

1041 MEF ATS Scenario #3

Forms Included in Scenario #3

1041
Simple Trust
Sch C (Form1040)
Sch D (Form 1041) To be provided at a later date.
Sch H (Form1040)
Sch K-1 (4)
4255
4797
8275

Trust Name and EIN

Magenta Trust
00-4012345

Fiduciary Name, Address, and SSN

Cyan Magenta, CPA
1st Test Street
Lanham, MD 20706
123-00-4567

Signature Information

Practitioner Signature PIN Method

K1 Data

- K1 Data Explanation for Ruby Red Grape
- K1 Data Explanation for Fushia Red Lime
- K1 Data Explanation for Blue Red Coconut
- K1 Data Explanation for Green Red Kiwi
- Interest Income must be distributed equally to the beneficiaries
- Ordinary Dividends must be distributed equally to the beneficiaries
- Schedule C Income must be distributed equally to the beneficiary

Tax Exempt Expense Allocation Statement

Expense	Total Expenses	Amount Allocated to Tax Exempt Income	Amount Allocated to Taxable Income	Explanation
Expense #1	1000	400	600	Test scenario data only
Expense #2	1000	100	900	Test scenario data only

Information about Form 1041 and its separate instructions is at www.irs.gov/form1041.

A Check all that apply: Decedent's estate, Simple trust, Complex trust, Qualified disability trust, ESBT (S portion only), Grantor type trust, Bankruptcy estate-Ch. 7, Bankruptcy estate-Ch. 11, Pooled income fund. B Number of Schedules K-1 attached (see instructions) 4. C Employer identification number 00-4012345. D Date entity created January 1, 2011. E Nonexempt charitable and split-interest trusts, check applicable box(es), see instructions. F Check applicable boxes: Initial return, Final return, Amended return, Change in fiduciary, Change in fiduciary's name, Change in fiduciary's address. G Check here if the estate or filing trust made a section 645 election.

Table with 29 rows and 3 columns. Rows include Income (1-9), Deductions (10-21), and Tax and Payments (22-29). Values include 750.00, 930.00, 67000.00, 300.00.

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

Signature of fiduciary or officer representing fiduciary, Date, EIN of fiduciary if a financial institution, and a box for 'May the IRS discuss this return with the preparer shown below (see instr.)? Yes No'.

Paid Preparer Use Only Print/Type preparer's name, Preparer's signature, Date, Check if self-employed, PTIN, Firm's name, Firm's EIN, Firm's address, Phone no.

Schedule A Charitable Deduction. Do not complete for a simple trust or a pooled income fund.

1	Amounts paid or permanently set aside for charitable purposes from gross income (see instructions)	1		
2	Tax-exempt income allocable to charitable contributions (see instructions)	2		
3	Subtract line 2 from line 1	3		
4	Capital gains for the tax year allocated to corpus and paid or permanently set aside for charitable purposes	4		
5	Add lines 3 and 4	5		
6	Section 1202 exclusion allocable to capital gains paid or permanently set aside for charitable purposes (see instructions)	6		
7	Charitable deduction. Subtract line 6 from line 5. Enter here and on page 1, line 13	7		

Schedule B Income Distribution Deduction

1	Adjusted total income (see instructions)	1		
2	Adjusted tax-exempt interest	2	500	00
3	Total net gain from Schedule D (Form 1041), line 15, column (1) (see instructions)	3		
4	Enter amount from Schedule A, line 4 (minus any allocable section 1202 exclusion)	4		
5	Capital gains for the tax year included on Schedule A, line 1 (see instructions)	5		
6	Enter any gain from page 1, line 4, as a negative number. If page 1, line 4, is a loss, enter the loss as a positive number	6		
7	Distributable net income. Combine lines 1 through 6. If zero or less, enter -0-	7		
8	If a complex trust, enter accounting income for the tax year as determined under the governing instrument and applicable local law	8		
9	Income required to be distributed currently	9		
10	Other amounts paid, credited, or otherwise required to be distributed	10		
11	Total distributions. Add lines 9 and 10. If greater than line 8, see instructions	11		
12	Enter the amount of tax-exempt income included on line 11	12	500	00
13	Tentative income distribution deduction. Subtract line 12 from line 11	13		
14	Tentative income distribution deduction. Subtract line 2 from line 7. If zero or less, enter -0-	14		
15	Income distribution deduction. Enter the smaller of line 13 or line 14 here and on page 1, line 18	15		

Schedule G Tax Computation (see instructions)

1	Tax: a Tax on taxable income (see instructions)	1a		
	b Tax on lump-sum distributions. Attach Form 4972	1b		
	c Alternative minimum tax (from Schedule I (Form 1041), line 56)	1c		
	d Total. Add lines 1a through 1c	1d		
2a	Foreign tax credit. Attach Form 1116	2a		
b	General business credit. Attach Form 3800	2b		
c	Credit for prior year minimum tax. Attach Form 8801	2c		
d	Bond credits. Attach Form 8912	2d		
3	Total credits. Add lines 2a through 2d	3		
4	Subtract line 3 from line 1d. If zero or less, enter -0-	4		
5	Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611	5		
6	Household employment taxes. Attach Schedule H (Form 1040)	6		
7	Total tax. Add lines 4 through 6. Enter here and on page 1, line 23	7		

Other Information

		Yes	No
1	Did the estate or trust receive tax-exempt income? If "Yes," attach a computation of the allocation of expenses. Enter the amount of tax-exempt interest income and exempt-interest dividends ▶ \$ 500.00		
2	Did the estate or trust receive all or any part of the earnings (salary, wages, and other compensation) of any individual by reason of a contract assignment or similar arrangement?		
3	At any time during calendar year 2012, did the estate or trust have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶		
4	During the tax year, did the estate or trust receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the estate or trust may have to file Form 3520. See instructions		
5	Did the estate or trust receive, or pay, any qualified residence interest on seller-provided financing? If "Yes," see the instructions for required attachment		
6	If this is an estate or a complex trust making the section 663(b) election, check here (see instructions) ▶ <input type="checkbox"/>		
7	To make a section 643(e)(3) election, attach Schedule D (Form 1041), and check here (see instructions) ▶ <input type="checkbox"/>		
8	If the decedent's estate has been open for more than 2 years, attach an explanation for the delay in closing the estate, and check here ▶ <input type="checkbox"/>		
9	Are any present or future trust beneficiaries skip persons? See instructions		

**SCHEDULE C
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business
(Sole Proprietorship)

► **For information on Schedule C and its instructions, go to www.irs.gov/schedulec.**
► **Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.**

OMB No. 1545-0074

2012
Attachment
Sequence No. **09**

Name of proprietor <u>Megenta Trust</u>		Social security number (SSN)
A Principal business or profession, including product or service (see instructions) <u>Goods and Services</u>	B Enter code from instructions ► <u>5 6 1 6 0 0</u>	
C Business name. If no separate business name, leave blank. <u>Megenta Convience Store</u>	D Employer ID number (EIN), (see instr.) <u>0 0 4 0 1 2 3 4 5</u>	
E Business address (including suite or room no.) ► <u>1st Test Street</u> City, town or post office, state, and ZIP code <u>Lanham, MD 20706</u>		
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 2012? If "No," see instructions for limit on losses		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
H If you started or acquired this business during 2012, check here		<input checked="" type="checkbox"/>
I Did you make any payments in 2012 that would require you to file Form(s) 1099? (see instructions)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
J If "Yes," did you or will you file required Forms 1099?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part I Income

1 Gross receipts or sales. See instructions for line 1 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	<input type="checkbox"/>	1	185000	00
2 Returns and allowances (see instructions)		2	10000	00
3 Subtract line 2 from line 1		3	175000	00
4 Cost of goods sold (from line 42)		4	48500	00
5 Gross profit. Subtract line 4 from line 3		5	126500	00
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)		6		
7 Gross income. Add lines 5 and 6		7	126500	00

Part II Expenses

Enter expenses for business use of your home only on line 30.

8 Advertising	8	5000	00	18 Office expense (see instructions)	18	500		
9 Car and truck expenses (see instructions).	9	7000	00	19 Pension and profit-sharing plans	19			
10 Commissions and fees	10			20 Rent or lease (see instructions):	20a			
11 Contract labor (see instructions)	11			a Vehicles, machinery, and equipment	20b	20000		
12 Depletion	12			b Other business property	21	5000		
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions).	13			21 Repairs and maintenance	22			
14 Employee benefit programs (other than on line 19)	14			22 Supplies (not included in Part III)	23			
15 Insurance (other than health)	15	8000		23 Taxes and licenses	24			
16 Interest:				24 Travel, meals, and entertainment:	24a			
a Mortgage (paid to banks, etc.)	16a			a Travel	24b			
b Other	16b			b Deductible meals and entertainment (see instructions)	25	6000		
17 Legal and professional services	17	10000		25 Utilities	26			
18 Total expenses before expenses for business use of home. Add lines 8 through 27a				26 Wages (less employment credits)	27a			
29 Tentative profit or (loss). Subtract line 28 from line 7				27a Other expenses (from line 48)	27b			
30 Expenses for business use of your home. Attach Form 8829 . Do not report such expenses elsewhere				b Reserved for future use				
31 Net profit or (loss). Subtract line 30 from line 29.								
<ul style="list-style-type: none"> • If a profit, enter on both Form 1040, line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32. 					31	65000		
<ul style="list-style-type: none"> 32 If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both Form 1040, line 12, (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see the line 31 instructions). 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.		

Part III Cost of Goods Sold (see instructions)

33 Method(s) used to value closing inventory: **a** Cost **b** Lower of cost or market **c** Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation . . .	35	55000
36 Purchases less cost of items withdrawn for personal use	36	30000
37 Cost of labor. Do not include any amounts paid to yourself	37	
38 Materials and supplies	38	
39 Other costs	39	
40 Add lines 35 through 39	40	85000
41 Inventory at end of year	41	36500
42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4	42	48500

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ 01 / 01 / 2012

44 Of the total number of miles you drove your vehicle during 2012, enter the number of miles you used your vehicle for:

a Business 6000 **b** Commuting (see instructions) 10000 **c** Other _____

45 Was your vehicle available for personal use during off-duty hours? Yes No

46 Do you (or your spouse) have another vehicle available for personal use?. Yes No

47a Do you have evidence to support your deduction? Yes No

b If "Yes," is the evidence written? Yes No

Part V Other Expenses. List below business expenses not included on lines 8–26 or line 30.

48 **Total other expenses.** Enter here and on line 27a **48**

**SCHEDULE H
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Household Employment Taxes

(For Social Security, Medicare, Withheld Income, and Federal Unemployment (FUTA) Taxes)

▶ **Attach to Form 1040, 1040NR, 1040-SS, or 1041.**
▶ **See separate instructions.**

OMB No. 1545-1971

2012
Attachment
Sequence No. **44**

Name of employer

Social security number

Employer identification number

Megenta Trust

0 0 4 0 1 2 3 4 5

A Did you pay **any one** household employee cash wages of \$1,800 or more in 2012? (If any household employee was your spouse, your child under age 21, your parent, or anyone under age 18, see the line A instructions before you answer this question.)

- Yes.** Skip lines B and C and go to line 1.
- No.** Go to line B.

B Did you withhold federal income tax during 2012 for any household employee?

- Yes.** Skip line C and go to line 5.
- No.** Go to line C.

C Did you pay **total** cash wages of \$1,000 or more in **any** calendar **quarter** of 2011 or 2012 to **all** household employees? (**Do not** count cash wages paid in 2011 or 2012 to your spouse, your child under age 21, or your parent.)

- No. Stop.** Do not file this schedule.
- Yes.** Skip lines 1-7 and go to line 8. (Calendar year taxpayers having no household employees in 2012 **do not** have to complete this form for 2012.)

Part I Social Security, Medicare, and Federal Income Taxes

1 Total cash wages subject to social security taxes	1	11,000	00		
2 Social security taxes. Multiply line 1 by 10.4% (.104)	2			1144	00
3 Total cash wages subject to Medicare taxes	3	11,000	00		
4 Medicare taxes. Multiply line 3 by 2.9% (.029)	4			319	00
5 Federal income tax withheld, if any	5			462	00
6 Total social security, Medicare, and federal income taxes. Add lines 2, 4, and 5	6			1925	00

7 Did you pay **total** cash wages of \$1,000 or more in **any** calendar **quarter** of 2011 or 2012 to **all** household employees? (**Do not** count cash wages paid in 2011 or 2012 to your spouse, your child under age 21, or your parent.)

- No. Stop.** Include the amount from line 6 above on Form 1040, line 59a. If you are not required to file Form 1040, see the line 7 instructions.
- Yes.** Go to line 8.

Part II Federal Unemployment (FUTA) Tax

	Yes	No
8 Did you pay unemployment contributions to only one state? (If you paid contributions to a credit reduction state, see instructions and check "No.")	8 <input checked="" type="checkbox"/>	<input type="checkbox"/>
9 Did you pay all state unemployment contributions for 2012 by April 15, 2013? Fiscal year filers see instructions	9 <input checked="" type="checkbox"/>	<input type="checkbox"/>
10 Were all wages that are taxable for FUTA tax also taxable for your state's unemployment tax?	10 <input checked="" type="checkbox"/>	<input type="checkbox"/>

Next: If you checked the "Yes" box on **all** the lines above, complete Section A.
 If you checked the "No" box on **any** of the lines above, skip Section A and complete Section B.

Section A

11 Name of the state where you paid unemployment contributions ▶ MD		
12 Contributions paid to your state unemployment fund	12 660	
13 Total cash wages subject to FUTA tax		13 11000
14 FUTA tax. Multiply line 13 by .6% (.006). Enter the result here, skip Section B, and go to line 23		14 66

Section B

15 Complete all columns below that apply (if you need more space, see instructions):

(a) Name of state	(b) Taxable wages (as defined in state act)	(c) State experience rate period		(d) State experience rate	(e) Multiply col. (b) by .054	(f) Multiply col. (b) by col. (d)	(g) Subtract col. (f) from col. (e). If zero or less, enter -0-	(h) Contributions paid to state unemployment fund
		From	To					
16 Totals						16		
17 Add columns (g) and (h) of line 16						17		
18 Total cash wages subject to FUTA tax (see the line 13 instructions)							18	
19 Multiply line 18 by 6.0% (.060)							19	
20 Multiply line 18 by 5.4% (.054)					20			
21 Enter the smaller of line 17 or line 20 (Employers in a credit reduction state must use the worksheet on page H-7 and check here) <input type="checkbox"/>							21	
22 FUTA tax. Subtract line 21 from line 19. Enter the result here and go to line 23							22	

Part III Total Household Employment Taxes

23 Enter the amount from line 6. If you checked the "Yes" box on line C of page 1, enter -0-	23 1925
24 Add line 14 (or line 22) and line 23	24 1991

25 Are you required to file Form 1040?
 Yes. Stop. Include the amount from line 24 above on Form 1040, line 59a. **Do not** complete Part IV below.
 No. You may have to complete Part IV. See instructions for details.

Part IV Address and Signature— Complete this part **only** if required. See the line 25 instructions.

Address (number and street) or P.O. box if mail is not delivered to street address _____ Apt., room, or suite no. _____

City, town or post office, state, and ZIP code _____

Under penalties of perjury, I declare that I have examined this schedule, including accompanying statements, and to the best of my knowledge and belief, it is true, correct, and complete. No part of any payment made to a state unemployment fund claimed as a credit was, or is to be, deducted from the payments to employees. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Employer's signature _____	Date _____
Print/Type preparer's name Red W Blue	Preparer's signature _____
Firm's name ▶ Red White and Blue	Firm's EIN ▶ 00-4044321
Firm's address ▶ 1234 2nd Test Street, Baltimore, MD 21201	Phone no. 410-111-2345
Check <input checked="" type="checkbox"/> if self-employed	
PTIN P00987654	

Final K-1

Amended K-1

**Schedule K-1
(Form 1041)**

Department of the Treasury
Internal Revenue Service

2012

For calendar year 2012,
or tax year beginning January 1, 2012,
and ending December 31, 20 12

Beneficiary's Share of Income, Deductions, Credits, etc.

▶ See back of form and instructions.

Part I Information About the Estate or Trust

A Estate's or trust's employer identification number
00-4012345

B Estate's or trust's name
Megenta Trust

C Fiduciary's name, address, city, state, and ZIP code
Cyan Megenta
1st Test Street
Lanham, Md 20706

D Check if Form 1041-T was filed and enter the date it was filed

E Check if this is the final Form 1041 for the estate or trust

Part II Information About the Beneficiary

F Beneficiary's identifying number
213-00-8712

G Beneficiary's name, address, city, state, and ZIP code
Ruby Red Grape
6th Test Street
Lanham, MD 20706

H Domestic beneficiary Foreign beneficiary

Part III Beneficiary's Share of Current Year Income, Deductions, Credits, and Other Items

1	Interest income	11	Final year deductions
	18125.00		
2a	Ordinary dividends		
	10000.00		
2b	Qualified dividends		
3	Net short-term capital gain		
4a	Net long-term capital gain		
4b	28% rate gain	12	Alternative minimum tax adjustment
4c	Unrecaptured section 1250 gain		
5	Other portfolio and nonbusiness income		
6	Ordinary business income		
	16250.00		
7	Net rental real estate income	13	Credits and credit recapture
8	Other rental income		
9	Directly apportioned deductions		
		14	Other information
10	Estate tax deduction		

*See attached statement for additional information.
Note. A statement must be attached showing the beneficiary's share of income and directly apportioned deductions from each business, rental real estate, and other rental activity.

For IRS Use Only

**Schedule K-1
(Form 1041)**

Department of the Treasury
Internal Revenue Service

2012

For calendar year 2012,
or tax year beginning January 1, 2012,
and ending December 31, 20 12

Beneficiary's Share of Income, Deductions, Credits, etc.

▶ See back of form and instructions.

Part I Information About the Estate or Trust

A Estate's or trust's employer identification number
00-4012345

B Estate's or trust's name
Megenta Trust

C Fiduciary's name, address, city, state, and ZIP code
Cyan Megenta
1st Test Street
Lanham, Md 20706

D Check if Form 1041-T was filed and enter the date it was filed

E Check if this is the final Form 1041 for the estate or trust

Part II Information About the Beneficiary

F Beneficiary's identifying number
213-00-8713

G Beneficiary's name, address, city, state, and ZIP code
Fushia Red Lime
7th Test Street
Lanham, MD 20706

H Domestic beneficiary Foreign beneficiary

Part III Beneficiary's Share of Current Year Income, Deductions, Credits, and Other Items

1	Interest income	11	Final year deductions
	18125.00		
2a	Ordinary dividends		
	10000.00		
2b	Qualified dividends		
3	Net short-term capital gain		
4a	Net long-term capital gain		
4b	28% rate gain	12	Alternative minimum tax adjustment
4c	Unrecaptured section 1250 gain		
5	Other portfolio and nonbusiness income		
6	Ordinary business income		
	16250.00		
7	Net rental real estate income	13	Credits and credit recapture
8	Other rental income		
9	Directly apportioned deductions		
		14	Other information
10	Estate tax deduction		

*See attached statement for additional information.
Note. A statement must be attached showing the beneficiary's share of income and directly apportioned deductions from each business, rental real estate, and other rental activity.

For IRS Use Only

Final K-1

Amended K-1

**Schedule K-1
(Form 1041)**

Department of the Treasury
Internal Revenue Service

2012

For calendar year 2012,
or tax year beginning January 1, 2012,
and ending December 31, 20 12

Beneficiary's Share of Income, Deductions, Credits, etc.

▶ See back of form and instructions.

Part I Information About the Estate or Trust

A Estate's or trust's employer identification number
00-4012345

B Estate's or trust's name
Megenta Trust

C Fiduciary's name, address, city, state, and ZIP code
Cyan Megenta
1st Test Street
Lanham, Md 20706

D Check if Form 1041-T was filed and enter the date it was filed

E Check if this is the final Form 1041 for the estate or trust

Part II Information About the Beneficiary

F Beneficiary's identifying number
213-00-8714

G Beneficiary's name, address, city, state, and ZIP code
Blue Red Coconut
8th Street
Lanham, MD 20706

H Domestic beneficiary Foreign beneficiary

Part III Beneficiary's Share of Current Year Income, Deductions, Credits, and Other Items

1	Interest income	11	Final year deductions
	18125.00		
2a	Ordinary dividends		
	10000.00		
2b	Qualified dividends		
3	Net short-term capital gain		
4a	Net long-term capital gain		
4b	28% rate gain	12	Alternative minimum tax adjustment
4c	Unrecaptured section 1250 gain		
5	Other portfolio and nonbusiness income		
6	Ordinary business income		
	16250.00		
7	Net rental real estate income	13	Credits and credit recapture
8	Other rental income		
9	Directly apportioned deductions		
		14	Other information
10	Estate tax deduction		

*See attached statement for additional information.
Note. A statement must be attached showing the beneficiary's share of income and directly apportioned deductions from each business, rental real estate, and other rental activity.

For IRS Use Only

Final K-1

Amended K-1

**Schedule K-1
(Form 1041)**

Department of the Treasury
Internal Revenue Service

2012

For calendar year 2012,
or tax year beginning January 1, 2012,
and ending December 31, 20 12

Beneficiary's Share of Income, Deductions, Credits, etc.

▶ See back of form and instructions.

Part I Information About the Estate or Trust

A Estate's or trust's employer identification number
00-4012345

B Estate's or trust's name
Megenta Trust

C Fiduciary's name, address, city, state, and ZIP code
Cyan Megenta
1st Test Street
Lanham, Md 20706

D Check if Form 1041-T was filed and enter the date it was filed

E Check if this is the final Form 1041 for the estate or trust

Part II Information About the Beneficiary

F Beneficiary's identifying number
000-09-8715

G Beneficiary's name, address, city, state, and ZIP code
Green Red Kiwi
9th Street
Lanham, MD 20706

H Domestic beneficiary Foreign beneficiary

Part III Beneficiary's Share of Current Year Income, Deductions, Credits, and Other Items

1	Interest income	11	Final year deductions
	18125.00		
2a	Ordinary dividends		
	10000.00		
2b	Qualified dividends		
3	Net short-term capital gain		
4a	Net long-term capital gain		
4b	28% rate gain	12	Alternative minimum tax adjustment
4c	Unrecaptured section 1250 gain		
5	Other portfolio and nonbusiness income		
6	Ordinary business income		
	16250.00		
7	Net rental real estate income	13	Credits and credit recapture
8	Other rental income		
9	Directly apportioned deductions		
		14	Other information
10	Estate tax deduction		

*See attached statement for additional information.
Note. A statement must be attached showing the beneficiary's share of income and directly apportioned deductions from each business, rental real estate, and other rental activity.

For IRS Use Only

Recapture of Investment Credit

▶ **Attach to your income tax return.**
 ▶ **Information about Form 4255 and its instructions is at www.irs.gov/form4255.**

Name(s) as shown on return <u>Cyan Megenta</u>	Identifying number <u>00-4012345</u>
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Properties	Type of property—State whether rehabilitation, energy, qualifying advanced coal project, qualifying gasification project, qualifying advanced energy project, or qualifying therapeutic discovery project property. (See the Instructions for Form 3468 for the year the investment credit property was placed in service for definitions.) If rehabilitation property, also show type of building. If energy property, show type.
A	<u>Rehabilitation Credit</u>
B	
C	
D	

Original Investment Credit

Computation Steps: (see Specific Instructions)		Properties			
		A	B	C	D
1 Original rate of credit	1	50000.00			
2 Cost or other basis	2	50000.00			
3 Original credit (see instructions)	3	50000.00			
4 Date property was placed in service	4	1-1-2011			
5 Date property ceased to be qualified investment credit property	5	1-30-2011			
6 Number of full years between the date on line 4 and the date on line 5	6	1			

Recapture Tax

7 Recapture percentage (see instructions)	7	80			
8 Tentative recapture tax. Multiply line 3 by the percentage on line 7	8	40000.00			
9 Add all the amounts on line 8	9				40000.00
10 Enter the tentative recapture tax from property for which there was an increase in nonqualified nonrecourse financing. Attach a separate statement (see instructions)	10				
11 Add lines 9 and 10	11				40000.00
12 Unused credits (see instructions)	12				
13 Subtract line 12 from line 11. See section 45K(b)(4) if you claim the nonconventional source fuel credit. Electing large partnerships, see instructions	13				40000.00
14 Recapture of qualifying therapeutic discovery project grant. Attach statement (see instructions)	14				
15 Total increase in tax. Add lines 13 and 14. Enter here and on the appropriate line of your tax return	15				40000.00

For Paperwork Reduction Act Notice, see instructions.

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

Department of the Treasury
Internal Revenue Service

▶ Attach to your tax return.

▶ Information about Form 4797 and its separate instructions is at www.irs.gov/form4797.

Attachment
Sequence No. **27**

Name(s) shown on return Cyan Megenta		Identifying number 00-4012345
1 Enter the gross proceeds from sales or exchanges reported to you for 2012 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)	1	83,000.00

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)

2	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
	Building	092710	090712	170,000.00	10,000	97,000.	83,000.00
3	Gain, if any, from Form 4684, line 39						3
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37						4
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824						5
6	Gain, if any, from line 32, from other than casualty or theft.						6
7	Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:						7 83,000.00
8	Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.						8
9	Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.						9 83,000.00
8	Nonrecaptured net section 1231 losses from prior years (see instructions)						8
9	Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions)						9 83,000.00

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):						
11 Loss, if any, from line 7						11 ()
12 Gain, if any, from line 7 or amount from line 8, if applicable						12
13 Gain, if any, from line 31						13 11,000.00
14 Net gain or (loss) from Form 4684, lines 31 and 38a						14
15 Ordinary gain from installment sales from Form 6252, line 25 or 36						15
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824.						16
17 Combine lines 10 through 16						17 11,000.00
18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:						
a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions						18a
b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14						18b

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255
(see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A 2008 Ford F250	2-10-2009	4-19-2012
B 2007 Honda Accord	11-25-2007	5-15-2012
C		
D		

These columns relate to the properties on lines 19A through 19D. ▶		Property A	Property B	Property C	Property D
20 Gross sales price (Note: See line 1 before completing.)	20	6500.00	4500.00		
21 Cost or other basis plus expense of sale	21	11528.00	15796.00		
22 Depreciation (or depletion) allowed or allowable.	22	11528.00	15796.00		
23 Adjusted basis. Subtract line 22 from line 21.	23	0	0		
24 Total gain. Subtract line 23 from line 20	24	6500.00	4500.00		
25 If section 1245 property:					
a Depreciation allowed or allowable from line 22	25a	11528.00	15796.00		
b Enter the smaller of line 24 or 25a	25b	6500.00	4500.00		
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a Additional depreciation after 1975 (see instructions)	26a				
b Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b				
c Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c				
d Additional depreciation after 1969 and before 1976.	26d				
e Enter the smaller of line 26c or 26d	26e				
f Section 291 amount (corporations only)	26f				
g Add lines 26b, 26e, and 26f.	26g				
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).					
a Soil, water, and land clearing expenses	27a				
b Line 27a multiplied by applicable percentage (see instructions)	27b				
c Enter the smaller of line 24 or 27b	27c				
28 If section 1254 property:					
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion (see instructions)	28a				
b Enter the smaller of line 24 or 28a	28b				
29 If section 1255 property:					
a Applicable percentage of payments excluded from income under section 126 (see instructions)	29a				
b Enter the smaller of line 24 or 29a (see instructions)	29b				

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30 Total gains for all properties. Add property columns A through D, line 24	30	11000.00
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	11000.00
32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(see instructions)

	(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years.	33	
34 Recomputed depreciation (see instructions)	34	
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35	

Disclosure Statement

Do not use this form to disclose items or positions that are contrary to Treasury regulations. Instead, use Form 8275-R, Regulation Disclosure Statement. See separate instructions.

▶ **Attach to your tax return.**

Name(s) shown on return

Cyan Megenta

Identifying number shown on return

004012345

Part I General Information (see instructions)

(a) Rev. Rul., Rev. Proc., etc.	(b) Item or Group of Items	(c) Detailed Description of Items	(d) Form or Schedule	(e) Line No.	(f) Amount
1 1.6662	Building	Building depreciation for tax year 2012	4797	2	10,000.00
2					
3					
4					
5					
6					

Part II Detailed Explanation (see instructions)

- 1 **Recurring depreciable item. The building depreciated by 10,000.00**
- 2
- 3
- 4
- 5
- 6

Part III Information About Pass-Through Entity. To be completed by partners, shareholders, beneficiaries, or residual interest holders.

Complete this part only if you are making adequate disclosure for a pass-through item.

Note: A pass-through entity is a partnership, S corporation, estate, trust, regulated investment company (RIC), real estate investment trust (REIT), or real estate mortgage investment conduit (REMIC).

1 Name, address, and ZIP code of pass-through entity	2 Identifying number of pass-through entity
	3 Tax year of pass-through entity / / to / /
	4 Internal Revenue Service Center where the pass-through entity filed its return

