

## NONBUSINESS BAD DEBT STATEMENT

**Taxpayer Name:** [Your Name]

**Taxpayer Identification Number (TIN):** [Your TIN]

**Tax Year:** [Year]

### Description of the Debt

- **Debtor Name:** [Debtor's Name]
- **Debtor's Address:** [Debtor's Address]
- **Date Debt Was Incurred:** [Date]
- **Original Loan Amount:** [Amount]
- **Terms of the Loan:** [Written agreement, if applicable]
- **Purpose of the Loan:** [Purpose]

### Efforts to Collect the Debt

- **Attempts to Collect:**
  - [List efforts such as phone calls, written notices, legal action, etc.]
  - [Provide dates and details of collection efforts]
- **Debtor's Response:** [Describe any response from the debtor]
- **Legal Action Taken (if any):** [Summarize any lawsuits or legal claims]

### Determination of Worthlessness

- **Reason the Debt is Considered Uncollectible:** [Provide reasoning, e.g., debtor insolvency, bankruptcy filing, refusal to pay]
- **Supporting Documentation:**
  - [Attach correspondence, legal documents, collection records]
- **Date the Debt Became Worthless:** [Date]
- **Fair Market Value of the Debt at Year-End:** \$0.00

### Claiming the Deduction

- **IRS Code Reference:** The debt is being claimed as a short-term capital loss under **IRS Section 166(d)**.
- **Amount Being Claimed as a Deduction:** [Amount]

I declare that the information provided in this statement is true and accurate to the best of my knowledge.

**Taxpayer Signature:** \_\_\_\_\_

**Date:** [Date]

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*Attachments:*

1. Loan Agreement (if applicable)
2. Collection Efforts Documentation
3. Legal Correspondence (if any)
4. Communication Records
5. Any other supporting documents