

Test Scenario 3 – Jeff Brown

Test Scenario 3
Taxpayer: Jeff Brown
SSN: 400-00-1033

Test Scenario 3 includes the following forms:

- Form 1040
- Form W-2
- Form 2106
- Form 8283
- Schedule A (Form 1040)
- Schedule B (Form 1040)

Additional Instructions: PIN Type Code = “Practitioner”

Taxpayer is not covered by a retirement plan
Taxpayer included occupation (Paralegal) and phone
Number (555-555-5511)
For the Qualified Motor Vehicle Taxes the \$49,500 vehicle
Was bought in a state with a fixed general sales tax rate of 6%
For this scenario assume spouse (Wanda Brown) itemize on her return.

The following 4 attachments are included in test scenario 3:

Other Deductible Tax Statement (Form 1040 Schedule A) Line 8

Description	Amount
Test Item 1	100
Test Item 2	200

Form 1098 Recipient Name TIN Address Statement
(Form 1040 Schedule A Line 11)

Name of Recipient	Identifying Number	Address
Tom Orange	400-00-1005	7 Test Road NY, NY 10007

Other Expenses Statement (Form 1040 Schedule A) Line 23

Description	Amount
Safe Deposit Box	100

Other Miscellaneous Deductions Statement

Description	Amount
Federal Estate Tax	100

Label

(See instructions on page 14.)

Use the IRS label.

Otherwise, please print or type.

Form header section including name, address, and social security numbers.

Presidential Election Campaign

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

Filing Status

- 1 Single, 2 Married filing jointly, 3 Married filing separately, 4 Head of household, 5 Qualifying widow(er)

Exemptions

Exemptions section including dependent table and total exemptions claimed.

Income

Income section with lines 7 through 22 for various income types.

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see page 22.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

Adjusted Gross Income

Adjusted Gross Income section with lines 23 through 37 for deductions.

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 <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	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 400-00-1033		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 113,000		2 Federal income tax withheld 22,000					
c Employer's name, address, and ZIP code THE LAW FIRM 3 APRICOT DR BUFFALO, NY 14202				3 Social security wages 106,800		4 Social security tax withheld 6,622					
				5 Medicare wages and tips 113,000		6 Medicare tax withheld 1,639					
				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. JEFF BROWN 5 THIRD TEST AVE NEW YORK, NY 10007				11 Nonqualified plans		12a See instructions for box 12 C C C C C C C C C C					
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b C C C C C C C C C C					
				14 Other		12c C C C C C C C C C C					
						12d C C C C C C C C C C					
f Employee's address and ZIP code											
15 State Employer's state ID number NY 69-0000004		16 State wages, tips, etc. 113,000		17 State income tax 3,500		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.

Employee Business Expenses

▶ See separate instructions.

▶ Attach to Form 1040 or Form 1040NR.

Your name JEFF BROWN	Occupation in which you incurred expenses PARALEGAL	Social security number 400-00-1033
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Part I Employee Business Expenses and Reimbursements

Step 1 Enter Your Expenses	Column A Other Than Meals and Entertainment	Column B Meals and Entertainment
1 Vehicle expense from line 22 or line 29. (Rural mail carriers: See instructions.)	1	
2 Parking fees, tolls, and transportation, including train, bus, etc., that did not involve overnight travel or commuting to and from work	2 176	
3 Travel expense while away from home overnight, including lodging, airplane, car rental, etc. Do not include meals and entertainment	3 300	
4 Business expenses not included on lines 1 through 3. Do not include meals and entertainment	4 100	
5 Meals and entertainment expenses (see instructions)		1100
6 Total expenses. In Column A, add lines 1 through 4 and enter the result. In Column B, enter the amount from line 5	6	

Note: If you were not reimbursed for any expenses in Step 1, skip line 7 and enter the amount from line 6 on line 8.

Step 2 Enter Reimbursements Received From Your Employer for Expenses Listed in Step 1

7 Enter reimbursements received from your employer that were not reported to you in box 1 of Form W-2. Include any reimbursements reported under code "L" in box 12 of your Form W-2 (see instructions).	7	500	100
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Step 3 Figure Expenses To Deduct on Schedule A (Form 1040 or Form 1040NR)

8 Subtract line 7 from line 6. If zero or less, enter -0-. However, if line 7 is greater than line 6 in Column A, report the excess as income on Form 1040, line 7 (or on Form 1040NR, line 8)	8	2516	1000
Note: If both columns of line 8 are zero, you cannot deduct employee business expenses. Stop here and attach Form 2106 to your return.			
9 In Column A, enter the amount from line 8. In Column B, multiply line 8 by 50% (.50). (Employees subject to Department of Transportation (DOT) hours of service limits: Multiply meal expenses incurred while away from home on business by 80% (.80) instead of 50%. For details, see instructions.)	9	2516	500
10 Add the amounts on line 9 of both columns and enter the total here. Also, enter the total on Schedule A (Form 1040), line 21 (or on Schedule A (Form 1040NR), line 9). (Armed Forces reservists, qualified performing artists, fee-basis state or local government officials, and individuals with disabilities: See the instructions for special rules on where to enter the total.) ▶	10		

Part II Vehicle Expenses

Section A—General Information (You must complete this section if you are claiming vehicle expenses.)

		(a) Vehicle 1	(b) Vehicle 2
11	Enter the date the vehicle was placed in service	11 02 / 17 / 2010	/ /
12	Total miles the vehicle was driven during 2010	12 20000 miles	miles
13	Business miles included on line 12	13 8000 miles	miles
14	Percent of business use. Divide line 13 by line 12	14 40 %	%
15	Average daily roundtrip commuting distance	15 50 miles	miles
16	Commuting miles included on line 12	16 1500 miles	miles
17	Other miles. Add lines 13 and 16 and subtract the total from line 12	17 10500 miles	miles
18	Was your vehicle available for personal use during off-duty hours?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
19	Do you (or your spouse) have another vehicle available for personal use?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
20	Do you have evidence to support your deduction?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
21	If "Yes," is the evidence written?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Section B—Standard Mileage Rate (See the instructions for Part II to find out whether to complete this section or Section C.)

22	Multiply line 13 by 50¢ (.50). Enter the result here and on line 1	22	
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Section C—Actual Expenses

		(a) Vehicle 1		(b) Vehicle 2	
23	Gasoline, oil, repairs, vehicle insurance, etc.	23	3000		
24a	Vehicle rentals	24a	100		
b	Inclusion amount (see instructions)	24b			
c	Subtract line 24b from line 24a	24c	100		
25	Value of employer-provided vehicle (applies only if 100% of annual lease value was included on Form W-2—see instructions)	25			
26	Add lines 23, 24c, and 25.	26	3100		
27	Multiply line 26 by the percentage on line 14	27	1240		
28	Depreciation (see instructions)	28	1200		
29	Add lines 27 and 28. Enter total here and on line 1	29	2440		

Section D—Depreciation of Vehicles (Use this section only if you owned the vehicle and are completing Section C for the vehicle.)

		(a) Vehicle 1		(b) Vehicle 2	
30	Enter cost or other basis (see instructions)	30	30000		
31	Enter section 179 deduction (see instructions)	31			
32	Multiply line 30 by line 14 (see instructions if you claimed the section 179 deduction or special allowance).	32			
33	Enter depreciation method and percentage (see instructions)	33	SL 10		
34	Multiply line 32 by the percentage on line 33 (see instructions)	34			
35	Add lines 31 and 34	35			
36	Enter the applicable limit explained in the line 36 instructions	36	3060		
37	Multiply line 36 by the percentage on line 14	37			
38	Enter the smaller of line 35 or line 37. If you skipped lines 36 and 37, enter the amount from line 35. Also enter this amount on line 28 above	38	1200		

Noncash Charitable Contributions

▶ **Attach to your tax return if you claimed a total deduction of over \$500 for all contributed property.**
 ▶ **See separate instructions.**

OMB No. 1545-0908

Attachment
 Sequence No. **155**

Name(s) shown on your income tax return

Identifying number

Note. Figure the amount of your contribution deduction before completing this form. See your tax return instructions.

Section A. Donated Property of \$5,000 or Less and Certain Publicly Traded Securities—List in this section **only** items (or groups of similar items) for which you claimed a deduction of \$5,000 or less. Also, list certain publicly traded securities even if the deduction is more than \$5,000 (see instructions).

Part I Information on Donated Property—If you need more space, attach a statement.

1	(a) Name and address of the donee organization	(b) Description of donated property (For a donated vehicle, enter the year, make, model, condition, and mileage, and attach Form 1098-C if required.)
A		
B		
C		
D		
E		

Note. If the amount you claimed as a deduction for an item is \$500 or less, you do not have to complete columns (d), (e), and (f).

	(c) Date of the contribution	(d) Date acquired by donor (mo., yr.)	(e) How acquired by donor	(f) Donor's cost or adjusted basis	(g) Fair market value (see instructions)	(h) Method used to determine the fair market value
A						
B						
C						
D						
E						

Part II Partial Interests and Restricted Use Property—Complete lines 2a through 2e if you gave less than an entire interest in a property listed in Part I. Complete lines 3a through 3c if conditions were placed on a contribution listed in Part I; also attach the required statement (see instructions).

2a Enter the letter from Part I that identifies the property for which you gave less than an entire interest ▶ _____ . If Part II applies to more than one property, attach a separate statement.

b Total amount claimed as a deduction for the property listed in Part I: **(1)** For this tax year ▶ _____ .
(2) For any prior tax years ▶ _____ .

c Name and address of each organization to which any such contribution was made in a prior year (complete only if different from the donee organization above):

Name of charitable organization (donee) _____

Address (number, street, and room or suite no.) _____

City or town, state, and ZIP code _____

d For tangible property, enter the place where the property is located or kept ▶ _____

e Name of any person, other than the donee organization, having actual possession of the property ▶ _____

3a Is there a restriction, either temporary or permanent, on the donee's right to use or dispose of the donated property?

	Yes	No

b Did you give to anyone (other than the donee organization or another organization participating with the donee organization in cooperative fundraising) the right to the income from the donated property or to the possession of the property, including the right to vote donated securities, to acquire the property by purchase or otherwise, or to designate the person having such income, possession, or right to acquire?

c Is there a restriction limiting the donated property for a particular use?

**SCHEDULE A
(Form 1040)**

Itemized Deductions

OMB No. 1545-0074

2010
Attachment
Sequence No. **07**

Department of the Treasury
Internal Revenue Service (99)

▶ **Attach to Form 1040.** ▶ **See Instructions for Schedule A (Form 1040).**

Name(s) shown on Form 1040

Jeff Brown

Your social security number

400-00-1003

Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others.			
	1	Medical and dental expenses (see instructions)	1	10250
	2	Enter amount from Form 1040, line 38 <input type="text" value="2"/>	2	
	3	Multiply line 2 by 7.5% (.075)	3	
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4	
Taxes You Paid	5 State and local (check only one box):			
	a	<input checked="" type="checkbox"/> Income taxes, or	5	3500
	b	<input type="checkbox"/> General sales taxes		
	6	Real estate taxes (see instructions)	6	500
	7	New motor vehicle taxes from line 11 of the worksheet on back (for certain vehicles purchased in 2009). Skip this line if you checked box 5b	7	2970
	8	Other taxes. List type and amount ▶ <u>Test item 1 100</u> <u>Test item 2 200</u>	8	300
	9	Add lines 5 through 8	9	
Interest You Paid	10	Home mortgage interest and points reported to you on Form 1098	10	3200
	11	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying no., and address ▶ <u>Tom Orange 400-11-1005</u> <u>7 Test Road NY, NY 10007</u>	11	200
			12	200
	12	Points not reported to you on Form 1098. See instructions for special rules	12	200
	13	Mortgage insurance premiums (see instructions)	13	
	14	Investment interest. Attach Form 4952 if required. (See instructions.)	14	200
	15	Add lines 10 through 14	15	
Gifts to Charity	16	Gifts by cash or check. If you made any gift of \$250 or more, see instructions	16	600
	17	Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500	17	8000
	18	Carryover from prior year	18	100
	19	Add lines 16 through 18	19	
Casualty and Theft Losses	20	Casualty or theft loss(es). Attach Form 4684. (See instructions.)	20	
Job Expenses and Certain Miscellaneous Deductions	21	Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶	21	3016
	22	Tax preparation fees	22	100
	23	Other expenses—investment, safe deposit box, etc. List type and amount ▶ <u>Safe Deposit Box</u>	23	100
			24	
	24	Add lines 21 through 23	24	
	25	Enter amount from Form 1040, line 38 <input type="text" value="25"/>	25	
	26	Multiply line 25 by 2% (.02)	26	
27	Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-	27		
Other Miscellaneous Deductions	28	Other—from list in instructions. List type and amount ▶ <u>Federal Estate Tax 100</u>	28	100
Total Itemized Deductions	29	Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40	29	
	30	If you elect to itemize deductions even though they are less than your standard deduction, check here <input type="checkbox"/>		

SCHEDULE B
(Form 1040A or 1040)

Interest and Ordinary Dividends

OMB No. 1545-0074

2010
Attachment
Sequence No. **08**

Department of the Treasury
Internal Revenue Service (99)

▶ **Attach to Form 1040A or 1040.**

▶ **See instructions on back.**

Name(s) shown on return

Your social security number

Part I
Interest

1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see instructions on back and list this interest first. Also, show that buyer's social security number and address ▶

(See instructions on back and the instructions for Form 1040A, or Form 1040, line 8a.)

Note. If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

2 Add the amounts on line 1
3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815
4 Subtract line 3 from line 2. Enter the result here and on Form 1040A, or Form 1040, line 8a ▶

Note. If line 4 is over \$1,500, you must complete Part III.

Part II

5 List name of payer ▶

Ordinary Dividends

(See instructions on back and the instructions for Form 1040A, or Form 1040, line 9a.)

Note. If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

6 Add the amounts on line 5. Enter the total here and on Form 1040A, or Form 1040, line 9a ▶

Note. If line 6 is over \$1,500, you must complete Part III.

Part III
Foreign Accounts and Trusts

You must complete this part if you **(a)** had over \$1,500 of taxable interest or ordinary dividends; **(b)** had a foreign account; or **(c)** received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

7a At any time during 2010, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See instructions on back for exceptions and filing requirements for Form TD F 90-22.1

b If "Yes," enter the name of the foreign country ▶
8 During 2010, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See instructions on back

Amount

1

2

3

4

Amount

5

6

Yes No

(See instructions on back.)

