



## 2008 Form 6744

# Volunteer Assistor's Test/Retest

For Use in Preparing Tax Year 2008 Returns

- Volunteer Income Tax Assistance (VITA)
- Tax Counseling for the Elderly (TCE)



Department of the Treasury  
Internal Revenue Service

[www.irs.gov](http://www.irs.gov)

Form 6744 (Rev. 2008)  
Catalog Number 43560V



"Another Step Toward Quality"

Visit [www.irs.gov](http://www.irs.gov)  
for the most up-to-date  
tax products and  
information.

## Technical Updates

Tax law changes implemented after this product was published may cause various forms, tables, and worksheets to change. The supplemental changes (if any) are normally available in mid-December on [www.irs.gov](http://www.irs.gov) (keyword: Community Network).

Technical updates are also conveyed in Volunteer Quality Alerts during the filing season on [www.irs.gov](http://www.irs.gov). Also, consult your course instructor and/or site coordinator.

Department of the Treasury – Internal Revenue Service

## Volunteer Agreement

### Standards of Conduct – VITA/TCE Programs

The mission of the VITA/TCE Program is to provide free basic tax return preparation for eligible taxpayers. Volunteers are the program's most valuable resource. To establish the greatest degree of public trust, Volunteers have a responsibility to provide high quality service and uphold the highest of ethical standards.

As a participant in the VITA/TCE Program, I agree to the following standards of conduct:

- I will treat all taxpayers professionally, with courtesy and respect.
- I will safeguard the confidentiality of taxpayer information.
- I will apply the tax laws equitably and accurately to the best of my ability.
- I will only prepare returns for which I am certified. (Basic, Advanced, etc.)
- I will exercise reasonable care in the use and protection of equipment and supplies.
- I will not solicit business from taxpayers I assist or use the knowledge I have gained about them for any direct or indirect personal benefit for me or any other specific individual.
- I will not accept payment from taxpayers for the services I provide. I may receive compensation as an employee of a program sponsor.

TaxWise<sup>®</sup> is a copyrighted software program owned by CCH Small Firm Services<sup>®</sup> (CCH). All screen shots that appear throughout the official Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) training materials are used with the permission of CCH. The screen shots used in this publication—or any other screen shots from TaxWise or its affiliated programs—may not be extracted, copied, or distributed without written approval from the IRS SPEC Office of Education and Product Development.

## Confidentiality Statement

All tax information received from taxpayers in your volunteer capacity is strictly confidential and should not, under any circumstances, be disclosed to unauthorized individuals and should be properly safeguarded.

All persons, scenarios and addresses appearing in this product are fictitious. Any resemblance to persons living or dead is purely coincidental.

**Table of Contents**

Preface . . . . . ii

Test Instructions. . . . . iii

Test Answer Sheet. . . . . vi

Volunteer Agreement Form 13615. . . . . vii

Test Scenarios and Questions. . . . . 1-1

    Basic Scenarios

        Scenario 1 – Janice Simpson. . . . . 1-1

        Scenario 2 – John Baylor . . . . . 1-2

        Scenario 3 – Justine Jackson. . . . . 1-3

        Scenario 4 – Rebecca Grant . . . . . 1-4

        Scenario 5 – Victor and Maria Olivet . . . . . 1-5

        Scenario 6 – Darius and Matilde Howard. . . . . 1-6

        Scenario 7 – Gladys Berry . . . . . 1-12

        Scenario 8 – Brenda James . . . . . 1-18

    Intermediate Scenarios

        Scenario 1 – Paul Harvard . . . . . 2-1

        Scenario 2 – George and Alberta Farmer. . . . . 2-10

    Advanced Scenarios

        Scenario 1 – Jenna E. Duboise . . . . . 3-1

    Military Scenarios

        Scenario 1 – Diana Stewart . . . . . 4-1

        Scenario 2 – Peter and Beth Anderson . . . . . 4-10

    International Scenarios

        Scenario 1 – Jason and Ella Barnes . . . . . 5-1

        Scenario 2 – Douglas and Claire Richards. . . . . 5-7

Blank Forms Table of Contents . . . . . F-1

Blank Forms . . . . . F-3

Retest Questions. . . . . R-1

### Preface

---

#### Quality Return Process

The IRS has an ongoing initiative to improve and/or enhance the quality of returns prepared at VITA/TCE sites. The Volunteer Return Preparation Program – Quality Improvement Process continues to focus on improving the return preparation process.

An accurate return is the most important aspect of providing quality service to the taxpayer; it establishes credibility and integrity in the program and the volunteer who prepared the return. Throughout the training material you were introduced to the major components of the VITA/TCE return preparation process including:

- Understanding and applying tax law
- Screening and interviewing taxpayers (Intake and Interview Sheet)
- Using references, resources, and tools
- Conducting quality reviews

During your training you were given an opportunity to apply the tax law knowledge you gained. You also learned how to properly apply the screening and interview information on the Intake and Interview Sheet to prepare a correct tax return.

You also learned how to use your references, resources, and tools; and conduct a quality review of the returns that you have prepared.

Now comes the time to test the knowledge and competencies you have acquired and apply them to specific scenarios. All of these steps help you in achieving the goal of preparing accurate tax returns within your scope of training.

We welcome your comments for improving these materials and the VITA/TCE programs. You may follow the evaluation procedures in this kit or e-mail your comments to [partner@irs.gov](mailto:partner@irs.gov).

Thank you for being a part of this valuable public service for your neighbors and community.

## Test Instructions

---

**Special Accommodations** If you require special accommodations to complete the test, please advise your Instructor immediately.

---

**Reference Materials** Use **2008** Values for Deductions, Exemptions, Tax, or Credits for all answers on the test. Remember to round to dollars. Test answers have been rounded up or down as directed in the specific instructions on the form. **The EIC and Tax Tables for 2008 are located in Publication 4491-W, Comprehensive Problems and Exercises Workbook.**

This is an open book test. You may use your course book and any other reference material you will use as a volunteer. Blank forms for the test are located in the back of the test booklet. If extra forms are needed they may be photocopied.

Please complete this test on your own. Taking the test in groups or with outside assistance is a disservice to the customers you have volunteered to help.

Income amounts for these test scenarios may exceed the income limits for VITA sites.

---

**Using Software** **The Link & Learn Taxes Practice Lab is new this year.** The Practice Lab is tax year 2008 tax preparation software (TaxWise Online training version) developed as a training tool for VITA/TCE volunteers. Go to [www.irs.gov](http://www.irs.gov) and type a keyword search Link & Learn Taxes. Go to a specific course level and click the “start course” link to display the course menu. Click on the Practice Lab icon to the right of the page. A universal password will be needed to access the Practice Lab. Your Instructor or Site Coordinator will be able to provide you with the universal password. Once you access the Practice Lab you will need to create a unique UserID.

The 2008 software will generate the correct answers for 2008 returns.

All Social Security Numbers, Employer Identification Numbers, and routing/account numbers provided in the scenarios are fictitious.

Volunteers using tax preparation software to complete the test should replace the X's as directed by the software. If you are using the Link & Learn Taxes Practice Lab replace the X's in the SSNs and EINs with your unique User ID. Use your city, state, and zip code when completing any of the forms, unless otherwise indicated.

---

**Test Answer Sheet** When you complete the test, please transfer all answers to the tear-out Test Answer Sheet.

Make sure your name is at the top of the page.

Forward the completed Test Answer Sheet and the completed Form 13615, Volunteer Agreement, as directed for grading. Do not submit your entire test booklet unless otherwise directed. If you are required to take the retest, your Test Answer Sheet will be retained.

---

---

**Test Score** You will be advised of your test results. Your Volunteer Agreement will be maintained by your Site Coordinator.

---

**Certification** Each course must be passed with a minimum score of **80%** for certification. If you do not achieve a score of at least **80%**, you should discuss it with your Instructor or Training/Site Coordinator. After the discussion, you may choose to take a certification retest. The retest questions are included in this test booklet.

---

**VITA/TCE Courses** There are five courses. They are **Basic, Intermediate, Advanced, Military, and International**. Each course is summarized below.

- **Basic:** This course covers the completion of wage earner type returns.
- **Intermediate:** This course covers completion of returns from wage earners, those who receive pension income, and more complex Forms 1040.
- **Advanced:** This course covers the completion of the full scope of returns. It requires certification in Basic and Intermediate.
- **Military:** This course covers the full scope of returns presented by members of the Armed Forces, Reserve and National Guard. It requires certification in Basic and Intermediate. This course covers domestic Military topics. Therefore, Military representatives or instructors going overseas to provide assistance or teach must be certified in both Military and International courses.
- **International:** This course covers the completion of returns for taxpayers (non-Military) living outside the United States and assisted by volunteers working at U.S. Embassies and Consulates or other areas. This requires certification in Basic and Intermediate. This course includes topics of Foreign Income Exclusion and Foreign Tax Credit required for those going overseas for Military assistance or training.

**All volunteers must complete the Basic course.** Volunteers who are certified in Basic can prepare returns within the scope of the Basic course. Volunteers can stop with Basic or proceed with other courses. Volunteers can only prepare returns for the level for which they have been certified.

Volunteers who wish to take Advanced, Military or International **must** complete Basic and Intermediate before proceeding with these additional courses. Remember each course for which you wish to be certified must be passed with a minimum score of 80% accuracy.

You may take this volunteer certification test online using the Link & Learn Taxes e-learning application at <http://www.irs.gov/app/vita/index.jsp>

or

at [www.irs.gov](http://www.irs.gov), using keyword search: Link and Learn.

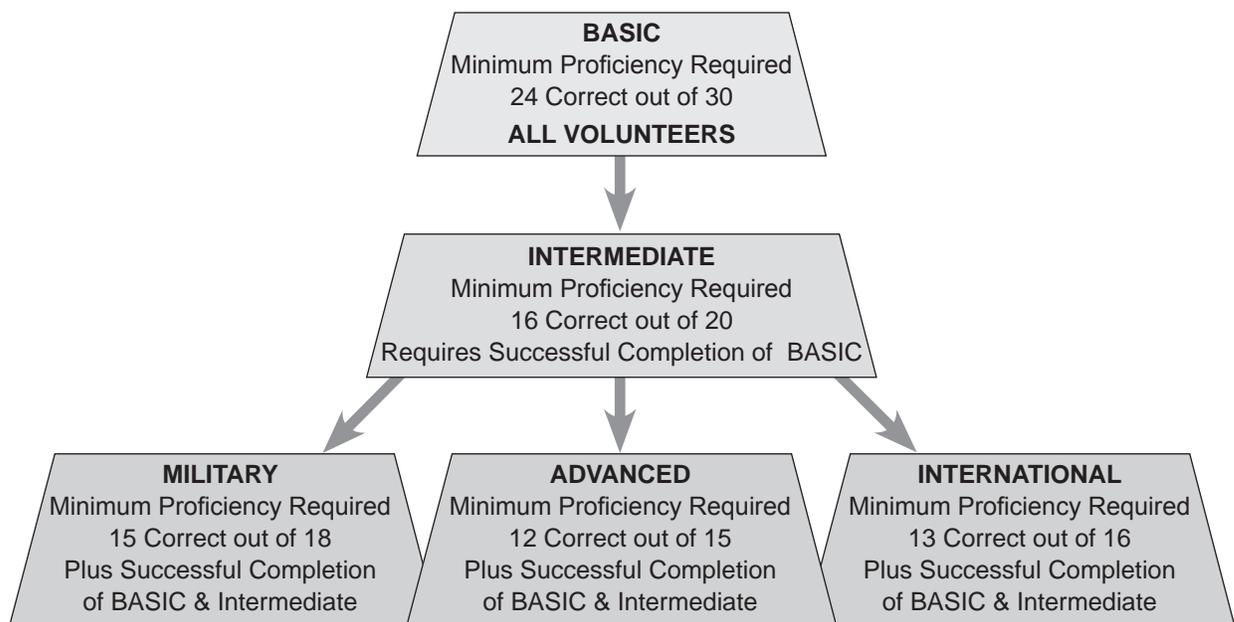


**Caution:** You can complete the test by answering the questions in this booklet and certifying using Link & Learn Taxes. **It is very important to understand the following information.** The test scenarios on Link & Learn Taxes are the same as this booklet (Form 6744, test/retest). However, each question on the Link & Learn Taxes test can be from the test or the retest. You **must** read each question carefully before entering your answers online.

**VITA/TCE  
Certification  
Requirements**

**Basic** certification is required for all volunteers who prepare or review tax returns in the VITA/TCE programs. Volunteers may certify at increasing levels of complexity based on their training and experience. Each level of certification builds on the previous level.

After completing the **Basic** certification (7 Scenarios and 1 Quality Review), volunteers may proceed to the **Intermediate** certification (2 Scenarios) followed by the **Advanced** (1 Scenario) or **Military** (2 Scenarios) or **International** (2 Scenarios) certification as their training and experience warrants.



# Test Answer Sheet

Name \_\_\_\_\_

Record all your answers on this tear-out page. Your Instructor will tell you where to send your Test Answer Sheet for grading. Be sure to complete and sign the Form 13615, Volunteer Agreement.

## Privacy Act Notice

The Privacy Act of 1974 requires that when we ask for information we tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it, and whether your response is voluntary, required to obtain a benefit, or mandatory.

Our legal right to ask for information is 5 U.S.C. 301.

We are asking for this information to assist us in contacting you relative to your interest and/or participation in the IRS volunteer income tax preparation and outreach programs. The information you provide may be furnished to others who coordinate activities and staffing at volunteer return preparation sites or outreach activities. The information may also be used to establish effective controls, send correspondence and recognize volunteers.

Your response is voluntary. However, if you do not provide the requested information, the IRS may not be able to use your assistance in these programs.

Question	Answer
<b>Basic Scenario 1</b>	
1.1	
1.2	
<b>Basic Scenario 2</b>	
2.1	
2.2	
<b>Basic Scenario 3</b>	
3.1	
3.2	
<b>Basic Scenario 4</b>	
4.1	
4.2	
<b>Basic Scenario 5</b>	
5.1	
5.2	
<b>Basic Scenario 6</b>	
6.1	
6.2	
6.3	
6.4	
6.5	
6.6	
<b>Basic Scenario 7</b>	
7.1	
7.2	
7.3	
7.4	
7.5	
7.6	
7.7	
<b>Basic Scenario 8</b>	
8.1	
8.2	
8.3	
8.4	
8.5	
8.6	
8.7	
Total Answers Correct: _____	
Total Questions: 30	
<b>Passing Score: 24 of 30</b>	

Question	Answer
<b>Intermediate Scenario 1</b>	
9.1	
9.2	
9.3	
9.4	
9.5	
9.6	
9.7	
9.8	
9.9	
9.10	
9.11	
9.12	
<b>Intermediate Scenario 2</b>	
10.1	
10.2	
10.3	
10.4	
10.5	
10.6	
10.7	
10.8	
Total Answers Correct: _____	
Total Questions: 20	
<b>Passing Score: 16 of 20</b>	
Question	Answer
<b>Advanced Scenario 1</b>	
11.1	
11.2	
11.3	
11.4	
11.5	
11.6	
11.7	
11.8	
11.9	
11.10	
11.11	
11.12	
11.13	
11.14	
11.15	
Total Answers Correct: _____	
Total Questions: 15	
<b>Passing Score: 12 of 15</b>	

Question	Answer
<b>Military Scenario 1</b>	
12.1	
12.2	
12.3	
12.4	
12.5	
12.6	
12.7	
12.8	
12.9	
12.10	
<b>Military Scenario 2</b>	
13.1	
13.2	
13.3	
13.4	
13.5	
13.6	
13.7	
13.8	
Total Answers Correct: _____	
Total Questions: 18	
<b>Passing Score: 15 of 18</b>	
Question	Answer
<b>International Scenario 1</b>	
14.1	
14.2	
14.3	
14.4	
14.5	
14.6	
14.7	
<b>International Scenario 2</b>	
15.1	
15.2	
15.3	
15.4	
15.5	
15.6	
15.7	
15.8	
15.9	
Total Answers Correct: _____	
Total Questions: 16	
<b>Passing Score: 13 of 16</b>	

Department of the Treasury – Internal Revenue Service  
**Volunteer Agreement**  
**Standards of Conduct – VITA/TCE Programs**

The mission of the VITA/TCE Program is to provide free basic tax return preparation for eligible taxpayers. Volunteers are the program's most valuable resource. To establish the greatest degree of public trust. Volunteers have a responsibility to provide high quality service and uphold the highest of ethical standards.

**Instructions: To be completed by all volunteers in the VITA/TCE program.**

As a participant in the VITA/TCE Program, I agree to the following standards of conduct:

- I will treat all taxpayers professionally, with courtesy and respect.
- I will safeguard the confidentiality of taxpayer information.
- I will apply the tax laws equitably and accurately to the best of my ability.
- I will only prepare returns for which I am certified. (Basic, Advanced, etc.)
- I will exercise reasonable care in the use and protection of equipment and supplies.
- I will not solicit business from taxpayers I assist or use the knowledge I have gained about them for any direct or indirect personal benefit for me or any other specific individual.
- I will not accept payment from taxpayers for the services I provide. I may receive compensation as an employee of a program sponsor.

**Volunteer Information**

Print Full Name

Daytime Telephone

Home Street Address

E-mail Address

City, State and Zip Code

**Signature**

Site and/or Partner Name

**Date**

**This form is to be retained at the Site or by the Partner.**

**Volunteer position(s)** \_\_\_\_\_  
(screener, preparer, interpreter, reviewer, etc.)

**(Partner Use Only) Test Results – Only volunteers preparing federal tax returns, answering tax law questions, or reviewing federal tax returns for accuracy are required to be certified.**

	Basic	Intermediate	Advanced	Military	International	Foreign Student/Scholars		
						Part 1	Part 2	Part 3
<b>Volunteer's Test Score</b>								
<b>Certification level –</b> Mark the appropriate box								

Certified by (IRS or SPEC Partner Only): \_\_\_\_\_ Date: \_\_\_\_\_

**Privacy Act Notice**—The Privacy Act of 1974 requires that when we ask for information we tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it, and whether your response is voluntary, required to obtain a benefit, or mandatory.

Our legal right to ask for information is 5 U.S.C. 301. We are asking for this information to assist us in contacting you relative to your interest and/or participation in the IRS volunteer income tax preparation and outreach programs. The information you provide may be furnished to others who coordinate activities and staffing at volunteer return preparation sites or outreach activities. The information may also be used to establish effective controls, send correspondence and recognize volunteers.

Your response is voluntary. However, if you do not provide the requested information, the IRS may not be able to use your assistance in these programs.

This page intentionally left blank.

## 2008 6744 Test – Basic Course

The first five short scenarios are designed to measure key competencies related to dependency exemptions and related tax benefits. These first five scenarios do not require you to prepare a tax return. Read each scenario carefully and use your reference tools (**Publication 4012**, **Volunteer Resource Guide**, and **Publication 17**) to answer the questions after the scenario.

### Basic Scenario 1: Janice Simpson

#### Interview Notes

- Janice is 17 years old, single, and a full-time student.
- Janice lived with her parents all year. She does not pay rent or household bills.
- Janice does not provide over half of her own support.
- She started working part-time in 2008 and is saving most of her money.
- In 2008, Janice worked at the local hardware store and earned \$4,500, which was her total income for the year.
- Janice's federal income tax withholding was \$500.
- Janice and her parents are U.S. citizens and have valid social security numbers.

### Basic Scenario 1: Test Questions

#### Directions

Using your resource materials and the above interview notes, answer the following questions.

- 1.1 Is Janice eligible for the earned income credit (EIC) on her tax return?
  - a. Yes
  - b. No
- 1.2 What amount can Janice claim for her own personal exemption?
  - a. \$0
  - b. \$3,500
  - c. \$7,000
  - d. Janice can choose either \$0 or \$3,500

## Basic Scenario 2: John Baylor

### Interview Notes

- John is single and lives with his girlfriend, Theresa, and her three-year-old son Timmy. The three of them have lived together since November 2006. They lived together for the entire year of 2008.
- John is not Timmy's father.
- Timmy's father does not contribute to Timmy's support; he left shortly after Timmy was born. Theresa has not had any contact with Timmy's father since he left.
- John worked and provided all the support for both Theresa and Timmy during 2008.
- John earned \$31,000 for 2008. He has no other income.
- Theresa stays home and takes care of Timmy.
- Theresa and Timmy had no income and Theresa is not filing a 2008 tax return.
- John, Theresa, and Timmy are U.S. citizens and have valid social security numbers.

## Basic Scenario 2: Test Questions

### Directions

Using your resource materials and the above interview notes, answer the following questions.

- 2.1** Can John claim Timmy as a dependent?
- a. Yes, because Timmy is his qualifying child.
  - b. No, because John is not Timmy's father.
  - c. Yes, because Timmy is his dependent under the rules for qualifying relative.
  - d. No, because Timmy is Theresa's son.
- 2.2** Does John qualify for Head of Household filing status?
- a. Yes
  - b. No

## Basic Scenario 3: Justine Jackson

### Interview Notes

- Justine Jackson and Michael Martin separated in July 2006, and Michael moved out of the house.
- They were divorced in October 2007.
- They have one child, Lizzie, age 4.
- In 2008, Lizzie lived with Justine the entire year.
- Justine and Michael provided all of Lizzie's support.
- In 2008, Justine worked part-time and earned \$15,000. Michael worked full-time and earned \$32,000.
- Since Michael pays child support, Justine told Michael to claim Lizzie for everything on his tax return.
- The divorce decree does not state who can claim Lizzie.
- Justine, Michael, and Lizzie are U.S. citizens and have valid social security numbers.

## Basic Scenario 3: Test Questions

### Directions

Using your resource materials and the above interview notes, answer the following questions.

- 3.1** Who can claim Lizzie as a qualifying child for the EIC?
- a. Michael is the only one who can claim Lizzie for the EIC.
  - b. Either Michael or Justine can claim Lizzie for the EIC.
  - c. Justine is the only one who can claim Lizzie for the EIC.
  - d. No one can claim Lizzie for the EIC.
- 3.2** Who can claim Lizzie as a dependent?
- a. Michael can claim Lizzie because he has the higher income.
  - b. Justine can claim Lizzie or she can sign Form 8332, Release of Claim to Exemption for Child of Divorced or Separated Parents, to allow Michael to claim Lizzie as a dependent.
  - c. It depends on the actual amount of child support Michael paid.
  - d. No one can claim Lizzie as a dependent.

## Basic Scenario 4: Rebecca Grant

### Interview Notes

- Rebecca Grant is 26 years old and she is not disabled.
- Tammy is Rebecca's 6-year-old daughter.
- Rebecca was never married to Tammy's father. He has been in prison since 2006, serving a 10-year sentence. Tammy's father does not contribute any financial support.
- In 2008, Rebecca and Tammy lived with Rebecca's mother, Martha, for the entire year.
- Tammy did not provide any of her own support.
- Rebecca and Martha provided Tammy's support.
- Rebecca worked as a clerk and earned \$23,000.
- Martha worked part-time and earned \$14,000 to supplement her social security income.
- Rebecca, Tammy, and Martha are U.S. citizens and have valid social security numbers.

## Basic Scenario 4: Test Questions

### Directions

Using your resource materials and the above interview notes, answer the following questions.

- 4.1** Who can claim Tammy as a dependent?
- a. Only Rebecca can claim Tammy because Rebecca is Tammy's mother.
  - b. Only Martha can claim Tammy because Tammy lived in Martha's home.
  - c. Neither Rebecca nor Martha can claim Tammy as a dependent.
  - d. Either Rebecca or Martha can claim Tammy as a dependent under the rules for qualifying child.
- 4.2** In the Exemption/Dependency section of Publication 4012, Volunteer Resource Guide, which table includes interview tips on the rules for claiming Tammy as a dependent?
- a. Table 1: Dependency Exemption for Qualifying Child
  - b. Table 2: Dependency Exemption for Qualifying Relative
  - c. Table 3: Child of Divorced or Separated Parents
  - d. None

## Basic Scenario 5: Victor and Maria Olivet

### Interview Notes

- Victor and Maria are married and lived together in the U.S. all of 2008 with their two sons, Peter, age 2, and Julian, age 4.
- Victor and Maria have lived in the U.S. for 5 years.
- Together, Victor and Maria earned \$35,000, which was their only income.
- Victor and Maria provided all the support for Peter and Julian.
- Victor and Maria have Individual Taxpayer Identification Numbers (ITINs).
- Peter and Julian are both U.S. citizens and have valid social security numbers (SSNs).

## Basic Scenario 5: Test Questions

### Directions

Using your resource materials and the above interview notes, answer the following questions.

- 5.1** Victor and Maria are going to file a joint return. Whom can they claim as dependents?
- a. They can claim both Peter and Julian as dependents.
  - b. They cannot claim any dependents because Victor and Maria have ITINs.
  - c. They cannot claim any dependents because some family members do not have SSNs.
  - d. Based on their income, they can only claim one dependent.
- 5.2** Can Victor and Maria claim Peter and Julian as qualifying children for the EIC on their joint return?
- a. Victor and Maria can claim Peter and Julian as qualifying children for the EIC because Peter and Julian have social security numbers.
  - b. Victor and Maria can claim both Peter and Julian as qualifying children for the EIC because the children lived with them in the U.S. all year.
  - c. Since Victor and Maria have ITINs, they do not qualify for the EIC.
  - d. Victor and Maria's income is too high to qualify for the EIC.

## Basic Scenario 6: Darius and Matilde Howard

- Taxpayer Documents**
- Completed Intake and Interview Sheet
  - Social security cards for Darius, Matilde, and Isabelle Howard
  - Form W-2 for Matilde Howard
  - Form W-2 for Darius Howard
  - Form 1099-DIV from U.S. Equity Fund
  - Statement from Extended Learning Center

- Interview Notes**
- Matilde and Darius are married and have one child, Isabelle.
  - They want to file a joint return.
  - Matilde is a secretary and Darius is a sales clerk.
  - Matilde and Darius have never itemized their deductions and they will not itemize in 2008.
  - They did not pay any real estate taxes in 2008.
  - Their daughter, Isabelle, attended school and went to after-school care during the school year.
  - Matilde and Darius both want to designate \$3 to the Presidential Election Campaign Fund.
  - In June of 2008, Darius and Matilde received an Economic Stimulus Payment of \$1,500.
  - Matilde and Darius have never taken a distribution from any retirement account.



**Intake/Interview & Quality Review Sheet**

**You (and Spouse) will need:**

- *Proof of Identity*
- *Social Security Card or Individual Tax Identification Number (ITIN) letter for all individuals to be listed on the return*
- *Copies of ALL W-2, 1098, 1099 forms*
- *Amounts of any other income*
- *Child care provider's identification number*
- *Amounts/dates of estimated or other tax payments made, etc.*
- *Bank documents showing routing and account numbers if requesting direct deposit/debit*

**Part I: Taxpayer Information**

1. Your First Name DARIUS		M.I. P	Last Name HOWARD		2. Date of Birth (mm/dd/yyyy) 09/21/1960	
3. US Citizen or Resident Alien <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		4. Legally Blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		5. Totally and Permanently Disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		6. Occupation SALES CLERK
7. Spouse's First Name MATILDE		M.I. S	Last Name HOWARD		8. Date of Birth (mm/dd/yyyy) 03/06/1961	
9. US Citizen or Resident Alien <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		10. Legally Blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		11. Totally and Permanently Disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		12. Occupation SECRETARY
13. Address 1932 CALVINS COURT			Apt #	City YOUR CITY		State   Zip Code YS   YOUR ZIP
14. Phone Number and e-mail address Phone: ( ) YOUR PHONE NUMBER e-mail:				15. Could you or your spouse be claimed as a dependent on the income tax return of any other person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
16. On December 31 <sup>st</sup>						
a. Were you: <input type="checkbox"/> Single <input checked="" type="checkbox"/> Legally Married <input type="checkbox"/> Separated <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed						
b. If married, did you live with your spouse during any part of the last six months of the year? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
c. Is your spouse deceased? If yes, provide the date of death. _____ (mm/dd/yyyy)						

**Part II. Family and Dependent Information – Do not include you or your spouse.**

*Print the name of everyone who lived in your home and outside your home that you supported during the year.*

Name (first, last)	Date of Birth mm/dd/yyyy	Relationship to you (son, daughter, etc.)	Number of months person lived with you last year	US Citizen, Resident of US, Canada or Mexico (yes or no)	Is the dependent a full time student? (yes or no)
(a)	(b)	(c)	(d)	(e)	(f)
ISABELLE HOWARD	12/31/1996	DAUGHTER	12	YES	YES

**Paperwork Reduction Act Notice**

The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1964. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service, Tax Products Coordinating Committee, SE-W-CAR, MP:T.T.SP, 1111 Constitution Ave. NW, Washington, DC 20224.

Catalog Number 52121E

Form **13614-C** (9-2008)

**Please Complete Page 2, except Part V. A Certified Volunteer will confirm the information with you.**

## COMMON INCOME AND EXPENSES

### Part III. Income – Did you (or your spouse) receive:

- Yes  No 1. Wages or Salary (include W-2s for all jobs worked during the year)
- Yes  No 2. Tip income
- Yes  No 3. Interest/Dividends from: checking or savings account, bonds, CDs, or brokerage account
- Yes  No 4. State tax refund (may be taxable if you itemized last year)
- Yes  No 5. Self Employment Income - business, farm, hobby, **1099-Misc or any earned income not reported on W-2**
- Yes  No 6. Alimony income
- Yes  No 7. Sale of Stock, Bonds or Real Estate
- Yes  No 8. Disability income
- Yes  No 9. Pensions, Annuities, and/or IRA distributions
- Yes  No 10. Unemployment (1099-G)
- Yes  No 11. Social Security or Railroad Retirement Benefits (1099-SSA or RRB)
- Yes  No 12. Other Income: Identify \_\_\_\_\_

### Part IV. Expenses – Did you (or your spouse) make or have:

- Yes  No 1. Alimony payments (if yes, you must provide the name and SSN of the recipient)
- Yes  No 2. Contributions to IRA or other retirement account
- Yes  No 3. Educational expenses for you, your spouse and/or dependents
- Yes  No 4. Un-reimbursed medical expenses
- Yes  No 5. Home mortgage payments (interest and taxes – see Form 1098)
- Yes  No 6. Charitable contributions
- Yes  No 7. Child/dependent care expenses that allow you (and your spouse - if married) to work
- Yes  No 8. Any estimated tax payments for this tax year
- Yes  No 9. Was EIC previously disallowed? (if yes, you may not be eligible for EIC)

### Part V. For Completion by a Certified Volunteer

**Volunteer Preparer Instructions:** You must conduct a thorough interview to complete an accurate return. This Intake/Interview Sheet is the start of your conversation with the taxpayer. Use the decision trees in Publication 4012, Volunteer Resource Guide, while discussing the questions on this form. **Remember to ask for all documentation.** Update the Intake/Interview Sheet with any changes identified during your interview. Confirm all information with the taxpayer.

- Yes  No 1. Did any of these dependents file a joint return for this tax year?
- Yes  No 2. Can anyone else claim any of these dependents on their income tax return?
- Yes  No 3. Did any dependent on the return provide more than 50% of their own support?
- Yes  No 4. Were any of these dependents permanently and totally disabled last year?
- Yes  No 5. Did the taxpayer provide over half the support for each of these dependents?
- \_\_\_\_\_ 6. Based on the interview, how many individuals qualify as dependents for this return?
- Yes  No 7. Based on the interview, does the taxpayer qualify for EIC?

Based on the interview, the filing status of the taxpayer is:  Single  MFJ  MFS\*  HOH  QW

\*If MFS, then spouse's name and SSN should be included on the tax return.

Did the taxpayer receive an Economic Stimulus Payment last year?

- Yes  No If yes, how much? \$1,500.00 \_\_\_\_\_

a Employee's social security number 130-XX-XXXX		Safe, accurate, FAST! Use 		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a> .	
b Employer identification number (EIN) 03-5XXXXXX		1 Wages, tips, other compensation \$27,000		2 Federal income tax withheld \$402	
c Employer's name, address, and ZIP code CROSSROADS SHIPPING 12 DOUGHTIE STREET STE 150 YOUR CITY, STATE ZIP		3 Social security wages \$27,000		4 Social security tax withheld \$1,674	
		5 Medicare wages and tips \$27,000		6 Medicare tax withheld \$392	
		7 Social security tips		8 Allocated tips	
		9 Advance EIC payment \$400		10 Dependent care benefits	
d Control number		11 Nonqualified plans		12a See instructions for box 12	
e Employee's first name and initial Last name Suff. DARIUS P. HOWARD 1932 CALVINS COURT YOUR CITY, STATE ZIP		13 Statutory employee <input type="checkbox"/> Rollover plan <input checked="" type="checkbox"/> Third-party tick pay <input type="checkbox"/>		12b	
		14 Other		12c	
				12d	
f Employee's address and ZIP code		15 State Employer's state ID number YS 03-5XXXXXX		16 State wages, tips, etc. \$27,000	
		17 State income tax \$225		18 Local wages, tips, etc.	
				19 Local income tax	
				20 Locality name	

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

2008

Department of the Treasury—Internal Revenue Service

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

a Employee's social security number 131-XX-XXXX		Safe, accurate, FAST! Use 		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a> .	
b Employer identification number (EIN) 03-6XXXXXX		1 Wages, tips, other compensation \$15,500		2 Federal income tax withheld \$198	
c Employer's name, address, and ZIP code BONNIES BONNETS 2250 DELORIS AVE YOUR CITY, STATE ZIP		3 Social security wages \$16,500		4 Social security tax withheld \$1,023	
		5 Medicare wages and tips \$16,500		6 Medicare tax withheld \$239	
		7 Social security tips		8 Allocated tips	
		9 Advance EIC payment		10 Dependent care benefits	
d Control number		11 Nonqualified plans		12a See instructions for box 12 D \$1,000	
e Employee's first name and initial Last name Suff. MATILDE S. HOWARD 1932 CALVINS COURT YOUR CITY, STATE ZIP		13 Statutory employee <input type="checkbox"/> Rollover plan <input checked="" type="checkbox"/> Third-party tick pay <input type="checkbox"/>		12b	
		14 Other		12c	
				12d	
f Employee's address and ZIP code		15 State Employer's state ID number YS 03-6XXXXXX		16 State wages, tips, etc. \$15,500	
		17 State income tax \$129		18 Local wages, tips, etc.	
				19 Local income tax	
				20 Locality name	

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

2008

Department of the Treasury—Internal Revenue Service

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

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no.  <b>US EQUITY FUND 8020 YONKERS BLVD YOUR CITY, STATE ZIP</b>		<b>1a</b> Total ordinary dividends \$ <b>200</b>	OMB No. 1545-0110  <b>2008</b>	<b>Dividends and Distributions</b>
		<b>1b</b> Qualified dividends \$ <b>200</b>	Form <b>1099-DIV</b>	
		<b>2a</b> Total capital gain distr. \$ <b>50</b>	<b>2b</b> Unrecap. Sec. 1250 gain \$	<b>Copy B For Recipient</b>
PAYER'S federal identification number <b>03-4XXXXXX</b>	RECIPIENT'S identification number <b>131-XX-XXXX</b>			
RECIPIENT'S name  <b>MATILDE S HOWARD</b>		<b>2c</b> Section 1202 gain \$	<b>2d</b> Collectibles (28%) gain \$	This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
Street address (including apt. no.) <b>1932 CALVINS COURT</b>		<b>3</b> Nondividend distributions \$	<b>4</b> Federal income tax withheld \$	
City, state, and ZIP code <b>YOUR CITY, STATE ZIP</b>			<b>5</b> Investment expenses \$	
Account number (see instructions)		<b>6</b> Foreign tax paid \$	<b>7</b> Foreign country or U.S. possession	
		<b>8</b> Cash liquidation distributions \$	<b>9</b> Noncash liquidation distributions \$	

Form **1099-DIV**

(keep for your records)

Department of the Treasury - Internal Revenue Service

## Extended Learning Center

3030 Joann  
Your City, Your State Your Zip

December 31, 2008

Received \$800 from Matilde Howard for after-school care of Isabelle

Della Krause

EIN: 03-3XXXXXX

## Basic Scenario 6: Test Questions

### Directions

Please complete Form 1040 and the appropriate forms, schedules, or worksheets to answer the following questions. At the time this document went to print, there was pending legislation related to the Alternative Minimum Tax. Form 6251, Alternative Minimum Tax, does not apply to this taxpayer. You are a volunteer at site S21014444.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

- 6.1** Darius and Matilde have a balance due on their Form 1040, line 75. They don't think they have enough money in their checking account to pay this by April 15. What can they do?
- Pay the amount owed with their credit card.
  - Have the funds automatically withdrawn from their savings account.
  - Use Form 9465, Installment Agreement Request, to apply to the IRS for a monthly installment agreement.
  - Any of the above.
- 6.2** What is the credit for child and dependent care expenses on Form 2441, line 13?
- \$0
  - \$168
  - \$400
  - \$800
- 6.3** What is the amount of the Howards' recovery rebate credit on Form 1040, line 70?
- \$0
  - \$300
  - \$600
  - \$900
- 6.4** What is the amount of the retirement savings contributions credit on Form 1040, line 52? \$\_\_\_\_\_.
- 6.5** What is the Howards' standard deduction amount? \$\_\_\_\_\_.
- 6.6** The Howards' total income on Form 1040, line 22 is:
- \$42,500
  - \$42,700
  - \$42,750
  - \$43,750

## Basic Scenario 7: Gladys Berry

- Taxpayer Documents**
- Social security cards for Gladys, Kevin, and Maria Berry
  - Two Forms W-2 for Gladys Berry
  - Form 1099-G, Unemployment Compensation, for Gladys Berry
  - Completed Intake and Interview Sheet
  - Voided personal check

- Interview Notes**
- Gladys is married. Her husband, Sam, moved out of the house and left the family in December 2006. Gladys has not seen Sam since.
  - Gladys provides the entire cost of maintaining the household and all the support for the family.
  - Gladys tells you that she does not want to file with her husband.
  - Gladys has never itemized her deductions and will not itemize for 2008.
  - Gladys did not pay any real estate taxes in 2008.
  - Gladys' mother, Helen, took care of Maria and Kevin in Helen's home after school and during the summer. She did not allow Gladys to pay her anything for this help.
  - Gladys was laid off in September and received unemployment compensation for two months.
  - If she is due a refund, Gladys wants half placed in her checking account and half in her savings account. The savings account routing number is 322070239 and the savings account number is 987654321.
  - Gladys wants to designate \$3 to go to the Presidential Election Campaign Fund.
  - Gladys is a medical secretary.
  - Gladys had no income in 2007 and did not file a 2007 tax return.



**Intake/Interview & Quality Review Sheet**

**You (and Spouse) will need:**

- *Proof of Identity*
- *Social Security Card or Individual Tax Identification Number (ITIN) letter for all individuals to be listed on the return*
- *Copies of ALL W-2, 1098, 1099 forms*
- *Amounts of any other income*
- *Child care provider's identification number*
- *Amounts/dates of estimated or other tax payments made, etc.*
- *Bank documents showing routing and account numbers if requesting direct deposit/debit*

**Part I: Taxpayer Information**

1. Your First Name GLADYS		M.I. S	Last Name BERRY		2. Date of Birth (mm/dd/yyyy) 04/29/1968	
3. US Citizen or Resident Alien <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		4. Legally Blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		5. Totally and Permanently Disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		6. Occupation MED SECRETARY
7. Spouse's First Name SAM		M.I. A	Last Name BERRY		8. Date of Birth (mm/dd/yyyy) 05/15/1961	
9. US Citizen or Resident Alien <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		10. Legally Blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		11. Totally and Permanently Disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		12. Occupation UNKNOWN
13. Address 129 PETERBOROUGH			Apt #	City YOUR CITY		State Zip Code YS YOUR ZIP
14. Phone Number and e-mail address Phone: ( ) YOUR PHONE NUMBER e-mail:				15. Could you or your spouse be claimed as a dependent on the income tax return of any other person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
16. On December 31 <sup>st</sup>						
a. Were you: <input type="checkbox"/> Single <input checked="" type="checkbox"/> Legally Married <input type="checkbox"/> Separated <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed						
b. If married, did you live with your spouse during any part of the last six months of the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No						
c. Is your spouse deceased? If yes, provide the date of death. _____ (mm/dd/yyyy)						

**Part II. Family and Dependent Information – Do not include you or your spouse.**

*Print the name of everyone who lived in your home and outside your home that you supported during the year.*

Name (first, last)	Date of Birth mm/dd/yyyy	Relationship to you (son, daughter, etc.)	Number of months person lived with you last year	US Citizen, Resident of US, Canada or Mexico (yes or no)	Is the dependent a full time student? (yes or no)
(a)	(b)	(c)	(d)	(e)	(f)
MARIA BERRY	08/25/2001	DAUGHTER	12	YES	YES
KEVIN BERRY	06/06/1999	SON	12	YES	YES

**Paperwork Reduction Act Notice**

The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1964. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W.CAR:MP:T:T:SP, 1111 Constitution Ave. NW, Washington, DC 20224.

**Please Complete Page 2, except Part V. A Certified Volunteer will confirm the information with you.**

---

## COMMON INCOME AND EXPENSES

---

### Part III. Income – Did you (or your spouse) receive:

---

- Yes  No 1. Wages or Salary (include W-2s for all jobs worked during the year)
- Yes  No 2. Tip income
- Yes  No 3. Interest/Dividends from: checking or savings account, bonds, CDs, or brokerage account
- Yes  No 4. State tax refund (may be taxable if you itemized last year)
- Yes  No 5. Self Employment Income - business, farm, hobby, **1099-Misc or any earned income not reported on W-2**
- Yes  No 6. Alimony income
- Yes  No 7. Sale of Stock, Bonds or Real Estate
- Yes  No 8. Disability income
- Yes  No 9. Pensions, Annuities, and/or IRA distributions
- Yes  No 10. Unemployment (1099-G)
- Yes  No 11. Social Security or Railroad Retirement Benefits (1099-SSA or RRB)
- Yes  No 12. Other Income: Identify \_\_\_\_\_
- 

### Part IV. Expenses – Did you (or your spouse) make or have:

---

- Yes  No 1. Alimony payments (if yes, you must provide the name and SSN of the recipient)
- Yes  No 2. Contributions to IRA or other retirement account
- Yes  No 3. Educational expenses for you, your spouse and/or dependents
- Yes  No 4. Un-reimbursed medical expenses
- Yes  No 5. Home mortgage payments (interest and taxes – see Form 1098)
- Yes  No 6. Charitable contributions
- Yes  No 7. Child/dependent care expenses that allow you (and your spouse - if married) to work
- Yes  No 8. Any estimated tax payments for this tax year
- Yes  No 9. Was EIC previously disallowed? (if yes, you may not be eligible for EIC)
- 

### Part V. For Completion by a Certified Volunteer

---

**Volunteer Preparer Instructions:** You must conduct a thorough interview to complete an accurate return. This Intake/Interview Sheet is the start of your conversation with the taxpayer. Use the decision trees in Publication 4012, Volunteer Resource Guide, while discussing the questions on this form. **Remember to ask for all documentation.** Update the Intake/Interview Sheet with any changes identified during your interview. Confirm all information with the taxpayer.

---

- Yes  No 1. Did any of these dependents file a joint return for this tax year?
- Yes  No 2. Can anyone else claim any of these dependents on their income tax return?
- Yes  No 3. Did any dependent on the return provide more than 50% of their own support?
- Yes  No 4. Were any of these dependents permanently and totally disabled last year?
- Yes  No 5. Did the taxpayer provide over half the support for each of these dependents?
- \_\_\_\_\_ 6. Based on the interview, how many individuals qualify as dependents for this return?
- Yes  No 7. Based on the interview, does the taxpayer qualify for EIC?

Based on the interview, the filing status of the taxpayer is:  Single  MFJ  MFS\*  HOH  QW

\*If MFS, then spouse's name and SSN should be included on the tax return.

Did the taxpayer receive an Economic Stimulus Payment last year?

Yes  No If yes, how much? \$0 \_\_\_\_\_

---

a Employee's social security number <b>140-XX-XXXX</b>		Safe, accurate, FAST! Use 		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a> .	
b Employer identification number (EIN) <b>04-1XXXXXX</b>		1 Wages, tips, other compensation <b>\$14,000</b>		2 Federal income tax withheld <b>\$900</b>	
c Employer's name, address, and ZIP code <b>LOST PINES CRAFTS 10599 LILLIAN YOUR CITY, STATE ZIP</b>		3 Social security wages <b>\$14,000</b>		4 Social security tax withheld <b>\$868</b>	
		5 Medicare wages and tips <b>\$14,000</b>		6 Medicare tax withheld <b>\$203</b>	
		7 Social security tips		8 Allocated tips	
		9 Advance EIC payment <b>\$152</b>		10 Dependent care benefits	
d Control number		11 Nonqualified plans		12a See instructions for box 12	
e Employee's first name and initial Last name Suff. <b>GLADYS S. BERRY 129 PETERBOROUGH YOUR CITY, STATE ZIP</b>		13 Salaried employee <input type="checkbox"/> Resistant plan <input type="checkbox"/> Third-party self-pay <input type="checkbox"/>		12b	
		14 Other		12c	
				12d	
f Employee's address and ZIP code		15 State Employer's state ID number <b>YS 04-1XXXXXX</b>		16 State wages, tips, etc. <b>\$14,000</b>	
		17 State income tax <b>\$155</b>		18 Local wages, tips, etc.	
				19 Local income tax	
				20 Locality name	

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

**2008**

Department of the Treasury—Internal Revenue Service

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

a Employee's social security number <b>140-XX-XXXX</b>		Safe, accurate, FAST! Use 		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a> .	
b Employer identification number (EIN) <b>04-2XXXXXX</b>		1 Wages, tips, other compensation <b>\$8,000</b>		2 Federal income tax withheld <b>\$500</b>	
c Employer's name, address, and ZIP code <b>ORTHOPEDIC SERVICES, PA 1270 WEST 29TH STREET YOUR CITY, STATE ZIP</b>		3 Social security wages <b>\$8,000</b>		4 Social security tax withheld <b>\$496</b>	
		5 Medicare wages and tips <b>\$8,000</b>		6 Medicare tax withheld <b>\$116</b>	
		7 Social security tips		8 Allocated tips	
		9 Advance EIC payment		10 Dependent care benefits	
d Control number		11 Nonqualified plans		12a See instructions for box 12	
e Employee's first name and initial Last name Suff. <b>GLADYS S. BERRY 129 PETERBOROUGH YOUR CITY, STATE ZIP</b>		13 Salaried employee <input type="checkbox"/> Resistant plan <input type="checkbox"/> Third-party self-pay <input type="checkbox"/>		12b	
		14 Other		12c	
				12d	
f Employee's address and ZIP code		15 State Employer's state ID number <b>YS 04-2XXXXXX</b>		16 State wages, tips, etc. <b>\$8,000</b>	
		17 State income tax <b>\$97</b>		18 Local wages, tips, etc.	
				19 Local income tax	
				20 Locality name	

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

**2008**

Department of the Treasury—Internal Revenue Service

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

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no. <b>STATE UNEMPLOYMENT COMMISSION 1000 GOVERNMENT PLAZA YOUR CITY, STATE ZIP</b>		<b>1</b> Unemployment compensation \$ <b>3,000</b>	OMB No. 1545-0120 <b>2008</b> Form <b>1099-G</b>	<b>Certain Government Payments</b>
PAYER'S federal identification number <b>04-3XXXXXX</b>	RECIPIENT'S identification number <b>140-XX-XXXX</b>	<b>2</b> State or local income tax refunds, credits, or offsets \$	<b>3</b> Box 2 amount is for tax year	
RECIPIENT'S name <b>GLADYS BERRY</b>  Street address (including apt. no.) <b>129 PETERBOROUGH</b> City, state, and ZIP code <b>YOUR CITY, STATE ZIP</b>  Account number (see instructions)		<b>5</b> ATAA payments \$	<b>6</b> Taxable grants \$	<b>Copy B For Recipient</b>  This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
		<b>7</b> Agriculture payments \$	<b>8</b> Box 2 is trade or business income <input type="checkbox"/>	

Form **1099-G**

(keep for your records)

Department of the Treasury - Internal Revenue Service

<b>Gladys S. Berry</b> 129 Peterborough Your City, State 00000	<b>1234</b> 15-0000000000
PAY TO THE ORDER OF _____	_____ 20____
	\$ _____
	DOLLARS
<b>Bank of America</b> Anytown, State 00000	
For _____	
: 111000025 : 123456789 1234	

VOID

## Basic Scenario 7: Test Questions

### Directions

Please complete Form 1040 and the appropriate forms, schedules, or worksheets to answer the following questions. At the time this document went to print, there was pending legislation related to the Alternative Minimum Tax. Form 6251, Alternative Minimum Tax, does not apply to this taxpayer. You are a volunteer at site S21014444.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

- 7.1** Using the Determination of Filing Status flowchart in Publication 4012, Volunteer Resource Guide, what is Gladys' filing status?
- a. Single
  - b. Married Filing Jointly
  - c. Married Filing Separately
  - d. Head of Household
- 7.2** Whom can Gladys claim for the child tax credit?
- a. Kevin
  - b. Maria
  - c. Both Maria and Kevin
  - d. Neither Maria nor Kevin
- 7.3** What is Gladys' adjusted gross income on Form 1040, line 38?
- a. \$17,000
  - b. \$22,000
  - c. \$25,000
  - d. \$25,152
- 7.4** For purposes of computing Gladys' EIC, what is Gladys' earned income?
- a. Gladys has no earned income
  - b. Gladys' wages and unemployment compensation
  - c. Gladys' wages only
  - d. Gladys' unemployment compensation only
- 7.5** What is the amount of Gladys' earned income credit on Form 1040, line 64a?  
\$\_\_\_\_\_
- 7.6** Gladys wants to direct deposit her refund into two different accounts. What form needs to be completed? Form \_\_\_\_\_
- 7.7** What is the amount of the recovery rebate credit on Form 1040, line 70? \$\_\_\_\_\_

## Basic Scenario 8: Brenda James

- Taxpayer Documents**
- Completed Intake and Interview Sheet
  - Social security cards for Brenda James, Paul James, and Emily Jackson
  - Two Forms W-2 for Brenda
  - Form 1099-INT from First National Bank and Trust
  - Form 1099-DIV from Small Cap Mutual Fund

- Interview Notes**
- Another volunteer has completed the tax return for Brenda James. You have been asked to perform the quality review.
  - A Quality Review Sheet is provided to use as a tool in this review.
  - Brenda James is not married and lives with her two children, Paul and Emily. The children lived with her the entire year of 2008. Brenda and her children have not had any contact with Paul and Emily's father since 1995.
  - Brenda provides the entire cost of maintaining the household and all the support for the family.
  - Emily and Paul are both high school students and have no income.
  - Brenda has never itemized her deductions and will not itemize for 2008.
  - Brenda did not pay any real estate taxes in 2008.
  - Brenda does not want to designate \$3 to go to the Presidential Election Campaign Fund.
  - If Brenda is due a refund, she wants the check mailed to her.
  - Brenda is an office clerk.
  - In June 2008, Brenda received an Economic Stimulus Payment of \$900.



**Intake/Interview & Quality Review Sheet**

**You (and Spouse) will need:**

- *Proof of Identity*
- *Social Security Card or Individual Tax Identification Number (ITIN) letter for all individuals to be listed on the return*
- *Copies of ALL W-2, 1098, 1099 forms*
- *Amounts of any other income*
- *Child care provider's identification number*
- *Amounts/dates of estimated or other tax payments made, etc.*
- *Bank documents showing routing and account numbers if requesting direct deposit/debit*

**Part I: Taxpayer Information**

1. Your First Name BRENDA		M.I. L	Last Name JAMES		2. Date of Birth (mm/dd/yyyy) 11/29/1966	
3. US Citizen or Resident Alien <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		4. Legally Blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		5. Totally and Permanently Disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		6. Occupation OFFICE CLERK
7. Spouse's First Name		M.I.	Last Name		8. Date of Birth (mm/dd/yyyy)	
9. US Citizen or Resident Alien <input type="checkbox"/> Yes <input type="checkbox"/> No		10. Legally Blind <input type="checkbox"/> Yes <input type="checkbox"/> No		11. Totally and Permanently Disabled <input type="checkbox"/> Yes <input type="checkbox"/> No		12. Occupation
13. Address 1492 COLUMBUS DRIVE				Apt #	City YOUR CITY	State YS      Zip Code YOUR ZIP
14. Phone Number and e-mail address Phone: (      ) YOUR PHONE NUMBER e-mail:				15. Could you or your spouse be claimed as a dependent on the income tax return of any other person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
16. <b>On December 31<sup>st</sup></b>						
a. Were you: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Legally Married <input type="checkbox"/> Separated <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed						
b. If married, did you live with your spouse during any part of the last six months of the year? <input type="checkbox"/> Yes <input type="checkbox"/> No						
c. Is your spouse deceased? If yes, provide the date of death. _____ (mm/dd/yyyy)						

**Part II. Family and Dependent Information – Do not include you or your spouse.**

*Print the name of everyone who lived in your home and outside your home that you supported during the year.*

Name (first, last)	Date of Birth mm/dd/yyyy	Relationship to you (son, daughter, etc.)	Number of months person lived with you last year	US Citizen, Resident of US, Canada or Mexico (yes or no)	Is the dependent a full time student? (yes or no)
(a)	(b)	(c)	(d)	(e)	(f)
PAUL JAMES	05/10/1993	SON	12	YES	YES
EMILY JACKSON	12/05/1991	DAUGHTER	12	YES	YES

**Paperwork Reduction Act Notice**

The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1964. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, Washington, DC 20224.

**Please Complete Page 2, except Part V. A Certified Volunteer will confirm the information with you.**

## COMMON INCOME AND EXPENSES

### Part III. Income – Did you (or your spouse) receive:

- Yes  No 1. Wages or Salary (include W-2s for all jobs worked during the year)
- Yes  No 2. Tip income
- Yes  No 3. Interest/Dividends from: checking or savings account, bonds, CDs, or brokerage account
- Yes  No 4. State tax refund (may be taxable if you itemized last year)
- Yes  No 5. Self Employment Income - business, farm, hobby, **1099-Misc or any earned income not reported on W-2**
- Yes  No 6. Alimony income
- Yes  No 7. Sale of Stock, Bonds or Real Estate
- Yes  No 8. Disability income
- Yes  No 9. Pensions, Annuities, and/or IRA distributions
- Yes  No 10. Unemployment (1099-G)
- Yes  No 11. Social Security or Railroad Retirement Benefits (1099-SSA or RRB)
- Yes  No 12. Other Income: Identify \_\_\_\_\_

### Part IV. Expenses – Did you (or your spouse) make or have:

- Yes  No 1. Alimony payments (if yes, you must provide the name and SSN of the recipient)
- Yes  No 2. Contributions to IRA or other retirement account
- Yes  No 3. Educational expenses for you, your spouse and/or dependents
- Yes  No 4. Un-reimbursed medical expenses
- Yes  No 5. Home mortgage payments (interest and taxes – see Form 1098)
- Yes  No 6. Charitable contributions
- Yes  No 7. Child/dependent care expenses that allow you (and your spouse - if married) to work
- Yes  No 8. Any estimated tax payments for this tax year
- Yes  No 9. Was EIC previously disallowed? (if yes, you may not be eligible for EIC)

### Part V. For Completion by a Certified Volunteer

**Volunteer Preparer Instructions:** You must conduct a thorough interview to complete an accurate return. This Intake/Interview Sheet is the start of your conversation with the taxpayer. Use the decision trees in Publication 4012, Volunteer Resource Guide, while discussing the questions on this form. **Remember to ask for all documentation.** Update the Intake/Interview Sheet with any changes identified during your interview. Confirm all information with the taxpayer.

- Yes  No 1. Did any of these dependents file a joint return for this tax year?
- Yes  No 2. Can anyone else claim any of these dependents on their income tax return?
- Yes  No 3. Did any dependent on the return provide more than 50% of their own support?
- Yes  No 4. Were any of these dependents permanently and totally disabled last year?
- Yes  No 5. Did the taxpayer provide over half the support for each of these dependents?
- 2 6. Based on the interview, how many individuals qualify as dependents for this return?
- Yes  No 7. Based on the interview, does the taxpayer qualify for EIC?

Based on the interview, the filing status of the taxpayer is:  Single  MFJ  MFS\*  HOH  QW

\*If MFS, then spouse's name and SSN should be included on the tax return.

Did the taxpayer receive an Economic Stimulus Payment last year?

- Yes  No If yes, how much? \$900 \_\_\_\_\_

## Quality Review



This form is used to Quality Review the completed tax return based on the Intake/Interview Sheet, the documents provided for the return preparation, and a conversation with the taxpayer.

- Involve the taxpayer in the Quality Review process.
- Complete this form prior to obtaining the taxpayer's signature on required tax forms.
- Compare the completed return with the Intake/Interview Sheet and all supporting documents.

**Quality Reviews complete the Quality Process and help ensure an accurate return.**

### Verifying the Return

Check each item only when you verify that the review step is complete.

- Yes  No A completed **Intake/Interview Sheet** was used to prepare this tax return.
- Yes  No **Name(s) and SSNs/ITINs** for taxpayer(s) match the supporting documents.
- Yes  No **The taxpayer(s) address and Date of Birth** match the Intake/Interview Sheet and have been confirmed with the taxpayer.
- Yes  No **Filing status** was correctly determined and is notated on the Intake/Interview Sheet.
- Yes  No **Dependent information** is correctly shown including names, SSNs/ITINs, and DOBs.
- Yes  No All **income** indicated on the Intake/Interview Sheet and W-2s/1099s is shown.
- Yes  No Any **Adjustments to Income** are correctly reported.
- Yes  No The completed return reflects the correct **standard deduction** unless itemized deductions were used. If **itemized deductions** were used, the Schedule A has been completed accurately based on supporting documents.
- Yes  No The **non-refundable credits** have been correctly reported.
- Yes  No All payments from **W-2s and F1099's** and estimated tax payments are correct.
- Yes  No The **refundable credits** are correctly reported including the EIC determination based on the information provided.
- Yes  No If **direct deposit or debit** was elected, information on the return matches the taxpayer's checking/saving account and routing information.

### Finishing the Return

Check the appropriate box once you have confirmed the steps have been taken.

- E-File:** Verify correct **DCN and SIDN** is printed on Form 8879. Obtain taxpayer signature and provide a copy of the return for their files. Retain original signed Form 8879 with the Forms W-2's and 1099's attached.
- Paper:** Verify the correct **SIDN** is printed on the return. Attach Forms W-2's and 1099's to the return. Obtain taxpayer signature and provide the signed return, a copy of the return, and the correct processing center mailing address to the taxpayer.
- All taxpayer questions/issues about the completed return have been answered.

a Employee's social security number 150-XX-XXXX		Safe, accurate, FAST! Use		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a> .		
b Employer identification number (EIN) 05-1XXXXXX		1 Wages, tips, other compensation \$13,500	2 Federal income tax withheld \$750			
c Employer's name, address, and ZIP code METRO LEGAL OFFICES 9650 PECAN YOUR CITY, STATE ZIP		3 Social security wages \$13,500	4 Social security tax withheld \$837			
		5 Medicare wages and tips \$13,500	6 Medicare tax withheld \$196			
		7 Social security tips	8 Allocated tips			
d Control number		9 Advance EIC payment \$200		10 Dependent care benefits		
e Employee's first name and initial Last name Suff. BRENDA L. JAMES 1492 COLUMBUS DRIVE YOUR CITY, STATE ZIP		11 Nonqualified plans		12a See instructions for box 12		
		13 Statutory employee <input type="checkbox"/> Retirement plan <input checked="" type="checkbox"/> Third-party sick pay <input type="checkbox"/>	12b			
		14 Other		12c		
				12d		
f Employee's address and ZIP code						
15 State Employer's state ID number YS 05-1XXXXXX	16 State wages, tips, etc. \$13,500	17 State income tax \$124	18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

Form **W-2** Wage and Tax Statement **2008** Department of the Treasury—Internal Revenue Service  
 Copy B—To Be Filed With Employee's FEDERAL Tax Return.  
 This information is being furnished to the Internal Revenue Service.

a Employee's social security number 150-XX-XXXX		Safe, accurate, FAST! Use		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a> .		
b Employer identification number (EIN) 05-2XXXXXX		1 Wages, tips, other compensation \$7,750	2 Federal income tax withheld \$858			
c Employer's name, address, and ZIP code LARAMIE, SNEED, & COLT, PA 4007 OCEAN SIDE DRIVE, STE 500 YOUR CITY, STATE ZIP		3 Social security wages \$7,750	4 Social security tax withheld \$481			
		5 Medicare wages and tips \$7,750	6 Medicare tax withheld \$112			
		7 Social security tips	8 Allocated tips			
d Control number		9 Advance EIC payment		10 Dependent care benefits		
e Employee's first name and initial Last name Suff. BRENDA L. JAMES 1492 COLUMBUS DRIVE YOUR CITY, STATE ZIP		11 Nonqualified plans		12a See instructions for box 12		
		13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>	12b			
		14 Other		12c		
				12d		
f Employee's address and ZIP code						
15 State Employer's state ID number YS 05-2XXXXXX	16 State wages, tips, etc. \$7,750	17 State income tax \$93	18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

Form **W-2** Wage and Tax Statement **2008** Department of the Treasury—Internal Revenue Service  
 Copy B—To Be Filed With Employee's FEDERAL Tax Return.  
 This information is being furnished to the Internal Revenue Service.

VOID  CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. <b>FIRST NATIONAL BANK AND TRUST 1000 MAIN STREET YOUR CITY, STATE ZIP</b>		Payer's RTN (optional)	OMB No. 1545-0112
PAYER'S federal identification number <b>05-5XXXXXX</b>		RECIPIENT'S identification number <b>150-XX-XXXX</b>	<b>2008</b> Interest Income Form <b>1099-INT</b>
RECIPIENT'S name <b>BRENDA JAMES</b> Street address (including apt. no.) <b>1492 COLUMBUS DRIVE</b> City, state, and ZIP code <b>YOUR CITY, STATE ZIP</b>		1 Interest income \$ <b>100</b>	
Account number (see instructions)		2nd TIN not. <input type="checkbox"/>	2 Early withdrawal penalty \$
4 Federal income tax withheld \$		5 Investment expenses \$	<b>Copy C For Payer</b>  For Privacy Act and Paperwork Reduction Act Notice, see the <b>2008 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>
6 Foreign tax paid \$		7 Foreign country or U.S. possession	
8 Tax-exempt interest \$		9 Specified private activity bond interest \$	

Form **1099-INT**

Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no. <b>SMALL CAP MUTUAL FUND 7900 BRIGHTON YOUR CITY, STATE ZIP</b>		1a Total ordinary dividends \$ <b>150</b>	OMB No. 1545-0110
PAYER'S federal identification number <b>05-4XXXXXX</b>		RECIPIENT'S identification number <b>150-XX-XXXX</b>	<b>2008</b> Dividends and Distributions Form <b>1099-DIV</b>
RECIPIENT'S name <b>BRENDA LAND JAMES</b> Street address (including apt. no.) <b>1492 COLUMBUS DRIVE</b> City, state, and ZIP code <b>YOUR CITY, STATE ZIP</b>		1b Qualified dividends \$ <b>150</b>	
Account number (see instructions)		2b Unrecap. Sec. 1250 gain \$	<b>Copy B For Recipient</b>  This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
2c Section 1202 gain \$		2d Collectibles (28%) gain \$	
3 Nondividend distributions \$		4 Federal income tax withheld \$	
5 Investment expenses \$		6 Foreign tax paid \$	7 Foreign country or U.S. possession
8 Cash liquidation distributions \$		9 Noncash liquidation distributions \$	

Form **1099-DIV**

(keep for your records)

Department of the Treasury - Internal Revenue Service

**Label**

(See instructions on page 12.)  
**Use the IRS label.** Otherwise, please print or type.

For the year Jan. 1-Dec. 31, 2008, or other tax year beginning , 2008, ending , 20

Your first name and initial  
**BRENDA L** Last name  
**JAMES**

If a joint return, spouse's first name and initial Last name

Home address (number and street). If you have a P.O. box, see page 12. Apt. no.  
**149 COLUMBUS DRIVE**

City, town or post office, state, and ZIP code. If you have a foreign address, see page 12.  
**YOUR CITY, STATE ZIP**

OMB No. 1545-0074

Your social security number  
**105 XX XXXX**

Spouse's social security number

You must enter your SSN(s) above.

**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**

Check only one box.

- 1  Single
- 2  Married filing jointly (even if only one had income)
- 3  Married filing separately. Enter spouse's SSN above and full name here.
- 4  Head of household (with qualifying person). (See page 13.) If the qualifying person is a child but not your dependent, enter this child's name here.
- 5  Qualifying widow(er) with dependent child (see page 14)

**Exemptions**

If more than four dependents, see page 15.

6a  Yourself. If someone can claim you as a dependent, do not check box 6a

6b  Spouse

c Dependents:		(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> If qualifying child (for child tax credit) (see page 15)
(1) First name	Last name			
PAUL	JAMES	151 XX XXXX	SON	<input checked="" type="checkbox"/>
EMILY	JAMES	152 XX XXXX	DAUGHTER	<input type="checkbox"/>

d Total number of exemptions claimed **3**

Boxes checked on 6a and 6b  
No. of children on 6c who:  
• lived with you  
• did not live with you due to divorce or separation (see page 16)  
Dependents on 6c not entered above  
Add numbers on lines above **3**

**Income**

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see page 19.

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

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	21,250
8a	Taxable interest. Attach Schedule B if required	8a	100
b	Tax-exempt interest. Do not include on line 8a	8b	
9a	Ordinary dividends. Attach Schedule B if required	9a	150
b	Qualified dividends (see page 19)	9b	150
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 20)	10	
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	
14	Other gains or (losses). Attach Form 4797	14	
15a	IRA distributions	15a	
b	Taxable amount (see page 21)	15b	
16a	Pensions and annuities	16a	
b	Taxable amount (see page 22)	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 amount (see page 24)	20b	
21	Other income. List type and amount (see page 24)	21	
22	Add the amounts in the far right column for lines 7 through 21. This is your total income	22	21,500

**Adjusted Gross Income**

23	Archer MSA deduction. Attach Form 8853	23	
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
25	Health savings account deduction. Attach Form 8889	25	
26	Moving expenses. Attach Form 3903	26	
27	One-half of self-employment tax. Attach Schedule SE	27	
28	Self-employed SEP, SIMPLE, and qualified plans	28	
29	Self-employed health insurance deduction (see page 26)	29	
30	Penalty on early withdrawal of savings	30	
31a	Alimony paid	31a	
b	Recipient's SSN	31b	
32	IRA deduction (see page 27)	32	
33	Student loan interest deduction (see page 30)	33	
34	Jury duty pay you gave to your employer	34	
35	Domestic production activities deduction. Attach Form 8903	35	
36	Add lines 23 through 31a and 32 through 35	36	
37	Subtract line 36 from line 22. This is your adjusted gross income	37	21,500

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see page 83.

Cat. No. 11320B

Form **1040** (2008)

<b>Tax and Credits</b>	<b>38</b> Amount from line 37 (adjusted gross income) . . . . .	<b>38</b>	<b>21,500</b>
	<b>39a</b> Check <input type="checkbox"/> <b>You</b> were born before January 2, 1944, <input type="checkbox"/> <b>Blind.</b> <b>Total boxes</b> <input type="checkbox"/> if: <input type="checkbox"/> <b>Spouse</b> was born before January 2, 1944, <input type="checkbox"/> <b>Blind.</b> <b>checked</b> ▶ <b>39a</b> <input type="checkbox"/>		
	<b>b</b> If your spouse itemizes on a separate return or you were a dual-status alien, see page 31 and check here ▶ <b>39b</b> <input type="checkbox"/>		
	<b>c</b> If you claim the standard deduction and are deducting real estate taxes, check here (see page 31) ▶ <b>39c</b> <input type="checkbox"/>		
<b>Standard Deduction for—</b> • People who checked any box on line 39a, 39b, or 39c or who can be claimed as a dependent, see page 31. • All others: Single or Married filing separately, \$5,450 Married filing jointly or Qualifying widow(er), \$10,900 Head of household, \$8,000	<b>40</b> <b>Itemized deductions</b> (from Schedule A) or your <b>standard deduction</b> (see left margin) . . . . .	<b>40</b>	<b>8,000</b>
	<b>41</b> Subtract line 40 from line 38 . . . . .	<b>41</b>	<b>13,500</b>
	<b>42</b> If line 38 is \$119,975 or less, multiply \$3,500 by the total number of exemptions claimed on line 6d. If line 38 is over \$119,975, see the worksheet on page 33 . . . . .	<b>42</b>	<b>10,500</b>
	<b>43</b> <b>Taxable income.</b> Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- . . . . .	<b>43</b>	<b>3,000</b>
	<b>44</b> <b>Tax</b> (see page 33). Check if any tax is from: <b>a</b> <input type="checkbox"/> Form(s) 8814 <b>b</b> <input type="checkbox"/> Form 4972 . . . . .	<b>44</b>	<b>303</b>
	<b>45</b> <b>Alternative minimum tax</b> (see page 36). Attach Form 6251 . . . . .	<b>45</b>	
	<b>46</b> Add lines 44 and 45 . . . . .	<b>46</b>	<b>303</b>
	<b>47</b> Credit for child and dependent care expenses. Attach Form 2441 . . . . .	<b>47</b>	
	<b>48</b> Credit for the elderly or the disabled. Attach Schedule R . . . . .	<b>48</b>	
	<b>49</b> Education credits. Attach Form 8863 . . . . .	<b>49</b>	
	<b>50</b> Foreign tax credit. Attach Form 1116 if required . . . . .	<b>50</b>	
	<b>51</b> Child tax credit (see page 39). Attach Form 8901 if required . . . . .	<b>51</b>	<b>303</b>
	<b>52</b> Retirement savings contributions credit. Attach Form 8880 . . . . .	<b>52</b>	
	<b>53</b> Credits from Form: <b>a</b> <input type="checkbox"/> 8396 <b>b</b> <input type="checkbox"/> 5895 <b>c</b> <input type="checkbox"/> 8839 . . . . .	<b>53</b>	
	<b>54</b> Other credits from Form: <b>a</b> <input type="checkbox"/> 3800 <b>b</b> <input type="checkbox"/> 8801 <b>c</b> <input type="checkbox"/> . . . . .	<b>54</b>	
	<b>55</b> Add lines 47 through 54. These are your <b>total credits</b> . . . . .	<b>55</b>	<b>303</b>
	<b>56</b> Subtract line 55 from line 46. If line 55 is more than line 46, enter -0- . . . . .	<b>56</b>	<b>0</b>
<b>Other Taxes</b>	<b>57</b> Self-employment tax. Attach Schedule SE . . . . .	<b>57</b>	
	<b>58</b> Unreported social security and Medicare tax from Form: <b>a</b> <input type="checkbox"/> 4137 <b>b</b> <input type="checkbox"/> 8919 . . . . .	<b>58</b>	
	<b>59</b> Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required . . . . .	<b>59</b>	
	<b>60</b> Additional taxes: <b>a</b> <input type="checkbox"/> AEIC payments <b>b</b> <input type="checkbox"/> Household employment taxes. Attach Schedule H . . . . .	<b>60</b>	
	<b>61</b> Add lines 56 through 60. This is your <b>total tax</b> . . . . .	<b>61</b>	<b>0</b>
<b>Payments</b>	<b>62</b> Federal income tax withheld from Forms W-2 and 1099 . . . . .	<b>62</b>	<b>1,600</b>
	<b>63</b> 2008 estimated tax payments and amount applied from 2007 return . . . . .	<b>63</b>	
	<b>64a</b> <b>Earned income credit (EIC)</b> . . . . .	<b>64a</b>	<b>3,606</b>
	<b>b</b> Nontaxable combat pay election <b>64b</b> . . . . .		
	<b>65</b> Excess social security and tier 1 RRTA tax withheld (see page 59) . . . . .	<b>65</b>	
	<b>66</b> Additional child tax credit. Attach Form 8812 . . . . .	<b>66</b>	
	<b>67</b> Amount paid with request for extension to file (see page 59) . . . . .	<b>67</b>	
	<b>68</b> Credits from Form: <b>a</b> <input type="checkbox"/> 2439 <b>b</b> <input type="checkbox"/> 4136 <b>c</b> <input type="checkbox"/> 8801 <b>d</b> <input type="checkbox"/> 8885 . . . . .	<b>68</b>	
	<b>69</b> First-time homebuyer credit. Attach Form 5405 . . . . .	<b>69</b>	
	<b>70</b> Recovery rebate credit (see worksheet on page xx) . . . . .	<b>70</b>	
	<b>71</b> Add lines 62 through 70. These are your <b>total payments</b> . . . . .	<b>71</b>	<b>5,206</b>
<b>Refund</b>	<b>72</b> If line 71 is more than line 61, subtract line 61 from line 71. This is the amount you <b>overpaid</b> . . . . .	<b>72</b>	<b>5,206</b>
Direct deposit? See page 59 and fill in 73b, 73c, and 73d, or Form 8888.	<b>73a</b> Amount of line 72 you want <b>refunded to you</b> . If Form 8888 is attached, check here ▶ <input type="checkbox"/>	<b>73a</b>	<b>5,206</b>
	▶ <b>b</b> Routing number <input type="text"/> ▶ <b>c</b> Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	▶ <b>d</b> Account number <input type="text"/>		
	<b>74</b> Amount of line 72 you want <b>applied to your 2009 estimated tax</b> ▶ <b>74</b> <input type="text"/>	<b>74</b>	
<b>Amount You Owe</b>	<b>75</b> <b>Amount you owe.</b> Subtract line 71 from line 61. For details on how to pay, see page 60 ▶ <b>75</b> <input type="text"/>	<b>75</b>	
	<b>76</b> Estimated tax penalty (see page 61) . . . . .	<b>76</b>	
<b>Third Party Designee</b>	Do you want to allow another person to discuss this return with the IRS (see page 61)? <input type="checkbox"/> <b>Yes</b> . Complete the following. <input checked="" type="checkbox"/> <b>No</b>		
	Designee's name ▶ <input type="text"/>	Phone no. ▶ ( <input type="text"/> ) <input type="text"/>	Personal identification number (PIN) ▶ <input type="text"/>
<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		
Joint return? See page 13. Keep a copy for your records.	Your signature <input type="text"/>	Date <input type="text"/>	Your occupation <b>OFFICE CLERK</b>
	Spouse's signature. If a joint return, <b>both</b> must sign. <input type="text"/>	Date <input type="text"/>	Spouse's occupation <input type="text"/>
<b>Paid Preparer's Use Only</b>	Preparer's signature ▶ <input type="text"/>	Date <input type="text"/>	Check if self-employed <input type="checkbox"/>
	Firm's name (or yours if self-employed), address, and ZIP code ▶ <input type="text"/>	EIN <input type="text"/>	Preparer's SSN or PTIN <b>S21014444</b>
		Phone no. ( <input type="text"/> ) <input type="text"/>	

---

## Basic Scenario 8: Test Questions

### Directions

You are conducting a quality review of Brenda's tax return, which was prepared by another volunteer tax preparer. Brenda is sitting with you as you conduct the review. Using Form 13614-C, your resource materials, and all of the taxpayer's documents, review the tax return and answer the questions below. A blank Quality Review Sheet, is included to help in the review. You are a volunteer at site S21014444.

- 8.1** Which name is entered incorrectly on Form 1040?
- a. Brenda
  - b. Paul
  - c. Emily
  - d. All of the above
- 8.2** Which social security number is entered incorrectly on Form 1040?
- a. Emily
  - b. Paul
  - c. Brenda
  - d. All are correct
- 8.3** What information did the volunteer fail to enter from Form 1099-DIV?
- a. Ordinary dividends
  - b. Qualified dividends
  - c. Capital gain distributions
  - d. All are correct
- 8.4** Which of the following credits does Brenda qualify for, but was not included on her return?
- a. Earned Income Credit
  - b. Child Tax Credit
  - c. Recovery Rebate Credit
  - d. Additional Child Tax Credit
- 8.5** What is the correct amount of federal income tax withheld on Form 1040, line 62? \$ \_\_\_\_\_.

- 8.6** If Brenda changes her mind and chooses to direct deposit her refund, what information below is **not** required?
- a. Name of the bank
  - b. Bank account number
  - c. Routing number
  - d. Type of account
- 8.7** Which item from Form W-2 was not entered on Form 1040?
- a. Dependent care benefits
  - b. Social security tips
  - c. Advance EIC payment
  - d. Wages

This page intentionally left blank.

### Intermediate Scenario 1: Paul Harvard

**Taxpayer** Paul Harvard is a general construction worker. He divorced in 2004 and has one child. Paul cannot claim the child on his return.

---

**Taxpayer Documents**

- Completed Intake and Interview Sheet
- Social security card for Paul Harvard
- Forms W-2
- Form 1098
- Form 1098-E
- Form 1098-T
- Form 1099-INT
- Form 1099-R

---

**Interview Notes**

- In June of 2008, Paul received an Economic Stimulus Payment of \$600.
- Paul buys a \$2 lottery ticket every week. In 2008, he purchased 52 lottery tickets. Paul had no winnings.
- In 2008, Paul decided to take a computer course at Brown Junior College.
- Paul bought a certificate of deposit in 2006. It matured in 2008 and he received Form 1099-INT.
- Paul paid \$975 in interest on his student loan in 2008 and received Form 1098-E. He also brought in a letter from a financial institution stating that he paid an additional \$1,815 in student loan interest.
- When Paul changed jobs in February 2008, he cashed out his 401(k). He received Form 1099-R for that distribution, and he had taxes withheld. Paul does not qualify for any of the exceptions to the additional tax on the early distribution.
- In September 2008, Paul contributed \$500 to a traditional IRA.
- Paul pays his ex-wife \$400 a month in child support. His ex-wife's SSN is 211-XX-XXXX.
- Paul received a 2007 state refund of \$145 in 2008.

---

**Interview**  
**Notes**  
(continued)

- Paul has never itemized his deductions but thinks he may have enough this year since he purchased a home in March. Paul gives you receipts, statements, and cancelled checks for the following items he would like to deduct:
  - Interest on car loan \$2,738
  - Medical insurance premiums \$1,400
  - Unreimbursed medical and dental bills \$2,530
  - Non-prescription medicine \$211
  - Vehicle registration fees based on the value of his car \$125
  - Donation to United Way \$75
  - Donation of \$25 in cash to a homeless person who approached him on the street.
  - Contributions to his church paid throughout the year \$780
  - Donation of a table, refrigerator, and stove to the Salvation Army. They had a garage sale value of \$210 and were in good used condition.
  - Union dues \$520
  - Homeowner's association fees of \$120 per month, which he paid from March - December 2008
  - Receipts for safety glasses for work \$43, and Levi jeans \$72 that were purchased for work
  - \$30 for a safe deposit box (Paul keeps savings bonds and jewelry in the safe deposit box)
  - Premiums for his mortgage insurance (\$1,110), as shown on Form 1098
  - Real estate taxes (\$987), as shown on Form 1098
  - Paul meets the tests for deducting points in the year paid as shown on Form 1098
- Paul does not want to designate \$3 to the Presidential Election Campaign.



**Intake/Interview & Quality Review Sheet**

**You (and Spouse) will need:**

- *Proof of Identity*
- *Social Security Card or Individual Tax Identification Number (ITIN) letter for all individuals to be listed on the return*
- *Copies of ALL W-2, 1098, 1099 forms*
- *Amounts of any other income*
- *Child care provider's identification number*
- *Amounts/dates of estimated or other tax payments made, etc.*
- *Bank documents showing routing and account numbers if requesting direct deposit/debit*

**Part I: Taxpayer Information**

1. Your First Name PAUL		M.I. A	Last Name HARVARD		2. Date of Birth (mm/dd/yyyy) 08/10/1974	
3. US Citizen or Resident Alien <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		4. Legally Blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		5. Totally and Permanently Disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		6. Occupation CONSTRUCTION
7. Spouse's First Name		M.I.	Last Name		8. Date of Birth (mm/dd/yyyy)	
9. US Citizen or Resident Alien <input type="checkbox"/> Yes <input type="checkbox"/> No		10. Legally Blind <input type="checkbox"/> Yes <input type="checkbox"/> No		11. Totally and Permanently Disabled <input type="checkbox"/> Yes <input type="checkbox"/> No		12. Occupation
13. Address 847 MARTY			Apt #	City YOUR CITY		State Zip Code YS YOUR ZIP
14. Phone Number and e-mail address Phone: ( ) YOUR PHONE NUMBER e-mail:				15. Could you or your spouse be claimed as a dependent on the income tax return of any other person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
16. <b>On December 31<sup>st</sup></b>						
a. Were you: <input type="checkbox"/> Single <input type="checkbox"/> Legally Married <input type="checkbox"/> Separated <input checked="" type="checkbox"/> Divorced <input type="checkbox"/> Widowed						
b. If married, did you live with your spouse during any part of the last six months of the year? <input type="checkbox"/> Yes <input type="checkbox"/> No						
c. Is your spouse deceased? If yes, provide the date of death. _____ (mm/dd/yyyy)						

**Part II. Family and Dependent Information – Do not include you or your spouse.**

*Print the name of everyone who lived in your home and outside your home that you supported during the year.*

Name (first, last)	Date of Birth mm/dd/yyyy	Relationship to you (son, daughter, etc.)	Number of months person lived with you last year	US Citizen, Resident of US, Canada or Mexico (yes or no)	Is the dependent a full time student? (yes or no)
(a)	(b)	(c)	(d)	(e)	(f)

**Paperwork Reduction Act Notice**

The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1964. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service, Tax Products Coordinating Committee, SE.W.CAR.MP.T.T.SP, 1111 Constitution Ave. NW, Washington, DC 20224.

**Please Complete Page 2, except Part V. A Certified Volunteer will confirm the information with you.**

## COMMON INCOME AND EXPENSES

### Part III. Income – Did you (or your spouse) receive:

- Yes  No 1. Wages or Salary (include W-2s for all jobs worked during the year)
- Yes  No 2. Tip income
- Yes  No 3. Interest/Dividends from: checking or savings account, bonds, CDs, or brokerage account
- Yes  No 4. State tax refund (may be taxable if you itemized last year)
- Yes  No 5. Self Employment Income - business, farm, hobby, **1099-Misc or any earned income not reported on W-2**
- Yes  No 6. Alimony income
- Yes  No 7. Sale of Stock, Bonds or Real Estate
- Yes  No 8. Disability income
- Yes  No 9. Pensions, Annuities, and/or IRA distributions
- Yes  No 10. Unemployment (1099-G)
- Yes  No 11. Social Security or Railroad Retirement Benefits (1099-SSA or RRB)
- Yes  No 12. Other Income: Identify \_\_\_\_\_

### Part IV. Expenses – Did you (or your spouse) make or have:

- Yes  No 1. Alimony payments (if yes, you must provide the name and SSN of the recipient)
- Yes  No 2. Contributions to IRA or other retirement account
- Yes  No 3. Educational expenses for you, your spouse and/or dependents
- Yes  No 4. Un-reimbursed medical expenses
- Yes  No 5. Home mortgage payments (interest and taxes – see Form 1098)
- Yes  No 6. Charitable contributions
- Yes  No 7. Child/dependent care expenses that allow you (and your spouse - if married) to work
- Yes  No 8. Any estimated tax payments for this tax year
- Yes  No 9. Was EIC previously disallowed? (if yes, you may not be eligible for EIC)

### Part V. For Completion by a Certified Volunteer

**Volunteer Preparer Instructions:** You must conduct a thorough interview to complete an accurate return. This Intake/Interview Sheet is the start of your conversation with the taxpayer. Use the decision trees in Publication 4012, Volunteer Resource Guide, while discussing the questions on this form. **Remember to ask for all documentation.** Update the Intake/Interview Sheet with any changes identified during your interview. Confirm all information with the taxpayer.

- Yes  No 1. Did any of these dependents file a joint return for this tax year?
- Yes  No 2. Can anyone else claim any of these dependents on their income tax return?
- Yes  No 3. Did any dependent on the return provide more than 50% of their own support?
- Yes  No 4. Were any of these dependents permanently and totally disabled last year?
- Yes  No 5. Did the taxpayer provide over half the support for each of these dependents?
- \_\_\_\_\_ 6. Based on the interview, how many individuals qualify as dependents for this return?
- Yes  No 7. Based on the interview, does the taxpayer qualify for EIC?

Based on the interview, the filing status of the taxpayer is:  Single  MFJ  MFS\*  HOH  QW

\*If MFS, then spouse's name and SSN should be included on the tax return.

Did the taxpayer receive an Economic Stimulus Payment last year?

- Yes  No If yes, how much? \$600 \_\_\_\_\_

a Employee's social security number 210-XX-XXXX		OMB No. 1545-0008		Safe, accurate, FAST! Use				Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a> .	
b Employer identification number (EIN) 11-1XXXXXX		1 Wages, tips, other compensation \$40,673		2 Federal income tax withheld \$5,312					
c Employer's name, address, and ZIP code PHOENIX RISING CONSTRUCTION CO 3604 FORREST TRAIL YOUR CITY, STATE ZIP		3 Social security wages \$40,673		4 Social security tax withheld \$2,522					
		5 Medicare wages and tips \$40,673		6 Medicare tax withheld \$590					
		7 Social security tips		8 Allocated tips					
d Control number		9 Advance EIC payment		10 Dependent care benefits					
e Employee's first name and initial Last name Suff. PAUL A HARVARD 847 MARTY YOUR CITY, STATE ZIP		11 Nonqualified plans		12a See instructions for box 12					
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b					
		14 Other		12c					
f Employee's address and ZIP code									
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			
YS	11-1XXXXXX	\$40,673	\$1,101						

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

2008

Department of the Treasury—Internal Revenue Service

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

a Employee's social security number 210-XX-XXXX		OMB No. 1545-0008		Safe, accurate, FAST! Use				Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a> .	
b Employer identification number (EIN) 11-5XXXXXX		1 Wages, tips, other compensation \$1,500		2 Federal income tax withheld \$95					
c Employer's name, address, and ZIP code SHORT HAUL MOVERS 7850 WINDTALKER YOUR CITY, STATE ZIP		3 Social security wages \$1,650		4 Social security tax withheld \$102					
		5 Medicare wages and tips \$1,650		6 Medicare tax withheld \$24					
		7 Social security tips		8 Allocated tips					
d Control number		9 Advance EIC payment		10 Dependent care benefits					
e Employee's first name and initial Last name Suff. PAUL A HARVARD 847 MARTY YOUR CITY, STATE ZIP		11 Nonqualified plans		12a See instructions for box 12 D \$150					
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b					
		14 Other		12c					
f Employee's address and ZIP code									
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			
YS	11-5XXXXXX	\$1,500	\$69						

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

2008

Department of the Treasury—Internal Revenue Service

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

VOID  CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. <b>ZIA SAVINGS AND LOAN 5250 DOUGLAS YOUR CITY, STATE ZIP</b>		Payer's RTN (optional)	OMB No. 1545-0112
PAYER'S federal identification number <b>11-2XXXXXX</b>		1 Interest income <b>\$ 423</b>	<b>2008</b> Interest Income Form <b>1099-INT</b>
RECIPIENT'S identification number <b>210-XX-XXXX</b>		2 Early withdrawal penalty \$	
RECIPIENT'S name <b>PAUL A HARVARD</b> Street address (including apt. no.) <b>847 MARTY</b> City, state, and ZIP code <b>YOUR CITY, STATE ZIP</b>		3 Interest on U.S. Savings Bonds and Treas. obligations \$	<b>Copy C For Payer</b> For Privacy Act and Paperwork Reduction Act Notice, see the <b>2008 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>
Account number (see instructions)		4 Federal income tax withheld \$	
2nd TIN not <input type="checkbox"/>		5 Investment expenses \$	
		6 Foreign tax paid \$	
		7 Foreign country or U.S. possession	
		8 Tax-exempt interest \$	9 Specified private activity bond interest \$

Form **1099-INT** Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

PAYER'S name, street address, city, state, and ZIP code <b>SOUTHWEST FIDELITY 9910 OAK KNOLL YOUR CITY, STATE ZIP</b>		1 Gross distribution <b>\$ 2,375</b>	OMB No. 1545-0119
PAYER'S federal identification number <b>11-7XXXXXX</b>		2a Taxable amount <b>\$ 2,375</b>	<b>2008</b> Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. Form <b>1099-R</b>
RECIPIENT'S identification number <b>210-XX-XXXX</b>		2b Taxable amount not determined <input type="checkbox"/> Total distribution <input checked="" type="checkbox"/>	
RECIPIENT'S name <b>PAUL A HARVARD</b> Street address (including apt. no.) <b>847 MARTY</b> City, state, and ZIP code <b>YOUR CITY, STATE ZIP</b>		3 Capital gain (included in box 2a) \$	4 Federal income tax withheld <b>\$ 475</b>
1st year of desig. Roth contrib. <input type="checkbox"/>		5 Employee contributions / Designated Roth contributions or insurance premiums \$	6 Net unrealized appreciation in employer's securities \$
Account number (see instructions)		7 Distribution code(s) <b>1</b>	8 Other \$ %
		9a Your percentage of total distribution %	9b Total employee contributions \$
		10 State tax withheld \$	11 State/Payer's state no.
		13 Local tax withheld \$	12 State distribution \$
		14 Name of locality	15 Local distribution \$

Form **1099-R** Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

RECIPIENT'S/LENDER'S name, address, and telephone number <b>FIRST MORTGAGE COMPANY</b> <b>9800 WENGLER WAY</b> <b>YOUR CITY, STATE ZIP</b>		* Caution: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.  OMB No. 1545-0901  <b>2008</b>  Form <b>1098</b>	<b>Mortgage Interest Statement</b>
RECIPIENT'S federal identification no. <b>11-4XXXXXX</b>	PAYER'S social security number <b>210-XX-XXXX</b>	<b>1</b> Mortgage interest received from payer(s)/borrower(s) <b>\$ 3,750</b>	<b>Copy B For Payer</b>  The information in boxes 1, 2, 3, and 4 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.
PAYER'S/BORROWER'S name <b>PAUL A HARVARD</b>  Street address (including apt. no.) <b>847 MARTY</b>  City, state, and ZIP code <b>YOUR CITY, STATE ZIP</b>		<b>2</b> Points paid on purchase of principal residence  <b>\$ 200</b>	
		<b>3</b> Refund of overpaid interest  <b>\$</b>	
		<b>4</b> Mortgage insurance premiums  <b>\$ 1,110</b>	
Account number (see instructions)		<b>5 REAL ESTATE TAX \$987</b>	

Form **1098** (keep for your records) Department of the Treasury - Internal Revenue Service

CORRECTED

FILER'S name, street address, city, state, ZIP code, and telephone number <b>BROWN JUNIOR COLLEGE</b> <b>10 COLLEGE AVE</b> <b>YOUR CITY, STATE ZIP</b>		1 Payments received for qualified tuition and related expenses <b>\$ 200</b>  2 Amounts billed for qualified tuition and related expenses <b>\$ 200</b>  OMB No. 1545-1574  <b>2008</b>  Form <b>1098-T</b>	<b>Tuition Statement</b>
FILER'S federal identification no. <b>11-8XXXXXX</b>	STUDENT'S social security number <b>210-XX-XXXX</b>	<b>3</b> If this box is checked, your educational institution has changed its reporting method for 2008 <input type="checkbox"/>	<b>Copy B For Student</b>  This is important tax information and is being furnished to the Internal Revenue Service.
STUDENT'S name <b>PAUL A HARVARD</b>		<b>4</b> Adjustments made for a prior year  <b>\$</b>	
Street address (including apt. no.) <b>847 MARTY</b>  City, state, and ZIP code <b>YOUR CITY, STATE ZIP</b>		<b>5</b> Scholarships or grants  <b>\$</b>	
Service Provider/Acct. No. (see instr.)		<b>6</b> Adjustments to scholarships or grants for a prior year  <b>\$</b>	
<b>8</b> Checked if at least half-time student <input type="checkbox"/>		<b>7</b> Checked if the amount in box 1 or 2 includes amounts for an academic period beginning January - March 2009 <input type="checkbox"/>  <b>9</b> Checked if a graduate student <input type="checkbox"/>  <b>10</b> Ins. contract reimb./refund <b>\$</b>	

Form **1098-T** (keep for your records) Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

RECIPIENT'S/LENDER'S name, address, and telephone number <b>FINANCIAL AID PARTNERS</b> <b>666 LINCOLN</b> <b>YOUR CITY, STATE ZIP</b>		OMB No. 1545-1576  <b>2008</b>  Form <b>1098-E</b>	<b>Student Loan Interest Statement</b>
RECIPIENT'S federal identification no. <b>11-6XXXXXX</b>	BORROWER'S social security number <b>210-XX-XXXX</b>	<b>1</b> Student loan interest received by lender <b>\$ 975</b>	<b>Copy B For Borrower</b>  This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for student loan interest.
BORROWER'S name <b>PAUL A HARVARD</b>  Street address (including apt. no.) <b>847 MARTY</b>  City, state, and ZIP code <b>YOUR CITY, STATE ZIP</b>			
Account number (see instructions)		<b>2</b> Box 1 includes loan origination fees and/or capitalized interest (if checked) <input type="checkbox"/>	

Form **1098-E** (keep for your records) Department of the Treasury - Internal Revenue Service

## Intermediate Scenario 1: Test Questions

### Directions

Complete Form 1040 and the appropriate forms, schedules, and worksheets to answer the following questions. At the time this document went to print, there was pending legislation related to the Alternative Minimum Tax. Form 6251, Alternative Minimum Tax, does not apply to this taxpayer.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

*You are a volunteer at site S21014444.*

- 9.1** What is the tentative education credit on Paul's Form 8863, line 7?
- a. \$0
  - b. \$40
  - c. \$100
  - d. \$200
- 9.2** What is the total amount of Medical and Dental expenses Paul is allowed on Schedule A, line 4? \$\_\_\_\_\_
- 9.3** What is Paul's tax expense on Schedule A, line 9?
- a. \$125
  - b. \$987
  - c. \$1,170
  - d. \$2,282
- 9.4** What is Paul's total interest paid on Schedule A, line 15? \$\_\_\_\_\_
- 9.5** The sum of Paul's gifts to charity on Schedule A, line 19 is:
- a. \$310
  - b. \$780
  - c. \$1,065
  - d. \$1,090
- 9.6** What amount is on Paul's Schedule A, line 24? \$\_\_\_\_\_
- 9.7** What is Paul's IRA deduction on Form 1040, line 32? \$\_\_\_\_\_
- 9.8** What is the amount of additional tax on Paul's Form 1040, line 59? \$\_\_\_\_\_

- 9.9** How much can Paul claim as a student loan interest deduction on Form 1040, line 33?
- a. \$975
  - b. \$1,815
  - c. \$2,500
  - d. \$2,790
- 9.10** What is the taxable refund amount shown on Paul's Form 1040, line 10? \$\_\_\_\_\_
- 9.11** Which of the following does not qualify as an adjustment to income?
- a. Penalty on early withdrawal of savings
  - b. Child support
  - c. Alimony
  - d. Moving expenses
- 9.12** Using Publication 4012, Volunteer Resource Guide, Interview Tips for Education Credits, who is an eligible student?
- a. Taxpayer
  - b. Taxpayer's spouse, if Married Filing Jointly
  - c. Taxpayer's dependent, claimed as an exemption
  - d. All of the above

## Intermediate Scenario 2: George and Alberta Farmer

**Taxpayer** George and Alberta completed the Intake/Interview Sheet in Form 13614-C, and want to file together.

- Taxpayer Documents**
- Social security card for George C. Farmer
  - Social security card for Alberta L. Farmer
  - Form W-2 for Alberta Farmer
  - Form 1099-INT
  - Form 1099-DIV
  - Form 1099-MISC
  - Form 1099-R
  - Form SSA-1099 for George Farmer

- Interview Notes**
- In 2008, George and Alberta received an Economic Stimulus Payment of \$1,200.
  - George retired in 2004 and is receiving a pension and social security.
  - George began doing consulting work on a gardening book in June 2008. This requires him to travel to public and private gardens. He received Form 1099-MISC.
  - George also received cash payments of \$800 as a gardening consultant which were not reported on Form 1099-MISC.
  - George has written records for all of his business expenses:
    - June 06, 2008, he purchased a truck used primarily for business travel. (He also has a car for personal use.) He logged 5,100 miles on the truck, of which 4,700 miles were for business use. His business expense records show 100 miles logged during June 2008 and the remaining miles logged between July 1, 2008 and December 31, 2008.
    - He paid \$80 for parking and \$49 for an oil change.



- Office expenses (paper, postage, envelopes, etc.) of \$200.
- Long distance phone calls \$100.
- Alberta works part-time at a nursing home as a cook. Because she doesn't have a retirement plan, she contributed \$1,200 on January 2, 2009, to a traditional IRA for tax year 2008.
- The Farmers have not itemized their deductions since their home was paid off four years ago and do not want to itemize this year.
- The Farmers paid \$1,050 in real estate taxes on their personal residence in 2008.

**Intake/Interview & Quality Review Sheet**

**You (and Spouse) will need:**

- *Proof of Identity*
- *Social Security Card or Individual Tax Identification Number (ITIN) letter for all individuals to be listed on the return*
- *Copies of ALL W-2, 1098, 1099 forms*
- *Amounts of any other income*
- *Child care provider's identification number*
- *Amounts/dates of estimated or other tax payments made, etc.*
- *Bank documents showing routing and account numbers if requesting direct deposit/debit*

**Part I: Taxpayer Information**

1. Your First Name GEORGE		M.I. C	Last Name FARMER		2. Date of Birth (mm/dd/yyyy) 03/17/1940	
3. US Citizen or Resident Alien <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		4. Legally Blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		5. Totally and Permanently Disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		6. Occupation RETIRED
7. Spouse's First Name ALBERTA		M.I. L	Last Name FARMER		8. Date of Birth (mm/dd/yyyy) 11/22/1950	
9. US Citizen or Resident Alien <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		10. Legally Blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		11. Totally and Permanently Disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		12. Occupation COOK
13. Address 1551 BALTIC			Apt #	City YOUR CITY		State Zip Code YS YOUR ZIP
14. Phone Number and e-mail address Phone: ( ) YOUR PHONE NUMBER e-mail:				15. Could you or your spouse be claimed as a dependent on the income tax return of any other person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
16. <b>On December 31<sup>st</sup></b>						
a. Were you: <input type="checkbox"/> Single <input checked="" type="checkbox"/> Legally Married <input type="checkbox"/> Separated <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed						
b. If married, did you live with your spouse during any part of the last six months of the year? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
c. Is your spouse deceased? If yes, provide the date of death. _____ (mm/dd/yyyy)						

**Part II. Family and Dependent Information – Do not include you or your spouse.**

*Print the name of everyone who lived in your home and outside your home that you supported during the year.*

Name (first, last)	Date of Birth mm/dd/yyyy	Relationship to you (son, daughter, etc.)	Number of months person lived with you last year	US Citizen, Resident of US, Canada or Mexico (yes or no)	Is the dependent a full time student? (yes or no)
(a)	(b)	(c)	(d)	(e)	(f)

**Paperwork Reduction Act Notice**

The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1964. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service, Tax Products Coordinating Committee, SE.W.CAR.MP.T.T.SP, 1111 Constitution Ave. NW, Washington, DC 20224.

**Please Complete Page 2, except Part V. A Certified Volunteer will confirm the information with you.**

## COMMON INCOME AND EXPENSES

### Part III. Income – Did you (or your spouse) receive:

- Yes  No 1. Wages or Salary (include W-2s for all jobs worked during the year)
- Yes  No 2. Tip income
- Yes  No 3. Interest/Dividends from: checking or savings account, bonds, CDs, or brokerage account
- Yes  No 4. State tax refund (may be taxable if you itemized last year)
- Yes  No 5. Self Employment Income - business, farm, hobby, **1099-Misc or any earned income not reported on W-2**
- Yes  No 6. Alimony income
- Yes  No 7. Sale of Stock, Bonds or Real Estate
- Yes  No 8. Disability income
- Yes  No 9. Pensions, Annuities, and/or IRA distributions
- Yes  No 10. Unemployment (1099-G)
- Yes  No 11. Social Security or Railroad Retirement Benefits (1099-SSA or RRB)
- Yes  No 12. Other Income: Identify \_\_\_\_\_

### Part IV. Expenses – Did you (or your spouse) make or have:

- Yes  No 1. Alimony payments (if yes, you must provide the name and SSN of the recipient)
- Yes  No 2. Contributions to IRA or other retirement account
- Yes  No 3. Educational expenses for you, your spouse and/or dependents
- Yes  No 4. Un-reimbursed medical expenses
- Yes  No 5. Home mortgage payments (interest and taxes – see Form 1098)
- Yes  No 6. Charitable contributions
- Yes  No 7. Child/dependent care expenses that allow you (and your spouse - if married) to work
- Yes  No 8. Any estimated tax payments for this tax year
- Yes  No 9. Was EIC previously disallowed? (if yes, you may not be eligible for EIC)

### Part V. For Completion by a Certified Volunteer

**Volunteer Preparer Instructions:** You must conduct a thorough interview to complete an accurate return. This Intake/Interview Sheet is the start of your conversation with the taxpayer. Use the decision trees in Publication 4012, Volunteer Resource Guide, while discussing the questions on this form. **Remember to ask for all documentation.** Update the Intake/Interview Sheet with any changes identified during your interview. Confirm all information with the taxpayer.

- Yes  No 1. Did any of these dependents file a joint return for this tax year?
- Yes  No 2. Can anyone else claim any of these dependents on their income tax return?
- Yes  No 3. Did any dependent on the return provide more than 50% of their own support?
- Yes  No 4. Were any of these dependents permanently and totally disabled last year?
- Yes  No 5. Did the taxpayer provide over half the support for each of these dependents?
- \_\_\_\_\_ 6. Based on the interview, how many individuals qualify as dependents for this return?
- Yes  No 7. Based on the interview, does the taxpayer qualify for EIC?

Based on the interview, the filing status of the taxpayer is:  Single  MFJ  MFS\*  HOH  QW

\*If MFS, then spouse's name and SSN should be included on the tax return.

Did the taxpayer receive an Economic Stimulus Payment last year?

- Yes  No If yes, how much? \$1,200

a Employee's social security number <b>221-XX-XXXX</b>		Safe, accurate, FAST! Use 		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a> .		
b Employer identification number (EIN) <b>13-1XXXXXX</b>		1 Wages, tips, other compensation <b>\$7,400</b>	2 Federal income tax withheld <b>\$242</b>			
c Employer's name, address, and ZIP code <b>WEST DALE RETIREMENT VILLAGE 1001 RIVENDALE YOUR CITY, STATE ZIP</b>		3 Social security wages <b>\$7,400</b>	4 Social security tax withheld <b>\$459</b>			
		5 Medicare wages and tips <b>\$7,400</b>	6 Medicare tax withheld <b>\$107</b>			
		7 Social security tips	8 Allocated tips			
		d Control number		9 Advance EIC payment	10 Dependent care benefits	
e Employee's first name and initial Last name Suff. <b>ALBERTA L FARMER 1551 BALTIC YOUR CITY, STATE ZIP</b>		11 Nonqualified plans		12a See instructions for box 12		
		13 <input type="checkbox"/> Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay	12b			
		14 Other		12c		
				12d		
f Employee's address and ZIP code		15 State Employer's state ID number <b>YS 13-1XXXXXX</b>	16 State wages, tips, etc. <b>\$7,400</b>	17 State income tax <b>\$96</b>	18 Local wages, tips, etc.	
		19 Local income tax	20 Locality name			

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

**2008**

Department of the Treasury—Internal Revenue Service

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

VOID  CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. <b>NEIGHBORHOOD BANK &amp; TRUST 98 FIESTA CIRCLE YOUR CITY, STATE ZIP</b>		Payer's RTN (optional)	OMB No. 1545-0112		
PAYER'S federal identification number <b>13-2XXXXXX</b>		1 Interest income <b>\$ 1,000</b>	<b>2008</b> Interest Income Form <b>1099-INT</b>		
RECIPIENT'S identification number <b>220-XX-XXXX</b>		2 Early withdrawal penalty <b>\$ 100</b>			
RECIPIENT'S name <b>GEORGE C FARMER</b>		3 Interest on U.S. Savings Bonds and Treas. obligations <b>\$</b>	<b>Copy C For Payer</b>  For Privacy Act and Paperwork Reduction Act Notice, see the <b>2008 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>		
Street address (including apt. no.) <b>1551 BALTIC</b>		4 Federal income tax withheld <b>\$</b>			5 Investment expenses <b>\$</b>
City, state, and ZIP code <b>YOUR CITY, STATE ZIP</b>		6 Foreign tax paid <b>\$</b>			7 Foreign country or U.S. possession
Account number (see instructions)		8 Tax-exempt interest <b>\$ 1,500</b>			9 Specified private activity bond interest <b>\$</b>
2nd TIN not <input type="checkbox"/>					

Form **1099-INT**

Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no.  <b>INTERNATIONAL VALUE FUNDS 623 ARBOR HILL YOUR CITY, STATE ZIP</b>		<b>1a</b> Total ordinary dividends \$ <b>400</b>	OMB No. 1545-0110  <b>2008</b>	Form <b>1099-DIV</b>	<b>Dividends and Distributions</b>
		<b>1b</b> Qualified dividends \$ <b>250</b>			
PAYER'S federal identification number <b>13-3XXXXXX</b>		RECIPIENT'S identification number <b>220-XX-XXXX</b>		<b>2a</b> Total capital gain distr. \$ <b>125</b>	<b>2b</b> Unrecap. Sec. 1250 gain \$
RECIPIENT'S name  <b>GEORGE C FARMER</b>		<b>2c</b> Section 1202 gain \$	<b>2d</b> Collectibles (28%) gain \$		<b>Copy B For Recipient</b>  This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
Street address (including apt. no.) <b>1551 BALTIC</b>		<b>3</b> Nondividend distributions \$	<b>4</b> Federal income tax withheld \$		
City, state, and ZIP code <b>YOUR CITY, STATE ZIP</b>		<b>5</b> Investment expenses \$	<b>6</b> Foreign tax paid \$		
Account number (see instructions)		<b>7</b> Foreign country or U.S. possession	<b>8</b> Cash liquidation distributions \$		
		<b>9</b> Noncash liquidation distributions \$			

Form **1099-DIV**

(keep for your records)

Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no.  <b>RTK ENTERPRISES 8009 CENTER YOUR CITY, STATE ZIP</b>		<b>1</b> Rents \$	OMB No. 1545-0115  <b>2008</b>	Form <b>1099-MISC</b>	<b>Miscellaneous Income</b>
		<b>2</b> Royalties \$			
PAYER'S federal identification number <b>13-4XXXXXX</b>		RECIPIENT'S identification number <b>220-XX-XXXX</b>		<b>3</b> Other income \$	<b>4</b> Federal income tax withheld \$
RECIPIENT'S name  <b>GEORGE C FARMER</b>		<b>5</b> Fishing boat proceeds \$	<b>6</b> Medical and health care payments \$		<b>Copy 2 To be filed with recipient's state income tax return, when required.</b>
Street address (including apt. no.) <b>1551 BALTIC</b>		<b>7</b> Nonemployee compensation \$ <b>3,700</b>	<b>8</b> Substitute payments in lieu of dividends or interest \$		
City, state, and ZIP code <b>YOUR CITY, STATE ZIP</b>		<b>9</b> Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/> \$	<b>10</b> Crop insurance proceeds \$		
Account number (see instructions)		<b>11</b>	<b>12</b>		
		<b>13</b> Excess golden parachute payments \$	<b>14</b> Gross proceeds paid to an attorney \$		
<b>15a</b> Section 409A deferrals \$	<b>15b</b> Section 409A income \$	<b>16</b> State tax withheld \$	<b>17</b> State/Payer's state no.	<b>18</b> State income \$	

Form **1099-MISC**

Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

PAYER'S name, street address, city, state, and ZIP code  <b>SIMPSON &amp; SONS MANUFACTURING 7261 EMERALD DRIVE YOUR CITY, STATE ZIP</b>		<b>1</b> Gross distribution \$ <b>24,200</b>	OMB No. 1545-0119  <b>2008</b>		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
		<b>2a</b> Taxable amount \$ <b>23,500</b>	Form <b>1099-R</b>		
PAYER'S federal identification number <b>13-6XXXXXX</b>		RECIPIENT'S identification number <b>220-XX-XXXX</b>		<b>2b</b> Taxable amount not determined <input type="checkbox"/> Total distribution <input type="checkbox"/>	<b>Copy B</b> <b>Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.</b>  This information is being furnished to the Internal Revenue Service.
RECIPIENT'S name  <b>GEORGE C FARMER</b>		<b>3</b> Capital gain (included in box 2a) \$	<b>4</b> Federal income tax withheld \$ <b>2,400</b>		
Street address (including apt. no.)  <b>1551 BALTIC</b>		<b>5</b> Employee contributions / Designated Roth contributions or insurance premiums \$	<b>6</b> Net unrealized appreciation in employer's securities \$		
City, state, and ZIP code <b>YOUR CITY, STATE ZIP</b>		<b>7</b> Distribution code(s) <b>7</b>	IRA/SEP/SIMPLE <input type="checkbox"/>	<b>8</b> Other \$ %	
Account number (see instructions)		<b>9a</b> Your percentage of total distribution %	<b>9b</b> Total employee contributions \$		
1st year of desig. Roth contrib.		<b>10</b> State tax withheld \$	<b>11</b> State/Payer's state no. <b>13-6XXXXXX</b>		<b>12</b> State distribution \$ <b>23,500</b>
		<b>13</b> Local tax withheld \$	<b>14</b> Name of locality		<b>15</b> Local distribution \$

Form 1099-R

Department of the Treasury - Internal Revenue Service

FORM SSA-1099 - SOCIAL SECURITY BENEFIT STATEMENT		
<b>2008</b>		
• PART OF YOUR SOCIAL SECURITY BENEFITS SHOWN IN BOX 5 MAY BE TAXABLE INCOME. • SEE THE REVERSE FOR MORE INFORMATION.		
Box 1. Name <b>GEORGE C FARMER</b>	Box 2. Beneficiary's Social Security Number <b>220-XX-XXXX</b>	
Box 3. Benefits Paid in 2008 <b>\$9,700</b>	Box 4. Benefits Repaid to SSA in 2008	Box 5. Net Benefits for 2008 (Box 3 minus Box 4) <b>\$9,700</b>
DESCRIPTION OF AMOUNT IN BOX 3 <b>Paid by check or direct deposit:</b> <b>\$7,943</b> <b>Medicare Part B premiums deducted from your benefits:</b> <b>\$1,157</b> <b>Medicare Prescription Drug premiums (Part D) deducted from your benefits:</b> <b>\$0</b>  <b>Total Additions:</b>  <b>Benefits for 2008:</b> <b>\$9,700</b>		DESCRIPTION OF AMOUNT IN BOX 4   Box 6. Voluntary Federal Income Tax Withholding <b>\$600</b>  Box 7. Address <b>1551 BALTIC</b> <b>YOUR CITY, STATE ZIP</b>  Box 8. Claim Number (Use this number if you need to contact SSA.)
Draft as of June 13, 2008 - Subject to Change		
Form SSA-1099-SM (1-2008) <b>DO NOT RETURN THIS FORM TO SSA OR IRS</b>		

YOUR CITY TAX RECEIPT	
User: SAH	03/12/2008
Transaction No:	12345
Paid By.....:	Farmer
Check No.....:	5432
Property Address:	
1551 Baltic, Your City	
YS, Your Zip	
Owner1: George C. Farmer	
Owner2: Alberta L. Farmer	
0101 Tx Py	1050.00
Total.....:	1050.00
Amt Tendered...:	1050.00
Change.....:	0.00
Prev Bal.....:	1050.00
New Bal.....:	0.00
Thanks! Have a nice day!	

## Intermediate Scenario 2: Test Questions

### Directions

Please complete Form 1040 and the appropriate forms, schedules, or worksheets to answer the following questions. At the time this document went to print, there was pending legislation related to the Alternative Minimum Tax. Form 6251, Alternative Minimum Tax, does not apply to this taxpayer. You are a volunteer at site S21014444.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

- 10.1** Which item would be impacted by omitting tax exempt interest on the Farmers' Form 1040, line 8b?
- a. Taxable portion of social security benefits
  - b. Business income
  - c. Self-Employment Tax
  - d. None of the above
- 10.2** What is the taxable portion of social security benefits on Form 1040, line 20b?  
\$\_\_\_\_\_
- 10.3** The Farmers' penalty on early withdrawal of savings, Form 1040, line 30, is  
\$\_\_\_\_\_
- 10.4** What is the amount of George's gross receipts reported on Schedule C-EZ, line 1? \$\_\_\_\_\_
- 10.5** George's total business expenses on Schedule C-EZ, line 2 are:
- a. \$429
  - b. \$2,674
  - c. \$3,122
  - d. \$3,130
- 10.6** On which line of Form 1040 can the Farmers take the self-employment tax adjustment? Line \_\_\_\_\_
- 10.7** What is the taxable portion of George's pension on Form 1040, line 16b?  
\$\_\_\_\_\_
- 10.8** Income on Form 1099-MISC, box 7, Non-Employee Compensation, is reported on Form 1040, line 21.
- a. True
  - b. False

Advanced Scenario 1: Jenna E. Duboise

**Taxpayer** Jenna, a teacher's aide, completed the Intake/Interview Sheet in Form 13614-C, and wants to file her tax return. Her husband, Jason, died in January 2009 and Jenna has not remarried. She has one daughter, Amanda.

- Taxpayer Documents**
- Social security cards for Jenna E. Duboise, Amanda S. Duboise, and Jason R. Duboise
  - Form W-2 for Jenna Duboise
  - Consolidated Form 1099 for Jenna Duboise

- Interview Notes**
- Jason retired on December 15, 2007, and started receiving his pension in January 2008.
  - He received monthly benefits in the amount of \$1,800 each month for the entire year of 2008.
  - The pension plan is a qualified plan and he received benefits under a joint and survivor annuity, to be paid over the joint lives of Jason and Jenna.
  - Jason contributed \$61,200 to the plan and did not receive any distributions before his annuity starting date.
  - Jason died on January 10, 2009.
  - They sold their main home in July 2008 for \$225,000. Their main home was purchased in 1998 for \$150,000.
  - Jenna sold some of her stock in 2008. Jenna brought the broker's statements with her. All three stocks were held as separate property and none had reinvested dividends.
  - Stock information:
    - ABC stock
      - Purchased 100 shares on 12/01/2007 for \$3,200
    - XYZ stock
      - Purchased 500 shares on 02/01/1999 for \$4,000
    - GHI stock
      - Inherited 200 shares from uncle on 05/15/2008
      - FMV on uncle's date of death was \$50 per share

- 
- Interview** • Jenna and Jason never itemized deductions and will not itemize for 2008.
- Notes**  
(continued)
- In 2008, Jason and Jenna paid real estate taxes on their personal residence in the amount of \$850.
  - They made four timely estimated tax payments in the amount of \$600 each for 2008.
  - Jenna wants to designate \$3 for herself and her deceased husband to the Presidential Election Campaign Fund.
  - In June 2008, Jason and Jenna received an Economic Stimulus Payment (ESP) check of \$1,500.



**Intake/Interview & Quality Review Sheet**

**You (and Spouse) will need:**

- *Proof of Identity*
- *Social Security Card or Individual Tax Identification Number (ITIN) letter for all individuals to be listed on the return*
- *Copies of ALL W-2, 1098, 1099 forms*
- *Amounts of any other income*
- *Child care provider's identification number*
- *Amounts/dates of estimated or other tax payments made, etc.*
- *Bank documents showing routing and account numbers if requesting direct deposit/debit*

**Part I: Taxpayer Information**

1. Your First Name JENNA		M.I. E	Last Name DUBOISE		2. Date of Birth (mm/dd/yyyy) 03/17/1952	
3. US Citizen or Resident Alien <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		4. Legally Blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		5. Totally and Permanently Disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		6. Occupation TEACHER AIDE
7. Spouse's First Name JASON		M.I. R	Last Name DUBOISE		8. Date of Birth (mm/dd/yyyy) 12/11/1946	
9. US Citizen or Resident Alien <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		10. Legally Blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		11. Totally and Permanently Disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		12. Occupation DECEASED
13. Address 388 NASH			Apt #	City YOUR CITY		State Zip Code YS YOUR ZIP
14. Phone Number and e-mail address Phone: ( ) YOUR PHONE NUMBER e-mail:				15. Could you or your spouse be claimed as a dependent on the income tax return of any other person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
16. <b>On December 31<sup>st</sup></b>						
a. Were you: <input type="checkbox"/> Single <input checked="" type="checkbox"/> Legally Married <input type="checkbox"/> Separated <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed						
b. If married, did you live with your spouse during any part of the last six months of the year? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
c. Is your spouse deceased? If yes, provide the date of death. 01/10/2009 (mm/dd/yyyy)						

**Part II. Family and Dependent Information – Do not include you or your spouse.**

*Print the name of everyone who lived in your home and outside your home that you supported during the year.*

Name (first, last)	Date of Birth mm/dd/yyyy	Relationship to you (son, daughter, etc.)	Number of months person lived with you last year	US Citizen, Resident of US, Canada or Mexico (yes or no)	Is the dependent a full time student? (yes or no)
(a)	(b)	(c)	(d)	(e)	(f)
AMANDA DUBOISE	02/19/1998	DAUGHTER	12	YES	YES

**Paperwork Reduction Act Notice**

The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1964. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service, Tax Products Coordinating Committee, SE.W.CAR.MP.T.T.SP, 1111 Constitution Ave. NW, Washington, DC 20224.

**Please Complete Page 2, except Part V. A Certified Volunteer will confirm the information with you.**

## COMMON INCOME AND EXPENSES

### Part III. Income – Did you (or your spouse) receive:

- Yes  No 1. Wages or Salary (include W-2s for all jobs worked during the year)
- Yes  No 2. Tip income
- Yes  No 3. Interest/Dividends from: checking or savings account, bonds, CDs, or brokerage account
- Yes  No 4. State tax refund (may be taxable if you itemized last year)
- Yes  No 5. Self Employment Income - business, farm, hobby, **1099-Misc or any earned income not reported on W-2**
- Yes  No 6. Alimony income
- Yes  No 7. Sale of Stock, Bonds or Real Estate
- Yes  No 8. Disability income
- Yes  No 9. Pensions, Annuities, and/or IRA distributions
- Yes  No 10. Unemployment (1099-G)
- Yes  No 11. Social Security or Railroad Retirement Benefits (1099-SSA or RRB)
- Yes  No 12. Other Income: Identify \_\_\_\_\_

### Part IV. Expenses – Did you (or your spouse) make or have:

- Yes  No 1. Alimony payments (if yes, you must provide the name and SSN of the recipient)
- Yes  No 2. Contributions to IRA or other retirement account
- Yes  No 3. Educational expenses for you, your spouse and/or dependents
- Yes  No 4. Un-reimbursed medical expenses
- Yes  No 5. Home mortgage payments (interest and taxes – see Form 1098)
- Yes  No 6. Charitable contributions
- Yes  No 7. Child/dependent care expenses that allow you (and your spouse - if married) to work
- Yes  No 8. Any estimated tax payments for this tax year
- Yes  No 9. Was EIC previously disallowed? (if yes, you may not be eligible for EIC)

### Part V. For Completion by a Certified Volunteer

**Volunteer Preparer Instructions:** You must conduct a thorough interview to complete an accurate return. This Intake/Interview Sheet is the start of your conversation with the taxpayer. Use the decision trees in Publication 4012, Volunteer Resource Guide, while discussing the questions on this form. **Remember to ask for all documentation.** Update the Intake/Interview Sheet with any changes identified during your interview. Confirm all information with the taxpayer.

- Yes  No 1. Did any of these dependents file a joint return for this tax year?
- Yes  No 2. Can anyone else claim any of these dependents on their income tax return?
- Yes  No 3. Did any dependent on the return provide more than 50% of their own support?
- Yes  No 4. Were any of these dependents permanently and totally disabled last year?
- Yes  No 5. Did the taxpayer provide over half the support for each of these dependents?
- \_\_\_\_\_ 6. Based on the interview, how many individuals qualify as dependents for this return?
- Yes  No 7. Based on the interview, does the taxpayer qualify for EIC?

Based on the interview, the filing status of the taxpayer is:  Single  MFJ  MFS\*  HOH  QW

\*If MFS, then spouse's name and SSN should be included on the tax return.

Did the taxpayer receive an Economic Stimulus Payment last year?

- Yes  No If yes, how much? \$1,500

CORRECTED (if checked)

PAYER'S name, street address, city, state, and ZIP code  <b>SOUTHEAST ISD 1809 QUAIL YOUR CITY, STATE ZIP</b>		<b>1</b> Gross distribution \$ <b>21,600</b>	OMB No. 1545-0119  <b>2008</b>	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.	
		<b>2a</b> Taxable amount \$	Form <b>1099-R</b>		
		<b>2b</b> Taxable amount not determined <input checked="" type="checkbox"/>	Total distribution <input type="checkbox"/>	<b>Copy B</b> Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.	
PAYER'S federal identification number <b>20-2XXXXXX</b>	RECIPIENT'S identification number <b>311-XX-XXXX</b>	<b>3</b> Capital gain (included in box 2a) \$	<b>4</b> Federal income tax withheld \$ <b>700</b>		
RECIPIENT'S name  <b>JASON R DUBOISE</b>		<b>5</b> Employee contributions /Designated Roth contributions or insurance premiums \$	<b>6</b> Net unrealized appreciation in employer's securities \$	This information is being furnished to the Internal Revenue Service.	
Street address (including apt. no.)  <b>388 NASH</b>		<b>7</b> Distribution code(s) <b>7</b>	<b>8</b> Other \$ %		
City, state, and ZIP code <b>YOUR CITY, STATE ZIP</b>		<b>9a</b> Your percentage of total distribution %	<b>9b</b> Total employee contributions \$ <b>61,200</b>		
1st year of desig. Roth contrib.		<b>10</b> State tax withheld \$	<b>11</b> State/Payer's state no.	<b>12</b> State distribution \$	
Account number (see instructions)		<b>13</b> Local tax withheld \$	<b>14</b> Name of locality	<b>15</b> Local distribution \$	

Form **1099-R**

Department of the Treasury - Internal Revenue Service

a Employee's social security number <b>310-XX-XXXX</b>		OMB No. 1545-0008		Safe, accurate, FASTI Use 		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a> .	
b Employer identification number (EIN) <b>20-1XXXXXX</b>		<b>1</b> Wages, tips, other compensation \$ <b>17,300</b>	<b>2</b> Federal income tax withheld \$ <b>650</b>				
c Employer's name, address, and ZIP code <b>MOTHER GOOSE NURSERY 907 STAR YOUR CITY, STATE ZIP</b>		<b>3</b> Social security wages \$ <b>17,300</b>	<b>4</b> Social security tax withheld \$ <b>1,073</b>				
		<b>5</b> Medicare wages and tips \$ <b>17,300</b>	<b>6</b> Medicare tax withheld \$ <b>251</b>				
		<b>7</b> Social security tips	<b>8</b> Allocated tips				
d Control number		<b>9</b> Advance EIC payment		<b>10</b> Dependent care benefits			
e Employee's first name and initial Last name Suff. <b>JENNA E DUBOISE 388 NASH YOUR CITY, STATE ZIP</b>		<b>11</b> Nonqualified plans		<b>12a</b> See instructions for box 12			
		<b>13</b> Salaried employees <input type="checkbox"/>	<b>13</b> Retirement plan <input type="checkbox"/>	<b>13</b> Third-party sick pay <input type="checkbox"/>	<b>12b</b>		
		<b>14</b> Other		<b>12c</b>			
				<b>12d</b>			
<b>15</b> State	Employer's state ID number	<b>16</b> State wages, tips, etc.	<b>17</b> State income tax	<b>18</b> Local wages, tips, etc.	<b>19</b> Local income tax	<b>20</b> Locality name	
<b>YS</b>	<b>20-1XXXXXX</b>	\$ <b>17,300</b>	\$ <b>317</b>				

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

**2008**

Department of the Treasury—Internal Revenue Service

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

Jenna Duboise  
388 Nash  
Your City, State, Zip  
310-XX-XXXX

ABC Investments  
456 Main Street  
Your City, State Zip  
Phone (XXX) XXX-XXXX  
FEIN: 20-3XXXXXX

2008  
12-31-08

Substitute 1099-B

Date of Sale <u>Box 1a</u>	Stocks, Bonds-Proceeds <u>Box 2 (less commission)</u>	Description <u>Box 7</u>	Federal Income Tax Withheld <u>Box 4</u>
9-30-08	\$ 7,000.00	200 shares GHI Stock	\$ 0.00
10-12-08	\$ 6,000.00	100 shares XYZ Stock	\$ 0.00
11-15-08	\$ 3,950.00	100 shares ABC Stock	\$ 0.00

Substitute 1099-DIV

Payer	Ord. Div. <u>Box 1a</u>	Qual. Div. <u>Box 1b</u>	Cap. Gain. Dist. <u>Box 2a</u>	FIT Withheld <u>Box 4</u>	Foreign Tax <u>Box 6</u>
DTD Mutual Fund	\$ 200.00	\$ 200.00	\$ 500.00	\$ 0.00	\$ 0.00

---

## Advanced Scenario 1: Test Questions

### Directions

Complete Form 1040 and the appropriate forms, schedules, and worksheets to answer the following questions. At the time this document went to print, there was pending legislation related to the Alternative Minimum Tax. Form 6251, Alternative Minimum Tax, does not apply to this taxpayer. You are a volunteer at site S21014444.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

- 11.1** What is Jenna's correct filing status for 2008?
- a. Single
  - b. Married Filing Jointly
  - c. Head of Household
  - d. Qualifying Widow(er) with dependent child
- 11.2** What is the short-term capital gain or (loss) on Schedule D, line 7?
- a. 0
  - b. \$750
  - c. \$800
  - d. (\$2,250)
- 11.3** What is the gain or (loss) on the sale of the GHI stock?
- a. 0
  - b. (\$3,000)
  - c. \$3,000
  - d. \$7,000
- 11.4** What is the holding period for the GHI stock?
- a. Short term
  - b. Long term
- 11.5** What is the long-term capital gain or (loss) on Schedule D, line 15?
- a. \$2,200
  - b. \$2,700
  - c. \$5,200
  - d. \$5,700

- 11.6** What will be the long-term capital loss carryover to 2009?
- a. 0
  - b. \$2,300
  - c. \$3,500
  - d. \$4,050
- 11.7** How much of the \$21,600 gross distribution reported on Form 1099-R is taxable?
- a. 0
  - b. \$17,160
  - c. \$19,560
  - d. \$21,600
- 11.8** Which birth date(s) are used to compute the taxable amount of the pension income?
- a. 12/11/1946
  - b. 03/17/1952
  - c. Both a and b
  - d. None of the above
- 11.9** What are Jenna's total payments on Form 1040, line 71?
- a. \$1,350
  - b. \$3,050
  - c. \$3,660
  - d. \$3,750
- 11.10** How much gain from the sale of her home is Jenna required to report on her tax return? \$\_\_\_\_\_
- 11.11** On which schedule must Jenna report her capital gain distribution that is shown on Form 1099-DIV?
- a. Schedule A
  - b. Schedule B
  - c. Schedule C
  - d. Schedule D

- 11.12** After Jason's death, Jenna works and maintains the household for herself and her dependent daughter, Amanda. If Jenna does not remarry, what is the **last tax year** Jenna can use the filing status of Qualifying Widow(er) with Dependent Child?
- a. 2009
  - b. 2010
  - c. 2011
  - d. 2012
- 11.13** Assume Jenna had no capital gain transactions except the capital gain distribution reported on Form 1099-DIV. On which line is she required to report this income?
- a. Form 1040 Line 9a
  - b. Form 1040 Line 9b
  - c. Form 1040 Line 13 and check the box
  - d. Form 1040 Line 14
- 11.14** If taxpayers cannot provide the basis in stock sold, what will the IRS deem it to be?
- a. 0
  - b. 25% of sales price
  - c. 50% of sales price
  - d. None of the above
- 11.15** Which of the following is an increase to basis when figuring the adjusted basis of a taxpayer's home?
- a. Insurance premiums
  - b. Addition of a recreation room
  - c. Repair of a broken window
  - d. Painting a room

This page intentionally left blank.

**Military Scenario 1: Diana Stewart**

**Taxpayer** Diana Stewart completed the Intake/Interview Sheet in Form 13614-C.

---

- Taxpayer Documents**
- Completed Intake and Interview Sheet
  - Social security cards for Diana, Lily and an IRS ITIN letter for Henri
  - 3 Forms W-2
  - Form 1099-INT
- 

- Interview Notes**
- Diana is a nurse and a member of the Army Reserve
  - Deployed: to Iraq from 7/12/08 through 2/26/09
  - Military training: Attended weekend-long military training sessions over 100 miles away from home each month from 01/01/08 through 06/30/08. (The expenses were not reimbursed.) Total expenses for the six-month period were:
    - Mileage: 1,560 (based on Internet map data, not written records). Diana owns two vehicles and both are available for personal use.
    - Lodging: \$900 (within federal per diem rate for the area)
    - Meals: \$675 (within federal per diem rate for the area)
  - Married: Married Henri Dumont in 2008. Henri was not employed during 2008.
    - Income: no income in 2008
    - Citizenship: Swiss citizen
    - Individual tax identification number: 940-70-XXXX
    - Henri has an ITIN letter from the IRS ITIN unit
    - Wants to file jointly; he does not want to contribute to the Presidential Election Campaign Fund
  - One child: Diana has full custody of her daughter, Lily
    - Care: Diana’s sister, Louise, took care of Lily at no cost; Louise lived with Diana, but was not her dependent. Louise does not wish to claim Lily on her tax return.
    - Cost: Diana allotted some of her military pay to cover all household bills and anything Lily needed
  - Properties:
    - Rental property: Diane is an active participant.
      - Townhouse, 600 Washington Ave., Your City, Your State
      - Purchased property: 04/30/03
      - Rented: 01/01/08 – 12/31/08
      - Rental income: \$8,500
      - Annual real estate taxes: \$1,350

---

**Interview****Notes**

(continued)

- Rental property (continued):
  - Management company fees for the time the property was rented: \$750
  - Furnace repair 02/15/08: \$290
  - Depreciation (from prior year tax return): \$2,325
- Stock and shares:
  - A&B Stock
    - Inherited: 100 shares on 03/15/08
    - Fair market value on 3/15/08: \$3,500
    - Sold: all shares on 04/30/08
    - Selling price: \$3,700 (net of commissions)
  - Equity Index Mutual Fund
    - Bought: 06/01/07 through 04/15/08
    - Sold: 300 shares on 4/30/08
    - Total cost basis for the 300 shares: \$1,500
    - Selling price: \$1,000 (net of commission)
- Additional information:
  - Not enough deductions to itemize
  - Diana and Henri do not own a personal residence and do not pay any real estate taxes
  - Diana wants to designate \$3 for the Presidential Election Campaign Fund
- In June 2008, Diana Stewart received an Economic Stimulus Payment of \$900.



**Intake/Interview & Quality Review Sheet**

**You (and Spouse) will need:**

- *Proof of Identity*
- *Social Security Card or Individual Tax Identification Number (ITIN) letter for all individuals to be listed on the return*
- *Copies of ALL W-2, 1098, 1099 forms*
- *Amounts of any other income*
- *Child care provider's identification number*
- *Amounts/dates of estimated or other tax payments made, etc.*
- *Bank documents showing routing and account numbers if requesting direct deposit/debit*

**Part I: Taxpayer Information**

1. Your First Name DIANA		M.I. P	Last Name STEWART		2. Date of Birth (mm/dd/yyyy) 10/02/1973		
3. US Citizen or Resident Alien <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		4. Legally Blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		5. Totally and Permanently Disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		6. Occupation MILITARY	
7. Spouse's First Name HENRI		M.I. C	Last Name DUMONT		8. Date of Birth (mm/dd/yyyy) 09/29/1975		
9. US Citizen or Resident Alien <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		10. Legally Blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		11. Totally and Permanently Disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		12. Occupation UNEMPLOYED	
13. Address 176 CHASE RD			Apt #	City YOUR CITY		State YS	Zip Code YOUR ZIP
14. Phone Number and e-mail address Phone: ( ) YOUR PHONE NUMBER e-mail:				15. Could you or your spouse be claimed as a dependent on the income tax return of any other person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
16. On December 31 <sup>st</sup>							
a. Were you: <input type="checkbox"/> Single <input checked="" type="checkbox"/> Legally Married <input type="checkbox"/> Separated <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed							
b. If married, did you live with your spouse during any part of the last six months of the year? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No							
c. Is your spouse deceased? If yes, provide the date of death. _____ (mm/dd/yyyy)							

**Part II. Family and Dependent Information – Do not include you or your spouse.**

*Print the name of everyone who lived in your home and outside your home that you supported during the year.*

Name (first, last)	Date of Birth mm/dd/yyyy	Relationship to you (son, daughter, etc.)	Number of months person lived with you last year	US Citizen, Resident of US, Canada or Mexico (yes or no)	Is the dependent a full time student? (yes or no)
(a)	(b)	(c)	(d)	(e)	(f)
LILY STEWART	07/23/1997	DAUGHTER	12	YES	YES

**Paperwork Reduction Act Notice**

The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1964. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service, Tax Products Coordinating Committee, SE.W.CAR.MP.T.T.SP, 1111 Constitution Ave. NW, Washington, DC 20224.

**Please Complete Page 2, except Part V. A Certified Volunteer will confirm the information with you.**

## COMMON INCOME AND EXPENSES

### Part III. Income – Did you (or your spouse) receive:

- Yes  No 1. Wages or Salary (include W-2s for all jobs worked during the year)
- Yes  No 2. Tip income
- Yes  No 3. Interest/Dividends from: checking or savings account, bonds, CDs, or brokerage account
- Yes  No 4. State tax refund (may be taxable if you itemized last year)
- Yes  No 5. Self Employment Income - business, farm, hobby, **1099-Misc or any earned income not reported on W-2**
- Yes  No 6. Alimony income
- Yes  No 7. Sale of Stock, Bonds or Real Estate
- Yes  No 8. Disability income
- Yes  No 9. Pensions, Annuities, and/or IRA distributions
- Yes  No 10. Unemployment (1099-G)
- Yes  No 11. Social Security or Railroad Retirement Benefits (1099-SSA or RRB)
- Yes  No 12. Other Income: Identify RENTAL

### Part IV. Expenses – Did you (or your spouse) make or have:

- Yes  No 1. Alimony payments (if yes, you must provide the name and SSN of the recipient)
- Yes  No 2. Contributions to IRA or other retirement account
- Yes  No 3. Educational expenses for you, your spouse and/or dependents
- Yes  No 4. Un-reimbursed medical expenses
- Yes  No 5. Home mortgage payments (interest and taxes – see Form 1098)
- Yes  No 6. Charitable contributions
- Yes  No 7. Child/dependent care expenses that allow you (and your spouse - if married) to work
- Yes  No 8. Any estimated tax payments for this tax year
- Yes  No 9. Was EIC previously disallowed? (if yes, you may not be eligible for EIC)

### Part V. For Completion by a Certified Volunteer

**Volunteer Preparer Instructions:** You must conduct a thorough interview to complete an accurate return. This Intake/Interview Sheet is the start of your conversation with the taxpayer. Use the decision trees in Publication 4012, Volunteer Resource Guide, while discussing the questions on this form. **Remember to ask for all documentation.** Update the Intake/Interview Sheet with any changes identified during your interview. Confirm all information with the taxpayer.

- Yes  No 1. Did any of these dependents file a joint return for this tax year?
- Yes  No 2. Can anyone else claim any of these dependents on their income tax return?
- Yes  No 3. Did any dependent on the return provide more than 50% of their own support?
- Yes  No 4. Were any of these dependents permanently and totally disabled last year?
- Yes  No 5. Did the taxpayer provide over half the support for each of these dependents?
- \_\_\_\_\_ 6. Based on the interview, how many individuals qualify as dependents for this return?
- Yes  No 7. Based on the interview, does the taxpayer qualify for EIC?

Based on the interview, the filing status of the taxpayer is:  Single  MFJ  MFS\*  HOH  QW

\*If MFS, then spouse's name and SSN should be included on the tax return.

Did the taxpayer receive an Economic Stimulus Payment last year?

- Yes  No If yes, how much? \$900

a Employee's social security number 410-XX-XXXX		Safe, accurate, FAST! Use 		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>	
b Employer identification number (EIN) 30-1XXXXXX		1 Wages, tips, other compensation \$25,280		2 Federal income tax withheld \$3,875	
c Employer's name, address, and ZIP code WOMEN'S MEDICAL CENTER 2220 ROBBINS STE 17 YOUR CITY, STATE, ZIP		3 Social security wages \$25,280		4 Social security tax withheld \$1,567	
		5 Medicare wages and tips \$25,280		6 Medicare tax withheld \$367	
		7 Social security tips		8 Allocated tips	
		9 Advance EIC payment		10 Dependent care benefits	
d Control number		11 Nonqualified plans		12a See instructions for box 12	
e Employee's first name and initial Last name Suff. DIANA P. STEWART 176 CHASE RD YOUR CITY, STATE, ZIP		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b	
		14 Other		12c	
				12d	
f Employee's address and ZIP code		15 State Employer's state ID number YS 30-1XXXXXX		16 State wages, tips, etc. \$25,280	
		17 State income tax \$1,380		18 Local wages, tips, etc.	
				19 Local income tax	
				20 Locality name	

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

2008

Department of the Treasury—Internal Revenue Service

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

a Employee's social security number 410-XX-XXXX		Safe, accurate, FAST! Use 		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>	
b Employer identification number (EIN) 30-2XXXXXX		1 Wages, tips, other compensation \$4,250		2 Federal income tax withheld \$190	
c Employer's name, address, and ZIP code DFAS PO BOX 8899 INDIANAPOLIS, IN 43249-2410		3 Social security wages \$4,250		4 Social security tax withheld \$264	
		5 Medicare wages and tips \$4,250		6 Medicare tax withheld \$62	
		7 Social security tips		8 Allocated tips	
		9 Advance EIC payment		10 Dependent care benefits	
d Control number		11 Nonqualified plans		12a See instructions for box 12	
e Employee's first name and initial Last name Suff. DIANA P. STEWART 176 CHASE RD YOUR CITY, STATE, ZIP		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b	
		14 Other		12c	
				12d	
f Employee's address and ZIP code		15 State Employer's state ID number YS 30-2XXXXXX		16 State wages, tips, etc. \$4,250	
		17 State income tax \$0		18 Local wages, tips, etc.	
				19 Local income tax	
				20 Locality name	

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

2008

Department of the Treasury—Internal Revenue Service

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

a Employee's social security number <b>410-XX-XXXX</b>		Safe, accurate, <b>FAST!</b> Use 		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a> .	
b Employer identification number (EIN) <b>30-2XXXXXX</b>		1 Wages, tips, other compensation		2 Federal income tax withheld	
c Employer's name, address, and ZIP code <b>DFAS PO BOX 8899 INDIANAPOLIS, IN 43249-2410</b>		3 Social security wages <b>\$39,112</b>		4 Social security tax withheld <b>\$2,425</b>	
		5 Medicare wages and tips <b>\$39,112</b>		6 Medicare tax withheld <b>\$567</b>	
		7 Social security tips		8 Allocated tips	
		9 Advance EIC payment		10 Dependent care benefits	
d Control number		11 Nonqualified plans		12a See instructions for box 12 <b>Q \$39,112</b>	
e Employee's first name and initial Last name Suff. <b>DIANA P. STEWART 176 CHASE RD YOUR CITY, STATE, ZIP</b>		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b	
		14 Other		12c	
				12d	
f Employee's address and ZIP code		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	

Form **W-2 Wage and Tax Statement** **2008** Department of the Treasury—Internal Revenue Service  
 Copy B—To Be Filed With Employee's FEDERAL Tax Return.  
 This information is being furnished to the Internal Revenue Service.

VOID  CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. <b>BASE FEDERAL CREDIT UNION 4141 WABASH YOUR CITY, STATE, ZIP</b>		Payer's RTN (optional)	OMB No. 1545-0112	
PAYER'S federal identification number <b>30-3XXXXXX</b>		1 Interest income <b>\$ 821</b>	<b>2008 Interest Income</b>	
		2 Early withdrawal penalty <b>\$</b>		
RECIPIENT'S name <b>DIANA P. STEWART</b>		3 Interest on U.S. Savings Bonds and Treas. obligations <b>\$</b>		<b>Copy C For Payer</b>  For Privacy Act and Paperwork Reduction Act Notice, see the <b>2008 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>
Street address (including apt. no.) <b>176 CHASE RD</b>		4 Federal income tax withheld <b>\$</b>	5 Investment expenses <b>\$</b>	
City, state, and ZIP code <b>YOUR CITY, STATE, ZIP</b>		6 Foreign tax paid <b>\$</b>	7 Foreign country or U.S. possession	
Account number (see instructions)		8 Tax-exempt interest <b>\$</b>	9 Specified private activity bond interest <b>\$</b>	
2nd TIN not. <input type="checkbox"/>				

Form **1099-INT** Department of the Treasury - Internal Revenue Service

Department of the Treasury  
**Internal Revenue Service**  
Austin, TX 73301-0057

Henri C. Dumont  
176 Chase  
Your City, State, ZIP

Date of this notice:  
Number of this notice: CP-565A  
Form: W-7  
Case Ref. Num: **DLN**  
DOB: 09/29/1975

For ITIN assistance call us at:  
(800) xxx-xxxx  
For international callers:  
(512) 460-XXXX  
This is not a toll-free number.

Or you may write to us at:  
Internal Revenue Service  
Austin, TX 73301-0057

**WE ASSIGNED YOU AN IRS INDIVIDUAL TAXPAYER IDENTIFICATION NUMBER (ITIN)**

**[ 940-70-XXXX ]**

Thank you for your Form W-7, Application for IRS Individual Taxpayer Identification Number (ITIN). We assigned you the ITIN shown above. Please keep and safeguard this notice. If part of your name and/or address is incorrect, please notify us in writing at the address shown above and include a copy of this notice.

The following is true about your assigned ITIN:

- It is for federal tax purposes **only**, for example, to file a federal tax return.
- It is not a social security number (SSN) but a tax identification number issued by the IRS.
- It does not entitle you to social security benefits or the Earned Income Tax Credit (EITC).
- If you do not use your ITIN to file a federal tax return or for other federal tax purposes, it can be revoked.
- It does not change your immigration status or make you eligible to work in the United States.

Please use your ITIN when an SSN is requested on any U.S. federal income tax return or for other federal tax purposes. Use your complete name and ITIN on all correspondence with the IRS, including tax returns, tax payments, and refund claims. Using any variation in your name or ITIN may cause processing delays and incorrect information on your account.

If you change your name, please send a copy of this notice along with documentation supporting the name change to the address shown above, or visit your local IRS office, so we can update our records. Examples of acceptable supporting identification documentation include a marriage certificate or court record.

If you become a U.S. citizen, or legal resident alien authorized by the U.S. Citizenship and Immigration Services, you will be eligible to get an SSN. You must then apply for an SSN with the Social Security Administration and start using that number for tax purposes instead of your ITIN. When you receive an SSN, please send a copy of your social security card with a copy of this notice to the address shown above, or visit your local IRS office, so we can update our records.

If you have any questions, please call us at the number shown on this page.

CP-565 (Rev. 01-2007)

## Military Scenario 1: Test Questions

### Directions

Please complete Form 1040 and the appropriate forms, schedules, or worksheets to answer the following questions. At the time this document went to print, there was pending legislation related to the Alternative Minimum Tax. Form 6251, Alternative Minimum Tax, does not apply to this taxpayer. You are a volunteer at site S21014444.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

- 12.1** How many exemptions can Diana and Henri claim on Form 1040, line 6d?  
\_\_\_\_\_
- 12.2** What is Diana's total rental real estate and royalty income or loss on Schedule E, line 26?
- a. \$3,785
  - b. \$4,122
  - c. \$6,110
  - d. \$8,500
- 12.3** Should Diana's combat zone income from Form W-2, box 12a, be reported on Form 1040, line 7?
- a. Yes
  - b. No
- 12.4** Taxpayers may choose to use combat zone income to compute the earned income credit.
- a. True
  - b. False
- 12.5** The total adjustments to gross income on Form 1040, line 36 are: \$ \_\_\_\_\_
- 12.6** What is Diana and Henri's deduction on Form 1040, line 40?
- a. \$10,900
  - b. \$8,000
  - c. \$5,450
  - d. \$0

- 12.7** What is the amount of short term gain or loss on Schedule D, line 7?
- a. \$300 gain
  - b. \$300 loss
  - c. \$500 gain
  - d. \$500 loss
- 12.8** On Form 2106-EZ, line 1, what standard mileage rate (from 01/01/2008 to 06/30/2008) is used to calculate Diana's Army Reserve mileage?
- a. 14 cents per mile
  - b. 48.5 cents per mile
  - c. 50.5 cents per mile
  - d. 58.5 cents per mile
- 12.9** Do Diana and Henri qualify for the Earned Income Tax Credit?
- a. Yes, because Diana received combat zone income
  - b. No, because Henri has an ITIN
- 12.10** If Henri did not elect to be treated as a resident alien, what filing status should Diana use to minimize her taxes?
- a. Single
  - b. Married Filing Jointly
  - c. Married Filing Separately
  - d. Head of Household
  - e. She could file jointly, but not claim Henri's exemption

## Military Scenario 2: Peter and Beth Anderson

**Taxpayer** Peter and Beth Anderson completed the Intake/Interview Sheet in Form 13614-C.

- 
- Taxpayer Documents**
- Completed Intake and Interview Sheet
  - Social security cards for Peter, Beth, and Kenneth
  - Form W-2
  - Form 1099-R
  - Form 1099-INT
  - Voided check

- 
- Interview Notes**
- Stationed in Italy for all of tax year 2008 on qualified extended duty
  - Properties:
    - Sold home in US where they lived for 2½ years
      - Purchased: 1/15/03 for \$215,000
      - Sold: 1/30/08 for \$365,000
      - Improvements: \$5,600
      - Use: House never rented or used for business
  - One child: Kenneth E. Anderson, lives with his parents and is a sophomore in high school.
  - Other:
    - Presidential Election Campaign Fund: Both Peter and Beth want to designate \$3
    - Refund: If they get a refund, they want to have it deposited to their checking account
    - Beth did not work while her husband was stationed abroad
    - The Andersons did not itemize in 2007 and they did not have enough deductions to itemize in 2008
    - Peter and Beth did not pay any real estate taxes
    - Beth was the beneficiary of her father's traditional IRA account
    - In June 2008, the Andersons received an Economic Stimulus Payment of \$900



**You (and Spouse) will need:**

- Proof of Identity
- Social Security Card or Individual Tax Identification Number (ITIN) letter for all individuals to be listed on the return
- Copies of ALL W-2, 1098, 1099 forms
- Amounts of any other income
- Child care provider's identification number
- Amounts/dates of estimated or other tax payments made, etc.
- Bank documents showing routing and account numbers if requesting direct deposit/debit

**Part I: Taxpayer Information**

1. Your First Name PETER		M.I. D	Last Name ANDERSON		2. Date of Birth (mm/dd/yyyy) 07/27/1960	
3. US Citizen or Resident Alien <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		4. Legally Blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		5. Totally and Permanently Disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		6. Occupation MILITARY
7. Spouse's First Name BETH		M.I. A	Last Name ANDERSON		8. Date of Birth (mm/dd/yyyy) 06/06/1962	
9. US Citizen or Resident Alien <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		10. Legally Blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		11. Totally and Permanently Disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		12. Occupation HOUSEWIFE
13. Address 10050 SHADOW MOUNTAIN			Apt #	City YOUR CITY	State YS	Zip Code YOUR ZIP
14. Phone Number and e-mail address Phone: ( ) YOUR PHONE NUMBER e-mail:				15. Could you or your spouse be claimed as a dependent on the income tax return of any other person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
16. On December 31 <sup>st</sup>						
a. Were you: <input type="checkbox"/> Single <input checked="" type="checkbox"/> Legally Married <input type="checkbox"/> Separated <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed						
b. If married, did you live with your spouse during any part of the last six months of the year? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
c. Is your spouse deceased? If yes, provide the date of death. _____ (mm/dd/yyyy)						

**Part II. Family and Dependent Information – Do not include you or your spouse.**

*Print the name of everyone who lived in your home and outside your home that you supported during the year.*

Name (first, last)	Date of Birth mm/dd/yyyy	Relationship to you (son, daughter, etc.)	Number of months person lived with you last year	US Citizen, Resident of US, Canada or Mexico (yes or no)	Is the dependent a full time student? (yes or no)
(a)	(b)	(c)	(d)	(e)	(f)
KENNETH ANDERSON	01/16/1993	SON	12	YES	YES

**Paperwork Reduction Act Notice**

The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1964. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service, Tax Products Coordinating Committee, SE.W.CAR.MP.T.T.SP, 1111 Constitution Ave. NW, Washington, DC 20224.

Catalog Number 52121E

Form **13614-C** (9-2008)

**Please Complete Page 2, except Part V. A Certified Volunteer will confirm the information with you.**

## COMMON INCOME AND EXPENSES

### Part III. Income – Did you (or your spouse) receive:

- Yes  No 1. Wages or Salary (include W-2s for all jobs worked during the year)
- Yes  No 2. Tip income
- Yes  No 3. Interest/Dividends from: checking or savings account, bonds, CDs, or brokerage account
- Yes  No 4. State tax refund (may be taxable if you itemized last year)
- Yes  No 5. Self Employment Income - business, farm, hobby, **1099-Misc or any earned income not reported on W-2**
- Yes  No 6. Alimony income
- Yes  No 7. Sale of Stock, Bonds or Real Estate
- Yes  No 8. Disability income
- Yes  No 9. Pensions, Annuities, and/or IRA distributions
- Yes  No 10. Unemployment (1099-G)
- Yes  No 11. Social Security or Railroad Retirement Benefits (1099-SSA or RRB)
- Yes  No 12. Other Income: Identify \_\_\_\_\_

### Part IV. Expenses – Did you (or your spouse) make or have:

- Yes  No 1. Alimony payments (if yes, you must provide the name and SSN of the recipient)
- Yes  No 2. Contributions to IRA or other retirement account
- Yes  No 3. Educational expenses for you, your spouse and/or dependents
- Yes  No 4. Un-reimbursed medical expenses
- Yes  No 5. Home mortgage payments (interest and taxes – see Form 1098)
- Yes  No 6. Charitable contributions
- Yes  No 7. Child/dependent care expenses that allow you (and your spouse - if married) to work
- Yes  No 8. Any estimated tax payments for this tax year
- Yes  No 9. Was EIC previously disallowed? (if yes, you may not be eligible for EIC)

### Part V. For Completion by a Certified Volunteer

**Volunteer Preparer Instructions:** You must conduct a thorough interview to complete an accurate return. This Intake/Interview Sheet is the start of your conversation with the taxpayer. Use the decision trees in Publication 4012, Volunteer Resource Guide, while discussing the questions on this form. **Remember to ask for all documentation.** Update the Intake/Interview Sheet with any changes identified during your interview. Confirm all information with the taxpayer.

- Yes  No 1. Did any of these dependents file a joint return for this tax year?
- Yes  No 2. Can anyone else claim any of these dependents on their income tax return?
- Yes  No 3. Did any dependent on the return provide more than 50% of their own support?
- Yes  No 4. Were any of these dependents permanently and totally disabled last year?
- Yes  No 5. Did the taxpayer provide over half the support for each of these dependents?
- Yes  No 6. Based on the interview, how many individuals qualify as dependents for this return?
- Yes  No 7. Based on the interview, does the taxpayer qualify for EIC?

Based on the interview, the filing status of the taxpayer is:  Single  MFJ  MFS\*  HOH  QW

\*If MFS, then spouse's name and SSN should be included on the tax return.

Did the taxpayer receive an Economic Stimulus Payment last year?

- Yes  No If yes, how much? \$900 \_\_\_\_\_

		a Employee's social security number 420-XX-XXXX	Safe, accurate, FAST! Use  Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a> .			
b Employer identification number (EIN) 30-2XXXXXX		1 Wages, tips, other compensation \$59,590	2 Federal income tax withheld \$4,125			
c Employer's name, address, and ZIP code DFAS PO BOX 8899 INDIANAPOLIS, IN 43429-2410		3 Social security wages \$59,590	4 Social security tax withheld \$3,695			
		5 Medicare wages and tips \$59,590	6 Medicare tax withheld \$864			
		7 Social security tips	8 Allocated tips			
d Control number		9 Advance EIC payment	10 Dependent care benefits			
e Employee's first name and initial Last name Suff. PETER D. ANDERSON 10050 SHADOW MOUNTAIN YOUR CITY, STATE, ZIP		11 Nonqualified plans	12a See instructions for box 12			
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	12b			
		14 Other	12c			
f Employee's address and ZIP code			12d			
15 State YS	Employer's state ID number 30-2XXXXXX	16 State wages, tips, etc. \$59,590	17 State income tax \$2,030	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

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

2008

Department of the Treasury—Internal Revenue Service

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

CORRECTED (if checked)

PAYER'S name, street address, city, state, and ZIP code <b>MOUNTAIN FEDERAL CREDIT UNION PO BOX 222 YOUR CITY, STATE, ZIP</b>		1 Gross distribution \$ 4,470	OMB No. 1545-0119 <b>2008</b> Form 1099-R		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
PAYER'S federal identification number 30-3XXXXXX		2a Taxable amount \$ 4,470	2b Taxable amount not determined <input type="checkbox"/> Total distribution <input type="checkbox"/>		
RECIPIENT'S name <b>BETH A. ANDERSON</b>	RECIPIENT'S identification number 421-XX-XXXX	3 Capital gain (included in box 2a) \$	4 Federal income tax withheld \$ 1,000		Copy B Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.
Street address (including apt. no.) 10050 SHADOW MOUNTAIN		5 Employee contributions /Designated Roth contributions or insurance premiums \$	6 Net unrealized appreciation in employer's securities \$		
City, state, and ZIP code YOUR CITY, STATE, ZIP		7 Distribution code(s) 4	IRA/SEP/SIMPLE <input checked="" type="checkbox"/>	8 Other \$ %	This information is being furnished to the Internal Revenue Service.
1st year of desig. Roth contrib.		9a Your percentage of total distribution %	9b Total employee contributions \$		
Account number (see instructions)		10 State tax withheld \$	11 State/Payer's state no.	12 State distribution \$	
		13 Local tax withheld \$	14 Name of locality	15 Local distribution \$	

Form 1099-R

Department of the Treasury - Internal Revenue Service

VOID  CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. <b>BANK OF AMERICA 2100 PATTON BLVD YOUR CITY, STATE, ZIP</b>		Payer's RTN (optional)	OMB No. 1545-0112	
PAYER'S federal identification number <b>31-2XXXXXX</b>		1 Interest income <b>\$ 1,339</b>	<b>2008</b> Interest Income Form <b>1099-INT</b>	
RECIPIENT'S identification number <b>420-XX-XXXX</b>		2 Early withdrawal penalty \$		
RECIPIENT'S name <b>PETER D. ANDERSON</b> Street address (including apt. no.) <b>10050 SHADOW MOUNTAIN</b> City, state, and ZIP code <b>YOUR CITY, STATE, ZIP</b>		3 Interest on U.S. Savings Bonds and Treas. obligations \$	<b>Copy C For Payer</b>  For Privacy Act and Paperwork Reduction Act Notice, see the <b>2008 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>	
Account number (see instructions)		4 Federal income tax withheld \$		5 Investment expenses \$
2nd TIN not <input type="checkbox"/>		6 Foreign tax paid <b>\$ 400</b>		7 Foreign country or U.S. possession
		8 Tax-exempt interest \$		9 Specified private activity bond interest \$

Form **1099-INT** Department of the Treasury - Internal Revenue Service

<b>Peter D. Anderson</b> 10050 Shadow Mountain Your City, State 00000	<b>1234</b> 15-0000000000
_____ 20 _____	
PAY TO THE ORDER OF _____	\$ <input type="text"/>
_____ DOLLARS	
Bank of America Anytown, State 00000	
For _____	
: 111993776 : 512499 1234	

## Military Scenario 2: Test Questions

### Directions

Complete Form 1040 and the appropriate forms, schedules, and worksheets to answer the following questions. At the time this document went to print, there was pending legislation related to the Alternative Minimum Tax. Form 6251, Alternative Minimum Tax, does not apply to this taxpayer. You are a volunteer at site S21014444.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

- 13.1** The Andersons' total income on Form 1040, line 22 is: \$\_\_\_\_\_
- 13.2** Why are the Andersons not required to file Form 1116, Foreign Tax Credit?
- a. The amount of foreign tax paid is insignificant
  - b. They lived abroad
  - c. The amount of foreign tax paid is not more than \$600
  - d. They already received credit for the foreign tax paid in Italy
- 13.3** On Form 1099R, Box 7, code 4 indicates that the IRA distribution is subject to an additional tax.
- a. True
  - b. False
- 13.4** The taxable amount of the IRA distribution on Form 1040 is: \$\_\_\_\_\_
- 13.5** What is the total Foreign Tax Credit on Form 1040, line 50?
- a. \$200
  - b. \$400
  - c. \$600
  - d. \$800
- 13.6** What is the total income tax withheld on Form 1040, line 62?
- a. \$1,000
  - b. \$4,125
  - c. \$5,125
  - d. \$6,220

- 13.7** Do the Andersons qualify for the recovery rebate credit?
- a. Yes
  - b. No
- 13.8** What is the reportable gain amount on the sale of the Andersons' personal residence?
- a. \$0
  - b. \$100,000
  - c. \$150,000
  - d. \$225,500

### International Scenario 1: Jason and Ella Barnes

**Taxpayer** Jason and Ella Barnes completed completed the Intake/Interview Sheet in Form 13614-C.

---

**Taxpayer Documents**

- Completed Intake and Interview Sheet
- Social security cards for Jason and Ella Barnes
- Form W-2 for Ella Barnes
- Form 1099-INT

---

**Interview Notes**

- Jason and Ella Barnes are both U.S. citizens who have lived and worked in France since June 23, 2004. They did not return to the U.S. at any time during 2008.
- Income
  - Jason is a teacher at the Acadamie Lyon, 7250 St. Charles, Lyon, France. He received \$37,500 in wages (converted to U.S. dollars) from the French company.
  - Jason had \$2,366 in French income tax withheld from his wages after converting to U.S. dollars.
  - They have taken the foreign earned income exclusion for Jason’s wages in 2005, 2006, and 2007, and expect to take it again this year. They have never revoked this exclusion.
  - Ella worked at the U.S. consulate and has a Form W-2 for her salary.
  - They have a checking and savings account at a French bank, Banc Lyon. After converting to U.S. dollars, the interest was \$1,715 and the French income tax withheld on the interest was \$429.
  - They also have an account in a U.S. bank (Form 1099-INT).
- Sale of property, lake lot
  - Purchased August 8, 2000, for \$10,000
  - Sold March 25, 2008, for \$17,000
  - Paid sales commission and closing costs of \$1,620

---

**Interview****Notes**

(continued)

- Sale of stock
  - Ella inherited 550 shares of J & J Imports stock on January 19, 2008
  - Fair market value at the time they were inherited was \$16,500
  - Ella sold 250 shares of J & J Imports stock on May 1, 2008, for \$9,250 (net of commissions)
- Additional Information
  - Jason and Ella did not itemize in 2007 and do not have enough deductions to itemize in 2008
  - Jason and Ella did not pay real estate tax in 2008
  - Jason and Ella want to file a joint return
  - Neither Jason nor Ella want to designate \$3 to the Presidential Election Campaign Fund
  - In June 2008, Jason and Ella received an Economic Stimulus Payment of \$1,200



**Intake/Interview & Quality Review Sheet**

**You (and Spouse) will need:**

- *Proof of Identity*
- *Social Security Card or Individual Tax Identification Number (ITIN) letter for all individuals to be listed on the return*
- *Copies of ALL W-2, 1098, 1099 forms*
- *Amounts of any other income*
- *Child care provider's identification number*
- *Amounts/dates of estimated or other tax payments made, etc.*
- *Bank documents showing routing and account numbers if requesting direct deposit/debit*

**Part I: Taxpayer Information**

1. Your First Name JASON		M.I. P	Last Name BARNES		2. Date of Birth (mm/dd/yyyy) 10/03/1982	
3. US Citizen or Resident Alien <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		4. Legally Blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		5. Totally and Permanently Disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		6. Occupation TEACHER
7. Spouse's First Name ELLA		M.I. M	Last Name BARNES		8. Date of Birth (mm/dd/yyyy) 12/21/1984	
9. US Citizen or Resident Alien <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		10. Legally Blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		11. Totally and Permanently Disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		12. Occupation CLERK
13. Address 720 RUE DE LA MAIN			Apt #	City LYON, FRANCE		State   Zip Code
14. Phone Number and e-mail address Phone: ( ) YOUR PHONE NUMBER e-mail:				15. Could you or your spouse be claimed as a dependent on the income tax return of any other person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
16. On December 31 <sup>st</sup>						
a. Were you: <input type="checkbox"/> Single <input checked="" type="checkbox"/> Legally Married <input type="checkbox"/> Separated <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed						
b. If married, did you live with your spouse during any part of the last six months of the year? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
c. Is your spouse deceased? If yes, provide the date of death. _____ (mm/dd/yyyy)						

**Part II. Family and Dependent Information – Do not include you or your spouse.**

*Print the name of everyone who lived in your home and outside your home that you supported during the year.*

Name (first, last)	Date of Birth mm/dd/yyyy	Relationship to you (son, daughter, etc.)	Number of months person lived with you last year	US Citizen, Resident of US, Canada or Mexico (yes or no)	Is the dependent a full time student? (yes or no)
(a)	(b)	(c)	(d)	(e)	(f)

**Paperwork Reduction Act Notice**

The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1964. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service, Tax Products Coordinating Committee, SE.W.CAR.MP.T.T.SP, 1111 Constitution Ave. NW, Washington, DC 20224.

**Please Complete Page 2, except Part V. A Certified Volunteer will confirm the information with you.**

## COMMON INCOME AND EXPENSES

### Part III. Income – Did you (or your spouse) receive:

- Yes  No 1. Wages or Salary (include W-2s for all jobs worked during the year)
- Yes  No 2. Tip income
- Yes  No 3. Interest/Dividends from: checking or savings account, bonds, CDs, or brokerage account
- Yes  No 4. State tax refund (may be taxable if you itemized last year)
- Yes  No 5. Self Employment Income - business, farm, hobby, **1099-Misc or any earned income not reported on W-2**
- Yes  No 6. Alimony income
- Yes  No 7. Sale of Stock, Bonds or Real Estate
- Yes  No 8. Disability income
- Yes  No 9. Pensions, Annuities, and/or IRA distributions
- Yes  No 10. Unemployment (1099-G)
- Yes  No 11. Social Security or Railroad Retirement Benefits (1099-SSA or RRB)
- Yes  No 12. Other Income: Identify \_\_\_\_\_

### Part IV. Expenses – Did you (or your spouse) make or have:

- Yes  No 1. Alimony payments (if yes, you must provide the name and SSN of the recipient)
- Yes  No 2. Contributions to IRA or other retirement account
- Yes  No 3. Educational expenses for you, your spouse and/or dependents
- Yes  No 4. Un-reimbursed medical expenses
- Yes  No 5. Home mortgage payments (interest and taxes – see Form 1098)
- Yes  No 6. Charitable contributions
- Yes  No 7. Child/dependent care expenses that allow you (and your spouse - if married) to work
- Yes  No 8. Any estimated tax payments for this tax year
- Yes  No 9. Was EIC previously disallowed? (if yes, you may not be eligible for EIC)

### Part V. For Completion by a Certified Volunteer

**Volunteer Preparer Instructions:** You must conduct a thorough interview to complete an accurate return. This Intake/Interview Sheet is the start of your conversation with the taxpayer. Use the decision trees in Publication 4012, Volunteer Resource Guide, while discussing the questions on this form. **Remember to ask for all documentation.** Update the Intake/Interview Sheet with any changes identified during your interview. Confirm all information with the taxpayer.

- Yes  No 1. Did any of these dependents file a joint return for this tax year?
- Yes  No 2. Can anyone else claim any of these dependents on their income tax return?
- Yes  No 3. Did any dependent on the return provide more than 50% of their own support?
- Yes  No 4. Were any of these dependents permanently and totally disabled last year?
- Yes  No 5. Did the taxpayer provide over half the support for each of these dependents?
- \_\_\_\_\_ 6. Based on the interview, how many individuals qualify as dependents for this return?
- Yes  No 7. Based on the interview, does the taxpayer qualify for EIC?

Based on the interview, the filing status of the taxpayer is:  Single  MFJ  MFS\*  HOH  QW

\*If MFS, then spouse's name and SSN should be included on the tax return.

Did the taxpayer receive an Economic Stimulus Payment last year?

- Yes  No If yes, how much? \$1,200

a Employee's social security number 511-XX-XXXX		OMB No. 1545-0008		Safe, accurate, FAST! Use 		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a> .			
b Employer identification number (EIN) 40-1XXXXXX		1 Wages, tips, other compensation \$30,000		2 Federal income tax withheld \$3,000					
c Employer's name, address, and ZIP code US CONSULATE 97 RUE ST JACQUES LYON, FRANCE		3 Social security wages \$31,200		4 Social security tax withheld \$1,934					
		5 Medicare wages and tips \$31,200		6 Medicare tax withheld \$452					
		7 Social security tips		8 Allocated tips					
d Control number		9 Advance EIC payment		10 Dependent care benefits					
e Employee's first name and initial ELLA M. BARNES		Last name 720 RUE DE LA MAIN		Suffix LYON, FRANCE		11 Nonqualified plans			
f Employee's address and ZIP code		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			
		12a See instructions for box 12 D \$1,200		12b		12c		12d	
		13 Statutory employee <input type="checkbox"/>		Retirement plan <input checked="" type="checkbox"/>		Third-party sick pay <input type="checkbox"/>		14 Other	

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

2008

Department of the Treasury—Internal Revenue Service

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

VOID  CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. <b>TEACHERS FEDERAL CREDIT UNION 7200 APPLE TREE YOUR CITY, STATE ZIP</b>		Payer's RTN (optional)	OMB No. 1545-0112	<b>2008</b> Interest Income
PAYER'S federal identification number <b>40-2XXXXXX</b>		1 Interest income \$ <b>360</b>	Form <b>1099-INT</b>	
RECIPIENT'S identification number <b>511-XX-XXXX</b>	RECIPIENT'S name <b>ELLA M. BARNES</b>	3 Interest on U.S. Savings Bonds and Treas. obligations \$	4 Federal income tax withheld \$	<b>Copy C For Payer</b>  For Privacy Act and Paperwork Reduction Act Notice, see the <b>2008 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>
Street address (including apt. no.) <b>720 RUE DE LA MAIN</b>		5 Investment expenses \$	6 Foreign tax paid \$	
City, state, and ZIP code <b>LYON, FRANCE</b>		7 Foreign country or U.S. possession	8 Tax-exempt interest \$	
Account number (see instructions)	2nd TIN not <input type="checkbox"/>	9 Specified private activity bond interest \$		

Form **1099-INT** Department of the Treasury - Internal Revenue Service

## International Scenario 1: Test Questions

### Directions

Complete Form 1040 and the appropriate forms, schedules, and worksheets to answer the following questions. At the time this document went to print, there was pending legislation related to the Alternative Minimum Tax. Form 6251, Alternative Minimum Tax, does not apply to this taxpayer. You are a volunteer at site S21014444.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

- 14.1 What is the amount on Form 1040, line 7?
- a. \$26,300
  - b. \$37,500
  - c. \$65,000
  - d. \$67,500
- 14.2 What is the net short-term capital gain or loss on Schedule D, line 7? \$\_\_\_\_\_
- 14.3 What is the Barnes' net long-term capital gain or loss on Schedule D, line 15?
- a. \$5,380
  - b. \$7,130
  - c. \$1,750
  - d. \$0
- 14.4 What is the entry on Form 1040, line 21? \$\_\_\_\_\_
- 14.5 What are the start and end dates for the Barnes' bona fide residence on Form 2555-EZ, line 1b?
- a. 06/23/2004, Continues
  - b. 01/01/2006, 12/31/2008
  - c. 06/23/2003, 12/31/2008
  - d. 01/01/2008, 12/31/2008
- 14.6 What is the entry on Form 1040, line 44?
- a. \$1,921
  - b. \$2,123
  - c. \$1,365
  - d. \$7,546
- 14.7 The Barnes' foreign tax credit on Form 1040, line 50, is: \$\_\_\_\_\_

## International Scenario 2: Douglas and Claire Richards

**Taxpayer** Douglas and Claire Richards completed the Intake/Interview Sheet in Form 13614-C.

---

- Taxpayer Documents**
- Completed Intake and Interview Sheet
  - Social security cards for Douglas and Claire
  - Form W-2
  - Form 1099-R
  - Voided check
- 

- Interview Notes**
- Citizenship: Douglas Richards is a U.S. citizen who is married to Claire, a citizen of Singapore and a U.S green card holder. Both have social security numbers.
  - Residence:
    - The Richards moved to Singapore 01/23/08; arrived at 10 p.m.
    - The Richards left Singapore on 12/21/08 for a visit to the U. S.
    - The Richards returned to Singapore on 01/04/09
    - Currently renting home in Singapore
  - Claire Income:
    - Self-employed physical therapist
      - Did not work in the U.S. in 2008
      - Income from Singapore converted into U.S. dollars (USD): \$5,400
      - Income tax paid to Singapore: 500 SGD (exchange rate on the day she made the payment was 1.2661 SGD = 1 USD)
      - Business code: 621340
      - Supplies and equipment: \$540 USD
      - Licenses: \$250 USD
      - Professional dues: \$300 USD
      - Advertising: \$475 USD
      - Automobile use:
        - purchased car 02/18/08
        - started using it for work 04/03/08
        - total mileage 12,100
        - mileage for business: 500 miles 04/03/2008 – 06/30/2008; 1,050 miles 07/01/2008 – 12/31/2008 (kept diary of mileage)

---

**Interview  
Notes**  
(continued)

- Douglas Income:
  - Retired as a professor of architecture on 01/03/08
  - Receives monthly pension payments that started 02/01/08; Claire will receive beneficiary payments after his death
  - After Douglas' retirement, he obtained a job as a teacher at the U.S. State Department in Singapore. He received Form W-2 for these wages.
- Other:
  - Foreign earned income exclusion:
    - The Richards have never claimed it. They want to know if it is appropriate for them
    - Potential qualifying period identified by taxpayers: 01/24/08 through 01/23/09
  - The Richards did not itemize in 2007
  - The Richards will not itemize their deductions in 2008
  - The Richards did not pay real estate tax in 2008
  - Presidential Election Campaign Fund: Neither wants to designate \$3
  - Refund or payment: Douglas wants to have a direct deposit or direct debit using their checking account #062332 at University Bank, RTN 111900659
  - In June 2008, the Richards received an Economic Stimulus Payment of \$1,200



**Intake/Interview & Quality Review Sheet**

**You (and Spouse) will need:**

- *Proof of Identity*
- *Social Security Card or Individual Tax Identification Number (ITIN) letter for all individuals to be listed on the return*
- *Copies of ALL W-2, 1098, 1099 forms*
- *Amounts of any other income*
- *Child care provider's identification number*
- *Amounts/dates of estimated or other tax payments made, etc.*
- *Bank documents showing routing and account numbers if requesting direct deposit/debit*

**Part I: Taxpayer Information**

1. Your First Name DOUGLAS		M.I. A	Last Name RICHARDS		2. Date of Birth (mm/dd/yyyy) 05/11/1946	
3. US Citizen or Resident Alien <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		4. Legally Blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		5. Totally and Permanently Disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		6. Occupation RETIRED
7. Spouse's First Name CLAIRE		M.I. S	Last Name RICHARDS		8. Date of Birth (mm/dd/yyyy) 01/16/1953	
9. US Citizen or Resident Alien <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		10. Legally Blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		11. Totally and Permanently Disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		12. Occupation PHYS. THERAPIST
13. Address 27 BERRY LANE			Apt #	City SINGAPORE		State   Zip Code
14. Phone Number and e-mail address Phone: ( ) YOUR PHONE NUMBER e-mail:				15. Could you or your spouse be claimed as a dependent on the income tax return of any other person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
16. <b>On December 31<sup>st</sup></b>						
a. Were you: <input type="checkbox"/> Single <input checked="" type="checkbox"/> Legally Married <input type="checkbox"/> Separated <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed						
b. If married, did you live with your spouse during any part of the last six months of the year? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
c. Is your spouse deceased? If yes, provide the date of death. _____ (mm/dd/yyyy)						

**Part II. Family and Dependent Information – Do not include you or your spouse.**

*Print the name of everyone who lived in your home and outside your home that you supported during the year.*

Name (first, last)	Date of Birth mm/dd/yyyy	Relationship to you (son, daughter, etc.)	Number of months person lived with you last year	US Citizen, Resident of US, Canada or Mexico (yes or no)	Is the dependent a full time student? (yes or no)
(a)	(b)	(c)	(d)	(e)	(f)

**Paperwork Reduction Act Notice**

The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1964. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service, Tax Products Coordinating Committee, SE.W.CAR.MP.T.T.SP, 1111 Constitution Ave. NW, Washington, DC 20224.

**Please Complete Page 2, except Part V. A Certified Volunteer will confirm the information with you.**

## COMMON INCOME AND EXPENSES

### Part III. Income – Did you (or your spouse) receive:

- Yes  No 1. Wages or Salary (include W-2s for all jobs worked during the year)
- Yes  No 2. Tip income
- Yes  No 3. Interest/Dividends from: checking or savings account, bonds, CDs, or brokerage account
- Yes  No 4. State tax refund (may be taxable if you itemized last year)
- Yes  No 5. Self Employment Income - business, farm, hobby, **1099-Misc or any earned income not reported on W-2**
- Yes  No 6. Alimony income
- Yes  No 7. Sale of Stock, Bonds or Real Estate
- Yes  No 8. Disability income
- Yes  No 9. Pensions, Annuities, and/or IRA distributions
- Yes  No 10. Unemployment (1099-G)
- Yes  No 11. Social Security or Railroad Retirement Benefits (1099-SSA or RRB)
- Yes  No 12. Other Income: Identify \_\_\_\_\_

### Part IV. Expenses – Did you (or your spouse) make or have:

- Yes  No 1. Alimony payments (if yes, you must provide the name and SSN of the recipient)
- Yes  No 2. Contributions to IRA or other retirement account
- Yes  No 3. Educational expenses for you, your spouse and/or dependents
- Yes  No 4. Un-reimbursed medical expenses
- Yes  No 5. Home mortgage payments (interest and taxes – see Form 1098)
- Yes  No 6. Charitable contributions
- Yes  No 7. Child/dependent care expenses that allow you (and your spouse - if married) to work
- Yes  No 8. Any estimated tax payments for this tax year
- Yes  No 9. Was EIC previously disallowed? (if yes, you may not be eligible for EIC)

### Part V. For Completion by a Certified Volunteer

**Volunteer Preparer Instructions:** You must conduct a thorough interview to complete an accurate return. This Intake/Interview Sheet is the start of your conversation with the taxpayer. Use the decision trees in Publication 4012, Volunteer Resource Guide, while discussing the questions on this form. **Remember to ask for all documentation.** Update the Intake/Interview Sheet with any changes identified during your interview. Confirm all information with the taxpayer.

- Yes  No 1. Did any of these dependents file a joint return for this tax year?
- Yes  No 2. Can anyone else claim any of these dependents on their income tax return?
- Yes  No 3. Did any dependent on the return provide more than 50% of their own support?
- Yes  No 4. Were any of these dependents permanently and totally disabled last year?
- Yes  No 5. Did the taxpayer provide over half the support for each of these dependents?
- \_\_\_\_\_ 6. Based on the interview, how many individuals qualify as dependents for this return?
- Yes  No 7. Based on the interview, does the taxpayer qualify for EIC?

Based on the interview, the filing status of the taxpayer is:  Single  MFJ  MFS\*  HOH  QW

\*If MFS, then spouse's name and SSN should be included on the tax return.

Did the taxpayer receive an Economic Stimulus Payment last year?

- Yes  No If yes, how much? \$1,200

a Employee's social security number 520-XX-XXXX		Safe, accurate, FAST! Use		 Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a> .		
b Employer identification number (EIN) 40-1XXXXXX		1 Wages, tips, other compensation \$11,000	2 Federal income tax withheld \$3,000			
c Employer's name, address, and ZIP code U.S. STATE DEPARTMENT 1000 MAIN STREET WASHINGTON, D.C. 20001		3 Social security wages \$12,500	4 Social security tax withheld \$775			
		5 Medicare wages and tips \$12,500	6 Medicare tax withheld \$181			
		7 Social security tips	8 Allocated tips			
d Control number		9 Advance EIC payment		10 Dependent care benefits		
e Employee's first name and initial Last name Suff. DOUGLAS A. RICHARDS 27 BERRY LANE SINGAPORE		11 Nonqualified plans		12a See instructions for box 12 D \$1,500		
f Employee's address and ZIP code		13 <input type="checkbox"/> Statutory employee <input checked="" type="checkbox"/> Treatment plan <input type="checkbox"/> Third-party sick pay	12b			
		14 Other	12c			
			12d			
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

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

2008

Department of the Treasury—Internal Revenue Service

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

CORRECTED (if checked)

PAYER'S name, street address, city, state, and ZIP code <b>TEACHER RETIREMENT SYSTEM 1513 WEST DALTON YOUR CITY, STATE ZIP</b>		1 Gross distribution \$ <b>65,000</b>	OMB No. 1545-0119 <b>2008</b> Form <b>1099-R</b>		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
PAYER'S federal identification number <b>41-2XXXXXX</b>		2a Taxable amount \$	2b Taxable amount not determined <input checked="" type="checkbox"/> Total distribution <input type="checkbox"/>		
RECIPIENT'S identification number <b>520-XX-XXXX</b>	3 Capital gain (included in box 2a) \$	4 Federal income tax withheld \$ <b>9,850</b>		Copy B Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.	
RECIPIENT'S name <b>DOUGLAS A RICHARDS</b>	5 Employee contributions /Designated Roth contributions or insurance premiums \$	6 Net unrealized appreciation in employer's securities \$			
Street address (including apt. no.) <b>27 BERRY LANE</b>	7 Distribution code(s) <b>7</b>	IRA/SEP/SIMPLE <input type="checkbox"/>	8 Other \$ %		This information is being furnished to the Internal Revenue Service.
City, state, and ZIP code <b>SINGAPORE</b>	9a Your percentage of total distribution %	9b Total employee contributions \$ <b>225,000</b>			
1st year of desig. Roth contrib.	10 State tax withheld \$	11 State/Payer's state no.		12 State distribution \$	
Account number (see instructions)	13 Local tax withheld \$	14 Name of locality		15 Local distribution \$	

Form **1099-R**

Department of the Treasury - Internal Revenue Service

**Douglas A. Richards** **1234**  
27 Berry Lane 15-0000000000  
Singapore \_\_\_\_\_ 20 \_\_\_\_\_

PAY TO THE ORDER OF \_\_\_\_\_ \$

\_\_\_\_\_ DOLLARS

**University Bank**  
Anytown, State 00000  
For \_\_\_\_\_

: 111900659 : 062332 1234

VOID

## International Scenario 2: Test Questions

### Directions

Complete Form 1040 and the appropriate forms, schedules, and worksheets to answer the following questions. At the time this document went to print, there was pending legislation related to the Alternative Minimum Tax. Form 6251, Alternative Minimum Tax, does not apply to this taxpayer. You are a volunteer at site S21014444.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

- 15.1** What is the amount on Form 1040, line 7?
- a. \$11,000
  - b. \$13,836
  - c. \$14,052
  - d. \$68,705
- 15.2** What deduction was taken on the Form 2555, line 44?
- a. Housing exclusion
  - b. Foreign earned income exclusion
  - c. Self-employment tax
  - d. One-half of self-employment tax plus all expenses on Schedule C-EZ
- 15.3** What is the amount of self-employment tax on Form 1040, line 57? \$ \_\_\_\_\_
- 15.4** What is the amount of taxable pensions and annuities on Form 1040, line 16b?
- a. 0
  - b. \$ 58,125
  - c. \$ 65,000
  - d. \$ 67,487
- 15.5** What is the amount reported on Form 1040, line 21?
- a. 0
  - b. (\$2,758)
  - c. (\$3,052)
  - d. (\$4.949)

- 15.6** Which form or schedule is used to calculate self-employment tax?
- a. Schedule A
  - b. Form 1040
  - c. Schedule SE
  - d. Form 2555
- 15.7** Which test qualifies the Richards for the foreign earned income exclusion?
- a. Bona Fide Residence Test
  - b. Physical Presence Test
- 15.8** What is the foreign tax credit on Form 1040, line 50?
- a. \$3,052
  - b. \$2,836
  - c. \$500
  - d. 0
- 15.9** The Richards cannot use Form 2555-EZ. Why?
- a. Because they are U.S. citizens
  - b. Because they have self-employment income
  - c. Because their foreign earned income is less than \$87,600
  - d. Because they earned wages/salaries in a foreign country

**Blank Forms**

The following blank forms can be used to complete the problems for your chosen training course. If additional forms are needed, the forms can be photocopied.

The Tax Tables and EIC Tables are available in Publication 4491-W, the Comprehensive Problems and Exercises Workbook.

Form 1040, U.S. Individual Income Tax Return, pages 1 & 2 . . . . .	3
Schedule A&B, Itemized Deductions/Interest and Ordinary Dividends . . . . .	7
Schedule C-EZ, Net Profit From Business, pages 1 & 2 . . . . .	11
Schedule D, Capital Gains and Losses, pages 1 & 2 . . . . .	13
Schedule E, Supplemental Income and Loss . . . . .	15
Schedule SE, Self-Employment Tax . . . . .	17
Form 1116, Foreign Tax Credit, pages 1 & 2 . . . . .	19
Form 2106-EZ, Employee Business Expenses, page 1 . . . . .	21
Form 2441, Child and Dependent Care Expenses, pages 1 & 2 . . . . .	22
Form 2555, Foreign Earned Income, pages 1, 2 & 3 . . . . .	24
Form 2555-EZ, Foreign Earned Income Exclusion, pages 1 & 2 . . . . .	27
Form 13614-C, Intake/Interview & Quality Review Sheet, page 4 . . . . .	29
Form 8812, Additional Child Tax Credit, pages 1 & 2 . . . . .	30
Form 8863, Education Credits . . . . .	32
Form 8880, Credit for Qualified Retirement Savings Contributions . . . . .	33
Form 8888, Direct Deposit of Refund . . . . .	34
Child Tax Credit Worksheet (Three Steps to Take the Child Tax Credit) . . . . .	35
Child Tax Credit Worksheet, pages 1 through 5 . . . . .	37
Foreign Earned Income Tax Worksheet . . . . .	42
IRA Deduction Worksheet . . . . .	43
Qualified Dividends and Capital Gain Tax Worksheet . . . . .	45
Rebate Recovery Credit Worksheet, pages 1 & 2 . . . . .	46
Schedule EIC, Earned Income Credit, page 1 . . . . .	50
Schedule EIC Worksheet A . . . . .	52
Simplified Method Worksheet . . . . .	53
Social Security Benefits Worksheet . . . . .	54
Standard Deduction Worksheet . . . . .	55
Student Loan Interest Deduction Worksheet . . . . .	56

This page intentionally left blank.

Label

(See instructions on page 12.) Use the IRS label. Otherwise, please print or type.

Label Here

For the year Jan. 1-Dec. 31, 2008, or other tax year beginning 2008, ending 20 OMB No. 1545-0074
Your first name and initial Last name Your social security number
If a joint return, spouse's first name and initial Last name Spouse's social security number
Home address (number and street). If you have a P.O. box, see page 12. Apt. no. You must enter your SSN(s) above.
City, town or post office, state, and ZIP code. If you have a foreign address, see page 12. 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

Check only one box.

- 1 Single 2 Married filing jointly (even if only one had income) 3 Married filing separately. Enter spouse's SSN above and full name here. 4 Head of household (with qualifying person). (See page 13.) If the qualifying person is a child but not your dependent, enter this child's name here. 5 Qualifying widow(er) with dependent child (see page 14)

Exemptions

If more than four dependents, see page 15.

6a Yourself. If someone can claim you as a dependent, do not check box 6a
b Spouse
c Dependents: (1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) if qualifying child for child tax credit (see page 15)
d Total number of exemptions claimed Add numbers on lines above

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see page 19.

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

Table with 22 rows for income items: 7 Wages, salaries, tips, etc. Attach Form(s) W-2; 8a Taxable interest; 8b Tax-exempt interest; 9a Ordinary dividends; 9b Qualified dividends; 10 Taxable refunds, credits, or offsets of state and local income taxes; 11 Alimony received; 12 Business income or (loss); 13 Capital gain or (loss); 14 Other gains or (losses); 15a IRA distributions; 15b Taxable amount; 16a Pensions and annuities; 16b Taxable amount; 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc.; 18 Farm income or (loss); 19 Unemployment compensation; 20a Social security benefits; 20b Taxable amount; 21 Other income; 22 Add the amounts in the far right column for lines 7 through 21. This is your total income.

Adjusted Gross Income

Table with 15 rows for adjusted gross income items: 23 Archer MSA deduction; 24 Certain business expenses; 25 Health savings account deduction; 26 Moving expenses; 27 One-half of self-employment tax; 28 Self-employed SEP, SIMPLE, and qualified plans; 29 Self-employed health insurance deduction; 30 Penalty on early withdrawal of savings; 31a Alimony paid; 31b Recipient's SSN; 32 IRA deduction; 33 Student loan interest deduction; 34 Jury duty pay you gave to your employer; 35 Domestic production activities deduction; 36 Add lines 23 through 31a and 32 through 35; 37 Subtract line 36 from line 22. This is your adjusted gross income.

**Tax and Credits**

**38** Amount from line 37 (adjusted gross income) . . . . . **38**

**39a** Check  **You** were born before January 2, 1944,  **Blind.** **Total boxes** if:  **Spouse** was born before January 2, 1944,  **Blind.** **checked ▶ 39a**

**b** If your spouse itemizes on a separate return or you were a dual-status alien, see page 31 and check here ▶ **39b**

**c** If you claim the standard deduction and are deducting real estate taxes, check here (see page 31) ▶ **39c**

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

**41** Subtract line 40 from line 38 . . . . . **41**

**42** If line 38 is \$119,975 or less, multiply \$3,500 by the total number of exemptions claimed on line 6d. If line 38 is over \$119,975, see the worksheet on page 33 . . . . . **42**

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

**44** **Tax** (see page 33). Check if any tax is from: **a**  Form(s) 8814 **b**  Form 4972 . . . . . **44**

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

**46** Add lines 44 and 45 . . . . . **46**

**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** Foreign tax credit. Attach Form 1116 if required . . . . . **50**

**51** Child tax credit (see page 39). Attach Form 8901 if required . . . . . **51**

**52** Retirement savings contributions credit. Attach Form 8880 . . . . . **52**

**53** Credits from Form: **a**  8396 **b**  5895 **c**  8839 . . . . . **53**

**54** Other credits from Form: **a**  3800 **b**  8801 **c**  . . . . . **54**

**55** Add lines 47 through 54. These are your **total credits** . . . . . **55**

**56** Subtract line 55 from line 46. If line 55 is more than line 46, enter -0- . . . . . **56**

**Standard Deduction for—**

- People who checked any box on line 39a, 39b, or 39c or who can be claimed as a dependent, see page 31.
- All others:
  - Single or Married filing separately, \$5,450
  - Married filing jointly or Qualifying widow(er), \$10,900
  - Head of household, \$8,000

**Other Taxes**

**57** Self-employment tax. Attach Schedule SE . . . . . **57**

**58** Unreported social security and Medicare tax from Form: **a**  4137 **b**  8919 . . . . . **58**

**59** Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required . . . . . **59**

**60** Additional taxes: **a**  AEIC payments **b**  Household employment taxes. Attach Schedule H . . . . . **60**

**61** Add lines 56 through 60. This is your **total tax** . . . . . **61**

**Payments**

If you have a qualifying child, attach Schedule EIC.

**62** Federal income tax withheld from Forms W-2 and 1099 . . . . . **62**

**63** 2008 estimated tax payments and amount applied from 2007 return . . . . . **63**

**64a** **Earned income credit (EIC)** . . . . . **64a**

**b** Nontaxable combat pay election **64b**

**65** Excess social security and tier 1 RRTA tax withheld (see page 59) . . . . . **65**

**66** Additional child tax credit. Attach Form 8812 . . . . . **66**

**67** Amount paid with request for extension to file (see page 59) . . . . . **67**

**68** Credits from Form: **a**  2439 **b**  4136 **c**  8801 **d**  8885 . . . . . **68**

**69** First-time homebuyer credit. Attach Form 5405 . . . . . **69**

**70** Recovery rebate credit (see worksheet on page xx) . . . . . **70**

**71** Add lines 62 through 70. These are your **total payments** . . . . . **71**

**Refund**

Direct deposit? See page 59 and fill in 73b, 73c, and 73d, or Form 8888.

**72** If line 71 is more than line 61, subtract line 61 from line 71. This is the amount you **overpaid** . . . . . **72**

**73a** Amount of line 72 you want **refunded to you**. If Form 8888 is attached, check here ▶  **73a**

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

▶ **d** Account number

**74** Amount of line 72 you want **applied to your 2009 estimated tax** ▶ **74**

**Amount You Owe**

**75** **Amount you owe.** Subtract line 71 from line 61. For details on how to pay, see page 60 ▶ **75**

**76** Estimated tax penalty (see page 61) . . . . . **76**

**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  Phone no.  Personal identification number (PIN)

**Sign Here**

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

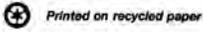
Spouse's signature. If a joint return, **both** must sign.  Date  Spouse's occupation

**Paid Preparer's Use Only**

Preparer's signature  Date  Check if self-employed  Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code  EIN

Phone no.



**Label**

(See instructions on page 12.)

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

L  
A  
B  
E  
L  
  
H  
E  
R  
E

For the year Jan. 1-Dec. 31, 2008, or other tax year beginning , 2008, ending , 20		OMB No. 1545-0074
Your first name and initial	Last name	Your social security number
If a joint return, spouse's first name and initial	Last name	Spouse's social security number
Home address (number and street). If you have a P.O. box, see page 12.		▲ You <b>must</b> enter your SSN(s) above. ▲
Apt. no.		
City, town or post office, state, and ZIP code. If you have a foreign address, see page 12.		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**

Check only one box.

- 1  Single
- 2  Married filing jointly (even if only one had income)
- 3  Married filing separately. Enter spouse's SSN above and full name here. ►
- 4  Head of household (with qualifying person). (See page 13.) If the qualifying person is a child but not your dependent, enter this child's name here. ►
- 5  Qualifying widow(er) with dependent child (see page 14)

**Exemptions**

6a  Yourself. If someone can claim you as a dependent, **do not** check box 6a

b  Spouse

c Dependents:		(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if qualifying child for child tax credit (see page 15)
(1) First name	Last name			
				<input type="checkbox"/>

d Total number of exemptions claimed

Boxes checked on 6a and 6b  
No. of children on 6c who:  
• lived with you  
• did not live with you due to divorce or separation (see page 16)  
Dependents on 6c not entered above  
Add numbers on lines above ►

If more than four dependents, see page 15.

**Income**

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see page 19.

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

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	
8a	Taxable interest. Attach Schedule B if required	8a	
b	Tax-exempt interest. Do not include on line 8a	8b	
9a	Ordinary dividends. Attach Schedule B if required	9a	
b	Qualified dividends (see page 19)	9b	
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 20)	10	
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ► <input type="checkbox"/>	13	
14	Other gains or (losses). Attach Form 4797	14	
15a	IRA distributions	15a	
b	Taxable amount (see page 21)	15b	
16a	Pensions and annuities	16a	
b	Taxable amount (see page 22)	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 amount (see page 24)	20b	
21	Other income. List type and amount (see page 24)	21	
22	Add the amounts in the far right column for lines 7 through 21. This is your <b>total income</b> ►	22	

**Adjusted Gross Income**

23	Archer MSA deduction. Attach Form 8853	23	
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
25	Health savings account deduction. Attach Form 8889	25	
26	Moving expenses. Attach Form 3903	26	
27	One-half of self-employment tax. Attach Schedule SE	27	
28	Self-employed SEP, SIMPLE, and qualified plans	28	
29	Self-employed health insurance deduction (see page 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	Jury duty pay you gave to your employer	34	
35	Domestic production activities deduction. Attach Form 8903	35	
36	Add lines 23 through 31a and 32 through 35	36	
37	Subtract line 36 from line 22. This is your <b>adjusted gross income</b> ►	37	

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see page 83.

Cat. No. 11320B

Form **1040** (2008)

**Tax and Credits**

**38** Amount from line 37 (adjusted gross income) . . . . . **38**

**39a** Check  **You** were born before January 2, 1944,  **Blind.** **Total boxes** if:  **Spouse** was born before January 2, 1944,  **Blind.** **checked ▶ 39a**

**b** If your spouse itemizes on a separate return or you were a dual-status alien, see page 31 and check here ▶ **39b**

**c** If you claim the standard deduction and are deducting real estate taxes, check here (see page 31) ▶ **39c**

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

**41** Subtract line 40 from line 38 . . . . . **41**

**42** If line 38 is \$119,975 or less, multiply \$3,500 by the total number of exemptions claimed on line 6d. If line 38 is over \$119,975, see the worksheet on page 33 . . . . . **42**

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

**44** **Tax** (see page 33). Check if any tax is from: **a**  Form(s) 8814 **b**  Form 4972 . . . . . **44**

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

**46** Add lines 44 and 45 . . . . . **46**

**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** Foreign tax credit. Attach Form 1116 if required . . . . . **50**

**51** Child tax credit (see page 39). Attach Form 8901 if required . . . . . **51**

**52** Retirement savings contributions credit. Attach Form 8880 . . . . . **52**

**53** Credits from Form: **a**  8396 **b**  5895 **c**  8839 . . . . . **53**

**54** Other credits from Form: **a**  3800 **b**  8801 **c**  . . . . . **54**

**55** Add lines 47 through 54. These are your **total credits** . . . . . **55**

**56** Subtract line 55 from line 46. If line 55 is more than line 46, enter -0- . . . . . **56**

**Standard Deduction for—**

- People who checked any box on line 39a, 39b, or 39c or who can be claimed as a dependent, see page 31.
- All others:
  - Single or Married filing separately, \$5,450
  - Married filing jointly or Qualifying widow(er), \$10,900
  - Head of household, \$8,000

**Other Taxes**

**57** Self-employment tax. Attach Schedule SE . . . . . **57**

**58** Unreported social security and Medicare tax from Form: **a**  4137 **b**  8919 . . . . . **58**

**59** Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required . . . . . **59**

**60** Additional taxes: **a**  AEIC payments **b**  Household employment taxes. Attach Schedule H . . . . . **60**

**61** Add lines 56 through 60. This is your **total tax** . . . . . **61**

**Payments**

If you have a qualifying child, attach Schedule EIC.

**62** Federal income tax withheld from Forms W-2 and 1099 . . . . . **62**

**63** 2008 estimated tax payments and amount applied from 2007 return . . . . . **63**

**64a** **Earned income credit (EIC)** . . . . . **64a**

**b** Nontaxable combat pay election **64b**

**65** Excess social security and tier 1 RRTA tax withheld (see page 59) . . . . . **65**

**66** Additional child tax credit. Attach Form 8812 . . . . . **66**

**67** Amount paid with request for extension to file (see page 59) . . . . . **67**

**68** Credits from Form: **a**  2439 **b**  4136 **c**  8801 **d**  8885 . . . . . **68**

**69** First-time homebuyer credit. Attach Form 5405 . . . . . **69**

**70** Recovery rebate credit (see worksheet on page xx) . . . . . **70**

**71** Add lines 62 through 70. These are your **total payments** . . . . . **71**

**Refund**

Direct deposit? See page 59 and fill in 73b, 73c, and 73d, or Form 8888.

**72** If line 71 is more than line 61, subtract line 61 from line 71. This is the amount you **overpaid** . . . . . **72**

**73a** Amount of line 72 you want **refunded to you**. If Form 8888 is attached, check here ▶  **73a**

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

▶ **d** Account number

**74** Amount of line 72 you want **applied to your 2009 estimated tax** ▶ **74**

**75** **Amount you owe.** Subtract line 71 from line 61. For details on how to pay, see page 60 ▶ **75**

**76** Estimated tax penalty (see page 61) . . . . . **76**

**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  Phone no.  Personal identification 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.

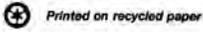
Your signature	Date	Your occupation	Daytime phone number ( )
Spouse's signature. If a joint return, <b>both</b> must sign.	Date	Spouse's occupation	

**Paid Preparer's Use Only**

Preparer's signature  Date  Check if self-employed  Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code  EIN

Phone no. ( )



**SCHEDULES A&B**  
**(Form 1040)**

**Schedule A—Itemized Deductions**  
(Schedule B is on back)

OMB No. 1545-0074

**2008**

Attachment  
Sequence No. **07**

Department of the Treasury  
Internal Revenue Service (99)

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

Name(s) shown on Form 1040

Your social security number

<b>Medical and Dental Expenses</b>	<b>1</b>	Caution. Do not include expenses reimbursed or paid by others. Medical and dental expenses (see page A-1)	<b>1</b>			
	<b>2</b>	Enter amount from Form 1040, line 38	<b>2</b>			
	<b>3</b>	Multiply line 2 by 7.5% (.075)	<b>3</b>			
	<b>4</b>	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	<b>4</b>			
<b>Taxes You Paid</b> (See page A-2.)	<b>5</b>	State and local income taxes	<b>5</b>			
	<b>6</b>	Real estate taxes (see page A-5)	<b>6</b>			
	<b>7</b>	Personal property taxes	<b>7</b>			
	<b>8</b>	Other taxes. List type and amount ▶	<b>8</b>			
<b>9</b>	Add lines 5 through 8	<b>9</b>				
<b>Interest You Paid</b> (See page A-5.)	<b>10</b>	Home mortgage interest and points reported to you on Form 1098	<b>10</b>			
	<b>11</b>	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 ▶	<b>11</b>			
	<b>12</b>	Points not reported to you on Form 1098. See page A-6 for special rules	<b>12</b>			
	<b>13</b>	Qualified mortgage insurance premiums (See page A-7)	<b>13</b>			
<b>Note.</b> Personal interest is not deductible.	<b>14</b>	Investment interest. Attach Form 4952 if required. (See page A-7.)	<b>14</b>			
	<b>15</b>	Add lines 10 through 14	<b>15</b>			
<b>Gifts to Charity</b> If you made a gift and got a benefit for it, see page A-8.	<b>16</b>	Gifts by cash or check. If you made any gift of \$250 or more, see page A-8	<b>16</b>			
	<b>17</b>	Other than by cash or check. If any gift of \$250 or more, see page A-8. You <b>must</b> attach Form 8283 if over \$500	<b>17</b>			
	<b>18</b>	Carryover from prior year	<b>18</b>			
<b>19</b>	Add lines 16 through 18	<b>19</b>				
<b>Casualty and Theft Losses</b>	<b>20</b>	Casualty or theft loss(es). Attach Form 4684. (See page A-9.)	<b>20</b>			
<b>Job Expenses and Certain Miscellaneous Deductions</b> (See page A-9.)	<b>21</b>	Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-9.) ▶	<b>21</b>			
	<b>22</b>	Tax preparation fees	<b>22</b>			
	<b>23</b>	Other expenses—investment, safe deposit box, etc. List type and amount ▶	<b>23</b>			
	<b>24</b>	Add lines 21 through 23	<b>24</b>			
	<b>25</b>	Enter amount from Form 1040, line 38	<b>25</b>			
	<b>26</b>	Multiply line 25 by 2% (.02)	<b>26</b>			
<b>27</b>	Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-	<b>27</b>				
<b>Other Miscellaneous Deductions</b>	<b>28</b>	Other—from list on page A-10. List type and amount ▶	<b>28</b>			
<b>Total Itemized Deductions</b>	<b>29</b>	Is Form 1040, line 38, over \$159,950 (over \$79,975 if married filing separately)? <input type="checkbox"/> <b>No.</b> 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 type="checkbox"/> <b>Yes.</b> Your deduction may be limited. See page A-10 for the amount to enter.	<b>29</b>			
	<b>30</b>	If you elect to itemize deductions even though they are less than your standard deduction, check here <input type="checkbox"/>				

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Cat. No. 11330X

Schedule A (Form 1040) 2008

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

Your social security number

Schedule B—Interest and Ordinary Dividends

Attachment Sequence No. 08

Part I Interest

(See page B-1 and the instructions for Form 1040, line 8a.)

Note. If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see page B-1 and list this interest first. Also, show that buyer's social security number and address

Form with multiple rows of dotted lines for listing interest payers.

2 Add the amounts on line 1
3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815
4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a

Note. If line 4 is over \$1,500, you must complete Part III.

Table with columns for Amount and rows for lines 1, 2, 3, and 4.

Part II Ordinary Dividends

(See page B-1 and the instructions for Form 1040, line 9a.)

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

5 List name of payer

Form with multiple rows of dotted lines for listing ordinary dividends payers.

6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9a

Note. If line 6 is over \$1,500, you must complete Part III.

Table with columns for Amount and rows for lines 5 and 6.

Part III Foreign Accounts and Trusts

(See page B-2.)

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; or (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

7a At any time during 2008, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing requirements for Form TD F 90-22.1.

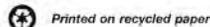
b If "Yes," enter the name of the foreign country

8 During 2008, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See page B-2

Table with Yes/No columns for questions 7a, b, and 8.

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule B (Form 1040) 2008



**SCHEDULES A&B**  
**(Form 1040)**

**Schedule A—Itemized Deductions**  
**(Schedule B is on back)**

OMB No. 1545-0074

**2008**

Department of the Treasury  
Internal Revenue Service (99)

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

Attachment  
Sequence No. **07**

Name(s) shown on Form 1040

Your social security number

<b>Medical and Dental Expenses</b>	<b>1</b>	Caution. Do not include expenses reimbursed or paid by others. Medical and dental expenses (see page A-1)	<b>1</b>				
	<b>2</b>	Enter amount from Form 1040, line 38	<b>2</b>				
	<b>3</b>	Multiply line 2 by 7.5% (.075)	<b>3</b>				
	<b>4</b>	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	<b>4</b>				
<b>Taxes You Paid</b> <small>(See page A-2.)</small>	<b>5</b>	State and local income taxes	<b>5</b>				
	<b>6</b>	Real estate taxes (see page A-5)	<b>6</b>				
	<b>7</b>	Personal property taxes	<b>7</b>				
	<b>8</b>	Other taxes. List type and amount ▶	<b>8</b>				
<b>9</b>	Add lines 5 through 8	<b>9</b>					
<b>Interest You Paid</b> <small>(See page A-5.)</small>	<b>10</b>	Home mortgage interest and points reported to you on Form 1098	<b>10</b>				
	<b>11</b>	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 ▶	<b>11</b>				
	<b>12</b>	Points not reported to you on Form 1098. See page A-6 for special rules	<b>12</b>				
	<b>13</b>	Qualified mortgage insurance premiums (See page A-7)	<b>13</b>				
<b>Note.</b> Personal interest is not deductible.	<b>14</b>	Investment interest. Attach Form 4952 if required. (See page A-7.)	<b>14</b>				
	<b>15</b>	Add lines 10 through 14	<b>15</b>				
<b>Gifts to Charity</b> <small>If you made a gift and got a benefit for it, see page A-8.</small>	<b>16</b>	Gifts by cash or check. If you made any gift of \$250 or more, see page A-8	<b>16</b>				
	<b>17</b>	Other than by cash or check. If any gift of \$250 or more, see page A-8. You <b>must</b> attach Form 8283 if over \$500	<b>17</b>				
	<b>18</b>	Carryover from prior year	<b>18</b>				
	<b>19</b>	Add lines 16 through 18	<b>19</b>				
<b>Casualty and Theft Losses</b>	<b>20</b>	Casualty or theft loss(es). Attach Form 4684. (See page A-9.)	<b>20</b>				
<b>Job Expenses and Certain Miscellaneous Deductions</b> <small>(See page A-9.)</small>	<b>21</b>	Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-9.) ▶	<b>21</b>				
	<b>22</b>	Tax preparation fees	<b>22</b>				
	<b>23</b>	Other expenses—investment, safe deposit box, etc. List type and amount ▶	<b>23</b>				
	<b>24</b>	Add lines 21 through 23	<b>24</b>				
	<b>25</b>	Enter amount from Form 1040, line 38	<b>25</b>				
	<b>26</b>	Multiply line 25 by 2% (.02)	<b>26</b>				
<b>27</b>	Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-	<b>27</b>					
<b>Other Miscellaneous Deductions</b>	<b>28</b>	Other—from list on page A-10. List type and amount ▶	<b>28</b>				
<b>Total Itemized Deductions</b>	<b>29</b>	Is Form 1040, line 38, over \$159,950 (over \$79,975 if married filing separately)? <input type="checkbox"/> <b>No.</b> 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 type="checkbox"/> <b>Yes.</b> Your deduction may be limited. See page A-10 for the amount to enter.	<b>29</b>				
	<b>30</b>	If you elect to itemize deductions even though they are less than your standard deduction, check here <input type="checkbox"/>					

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Cat. No. 11330X

Schedule A (Form 1040) 2008

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

Your social security number

Schedule B—Interest and Ordinary Dividends

Attachment Sequence No. 08

Part I Interest

(See page B-1 and the instructions for Form 1040, line 8a.)

Note. If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see page B-1 and list this interest first. Also, show that buyer's social security number and address

Form with dotted lines for entering payer information for interest.

2 Add the amounts on line 1
3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815
4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a

Note. If line 4 is over \$1,500, you must complete Part III.

Table with columns for Amount and rows for lines 1, 2, 3, 4.

Part II Ordinary Dividends

(See page B-1 and the instructions for Form 1040, line 9a.)

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

5 List name of payer

Form with dotted lines for entering payer information for ordinary dividends.

6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9a

Note. If line 6 is over \$1,500, you must complete Part III.

Table with columns for Amount and rows for lines 5, 6.

Part III Foreign Accounts and Trusts

(See page B-2.)

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; or (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

7a At any time during 2008, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing requirements for Form TD F 90-22.1.

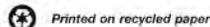
b If "Yes," enter the name of the foreign country

8 During 2008, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See page B-2

Table with Yes/No columns for questions 7a, b, and 8.

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule B (Form 1040) 2008



**SCHEDULE C-EZ  
(Form 1040)**

Department of the Treasury  
Internal Revenue Service (99)  
Name of proprietor

**Net Profit From Business**  
(Sole Proprietorship)

► Partnerships, joint ventures, etc., generally must file Form 1065 or 1065-B.  
► Attach to Form 1040, 1040NR, or 1041. ► See instructions on back.

OMB No. 1545-0074

**2008**

Attachment  
Sequence No. **09A**

Social security number (SSN)

**Part I General Information**

**You May Use  
Schedule C-EZ  
Instead of  
Schedule C  
Only If You:**

- Had business expenses of \$5,000 or less.
- Use the cash method of accounting.
- Did not have an inventory at any time during the year.
- Did not have a net loss from your business.
- Had only one business as either a sole proprietor, qualified joint venture, or statutory employee.

**And You:**

- Had no employees during the year.
- Are not required to file **Form 4562**, Depreciation and Amortization, for this business. See the instructions for Schedule C, line 13, on page C-4 to find out if you must file.
- Do not deduct expenses for business use of your home.
- Do not have prior year unallowed passive activity losses from this business.

<b>A</b> Principal business or profession, including product or service	<b>B</b> Enter code from pages C-8, 9, & 10
<b>C</b> Business name. If no separate business name, leave blank.	<b>D</b> Employer ID number (EIN), if any
<b>E</b> Business address (including suite or room no.). Address not required if same as on page 1 of your tax return.	
City, town or post office, state, and ZIP code	

**Part II Figure Your Net Profit**

<p><b>1 Gross receipts. Caution.</b> See the instructions for Schedule C, line 1, on page C-3 and check the box if:</p> <ul style="list-style-type: none"> <li>• This income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, or</li> <li>• You are a member of a qualified joint venture reporting only rental real estate income not subject to self-employment tax <span style="float: right;"><input type="checkbox"/></span></li> </ul>	<b>1</b>		
<b>2 Total expenses</b> (see instructions on page 2). If more than \$5,000, you <b>must</b> use Schedule C	<b>2</b>		
<b>3 Net profit.</b> Subtract line 2 from line 1. If less than zero, you <b>must</b> use Schedule C. Enter on both <b>Form 1040, line 12</b> , and <b>Schedule SE, line 2</b> , or on <b>Form 1040NR, line 13</b> . (If you checked the box on line 1, <b>do not</b> report the amount from line 3 on Schedule SE, line 2.) Estates and trusts, enter on <b>Form 1041, line 3</b>	<b>3</b>		

**Part III Information on Your Vehicle.** Complete this part **only** if you are claiming car or truck expenses on line 2.

**4** When did you place your vehicle in service for business purposes? (month, day, year) ►       /      /      

**5** Of the total number of miles you drove your vehicle during 2008, enter the number of miles you used your vehicle for:

**a** Business ..... **b** Commuting (see instructions) ..... **c** Other .....

**6** Was your vehicle available for personal use during off-duty hours? . . . . .  **Yes**  **No**

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

**8a** Do you have evidence to support your deduction? . . . . .  **Yes**  **No**

**b** If "Yes," is the evidence written? . . . . .  **Yes**  **No**

For Paperwork Reduction Act Notice, see page 2.

Cat. No. 14374D

Schedule C-EZ (Form 1040) 2008

**Instructions**



Before you begin, see General Instructions in the 2008 Instructions for Schedule C.

You can use Schedule C-EZ instead of Schedule C if you operated a business or practiced a profession as a sole proprietorship or qualified joint venture, or you were a statutory employee and you have met all the requirements listed in Schedule C-EZ, Part I.

**Line A**

Describe the business or professional activity that provided your principal source of income reported on line 1. Give the general field or activity and the type of product or service.

**Line B**

Enter the six-digit code that identifies your principal business or professional activity. See pages C-8 through C-10 of the instructions for Schedule C for the list of codes.

**Line D**

You need an employer identification number (EIN) only if you had a qualified retirement plan or were required to file an employment, excise, estate, trust, or alcohol, tobacco, and firearms tax return. If you need an EIN, see the Instructions for Form SS-4. If you do not have an EIN, leave line D blank. Do not enter your SSN.

**Line E**

Enter your business address. Show a street address instead of a box number. Include the suite or room number, if any.

**Line 1**

Enter gross receipts from your trade or business. Include amounts you received in your trade or business that were properly shown on Forms 1099-MISC. If the total amounts that were reported in box 7 of Forms 1099-MISC are more than the total you are reporting on line 1, attach a statement explaining the difference. You must show all items of taxable income actually or constructively received during the year (in cash, property, or services). Income is constructively received when it is credited to your account or set aside for you to use. Do not offset this amount by any losses.

**Line 2**

Enter the total amount of all deductible business expenses you actually paid during the year. Examples of these expenses include advertising, car and truck expenses, commissions and fees, insurance, interest, legal and professional services, office expenses, rent or lease

expenses, repairs and maintenance, supplies, taxes, travel, the allowable percentage of business meals and entertainment, and utilities (including telephone). For details, see the instructions for Schedule C, Parts II and V, on pages C-4 through C-8. You may use the optional worksheet below to record your expenses. Enter on lines **b** through **f** the type and amount of expenses not included on line **a**.

If you claim car or truck expenses, be sure to complete Schedule C-EZ, Part III.

**Line 5b**

Generally, commuting is travel between your home and a work location. If you converted your vehicle during the year from personal to business use (or vice versa), enter your commuting miles only for the period you drove your vehicle for business. For information on certain travel that is considered a business expense rather than commuting, see the Instructions for Form 2106.

**Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Internal Revenue Code section 6103.

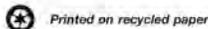
The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is approved under OMB control number 1545-1973 and is shown below.

- Recordkeeping** . . . . . 45 min.
- Learning about the law or the form** . . . . . 4 min.
- Preparing the form** . . . . . 35 min.
- Copying, assembling, and sending the form to the IRS** . . . . . 20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

**Optional Worksheet for Line 2 (keep a copy for your records)**

<b>a</b> Deductible business meals and entertainment (see page C-6) . . . . .	<b>a</b>		
<b>b</b> .....	<b>b</b>		
<b>c</b> .....	<b>c</b>		
<b>d</b> .....	<b>d</b>		
<b>e</b> .....	<b>e</b>		
<b>f</b> .....	<b>f</b>		
<b>g</b> <b>Total.</b> Add lines <b>a</b> through <b>f</b> . Enter here and on line 2 . . . . .	<b>g</b>		



**SCHEDULE D  
(Form 1040)**

**Capital Gains and Losses**

OMB No. 1545-0074

**2008**

Department of the Treasury  
Internal Revenue Service (99)

▶ 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.

Attachment  
Sequence No. **12**

Name(s) shown on return

Your social security number

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

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-7 of the instructions)	(e) Cost or other basis (see page D-7 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
1					
2 Enter your short-term totals, if any, from Schedule D-1, line 2 . . . . .					
3 <b>Total short-term sales price amounts.</b> Add lines 1 and 2 in column (d) . . . . .					
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 <b>Capital Loss Carryover Worksheet</b> on page D-7 of the instructions . . . . .					6 ( )
7 <b>Net short-term capital gain or (loss).</b> Combine lines 1 through 6 in column (f) . . . . .					7

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

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-7 of the instructions)	(e) Cost or other basis (see page D-7 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
8					
9 Enter your long-term totals, if any, from Schedule D-1, line 9 . . . . .					
10 <b>Total long-term sales price amounts.</b> Add lines 8 and 9 in column (d) . . . . .					
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
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 <b>Capital Loss Carryover Worksheet</b> on page D-7 of the instructions . . . . .					14 ( )
15 <b>Net long-term capital gain or (loss).</b> Combine lines 8 through 14 in column (f). Then go to Part III on the back . . . . .					15

For Paperwork Reduction Act Notice, see Form 1040 or Form 1040NR instructions. Cat. No. 11338H Schedule D (Form 1040) 2008

**Part III Summary**

**16** Combine lines 7 and 15 and enter the result. . . . .

**16**

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?

- 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. . . . . ▶

**18**

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

**19**

**20** Are lines 18 and 19 **both** zero or blank?

- 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) }

**21** ( )

**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 E  
(Form 1040)**

**Supplemental Income and Loss**  
(From rental real estate, royalties, partnerships,  
S corporations, estates, trusts, REMICs, etc.)

OMB No. 1545-0074

**2008**

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to Form 1040, 1040NR, or Form 1041. ▶ See Instructions for Schedule E (Form 1040).

Attachment  
Sequence No. **13**

Name(s) shown on return

Your social security number

**Part I** **Income or Loss From Rental Real Estate and Royalties** **Note.** If you are in the business of renting personal property, use **Schedule C or C-EZ** (see page E-3). If you are an individual, report farm rental income or loss from **Form 4835** on page 2, line 40.

1	List the type 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	.....	<ul style="list-style-type: none"> <li>• 14 days or</li> <li>• 10% of the total days rented at fair rental value?</li> </ul> (See page E-3)	A		
B	.....		B		
C	.....		C		

		Properties			Totals
		A	B	C	(Add columns A, B, and C.)
<b>3</b>	Rents received . . . . .	<b>3</b>			<b>3</b>
<b>4</b>	Royalties received . . . . .	<b>4</b>			<b>4</b>
<b>Expenses:</b>					
<b>5</b>	Advertising . . . . .	<b>5</b>			
<b>6</b>	Auto and travel (see page E-4) . . . . .	<b>6</b>			
<b>7</b>	Cleaning and maintenance . . . . .	<b>7</b>			
<b>8</b>	Commissions . . . . .	<b>8</b>			
<b>9</b>	Insurance . . . . .	<b>9</b>			
<b>10</b>	Legal and other professional fees . . . . .	<b>10</b>			
<b>11</b>	Management fees . . . . .	<b>11</b>			
<b>12</b>	Mortgage interest paid to banks, etc. (see page E-4) . . . . .	<b>12</b>			<b>12</b>
<b>13</b>	Other interest . . . . .	<b>13</b>			
<b>14</b>	Repairs . . . . .	<b>14</b>			
<b>15</b>	Supplies . . . . .	<b>15</b>			
<b>16</b>	Taxes . . . . .	<b>16</b>			
<b>17</b>	Utilities . . . . .	<b>17</b>			
<b>18</b>	Other (list) ▶ .....	<b>18</b>			
<b>19</b>	Add lines 5 through 18 . . . . .	<b>19</b>			<b>19</b>
<b>20</b>	Depreciation expense or depletion (see page E-5) . . . . .	<b>20</b>			<b>20</b>
<b>21</b>	Total expenses. Add lines 19 and 20 . . . . .	<b>21</b>			
<b>22</b>	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 page E-5 to find out if you must file <b>Form 6198</b> . . . . .	<b>22</b>			
<b>23</b>	Deductible rental real estate loss. <b>Caution.</b> Your rental real estate loss on line 22 may be limited. See page E-5 to find out if you must file <b>Form 8582</b> . Real estate professionals <b>must</b> complete line 43 on page 2 . . . . .	<b>23</b>			
<b>24</b>	<b>Income.</b> Add positive amounts shown on line 22. <b>Do not</b> include any losses . . . . .	<b>24</b>			
<b>25</b>	<b>Losses.</b> Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here.	<b>25</b>			
<b>26</b>	<b>Total rental real estate and royalty income or (loss).</b> Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2 . . . . .	<b>26</b>			

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

Your social security number

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

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

27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? Yes No

Table with 5 columns: (a) Name, (b) Enter P for partnership, S for S corporation, (c) Check if foreign partnership, (d) Employer identification number, (e) Check if any amount is not at risk. Rows A, B, C, D.

Table with 5 columns: (f) Passive loss allowed, (g) Passive income from Schedule K-1, (h) Nonpassive loss from Schedule K-1, (i) Section 179 expense deduction from Form 4562, (j) Nonpassive income from Schedule K-1. Rows A, B, C, D, 29a Totals, b Totals, 30, 31, 32.

Part III Income or Loss From Estates and Trusts

Table with 2 columns: (a) Name, (b) Employer identification number. Rows A, B.

Table with 4 columns: (c) Passive deduction or loss allowed, (d) Passive income from Schedule K-1, (e) Deduction or loss from Schedule K-1, (f) Other income from Schedule K-1. Rows A, B, 34a Totals, b Totals, 35, 36, 37.

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

Table with 5 columns: (a) Name, (b) Employer identification number, (c) Excess inclusion from Schedules Q, line 2c, (d) Taxable income (net loss) from Schedules Q, line 1b, (e) Income from Schedules Q, line 3b. Row 38, 39.

Part V Summary

Table with 2 columns: Description, Amount. Rows 40, 41, 42, 43.

**SCHEDULE SE**  
**(Form 1040)**

**Self-Employment Tax**

OMB No. 1545-0074

**2008**

Attachment  
Sequence No. **17**

Department of the Treasury  
Internal Revenue Service (99)

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

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

Social security number of person  
with **self-employment** income ▶

**Who Must File Schedule SE**

You must file Schedule SE if:

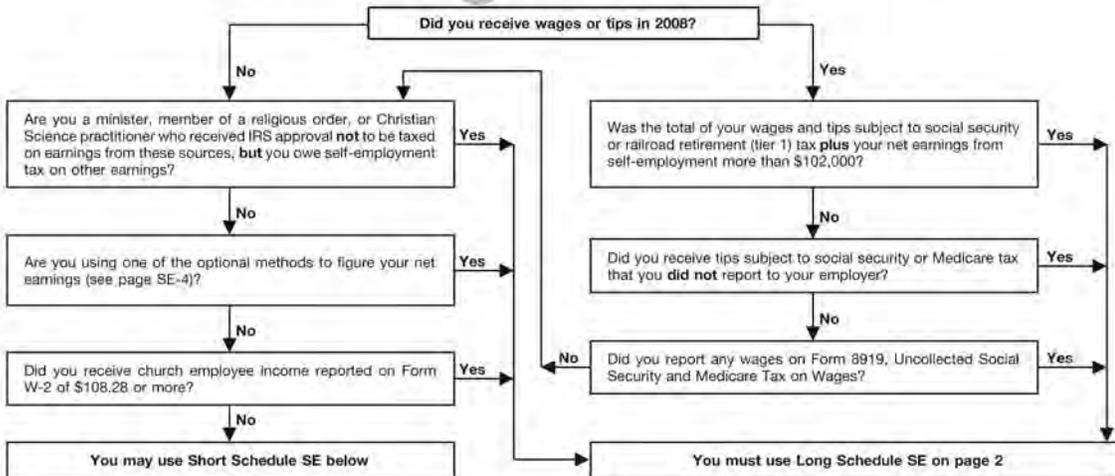
- You had net earnings from self-employment from **other than** church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more, **or**
- You had church employee income of \$108.28 or more. Income from services you performed as a minister or a member of a religious 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 57.

**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	
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 types of income to report on this line. See page SE-3 for other income to report . . . . .	2	
3	Combine lines 1 and 2 . . . . .	3	
4	<b>Net earnings from self-employment.</b> Multiply line 3 by 92.35% (.9235). If less than \$400, <b>do not</b> file this schedule; you do not owe self-employment tax . . . . . ▶	4	
5	<b>Self-employment tax.</b> If the amount on line 4 is: • \$102,000 or less, multiply line 4 by 15.3% (.153). Enter the result here and on <b>Form 1040, line 57.</b> • More than \$102,000, multiply line 4 by 2.9% (.029). Then, add \$12,648 to the result. Enter the total here and on <b>Form 1040, line 57</b>	5	
6	<b>Deduction for one-half of self-employment tax.</b> Multiply line 5 by 50% (.5). Enter the result here and on <b>Form 1040, line 27</b> . . . . .	6	

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Cat. No. 11358Z

Schedule SE (Form 1040) 2008

Name of person with <b>self-employment</b> income (as shown on Form 1040)	Social security number of person with <b>self-employment</b> income ▶
---	---

**Section B—Long Schedule SE**

**Part I Self-Employment Tax**

**Note.** If your only income subject to self-employment tax is **church employee income**, skip lines 1 through 4b. Enter -0- on line 4c and go to line 5a. Income from services you performed as a minister or a member of a religious order **is not** church employee income. See page SE-1.

**A** If you are a minister, member of a religious order, or Christian Science practitioner **and** you filed Form 4361, but you had \$400 or more of **other** net earnings from self-employment, check here and continue with Part I.

<b>1</b> Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A. <b>Note.</b> Skip this line if you use the farm optional method (see page SE-4)	<b>1</b>		
<b>2</b> 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 types of income to report on this line. See page SE-3 for other income to report. <b>Note.</b> Skip this line if you use the nonfarm optional method (see page SE-4)	<b>2</b>		
<b>3</b> Combine lines 1 and 2	<b>3</b>		
<b>4a</b> If line 3 is more than zero, multiply line 3 by 92.35% (.9235). Otherwise, enter amount from line 3	<b>4a</b>		
<b>b</b> If you elect one or both of the optional methods, enter the total of lines 15 and 17 here	<b>4b</b>		
<b>c</b> Combine lines 4a and 4b. If less than \$400, <b>stop</b> ; you do not owe self-employment tax. <b>Exception.</b> If less than \$400 and you had <b>church employee income</b> , enter -0- and continue. ▶	<b>4c</b>		
<b>5a</b> Enter your <b>church employee income</b> from Form W-2. See page SE-1 for definition of church employee income	<b>5a</b>		
<b>b</b> Multiply line 5a by 92.35% (.9235). If less than \$100, enter -0-	<b>5b</b>		
<b>6</b> <b>Net earnings from self-employment.</b> Add lines 4c and 5b	<b>6</b>		
<b>7</b> Maximum amount of combined wages and self-employment earnings subject to social security tax or the 6.2% portion of the 7.65% railroad retirement (tier 1) tax for 2008	<b>7</b>	102,000	00
<b>8a</b> Total social security wages and tips (total of boxes 3 and 7 on Form(s) W-2) and railroad retirement (tier 1) compensation. If \$102,000 or more, skip lines 8b through 10, and go to line 11	<b>8a</b>		
<b>b</b> Unreported tips subject to social security tax (from Form 4137, line 10)	<b>8b</b>		
<b>c</b> Wages subject to social security tax (from Form 8919, line 10)	<b>8c</b>		
<b>d</b> Add lines 8a, 8b, and 8c	<b>8d</b>		
<b>9</b> Subtract line 8d from line 7. If zero or less, enter -0- here and on line 10 and go to line 11. ▶	<b>9</b>		
<b>10</b> Multiply the <b>smaller</b> of line 6 or line 9 by 12.4% (.124)	<b>10</b>		
<b>11</b> Multiply line 6 by 2.9% (.029)	<b>11</b>		
<b>12</b> <b>Self-employment tax.</b> Add lines 10 and 11. Enter here and on <b>Form 1040, line 57</b>	<b>12</b>		
<b>13</b> <b>Deduction for one-half of self-employment tax.</b> Multiply line 12 by 50% (.5). Enter the result here and on <b>Form 1040, line 27</b>	<b>13</b>		

**Part II Optional Methods To Figure Net Earnings** (see page SE-4)

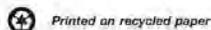
<b>Farm Optional Method.</b> You may use this method <b>only</b> if (a) your gross farm income <sup>1</sup> was not more than \$2,400, or (b) your net farm profits <sup>2</sup> were less than \$1,733.			
<b>14</b> Maximum income for optional methods	<b>14</b>	1,600	00
<b>15</b> Enter the <b>smaller</b> of: two-thirds (⅔) of gross farm income <sup>1</sup> (not less than zero) or \$1,600. Also include this amount on line 4b above	<b>15</b>		
<b>Nonfarm Optional Method.</b> You may use this method <b>only</b> if (a) your net nonfarm profits <sup>3</sup> were less than \$1,733 and also less than 72.189% of your gross nonfarm income, <sup>4</sup> and (b) you had net earnings from self-employment of at least \$400 in 2 of the prior 3 years.			
<b>Caution.</b> You may use this method no more than five times.			
<b>16</b> Subtract line 15 from line 14	<b>16</b>		
<b>17</b> Enter the <b>smaller</b> of: two-thirds (⅔) of gross nonfarm income <sup>4</sup> (not less than zero) or the amount on line 16. Also include this amount on line 4b above	<b>17</b>		

<sup>1</sup>From Sch. F, line 11, and Sch. K-1 (Form 1065), box 14, code B.

<sup>2</sup>From Sch. C, line 31; Sch. C-EZ, line 3; Sch. K-1 (Form 1065), box 14, code A; and Sch. K-1 (Form 1065-B), box 9, code J1.

<sup>3</sup>From Sch. F, line 36, and Sch. K-1 (Form 1065), box 14, code A.

<sup>4</sup>From Sch. C, line 7; Sch. C-EZ, line 1; Sch. K-1 (Form 1065), box 14, code C; and Sch. K-1 (Form 1065-B), box 9, code J2.



**Foreign Tax Credit**  
 (Individual, Estate, or Trust)  
 ▶ Attach to Form 1040, 1040NR, 1041, or 990-T.  
 ▶ See separate instructions.

Name \_\_\_\_\_ Identifying number as shown on page 1 of your tax return \_\_\_\_\_

Use a separate Form 1116 for each category of income listed below. See **Categories of Income** beginning on page 3 of the instructions. Check only one box on each Form 1116. Report all amounts in U.S. dollars except where specified in Part II below.

- a  Passive category income      c  Section 901(j) income      e  Lump-sum distributions  
 b  General category income      d  Certain income re-sourced by treaty

f Resident of (name of country) ▶ \_\_\_\_\_

**Note:** If you paid taxes to only one foreign country or U.S. possession, use column A in Part I and line A in Part II. If you paid taxes to more than one foreign country or U.S. possession, use a separate column and line for each country or possession.

**Part I Taxable Income or Loss From Sources Outside the United States (for Category Checked Above)**

	Foreign Country or U.S. Possession			Total (Add cols. A, B, and C.)
	A	B	C	
<b>g</b> Enter the name of the foreign country or U.S. possession . . . . . ▶				
<b>1a</b> Gross income from sources within country shown above and of the type checked above (see page 14 of the instructions): . . . . .				<b>1a</b>
<b>b</b> Check if line 1a is compensation for personal services as an employee, your total compensation from all sources is \$250,000 or more, and you used an alternative basis to determine its source (see instructions) ▶ <input type="checkbox"/>				
<b>Deductions and losses (Caution: See pages 14 and 15 of the instructions):</b>				
<b>2</b> Expenses <b>definitely related</b> to the income on line 1a (attach statement) . . . . .				
<b>3</b> Pro rata share of other deductions <b>not definitely related:</b>				
<b>a</b> Certain itemized deductions or standard deduction (see instructions) . . . . .				
<b>b</b> Other deductions (attach statement) . . . . .				
<b>c</b> Add lines 3a and 3b . . . . .				
<b>d</b> Gross foreign source income (see instructions) . . . . .				
<b>e</b> Gross income from all sources (see instructions) . . . . .				
<b>f</b> Divide line 3d by line 3e (see instructions) . . . . .				
<b>g</b> Multiply line 3c by line 3f . . . . .				
<b>4</b> Pro rata share of interest expense (see instructions):				
<b>a</b> Home mortgage interest (use worksheet on page 14 of the instructions) . . . . .				
<b>b</b> Other interest expense . . . . .				
<b>5</b> Losses from foreign sources . . . . .				
<b>6</b> Add lines 2, 3g, 4a, 4b, and 5 . . . . .				<b>6</b>
<b>7</b> Subtract line 6 from line 1a. Enter the result here and on line 14, page 2 . . . . . ▶				<b>7</b>

**Part II Foreign Taxes Paid or Accrued (see page 16 of the instructions)**

Country	Credit is claimed for taxes (you must check one) (h) <input type="checkbox"/> Paid (i) <input type="checkbox"/> Accrued	Foreign taxes paid or accrued							(s) Total foreign taxes paid or accrued (add cols. (o) through (r))	
		In foreign currency				In U.S. dollars				
		Taxes withheld at source on:				(n) Other foreign taxes paid or accrued	Taxes withheld at source on:			
		(j) Date paid or accrued	(k) Dividends	(l) Rents and royalties	(m) Interest		(o) Dividends	(p) Rents and royalties		(q) Interest
A										
B										
C										
<b>8</b>									<b>8</b>	

For Paperwork Reduction Act Notice, see page 20 of the instructions.

Cat. No. 11440U

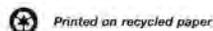
Form **1116** (2008)

**Part III Figuring the Credit**

<b>9</b>	Enter the amount from line 8. These are your total foreign taxes paid or accrued for the category of income checked above Part I . . . . .	<b>9</b>		
<b>10</b>	Carryback or carryover (attach detailed computation) . . . . .	<b>10</b>		
<b>11</b>	Add lines 9 and 10. . . . .	<b>11</b>		
<b>12</b>	Reduction in foreign taxes (see pages 16 and 17 of the instructions)	<b>12</b>		
<b>13</b>	Subtract line 12 from line 11. This is the total amount of foreign taxes available for credit (see instructions) . . . . .			<b>13</b>
<b>14</b>	Enter the amount from line 7. This is your taxable income or (loss) from sources outside the United States (before adjustments) for the category of income checked above Part I (see page 17 of the instructions) . . . . .	<b>14</b>		
<b>15</b>	Adjustments to line 14 (see pages 17 and 18 of the instructions) . . . . .	<b>15</b>		
<b>16</b>	Combine the amounts on lines 14 and 15. This is your net foreign source taxable income. (If the result is zero or less, you have no foreign tax credit for the category of income you checked above Part I. Skip lines 17 through 21. However, if you are filing more than one Form 1116, you must complete line 19.) . . . . .	<b>16</b>		
<b>17</b>	<b>Individuals:</b> Enter the amount from Form 1040, line 41. If you are a nonresident alien, enter the amount from Form 1040NR, line 38. <b>Estates and trusts:</b> Enter your taxable income without the deduction for your exemption. . . . . <b>Caution:</b> If you figured your tax using the lower rates on qualified dividends or capital gains, see page 18 of the instructions.	<b>17</b>		
<b>18</b>	Divide line 16 by line 17. If line 16 is more than line 17, enter "1" . . . . .			<b>18</b>
<b>19</b>	<b>Individuals:</b> Enter the amount from Form 1040, line 44, minus any amount from lines 47 through 49, and any mortgage interest credit (from Form 8396, line 13), residential energy efficient property credit (from Form 5695, line 20), and District of Columbia first-time homebuyer credit (from Form 8859, line 7). If you are a nonresident alien, enter the amount from Form 1040NR, line 41, minus any amount from line 44 and any mortgage interest credit (from Form 8396, line 13), residential energy efficient property credit (from Form 5695, line 20), and District of Columbia first-time homebuyer credit (from Form 8859, line 7). <b>Estates and trusts:</b> Enter the amount from Form 1041, Schedule G, line 1a, or the total of Form 990-T, lines 36 and 37 . . . . . <b>Caution:</b> If you are completing line 19 for separate category e (lump-sum distributions), see page 20 of the instructions.			<b>19</b>
<b>20</b>	Multiply line 19 by line 18 (maximum amount of credit) . . . . .			<b>20</b>
<b>21</b>	Enter the <b>smaller</b> of line 13 or line 20. If this is the only Form 1116 you are filing, skip lines 22 through 26 and enter this amount on line 27. Otherwise, complete the appropriate line in Part IV (see page 20 of the instructions) . . . . .			<b>21</b>

**Part IV Summary of Credits From Separate Parts III (see page 20 of the instructions)**

<b>22</b>	Credit for taxes on passive category income . . . . .	<b>22</b>		
<b>23</b>	Credit for taxes on general category income . . . . .	<b>23</b>		
<b>24</b>	Credit for taxes on certain income re-sourced by treaty . . . . .	<b>24</b>		
<b>25</b>	Credit for taxes on lump-sum distributions . . . . .	<b>25</b>		
<b>26</b>	Add lines 22 through 25 . . . . .			<b>26</b>
<b>27</b>	Enter the <b>smaller</b> of line 19 or line 26 . . . . .			<b>27</b>
<b>28</b>	Reduction of credit for international boycott operations. See instructions for line 12 beginning on page 16 . . . . .			<b>28</b>
<b>29</b>	Subtract line 28 from line 27. This is your <b>foreign tax credit</b> . Enter here and on Form 1040, line 50; Form 1040NR, line 45; Form 1041, Schedule G, line 2a; or Form 990-T, line 40a . . . . .			<b>29</b>



**Unreimbursed Employee Business Expenses**

▶ Attach to Form 1040 or Form 1040NR.

Your name	Occupation in which you incurred expenses	Social security number

**You May Use This Form Only if All of the Following Apply.**

- You are an employee deducting ordinary and necessary expenses attributable to your job. An ordinary expense is one that is common and accepted in your field of trade, business, or profession. A necessary expense is one that is helpful and appropriate for your business. An expense does not have to be required to be considered necessary.
- You **do not** get reimbursed by your employer for any expenses (amounts your employer included in box 1 of your Form W-2 are not considered reimbursements for this purpose).
- If you are claiming vehicle expense, you are using the standard mileage rate for 2008.

**Caution:** You can use the standard mileage rate for 2008 **only if:** (a) you owned the vehicle and used the standard mileage rate for the first year you placed the vehicle in service, **or** (b) you leased the vehicle and used the standard mileage rate for the portion of the lease period after 1997.

**Part I Figure Your Expenses**

1 Vehicle expense using the standard mileage rate. Complete Part II and then go to line 1a below.			
a Multiply business miles driven <b>before</b> July 1, 2008, by 50.5¢ (.505)	<b>1a</b>		
b Multiply business miles driven <b>after</b> June 30, 2008, by 58.5¢ (.585)	<b>1b</b>		
c Add lines 1a and 1b	<b>1c</b>		
2 Parking fees, tolls, and transportation, including train, bus, etc., that <b>did not</b> involve overnight travel or commuting to and from work	<b>2</b>		
3 Travel expense while away from home overnight, including lodging, airplane, car rental, etc. <b>Do not</b> include meals and entertainment	<b>3</b>		
4 Business expenses not included on lines 1c through 3. <b>Do not</b> include meals and entertainment	<b>4</b>		
5 Meals and entertainment expenses: \$ _____ × 50% (.50). (Employees subject to Department of Transportation (DOT) hours of service limits: Multiply meal expenses incurred while away from home on business by 80% (.80) instead of 50%. For details, see instructions.)	<b>5</b>		
6 <b>Total expenses.</b> Add lines 1c through 5. Enter here and on <b>Schedule A (Form 1040), line 21</b> (or on <b>Schedule A (Form 1040NR), line 9</b> ). (Armed Forces reservists, fee-basis state or local government officials, qualified performing artists, and individuals with disabilities: See the instructions for special rules on where to enter this amount.)	<b>6</b>		

**Part II Information on Your Vehicle.** Complete this part **only** if you are claiming vehicle expense on line 1.

7 When did you place your vehicle in service for business use? (month, day, year) ▶ ..... / ..... / .....

8 Of the total number of miles you drove your vehicle during 2008, enter the number of miles you used your vehicle for:

a Business ..... b Commuting (see instructions) ..... c Other .....

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

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

11a Do you have evidence to support your deduction? . . . . .  Yes  No

b If "Yes," is the evidence written? . . . . .  Yes  No

**Child and Dependent Care Expenses**

▶ Attach to Form 1040 or Form 1040NR.

▶ See separate instructions.

Name(s) shown on return

Your social security number

**Part I Persons or Organizations Who Provided the Care**—You must complete this part.  
(If you have more than two care providers, see the instructions.)

1	(a) Care provider's name	(b) Address (number, street, apt. no., city, state, and ZIP code)	(c) Identifying number (SSN or EIN)	(d) Amount paid (see instructions)

Did you receive dependent care benefits?

No → Complete only Part II below.

Yes → Complete Part III on the back next.

**Caution.** If the care was provided in your home, you may owe employment taxes. See the instructions for Form 1040, line 61, or Form 1040NR, line 56.

**Part II Credit for Child and Dependent Care Expenses**

**2** Information about your **qualifying person(s)**. If you have more than two qualifying persons, see the instructions.

(a) Qualifying person's name		(b) Qualifying person's social security number	(c) Qualified expenses you incurred and paid in 2008 for the person listed in column (a)
First	Last		

<b>3</b> Add the amounts in column (c) of line 2. <b>Do not</b> enter more than \$3,000 for one qualifying person or \$6,000 for two or more persons. If you completed Part III, enter the amount from line 35		<b>3</b>																																																													
<b>4</b> Enter your <b>earned income</b> . See instructions		<b>4</b>																																																													
<b>5</b> If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions); <b>all others</b> , enter the amount from line 4		<b>5</b>																																																													
<b>6</b> Enter the <b>smallest</b> of line 3, 4, or 5		<b>6</b>																																																													
<b>7</b> Enter the amount from Form 1040, line 38, or Form 1040NR, line 36		<b>7</b>																																																													
<b>8</b> Enter on line 8 the decimal amount shown below that applies to the amount on line 7		<b>8</b>	X .																																																												
<table border="0"> <thead> <tr> <th colspan="3">If line 7 is:</th> <th colspan="3">If line 7 is:</th> </tr> <tr> <th>Over</th> <th>But not over</th> <th>Decimal amount is</th> <th>Over</th> <th>But not over</th> <th>Decimal amount is</th> </tr> </thead> <tbody> <tr> <td>\$0—15,000</td> <td></td> <td>.35</td> <td>\$29,000—31,000</td> <td></td> <td>.27</td> </tr> <tr> <td>15,000—17,000</td> <td></td> <td>.34</td> <td>31,000—33,000</td> <td></td> <td>.26</td> </tr> <tr> <td>17,000—19,000</td> <td></td> <td>.33</td> <td>33,000—35,000</td> <td></td> <td>.25</td> </tr> <tr> <td>19,000—21,000</td> <td></td> <td>.32</td> <td>35,000—37,000</td> <td></td> <td>.24</td> </tr> <tr> <td>21,000—23,000</td> <td></td> <td>.31</td> <td>37,000—39,000</td> <td></td> <td>.23</td> </tr> <tr> <td>23,000—25,000</td> <td></td> <td>.30</td> <td>39,000—41,000</td> <td></td> <td>.22</td> </tr> <tr> <td>25,000—27,000</td> <td></td> <td>.29</td> <td>41,000—43,000</td> <td></td> <td>.21</td> </tr> <tr> <td>27,000—29,000</td> <td></td> <td>.28</td> <td>43,000—No limit</td> <td></td> <td>.20</td> </tr> </tbody> </table>	If line 7 is:			If line 7 is:			Over	But not over	Decimal amount is	Over	But not over	Decimal amount is	\$0—15,000		.35	\$29,000—31,000		.27	15,000—17,000		.34	31,000—33,000		.26	17,000—19,000		.33	33,000—35,000		.25	19,000—21,000		.32	35,000—37,000		.24	21,000—23,000		.31	37,000—39,000		.23	23,000—25,000		.30	39,000—41,000		.22	25,000—27,000		.29	41,000—43,000		.21	27,000—29,000		.28	43,000—No limit		.20		<b>9</b>	
If line 7 is:			If line 7 is:																																																												
Over	But not over	Decimal amount is	Over	But not over	Decimal amount is																																																										
\$0—15,000		.35	\$29,000—31,000		.27																																																										
15,000—17,000		.34	31,000—33,000		.26																																																										
17,000—19,000		.33	33,000—35,000		.25																																																										
19,000—21,000		.32	35,000—37,000		.24																																																										
21,000—23,000		.31	37,000—39,000		.23																																																										
23,000—25,000		.30	39,000—41,000		.22																																																										
25,000—27,000		.29	41,000—43,000		.21																																																										
27,000—29,000		.28	43,000—No limit		.20																																																										
<b>9</b> Multiply line 6 by the decimal amount on line 8. If you paid 2007 expenses in 2008, see the instructions		<b>9</b>																																																													
<b>10</b> Enter the amount from Form 1040, line 44, or Form 1040NR, line 41		<b>10</b>																																																													
<b>11</b> Enter the amount from Form 6251, line 31		<b>11</b>																																																													
<b>12</b> Subtract line 11 from line 10. If zero or less, <b>stop</b> . You cannot take the credit		<b>12</b>																																																													
<b>13</b> <b>Credit for child and dependent care expenses.</b> Enter the <b>smaller</b> of line 9 or line 12 here and on Form 1040, line 47, or Form 1040NR, line 44		<b>13</b>																																																													

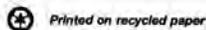
For Paperwork Reduction Act Notice, see page 4 of the instructions.

**Part III Dependent Care Benefits**

<b>14</b>	Enter the total amount of <b>dependent care benefits</b> you received in 2008. Amounts you received as an employee should be shown in box 10 of your Form(s) W-2. <b>Do not</b> include amounts reported as wages in box 1 of Form(s) W-2. If you were self-employed or a partner, include amounts you received under a dependent care assistance program from your sole proprietorship or partnership . . . . .	<b>14</b>	
<b>15</b>	Enter the amount, if any, you carried over from 2007 and used in 2008 during the grace period. See instructions . . . . .	<b>15</b>	
<b>16</b>	Enter the amount, if any, you forfeited or carried forward to 2009. See instructions . . . . .	<b>16</b>	( )
<b>17</b>	Combine lines 14 through 16. See instructions . . . . .	<b>17</b>	
<b>18</b>	Enter the total amount of <b>qualified expenses</b> incurred in 2008 for the care of the <b>qualifying person(s)</b> . . . . .	<b>18</b>	
<b>19</b>	Enter the <b>smaller</b> of line 17 or 18 . . . . .	<b>19</b>	
<b>20</b>	Enter your <b>earned income</b> . See instructions . . . . .	<b>20</b>	
<b>21</b>	Enter the amount shown below that applies to you. <ul style="list-style-type: none"> <li>• If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions for line 5).</li> <li>• If married filing separately, see the instructions for the amount to enter.</li> <li>• All others, enter the amount from line 20.</li> </ul>	<b>21</b>	
<b>22</b>	Enter the <b>smallest</b> of line 19, 20, or 21 . . . . .	<b>22</b>	
<b>23</b>	Enter the amount from line 14 that you received from your sole proprietorship or partnership. If you did not receive any such amounts, enter -0- . . . . .	<b>23</b>	
<b>24</b>	Subtract line 23 from line 17 . . . . .	<b>24</b>	
<b>25</b>	Enter \$5,000 (\$2,500 if married filing separately <b>and</b> you were required to enter your spouse's earned income on line 21) . . . . .	<b>25</b>	
<b>26</b>	<b>Deductible benefits.</b> Enter the <b>smallest</b> of line 22, 23, or 25. Also, include this amount on the appropriate line(s) of your return. See instructions . . . . .	<b>26</b>	
<b>27</b>	Enter the <b>smaller</b> of line 22 or 25 . . . . .	<b>27</b>	
<b>28</b>	Enter the amount from line 26 . . . . .	<b>28</b>	
<b>29</b>	<b>Excluded benefits.</b> Subtract line 28 from line 27. If zero or less, enter -0- . . . . .	<b>29</b>	
<b>30</b>	<b>Taxable benefits.</b> Subtract line 29 from line 24. If zero or less, enter -0-. Also, include this amount on Form 1040, line 7, or Form 1040NR, line 8. On the dotted line next to Form 1040, line 7, or Form 1040NR, line 8, enter "DCB" . . . . .	<b>30</b>	

To claim the child and dependent care credit, complete lines 31–35 below.

<b>31</b>	Enter \$3,000 (\$6,000 if two or more qualifying persons) . . . . .	<b>31</b>	
<b>32</b>	Add lines 26 and 29 . . . . .	<b>32</b>	
<b>33</b>	Subtract line 32 from line 31. If zero or less, <b>stop</b> . You cannot take the credit. <b>Exception.</b> If you paid 2007 expenses in 2008, see the instructions for line 9 . . . . .	<b>33</b>	
<b>34</b>	Complete line 2 on the front of this form. <b>Do not</b> include in column (c) any benefits shown on line 32 above. Then, add the amounts in column (c) and enter the total here . . . . .	<b>34</b>	
<b>35</b>	Enter the <b>smaller</b> of line 33 or 34. Also, enter this amount on line 3 on the front of this form and complete lines 4–13 . . . . .	<b>35</b>	



**Foreign Earned Income**

▶ See separate instructions. ▶ Attach to Form 1040.

**For Use by U.S. Citizens and Resident Aliens Only**

Name shown on Form 1040 \_\_\_\_\_ Your social security number \_\_\_\_\_

**Part I General Information**

- 1** Your foreign address (including country) \_\_\_\_\_ **2** Your occupation \_\_\_\_\_
- 3** Employer's name ▶ \_\_\_\_\_
- 4a** Employer's U.S. address ▶ \_\_\_\_\_
- b** Employer's foreign address ▶ \_\_\_\_\_
- 5** Employer is (check ▶) **a**  A foreign entity **b**  A U.S. company **c**  Self  
 any that apply: **d**  A foreign affiliate of a U.S. company **e**  Other (specify) ▶ \_\_\_\_\_
- 6a** If, after 1981, you filed Form 2555 or Form 2555-EZ, enter the last year you filed the form. ▶ \_\_\_\_\_
- b** If you did not file Form 2555 or 2555-EZ after 1981 to claim either of the exclusions, check here  and go to line 7.
- c** Have you ever revoked either of the exclusions? \_\_\_\_\_  Yes  No
- d** If you answered "Yes," enter the type of exclusion and the tax year for which the revocation was effective. ▶ \_\_\_\_\_
- 7** Of what country are you a citizen/national? ▶ \_\_\_\_\_
- 8a** Did you maintain a separate foreign residence for your family because of adverse living conditions at your tax home? See **Second foreign household** on page 3 of the instructions. \_\_\_\_\_  Yes  No
- b** If "Yes," enter city and country of the separate foreign residence. Also, enter the number of days during your tax year that you maintained a second household at that address. ▶ \_\_\_\_\_
- 9** List your tax home(s) during your tax year and date(s) established. ▶ \_\_\_\_\_

**Next, complete either Part II or Part III. If an item does not apply, enter "NA." If you do not give the information asked for, any exclusion or deduction you claim may be disallowed.**

**Part II Taxpayers Qualifying Under Bona Fide Residence Test** (see page 2 of the instructions)

- 10** Date bona fide residence began ▶ \_\_\_\_\_, and ended ▶ \_\_\_\_\_
- 11** Kind of living quarters in foreign country ▶ **a**  Purchased house **b**  Rented house or apartment **c**  Rented room  
**d**  Quarters furnished by employer
- 12a** Did any of your family live with you abroad during any part of the tax year? \_\_\_\_\_  Yes  No
- b** If "Yes," who and for what period? ▶ \_\_\_\_\_
- 13a** Have you submitted a statement to the authorities of the foreign country where you claim bona fide residence that you are not a resident of that country? See instructions \_\_\_\_\_  Yes  No
- b** Are you required to pay income tax to the country where you claim bona fide residence? See instructions  Yes  No  
**If you answered "Yes" to 13a and "No" to 13b, you do not qualify as a bona fide resident. Do not complete the rest of this part.**
- 14** If you were present in the United States or its possessions during the tax year, complete columns (a)-(d) below. **Do not** include the income from column (d) in Part IV, but report it on Form 1040.

(a) Date arrived in U.S.	(b) Date left U.S.	(c) Number of days in U.S. on business	(d) Income earned in U.S. on business (attach computation)	(a) Date arrived in U.S.	(b) Date left U.S.	(c) Number of days in U.S. on business	(d) Income earned in U.S. on business (attach computation)

- 15a** List any contractual terms or other conditions relating to the length of your employment abroad. ▶ \_\_\_\_\_
- b** Enter the type of visa under which you entered the foreign country. ▶ \_\_\_\_\_
- c** Did your visa limit the length of your stay or employment in a foreign country? If "Yes," attach explanation  Yes  No
- d** Did you maintain a home in the United States while living abroad? \_\_\_\_\_  Yes  No
- e** If "Yes," enter address of your home, whether it was rented, the names of the occupants, and their relationship to you. ▶ \_\_\_\_\_

**Part III Taxpayers Qualifying Under Physical Presence Test** (see page 2 of the instructions)

- 16 The physical presence test is based on the 12-month period from  through
- 17 Enter your principal country of employment during your tax year.
- 18 If you traveled abroad during the 12-month period entered on line 16, complete columns (a)–(f) below. Exclude travel between foreign countries that did not involve travel on or over international waters, or in or over the United States, for 24 hours or more. If you have no travel to report during the period, enter "Physically present in a foreign country or countries for the entire 12-month period." **Do not** include the income from column (f) below in Part IV, but report it on Form 1040.

(a) Name of country (including U.S.)	(b) Date arrived	(c) Date left	(d) Full days present in country	(e) Number of days in U.S. on business	(f) Income earned in U.S. on business (attach computation)

**Part IV All Taxpayers**

**Note:** Enter on lines 19 through 23 all income, including noncash income, you earned and actually or constructively received during your 2008 tax year for services you performed in a foreign country. If any of the foreign earned income received this tax year was earned in a prior tax year, or will be earned in a later tax year (such as a bonus), see the instructions. **Do not** include income from line 14, column (d), or line 18, column (f). Report amounts in U.S. dollars, using the exchange rates in effect when you actually or constructively received the income.

If you are a cash basis taxpayer, report on Form 1040 all income you received in 2008, no matter when you performed the service.

2008 Foreign Earned Income		Amount (in U.S. dollars)	
19	Total wages, salaries, bonuses, commissions, etc. . . . .	19	
20	Allowable share of income for personal services performed (see instructions):	20a	
	a In a business (including farming) or profession . . . . .	20b	
	b In a partnership. List partnership's name and address and type of income. ▶ . . . . .		
21	Noncash income (market value of property or facilities furnished by employer—attach statement showing how it was determined):		
	a Home (lodging). . . . .	21a	
	b Meals . . . . .	21b	
	c Car . . . . .	21c	
	d Other property or facilities. List type and amount. ▶ . . . . .	21d	
22	Allowances, reimbursements, or expenses paid on your behalf for services you performed:		
	a Cost of living and overseas differential . . . . .	22a	
	b Family . . . . .	22b	
	c Education . . . . .	22c	
	d Home leave . . . . .	22d	
	e Quarters . . . . .	22e	
	f For any other purpose. List type and amount. ▶ . . . . .	22f	
	g Add lines 22a through 22f . . . . .	22g	
23	Other foreign earned income. List type and amount. ▶ . . . . .	23	
24	Add lines 19 through 21d, line 22g, and line 23 . . . . .	24	
25	Total amount of meals and lodging included on line 24 that is excludable (see instructions) . . . . .	25	
26	Subtract line 25 from line 24. Enter the result here and on line 27 on page 3. This is your <b>2008 foreign earned income.</b> ▶ . . . . .	26	

**Part V All Taxpayers**

27	Enter the amount from line 26 . . . . .	27		
	Are you claiming the housing exclusion or housing deduction?			
	<input type="checkbox"/> Yes. Complete Part VI.			
	<input type="checkbox"/> No. Go to Part VII.			

**Part VI Taxpayers Claiming the Housing Exclusion and/or Deduction**

28	Qualified housing expenses for the tax year (see instructions) . . . . .	28		
29a	Enter location where housing expenses incurred (see instructions) ▶	29b		
	b Enter limit on housing expenses (see instructions) . . . . .	30		
30	Enter the <b>smaller</b> of line 28 or line 29b . . . . .	31		
31	Number of days in your qualifying period that fall within your 2008 tax year (see instructions) . . . . .	32		
		33		
32	Multiply \$38.30 by the number of days on line 31. If 366 is entered on line 31, enter \$14,016.00 here	34		
33	Subtract line 32 from line 30. If the result is zero or less, do not complete the rest of this part or any of Part IX . . . . .	35		
34	Enter employer-provided amounts (see instructions) . . . . .	36		
35	Divide line 34 by line 27. Enter the result as a decimal (rounded to at least three places), but do not enter more than "1.000" . . . . .			
36	<b>Housing exclusion.</b> Multiply line 33 by line 35. Enter the result but do not enter more than the amount on line 34. Also, complete Part VIII ▶			

**Note:** The housing deduction is figured in Part IX. If you choose to claim the foreign earned income exclusion, complete Parts VII and VIII before Part IX.

**Part VII Taxpayers Claiming the Foreign Earned Income Exclusion**

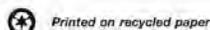
37	Maximum foreign earned income exclusion . . . . .	37	\$87,600	00
38	<ul style="list-style-type: none"> <li>• If you completed Part VI, enter the number from line 31.</li> <li>• All others, enter the number of days in your qualifying period that fall within your 2008 tax year (see the instructions for line 31).</li> </ul>	38		days
39	<ul style="list-style-type: none"> <li>• If line 38 and the number of days in your 2008 tax year (usually 366) are the same, enter "1.000."</li> <li>• Otherwise, divide line 38 by the number of days in your 2008 tax year and enter the result as a decimal (rounded to at least three places).</li> </ul>	39		×
40	Multiply line 37 by line 39 . . . . .	40		
41	Subtract line 36 from line 27 . . . . .	41		
42	<b>Foreign earned income exclusion.</b> Enter the <b>smaller</b> of line 40 or line 41. Also, complete Part VIII ▶	42		

**Part VIII Taxpayers Claiming the Housing Exclusion, Foreign Earned Income Exclusion, or Both**

43	Add lines 36 and 42 . . . . .	43		
44	Deductions allowed in figuring your adjusted gross income (Form 1040, line 37) that are allocable to the excluded income. See instructions and attach computation . . . . .	44		
45	Subtract line 44 from line 43. Enter the result here and in parentheses on <b>Form 1040, line 21.</b> Next to the amount enter "Form 2555." On Form 1040, subtract this amount from your income to arrive at total income on Form 1040, line 22 . . . . . ▶	45		

**Part IX Taxpayers Claiming the Housing Deduction—Complete this part only if (a) line 33 is more than line 36 and (b) line 27 is more than line 43.**

46	Subtract line 36 from line 33 . . . . .	46		
47	Subtract line 43 from line 27 . . . . .	47		
48	Enter the <b>smaller</b> of line 46 or line 47 . . . . .	48		
	<b>Note:</b> If line 47 is <b>more than</b> line 48 and you could not deduct all of your 2007 housing deduction because of the 2007 limit, use the worksheet on page 4 of the instructions to figure the amount to enter on line 49. Otherwise, go to line 50.			
49	Housing deduction carryover from 2007 (from worksheet on page 4 of the instructions) . . . . .	49		
50	<b>Housing deduction.</b> Add lines 48 and 49. Enter the total here and on Form 1040 to the left of line 36. Next to the amount on Form 1040, enter "Form 2555." Add it to the total adjustments reported on that line . . . . . ▶	50		



Form **2555-EZ**

Department of the Treasury  
Internal Revenue Service (99)  
Name shown on Form 1040

# Foreign Earned Income Exclusion

▶ See separate instructions. ▶ Attach to Form 1040.

OMB No. 1545-0074

# 2008

Attachment  
Sequence No. **34A**

Your social security number  
: :  
: :

- You May Use This Form If You:**
- Are a U.S. citizen or a resident alien.
  - Earned wages/salaries in a foreign country.
  - Had total foreign earned income of \$87,600 or less.
  - Are filing a calendar year return that covers a 12-month period.
- And You:**
- Do not have self-employment income.
  - Do not have business/moving expenses.
  - Do not claim the foreign housing exclusion or deduction.

## Part I Tests To See If You Can Take the Foreign Earned Income Exclusion

### 1 Bona Fide Residence Test

- a Were you a bona fide resident of a foreign country or countries for a period that includes an entire tax year (see page 2 of the instructions)?  Yes  No
- If you answered "Yes," you meet this test. Fill in line 1b and then go to line 3.
  - If you answered "No," you **do not** meet this test. Go to line 2 to see if you meet the Physical Presence Test.
- b Enter the date your bona fide residence began ▶ \_\_\_\_\_, and ended (see instructions) ▶ \_\_\_\_\_

### 2 Physical Presence Test

- a Were you physically present in a foreign country or countries for at least 330 full days during—  
 { 2008 or any other period of 12 months in a row starting or ending in 2008? }  Yes  No
- If you answered "Yes," you meet this test. Fill in line 2b and then go to line 3.
  - If you answered "No," you **do not** meet this test. You **cannot** take the exclusion unless you meet the Bona Fide Residence Test above.
- b The physical presence test is based on the 12-month period from ▶ \_\_\_\_\_ through ▶ \_\_\_\_\_

### 3 Tax Home Test. Was your tax home in a foreign country or countries throughout your period of bona fide residence or physical presence, whichever applies?

- Yes  No
- If you answered "Yes," you can take the exclusion. Complete Part II below and then go to page 2.
  - If you answered "No," you **cannot** take the exclusion. **Do not** file this form.

## Part II General Information

4 Your foreign address (including country)		5 Your occupation
--	--	-------------------

6 Employer's name	7 Employer's U.S. address (including ZIP code)	8 Employer's foreign address
-------------------	--	------------------------------

- 9 Employer is (check any that apply):
- a A U.S. business
  - b A foreign business
  - c Other (specify) ▶ \_\_\_\_\_

- 10a If you filed Form 2555 or 2555-EZ after 1981, enter the last year you filed the form. ▶ \_\_\_\_\_
- b If you did not file Form 2555 or 2555-EZ after 1981, check here  and go to line 11a now.
- c Have you ever revoked the foreign earned income exclusion?  Yes  No
- d If you answered "Yes," enter the tax year for which the revocation was effective. ▶ \_\_\_\_\_

- 11a List your tax home(s) during 2008 and date(s) established. ▶ \_\_\_\_\_
- b Of what country are you a citizen/national? ▶ \_\_\_\_\_

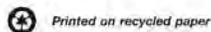
**Part III Days Present in the United States**—Complete this part if you were in the United States or its possessions during 2008.

12	(a) Date arrived in U.S.	(b) Date left U.S.	(c) Number of days in U.S. on business	(d) Income earned in U.S. on business (attach computation)

**Part IV Figure Your Foreign Earned Income Exclusion**

13	Maximum foreign earned income exclusion	13	\$87,600	00
14	Enter the number of days in your qualifying period that fall within 2008	14	days	
15	Did you enter 366 on line 14? <input type="checkbox"/> <b>Yes.</b> Enter "1.000." <input type="checkbox"/> <b>No.</b> Divide line 14 by 366 and enter the result as a decimal (rounded to at least three places).	15	×	
16	Multiply line 13 by line 15	16		
17	Enter, in U.S. dollars, the total foreign earned income you earned and received in 2008 (see instructions). Be sure to include this amount on Form 1040, line 7	17		
18	<b>Foreign earned income exclusion.</b> Enter the <b>smaller</b> of line 16 or line 17 here and in parentheses on <b>Form 1040, line 21</b> . Next to the amount enter "2555-EZ." On Form 1040, subtract this amount from your income to arrive at total income on Form 1040, line 22	18		

Form **2555-EZ** (2008)



## Quality Review



This form is used to Quality Review the completed tax return based on the Intake/Interview Sheet, the documents provided for the return preparation, and a conversation with the taxpayer.

- Involve the taxpayer in the Quality Review process.
- Complete this form prior to obtaining the taxpayer's signature on required tax forms.
- Compare the completed return with the Intake/Interview Sheet and all supporting documents.

**Quality Reviews complete the Quality Process and help ensure an accurate return.**

### Verifying the Return

Check each item only when you verify that the review step is complete.

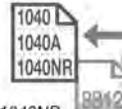
- Yes  No A completed **Intake/Interview Sheet** was used to prepare this tax return.
- Yes  No **Name(s) and SSNs/ITINs** for taxpayer(s) match the supporting documents.
- Yes  No **The taxpayer(s) address and Date of Birth** match the Intake/Interview Sheet and have been confirmed with the taxpayer.
- Yes  No **Filing status** was correctly determined and is notated on the Intake/Interview Sheet.
- Yes  No **Dependent information** is correctly shown including names, SSNs/ITINs, and DOBs.
- Yes  No All **income** indicated on the Intake/Interview Sheet and W-2s/1099s is shown.
- Yes  No Any **Adjustments to Income** are correctly reported.
- Yes  No The completed return reflects the correct **standard deduction** unless itemized deductions were used. If **itemized deductions** were used, the Schedule A has been completed accurately based on supporting documents.
- Yes  No The **non-refundable credits** have been correctly reported.
- Yes  No All payments from **W-2s and F1099's** and estimated tax payments are correct.
- Yes  No The **refundable credits** are correctly reported including the EIC determination based on the information provided.
- Yes  No If **direct deposit or debit** was elected, information on the return matches the taxpayer's checking/saving account and routing information.

### Finishing the Return

Check the appropriate box once you have confirmed the steps have been taken.

- E-File:** Verify correct **DCN and SIDN** is printed on Form 8879. Obtain taxpayer signature and provide a copy of the return for their files. Retain original signed Form 8879 with the Forms W-2's and 1099's attached.
- Paper:** Verify the correct **SIDN** is printed on the return. Attach Forms W-2's and 1099's to the return. Obtain taxpayer signature and provide the signed return, a copy of the return, and the correct processing center mailing address to the taxpayer.
- All taxpayer questions/issues about the completed return have been answered.

# Additional Child Tax Credit



Department of the Treasury  
Internal Revenue Service (99)

Complete and attach to Form 1040, Form 1040A, or Form 1040NR.

Name(s) shown on return

Your social security number

**Part I All Filers**

<b>1</b> Enter the amount from line 1 of your Child Tax Credit Worksheet on page XX of the Form 1040 instructions, page XX of the Form 1040A instructions, or page XX of the Form 1040NR instructions. If you used Pub. 972, enter the amount from line 8 of the worksheet on page X of the publication	<b>1</b>	
<b>2</b> Enter the amount from Form 1040, line 51, Form 1040A, line 32, or Form 1040NR, line 46	<b>2</b>	
<b>3</b> Subtract line 2 from line 1. If zero, stop; you cannot take this credit	<b>3</b>	
<b>4a</b> Enter your total earned income (see instructions on back)	<b>4a</b>	
<b>b</b> Nontaxable combat pay (see instructions on back)	<b>4b</b>	
<b>5</b> Is the amount on line 4a more than \$12,050? <input type="checkbox"/> No. Leave line 5 blank and enter -0- on line 6. <input type="checkbox"/> Yes. Subtract \$12,050 from the amount on line 4a. Enter the result	<b>5</b>	
<b>6</b> Multiply the amount on line 5 by 15% (.15) and enter the result Next, do you have three or more qualifying children? <input type="checkbox"/> No. If line 6 is zero, stop; you cannot take this credit. Otherwise, skip Part II and enter the smaller of line 3 or line 6 on line 13. <input type="checkbox"/> Yes. If line 6 is equal to or more than line 3, skip Part II and enter the amount from line 3 on line 13. Otherwise, go to line 7.	<b>6</b>	

**Part II Certain Filers Who Have Three or More Qualifying Children**

<b>7</b> Withheld social security and Medicare taxes from Form(s) W-2, boxes 4 and 6. If married filing jointly, include your spouse's amounts with yours. If you worked for a railroad, see instructions on back	<b>7</b>	
<b>8</b> <b>1040 filers:</b> Enter the total of the amounts from Form 1040, lines 27 and 58, plus any taxes that you identified using code "UT" and entered on the dotted line next to line 62. <b>1040A filers:</b> Enter -0-. <b>1040NR filers:</b> Enter the total of the amounts from Form 1040NR, line 53, plus any taxes that you identified using code "UT" and entered on the dotted line next to line 57.	<b>8</b>	
<b>9</b> Add lines 7 and 8	<b>9</b>	
<b>10</b> <b>1040 filers:</b> Enter the total of the amounts from Form 1040, lines 65 and 66. <b>1040A filers:</b> Enter the total of the amount from Form 1040A, line 40, plus any excess social security and tier 1 RRTA taxes withheld that you entered to the left of line 44 (see instructions on back). <b>1040NR filers:</b> Enter the amount from Form 1040NR, line 60.	<b>10</b>	
<b>11</b> Subtract line 10 from line 9. If zero or less, enter -0-	<b>11</b>	
<b>12</b> Enter the larger of line 6 or line 11 Next, enter the smaller of line 3 or line 12 on line 13.	<b>12</b>	

**Part III Additional Child Tax Credit**

<b>13</b> This is your additional child tax credit	<b>13</b>	
--	-----------	--

Enter this amount on:  
Form 1040, line 67,  
Form 1040A, line 41, or  
Form 1040NR, line 61.

## Instructions

### Purpose of Form

Use Form 8812 to figure your additional child tax credit. The additional child tax credit may give you a refund even if you do not owe any tax.

### Who Should Use Form 8812

First, complete the Child Tax Credit Worksheet that applies to you. See the instructions for Form 1040, line 51, Form 1040A, line 32, or Form 1040NR, line 46. If you meet the condition given in the *TIP* at the end of your Child Tax Credit Worksheet, use Form 8812 to see if you can take the additional child tax credit.

### Effect of Credit on Welfare Benefits

Any refund you receive as a result of taking the additional child tax credit will not be used to determine if you are eligible for the following programs, or how much you can receive from them. But if the refund you receive because of the additional child tax credit is not spent within a certain period of time, it may count as an asset (or resource) and affect your eligibility.

- Temporary Assistance for Needy Families (TANF).

- Medicaid and supplemental security income (SSI).
- Food stamps and low-income housing.

### Nontaxable Combat Pay

Enter on line 4b the total amount of nontaxable combat pay that you, and your spouse if filing jointly, received in 2008. This amount should be shown in Form W-2, box 12, with code Q.

### Railroad Employees

If you worked for a railroad, include the following taxes in the total on Form 8812, line 7.

- Tier 1 tax withheld from your pay. This tax should be shown in box 14 of your Form(s) W-2 and identified as "Tier 1 tax."
- If you were an employee representative, 50% of the total tier 1 tax you paid for 2008.

### 1040A Filers

If you, or your spouse if filing jointly, had more than one employer for 2008 and total wages of over \$102,000, figure any excess social security and tier 1 railroad retirement (RRTA) taxes withheld. See Pub. 505. Include any excess on Form 8812, line 10.

**Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Internal Revenue Code section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For the estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

### Earned Income Chart—Line 4a

IF you...	AND you...	THEN enter on line 4a...
have net earnings from self-employment	use either optional method to figure those net earnings	the amount figured using Pub. 972.
are taking the EIC on Form 1040, line 65, or Form 1040A, line 40	completed Worksheet B on page XX of your Form 1040 instructions	your earned income from Worksheet B, line 4b, plus all of your nontaxable combat pay. If you were a member of the clergy, subtract (a) the rental value of a home or the nontaxable portion of an allowance for a home furnished to you (including payments for utilities), and (b) the value of meals and lodging provided to you, your spouse, and your dependents for your employer's convenience.
	did not complete Worksheet B or filed Form 1040A	your earned income from Step 5 on page XX of your 1040 instructions or page XX of your 1040A instructions, plus all of your nontaxable combat pay.
are not taking the EIC	were self-employed, or you are filing Schedule SE because you were a member of the clergy or you had church employee income, or you are filing Schedule C or C-EZ as a statutory employee	the amount figured using Pub. 972.
	are not self-employed or filing Schedule SE, C, or C-EZ for the above reasons	your earned income figured as follows: Line 7 of Form 1040 or Form 1040A, or line 8 of Form 1040NR Subtract, if included on line 7 (line 8 for Form 1040NR), any: <ul style="list-style-type: none"> <li>• Taxable scholarship or fellowship grant not reported on a Form W-2.</li> <li>• Amount received for work performed while an inmate in a penal institution (put "PRI" and the amount subtracted in the space next to line 7 of Form 1040 or 1040A (line 8 for Form 1040NR)).</li> <li>• Amount received as a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan (put "DFC" and the amount subtracted in the space next to line 7 of Form 1040 or Form 1040A (line 8 for Form 1040NR)). This amount may be shown in box 11 of your Form W-2. If you received such an amount but box 11 is blank, contact your employer for the amount received as a pension or annuity.</li> <li>• Amount from Form 2555, line 43, or Form 2555-EZ, line 18.</li> </ul> Add all your nontaxable combat pay from Form(s) W-2, box 12, with code Q

**Earned income =**

## Education Credits (Hope and Lifetime Learning Credits)

▶ See instructions to find out if you are eligible to take the credits.  
▶ Attach to Form 1040 or Form 1040A.

Name(s) shown on return

Your social security number

**Caution:** • You *cannot* take the Hope credit and the lifetime learning credit for the **same student** in the same year.

**Part I Hope Credit.** **Caution:** You *cannot* take the Hope credit for more than **2** tax years for the **same student**.

1	(a) Student's name (as shown on page 1 of your tax return) First name Last name	(b) Student's social security number (as shown on page 1 of your tax return)	(c) Qualified expenses (see instructions). <b>Do not</b> enter more than \$2,400 for each student.	(d) Enter the <b>smaller</b> of the amount in column (c) or \$1,200	(e) Add column (c) and column (d)	(f) Enter one-half of the amount in column (e)
2	<b>Tentative Hope credit.</b> Add the amounts on line 1, column (f). If you are taking the lifetime learning credit for another student, go to Part II; otherwise, go to Part III . . . . . ▶					<b>2</b>

**Part II Lifetime Learning Credit**

3	(a) Student's name (as shown on page 1 of your tax return) First name Last name	(b) Student's social security number (as shown on page 1 of your tax return)	(c) Qualified expenses (see instructions)
4	Add the amounts on line 3, column (c), and enter the total . . . . .		<b>4</b>
5	Enter the <b>smaller</b> of line 4 or \$10,000 . . . . .		<b>5</b>
6	<b>Tentative lifetime learning credit.</b> Multiply line 5 by 20% (.20) and go to Part III . . . . . ▶		<b>6</b>

**Part III Allowable Education Credits**

7	Tentative education credits. Add lines 2 and 6 . . . . .		<b>7</b>
8	Enter: \$116,000 if married filing jointly; \$58,000 if single, head of household, or qualifying widow(er) . . . . .	<b>8</b>	× .
9	Enter the amount from Form 1040, line 38,* or Form 1040A, line 22 . . . . .	<b>9</b>	
10	Subtract line 9 from line 8. If zero or less, <b>stop</b> ; you cannot take any education credits . . . . .	<b>10</b>	
11	Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er) . . . . .	<b>11</b>	
12	If line 10 is equal to or more than line 11, enter the amount from line 7 on line 13 and go to line 14. If line 10 is less than line 11, divide line 10 by line 11. Enter the result as a decimal (rounded to at least three places) . . . . . ▶		<b>12</b>
13	Multiply line 7 by line 12 . . . . .		<b>13</b>
14	Enter the amount from Form 1040, line 44, or Form 1040A, line 28 (minus any alternative minimum tax included on Form 1040A, line 28) . . . . .		<b>14</b>
15	Enter the total, if any, of your credits from Form 1040, lines 47 and 48, or Form 1040A, lines 29 and 30 . . . . .		<b>15</b>
16	1040 filers: Enter the amount from Form 6251, line 31 (see instructions) 1040A filers: Enter the amount, if any, from the Alternative Minimum Tax Worksheet, line 20 (see instructions) . . . . .		<b>16</b>
17	Add lines 15 and 16 . . . . .		<b>17</b>
18	Subtract line 17 from line 14. If zero or less, <b>stop</b> . You cannot take any education credits . . . . . ▶		<b>18</b>
19	<b>Education credits.</b> Enter the smaller of line 13 or line 18 here and on Form 1040, line 49, or Form 1040A, line 31 . . . . . ▶		<b>19</b>

**Credit for Qualified Retirement Savings Contributions**

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 1040, Form 1040A, or Form 1040NR.  
▶ See instructions on back.

**2008**

Attachment  
Sequence No. **55**

Name(s) shown on return

Your social security number



You **cannot** take this credit if **either** of the following applies.

- The amount on Form 1040, line 38; Form 1040A, line 22; or Form 1040NR, line 36 is more than \$26,500 (\$39,750 if head of household; \$53,000 if married filing jointly).
- The person(s) who made the qualified contribution or elective deferral (a) was born after January 1, 1991. (b) is claimed as a dependent on someone else's 2008 tax return, or (c) was a **student** (see instructions).

	(a) You	(b) Your spouse
1 Traditional and Roth IRA contributions for 2008. <b>Do not</b> include rollover contributions	1	
2 Elective deferrals to a 401(k) or other qualified employer plan, voluntary employee contributions, and 501(c)(18)(D) plan contributions for 2008 (see instructions)	2	
3 Add lines 1 and 2	3	
4 Certain distributions received <b>after</b> 2005 and <b>before</b> the due date (including extensions) of your 2008 tax return (see instructions). If married filing jointly, include <b>both</b> spouses' amounts in <b>both</b> columns. See instructions for an exception	4	
5 Subtract line 4 from line 3. If zero or less, enter -0-	5	
6 In each column, enter the <b>smaller</b> of line 5 or \$2,000	6	
7 Add the amounts on line 6. If zero, <b>stop</b> ; you cannot take this credit		7
8 Enter the amount from Form 1040, line 38*; Form 1040A, line 22; or Form 1040NR, line 36	8	
9 Enter the applicable decimal amount shown below:		

If line 8 is—		And your filing status is—		
Over—	But not over—	Married filing jointly	Head of household	Single, Married filing separately, or Qualifying widow(er)
Enter on line 9—				
---	\$16,000	.5	.5	.5
\$16,000	\$17,250	.5	.5	.2
\$17,250	\$24,000	.5	.5	.1
\$24,000	\$25,875	.5	.2	.1
\$25,875	\$26,500	.5	.1	.1
\$26,500	\$32,000	.5	.1	.0
\$32,000	\$34,500	.2	.1	.0
\$34,500	\$39,750	.1	.1	.0
\$39,750	\$53,000	.1	.0	.0
\$53,000	---	.0	.0	.0

**Note:** If line 9 is zero, **stop**; you cannot take this credit.

10 Multiply line 7 by line 9	10	
11 Enter the amount from Form 1040, line 46; Form 1040A, line 28; or Form 1040NR, line 43	11	
12 <b>1040 filers:</b> Enter the total of your credits from lines 47 through 50, line 12 of the Line 11 Worksheet in Pub. 972 (see instructions), plus the amounts, if any, from line 13 of Form 8396, line 20 of Form 5695, and line 7 of Form 8859.	12	
<b>1040A filers:</b> Enter the total of your credits from lines 29 through 32.		
<b>1040NR filers:</b> Enter the total of your credits from lines 44 and 45, line 12 of the Line 11 Worksheet in Pub. 972 (see instructions), plus the amounts, if any, from line 13 of Form 8396, line 20 of Form 5695, and line 7 of Form 8859.		
13 Subtract line 12 from line 11. If zero, <b>stop</b> ; you cannot take this credit	13	
14 <b>Credit for qualified retirement savings contributions.</b> Enter the <b>smaller</b> of line 10 or line 13 here and on Form 1040, line 52; Form 1040A, line 33; or Form 1040NR, line 47	14	

\*See Pub. 590 for the amount to enter if you are filing Form 2555, 2555-EZ, or 4563 or you are excluding income from Puerto Rico.

For Paperwork Reduction Act Notice, see back of form.

Cat. No. 33394D

Form **8880** (2008)

Name(s) shown on return		Your social security number	
<b>1a</b> Amount to be deposited in first account		<b>1a</b>	
<b>b</b> Routing number	<input type="text"/>	<b>c</b>	<input type="checkbox"/> Checking <input checked="" type="checkbox"/> Savings
<b>d</b> Account number	<input type="text"/>		
<b>2a</b> Amount to be deposited in second account		<b>2a</b>	
<b>b</b> Routing number	<input type="text"/>	<b>c</b>	<input type="checkbox"/> Checking <input type="checkbox"/> Savings
<b>d</b> Account number	<input type="text"/>		
<b>3a</b> Amount to be deposited in third account		<b>3a</b>	
<b>b</b> Routing number	<input type="text"/>	<b>c</b>	<input type="checkbox"/> Checking <input type="checkbox"/> Savings
<b>d</b> Account number	<input type="text"/>		
<b>4 Total amount to be directly deposited.</b> Add lines 1a, 2a, and 3a. The total must equal the amount shown on Form 1040, line 75a; Form 1040A, line 46a; Form 1040EZ, line 13a; Form 1040NR, line 71a; Form 1040NR-EZ, line 23a; Form 1040-SS, line 12a; or Form 1040-PR, line 12a		<b>4</b>	

**General Instructions**  
**Purpose of Form**

Use Form 8888 if you want us to directly deposit your tax refund to either two or three of your accounts at a bank or other financial institution (such as a mutual fund, brokerage firm, or credit union). If you file Form 8888, you cannot choose to get any part of your refund as a check. You cannot request a deposit of your refund to an account that is not in your name (such as your tax preparer's own account). An account can be a checking, savings, or other account such as an individual retirement arrangement (IRA) (see page 2 for more information on IRAs), health savings account (HSA), Archer MSA, Coverdell education savings account (ESA), or Treasury Direct online account. You cannot have your refund deposited into more than one account if you file Form 8379, Injured Spouse Allocation.

**Note.** If you want your refund deposited to only one account, do not complete this form. Instead, request direct deposit on your tax return.

**Treasury Direct.** You can request a deposit of your refund to a Treasury Direct online

account to buy U.S. Treasury securities and electronic savings bonds. For more information, go to [www.TreasuryDirect.gov](http://www.TreasuryDirect.gov).



*Do not file a Form 8888 on which you have crossed out or whited out any numbers. If you do, the IRS will reject your direct deposit and send you a check.*

**Why Use Direct Deposit?**

- You get your refund faster.
- Payment is more secure. There is no check that can get lost or stolen.
- It is more convenient. You do not have to make a trip to the bank.
- It saves tax dollars because it costs the government less.



*The IRS is not responsible for a lost refund if you enter the wrong account information. You should check with your financial institution to get the correct routing and account numbers and make sure your deposit will be accepted. Do not use the routing number on a deposit slip if it is different from the routing number on your checks.*

**Specific Instructions**

If you file a joint return and you complete and attach Form 8888, your spouse may get at least part of the refund. You should review who owns the account where the refund is being sent.



*Some financial institutions will not allow a joint refund to be deposited to an individual account. If the direct deposit is rejected, a check will be sent instead. The IRS is not responsible if a financial institution rejects a direct deposit.*

**Lines 1a, 2a, and 3a**

Enter the portion of your refund you want directly deposited to each account. Each deposit must be at least \$1. The amount of your refund can be found on Form 1040, line 75a; Form 1040A, line 46a; Form 1040EZ, line 13a; Form 1040NR, line 71a; Form 1040NR-EZ, line 23a; Form 1040-SS, line 12a; or Form 1040-PR, line 12a. The total of lines 1a, 2a, and 3a must equal the total amount of your refund.

**Lines 1b, 2b, and 3b**

The routing number must be nine digits. The first two digits must be 01 through 12 or 21 through 32. Otherwise, the direct deposit will be rejected and a check sent instead. On the sample check, the routing number is 250250025. Jeffrey and Suzanne Maple would use that routing number unless their financial institution instructed them to use a different routing number for direct deposits.

Ask your financial institution for the correct routing number to enter if:

- Your deposit is to a savings account that does not allow you to write checks, or
- Your checks state they are payable through a financial institution different from the one at which you have your account.

**Sample Check**

JEFFREY MAPLE  
SUZANNE MAPLE  
123 Pear Lane  
Anyplace, VA 20000

PAY TO THE ORDER OF \$

ANYPLACE BANK  
Anyplace, VA 20000

For

Routing number: 250250025  
Account number: 202020186  
Amount: 1234

Do not include the check number.

**Note.** The routing and account numbers may be in different places on your check.

## Line 51—Child Tax Credit

### Three Steps To Take the Child Tax Credit!

- Step 1.** Make sure you have a qualifying child for the child tax credit (see the instructions for line 6c).
- Step 2.** Make sure that for each qualifying child you either checked the box on Form 1040, line 6c, column (4), or completed Form 8901 (if the child is not your dependent).
- Step 3.** Answer the questions on this page to see if you can use the worksheet on page 40 to figure your credit or if you must use Pub. 972.

#### Questions

#### Who Must Use Pub. 972



1. Is the amount on Form 1040, line 38, more than the amount shown below for your filing status?
- Married filing jointly – \$110,000
  - Single, head of household, or qualifying widow(er) – \$75,000
  - Married filing separately – \$55,000
- Yes.**  **No.** Go to question 2.
- You must use Pub. 972 to figure your credit.
2. Are you claiming any of the following credits?
- Residential energy efficient property credit, Form 5695.
  - Retirement savings contributions credit, Form 8880.
  - Mortgage interest credit, Form 8396.
  - District of Columbia first-time homebuyer credit, Form 8859.
  - Adoption credit, Form 8839.
- Yes.**  **No.** Continue
- You must use Pub. 972 to figure your child tax credit. You will also need the form(s) listed above for any credit(s) you are claiming.
3. Are you excluding income from Puerto Rico or are you filing any of the following forms?
- Form 2555 or 2555-EZ (relating to foreign earned income).
  - Form 4563 (exclusion of income for residents of American Samoa).
- Yes.**  **No.** Use the worksheet on page 40 to figure your credit.
- You must use Pub. 972 to figure your credit.

**Child Tax Credit Worksheet—Line 51**

Keep for Your Records



- To be a qualifying child for the child tax credit, the child must be **under age 17** at the end of 2008 and meet the other requirements listed on page 15.
- **Do not** use this worksheet if you answered “Yes” to question 1, 2, or 3 on page 39. Instead, use Pub. 972.

1. Number of qualifying children: \_\_\_\_\_ × \$1,000.  
Enter the result. 1

2. Enter the amount from Form 1040, line 46. 2

3. Add the amounts from Form 1040:

Line 47 \_\_\_\_\_

Line 48 + \_\_\_\_\_

Line 49 + \_\_\_\_\_

Line 50 + \_\_\_\_\_ Enter the total. 3

4. Are the amounts on lines 2 and 3 the same?

**Yes.** You cannot take this credit because there is no tax to reduce. However, you may be able to take the **additional child tax credit**. See the **TIP** below.

**No.** Subtract line 3 from line 2. 4

5. Is the amount on line 1 more than the amount on line 4?

**Yes.** Enter the amount from line 4. Also, you may be able to take the **additional child tax credit**. See the **TIP** below.

**No.** Enter the amount from line 1.

**This is your child tax credit.** 5

Enter this amount on Form 1040, line 51.



You may be able to take the **additional child tax credit** on Form 1040, line 67, if you answered “Yes” on line 4 or line 5 above.

- First, complete your Form 1040 through line 66.
- Then, use Form 8812 to figure any additional child tax credit.



**Child Tax Credit Worksheet**

*Keep for Your Records*

**Before you begin:** ✓ Figure the amount of residential energy efficient property credit, mortgage interest credit, or the District of Columbia first-time homebuyer credit you are claiming.



To be a qualifying child for the child tax credit, the child must be **under age 17** at the end of 2008 and meet the other requirements listed on page 2.



**Part 1**

1. Number of qualifying children: \_\_\_\_\_ × \$1,000. Enter the result. **1**

2. Enter the amount from Form 1040, line 38; Form 1040A, line 22; or Form 1040NR, line 36. **2**

3. **1040 Filers.** Enter the total of any—  
 • Exclusion of income from Puerto Rico, and  
 • Amounts from Form 2555, lines 45 and 50; Form 2555-EZ, line 18; and Form 4563, line 15.  
**1040A and 1040NR Filers.** Enter -0-.

**3**

4. Add lines 2 and 3. Enter the total. **4**

5. Enter the amount shown below for your filing status.  
 • Married filing jointly - \$110,000  
 • Single, head of household, or qualifying widow(er) - \$75,000  
 • Married filing separately - \$55,000

**5**

6. Is the amount on line 4 more than the amount on line 5?  
 **No.** Leave line 6 blank. Enter -0- on line 7.  
 **Yes.** Subtract line 5 from line 4.  
 If the result is not a multiple of \$1,000, increase it to the next multiple of \$1,000.  
 For example, increase \$425 to \$1,000, increase \$1,025 to \$2,000, etc.

**6**

7. Multiply the amount on line 6 by 5% (.05). Enter the result. **7**

8. Is the amount on line 1 more than the amount on line 7?  
 **No.** You cannot take the child tax credit on Form 1040, line 51; Form 1040A, line 32; or Form 1040NR, line 46. You also cannot take the additional child tax credit on Form 1040, line 66; Form 1040A, line 41; or Form 1040NR, line 61. Complete the rest of your Form 1040, 1040A, or Form 1040NR.  
 **Yes.** Subtract line 7 from line 1. Enter the result.  
*Go to Part 2 on the next page.*

**8**

**Part 2**

9. Enter the amount from Form 1040, line 46, Form 1040A, line 28, or Form 1040NR, line 43. 9

10. Add the amounts from—  
**Form 1040 or Form 1040A or Form 1040NR**  
 Line 47            Line 29            Line 44            \_\_\_\_\_  
 Line 48            Line 30            .....            +            \_\_\_\_\_  
 Line 49            Line 31            .....            +            \_\_\_\_\_  
 Line 50            .....            Line 45            +            \_\_\_\_\_  
 Line 53\*            .....            Line 48\*            +            \_\_\_\_\_  
 Line 54\*\*            .....            Line 49\*\*            +            \_\_\_\_\_  
 Enter the total. 10

\*Include only the amount(s), if any, from Form 5695, line 20, and Form 8396, line 13.

\*\*Include only the amounts, if any, from Form 8859, line 7.

11. Are you claiming any of the following credits?

- Retirement savings contribution credit, Form 8880
- Adoption credit, Form 8839

**No.** Enter the amount from line 10. }   
 **Yes.** Complete the Line 11 Worksheet on the next page to figure the amount to enter here.

12. Subtract line 11 from line 9. Enter the result. 12

13. Is the amount on line 8 of this worksheet more than the amount on line 12?  
 **No.** Enter the amount from line 8. }   
 **Yes.** Enter the amount from line 12. See the **TIP** below. } **This is your child tax credit.**

Enter this amount on:  
 Form 1040, line 51;  
 Form 1040A, line 32;  
 or Form 1040NR, line 46.



You may be able to take the **additional child tax credit** on Form 1040, line 66; Form 1040A, line 41; or Form 1040NR, line 61 only if you answered "Yes" on line 13.

- First, complete your Form 1040 through line 65, Form 1040A through line 40a, or Form 1040NR through line 60.
- Then, use Form 8812 to figure any additional child tax credit.

**Line 11 Worksheet**

*Keep for Your Records*

**Before you begin:** ✓ Complete the Earned Income Worksheet on page 8 or 9 that applies to you.



Use this worksheet only if you answered "Yes" on line 11 of the Child Tax Credit Worksheet on page 5.

1.	Enter the amount from line 8 of the Child Tax Credit Worksheet on page 4.	1	
2.	Enter your earned income from the worksheet on page 8 or 9 that applies to you.	2	
3.	Is the amount on line 2 more than \$12,050? <input type="checkbox"/> <b>No.</b> Leave line 3 blank, enter -0- on line 4, and go to line 5. <input type="checkbox"/> <b>Yes.</b> Subtract \$12,050 from the amount on line 2. Enter the result.	3	
4.	Multiply the amount on line 3 by 15% (.15) and enter the result.	4	
5.	Is the amount on line 1 of the Child Tax Credit Worksheet on page 4 \$3,000 or more? <input type="checkbox"/> <b>No.</b> If line 4 above is: <ul style="list-style-type: none"> <li>• Zero, enter the amount from line 1 above on line 12 of this worksheet. Do not complete the rest of this worksheet. Instead, go back to the Child Tax Credit Worksheet on page 5 and do the following. Enter the amount from line 10 on line 11, and complete lines 12 and 13.</li> <li>• More than zero, leave lines 6 through 9 blank, enter -0- on line 10, and go to line 11.</li> </ul> <input type="checkbox"/> <b>Yes.</b> If line 4 above is equal to or more than line 1 above, leave lines 6 through 9 blank, enter -0- on line 10, and go to line 11. Otherwise, see <i>1040 filers</i> , <i>1040A filers</i> , and <i>1040NR filers</i> on page 7 and then go to line 6.		
6.	Enter the total of the following amounts from Form(s) W-2: <ul style="list-style-type: none"> <li>• Social security taxes from box 4, and</li> <li>• Medicare taxes from box 6.</li> </ul> Railroad employees, see the bottom of page 7.	6	
7.	<b>1040 filers.</b> Enter the total of any— <ul style="list-style-type: none"> <li>• Amounts from Form 1040, lines 27 and 58, and</li> <li>• Any taxes that you identified using code "UT" and entered on the dotted line next to line 61.</li> </ul> <b>1040A filers.</b> Enter -0-. <b>1040NR filers.</b> Enter the total of any— <ul style="list-style-type: none"> <li>• Amount from Form 1040NR, line 53, and</li> <li>• Any taxes that you identified using code "UT" and entered on the dotted line next to line 57.</li> </ul>	7	
8.	Add lines 6 and 7. Enter the total.	8	
9.	<b>1040 filers.</b> Enter the total of the amounts from Form 1040, lines 64a and 65. <b>1040A filers.</b> Enter the total of any— <ul style="list-style-type: none"> <li>• Amount from Form 1040A, line 40a, and</li> <li>• Excess social security and tier 1 RRTA taxes withheld that you entered to the left of Form 1040A, line 43.</li> </ul> <b>1040NR filers.</b> Enter the amount from Form 1040NR, line 60.	9	

If married filing jointly, include your spouse's amounts with yours when completing lines 6 and 7.

**Line 11 Worksheet—Continued from page 6**

**Keep for Your Records**

10. Subtract line 9 from line 8. If the result is zero or less, enter -0-. 10

11. Enter the **larger** of line 4 or line 10. 11

12. Is the amount on line 11 of this worksheet more than the amount on line 1?  
 **No.** Subtract line 11 from line 1. Enter the result.  
 **Yes.** Enter -0-. 12

Next, figure the amount of any of the following credits that you are claiming:

- Retirement savings contributions credit, Form 8880
- Adoption credit, Form 8839

Then, go to line 13.

13. Enter the total of the amounts from—  
• Form 8880, line 14, and  
• Form 8839, line 18. 13

14. Enter the amount from line 10 of the Child Tax Credit Worksheet on page 5. 14

15. Add lines 13 and 14. Enter the total. 15

*Enter this amount on line 11 of the Child Tax Credit Worksheet on page 5.*

**1040 filers.** Complete lines 58, 64a, and 65 of your return if they apply to you.

**1040A filers.** Complete line 40a of your return if it applies to you. If you, or your spouse if filing jointly, had more than one employer for 2008 and total wages of over \$102,000 figure any excess social security and railroad retirement (RRTA) taxes withheld. See the instructions for Form 1040A, line 43.

**1040NR filers.** Complete lines 53 and 60 of your return if they apply to you.

**Railroad employees.** Include the following taxes in the total on line 6 of the Line 11 Worksheet.

- ✓ Tier 1 tax withheld from your pay.  
This tax should be shown in box 14 of your Form(s) W-2 and identified as "Tier 1 tax."
- ✓ If you were an employee representative, 50% of the total Tier 1 tax and Tier 1 Medicare tax you paid for 2008.

**1040 and 1040NR Filers - Earned Income Worksheet**

Keep for Your Records



**Before you begin:**

- ✓ Use this worksheet only if you were sent here from the Line 11 Worksheet on page 6 of this publication or line 4a of Form 8812, Additional Child Tax Credit.
- ✓ Disregard community property laws when figuring the amounts to enter on this worksheet.
- ✓ If married filing jointly, include your spouse's amounts with yours when completing this worksheet.

1. a. Enter the amount from Form 1040, line 7, or Form 1040NR, line 8. . . . . **1a.** \_\_\_\_\_
- b. Enter the amount of any nontaxable combat pay received. Also enter this amount on Form 8812, line 4b. This amount should be shown in Form(s) W-2, box 12, with code Q. . . . . **1b.** \_\_\_\_\_
- Next**, if you are filing Schedule C, C-EZ, F, or SE, or you received a Schedule K-1 (Form 1065 or Form 1065-B), go to line 2a. Otherwise, skip lines 2a through 2e and go to line 3.
2. a. Enter any statutory employee income reported on line 1 of Schedule C or C-EZ. . . . . **2a.** \_\_\_\_\_
- b. Enter any 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.\* Reduce this amount by any unreimbursed nonfarm partnership expenses you deducted on Schedule E. **Do not** include any statutory employee income or any other amounts exempt from self-employment tax. Options and commodities dealers must add any gain or subtract any loss (in the normal course of dealing in or trading section 1256 contracts) from section 1256 contracts or related property. . . . . **2b.** \_\_\_\_\_
- c. Enter any net farm profit or (loss) from Schedule F, line 36, and from farm partnerships, Schedule K-1 (Form 1065), box 14, code A.\* Reduce this amount by any unreimbursed farm partnership expenses you deducted on Schedule E. **Do not** include any amounts exempt from self-employment tax. . . . . **2c.** \_\_\_\_\_
- d. If you used the farm optional method to figure net earnings from self-employment, enter the amount from Schedule SE, Section B, line 15. Otherwise, skip this line and enter on line 2e the amount from line 2c. . . . . **2d.** \_\_\_\_\_
- e. If line 2c is a profit, enter the **smaller** of line 2c or line 2d. If line 2c is a (loss), enter the (loss) from line 2c. **2e.** \_\_\_\_\_
3. Combine lines 1a, 1b, 2a, 2b, and 2e. If zero or less, **stop**. Do not complete the rest of this worksheet. Instead, enter -0- on line 2 of the Line 11 Worksheet on page 6 or line 4a of Form 8812, whichever applies. . . . . **3.** \_\_\_\_\_
4. Enter any amount included on line 1a that is:
  - a. A scholarship or fellowship grant not reported on Form W-2. . . . . **4a.** \_\_\_\_\_
  - b. For work done while an inmate in a penal institution (enter "PRI" and this amount on the dotted line next to line 7 of Form 1040 or line 8 of Form 1040NR). . . . . **4b.** \_\_\_\_\_
  - c. A pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan (enter "DFC" and this amount on the dotted line next to line 7 of Form 1040 or line 8 of Form 1040NR). This amount may be shown in box 11 of your Form W-2. If you received such an amount but box 11 is blank, contact your employer for the amount received as a pension or annuity. . . . . **4c.** \_\_\_\_\_
5. a. Enter any amount included on line 3 that is also included on Form 2555, line 43, or Form 2555-EZ, line 18. **Do not** include any amount that is also included on line 4a, 4b, or 4c above. . . . . **5a.** \_\_\_\_\_
- b. Enter the amount, if any, from Form 2555, line 44, that is also deducted on Schedule C, C-EZ, or F, or included on Schedule E in partnership net income or (loss). . . . . **5b.** \_\_\_\_\_
- c. Subtract line 5b from line 5a. . . . . **5c.** \_\_\_\_\_
6. Enter the amount from Form 1040, line 27. . . . . **6.** \_\_\_\_\_
7. Add lines 4a through 4c, 5c, and 6. . . . . **7.** \_\_\_\_\_
8. Subtract line 7 from line 3. . . . . **8.** \_\_\_\_\_
  - If you were sent here from the Line 11 Worksheet on page 6, enter this amount on line 2 of that worksheet.
  - If you were sent here from Form 8812, enter this amount on line 4a of that form.

*\*If you have any Schedule K-1 amounts and you are not required to file Schedule SE, complete the appropriate line(s) of Schedule SE, Section A. Put your name and social security number on Schedule SE and attach it to your return.*

**Foreign Earned Income Tax Worksheet.** If you claimed the foreign earned income exclusion or the housing exclusion on Form 2555 or Form 2555-EZ, you must figure your tax using the worksheet below.

**Foreign Earned Income Tax Worksheet—Line 44**

Keep for Your Records



**Before you begin:** ✓ If Form 1040, line 43, is zero, do not complete this worksheet.

1. Enter the amount from Form 1040, line 43 .....	1.	
2. Enter the amount from your (and your spouse's, if filing jointly) Form 2555, line 45, or Form 2555-EZ, line 18 .....	2.	
3. Add lines 1 and 2 .....	3.	
4. <b>Tax on the amount on line 3.</b> Use the Tax Table, Tax Computation Worksheet, Qualified Dividends and Capital Gain Tax Worksheet*, Schedule D Tax Worksheet*, or Form 8615, whichever applies. See the instructions for line 44 that begin on page 34 to see which tax computation method applies .....	4.	
5. <b>Tax on the amount on line 2.</b> Use the Tax Table or Tax Computation Worksheet, whichever applies .....	5.	
6. Subtract line 5 from line 4. Enter the result. If zero or less, enter -0-. Also include this amount on Form 1040, line 44 .....	6.	

\*Enter the amount from line 3 above on line 1 of the Qualified Dividends and Capital Gain Tax Worksheet or Schedule D Tax Worksheet if you use either of those worksheets to figure the tax on line 4 above. Complete the rest of that worksheet through line 6 (line 10 if you use the Schedule D Tax Worksheet). Next, you must determine if you have a capital gain excess. To find out if you have a capital gain excess, subtract Form 1040, line 43, from line 6 of your Qualified Dividends and Capital Gain Tax Worksheet (line 10 of your Schedule D Tax Worksheet). If the result is more than zero, that amount is your capital gain excess.

If you do not have a capital gain excess, complete the rest of either of those worksheets according to the worksheet's instructions. Then complete lines 5 and 6 above.

If you have a capital gain excess, complete a second Qualified Dividends and Capital Gain Tax Worksheet or Schedule D Tax Worksheet (whichever applies) as instructed above but in its entirety and with the following additional modifications. Then complete lines 5 and 6 above. These modifications are to be made only for purposes of filling out the Foreign Earned Income Tax Worksheet above.

1. Reduce the amount you would otherwise enter on line 3 of your Qualified Dividends and Capital Gain Tax Worksheet or line 9 of your Schedule D Tax Worksheet (but not below zero) by your capital gain excess.
2. Reduce the amount you would otherwise enter on Form 1040, line 9b, (but not below zero) by any of your capital gain excess not used in (1) above.
3. Reduce the amount on your Schedule D (Form 1040), line 18, (but not below zero) by your capital gain excess.
4. Include your capital gain excess as a loss on line 16 of your Unrecaptured Section 1250 Gain Worksheet on page D-9 of the Instructions for Schedule D (Form 1040).

The "Retirement plan" box in box 13 of your Form W-2 should be checked if you were covered by a plan at work even if you were not vested in the plan. You are also covered by a plan if you were self-employed and had a SEP, SIMPLE, or qualified retirement plan.

If you were covered by a retirement plan and you file Form 2555, 2555-EZ, or 8815,

or you exclude employer-provided adoption benefits, see Pub. 590 to figure the amount, if any, of your IRA deduction.



You may be able to take the retirement savings contributions credit. See the instructions for line 52 on page 41.

**Married persons filing separately.** If you were not covered by a retirement plan but your spouse was, you are considered covered by a plan unless you lived apart from your spouse for all of 2008.

**IRA Deduction Worksheet—Line 32**

Keep for Your Records



If you were age 70½ or older at the end of 2008, you cannot deduct any contributions made to your traditional IRA or treat them as nondeductible contributions. **Do not** complete this worksheet for anyone age 70½ or older at the end of 2008. If you are married filing jointly and only one spouse was under age 70½ at the end of 2008, complete this worksheet only for that spouse.

		Your IRA	Spouse's IRA
<b>Before you begin:</b>		✓ Be sure you have read the list on page 27. You may not be eligible to use this worksheet. ✓ Figure any amount on Form 1040, line 34, and any write-in adjustments to be entered on the dotted line next to line 36 (see the instructions for line 36 on page 31).	
1a.	Were you covered by a retirement plan (see above)?	1a. <input type="checkbox"/> Yes <input type="checkbox"/> No	
1b.	If married filing jointly, was your spouse covered by a retirement plan?		1b. <input type="checkbox"/> Yes <input type="checkbox"/> No
<p><b>Next.</b> If you checked "No" on line 1a (and "No" on line 1b if married filing jointly), skip lines 2 through 6, enter the applicable amount below on line 7a (and line 7b if applicable), and go to line 8.</p> <ul style="list-style-type: none"> <li>• \$5,000, if under age 50 at the end of 2008.</li> <li>• \$6,000, if age 50 or older but under age 70½ at the end of 2008.</li> </ul> Otherwise, go to line 2.			
2.	Enter the amount shown below that applies to you.	2a. _____	2b. _____
<ul style="list-style-type: none"> <li>• Single, head of household, or married filing separately and you <b>lived apart</b> from your spouse for all of 2008, enter \$63,000</li> <li>• Qualifying widow(er), enter \$105,000</li> <li>• Married filing jointly, enter \$105,000 in both columns. But if you checked "No" on either line 1a or 1b, enter \$169,000 for the person who was not covered by a plan</li> <li>• Married filing separately and you lived with your spouse at any time in 2008, enter \$10,000</li> </ul>			
3.	Enter the amount from Form 1040, line 22	3. _____	
4.	Enter the total of the amounts from Form 1040, lines 23 through 31a, line 34, and any write-in adjustments you entered on the dotted line next to line 36	4. _____	
5.	Subtract line 4 from line 3. If married filing jointly, enter the result in both columns	5a. _____	5b. _____
6.	Is the amount on line 5 less than the amount on line 2?		
<input type="checkbox"/> <b>No.</b> None of your IRA contributions are deductible. For details on nondeductible IRA contributions, see Form 8606.			
<input type="checkbox"/> <b>Yes.</b> Subtract line 5 from line 2 in each column. Follow the instruction below that applies to you.			
<ul style="list-style-type: none"> <li>• If single, head of household, or married filing separately, and the result is \$10,000 or more, enter the applicable amount below on line 7 for that column and go to line 8.                             <ul style="list-style-type: none"> <li>i. \$5,000, if under age 50 at the end of 2008.</li> <li>ii. \$6,000, if age 50 or older but under age 70½ at the end of 2008.</li> </ul>                             Otherwise, go to line 7.                         </li> <li>• If married filing jointly or qualifying widow(er), and the result is \$20,000 or more (\$10,000 or more in the column for the IRA of a person who was not covered by a retirement plan), enter the applicable amount below on line 7 for that column and go to line 8.                             <ul style="list-style-type: none"> <li>i. \$5,000, if under age 50 at the end of 2008.</li> <li>ii. \$6,000 if age 50 or older but under age 70½ at the end of 2008.</li> </ul>                             Otherwise, go to line 7.                         </li> </ul>		6a. _____	6b. _____

**IRA Deduction Worksheet—Line 32 (continued)**

	Your IRA	Spouse's IRA
<p>7. Multiply lines 6a and 6b by the percentage below that applies to you. If the result is not a multiple of \$10, increase it to the next multiple of \$10 (for example, increase \$490.30 to \$500). If the result is \$200 or more, enter the result. But if it is less than \$200, enter \$200.</p> <ul style="list-style-type: none"> <li>• Single, head of household, or married filing separately, multiply by 50% (.50) (or by 60% (.60) in the column for the IRA of a person who is age 50 or older at the end of 2008)</li> <li>• Married filing jointly or qualifying widow(er), multiply by 25% (.25) (or by 30% (.30) in the column for the IRA of a person who is age 50 or older at the end of 2008). But if you checked "No" on either line 1a or 1b, then in the column for the IRA of the person who was not covered by a retirement plan, multiply by 50% (.50) (or by 60% (.60) if age 50 or older at the end of 2008)</li> </ul>	7a.	7b.
<p>8. Enter the total of your (and your spouse's if filing jointly):</p> <ul style="list-style-type: none"> <li>• Wages, salaries, tips, etc. Generally, this is the amount reported in box 1 of Form W-2. See page 27 for exceptions</li> <li>• Alimony and separate maintenance payments reported on Form 1040, line 11</li> <li>• Nontaxable combat pay. This amount should be reported in box 12 of Form W-2 with code Q</li> </ul>	8.	
<p>9. Enter the earned income you (and your spouse if filing jointly) received as a self-employed individual or a partner. Generally, this is your (and your spouse's if filing jointly) net earnings from self-employment if your personal services were a material income-producing factor, minus any deductions on Form 1040, lines 27 and 28. If zero or less, enter -0-. For more details, see Pub. 590</p>	9.	
<p>10. Add lines 8 and 9</p>	10.	
<p> <i>If married filing jointly and line 10 is less than \$10,000 (\$11,000 if one spouse is age 50 or older at the end of 2008; \$12,000 if both spouses are age 50 or older at the end of 2008), stop here and see Pub. 590 to figure your IRA deduction.</i></p>		
<p>11. Enter traditional IRA contributions made, or that will be made by April 15, 2009, for 2008 to your IRA on line 11a and to your spouse's IRA on line 11b</p>	11a.	11b.
<p>12. On line 12a, enter the <b>smallest</b> of line 7a, 10, or 11a. On line 12b, enter the <b>smallest</b> of line 7b, 10, or 11b. This is the most you can deduct. Add the amounts on lines 12a and 12b and enter the total on Form 1040, line 32. Or, if you want, you can deduct a smaller amount and treat the rest as a nondeductible contribution (see Form 8606)</p>	12a.	12b.

Need more information or forms? See page 82.

**Qualified Dividends and Capital Gain Tax Worksheet—Line 44**

Keep for Your Records



**Before you begin:** ✓ See the instructions for line 44 that begin on page 33 to see if you can use this worksheet to figure your tax.  
 ✓ If you do not have to file Schedule D and you received capital gain distributions, be sure you checked the box on line 13 of Form 1040.

1. Enter the amount from Form 1040, line 43. (However, if you are filing Form 2555 or 2555-EZ (relating to foreign earned income), enter the amount from line 3 of the worksheet on page 35) . . . . .	1.	<input type="text"/>
2. Enter the amount from Form 1040, line 9b* . . . . .	2.	<input type="text"/>
3. Are you filing Schedule D?*		
<input type="checkbox"/> <b>Yes.</b> Enter the <b>smaller</b> of line 15 or 16 of Schedule D. If either line 15 or line 16 is a loss, enter -0-	3.	<input type="text"/>
<input type="checkbox"/> <b>No.</b> Enter the amount from Form 1040, line 13		<input type="text"/>
4. Add lines 2 and 3 . . . . .	4.	<input type="text"/>
5. If you are claiming investment interest expense on Form 4952, enter the amount from line 4g of that form. Otherwise, enter -0- . . . . .	5.	<input type="text"/>
6. Subtract line 5 from line 4. If zero or less, enter -0- . . . . .	6.	<input type="text"/>
7. Subtract line 6 from line 1. If zero or less, enter -0- . . . . .	7.	<input type="text"/>
8. Enter the <b>smaller</b> of:		
• The amount on line 1, or	8.	<input type="text"/>
• \$32,550 if single or married filing separately,		
\$65,100 if married filing jointly or qualifying widow(er), \$43,650 if head of household.		
9. Is the amount on line 7 equal to or more than the amount on line 8?		
<input type="checkbox"/> <b>Yes.</b> Skip lines 9 and 10; go to line 11 and check the "No" box.	9.	<input type="text"/>
<input type="checkbox"/> <b>No.</b> Enter the amount from line 7 . . . . .		
10. Subtract line 9 from line 8 . . . . .	10.	<input type="text"/>
11. Are the amounts on lines 6 and 10 the same?		
<input type="checkbox"/> <b>Yes.</b> Skip lines 11 through 14; go to line 15.	11.	<input type="text"/>
<input type="checkbox"/> <b>No.</b> Enter the <b>smaller</b> of line 1 or line 6 . . . . .		
12. Enter the amount from line 10 (if line 10 is blank, enter -0-) . . . . .	12.	<input type="text"/>
13. Subtract line 12 from line 11 . . . . .	13.	<input type="text"/>
14. Multiply line 13 by 15% (.15) . . . . .	14.	<input type="text"/>
15. Figure the tax on the amount on line 7. Use the Tax Table or Tax Computation Worksheet, whichever applies . . . . .	15.	<input type="text"/>
16. Add lines 14 and 15 . . . . .	16.	<input type="text"/>
17. Figure the tax on the amount on line 1. Use the Tax Table or Tax Computation Worksheet, whichever applies . . . . .	17.	<input type="text"/>
18. <b>Tax on all taxable income.</b> Enter the <b>smaller</b> of line 16 or line 17. Also include this amount on Form 1040, line 44. (If you are filing Form 2555 or 2555-EZ, do not enter this amount on Form 1040, line 44. Instead, enter it on line 4 of the worksheet on page 35) . . . . .	18.	<input type="text"/>

*\*If you are filing Form 2555 or 2555-EZ, see the footnote in the worksheet on page 35 before completing this line.*

Need more information or forms? See page 82.

**Recovery Rebate Credit Worksheet—Line 70**

Keep for Your Records 

**Before you begin:**  You cannot take the credit if you have no qualifying children for 2008 and received an economic stimulus payment of \$600 (\$1,200 if married filing jointly) before offset (see *Refund Offset* on page 59). You cannot take the credit because you already have received the maximum amount of the credit.

 **TIP** If you received Notice 1378, have it available. The notice shows the amount of your economic stimulus payment, which you will need to fill in line 28 below.

1. Can you, or your spouse if filing a joint return, be claimed as a dependent on another person's return?  
 **No.** Go to line 2.  
 **Yes.** You cannot get the credit. **Stop** here.
2. Does your tax return include a valid social security number for you and, if filing a joint return, your spouse?  
 **Yes.** Skip lines 3 and 4 and go to line 5.  
 **No.** Got to line 3.
3. Are you filing a joint return for 2008?  
 **Yes.** Go to line 4.  
 **No.** You cannot take the credit. **Stop** here.
4. Were either you or your spouse a member of the U.S. Armed Forces at any time during 2008?  
 **Yes.** Go to line 5.  
 **No.** You cannot take the credit. **Stop** here.
5. Enter the amount from Form 1040, line 56 .....
6. Enter the amount from Form 1040, line 51 .....
7. Add lines 5 and 6 .....
8. Enter \$600 (\$1,200 if married filing jointly) .....
9. Enter the smaller of line 7 or line 8 .....

**DRAFT**

5.	
6.	
7.	
8.	
9.	

*Need more information or forms? See page 82.*      - 60 -

**Recovery Rebate Credit — Line 70 (continued)**

**DRAFT**

10. Is the amount on line 9 at least \$300 (\$600 if married filing jointly)?  
 **Yes.** If you have at least one qualifying child for whom you entered a valid social security number\* on Form 1040, line 6c, column (2), and either checked the box on Form 1040, line 6c, column (4), or completed Form 8901, go to line 11. Otherwise, skip lines 11 through 21 and enter the amount from line 9 on line 22.  
 **No.** If line 7 is more than zero, go to line 11. Otherwise, skip line 11 and go to line 12.

11. Is your gross income\*\* more than the amount shown below for your filing status?  
 • Single or married filing separately — \$8,950  
 • Married filing jointly — \$17,900  
 • Head of household — \$11,500  
 • Qualifying widow(er) — \$14,400  
 **No.** Go to line 12.  
 **Yes.** Skip lines 12 through 18 and go to line 19.

12. Enter the amount from Form 1040, line 20a ..... 12. \_\_\_\_\_

13. Enter the amount of any nontaxable veterans' disability or death benefits you received in 2008 ..... 13. \_\_\_\_\_

14. Are you filing Form 8812?  
 **Yes.** Skip line 15. Enter on line 16 the amount from Form 8812, line 4a.  
 **No.** Go to line 15.

15. Are you filing Form 2555 or 2555-EZ to exclude foreign earned income, or using one of the optional methods to figure your net earnings from self-employment on Schedule SE, or are you a church employee or member of the clergy?  
 **Yes.** Fill out the Earned Income Worksheet on page 8 of Pub. 972 and enter on line 16 the amount from line 8 of that worksheet.  
 **No.** Go to line 16.

16. **Earned income.** If you did not already enter an amount on this line as instructed on line 14 or 15, complete Worksheet B on page 49 through line 4b. Enter the amount from Worksheet B, line 4b (If you had nontaxable combat pay, be sure to include it on this line even if you did not include it in earned income for the earned income credit. Also include it on Form 1040, line 64b) ..... 16. \_\_\_\_\_

17. **Qualifying income.** Add lines 12, 13, and 16 ..... 17. \_\_\_\_\_

18. Is line 17 at least \$3,000?  
 **No.** Skip lines 19 through 21 and enter the amount from line 9 on line 22.  
 **Yes.** Go to line 19.

19. Enter \$300 (\$600 if married filing jointly) ..... 19. \_\_\_\_\_

20. Enter the larger of line 9 or line 19 ..... 20. \_\_\_\_\_

21. Multiply \$300 by the number of qualifying children for whom you entered a valid social security number\* on Form 1040, line 6c, column (2), and either checked the box on Form 1040, line 6c, column (4), or completed Form 8901 ..... 21. \_\_\_\_\_

22. Add lines 20 and 21 ..... 22. \_\_\_\_\_

23. Enter the amount from Form 1040, line 38 ..... 23. \_\_\_\_\_

24. Enter \$75,000 (\$150,000 if married filing jointly) ..... 24. \_\_\_\_\_

25. Is the amount on line 23 more than the amount on line 24?  
 **No.** Skip line 26. Enter the amount from line 22 on line 27 below.  
 **Yes.** Subtract line 24 from line 23 ..... 25. \_\_\_\_\_

26. Multiply line 25 by 5% (.05) ..... 26. \_\_\_\_\_

27. Subtract line 26 from line 22. If zero or less, enter -0- ..... 27. \_\_\_\_\_

28. Enter the amount, if any, of the economic stimulus payment you received (before offset) as shown on Notice 1378. If filing a joint return, include your spouse's payment. If you filed a joint return for 2007 and received an economic stimulus payment, you and your spouse are each treated as having received half of the payment ..... 28. \_\_\_\_\_

29. **Recovery rebate credit.** Subtract line 28 from line 27. If zero or less, enter -0-. Enter the result here and, if more than zero, on Form 1040, line 70. If you entered an amount on line 13 above, enter "VA" on the dotted line to the left of Form 1040, line 70. If line 28 is more than line 27, you do not have to pay back the difference ..... 29. \_\_\_\_\_

\*A valid social security number is not required for a qualifying child if you filed a joint return AND either you or your spouse was a member of the U.S. Armed Forces at any time during 2008.

\*\*Your gross income includes the total of the following amounts: Form 1040, lines 7, 8a, 9a, 10, 11, 15b, 16b, 19, 20b, and 21 (excluding any negative amounts); Schedule C, line 7; Schedule C-EZ, line 1; Schedule E, lines 3 and 4; Schedule F, line 11; Form 4835, line 7; Schedule K-1 (Form 1065), box 14, codes B and C; Schedule K-1 (Form 1065-B), box 9, code K-2; Schedule K-1 (Form 1120S), box 14, code B. But do not include on this line any amount for which you claimed the foreign earned income exclusion or the housing exclusion on Form 2555 or 2555-EZ.

Your gross income also includes all gains from Schedule D, lines 1 and 8; Schedule D-1, lines 1 and 8; Form 4684, line 14, and column (c) of lines 29 and 34; Form 4797, lines 2, 10, and 30; Form 6252, lines 24 and 35; Form 6781, lines 1 and 12; Form 8824, lines 14, 23, 35, and 36; and Form 2439, line 1a. But subtract from this total any section 1202 exclusion, any section 1045 or section 1397B rollover, any exclusion of gain from DC Zone assets or qualified community assets, and any section 121 exclusion shown on Schedule D or Form 4797.

Recovery Rebate Credit Worksheet—Line 70

Keep for Your Records 

**Before you begin:**  You cannot take the credit if you have no qualifying children for 2008 and received an economic stimulus payment of \$600 (\$1,200 if married filing jointly) before offset (see *Refund Offset* on page 59). You cannot take the credit because you already have received the maximum amount of the credit.

 **TIP** If you received Notice 1378, have it available. The notice shows the amount of your economic stimulus payment, which you will need to fill in line 28 below.

1. Can you, or your spouse if filing a joint return, be claimed as a dependent on another person's return?

- No.** Go to line 2.
- Yes.** You cannot get the credit. **Stop** here.

**DRAFT**

2. Does your tax return include a valid social security number for you and, if filing a joint return, your spouse?

- Yes.** Skip lines 3 and 4 and go to line 5.
- No.** Got to line 3.

3. Are you filing a joint return for 2008?

- Yes.** Go to line 4.
- No.** You cannot take the credit. **Stop** here.

4. Were either you or your spouse a member of the U.S. Armed Forces at any time during 2008?

- Yes.** Go to line 5.
- No.** You cannot take the credit. **Stop** here.

5. Enter the amount from Form 1040, line 56 .....	5.	<input type="text"/>
6. Enter the amount from Form 1040, line 51 .....	6.	<input type="text"/>
7. Add lines 5 and 6 .....	7.	<input type="text"/>
8. Enter \$600 (\$1,200 if married filing jointly) .....	8.	<input type="text"/>
9. Enter the smaller of line 7 or line 8 .....	9.	<input type="text"/>

Need more information or forms? See page 82.

**Recovery Rebate Credit — Line 70 (continued)**

**DRAFT**

- 10. Is the amount on line 9 at least \$300 (\$600 if married filing jointly)?
  - Yes.** If you have at least one qualifying child for whom you entered a valid social security number\* on Form 1040, line 6c, column (2), and either checked the box on Form 1040, line 6c, column (4), or completed Form 8901, go to line 11. Otherwise, skip lines 11 through 21 and enter the amount from line 9 on line 22.
  - No.** If line 7 is more than zero, go to line 11. Otherwise, skip line 11 and go to line 12.
- 11. Is your gross income\*\* more than the amount shown below for your filing status?
  - Single or married filing separately — \$8,950
  - Married filing jointly — \$17,900
  - Head of household — \$11,500
  - Qualifying widow(er) — \$14,400
  - No.** Go to line 12.
  - Yes.** Skip lines 12 through 18 and go to line 19.
- 12. Enter the amount from Form 1040, line 20a ..... 12.
- 13. Enter the amount of any nontaxable veterans' disability or death benefits you received in 2008 ..... 13.
- 14. Are you filing Form 8812?
  - Yes.** Skip line 15. Enter on line 16 the amount from Form 8812, line 4a.
  - No.** Go to line 15.
- 15. Are you filing Form 2555 or 2555-EZ to exclude foreign earned income, or using one of the optional methods to figure your net earnings from self-employment on Schedule SE, or are you a church employee or member of the clergy?
  - Yes.** Fill out the Earned Income Worksheet on page 8 of Pub. 972 and enter on line 16 the amount from line 8 of that worksheet.
  - No.** Go to line 16.
- 16. **Earned income.** If you did not already enter an amount on this line as instructed on line 14 or 15, complete Worksheet B on page 49 through line 4b. Enter the amount from Worksheet B, line 4b (If you had nontaxable combat pay, be sure to include it on this line even if you did not include it in earned income for the earned income credit. Also include it on Form 1040, line 64b) ..... 16.
- 17. **Qualifying income.** Add lines 12, 13, and 16 ..... 17.
- 18. Is line 17 at least \$3,000?
  - No.** Skip lines 19 through 21 and enter the amount from line 9 on line 22.
  - Yes.** Go to line 19.
- 19. Enter \$300 (\$600 if married filing jointly) ..... 19.
- 20. Enter the larger of line 9 or line 19 ..... 20.
- 21. Multiply \$300 by the number of qualifying children for whom you entered a valid social security number\* on Form 1040, line 6c, column (2), and either checked the box on Form 1040, line 6c, column (4), or completed Form 8901 ..... 21.
- 22. Add lines 20 and 21 ..... 22.
- 23. Enter the amount from Form 1040, line 38 ..... 23.
- 24. Enter \$75,000 (\$150,000 if married filing jointly) ..... 24.
- 25. Is the amount on line 23 more than the amount on line 24?
  - No.** Skip line 26. Enter the amount from line 22 on line 27 below.
  - Yes.** Subtract line 24 from line 23 ..... 25.
- 26. Multiply line 25 by 5% (.05) ..... 26.
- 27. Subtract line 26 from line 22. If zero or less, enter -0- ..... 27.
- 28. Enter the amount, if any, of the economic stimulus payment you received (before offset) as shown on Notice 1378. If filing a joint return, include your spouse's payment. If you filed a joint return for 2007 and received an economic stimulus payment, you and your spouse are each treated as having received half of the payment ..... 28.
- 29. **Recovery rebate credit.** Subtract line 28 from line 27. If zero or less, enter -0-. Enter the result here and, if more than zero, on Form 1040, line 70. If you entered an amount on line 13 above, enter "VA" on the dotted line to the left of Form 1040, line 70. If line 28 is more than line 27, you do not have to pay back the difference ..... 29.

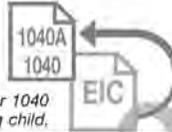
\*A valid social security number is not required for a qualifying child if you filed a joint return AND either you or your spouse was a member of the U.S. Armed Forces at any time during 2008.

\*\*Your gross income includes the total of the following amounts: Form 1040, lines 7, 8a, 9a, 10, 11, 15b, 16b, 19, 20b, and 21 (excluding any negative amounts); Schedule C, line 7; Schedule C-EZ, line 1; Schedule E, lines 3 and 4; Schedule F, line 11; Form 4835, line 7; Schedule K-1 (Form 1065), box 14, codes B and C; Schedule K-1 (Form 1065-B), box 9, code K-2; Schedule K-1 (Form 1120S), box 14, code B. But do not include on this line any amount for which you claimed the foreign earned income exclusion or the housing exclusion on Form 2555 or 2555-EZ.

Your gross income also includes all gains from Schedule D, lines 1 and 8; Schedule D-1, lines 1 and 8; Form 4684, line 14, and column (c) of lines 29 and 34; Form 4797, lines 2, 10, and 30; Form 6252, lines 24 and 35; Form 6781, lines 1 and 12; Form 8824, lines 14, 23, 35, and 36; and Form 2439, line 1a. But subtract from this total any section 1202 exclusion, any section 1045 or section 1397B rollover, any exclusion of gain from DC Zone assets or qualified community assets, and any section 121 exclusion shown on Schedule D or Form 4797.

**SCHEDULE EIC**  
**(Form 1040A or 1040)**

**Earned Income Credit**  
**Qualifying Child Information**



OMB No. 1545-0074

**2008**

Attachment  
Sequence No. **43**

Department of the Treasury  
Internal Revenue Service (99)  
Name(s) shown on return

Complete and attach to Form 1040A or 1040  
only if you have a qualifying child.

Your social security number

- Before you begin:**
- See the instructions for Form 1040A, line 40, or Form 1040, line 65, to make sure that (a) you can take the EIC, and (b) you have a qualifying child.
  - Be sure the child's name on line 1 and social security number (SSN) on line 2 agree with the child's social security card. Otherwise, at the time we process your return, we may reduce or disallow your EIC. If the name or SSN on the child's social security card is not correct, call the Social Security Administration at 1-800-772-1213.



- If you take the EIC even though you are not eligible, you may not be allowed to take the credit for up to 10 years. See back of schedule for details.
- It will take us longer to process your return and issue your refund if you do not fill in all lines that apply for each qualifying child.

**Qualifying Child Information**

**Child 1**

**Child 2**

	First name	Last name	First name	Last name
<b>1 Child's name</b> If you have more than two qualifying children, you only have to list two to get the maximum credit.				
<b>2 Child's SSN</b> The child must have an SSN as defined on page 41 of the Form 1040A instructions or page 47 of the Form 1040 instructions unless the child was born and died in 2008. If your child was born and died in 2008 and did not have an SSN, enter "Died" on this line and attach a copy of the child's birth certificate.				
<b>3 Child's year of birth</b>	Year ____-____-____ <i>If born after 1989, skip lines 4a and 4b; go to line 5.</i>		Year ____-____-____ <i>If born after 1989, skip lines 4a and 4b; go to line 5.</i>	
<b>4 If the child was born before 1990—</b>				
<b>a</b> Was the child under age 24 at the end of 2008 and a student?	<input type="checkbox"/> <b>Yes.</b> <i>Go to line 5.</i>	<input type="checkbox"/> <b>No.</b> <i>Continue.</i>	<input type="checkbox"/> <b>Yes.</b> <i>Go to line 5.</i>	<input type="checkbox"/> <b>No.</b> <i>Continue.</i>
<b>b</b> Was the child permanently and totally disabled during any part of 2008?	<input type="checkbox"/> <b>Yes.</b> <i>Continue.</i>	<input type="checkbox"/> <b>No.</b> <i>The child is not a qualifying child.</i>	<input type="checkbox"/> <b>Yes.</b> <i>Continue.</i>	<input type="checkbox"/> <b>No.</b> <i>The child is not a qualifying child.</i>
<b>5 Child's relationship to you</b> (for example, son, daughter, grandchild, niece, nephew, foster child, etc.)				
<b>6 Number of months child lived with you in the United States during 2008</b> • If the child lived with you for more than half of 2008 but less than 7 months, enter "7." • If the child was born or died in 2008 and your home was the child's home for the entire time he or she was alive during 2008, enter "12."	_____ months <i>Do not enter more than 12 months.</i>		_____ months <i>Do not enter more than 12 months.</i>	



You may also be able to take the additional child tax credit if your child (a) was under age 17 at the end of 2008, and (b) is a U.S. citizen or resident alien. For more details, see the instructions for line 41 of Form 1040A or line 67 of Form 1040.

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

Cat. No. 13339M

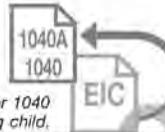
Schedule EIC (Form 1040A or 1040) 2008

**SCHEDULE EIC**  
(Form 1040A or 1040)

Department of the Treasury  
Internal Revenue Service (99)  
Name(s) shown on return

**Earned Income Credit**  
Qualifying Child Information

Complete and attach to Form 1040A or 1040  
only if you have a qualifying child.



OMB No. 1545-0074

**2008**

Attachment  
Sequence No. **43**

Your social security number

- Before you begin:**
- See the instructions for Form 1040A, line 40, or Form 1040, line 65, to make sure that (a) you can take the EIC, and (b) you have a qualifying child.
  - Be sure the child's name on line 1 and social security number (SSN) on line 2 agree with the child's social security card. Otherwise, at the time we process your return, we may reduce or disallow your EIC. If the name or SSN on the child's social security card is not correct, call the Social Security Administration at 1-800-772-1213.



- If you take the EIC even though you are not eligible, you may not be allowed to take the credit for up to 10 years. See back of schedule for details.
- It will take us longer to process your return and issue your refund if you do not fill in all lines that apply for each qualifying child.

**Qualifying Child Information**

**Child 1**

**Child 2**

	First name	Last name	First name	Last name
<b>1 Child's name</b> If you have more than two qualifying children, you only have to list two to get the maximum credit.				
<b>2 Child's SSN</b> The child must have an SSN as defined on page 41 of the Form 1040A instructions or page 47 of the Form 1040 instructions unless the child was born and died in 2008. If your child was born and died in 2008 and did not have an SSN, enter "Died" on this line and attach a copy of the child's birth certificate.				
<b>3 Child's year of birth</b>	Year _____ <i>If born after 1989, skip lines 4a and 4b; go to line 5.</i>		Year _____ <i>If born after 1989, skip lines 4a and 4b; go to line 5.</i>	
<b>4 If the child was born before 1990—</b>				
<b>a</b> Was the child under age 24 at the end of 2008 and a student?	<input type="checkbox"/> <b>Yes.</b> <i>Go to line 5.</i>	<input type="checkbox"/> <b>No.</b> <i>Continue.</i>	<input type="checkbox"/> <b>Yes.</b> <i>Go to line 5.</i>	<input type="checkbox"/> <b>No.</b> <i>Continue.</i>
<b>b</b> Was the child permanently and totally disabled during any part of 2008?	<input type="checkbox"/> <b>Yes.</b> <i>Continue.</i>	<input type="checkbox"/> <b>No.</b> The child is not a qualifying child.	<input type="checkbox"/> <b>Yes.</b> <i>Continue.</i>	<input type="checkbox"/> <b>No.</b> The child is not a qualifying child.
<b>5 Child's relationship to you</b> (for example, son, daughter, grandchild, niece, nephew, foster child, etc.)				
<b>6 Number of months child lived with you in the United States during 2008</b> • If the child lived with you for more than half of 2008 but less than 7 months, enter "7." • If the child was born or died in 2008 and your home was the child's home for the entire time he or she was alive during 2008, enter "12."	_____ months <i>Do not enter more than 12 months.</i>		_____ months <i>Do not enter more than 12 months.</i>	



You may also be able to take the additional child tax credit if your child (a) was under age 17 at the end of 2008, and (b) is a U.S. citizen or resident alien. For more details, see the instructions for line 41 of Form 1040A or line 67 of Form 1040.

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

Cat. No. 13339M

Schedule EIC (Form 1040A or 1040) 2008

**Before you begin:** ✓ Be sure you are using the correct worksheet. Use this worksheet only if you answered “No” to Step 5, question 3, on page 46. Otherwise, use Worksheet B that begins on page 49.

**Part 1**

**All Filers Using Worksheet A**

1. Enter your earned income from Step 5 on page 46. 1
  
2. Look up the amount on line 1 above in the EIC Table on pages 51–58 to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here. 2 

If line 2 is zero,  You cannot take the credit. Enter “No” on the dotted line next to line 65a.
  
3. Enter the amount from Form 1040, line 38. 3
  
4. Are the amounts on lines 3 and 1 the same?
  - Yes.** Skip line 5; enter the amount from line 2 on line 6.
  - No.** Go to line 5.

**Part 2**

**Filers Who Answered “No” on Line 4**

5. If you have:
  - No qualifying children, is the amount on line 3 less than \$7,200 (\$10,200 if married filing jointly)?
  - 1 or more qualifying children, is the amount on line 3 less than \$15,750 (\$18,750 if married filing jointly)?
  - Yes.** Leave line 5 blank; enter the amount from line 2 on line 6.
  - No.** Look up the amount on line 3 in the EIC Table on pages 51–58 to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here. 5 

Look at the amounts on lines 5 and 2. Then, enter the **smaller** amount on line 6.

**Part 3**

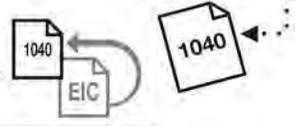
**Your Earned Income Credit**

6. This is your earned income credit. 6 

Enter this amount on Form 1040, line 65a. 

**Reminder—**

✓ If you have a qualifying child, complete and attach Schedule EIC.



*If your EIC for a year after 1996 was reduced or disallowed, see page 47 to find out if you must file Form 8862 to take the credit for 2008.*

Pub. 721 to figure each beneficiary's taxable amount.

**Cost**

Your cost is generally your net investment in the plan as of the annuity starting date. It does not include pre-tax contributions. Your net investment should be shown in

box 9b of Form 1099-R for the first year you received payments from the plan.

**Rollovers**

Generally, a qualified rollover is a tax-free distribution of cash or other assets from one retirement plan that is contributed to another plan within 60 days of receiving the distribution. Use lines 16a and 16b to report

a qualified rollover, including a direct rollover, from one qualified employer's plan to another or to an IRA or SEP.

Enter on line 16a the total distribution before income tax or other deductions were withheld. This amount should be shown in box 1 of Form 1099-R. From the total on line 16a, subtract any contributions (usually shown in box 5) that were taxable to

**Simplified Method Worksheet—Lines 16a and 16b**

Keep for Your Records 

**Before you begin:** ✓ If you are the beneficiary of a deceased employee or former employee who died **before** August 21, 1996, include any death benefit exclusion that you are entitled to (up to \$5,000) in the amount entered on line 2 below.

**Note.** If you had more than one partially taxable pension or annuity, figure the taxable part of each separately. Enter the total of the taxable parts on Form 1040, line 16b. Enter the total pension or annuity payments received in 2008 on Form 1040, line 16a.

1. Enter the total pension or annuity payments received in 2008. Also, enter this amount on Form 1040, line 16a . . . . . 1.

2. Enter your cost in the plan at the annuity starting date . . . . . 2.

**Note.** If you completed this worksheet last year, skip line 3 and enter the amount from line 4 of last year's worksheet on line 4 below (even if the amount of your pension or annuity has changed). Otherwise, go to line 3.

3. Enter the appropriate number from **Table 1** below. **But** if your annuity starting date was **after 1997 and** the payments are for your life and that of your beneficiary, enter the appropriate number from **Table 2** below . . . . . 3.

4. Divide line 2 by the number on line 3 . . . . . 4.

5. Multiply line 4 by the number of months for which this year's payments were made. If your annuity starting date was **before 1987**, skip lines 6 and 7 and enter this amount on line 8. Otherwise, go to line 6 . . . . . 5.

6. Enter the amount, if any, recovered tax free in years after 1986. If you completed this worksheet last year, enter the amount from line 10 of last year's worksheet . . . . . 6.

7. Subtract line 6 from line 2 . . . . . 7.

8. Enter the **smaller** of line 5 or line 7 . . . . . 8.

9. **Taxable amount.** Subtract line 8 from line 1. Enter the result, but not less than zero. Also, enter this amount on Form 1040, line 16b. If your Form 1099-R shows a larger amount, use the amount on this line instead of the amount from Form 1099-R. If you are a retired public safety officer, see *Insurance Premiums for Retired Public Safety Officers* on page 22 before entering an amount on line 16b. . . . . 9.

10. Was your annuity starting date before 1987?

**Yes.**  Leave line 10 blank.

**No.** Add lines 6 and 8. This is the **amount you have recovered tax free** through 2008. You will need this number when you fill out this worksheet next year . . . . . 10.

**Table 1 for Line 3 Above**

AND your annuity starting date was—

IF the age at annuity starting date (see page 22) was . . .	before November 19, 1996, enter on line 3 . . .	after November 18, 1996, enter on line 3 . . .
55 or under	300	360
56–60	260	310
61–65	240	260
66–70	170	210
71 or older	120	160

**Table 2 for Line 3 Above**

IF the combined ages at annuity starting date (see page 22) were . . .	THEN enter on line 3 . . .
110 or under	410
111–120	360
121–130	310
131–140	260
141 or older	210

**Social Security Benefits Worksheet—Lines 20a and 20b**

Keep for Your Records



**Before you begin:**

- ✓ Complete Form 1040, lines 21, 23 through 32, and 34 if they apply to you.
- ✓ Figure any write-in adjustments to be entered on the dotted line next to line 36 (see the instructions for line 36 on page 31).
- ✓ If you are married filing separately and you lived apart from your spouse for all of 2008, enter "D" to the right of the word "benefits" on line 20a. If you do not, you may get a math error notice from the IRS.
- ✓ Be sure you have read the **Exception** on page 24 to see if you can use this worksheet instead of a publication to find out if any of your benefits are taxable.

<p>1. Enter the total amount from <b>box 5</b> of all your <b>Forms SSA-1099</b> and <b>Forms RRB-1099</b>. Also, enter this amount on Form 1040, line 20a . . . . .</p>	<p>1. <input style="width: 100px;" type="text"/></p>
<p>2. Enter one-half of line 1 . . . . .</p>	<p>2. <input style="width: 100px;" type="text"/></p>
<p>3. Enter the total of the amounts from Form 1040, lines 7, 8a, 9a, 10 through 14, 15b, 16b, 17 through 19, and 21 . . . . .</p>	<p>3. <input style="width: 100px;" type="text"/></p>
<p>4. Enter the amount, if any, from Form 1040, line 8b . . . . .</p>	<p>4. <input style="width: 100px;" type="text"/></p>
<p>5. Add lines 2, 3, and 4 . . . . .</p>	<p>5. <input style="width: 100px;" type="text"/></p>
<p>6. Enter the total of the amounts from Form 1040, lines 23 through 32, line 34, and any write-in adjustments you entered on the dotted line next to line 36 . . . . .</p>	<p>6. <input style="width: 100px;" type="text"/></p>
<p>7. Is the amount on line 6 less than the amount on line 5?</p> <p><input type="checkbox"/> <b>No.</b>  None of your social security benefits are taxable. Enter -0- on Form 1040, line 20b.</p> <p><input type="checkbox"/> <b>Yes.</b> Subtract line 6 from line 5 . . . . .</p>	<p>7. <input style="width: 100px;" type="text"/></p>
<p>8. If you are:</p> <ul style="list-style-type: none"> <li>• Married filing jointly, enter \$32,000</li> <li>• Single, head of household, qualifying widow(er), or married filing separately and you <b>lived apart</b> from your spouse for all of 2008, enter \$25,000</li> <li>• Married filing separately and you lived with your spouse at any time in 2008, skip lines 8 through 15; multiply line 7 by 85% (.85) and enter the result on line 16. Then go to line 17</li> </ul>	<p>8. <input style="width: 100px;" type="text"/></p>
<p>9. Is the amount on line 8 less than the amount on line 7?</p> <p><input type="checkbox"/> <b>No.</b>  None of your social security benefits are taxable. Enter -0- on Form 1040, line 20b. If you are married filing separately and you <b>lived apart</b> from your spouse for all of 2008, be sure you entered "D" to the right of the word "benefits" on line 20a.</p> <p><input type="checkbox"/> <b>Yes.</b> Subtract line 8 from line 7 . . . . .</p>	<p>9. <input style="width: 100px;" type="text"/></p>
<p>10. Enter: \$12,000 if married filing jointly; \$9,000 if single, head of household, qualifying widow(er), or married filing separately and you <b>lived apart</b> from your spouse for all of 2008 . .</p>	<p>10. <input style="width: 100px;" type="text"/></p>
<p>11. Subtract line 10 from line 9. If zero or less, enter -0- . . . . .</p>	<p>11. <input style="width: 100px;" type="text"/></p>
<p>12. Enter the <b>smaller</b> of line 9 or line 10 . . . . .</p>	<p>12. <input style="width: 100px;" type="text"/></p>
<p>13. Enter one-half of line 12 . . . . .</p>	<p>13. <input style="width: 100px;" type="text"/></p>
<p>14. Enter the <b>smaller</b> of line 2 or line 13 . . . . .</p>	<p>14. <input style="width: 100px;" type="text"/></p>
<p>15. Multiply line 11 by 85% (.85). If line 11 is zero, enter -0- . . . . .</p>	<p>15. <input style="width: 100px;" type="text"/></p>
<p>16. Add lines 14 and 15 . . . . .</p>	<p>16. <input style="width: 100px;" type="text"/></p>
<p>17. Multiply line 1 by 85% (.85) . . . . .</p>	<p>17. <input style="width: 100px;" type="text"/></p>
<p>18. <b>Taxable social security benefits.</b> Enter the <b>smaller</b> of line 16 or line 17. Also enter this amount on Form 1040, line 20b . . . . .</p>	<p>18. <input style="width: 100px;" type="text"/></p>

**TIP** If any of your benefits are taxable for 2008 and they include a lump-sum benefit payment that was for an earlier year, you may be able to reduce the taxable amount. See Pub. 915 for details.

Need more information or forms? See page 82.

**Standard Deduction Worksheet—Line 40**

Keep for Your Records



Use this worksheet if: (a) someone can claim you, or your spouse if filing jointly, as a dependent; (b) you or your spouse were born before January 2, 1944, or were blind; or (c) you paid real estate taxes.

<p>1. Enter the amount shown below for your filing status.</p> <ul style="list-style-type: none"> <li>• Single or married filing separately—\$5,450</li> <li>• Married filing jointly or Qualifying widow(er)—\$10,900</li> <li>• Head of household—\$8,000</li> </ul>	}	.....	1.	
<p>2. Can you be claimed as a dependent?</p> <p><input type="checkbox"/> No. Enter the amount from line 1 on line 4. Skip line 3.</p> <p><input type="checkbox"/> Yes. Go to line 3.</p>				
<p>3. Is your <b>earned income</b>* more than \$600?</p> <p><input type="checkbox"/> Yes. Add \$300 to your earned income. Enter the total</p> <p><input type="checkbox"/> No. Enter \$900</p>	}	.....	3.	
<p>4. Enter the <b>smaller</b> of line 1 or line 3. If born after January 1, 1944, and not blind, enter this amount on line 6. Otherwise, go to line 5</p>			4.	
<p>5. If born before January 2, 1944, or blind, multiply the number on Form 1040, line 39a, by \$1,050 (\$1,350 if single or head of household)</p>			5.	
<p>6. Add lines 4 and 5</p>			6.	
<p>7. Did you pay real estate taxes in 2008?</p> <p><input type="checkbox"/> No. <input checked="" type="radio"/> <b>STOP</b> Enter the amount from line 6 on Form 1040, line 40.</p> <p><input type="checkbox"/> Yes. Enter the state and local taxes you paid on real estate you own that was not used for business.**</p>			7.	
<p>8. Enter \$500 (\$1,000 if married filing jointly)</p>			8.	
<p>9. Enter the smaller of line 7 or line 8.</p>			9.	
<p>10. Add line 6 and line 9. Enter the total here and on Form 1040, line 40</p>			10.	

DRAFT

\* **Earned income** includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed. It also includes any amount received as a scholarship that you must include in your income. Generally, your earned income is the total of the amount(s) you reported on Form 1040, lines 7, 12, and 18, minus the amount, if any, on line 27.

\*\* Enter only state and local real estate taxes that would be deductible on Schedule A, line 6, if you were itemizing your deductions. See the instructions for Schedule A, line 6.

### Line 33 Student Loan Interest Deduction

You can take this deduction only if all of the following apply.

- You paid interest in 2008 on a qualified student loan (see below).
- Your filing status is any status except married filing separately.
- Your modified adjusted gross income (AGI) is less than: \$70,000 if single, head of household, or qualifying widow(er); \$145,000 if married filing jointly. Use lines 2 through 4 of the worksheet below to figure your modified AGI.
- You, or your spouse if filing jointly, are not claimed as a dependent on someone's (such as your parent's) 2008 tax return.

Use the worksheet below to figure your student loan interest deduction.

**Exception.** Use Pub. 970 instead of the worksheet below to figure your student loan interest deduction if you file Form 2555, 2555-EZ, or 4563, or you exclude income from sources within Puerto Rico.

**Qualified student loan.** A qualified student loan is any loan you took out to pay the qualified higher education expenses for any of the following individuals.

1. Yourself or your spouse.
2. Any person who was your dependent when the loan was taken out.
3. Any person you could have claimed as a dependent for the year the loan was taken out except that:
  - a. The person filed a joint return.
  - b. The person had gross income that was equal to or more than the exemption amount for that year (\$3,500 for 2008), or
  - c. You, or your spouse if filing jointly, could be claimed as a dependent on someone else's return.

The person for whom the expenses were paid must have been an eligible student (see this page). However, a loan is not a qualified student loan if (a) any of the proceeds were used for other purposes, or (b) the loan was from either a related person or a person who borrowed the proceeds under a qualified employer plan or a contract purchased under such a plan. To find out who is a related person, see Pub. 970.

**Qualified higher education expenses.** Qualified higher education expenses generally include tuition, fees, room and board, and related expenses such as books and supplies. The expenses must be for education in a degree, certificate, or similar program at an eligible educational institution. An eligible educational institution includes

most colleges, universities, and certain vocational schools. You must reduce the expenses by the following benefits.

- Employer-provided educational assistance benefits that are not included in box 1 of Form(s) W-2.
- Excludable U.S. series EE and I savings bond interest from Form 8815.
- Any nontaxable distribution of qualified tuition program earnings.
- Any nontaxable distribution of Coverdell education savings account earnings.
- Any scholarship, educational assistance allowance, or other payment (but not gifts, inheritances, etc.) excluded from income.

For more details on these expenses, see Pub. 970.

**Eligible student.** An eligible student is a person who:

- Was enrolled in a degree, certificate, or other program (including a program of study abroad that was approved for credit by the institution at which the student was enrolled) leading to a recognized educational credential at an eligible educational institution, and
- Carried at least half the normal full-time workload for the course of study he or she was pursuing.

### Student Loan Interest Deduction Worksheet—Line 33

Keep for Your Records 

<b>Before you begin:</b>		<ul style="list-style-type: none"> <li>✓ Figure any amount on Form 1040, line 34, and any write-in adjustments to be entered on the dotted line next to line 36 (see the instructions for line 36 on page 31).</li> <li>✓ Be sure you have read the <b>Exception</b> above to see if you can use this worksheet instead of Pub. 970 to figure your deduction.</li> </ul>				
1.	Enter the total interest you paid in 2008 on qualified student loans (see above). <b>Do not</b> enter more than \$2,500.	1. _____				
2.	Enter the amount from Form 1040, line 22	2. _____				
3.	Enter the total of the amounts from Form 1040, lines 23 through 32, line 34, and any write-in adjustments you entered on the dotted line next to line 36	3. _____				
4.	Subtract line 3 from line 2	4. _____				
5.	Enter the amount shown below for your filing status. <table style="margin-left: 20px; border: none;"> <tr> <td style="padding-right: 10px;">• Single, head of household, or qualifying widow(er)—\$55,000</td> <td rowspan="2" style="font-size: 2em; vertical-align: middle;">}</td> <td rowspan="2" style="border-bottom: 1px solid black; width: 100px;"></td> </tr> <tr> <td>• Married filing jointly—\$115,000</td> </tr> </table>	• Single, head of household, or qualifying widow(er)—\$55,000	}		• Married filing jointly—\$115,000	5. _____
• Single, head of household, or qualifying widow(er)—\$55,000	}					
• Married filing jointly—\$115,000						
6.	Is the amount on line 4 more than the amount on line 5? <input type="checkbox"/> <b>No.</b> Skip lines 6 and 7, enter -0- on line 8, and go to line 9. <input type="checkbox"/> <b>Yes.</b> Subtract line 5 from line 4	6. _____				
7.	Divide line 6 by \$15,000 (\$30,000 if married filing jointly). Enter the result as a decimal (rounded to at least three places). If the result is 1.000 or more, enter 1.000	7. _____				
8.	Multiply line 1 by line 7	8. _____				
9.	<b>Student loan interest deduction.</b> Subtract line 8 from line 1. Enter the result here and on Form 1040, line 33. <b>Do not</b> include this amount in figuring any other deduction on your return (such as on Schedule A, C, E, etc.)	9. _____				

# RETEST QUESTIONS

Retest questions are based on the test scenarios. For Basic Scenarios 1 through 5, the Interview Notes are included on the following pages. For all remaining retest questions, please refer to the Interview Notes and forms provided in the test scenarios beginning on page 1-6.

# Retest Answer Sheet

Name \_\_\_\_\_

Record all your answers on this tear-out page. Your Facilitator will tell you where to send your Test Answer Sheet for grading. Be sure to complete and sign the Form 13615, Volunteer Agreement.

**Privacy Act Notice**

The Privacy Act of 1974 requires that when we ask for information we tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it, and whether your response is voluntary, required to obtain a benefit, or mandatory.

Our legal right to ask for information is 5 U.S.C. 301.

We are asking for this information to assist us in contacting you relative to your interest and/or participation in the IRS volunteer income tax preparation and outreach programs. The information you provide may be furnished to others who coordinate activities and staffing at volunteer return preparation sites or outreach activities. The information may also be used to establish effective controls, send correspondence and recognize volunteers.

Your response is voluntary. However, if you do not provide the requested information, the IRS may not be able to use your assistance in these programs.

Question	Answer
<b>Basic Scenario 1</b>	
1.1	
1.2	
<b>Basic Scenario 2</b>	
2.1	
2.2	
<b>Basic Scenario 3</b>	
3.1	
3.2	
<b>Basic Scenario 4</b>	
4.1	
4.2	
<b>Basic Scenario 5</b>	
5.1	
5.2	
<b>Basic Scenario 6</b>	
6.1	
6.2	
6.3	
6.4	
6.5	
6.6	
<b>Basic Scenario 7</b>	
7.1	
7.2	
7.3	
7.4	
7.5	
7.6	
7.7	
<b>Basic Scenario 8</b>	
8.1	
8.2	
8.3	
8.4	
8.5	
8.6	
8.7	
Total Answers Correct: _____	
Total Questions: 30	
<b>Passing Score: 24 of 30</b>	

Question	Answer
<b>Intermediate Scenario 1</b>	
9.1	
9.2	
9.3	
9.4	
9.5	
9.6	
9.7	
9.8	
9.9	
9.10	
9.11	
9.12	
<b>Intermediate Scenario 2</b>	
10.1	
10.2	
10.3	
10.4	
10.5	
10.6	
10.7	
10.8	
Total Answers Correct: _____	
Total Questions: 20	
<b>Passing Score: 16 of 20</b>	
<b>Advanced Scenario 1</b>	
11.1	
11.2	
11.3	
11.4	
11.5	
11.6	
11.7	
11.8	
11.9	
11.10	
11.11	
11.12	
11.13	
11.14	
11.15	
Total Answers Correct: _____	
Total Questions: 15	
<b>Passing Score: 12 of 15</b>	

Question	Answer
<b>Military Scenario 1</b>	
12.1	
12.2	
12.3	
12.4	
12.5	
12.6	
12.7	
12.8	
12.9	
12.10	
<b>Military Scenario 2</b>	
13.1	
13.2	
13.3	
13.4	
13.5	
13.6	
13.7	
13.8	
Total Answers Correct: _____	
Total Questions: 18	
<b>Passing Score: 15 of 18</b>	
<b>International Scenario 1</b>	
14.1	
14.2	
14.3	
14.4	
14.5	
14.6	
14.7	
<b>International Scenario 2</b>	
15.1	
15.2	
15.3	
15.4	
15.5	
15.6	
15.7	
15.8	
15.9	
Total Answers Correct: _____	
Total Questions: 16	
<b>Passing Score: 13 of 16</b>	

The first five short scenarios are designed to measure key competencies related to dependency exemptions and related tax benefits. These first five scenarios do not require you to prepare a tax return. Read each scenario carefully and use your reference tools (**Publication 4012, Volunteer Resource Guide** and **Publication 17**) to answer the questions after the scenario.

---

## Basic Scenario 1: Janice Simpson

### Interview Notes

- Janice is 17 years old, single, and a full-time student.
- Janice lived with her parents all year. She does not pay rent or household bills.
- Janice does not provide over half of her own support.
- She started working part-time in 2008 and is saving most of her money.
- In 2008, Janice worked at the local hardware store and earned \$4,500, which was her total income for the year.
- Janice's federal income tax withholding was \$500.
- Janice and her parents are U.S. citizens and have valid social security numbers.

---

## Basic Scenario 1: Retest Questions

### Directions

Using your resource materials and the above interview notes, answer the following questions.

- 1.1** Janice cannot claim the earned income credit (EIC) on her return because:
- a. Her income is too high
  - b. She had federal income tax withheld from her income
  - c. She is a qualifying child of her parents
  - d. She only worked part-time
- 1.2** How many personal exemptions can Janice claim on her return?
- a. 0
  - b. 1
  - c. 2
  - d. Either 0 or 1

---

## Basic Scenario 2: John Baylor

### Interview Notes

- John is single and lives with his girlfriend, Theresa, and her three-year-old son Timmy. The three of them have lived together since November 2006. They lived together for the entire year of 2008.
- John is not Timmy's father.
- Timmy's father does not contribute to Timmy's support; he left shortly after Timmy was born. Theresa has not had any contact with Timmy's father since he left.
- John worked and provided all the support for both Theresa and Timmy during 2008.
- John earned \$31,000 for 2008. He has no other income.
- Theresa stays home and takes care of Timmy.
- Theresa and Timmy had no income and Theresa is not filing a 2008 tax return.
- John, Theresa, and Timmy are U.S. citizens and have valid social security numbers.

---

## Basic Scenario 2: Retest Questions

### Directions

Using your resource materials and the above interview notes, answer the following questions.

- 2.1** Can John claim Timmy as a dependent?
- a. Yes
  - b. No
- 2.2** What is the correct filing status for John?
- a. Single
  - b. Married Filing Jointly
  - c. Married Filing Separately
  - d. Head of Household

## Basic Scenario 3: Justine Jackson

### Interview Notes

- Justine Jackson and Michael Martin separated in July 2006, and Michael moved out of the house.
- They were divorced in October 2007.
- In 2008, Lizzie lived with Justine the entire year.
- Justine and Michael provided all of Lizzie's support.
- In 2008, Justine worked part-time and earned \$15,000. Michael worked full-time and earned \$32,000.
- Since Michael pays child support, Justine told Michael to claim Lizzie for everything on his tax return.
- The divorce decree does not state who can claim Lizzie.
- Justine, Michael, and Lizzie are U.S. citizens and have valid social security numbers.

## Basic Scenario 3: Retest Questions

### Directions

Using your resource materials and the above interview notes, answer the following questions.

- 3.1 Only Justine can claim Lizzie as a qualifying child for the earned income credit.
- a. True
  - b. False
- 3.2 Can Michael claim Lizzie as a dependent?
- a. Yes, if Justine gives Michael a signed Form 8332, Release of Claim to Exemption for Child of Divorced or Separated Parents.
  - b. No, because Justine provided some of Lizzie's support.
  - c. Yes, because Michael paid child support.
  - d. No, Lizzie is not the dependent of either Justine or Michael.

## Basic Scenario 4: Rebecca Grant

### Interview Notes

- Rebecca Grant is 26 years old and she is not disabled.
- Tammy is Rebecca's 6-year-old daughter.
- Rebecca was never married to Tammy's father. He has been in prison since 2006, serving a 10-year sentence. Tammy's father does not contribute any financial support.
- In 2008, Rebecca and Tammy lived with Rebecca's mother, Martha, for the entire year.
- Tammy did not provide any of her own support.
- Rebecca and Martha provided Tammy's support.
- Rebecca worked as a clerk and earned \$23,000.
- Martha worked part-time and earned \$14,000 to supplement her social security income.
- Rebecca, Tammy, and Martha are U.S. citizens and have valid social security numbers.

## Basic Scenario 4: Retest Questions

### Directions

Using your resource materials and the above interview notes, answer the following questions.

- 4.1** Only Rebecca can claim Tammy as a dependent.
- a. True
  - b. False
- 4.2** Table 1 in the Exemption/Dependency section of Publication 4012, Volunteer Resource Guide, includes interview tips on the rules for determining who can claim Tammy as a dependent.
- a. True
  - b. False

## Basic Scenario 5: Victor and Maria Olivet

### Interview Notes

- Victor and Maria are married and lived together in the U.S. all of 2008 with their two sons, Peter, age 2, and Julian, age 4.
- Victor and Maria have lived in the U.S. for 5 years.
- Together, Victor and Maria earned \$35,000, which was their only income.
- Victor and Maria provided all the support for Peter and Julian.
- Victor and Maria have Individual Taxpayer Identification Numbers (ITINs).
- Peter and Julian are both U.S. citizens and have valid social security numbers (SSNs).

## Basic Scenario 5: Retest Questions

### Directions

Using your resource materials and the above interview notes, answer the following questions.

- 5.1** Victor and Maria are filing a joint return. They cannot claim Peter and Julian as dependents.
- a. True
  - b. False
- 5.2** Do Victor and Maria qualify for the earned income credit on their joint return?
- a. Yes
  - b. No

## Basic Scenario 6: Retest Questions

### Directions

Refer to the scenario information for Darius and Matilde Howard beginning on page 1-6.

Please complete Form 1040 and the appropriate forms, schedules, or worksheets to answer the following questions. At the time this document went to print, there was pending legislation related to the Alternative Minimum Tax. Form 6251, Alternative Minimum Tax, does not apply to this taxpayer. You are a volunteer at site S21014444.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

- 6.1** Darius and Matilde have a balance due on their Form 1040, line 75. They are sure they cannot pay this amount by April 15. They can use Form 9465, Installment Agreement Request, to apply to the IRS for a monthly installment agreement.
- a. True
  - b. False
- 6.2** What is the child and dependent care credit amount on Form 2441, line 13?  
\$ \_\_\_\_\_
- 6.3** The amount of the Howards' recovery rebate credit on Form 1040, line 70 is \$300.
- a. True
  - b. False
- 6.4** What is the decimal amount on the Howards' Form 8880, Credit for Qualified Retirement Savings Contributions, line 9?
- a. .0
  - b. .1
  - c. .2
  - d. .5
- 6.5** What is the Howards' standard deduction?
- a. \$0
  - b. \$5,450
  - c. \$8,000
  - d. \$10,900
- 6.6** What is the Howards' total income on Form 1040, line 22? \$ \_\_\_\_\_

---

## Basic Scenario 7: Retest Questions

### Directions

Refer to the scenario information for Gladys Berry beginning on page 1-12.

Please complete Form 1040 and the appropriate forms, schedules, or worksheets to answer the following questions. At the time this document went to print, there was pending legislation related to the Alternative Minimum Tax. Form 6251, Alternative Minimum Tax, does not apply to this taxpayer. You are a volunteer at site S21014444.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

- 7.1** Using the Determination of Filing Status flowchart in Publication 4012, Volunteer Resource Guide, Gladys' filing status is Single.
- a. True
  - b. False
- 7.2** Do Gladys' children qualify her for the child tax credit?
- a. Yes
  - b. No
- 7.3** What is Gladys' total income on Form 1040, line 22?
- a. \$17,000
  - b. \$22,000
  - c. \$25,000
  - d. \$11,000
- 7.4** For purposes of computing Gladys' earned income credit, what is the amount of Gladys' earned income?
- a. \$3,000
  - b. \$22,000
  - c. \$24,100
  - d. \$25,000
- 7.5** What is the amount of Gladys' earned income credit on Form 1040, line 64a?
- a. \$0
  - b. \$2,869
  - c. \$2,879
  - d. \$3,500

- 7.6** Gladys wants to direct deposit half of her refund into her checking account and half into her savings account. The account numbers for the split refund should be entered on Form 8888.
- a. True
  - b. False
- 7.7** Is Gladys eligible for the recovery rebate credit?
- a. Yes
  - b. No

## Basic Scenario 8: Retest Questions

### Directions

Refer to the scenario information for Brenda James beginning on page 1-18.

You are conducting a quality review of Brenda's tax return, which was prepared by another volunteer tax preparer. Brenda is sitting with you as you conduct the review. Using Form 13614-C, your resource materials, and all of the taxpayer's documents, review the tax return and answer the questions below. A blank Quality Review Sheet, is included to help in the review. You are a volunteer at site S21014444.

**8.1** Which of the following items was entered on Form 1040 incorrectly?

- a. Emily's name
- b. Brenda's social security number
- c. Brenda's home address
- d. All of the above

**8.2** What information on Form 1040 is incorrect?

- a. Paul's SSN
- b. Emily's SSN
- c. Paul's name
- d. Emily's name

**8.3** What is the correct amount that should be on Form 1040, line 13? \$\_\_\_\_\_

**8.4** Does Brenda qualify for the Earned Income Credit?

- a. Yes
- b. No

**8.5** The correct federal income tax withholding on Form 1040, line 62 is:

- a. \$750
- b. \$858
- c. \$1,600
- d. \$1,608

**8.6** If Brenda changes her mind and chooses to direct deposit her refund, what information below is required?

- a. Type of account
- b. Bank account number
- c. Bank routing number
- d. All of the above

- 8.7** The Advance EIC payment reported on Brenda's Form W-2 in box 9 should be shown on Form 1040, line 60 with the box for AEIC payments checked.
- a. True
  - b. False

## Intermediate Scenario 1: Retest Questions

### Directions

Refer to the scenario information for Paul Harvard, beginning on page 2-1.

Complete Form 1040 and the appropriate forms, schedules, and worksheets to answer the following questions. At the time this document went to print, there was pending legislation related to the Alternative Minimum Tax. Form 6251, Alternative Minimum Tax, does not apply to this taxpayer. You are a volunteer at site S21014444.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

- 9.1** Which education credit can Paul take on Form 8863?
- a. Hope Credit
  - b. Lifetime Learning Credit
  - c. Either Hope or Lifetime Learning Credit
  - d. None
- 9.2** What is Paul's medical and dental expense amount on Schedule A, line 1?
- a. \$1,611
  - b. \$2,741
  - c. \$3,930
  - d. \$4,142
- 9.3** What is Paul's tax expense on Schedule A, line 9? \$\_\_\_\_\_
- 9.4** Paul's total interest paid on Schedule A, line 15 is:
- a. \$1,110
  - b. \$3,750
  - c. \$4,860
  - d. \$5,060
- 9.5** What is the sum of Paul's gifts to charity, listed on Schedule A, line 19? \$\_\_\_\_\_
- 9.6** What is Paul's total of other miscellaneous deductions on Schedule A, line 28?
- a. \$0
  - b. \$30
  - c. \$104
  - d. \$563

- 9.7** How much is Paul's IRA deduction on Form 1040, line 32?
- a. \$0
  - b. \$100
  - c. \$250
  - d. \$500
- 9.8** What is the additional tax percentage Paul must pay on his 401(k) early distribution?
- a. 0%
  - b. 10%
  - c. 15%
  - d. 20%
- 9.9** What is Paul's student loan interest deduction on Form 1040, line 33? \$\_\_\_\_\_
- 9.10** Is Paul required to include the 2007 state refund he received in 2008 on his 2008 tax return?
- a. Yes
  - b. No
- 9.11** How much can Paul deduct as an adjustment to income on Form 1040, line 31a?
- a. \$0
  - b. \$400
  - c. \$4,000
  - d. \$4,800
- 9.12** Using Publication 4012, Volunteer Resource Guide, Interview Tips for Education Credit, an eligible student is either the taxpayer, the taxpayer's spouse, or the taxpayer's dependent who is claimed as an exemption.
- a. True
  - b. False

## Intermediate Scenario 2: Retest Questions

### Directions

Refer to the scenario information for George and Alberta Farmer, beginning on page 2-10.

Please complete Form 1040 and the appropriate forms, schedules, or worksheets to answer the following questions. At the time this document went to print, there was pending legislation related to the Alternative Minimum Tax. Form 6251, Alternative Minimum Tax, does not apply to this taxpayer. You are a volunteer at site S21014444.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

- 10.1** Although tax exempt interest is not included in taxable income, it is used to compute which of the following:
- a. Total adjustments
  - b. Business income
  - c. Taxable portion of social security benefits
  - d. None of the above
- 10.2** What is the taxable portion of social security benefits on Form 1040, line 20b?
- a. \$0
  - b. \$2,628
  - c. \$3,378
  - d. \$4,850
- 10.3** How does the early withdrawal penalty on Form 1099-INT impact the Farmers' tax return?
- a. It reduces the amount of interest income shown Form 1040, line 8a
  - b. It is deducted as an adjustment to income
  - c. It is deducted on Schedule A
  - d. It has no impact
- 10.4** What is the amount of George's gross receipts on Schedule C-EZ, line 1?
- a. \$1,378
  - b. \$2,754
  - c. \$3,700
  - d. \$4,500

- 10.5** George's total business expenses on Schedule C-EZ, line 2, are \$\_\_\_\_\_
- 10.6** What percentage of the self-employment tax calculated on Schedule SE is used as an adjustment on Form 1040, line 27?
- a. 0%
  - b. 15.3%
  - c. 25%
  - d. 50%
- 10.7** How much pension income do the Farmers include on Form 1040, line 16b?
- a. \$21,100
  - b. \$21,800
  - c. \$23,500
  - d. \$24,200
- 10.8** What is the amount of other income reported on the Farmers' Form 1040, line 21?
- a. \$0
  - b. \$800
  - c. \$3,700
  - d. \$4,500

## Advanced Scenario 1: Retest Questions

### Directions

Refer to the scenario information for Jenna E. Duboise, beginning on page 3-1.

Complete Form 1040 and the appropriate forms, schedules, and worksheets to answer the following questions. At the time this document went to print, there was pending legislation related to the Alternative Minimum Tax. Form 6251, Alternative Minimum Tax, does not apply to this taxpayer. You are a volunteer at site S21014444.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

- 11.1** Jenna's correct filing status for 2008 is Head of Household.
- a. True
  - b. False
- 11.2** What is the short-term capital gain or (loss) on Schedule D, line 7? \$\_\_\_\_\_
- 11.3** What is the capital gain or (loss) on Form 1040, line 13?
- a. \$2,700
  - b. \$2,950
  - c. \$3,450
  - d. \$3,500
- 11.4** What is the holding period for inherited stock?
- a. Short term
  - b. Long term
- 11.5** What is the long-term capital gain or (loss) on Schedule D, line 15? \$\_\_\_\_\_
- 11.6** Jenna's capital loss carryover to 2009 is \$\_\_\_\_\_.
- 11.7** The taxable pension amount reported on Form 1040, line 16b, is \$18,775.
- a. True
  - b. False
- 11.8** Whose age(s) must be used to compute the taxable amount of the pension income?
- a. Jenna's
  - b. Jason's
  - c. Jenna's and Jason's
  - d. Ages are not required
- 11.9** What are Jenna's total payments on Form 1040, line 71? \$\_\_\_\_\_

- 11.10** Jenna must report the capital gain from the sale of her main home on her tax return.
- a. True
  - b. False
- 11.11** In which box is a capital gain distribution shown on Form 1099-DIV?
- a. Box 1a
  - b. Box 1b
  - c. Box 2a
  - d. Box 3
- 11.12** After Jason's death, Jenna works and maintains the household for herself and her dependent daughter, Amanda. Jenna does not remarry. In the year 2012, Jenna's filing status will be Qualifying Widow(er) with Dependent Child.
- a. True
  - b. False
- 11.13** Short-term capital gains are taxed at regular income tax rates.
- a. True
  - b. False
- 11.14** When taxpayers cannot provide their basis in stock sold, the IRS deems the basis to be zero.
- a. True
  - b. False
- 11.15** Which of the following is a decrease to basis when figuring the adjusted basis of a main home?
- a. Deductible casualty loss
  - b. Replacement of all windows
  - c. Installing a new furnace
  - d. Adding a new roof

## Military Scenario 1: Retest Questions

### Directions

Refer to the scenario information for Diana Stewart beginning on page 4-1.

Please complete Form 1040 and the appropriate forms, schedules, or worksheets to answer the following questions. At the time this document went to print, there was pending legislation related to the Alternative Minimum Tax. Form 6251, Alternative Minimum Tax, does not apply to this taxpayer. You are a volunteer at site S21014444.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

- 12.1** What is the correct total number of exemptions that Diana and Henri can claim on Form 1040, line 6d?
- a. 1
  - b. 2
  - c. 3
  - d. 4
- 12.2** Diana and Henri's total rental real estate and royalty income or loss on Schedule E, line 26, is: \$\_\_\_\_\_
- 12.3** Diana's combat zone income from Form W-2, box 12a should be reported on Form 1040, line 7.
- a. Yes
  - b. No
- 12.4** If it is beneficial, excluded combat zone income may be used to compute earned income tax credit by taxpayers who meet all the other qualifications.
- a. True
  - b. False
- 12.5** What are the total adjustments to gross income on Form 1040, line 36?
- a. \$0
  - b. \$757
  - c. \$2,026
  - d. \$2,332
- 12.6** The deduction on Form 1040, line 40 is: \$\_\_\_\_\_
- 12.7** The short term gain or loss on Schedule D, line 7 is: (indicate + for gain and – for loss) \$\_\_\_\_\_

- 12.8** The correct standard mileage rate (01/01/2008 to 06/30/2008) on Diana's Form 2106-EZ, line 1, is 50.5 cents a mile.
- a. True
  - b. False
- 12.9** Diana asks you if they qualify for Earned Income Tax Credit. You answer:
- a. Yes, because she received combat zone income
  - b. No, because Henri has an ITIN
- 12.10** If Diana does not choose to treat Henri as a resident alien, which filing status could she use to minimize her taxes?
- a. Single
  - b. Married Filing Jointly
  - c. Married Filing Separately
  - d. Head of Household

## Military Scenario 2: Retest Questions

### Directions

Refer to the scenario information for Peter and Beth Anderson beginning on page 4-10. Complete Form 1040 and the appropriate forms, schedules, and worksheets to answer the following questions. At the time this document went to print, there was pending legislation related to the Alternative Minimum Tax. Form 6251, Alternative Minimum Tax, does not apply to this taxpayer. You are a volunteer at site S21014444.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

- 13.1** What is the Andersons' total income on Form 1040, line 22?
- a. \$59,590
  - b. \$60,929
  - c. \$64,060
  - d. \$65,399
- 13.2** Are the Andersons required to file Form 1116 to claim the foreign tax credit?
- a. Yes
  - b. No
- 13.3** On Form 1099R, Box 7, what numerical code will generate an additional tax?
- a. 1
  - b. 2
  - c. 3
  - d. 4
- 13.4** The Andersons will report the distribution reported on Form 1099-R on Form 1040, line \_\_\_\_.
- a. 15b
  - b. 16b
  - c. 21
  - d. Not reportable
- 13.5** What is the foreign tax credit on the Andersons' Form 1040, line 50? \$ \_\_\_\_
- 13.6** What is the total Federal income tax withheld on Form 1040, line 62? \$ \_\_\_\_

- 13.7** What is the amount of the recovery rebate credit the Andersons can claim on Form 1040, line 70? \$\_\_\_\_\_
- 13.8** The gain on the sale of the Andersons' personal residence is not reported on their tax return.
- a. True
  - b. False

## International Scenario 1: Retest Questions

### Directions

Refer to the scenario information for Jason and Ella Barnes beginning on page 5-1.

Complete Form 1040 and the appropriate forms, schedules, and worksheets to answer the following questions. At the time this document went to print, there was pending legislation related to the Alternative Minimum Tax. Form 6251, Alternative Minimum Tax, does not apply to this taxpayer. You are a volunteer at site S21014444.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

- 14.1** What is the amount reported on Form 1040, line 7? \$\_\_\_\_\_
- 14.2** What is the net short-term capital gain or loss on Schedule D, line 7?
- a. \$0
  - b. \$1,750
  - c. \$5,380
  - d. \$7,130
- 14.3** What is the net long-term capital gain or loss on Schedule D, line 15? \$\_\_\_\_\_
- 14.4** The correct amount on Form 1040, line 21 is:
- a. \$0
  - b. (\$37,500)
  - c. \$37,500
  - d. \$67,500
- 14.5** What is the correct bona fide residence ending date on Form 2555-EZ, line 1b?
- a. 12/31/2008
  - b. Open
  - c. 06/23/2004
  - d. Continues
- 14.6** What is the amount on Form 1040, line 44? \$\_\_\_\_\_
- 14.7** What is the foreign tax credit on Form 1040, line 50?
- a. \$110
  - b. \$159
  - c. \$429
  - d. \$2,119

## International Scenario 2: Retest Questions

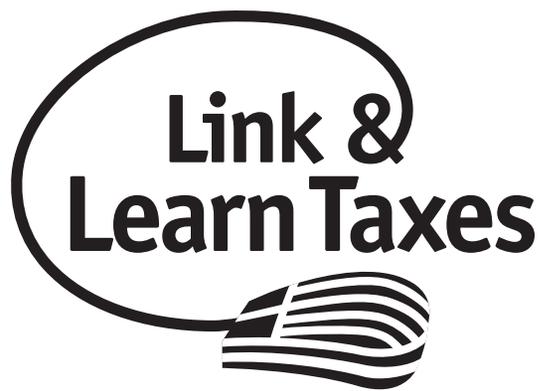
### Directions

Refer to the scenario information for Douglas and Claire Richards beginning on page 5-7.

Complete Form 1040 and the appropriate forms, schedules, and worksheets to answer the following questions. At the time this document went to print, there was pending legislation related to the Alternative Minimum Tax. Form 6251, Alternative Minimum Tax, does not apply to this taxpayer. You are a volunteer at site S21014444.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

- 15.1** What is the amount on Form 1040, line 7? \$\_\_\_\_\_.
- 15.2** What is the amount on Form 2555, line 44? \$ \_\_\_\_\_
- 15.3** What is the amount of self-employment tax on Form 1040, line 57?
- a. 0
  - b. \$216
  - c. \$419
  - d. \$500
- 15.4** What is the amount of taxable pensions and annuities on Form 1040, line 16b? \$\_\_\_\_\_
- 15.5** What is the amount on Form 1040, line 21? \$\_\_\_\_\_.
- 15.6** The form used to calculate self-employment tax is Schedule A.
- a. True
  - b. False
- 15.7** The Physical Presence test is the correct test for the Richards to qualify for the foreign earned income exclusion.
- a. True
  - b. False
- 15.8** What is the foreign tax credit on Form 1040, line 50? \$\_\_\_\_\_
- 15.9** Which form is required to exclude the Richards' self-employment income?
- a. Form 2555-EZ
  - b. Form 1116
  - c. Form 2555
  - d. Schedule SE



## What Does Link & Learn Taxes Offer?

### Electronic Software Practice Lab

- Experience using return preparation software available from the IRS
- Prepare the exercises and problems online
- Prepare tax returns based on the test scenarios online

### Online Testing

- Stand alone online test and certification
- Bookmark feature means you don't have to complete test in one session – if interrupted, you can return to same place and complete it
- Online tests can be taken two times – each test will be different
- Volunteer Agreement with certification results

### Different Courses

- Basic
- Intermediate
- Advanced
- Military
- International
- Puerto Rico
- Foreign Students

### Immediate Feedback

- Interactive topic activities that allow you to complete Worksheets, Forms, and Returns
- Immediate feedback – Tells you why you were correct or why your answer was incorrect

### Information On

- Latest tax law
- Interview tips
- Preparing accurate returns using:
  - Intake & Interview Sheet
  - Volunteer Resource Guide
  - Quality Review

### Easy to Use

- Lessons divided into short topics
- Case scenarios
- Interviews with audio dialog
- Cues to tell you where you are in the course
- Easy to read
- Graphics to reinforce key information
- Links to:
  - Publications and Forms
  - Tax & EITC tables
  - Glossary

# www.irs.gov

---

## Your online resource for volunteer and taxpayer assistance

### The Volunteer Resource Center

(Keyword: Community Network)

- Hot topics for volunteers and partners
- Site Coordinator's Corner
- Volunteer Quality Alerts
- Volunteer Training Resources
- EITC Information for Partners
- e-file Materials and Outreach Products

### Tax Information for Individuals

(Keyword: Individuals)

- 1040 Central (What's new this filing season)
- Where's My Refund
- EITC Assistant - Available in English and Spanish
- Economic Stimulus Payments Information Center
- Tax Trails for Answers to common tax questions
- Alternative Minimum Tax (AMT) Assistant

and much more!

*Your direct link to tax information*

**24/7** [www.irs.gov](http://www.irs.gov)

