and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts from my electronic income tax return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send my return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) an indication of any refund offset (c) the reason for any delay in processing the return or refund, and (d) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated financial agent to initiate an ACH electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of my Federal taxes owed on this return and/or a payment of estimated tax, and the financial institution to debit the entry to this account. I further understand that this authorization may apply to future Federal tax payments that I direct to be debited through the Electronic Federal Tax Payment System (EFTPS). In order for me to initiate future payments, I request that the IRS send me a personal identification number (PIN) to access EFTPS. This authorization is to remain in full force and effect until I notify the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I further acknowledge that the personal identification number (PIN) below is my signature for my electronic income tax return and, if applicable, my Electronic Funds Withdrawal Consent.

Taxpayer's PIN: check one box only

[X] I authorize HR BLOCK as my signature on my tax year 2007 electronically filed income tax return to enter or generate my PIN [] do not enter all zeros

[] I will enter my PIN as my signature on my tax year 2007 electronically filed income tax return. Check this box only if you are entering your own PIN and your return is filed using the Practitioner PIN method. The ERO must complete Part III below.

Your signature: Todd M. Palin Date: 09/03/2008

Spouse's PIN: check one box only

[X] I authorize HR BLOCK as my signature on my tax year 2007 electronically filed income tax return to enter or generate my PIN [] do not enter all zeros

[] I will enter my PIN as my signature on my tax year 2007 electronically filed income tax return. Check this box only if you are entering your own PIN and your return is filed using the Practitioner PIN method. The ERO must complete Part III below.

Spouse's signature: Sarah Palin Date: 09/03/2008

Practitioner PIN Method Returns Only - continue below

Part III Certification and Authentication - Practitioner PIN Method Only

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN.

do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature for the tax year 2007 electronically filed income tax return for the taxpayer(s) indicated above. I confirm that I am submitting this return in accordance with the requirements of the Practitioner PIN method and Publication 1345, Handbook for Authorized IRS e-file Providers of Individual Income Returns.

ERO's signature: [] Date: 09/03/2008

ERO Must Retain This Form - See Instructions Do Not Submit This Form to the IRS Unless Requested To Do So

KBA For Privacy Act and Paperwork Reduction Act Notice, see page 2 of form.

Detach Coupon Below
Before Mailing



 SARAH PALIN TODD M. PALIN WASILLA, AK 99654		6896
		April 11 2008 Date
Pay to the Order of	IRS	\$ 2000.00
Two-thousand and no/100		Dollars
Wells Fargo Bank, N.A. Alaska wellsfargo.com		Security Features  See Back
For	Todd & Sarah Palin	Todd M. Palin

▼ DETACH HERE ▼

Form 4868

Application for Automatic Extension of Time
To File U.S. Individual Income Tax Return

1029

Department of the Treasury
Internal Revenue Service

For calendar year 2007, or other tax year beginning 2007, ending 200

2007

Part I Identification

Part II Individual Income Tax

TODD & SARAH PALIN

WASILLA, AK

99654

2 Your social security number

3 Spouse's social security number

4	Estimate of total tax liability for 2007	\$	22,721
5	Total 2007 payments		20,721
6	Balance due. Subtract line 5 from line 4 (see instructions)		2,000
7	Amount you are paying (see instructions)		2,000
8	Check here if you are "out of the country" and a U.S. citizen or resident (see instructions)		<input type="checkbox"/>
9	Check here if you file Form 1040NR or 1040NR-EZ and did not receive wages as an employee subject to U.S. income tax withholding		<input type="checkbox"/>