

OFFICE OF THE GOVERNOR
George W. Bush

FOR IMMEDIATE RELEASE
Wednesday, April 15, 1998

CONTACT: Karen Hughes or
Linda Edwards. 512/463-1828

GOVERNOR AND MRS. BUSH PAY \$77,084 IN INCOME TAX

AUSTIN --- Governor and Mrs. George W. Bush have paid \$77,084 in federal income taxes on estimated taxable income of \$258,375 for the 1997 tax year, the Governor's office said today.

The executor of the Governor's blind trust today applied for an automatic extension of time to file the Governor's 1997 tax return because he is still waiting for tax information from several entities in the trust. Governor and Mrs. Bush had already made withholding and estimated tax payments of \$64,923 and today sent in a check for \$12,161 to pay the balance of the estimated tax they owe.

The Governor's 1997 income includes \$88,455 in taxable income from his state salary. (Like all state employees, part of the Governor's salary is withheld for retirement and is therefore not taxable in the current year.) The vast majority of the remaining income is investment income from the blind trust in which the Governor's assets are held. Governor and Mrs. Bush gave more than \$16,500 to churches and charitable organizations.

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Mr. & Mrs. George W. Bush 1998 return

Reported income in AGI	\$ 18,486,714
Tax-exempt interest	5,063
Total realized income	\$ 18,491,777
Note: capital gains (lower rate)	17,782,869
Federal Income Tax	\$ 3,751,966
Income Tax/ Total Income	20.5%

ADDENDUM: Bushes's Capital Gains Tax Breaks in 1998:

From 1997 Tax Act	\$ -1,422,630
Total capital gains breaks	-3,485,442 (48% cut in total income tax)

OFFICE OF THE GOVERNOR
George W. Bush

FOR IMMEDIATE RELEASE
Thursday, April 15, 1999

CONTACT: Karen Hughes
512/463-1826

GOVERNOR AND MRS. BUSH PAY 1998 INCOME TAXES

AUSTIN -- Governor and Mrs. Bush have paid \$8,772,252 in federal income taxes on estimated taxable income of \$18,405,524 for the 1998 tax year, Governor Bush's spokesman Karen Hughes said today.

The executor of Governor Bush's blind trust has applied for an automatic extension of time to file the Governor's 1998 tax return because he is still waiting for tax information from entities in the trust. Governor and Mrs. Bush had already made tax payments of \$97,252 and today sent in a check for \$3,675,000 to pay the balance of the estimated tax they owe.

The Governor's 1998 income includes taxable income of \$88,008 from his state salary. (Like all state employees, part of the Governor's salary is withheld for retirement and is therefore not taxable in the current year.) The vast majority of the remaining income is income from the sale of the Texas Rangers baseball team and investment income from the blind trust in which the Governor's assets are held.

Governor and Mrs. Bush gave \$334,425 to churches and charitable organizations in 1998.

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Form 1040

Department of the Treasury - Internal Revenue Service

U.S. Individual Income Tax Return 1998

(99) Use only - Do not write or staple in this space

For the year Jan 1-Dec 31, 1998, or other tax year beginning

1998, ending

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OMB No. 1545-0047

Label (See instructions)

See the IRS label. Otherwise, please print in type.

Confidential Election Campaign (See instructions)

Your First Name: GEORGE W BUSH
If a Joint Return, Spouse's First Name: LAURA W BUSH
Home Address (number and street) if you have a P.O. Box, see instructions: P O BOX 13225
City, Town or Post Office if you have a foreign address, see instructions: AUSTIN TX 78711

COPY

Your Social Security Number:
Spouse's Social Security Number:
Important! You must enter your social security number(s) above
Yes No
X X
Note: Changing your tax status may change your tax or refund.

Do you want 3 to go in this fund?
If a joint return, does your spouse want 3 to go in this fund?

Filing Status

Check only one box.

- 1 Single
2 X Married filing joint return (even if only one had income)
3 Married filing separate return. Enter spouse's SSN above & full name here
4 Head of household (with qualifying person). (See instructions.) If the qualifying person is a child, enter the child's name here.
5 Qualifying widow(er) with dependent child (year spouse died = 19) (See instructions)

Exemptions

More than six dependents, see instructions.

Table with columns for exemption types (a, b, c), dependent names (BARBARA P BUSH, JENNA W BUSH), and counts. Total number of exemptions claimed is 4.

Income

Attach Copy B of your Forms 1042, W-2G, and 1099-B here.

If you did not get a W-2, see instructions.

Enclose, but do not staple, any payment. Also, please use Form 1040-V.

Adjusted Gross Income

Line 33 is under 30,000 under 10,000 if you did not file with your spouse in the instructions

Main income table with lines 7 through 33. Total income is 18,486.14. Adjusted gross income is 18,486.14.

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see instructions.

Form 1040 (1998)

FDIA0117 11/02/98

34 Amount from line 33 (adjusted gross income) **34** 18,436,714

35a Check if: You were 65/older, Blind, Spouse was 65/older, Blind.
Add the number of boxes checked above and enter the total here **35a**

b If you are married filing separately and your spouse itemizes deductions or you were a dual status alien, see instructions and check here **35b**

36 Enter the larger of your itemized deductions from Schedule A, line 28, Or standard deduction shown on the left. But see instructions to find your standard deduction if you checked any box on line 35a or 35b or if someone can claim you as a dependent **36** 68,016

37 Subtract line 36 from line 34 **37** 18,418,698

38 If line 34 is \$93,400 or less, multiply \$2,700 by the total number of exemptions claimed on line 6d. If line 34 is over \$93,400, see the worksheet in the instructions for the amount to enter **38** 0

39 Taxable income. Subtract line 38 from line 37. If line 38 is more than line 37, enter -0- **39** 18,418,698

40 Tax. See instructions. Check if any tax from Form(s) 9814 Form 4972 **40** 3,781,966

41 Credit for child and dependent care expenses. Attach Form 2441 **41**

42 Credit for the elderly or the disabled. Attach Schedule R **42**

43 Child tax credit (see instructions) **43**

44 Education credits. Attach Form 8863 **44**

45 Adoption credit. Attach Form 8839 **45**

46 Foreign tax credit. Attach Form 1116 if required **46**

47 Other. Check if from Form 3800 Form 8396 Form 8801 Form 8801 (separately) **47**

48 Add lines 41 through 47. These are your total credits **48**

49 Subtract line 48 from line 40. If line 48 is more than line 40, enter -0- **49** 3,781,966

50 Self-employment tax. Attach Schedule SE **50**

51 Alternative minimum tax. Attach Form 6251 **51**

52 Social security and Medicare tax on tip income not reported to employer. Attach Form 4137 **52**

53 Tax on IRAs, other retirement plans, and MSAs. Attach Form 5329 if required **53**

54 Advance earned income credit payments from Form(s) W-2 **54**

55 Household employment taxes. Attach Schedule H **55**

56 Add lines 49-55. This is your total tax **56** 3,781,966

57 Federal income tax withheld from Forms W-2 and 1099 **57** 14,573

58 1998 estimated tax payments and amount applied from 1997 return **58** 86,998

59a Earned income credit. Attach Schedule EIC if you have a qualifying child.

b Nontaxable earned income: amount and type **59a**

60 Additional child tax credit. Attach Form 8812 **60**

61 Amount paid with Form 4868 (request for extension) **61** 3,675,000

62 Excess social security and RRTA tax withheld (see notes) **62**

63 Other payments. Check if from Form 2439 Form 4136 **63**

64 Add lines 57, 58, 59a, and 60 through 63. These are your total payments **64** 3,776,571

65 If line 64 is more than line 56, subtract line 56 from line 64. This is the amount you overpaid **65**

66a Amount of line 65 you want refunded to you **66a**

b Routing number **c** Type: Checking Savings

d Account number

67 Amount of line 65 you want applied to Your 1999 Estimated Tax **67**

68 If line 56 is more than line 64, subtract line 64 from line 56. This is the Amount You Owe. For details on how to pay, see instructions **68** 5,395

69 Estimated tax penalty. Also include on line 68 **69**

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: _____ Title: GOVERNOR Daytime Telephone Number (optional): _____

Spouse's Signature (if a joint return, both must sign): _____ Date: _____ Spouse's Occupation: _____

ORIGINAL SIGNED BY FIRST LADY OF TEXAS

Preparer's Signature: **ROBERT A. McCLESKEY C P A** Date: 10/05/99 Check if self-employed: Preparer's Social Security No: 463-72-9230

Firm's Name (or yours if self-employed): **ROBERT A. McCLESKEY CPA** EIN: _____

P.O. BOX 3362 MIDLAND TX ZIP Code 79702

Standard Deduction for Most People

Single: 2,250

Head of household: 2,250

Married filing jointly or Qualifying widow(er): 2,100

Married filing separately: 1,550

Attach Forms W-2 and W-2c to page 1. Also attach Form 1099-R if tax was withheld.

Joint Return? See instructions. Make a copy of your records.

Preparer's Use Only

Schedule A
(Form 1040)

Itemized Deductions

OMB No. 1545-0045

1998

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

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Department of the Treasury
Internal Revenue Service

Your Social Security Number

Name(s) Subject of Form 1040

GEORGE W & LAURA W BUSH

Caution: Do not include expenses reimbursed or paid by others.					
Medical and dental expenses	1	4,621			
Enter amount from Form 1040, line 34	2	18,486,714			
Multiply line 2 above by 7.5% (.075)	3	1,386,504			
Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4				0
State and local income taxes	5	59			
Real estate taxes (see instructions)	6	1,915			
Personal property taxes	7				
Other taxes. List type and amount	8				
Add lines 5 through 8	9				1,974
Home mortgage interest and points reported to you on Form 1098	10				
Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying number, and address	11				
Points not reported to you on Form 1098. See instructions for special rules	12				
Investment interest. Attach Form 4952 if required. (See instructions.)	13	480			
Add lines 10 through 13	14				480
Gifts by cash or check. If you made any gift of 250 or more, see instructions	15	335,706			
Other than by cash or check. If any gift of 250 or more, see instructions. You must attach Form 8283 if over 500	16				
Carryover from prior year	17				
Add lines 15 through 17	18				335,706
Casualty and theft losses	19				
Unreimbursed employee expenses - job travel, union dues, job education, etc. You must attach Form 2106 or 2106-EZ if required. (See instructions.)	20				
Tax preparation fees	21				
Other expenses - investment, safe deposit box, etc. List type and amount	22				
Miscellaneous Expenses	22	26,622			
Add lines 20 through 22	23	26,622			
Enter amount from Form 1040, line 34	24	18,486,714			
Multiply line 24 above by 2% (.02)	25	369,734			
Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-	26				0
Other - from list in the instructions. List type and amount	27				
Is Form 1040, line 34, over 124,500 (over 82,250 if married filing separately)?	28				68,015

Itemized Deductions Limited per IRC Sec. 68.

SAAs For Paperwork Reduction Act Notice, see separate instructions.

FD-2201 02/01/98

Schedule A (Form 1040) 1998

Name(s) shown on Form 1040. Do Not Enter Name and Social Security Number if Shown on Schedule A

Your Social Security Number

GEORGE W & LAURA W BUSH

Schedule B -- Interest and Ordinary Dividends

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Part I Interest

Note: If you had over 400 in taxable interest income, you must also complete Part III

(See instructions.)

Note: If you received a Form 1099-INT, Form 1099-DIV, or other statement from a brokerage firm, list the firm's name as the payer and enter the total amount shown on the form.

		Amount
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 the instructions and list this interest first. Also, show that buyer's social security number and address.	
	THE LONE STAR TRUST	151,836
	BANK ONE	63
	NORWEST BANK	427
	THE LONE STAR TRUST	5,063
	THE LONE STAR TRUST	16,213
	GWB RANGERS CORP.	1,568
	THE LONE STAR TRUST	278
	Subtotal	175,488
	Tax-Exempt Interest	5,063
2	Add the amounts on line 1	170,385
3	Excludable interest on series EE U.S. savings bonds issued after 1989 from Form 8815, line 14. You must attach Form 8815 to Form 1040	
4	Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a	170,385

Part II Ordinary Dividends

Note: If you had over 400 in ordinary dividends, you must also complete Part III

(See instructions.)

Note: If you received a Form 1099-DIV or other statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on the form.

		Amount
5	List name of payer. Include any ordinary dividends. Report any capital gain distributions on Schedule D, line 13.	
	THE LONE STAR TRUST	85,642
	THE LONE STAR TRUST	1,705
	GWB RANGERS CORP.	8,330
6	Add the amounts on line 5. Enter the total here and on Form 1040, line 9	95,477

Part III Foreign Accounts and Trusts

You must complete this part if you (a) had over 400 of interest or ordinary dividends; (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

(See instructions.)

	Yes	No
7a At any time during 1998, 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 instructions 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 1998, 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 instructions.		X

Schedule C
(Form 1040)

Profit or Loss from Business
(Sole Proprietorship)

OMB No. 1545-0047

1998

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Department of the Treasury
Internal Revenue Service (99)

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

Name of Proprietor
GEORGE W BUSH

Social Security Number (SSN)
[REDACTED]

A Principal Business or Profession, including Product or Service (see instructions)
OIL & GAS PRODUCTION

B Enter New Code (see instructions)
211110

C Business Name, If No Separate Business Name, Leave Blank
GEORGE BUSH

D Employer ID Number (EIN), If Any

E Business Address (include suite or room no.)
City, Town or Post Office, State, & ZIP Code
**P.O. BOX 13225
AUSTIN, TX 78711**

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

G Did you materially participate in the operation of this business during 1998? If "No," see instructions for limitation losses Yes No

H If you started or acquired this business during 1998, check here _____

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 the instructions and check here	1	702.
2	Returns and allowances	2	
3	Subtract line 2 from line 1	3	702.
4	Cost of goods sold (from line 42 on page 2)	4	
5	Gross profit. Subtract line 4 from line 3	5	702.
6	Other income, including federal and state gasoline or fuel tax credit or refund	6	
7	Gross income. Add lines 5 and 6	7	702.

Expenses. Enter expenses for business use of your home only on line 30.			
8	Advertising	8	
9	Bad debts from sales or services (see instructions)	9	
10	Car and truck expenses (see instrs)	10	
11	Commissions and fees	11	
12	Depletion	12	105.
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	
14	Employee benefit programs (other than on line 19)	14	
15	Insurance (other than health)	15	
16a	Interest: a Mortgage (paid to banks, etc)	16a	
16b	b Other	16b	
17	Legal & professional services	17	
18	Office expense	18	
19	Pension and profit-sharing plans	19	
20	Rent or lease (see instructions):		
20a	a Vehicles, machinery, and equipment	20a	
20b	b Other business property	20b	
21	Repairs and maintenance	21	
22	Supplies (not included in Part III)	22	
23	Taxes and licenses	23	62.
24	Travel, meals, and entertainment:		
24a	a Travel	24a	
24b	b Meals and entertainment		
24c	c Enter 50% of line 24b subject to limitations (see instructions)		
24d	d Subtract line 24c from line 24b	24d	
25	Utilities	25	
26	Wages (less employment credits)	26	
27	Other expenses (from line 48 on page 2)	27	128.
28	Total expenses before expenses for business use of home. Add lines 8 through 27 in columns	28	295.

29	Tentative profit (loss). Subtract line 28 from line 7	29	407.
30	Expenses for business use of your home. Attach Form 8829	30	
31	Net profit or (loss). Subtract line 30 from line 29. * If a profit, enter on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3. * If a loss, you must go on to line 32.	31	407.
32	If you have a loss, check the box that describes your investment in this activity (see instructions) * If you checked 32a, enter the loss on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3. * If you checked 32b, you must attach Form 6198.		
	32a <input type="checkbox"/> All investment is at risk		
	32b <input type="checkbox"/> Some investment is not at risk		

93A For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule C (Form 1040) 1998

Schedule D
(Form 1040)

Capital Gains and Losses

OMB No. 1545-0045

1998

• Attach to Form 1040. • See instructions for Schedule D (Form 1040).
• Use Schedule D-1 for more space to list transactions for lines 1 and 8.

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Department of the Treasury
Internal Revenue Service (99)

Your Social Security Number

Name(s) Shown on Form 1040

GEORGE W & LAURA W BUSH

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

(a) Description of property (Example: 100 shares XYZ Co)	(b) Date acquired (Mo, day, yr)	(c) Date sold (Mo, day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see 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 column (d) of lines 1 and 2	3				
4 Short-term gain from Form E252 and short-term gain or (loss) from Forms 4684, 5751, and 8824	4				
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1	5				-3,999
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your 1997 Capital Loss Carryover Worksheet	6				
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f)	7				-3,999

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

(a) Description of property (Example: 100 shares XYZ Co)	(b) Date acquired (Mo, day, yr)	(c) Date sold (Mo, day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (Loss) Subtract (e) from (d)	(g) 28% Rate Gain or (Loss) (see instructions)
8 Enter your long-term totals, if any, from Schedule D-1, line 9	9					
10 Total long-term sales price amounts. Add column (d) of lines 8 and 9	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, 5751, and 8824	11				702	
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1	12				16,999,685	
13 Capital gain distributions. See instructions	13				786,480	
14 Long-term capital loss carryover, if any, from line 12 of your 1997	14					
15 Combine lines 8 through 14 in (f)	15					
16 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f)	16				17,786,868	

LONG-TERM GAIN FROM SALE OF RANGERS

* 28% Rate Gain or Loss includes all "collectible gains and losses" (as defined in the instructions) and up to 50% of the eligible gain on qualified small business stock (see instructions).

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

Schedule D (Form 1040) 1998

FD40612 10/00/98

Summary of Parts I and II

17	Combine lines 7 and 16. If a loss, go to line 18. If a gain, enter the gain on Form 1040, line 13 Next: Complete Form 1040 through line 39. Then, go to Part IV to figure your tax if: • Both lines 16 and 17 are gains, and • Form 1040, line 39, is more than zero.	17	17,782.869
18	If line 17 is a loss, enter here and as a (loss) on Form 1040, line 13, the smaller of these losses: • The loss on line 17; or • (3,000) or, if married filing separately, (1,500) Next: Complete Form 1040 through line 37. Then, complete the Capital Loss Carryover Worksheet if: • The loss on line 17 exceeds the loss on line 18, or • Form 1040, line 37, is a loss.	18	

Tax Computation Using Maximum Capital Gains Rates

19	Enter your taxable income from Form 1040, line 39	19	18,418.698
20	Enter the smaller of line 16 or line 17 of Schedule D	20	17,782.869
21	If you are filing Form 4952, enter the amount from Form 4952, line 4e	21	
22	Subtract line 21 from line 20. If zero or less, enter -0-	22	17,782.869
23	Combine lines 7 and 15. If zero or less, enter -0-	23	0
24	Enter the smaller of line 15 or line 23, but not less than zero	24	0
25	Enter your unrecovered section 1250 gain, if any (see instructions)	25	
26	Add lines 24 and 25	26	0
27	Subtract line 26 from line 22. If zero or less, enter -0-	27	17,782.869
28	Subtract line 27 from line 19. If zero or less, enter -0-	28	635.829
29	Enter the smaller of: • The amount on line 19, or • 26,350 if single; 43,350 if married filing jointly or qualifying widow(er); 21,775 if married filing separately; or 33,950 if head of household	29	42,350
30	Enter the smaller of line 28 or line 29	30	42,350
31	Subtract line 22 from line 19. If zero or less, enter -0-	31	635.829
32	Enter the larger of line 30 or line 31	32	635.829
33	Figure the tax on the amount on line 32. Use the Tax Table or Tax Rate Schedules, whichever applies	33	225.392
34	Enter the amount from line 29	34	42,350
35	Enter the amount from line 28	35	635.829
36	Subtract line 35 from line 34. If zero or less, enter -0-	36	0
37	Multiply line 36 by 10% (.10)	37	0
38	Enter the smaller of line 19 or line 27	38	17,782.869
39	Enter the amount from line 36	39	0
40	Subtract line 39 from line 38	40	17,782.869
41	Multiply line 40 by 20% (.20)	41	3,556.574
42	Enter the smaller of line 22 or line 25	42	0
43	Add lines 22 and 32	43	18,418.698
44	Enter the amount from line 19	44	18,418.698
45	Subtract line 44 from line 43. If zero or less, enter -0-	45	0
46	Subtract line 45 from line 42. If zero or less, enter -0-	46	0
47	Multiply line 46 by 25% (.25)	47	0
48	Enter the amount from line 19	48	18,418.698
49	Add lines 32, 36, 40, and 46	49	18,418.698
50	Subtract line 49 from line 48	50	0
51	Multiply line 50 by 28% (.28)	51	0
52	Add lines 33, 37, 41, 47, and 51	52	3,781.966
53	Figure the tax on the amount on line 19. Use the Tax Table or Tax Rate Schedules, whichever applies	53	7,267.408
54	Tax on taxable income (including capital gains). Enter the smaller of line 52 or line 53 here and on Form 1040, line 40	54	3,781.966

Schedule E
(Form 1040)

Supplemental Income and Loss
(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc)
* Attach to Form 1040 or Form 1041.
* See instructions for Schedule E (Form 1040).

OMB No. 1545-0047

1998

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Department of the Treasury
Internal Revenue Service (99)

Name(s) shown on Return

Your Social Security Number

GEORGE W & LAURA W BUSH

Income or Loss from Rental Real Estate and Royalties Note: Report income and expenses from your business of renting personal property on Schedule C or C-EZ. Report farm rental income or loss from Form 4835 on page 2, line 39.

1	Show the kind and location of each rental real estate property:	2	For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of:	Yes	No
A	OIL AND GAS ROYALTIES		• 14 days, or		
B			• 10% of the total days rented at fair rental value? (See instructions.)		
C	From Schedules K-1				

Income:	Properties			Totals
	A	B	C	(Add columns A, B, and C.)
3 Rents received				3
4 Royalties received	3,386		6	3,392
Expenses:				
5 Advertising				
6 Auto and travel (see instructions)				
7 Cleaning and maintenance				
8 Commissions				
9 Insurance				
10 Legal and other professional fees				
11 Management fees				
12 Mortgage interest paid to banks, etc. (see instructions)				12
13 Other interest				
14 Repairs				
15 Supplies				
16 Taxes	93			
17 Utilities				
18 PROPERTY PRODUCTION TAXES	313			
19 Add lines 5 through 18	406			406
20 Depreciation expense or depletion (see instructions)	508			508
21 Total expenses. Add lines 19 and 20	914			914
22 Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see instructions to find out if you must file Form 990	2,472		6	2,478
23 Deductible rental real estate loss. Caution: Your rental real estate loss on line 22 may be limited. See instructions to find out if you must file Form 990. Real estate professionals must complete line 22 on page 2.				
24 Income. Add positive amounts shown on line 22. Do not include any losses				2,478
25 Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here				
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here if Parts II, III, IV, and line 39 on page 2 do not apply to you, also enter this amount on Form 1040, line 17. Otherwise, include this amount in the total on line 40 on page 2				2,478

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

FOR22301 06/00/98

Schedule E (Form 1040) 1998

Name(s) shown on Return. Do Not Enter Name and Social Security Number if Shown on Page 1

Your Social Security Number

GEORGE W & LAURA W BUSH

Note: If you report amounts from farming or fishing on Schedule E, you must enter your gross income from those activities on line 41 below. Real estate professionals must complete line 42 below.

Part III Income or Loss from Partnerships and S Corporations

Note: If you report a loss from an at-risk activity, you must check either column (e) or (f) on line 27 to describe your investment in the activity. See instructions. If you check column (f), you must attach Form 6199.

27	(a) Name	(b) Enter P for partnership; S for S Corporation	(c) Check if foreign partnership	(d) Employer identification number	Investment at Risk?	
					(e) At risk	(f) None at risk
	A: THE LONE STAR TRUST	P		75-6470250	X	
	B: THE LONE STAR TRUST	P		75-6470250	X	
	C: THE LONE STAR TRUST	P		75-6470250	X	
	D: HB RANGERS CORP.	S		75-2279349	X	

Passive Income and Loss		Nonpassive Income and Loss		
(g) Passive loss allowed (attach Form 8582 if required)	(h) Passive income from Schedule K-1	(i) Nonpassive loss from Schedule K-1	(j) Section 179 expense deduction from Form 4562	(k) Nonpassive income from Schedule K-1
A:	502,660			
B:	10,453			
C:	24			
D:				82,386
E:	163	1,561		
25a Totals	514,698			82,386
b Totals	163			
29	Add columns (h) and (k) of line 28a			597,084
30	Add columns (g), (i), and (j) of line 28a			-163
31	Total partnership and S corporation income or (loss). Combine lines 29 and 30. Enter the result here and include in the total on line 40 below			596,921

Part IV Income or Loss from Estates and Trusts

32	(a) Name	(b) Employer ID no.
	A: THE LONE STAR TRUST	75-6470250

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:	249,886		
B:			
33a Totals	249,886		
b Totals			
34	Add columns (d) and (f) of line 33a		
35	Add columns (c) and (e) of line 33a		-249,886
36	Total estate and trust income or (loss). Combine lines 34 and 35. Enter the result here and include in the total on line 40 below		-249,886

Part V Income or Loss from Real Estate Mortgage Investment Conduits (REMICs) — Residual Holder

37	(a) Name	(b) Employer identification number	(c) Gross inclusion from Schedule Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedule Q, line 3b
38	Combine columns (d) and (e) only. Enter the result here and include in the total on line 40 below				

Part VI Summary

39	Net term rental income or (loss) from Form 4835. Also, complete line 41 below	39	
40	Total income or (loss). Combine lines 26, 31, 36, 38, and 39. Enter the result here and on Form 1040, line 17	40	349,513
41	Reconciliation of Farming and Fishing Income: Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), line 15b; Schedule K-1 (Form 1120S), line 23; and Schedule K-1 (Form 1041), line 14 (see instructions)	41	
42	Reconciliation for Real Estate Professionals: If you were a real estate professional (see instructions), 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	42	

Form 4797

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

OMB No. 1545-0046

1998
27

Department of the Treasury
Internal Revenue Service (99)

Attach to your tax return. See separate instructions.

Name(s) Shown on Return

Identifying Number

GEORGE W & LAURA W BUSH

Enter here the gross proceeds from the sale or exchange of real estate reported to you for 1998 on
Form (a) 1099-S (or a substitute statement) that you will be including on line 2, 10, or 20.

Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions from Other
Than Casualty or Theft - Property Held More Than 1 Year

Table with 8 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Gross sales price, (e) Depreciation allowed, (f) Cost or other basis, (g) Gain or (Loss) Subject, (h) 28% Rate Gain or (Loss). Row 1: Form K-1, 702.

Summary table with rows 3-9. Row 7: 702. Includes instructions for S corporations and other entities.

Ordinary Gains and Losses

Table with 11-18 rows for Ordinary Gains and Losses. Includes sub-rows 18b(1) and 18b(2).

Investment Interest Expense Deduction

1998

72

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to your tax return.

Name(s) Shown on Return

GEORGE W & LAURA W BUSH

Identifying Number

Total Investment Interest Expense

1 Investment interest expense paid or accrued in 1998. See instructions	1	480.
2 Disallowed investment interest expense from 1997 Form 4952, line 7	2	
3 Total investment interest expense. Add lines 1 and 2	3	480.

Net Investment Income

4a Gross income from property held for investment (excluding any net gain from the disposition of property held for investment)	4a	268,970.
b Net gain from the disposition of property held for investment	4b	17,782,869.
c Net capital gain from the disposition of property held for investment	4c	17,782,869.
d Subtract line 4c from line 4b. If zero or less, enter -0-	4d	0.
e Enter all or part of the amount on line 4c that you elect to include in investment income. Do not enter more than the amount on line 4b. See instructions	4e	
f Investment income. Add lines 4a, 4d, and 4e. See instructions	4f	268,970.
5 Investment expenses. See instructions	5	914.
6 Net investment income. Subtract line 5 from line 4f. If zero or less, enter -0-	6	268,056.

Investment Interest Expense Deduction

7 Disallowed investment interest expense to be carried forward to 1999. Subtract line 6 from line 3. If zero or less, enter -0-	7	0.
8 Investment interest expense deduction. Enter the smaller of line 3 or 6. See instructions	8	480.

RRA For Paperwork Reduction Act Notice, see separate instructions.

Schedule E, page 7
Line 27 information

Part II Income or Loss from Partnerships and S Corporations

27	(a) Name	(b) P/S	(c) Fgn P	(d) EIN	At Risk?	
					(e) All	(f) Part
	CWB RANGERS CORP	S		75-2279349	X	
	THE LONE STAR TRUST	S		75-6470250	X	

Schedule E, page 2
Line 27 Income or Loss

Passive Income and Loss		Nonpassive Income and Loss		
(g) Loss K-1	(h) Income K-1	(i) Loss K-1	(j) Section 179	(k) Income K-1
	1,561.			
163.				
163.	1,561.			

Supporting Statement of:

Schedule A/Line 15, amount-1

Description	Amount
TARRYTOWN METHODIST CHURCH	23,560.00
HIGHLAND PARK METHODIST CHURCH	5,000.00
THE HELPING HAND SOCIETY	2,000.00
UNITED WAY	1,000.00
ST ANDREWS ANNUAL FUND	100.00
BRYANS HOUSE	1,000.00
CENTER FOR BATTERED WOMEN	1,000.00
BIG BROTHERS/BIG SISTERS-DALLAS	5,000.00
AMERICAN RED CROSS	5,000.00
SUSAN G. KOMEN FOUNDATION	15,000.00
MISSION ARLINGTON	35,000.00
BIG BROTHERS/BIG SISTERS-ARLINGTON	20,000.00
THE WOMENS SHELTER	35,000.00
SOUTHERN METHODIST UNIVERSITY	150,000.00
ALTERNATIVE COMMUNITY DEVELOPMENT SERVICES	20,000.00
ST. ANN'S CHURCH	1,000.00
THE LEUKEMIA SOCIETY	1,000.00
AUSTIN CHILD GUIDANCE CENTER	1,000.00
CENTER FOR AMERICAN HISTORY	2,250.00
OAK CLIFF BIBLE FELLOWSHIP	500.00
VARIOUS	10,015.00
Total	334,425.00