

ATS Test Scenario 9
Taxpayer: Edward White
SSN: 400-00-1047

Test Scenario 9 includes the following forms:

- **Form 1040**
- **Form W-2**
- **Form 8854**

Additional information:

Taxpayer's Date of Birth = August 17, 1979
Taxpayer became a citizen by birth
No previous Form 8854 filed

For the year Jan. 1–Dec. 31, 2017, or other tax year beginning , 2017, ending , 20 See separate instructions. Your first name and initial Edward Last name Smith Your social security number 4 0 0 0 1 0 4 7

Home address (number and street). If you have a P.O. box, see instructions. 28 Greek Street Apt. no. London Foreign country name UK Foreign province/state/county Foreign postal code W1D5DQ

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.) 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 7 8a Taxable interest. Attach Schedule B if required 8a b Tax-exempt interest. Do not include on line 8a 8b 9a Ordinary dividends. Attach Schedule B if required 9a b Qualified dividends 9b 10 Taxable refunds, credits, or offsets of state and local income taxes 10 500 11 Alimony received 11 12 Business income or (loss). Attach Schedule C or C-EZ 12 13 Capital gain or (loss). Attach Schedule D if required. If not required, check here [] 13 14 Other gains or (losses). Attach Form 4797 14 15a IRA distributions 15a b Taxable amount 15b 16a Pensions and annuities 16a b Taxable amount 16b 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 17 18 Farm income or (loss). Attach Schedule F 18 19 Unemployment compensation 19 20a Social security benefits 20a b Taxable amount 20b 21 Other income. List type and amount 21 22 Combine the amounts in the far right column for lines 7 through 21. This is your total income 22

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

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)
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)
41 Subtract line 40 from line 38
42 Exemptions. If line 38 is \$156,900 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instructions
43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-
44 Tax (see instructions). Check if any from: a [] Form(s) 8814 b [] Form 4972 c []
45 Alternative minimum tax (see instructions). Attach Form 6251
46 Excess advance premium tax credit repayment. Attach Form 8962
47 Add lines 44, 45, and 46
48 Foreign tax credit. Attach Form 1116 if required
49 Credit for child and dependent care expenses. Attach Form 2441
50 Education credits from Form 8863, line 19
51 Retirement savings contributions credit. Attach Form 8880
52 Child tax credit. Attach Schedule 8812, if required.
53 Residential energy credit. Attach Form 5695
54 Other credits from Form: a [] 3800 b [] 8801 c []
55 Add lines 48 through 54. These are your total credits
56 Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-

Other Taxes

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

Payments

If you have a qualifying child, attach Schedule EIC.

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

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
76a Amount of line 75 you want refunded to you. If Form 8888 is attached, check here
b Routing number
c Type: [] Checking [] Savings
d Account number
77 Amount of line 75 you want applied to your 2018 estimated tax

Amount You Owe

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

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.)

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.

a Employee's social security number 400-00-1047		OMB No. 1545-0008		Safe, accurate, FAST! Use				Visit the IRS website at www.irs.gov/efile		
b Employer identification number (EIN) 00-0000057				1 Wages, tips, other compensation 115,000		2 Federal income tax withheld 25,100				
c Employer's name, address, and ZIP code T Rowe Price 223 E. Concord Street Orlando, FL 32801				3 Social security wages 115,000		4 Social security tax withheld 7,130				
				5 Medicare wages and tips 115,000		6 Medicare tax withheld 1,668				
				7 Social security tips		8 Allocated tips				
d Control number				9 Verification code		10 Dependent care benefits				
e Employee's first name and initial Last name Suff. Edward White 28 Greek Street London, W1D5Q				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		16 State wages, tips, etc.		17 State income tax		18 Local wages, tips, etc.		19 Local income tax		20 Locality name

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

2017

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.

Initial and Annual Expatriation Statement

Department of the Treasury
Internal Revenue Service

For calendar year 2017 or other tax year beginning _____, 2017, and ending _____, 20

▶ Go to www.irs.gov/Form8854 for instructions and the latest information.
▶ Please print or type.

2017
Attachment
Sequence No. **112**

Name Edward White Identifying number (see instructions) 400-00-1047

Part I General Information. For all filers.

1 Mailing address and telephone number where you can be reached after expatriation 28 Greek Street
London, UK W1D 5DQ 12 345 222 0000

2 Address of principal foreign residence (if different from line 1) _____

3 Country of tax residence (if different from line 2) _____

4 **Expatriation date.** Check the box that applies (see instructions).

- June 4, 2004 – June 16, 2008. Complete Parts II and V
- June 17, 2008 – December 31, 2016. Complete Part III if:
 - You made an election to defer the payment of tax on a prior year Form 8854,
 - You have an item of eligible deferred compensation, or
 - You have an interest in a nongrantor trust.
 Otherwise, you don't need to file Form 8854.
- January 1, 2017 – December 31, 2017. Complete Parts IV and V

5 Date of notification of expatriating act, termination of residency, or claim of treaty benefits (see instructions).

- Citizen. Date notification given to Department of State December 8, 2017
- Long-term resident. Date notification given to Department of Homeland Security _____
- Long-term resident with dual residency in a treaty country. Date commencing to be treated, for tax purposes, as a resident of the treaty country _____

6 Number of days you were physically present in the United States in the current year 28

7 List all countries (other than the United States) of which you are a citizen.

a Name of country UK

b Date you became a citizen of each country listed in line 7a December 8, 2009

8 How you became a U.S. citizen By birth By naturalization

Part II For Persons Who Expatriated After June 3, 2004, and Before June 17, 2008

1 Did you complete Form 8854 for any period after June 3, 2004, and before June 17, 2008?
 No. If you expatriated for immigration purposes after June 3, 2004, and before June 17, 2008, but have not previously filed a Form 8854, you continue to be treated as a U.S. citizen or U.S. lawful permanent resident for U.S. income tax purposes until the day that you file this form. Because you didn't file Form 8854 for the year of expatriation for immigration purposes, you are subject to the alternative tax in section 877(b) for the 10-year period beginning on the date that you file this form (see instructions).

Yes. Tax year for which Form 8854 first filed _____ . Go to line 2.

2 Were you physically present in the United States for more than 30 days but not more than 60 days during the tax year? **Yes** **No**

a If you checked "Yes" to line 2, were you performing services for an unrelated employer? **Yes** **No**

b If you checked "Yes" to line 2a, are you a citizen or resident, fully liable for income tax, in the country in which you were born, your spouse was born, or either of your parents was born? **Yes** **No**

Next: Go to Part V.

Part III For Persons Who Expatriated After June 16, 2008, and Before January 1, 2017

- If you made an election to defer the payment of tax, complete line 1.
- If you have an item of eligible deferred compensation, complete line 2.
- If you have an interest in a nongrantor trust, complete line 3.

1 Complete columns (a), (b), and (c) for all property on which you deferred tax on a prior year Form 8854. Complete column (d) for any property you disposed of in 2017 and see the instructions for Part III.

(a) Description of property	(b) Amount of mark-to-market gain or (loss) reported on prior year Form 8854	(c) Amount of tax deferred on prior year Form 8854	(d) Date of disposition (if any)

- 2** Did you receive any distributions of eligible deferred compensation items for 2017? Yes No
 If "Yes," Amount of distribution: _____ Amount withheld at source, if any: _____
- 3** Did you receive any distributions from a nongrantor trust for 2017? Yes No
 If "Yes," Amount of distribution: _____ Amount withheld at source, if any: _____

Part IV For Persons Who Expatriated During 2017

Section A Expatriation Information

- 1** Enter your U.S. income tax liability (after foreign tax credits) for the 5 tax years ending before the date of expatriation.
- | 1st Year
Before Expatriation | 2nd Year
Before Expatriation | 3rd Year
Before Expatriation | 4th Year
Before Expatriation | 5th Year
Before Expatriation |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| \$ <u>27,000</u> | \$ <u>26,000</u> | \$ <u>25,000</u> | \$ <u>24,000</u> | \$ <u>23,000</u> |
- 2** Enter your net worth on the date of your expatriation for tax purposes \$ 40,000
- 3** Did you become at birth a U.S. citizen and a citizen of another country, and do you continue to be a citizen of, and taxed as a resident of, that other country? Yes No
- 4** If you answered "Yes" to question 3, have you been a resident of the United States for not more than 10 of the last 15 tax years? Yes No
- 5** Were you under age 18½ on the date you expatriated and have you been a U.S. resident for not more than 10 years? Yes No
- 6** Do you certify under penalties of perjury that you have complied with all of your tax obligations for the 5 preceding tax years (see instructions)? Yes No

Section B | **Property Owned on Date of Expatriation**

Don't complete Section B if:

- Your average net income tax liability for the 5 tax years immediately before expatriation (see line 1 in Section A) wasn't more than \$162,000, your net worth (see line 2 in Section A) was under \$2 million, and you checked "Yes" on line 6 in Section A;
- In Section A, you checked "Yes" on lines 3, 4, and 6; or
- In Section A, you checked "Yes" on lines 5 and 6.

7a Do you have any **eligible deferred compensation items**? Checking the "Yes" box is an irrevocable waiver of any right to claim any reduction in withholding for such eligible deferred compensation item under any treaty with the United States **Yes** **No**

b Do you have any **ineligible deferred compensation items**? If "Yes," you must include in income the present value of your account on the day before your expatriation date **Yes** **No**

c Do you have any **specified tax deferred accounts**? If "Yes," you must include in income the entire account balance on the day before your expatriation date **Yes** **No**

d Do you have an interest in a **nongrantor trust**? Checking the "Yes" box is a waiver of any right to claim any reduction in withholding on any distribution from such trust under any treaty with the United States unless you make the election below **Yes** **No**

Check this box to elect under section 877A(f)(4)(B) to be treated as having received the value of your entire interest in the trust (as determined for purposes of section 877A) as of the day before your expatriation date. Attach a copy of your valuation letter ruling issued by the IRS (see instructions).

8 Recognition of gain or loss on the deemed sale of mark-to-market property. **Caution.** Don't include in column (a) any property described on line 7a, 7b, 7c, or 7d.

Complete column (g) only if you are deferring tax on gain from any property listed in column (a).

(a) Description of property	(b) Fair market value on day before date of expatriation	(c) Cost or other basis*	(d) Gain or (loss). Subtract (c) from (b)	(e) Gain after allocation of the exclusion amount (see instructions)	(f) Form or Schedule on which gain or loss is reported	(g) Amount of tax deferred (attach computations)
9 Total. Add the amounts in column (d) and column (e)						
10 Total tax deferred. Add the amounts in column (g). Enter here and on line 15						

*You must identify as "(h)(2)" any property for which you are making the special basis election under section 877A(h)(2). This election is irrevocable. See the instructions for Part IV, Section B, line 8, column (c).

Section C | **Deferral of Tax**

Election to defer tax. *You can defer tax only if you have provided adequate security. Adequate security is described in the instructions.*

11 Are you electing to defer tax under section 877A(b)?

Checking the "Yes" box is an irrevocable waiver of any right under any treaty of the United States that would prevent assessment or collection of any tax imposed because of section 877A.

Yes **No**

If you checked the "Yes" box, continue to line 12. Otherwise, don't complete lines 12 through 15.

12 Enter the total tax you would have reported on Form 1040, line 63, for the part of the year including the day before the expatriation date absent the deferral election	12	
13 Enter the total tax for the same part of the tax year determined without regard to the amounts attributable to section 877A(a). Attach computation	13	
14 Subtract line 13 from line 12. This is the amount of tax eligible for deferral	14	
15 Enter the total tax deferred from line 10, column (g)	15	
<ul style="list-style-type: none"> • If you are filing Form 1040, enter this amount in brackets to the left of the entry space for line 63. Identify as "EXP." • If you are filing Form 1040NR, enter this amount in brackets to the left of the entry space for line 61. Identify as "EXP." 		

DRAFT AS OF
July 31, 2017
DO NOT FILE

Part V Balance Sheet and Income Statement

Schedule A Balance Sheet

List in U.S. dollars the fair market value (column (a)) and the U.S. adjusted basis (column (b)) of your assets and liabilities as of the following date.

- Part II filers - the end of the tax year for which you are filing the form
- Part IV filers - your expatriation date. **Note:** Part IV filers don't complete column (d).

For more details, see the separate instructions.

Assets		(a) Fair market value (FMV)	(b) U.S. adjusted basis	(c) Gain or (loss). Subtract column (b) from column (a)	(d) FMV on beginning date of U.S. residency (optional, for long-term residents only)
1	Cash, including bank deposits	9,000	0	9,000	
2	Marketable stock and securities issued by U.S. companies				
3	Marketable stock and securities issued by foreign companies				
4	Nonmarketable stock and securities issued by U.S. companies				
5	Nonmarketable stock and securities issued by foreign companies				
a	Separately state stock issued by foreign companies that would be controlled foreign corporations if you were still a U.S. citizen or permanent resident (see instructions)				
b	Provide the name, address, and EIN, if any, of any such company _____				
6	Pensions from services performed in the United States				
7	Pensions from services performed outside the United States				
8	Partnership interests (see instructions)				
9	Assets held by trusts you own under sections 671 through 679 (see instructions)				
10	Beneficial interests in nongrantor trusts (see instructions)				
11	Intangibles used in the United States				
12	Intangibles used outside the United States				
13	Loans to U.S. persons				
14	Loans to foreign persons				
15	Real property located in the United States	35,000	0	35,000	
16	Real property located outside the United States				
17	Business property located in the United States				
18	Business property located outside the United States				
19	Other assets (see instructions)				
20	Total assets. Add lines 1 through 5 and lines 6 through 19. Don't include amounts on line 5a in this total				
Liabilities		Amount			
21	Installment obligations				
22	Mortgages, etc.				
23	Other liabilities (see instructions)				
24	Total liabilities. Add lines 21 through 23				
25	Net worth. Subtract line 24 from line 20, column (a).				

DRAFT AS OF
July 31, 2017
DO NOT FILE

Schedule B | **Income Statement**

Provide income information for the following period.

- Part II filers - the tax year for which you are filing the form
- Part IV filers - the part of the tax year that ends with the day before your expatriation date; but enter -0- for lines 5 through 7.

1	U.S. source gross income not effectively connected with the conduct of a U.S. trade or business.			
a	Interest	1a		
b	Dividends	1b		
c	Royalties	1c		
d	Pension distributions	1d		
e	Other	1e		
f	Total. Add lines a through e	1f		
2	Gross income that is effectively connected with the conduct of a U.S. trade or business	2		
3	Income from the performance of services in the United States	3		
4	Gains from the sale or exchange of:			
a	Property (other than stock or debt obligations) located in the United States	4a		
b	Stock issued by a U.S. domestic corporation	4b		
c	Debt obligations of U.S. persons or of the United States, a state or political subdivision thereof, or the District of Columbia	4c		
d	Total. Add lines a through c	4d		0
5	Income or gain derived from certain foreign corporations to the extent of your share of earnings and profits earned or accumulated before the date of expatriation (see instructions)	5		
6	Gains on certain exchanges of property that ordinarily wouldn't be recognized (see instructions)	6		
7	Income received or accrued by certain foreign corporations (see instructions)	7		
8	Add lines 1f, 2, 3, 4d, 5, 6, and 7	8		
9	Gross income from all other sources	9		
10	Total. Add lines 8 and 9	10		

Under penalties of perjury, I declare that I have examined this form, 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 filer) is based on all information of which preparer has any knowledge.

Sign Here

Your signature	Date
----------------	------

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	