

Test Scenario 5 – Stan & Sandy Blue

Test Scenario 5
Taxpayer: Stan and Sandy Blue
Primary SSN: 400-00-1035
Secondary SSN: 400-00-1025

Test Scenario 5 includes the following forms:

- Form 1040
- Form W-2
- Schedule C (Form 1040)
- Schedule M (Form 1040)
- Form 2441
- Form 8812
- Form 8863

Additional Information:

- Include OtherIncomeTypeStatement for Form 1040 Line 21:

| Other Income Code Text | Amount |
|------------------------|--------|
| Award | 1150 |

Form 1040

Department of the Treasury—Internal Revenue Service

U.S. Individual Income Tax Return 2010

(99) IRS Use Only—Do not write or staple in this space.

Label

(See instructions on page 14.)

Use the IRS label.

Otherwise, please print or type.

Form header section including 'For the year Jan. 1–Dec. 31, 2010, or other tax year beginning', 'Your first name and initial', 'Last name', 'Your social security number', 'Spouse's social security number', 'Home address (number and street)', 'Apt. no.', 'City, town or post office, state, and ZIP code', and 'Checking a box below will not change your tax or refund.'

Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 14) You Spouse

Filing Status 1 Single 2 Married filing jointly (even if only one had income) 3 Married filing separately. Enter spouse's SSN above and full name here. 4 Head of household (with qualifying person). (See page 15.) If the qualifying person is a child but not your dependent, enter this child's name here. 5 Qualifying widow(er) with dependent child (see page 16)

Exemptions 6a Yourself. If someone can claim you as a dependent, do not check box 6a. 6b Spouse. 6c Dependents: (1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) if qualifying child for child tax credit (see page 17) Boxes checked on 6a and 6b No. of children on 6c who: • lived with you • did not live with you due to divorce or separation (see page 18) Dependents on 6c not entered above Add numbers on lines above

Income 7 Wages, salaries, tips, etc. Attach Form(s) W-2 7 8a Taxable interest. Attach Schedule B if required 8a b Tax-exempt interest. Do not include on line 8a 8b 9a Ordinary dividends. Attach Schedule B if required 9a b Qualified dividends (see page 22) 9b 10 Taxable refunds, credits, or offsets of state and local income taxes (see page 23) 10 11 Alimony received 11 12 Business income or (loss). Attach Schedule C or C-EZ 12 13 Capital gain or (loss). Attach Schedule D if required. If not required, check here 13 14 Other gains or (losses). Attach Form 4797 14 15a IRA distributions 15a b Taxable amount (see page 24) 15b 16a Pensions and annuities 16a b Taxable amount (see page 25) 16b 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 17 18 Farm income or (loss). Attach Schedule F 18 19 Unemployment compensation (see page 27) 19 20a Social security benefits 20a b Taxable amount (see page 27) 20b 21 Other income. List type and amount (see page 29) 21 22 Combine the amounts in the far right column for lines 7 through 21. This is your total income 22

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

Tax and Credits

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

39a Check **You** were born before January 2, 1946, **Blind.** } **Total boxes**
if: **Spouse** was born before January 2, 1946, **Blind.** } **checked ▶ 39a**

b If your spouse itemizes on a separate return or you were a dual-status alien, see page 35 and check here ▶ **39b**

40 **Itemized deductions** (from Schedule A) or your **standard deduction** (see page 35) **40**

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

42 **Exemptions.** Multiply \$3,650 by the number on line 6d **42**

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

44 **Tax** (see page 37). Check if any tax is from: **a** Form(s) 8814 **b** Form 4972 **44**

45 **Alternative minimum tax** (see page 40). Attach Form 6251 **45**

46 Add lines 44 and 45 **46**

47 Foreign tax credit. Attach Form 1116 if required **47**

48 Credit for child and dependent care expenses. Attach Form 2441 **48**

49 Education credits from Form 8863, line 23 **49**

50 Retirement contributions credit. Attach Form 8880 **50**

51 Child tax credit (see page 42) **51**

52 Residential energy credits. Attach Form 5695 **52**

53 Other credits from Form: **a** 3800 **b** 8801 **c** **53**

54 Add lines 47 through 53. These are your **total credits** **54**

55 Subtract line 54 from line 46. If line 54 is more than line 46, enter -0- ▶ **55**

Other Taxes

56 Self-employment tax. Attach Schedule SE **56**

57 Unreported social security and Medicare tax from Form: **a** 4137 **b** 8919 **57**

58 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required **58**

59 **a** Form W-2, box 9 **b** Schedule H, line 28 **c** Form 5405, line 16 **59**

60 Add lines 55 through 59. This is your **total tax** **60**

Payments

61 Federal income tax withheld from Forms W-2 and 1099 **61**

62 2010 estimated tax payments and amount applied from 2009 return **62**

63 Making work pay credit. Attach Schedule M **63**

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

b Nontaxable combat pay election **64b**

65 Additional child tax credit. Attach Form 8812 **65**

66 American opportunity credit from Form 8863, line 14 **66**

67 First-time homebuyer credit from Form 5405, line 10 **67**

68 Amount paid with request for extension to file (see page 72) **68**

69 Excess social security and tier 1 RRTA tax withheld (see page 72) **69**

70 Credit for federal tax on fuels. Attach Form 4136 **70**

71 Credits from Form: **a** 2439 **b** 8839 **c** 8801 **d** 8885 **71**

72 Add lines 61, 62, 63, 64a, and 65 through 71. These are your **total payments** **72**

Refund

Direct deposit? See page 73 and fill in 74b, 74c, and 74d, or Form 8888.

73 If line 72 is more than line 60, subtract line 60 from line 72. This is the amount you **overpaid** **73**

74a Amount of line 73 you want **refunded to you**. If Form 8888 is attached, check here ▶ **74a**

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

▶ **d** Account number

75 Amount of line 73 you want **applied to your 2011 estimated tax** ▶ **75**

Amount You Owe

76 **Amount you owe.** Subtract line 72 from line 60. For details on how to pay, see page 74 **76**

77 Estimated tax penalty (see page 74) **77**

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 75)? **Yes.** Complete the following. **No**

Designee's name ▶ Phone no. ▶ Personal identification number (PIN) ▶

Sign Here

Joint return? See page 15. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature Date Your occupation Daytime phone number

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

Paid Preparer's Use Only

Preparer's signature ▶ **Ellen Grey** Date **04/14/2011** Check if self-employed

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

EIN Phone no.

| | | | | | | | | | |
|---|--|--|--|--|--|--|--|---|--|
| | | a Employee's social security number | | OMB No. 1545-0008 | | Safe, accurate, FAST! Use  | | Visit the IRS website at www.irs.gov/efile | |
| b Employer identification number (EIN) | | | | 1 Wages, tips, other compensation | | 2 Federal income tax withheld | | | |
| c Employer's name, address, and ZIP code | | | | 3 Social security wages | | 4 Social security tax withheld | | | |
| | | | | 5 Medicare wages and tips | | 6 Medicare tax withheld | | | |
| | | | | 7 Social security tips | | 8 Allocated tips | | | |
| d Control number | | | | 9 Advance EIC payment | | 10 Dependent care benefits | | | |
| e Employee's first name and initial | | Last name | | Suff. | | 11 Nonqualified plans | | 12a See instructions for box 12 | |
| | | | | | | 13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/> | | 12b | |
| | | | | | | 14 Other | | 12c | |
| f Employee's address and ZIP code | | | | | | | | 12d | |
| 15 State | | Employer's state ID number | | 16 State wages, tips, etc. | | 17 State income tax | | 18 Local wages, tips, etc. | |
| | | | | | | | | 19 Local income tax | |
| | | | | | | | | 20 Locality name | |

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

2010

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 400-00-1025 | | OMB No. 1545-0008 | | Safe, accurate, FAST! Use | |  | | Visit the IRS website at www.irs.gov/efile | | |
| b Employer identification number (EIN) 69-0000002 | | | | 1 Wages, tips, other compensation 50,000 | | 2 Federal income tax withheld 4,500 | | | | | | |
| c Employer's name, address, and ZIP code Test Business 3 Test Street St. Louis, Mo 63141 | | | | 3 Social security wages 50,000 | | 4 Social security tax withheld 3,100 | | | | | | |
| | | | | 5 Medicare wages and tips 50,000 | | 6 Medicare tax withheld 725 | | | | | | |
| | | | | 7 Social security tips | | 8 Allocated tips | | | | | | |
| d Control number | | | | 9 Advance EIC payment | | 10 Dependent care benefits | | | | | | |
| e Employee's first name and initial Sandy Blue | | Last name Blue | | Suff. | | 11 Nonqualified plans | | 12a See instructions for box 12 | | | | |
| 4 5th Test Street St. Louis, MO 63141 | | | | | | 13 Statutory employee <input checked="" type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/> | | 12b | | | | |
| | | | | | | 14 Other | | 12c | | | | |
| f Employee's address and ZIP code | | | | | | | | 12d | | | | |
| 15 State MO | | Employer's state ID number 69-0000007 | | 16 State wages, tips, etc. 50,000 | | 17 State income tax 500 | | 18 Local wages, tips, etc. 50,000 | | 19 Local income tax 500 | | 20 Locality name Name 1 |
| KS | | 69-0000006 | | 50,000 | | 200 | | 50,000 | | 600 | | Name 2 |

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

2010

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.

**SCHEDULE C
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business

(Sole Proprietorship)

▶ **Partnerships, joint ventures, etc., generally must file Form 1065 or 1065-B.**
▶ **Attach to Form 1040, 1040NR, or 1041.** ▶ **See Instructions for Schedule C (Form 1040).**

OMB No. 1545-0074

2010
Attachment
Sequence No. **09**

| | |
|--|--|
| Name of proprietor Sandy Blue | Social security number (SSN) 400-00-1025 |
| A Principal business or profession, including product or service (see page C-2 of the instructions) Insurance Agent | B Enter code from pages C-9, 10, & 11 ▶ 5 2 4 2 1 0 |
| C Business name. If no separate business name, leave blank. | D Employer ID number (EIN), if any 6 9 0 0 0 0 0 0 1 |
| E Business address (including suite or room no.) ▶ 4000 5th Test Street City, town or post office, state, and ZIP code St. Louis, MO 64041 | |
| F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶ | |
| G Did you "materially participate" in the operation of this business during 2010? If "No," see page C-3 for limit on losses <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| H If you started or acquired this business during 2010, check here <input type="checkbox"/> | |

Part I Income

| | | | | | |
|--|----------|--|--------|--|--|
| 1 Gross receipts or sales. Caution. See page C-4 and check the box if: • This income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, or • You are a member of a qualified joint venture reporting only rental real estate income not subject to self-employment tax. Also see page C-3 for limit on losses. <input checked="" type="checkbox"/> | | | | | |
| 2 Returns and allowances | 2 | | | | |
| 3 Subtract line 2 from line 1 | 3 | | 50,000 | | |
| 4 Cost of goods sold (from line 42 on page 2) | 4 | | | | |
| 5 Gross profit. Subtract line 4 from line 3 | 5 | | 50,000 | | |
| 6 Other income, including federal and state gasoline or fuel tax credit or refund (see page C-4) | 6 | | | | |
| 7 Gross income. Add lines 5 and 6 | 7 | | 50,000 | | |

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

| | | | | | | | |
|---|------------|--------|--------|---|------------|--|--|
| 8 Advertising | 8 | | | 18 Office expense | 18 | | |
| 9 Car and truck expenses (see page C-4) | 9 | 10,000 | | 19 Pension and profit-sharing plans | 19 | | |
| 10 Commissions and fees | 10 | | | 20 Rent or lease (see page C-6): | | | |
| 11 Contract labor (see page C-4) | 11 | | | a Vehicles, machinery, and equipment | 20a | | |
| 12 Depletion | 12 | | | b Other business property | 20b | | |
| 13 Depreciation and section 179 expense deduction (not included in Part III) (see page C-5) | 13 | | | 21 Repairs and maintenance | 21 | | |
| 14 Employee benefit programs (other than on line 19) | 14 | | | 22 Supplies (not included in Part III) | 22 | | |
| 15 Insurance (other than health) | 15 | | | 23 Taxes and licenses | 23 | | |
| 16 Interest: | | | | 24 Travel, meals, and entertainment: | | | |
| a Mortgage (paid to banks, etc.) | 16a | | | a Travel | 24a | | |
| b Other | 16b | | | b Deductible meals and entertainment (see page C-6) | 24b | | |
| 17 Legal and professional services | 17 | | | 25 Utilities | 25 | | |
| 28 Total expenses before expenses for business use of home. Add lines 8 through 27 | 28 | | 10,000 | 26 Wages (less employment credits) | 26 | | |
| 29 Tentative profit or (loss). Subtract line 28 from line 7 | 29 | | 40,000 | 27 Other expenses (from line 48 on page 2) | 27 | | |
| 30 Expenses for business use of your home. Attach Form 8829 | 30 | | | | | | |
| 31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Form 1040, line 12 , and Schedule SE, line 2 , or on Form 1040NR, line 13 (if you checked the box on line 1, see page C-7). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32. | 31 | | 40,000 | | | | |
| 32 If you have a loss, check the box that describes your investment in this activity (see page C-7). • If you checked 32a, enter the loss on both Form 1040, line 12 , and Schedule SE, line 2 , or on Form 1040NR, line 13 (if you checked the box on line 1, see the line 31 instructions on page C-7). Estates and trusts, enter on Form 1041, line 3 . • If you checked 32b, you must attach Form 6198 . Your loss may be limited. | | | | 32a <input type="checkbox"/> All investment is at risk. | | | |
| | | | | 32b <input type="checkbox"/> Some investment is not at risk. | | | |

SCHEDULE M
(Form 1040A or 1040)

Making Work Pay Credit

OMB No. 1545-0074

2010
Attachment
Sequence No. **166**

Department of the Treasury
Internal Revenue Service (99)

▶ **Attach to Form 1040A or 1040.**

▶ **See separate instructions.**

Name(s) shown on return

Your social security number

 *To take the making work pay credit, you must include your social security number (if filing a joint return, the number of either you or your spouse) on your tax return. A social security number does not include an identification number issued by the IRS. Only the Social Security Administration issues social security numbers.*

 *You cannot take the making work pay credit if you can be claimed as someone else's dependent or if you are a nonresident alien.*

Important: Check the "No" box on line 1a and see the instructions if:

- (a) You have a net loss from a business,
- (b) You received a taxable scholarship or fellowship grant not reported on a Form W-2,
- (c) Your wages include pay for work performed while an inmate in a penal institution,
- (d) You received a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan, or
- (e) You are filing Form 2555 or 2555-EZ.

1a Do you (and your spouse if filing jointly) have 2010 wages of more than \$6,451 (\$12,903 if married filing jointly)?
 Yes. Skip lines 1a through 3. Enter \$400 (\$800 if married filing jointly) on line 4 and go to line 5.
 No. Enter your earned income (see instructions) **1a**

b Nontaxable combat pay included on line 1a (see instructions) **1b**

2 Multiply line 1a by 6.2% (.062) **2**

3 Enter \$400 (\$800 if married filing jointly) **3**

4 Enter the **smaller** of line 2 or line 3 (unless you checked "Yes" on line 1a) **4**

5 Enter the amount from Form 1040, line 38*, or Form 1040A, line 22 **5**

6 Enter \$75,000 (\$150,000 if married filing jointly) **6**

7 Is the amount on line 5 more than the amount on line 6?
 No. Skip line 8. Enter the amount from line 4 on line 9 below.
 Yes. Subtract line 6 from line 5 **7**

8 Multiply line 7 by 2% (.02) **8**

9 Subtract line 8 from line 4. If zero or less, enter -0- **9**

10 Did you (or your spouse, if filing jointly) receive an economic recovery payment in **2010**? You may have received this payment in 2010 if you did not receive an economic recovery payment in 2009 but you received social security benefits, supplemental security income, railroad retirement benefits, or veterans disability compensation or pension benefits in November 2008, December 2008, or January 2009 (see instructions).
 No. Enter -0- on line 10 and go to line 11.
 Yes. Enter the total of the payments you (and your spouse, if filing jointly) received in **2010**. Do not enter more than \$250 (\$500 if married filing jointly) **10**

11 **Making work pay credit.** Subtract line 10 from line 9. If zero or less, enter -0-. Enter the result here and on Form 1040, line 63; or Form 1040A, line 40 **11**

*If you are filing Form 2555, 2555-EZ, or 4563 or you are excluding income from Puerto Rico, see instructions.

Child and Dependent Care Expenses



2010

Attachment Sequence No. **21**

Department of the Treasury
Internal Revenue Service (99)

▶ **Attach to Form 1040, Form 1040A, or Form 1040NR.**

▶ **See separate instructions.**

2441

Name(s) shown on return

Your social security number

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

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

Did you receive dependent care benefits? **No** → Complete only Part II below.
 Yes → Complete Part III on the back next.

Caution. If the care was provided in your home, you may owe employment taxes. If you do, you cannot file Form 1040A. For details, see the instructions for Form 1040, line 59, or Form 1040NR, line 58.

Part II Credit for Child and Dependent Care Expenses

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

| (a) Qualifying person's name | | (b) Qualifying person's social security number | (c) Qualified expenses you incurred and paid in 2010 for the person listed in column (a) |
|------------------------------|------|--|--|
| First | Last | | |
| | | | |
| | | | |

3 Add the amounts in column (c) of line 2. **Do not** enter more than \$3,000 for one qualifying person or \$6,000 for two or more persons. If you completed Part III, enter the amount from line 31

4 Enter your **earned income**. See instructions

5 If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions); **all others**, enter the amount from line 4

6 Enter the **smallest** of line 3, 4, or 5

7 Enter the amount from Form 1040, line 38; Form 1040A, line 22; or Form 1040NR, line 37.

8 Enter on line 8 the decimal amount shown below that applies to the amount on line 7

| If line 7 is: | | | If line 7 is: | | |
|---------------|--------------|-------------------|-----------------|--------------|-------------------|
| Over | But not over | Decimal amount is | Over | But not over | Decimal amount is |
| \$0—15,000 | | .35 | \$29,000—31,000 | | .27 |
| 15,000—17,000 | | .34 | 31,000—33,000 | | .26 |
| 17,000—19,000 | | .33 | 33,000—35,000 | | .25 |
| 19,000—21,000 | | .32 | 35,000—37,000 | | .24 |
| 21,000—23,000 | | .31 | 37,000—39,000 | | .23 |
| 23,000—25,000 | | .30 | 39,000—41,000 | | .22 |
| 25,000—27,000 | | .29 | 41,000—43,000 | | .21 |
| 27,000—29,000 | | .28 | 43,000—No limit | | .20 |

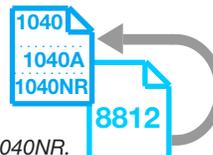
9 Multiply line 6 by the decimal amount on line 8. If you paid 2009 expenses in 2010, see the instructions

10 Tax liability limit. Enter the amount from the Credit Limit Worksheet in the instructions.

11 **Credit for child and dependent care expenses.** Enter the **smaller** of line 9 or line 10 here and on Form 1040, line 48; Form 1040A, line 29; or Form 1040NR, line 46

Form **8812**

Additional Child Tax Credit



OMB No. 1545-0074

2010

Attachment Sequence No. **47**

Department of the Treasury
Internal Revenue Service (99)

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

Name(s) shown on return

Stan and Sandy Blue

Your social security number

400-00-1035

Part I All Filers

- 1 1040 filers:** Enter the amount from line 6 of your Child Tax Credit Worksheet (see the Instructions for Form 1040, line 51).
- 1040A filers:** Enter the amount from line 6 of your Child Tax Credit Worksheet (see the Instructions for Form 1040A, line 33).
- 1040NR filers:** Enter the amount from line 6 of your Child Tax Credit Worksheet (see the Instructions for Form 1040NR, line 48).

If you used Pub. 972, enter the amount from line 8 of the worksheet on page 4 of the publication.

- 2** Enter the amount from Form 1040, line 51, Form 1040A, line 33, or Form 1040NR, line 48 **2**
- 3** Subtract line 2 from line 1. If zero, **stop**; you cannot take this credit **3**
- 4a** Earned income (see instructions on back) **4a** **53000**
- b** Nontaxable combat pay (see instructions on back) **4b**
- 5** Is the amount on line 4a more than \$3,000?
 No. Leave line 5 blank and enter -0- on line 6.
 Yes. Subtract \$3,000 from the amount on line 4a. Enter the result **5** **50000**
- 6** Multiply the amount on line 5 by 15% (.15) and enter the result **6**
Next. Do you have three or more qualifying children?
 No. If line 6 is zero, stop; you cannot take this credit. Otherwise, skip Part II and enter the **smaller** of line 3 or line 6 on line 13.
 Yes. If line 6 is equal to or more than line 3, skip Part II and enter the amount from line 3 on line 13. Otherwise, go to line 7.

| | |
|-----------|--------------|
| 1 | 1000 |
| 2 | |
| 3 | |
| 4a | 53000 |
| 4b | |
| 5 | 50000 |
| 6 | |

Part II Certain Filers Who Have Three or More Qualifying Children

- 7** Withheld social security and Medicare taxes from Form(s) W-2, boxes 4 and 6. If married filing jointly, include your spouse's amounts with yours. If you worked for a railroad, see instructions on back **7**
- 8 1040 filers:** Enter the total of the amounts from Form 1040, lines 27 and 57, plus any taxes that you identified using code "UT" and entered on the dotted line next to line 60.
- 1040A filers:** Enter -0-.
- 1040NR filers:** Enter the total of the amounts from Form 1040NR, lines 27 and 55, plus any taxes that you identified using code "UT" and entered on the dotted line next to line 59.
- 9** Add lines 7 and 8 **9**
- 10 1040 filers:** Enter the total of the amounts from Form 1040, lines 64a and 69.
- 1040A filers:** Enter the total of the amount from Form 1040A, line 41a, plus any excess social security and tier 1 RRTA taxes withheld that you entered to the left of line 44 (see instructions on back).
- 1040NR filers:** Enter the amount from Form 1040NR, line 64.
- 11** Subtract line 10 from line 9. If zero or less, enter -0- **11**
- 12** Enter the **larger** of line 6 or line 11 **12**
Next, enter the **smaller** of line 3 or line 12 on line 13.

| | |
|-----------|--|
| 7 | |
| 8 | |
| 9 | |
| 10 | |
| 11 | |
| 12 | |

Part III Additional Child Tax Credit

- 13 This is your additional child tax credit** **13**

| | |
|-----------|--|
| 13 | |
|-----------|--|

Enter this amount on Form 1040, line 65, Form 1040A, line 42, or Form 1040NR, line 62.



**Education Credits (American Opportunity and
 Lifetime Learning Credits)**

OMB No. 1545-0074

lc ▶ See separate instructions to find out if you are eligible to take the credits.
 ▶ Attach to Form 1040 or Form 1040A.

2010
 Attachment
 Sequence No. **50**

Name(s) shown on return
 Stan and Sandy Blue

Your social security number
 400-00-1035

Part I American Opportunity Credit

Caution: You **cannot** take the American opportunity credit for more than 4 tax years for the **same student**.

| 1 | (a) Student's name (as shown on page 1 of your tax return) First name Last name | (b) Student's social security number (as shown on page 1 of your tax return) | (c) Qualified expenses (see instructions). Do not enter more than \$4,000 for each student. | (d) Subtract \$2,000 from the amount in column (c). If zero or less, enter -0-. | (e) Multiply the amount in column (d) by 25% (.25) | (f) If column (d) is zero, enter the amount from column (c). Otherwise, add \$2,000 to the amount in column (e). |
|---|---|--|--|--|--|--|
| | Stan Blue | 400-00-1035 | 4000 | 2000 | 500 | 2500 |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| 2 | Tentative American opportunity credit. Add the amounts on line 1, column (f). If you are taking the lifetime learning credit for a different student, go to Part II; otherwise, go to Part III ▶ | | | | | 2500 |

Part II Lifetime Learning Credit. Caution: You **cannot** take the American opportunity credit and the lifetime learning credit for the **same student** in the same year.

| 3 | (a) Student's name (as shown on page 1 of your tax return) First name Last name | (b) Student's social security number (as shown on page 1 of your tax return) | (c) Qualified expenses (see instructions) |
|---|--|--|---|
| | | | |
| | | | |
| 4 | Add the amounts on line 3, column (c), and enter the total | | 4 |
| 5 | Enter the smaller of line 4 or \$10,000 | | 5 |
| 6 | Tentative lifetime learning credit. Multiply line 5 by 20% (.20). If you have an entry on line 2, go to Part III; otherwise go to Part IV | | 6 |

Part III Refundable American Opportunity Credit

| | | | | | |
|-----------|--|-----------|--|-----------|---|
| 7 | Enter the amount from line 2 | | | 7 | |
| 8 | Enter: \$180,000 if married filing jointly; \$90,000 if single, head of household, or qualifying widow(er) | 8 | | | |
| 9 | Enter the amount from Form 1040, line 38,* or Form 1040A, line 22 | 9 | | | |
| 10 | Subtract line 9 from line 8. If zero or less, stop ; you cannot take any education credit | 10 | | | |
| 11 | Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er) | 11 | | | |
| 12 | If line 10 is: <ul style="list-style-type: none"> • Equal to or more than line 11, enter 1.000 on line 12 • Less than line 11, divide line 10 by line 11. Enter the result as a decimal (rounded to at least three places) | | | 12 | . |
| 13 | Multiply line 7 by line 12. Caution: If you were under age 24 at the end of the year and meet the conditions on page 5 of the instructions, you cannot take the refundable American opportunity credit. Skip line 14, enter the amount from line 13 on line 15, and check this box <input type="checkbox"/> | | | 13 | |
| 14 | Refundable American opportunity credit. Multiply line 13 by 40% (.40). Enter the amount here and on Form 1040, line 66, or Form 1040A, line 43. Then go to line 15 below | | | 14 | |

Part IV Nonrefundable Education Credits

| | | | | | |
|-----------|---|-----------|--|-----------|---|
| 15 | Subtract line 14 from line 13 | | | 15 | |
| 16 | Enter the amount from line 6. If you have no entry on this line, skip lines 17 through 22, and enter the amount from line 15 on line 23 | | | 16 | |
| 17 | Enter: \$120,000 if married filing jointly; \$60,000 if single, head of household, or qualifying widow(er) | 17 | | | |
| 18 | Enter the amount from Form 1040, line 38,* or Form 1040A, line 22 | 18 | | | |
| 19 | Subtract line 18 from line 17. If zero or less, skip lines 20 and 21, and enter zero on line 22 | 19 | | | |
| 20 | Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er) | 20 | | | |
| 21 | If line 19 is: <ul style="list-style-type: none"> • Equal to or more than line 20, enter the amount from line 16 on line 22 and go to line 23 • Less than line 20, divide line 19 by line 20. Enter the result as a decimal (rounded to at least three places) | | | 21 | . |
| 22 | Multiply line 16 by line 21. Go to the Credit Limit Worksheet in the instructions <input type="checkbox"/> | | | 22 | |
| 23 | Nonrefundable education credits. Enter the amount from the Credit Limit Worksheet (in the instructions) here and on Form 1040, line 49, or Form 1040A, line 31 | | | 23 | |

*If you are filing Form 2555, 2555-EZ, or 4563, or you are excluding income from Puerto Rico, see Pub. 970 for the amount to enter.