

ATS Test Scenario 3
Taxpayer: Lynette Heather
SSN: 400-00-1035

Test Scenario 3 includes the following forms:

- **Form 1040**
- **Form 1099-R**
- **Schedule D**
- **Schedule E**
- **Schedule F**
- **Schedule SE**
- **Form 4835**
- **Form 6252**

Identity Protection PIN: 876534

Taxpayer's Date of Birth = October 29, 1954

Taxpayer elects not to income average

Other Withholding Statement: Form 1099-R

For the year Jan. 1–Dec. 31, 2017, or other tax year beginning , 2017, ending , 20
Your first name and initial Lynette Last name Heather
If a joint return, spouse's first name and initial Last name
Home address (number and street). If you have a P.O. box, see instructions. 2525 Juniper St. Apt. no.
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). Paul, IN 83347
Foreign country name Foreign province/state/county Foreign postal code

Filing Status
1 [X] 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 instructions.) If the qualifying person is a child but not your dependent, enter this child's name here.
5 [] Qualifying widow(er) (see instructions)

Exemptions
6a [X] Yourself. If someone can claim you as a dependent, do not check box 6a.
b [] Spouse
c Dependents:
(1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) [X] if child under age 17 qualifying for child tax credit (see instructions)
d Total number of exemptions claimed 1

Income
7 Wages, salaries, tips, etc. Attach Form(s) W-2
8a Taxable interest. Attach Schedule B if required 623
b Tax-exempt interest. Do not include on line 8a
9a Ordinary dividends. Attach Schedule B if required
b Qualified dividends
10 Taxable refunds, credits, or offsets of state and local income taxes 375
11 Alimony received
12 Business income or (loss). Attach Schedule C or C-EZ
13 Capital gain or (loss). Attach Schedule D if required. If not required, check here
14 Other gains or (losses). Attach Form 4797
15a IRA distributions 15a Taxable amount 15b
16a Pensions and annuities 16a 36,852 16b Taxable amount 16b
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E
18 Farm income or (loss). Attach Schedule F
19 Unemployment compensation
20a Social security benefits 20a Taxable amount 20b
21 Other income. List type and amount
22 Combine the amounts in the far right column for lines 7 through 21. This is your total income

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

Tax and Credits

Standard Deduction for—

• People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions.

• All others: Single or Married filing separately, \$6,350 Married filing jointly or Qualifying widow(er), \$12,700 Head of household, \$9,350

38 Amount from line 37 (adjusted gross income) 38
39a Check [] You were born before January 2, 1953, [] Blind. Total boxes checked 39a []
if: [] Spouse was born before January 2, 1953, [] Blind.
b If your spouse itemizes on a separate return or you were a dual-status alien, check here 39b []
40 Itemized deductions (from Schedule A) or your standard deduction (see left margin) 40
41 Subtract line 40 from line 38 41
42 Exemptions. If line 38 is \$156,900 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instructions 42
43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- 43
44 Tax (see instructions). Check if any from: a [] Form(s) 8814 b [] Form 4972 c [] 44
45 Alternative minimum tax (see instructions). Attach Form 6251 45
46 Excess advance premium tax credit repayment. Attach Form 8962 46
47 Add lines 44, 45, and 46 47
48 Foreign tax credit. Attach Form 1116 if required 48
49 Credit for child and dependent care expenses. Attach Form 2441 49
50 Education credits from Form 8863, line 19 50
51 Retirement savings contributions credit. Attach Form 8880 51
52 Child tax credit. Attach Schedule 8812, if required. 52
53 Residential energy credit. Attach Form 5695 53
54 Other credits from Form: a [] 3800 b [] 8801 c [] 54
55 Add lines 48 through 54. These are your total credits 55
56 Subtract line 55 from line 47. If line 55 is more than line 47, enter -0- 56

Other Taxes

57 Self-employment tax. Attach Schedule SE 57
58 Unreported social security and Medicare tax from Form: a [] 4137 b [] 8919 58
59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required 59
60a Household employment taxes from Schedule H 60a
b First-time homebuyer credit repayment. Attach Form 5405 if required 60b
61 Health care: individual responsibility (see instructions) Full-year coverage [x] 61
62 Taxes from: a [] Form 8959 b [] Form 8960 c [] Instructions; enter code(s) 62
63 Add lines 56 through 62. This is your total tax 63

Payments

If you have a qualifying child, attach Schedule EIC.

64 Federal income tax withheld from Forms W-2 and 1099 64
65 2017 estimated tax payments and amount applied from 2016 return 65
66a Earned income credit (EIC) 66a
b Nontaxable combat pay election 66b
67 Additional child tax credit. Attach Schedule 8812 67
68 American opportunity credit from Form 8863, line 8 68
69 Net premium tax credit. Attach Form 8962 69
70 Amount paid with request for extension to file 70
71 Excess social security and tier 1 RRTA tax withheld 71
72 Credit for federal tax on fuels. Attach Form 4136 72
73 Credits from Form: a [] 2439 b [] Reserved c [] 8885 d [] 73
74 Add lines 64, 65, 66a, and 67 through 73. These are your total payments 74

Refund

Direct deposit? See instructions.

75 If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid 75
76a Amount of line 75 you want refunded to you. If Form 8888 is attached, check here [] 76a
b Routing number 2 2 1 2 7 7 7 3 5 c Type: [x] Checking [] Savings
d Account number 0 6 5 4 2 1 5 3
77 Amount of line 75 you want applied to your 2018 estimated tax 77

Amount You Owe

78 Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions 78
79 Estimated tax penalty (see instructions) 79

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? [] Yes. Complete below. [] No
Designee's name Phone no. Personal identification number (PIN)

Sign Here

Joint return? See instructions. Keep a copy for your records.

Your signature Date Your occupation Daytime phone number
Spouse's signature. If a joint return, both must sign. Date Spouse's occupation
If the IRS sent you an Identity Protection PIN, enter it here (see inst.) 8 7 6 5 3 4

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.

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code Primrose Retirement Fund 1231 Juniper St. Paul, ID 83347		1 Gross distribution \$ 36,852 2a Taxable amount \$ 25,321		OMB No. 1545-0119 2017 Form 1099-R		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. Copy B Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return. This information is being furnished to the Internal Revenue Service.
PAYER'S federal identification number 00-0000009		RECIPIENT'S identification number 400-00-1035		2b Taxable amount not determined <input type="checkbox"/> Total distribution <input type="checkbox"/>		
RECIPIENT'S name Lynette Heather		3 Capital gain (included in box 2a) \$		4 Federal income tax withheld \$ 5,217		August 3, 2016 DO NOT FILE
Street address (including apt. no.) 2525 Juniper St.		5 Employee contributions / Designated Roth contributions or insurance premiums \$		6 Net unrealized appreciation in employer's securities \$		
City or town, state or province, country, and ZIP or foreign postal code Paul, ID 83347		7 Distribution code(s) 7		8 Other \$ %		14 State distribution \$
10 Amount allocable to IRR within 5 years \$		9a Your percentage of total distribution %		9b Total employee contributions \$		
11 1st year of desig. Roth contrib.		FATCA filing requirement <input type="checkbox"/>		12 State tax withheld \$		17 Local distribution \$
Account number (see instructions)				13 State/Payer's state no. \$		
		15 Local tax withheld \$		16 Name of locality		

**SCHEDULE D
(Form 1040)**

Capital Gains and Losses

OMB No. 1545-0074

Department of the Treasury
Internal Revenue Service (99)

▶ **Attach to Form 1040 or Form 1040NR.**
▶ **Go to www.irs.gov/ScheduleD for instructions and the latest information.**
▶ **Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9, and 10.**

2017
Attachment
Sequence No. **12**

Name(s) shown on return

Lynette Heather

Your social security number

400-00-1035

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
1a Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b	9,062	4,995		4,067
1b Totals for all transactions reported on Form(s) 8949 with Box A checked				
2 Totals for all transactions reported on Form(s) 8949 with Box B checked				
3 Totals for all transactions reported on Form(s) 8949 with Box C checked				
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824				4
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				5
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet in the instructions				6 ()
7 Net short-term capital gain or (loss). Combine lines 1a through 6 in column (h). If you have any long-term capital gains or losses, go to Part II below. Otherwise, go to Part III on the back				7

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
8a Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b	7,052	4,600		2,452
8b Totals for all transactions reported on Form(s) 8949 with Box D checked				
9 Totals for all transactions reported on Form(s) 8949 with Box E checked				
10 Totals for all transactions reported on Form(s) 8949 with Box F checked				
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824				11
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				12
13 Capital gain distributions. See the instructions				13
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet in the instructions				14 ()
15 Net long-term capital gain or (loss). Combine lines 8a through 14 in column (h). Then go to Part III on the back				15

Part III Summary

<p>16 Combine lines 7 and 15 and enter the result</p> <ul style="list-style-type: none"> • If line 16 is a gain, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below. • If line 16 is a loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22. • If line 16 is zero, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22. 	16	
<p>17 Are lines 15 and 16 both gains?</p> <p><input type="checkbox"/> Yes. Go to line 18.</p> <p><input type="checkbox"/> No. Skip lines 18 through 21, and go to line 22.</p>		
<p>18 If you are required to complete the 28% Rate Gain Worksheet (see instructions), enter the amount, if any, from line 7 of that worksheet ▶</p>	18	0
<p>19 If you are required to complete the Unrecaptured Section 1250 Gain Worksheet (see instructions), enter the amount, if any, from line 18 of that worksheet ▶</p>	19	0
<p>20 Are lines 18 and 19 both zero or blank?</p> <p><input type="checkbox"/> Yes. Complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). Don't complete lines 21 and 22 below.</p> <p><input type="checkbox"/> No. Complete the Schedule D Tax Worksheet in the instructions. Don't complete lines 21 and 22 below.</p>		
<p>21 If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the smaller of:</p> <ul style="list-style-type: none"> • The loss on line 16 or • (\$3,000), or if married filing separately, (\$1,500) } <p>Note: When figuring which amount is smaller, treat both amounts as positive numbers.</p>	21 ()	
<p>22 Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b?</p> <p><input type="checkbox"/> Yes. Complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42).</p> <p><input type="checkbox"/> No. Complete the rest of Form 1040 or Form 1040NR.</p>		

**SCHEDULE E
(Form 1040)**

Supplemental Income and Loss

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

OMB No. 1545-0074

2017

Attachment
Sequence No. **13**

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040, 1040NR, or Form 1041.

▶ Go to www.irs.gov/ScheduleE for instructions and the latest information.

Name(s) shown on return

Your social security number

Lynette Heather

400-00-1035

Part I Income or Loss From Rental Real Estate and Royalties Note: If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

A Did you make any payments in 2017 that would require you to file Form(s) 1099? (see instructions) Yes No

B If "Yes," did you or will you file required Forms 1099? Yes No

1a	Physical address of each property (street, city, state, ZIP code)				
A					
B					
C					
1b	Type of Property (from list below)	2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	Fair Rental Days	Personal Use Days	QJV
A		A			<input type="checkbox"/>
B		B			<input type="checkbox"/>
C		C			<input type="checkbox"/>

Type of Property:

- 1 Single Family Residence
- 2 Multi-Family Residence
- 3 Vacation/Short-Term Rental
- 4 Commercial
- 5 Land
- 6 Royalties
- 7 Self-Rental
- 8 Other (describe)

Income:	Properties:	A	B	C
3 Rents received	3			
4 Royalties received	4			
Expenses:				
5 Advertising	5			
6 Auto and travel (see instructions)	6			
7 Cleaning and maintenance	7			
8 Commissions.	8			
9 Insurance	9			
10 Legal and other professional fees	10			
11 Management fees	11			
12 Mortgage interest paid to banks, etc. (see instructions)	12			
13 Other interest.	13			
14 Repairs.	14			
15 Supplies	15			
16 Taxes	16			
17 Utilities.	17			
18 Depreciation expense or depletion	18			
19 Other (list) ▶	19			
20 Total expenses. Add lines 5 through 19	20			
21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21			
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	()	()	()
23a Total of all amounts reported on line 3 for all rental properties	23a			
b Total of all amounts reported on line 4 for all royalty properties	23b			
c Total of all amounts reported on line 12 for all properties	23c			
d Total of all amounts reported on line 18 for all properties	23d			
e Total of all amounts reported on line 20 for all properties	23e			
24 Income. Add positive amounts shown on line 21. Do not include any losses	24			
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here	25	()		
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26			

Name(s) shown on return. Do not enter name and social security number if shown on other side.

Your social security number

Lynette Heather

400-00-1035

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations Note: If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See instructions.

27 Are you reporting any loss not allowed in a prior year due to the at-risk, excess farm loss, or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered "Yes," see instructions before completing this section. Yes No

Table with 5 columns: (a) Name, (b) Enter P for partnership; S for S corporation, (c) Check if foreign partnership, (d) Employer identification number, (e) Check if any amount is not at risk. Rows A, B, C, D.

Passive Income and Loss

Nonpassive Income and Loss

Table with 5 columns: (f) Passive loss allowed, (g) Passive income from Schedule K-1, (h) Nonpassive loss from Schedule K-1, (i) Section 179 expense deduction from Form 4562, (j) Nonpassive income from Schedule K-1. Rows A, B, C, D, 29a Totals, 29b Totals, 30, 31, 32.

Part III Income or Loss From Estates and Trusts

Table with 2 columns: (a) Name, (b) Employer identification number. Rows A, B.

Passive Income and Loss

Nonpassive Income and Loss

Table with 4 columns: (c) Passive deduction or loss allowed, (d) Passive income from Schedule K-1, (e) Deduction or loss from Schedule K-1, (f) Other income from Schedule K-1. Rows A, B, 34a Totals, 34b Totals, 35, 36, 37.

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) - Residual Holder

Table with 5 columns: (a) Name, (b) Employer identification number, (c) Excess inclusion from Schedules Q, line 2c, (d) Taxable income (net loss) from Schedules Q, line 1b, (e) Income from Schedules Q, line 3b. Rows 38, 39.

Part V Summary

Table with 2 columns: Description, Amount. Rows 40, 41, 42, 43.

**SCHEDULE F
(Form 1040)**

Profit or Loss From Farming

OMB No. 1545-0074

2017
Attachment
Sequence No. **14**

Department of the Treasury
Internal Revenue Service (99)

▶ **Attach to Form 1040, Form 1040NR, Form 1041, Form 1065, or Form 1065-B.**
▶ **Go to www.irs.gov/ScheduleF for instructions and the latest information.**

Name of proprietor Lynette Heather		Social security number (SSN) 400-00-1035	
A Principal crop or activity Floral Plants	B Enter code from Part IV 1 1 1 4 0 0	C Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual	D Employer ID number (EIN), (see instr)
E Did you "materially participate" in the operation of this business during 2017? If "No," see instructions for limit on passive losses <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		F Did you make any payments in 2017 that would require you to file Form(s) 1099 (see instructions)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
G If "Yes," did you or will you file required Forms 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No			

Part I Farm Income—Cash Method. Complete Parts I and II (Accrual method. Complete Parts II and III, and Part I, line 9.)

1a Sales of livestock and other resale items (see instructions)	1a	5,115	
b Cost or other basis of livestock or other items reported on line 1a	1b	0	
c Subtract line 1b from line 1a	1c		
2 Sales of livestock, produce, grains, and other products you raised	2		
3a Cooperative distributions (Form(s) 1099-PATR)	3a		3b Taxable amount
4a Agricultural program payments (see instructions)	4a		4b Taxable amount
5a Commodity Credit Corporation (CCC) loans reported under election	5a		5a
b CCC loans forfeited	5b		5c Taxable amount
6 Crop insurance proceeds and federal crop disaster payments (see instructions)			
a Amount received in 2017	6a		6b Taxable amount
c If election to defer to 2018 is attached, check here <input type="checkbox"/>	6d Amount deferred from 2016		6d
7 Custom hire (machine work) income	7		
8 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	8		
9 Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions	9		

Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living expenses. See instructions.

10 Car and truck expenses (see instructions). Also attach Form 4562	10		23 Pension and profit-sharing plans	23	
11 Chemicals	11		24 Rent or lease (see instructions):		
12 Conservation expenses (see instructions)	12		a Vehicles, machinery, equipment	24a	
13 Custom hire (machine work)	13		b Other (land, animals, etc.)	24b	
14 Depreciation and section 179 expense (see instructions)	14		25 Repairs and maintenance	25	
15 Employee benefit programs other than on line 23	15		26 Seeds and plants	26	
16 Feed	16		27 Storage and warehousing	27	
17 Fertilizers and lime	17	250	28 Supplies	28	358
18 Freight and trucking	18		29 Taxes	29	410
19 Gasoline, fuel, and oil	19	415	30 Utilities	30	555
20 Insurance (other than health)	20	350	31 Veterinary, breeding, and medicine	31	
21 Interest:			32 Other expenses (specify):		
a Mortgage (paid to banks, etc.)	21a		a -----	32a	
b Other	21b		b -----	32b	
22 Labor hired (less employment credits)	22		c -----	32c	
			d -----	32d	
			e -----	32e	
			f -----	32f	
33 Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions	33			33	
34 Net farm profit or (loss). Subtract line 33 from line 9	34			34	
If a profit, stop here and see instructions for where to report. If a loss, complete lines 35 and 36.					
35 Did you receive an applicable subsidy in 2017? See instructions <input type="checkbox"/> Yes <input type="checkbox"/> No					
36 Check the box that describes your investment in this activity and see instructions for where to report your loss.					
a <input type="checkbox"/> All investment is at risk. b <input type="checkbox"/> Some investment is not at risk.					

Part III Farm Income—Accrual Method (see instructions).

37	Sales of livestock, produce, grains, and other products (see instructions)			37	
38a	Cooperative distributions (Form(s) 1099-PATR)	38a		38b	Taxable amount
39a	Agricultural program payments	39a		39b	Taxable amount
40	Commodity Credit Corporation (CCC) loans:				
a	CCC loans reported under election			40a	
b	CCC loans forfeited	40b		40c	Taxable amount
41	Crop insurance proceeds			41	
42	Custom hire (machine work) income			42	
43	Other income (see instructions)			43	
44	Add amounts in the right column for lines 37 through 43 (lines 37, 38b, 39b, 40a, 40c, 41, 42, and 43)			44	
45	Inventory of livestock, produce, grains, and other products at beginning of the year. Do not include sales reported on Form 4797		45		
46	Cost of livestock, produce, grains, and other products purchased during the year		46		
47	Add lines 45 and 46		47		
48	Inventory of livestock, produce, grains, and other products at end of year		48		
49	Cost of livestock, produce, grains, and other products sold. Subtract line 48 from line 47*			49	
50	Gross income. Subtract line 49 from line 44. Enter the result here and on Part I, line 9			50	

*If you use the unit-livestock-price method or the farm-price method of valuing inventory and the amount on line 48 is larger than the amount on line 47, subtract line 47 from line 48. Enter the result on line 49. Add lines 44 and 49. Enter the total on line 50 and on Part I, line 9.

Part IV Principal Agricultural Activity Codes



Do not file Schedule F (Form 1040) to report the following.

- Income from providing agricultural services such as soil preparation, veterinary, farm labor, horticultural, or management for a fee or on a contract basis. Instead file Schedule C (Form 1040) or Schedule C-EZ (Form 1040).
- Income from breeding, raising, or caring for dogs, cats, or other pet animals. Instead file Schedule C (Form 1040) or Schedule C-EZ (Form 1040).
- Sales of livestock held for draft, breeding, sport, or dairy purposes. Instead file Form 4797.

These codes for the Principal Agricultural Activity classify farms by their primary activity to facilitate the administration of the Internal Revenue Code. These six-digit codes are based on the North American Industry Classification System (NAICS).

Select the code that best identifies your primary farming activity and enter the six-digit number on line B.

Crop Production

- 111100 Oilseed and grain farming
- 111210 Vegetable and melon farming

- 111300 Fruit and tree nut farming
- 111400 Greenhouse, nursery, and floriculture production
- 111900 Other crop farming

Animal Production

- 112111 Beef cattle ranching and farming
- 112112 Cattle feedlots
- 112120 Dairy cattle and milk production
- 112210 Hog and pig farming
- 112300 Poultry and egg production
- 112400 Sheep and goat farming
- 112510 Aquaculture
- 112900 Other animal production

Forestry and Logging

- 113000 Forestry and logging (including forest nurseries and timber tracts)

**SCHEDULE SE
(Form 1040)**

Self-Employment Tax

OMB No. 1545-0074

2017
Attachment
Sequence No. **17**

Department of the Treasury
Internal Revenue Service (99)

► Go to www.irs.gov/ScheduleSE for instructions and the latest information.
► Attach to Form 1040 or Form 1040NR.

Name of person with self-employment income (as shown on Form 1040 or Form 1040NR)

Social security number of person with self-employment income ►

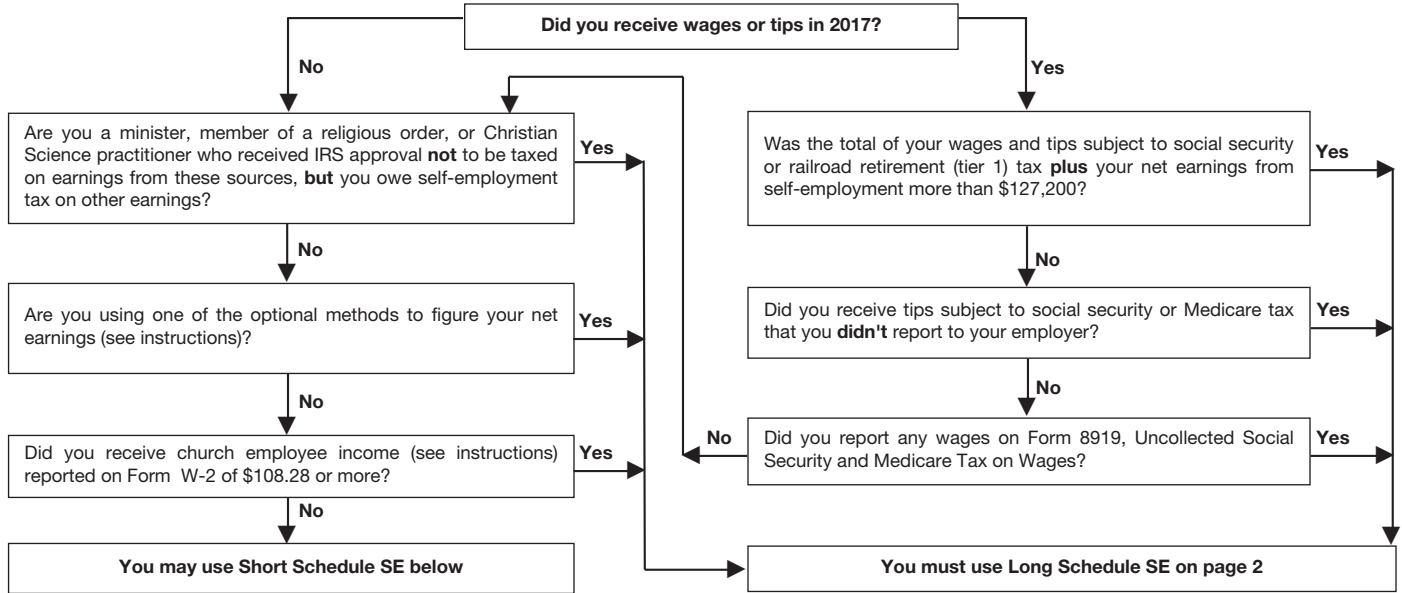
400-00-1035

Lynette Heather

Before you begin: To determine if you must file Schedule SE, see the instructions.

May I Use Short Schedule SE or Must I Use Long Schedule SE?

Note: Use this flowchart **only** if you must file Schedule SE. If unsure, see *Who Must File Schedule SE* in the instructions.



Section A—Short Schedule SE. Caution: Read above to see if you can use Short Schedule SE.

1a	Net farm profit or (loss) from Schedule F, line 34, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A		
1b	If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included on Schedule F, line 4b, or listed on Schedule K-1 (Form 1065), box 20, code Z	()
2	Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. Ministers and members of religious orders, see instructions for types of income to report on this line. See instructions for other income to report		
3	Combine lines 1a, 1b, and 2		
4	Multiply line 3 by 92.35% (0.9235). If less than \$400, you don't owe self-employment tax; don't file this schedule unless you have an amount on line 1b. ►		
5	Self-employment tax. If the amount on line 4 is: • \$127,200 or less, multiply line 4 by 15.3% (0.153). Enter the result here and on Form 1040, line 57, or Form 1040NR, line 55 • More than \$127,200, multiply line 4 by 2.9% (0.029). Then, add \$15,772.80 to the result. Enter the total here and on Form 1040, line 57, or Form 1040NR, line 55		
6	Deduction for one-half of self-employment tax. Multiply line 5 by 50% (0.50). Enter the result here and on Form 1040, line 27, or Form 1040NR, line 27		
		6	

Name of person with **self-employment** income (as shown on Form 1040 or Form 1040NR)

Social security number of person with **self-employment** income ▶

Section B—Long Schedule SE

Part I Self-Employment Tax

Note: If your only income subject to self-employment tax is **church employee income**, see instructions. Also see instructions for the definition of church employee income.

A If you are a minister, member of a religious order, or Christian Science practitioner **and** you filed Form 4361, but you had \$400 or more of **other** net earnings from self-employment, check here and continue with Part I

1a	Net farm profit or (loss) from Schedule F, line 34, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A. Note: Skip lines 1a and 1b if you use the farm optional method (see instructions)		
b	If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included on Schedule F, line 4b, or listed on Schedule K-1 (Form 1065), box 20, code Z	()
2	Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. Ministers and members of religious orders, see instructions for types of income to report on this line. See instructions for other income to report. Note: Skip this line if you use the nonfarm optional method (see instructions)		
3	Combine lines 1a, 1b, and 2		
4a	If line 3 is more than zero, multiply line 3 by 92.35% (0.9235). Otherwise, enter amount from line 3 Note: If line 4a is less than \$400 due to Conservation Reserve Program payments on line 1b, see instructions.		
b	If you elect one or both of the optional methods, enter the total of lines 15 and 17 here		
c	Combine lines 4a and 4b. If less than \$400, stop ; you don't owe self-employment tax. Exception: If less than \$400 and you had church employee income , enter -0- and continue ▶		
5a	Enter your church employee income from Form W-2. See instructions for definition of church employee income	5a	
b	Multiply line 5a by 92.35% (0.9235). If less than \$100, enter -0-	5b	
6	Add lines 4c and 5b	6	
7	Maximum amount of combined wages and self-employment earnings subject to social security tax or the 6.2% portion of the 7.65% railroad retirement (tier 1) tax for 2017	7	127,200 00
8a	Total social security wages and tips (total of boxes 3 and 7 on Form(s) W-2) and railroad retirement (tier 1) compensation. If \$127,200 or more, skip lines 8b through 10, and go to line 11	8a	
b	Unreported tips subject to social security tax (from Form 4137, line 10)	8b	
c	Wages subject to social security tax (from Form 8919, line 10)	8c	
d	Add lines 8a, 8b, and 8c	8d	
9	Subtract line 8d from line 7. If zero or less, enter -0- here and on line 10 and go to line 11 ▶	9	
10	Multiply the smaller of line 6 or line 9 by 12.4% (0.124)	10	
11	Multiply line 6 by 2.9% (0.029)	11	
12	Self-employment tax. Add lines 10 and 11. Enter here and on Form 1040, line 57, or Form 1040NR, line 55	12	
13	Deduction for one-half of self-employment tax. Multiply line 12 by 50% (0.50). Enter the result here and on Form 1040, line 27, or Form 1040NR, line 27	13	

Part II Optional Methods To Figure Net Earnings (see instructions)

Farm Optional Method. You may use this method only if (a) your gross farm income ¹ wasn't more than \$7,800, or (b) your net farm profits ² were less than \$5,631.			
14	Maximum income for optional methods	14	5,200 00
15	Enter the smaller of: two-thirds (2/3) of gross farm income ¹ (not less than zero) or \$5,200. Also include this amount on line 4b above	15	
Nonfarm Optional Method. You may use this method only if (a) your net nonfarm profits ³ were less than \$5,631 and also less than 72.189% of your gross nonfarm income, ⁴ and (b) you had net earnings from self-employment of at least \$400 in 2 of the prior 3 years. Caution: You may use this method no more than five times.			
16	Subtract line 15 from line 14	16	
17	Enter the smaller of: two-thirds (2/3) of gross nonfarm income ⁴ (not less than zero) or the amount on line 16. Also include this amount on line 4b above	17	

¹ From Sch. F, line 9, and Sch. K-1 (Form 1065), box 14, code B.

² From Sch. F, line 34, and Sch. K-1 (Form 1065), box 14, code A—minus the amount you would have entered on line 1b had you not used the optional method.

³ From Sch. C, line 31; Sch. C-EZ, line 3; Sch. K-1 (Form 1065), box 14, code A; and Sch. K-1 (Form 1065-B), box 9, code J1.

⁴ From Sch. C, line 7; Sch. C-EZ, line 1; Sch. K-1 (Form 1065), box 14, code C; and Sch. K-1 (Form 1065-B), box 9, code J2.

Farm Rental Income and Expenses
(Crop and Livestock Shares (Not Cash) Received by Landowner (or Sub-Lessor))
(Income not subject to self-employment tax)

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040 or Form 1040NR.
▶ Go to www.irs.gov/Form4835 for the latest information.

Name(s) shown on tax return
Lynette Heather

Your social security number
400-00-1035
Employer ID number (EIN), if any

A Did you actively participate in the operation of this farm during 2017? See instructions Yes No

Part I Gross Farm Rental Income—Based on Production. Include amounts converted to cash or the equivalent.

1	Income from production of livestock, produce, grains, and other crops	1	9,000
2a	Cooperative distributions (Form(s) 1099-PATR)	2a	0
2b	Taxable amount	2b	
3a	Agricultural program payments (see instructions)	3a	0
3b	Taxable amount	3b	
4	Commodity Credit Corporation (CCC) loans (see instructions):		
a	CCC loans reported under election	4a	0
b	CCC loans forfeited	4b	0
4c	Taxable amount	4c	
5	Crop insurance proceeds and federal crop disaster payments (see instructions):		
a	Amount received in 2017	5a	0
5b	Taxable amount	5b	
c	If election to defer to 2018 is attached, check here <input type="checkbox"/> 5d Amount deferred from 2016	5d	
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	0
7	Gross farm rental income. Add amounts in the right column for lines 1 through 6. Enter the total here and on Schedule E (Form 1040), line 42. ▶	7	

Part II Expenses—Farm Rental Property. Do not include personal or living expenses.

8	Car and truck expenses (see Schedule F (Form 1040) instructions). Also attach Form 4562	8		21	Pension and profit-sharing plans	21	
9	Chemicals	9		22	Rent or lease:		
10	Conservation expenses (see instructions)	10		a	Vehicles, machinery, and equipment (see instructions)	22a	
11	Custom hire (machine work)	11		b	Other (land, animals, etc.)	22b	
12	Depreciation and section 179 expense deduction not claimed elsewhere	12		23	Repairs and maintenance	23	
13	Employee benefit programs other than on line 21 (see Schedule F (Form 1040) instructions).	13		24	Seeds and plants	24	
14	Feed	14		25	Storage and warehousing	25	
15	Fertilizers and lime	15		26	Supplies	26	
16	Freight and trucking	16		27	Taxes	27	650
17	Gasoline, fuel, and oil	17	875	28	Utilities	28	
18	Insurance (other than health).	18	320	29	Veterinary, breeding, and medicine	29	
19	Interest:			30	Other expenses (specify):		
a	Mortgage (paid to banks, etc.)	19a	1,250	a	-----	30a	
b	Other	19b		b	-----	30b	
20	Labor hired (less employment credits) (see Schedule F (Form 1040) instructions)	20		c	-----	30c	
				d	-----	30d	
				e	-----	30e	
				f	-----	30f	
				g	-----	30g	
31	Total expenses. Add lines 8 through 30g. See instructions ▶	31				31	
32	Net farm rental income or (loss). Subtract line 31 from line 7. If the result is income, enter it here and on Schedule E (Form 1040), line 40. If the result is a loss, you must go to lines 33 and 34. See instructions	32				32	
33	Did you receive an applicable subsidy in 2017? See instructions	33	<input type="checkbox"/> Yes <input type="checkbox"/> No			33	
34	If line 32 is a loss, check the box that describes your investment in this activity. See instructions	34a	<input type="checkbox"/> All investment is at risk.			34a	
		34b	<input type="checkbox"/> Some investment is not at risk.			34b	
c	You may have to complete Form 8582 to determine your deductible loss, regardless of which box you checked. If you checked box 34b, you must complete Form 6198 before going to Form 8582. In either case, enter the deductible loss here and on Schedule E (Form 1040), line 40. See instructions	34c				34c	

Installment Sale Income

▶ **Attach to your tax return.**
 ▶ **Use a separate form for each sale or other disposition of property on the installment method.**
 ▶ **Go to www.irs.gov/Form6252 for the latest information.**

Name(s) shown on return
 Lynette Heather

Identifying number
 400-00-1035

- 1** Description of property ▶ Land
- 2a** Date acquired (mm/dd/yyyy) ▶ 10/01/2001 **b** Date sold (mm/dd/yyyy) ▶ 10/01/2007
- 3** Was the property sold to a related party (see instructions) after May 14, 1980? If "No," skip line 4 Yes No
- 4** Was the property you sold to a related party a marketable security? If "Yes," complete Part III. If "No," complete Part III for the year of sale and the 2 years after the year of sale Yes No

Part I Gross Profit and Contract Price. Complete this part for the year of sale only.

5 Selling price including mortgages and other debts. Don't include interest, whether stated or unstated	5		
6 Mortgages, debts, and other liabilities the buyer assumed or took the property subject to (see instructions)	6		
7 Subtract line 6 from line 5	7		
8 Cost or other basis of property sold	8		
9 Depreciation allowed or allowable	9		
10 Adjusted basis. Subtract line 9 from line 8	10		
11 Commissions and other expenses of sale	11		
12 Income recapture from Form 4797, Part III (see instructions)	12		
13 Add lines 10, 11, and 12	13		
14 Subtract line 13 from line 5. If zero or less, don't complete the rest of this form (see instructions)	14		
15 If the property described on line 1 above was your main home, enter the amount of your excluded gain (see instructions). Otherwise, enter -0-	15		
16 Gross profit. Subtract line 15 from line 14	16		
17 Subtract line 13 from line 6. If zero or less, enter -0-	17		
18 Contract price. Add line 7 and line 17	18		

Part II Installment Sale Income. Complete this part for the year of sale **and** any year you receive a payment or have certain debts you must treat as a payment on installment obligations.

19 Gross profit percentage (expressed as a decimal amount). Divide line 16 by line 18. (For years after the year of sale see instructions)	19		.40
20 If this is the year of sale, enter the amount from line 17. Otherwise, enter -0-	20		0
21 Payments received during year (see instructions). Don't include interest, whether stated or unstated	21		4,000
22 Add lines 20 and 21	22		
23 Payments received in prior years (see instructions). Don't include interest, whether stated or unstated	23	13,000	
24 Installment sale income. Multiply line 22 by line 19	24		
25 Enter the part of line 24 that is ordinary income under the recapture rules (see instructions)	25		0
26 Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797 (see instructions)	26		

Part III Related Party Installment Sale Income. **Don't** complete if you received the final payment this tax year.

- 27** Name, address, and taxpayer identifying number of related party _____
- 28** Did the related party resell or dispose of the property ("second disposition") during this tax year? Yes No
- 29** If the answer to question 28 is "Yes," complete lines 30 through 37 below unless one of the following conditions is met. Check the box that applies.
- a** The second disposition was more than 2 years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of disposition (mm/dd/yyyy) . . . ▶ _____
- b** The first disposition was a sale or exchange of stock to the issuing corporation.
- c** The second disposition was an involuntary conversion and the threat of conversion occurred after the first disposition.
- d** The second disposition occurred after the death of the original seller or buyer.
- e** It can be established to the satisfaction of the IRS that tax avoidance wasn't a principal purpose for either of the dispositions. If this box is checked, attach an explanation (see instructions).
- | | | | |
|--|-----------|--|--|
| 30 Selling price of property sold by related party (see instructions) | 30 | | |
| 31 Enter contract price from line 18 for year of first sale | 31 | | |
| 32 Enter the smaller of line 30 or line 31 | 32 | | |
| 33 Total payments received by the end of your 2017 tax year (see instructions) | 33 | | |
| 34 Subtract line 33 from line 32. If zero or less, enter -0- | 34 | | |
| 35 Multiply line 34 by the gross profit percentage on line 19 for year of first sale | 35 | | |
| 36 Enter the part of line 35 that is ordinary income under the recapture rules (see instructions) | 36 | | |
| 37 Subtract line 36 from line 35. Enter here and on Schedule D or Form 4797 (see instructions) | 37 | | |