

Sam and Janet Evening need help with their taxes. They have no children. Below are the numbers you will need to help them complete their tax return. Follow the first and second tax exercise example handouts and fill in their Form 1040 tax return. (*Hint: Do you see the asterisks next to certain lines? Hmmm?*) The itemized deductions from Schedule A on line 40, the personal exemptions on line 42, and the tax on lines 44 and 47 (and a few other lines) are already computed for you. You do not need to complete Schedule A, Itemized Deductions. (5 points)

Wages, salaries, tips, etc. from Form(s) W-2 (gross income)	\$41,950
Taxable interest (gross income)	50
IRA deduction (adjustment to income)	1,000
Student loan interest deduction (adjustment to income)	1,000
Itemized deductions (from Schedule A – line 40)	18,000
Personal exemptions (2 persons * \$3,950 – line 42)	7,900
Taxes (already computed from tax tables – lines 44 and 47 and a few others...)	1,413
Federal income tax withheld from W2 form (line 64)	1,800

Note to online students: You can use the Form 1040 on pages 2 and 3 of this document. They are very similar to the two Form 1040 tax handouts from this chapter. This requires you to print the two pages, hand-write the information, scan the two pages, and submit them as a single or multiple pdf or graphic files. Or you could demonstrate your advanced document handling skills and use the IRS-supplied Form 1040 pdf file that is on the class web page or available directly from the IRS web site (www.irs.gov). Using Adobe Acrobat Reader (or any of the many other pdf-enabled programs), you can type the above information directly into the Form 1040 form, save it, and submit it directly as a pdf file. Won't you be proud of yourself?! (Currently, the legal problem with saving data to pdf files is that a signature must still be hand-written. Therefore, you still need to print the document and sign manually before it is a legal document. There are currently a few systems that allow for "digital signatures" but eventually, there will be a standard "digital signature" protocol that allows people to digitally "sign" all contracts and other legal documents. When you file your tax returns electronically, you are "digitally signing" the tax return according to the specifications created by the IRS and used by the vendors who offer electronic filing.)

Important Note: There are **two** parts to this assignment!
The Form 1040 above ¶ and the IRS questions below ¶.

Reprint of other part of assignment from handout / assignments / notes document for chapter 3:

- Required:** Tax questions for the IRS (www.irs.gov or 800-829-1040) – *Be careful! Make sure your information is current!*
- 1) What are the maximum amounts that can be contributed to a Traditional IRA, Roth IRA and 401(k) per year?
 - 2) What is the maximum amount of capital loss that can be deducted from your income taxes per year?
 - 3) How long is the extension of time to file your income taxes that Form 4868 gives a taxpayer?
 - 4) What percentage(s) of the *estimated taxes* should an individual taxpayer pay through withholding? *Careful!*
 - 5) What are the names of the 2 or 3 types of educational tax credits available to college students & their parents?
- (5 points) – *When researching the above questions, make sure you find the data for 2015!*

j 1040

Department of the Treasury-Internal Revenue Service (99) U.S. Individual Income Tax Return

(Q) 14

OMB No. 1545-0074 1 IRS Use Only-Do not write or staple in this space.

For the year Jan. 1-Dec. 31, 2014, or other tax year beginning 2014, ending 2014. See separate instructions. Your first name and initial SAM Lastname tVE:llING. Your social security number ti\ -it-'61 l. If a joint return, spouse's first name and initial TANETIE Lastname EVENIN Spouse's social security number n<?- \<i?-\ . Home address (number and street). If you have a P.O. box, see instructions. (100 OTAY LAKES ROAD Apt. no. & Makesure the SSN(s) above and on line 6c are correct. City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). C\ULJ\ VISTA, CA q(C\IO Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. D You O Spouse Foreign country name Foreign province/state/county Foreign postal code

Filing Status 0 Single 2 Married filing jointly (even if only one had income) 4 D Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. 5 O Qualifying widow(er) with dependent child 3 O Married filing separately. Enter spouse's SSN above and full name here.

Exemptions 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 child under age 17 qualifying for child tax credit (see instructions) D D D D d Total number of exemptions claimed 2

Income 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 9b 10 Taxable refunds, credits, or offsets of state and local income taxes 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 D 13 14 Other gains or (losses). Attach Form 4797 . 14 15a b Taxable amount 15b 16a b Taxable amount 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 b Taxable amount 20b 21 Other income. List type and amount 21 22 Combine the amounts in the far right column for lines 7 through 21. This is your total income 22

Adjusted Gross Income 23 Educator expenses 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 Deductible part of self-employment tax. Attach Schedule SE 27 28 Self-employed SEP, SIMPLE, and qualified plans 28 29 Self-employed health insurance deduction 29 30 Penalty on early withdrawal of savings . 30 31a Alimony paid b Recipient's SSN 31a 32 IRA deduction . 32 33 Student loan interest deduction . 33 34 Tuition and fees. Attach Form 8917. 34 36 Add lines 23 through 35 36 37 Subtract line 36 from line 22. This is your adjusted gross income 37 -1

38 Amount from line 37 (adjusted gross income) 38

Tax and Credits

39a check { You were born before January 2, 1950, Blind. } Total boxes
 Spouse was born before January 2, 1950, Blind. checked 1111- 39a

b If your spouse itemizes on a separate return or you were a dual-status alien, check here 39b0

Standard Deduction for-

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

41 41

42 Subtract line 40 from line 38. Exemptions. If line 38 is \$152,525 or less, multiply \$3,950 by the number on line 6d. Otherwise, see instructions 42

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

44 Tax (see instructions). Check if any from: a Form(s) 8814 b Form 4972 c 44

45 Alternative minimum tax (see instructions). Attach Form 6251 45

46 Excess advance premium tax credit repayment. Attach Form 8962 46

47 Add lines 44, 45, and 46 47

48 Foreign tax credit. Attach Form 1116 if required 48

49 Credit for child and dependent care expenses. Attach Form 2441 49

50 Education credits from Form 8863, line 19 50

51 Retirement savings contributions credit. Attach Form 8880 51

52 Child tax credit. Attach Schedule 8812, if required 52

53 Residential energy credits. Attach Form 5695 53

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

55 Add lines 48 through 54. These are your total credits 55

56 Subtract line 55 from line 47. If line 55 is more than line 47, enter -0- 56

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

60a Household employment taxes from Schedule H 60a

60b First-time homebuyer credit repayment. Attach Form 5405 if required 60b

61 Healthcare: individual responsibility (see instructions) Full-year coverage 61

62 Taxes from: a Form 8959 b Form 8960 c Instructions; enter code(s) 62

63 Add lines 56 through 62. This is your total tax 63

Payments

64 Federal income tax withheld from Forms W-2 and 1099 64

65 2014 estimated tax payments and amount applied from 2013 return 65

66a Earned income credit (EIC) 66a

b Nontaxable combat pay election 6b 66b

67 Additional child tax credit. Attach Schedule 8812 67

68 American opportunity credit from Form 8863, line 8 68

69 Net premium tax credit. Attach Form 8962 69

70 Amount paid with request for extension to file 70

71 Excess social security and tier 1 RRTA tax withheld 71

72 Credit for federal tax on fuels. Attach Form 4136 72

73 Credits from Form: a 2439 b Reserved c Reserved d 73

74 Add lines 64, 65, 66a, and 67 through 73. These are your total payments 74

Refund

75 If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid 75

76a Amount of line 75 you want refunded to you. If Form 8888 is attached, check here 1111-D 76a

Direct deposit? 1111- b Routing number 010203040 1111- c Type: Checking Savings

See instructions. d Account number 0900010000050

77 Amount of line 75 you want applied to your 2015 estimated tax 1111- 77

Amount You Owe

78 Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions 78

79 Estimated tax penalty (see instructions) 79

Third Party Designee

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

Designee's name 1111- _____ Phone no. 1111- _____ Personal identification number (PIN) 1111- _____

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 4/15/15 Your occupation Loufilice 'St'16E Daytime phone number 617-411-0700

Spouse's signature. If a joint return, both must sign. Janet Evening Date 4/15/15 Spouse's occupation Ear Plug Sales Representative If the IRS sent you an Identity Protection PIN, enter it here see inst. PTIN _____

Paid Preparer Use Only

Print/Type preparer's name _____ Preparer's signature _____ Date _____ Check if self-employed PTIN _____

Firm's name _____ Firm's EIN _____

Firm's address _____ Phone no. _____