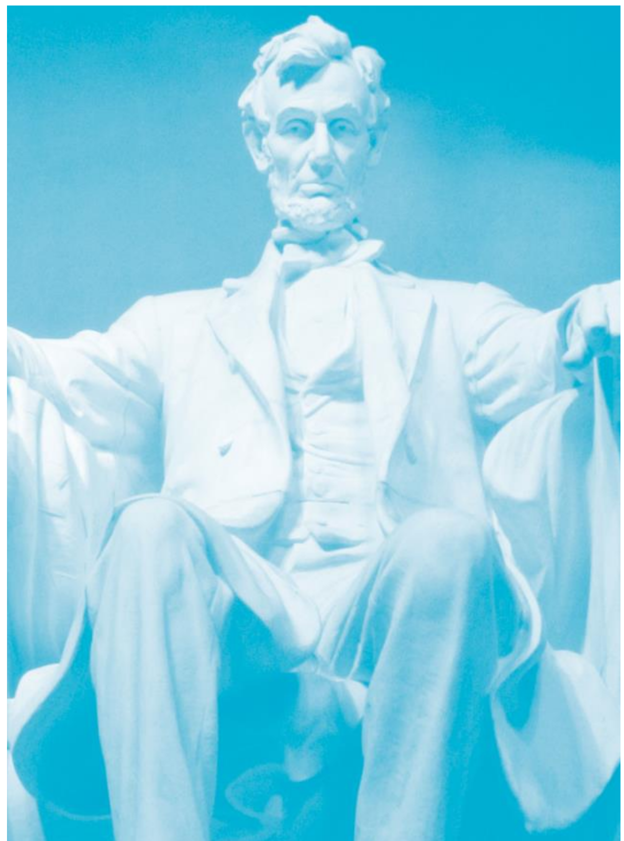
6744

VITA/TCE Volunteer Assistor's Test/Retest

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

2023 Returns

Volume 4 of 6



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Form 6744 (Rev 10-2023) Catalog Number 74180H
Department of the Treasury **Internal Revenue Service** www.irs.gov

Visit the Accessibility Page on IRS.gov

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Advanced Scenario 8: Test Questions

Directions

Using the tax software, complete the tax return, including Form 1040 and all appropriate forms, schedules, or worksheets. Answer the questions following the scenario.

When entering Social Security numbers (SSNs) or Employer Identification Numbers (EINs), replace the Xs as directed, or with any four digits of your choice.

23. What is the net long term capital gain reported on Julia's Schedule D?

    a. $350

    b. $2,100

    c. $2,450

    d. $6,100

24. Which of the following can be claimed as a business expense on Julia's Schedule C?

a. Business Parking

b. Speeding Ticket

c. Lunches

d. All of the above

25. Julia can take a student loan interest deduction of $3,250.

a. True

b. False

26. What is the total standard mileage deduction for her business on Schedule C?

a. $983

b. $1,638

c. $2,500

d. $2,518

27. The amount of Julia's lifetime learning credit is $480.

    a. True

    b. False

28. What is Julia's additional 10% tax on the early withdrawal from her IRA?

    a. $0

    b. $60

    c. $240

    d. $300

29. How can Julia prevent having a balance due next year?

    a. She can increase the withholding on her Form W-4.

    b. She can make estimated tax payments.

c. She can use the IRS withholding calculator to estimate her withholding for next year.

d. All of the above

Advanced Scenario 9: David MacLee

Directions

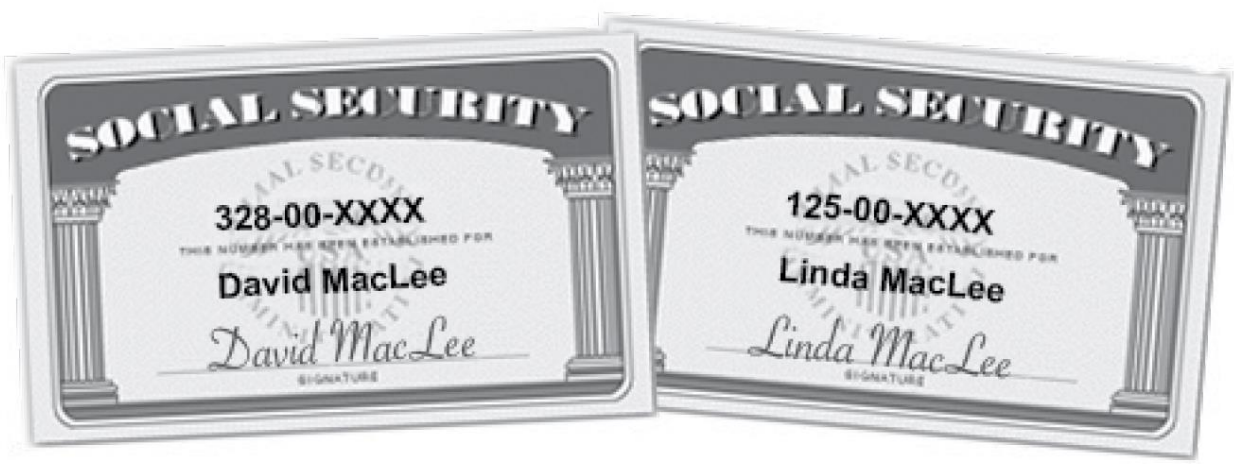
Using the tax software, complete the tax return, including Form 1040 and all appropriate forms, schedules, or worksheets. Answer the questions following the scenario.

When entering Social Security numbers (SSNs) or Employer Identification Numbers (EINs), replace the Xs as directed, or with any four digits of your choice.

Interview Notes

- David is age 40 and was widowed in July, 2022. He has a daughter, Linda, age 8, who lived with him the entire year.

- David provided the entire cost of maintaining the household and over half of the support for Linda. In order to work, he pays childcare expenses to Uptown Daycare.
- David purchased health insurance for himself and his daughter through the Marketplace. He received a Form 1095-A.
- David and Linda are U.S. citizens and lived in the United States all year in 2023.



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Form **13614-C** (October 2023)	Department of the Treasury - Internal Revenue Service **Intake/Interview and Quality Review Sheet**	OMB Number 1545-1964

You will need:
- **Tax Information such as Forms W-2, 1099, 1098, 1095.**
- **Social Security cards or ITIN letters for all persons on your tax return.**
- **Picture ID (such as valid driver's license) for you and your spouse.**

- **Please complete pages 1-4 of this form.**
- **You are responsible for the information on your return. Please provide complete and accurate information.**
- **If you have questions, please ask the IRS-certified volunteer preparer.**

Volunteers are trained to provide high quality service and uphold the highest ethical standards.
To report unethical behavior to the IRS, email us at wi.voltax@irs.gov

Part I – Your Personal Information (If you are filing a joint return, enter your names in the same order as last year's return)

1. Your first name	M.I.	Last name	Best contact number	Are you a U.S. citizen?
DAVID		MACLEE	YOUR PHONE NUMBER	☒ Yes ☐ No
2. Your spouse's first name	M.I.	Last name	Best contact number	Is your spouse a U.S. citizen? ☐ Yes ☐ No

3. Mailing address	Apt #	City	State	ZIP code
100 BROOKS DRIVE		YOUR CITY	YS	YOUR ZIP

4. Your Date of Birth	5. Your job title	6. Last year, were you:	
4/12/1983	JANITOR	b. Totally and permanently disabled ☐ Yes ☒ No	a. Full-time student ☐ Yes ☒ No c. Legally blind ☐ Yes ☒ No
7. Your spouse's Date of Birth	8. Your spouse's job title	9. Last year, was your spouse: b. Totally and permanently disabled ☐ Yes ☐ No	a. Full-time student ☐ Yes ☐ No c. Legally blind ☐ Yes ☐ No

10. Can anyone claim you or your spouse as a dependent? ☐ Yes ☒ No ☐ Unsure

11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? ☐ Yes ☒ No

12. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service)

Part II – Marital Status and Household Information

1. As of December 31, 2023, what was your marital status?
- ☐ Never Married (This includes registered domestic partnerships, civil unions, or other formal relationships under state law)
- ☐ Married
  - a. If Yes, Did you get married in 2023? ☐ Yes ☐ No
  - b. Did you live with your spouse during any part of the last six months of 2023? ☐ Yes ☐ No
- ☐ Divorced — Date of final decree
- ☐ Legally Separated — Date of separate maintenance decree
- ☒ Widowed — Year of spouse's death 2022

2. List the names below of:
- **everyone** who lived with you last year (other than your spouse)
- **anyone** you supported but did not live with you last year

If additional space is needed check here ☐ and list on page 3

Name (first, last) Do not enter your name or spouse's name below (a)	Date of Birth (mm/dd/yy) (b)	Relationship to you (for example: son, daughter, parent, none, etc) (c)	Number of months lived in your home last year (d)	US Citizen (yes/no) (e)	Resident of US, Canada, or Mexico last year (yes/no) (f)	Single or Married as of 12/31/23 (S/M) (g)	Full-time Student last year (yes/no) (h)	Totally and Permanently Disabled (yes/no) (i)	To be completed by a Certified Volunteer Preparer: Is this person a qualifying child/relative of any other person? (yes/no)	Did this person provide more than 50% of his/her own support? (yes,no,n/a)	Did this person have less than $4,700 of income? (yes,no,n/a)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no/n/a)	Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? (yes/no)
LINDA MACLEE	7/24/2015	DAUGH	12	YES	YES	S	NO	NO					

Check appropriate box for each question in each section

Yes	No	Unsure	Part III – Income – Last Year, Did You (or Your Spouse) Receive
☒	☐	☐	1. (B) Wages or Salary? (Form W-2) **If yes, how many jobs did you have last year?** ______
☐	☒	☐	2. (A) Tip Income?
☐	☒	☐	3. (B) Scholarships? (Forms W-2, 1098-T)
☒	☐	☐	4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)
☐	☒	☐	5. (B) Refund of state/local income taxes? (Form 1099-G)
☐	☒	☐	6. (B) Alimony income or separate maintenance payments?
☐	☒	☐	7. (A) Self-Employment income? (Forms 1099-MISC, 1099-NEC, 1099-K, cash, digital assets, or other property or services)
☐	☒	☐	8. (A) Cash/check/digital assets, or other property or services for any work performed not reported on Forms W-2 or 1099?
☐	☒	☐	9. (A) Income (or loss) from the sale or exchange of stocks, bonds, digital assets or real estate? (including your home) (Forms 1099-S, 1099-B)
☐	☒	☐	10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)
☐	☒	☐	11. (A) Retirement income or payments from pensions, annuities, and or IRA? (Form 1099-R)
☐	☒	☐	12. (B) Unemployment Compensation? (Form 1099-G)
☐	☒	☐	13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)
☐	☒	☐	14. (M) Income (or loss) from rental property?
☐	☒	☐	15. (B) Other income? (gambling, lottery, prizes, awards, jury duty, digital assets, Sch K-1, royalties, foreign income, etc.)

Yes	No	Unsure	Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay
☐	☒	☐	1. (B) Alimony or separate maintenance payments? If yes, do you have the recipient's SSN? ☐ Yes ☐ No
☒	☐	☐	2. Contributions or repayments to a retirement account? ☐ IRA (A) ☐ Roth IRA (B) ☒ 401K (B) ☐ Other
☐	☒	☐	3. (B) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
☐	☒	☐	4. Any of the following? ☐ (A) Medical & Dental (including insurance premiums) ☐ (A) Mortgage Interest (Form 1098) ☐ (A) Taxes (State, Real Estate, Personal Property, Sales) ☐ (B) Charitable Contributions
☒	☐	☐	5. (B) Child or dependent care expenses such as daycare?
☐	☒	☐	6. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.?
☐	☒	☐	7. (A) Expenses related to self-employment income or any other income you received?
☐	☒	☐	8. (B) Student loan interest? (Form 1098-E)

Yes	No	Unsure	Part V – Life Events – Last Year, Did You (or Your Spouse)
☐	☒	☐	1. (A) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12)
☐	☒	☐	2. (A) Have credit card, student loan or mortgage debt cancelled/forgiven by a lender or have a home foreclosure? (Forms 1099-C, 1099-A)
☐	☒	☐	3. (A) Adopt a child?
☐	☒	☐	4. (B) Have Earned Income Credit, Child Tax Credit or American Opportunity Credit disallowed in a prior year? If yes, for which tax year? ______
☐	☒	☐	5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.)
☐	☒	☐	6. (A) Receive the First Time Homebuyers Credit in 2008?
☐	☒	☐	7. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much? ______
☐	☒	☐	8. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?
☒	☐	☐	9. (A) Have health coverage through the Marketplace (Exchange)? [Provide Form 1095-A]

Additional Information and Questions Related to the Preparation of Your Return

1. Would you like to receive written communications from the IRS in a language other than English? ☐ Yes ☒ No If yes, which language? ______
2. Presidential Election Campaign Fund (If you check a box, your tax or refund will not change)
   Check here if you, or your spouse if filing jointly, want $3 to go to this fund ☒ You ☐ Spouse
3. If you are due a refund, would you like: a. Direct deposit ☒ Yes ☐ No b. To purchase U.S. Savings Bonds ☐ Yes ☒ No c. To split your refund between different accounts ☐ Yes ☒ No
4. If you have a balance due, would you like to make a payment directly from your bank account? ☐ Yes ☒ No
5. Did you live in an area that was declared a Federal disaster area? ☐ Yes ☒ No If yes, where? ______
6. Did you, or your spouse if filing jointly, receive a letter from the IRS? ☐ Yes ☒ No
7. Would you like information on how to vote and/or how to register to vote? ☐ Yes ☒ No

Many free tax preparation sites operate by receiving grant money or other federal financial assistance. The data from the following questions may be used by this site to apply for these grants or to support continued receipt of financial funding. Your answer will be used only for statistical purposes. These questions are optional.

8. Would you say you can carry on a conversation in English, both understanding & speaking? ☒ Very well ☐ Well ☐ Not well ☐ Not at all ☐ Prefer not to answer
9. Would you say you can read a newspaper or book in English? ☒ Very well ☐ Well ☐ Not well ☐ Not at all ☐ Prefer not to answer
10. Do you or any member of your household have a disability? ☐ Yes ☒ No ☐ Prefer not to answer
11. Are you or your spouse a Veteran from the U.S. Armed Forces? ☐ Yes ☒ No ☐ Prefer not to answer
12. Your race?
    ☐ American Indian or Alaska Native ☐ Asian ☐ Black or African American ☐ Native Hawaiian or other Pacific Islander ☐ White ☒ Prefer not to answer
13. Your spouse's race?
    ☐ American Indian or Alaska Native ☐ Asian ☐ Black or African American ☐ Native Hawaiian or other Pacific Islander ☐ White ☐ Prefer not to answer
    ☒ No spouse
14. Your ethnicity? ☐ Hispanic or Latino ☐ Not Hispanic or Latino ☒ Prefer not to answer
15. Your spouse's ethnicity? ☐ Hispanic or Latino ☐ Not Hispanic or Latino ☐ Prefer not to answer ☒ No spouse

Additional comments

Privacy Act and Paperwork Reduction Act Notice

The Privacy Act of 1974 requires that when we ask for information we tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it, and whether your response is voluntary, required to obtain a benefit, or mandatory. Our legal right to ask for information is 5 U.S.C. 301. We are asking for this information to assist us in contacting you relative to your interest and/or participation in the IRS volunteer income tax preparation and outreach programs. The information you provide may be furnished to others who coordinate activities and staffing at volunteer return preparation sites or outreach activities. The information may also be used to establish effective controls, send correspondence and recognize volunteers. Your response is voluntary. However, if you do not provide the requested information, the IRS may not be able to use your assistance in these programs. The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1964. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, Washington, DC 20224

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Form W-2 Wage and Tax Statement 2023

a Employee's social security number	328-00-XXXX
OMB No. 1545-0008	Safe, accurate, FAST! Use IRS e-file. Visit the IRS website at *www.irs.gov/efile*
b Employer identification number (EIN)	34-800XXXX
c Employer's name, address, and ZIP code	COMPUTER MARKETS LLC 1453 Roosevelt Circle YOUR CITY, YOUR STATE, ZIP
d Control number	
e Employee's first name and initial / Last name / Suff.	DAVID MACLEE 100 BROOKS DRIVE YOUR CITY, YOUR STATE, ZIP
f Employee's address and ZIP code	
1 Wages, tips, other compensation	$36,000.00
2 Federal income tax withheld	$1,700.00
3 Social security wages	$37,000.00
4 Social security tax withheld	$2,294.00
5 Medicare wages and tips	$37,000.00
6 Medicare tax withheld	$536.50
7 Social security tips	
8 Allocated tips	
9	
10 Dependent care benefits	
11 Nonqualified plans	
12a See instructions for box 12	Code D — $1,000.00
12b	
12c	
12d	
13 Statutory employee / Retirement plan / Third-party sick pay	Retirement plan: ☒
14 Other	

15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name
YS	34-800XXXX	$36,000.00	$600.00			

Form **W-2** Wage and Tax Statement 2023

Department of the Treasury—Internal Revenue Service

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

Interest Income

☐ CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.	ADELPHI BANK AND TRUST 2 8020 YONKERS BLVD YOUR CITY, YOUR STATE, ZIP
Payer's RTN (optional)	
OMB No. 1545-0112	Form **1099-INT** (Rev. January 2022)
For calendar year	20 23
1 Interest income	$ 130.00
2 Early withdrawal penalty	$ 26.00
3 Interest on U.S. Savings Bonds and Treasury obligations	$
PAYER'S TIN	22-700XXXX
RECIPIENT'S TIN	328-00-XXXX
RECIPIENT'S name	DAVID MACLEE
Street address (including apt. no.)	100 BROOKS DRIVE
City or town, state or province, country, and ZIP or foreign postal code	YOUR CITY, YOUR STATE, ZIP
FATCA filing requirement	☐
Account number (see instructions)	
4 Federal income tax withheld	$
5 Investment expenses	$
6 Foreign tax paid	$
7 Foreign country or U.S. possession	
8 Tax-exempt interest	$
9 Specified private activity bond interest	$
10 Market discount	$
11 Bond premium	$
12 Bond premium on Treasury obligations	$
13 Bond premium on tax-exempt bond	$
14 Tax-exempt and tax credit bond CUSIP no.	
15 State	
16 State identification no.	
17 State tax withheld	$ $

Copy 2

To be filed with recipient's state income tax return, when required.

Form **1099-INT** (Rev. 1-2022) www.irs.gov/Form1099INT Department of the Treasury - Internal Revenue Service

Form **1095-A**

Department of the Treasury
Internal Revenue Service

Health Insurance Marketplace Statement

▶ Do not attach to your tax return. Keep for your records.
▶ Go to *www.irs.gov/Form1095A* for instructions and the latest information.

☐ VOID
☐ CORRECTED

OMB No. 1545-2232

2023

Part I Recipient Information

1 Marketplace identifier 12-3456789	2 Marketplace-assigned policy number 987654	3 Policy issuer's name	
4 Recipient's name DAVID MACLEE		5 Recipient's SSN 328-00-XXXX	6 Recipient's date of birth 4/12/1983
7 Recipient's spouse's name		8 Recipient's spouse's SSN	9 Recipient's spouse's date of birth
10 Policy start date 01/01/2023	11 Policy termination date 12/31/2023	12 Street address (including apartment no.) 100 BROOKS DRIVE	
13 City or town YOUR CITY	14 State or province YOUR STATE	15 Country and ZIP or foreign postal code ZIP	

Part II Covered Individuals

	A. Covered individual name	B. Covered individual SSN	C. Covered individual date of birth	D. Coverage start date	E. Coverage termination date
16	DAVID MACLEE	328-00-XXXX	04/12/1983	01/01/2023	12/31/2023
17	LINDA MACLEE	125-00-XXXX	07/24/2015	01/01/2023	12/31/2023
18					
19					
20					

Part III Coverage Information

Month	A. Monthly enrollment premiums	B. Monthly second lowest cost silver plan (SLCSP) premium	C. Monthly advance payment of premium tax credit
21 January	$446	$602	$388
22 February	$446	$602	$388
23 March	$446	$602	$388
24 April	$446	$602	$388
25 May	$446	$602	$388
26 June	$446	$602	$388
27 July	$446	$602	$388
28 August	$446	$602	$388
29 September	$446	$602	$388
30 October	$446	$602	$388
31 November	$446	$602	$388
32 December	$446	$602	$388
33 **Annual Totals**	$5,352	$7,224	$4,656

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 60703Q Form **1095-A** (2023)

Uptown Day Care

303 Twiggs Trail

Your City, Your State, Zip

Ph: (555) 555-1234

December 31, 2023

Received from David MacLee

$2,400 for daycare services for Linda

Total amount received for after school care in 2023 - $2,400

Ellen River

EIN: 35-900XXXX

Advanced Scenario 9: Test Questions

Directions

Using the tax software, complete the tax return, including Form 1040 and all appropriate forms, schedules, or worksheets. Answer the questions following the scenario.

When entering Social Security numbers (SSNs) or Employer Identification Numbers (EINs), replace the Xs as directed, or with any four digits of your choice.

30. What is David's most advantageous filing status?

    a. Single

    b. Married Filing Separately

    c. Head of Household

    d. Qualifying Surviving Spouse (QSS)

31. David MacLee's adjusted gross income on his Form 1040 is ________.

    a. $8,404

    b. $36,000

    c. $36,104

    d. $36,130

32. David can not claim which of the following credits on his tax return.

    a. Child Tax Credit

    b. Credit for Other Dependents

    c. Premium Tax Credit

    d. Child and Dependent Care Credit

33. David's retirement savings contributions credit on Form 8880 is $_________. (Note: whole number only, do not use special characters.)

34. The total amount of David's net premium tax credit on Form 1040 Schedule 3, line 9 is $696.

a. True

b. False

35. David's child and dependent care credit from Form 2441 is reported as a non-refundable credit on Form 1040, Schedule 3.

a. True

b. False

Advanced Course Retest Questions

Directions

The first five scenarios do not require you to prepare a tax return. **Read the interview notes for each scenario carefully and use your training and resource materials to answer the questions after the scenarios.**

Advanced Scenario 1: Lydia Roadway

Interview Notes

- Lydia's husband, Morgan, moved out of their home in February of 2021. Lydia has had no contact with Morgan since he moved out. Lydia and Morgan are not legally separated.
- Lydia has one child, Mary, age 10. She will claim Mary as a dependent on her 2023 tax return.
- Lydia is 31 years old.
- Lydia earned $42,300 in wages and received $50 of interest. Lydia had lottery winnings of $2,000 reported on Form W2-G.
- Lydia paid all the costs of keeping up her home. She provided over half of the support for Mary.

- They all are U.S. citizens and have valid social security numbers. They lived in the U.S. all year.

Advanced Scenario 1: Retest Questions

1. Lydia qualifies for Head of Household filing status.

   a. True

   b. False

2. Who qualifies to claim the earned income credit for Mary?

   a. Lydia

   b. Morgan

   c. Both Lydia and Morgan

   d. Neither Lydia nor Morgan

3. Lydia does not need to report her gambling winnings on her federal tax return.

   a. True

   b. False

Advanced Scenario 2: Scott and Barbara Gyms

Interview Notes

- Scott and Barbara are married and want to file a joint return.
- Scott is a U.S. citizen and has a valid Social Security number. Barbara is a resident alien and has an ITIN. They resided in the United States all year with their children.
- Scott and Barbara have two children, Maria, age 8, and Luis, age 16. Maria and Luis are U.S.

citizens and have valid Social Security numbers.

- Scott earned $22,000 in wages.
- Barbara earned $20,000 in wages.
- In order to work, the Gymses paid $2,000 to their son Luis to care for Maria after school.
- Scott and Barbara provided all of the support for their two children.

Advanced Scenario 2: Retest Questions

4. The maximum amount Scott and Barbara are eligible to claim for the Child Tax Credit is $2,000.

   a. True

   b. False

5. Payments made to Luis can be claimed on Form 2441 as child and dependent care expenses.

   a. True

   b. False

Advanced Scenario 3: Rose Jones

Interview Notes

- Rose Jones, age 57, is single.
- Rose earned wages of $52,000 and was enrolled the entire year in a high deductible health plan (HDHP) with self-only coverage.
- During the year, Rose contributed $2,000 to her Health Savings Account (HSA) and her mother also contributed $1,000 to Rose's HSA.
- Rose's Form W-2 shows $850 in Box 12 with code W. She has Form 5498-SA showing $3,850 in Box 2.

- Rose took a distribution from her HSA to pay her unreimbursed expenses: o 8 visits to a physical therapist after her knee surgery $400 o unreimbursed doctor bills for $1,100 o prescription medicine $280 o replacement of a crown $1,500 o deep cleaning for teeth: $300 o over the counter medication $40 o gym membership $240
- Rose is a U.S. citizen with a valid Social Security number.

Advanced Scenario 3: Retest Questions

6. Rose cannot include her mother's contribution on Form 8889, Part 1.

   a. True

   b. False

7. Rose is eligible to contribute an additional $2,000 to her HSA because she is age 55 or older.

   a. True

   b. False

8. The over the counter medicine is a qualified medical expense for HSA purposes.

   a. True

   b. False

Advanced Scenario 4: Carmen Gomez

Interview Notes

- Carmen, age 61, is single. She owns her home and provided all the costs of keeping up her home for the entire year. Her only income for 2023 was $48,000 in W-2 wages.

- Abigail, age 24, and her daughter Andrea, age 4, moved in with Abigail 's mother, Carmen, after she separated from her spouse in April of 2021. Abigail 's only income for 2023 was $25,000 in wages. Abigail provided over half of her own support. Andrea did not provide more than half of her own support.
- Abigail will not file a joint return with her spouse.
- All individuals in the household are U.S. citizens with valid Social Security numbers. No one has a disability. They lived in the United States all year.

Advanced Scenario 4: Retest Questions

9. Either Carmen or Abigail can claim Andrea as a dependent.

   a. True

b. False

10. Which of the following statements is true?

    a. Abigail is **not** eligible to claim Andrea for the EIC because her filing status is married filing separate.

    b. Abigail is **not** eligible to claim the EIC for Andrea because she is under age 25.

    c. Abigail is **not** eligible to claim Andrea for the EIC because her income is too high.

    d. None of the above statements is true.

Advanced Scenario 5: Helen White

Interview Notes

- Helen is 48 years old and files as single.

- Her 2023 adjusted gross income (AGI) is $51,000, which includes gambling winnings of $2,000.
- Helen would like to itemize her deductions this year.
- Helen brings documents for the following expenses:
    - $9,000 Hospital and doctor bills
    - $500 Contributions to Health Savings Account (HSA)
    - $3,600 State withholding (higher than Helen's calculated state sales tax deduction)
    - $300 Personal property taxes based on the value of the vehicle
    - $400 Friend’s personal GoFundMe campaign
    - $275 Cash contributions to the Red Cross

- $200 Fair market value of clothing in good condition donated to the Salvation Army (Helen purchased clothing for $900)
- $7,300 Mortgage interest
- $2,300 Real estate tax
- $150 Homeowners association fees
- $3,000 Gambling losses

Advanced Scenario 5: Retest Questions

1. If Helen chooses to itemize, which of the following is she **not** eligible to claim as a deduction on Schedule A?

    a. $7,300 mortgage interest

    b. $150 Homeowner's Association fees

    c. $2,300 real estate tax

d. $275 contribution to the Red Cross

2. Helen is eligible to claim $2,000 in gambling losses as a deduction on her Schedule A.

   a. True

   b. False

Advanced Scenario 6: Mike Cooper

Interview Notes

- Mike Cooper is 26 years old and single. He provides all of his own support.
- Mike works at a grocery store and earned $15,250 in wages.
- Mike was not a full time student, but took two management courses at a community college to improve his job skills. He wants to know if that qualifies for any tax benefit.

- Mike is a U.S. citizen and lived in the U.S. for the entire year. He has a valid Social Security number.

Advanced Scenario 6: Retest Questions

13. Mike's modified adjusted gross income (MAGI) must be less than $90,000 to claim the Lifetime Learning Credit in 2023.

    a. True

    b. False

14. Mike is eligible to claim the earned income credit on his 2023 tax return.

    15. True

    16. False

Advanced Scenario 7: Matthew and Rebecca Monroe

Interview Notes

Matthew is a 6th grade teacher at a public school. Matthew and Rebecca are married and choose to file Married Filing Jointly on their 2023 tax return.

- Matthew worked a total of 1,500 hours in 2023. During the school year, he spent $733 on unreimbursed classroom expenses.
- Rebecca retired in 2020 and began receiving her pension on November 1st of that year. She explains that this is a joint and survivor annuity. She has already recovered $1,259 of the cost of the plan.
- Matthew settled with his credit card company on an outstanding bill and brought the Form 1099-C to the site.

They aren’t sure how it will impact their tax return for tax year 2023. The Monroes determined that they were solvent as of the date of the canceled debt.

- Rebecca received $200 from Jury duty.
- Their daughter, Safari, is in her second year of college pursuing a bachelor’s degree in Biochemistry at a qualified educational institution. She received a scholarship and the terms require that it be used to pay tuition. Box 2 was not filled in and Box 7 was not checked on her Form 1098-T for the previous tax year. The Monroes provided Form 1098-T and an account statement from the college that included additional expenses. The Monroes paid $865 for books and equipment required for Safari's courses. This information is also included on the college statement of account. The

Monroes claimed the American Opportunity Credit last year for the first time.

- Safari does not have a felony drug conviction.
- They are all U.S. citizens with valid Social Security numbers.

Advanced Scenario 7: Retest Questions

15. The taxable portion of Rebecca's pension from Riverside Enterprises using the simplified method is $19,419.

    a. True

    b. False

16. The taxable amount of Rebecca's social security income is:

    a. $0

    b. $18,630

c. $19,464

d. $22,899

17. The total amount of other income reported on the Monroe's Form 1040, Schedule 1 is $1,050.

a. True

b. False

18. What is the amount Matthew is eligible to claim as qualified educator expenses on Form 1040, Schedule 1?

a. $0

b. $250

c. $300

d. $733

19. The Monroe's standard deduction on their Form 1040 for tax year 2023 is $27,700.

a. True

b. False

20. Which is not a qualifying expense for the American opportunity credit?

    a. Parking pass

    b. Required course related books

    c. Tuition

    d. Required course related equipment

21. Which of the following credits are the Monroes able to claim on their federal tax return?

    a. Earned Income Credit

    b. American Opportunity Credit

    c. Child Tax Credit

    d. Premium Tax Credit

22. The federal income tax withholding reported on the Monroe's Form 1040 is $5,200.

    a. True

    b. False

Advanced Scenario 8: Julia Oakley

Interview Notes

- Julia is a data entry clerk, age 26, and single.
- Julia has investment income and a consolidated broker’s statement.
- Julia is self-employed delivering groceries for Quick Market on the weekends. She received a Form 1099NEC and a Form 1099-K. She received additional cash payments of $535.

- Julia uses the cash method of accounting. She uses business code 492000.
- Julia provided a statement from the grocery delivery service indicating the fees paid for the year. These fees are considered ordinary and necessary for the grocery delivery business:
  - $150 for insulated box rental
  - $50 for vehicle safety inspection (required by Quick Market)
  - $600 for Quick Market fees
- Julia also kept receipts for the following out-of-pocket expenses:
  - $80 for business parking
  - $300 for speeding ticket
  - $160 for Julia's lunches

- Julia's record keeping application shows she has driven a total of 2,500 miles during and between deliveries. She also drove 1,500 miles between her home and the first and last delivery of each day.
  - She placed her only vehicle, an SUV, in service on 3/15/2020. The total mileage on her SUV for tax year 2023 was 12,000 miles. Of that, 8,000 miles were personal miles. Julia will take the standard business mileage rate.
- Julia is paying off her student loan from 2017, when she completed her undergraduate degree.
- Julia is working towards her Master of Education degree to start a new career as an Associate Professor. She took a few college courses this year at an accredited college.

- Julia took an early distribution of $3,000 from her IRA in April. She used $2,400 of the IRA distribution to pay her educational expenses.
- If Julia has a refund, she would like it deposited into her checking account.

Advanced Scenario 8: Retest Questions

23. Julia's net long term capital gain reported on Schedule D is $1,700.

    a. True

    b. False

24. Julia can claim the speeding ticket as a business expense on her Schedule C.

    a. True

    b. False

25. What is the amount Julia can take as a student loan interest deduction on her Form 1040, Schedule 1?

a. $0

b. $750

c. $2,500

d. $3,250

26. The total standard mileage deduction for Julia's business on Schedule C is $983.

    a. True

    b. False

27. Julia meets the qualifications to claim the American Opportunity Credit.

    a. True

    b. False

28. Julia will have to pay $60 additional tax because she received the early distribution from her IRA.

    a. True

    b. False

29. Julia can make estimated tax payments to avoid owing tax next year.

    a. True

    b. False

Advanced Scenario 9: David MacLee

Interview Notes

- David is age 40 and was widowed in 2022. He has a daughter, Linda, age 8.
- David provided the entire cost of maintaining the household and over half of the support for Linda. In order to work, he pays childcare expenses to Uptown Daycare.
- David purchased health insurance for himself and his daughter through the Marketplace. He received a Form 1095-A.

- David and Linda are U.S. citizens and lived in the United States all year in 2023.

Advanced Scenario 9: Retest Questions

30. David is eligible to claim the Qualifying Surviving Spouse filing status.

    a. True

    b. False

31. David's adjusted gross income is $36,130.

    a. True

    b. False

32. David is eligible to claim the child tax credit.

    a. True

    b. False

33. David qualifies to claim a retirement savings contribution credit.

    a. True

    b. False

34. David's net premium tax credit on his Schedule 3, line 9 is $________. (Note: whole number only, do not use special characters.)

35. David's child and dependent care credit is refundable in 2023.

    a. True

    b. False

Military Course Scenarios and Test Questions

Directions

The first four scenarios do not require you to prepare a tax return. **Read the interview notes for the scenario carefully and use**

your training and resource materials to answer the questions.

Military Scenario 1: Amanda Franks

Interview Notes

- Amanda Franks is single.
- Amanda is an engineer in the Marine Corp Reserve. She attended training drills one weekend a month for 12 months in 2023.
- Amanda only owns one vehicle. She placed her vehicle in service on March 15, 2021.
- Amanda's total mileage in 2023 was 11,200 miles.
- Amanda's duty station is 119 miles away from her residence. She drove 2,856 miles to and from her duty station based on her travel log.

- Amanda paid $688 for meals while attending training drills. Lodging was provided for free on the base since she is enlisted.
- Meals were within federal per diem rates for the area.
- Amanda paid $135 for the cost and upkeep of her uniforms. She is permitted to wear her uniform for off duty purposes.
- Amanda did not receive reimbursement for any of her out-of-pocket expenses.
- Amanda paid $72 in tolls, but parking on base was free.

Military Scenario 1: Test Questions

1. Amanda is **not** able to take an adjustment to income for:

a. Mileage to and from her duty station

b. Meals

c. Tolls

d. Uniforms

2. The amount of the deductible mileage expense is $1,871.

   a. True

   b. False.

Military Scenario 2: Cory and Chelsea Springs

Interview Notes

- Cory and Chelsea lived in Norfolk, VA where Cory was stationed in the Navy for four years. He received new orders to move to New Orleans, LA naval base. This is a permanent change of station (PCS).

- They decided to make a Personally Procured Move (PPM).
- Chelsea traveled to New Orleans in May to find a house to rent. She wanted a home close to the French quarter. She spent $1,212 on round-trip airfare, hotel, food, and rental car.
- Cory and Chelsea spent $295 on boxes, tape, bubble wrap, and mattress bags. They paid $695 for the rental truck.
- On June 2, 2023, Cory and Chelsea packed up their belongings and began driving from Norfolk to New Orleans. Along the way, they stopped in Jackson, MS to visit their parents.
- The Springs drove their rental truck a total of 1,154 miles. The shortest, most direct route calculated by the Navy was 1,013 miles.

- They stayed a total of 7 nights instead of the authorized 3 nights. The allowable lodging per diem was $77 per night.
- Cory and Chelsea spent $268 for food and $100 on college sweatshirts. They spent a total of $120 on basketball tickets while in Jackson.
- They paid $35 in highway tolls and $40 for parking as part of the expected move.
- Their move was estimated to cost $1,960 and the Navy provided $1,764 in advance.
- Cory and Chelsea are U.S. citizens and have valid Social Security numbers.

Military Scenario 2: Test Questions

3. The Springs net financial profit from the move will be reported on:

   a. Form 1099-MISC, Miscellaneous Information

   b. Form W-2, Wage and Tax Statement

   c. Form 1040 Schedule A, Itemized Deductions

   d. It doesn't need to be reported.

4. The Springs can deduct the cost of 4 extra nights lodging and house hunting trip as qualified moving expenses.

   a. True

   b. False

5. How much can Cory and Chelsea claim for the mileage $ ________. (Round to nearest dollar)

a. $223

b. $254

c. $664

d. $756

6. How much can Cory and Chelsea claim as their total qualified lodging expenses?

   a. $0

   b. $77

   c. $231

   d. $539

Military Scenario 3: Sasha Pippen

Interview Notes

- Sasha Pippen is a retired member of the U.S. Air Force.

- She received Form 1099-R for retirement payments from the Defense Finance and Accounting Service.
- Form 1099-R indicates $35,000 in Box 1 and Box 2a.
- Sasha is considered 10% disabled and received a letter of determination from the Department of Veterans Affairs (VA).
- She received a payment in the amount of $1,645 from the VA for disability.

Military Scenario 3: Test Questions

7. Which of the following documents are issued by the VA for disability payments?

   a. Form W-2, Wage and Tax Statement

b. Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit Sharing Plans, Insurance Contracts, etc.

c. Form W-2 or 1099-R, depending on type of disability.

d. No tax form is required to be issued; however, Sasha may receive a statement.

8. The disability payment of $1,645 that Sasha received from the VA is taxable.

   a. True

   b. False

Military Scenario 4: Scott and Mary Johnson

Interview Notes

- Scott and Mary Johnson are married and have a 10 year old son who lived with Scott all year.

- Mary was deployed to a designated combat zone on December 2, 2023. Her last day in the combat zone is scheduled for July 7, 2024.
- Mary's Form W-2 shows:
- o Box 1 = $12,000 o Box 12a = $21,500, Code Q
- Scott's Form W-2 shows $21,750 in Box 1. This is his only income.
- Scott, Mary, and their son are all U.S. citizens and have valid Social Security numbers. The entire family lives in the U.S.

Military Scenario 4: Test Questions

9. Scott and Mary should count her combat pay to increase their Earned Income Credit.

   a. True

b. False

10. How much time does Scott and Mary get to file their tax return after being away in the combat zone?

    (Reminder 2024 is a leap year)

    a. 0 days (they must file by 4/15/2024)

    b. 106 days (length of normal filing season for 2023 return)

    c. 180 days (additional time granted for serving in a combat zone)

    d. 286 days (106 days in normal filing season for 2023 return plus 180 days for serving in a combat zone)

Military Scenario 5: Jesse and Nicole James

Directions

Using the tax software, complete the tax return, including Form 1040 and all appropriate forms, schedules, or worksheets. Answer the questions following the scenario.

When entering Social Security numbers (SSNs) or Employer Identification Numbers (EINs), replace the Xs as directed, or with any four digits of your choice.

Interview Notes

- Jesse and Nicole are married and want to file a joint return.
- Jesse and Nicole have an 18 year old son, Darren, who lived with them the entire year.
- Jesse was deployed and entered a combat zone on August 3, 2023. He

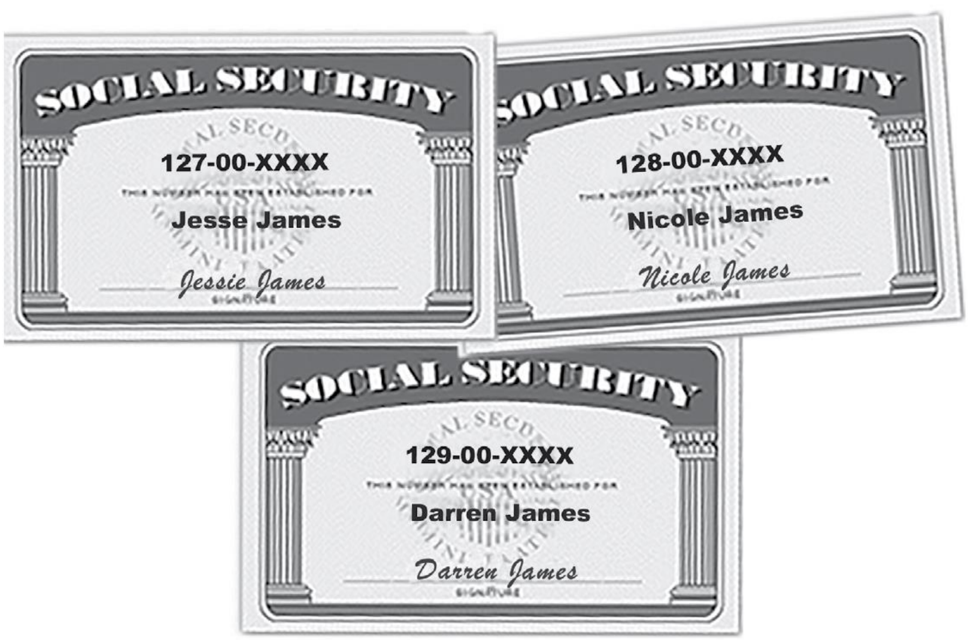
returned to the U.S. on February 20, 2024.

- Nicole has rental property, which she placed into service in 2017.
- Rental property:
  - Nicole is an active participant.
  - Single family residence at 724 Main Street, Your City, Your State, Your Zip
  - Purchased property: 5/3/2016
  - Rented: 1/1/2023 to 12/31/2023
  - Annual rental income: $23,150
  - Insurance: $1,715
  - Management fees: $950
  - Nicole paid $2,195 to replace a hot water heater, repair a faucet, and caulk the bathtub. She fixed the faucet herself and feels her time completing the repair was

worth $150 compared to the estimate from the plumber.

- ○ Real estate property tax: $3,100
- ○ Mortgage Interest: $3,850
- ○ Depreciation: $2,400 (annual amount previously calculated by Nicole's accountant)
- ○ Nicole did not make any payments that require her to file Form 1099

- They did not itemize last year and do not have enough deductions to itemize this year



Form **13614-C** (October 2023)

Department of the Treasury - Internal Revenue Service

Intake/Interview and Quality Review Sheet

OMB Number 1545-1964

You will need:
- **Tax Information such as Forms W-2, 1099, 1098, 1095.**
- **Social Security cards or ITIN letters for all persons on your tax return.**
- **Picture ID (such as valid driver's license) for you and your spouse.**

- **Please complete pages 1-4 of this form.**
- **You are responsible for the information on your return. Please provide complete and accurate information.**
- **If you have questions, please ask the IRS-certified volunteer preparer.**

Volunteers are trained to provide high quality service and uphold the highest ethical standards.
To report unethical behavior to the IRS, email us at wi.voltax@irs.gov

Part I – Your Personal Information (If you are filing a joint return, enter your names in the same order as last year's return)

1. Your first name	M.I.	Last name	Best contact number	Are you a U.S. citizen?
JESSE		JAMES	YOUR PHONE NUMBER	☒ Yes ☐ No
2. Your spouse's first name	M.I.	Last name	Best contact number	Is your spouse a U.S. citizen?
NICOLE		JAMES	YOUR PHONE NUMBER	☒ Yes ☐ No

3. Mailing address	Apt #	City	State	ZIP code
237 NORTH 2ND STREET		YOUR CITY	YS	YOUR ZIP

4. Your Date of Birth	5. Your job title	6. Last year, were you:
03/20/1978	SERVICE MEMBER	a. Full-time student ☐ Yes ☒ No b. Totally and permanently disabled ☐ Yes ☒ No c. Legally blind ☐ Yes ☒ No
7. Your spouse's Date of Birth	**8. Your spouse's job title**	**9. Last year, was your spouse:**
10/25/1976	CUSTOMER SERVICE REP	a. Full-time student ☐ Yes ☒ No b. Totally and permanently disabled ☐ Yes ☒ No c. Legally blind ☐ Yes ☒ No

10. Can anyone claim you or your spouse as a dependent? ☐ Yes ☒ No ☐ Unsure

11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? ☐ Yes ☒ No

12. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service)

Part II – Marital Status and Household Information

1. As of December 31, 2023, what was your marital status?

☐ Never Married

☒ Married (This includes registered domestic partnerships, civil unions, or other formal relationships under state law)
- a. If Yes, Did you get married in 2023? ☐ Yes ☒ No
- b. Did you live with your spouse during any part of the last six months of 2023? ☒ Yes ☐ No

☐ Divorced — Date of final decree ______

☐ Legally Separated — Date of separate maintenance decree ______

☐ Widowed — Year of spouse's death ______

2. List the names below of:
- **everyone** who lived with you last year (other than your spouse)
- **anyone** you supported but did not live with you last year

If additional space is needed check here ☐ and list on page 3

Name (first, last) Do not enter your name or spouse's name below (a)	Date of Birth (mm/dd/yy) (b)	Relationship to you (for example: son, daughter, parent, none, etc) (c)	Number of months lived in your home last year (d)	US Citizen (yes/no) (e)	Resident of US, Canada, or Mexico last year (yes/no) (f)	Single or Married as of 12/31/23 (S/M) (g)	Full-time Student last year (yes/no) (h)	Totally and Permanently Disabled (yes/no) (i)	To be completed by a Certified Volunteer Preparer: Is this person a qualifying child/relative of any other person? (yes/no)	Did this person provide more than 50% of his/her own support? (yes,no,n/a)	Did this person have less than $4,700 of income? (yes,no,n/a)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no/n/a)	Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? (yes/no)
DARREN JAMES	04/21/2005	SON	12	YES	YES	S	YES	NO					

Check appropriate box for each question in each section

Yes	No	Unsure	Part III – Income – Last Year, Did You (or Your Spouse) Receive
☒	☐	☐	1. (B) Wages or Salary? (Form W-2) **If yes, how many jobs did you have last year?** 2
☐	☒	☐	2. (A) Tip Income?
☐	☒	☐	3. (B) Scholarships? (Forms W-2, 1098-T)
☐	☒	☐	4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)
☐	☒	☐	5. (B) Refund of state/local income taxes? (Form 1099-G)
☐	☒	☐	6. (B) Alimony income or separate maintenance payments?
☐	☒	☐	7. (A) Self-Employment income? (Forms 1099-MISC, 1099-NEC, 1099-K, cash, digital assets, or other property or services)
☐	☒	☐	8. (A) Cash/check/digital assets, or other property or services for any work performed not reported on Forms W-2 or 1099?
☐	☒	☐	9. (A) Income (or loss) from the sale or exchange of stocks, bonds, digital assets or real estate? (including your home) (Forms 1099-S, 1099-B)
☐	☒	☐	10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)
☐	☒	☐	11. (A) Retirement income or payments from pensions, annuities, and or IRA? (Form 1099-R)
☐	☒	☐	12. (B) Unemployment Compensation? (Form 1099-G)
☐	☒	☐	13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)
☒	☐	☐	14. (M) Income (or loss) from rental property?
☐	☒	☐	15. (B) Other income? (gambling, lottery, prizes, awards, jury duty, digital assets, Sch K-1, royalties, foreign income, etc.)

Yes	No	Unsure	Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay
☐	☒	☐	1. (B) Alimony or separate maintenance payments? If yes, do you have the recipient's SSN? ☐ Yes ☐ No
☐	☒	☐	2. Contributions or repayments to a retirement account? ☐ IRA (A) ☐ Roth IRA (B) ☐ 401K (B) ☐ Other
☐	☒	☐	3. (B) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
☐	☒	☐	4. Any of the following? ☐ (A) Medical & Dental (including insurance premiums) ☐ (A) Mortgage Interest (Form 1098) ☐ (A) Taxes (State, Real Estate, Personal Property, Sales) ☐ (B) Charitable Contributions
☐	☒	☐	5. (B) Child or dependent care expenses such as daycare?
☐	☒	☐	6. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.?
☐	☒	☐	7. (A) Expenses related to self-employment income or any other income you received?
☐	☒	☐	8. (B) Student loan interest? (Form 1098-E)

Yes	No	Unsure	Part V – Life Events – Last Year, Did You (or Your Spouse)
☐	☒	☐	1. (A) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12)
☐	☒	☐	2. (A) Have credit card, student loan or mortgage debt cancelled/forgiven by a lender or have a home foreclosure? (Forms 1099-C, 1099-A)
☐	☒	☐	3. (A) Adopt a child?
☐	☒	☐	4. (B) Have Earned Income Credit, Child Tax Credit or American Opportunity Credit disallowed in a prior year? If yes, for which tax year? ______
☐	☒	☐	5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.)
☐	☒	☐	6. (A) Receive the First Time Homebuyers Credit in 2008?
☐	☒	☐	7. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much? ______
☐	☒	☐	8. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?
☐	☒	☐	9. (A) Have health coverage through the Marketplace (Exchange)? [Provide Form 1095-A]

Additional Information and Questions Related to the Preparation of Your Return

1. Would you like to receive written communications from the IRS in a language other than English? ☐ Yes ☒ No If yes, which language? ____________
2. Presidential Election Campaign Fund (If you check a box, your tax or refund will not change)
   Check here if you, or your spouse if filing jointly, want $3 to go to this fund ☒ You ☐ Spouse
3. If you are due a refund, would you like: a. Direct deposit ☐ Yes ☒ No b. To purchase U.S. Savings Bonds ☐ Yes ☒ No c. To split your refund between different accounts ☐ Yes ☒ No
4. If you have a balance due, would you like to make a payment directly from your bank account? ☐ Yes ☒ No
5. Did you live in an area that was declared a Federal disaster area? ☐ Yes ☒ No If yes, where? ____________
6. Did you, or your spouse if filing jointly, receive a letter from the IRS? ☐ Yes ☒ No
7. Would you like information on how to vote and/or how to register to vote? ☐ Yes ☒ No

Many free tax preparation sites operate by receiving grant money or other federal financial assistance. The data from the following questions may be used by this site to apply for these grants or to support continued receipt of financial funding. Your answer will be used only for statistical purposes. These questions are optional.

8. Would you say you can carry on a conversation in English, both understanding & speaking? ☒ Very well ☐ Well ☐ Not well ☐ Not at all ☐ Prefer not to answer
9. Would you say you can read a newspaper or book in English? ☒ Very well ☐ Well ☐ Not well ☐ Not at all ☐ Prefer not to answer
10. Do you or any member of your household have a disability? ☐ Yes ☒ No ☐ Prefer not to answer
11. Are you or your spouse a Veteran from the U.S. Armed Forces? ☒ Yes ☐ No ☐ Prefer not to answer
12. Your race?
    ☐ American Indian or Alaska Native ☐ Asian ☐ Black or African American ☐ Native Hawaiian or other Pacific Islander ☐ White ☒ Prefer not to answer
13. Your spouse's race?
    ☐ American Indian or Alaska Native ☐ Asian ☐ Black or African American ☐ Native Hawaiian or other Pacific Islander ☐ White ☒ Prefer not to answer
    ☐ No spouse
14. Your ethnicity? ☐ Hispanic or Latino ☐ Not Hispanic or Latino ☒ Prefer not to answer
15. Your spouse's ethnicity? ☐ Hispanic or Latino ☐ Not Hispanic or Latino ☒ Prefer not to answer ☐ No spouse

Additional comments

Privacy Act and Paperwork Reduction Act Notice

The Privacy Act of 1974 requires that when we ask for information we tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it, and whether your response is voluntary, required to obtain a benefit, or mandatory. Our legal right to ask for information is 5 U.S.C. 301. We are asking for this information to assist us in contacting you relative to your interest and/or participation in the IRS volunteer income tax preparation and outreach programs. The information you provide may be furnished to others who coordinate activities and staffing at volunteer return preparation sites or outreach activities. The information may also be used to establish effective controls, send correspondence and recognize volunteers. Your response is voluntary. However, if you do not provide the requested information, the IRS may not be able to use your assistance in these programs. The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1964. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, Washington, DC 20224

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a Employee's social security number	127-00-XXXX
OMB No. 1545-0008	Safe, accurate, FAST! Use IRS e-file. Visit the IRS website at www.irs.gov/efile
b Employer identification number (EIN)	40-600XXXX
c Employer's name, address, and ZIP code	DFAS P.O. BOX 9999 IOWA CITY, IOWA 52240
d Control number	
e Employee's first name and initial / Last name / Suff. f Employee's address and ZIP code	**JESSE JAMES** **237 NORTH 2ND STREET** **YOUR CITY, YOUR STATE, ZIP**
1 Wages, tips, other compensation	$12,000.00
2 Federal income tax withheld	$1,250.00
3 Social security wages	$29,150.00
4 Social security tax withheld	$ 1,807.00
5 Medicare wages and tips	$29,150.00
6 Medicare tax withheld	$ 422.68
7 Social security tips	
8 Allocated tips	
9	
10 Dependent care benefits	
11 Nonqualified plans	
12a See instructions for box 12	Code Q — $ 17,150.00
12b	
12c	
12d	
13 Statutory employee / Retirement plan / Third-party sick pay	Retirement plan: X
14 Other	

15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name
YS	34-800XXXX	$12,000.00	$660.00			

Form **W-2** **Wage and Tax Statement** 2023

Department of the Treasury—Internal Revenue Service

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

a Employee's social security number	128-00-XXXX
OMB No. 1545-0008	Safe, accurate, FAST! Use IRS e-file. Visit the IRS website at www.irs.gov/efile
b Employer identification number (EIN)	34-600XXXX
c Employer's name, address, and ZIP code	SIGNEX CORP 2250 DELTA AVE YOUR CITY, YOUR STATE, ZIP
d Control number	
e Employee's first name and initial / Last name / Suff. f Employee's address and ZIP code	NICOLE JAMES 237 NORTH 2ND STREET YOUR CITY, YOUR STATE, ZIP
1 Wages, tips, other compensation	$16,500.00
2 Federal income tax withheld	$1,650.00
3 Social security wages	$16,500.00
4 Social security tax withheld	$1,023.00
5 Medicare wages and tips	$16,500.00
6 Medicare tax withheld	**$239.25**
7 Social security tips	
8 Allocated tips	
9	
10 Dependent care benefits	
11 Nonqualified plans	
12a See instructions for box 12	
12b	
12c	
12d	
13 Statutory employee / Retirement plan / Third-party sick pay	
14 Other	

15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name
YS	34-600XXXX	**$16,500.00**	**$967.00**			

Form **W-2** **Wage and Tax Statement** 2023

Department of the Treasury—Internal Revenue Service

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

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Military Scenario 5: Test Questions

11. Jesse and Nicole can claim $14,210 as their total rental expenses on their joint return?

    a. True

    b. False

12. What is the amount of Jesse's combat pay from his W-2?

    a. $1,250

    b. $12,000

    c. $17,150

    d. $29,150

13. Which schedule is used to report rental income and expenses?

    a. Schedule A, Itemized Deductions

    b. Schedule C, Profit or Loss From Business

c. Schedule D, Capital Gains or Losses

d. Schedule E, Supplemental Income and Loss

14. Combat pay __________________

a. May increase the Earned Income Credit

b. Is reported on Form W-2 Box 12 with Code Q

c. May increase the Additional Child Tax Credit

d. All of the above

15. Which of the following credits can be claimed for their son, Darren?

a. Child Tax Credit

b. Credit for Other Dependents.

c. Earned Income Credit (Not counting his combat pay)

d. Both b and c

Military Course Scenarios and Retest Questions

Directions

The first four scenarios do not require you to prepare a tax return. Read the interview notes for the scenario carefully and use your training and resource materials to answer the questions.

Military Scenario 1: Amanda Franks

Interview Notes

- Amanda Franks is single.
- Amanda is an engineer in the Marine Corp Reserve. She attended training drills one weekend a month for 12 months in 2023.
- Amanda only owns one vehicle. She placed her vehicle in service on March 15, 2021.

- Amanda's total mileage in 2023 was 11,200 miles.
- Amanda's duty station is 119 miles away from her residence. She drove 2,856 miles to and from her duty station based on her travel log.
- Amanda paid $688 for meals while attending training drills. Lodging was provided for free on the base since she is enlisted.
- Meals were within federal per diem rates for the area.
- Amanda paid $135 for the cost and upkeep of her uniforms. She is permitted to wear her uniform for off duty purposes.
- Amanda did not receive reimbursement for any of her out-of-pocket expenses.

- Amanda paid $72 in tolls, but parking on base was free.

Military Scenario 1: Retest Questions

1. The amount Amanda paid for meals and mileage is deductible as an adjustment to income.

    a. True

    b. False

2. What is the correct amount of the deductible mileage expense?

    a. $0

    b. $78

    c. $1,871

    d. $7,336

Military Scenario 2: Cory and Chelsea Springs

Interview Notes

- Cory and Chelsea lived in Norfolk, VA where Cory was stationed in the Navy for four years. He received new orders to move to New Orleans, LA naval base. This is a permanent change of station (PCS).
- They decided to make a Personally Procured Move (PPM).
- Chelsea traveled to New Orleans in May to find a house to rent. She wanted a home close to the French quarter. She spent $1,212 on round-trip airfare, hotel, food, and rental car.
- Cory and Chelsea spent $295 on boxes, tape, bubble wrap, and mattress bags. They paid $695 for the rental truck.

- On June 2, 2023, Cory and Chelsea packed up their belongings and began driving from Norfolk to New Orleans. Along the way, they stopped in Jackson, MS to visit their parents.
- The Springs drove their rental truck a total of 1,154 miles. The shortest, most direct route calculated by the Navy was 1,013 miles.
- They stayed a total of 7 nights instead of the authorized 3 nights. The allowable lodging per diem was $77 per night.
- Cory and Chelsea spent $268 for food and $100 on college sweatshirts. They spent a total of $120 on basketball tickets while in Jackson.
- They paid $35 in highway tolls and $40 for parking as part of the expected move.

- Their move was estimated to cost $1,960 and the Navy provided $1,764 in advance.
- Cory and Chelsea are U.S. citizens and have valid Social Security numbers.

Military Scenario 2: Retest Questions

3. Cory and Chelsea's net profit from their move will be reported on Form W-2, Wage and Tax Statement.

   a. True

   b. False

4. Which of the following are qualified moving expenses for Cory and Chelsea?

   a. Expenses that are reasonable for the circumstances of the move.

   b. Traveling expenses for the shortest most direct route available from the former home to the new home including parking and tolls.

c. Expenses for stopovers, side trips, and pre-move house hunting.

d. Both a and b

5. The mileage cost for Cory and Chelsea's trip was $664.

a. True

b. False

6. The Springs can claim $231 as their lodging expense?

a. True

b. False

Military Scenario 3: Sasha Pippen

Interview Notes

- Sasha Pippen is a retired member of the U.S. Air Force.
- She received Form 1099-R for retirement payments from the Defense Finance and Accounting Service.
- Form 1099-R indicates $35,000 in Box 1 and Box 2a.
- Sasha is considered 10% disabled and received a letter of determination from the Department of Veterans Affairs (VA).
- She received a payment in the amount of $1,645 from the VA for disability.

Military Scenario 3: Retest Questions

7. The $35,000 from Defense Finance and Accounting Service is subject to which type of tax?

   a. Social Security Tax

   b. Medicare Tax

   c. Self Employment Tax

   d. Federal Income Tax

8. The VA issues Form 1099-R for disability payments.

   a. True

   b. False

Military Scenario 4: Scott and Mary Johnson

Interview Notes

- Scott and Mary Johnson are married and have a 10 year old son who lived with Scott all year.
- Mary was deployed to a designated combat zone on December 2, 2023. Her last day in the combat zone is scheduled for July 7, 2024.
- Mary's Form W-2 shows:
    - Box 1 = $12,000
    - Box 12a = $21,500, Code Q
- Scott's Form W-2 shows $21,750 in Box 1. This is his only income.
- Scott, Mary, and their son are all U.S. citizens and have valid Social Security numbers. The entire family lives in the U.S.

Military Scenario 4: Retest Questions

9. Scott and Mary can choose to count her combat pay if it increases their Earned Income Tax Credit.

   a. True

   b. False

10. Scott and Mary have 286 days to file their tax return after she returns from the combat zone.

    a. True

    b. False

Military Scenario 5: Jesse and Nicole James

Interview Notes

- Jesse and Nicole are married and want to file a joint return.

- Jesse and Nicole have an 18 year old son, Darren, who lived with them the entire year.
- Jesse was deployed and entered a combat zone on August 3, 2023. He returned to the U.S. on February 20, 2024.
- Nicole has rental property, which she placed into service in 2017.
- Rental property:
    - Nicole is an active participant
    - Single family residence at 724 Main Street, Your City, Your State, Your Zip
    - Purchased property: 5/3/2016
    - Rented: 1/1/2023 to 12/31/2023
    - Annual rental income: $23,150
    - Insurance: $1,715
    - Management fees: $950

- Nicole paid $2,195 to replace a hot water heater, repair a faucet, and caulk the bathtub.. She fixed the faucet herself and feels her time completing the repair was worth $150 compared to the estimate from the plumber.
- Real estate property tax: $3,100
- Mortgage Interest: $3,850
- Depreciation: $2,400 (annual amount previously calculated by Nicole's accountant) o Nicole did not make any payments that require her to file Form 1099
- They did not itemize last year and do not have enough deductions to itemize this year.

Military Scenario 5: Retest Questions

Directions

Refer to the scenario information for Jesse and Nicole's income documents.

11. Which of the following is **not** an eligible rental expense deduction?

    a. Insurance

    b. Interest

    c. Real estate taxes

    d. Value of Nicole's labor

12. Code "Q" in box 12a of Jesse's W-2 represents combat pay.

    a. True

    b. False

13. The James's net rental income (rental income minus expenses) is figured using Schedule C and reported as self-

employment income on Form 1040, Schedule 1, Additional Income and Adjustments to Income.

a. True

b. False

14. Combat pay is **not** taxable for Federal income tax purposes.

a. True

b. False

15. The James's can claim the Other Dependents Credit for their son, Darren.

a. True

b. False

International Course Scenarios and Test Questions

Directions

The first two scenarios do not require you to prepare a tax return. **Read the interview notes for each scenario carefully and use your training and resource materials to answer the questions after the scenarios.**

International Scenario 1: Daniel and Ruth Kangaroo

Interview Notes

- Daniel and Ruth currently live in Australia.
- They moved there on August 10, 2020 and rent a 2-bedroom apartment. Daniel was transferred there for an indefinite period of time. Daniel and Ruth intend to eventually return to the United States.

- Daniel is employed by a U.S.-based Fortune 500 company and Ruth teaches Mandarin as a second language.
- Daniel and Ruth returned to the U.S. for 14 days for a wedding in June of 2023. They also took a 10-day vacation to New Zealand in December of 2023.
- Neither Daniel nor Ruth work for the U.S. government.
- Daniel and Ruth have a house in the U.S. It is vacant while they are overseas. Their mother house sits while they are living abroad.
- Daniel and Ruth are U.S. citizens and have valid Social Security numbers.

International Scenario 1: Test Questions

1. The 10-day vacation to New Zealand **cannot** be included when counting the 330 days for the physical presence test.

    a. True

    b. False

2. In order for Daniel and Ruth to claim the Foreign Earned Income Exclusion, they must _________.

    a. Have income that qualifies as foreign earned income

    b. Demonstrate that their tax home is in a foreign country

    c. Meet the physical presence test

    d. All of the above

International Scenario 2: Jacques and Dana Plougeur

Interview Notes

- Jacques and Dana Plougeur are married and live in Marseille, France.
- Dana is a U.S. citizen and has a valid Social Security number. Jacques is a citizen of France and has an ITIN for U.S. tax filing purposes.
- In 2017, Jacques and Dana chose to treat Jacques as a resident alien for tax purposes. This choice has never been suspended or revoked.
- Jacques and Dana have a daughter, Chloe, who was born on August 5, 2020. Chloe is a U.S. citizen and has a valid Social Security number issued by the due date of the return, including extensions.

- Jacques’s brother, Henri, moved in with them in 2021. Henri is a citizen of France and has no income.
- Dana is employed by a Fortune 500 company and earned $25,570.
- Jacques works as a fisherman and earned the equivalent of $18,350 in US dollars.
- Jacques and Dana provide all financial support for Chloe and Henri.

International Scenario 2: Test Questions

3. How should Jacques's income be treated on a Married Filing Jointly return?

    a. Jacques's income does **not** need to be included on the return because Henri says he doesn't have to report it.

b. They do **not** have to file a return because their combined income is less than the foreign earned income exclusion limit

c. Jacques's income does **not** need to be included on the return because it is paid by a company in France

d. Jacques's worldwide income must be reported on the return

4. How can the Plougeur's decide to end their election to treat Jacques as a resident alien?

   a. Divorce or Legal Separation

   b. Revocation in writing

   c. Death of either spouse

   d. All of the above

5. On a Married Filing Jointly return, can Jacques and Dana claim the Credit for Other Dependents for Herni?

   a. Yes, because Henri meets the relationship test

   b. No, because Henri is not a U.S. citizen, U.S. national, U.S. resident alien, or a resident of Canada or Mexico

   c. Yes, because Henri is a qualifying relative with no income

   d. None of the above

6. Chloe is a qualifying child for the Child Tax Credit on the Plougeur's return.

   a. True

   b. False