

1040 Software

**PRACTICE**

RETURNS



## INTRODUCTION

This **uTax Software 1040 Practice Returns** document contains various tax return scenarios that can be used to practice entering returns in the 2023 1040 Desktop Software Program (for TY2022).

Choose from **Beginner, Intermediate, and Advanced** return scenarios to increase your skill using more complex forms and situations.

### Recommended Prerequisites for Using the 1040 Software Practice Returns:

- Basic understanding of the desktop software
- Knowledgeable about tax law and tax return preparation
- Must be at latest version of the 2023 software (*Version 2023.028 as of 6.6.23*)

### Other Important Instructions – Please Read **BEFORE** Entering Practice Returns:

- The first 5 digits of all SSN(s) have been provided. Complete each SSN using any 4 digits.
- Taxpayer addresses have been provided. Complete the address using your City, State, and Zip Code.
- Taxpayer and Spouse phone numbers have been provided.
- A checkmark ✓ indicates a line item in the software that requires a checkbox to be marked.
- Where applicable, always **answer NO** to all **Virtual Currency** questions (did taxpayer receive and/or dispose of any Virtual Currency during the tax year)
- Always **answer NO** to the **Protection Plus** and **Remote Signature** questions located Bottom of Client Data Screen.

Enroll for Protection Plus to receive three years of audit assistance for this return?	<input type="checkbox"/>
Remote Signature	
Does the Taxpayer consent to receive and sign their documentation remotely?	<input type="checkbox"/>
Include Remote Signature charge(s) on the invoice?	<input type="checkbox"/>

### Training Return Mode Database:

- **Important!** For easy-to-follow instructions on how to enter and keep training returns separate from *live* client returns in the desktop software, [click here](#).

### Other Training Resources:

Be sure to visit our [uTax Resource Center](#) to access helpful training materials that include:

- **Training Videos** on various Software Program Features and Functionality
- **Recorded Webinars** (*Example: 1040 Walk-Through and In-Depth Program Features*)
- **Here's How-To Guides** providing quick step-by-step instructions on how to use various software features and functions.

**For Questions or Assistance:** Contact the uTax Partner Support Team at 206-209-2653 or email us at [support@utaxsoftware.com](mailto:support@utaxsoftware.com).

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1040 Software

**Beginning**

RETURNS



# Beginning Practice Return

# 01

**Summary:** Single Taxpayer with W-2 Wages and No Dependents

**Background:** Taxpayer is single under the age of 65, cannot be claimed as a dependent on another return, and is not blind or disabled. Taxpayer received a Form W-2 from his employer for wages and is not claiming any dependents. The primary residence of the Taxpayer was the United States for the entire year.

**Client Data:** Taxpayer

Taxpayer Information	Field Value
SSN	20611XXXX
Date of birth	042788
Name	Wages Single
Occupation	Clerk
Home Phone	2062092653
Address	1040 Return Way
Zip code	Input your zip code

## Available Documentation:

- Taxpayer Form W-2

22222		Void <input type="checkbox"/>	a Employee's social security number 206-11-XXXX		For Official Use Only ▶ OMB No. 1545-0008			
b Employer identification number (EIN) 95-4297897			1 Wages, tips, other compensation 13,572		2 Federal income tax withheld 1,298			
c Employer's name, address, and ZIP code SMART & FINAL STORES LLC  600 CITADEL DRIVE LOS ANGELES CA 90040			3 Social security wages 13,572		4 Social security tax withheld 841			
			5 Medicare wages and tips 13,572		6 Medicare tax withheld 197			
			7 Social security tips		8 Allocated tips			
d Control number			9		10 Dependent care benefits			
e Employee's first name and initial WAGES		Last name SINGLE	Suff.	11 Nonqualified plans		12a See instructions for box 12		
f Employee's address and ZIP code  1040 RETURN WAY			13 Statutory employee <input type="checkbox"/>	Retirement plan <input type="checkbox"/>	Third-party sick pay <input type="checkbox"/>	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

Copy A For Social Security Administration -- Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable.

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For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

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**Additional return processing items and / or information:**

**8867 Due Diligence**

Return Is eligible for EIC

- ✓ Part I - Due diligence requirements were met
- ✓ Part II - Return is eligible for EIC

**Target Refund Amount:** \$1,459

**Refund Disbursement Option:** IRS Paper Check

**Return Answer Key:**

- Total income: \$13,572
- Standard deduction: \$12,950
- Taxable income: \$622
- Tax: \$61
- Withholding: \$1,298
- Refundable credits: \$222
- Payments: \$1,520
- Refund: \$1,459

# Beginning Practice Return

# 02

**Summary:** Married Filing Joint Taxpayers with W-2 Wages and 1 Dependent.

**Background:** Taxpayer and Spouse are Married Filing Jointly. Both are under 65, cannot be claimed as dependents on another return, and are not blind or disabled. Both taxpayers are reporting Form W-2 wages. They are claiming their son as a dependent that lived with the taxpayers for the entire year and cannot be claimed by another taxpayer.

**Client Data:** Taxpayer, Spouse and Dependent

Taxpayer Information	Field Value
SSN	20612XXXX
Date of birth	021479
Name	Credits Income
Occupation	Retail
Home Phone	2062092653

Spouse Information	Field Value
SSN	20712XXXX
Date of birth	052779
Name	Spouse Income
Occupation	Manager
Home Phone	2062092653

Address	Zip Code
1040 Return Way	Input your zip code

Dependent Information	Field Value
Name	DepOne Income
Date of birth	122209
SSN	20812XXXX
Relationship	Son
Months lived with the taxpayer	12
Dependent code	1
EIC code	E
CTC/ODC code	C

**Available documentation:**

- Taxpayer and Spouse Form W-2s

Taxpayer Form W-2:

22222		Void <input type="checkbox"/>	a Employee's social security number 206-12-██████		For Official Use Only ▶ OMB No. 1545-0008		
b Employer identification number (EIN) 13-1988404			1 Wages, tips, other compensation 13,675		2 Federal income tax withheld 912		
c Employer's name, address, and ZIP code FOOT LOCKER RETAIL INC  3543 SIMPSON FERRY RD NORWALK CA 90650			3 Social security wages 13,675		4 Social security tax withheld 848		
			5 Medicare wages and tips 13,675		6 Medicare tax withheld 198		
			7 Social security tips		8 Allocated tips		
d Control number			9		10 Dependent care benefits		
e Employee's first name and initial CREDITS		Last name INCOME	Suff.	11 Nonqualified plans		12a See instructions for box 12	
f Employee's address and ZIP code  1040 RETURN WAY			13 Statutory employee <input type="checkbox"/>	Retirement plan <input type="checkbox"/>	Third-party sick pay <input type="checkbox"/>	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

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For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

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Spouse Form W-2:

22222		Void <input type="checkbox"/>	a Employee's social security number 207-12-██████		For Official Use Only ▶ OMB No. 1545-0008		
b Employer identification number (EIN) 46-5159159			1 Wages, tips, other compensation 17,927		2 Federal income tax withheld 754		
c Employer's name, address, and ZIP code TARGET STORES INC  10 MAIN ST LOS ANGELES CA 90019			3 Social security wages 17,927		4 Social security tax withheld 1,111		
			5 Medicare wages and tips 17,927		6 Medicare tax withheld 260		
			7 Social security tips		8 Allocated tips		
d Control number			9		10 Dependent care benefits		
e Employee's first name and initial SPOUSE		Last name INCOME	Suff.	11 Nonqualified plans		12a See instructions for box 12	
f Employee's address and ZIP code  1040 RETURN WAY			13 Statutory employee <input type="checkbox"/>	Retirement plan <input type="checkbox"/>	Third-party sick pay <input type="checkbox"/>	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

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**Additional return processing items and / or information:**

**EIC Checklist**

- ✓ The qualifying child is unmarried
- ✓ No other taxpayer can claim the qualifying child

**8867 Due Diligence**

Return Is eligible for EIC/CTC/ACTC/ODC

- ✓ Part I - Due diligence requirements were met
- ✓ Part II - Return is eligible for EIC
- ✓ Part III - Return is eligible for CTC/ACTC/ODC
- ✓ Part VI - Confirm that due diligence requirements have been met

**Proof of Residency**

- ✓ School records
- ✓ Medical records

**Target Refund Amount:** \$5,969

**Refund Disbursement Option:** IRS Direct Deposit

**Account Info:**

- Bank: Bank of America
- Account: 123456789
- Routing: 121000358
- Type: Checking

**Return Answer Key:**

- Total income: \$31,602
- Standard deduction: \$25,900
- Taxable income: \$5,702
- Tax: \$573
- Non-refundable credits: \$573
- Withholding: \$1,666
- Refundable credits: \$4,303
- Payments: \$5,969
- Refund: \$5,969

# Beginning Practice Return

# 03

**Summary:** Head of Household Taxpayer with W-2 Wages and 1 Dependent (Parent)

**Background:** Taxpayer is Head of Household under the age of 65, cannot be claimed as a dependent on another return, and is not blind or disabled. Taxpayer received a Form W-2 from his employer for wages and is claiming their parent as a dependent. The primary residence of the Taxpayer and dependent was the United States for the entire year.

**Client Data:** Primary Taxpayer and Dependent

Taxpayer Information	Field Value
SSN	20613XXXX
Date of birth	061488
Name	Household Headof
Occupation	Supervisor
Address	1040 Return Way
Zip code	Input your zip code
Home Phone	2062092653

Dependent Information	Field Value
Name	DepOne Headof
Date of birth	012740
SSN	20713XXXX
Relationship	Parent
Months lived with the taxpayer	12
Dependent code	3
EIC code	N
CTC/ODC code	D

**Available documentation:**

- Taxpayer Form W-2

22222		Void <input type="checkbox"/>	a Employee's social security number 206-13- <span style="background-color: black; color: black;">XXXXXXXXXX</span>		For Official Use Only OMB No. 1545-0008				
b Employer identification number (EIN) 13-2745892			1 Wages, tips, other compensation 26,345		2 Federal income tax withheld 1,698				
c Employer's name, address, and ZIP code VERIZON BUSINESS NETWORK  22001 LOUDOUN CO PARKWAY ASHBURN VA 20147			3 Social security wages 26,345		4 Social security tax withheld 1,633				
			5 Medicare wages and tips 26,345		6 Medicare tax withheld 382				
			7 Social security tips		8 Allocated tips				
d Control number			9		10 Dependent care benefits				
e Employee's first name and initial HOUSEHOLD		Last name HEADOF	Suff.	11 Nonqualified plans		12a See instructions for box 12			
f Employee's address and ZIP code  1040 RETURN WAY			13 Statutory employee <input type="checkbox"/>	Retirement plan <input type="checkbox"/>	Third-party sick pay <input type="checkbox"/>	12b			
			14 Other			12c	12d		
			15 State			Employee'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

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**Additional return processing items and / or information:**

**8867 Due Diligence**

Return Is eligible for Other Dependent Credit (ODC)

- ✓ Part I - Due diligence requirements were met
- ✓ Part III - Return is eligible for ODC
- ✓ Part V – Due diligence Claiming HOH
- ✓ Part VI - Confirm that due diligence requirements have been met

**Proof of Residency**

- ✓ Landlord statement
- ✓ Social security service record

**Head of Household Records**

- ✓ Rent statements

**Target Refund Amount:** \$1,505

**Refund Disbursement Option:** IRS Paper Check

**Return Answer Key:**

- Total income: \$26,345
- Standard deduction: \$19,400
- Taxable income: \$6,945
- Tax: \$693
- Non-Refundable credits: \$500
- Total tax: \$193
- Withholding: \$1,698
- Payments: \$1,698
- Refund: \$1,505

# Beginning Practice Return

# 04

**Summary:** Single Taxpayer with Self-Employment Income (Filing a Schedule C – Business Income)

**Background:** Taxpayer is Single, under the age of 65, cannot be claimed as a dependent on another return, is not blind or disabled. Taxpayer is self-employed, received both cash payments and a Form 1099-NEC, and is not claiming expenses (expenses were paid by the contractor). The primary residence of the Taxpayer was the United States for the entire year.

**Client Data:** Primary Taxpayer

Taxpayer Information	Field Value
SSN	20614XXXX
Date of birth	052296
Name	Employed Self
Occupation	Sales
Address	1040 Return Way
Zip code	Input your zip code
Home Phone	2062092653

Business Information (Schedule C)	Field Value
Principle business	Sales
Activity code	517000
Activity description	Telecommunications Internet Service Providers
Address	Same as CDS (Client Data Screen)
Accounting method	Cash
Qualified business income indicator	N

**Available documentation:**

- Form 1099-NEC for Taxpayer (Self-Employed)

**Taxpayer 1099-NEC**

7171       VOID       CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. <b>TIME WARNER INC</b> <b>345 CONNECT ST</b> <b>LOS ANGELES CA 90011-0000-000000</b>			OMB No. 1545-0116	<b>Nonemployee Compensation</b>  Copy A For Internal Revenue Service Center  File with Form 1096.  For Privacy Act and Paperwork Reduction Act Notice, see the <b>2020 General                  Instructions for                  Certain                  Information                  Returns.</b>	
			Form 1099-NEC		
		1 Nonemployee compensation			
		\$ <b>5,429</b>			
PAYER'S TIN	RECIPIENT'S TIN	2			
<b>13-4099534</b>	<b>206-14-7766</b>				
RECIPIENT'S name		3			
<b>EMPLOYED SELF</b>					
Street address (including apt. no.)		4 Federal income tax withheld			
<b>1040 RETURN WAY</b>		\$			
City or town, state or province, country, and ZIP or foreign postal code		5 State tax withheld		6 State/Payer's state no.	
<b>SANTA FE SPRINGS CA 90670</b>				\$	
		FATCA filing requirement			
		<input type="checkbox"/>			
Account number (see instructions)		2nd TIN not.			
		<input type="checkbox"/>			
		\$		\$	
		\$		\$	

Form **1099-NEC**      1037 CPTS 0USNC1      www.irs.gov/Form1099NEC      Department of the Treasury - Internal Revenue Service  
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**Additional return processing items and / or information:**

**Schedule C – Business Income**

- Cash Received: \$1,321

**Target Balance Due Amount:** (\$474)

**Refund Disbursement Option:** Balance Due

**Additional return processing items and / or information:**

**8867 Due Diligence**

Return Is eligible for Other Dependent Credit (ODC)

- ✓ Part I - Due diligence requirements were met
- ✓ Part II - Due diligence questions for returns claiming EIC
- ✓ Part VI - Confirm that due diligence requirements have been met

**Proof of Business Existence**

- ✓ Forms 1099

**Return Answer Key:**

- Total income: \$6,750
- Standard deduction: \$12,950
- Other Taxes: \$954
- Total tax: \$954
- Refundable Credits: \$480
- Total Payments: \$480
- Amount Owed: (\$474)

**Additional Resources:**

For more information on Self-Employed, visit IRS.gov: [Publication 334 – Tax Guide for Small Business](#) (For Individuals Who Use Schedule C) | [Español](#). This publication contains general information about the federal tax laws that apply to small business owners who are sole proprietors and to statutory employees.

# Beginning Practice Return

# 05

**Summary:** Married Filing Joint Taxpayers with W-2 Wages and Retirement Income. No Dependents

**Background:** Taxpayer and Spouse are Married Filing a Joint return. Taxpayer is under age 65 and spouse is over age 65, neither can be claimed as dependents on another return and are not blind or disabled. Taxpayer worked part-time and received a Form W-2 for wages from his employer and spouse is retired and received a Form SSA-1099 from Social Security for retirement income. The primary residence of the taxpayer and spouse was the United States for the entire year.

**Client Data:** Primary Taxpayer and Spouse

Taxpayer Information	Field Value
SSN	20615XXXX
Date of birth	041463
Name	Benefits Retired
Occupation	Retired
Address	1040 Return Way
Zip code	Input your zip code
Home Phone	2062092653

Spouse Information	Field Value
SSN	20715XXXX
Date of birth	071452
Name	Spouse Retired
Occupation	Retired
Home Phone	2062092653

**Available documentation:**

- Form W-2 for Taxpayer
- Form SSA-1099 for Spouse



Taxpayer Form W-2

22222		Void <input type="checkbox"/>	a Employee's social security number 206-15- <span style="background-color: black; color: black;">XXXXXXXXXX</span>		For Official Use Only OMB No. 1545-0048		
b Employer identification number (EIN) 70-0794409			1 Wages, tips, other compensation 9,672		2 Federal income tax withheld 412		
c Employer's name, address, and ZIP code WALMART ASSOCIATES, INC  708 SW 8TH STREET BENTONVILLE AR 72716			3 Social security wages 9,672		4 Social security tax withheld 600		
			5 Medicare wages and tips 9,672		6 Medicare tax withheld 140		
			7 Social security tips		8 Allocated tips		
d Control number			9		10 Dependent care benefits		
e Employee's first name and initial BENEFITS		Last name RETIRED	Suff.	11 Nonqualified plans		12a See instructions for box 12	
f Employee's address and ZIP code  1040 RETURN WAY			13 Statutory employee <input type="checkbox"/>	Retirement plan <input type="checkbox"/>	Third-party sick pay <input type="checkbox"/>	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.

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

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Spouse SSA-1099

Form SSA-1099		Social Security Benefit Statement	
1. Name SPOUSE RETIRED		2. Beneficiary's SSN 207-15-7766	
3. Benefits Paid 32,164	4. Benefits repaid to SSA 4,568	5. Net Benefits 27,596	
Medicare premiums deducted from benefits Link to (Sch A, C or F) <u>SCHEDULE A</u>		6. Federal Income Tax Withheld* 692	
		7. Address _____	
		8. Claim Number _____	

Note: \*Federal Tax Withheld--Box 9 on Form SSA-1042S is identical to Box 6 on Form SSA-1099.  
This form can be used to input information from Form SSA-1042S.

**Additional return processing items and / or information:**

**EIC Checklist**

**8867 Due Diligence**

- ✓ Part I - Due diligence requirements were met
- ✓ Part II - Return is eligible for EIC
- ✓ Part VI - Confirm that due diligence requirements have been met

**Target Refund Amount:** \$1,664

**Refund Disbursement Option:** IRS Direct Deposit

**Account Info:**

- Bank: Bank of America
- Account: 123456789
- Routing: 121000358
- Type: Checking

**Return Answer Key:**

- Total income: \$9,672
- Standard deduction: \$27,300
- Withholding: \$1,104
- Refundable credits: \$560
- Payments: \$1,664
- Refund: \$1,664

# Beginning Practice Return

# 06

**Summary:** Single Taxpayer with Form W-2 Wages and Claimed as a Dependent on Parents Return

**Background:** The taxpayer is single, under 65, not blind or disabled and **is claimed as a dependent** on their parents' tax return. Taxpayer is using the Single Filing Status to report Form W-2 for wages received from their employer. Although they are not required to file, the individual is choosing to file to recover federal tax withholdings.

**Client Data:** Taxpayer

Taxpayer Information	Field Value
SSN	20610XXXX
Date of birth	071200
Name	Ofanother Dependent
Occupation	Student
Address	1040 Return Way
Zip code	Input your zip code
Home Phone	2062092653

## Available Documentation:

- Form W-2 for Taxpayer

## Taxpayer Form W-2

22222	Void <input type="checkbox"/>	a Employee's social security number 206-10-██████	For Official Use Only OMB No. 1545-0008			
b Employer identification number (EIN) 13-3357362		1 Wages, tips, other compensation 7,512	2 Federal income tax withheld 752			
c Employer's name, address, and ZIP code KOHLS DEPT STORE  N56W17000 RIDGEWOOD DR MENOMONEE FALLS WI 53051		3 Social security wages 7,512	4 Social security tax withheld 466			
		5 Medicare wages and tips 7,512	6 Medicare tax withheld 109			
d Control number		7 Social security tips	8 Allocated tips			
e Employee's first name and initial OFANOTHER		9	10 Dependent care benefits			
Last name DEPENDENT		Suff.	11 Nonqualified plans			
f Employee's address and ZIP code  1040 RETURN WAY		13 Statutory employee <input type="checkbox"/>	12a See instructions for box 12			
		13 Retiree <input type="checkbox"/>	12b			
		13 Therapy <input type="checkbox"/>	12c			
		14 Other	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

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**Additional return processing items and / or information:** None

**Target Refund Amount:** \$752

**Refund Disbursement Option:** IRS Paper Check

**Return Answer Key:**

- Total income: \$7,512
- Standard deduction: \$7,912
- Withholding: \$752
- Payments: \$752
- Refund: \$752

# 1040 Software **Intermediate** RETURNS

# Intermediate Practice Return

# 01

**Summary:** Single Taxpayer with W-2 Wages and Tuition Statement. No Dependents

**Background:** Taxpayer is single, under age 65, is not claimed as a dependent on another return and is not blind or disabled. Taxpayer is a college student, received a 1098-T Tuition Statement from his college, and is eligible for an AOTC (American Opportunity Tuition Credit). Taxpayer also worked two jobs, receiving a Form W-2 for wages from each employer. The primary residence of the taxpayer was the United States for the entire year.

**Client Data:** Taxpayer

Taxpayer Information	Field Value
SSN	20620XXXX
Date of birth	080898
Name	Credits Education
Occupation	Student
Home phone	2062092653
Address	1040 Return Way
Zip code	Input your zip code

**Available documentation**

- (2) Form W-2 for Taxpayer
- Form 1098-T (Tuition Statement)

Taxpayer Form W-2 (1 of 2)

22222	Void <input type="checkbox"/>	a Employee's social security number 206-20-██████	For Official Use Only ▶ OMB No. 1545-0008			
b Employer identification number (EIN) 91-1325671		1 Wages, tips, other compensation 4,452		2 Federal income tax withheld		
c Employer's name, address, and ZIP code STARBUCKS CORPORATION  2401 UTAH AVENUE SOUTH SEATTLE WA 98134		3 Social security wages 4,452		4 Social security tax withheld 276		
		5 Medicare wages and tips 4,452		6 Medicare tax withheld 65		
		7 Social security tips		8 Allocated tips		
d Control number		9		10 Dependent care benefits		
e Employee's first name and initial CREDITS	Last name EDUCATION	Suff.	11 Nonqualified plans		12a See instructions for box 12	
f Employee's address and ZIP code  1040 RETURN WAY		13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>	12b		12c	
		14 Other	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  
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Taxpayer Form W-2 (2 of 2)

22222	Void <input type="checkbox"/>	a Employee's social security number 206-20-██████	For Official Use Only ▶ OMB No. 1545-0008			
b Employer identification number (EIN) 38-3495003		1 Wages, tips, other compensation 8,975		2 Federal income tax withheld 890		
c Employer's name, address, and ZIP code DOMINOS PIZZA LLC 30 FRANK LLOYD WRIGHT DR PO BOX 997 ANN ARBOR MI 48106		3 Social security wages 8,975		4 Social security tax withheld 556		
		5 Medicare wages and tips 8,975		6 Medicare tax withheld 130		
		7 Social security tips		8 Allocated tips		
d Control number		9		10 Dependent care benefits		
e Employee's first name and initial CREDITS	Last name EDUCATION	Suff.	11 Nonqualified plans		12a See instructions for box 12	
f Employee's address and ZIP code  1040 RETURN WAY		13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>	12b		12c	
		14 Other	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  
 Copy A For Social Security Administration -- Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable.  
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 For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

**Taxpayer Tuition Statement 1098-T**

Form 1098-T		Tuition Statement	
FILER'S name UNIVERSITY OF PHOENIX Domestic <input checked="" type="checkbox"/> Foreign <input type="checkbox"/> 4025 S RIVERPOINT PARKWAY PHOENIX AZ 85040		1. Payments received for qualified tuition and related expenses <span style="float: right;">17,124</span> 2. 3.	
Filer's identification number 94-2473210	Student's SSN 206-20- <span style="background-color: black; color: black;">[REDACTED]</span>	4. Adjustments made for a prior year	5. Scholarships or grants <span style="float: right;">11,247</span>
STUDENT'S name CREDITS EDUCATION		6. Adjustments to scholarships or grants for a prior year	7. Checked if amount in box 1 includes academic period Jan - March <input type="checkbox"/>
8. Checked if at least half-time student <input checked="" type="checkbox"/>		9. Checked if a graduate student <input type="checkbox"/>	10. Ins contract reimb/refund <input type="checkbox"/>

Carry student expenses and scholarship/grants to:  Form 8863

**Additional return processing items and / or information:**

**Form 8863 – Education Credits**

- ✓ Student did not receive prior year 1098-T
- ✓ This is the first year the student is claiming the American Opportunity Credit and has not been claimed for any prior years
- ✓ Full time student
- ✓ Has not completed post-secondary education
- ✓ No convictions
- ✓ Student is a degree candidate

**8867 Due Diligence**

Return Is eligible for AOTC (American Opportunity Tuition Credit)

- ✓ Part I - Due diligence requirements were met
- ✓ Part IV - Return is claiming the AOTC
- ✓ Part VI - Confirm that due diligence requirements have been met

**AOTC Proof of Eligibility**

- Form 1098-T

**Target Refund Amount:** \$1,890

**Refund Disbursement Option:** IRS Paper Check

**Return Answer Key:**

- Total income: \$13,427
- Standard deduction: \$12,950
- Taxable income: \$447
- Tax: \$49



- Non-refundable credit: \$49
- Withholding: \$890
- Refundable credit: \$1000
- Total Payments: \$1,890
- Refund: \$1,890

**Additional Resources:**

- For more information on Education Credits, visit IRS.gov: [Publication 970 – Tax Benefits for Education](#). This publication explains tax benefits that may be available to taxpayers saving for or paying education costs for themselves or, in many cases, another student who is a member of their immediate family. Most benefits apply only to higher education.

# Intermediate Practice Return

# 02

**Summary:** Married Filing Joint Taxpayers with Social Security and Retirement Pension Income. No Dependents

**Background:** Taxpayer and spouse are both over age 65, not claimed as a dependent on another return and are not blind or disabled. Both the primary taxpayer and spouse are retired and received Forms SSA-1099 from Social Security and Forms 1099-R from their Retirement Pensions. The primary residence of the taxpayer and spouse was the United States for the entire year.

## Client Data:

Taxpayer Information	Field Value
SSN	20619XXXX
Date of birth	090939
Name	Income Pension
Occupation	Retired
Home Phone	2062092653

Spouse Information	Field Value
SSN	20719XXXX
Date of birth	090949
Name	Spouse Income
Occupation	Retired
Home Phone	2062092653

Address	Zip Code
1040 Return Way	Input your zip code

**Available documentation:** Retirement and Annuity Distributions

Taxpayer Form 1099-R and Form SSA-1099

9898  VOID  CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and phone no.  <b>R &amp; D TRUCKING CO INC</b>  <b>1627 VALLEY VIEW DRIVE</b> <b>BIG STONE GAP VA 24219</b>			<b>1</b> Gross distribution \$ <b>24,675</b>		OMB No. 1545-0119  Form 1099-R	<b>Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</b>  <b>Copy A</b> For Internal Revenue Service Center  File with Form 1096.  For Privacy Act and Paperwork Reduction Act Notice, see the 2019 General Instructions for Certain Information Returns
			<b>2a</b> Taxable amount \$ <b>24,675</b>			
<b>PAYER'S TIN</b>  <b>54-1215628</b>	<b>RECIPIENT'S TIN</b>  <b>206-19-</b>	<b>3</b> Capital gain (included in box 2a) \$	<b>4</b> Federal income tax withheld \$ <b>2,477</b>			
<b>RECIPIENT'S name</b>  <b>INCOME PENSION</b>			<b>5</b> Employee contributions / Designated Roth contributions or insurance premiums \$	<b>6</b> Net unrealized appreciation in employer's securities \$		
Street address (including apt. no.)  <b>1040 RETURN WAY</b>			<b>7</b> Distribution code(s) <b>7</b>	<b>8</b> Other \$ %		
City or town, state or province, country, and ZIP or foreign postal code			<b>9a</b> Your percentage of total distribution %	<b>9b</b> Total employee contributions \$		
<b>10</b> Amount allocable to IRR within 5 years \$	<b>11</b> 1st year of desig. Roth contrib	FATCA filing requirement <input type="checkbox"/>	<b>12</b> State tax withheld \$	<b>13</b> State/Payer's state no.	<b>14</b> State distribution \$	
Account number (see instructions)		Date of payment	<b>15</b> Local tax withheld \$	<b>16</b> Name of locality	<b>17</b> Local distribution \$	

SPA Form 1099-R      1037 CPTS 9US041      www.irs.gov/Form1099R      Department of the Treasury - Internal Revenue Service

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**Form SSA-1099      Social Security Benefit Statement**

<b>1. Name</b> INCOME PENSION		<b>2. Beneficiary's SSN</b> 206-19-	
<b>3. Benefits Paid</b> 8,475	<b>4. Benefits repaid to SSA</b> [ ]	<b>5. Net Benefits</b> 8,475	
Medicare premiums deducted from benefits Link to (Sch A, C or F)      SCHEDULE A		<b>6. Federal Income Tax Withheld*</b> [ ]	
		<b>7. Address</b> _____	
		<b>8. Claim Number</b> _____	

Note: \*Federal Tax Withheld--Box 9 on Form SSA-1042S is identical to Box 6 on Form SSA-1099. This form can be used to input information from Form SSA-1042S.

Spouse Form 1099-R and Form SSA-1099

9898 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and phone no.  BEACON INDEPENDENT LIVING SERVICES  4610 WEST WALNUT SUITE C SOQUEL CA 95073		<b>1</b> Gross distribution \$ 16,724	OMB No. 1545-0119  Form 1099-R	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
PAYER'S TIN  01-0642617		RECIPIENT'S TIN  207-19-		<b>2a</b> Taxable amount \$ 16,724	Total distribution \$ 16,724	
RECIPIENT'S name  SPOUSE PENSION		<b>3</b> Capital gain (included in box 2a) \$		<b>4</b> Federal income tax withheld \$ 895		Copy A For Internal Revenue Service Center  File with Form 1096.
Street address (including apt. no.)  1040 RETURN WAY		<b>5</b> Employee contributions / Designated Roth contributions or insurance premiums \$		<b>6</b> Net unrealized appreciation in employer's securities \$		
City or town, state or province, country, and ZIP or foreign postal code		<b>7</b> Distribution code(s) 7		<b>8</b> Other \$ %		For Privacy Act and Paperwork Reduction Act Notice, see the 2019 General Instructions for Certain Information Returns
<b>10</b> Amount allocable to IRR within 5 years \$		<b>11</b> 1st year of desig. Roth contrib. FATCA filing requirement <input type="checkbox"/>		<b>9a</b> Your percentage of total distribution %		
Account number (see instructions)		Date of payment		<b>9b</b> Total employee contributions \$		
<b>12</b> State tax withheld \$		<b>13</b> State/Payer's state no.		<b>14</b> State distribution \$		
<b>15</b> Local tax withheld \$		<b>16</b> Name of locality		<b>17</b> Local distribution \$		

SPA Form 1099-R      1037 CPTS 9US041      www.irs.gov/Form1099R      Department of the Treasury - Internal Revenue Service

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**Form SSA-1099      Social Security Benefit Statement**

<b>1.</b> Name SPOUSE PENSION		<b>2.</b> Beneficiary's SSN 207-19-	
<b>3.</b> Benefits Paid 12,667	<b>4.</b> Benefits repaid to SSA	<b>5.</b> Net Benefits 12,667	
Medicare premiums deducted from benefits Link to (Sch A, C or F)		<b>6.</b> Federal Income Tax Withheld*	
SCHEDULE A		<b>7.</b> Address	
SCHEDULE A		<b>8.</b> Claim Number	

Note: \*Federal Tax Withheld--Box 9 on Form SSA-1042S is identical to Box 6 on Form SSA-1099.  
 This form can be used to input information from Form SSA-1042S.

**Additional return processing items and / or information:**

- None

**Target Refund Amount:** \$726

**Refund Disbursement Option:** IRS Paper Check

**Return Answer Key:**

- Total income: \$54,174
- Standard deduction: \$28,700
- Taxable income: \$25,474
- Tax: \$2,646
- Withholding: \$3,372
- Refund: \$726

# Intermediate Practice Return

# 03

**Summary:** Head of Household Taxpayer with Dependents, W-2 Wages and Reporting Capital Gains

**Background:** Taxpayer is filing Head of Household, is under the age of 65, cannot be claimed as a dependent on another return, is not blind or disabled. Taxpayer received a Form W-2 from his employer for wages and is claiming 3 dependents consisting of a qualifying child and two qualifying individuals that cannot be claimed by anyone else. Taxpayer is also reporting capital stock sales transactions. The primary residence of the Taxpayer and dependents was the United States for the entire year.

## Client Data:

Taxpayer Information	Field Value
SSN	20618XXXX
Date of birth	070779
Name	Gains Capital
Occupation	Records Management
Address	1040 Return Way
Zip code	Input your zip code
Home Phone	2062092653

Dependent Information	Field Value
Name	Depone Capital
Date of birth	111111
SSN	60718XXXX
Relationship	Son
Months lived with the taxpayer	12
Dependent code	1
EIC code	E
CTC/ODC code	C

Dependent Information	Field Value
Name	Deptwo Capital
Date of birth	040440
SSN	60818XXXX
Relationship	Parent
Months lived with the taxpayer	MX
Dependent code	3
EIC code	N
CTC/ODC code	D

Dependent Information	Field Value
Name	Depthree Capital
Date of birth	050545
SSN	60918XXXX
Relationship	Parent
Months lived with the taxpayer	MX
Dependent code	3
EIC code	N
CTC/ODC code	D

Available documentation:

- Taxpayer Form W-2 and (2) Form 1099-B

22222		Void <input type="checkbox"/>	a Employee's social security number 206-18-██████████		For Official Use Only OMB No. 1545-0008		
b Employer identification number (EIN) 95-6045463			1 Wages, tips, other compensation 47,012		2 Federal income tax withheld 3,875		
c Employer's name, address, and ZIP code LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM 360 E SECOND STREET LOS ANGELES CA 90012-4207			3 Social security wages		4 Social security tax withheld		
			5 Medicare wages and tips 47,012		6 Medicare tax withheld 682		
			7 Social security tips		8 Allocated tips		
d Control number			9 Verification code		10 Dependent care benefits		
e Employee's first name and initial GAINS		Last name CAPITAL		Suff.		11 Nonqualified plans	
f Employee's address and ZIP code 1040 RETURN WAY			13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12a See instructions for box 12		
			14 Other		12b		
					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

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PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. <b>CAPITAL STOCK FINANCIAL</b> 1453 MONEY TREES LANE LOS ANGELES CA 90011		Applicable checkbox on Form 8949 <b>A - SHORT TERM</b>		OMB No. 1545-0715 Form <b>1099-B</b>		<b>Proceeds From Broker and Barter Exchange Transactions</b>
PAYER'S TIN 95-1234567		RECIPIENT'S TIN 206-18-XXXX		1a Description of property (Example: 100 sh. XYZ Co.) <b>CAPITAL STOCK</b>		
RECIPIENT'S name <b>CAPITAL GAINS</b>		1b Date acquired 01/01/2022		1c Date sold or disposed 11/27/2022		<b>Copy B For Recipient</b>  This is important tax information and is being furnished to the IRS. 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.) 1040 RETURN WAY		1d Proceeds \$ 6,277		1e Cost or other basis \$ 2,500		
City or town, state or province, country, and ZIP or foreign postal code		1f Accrued market discount \$		1g Wash sale loss disallowed \$		
Account number (see instructions) 2062092653		2 Short-term gain or loss <input checked="" type="checkbox"/> Long-term gain or loss <input type="checkbox"/> Ordinary <input type="checkbox"/>		3 If checked, proceeds from: Collectibles <input type="checkbox"/> QOF <input type="checkbox"/>		
CUSIP number		4 Federal income tax withheld \$		5 If checked, noncovered security <input type="checkbox"/>		
FATCA filing requirement <input type="checkbox"/>		6 Reported to IRS: Gross proceeds <input type="checkbox"/> Net proceeds <input type="checkbox"/>		7 If checked, loss is not allowed based on amount in 1d <input type="checkbox"/>		
14 State name		8 Profit or (loss) realized in 2023 on closed contracts \$		9 Unrealized profit or (loss) on open contracts—12/31/2022 \$		
15 State identification no.		10 Unrealized profit or (loss) on open contracts—12/31/2023 \$		11 Aggregate profit or (loss) on contracts \$		
16 State tax withheld \$		12 If checked, basis reported to IRS <input type="checkbox"/>		13 Bartering \$		

Form **1099-B** (Keep for your records) www.irs.gov/Form1099B Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. <b>ANIMATION INVESTMENTS</b> 1212 TOONVILLE TOWN BEVERLY HILLS CA 90210		Applicable checkbox on Form 8949 <b>D - LONG TERM</b>		OMB No. 1545-0715 Form <b>1099-B</b>		<b>Proceeds From Broker and Barter Exchange Transactions</b>
PAYER'S TIN 95-2345678		RECIPIENT'S TIN 206-18-XXXX		1a Description of property (Example: 100 sh. XYZ Co.) <b>CAPITAL STOCK</b>		
RECIPIENT'S name <b>CAPITAL GAINS</b>		1b Date acquired 05/27/2008		1c Date sold or disposed 11/27/2022		<b>Copy B For Recipient</b>  This is important tax information and is being furnished to the IRS. 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.) 1040 RETURN WAY		1d Proceeds \$ 34,412		1e Cost or other basis \$ 6,500		
City or town, state or province, country, and ZIP or foreign postal code		1f Accrued market discount \$		1g Wash sale loss disallowed \$		
Account number (see instructions) 2062092653		2 Short-term gain or loss <input type="checkbox"/> Long-term gain or loss <input checked="" type="checkbox"/> Ordinary <input type="checkbox"/>		3 If checked, proceeds from: Collectibles <input type="checkbox"/> QOF <input type="checkbox"/>		
CUSIP number		4 Federal income tax withheld \$		5 If checked, noncovered security <input type="checkbox"/>		
FATCA filing requirement <input type="checkbox"/>		6 Reported to IRS: Gross proceeds <input type="checkbox"/> Net proceeds <input type="checkbox"/>		7 If checked, loss is not allowed based on amount in 1d <input type="checkbox"/>		
14 State name		8 Profit or (loss) realized in 2023 on closed contracts \$		9 Unrealized profit or (loss) on open contracts—12/31/2022 \$		
15 State identification no.		10 Unrealized profit or (loss) on open contracts—12/31/2023 \$		11 Aggregate profit or (loss) on contracts \$		
16 State tax withheld \$		12 If checked, basis reported to IRS <input type="checkbox"/>		13 Bartering \$		

Form **1099-B** (Keep for your records) www.irs.gov/Form1099B Department of the Treasury - Internal Revenue Service



## **Additional return processing items and / or information:**

### **Form 8949 – Capital Assets**

### **8867 Due Diligence**

Return Is eligible for CTC/ODC/HOH

- ✓ Part I - Due diligence requirements were met
- ✓ Part III - Return is eligible for CTC/ODC
- ✓ Part V - Due diligence for Head of Household
- ✓ Part VI - Confirm that due diligence requirements have been met

Proof of Residency

- ✓ School records
- ✓ Medical records
- ✓ Property tax bills

**Target Refund Amount:** \$2,878

**Refund Disbursement Option:** IRS Direct Deposit

### **Account Info:**

- Bank: Bank of America
- Account: 123456789
- Routing: 121000358
- Type: Checking

### **Return Answer Key:**

- Total income: \$78,701
- Standard deduction: \$19,400
- Taxable income: \$59,301
- Tax: \$3,997
- Non-refundable credit: \$3,000
- Total Tax: \$997
- Withholding: \$3,875
- Refund: \$2,878

### **Additional Resources:**

For more information on Capital Gains, visit IRS.gov: [Publication 544 – Sales and Other Dispositions of Assets](#). This publication explains the tax rules that apply when you dispose of property. It discusses:

- How to figure a gain or loss
- Whether it is ordinary or capital
- How to treat the gain or loss
- How to report a gain or loss

# Intermediate Practice Return

# 04

**Summary:** Married Filing Joint Taxpayers with Dependents, W-2 Wages and Self-Employment Income with Expenses, including Assets.

**Background:** Married Filing Joint Taxpayers that cannot be claimed as dependents on another return and are not blind or disabled. Taxpayers are claiming their son and daughter as qualifying dependents. The primary taxpayer is self-employed and reporting income and expenses, including assets, for a construction business. The spouse is reporting Form W-2 wages received from her employer. The primary residence of the Taxpayer, spouse and dependents was the United States for the entire year.

## Client Data:

Taxpayer Information	Field Value
SSN	20616XXXX
Date of birth	072188
Name	Assets Business
Occupation	Self Employed
Address	1040 Return Way
Zip code	Input your zip code
Home Phone	2062092653

Spouse Information	Field Value
SSN	20716XXXX
Date of birth	090989
Name	Spouse Business
Occupation	Clerk
Home Phone	2062092653

Address	Zip Code
1040 Return Way	Input your zip code

Dependent Information	Field Value
Name	Depone Business
Date of birth	030303
SSN	608167766
Relationship	Son
Months lived with the taxpayer	12
Dependent code	1
EIC code	E
CTC/ODC code	D

Dependent Information	Field Value
Name	Deptwo Business
Date of birth	040404
SSN	609167766
Relationship	Daughter
Months lived with the taxpayer	12
Dependent code	1
EIC code	E
CTC/ODC code	C

Available documentation:

Spouse Form W-2:

22222		Void <input type="checkbox"/>	a Employee's social security number 207-16-██████		For Official Use Only ▶ OMB No. 1545-0008		
b Employer identification number (EIN) 36-3549271			1 Wages, tips, other compensation 34,154		2 Federal income tax withheld 2,762		
c Employer's name, address, and ZIP code MARKETING WERKS INC  130 E RANDOLP ST 2400 CHICAGO IL 60617			3 Social security wages 34,154		4 Social security tax withheld 2,118		
			5 Medicare wages and tips 34,154		6 Medicare tax withheld 495		
			7 Social security tips		8 Allocated tips		
d Control number			9		10 Dependent care benefits		
e Employee's first name and initial SPOUSE		Last name BUSINESS		Suff.		11 Nonqualified plans	
f Employee's address and ZIP code  1040 RETURN WAY			13 <input type="checkbox"/> Salaried employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay		12a See instructions for box 12		
			14 Other		12b		
					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

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**Primary Taxpayer Form 1099-NEC**

7171

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PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.  CONSTRUCTION LABOR CONTRACTOR LLC <b>3380 BRECKSVILLE ROAD SUITE 200 RICHFIELD OH 44286-0000-00000000</b>		OMB No. 1545-0118  Form 1099-NEC		<b>Nonemployee Compensation</b>  Copy A For Internal Revenue Service Center  File with Form 1096.  For Privacy Act and Paperwork Reduction Act Notice, see the <b>2020 General                  Instructions for                  Certain                  Information                  Returns.</b>
1 Nonemployee compensation \$ <b>8,998</b>		2		
PAYER'S TIN  <b>38-3931186</b>	RECIPIENT'S TIN  <b>206-16-7766</b>	3		
RECIPIENT'S name  <b>ASSETS BUSINESS</b>		4 Federal income tax withheld \$		
Street address (including apt. no.)  <b>1040 RETURN WAY</b>		5		
City or town, state or province, country, and ZIP or foreign postal code  <b>SANTA FE SPRINGS CA 90670</b>		6		
Account number (see instructions)		FATCA filing requirement <input type="checkbox"/>	2nd TIN not. <input type="checkbox"/>	
5 State tax withheld \$		6 State/Payer's state no.	7 State income \$	

Form 1099-NEC 1037 CPTS 0USNC1 www.irs.gov/Form1099NEC Department of the Treasury - Internal Revenue Service  
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**Additional return processing items and / or information:**

**Primary Taxpayer: Self-Employed Construction Business**

Business Income (Schedule C)	Field Value
Principle business	Construction
Business code	237310
Activity description	HIGHWAY STREET BRIDGE CONSTRUCTION
Business address	Same as CDS
Accounting method	Cash
Qualified business indicator	N

**Income**

- Cash: \$11,675 (in addition to the Primary Taxpayer Form 1099-NEC provided in **Available Documentation** section above)

**Expenses**

- Advertising: \$895
- Office expense: \$220
- Machinery and equipment: \$2,315
- Meals: \$627

## Assets:

Asset #1	Field Value
Description	Tools
Date placed in service	010120
Business asset class code	Equipment used in construction
Cost basis	6725
Bonus depreciation	No

Asset #2 – Vehicle Allocation	Field Value
Description	Ford F150
Date placed in service	010120
Business asset class code	Light duty truck under 6000 lbs
Cost basis	21600
Bonus depreciation	No

## Special Depreciation Allowance:

If you wish to elect out of this Special Depreciation Allowance

Please check the box to the right



## Vehicle Use and Deduction

	Yes / No
Was the vehicle available for personal use?	<input checked="" type="radio"/> <input type="radio"/>
Vehicle used by a more than 5% owner?	<input checked="" type="radio"/> <input type="radio"/>
Is another vehicle available for personal use?	<input type="radio"/> <input checked="" type="radio"/>
Do you own this vehicle?	<input checked="" type="radio"/> <input type="radio"/>
Force Actual Expenses?	<input checked="" type="radio"/> <input type="radio"/>
Force Standard Mileage Rate?	<input type="radio"/> <input checked="" type="radio"/>
Was ACRS/MACRS used in any Previous Year?	<input type="radio"/> <input type="radio"/>

## Mileage/Expenses

- Total vehicle mileage: 4,965
  - Activity miles: 3,440
    - Pre 7/1 miles: 1,400
    - Post 6/30 miles: 2,040
  - Actual expense: \$1,595
  - Parking fees and tolls: \$220
  - Total taxes: \$398
- ✓ Do you have evidence to support your deduction? **Yes**
- ✓ If yes, is this evidence written? **Yes**

## EIC Worksheet

- ✓ Qualifying children are unmarried
- ✓ Qualifying children cannot be claimed by any other individual

## 8867 Due Diligence

- ✓ Return Is eligible for EIC/CTC/ACTC
- ✓ Part I - Due diligence requirements were met
- ✓ Part II - Return is eligible for EIC
- ✓ Part III - Return is eligible for CTC/ACTC
- ✓ Part VI - Confirm that due diligence requirements have been met

## Proof of Residency

- ✓ School records
- ✓ Medical records

## Proof of Business Existence

- ✓ Forms 1099

**Target Refund Amount:** \$4,211

**Refund Disbursement Option:** IRS Paper Check

## Return Answer Key:

- Total income: \$45,144
- Standard deduction: \$25,900
- Taxable income: \$18,468
- Tax: \$1,848
- Non-refundable credit: \$1,848
- Other Taxes: \$1,552
- Withholding: \$2,762
- Refundable credit: \$3,001
- Refund: \$4,211

## Additional Resources:

For more information on Self-Employed, visit IRS.gov: [Publication 334 – Tax Guide for Small Business](#) (For Individuals Who Use Schedule C) | [Español](#). This publication contains general information about the federal tax laws that apply to small business owners who are sole proprietors and to statutory employees.

1040 Software

**Advanced**

RETURNS



# Advance Practice Return

# 01

**Summary:** Married Filing Joint Taxpayers claiming Dependents and a Qualifying Individual, and Rental Property with Assets

**Background:** Married Filing Joint Taxpayers that cannot be claimed as dependents on another return and are not blind or disabled. Taxpayers are claiming their two children as dependents and a parent as a qualifying individual. The primary taxpayer and spouse manage a rental property jointly as a source of income and have expenses including assets to report. The primary residence of the Taxpayer and dependents was the United States for the entire year.

## Client Data:

Taxpayer Information	Field Value
SSN	20617XXXX
Date of birth	060686
Name	Income Rental
Occupation	Landlord
Home phone	2062092653

Spouse Information	Field Value
SSN	20717XXXX
Date of birth	070787
Name	Spouse Rental
Occupation	Landlord
Home Phone	2062092653

Address	Zip Code
1040 Return Way	Input your zip code

Dependent Information	Field Value
Name	Depone Rental
Date of birth	040404
SSN	20817XXXX
Relationship	Son
Months lived with the taxpayer	12
Dependent code	1
EIC code	E
CTC/ODC code	C



Dependent Information	Field Value
Name	Deptwo Rental
Date of birth	050505
SSN	20917XXXX
Relationship	Daughter
Months lived with the taxpayer	12
Dependent code	1
EIC code	E
CTC/ODC code	C

Dependent Information	Field Value
Name	Depthree Rental
Date of birth	060636
SSN	21017XXXX
Relationship	Parent
Months lived with the taxpayer	12
Dependent code	3
EIC code	N
CTC/ODC code	D

Property A (Schedule E)	Field Value
Address	123 First Rental Rd
Zip code	Input your zip code
Property type	1
Number of days rented	365
Qualified business income indicator	N
Liability	Joint

Available Documentation: N/A

Additional return processing items and / or information:

Primary Taxpayer and Spouse: Rental Property

#### Income

- Cash rents received: 89,257

#### Expenses

- Advertising: 1275
- Cleaning and maintenance: 2755
- Insurance: 1288
- Mortgage interest: 3475
- Repairs: 1339
- Taxes: 4812

**Assets:**

Asset #1	Field Value
Description	123 First Rental Rd
Date placed in service	010122
Business asset class code	Residential rental property
Cost basis	378000

Asset #2 – Vehicle Allocation	Field Value
Description	Tundra
Date placed in service	010122
Business asset class code	Light duty truck
Cost basis	37125
Bonus depreciation	Elect out
Deduction	Standard mileage

**Special Depreciation Allowance:**

If you wish to elect out of this Special Depreciation Allowance  
Please check the box to the right

**Vehicle Use and Deduction**

	Yes / No
Was the vehicle available for personal use?	<input type="radio"/> <input checked="" type="radio"/>
Vehicle used by a more than 5% owner?	<input checked="" type="radio"/> <input type="radio"/>
Is another vehicle available for personal use?	<input checked="" type="radio"/> <input type="radio"/>
Do you own this vehicle?	<input checked="" type="radio"/> <input type="radio"/>
Force Actual Expenses?	<input type="radio"/> <input checked="" type="radio"/>
Force Standard Mileage Rate?	<input checked="" type="radio"/> <input type="radio"/>
Was ACRS/MACRS used in any Previous Year?	<input type="radio"/> <input type="radio"/>

**Mileage/Expenses**

- Total vehicle mileage: 4,675
- Activity mileage: 4,675
- ✓ Do you have evidence to support your deduction? **Yes**
- ✓ If yes, is this evidence written? **Yes**

**8867 Due Diligence**

**Return Is eligible for CTC/ODC**

- ✓ Part I - Due diligence requirements were met
- ✓ Part III - Return is eligible for CTC/ODC
- ✓ Part VI - Confirm that due diligence requirements have been met

**Proof of Residency**

- ✓ School records
- ✓ Medical records

**Target Refund Amount:** Zero Due

**Refund Disbursement Option:** IRS Check

**Return Answer Key:**

- Total income: \$58,312
- Standard deduction: \$25,900
- Taxable income: \$32,412
- Tax: \$3,480
- Non-refundable credit: \$3,480
- Refund: Zero Due

**Additional Resources:**

For more information on rental property (including Vacation Rental Property), visit IRS.gov: [Publication 527 – Residential Rental Property](#).

# Advance Practice Return

# 02

**Summary:** Single Taxpayer with W-2 Wages and Itemizing Deductions

**Background:** Taxpayer is single under the age of 65, cannot be claimed as a dependent, is not blind or disabled. Taxpayer received a Form W-2 from his employer, will be itemizing deductions on Form Schedule A and will not be claiming any dependents. The primary residence of the Taxpayer was the United States for the entire year.

**Client Data:** Taxpayer

Taxpayer Information	Field Value
SSN	206-21-XXXX
Date of birth	090190
Name	Deductions Itemized
Occupation	Sales
Home Phone	2062092653
Address	1040 Return Way
Zip code	Input your zip code

**Available Documentation:** Taxpayer Form W-2

22222		Void <input type="checkbox"/>	a Employee's social security number 206-21-XXXX		For Official Use Only OMB No. 1545-0008	
b Employer identification number (EIN) 13-1988404			1 Wages, tips, other compensation 69,500		2 Federal income tax withheld 6,650	
c Employer's name, address, and ZIP code FOOT LOCKER RETAIL INC  3543 SIMPSON FERRY ROAD NORWALK CA 90650			3 Social security wages 69,500		4 Social security tax withheld 4,309	
			5 Medicare wages and tips 69,500		6 Medicare tax withheld 1,008	
			7 Social security tips		8 Allocated tips	
d Control number			9		10 Dependent care benefits	
e Employee's first name and initial DEDUCTIONS		Last name ITEMIZED	Suff.	11 Nonqualified plans		12a See instructions for box 12
f Employee's address and ZIP code  1040 RETURN WAY			13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>	12b		12c
			14 Other	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

Copy A For Social Security Administration -- Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable.

SPA 1037 CPTS 9US021

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Department of the Treasury—Internal Revenue Service  
For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

**Additional return processing items and / or information:**

The taxpayer will itemize deductions using Schedule A.

**Itemized deductions:**

- State sales tax: \$828
- Real Estate tax: \$5,250
- Mortgage Interest: \$12,500
- Contributions
  - Cash contributions: \$815
  - Non-cash (Goodwill): \$175

**Target Refund Amount:** \$49

**Refund Disbursement Option:** IRS Check

**Return Answer Key:**

- Total income: \$69,500
- Itemized deductions: \$19,568
- Taxable income: \$49,932
- Tax: \$6,601
- Withholding: \$6,650
- Refund: \$49

**Additional Resources:**

For more information on itemizing deductions, visit IRS.gov: [About Schedule A \(Form 1040\), Itemized Deductions](#) and [Publication 529 – Miscellaneous Deductions](#).