SOLUTIONS FOR

QUESTIONS AND PROBLEMS

CHAPTER 1

THE INDIVIDUAL INCOME TAX RETURN

Group 1 - Multiple Choice Questions

1.	D	(LO 1.1)	7. C	(LO 1.5)	15. A	(LO 1.8)
2.	D	(LO 1.2)	8. E	(LO 1.6)	16. E	\$25,000 = \$275,000 -
3.	Α	(LO 1.3)	9. C	(LO 1.6)		(\$285,000 – \$35,000) (LO 1.8)
4.	C	(LO 1.3)	10. C	(LO 1.6)	17. C	\$45,000 = \$48,000 - \$3,000
5.	В	\$98,000 - \$19,000 - \$3,800	11. B	(LO 1.6)		(LO 1.8)
		= \$75,200 (LO 1.3)	12. B	(LO 1.7)	18. D	(LO 1.10)
6.	C	\$5,950 + \$3,800 = \$9,750	13. B	(LO 1.7)		
		(LO 1.4)	14. E	(LO 1.8)		

Group 2 - Problems

- 1. a. Raising revenue to operate the government.
 - b. Furthering economic goals such as reducing unemployment.
 - c. Furthering social goals such as encouraging contributions to charities. (LO 1.1)
- 2. a. \$36,500 = \$41,000 + 500 5,000.
 - b. \$11,900, the greater of itemized deductions or the standard deduction of \$11,900.
 - c. $\$17,000 = \$36,500 11,900 (2 \times \$3,800)$. (LO 1.3)
- 3. a. **\$23,000.**
 - b. \$5,950, the greater of total itemized deductions or the standard deduction amount.
 - c. \$13,250 = \$23,000 5,950 3,800. (LO 1.3)
- 4. a. \$52,700 = \$54,000 + 1,700 3,000 (\$7,000 capital loss limited to \$3,000)
 - b. **\$5,950**
 - c. \$3,800
 - d. \$42,950 = \$52,700 5,950 3,800 (LO 1.3)
- 5. Gross income
 - Deductions for adjusted gross income
 - = Adjusted gross income
 - Greater of itemized deductions or standard deduction
 - Exemptions
 - = Taxable income (LO 1.3)
- 6. a. \$48,079 = \$46,479 + 3,500 1,900.
 - b. \$11,900, the greater of itemized deductions or the standard deduction of \$11,900.
 - c. $$28,579 = $48,079 11,900 (2 \times 3,800).$
 - d. \$3,416 (Tax Table) (LO 1.3 and 1.5)

7.	Adjus	ted gross income	\$17,400			
	Less:	Itemized deductions	-2,250			
		One exemption	<u>-3,800</u>			
	Taxab	le income	\$11.350			

Ulysses' tax liability from the Tax Table is \$1,271. (LO 1.3 and 1.5)

28 Chapter 1 – The Individual Income Tax Return

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8. Adjusted gross income ($13,000 + 1,400)
                                                $14,400
    Less: Standard deduction
                                                 -5,950
           Exemption
                                                 -3,800
    Taxable income
                                                 $4,650
    (LO 1.3 and 1.5)
    (Note: See Chapter 6 for the tax computation for dependent college students under age 24.)
9. a. \$35,250 = \$45,000 - 5,950 - 3,800.
    b. Taxpayers with incomes up to $100,000 must use the tax tables.
    c. $4,856. (LO 1.3 and 1.5)
10. a. $68,000 = $50,000 + 10,000 + 5,000 + 3,000.
    b. \$64,800 = \$68,000 - 3,200.
    c. $12,000.
    d. 5. Two personal and three dependency exemptions.
    e. \$33.800 = \$64.800 - 12.000 - 19.000 (5 \times 3.800).
       $4,204 (LO 1.3, 1.5, 1.6 and 1.7)
11. a.
       $87,000 = $83,000 + 4,000.
    b. \$7,600 = 2 \times \$3,800.
    c. \$67,400 = 87,000 - 12,000 - 7,600. (LO 1.3, 1.5, 1.6 and 1.7)
12. Taxable income is: \$30,250 = \$40,000 - 5,950 - 3,800. Tax liability: \$4,106. (LO 1.3, 1.5, 1.6, 1.7)
13. Yes.
             Since Nicoula owes social security taxes on the unreported tips, she must file an income tax return.
             (LO 1.4)
              Income is less than the sum of the $3,800 exemption plus the $5,950 standard deduction.
14. a. No.
              Gross income is more than the larger of $950 or $1,850 (earned income of $1,550 plus $300).
    b. Yes.
    c. No.
              Their income is under $20,650, the total of personal exemptions and the standard deduction.
              Gross income is less than $19,500, the total of personal exemptions and the standard deduction.
    d. No.
    e. Yes. His earnings exceeded the $400 limit for self-employed persons. (LO 1.4)
              (Note: All answers can be found in the figures in LO 1.4.)
15. Allen
                     $2,719.
    Boyd
                     $3,244.
                     $4,496.
    Caldwell
                     $3,501.
    Dell
   Evans
                     $7,286. (LO 1.5)
16. a. D
    b. D
    c. A
    d. A
    e. B or C (LO 1.5)
17. a. Because their income exceeds $100,000, the tax rate schedules must be used.
    b. \$17,560 = \$9,735 + 7,825 (25\%(102,000 - 70,700)). (LO 1.5)
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- 18. They may file either as married filing joint or married filing separately. They must file married, since they were married by year-end. (LO 1.5)
- 19. Head of household. Maggie's parents meet the tests to qualify as her dependents. Maggie is single. Additionally, she provides a home for her parents. Parents are the only exception to the requirement that dependents must live in the same household as the taxpayer to qualify the taxpayer for head of household status. (LO 1.5)

20. Single. Unmarried with no dependents

Head of household. Single or abandoned spouse, with qualifying dependents Qualifying widow(er). Spouse died within the past 2 years; qualifying dependents. (LO 1.5)

- 21. a. Yes, her son qualifies as a dependent.
 - b. No. Her son must live in the same household as Mary, so Mary cannot use the head of household filing status. (LO 1.5 and 1.6)
- 22. a. **2.** One personal and one dependency.
 - b. 2. Two personal. The sister does not qualify as a dependent.
 - c. 2. One personal and one dependency.
 - d. 2. One personal and one dependency.
 - e. **2.** Two personal. (LO 1.6)
- 23. **\$11,400.** 3 exemptions at \$3,800 each. (LO 1.6)
- 24. No. Because Charles is self-supporting, his parents may not claim him as a dependent. The self-support test is applied to both children and relatives who otherwise qualify, so Charles is disqualified either way. (LO 1.6)
- 25. No. Phillip cannot be claimed as a dependent because he is not a citizen. (LO 1.6)
- 26. The standard deduction is an amount that varies with filing status, age and vision, but not by type of individual deduction. Total itemized deductions depend on the amount and type of items, with some items having limitations based on AGI. They include medical expenses, certain taxes, certain interest expense, charitable contributions and miscellaneous deductions
 - A taxpayer should claim the larger of the standard deduction or the total allowed itemized deductions to reduce the taxpayer's income subject to tax as much as possible. (LO 1.7)
- 27. The answer will vary depending on the date the problem is assigned and completed. The purpose of the problem is to familiarize the student with the Internet sites. (LO 1.9)
- 28. The blank forms are not reproduced here. By the time the student is assigned this problem, the current year's forms should be available. (LO 1.9)
- 29. Instructions are not reproduced here. Current year's instructions should be available. (LO 1.9)
- 30. As of the date this solutions manual was prepared, the answers were:
 - a. www.ftb.ca.gov/
 - b. www.tax.state.ny.us (LO 1.9)

Group 3 - Writing Assignments

1. Research Solution:

Whittenburg, Gill, and Altus-Buller, CPAs San Diego, CA February 20, 20xx Mr. and Mrs. William Carson

Mr. and Mrs. William Carson 3276 Lakeline Drive San Diego, CA

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Dear William and Sheila,

Thanks for requesting my advice concerning the tax treatment of your brother Jerry. I have researched your question and am sorry to say that you cannot claim Jerry as a qualifying child.

Although Jerry meets the relationship, domicile, joint return, citizenship, and self-support test, he does not meet the age test. Even though he is a full-time student and under the age of 24, in order to be your qualifying child, he must be younger than at least one of you.

Although you can't claim him as a qualifying child, there is a possibility that you could claim Jerry as a qualifying relative if he makes less than \$3,800.

My conclusion is based upon the facts that you have provided me. I'm sorry that the news was not more favorable. If you have any questions or would like further explanation, please don't hesitate to call.

Sincerely,

Trevor Malcolm

for Whittenburg, Gill, and Altus-Buller, CPAs

2. Ethics Solution:

Individuals who are married as of the last day of the tax year are considered to be married. Married taxpayers have only two filing status options: married filing joint or married filing separate. In order to file single, taxpayers must be unmarried or legally separated from their spouse as of the last day of the tax year. Not only would it be unethical for Jason and Mary to file single, it would be against the law.

Group 4 - Comprehensive Problems

The 2012 Form 1040 and many other schedules and forms are not available as we go to press. The solutions presented here show 2012 tax calculations on 2011 forms and schedules. For solutions updated to 2012 forms and schedules, please see the Web site for the text at www.cengage.com/taxation/whittenburg.

- 1. See page 31.
- 2A. See pages 32 and 33.
- 2B. See pages 34 and 35.

Group 5 - Cumulative Software Problem

The solution to the Cumulative Software Problem is posted on the Internet site for the text at http://www.cengage.com/taxation/whittenburg.

Comprehensive Problem 1

	Departm	ent of the Treasury-Int	ernal Revenue Ser	vice									
Form	Inco	me Tax Retu	rn for Sing	gle and									
1040EZ	Joint Filers With No Dependents (99) 2012									OMB No. 1545-0074			
Your first name a			Last name		(/				Your	social secu		ıber	
Patty					40	66 33	1234	1					
If a joint return, s	pouse's first na	ame and initial	Last name	ναη						se's social se			
Home address (n	umber and stre	eet). If you have a P.O.	box, see instruc	tions.				Apt. no.	A	Make sure	the SSN	V(s)	
543 Spac	e Drive									above ar			
City, town or post of	office, state, and	ZIP code. If you have a	foreign address, al	lso complete	spaces below (se	e instructions).			Presi	idential Election	on Camp	aign	
Houston,	TX 7	7099								here if you, or yo			
Foreign country r		U //		Foreign p	rovince/state/co	unty	Foreig	gn postal cod		want \$3 to go to below will not cha			
									refund.			Spouse	
Income	1 '	Wages, salaries, and	d tips. This sho	ould be sh	own in box 1	of your Form	n(s) W-2.						
	1	Attach your Form(s) W-2.						1	19,4	² 00		
Attach Form(s) W-2													
here.	2	Γaxable interest. If	the total is ove	er \$1,500,	you cannot us	e Form 1040	EZ.		2				
Enclose, but do													
not attach, any	3 1	Unemployment con	npensation and	l Alaska P	ermanent Fun	d dividends ((see instru	actions).	3				
payment.										10			
		Add lines 1, 2, and							4	19,4	<u> 200 </u>		
		If someone can clai		-	-								
	t	the applicable box(e		enter the a	amount from the	ne worksheet	t on back.						
		You	Spouse										
		If no one can claim		•			if single;	;	_	ο.	750		
		\$19,500 if married							5	<u> </u>	750	<u> </u>	
		Subtract line 5 from		5 is large	r than line 4, e	nter -0				0.4	·		
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and Tax		Add lines 7 and 8a.		r total na					9	3 /	200		
		Fax. Use the amou	-		•		in the				000		
		nstructions. Then,			•				10	1/	016		
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Have it directly deposited! See	, ,	Dti			_	.					<u> </u>		
instructions and	▶ p ₁	Routing number				► c Type:	Check	ing Sa	avings				
fill in 11b, 11c, and 11d or		Account number		1 1		1 1 1	1 1						
Form 8888.	▶ d 4	recount number											
Amount		If line 10 is larger th											
You Owe		he amount you ow							12				
Third Party	Do you v	vant to allow another	er person to dis	scuss this	return with the	e IRS (see ins	structions)? 📙 Y	es. Con	nplete belov	w	No	
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Sign	accurately	nalties of perjury, I de lists all amounts and	sources of incor	me I receive	ed during the tax	k year. Declara	tion of pre	parer (other	than the	taxpayer) is	based		
Here		rmation of which the p	reparer has any	knowledge.	Date	Your occupat	tion		Daytim	e phone num	hor		
Joint return? See instructions.	Your signa	ature			Date			1. +	Daytiiii	e priorie riuri	ibei		
	Spouse's signature. If a joint return, both must sign. Date Spouse's occupation							If the IDC	S sent you an Id	ontity Drot	taction		
Keep a copy for your records.	Оройзе з	Signature. II a joilit let	um, Dour must s	igil.	Date				PIN, ente	erit 📉	entity Prot	ECHOIL	
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Comprehensive Problem 2A

Form		rtment of the Treasury												
1040A	U.S	S. Individual	Income ⁻	Γax Re	turn	(99)	20 ⁻	12	IRS	S Use Or	nly—D	o not v	vrite or staple in this	s space.
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											İ	Your	social security nur	nber
Leon				Lazo								46	7 74 445	1
If a joint return, spouse	's first n	ame and initial	Last nam									Spous	e's social security n	umber
Leslie				Lazo								46	6 47 331	1
Home address (number	r and sti	reet). If you have a P.C	. box, see instr	uctions.						Apt. n	о.	▲ M	ake sure the SSN(s) above
143 Snapdrag	on Dr	rive											and on line 6c are co	
City, town or post office, s	state, and	d ZIP code. If you have a	foreign address,	also complet	te space	es below (see	instructio	ns).				Pres	idential Election Car	npaign
Reno, NV Foreign country name	8210	12											ere if you, or your spouse	
Foreign country name				Foreign	provir	ce/state/co	unty		Foreign	n postal o	ode		ant \$3 to go to this fund. low will not change your	
												refund.	You 🔀	
Filing	1 [Single		'			4	Head of	housel	nold (wi	th qu	alifying	person). (See instr	ructions.)
status	2	Married filing j	ointly (even	if only on	e had	d income))	If the qua	alifying	perso	n is a	child	but not your depe	endent,
Check only	3	Married filing se	parately. Ente	er spouse's	SSN	above and	b	enter this	s child	's name	e here	e. >		
one box.		full name here.					5	Qualifyir	ng wid	ow(er)	with (depen	dent child (see inst	ructions)
Exemptions	6a	x Yourself.	If someone	can cla	im yo	ou as a c	depend	dent, do	not	check	(1	Boxes	
			box 6a.									}	checked on 6a and 6b	2
	b	Spouse										J	No. of children	
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If more than six				(2) Dependent's security number				(3) Dependent's relationship to you		age 17 o			you	1
dependents, see		(1) First name	Last name				10.00	5110111P 10	,		ruction		 did not live 	
instructions.		Lyle	Lazo	552	52	5552	Soi	Son					with you due to divorce or	
		<i>0</i>											separation (see	
													instructions)	
													Dependents on 6c not	
													entered above	
													Add numbers	
													on lines	3
	d	Total number	of exemption	ons clain	ned.								above ►	ب
Income	_				_									
	7	Wages, salarie	s, tips, etc	. Attach	Form	ı(s) W-2.						7	50,000	
Attach	_													
Form(s) W-2 here. Also	8a	Taxable intere										8a		
attach	b	Tax-exempt in						b						
Form(s)	9a	Ordinary divide				it requir						9a		
1099-R if tax	<u>b</u>	Qualified divid	•				9	b				4.0		
was withheld.	10	Capital gain di	stributions	(see inst	tructi	ons).	441-	T				10		
withinela.	11a	IRA	44				11b	Taxabl				441		
If you did not get a W-2, see	10-	distributions.	11a				12b	(see in				11b		
instructions.	12a	Pensions and	100				120	Taxabl				10h		
		annuities.	12a					(see in	struc	tions).		12b		
Enclose, but do not attach, any	10	Linompleymen	+	ation on	ما ۸ ام	aka Darr		t Fund	مانرنط	anda		13		
payment. Also,	13	Unemploymen		alion an	u Ala	SKA FEII		Taxabl				13		
please use Form 1040-V.	148	Social security benefits.	14a				14b					14b		
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		10 10 11			2 , 3									1
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For Disclosure, P											No. 1			(2012)

Comprehensive Problem 2A, cont.

Form 1040A (2012)									P	age 2
Tax, credits,	22	Enter the amount from line 21	(adjusted	d gross inc	ome).				22	50,000	
and	23a	Check You were born before	January 2	2, 1948, 🔲	Blind)	Total b	oxes		1	,	•
payments		if: Spouse was born befo	re January	2, 1948, 🔲	Blind J	check	ed ▶ 23a]		
paymonto	b	If you are married filing separa	tely and	your spous	se item	nizes					
Standard		deductions, check here					▶ 23b				
Deduction for—	24	Enter your standard deduction							24	11,900	
People who	25	Subtract line 24 from line 22. I				22, ent	er -0		25	<i>38,100</i>	
check any box on line	26	Exemptions. Multiply \$3,800							26	11,400	
23a or 23b or who can be	27	Subtract line 26 from line 25. I	f line 26 i	s more tha	ın line :	25, ent	er -0			,	
claimed as a dependent,		This is your taxable income.							27	26,700	
see	28	Tax, including any alternative				ions).			28	3,139	
instructions. • All others: • All others:								·			
Single or		Form 2441.				29			_		
Married filing separately,	30	Credit for the elderly or the dis	sabled. A	ttach							
\$5,950		Schedule R.				30			_		
Married filing jointly or	31	Education credits from Form 8				31			_		
Qualifying	32	Retirement savings contribution	ons credi	t. Attach							
widow(er), \$11,900		Form 8880.				32			_		
Head of household,	33	Child tax credit. Attach Sched				33					1
\$8,700	34	Add lines 29 through 33. Thes							34		
	35	Subtract line 34 from line 28. I	f line 34 i	s more tha	in line	28, ent	er -0 This	IS	0.5		
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	27	1099.	and ama	unt applia	۷	36	4,600		-		
If you have	37	2012 estimated tax payments from 2011 return.	and amo	uni applied	J	27					
a qualifying [200					37			_		
Schedule		Earned income credit (EIC). Nontaxable combat pay				38a					
EIC.	D	election.	38b								
	39	Additional child tax credit. Atta		dula 8812	_	39					
	40	American opportunity credit fr				40			-		
	41	Add lines 36, 37, 38a, 39, and					nts		41	4 600	
	42	If line 41 is more than line 35,					11101		71	4,600	
Refund		This is the amount you overpa							42	1,461	
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See instructions	D	number		c Type:	_ Che	cking	Savings				
and fill in 43b, 43c,	▶ d	Account									
and 43d or Form 8888.	44	number 1						T	-		
1 01111 0000.	44	Amount of line 42 you want ap 2013 estimated tax.	opilea to	your		44					
	45	Amount you owe. Subtract lin	20 /11 from	n lino 35 E	or dot	· · ·	how to no	,	_		
Amount	75	see instructions.	16 41 1101	11 11116 00. 1	or det	ans on	now to pay		45		
you owe	46	Estimated tax penalty (see ins	tructions)		46		T	70		
Third porty	_	o you want to allow another person to d			e IRS (s		ctions)? Ye	es. Co	mplete	the following.	No
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designee		esignee's ame		Phone no. ▶				er (PIN)		"▶	
0:	U	nder penalties of perjury, I declare that I have	examined th	is return and ac	compan	ying sche	dules and stater	ments,	and to t	he best of my kno	wledge
Sign	th	nd belief, they are true, correct, and accurated an the taxpayer) is based on all information of	f which the p	reparer has any	knowled	ome i rec lge.	eived during the	tax ye	ar. Deci	aration of prepare	r (otner
here	Y	our signature		Date	Your o	ccupation	1	Da	ytime p	hone number	
Joint return? See instructions.					1 2	<u>Butche</u> e's occup	μ				
Keep a copy	S	oouse's signature. If a joint return, both must	sign.	Date	1					nt you an Identity Prot	ection
tor vour rocordo					\perp t	Homemo			l, enter it e (see ins		
for your records.											
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Comprehensive Problem 2B

Form 1040A		rtment of the Treasury—In			(99)	201	2	IR	S Use On	ıly—E	Do not v	vrite or staple in this	s space.
Your first name and ini	tial		Last name								-	OMB No. 1545-007	4
4.			_								Your	social security nun	nber
Abigail			B	Boxer							676 73 3311		
If a joint return, spouse	e's first n	ame and initial	Last name	ast name							Spouse's social security number		
		reet). If you have a P.O. bo							Apt. no	ο.		ake sure the SSN(s) and on line 6c are co	
San Antonio,	state, and	d ZIP code. If you have a fore 18249	ign address, al	lso complete space	s below (see	instruction	ıs).				Check h	idential Election Can ere if you, or your spouse	if filing
Foreign country name			Foreign province/state/county Foreign					n postal c	ode		vant \$3 to go to this fund. elow will not change your You		
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 qualifyin lf the qualifying person is a child enter this child's name here. ► 5 ☐ Qualifying widow(er) with deper							child e. ►	but not your depe	endent,			
Exemptions	6a	Yourself. If s	omeone	can claim vo	ou as a d		<u> </u>	_	. ,)	Boxes	- 401.01.07
Exemptions	b	_	x 6a.	,							}	checked on 6a and 6b No. of children on 6c who:	
If more than six	С	Dependents:		(2) Dependen			ependen		(4) if child und age 17 qualifying fo child tax credit (se			lived with you	1
dependents, see instructions.	(1) First name La		ast name							uction		 did not live with you due to divorce or 	
												separation (see instructions)	
												Dependents on 6c not entered above	
										Н			
	d	Total number of e	exemption	ns claimed.								Add numbers on lines above ▶	2
Income	7	Wages, salaries,	tips, etc. <i>i</i>	Attach Form	(s) W-2.						7	42,500	
Attach Form(s) W-2 here. Also	8a b									230			
attach	9a	Ordinary dividend									9a		
Form(s) 1099-R if tax	b	Qualified dividend				9b							
was	10	Capital gain distri	Capital gain distributions (see instructions).								10		
withheld. If you did not	11a	distributions.	11a				Taxable (see ins				11b		
get a W-2, see instructions.	12a	Pensions and annuities.	12a				Taxable (see ins				12b		
Enclose, but do not attach, any	do										10		
payment. Also, please use Form		Social security	ompensa	tion and Alas	ska Peri		Taxable				13		
1040-V.	140	benefits.	14a				(see ins				14b		
	15	Add lines 7 through	gh 14b (fa	ar right colun	nn). This	is you	r total	inco	me.	<u> </u>	15	42,730	
Adjusted	40		, .										
gross	16												
income	17 18												
	19	Tuition and fees.	Attach Fo	orm 8917		19)						
	20	Add lines 16 thro			ur total a						20		
	21	Subtract line 20 f	rom line 1	15. This is yo	our adju s	sted gi	oss in	com	e.	<u> </u>	21	42,730	
For Disclosure, F	Privacy	v Act. and Paperwo	rk Reduct	ion Act Notic	e see s	enarate	instru	ction	S Cat	No.	11327Δ	Form 1040A	(2012)

Comprehensive Problem 2B, cont.

Form 1040A (2012)							Pa	age 2			
Tax, credits,	22	Enter the amount from line 21	(adjusted	d gross inco	ome).		22	42,730				
and	23a											
payments		if: Spouse was born before			Blind checke	ed ▶ 23a						
payments	b	If you are married filing separa				_						
Standard		deductions, check here ► 23b										
Deduction for—	24	Enter your standard deduction	n.				24	8,700				
People who	25	Subtract line 24 from line 22. I	f line 24	is more thar	n line 22, ente	er -0	25	34,030				
check any box on line	26	Exemptions. Multiply \$3,800					26	7,600				
23a or 23b or who can be	27	Subtract line 26 from line 25. I		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,								
claimed as a		This is your taxable income.			,		▶ 27	26,430				
dependent, see	28	Tax, including any alternative	minimum	tax (see in:	structions).		28	3,344				
instructions.	29	Credit for child and dependen	care ex	penses. Att	ach			- 0,011				
All others: Single or		Form 2441.			29							
Married filing	30	Credit for the elderly or the dis	abled. A	ttach								
separately, \$5,950		Schedule R.			30							
Married filing	31	Education credits from Form 8	863, line	19.	31							
jointly or Qualifying	32	Retirement savings contribution	ns credi	t. Attach								
widow(er), \$11,900		Form 8880.			32							
Head of	33	Child tax credit. Attach Sched	ule 8812	, if required	. 33							
household, \$8,700	34	Add lines 29 through 33. Thes				,	34					
ψο, ι σο	35	Subtract line 34 from line 28. I	f line 34	is more thar	n line 28, ente	er -0 This i	s					
		your total tax.					35	3,344				
	36	Federal income tax withheld fr	om Form	ns W-2 and								
		1099.			36	5,160						
If way bays	37	2012 estimated tax payments	and amo	unt applied								
If you have a qualifying		from 2011 return.			37							
child, attach	38a	Earned income credit (EIC).			38a							
Schedule EIC.	b	Nontaxable combat pay				'						
		election.	38b									
	39	Additional child tax credit. Atta	ch Sche	dule 8812.	39							
	40	American opportunity credit from	om Form	8863, line	8. 40							
	41	Add lines 36, 37, 38a, 39, and	40. Thes	se are your t	total paymer	nts.	▶ 41	5,160				
Refund	42	If line 41 is more than line 35,	subtract	line 35 from	ı line 41.			,				
Retund		This is the amount you overpa	id.				42	1,816				
Direct	43a	Amount of line 42 you want refun	ded to yo	u. If Form 88	88 is attached	, check here I	► 🗌 43a	1,816				
deposit? See	▶ b	Routing		c Type:	Checking	Savings		,				
instructions	D	number LLLLLLLL		c Type.	Checking	Savirigs						
and fill in	⊾ d	Account										
43b, 43c, and 43d or	u u	number										
Form 8888.	44	Amount of line 42 you want ap										
		2013 estimated tax.			44							
Amount	45	Amount you owe. Subtract lir	ne 41 froi	m line 35. F	or details on	how to pay,						
you owe		see instructions.					▶ 45					
	46	Estimated tax penalty (see ins			46							
Third party	Do	you want to allow another person to di	scuss this	return with the	e IRS (see instruc	ctions)? 🗌 Yes	. Complet	e the following. [No			
designee	Des	signee's		Phone			al identificat	ion				
	nar			no.		number	` '	•				
Sign	Un	der penalties of perjury, I declare that I have I belief, they are true, correct, and accuratel	examined th y list all amo	iis return and aco ounts and source	companying sched as of income I rece	dules and statemerived during the t	ents, and to ax year. De	the best of my know claration of preparer	vledge (other			
here		n the taxpayer) is based on all information of	which the p		_	-						
Joint return?	You	ır signature		Date	Your occupation	,	Daytime	phone number				
See instructions.	Ν.				Account							
Keep a copy		ouse's signature. If a joint return, both must	sign.	Date	Spouse's occupa	ation	If the IRS : PIN, enter	sent you an Identity Prote	ection			
for your records.		10		-2		D.I.	here (see i	nst.)				
Paid	Prir	nt/type preparer's name	Preparer's	signature		Date	Check ▶					
preparer							self-employ					
use only	_	n's name ▶					Firm's EIN	<u> </u>				
	Firr	n's address ▶					Phone no.	10101				
								Form 1040A	(2012)			

Key Number Tax Return Summary

Chapter 1

Comprehensive Problem 1

Adjusted Gross Income (Line 4)	19,400
Taxable Income (Line 6)	9,650
Tax Liability (Line 10)	1,016
Tax Overpaid (Line 11a)	1,984

Comprehensive Problem 2A

Adjusted Gross Income (Line 21)	50,000
Deductions (Line 24)	11,900
Exemptions (Line 26)	11,400
Tax Liability (Line 35)	3,139
Tax Overnaid (Line 42)	1 461

Comprehensive Problem 2B

Adjusted Gross Income (Line 21)	42,730
Deductions (Line 24)	8,700
Exemptions (Line 26)	7,600
Tax Liability (Line 35)	3,344
Tax Overpaid (Line 42)	1,816