

**SOLUTIONS FOR
QUESTIONS AND PROBLEMS**

CHAPTER 1

THE INDIVIDUAL INCOME TAX RETURN

Group 1 – Multiple Choice Questions

- | | | |
|---|----------------|--|
| 1. C (LO 1.1) | 9. C (LO 1.5) | 19. E \$25,000 = \$280,000 –
(\$290,000 – \$35,000)
(LO 1.8) |
| 2. A (LO 1.1) | 10. D (LO 1.5) | |
| 3. D (LO 1.2) | 11. E (LO 1.6) | 20. B \$44,000 = \$47,000 –
\$3,000 (LO 1.8) |
| 4. D (LO 1.2) | 12. C (LO 1.6) | |
| 5. C (LO 1.3) | 13. E (LO 1.6) | 21. B (LO 1.9) |
| 6. B (LO 1.3) | 14. D (LO 1.7) | 22. A (LO 1.9) |
| 7. C \$98,000 – \$19,000 =
\$79,000 (LO 1.4) | 15. B (LO 1.7) | 23. D (LO 1.9) |
| 8. C \$12,000 standard
deduction (LO 1.4) | 16. B (LO 1.7) | |
| | 17. D (LO 1.8) | |
| | 18. A (LO 1.8) | |

Group 2 – Problems

1. a. Raising revenue to operate the government.
b. Furthering economic goals such as reducing unemployment.
c. Furthering social goals such as encouraging contributions to charities. (LO 1.1)
2. a. **\$36,700** = \$41,000 + \$700 – \$5,000.
b. **\$24,000**, the greater of itemized deductions or the standard deduction of \$24,000.
c. **\$12,700** = \$36,700 – \$24,000. (LO 1.3)
3. a. **\$24,000**.
b. **\$12,000**, the greater of total itemized deductions or the standard deduction amount.
c. **\$12,000** = \$24,000 – \$12,000. (LO 1.3)
4. a. **\$52,300** = \$53,300 + \$1,600 + \$400 – \$3,000 (\$7,000 capital loss limited to \$3,000)
b. **\$12,000**
c. **\$0**
d. **\$40,300** = \$52,300 – \$12,000. (LO 1.3 and 1.8)
5. a. **\$48,730** = \$47,230 + \$3,500 – \$2,000.
b. **\$24,000**, the greater of itemized deductions or the standard deduction of \$24,000.
c. **\$24,730** = \$48,730 – \$24,000.
d. **\$2,586** (Tax Table) (LO 1.3, 1.5, and 1.7)

6. Adjusted gross income	\$17,400
Less: Itemized deductions	<u>-2,250</u>
Taxable income	<u>\$15,150</u>

Ulysses' tax liability from the Tax Table is **\$1,631**. Note: because they are married and filing separately and Ulysses' spouse Penelope itemizes her deductions, Ulysses must also itemize his deductions, even though the itemized deductions total less than the standard deduction he would be otherwise entitled to. (LO 1.3, 1.5, and 1.7)

7. Adjusted gross income (\$13,200 + \$1,450)	\$14,650
Less: Standard deduction	<u>-12,000</u>
Taxable income	<u>\$ 2,650</u>

(LO 1.3, 1.5, and 1.7)

(Note: See Chapter 6 for the tax computation for dependent college students under age 24.)

8. a. **\$34,300** = \$46,300 – \$12,000.
 b. Tax tables. Taxpayers with income up to \$100,000 must use the tax tables.
 c. **\$3,929**. (LO 1.3, 1.5, and 1.7)
9. a. **\$67,625** = \$49,500 + \$10,125 + \$5,000 + \$3,000.
 b. **\$64,425** = \$67,625 – \$3,200.
 c. **\$24,000**, the greater of itemized deductions or the standard deduction of \$24,000.
 d. **0**. Exemptions were repealed for 2018.
 e. **\$40,425** = \$64,425 – \$24,000.
 f. **\$4,470** (LO 1.3, 1.5, 1.6, and 1.7)
10. a. **\$88,500** = \$84,600 + \$3,900.
 b. **\$0**.
 c. **\$64,200** = \$88,500 – \$24,300. (LO 1.3, 1.5, 1.6, and 1.7)
11. Taxable income is: **\$28,750** = \$40,750 – \$12,000. Tax liability from the tax tables not the tax rate schedules: **\$3,263**. (LO 1.3, 1.5, and 1.7)
12. Yes. Since Nicoula owes Social Security taxes on the unreported tips, she must file an income tax return. (LO 1.4)
13. a. No. Income is less than the \$12,000 standard deduction.
 b. Yes. Unearned income was more than \$1,050. Also, gross income is more than the larger of \$1,050 or \$1,900 (earned income of \$1,550 plus \$350).
 c. No. Their income is under the \$25,300 standard deduction (\$24,000 + \$1,300 (over 65 years old)).
 d. No. Gross income is less than \$24,000, the 2018 standard deduction.
 e. Yes. His earnings exceeded the \$400 limit for self-employed persons.
 (Note: All answers can be found in the figures in LO 1.4.)
14. Allen **\$2,333**.
 Boyd **\$2,753**.
 Caldwell **\$3,912**.
 Dell **\$3,025**.
 Evans **\$5,845**. (LO 1.5)
15. a. D
 b. D
 c. A
 d. A
 e. B or C (LO 1.5)
16. a. Because their income exceeds \$100,000, the tax rate schedules must be used.
 b. **\$14,979** = \$8,907 + 22% x (\$105,000 – \$77,400). (LO 1.5)
17. They may file either as married filing joint or married filing separately. They must file married, since they were married by year-end. (LO 1.5)

18. Head of household. Maggie's parents meet the tests to qualify as her dependents. Maggie is single. Additionally, she provides a home for her parents. Parents are the only exception to the requirement that dependents must live in the same household as the taxpayer to qualify the taxpayer for head of household status. (LO 1.5)
19. Single. Unmarried with no dependent.
Head of household. Single or abandoned spouse, with qualifying dependent.
Qualifying widow(er). Spouse died within the past 2 years and has a qualifying dependent. (LO 1.5)
20. a. Yes, her son qualifies as a dependent, meeting the tests of a qualifying relative.
b. No. Her son must live in the same household as Mary, so Mary cannot use the head of household filing status. (LO 1.5 and 1.6)
21. a. Yes
b. No (fails gross income test)
c. Yes
d. Yes
e. No (LO 1.6)
22. \$0. Exemptions were repealed for 2018. (LO 1.6)
23. No. Because Charles is self-supporting, his parents may not claim him as a dependent. The self-support test is applied to both children and relatives who otherwise qualify, so Charles is disqualified either way. (LO 1.6)
24. No. Phillip cannot be claimed as a dependent because he is not a U.S. citizen or a resident of the U.S., Canada, or Mexico. (LO 1.6)
25. The standard deduction is a specific dollar amount that varies with filing status, age and vision, but not by type of individual deduction. Total itemized deductions depend on the amount and type of items, with some items having limitations based on AGI. They include medical expenses, certain taxes, certain interest expenses, charitable contributions and miscellaneous deductions
A taxpayer should claim the larger of the standard deduction or the total allowed itemized deductions to reduce the taxpayer's income subject to tax as much as possible. (LO 1.7)
26. The answer will vary depending on the date the problem is assigned and completed. The purpose of the problem is to familiarize the student with the IRS website. (LO 1.9)
27. The blank forms are not reproduced here. By the time the student is assigned this problem, the current year's forms should be available. (LO 1.9)
28. As long as the service animal is certified, the purchase cost of the service animal, training costs, the cost of pet food, and vet bills all may be deductible. The dog collar is probably not deductible unless part of the training. (LO 1.9)

Group 3 – Writing Assignments

1. Research Solution:

Whittenburg and Gill, CPAs
San Diego, CA
February 20, 20xx

Mr. and Mrs. William Carson
3276 Lakeline Drive
San Diego, CA

Dear William and Sheila,

Thank you for requesting my advice concerning the tax treatment of your brother Jerry. I have researched your question and am sorry to say that you cannot claim Jerry as a qualifying child.

Although Jerry meets the relationship, domicile, joint return, citizenship, and self-support test, he does not meet the age test. Even though he is a full-time student and under the age of 24, in order to be your qualifying child, he must be younger than at least one of you.

Although you can't claim him as a qualifying child, there is a possibility that you could claim Jerry as a qualifying relative if he earns less than \$4,150.

My conclusion is based upon the facts that you have provided me. I'm sorry that the news was not more favorable. If you have any questions or would like further explanation, please do not hesitate to call me.

Sincerely,
Trevor Malcolm
for Whittenburg and Gill, CPAs

2. Ethics Solution:

To: JasonandMary@email.com
Subject: Inquiry on filing status: single v. married filing jointly

Jason and Mary,

Thank you for your e-mail regarding your filing status for 2018. Let me also say, I really enjoyed your wedding ceremony and reception. Thank you for inviting me.

Your e-mail stated that you had prepared your 2018 taxes as both single and married filing jointly and found that your refund would be larger if both of you filed as single. Unfortunately, the tax law is very clear on this issue. Individuals who are married as of the last day of the tax year are considered to be married. Married taxpayers have only two filing status options: married filing jointly or married filing separately. In order to file as single, taxpayers must be unmarried or legally separated from their spouse as of the last day of the tax year. Not only would it be unethical for you to file as single, it would be against the law.

The additional tax that married couples sometimes encounter is known as the "marriage penalty." Hopefully you are finding that your wedded bliss outweighs the tax penalty!

Your friend,
Trevor Malcolm
For Whittenburg and Gill, CPAs

Group 4 – Comprehensive Problems

1. See page 31 and 32.
- 2A. See pages 33 and 34.
- 2B. See pages 35 and 36.

Group 5 – Cumulative Software Problem

The solution to the Cumulative Software Problem is posted on the website for the textbook at www.cengage.com/login.

Comprehensive Problem 1

Form	1040	Department of the Treasury—Internal Revenue Service (99)	2018	OMB No. 1545-0074	IRS Use Only—Do not write or staple in this space.
Filing status: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Married filing jointly <input type="checkbox"/> Married filing separately <input type="checkbox"/> Head of household <input type="checkbox"/> Qualifying widow(er)					
Your first name and initial Patty		Last name Banyan		Your social security number 466 33 1234	
Your standard deduction: <input type="checkbox"/> Someone can claim you as a dependent <input type="checkbox"/> You were born before January 2, 1954 <input type="checkbox"/> You are blind					
If joint return, spouse's first name and initial		Last name		Spouse's social security number	
Spouse standard deduction: <input type="checkbox"/> Someone can claim your spouse as a dependent <input type="checkbox"/> Spouse was born before January 2, 1954 <input type="checkbox"/> Spouse is blind <input type="checkbox"/> Spouse itemizes on a separate return or you were dual-status alien <input checked="" type="checkbox"/> Full-year health care coverage or exempt (see inst.)					
Home address (number and street). If you have a P.O. box, see instructions. 543 Space Drive				Apt. no.	Presidential Election Campaign (see inst.) <input type="checkbox"/> You <input type="checkbox"/> Spouse
City, town or post office, state, and ZIP code. If you have a foreign address, attach Schedule 6. Houston, TX 77099				If more than four dependents, see inst. and <input checked="" type="checkbox"/> here <input type="checkbox"/>	
Dependents (see instructions):					
(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see inst.):	
				Child tax credit	Credit for other dependents
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
Sign Here					
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.					
Joint return? See instructions. Keep a copy for your records.		Your signature	Date	Your occupation Parking Attendant	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
		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					
Preparer's name		Preparer's signature		PTIN	Firm's EIN
Firm's name ▶				Phone no.	
Firm's address ▶				Check if: <input type="checkbox"/> 3rd Party Designee <input type="checkbox"/> Self-employed	
For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.					
				Cat. No. 11320B	Form 1040 (2018)

Comprehensive Problem 1, cont.

Form 1040 (2018)		Page 2	
	1 Wages, salaries, tips, etc. Attach Form(s) W-2	1	19,800
	2a Tax-exempt interest 2a	2b Taxable interest 2b	
	3a Qualified dividends 3a	3b Ordinary dividends 3b	
	4a IRAs, pensions, and annuities 4a	4b Taxable amount 4b	
	5a Social security benefits 5a	5b Taxable amount 5b	
	6 Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22	6	19,800
	7 Adjusted gross income. If you have no adjustments to income, enter the amount from line 6; otherwise, subtract Schedule 1, line 36, from line 6	7	19,800
	8 Standard deduction or itemized deductions (from Schedule A)	8	12,000
	9 Qualified business income deduction (see instructions)	9	
	10 Taxable income. Subtract lines 8 and 9 from line 7. If zero or less, enter -0-	10	7,800
	11 a Tax (see inst.) <u>783</u> (check if any from: 1 <input type="checkbox"/> Form(s) 8814 2 <input type="checkbox"/> Form 4972 3 <input type="checkbox"/>)	11	783
	b Add any amount from Schedule 2 and check here <input type="checkbox"/>	12	
	12 a Child tax credit/credit for other dependents b Add any amount from Schedule 3 and check here <input type="checkbox"/>	12	
	13 Subtract line 12 from line 11. If zero or less, enter -0-	13	783
	14 Other taxes. Attach Schedule 4	14	
	15 Total tax. Add lines 13 and 14	15	783
	16 Federal income tax withheld from Forms W-2 and 1099	16	1,280
	17 Refundable credits: a EIC (see inst.) b Sch 8812 c Form 8863	17	
	Add any amount from Schedule 5	18	
	18 Add lines 16 and 17. These are your total payments	18	1,280
	19 If line 18 is more than line 15, subtract line 15 from line 18. This is the amount you overpaid	19	497
	20a Amount of line 19 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>	20a	497
	b Routing number c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	d Account number		
	21 Amount of line 19 you want applied to your 2019 estimated tax 21	21	
	Amount You Owe 22 Amount you owe. Subtract line 18 from line 15. For details on how to pay, see instructions 22	22	
	23 Estimated tax penalty (see instructions) 23	23	

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

Standard Deduction for—
 • Single or married filing separately, \$12,000
 • Married filing jointly or Qualifying widow(er), \$24,000
 • Head of household, \$18,000
 • If you checked any box under Standard deduction, see instructions.

Refund

Direct deposit? See instructions.

Comprehensive Problem 2A

Form 1040	Department of the Treasury—Internal Revenue Service (99)	2018	OMB No. 1545-0074	IRS Use Only—Do not write or staple in this space.
Filing status: <input type="checkbox"/> Single <input checked="" type="checkbox"/> Married filing jointly <input type="checkbox"/> Married filing separately <input type="checkbox"/> Head of household <input type="checkbox"/> Qualifying widow(er)				
Your first name and initial Leon		Last name Lazo		Your social security number 4 6 7 7 4 4 4 5 1
Your standard deduction: <input type="checkbox"/> Someone can claim you as a dependent <input type="checkbox"/> You were born before January 2, 1954 <input type="checkbox"/> You are blind				
If joint return, spouse's first name and initial Leslie		Last name Lazo		Spouse's social security number 4 6 6 4 7 3 3 1 1
Spouse standard deduction: <input type="checkbox"/> Someone can claim your spouse as a dependent <input type="checkbox"/> Spouse was born before January 2, 1954 <input checked="" type="checkbox"/> Full-year health care coverage or exempt (see inst.)				
<input type="checkbox"/> Spouse is blind <input type="checkbox"/> Spouse itemizes on a separate return or you were dual-status alien				
Home address (number and street). If you have a P.O. box, see instructions. 143 Snapdragon Drive			Apt. no.	Presidential Election Campaign (see inst.) <input type="checkbox"/> You <input type="checkbox"/> Spouse
City, town or post office, state, and ZIP code. If you have a foreign address, attach Schedule 6. Reno, NV 82102				If more than four dependents, see inst. and <input checked="" type="checkbox"/> here <input type="checkbox"/>
Dependents (see instructions):				
(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see inst.): Child tax credit Credit for other dependents
*				<input type="checkbox"/> <input type="checkbox"/>
				<input type="checkbox"/> <input type="checkbox"/>
				<input type="checkbox"/> <input type="checkbox"/>
				<input type="checkbox"/> <input type="checkbox"/>
Sign Here 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 Butcher	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
Spouse's signature. If a joint return, both must sign.		Date	Spouse's occupation Homemaker	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
Paid Preparer Use Only		Preparer's name	Preparer's signature	PTIN
		Firm's name ▶	Phone no.	
		Firm's address ▶	Firm's EIN	Check if: <input type="checkbox"/> 3rd Party Designee <input type="checkbox"/> Self-employed
For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form 1040 (2018)				

* The Lazo's son does not meet the age test nor the gross income to qualify as a dependent.

Comprehensive Problem 2A, cont.

Form 1040 (2018)		Page 2
	1 Wages, salaries, tips, etc. Attach Form(s) W-2	1 50,675
Attach Form(s) W-2. Also attach Form(s) W-2G and 1099-R if tax was withheld.	2a Tax-exempt interest 2a	2b Taxable interest 2b
	3a Qualified dividends 3a	3b Ordinary dividends 3b
	4a IRAs, pensions, and annuities 4a	4b Taxable amount 4b
	5a Social security benefits 5a	5b Taxable amount 5b
	6 Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22	6 50,675
7 Adjusted gross income. If you have no adjustments to income, enter the amount from line 6; otherwise, subtract Schedule 1, line 36, from line 6	7 50,675	
8 Standard deduction or itemized deductions (from Schedule A)	8 24,000	
9 Qualified business income deduction (see instructions)	9	
10 Taxable income. Subtract lines 8 and 9 from line 7. If zero or less, enter -0-	10 26,675	
11 a Tax (see inst.) <u>2,820</u> (check if any from: 1 <input type="checkbox"/> Form(s) 8814 2 <input type="checkbox"/> Form 4972 3 <input type="checkbox"/>)	11 2,820	
b Add any amount from Schedule 2 and check here <input type="checkbox"/>	12 2,820	
12 a Child tax credit/credit for other dependents <input type="checkbox"/> b Add any amount from Schedule 3 and check here <input type="checkbox"/>	13 2,820	
13 Subtract line 12 from line 11. If zero or less, enter -0-	14	
14 Other taxes. Attach Schedule 4	15 2,820	
15 Total tax. Add lines 13 and 14	16 3,102	
16 Federal income tax withheld from Forms W-2 and 1099	17	
17 Refundable credits: a EIC (see inst.) <input type="checkbox"/> b Sch 8812 <input type="checkbox"/> c Form 8863 <input type="checkbox"/>	18 3,102	
18 Add lines 16 and 17. These are your total payments	19 282	
19 If line 18 is more than line 15, subtract line 15 from line 18. This is the amount you overpaid	20a 282	
20a Amount of line 19 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>	21	
21 Amount of line 19 you want applied to your 2019 estimated tax 21	22	
22 Amount you owe . Subtract line 18 from line 15. For details on how to pay, see instructions 22	23	
23 Estimated tax penalty (see instructions) 23		

Standard Deduction for—

- Single or married filing separately, \$12,000
- Married filing jointly or Qualifying widow(er), \$24,000
- Head of household, \$18,000
- If you checked any box under Standard deduction, see instructions.

Direct deposit? See instructions. **b** Routing number **c** Type: Checking Savings

d Account number

Go to www.irs.gov/Form1040 for instructions and the latest information. Form **1040** (2018)

Comprehensive Problem 2B

Form	1040	Department of the Treasury—Internal Revenue Service (99)	2018	OMB No. 1545-0074	IRS Use Only—Do not write or staple in this space.
Filing status: <input type="checkbox"/> Single <input type="checkbox"/> Married filing jointly <input type="checkbox"/> Married filing separately <input checked="" type="checkbox"/> Head of household <input type="checkbox"/> Qualifying widow(er)					
Your first name and initial Abigail		Last name Boxer		Your social security number 676 73 3311	
Your standard deduction: <input type="checkbox"/> Someone can claim you as a dependent <input type="checkbox"/> You were born before January 2, 1954 <input type="checkbox"/> You are blind					
If joint return, spouse's first name and initial		Last name		Spouse's social security number	
Spouse standard deduction: <input type="checkbox"/> Someone can claim your spouse as a dependent <input type="checkbox"/> Spouse was born before January 2, 1954 <input type="checkbox"/> Spouse is blind <input type="checkbox"/> Spouse itemizes on a separate return or you were dual-status alien					
Home address (number and street). If you have a P.O. box, see instructions. 3456 Alamo Way				Apt. no.	Presidential Election Campaign (see inst.) <input type="checkbox"/> You <input type="checkbox"/> Spouse
City, town or post office, state, and ZIP code. If you have a foreign address, attach Schedule 6. San Antonio, TX 78249				If more than four dependents, see inst. and <input checked="" type="checkbox"/> here <input type="checkbox"/>	
Dependents (see instructions):					
(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see inst.):	
				Child tax credit	Credit for other dependents
Helen Boxer		676 73 3312	Daughter	<input type="checkbox"/>	<input checked="" type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
Sign Here					
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.					
Joint return? See instructions. Keep a copy for your records.		Your signature	Date	Your occupation Accountant	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
		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.)
					<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
					<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Paid Preparer Use Only					
Preparer's name		Preparer's signature		PTIN	Firm's EIN
Firm's name ▶				Phone no.	Check if:
Firm's address ▶					<input type="checkbox"/> 3rd Party Designee
					<input type="checkbox"/> Self-employed
For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.					
				Cat. No. 11320B	Form 1040 (2018)

Comprehensive Problem 2B, cont.

Form 1040 (2018)		Page 2	
	1 Wages, salaries, tips, etc. Attach Form(s) W-2	1	59,000
	2a Tax-exempt interest 2a 127	2b Taxable interest	300
	3a Qualified dividends 3a	3b Ordinary dividends	3b
	4a IRAs, pensions, and annuities 4a	4b Taxable amount	4b
	5a Social security benefits 5a	5b Taxable amount	5b
	6 Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22	6	59,300
	7 Adjusted gross income. If you have no adjustments to income, enter the amount from line 6; otherwise, subtract Schedule 1, line 36, from line 6	7	59,300
	8 Standard deduction or itemized deductions (from Schedule A)	8	18,000
	9 Qualified business income deduction (see instructions)	9	
	10 Taxable income. Subtract lines 8 and 9 from line 7. If zero or less, enter -0-	10	41,300
	11 a Tax (see inst.) <u>4,687</u> (check if any from: 1 <input type="checkbox"/> Form(s) 8814 2 <input type="checkbox"/> Form 4972 3 <input type="checkbox"/>)	11	4,687
	b Add any amount from Schedule 2 and check here <input type="checkbox"/>	11	4,687
	12 a Child tax credit/credit for other dependents <u>500</u> b Add any amount from Schedule 3 and check here <input type="checkbox"/>	12	500
	13 Subtract line 12 from line 11. If zero or less, enter -0-	13	4,187
	14 Other taxes. Attach Schedule 4	14	
	15 Total tax. Add lines 13 and 14	15	4,187
	16 Federal income tax withheld from Forms W-2 and 1099	16	5,000
	17 Refundable credits: a EIC (see inst.) b Sch 8812 c Form 8863	17	
	Add any amount from Schedule 5	17	
	18 Add lines 16 and 17. These are your total payments	18	5,000
	19 If line 18 is more than line 15, subtract line 15 from line 18. This is the amount you overpaid	19	813
	20a Amount of line 19 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>	20a	813
	b Routing number <input type="checkbox"/> c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	d Account number <input type="checkbox"/>		
	21 Amount of line 19 you want applied to your 2019 estimated tax 21	21	
Amount You Owe	22 Amount you owe . Subtract line 18 from line 15. For details on how to pay, see instructions 22	22	
	23 Estimated tax penalty (see instructions) 23	23	

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

Standard Deduction for—
 • Single or married filing separately, \$12,000
 • Married filing jointly or Qualifying widow(er), \$24,000
 • Head of household, \$18,000
 • If you checked any box under Standard deduction, see instructions.

Refund

Direct deposit? See instructions.

Key Number Tax Return Summary**Chapter 1****Comprehensive Problem 1**

Adjusted Gross Income (Line 7)	<u>19,800</u>
Taxable Income (Line 10)	<u>7,800</u>
Total Tax (Line 15)	<u>783</u>
Tax Refund (Line 20a)	<u>497</u>

Comprehensive Problem 2A

Adjusted Gross Income (Line 7)	<u>50,675</u>
Standard Deduction (Line 8)	<u>24,000</u>
Total Tax (Line 15)	<u>2,820</u>
Amount Overpaid (Line 19)	<u>282</u>

Comprehensive Problem 2B

Adjusted Gross Income (Line 7)	<u>59,300</u>
Standard Deduction (Line 8)	<u>18,000</u>
Credit for Other Dependents (Line 12)	<u>500</u>
Total Tax (Line 15)	<u>4,187</u>
Amount Overpaid (Line 19)	<u>813</u>

